

2025



ANNUAL **REPORT**

Dear Shareholders,

2025 confirms, through the strength of our results, that the TIM Group has regained a solid industrial and financial trajectory. We closed the year with revenues growing to €13.7 billion and improved profitability, reflecting a combination of cost discipline, commercial quality and the contribution from Brazil.

These results stem from clear choices we have pursued with determination: stronger strategic focus, a leaner governance structure and more selective capital allocation. In Italy we continue to work on stabilizing the business and enhancing the value of our customer base, strengthening our ability to support enterprises and Public Administration in their digital transformation through cloud, cybersecurity and advanced services. In Brazil, healthy and profitable growth continues, supported by a strong competitive position and industrial investments that in 2025 amounted to €720 million.

2025 was also a year of important developments in our capital structure and greater visibility on cash generation. The entry of Poste Italiane as our largest shareholder has brought greater stability to the ownership structure and a medium-term perspective consistent with the infrastructure nature of our sector. At the same time, a long-standing legal dispute has been resolved: the Italian Supreme Court confirmed the reimbursement of the concession fee relating to 1998, with an expected repayment of just over €1 billion, whose impact on net financial position is expected in 2026. This outcome further strengthens our financial flexibility. We are taking the same pragmatic approach to the disposal process of Sparkle, which has already been initiated and remains subject to regulatory and Golden Power approvals. We expect the transaction to be completed within the first half of 2026.

The credibility of our path is also reflected in the share price performance: over the past twelve months the market has recognized the renewed clarity of our industrial history. These are the conditions that allow us to consider a return to shareholder remuneration through a share buyback program of up to €400 million, subject to the completion of the Sparkle transaction.

Brazil deserves special mention. Beyond its strong economic performance, we continue to invest to reinforce our leadership in network quality and expand our presence in the business market. In this direction we have also completed targeted transactions such as the acquisition of V8.Tech, which strengthens our capabilities in cloud, digital transformation and artificial intelligence applications, accelerating the development of value-added services for corporate customers.

ESG objectives remain a pillar of our industrial strategy. Emissions reduction, energy efficiency, infrastructure resilience and the development of our people guide our decisions. As already achieved in Brazil since 2021, in 2025 we also reached in Italy the target of 100% electricity procurement from certified renewable sources. At the same time, we have strengthened gender balance, increasing the presence of women in leadership roles and achieving over 50% female hires among new recruits. This is a particularly meaningful result considering the company's average age - above 50 - and the profound transformation our sector is undergoing.

2025 is not a destination. It confirms a method: execution, discipline and consistent choices. With this approach we look to 2026 with three clear priorities: further strengthening cash generation, reducing financial leverage and continuing to invest in the areas where we see growth and durable value.

I would like to thank all the people of TIM who contributed to these results, and you, our Shareholders, for the attention and trust you continue to place in us.

Pietro Labriola
Chief Executive Officer
TIM Group

/ signed /



ANNUAL *REPORT*

2025

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**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

As of today, 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	Paola Camagni (independent) Lorenzo Cavalaglio (independent) Federico Ferro Luzzi (independent) Paola Giannotti De Ponti (independent) Giovanni Gorno Tempini Alessandra Perrazzelli (independent) Stefano Siragusa (independent)
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***

2025

Key operating and financial data

TIM
GROUP

REVENUES

13,734 *millions
of euros*

EBITDA

4,566 *millions
of euros*

EBITDA LIKE-FOR-LIKE

4,353 *millions
of euros*

EBITDA AFTER LEASE LIKE-FOR-LIKE

3,689 *millions
of euros*

ADJUSTED NET FINANCIAL DEBT

9,778 *millions
of euros*

ADJUSTED NET FINANCIAL DEBT AFTER LEASE

6,854 *millions
of euros*

CAPITAL EXPENDITURES

1,903 *millions
of euros*

HEADCOUNT AT YEAR END

25,602 *16,847 Headcount
Italy*

8,755 *Headcount
Outside Italy*

KEY OPERATING AND FINANCIAL DATA - TIM GROUP

Consolidated operating and financial data (*) (**)

(million euros)		2025	2024	2023	2022	2021
Revenues		13,734	13,653	14,311	15,788	15,316
EBITDA	(1)	4,566	4,744	4,645	5,347	5,080
EBIT	(1)	1,564	1,669	1,342	606	(3,529)
Profit (loss) before tax from continuing operations		707	412	(38)	(588)	(4,515)
Profit (loss) from continuing operations		595	234	(94)	(2,654)	(8,400)
Profit (loss) from Discontinued operations / Non current assets held for sale		(76)	(598)	(1,013)	—	—
Profit (loss) for the year		519	(364)	(1,107)	(2,654)	(8,400)
Profit (loss) for the year attributable to owners of the Parent		297	(610)	(1,441)	(2,925)	(8,652)
Capital Expenditures & spectrum		1,903	2,032	2,168	4,077	4,630

Consolidated financial position data (*) (**)

(million euros)		12/31/2025	12/31/2024	12/31/2023	12/31/2022	12/31/2021
Total Assets		36,734	37,663	62,159	62,027	69,187
Total Equity		13,455	13,361	17,513	18,725	22,039
- attributable to owners of the Parent		12,219	11,957	13,646	15,061	17,414
- attributable to non-controlling interests		1,236	1,404	3,867	3,664	4,625
Total Liabilities		23,279	24,302	44,646	43,302	47,148
Total Equity and Liabilities		36,734	37,663	62,159	62,027	69,187
Share capital		11,628	11,624	11,620	11,614	11,614
Net financial debt carrying amount	(1)	9,875	10,237	25,776	25,370	22,416
Adjusted Net Financial Debt	(1)	9,778	10,126	25,656	25,364	22,187
Adjusted net invested capital	(2)	23,233	23,487	43,169	44,089	44,226
Debt ratio (Adjusted net financial debt/Adjusted net invested capital)		42.1%	43.1%	59.4%	57.5%	50.2%

Consolidated profit ratios (*) (**)

		2025	2024	2023	2022	2021
EBITDA / Revenues	(1)	33.2%	34.7%	32.5%	33.9%	33.2%
EBIT / Revenues (ROS)	(1)	11.4%	12.2%	9.4%	3.8%	(23.0%)
Adjusted net financial debt/EBITDA	(1)	2.1	2.1	5.5	4.7	4.4

On April 14, 2025, TIM and Boost BidCo – a vehicle controlled by the Ministry of Economy and Finance (MEF) and invested in by Retelit – signed an agreement for the sale of Telecom Italia Sparkle, a company active in the development of fiber-optic networks for international wholesale customers. This agreement was based on the offer approved by TIM's Board of Directors on February 12, 2025. Since the conditions necessary for the full sale of the stake held in Telecom Italia Sparkle have been met and the Sparkle group has been excluded from the consolidation scope of the TIM Group (Domestic), the economic data of the Telecom Italia Sparkle group for the 2025 financial year, as well as the comparative data for the 2024 financial year, have been classified among "Discontinued operations/Non-current assets held for sale", in application of IFRS 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 for 2024 of the Business Unit subject to transfer, Telenergia S.r.l. and FiberCop S.p.A., pertaining to the TIM Group until the date of disposal, as well as the comparative figures for 2023 only, where available, 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)	12/31/2025	12/31/2024	12/31/2023	12/31/2022	12/31/2021
Headcount (excluding headcount relating to Discontinued operations/Non-current assets held for sale)	25,602	26,887	47,180	50,392	51,929
Headcount relating to Discontinued operations/Non-current assets held for sale	696	—	—	—	—

Headcount, average number in the Group ⁽¹⁾

(equivalent number)	2025	2024	2023	2022	2021
Headcount (excluding headcount relating to Discontinued operations/Non-current assets held for sale)	22,410	23,752	24,966	45,912	47,942
Headcount relating to Discontinued operations/Non-current assets held for sale	618	9,089	18,524	—	—

Financial performance measures

TIM S.p.A.

(euros)	2025	2024	2023
Share prices (December average)			
- Ordinary	0.50	0.25	0.28
- Savings shares	0.58	0.29	0.28
Market capitalization (in million euros)	11,100	5,507	5,934
Market to Book Value (*)	0.93	0.46	0.45

TIM Group

(euros)	2025	2024	2023
Basic earnings per share - ordinary shares	0.01	(0.03)	(0.07)
Basic earnings per share - savings shares	0.02	(0.03)	(0.07)
Diluted earnings per share - ordinary shares	0.01	(0.03)	(0.07)
Diluted earnings per share - savings shares	0.02	(0.03)	(0.07)

(1) Includes agency contract workers.

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

Introduction

The economic and financial results of the TIM Group and TIM S.p.A. for the 2025 financial year and the previous year presented for comparison have been prepared in accordance with the IFRS accounting standards issued by the International Accounting Standards Board and endorsed by the European Union (referred to as "IFRS"). The accounting criteria and consolidation principles adopted are consistent with those used in the consolidated financial statements of the TIM Group and the separate financial statements of TIM S.p.A. as of December 31, 2024, except for the amendments to accounting principles issued by the IASB and effective from January 1, 2025.

The operating performance of the TIM Group is affected by non-recurring income and expenses related to events and transactions that, by their nature, do not occur continuously in normal operating activities and are highlighted because they are significant in amount. These non-recurring items 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.

As of December 31, 2025 (as already indicated starting from the first quarter of 2025), the Sparkle group is classified, in accordance with IFRS 5, as an asset available for sale. For comparative purposes only, the consolidated income statement data and consolidated statement of cash flows data already published as of December 31, 2024 have been consistently reclassified. The shareholding in Telecom Italia Sparkle S.p.A. is held by the Parent Company TIM S.p.A.; the Sparkle group is active in the development of fibre-optic networks for international wholesale customers.

Furthermore, following the sale, on July 1, 2024, of the entire equity investment held by TIM S.p.A. in FiberCop S.p.A., subsequent to the transfer by TIM S.p.A. to FiberCop S.p.A. of a business unit consisting of activities related to the primary network, the so-called "Wholesale" activity, and the entire equity investment in the subsidiary Telenergia S.r.l. (the "NetCo Transaction"), and in order to provide a better understanding of business performance, organic economic and financial information has been included relating to the performance for the first twelve months of 2024, restated on the basis of management information. Such organic information is prepared by simulating the separation operation of the fixed network, with the creation of the NetCo component and the consequent definition of the new TIM Group perimeter, as it had occurred at the start of the reference period (January 1, 2024). 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 (Domestic Business Unit, TIM Group), simulating for the first six months of 2024, the impact of the relationship between TIM and NetCo/FiberCop, regulated by the Master Service Agreement (MSA) and recording, as from July 1, 2024 (date of disposal), the actual accounting impact of the MSA and the Transitional Services Agreement (TSA).

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

Specifically, these alternative performance measures refer to: EBITDA and EBIT; organic change and impact of non-recurring items on revenues, EBITDA and EBIT; EBITDA margin and EBIT margin; Net financial debt carrying amount and adjusted net financial debt; Equity free cash flow; Capital expenditures (net of TLC licenses); Operating free cash flow and Operating free cash flow (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, please note that the section "Expected management performance for the 2026 financial year" contains forward-looking statements (*forward-looking statements*) regarding the Group's intentions, beliefs, or current expectations with respect to the financial results and other aspects of the Group's activities and strategies. The reader of this annual financial report should not place undue reliance on such forward-looking statements, as actual results may differ significantly from those contained in such forecasts as a result of risks and uncertainties arising from multiple factors, most of which are outside the Group's control. Please refer to the "Main risks and uncertainties" section for more information. It provides a detailed description of the major risks pertaining to the TIM Group business activity which can, even considerably, affect its ability to meet the set goals.



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

TIM Group (Sparkle Discontinued Operations) financial highlights

(million euros) - reported data		2025	2024	% Change
		(a)	(b)	(a-b)
Revenues		13,734	13,653	0.6
EBITDA	(1)	4,566	4,744	(3.8)
EBITDA Margin	(1)	33.2%	34.7%	(1.5)pp
EBIT	(1)	1,564	1,669	(6.3)
EBIT Margin	(1)	11.4%	12.2%	(0.8)pp
Profit (loss) for the year attributable to owners of the Parent		297	(610)	—

		2025	2024	Change (absolute)
		(a)	(b)	(a-b)
Investimenti industriali & spectrum		1,903	2,032	(129)
Equity Free Cash Flow	(1)	1,120	243	877
Equity Free Cash Flow After Lease	(1)	736	(321)	1,057
		12/31/2025	12/31/2024	Change (absolute)
		(a)	(b)	(a-b)
Adjusted Net Financial Debt ⁽²⁾	(1)	9,778	10,126	(348)
Adjusted Net Financial Debt - After Lease⁽²⁾	(1)	6,854	7,266	(412)

(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 Net Financial debt carrying amount with no monetary effect.

Below are the main financial results of the Tim Group "like-for-like" in which the Telecom Italia Sparkle group is classified as Discontinued Operations **Tim Group (Sparkle Discontinued Operations)**.

TIM Group like-for-like results (Sparkle Discontinued Operations)

(million euros) - organic data (*)	2025	2024	% Change
Revenues	13,734	13,368	2.7
TIM Domestic	9,543	9,369	1.9
of which TIM Consumer	6,023	6,078	(0.9)
of which TIM Enterprise	3,520	3,291	7.0
TIM Brasil	4,220	4,034	4.6
Service revenues	12,860	12,426	3.5
TIM Domestic	8,791	8,563	2.7
of which TIM Consumer	5,515	5,546	(0.6)
of which TIM Enterprise	3,276	3,017	8.6
TIM Brasil	4,098	3,898	5.2
EBITDA	4,353	4,092	6.4
TIM Domestic	2,217	2,107	5.2
TIM Brasil	2,143	1,991	7.7
EBITDA AL	3,689	3,463	6.5
TIM Domestic	2,029	1,931	5.1
TIM Brasil	1,667	1,538	8.5
CAPEX (net of telecommunications licenses)	1,903	1,935	(1.7)
TIM Domestic	1,183	1,214	(2.6)
TIM Brasil	720	721	(0.2)
EBITDA AL-CAPEX (net of telecommunications licenses)	1,786	1,528	16.9
TIM Domestic	846	717	18.0
TIM Brasil	947	817	16.1

(*) 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.

Highlights 2025

- Group **total revenues** amounted to 13.7 billion euros, up by 2.7% compared to 2024 (+1.9% in domestic to 9.5 billion euros, +4.6% in Brazil to 4.2 billion euros); Group service revenues increased by 3.5% compared to 2024 to 12.9 billion euros (+2.7% in Domestic to 8.8 billion euros, +5.2% in Brazil to 4.1 billion euros);
- Group **EBITDA** is growing, up by 6.4% compared to 2024 to 4.4 billion euros (+5.2% in domestic to 2.2 billion euros, +7.7% in Brazil to 2.1 billion euros);
- Group **EBITDA After Lease** also grew significantly, rising to 26.9% of revenues, to 3.7 billion euros, up 6.5% compared to 2024 (+5.1% in the domestic market to 2.0 billion euros, +8.5% in Brazil to 1.7 billion euros);
- **TIM Consumer** recorded total revenues slightly down (-0.9% compared to 2024) at 6 billion euros, while service revenues were essentially stable at 5.5 billion euros (-0.6% compared to 2024). TIM Consumer's performance is characterized by a stable retail business and a decline in MVNO business linked to the gradual turnover of large wholesale customers between 2025 and 2026, which will lead to a normalization of volumes over the course of the financial year. The main KPIs showed improvement: ARPU showed strong growth in the fixed segment (+5.1% compared to 2024) and a slight increase in the mobile segment (+0.4% compared to 2024), thanks also to repricing activities carried out since the beginning of 2025, which affected approximately 4.1 million fixed lines and approximately 4.2 million mobile lines. The impact on churn was lower than expected, remaining stable, with the net balance of lines linked to mobile number portability (MNP) confirmed as neutral. The implementation of the Customer Platform strategy continues successfully, with a 4.6% increase in TimVision's service revenues and the positive market reception of the TIM Energia service powered by Poste Italiane.
- **TIM Enterprise** recorded total revenues of 3.5 billion euros (+7.0% compared to 2024) and service revenues of 3.3 billion euros (+8.6% compared to 2024), continuing to outperform the reference market and with a growth trend that has reached the fourteenth consecutive quarter. Cloud confirms itself as the main and fastest-growing business line, with service revenues up 24% compared to 2024, also thanks to the National Strategic Hub, whose contribution doubles compared to 2024. IoT and Security are growing, while connectivity is slightly decreasing. The percentage of service revenues related to ICT rises to 68% (+4 percentage points compared to 2024). The value of the order book is growing to over 4.0 billion euros.
- **TIM Brasil** recorded total revenues of 4.2 billion euros (+4.6% compared to 2024) and service revenues of 4.1 billion euros (+5.2% compared to 2024). EBITDA After Lease amounted to 1.7 billion euros (+8.5% compared to 2024), with a growth trend for eleven consecutive quarters thanks to the boost from the mobile segment and cost efficiency.

Group **investments** amounted to 1.9 billion euros, equal to 13.9% of revenues.

Strong cash generation, with an **Equity Free Cash Flow After Lease** of over 0.7 billion euros in the fourth quarter, led to a reduction in the Group's **adjusted Net Financial Debt After Lease** at December 31, 2025 below the 6.9 billion euros mark.

Non-recurring events

(million euros)

	2025	2024
Non-recurring expenses/ (Income) with an impact on EBITDA		
Revenues		
Revenue adjustments	—	—
Other income		
Absorption of other operating funds	—	—
1998 License fee - compensation for damages	(973)	—
Other	(16)	(55)
Acquisition of goods and services and Change in inventories		
Deferred contract costs of the fixed network - transition from 8 years to 4 years of the recognition period in the income statement	589	—
Other costs and charges	46	23
Employee benefits expenses		
Deferred contract costs of the fixed network - transition from 8 years to 4 years of the recognition period in the income statement	39	—
Charges connected to corporate reorganization/restructuring and other costs	84	85
Other operating expenses		
Sundry expenses and provisions	18	44
Impact on EBITDA	(213)	97
Gains/losses on disposals of non-current assets		
Net capital losses (gains) from non-current assets	—	(3)
Impact on Operating profit (loss) (EBIT)	(213)	94

Net non-recurring income for the year 2025 mainly included:

- operating income of 973 million euros, relating to compensation for total damages in relation to the license fee for the exercise of telecommunications activities, paid by the TIM Group with reference to the 1998 financial year, definitively confirmed by the judgment of the Supreme Court no. 33241 of December 19, 2025, which upheld the decision of the Court of Appeal of Rome of April 2024. For further details, please refer to the paragraph "1998 License fee";
- other income of 16 million euros mainly resulting from the release of commercial risk provisions;
- operating expenses of 628 million euros (589 million euros recorded in acquisition of goods and services and 39 million euros recorded in personnel expenses) related to the prospective change, within the Domestic Business Unit, in the duration from 8 to 4 years of the recognition in the income statement of Deferred contract costs of the fixed network. For further details, please refer to the section "Deferred contract costs";
- other costs for acquisition of goods and services amounting to 46 million euros, mainly relating to consulting and professional services connected with corporate transactions and the development of non-recurring projects;
- other employee benefits expenses of 84 million euros mainly related to individual redundancy plans and disputes with staff;
- other operating costs of 18 million euros mainly relating to provisions for related disputes, regulatory sanctions and potential liabilities.

1998 License fee

In 2010, Telecom Italia (also referred to as “the Company” and “TIM”) brought civil proceedings against the Presidency of the Council of Ministers for compensation for damages caused by the Italian State as a result of judgment no. 7506/09 handed down by the Council of State - following the proceedings brought by Telecom Italia before the Lazio Regional Administrative Court in 2003 - which had definitively declared that the license fee was also due for the year 1998, in violation, in the Company's opinion, of the principles of EU law which, starting from that year, prohibited Member States from maintaining similar license fees for electronic communications companies.

In particular, following the aforementioned unfavorable administrative rulings, the Company has brought actions at:

- the European Court of Justice to confirm that the license fee is not due in light of European legislation and, subsequently,
- the Italian civil court to claim compensation for damages caused by the Italian State.

Below are the main stages of the civil litigation for compensation for damages caused by the Italian State as a result of appeal ruling 7506/09 handed down by the Council of State:

- In March 2015, the Civil Court of Rome issued a ruling declaring the Company's claim for compensation inadmissible.
- Telecom Italia appealed and on April 3, 2024, the Court of Appeal of Rome, with judgment no. 2320/2024, upheld the claim and ordered the Presidency of the Council of Ministers to pay Telecom Italia 528,711,476.152 euros, plus ancillary costs and legal expenses, thus recognizing **compensation for damages totaling approximately 973 million euros** (including revaluation and interest up to April 3, 2024), plus additional legal interest which, until December 31, 2025, amounts to approximately 38 million euros;

- the calculation of the total damage takes into account the revaluation to the present day from the date of filing of the appeal with the Regional Administrative Court (November 2003), which constitutes the introductory act of the claim for repayment of the undue payment; Compensatory interest is due on the amount revalued at present value, in accordance with the criteria set out in the well-known ruling of the Joint Divisions of the Supreme Court 1712/1995, on the amounts revalued year by year;
- the Presidency of the Council of Ministers then notified Telecom Italia of the appeal to the Supreme Court against the ruling of the Court of Appeal of Rome, requesting its annulment “with all consequential measures, including, if necessary, a decision on the merits of the case.”
- Telecom Italia filed its counter-appeal with a conditional cross-appeal;
- **with its ruling no. 33241 of December 19, 2025, the Supreme Court upheld the Company's arguments and made final the decision of the Court of Appeal no. 2320/2024 of April 3, 2024, and the total amount of compensation for damages to be paid by the Presidency of the Council of Ministers to Telecom Italia.**

Therefore, the sums recognized by the aforementioned judgment no. 2320/2024 constitute, as a whole, a monetary credit amounting to approximately 973 million euros, recorded under Other Income in the Income Statement; the valuation of legal interests until December 31, 2025 (approximately 38 million euros) is recorded under Financial income; In the balance sheet as of December 31, 2025, the item “Other current receivables” shows a total amount of 1,011 million euros, as detailed below:

(million euros)	TIM Group/ Domestic Business Unit
1998 License fee	
other income	973
finance income	38
Total	1,011
Miscellaneous receivables (current)	1,011

It should also be noted that in July 2025, the entire credit relating to the repayment of the 1998 License fee (for a total amount of 995.4 million euros, including legal interest accrued up to the date of transfer) was transferred to a pool of leading banks; the assignment had no impact on Net financial debt.

Deferred contract costs of the fixed network

With the sale of the fixed network, completed in the second half of 2024, and the gradual introduction of commercial elements ancillary to the pure sale of connectivity, linked to the development of the concept of customer platform (multimedia, energy, insurance, etc.), implemented starting in mid-2025 (also following amendments to the Articles of Association of TIM S.p.A.), the notion of a customer tied to a specific telephone/data line is gradually losing its meaning, replaced by a vision of the customer at the center of an ecosystem of services and offers.

Following the sale of the fixed network, the Domestic business was faced with a new industrial model that has a significant impact on the cost/CapEx model, significantly linked to the contractual relationships that TIM maintains with wholesale operators (FiberCop and others). This new model has made it possible to increase the level of close correlation between customer acquisition capacity and related costs, overcoming the model based on “network coverage level”.

In the second half of 2025, the company also continued and accelerated its commercial development path based on the customer platform concept, in which the customer is the recipient of a portfolio of services and offers.

It should also be noted that contract costs incurred in the domestic market to obtain and fulfil a contract with a fixed network customer (mainly relating to costs for commissions to the sales network and technical activation costs) in accordance with the requirements of IFRS 15 are subject to capitalization and subsequent recognition in the income statement over their estimated useful life.

Therefore, for the purposes of the 2025 Financial Statement, an assessment was carried out on the recoverability of the deferred contract costs in place on the fixed network and it was decided to link their duration no longer to the useful life of the customer (previously estimated at approximately 8 years) as it is difficult to trace and no longer representative of the business model, but to the period over which the economic recoverability of the “one-off” costs is achieved, a period calculated as 4 years.

This change in the duration has no impact on financial indicators (such as cash, net financial debt, and cash flows).

The change in the duration from 8 to 4 years for the recognition in the income statement of deferred fixed network contract costs – carried out on a prospective basis – will result, as of December 31, 2025, in higher costs (for purchases and personnel) transferred to the income statement – in order to bring them into line with the new durations – with a total impact on the Domestic Business Unit of 628 million euros. The balance of deferred contract costs for customer acquisition and fixed network contract fulfillment at December 31, 2025, is therefore 642 million euros for the Domestic Business Unit.

The change in the duration from 8 to 4 years of the recognition in the income statement of deferred fixed network contract costs – carried out on a prospective basis – resulted in higher costs transferred to the income statement as of December 31, 2025, in order to adjust them to the new durations, on the Domestic Business Unit and on the TIM Group, as detailed below:

(million euros)

**TIM Group/
Domestic Business Unit**

Deferred fixed network contract costs - recognition in the income statement from 8 to 4 years

<i>purchases of raw materials and services</i>	(589)
<i>employee benefits expenses</i>	(39)
Total	(628)

For further details, please refer to the Note "Miscellaneous receivables and other non-current assets" in the TIM Group's consolidated financial statements as of December 31, 2025.



Main changes in the scope of consolidation of the TIM Group

During fiscal year 2025, there were no significant changes in the scope of consolidation.

During fiscal year 2024, the main changes in the scope of consolidation were as follows:

- the transfer, on July 1, 2024, of the entire investment held by TIM S.p.A. in FiberCop S.p.A. following the contribution by TIM S.p.A. to FiberCop S.p.A. of a business unit, consisting of activities related to the Primary Network, the so-called "Wholesale" activity, and the entire investment in the subsidiary Telenergia S.r.l. ("NetCo Transaction"). On that date, therefore, the deconsolidation of the transferred business occurred and the effects of the Transaction on the income statement and financial position were recognized and classified in accordance with IFRS 5, among Discontinued Operations;
- the acquisition of control, through the subsidiary Telsy S.p.A. (Domestic Business Unit), of QTI S.r.l., a company operating in the development, production and marketing of innovative products and services with high technological value.

CONSOLIDATED OPERATING PERFORMANCE

Revenues

The **total revenues of the TIM Group (Sparkle Discontinued Operations)** for the 2025 financial year amounted to **13,734 million euros**, +0.6% compared to the 2024 financial year (13,653 million euros).

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

(million euros)	2025		2024		Changes		
		% weight		% weight	absolute	%	% like-for-like
Domestic	9,543	69.5	9,318	68.2	225	2.4	1.9
Brazil	4,220	30.7	4,366	32.0	(146)	(3.3)	4.6
Other operations	—	—	—	—	—	—	—
Adjustments and eliminations	(29)	(0.2)	(31)	(0.2)	2	—	—
Consolidated Total	13,734	100.0	13,653	100.0	81	0.6	2.7

TIM Group like-for-like consolidated revenues were calculated as follows:

(million euros)	2025	2024	% Change
REVENUES	13,734	13,653	0.6
Foreign currency financial statements translation effect	—	(332)	—
Non-recurring expenses (income)	—	—	—
ORGANIC REVENUES excluding non-recurring items	13,734	13,321	3.1
Impacts deriving from:			
Master Service Agreement (MSA)	—	67	—
Other	—	(20)	—
Like-for-like ORGANIC REVENUES	13,734	13,368	2.7

EBITDA

TIM Group EBIT (Sparkle Discontinued Operations) in FY2025 is **4,566 million euros** (4,744 million euros in FY2024, -3.8%).

EBITDA by operating segment for 2025, compared to 2024, was as follows:

(million euros)	2025		2024		Changes		
		% weight		% weight	absolute	%	% like-for-like
Domestic	2,437	53.4	2,593	54.7	(156)	(6.0)	5.2
Brazil	2,136	46.8	2,155	45.4	(19)	(0.9)	7.7
Other operations	(7)	(0.2)	(6)	(0.1)	(1)	—	—
Adjustments and eliminations	—	—	2	—	(2)	—	—
Consolidated Total	4,566	100.0	4,744	100.0	(178)	(3.8)	6.4

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

(million euros)	2025	2024	% Change
EBITDA	4,566	4,744	(3.8)
Foreign currency financial statements translation effect		(164)	
Non-recurring expenses (income)	(213)	97	
ORGANIC EBITDA excluding non-recurring items	4,353	4,677	(6.9)
Impacts deriving from:			
New Master Service Agreement (MSA)		(902)	
Reversal of previous MSA between TIM and FiberCop		341	
Other		(24)	
Like-for-like ORGANIC EBITDA	4,353	4,092	6.4

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

■ **Acquisition of goods and services (8,647 million euros; 7,391 million euros in 2024):**

(million euros)	2025	2024	Changes
Acquisition of goods	906	938	(32)
Revenues due to other TLC operators and costs for telecommunications network access services	1,960	1,664	296
Hosting and delivery	594	449	145
Commercial and advertising costs	2,240	1,719	521
Professional and consulting services	212	208	4
Power, maintenance and outsourced services	1,067	964	103
Lease and rental costs	1,231	1,068	163
Other	437	381	56
Total acquisition of goods and services	8,647	7,391	1,256
% of Revenues	63.0	54.1	8.9pp

The growth of the item "Acquisition of goods and services" in 2025 is affected, in particular by:

- the effects related to the change, made in prospective terms, of the duration from 8 to 4 years of the recognition in the income statement of the Deferred fixed network contract costs (589 million euros). For further details, please refer to the section "Key Operating and Financial Data - TIM Group - Non-recurring events - Deferred contract costs".
- the charges for network access and hospitality and delivery, linked to the Master Service Agreement (MSA) stipulated by TIM S.p.A. with FiberCop, which in 2024 had only impacted the second part of the year.

■ **Employee benefits expenses (1,474 million euros; 1,414 million euros in 2024):**

(million euros)	2025	2024	Changes
Employee benefits expenses - Italy	1,162	1,079	83
Ordinary employee expenses and costs	1,039	994	45
Restructuring and other expenses	123	85	38
Employee benefits expenses - Outside Italy	312	335	(23)
Ordinary employee expenses and costs	312	335	(23)
Restructuring and other expenses	—	—	—
Total employee benefits expenses	1,474	1,414	60
% of Revenues	10.7	10.4	0.3pp

The increase of 60 million euros in employee benefits expenses is mainly attributable to:

- to the increase of 45 million euros of the Italian component of ordinary employee expenses, mainly due to the higher costs identified for the provision of productivity bonuses related to company objectives;
- the increase of 38 million euros in the item "Restructuring costs and other expenses" of the Italian component. In the 2025 financial year, charges of 123 million euros were set aside, mainly related to the provision for costs for disputes with personnel, the wage supplement connected to the Solidarity Contract and the individual voluntary redundancy plans, as provided for by the union agreement signed by the Company on April 12, 2024. In addition, the impact of the change in the duration of the recognition in the income statement of deferred fixed network contract costs from 8 to 4 years (with reference to costs incurred in previous years for network technical personnel for delivery and provisioning activities) was recognized (39 million euros). For further details, please refer to the section "Key Operating and Financial Data - TIM Group - Non-recurring events - Deferred contract costs".
- a decrease of 23 million euros in the foreign component mainly related to the impact of the exchange rate change on the Brazil Business Unit.

■ Other income (1,254 million euros; 231 million euros in 2024):

(million euros)	2025	2024	Changes
1998 License fee - compensation for damages	973	—	973
Late payment fees charged for telephone services	36	37	(1)
Recovery of employee benefit expenses, purchases and services rendered	12	18	(6)
Capital and operating grants	29	16	13
Damages, penalties and recoveries connected with litigation	37	7	30
Estimate revisions and other adjustments	57	96	(39)
Income for special training activities	1	1	—
Services related to the MSA in place with FiberCop S.p.A.	82	42	40
Other	27	14	13
Total	1,254	231	1,023

"Other income" for the 2025 financial year particularly benefits from the non-recurring income related to the recognition of compensation for total damages in connection with the license fee for the exercise of telecommunications activities, paid by the TIM Group with reference to the 1998 financial year, definitively confirmed by the judgment of the Supreme Court no. 33241 of December 19, 2025, which recognized the decision of the Court of Appeal of Rome from April 2024. For further details, see the section "Main economic and financial data of the TIM Group - Non-recurring events - 1998 License fee".

■ Other operating expenses (580 million euros; 638 million euros in 2024):

(million euros)	2025	2024	Changes
Write-downs and expenses in connection with credit management	216	214	2
Provision charges	36	56	(20)
TLC operating fees and charges	187	211	(24)
Indirect duties and taxes	73	76	(3)
Penalties, settlement compensation and administrative fines	11	9	2
Subscription dues and fees, donations, scholarships and traineeships	10	8	2
Sundry expenses	47	64	(17)
Total	580	638	(58)

Depreciation and amortization

In 2025 the item amounts to 2,938 million euros (3,063 million euros in 2024) and breaks down as follows:

(million euros)	2025	2024	Changes
Amortization of intangible assets with a finite useful life	1,321	1,390	(69)
Depreciation of tangible assets	1,075	1,130	(55)
Depreciation of rights of use assets	542	543	(1)
Total	2,938	3,063	(125)

Net impairment losses on non-current assets

In the 2025 financial year, **net impairment losses on non-current assets** amounted to 69 million euros (14 million euros in the 2024 financial year).

In particular, the impairment losses for 2025 were made by the parent company TIM S.p.A., following the recoverability analysis of the company's fixed assets involved in the agreements signed during 2025 with suppliers of network equipment and with other TLC operators; these agreements aim to extend the coverage of 5G networks, in particular in low-density areas, in order to provide advanced services to the Group's customers with better network coverage, helping to bring ultra-broadband to less served areas, and have entailed the need to review the recoverable amount of the equipment in the different geographical areas involved in the project.

In addition, the process of carrying out the *impairment test* on Goodwill was performed. As noted, 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. 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 two *Cash Generating Units*, Domestic and Brazil.

Further details are provided in the Note "Goodwill" to the Consolidated Financial Statements at December 31, 2025 of the TIM Group.

EBIT

TIM Group EBIT (Sparkle Discontinued Operations) for the 2025 financial year is 1,564 million euros (1,669 million euros for the 2024 financial year). EBIT for the 2025 financial year includes non-recurring income amounting to 213 million euros (mainly attributable to the operating income relating to the 1998 license fee, only partially offset by the higher costs associated with the change in the duration of the recognition of deferred fixed network contractual costs in the income statement from 8 to 4 years, as well as other non-recurring items). EBIT for the 2024 financial year includes non-recurring net expenses amounting to 94 million euros; It should also be remembered that the first half of 2024 included the economic impacts of "NetCo/FiberCop" (sold on 1 July 2024), and that, from the date of the sale, the Master Services Agreement governing the relationship between TIM S.p.A. and FiberCop became effective.

Finance income (expenses), net

Finance income (expenses) showed a net expense of 901 million euros (negative for 1,312 million euros in 2024). The reduction is substantially related to the decrease in financial debt following the sale of NetCo, carried out in mid-2024.

Income tax expense

In the 2025 financial year, the income tax item is equal to 112 millions of euros (178 million euros in the 2024 financial year):

- 52 million euros are attributable to companies of the Domestic Business Unit, of which 33 million euros are referable to the Parent Company TIM S.p.A., essentially relating to IRAP;
- 43 million euros are attributable to the Brazil Business Unit.

Profit (loss) for the year

This item breaks down as follows:

(million euros)	2025	2024
Profit (loss) for the year	519	(364)
Attributable to:		
Owners of the Parent:		
Profit (loss) from continuing operations	372	51
Profit (loss) from Discontinued operations / Non current assets held for sale	(75)	(661)
Profit (loss) for the year attributable to owners of the Parent	297	(610)
Non-controlling interests:		
Profit (loss) from continuing operations	223	183
Profit (loss) from Discontinued operations / Non current assets held for sale	(1)	63
Profit (loss) for the year attributable to Non-controlling interests	222	246

The result related to "**Discontinued operations/Non-current assets held for sale**" for 2025 mainly relates to the income statement result of the Telecom Italia Sparkle Group, which is classified, in accordance with IFRS 5, as "Non-current assets held for sale". The 2024 financial year result also includes the economic results of the "NetCo transaction".

The **net profit (loss) for 2025** is positive for 519 million euros and includes a positive impact of non-recurring items of 157 million euros; **the share of the Net Income attributable to the owners of the parent** is positive for 297 million euros.

Key operating and financial data

BUSINESS UNIT

Domestic

REVENUES

9,543 millions of euros

EBITDA

2,437 millions of euros



EBITDA LIKE-FOR-LIKE

2,217 millions of euros

EBITDA AFTER LEASE LIKE-FOR-LIKE

2,029 millions of euros

Key Performance Indicators of TIM Consumer

Total
Accesses

6,904
thousand

Active
Ultra Broadband Accesses

5,556
thousand

Consumer
Arpu

32.0
€/month

Fixed

Lines

at period end
15,173
thousand

Consumer
Arpu
Human calling

10.7
€/month

Mobile



Brasile

REVENUES

4,220 millions of euros

EBITDA

2,136 millions of euros



ORGANIC EBITDA AFTER LEASE

1,667 millions of euros

LINES

61,974 end of period

ARPU MOBILE

32.8

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

Domestic

(million euros)	2025	2024	Changes (a-b)		
	(a)	(b)	absolute	%	% like-for-like
Revenues	9,543	9,318	225	2.4	1.9
EBITDA	2,437	2,593	(156)	(6.0)	5.2
% of Revenues	25.5	27.8		(2.3)pp	
EBIT	549	714	(165)	(23.1)	
% of Revenues	5.8	7.7		(1.9)pp	
Headcount at year end (number) (*)	16,887	17,751	(864)	(4.9)	

(*) Includes agency contract workers: 121 as of December 31, 2025 (63 as of December 31, 2024).

Revenues

Domestic Business Unit (Sparkle Discontinued Operations) revenues amounted to 9,543 million euros, up 225 million euros compared to 2024 (+2.4%).

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

(million euros)	2025	2024	Changes %
REVENUES	9,543	9,318	2.4
Foreign currency financial statements translation effect	—	—	
Non-recurring income/(expenses)	—	—	
ORGANIC REVENUES - excluding non-recurring items	9,543	9,318	2.4
Impacts deriving from:			
Master Service Agreement (MSA)		67	
Other		(16)	
Like-for-like ORGANIC REVENUES	9,543	9,369	1.9

Like-for-like service revenues amounted to 8,791 million euros (+228 million euros compared to 2024, +2.7%), thanks to growth in ICT revenues despite the impact of the competitive environment on the customer base.

Handset and Bundle & Handset “like-for-like” revenues, including the change in work in progress, amounted to 752 million euros in 2025, down 54 million euros compared to the same period of the previous year, due to a contraction in both the TIM Enterprise and TIM Consumer segments.

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:

	12/31/2025	12/31/2024
Total Fixed accesses (thousands)	6,904	7,169
Of which active ultra-broadband accesses (thousands)	5,556	5,478
Fixed Consumer ARPU (€/month) ⁽¹⁾	32.0	30.5
Mobile lines at period end (thousands)	15,173	15,984
of which Human calling (thousands)	13,048	13,280
Mobile churn rate (%) ⁽²⁾	18.5	19.4
Mobile Consumer Human calling ARPU (€/month) ⁽³⁾	10.7	10.6

(1) Organic Consumer service revenues in proportion to the average number of Consumer accesses. The figures for 2024 have been proformed to the same perimeter as for 2025.

(2) Percentage of human lines discontinued in the period compared to the average human lines.

(3) Organic consumer service revenues (excluding visitors and MVNOs) in proportion to average human calling lines.

(million euros) - organic data

	2025	2024	% Change	
	(a)	(b)	(a-b)/b	(a-b)/b
TIM Consumer revenues - like-for-like	6,023	6,078	(2.3)	(0.9)
Service revenues	5,515	5,546	(2.3)	(0.6)
Handset and Bundle & Handset revenues	508	532	(1.7)	(4.5)

TIM Consumer revenues for the first nine months of 2025 amounted to 6,023 million euros. The reduction of 55 million euros compared to the same period of the previous year is due to lower revenues from mobile services and lower product sales.

Service revenues, which totaled 5,515 million euros, decreased by 31 million euros compared to 2024.

Handset and Bundle & Handset revenues for TIM Consumer are equal to 508 million euros, down by 24 million euros compared to fiscal year 2024: the change is mainly related to lower sales volumes of fixed-line products.

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

	2025	2024	% Change
	(a)	(b)	(a-b)/b
TIM Enterprise revenues - like-for-like	3,520	3,291	7.0
Service revenues	3,276	3,017	8.6
Handset and Bundle & Handset revenues	244	274	(10.9)

TIM Enterprise's revenues amounted to 3,520 million euros, up by 229 million euros (+7.0%) compared to the 2024 financial year, thanks to the service revenue component (+259 million euros, +8.6%), driven by IT cloud services.

EBITDA

EBITDA for 2025 of the Domestic Business Unit (Sparkle Discontinued Operations) amounted to 2,437 million euros (-156 million euros compared to 2024).

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

(million euros)

	2025	2024	Changes
			%
EBITDA	2,437	2,593	(6.0)
Foreign currency financial statements translation effect	—	—	
Non-recurring expenses (income)	(220)	97	
ORGANIC EBITDA excluding non-recurring items	2,217	2,690	(17.6)
Impacts deriving from:			
New Master Service Agreement (MSA)		(902)	
Reversal of previous MSA between TIM and FiberCop		341	
Other		(22)	
Like-for-like ORGANIC EBITDA	2,217	2,107	5.2

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

- **Other income** amounted to 1,230 million euros with an increase of 1,025 million euros compared to 2024:

(million euros)	2025	2024	Changes
1998 License fee - compensation for damages	973	—	973
Late payment fees charged for telephone services	17	19	(2)
Recovery of employee benefit expenses, purchases and services rendered	12	17	(5)
Capital and operating grants	29	16	13
Damages, penalties and recoveries connected with litigation	35	6	29
Estimate revisions and other adjustments	57	96	(39)
Income for special training activities	1	1	—
Services related to the MSA in place with FiberCop S.p.A.	82	42	40
Other	24	8	16
Total	1,230	205	1,025

Other income for the 2025 financial year particularly benefits from the non-recurring income related to the recognition of compensation for total damages in connection with the license fee for the exercise of telecommunications activities, paid by the TIM Group with reference to the 1998 financial year, definitively confirmed by the judgment of the Supreme Court no. 33241 of December 19, 2025, which recognized the decision of the Court of Appeal of Rome from April 2024. For further details, see the section "Main economic and financial data of the TIM Group - Non-recurring events - 1998 License fee".

Furthermore, the other increases are mainly due to income (40 million euros) deriving from the MSA with FiberCop S.p.A., effective from the second half of 2024, and the 29 million euro increase in the item *Damages, penalties and recoveries connected with litigation*, which is essentially linked to the release of commercial risk provisions and to active penalties.

- **Acquisition of goods and services** amounted to 7,120 million euros with an increase of 1,303 million euros compared to 2024:

(million euros)	2025	2024	Changes
Acquisition of goods	723	751	(28)
Revenues due to other TLC operators and costs for telecommunications network access services	1,741	1,452	289
Hosting and delivery	594	449	145
Commercial and advertising costs	1,776	1,236	540
Professional and consulting services	106	92	14
Power, maintenance and outsourced services	861	725	136
Lease and rental costs	941	797	144
Other	378	315	63
Total acquisition of goods and services	7,120	5,817	1,303
<i>% of Revenues</i>	<i>74.6</i>	<i>62.4</i>	<i>12.2</i>

The increase in **Acquisition of goods and services** is mainly due to the effects related to the aforementioned prospective change in the duration from 8 to 4 years of the recognition in the income statement of deferred contract costs of the fixed network (589 million euros), as well as to network access, hosting and delivery charges related to the MSA contract with FiberCop, which in 2024 had impacted only in the second part of the year.

- **Employee benefits expenses** amounted to 1,165 million euros with an increase of 84 million euros compared to 2024. The same dynamics already described in the information given on the consolidated operating performance impacted this performance too.
- **Other operating expenses** amounted to 226 million euros with an increase of 14 million euros compared to 2024:

(million euros)	2025	2024	Changes
Write-downs and expenses in connection with credit management	95	95	—
Provision charges	26	37	(11)
TLC operating fees and charges	19	19	—
Indirect duties and taxes	32	31	1
Penalties, settlement compensation and administrative fines	11	9	2
Subscription dues and fees, donations, scholarships and traineeships	7	6	1
Sundry expenses	36	43	(7)
Total	226	240	(14)

EBIT

The **EBIT in the year 2025 of the domestic business unit (Sparkle Discontinued Operations)** is positive for 549 million euros (+714 million euros in the year 2024) and is affected by the same dynamics already discussed within the consolidated Group.

Brazil

	(million euros)		(million Brazilian reais)		Changes		
	2025	2024	2025	2024	absolute	%	% organic excluding non-recurring
	(a)	(b)	(c)	(d)	(c-d)	(c-d)/d	
Revenues	4,220	4,366	26,625	25,448	1,177	4.6	4.6
EBITDA	2,136	2,155	13,477	12,562	915	7.3	7.7
% of Revenues	50.6	49.4	50.6	49.4		1.2pp	1.4pp
EBIT	1,022	960	6,449	5,597	852	15.2	16.1
% of Revenues	24.2	22.0	24.2	22.0		2.2pp	2.4 pp
Headcount at year end (number)			8,702	9,123	(421)	(4.6)	

The average exchange rates used for conversion into euros (expressed in terms of real units per 1 euro) are 6.30892 for the year 2025 and 5.82877 for the year 2024.

	2025	2024
Mobile lines at period end (thousands) (*)	61,974	62,058
Mobile ARPU (reais)	32.8	31.4
BroadBand ARPU (reais)	94.8	97.2

(*) Includes corporate lines.

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

Revenues

The **revenues** for fiscal year 2025 of the **Brazil Business Unit (TIM Brasil group)** amounted to 26,625 million reais (25,448 million reais in fiscal year 2024, +4.6%).

Growth was driven by **service revenues** (25,856 million reais compared to 24,588 million reais in fiscal year 2024, +5.2%) with mobile service revenues growing 5.4% in fiscal year 2025 thanks to continued improvement in the *post-paid* segment. Fixed-line service revenues showed a slight increase of 0.4% compared to the 2024 financial year. Ultrafibra's results for the fourth quarter of 2025 show a return to growth, reflecting the company's efforts throughout the year to improve its operations.

Revenues from product sales amounted to 769 million reais (860 million reais in 2024).

The **mobile ARPU** in the 2025 financial year was 32.8 reais (31.4 reais in the 2024 financial year, +4.6%).

Total mobile lines as of December 31, 2025, amounted to approximately 62 million, substantially in line with the total mobile lines as of December 31, 2024 (62.1 million). The positive performance of the *post-paid* segment was offset by the reduction of lines in the *pre-paid* segment. As of December 31, 2025, *post-paid* customers represent 52.8% of the customer base (48.7% as of December 31, 2024).

The **broadband ARPU** for fiscal year 2025 was 94.8 reais (97.2 reais in fiscal year 2024).

EBITDA

The **EBITDA** for fiscal year 2025 amounts to 13,477 million reais (12,562 million reais in fiscal year 2024, +7.3%) and the margin on revenues is 50.6% (49.4% in fiscal year 2024).

Organic EBITDA, net of the non-recurring items, increased by 7.7% and was calculated as follows:

(million Brazilian reais)	2025	2024	Changes	
			absolute	%
EBITDA	13,477	12,562	915	7.3
Oneri/(Proventi) non ricorrenti	47	—	47	
ORGANIC EBITDA excluding non-recurring items	13,524	12,562	962	7.7

The growth in EBITDA is mainly attributable to the positive performance of service revenues, partially offset by the increase in operating expenses.

The EBITDA margin on revenues stands, on an organic basis, at 50.8% (49.4% in fiscal year 2024).

The changes in the main cost items are shown below:

	(million euros)		(million Brazilian reais)		
	2025 (a)	2024 (b)	2025 (c)	2024 (d)	Changes (c-d)
Acquisition of goods and services	1,552	1,601	9,789	9,330	459
Employee benefits expenses	307	331	1,935	1,930	5
Other operating expenses	349	393	2,206	2,288	(82)

EBIT

The **EBIT** for the 2025 financial year amounts to 6,449 million reais (5,597 million reais in the 2024 financial year, +15.2%).

Organic **EBIT net of non-recurring components** amounts in fiscal year 2025 to 6,496 million reais (5,597 million reais in fiscal year 2024) with a margin on revenues of 24.4% (22.0% in fiscal year 2024) and is calculated as follows:

(million Brazilian reais)	2025	2024	Changes absolute	%
EBIT	6,449	5,597	852	15.2
Onerii/(Proventi) non ricorrenti	47	—	47	
ORGANIC EBIT - excluding non-recurring items	6,496	5,597	899	16.1



Stock split and reverse stock split operation of TIM S.A.

On March 27, 2025, the Shareholders' Meeting of TIM S.A. approved the proposal of the Company's Board of Directors dated February 24, 2025, relating to the reverse stock split (at a ratio of 100:1) and subsequent split (at a ratio of 1:100) of the Company's ordinary shares.

The proposal provided that the operation: (i) applied to all shareholders of the Company, (ii) did not result in a change in the value of the Company's share capital or the total number of shares, (iii) did not alter the rights conferred by the shares issued by the Company on their respective holders, and (iv) did not result in a change in the number of shares comprising each ADR, leaving the total number of ADRs outstanding unchanged.

At the beginning of July 2025, the Company completed the reverse stock split procedure. On July 14, 2025, an auction was held for the sale of 22,059,698 ordinary shares corresponding to the fractions resulting from the transaction, formed by the aggregation of the fractional shares. The auction result, amounting to 455.7 million reais after deducting costs and commissions, equivalent to 20.66 reais per ordinary share, was made available to holders of fractional shares, in the appropriate proportions, starting on July 23, 2025. Following the auction, as of December 31, 2025, the amount of 79.2 million reais had been paid, leaving 376.5 million reais available to former shareholders who were not identified or whose registration details were incomplete.

Amounts related to fractions of shares not claimed by shareholders have a limitation period of 3 years.

Key figures 2025

PREMIUM POSITIONING AND TECHNOLOGY LEADERSHIP

First on the market to launch 10Gbp offering and **expansion of fiber coverage** to small municipalities (“white” areas)

Rolled out **5G ULTRA** across more than 6,000 municipalities and launch of 5G FWA technology

Launch of **TIM Energia powered by Poste Italiane**, an electricity and gas offer for all households.

CONVERGENCE AND VALUE

New TIM WiFi Casa portfolio with tiered plans, Fiber and 5G ULTRA, with the best TV content included

The service offering has been further expanded: electricity and gas in addition to connectivity, streaming content, **services** and **innovative products**

New **business-grade** portfolio for small and medium business customers, offering customizable advanced-connectivity options and segment-tailored solutions

DATA DRIVEN MANAGEMENT OF THE CUSTOMER BASE

Strengthened our **cross-selling** and **upselling initiatives**

Reduced churn through targeted actions and a review of the churn management process

CUSTOMER PLATFORM AND DIGITAL CONTENTS

ICT and Cloud solutions designed for small and medium segment, consolidation of cyber services, AI and digital marketing, launch of “energia” and utilities

Strengthened **TIMVISION’s** position as the Italian market **leader in content aggregation** plus an extended offering of TV-streaming packages and evolution towards a tiered plan logic

COMMERCIAL CHANNELS

Small and Medium: strengthened our stores and **digital channels** to core offering and focused agents on **targeted ICT solutions** and high-value customers

Consumer: **Digital development**, restyling and increased store **productivity**, increase of quality acquisitions on push channels

MAIN COMMERCIAL DEVELOPMENTS

Domestic

Strengthening the Brand

In 2025, TIM strengthened its communication platform **"La forza delle connessioni"** (The power of connections) by continuing its successful TV format that tells stories of human connections enabled by TIM technology, involving leading Italian figures in the world of sport and covering all segments of the music world.

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, **"La Parità Non Può Aspettare"**, a campaign launched at the end of 2023, is also enriched with projects and initiatives that highlight TIM's commitment to gender equality and raise awareness on this important issue.

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.

In the Business and Public Administration market, TIM's role as a digital leader has been further strengthened by the creation of a joint venture with Poste Italiane, aimed at developing a Center of Excellence to accelerate the development of Sovereign Cloud and Cloud/AI services, combining TIM's position as a Cloud leader with the expertise acquired by Poste Italiane in the development of Open Source applications.

In addition, TIM has further expanded the awareness of financial markets regarding TIM Enterprise's positioning on the Business and Public Administration market through the **"Unboxing TIM Enterprise"** event, which has been very successful, with positive impacts in terms of valuation multiples and *target price*.

In February, the TIM brand image was also relaunched with a fresher, more digital and youthful *look&feel*, further enhancing the recognizability of the brand. In particular, TIM blue has evolved, making it brighter, to express an even more energetic, vibrant and performing identity on digital platforms, making TIM *icon* even more prominent in all communications.

To accompany this evolution, a new institutional commercial was launched with the slogan "Wherever you are, we will be there," which, to the tune of "Figli delle Stelle" (Children of the Stars), traces TIM's history and its role alongside families and citizens, confirming it as a reliable presence and a force for connection.



Renewal of the value proposition, with a focus on technological evolution, service convergence, attention to strategic segments, and a strong commitment to sustainability

Consumer

TIM continues to lead the domestic market leadership with its 10Gbps Fiber offer. 5 million 5G customers and 5G ULTRA development in over 6,000 municipalities with speeds up to 2Gbps and navigation priority

Launch of TIM Energia powered by Poste Italiane, the electricity and gas offer for all families. This is the first industrial collaboration between TIM and Poste Italiane.

Further expanded the offer model: from today, also electricity and gas in addition to connectivity, streaming content, services, and innovative products for high daily use

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 offer portfolio in sizes, Fiber and 5G ULTRA with the best TV content included for all needs

Launch of TIM WiFi Go to surf immediately while waiting for Fiber activation and to bring WiFi to another home as well

TIM consolidates its technological leadership in 2025, with fiber speeds of up to 10 Gigabits per second (XGS-PON), guaranteeing cutting-edge connections and bringing innovation to more and more homes to meet the growing needs of customers.

In 2025, TIM further strengthened the commercial drive of the **TIM WiFi Casa** offer, characterized by simpler, more intuitive, and immediate customer logic and communication, thanks to the possibility of choosing options, content, and products on advantageous terms in a single solution.

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.

Furthermore, thanks to the collaboration with Open Fiber, the TIM WiFi Casa offer is also available in small municipalities in the White Areas, with quality assistance at all stages of activation through the intervention of specialized technicians.

In 2025, TIM further expanded the coverage of **FWA with 5G technology**, in a way that complements fiber, to ensure the best connectivity experience and service usage for its customers.

TIM WiFi Casa, in fact, offers all the advantages and options of the Fixed portfolio also with FWA technology in areas not covered by Fiber. In 2025, the new TIM WiFi GO offer with FWA 5G data-only technology was also launched, to ensure customers immediate connectivity while waiting for Fiber activation and to allow them to browse in another home as well by taking the modem with them.

A particular commercial push was given throughout 2025 with an “**ultra convergent**” approach, implementing integrated packages between fixed, mobile, and content, with a “size-based” logic to meet the different needs of Customers.

In addition, the customer experience for convergent customers has been further improved thanks to TIM Unica Power, enhanced with dedicated promotions (e.g., family content packages at attractive prices, discounted products, etc.).

Mobile Strategy: Technological Leadership and Enhancement of the Customer Base

In the course of 2025, TIM gave a strong boost to the development of **ultra broadband mobile** infrastructure, consolidating its role as a benchmark in the domestic market. The superior quality of the network, the cornerstone of the company's strategy, remains the main factor setting it apart from the competition, allowing TIM to distance itself from pure price competition through a clearly premium positioning.

■ **Network Performance and 5G ULTRA Coverage**

TIM's infrastructural excellence made it possible to surpass the threshold of **6 million customers with active 5G**.

- **Coverage:** The 5G ULTRA service has been extended to over 6,000 municipalities, ensuring unprecedented coverage.
- **Services:** Thanks to connection speeds of up to **2 Gigabits per second**, TIM offers a best-in-class user experience, enabling next-generation services and ensuring superior standards of reliability.

■ **“Value-First” strategy and Premium positioning**

In a market context characterized by high competitive pressure, TIM has chosen to focus on the **quality of the network**.

This strategic choice is reflected in:

- **-> new acquisitions:** TIM has integrated access to 5G technology as a standard across the entire offering portfolio for new customers, establishing a high standard of service from the outset.
- **customer base management:** TIM has implemented targeted **upselling** actions **towards 5G ULTRA**. The objective is twofold: improve the customer experience through more powerful technology and, at the same time, **increase ARPU** (Average Revenue Per User) and customer loyalty (*Retention*).

■ **The Competitive Advantage of Quality**

The quality of the TIM network is not just a technical fact, but a recognized value that enables the **customer platform** strategy. The superior performance of 5G ULTRA acts as an enabler for all convergent services (Entertainment, Security, Smart Home)), transforming connectivity from a simple utility to a platform for high value-added services.

Evolution towards the customer platform

Expansion in the Energy Market: the partnership with Poste Italiane

In the course of 2025, TIM consolidated its diversification strategy by entering the energy market through the **TIM Energia**, in partnership with **Poste Italiane**. The goal is to offer Italian families an integrated and simplified management of household utilities, focusing on transparency and sustainability.

- **TIM Energia Luce:** Characterized by a “fixed installment” model based on the history of annual consumption, the solution protects the family annual report from market volatility. The price of the raw material is locked for 12 months, with an annual recalculation based on actual usage.
- **TIM Energia Gas:** a dynamic offer indexed to the PSV (Virtual Trading Point), which guarantees the wholesale price with a locked supply margin for the first year, ensuring maximum transparency and alignment with market trends.

Sustainability and ESG

The proposal is 100% *green-oriented*, with electricity derived exclusively from certified renewable sources and gas with fully offset CO₂ emissions.

Convergence Strategy and Customer Loyalty

The launch of TIM Energia is the cornerstone of a cross-selling strategy to increase Average Revenue Per User (ARPU) and reduce the churn rate.

Telepass

Another strategic partnership in the Customer Platform area is that between Telepass and TIM, announced in December 2025, which enables the entire network of TIM sales outlets to market Telepass services and products. The *partner* continues to experience steady growth and operates in a potential market that is still very large and full of opportunities. This evolution represents a significant advantage for TIM, helping to increase foot traffic in stores as well as generate incremental revenues.

Leadership in Artificial Intelligence and innovation

In 2025, TIM accelerated the transition to the **customer platform** model, integrating Artificial Intelligence into daily services.

Partnership with Perplexity

TIM has distinguished itself as a pioneer in the consumer market by offering one year of Perplexity Pro to its entire fixed and mobile customer base. This initiative not only differentiates the service portfolio, but also serves an educational role, democratizing access to cutting-edge AI technologies and reducing the *digital gap*.

Multi-Service Evolution: digital services, security and insurance solutions

To strengthen its distinctive market positioning and increase ARPU, TIM has enhanced its portfolio of integrated services:

- **security, identity and cloud:** consolidation of TIM Navigazione Sicura, *Cloud in partnership* with Google, One Number, PEC and SPID, ensuring secure management of digital identity and data;
- **protection solutions (Insurance):** expansion and consolidation of the insurance offering, integrating home and personal protection into the TIM offering ecosystem;
- **Digital Customer Experience:** The user experience was optimized through the complete digitization of eSIM. In 2025, the card activation and replacement procedure was simplified through identification with CIE and SPID, integrating management directly into the iPhone menu and making QR codes always accessible in the MyTIM app.

Devices

TIM's device portfolio in 2025, in addition to its usual presence in the smartphone segment, with a portfolio largely based on 5G references and with the launch of new products from the main brands on the market, has seen further consolidation of the "House of Device" product category launched in 2023, with the introduction of new brands and types to further enrich and diversify purchasing opportunities for customers and with the expansion of the related offering logic, also characterized by customer offering logic and sales synergy between the smartphone world and the HoD world (e.g., 2-for-1 offers). In addition to this, in 2025, the focus on wearable products continued, with an increase in market volume and a search for new, technologically innovative, and distinctive products on the market, following a diversification strategy that aims both to attract new customer segments and to counteract the contraction of the smartphone market by adding further value to the sales proposition.

In this context, the most relevant categories are:

- **Dyson:** in continuity with 2024, it increased the number of products in its portfolio, also introducing new product areas in categories not yet covered in the TIM market, such as *Beauty* and *Personal Care* products;
- Wearables, in particular, saw further growth compared to 2024 and an expansion of the brands in the portfolio with the brands Motorola and Xiaomi and the introduction of physical bundles with smartphones and other wearables;
- Smart AI Glasses, with the addition of the new Ray-Ban Meta and Oakley Meta brands, enriching the portfolio offering with a new product category aimed at introducing a new channel for utilizing Artificial Intelligence capabilities;
- **Gaming and smart tv,** portfolio consolidation with product updates to new commercial launches to keep the technological and service evolution of the two categories competitive and aligned.

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.

The growth of fixed and mobile lines with device financing is fundamental to TIM's policy of protecting the value of its customer base, with a churn of lines with financing of less than -58% compared to lines without financing (data referring to mobile lines).

For this reason, TIM continued to work on consolidating its sales methods for financed devices throughout 2025, thanks in part to important partnerships with leading brands in the smartphone market.

The most significant were:

- **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, is particularly relevant for bulky products (*smart tv*), to maximize sales during periods of product scarcity in the market, to always ensure that every customer in every sales outlet has access to the full range of all TIM portfolio products, and it contributed to TIM's success in the launch of the new iPhone 17;
- construction of increasingly segmented new offers, aimed both at encouraging the entry of new Fixed and Mobile customers into TIM and at triggering rewarding mechanisms for the *customer base* of value;
- new Customer Journey on Digital and simplification of the Sales Journey in-store;
- evolution of TIM/TIMFin systems and processes with the aims of minimizing time to market, reducing onboarding time, and generating evolved risk containment logics.

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 the event of accidental damage and/or theft) sold policies on 40% of financed smartphones in 2025, an increase of 121 percentage points compared to 2024. It is now also possible to insure other types of products (in addition to smartphones) and products purchased as a single solution.
- **"TIM Rivaluta Smartphone"**, the trade-in program developed with sustainability and convenience in mind, thanks to which TIM customers can trade in a used smartphone to obtain a discount on the purchase of a new one, facilitating the renewal of TIM customers' technology (who have saved around 4 million euros on the purchase of new products) and promoting responsible product lifecycle management; the service is valid for different product categories, not only *smartphone* (es. *smart watch*, *gaming console*, 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. It is mainly engaged in the loan of smartphones, to which other devices (*no-SIM*) have also been added, which are offered by TIM in installments, such as TVs, PlayStation, Nintendo, and Dyson products.

The financing process of **TIMFin** is fully digital and is integrated into the information system that TIM makes available to its sales network. It features OCR (Optical Character Recognition) technology for document acquisition, scoring algorithms for immediate customer assessment, and OTP (One-Time-Password) technology for formalizing contracts in electronic form. The entire process is paperless, guaranteeing customers an innovative and digital journey. The experience of the loan for devices within TIM points of sale is completed by TIMFin with insurance proposals covering theft and accidental damage protection, as well as with the trade-in of used devices, ensuring the customer an immediate evaluation that results in a price reduction on the new phone purchased in installments.

The volume of financing continues to grow year over year and quarter over quarter, despite the continued contraction of the TelCo smartphone market. At the end of 2025, including both the Consumer and Business markets, TIMFin recorded a 3.7% increase in loan volumes compared to 2024.

Financing for non-SIM products (such as TVs, gaming devices, Dyson products, earphones, smart rings, and PCs) accounts for 26.4% of the total financing volume. The loan of devices also drives the results of the insurance segment, with an increase of +32.9% compared to 2024.

At the end of 2025, in the Business segment, loan volumes grew by 89% thanks to sales in retail stores.

Small and Medium Business

In 2025, TIM Business further consolidated its value creation strategy, focusing on increasingly high-quality solutions that are ever more aligned with the evolving needs of its customers.

Among the main development guidelines:

- the launch of FWA 5G, also available with guaranteed minimum bandwidth connectivity, which delivers a fast, stable, and resilient Ultrabroadband experience even in areas not reached by Fiber;
- the extension of Fiber coverage in small towns in the White Areas and in the main urban centers, thanks to the strategic collaboration with Open Fiber;
- new cross-selling approaches, to enhance the integration between the core offering and the opportunities provided by the customer platform;
- increasingly intuitive, flexible, and plug-and-play cloud solutions to support the digital transformation of businesses;
- a renewed focus on professional connectivity, with Guaranteed Minimum Bandwidth offers and the TIM Comunica solution, aimed at attracting and retaining a more structured and high-potential clientele.
- a mobile offer portfolio enhanced with an operating rental service for terminals;
- increasing attention to the needs of mobile customers, with rate plans that are increasingly rich in content, including for international use, and a renewed focus on customizing the offer for larger customers.

A path that confirms TIM Business's role as the *partner* of reference for the country's digital competitiveness.

Data-driven management of the customer base

In 2025, actions aimed at developing value and defending the customer base continued, based on a data-driven approach and the continuation of the CVM framework transformation plan. Developments in this field enable advanced campaign management strategies through the continuous evolution of Machine Learning (ML) tools and Real Time (RT) data to increase the effectiveness and personalization of commercial actions.

Consumer

In line with the "Volume to Value" positioning strategy, Customer Value Management actions in 2025 have been increasingly focused on increasing the share of wallet of the customer base and on technological upgrade.

Cross-selling initiatives, with particular emphasis on TIM Unica and Content, continue to be distinctive levers for increasing the penetration of the convergent customer base. For Mobile Only or Fixed Only customers, the introduction of increasingly differentiated offers and benefits continued to contribute to the increase in the value of the customer base and to prevent churn.

Another important aspect was the further increase in fiber optic penetration (FTTH) and an action plan dedicated to technological upgrading to FWA through personalized campaigns and the use of the Customer Data Platform on a large scale.

To support mobile ARPU in 2025, Core Upselling activities were strengthened through the use of increasingly targeted multi-channel private pricing models.

Furthermore, as part of the "Volume to Value" strategy, price repositioning measures continued to be applied to part of the fixed and mobile customer base, resulting in an increase in ARPU for both fixed and mobile services and limited impact on the churn rate thanks to a selective approach to target selection and the continuous strengthening of churn management measures based on real-time management and the scaling up of teams dedicated to retention management.

Small and Medium Business

In the course of 2025, TIM further strengthened commercial actions on the customer base, consisting of small and medium-sized enterprises, through the adoption of an advanced market segmentation, based on the integration of multiple information

dimensions — company size, industry sector, purchase propensity, technological coverage, and customer value — which enabled more effective prioritization of initiatives and better alignment between the offer and customer needs.

Based on the cluster identified, TIM has implemented targeted upselling actions on IT services and other additional services (such as, for example, solutions with unlimited data), enabled by the use of advanced commercial proactivity tools with automatic activation mechanisms. These initiatives were accompanied by structured *retention* actions and customer defense measures targeting those at higher risk of termination. In parallel, TIM has further strengthened its technological upgrade campaigns towards FTTH and FWA solutions, with a growing focus on the opportunities enabled by 5G, particularly starting from the fourth quarter of the year.

During the year, TIM intensified the monitoring of the customer experience through a structured approach to listening to customers, which involved the real-time collection of over 150 surveys, aimed at precisely identifying the main critical issues and promptly implementing appropriate improvement actions. This activity resulted in an increase in analyses of the main pain points and the implementation of targeted corrective measures, including improvements to invoice payment methods, enhanced communications and notifications throughout the various stages of the customer journey, and the launch of the TIM Modem app to support self-diagnosis of technical issues.

For the management of customers at risk of termination who come into contact with customer service, TIM has introduced a dedicated operating model, with code and specialized operators, capable of formulating commercial proposals in real time. This model makes it possible, in particular, to proactively intercept customers with expiring *vouchers*, turning a potential issue into an opportunity for stabilization.

In order to prevent churn, TIM has strengthened commercial support for high-value customers and actions that generally improve the churn rate have been increased: push for domiciliation, convergence, and migration to advanced connectivity services.

To support the entire strategic and operational system, TIM has further developed and refined the tools for monitoring the performance of commercial campaigns and the dynamics of the customer base, ensuring greater data interpretation capabilities and the ability to intervene promptly and in real time in the event of discontinuities or signs of risk.

Finally, in December, TIM launched the TIMxTE loyalty initiative, aimed at the entire customer base, allowing customers to take advantage of promotions and special offers made available by our larger customers, who in turn benefit from visibility and promotion of their own business, thus strengthening the relationship and the value of the customer ecosystem.

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

Consumer

Also in 2025, the offer of audiovisual content confirms and strengthens the decisive role in supporting TIM's positioning. TIMVISION further consolidates its position as the leading aggregator of both sports and entertainment content on the Italian television market, thanks to ongoing agreements with major national and international operators and the evolution of the TIMVISION Family portfolio of offers towards a "size" logic – TIMVISION Family S, M, L – in May, with a growing content offering that has led to further and greater integration with the fixed (TIM WiFi Casa and TV), mobile (TIM Mobile and TV) and device portfolios with the entry of TIMVISION into the TIM Club loyalty program through promotions reserved for customers with installment plans; and finally to the launch of **new offer packages** that have made the TIMVISION portfolio even more complete, convenient, and closer to the multiple needs of the customer.

In 2025, editorial and *partnership* agreements supported the TIMVISION offering: for soccer and sports, as part of the *partnership* con **Amazon Prime**, it was possible to strengthen sports content with the UEFA Champions League and entertainment content with the free inclusion of MGM+ (until July 2026) within Prime. The partnership with DAZN also continues and has been further strengthened thanks to technical integration for the purchase of individual matches on a pay-per-view basis. Moreover, the existing agreement with **Warner Bros. Discovery** ensures the availability on timvision of all Eurosport sports content, and consequently in 2025 it was possible to offer coverage of the World Athletics Championships in Tokyo, the Grand Slam tennis tournaments (AO, Roland Garros), and the main multi-stage cycling races (Giro d'Italia, Tour de France, Vuelta). In terms of entertainment, in addition to the constantly updated selection of films and TV series—thanks to the renewal of agreements with RTI and La7 S.p.A.—all Discovery+, Mediaset, and La7 channels are always available on TIMVISION, along with on-demand content broadcast in the last seven days, without advertising. The *all-news* Euronews channel will also be available starting in 2025.

In February 2025, TIMVISION expanded its bouquet of partners with Apple TV, offering a catalog of major films and award-winning series such as F1, Scissione, and Pluribus. In November 2025, with the launch of Paramount+, TIMVISION's content offering was further enriched, allowing customers to access Hollywood blockbusters, original and exclusive productions, leading TV series, and content for the whole family.

From a commercial point of view, in addition to the various packages combining fiber, mobile, and devices, new offerings included soccer and sports with the addition of Prime and a new DAZN subscription tier. In particular, three new packages were launched: **TIMVISION with DAZN and Prime** (which includes Wednesday UEFA Champions League matches) in June, **TIMVISION with DAZN MyClub Pass and Prime** (which includes a DAZN subscription offering all matches of a Serie A team of the customer's choice) in August, and **TIMVISION with DAZN, Netflix, and Prime** in September. Furthermore, to meet the growing needs of customers, **two add-on offers** have also been added, which can be purchased in addition to an existing TIMVISION package: **Paramount+** and **Apple TV**.

From a user interface perspective, in 2025 TIMVISION introduced the option of self-promotional pre-rolls at the beginning of films or series episodes. It has improved the recommendation and search algorithm, which had already been enhanced with the integration of partner catalogs. Also in 2025, the customer experience in enjoying partner content was enhanced by the possibility of upgrading their offer through upselling from the content card and was standardized to that of proprietary content, thanks to the use of deep links directed to the content playback rather than the content card. Not just TV content: In February 2025, TIM launched Apple Music in its mobile offerings, announcing a strategic partnership with Apple that made the operator the first in Italy to include the music streaming service in its dedicated rates, with a particular focus on young target audience.

Small and Medium Business

In 2025 TIM Business began the process of enhancing the *customer platform*: In addition to ICT solutions, to respond more effectively to the evolving needs of SMEs, the company has opened new high-value markets with the introduction of integrated services for energy (electricity and gas), insurance, and corporate mobility in *partnership* with industry leaders.

Cybersecurity

- Consolidation of corporate security verification services, with advanced features for continuous monitoring of the digital perimeter and remediation reporting, including dedicated channels for cyber emergencies and 24/7 specialist support.
- Extension of navigation protection on fixed and mobile networks, with centralized policies based on artificial intelligence and dashboards for real-time monitoring of security events.
- Strengthening vulnerability assessments and real attack simulations to proactively identify weaknesses and define infrastructure and application mitigation plans.

Cloud & collaboration

- Launch of a new cloud platform based on open source technology, designed specifically for Italian SMEs, which guarantees flexibility, scalability, and full control of data thanks to infrastructure hosted entirely in certified Italian data centers.
- Evolution of cloud platforms in partnership with global leaders to enable hybrid working, business continuity, backup, and automation of business processes.
- Integration of artificial intelligence into productivity and collaboration solutions, with digital assistants and automation of task to improve efficiency and decision-making speed.

Digital marketing and online presence

- Enhancement of AI-based marketing automation platforms for dynamic content, customer journey personalization, and real-time optimization of advertising investments.

Energy and utilities services

- Launch of integrated solutions for electricity and gas supplies dedicated to SMEs,

Insurance and mobility services

- Launch of specialized policies against catastrophic risks (floods, earthquakes, extreme events) and cyber risks (ransomware attacks, data breaches, business interruption), accessible via a digital brokerage platform with quick comparison, dedicated consulting, and immediate activation to protect business continuity and corporate assets.
- Partnership with Telepass for integrated corporate mobility services.



Enterprise

During 2025, 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 and big data, smart cities and smart metering, Trust Technologies for digital identity.

TIM Enterprise's commercial performance continued the virtuous cycle of revenue growth seen in recent years, with a mix of service revenues shifting further towards the IT sector, which consistently exceeded 65%. The growth in revenues was particularly significant, reaching 7% compared to 2024, with an over performance more than three times higher than the growth of the reference market.

Growth was driven in particular by the Cloud Line of Business, which recorded an increase of over 22% compared to 2024, thanks also to the activities of the National Strategic Hub, of which TIM is the main partner and technology enabler. TIM's multicloud value proposition – particularly in IaaS, where TIM Enterprise has confirmed its leadership – has been further strengthened in line with Digital Sovereignty, i.e., through the creation of services designed, built, and managed by TIM, providing guarantees for customers who require sovereignty assurances. TIM has in fact launched a project to enrich the cloud portfolio, with services based on open source, activated at the end of the year, and with infrastructure designed for modern cloud applications (cloud native) and Artificial Intelligence with accelerated hardware (GPU), to be released in 2026.

TIM's role as the digital engine of the Italian industrial system and public administrations has been further strengthened by the joint venture with Poste Italiane, aimed at creating a Center of Excellence to accelerate the development of the Sovereign Cloud and Cloud/AI services. The transaction aims to combine TIM's strong position in the cloud market with Poste Italiane's expertise in developing open source applications, in order to establish a first mover position in the sovereign cloud and artificial intelligence market, with the aim of creating product synergies, insourcing industrial capabilities and skills, and improving margins.

Brazil

The year 2025 was marked by the consolidation of TIM as a leader in mobile coverage, primarily in the Network Consistency Quality Index.

- **TIM continues to strengthen its commitment to social, environmental and governance** practices. In 2025, TIM also remained one of the components of the S&P B3 Brazil ESG and S&P Global LargeMidcap ESG indices. In January 2025, TIM was selected to remain in the portfolio of B3's Carbon Efficient Index, or ICO2, with a commitment to measure, disclose, and monitor its own greenhouse gas emissions (GHG), and was selected to remain in B3's Great Place to Work Index, or IGPTW, as it remained a GPTW-certified company in 2025, recognizing it as an employer that creates an exceptional experience for

employees. The constant pursuit of best environmental, social, and governance practices also ensures TIM's presence in several international indices and ratings, such as FTSE4GOOD Emerging Markets, FTSE4GOOD Latin America, MSCI AWCI ESG Leaders, MSCI Emerging Markets ESG Leaders, FTSE D&I Index, among others.

- **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. In 2025, TIM continued to advance its innovation strategy and pioneering efforts across all consumer segments (pre-paid, Control and post-paid), strengthening its commitment to providing increasingly relevant and differentiated products. TIM has extended the features of the option package to the Controle segment, allowing customers of this new plan to choose, at no additional cost, from the main streaming services, with maximum flexibility to change their selection based on the content they want to follow, ensuring greater freedom to enjoy their favorite movies and series on any platform. In the second half of the year, TIM made significant progress as a technology-driven company, deepening its association with highly ambitious devices offered at exceptionally competitive prices. TIM became the first telecommunications operator in Brazil to integrate PlayStation 5 directly into its value proposition, strengthening its market differentiation and elevating its brand perception among high-value customers.
- **Mobile phone offers:** In 2025, TIM continued to improve its positioning with high-value consumers by offering a variety of plans that include voice, data, and roaming packages to Latin America, Europe, and worldwide (depending on the plan subscribed to), as well as free access to certain applications and 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.
- **Customer experience:** In 2025, TIM took a significant step forward with the launch of a new MEU TIM customer service portal, which fully integrates the mobile application and web environments into a unified platform that offers a consistent and uniform experience across all channels. This initiative has led to substantial improvements in the customer experience, including improved usability, journey continuity, and issue resolution, as well as positively impacting key business KPIs such as digital engagement, self-service adoption, operational efficiency, and revenue generation through digital channels. According to TELECO, a market intelligence consultancy, TIM ranks ahead of other mobile network operators ("MNOs") in terms of the number of municipalities covered by 5G technology, with more than 1,000 Brazilian cities served by its fifth-generation network; TIM has brought 5G technology to almost 70% of Brazil's urban population as of December 31, 2025, achieving 100% 5G coverage in all neighborhoods of the 26 state capitals of Brazil and the Federal District (Brasilia), and consolidating TIM's position in the fastest and lowest latency 5G technology. As a result, TIM achieved 5G Consistent Quality and also won Open Signal's Reliability Experience award.
- **Sales channels:** TIM is improving its sales channel strategy to increase not only efficiency but also sales productivity. The growth strategy focuses primarily on managing the potential of mobile Internet in the Brazilian market, particularly on increasing mobile Internet penetration and data traffic. TIM believes that mobile operators are well-positioned to meet broadband demand in Brazil, with the ability to provide flexible pricing plans that are accessible to the majority of the Brazilian population. Additionally, TIM's strategy also includes positioning itself as a partner to its existing customer base, increasing their loyalty by offering exclusive products to existing customers, focusing on value-added services in its offerings, and differentiating its products and services. Value-added services represent an important part of TIM's strategy, as this is already a significant market with high growth rates and the potential to increase revenue streams.
- **Residential market:** TIM has carried out its plan to strengthen and expand its fixed Internet service. TIM UltraFibra offers high-quality ultra-broadband, with high-speed data connection. To break into new markets, thanks to the partnership with I-Systems and others, TIM accelerated the expansion of its presence, FTTH network coverage, and continued to grow, prioritizing the consolidation of already active clusters. TIM closed 2025 with a 54% year-on-year growth in total fiber home passed (HP), operating in 302 cities and with an ARPU increasing by 1.9% compared to 2024.

MAIN CHANGES IN THE REGULATORY FRAMEWORK

Domestic

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

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, 2025 of the TIM Group.

European regulations

2030 Policy Programme “Path to the Digital Decade”

Under Decision (EU) 2022/2481 establishing the Strategic Program for the Digital Decade 2030, the Commission publishes an annual Report on the State of the Digital Decade, in which it assesses the progress made by the EU and individual Member States, examines national roadmaps national and makes recommendations. The latest edition available is that of June 16, 2025, which updates the monitoring of performance in the pillars of digital skills, infrastructure and connectivity, digitization of businesses, and digital public services, replacing the previous editions (2023 and 2024).

Single Market Strategy

- The **Single Market Strategy 2025**, presented on **March 21, 2025** by Commission Vice President Stéphane Séjourné, proposes a renewed plan to make the single market simpler, more modern, and more competitive. The initiative stems from President von der Leyen's call to develop an updated framework that promotes deeper integration of services and goods in the EU, accelerates the removal of existing obstacles, and prevents the creation of new ones. Despite the progress made, the following stand out among the obstacles that limit the full realization of the single market: the fragmentation that still exists in the telecommunications sector, characterized by 27 distinct markets.

The *Single Market Strategy 2025* is divided into **5 main pillars**, each with operational and regulatory measures:

- **Reducing internal barriers**
Actions on overly complex EU regulations, harmonization of standards, revision of the public procurement framework, competitiveness of rules and simplification initiatives such as the Digital Omnibus.
- **Strengthening the service sector**
Modernization of the rules for construction and postal/parcel deliveries; support for cross-border industrial services (installation, maintenance, repair).
- **Support for SMEs and small mid-caps**
New definition of *small mid-cap companies* and digital tools such as the “SME ID”; facilitation measures to encourage cross-border expansion.
- **Regulatory simplification and digitalization as the norm**
Reducing administrative burdens, implementing omnibus packages to align requirements with business needs, and promoting the systematic use of digital tools.
- **Smarter governance and better enforcement of EU law**
Introduction of regular high-level meetings of the Single Market Sherpas and the Single Market Enforcement Taskforce (SMET), with the aim of improving coordination and enforcement. According to the Commission, the Single Market has already increased EU GDP by 3–4% and generated over 3.6 million jobs; Completion of the proposed reforms could double these benefits.

Digital Networks Act (DNA) and revision of the Telecommunications Code

On January 21, 2026, the European Commission published the proposed Digital Networks Act (DNA) Regulation, a structural intervention aimed at modernizing, simplifying, and harmonizing the electronic communications framework in the EU, replacing the current European Electronic Communications Code (EECC) with a directly applicable regulation. The stated aim is to create a true **single market for connectivity**, facilitating investment in fiber, 5G and future 6G networks, reducing regulatory fragmentation and allowing operators to operate more easily on a cross-border basis.

Among the main innovations is the introduction of the Single Passport, a single authorization procedure that will allow operators to register their activity in a single Member State in order to offer services throughout the EU, with harmonized conditions and simplified reporting obligations.

On **radio spectrum**, with a strong strengthening of coordination at EU level through an expanded role for the Commission and the new **Radio Spectrum Policy Body (RSPB)**, the proposal introduces **unlimited license durations as a general rule**, subject to harmonized conditions for efficient use, and encourages **spectrum sharing as the norm**. An innovative European peer-review mechanism on national allocations is also envisaged, allowing the Commission and the RSPB to assess in advance the conditions, criteria and design of national procedures to avoid divergences and ensure greater consistency between Member States.

On the relationship between **telco operators and large platforms**, the DNA confirms the absence of mandatory “network fees” and instead introduces a **voluntary conciliation mechanism** for IP-interconnection and traffic disputes, which risks having a limited impact in terms of rebalancing negotiations.

It also introduces important innovations in the area of **network access**, including the creation of a **new harmonized EU access product**, intended to reduce the fragmentation of current national wholesale solutions. This product, applicable at least in competitive or cross-border areas, aims to ensure uniform technical and commercial conditions at European level, facilitating the entry and operation of operators on a continental scale. The proposal also integrates common criteria for the evaluation of access

offers and new tools to simplify the migration from legacy networks, with the aim of ensuring a more predictable and coherent framework for infrastructure investments.

The regulation also includes obligations on the **transition from legacy networks**, providing for national plans for the switch-off of copper and the transition to very high capacity networks; strengthened measures on **resilience, security and crisis preparedness**, in coordination with the new Office for Digital Networks (ODN), and actions to reduce national flexibilities in consumer regulation, promoting a more convergent and proportionate framework.

Finally, the regulation includes the rules on **Net Neutrality**, simultaneously repealing the relevant articles of EU Regulation 2120/2015 (Open Internet Regulation), without making any changes, but providing for the possibility for the Commission to adopt implementing acts to better clarify the conditions for providing so-called specialized services.

The subsequent negotiation and approval of the text could take 12 to 24 months under the co-decision procedure involving the European Parliament and the Council.

Cyber Security Act (CSA)

On January 20, 2026, the European Commission published its proposal to revise the CyberSecurity Act (CSA2) to strengthen the security of the *ICT supply chain*, increase EU harmonization, and **make the measures in the 5G Toolbox binding**. The initiative is part of a broader framework to strengthen the Union's cyber resilience and reduce strategic risks from technological dependence.

The subsequent negotiation of the text and approval of the CSA2 should take between 12 and 18 months under the co-decision procedure involving the European Parliament and the Council.

European Accessibility Act (EAA)

On June 28, 2025, the first implementation obligations under Directive (EU) 2019/882 on the accessibility requirements of products and services (European Accessibility Act - EAA) came into force, already transposed in Italy by Legislative Decree no. 82 of May 27, 2022.

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

AI Continent Action Plan

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

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

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

Artificial Intelligence

The first provisions of the Artificial Intelligence Regulation (AI Act), which came into force on August 1, 2024, became applicable on February 2, 2025. The provisions now in force include a ban on AI systems deemed to pose unacceptable risk and AI literacy obligations for suppliers and users.

The AI Act classifies AI systems based on risk: Systems that manipulate human behavior, those used for social scoring or predictive policing based on profiling, and the inference of sensitive characteristics via biometric data or non-targeted biometric surveillance are prohibited in the EU.

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

Under discussion, as part of the Digital Omnibus on AI proposal, is a possible postponement of the implementation date of the measures on high-risk systems (currently scheduled for August 2026) to 2027 or 2028, depending on the availability of harmonized standards.

Digital Operational Resilience Act (DORA)

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

Digital Omnibus Package

In November 2025, the European Commission presented the Digital Omnibus Package, a regulatory simplification initiative that aims to harmonize key EU rules on data, artificial intelligence, privacy and cybersecurity. The package, awaiting examination and adoption by the European Parliament and Council, addresses: the Data Act, introducing targeted exemptions for cloud switching for SMEs and tailor-made services and simplifying the framework on data intermediaries; the GDPR, integrating the rules on cookies from ePrivacy, expanding the sharing of pseudonymized data in low-risk cases, and extending the deadline for reporting data breaches from 72 to 92 hours. For the AI Act, the package aligns the implementation timelines for high-risk systems with the availability of technical standards (until December 2027/August 2028) and strengthens the powers of the AI Office. In terms of cybersecurity, the Digital Omnibus introduces a single-entry point managed by ENISA for all incident notifications required by NIS2, GDPR, DORA, CER and eIDAS, easing the administrative burden for digital operators.

EU Business Wallet

In November 2025, the European Commission presented the **proposal for a Regulation on the European Digital Wallet for Businesses (EU Business Wallet)**. The initiative, currently **being examined by the Parliament and the Council**, introduces a single, harmonized system that will allow companies to digitally identify themselves, authenticate themselves, sign and exchange documents and certificates throughout the Union, with full legal value. The Business Wallet aims to reduce administrative burdens, facilitate cross-border compliance, and improve competitiveness, thanks to an interoperable infrastructure based on the reformed eIDAS and verifiable digital identities for businesses and legal representatives.

ePrivacy Review

In February 2025, the European Commission **officially withdrew its 2017 ePrivacy Regulation proposal**, after years of negotiation stalemate. Instead, the Commission has launched a process of reviewing and simplifying existing rules, integrating them partly into the proposed Digital Omnibus Package (November 2025) and, ultimately, into sector-specific initiatives such as the Digital Networks Act. The measures under discussion include: simplification of cookie rules, greater use of legal bases other than consent for aggregate audience measurement, and convergence of security and incident reporting rules towards a single European point of contact. There is currently no standalone renewed ePrivacy proposal.

Taxonomy

Delegated Regulation (EU) 2026/73, published on January 8, 2026 and entered into force on January 28, 2026, simplifies the application of the **EU Taxonomy** by amending the delegated acts on disclosure obligations, climate criteria and environmental objectives. The changes introduce materiality thresholds, reduced reporting templates and less onerous DNSH criteria, including those related to data centers and data-driven digital solutions (AI, IoT). The new rules apply retroactively to 2025 financial statements, with the exception of companies' option to continue using the previous regime for one year. The aim of the reform is to reduce administrative burdens and improve the quality of reporting. For more details, please refer to the 2025 TIM Group Sustainability Statement section.

Roam-Like-At-Home (RLAH) Extension to Ukraine and Moldova

In July 2025, the Council of the European Union adopted decisions integrating **Ukraine and Moldova** into the "Roam Like At Home" roaming area. From **January 1, 2026**, European, Ukrainian and Moldovan citizens can use voice, SMS and data services under the same tariff conditions as in their country of origin. The extension is part of the process of economic rapprochement of the two countries to the EU and involves adjustments for mobile operators in terms of wholesale agreements, quality of service and tariff transparency.

Termination rates

On January 19, the Commission completed the review of Delegated Regulation (EU) 2021/654, which sets the single maximum fixed and mobile termination rate in Europe, confirming the current values of 0.07 euro cents/minute for landlines and 0.20 euro cents/minute for mobile.

Clean Industrial Deal State Aid Framework (CISAF)

On June 25, 2025 the European Commission adopted a new State aid framework to easily support the development of clean energy, industrial decarbonization and clean technology. The new regulatory framework is in force from June 25, 2025, to December 31, 2030, and contains provisions for the following types of aid measures:

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

Sustainability

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

Directive (EU) 2022/2464 (Corporate Sustainability Reporting Directive – CSRD) amends several previous directives (Directives 2013/34/EU, 2004/109/EC, 2006/43/EC and EU Regulation 537/2014) on corporate sustainability reporting, with the aim of strengthening the transparency and comparability of information relating to the environmental, social and governance impacts of companies. The legislation applies to large companies (public and non-public interest), listed SMEs and branches of non-EU companies with an annual net turnover in the European Union of at least 150 million euros.

The European regulatory framework has been subject to subsequent revisions as part of the Omnibus Package, launched by the European Commission on February 26, 2025 with the aim of simplifying sustainability obligations and reducing administrative burdens for companies.

In this context, on April 17, 2025 the **"Stop the Clock" Directive (EU Directive 2025/794)** came into force, transposed in Italy on August 8, 2025 with Law no. 118. With regard to CSRD, the directive provides for a two-year postponement of reporting obligations for large companies not yet required to report in 2025 and for listed SMEs, whose first deadline is moved from 2027 to 2029. With reference to the **Corporate Sustainability Due Diligence Directive (CSDDD)**, a one-year postponement of the transposition deadline by Member States is instead envisaged (to July 26, 2027) as well as the entry into force of the obligations for the first categories of companies (from 2027 to 2028).

Subsequently, with the **"Quick Fix" Delegated Regulation (EU Delegated Regulation 2025/1416)** of July 11, 2025, which entered into force on November 13, 2025, the European Commission extended by two years, for all companies in the first wave of application of the CSRD (all large public-interest companies with more than 500 employees and already subject to non-financial reporting) and starting from the 2025 financial year, the reporting of the information requirements envisaged in the gradual introduction phase-in by the ESRS Standards.

With reference to the **EU Taxonomy**, the **Delegated Simplification Act**, which entered into force on January 28, 2026, introduces a materiality threshold of 10%, which allows non-material economic activities to be excluded from the assessment. The application of the new provisions is optional for the 2025 financial year and becomes mandatory from the 2026 financial year.

Finally, **Directive (EU) 2026/470 (Omnibus I)**, adopted by the Council of the European Union on February 24, 2026 and due to enter into force on March 18, 2026, introduces a significant revision of the regulatory framework on sustainability. Member States are required to transpose the provisions by March 19, 2027 for the CSRD and by July 26, 2028 for the CSDDD. Among the main changes are:

- with reference to the **CSRD**, the application of the reporting obligation, starting from the 2027 financial year, to companies with more than **1,000 employees and 450 million euros in turnover**, excluding listed SMEs; the elimination of mandatory sectoral standards; the introduction of the **value chain cap**, which grants companies in the value chain with fewer than 1,000 employees the right to refuse information requests exceeding those provided for by the voluntary standard **VSME**; and the confirmation of **limited assurance** as the final level of verification of reporting;
- with reference to the **ESRS**, the proposal by EFRAG for a revision of the standards that provides for a **61% reduction in the mandatory datapoints**, with the adoption of simplified ESRS expected by mid-2026 and their application starting from the 2027 financial year;
- with reference to the **CSDDD**, the raising of the application thresholds to over **5,000 employees and 1.5 billion euros of global net turnover**, the elimination of the obligation to adopt a climate transition plan, the reduction of the maximum sanctions to **3% of global net turnover**, and the postponement of the application for the first companies to July 26, 2029.

The TIM Group is one of the companies already subject to CSRD as a large public-interest company with over 500 employees and has started sustainability reporting under European legislation as of the 2024 financial year.

The Group therefore continues to monitor the evolution of the European regulatory framework and to progressively adapt its data collection and reporting processes to regulatory developments and updates to ESRS standards.

Wholesale fixed-line markets

Fixed network access market analysis

With Resolution no. 205/25/CONS, published on August 1, 2025, AGCOM launched a public consultation on the analysis of the markets for wholesale fixed network access services.

AGCOM reaches the following conclusions in the draft provision submitted for consultation (final resolution expected in March 2026):

- FiberCop can be classified as a "wholesale-only" operator, pursuant to Art. 91 of the Italian Civil Code, with a consequent easing of *ex ante* obligations (no longer requiring approval of reference offers and a transition from cost-oriented pricing to fair and reasonable conditions);
- division of the national territory into distinct geographic markets, by virtue of the different degree of development of infrastructural competition, assessed on the basis of the following criteria:
 - presence of multiple operators with FTTH networks;
 - market shares;
 - adoption of FTTH services;

Market 1 (Physical Access + VULA-C and VULA-H)	Prices	# municipalities	Market 2 (Terminating)	Prices	# municipalities
Market 1A: No SMP	commercial	247	Market 2A: No SMP	commercial	136
Market 1B:			Market 2B: Rest of Italy	fair and	7,760
Area 1B.1: Areas with high infrastructure competition	fair and reasonable	83			
Area 1B.2: Legacy Areas	fair and	4,999			
Area 1B.3: Areas with low infrastructure competition	fair and reasonable	2,567			

- in municipalities where conditions of full competitiveness are found (NO SMP) the entire set of *ex anteregulatory* obligations is removed;
- in the rest of Italy, FiberCop holds Significant Market Power (SMP) and is subject to obligations of non-discrimination and fair and reasonable prices;
- the provisions of the precautionary measure with which, taking note of the subsequent cessation of vertical integration as of July 1, 2024, AGCOM had removed the previous regulatory obligations on TIM are definitively confirmed;
- FiberCop is required, for up to twelve months from the date of publication of the provision, to ensure the supply and maintenance of services already active on the date of publication, applying economic conditions no greater than those approved by the Authority for 2025, as well as guaranteeing the technical and management conditions, including SLAs and penalties, currently in force.

The market analysis does not affect the commercial relations between TIM and FiberCop, which will be regulated in accordance with the MSA, as approved by the AGCM.

The decommissioning process, already defined with the previous market analysis (resolution no. 114/24/CONS), has been confirmed: FiberCop, following AGCOM's authorizations, is preparing to close approximately 5,500 exchanges out of a total of approximately 10,000 exchanges by August 2027.

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”. The goal is to ensure continuity of 4G/5G service along the main road connections between the Olympic venues, with particular attention to tunnels, considered areas of structural market failure.

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

The public tender process for the implementation of the Plan for the construction and management of 4G/5G mobile connectivity infrastructure in road tunnels connected to the Milan-Cortina 2026 Winter Olympics was launched with the publication of the tender notice on August 1, 2025, and concluded with the closing of the deadline for submitting bids on September 19, 2025. The project covered the Lombardy and Veneto regions.

Following the tender process, on October 20, 2025, the tender was awarded to Cellnex Italia S.p.A., with the allocation of a public contribution of 892,010 euros. The adopted model is based on the creation of a neutral infrastructure, designed to guarantee multi-operator wholesale access, thus allowing all interested telecommunications operators to provide mobile connectivity services within the tunnels involved in the project.

To complete the regulatory framework, AGCOM has integrated the Guidelines on wholesale access, in order to ensure fair and non-discriminatory access conditions for operators and to guarantee full consistency of the intervention with European legislation on State Aid.

Retail fixed-line markets

Inflation-indexed offers

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

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

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

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

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

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

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

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

Retail mobile network markets

Tariff transparency - AGCOM Resolution 106/25/CONS

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

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

CLI Spoofing

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

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

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

Blocking types 1 and 2 apply to international carriers only (not implemented by TIM, but only by Sparkle) and were implemented in August 2025. Block 3 was implemented in November 2025 by international carriers and mobile operators, including TIM.

Customer service

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

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

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

- free customer assistance services, confirming the current regulatory framework;
- telephone customer assistance services with a human operator should be provided for electronic communications services, at least on weekdays between 8:30 a.m. and 9:30 p.m. (until 7:30 p.m. for business customer service numbers);
- the IVR tree options for talking to an operator should be clear, transparent and understandable, enabling the user to get assistance from an operator and to file a complaint in the shortest possible time;
- for telephone support services, customers should have a dedicated option available to file a complaint at the first level of the IVR tree;
- the time limit for resolving complaints, from the date of receipt, should not exceed thirty days (the time limit was reduced from 45 to 30 days);
- the customer should have the right to make a complaint through the telephone channel, registered letter and digitally, if the operator makes this mode available to the customer;
- the operator should give the customer a complaint identification code after receiving the complaint.

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

An appeal filed by AGCOM is pending before the Council of State regarding the regional administrative court's annulment of the obligation to provide free telephone assistance (Art. 5, paragraph 7).

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 m².

Quality of fixed telephony services

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

The new regulation provides that:

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

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, from August 8, 2025.

Operators must set annual targets for each of these indicators (optional for digital care) by December 31 of the previous year. For operator response time and the rate of calls served within 20 seconds, the Regulation introduces the following minimum standards to be respected: operator response time no more than 150 seconds and a rate of calls served within 20 seconds no less than 40%.

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 Art. 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 Art. 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 provided for in the aforementioned Resolution were progressively implemented by TIM by October 16, 2025.

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

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

The proceedings concluded with Resolution 250/25/CONS, which confirmed the exclusion from the scope of application of devices sold bundled with paid media services such as TIMVISION.

New TUSMA - Regulations to protect pluralism

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

With Resolution 251/25/CONS, AGCOM concluded the consultation launched the previous year regarding the identification of the 14 markets that make up the Integrated Communications System. With regard to the national paid audiovisual media services market, the Authority includes all providers of paid audiovisual media services, even those without an Italian license, provided they are authorized to operate in the national territory (e.g., EU operators, not just those with an Italian license, such as TIM for TIMVISION). These entities are required to register with the ROC (Register of Communications Operators), to ensure transparency of ownership structures and enforcement of pluralism regulations.

New TUSMA - programming and investment obligations for European projects

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

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

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

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

New TUSMA - Accessibility to media services for people with disabilities

With Resolution 291/25/CONS, AGCOM published the "Shared Guidelines" developed within the co-regulatory technical table and regarding accessibility measures for media services. For the first time (2026), these measures do not apply to providers of paid audiovisual media services.

Protection of minors – Age verification

Resolution 96/25/CONS implements Art. 13-bis of the "Caivano Decree," which prohibits minors from accessing pornographic content online. This requires age verification by website operators and video-sharing platforms (established in Italy or another Member State) that distribute pornographic images and videos in Italy. The Resolution does not identify mobile operators as either obligated entities, nor are they automatically considered independent certifiers of users' age for access to content prohibited to minors.

Content Delivery Network: applicability of the general authorization regime provided for by the Electronic Communications Code

With Resolution no. 207/25/CONS, the Authority approved the results of the public consultation pursuant to Resolution no. 55/25/CONS and confirmed the inclusion of Content Delivery Networks (CDNs) within the definition of electronic communications network pursuant to Art. 2 of the Electronic Communications Code, with the consequent application of the general authorization regime. The measure has been forwarded to the Ministry of Business and Made in Italy (MIMIT) for appropriate follow-up.

Authority fees

AGCOM contribution fee

On February 10, 2025, AGCOM issued resolutions no. 474/24/CONS, 475/24/CONS, 481/24/CONS and 482/24/CONS relating to the payment of the AGCOM contribution fee for the year 2025 (calculated on the 2023 financial statements figures). For the year 2025, the rate for the electronic communications market stood at 1.30 per thousand, that for media services at 2.00 per thousand, that for activities to prevent and suppress the illegal dissemination of content at 0.40 per thousand, and that for the operation related to the coordination of digital services at 0.135 per thousand.

TIM paid a total of around 10.5 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.

During 2025, the usual necessary activities for the management of the privacy Operating Model were carried out, with particular regard to the periodic updating of the processing register in relation to new activities/projects and the evolution of the company organization.

There were no legislative changes in the area of personal data protection during 2025.

With regard to the activities of the Italian Data Protection Authority, the decisions and assessments made with certain prescriptive and sanctioning measures adopted against certain companies and public administrations are of interest to TIM and the Group companies, and concern: i) the unlawful processing of personal data for marketing purposes and the methods for obtaining

consent; and ii) the processing of company email metadata and employee internet browsing logs, which may be collected and retained only under specific conditions and safeguards (privacy compliance and remote monitoring of workers pursuant to Art. 4 of Law 300/1970) and issues relating to remote monitoring of workers.

Furthermore, it should be noted that in February 2025 TIM signed up to the Code of Conduct for telemarketing and teleselling activities, which constitutes an important accountability tool suitable for demonstrating compliance with the relevant legislation. We would like to remind you of the important role played in this regard by the Privacy Function, in coordinating the numerous activities implemented by the relevant corporate functions for compliance with the provisions of the Code of Conduct and for subsequent adherence by TIM, including the collection of the large amount of documentation and elements requested by the Monitoring 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 consultancy to the Group's corporate functions/companies regarding the correct processing of personal data in corporate processes in compliance with internal policies/procedures and provides specialist support for specific activities (e.g., drafting privacy clauses in contracts with customers and suppliers, assisting in preparing responses to numerous requests from data subjects to exercise their rights), as well as coordinating activities related to relevant obligations, such as those relating to data breaches and the drafting of privacy impact assessments.

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

Rights of use expiring in 2029

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

The two (alternate) proposals from AGCOM are to:

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

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

Public telephony

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

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

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

Golden Power

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

- carries out "activities of strategic importance for the defense and national security system" (as per Art. 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 Art. 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 Art. 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 Art. 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.

Network and Information System Directive (NIS2)

The new Directive 2022/2555 (NIS2), which replaced the previous Directive 2016/1148 (NIS), entered into force on January 16, 2023, and must be transposed into national law by October 17, 2024, becoming applicable from 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 were simultaneously abrogated (i.e. the security measures of electronic communication services and networks, currently included in the European Electronic Communications Code) and, on the other, extending the rules to new subjects (e.g. data centers, CDN, etc.).

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

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

The Directive also provides for strengthened European coordination, with more effective roles for national authorities and ENISA, with the aim of improving collaboration to counter the global cyber threat by sharing experiences among Member States.

Measures for digital facilitation, simplification and innovation

- **Budget Law 2025** (Law no. 207/2024) – Entry into force: January 1, 2025. Benefits were introduced to take advantage of the incentives under the **Transition 5.0 Plan** (a single instalment of up to 10 million euros, the possibility to combine the tax credit with other benefits, the simplification of procedures to calculating the reduction of energy consumption). The law also broadened the scope of the **web tax**, which now applies to companies with revenues from digital services above 750 million euros, wherever those revenues are made.
- **“Milleproroghe” (Thousand Extensions) Decree-Law** (converted into law by Law no. 15/2025) – entry into force: February 25, 2025. This Decree-Law extended contracts for the Public Connectivity Service (**Servizio Pubblico di Connettività - SPC**), a strategic infrastructure deployed for delivery of digital services by public administration, until December 31, 2025. The legislation ensures the operational continuity of public digital services and their evolution in line with the objectives of the National Recovery and Resilience Plan (NRRP).
- **“Utility Bills” Decree-Law** (converted into law by Law no. 60/2025): entry into force: April 30, 2025. This legislation extended the fringe tax benefit on mixed-use **company vehicles** until June 30, 2025, provided the vehicle was ordered up to December 31, 2024.
- **“Public Administration” Decree-Law** (converted into law by Law no. 69/2025) – entry into force: May 14, 2025. This legislation authorized the allocation of 389.2 million euros between 2026 and 2029 for the completion of the Italy-wide **Te.T.Ra** network for police forces so as to ensure secure communications and interoperability with LTE Public Safety technologies. In addition, the subsidies rule was also extended for large national strategic investment programs – e.g. **the creation of data centers** – (in excess of 1 billion).
- **“Public Security” Decree-Law** (converted into law by Law no. 80 /2025) – entry into force: June 10, 2025. This legislation removed the obligation for operators to demand a residence permit when activating SIM cards of non-EU customers, instead requiring only a passport or equivalent travel document or a valid identification document.
- **“Space Economy” Bill** (enacted as Law no. 89/2025) – entry into force: June 25, 2025. This legislation established a 35 million euro fund for 2025 to support the innovation and development of national space activities. It also provides for a **national satellite transmission capacity reserve** through the use of satellites operated exclusively by EU or NATO entities.
- **Infrastructure** Decree Law no. 107/2025) – entry into force: July 20, 2025. Among the most interesting provisions is the provision of contributions of approximately 28 million euros for 2025-27 in favor of Autostrade per lo Stato S.p.A. to strengthen the safety and innovation levels of state highways and for the provision of IT services (cloud platforms).
- **DDL Mountain Areas Act** (Law no. 131/2025) – entry into force: September 20, 2025. Eliminated charges for operators for mobile and fixed-line coverage of the road and rail networks. It is specified that the **continuity of mobile telephone services and digital connections** is a priority for the development of mountain areas and that **the use of public-private partnerships must be encouraged** to implement projects aimed at increasing technology transfer and digital literacy.

- **Legislative Proposal on Call Centers.** Under debate in Parliament. This proposal aims to strengthen consumer and worker protection by introducing measures in the areas of cost of labor for call center activities, call center rapid response, combatting aggressive telemarketing and anti-spoofing.
- **Legislative Proposal on Data Centers.** Under debate in Parliament. This proposal aims to form a comprehensive regulatory framework by simplifying the data center construction process. On July 16, 2025, the Ministry of Enterprises and Made in Italy launched a **public consultation** on the Strategy to **encourage domestic and foreign investments** in the **Data Center sector**. The final document, published on November 5, 2025, also incorporates the contributions submitted by TIM, providing for a single authorization process with clear deadlines and centralized governance, the expansion of existing data centers, infrastructure development in Central and Southern Italy, and reward mechanisms for the most virtuous centers.
- **Delegated Law on AI** (Law 132/2025) – entry into force: October 10, 2025. Among the provisions of direct application: Authorization of spending of up to 1 billion euros for **venture capital investments in innovative companies active in the AI and cybersecurity sectors**, establishment of AGID and ACN as National Authorities for AI, use of AI to strengthen national cybersecurity, and establishment of an Observatory on the adoption of AI in the workplace. Numerous provisions will require the issuance of subsequent implementing decrees.
- **Regulatory Simplification Bill** (Law 167/2025) – entry into force: November 29, 2025. The most interesting provision gives the Government the power to issue, by the end of November 2026, decrees aimed at **amending the CAD** with the aim of updating the rules on digital identity, strengthening the interoperability of information systems and databases of public administrations and public service managers, and simplifying procedures through the use of the **National Digital Data Platform**.
- **Simplification of economic activities bill** (Law 182/2025) – entry into force: December 18, 2025. The most interesting provision concerns the **simplification of the installation of telecommunications systems**, according to which the publication of the application relating to telecommunications infrastructure is not relevant for the purposes of establishing tacit consent, and its failure to publish it is not a reason for invalidating the authorization.
- **Economy Decree** (Law 191/2025) – entry into force December 20, 2025. Among the provisions of greatest interest: 3.5 million euros refinancing of the **Technological Innovation and Digitalization Fund** to digitize public services, modernize public administration IT infrastructure, and develop digital platforms; allocation of resources for the completion of essential works for the Milano-Cortina 2026 Games, use of NRRP funds by local authorities.
- **Legislative Decree on Bullying and Cyberbullying** (Legislative Decree 99/2025) – Entry into Force: July 16, 2025. The provision of greatest interest requires providers of communication services offered via electronic communications networks to expressly invoke Art. 2048 of the Italian Civil Code to hold parents liable for damages caused by minor children who commit illegal acts online.
- **The Ministry of Enterprises and Made in Italy has launched two measures to support the digitalization of businesses and citizens:**
 - **Cloud & Cyber Voucher** – Financial allocation of 150 million euros – aimed at incentivizing the demand for cloud and cyberservices by SMEs and the self-employed. The measure is governed by Ministerial Decree of July 18, 2025 (framework of interventions) and by Decree of November 21, 2025 (implementation procedures). TIM can apply as a supplier and market its services (between the beginning of March and the end of April). The overall launch of the measure is expected in summer 2026.
 - **Family Vouchers and Infrastructure KOs** - Financial allocation of 50 million euros, refinanceable up to 140 million euros (subject to notification to the EC), aimed at stimulating **demand for ultra-broadband connectivity**. Following the public consultation launched by Infratel on August 7, 2025 and closed on September 15, 2025, discussions are underway with Infratel and the Ministry of Enterprises and Made in Italy to define a more efficient procedural model; the start of the measure is expected in the medium-long term.

Regulatory measures on work

- **Labor Bill** (Law 203/2024) – entry into force: January 12, 2025. Among the provisions of greatest interest: Increase of 2.1 million euros for 2025 in the Social Fund for Employment and Training, measures for flexible working, termination of employment, bilateral solidarity funds, and deferred payment of social security contributions.
- **Government delegation regarding remuneration and collective bargaining** (Law 144/2025) – entry into force: October 18, 2025. It provides for the delegation to the Government to adopt, within 6 months of the law's entry into force (by April 2026), one or more legislative decrees regarding workers' remuneration with the aim of ensuring that the minimum overall economic treatment of the most widely applied collective labor agreements constitutes the minimum economic condition to be recognized to workers belonging to the same category (so-called minimum wage).
- **An Observatory on the Impact of AI on the World of Work was established at the Ministry of Labor**, with the participation of various entities (ministries, public administrations, trade associations, *big tech* companies, and private companies)—including TIM—at a roundtable discussion aimed at sharing Guidelines on Artificial Intelligence. The Observatory was established pursuant to Art. 12 of Law 132/2025 in December 2025.

Protection of strategic national interests

- **Prime Ministerial Decree of October 2, 2025** which updates the previous Prime Ministerial Decree of April 30, 2025 **relating to the regulation of contracts for IT goods and services used to protect strategic national interests and national security**. The Decree provides for the inclusion of 4G and 5G mobile telephone services and systems, both stand-alone (SA) and non-stand-alone (NSA), and their future technological evolutions, among the categories subject to compliance with the essential cybersecurity elements and the reward criteria envisaged for strategic procurement.
- **Prime Ministerial Decree of April 30, 2025** - Regulation of contracts for IT goods and services used to protect strategic national interests and national security - Entry into force: May 20, 2025. The Decree defines the essential elements of cybersecurity for IT goods and services; identifies strategic or critical ICT goods and services for national cybersecurity and provides reward criteria for the protection of national security.

Annual Market and Competition Law 2025

It was approved by **Law no. 190 of December 18, 2025** (Official Journal 294 of December 19, 2025), which came into force on January 3, 2026.

The only provision of interest concerns the reform of **public instruments dedicated to technology transfer**, aimed at strengthening the link between research and business. This provision requires the Ministry of Enterprises and Made in Italy/Ministry of Universities, after consulting the Conference of the Regions, to adopt a three-year strategic plan for technology transfer policies.

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

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

Decree-Law no. 113/2024, converted by Law 143/2024, (the “Omnibus Decree-Law”) provides for:

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

In Resolution 47/25/CONS, the Authority initiated proceedings to extend the scope of content that can be blocked in 30 minutes. The process concluded with Resolution 209/25/CONS which, by amending the Regulation on the protection of copyright online, extended the obligation to disable content within 30 minutes from September 15, 2025 to audiovisual and musical content that falls within an extended definition of “live audiovisual content”.

Brazil

Revision of the model for the supply of telecommunications services

Law no. 13,879/2019, in force since October 4, 2019, introduced the most significant regulatory reform in the Brazilian telecommunications sector in more than 20 years. It allows fixed network concession contracts to be converted into an authorization regime, subject to approval by ANATEL. In exchange, licensees must commit to investing in the expansion of fixed broadband and telephony services in underserved areas, with the aim of reducing regional disparities.

The reform also modernized spectrum management by allowing multiple renewals of frequency authorizations and enabling spectrum trading between operators. Decree no. 10.402/2020 further detailed the procedures for this transition and established the criteria for calculating investment commitments. It has also provided guidelines to extend spectrum licenses and improve regulatory predictability and investment security. Migration processes for primary licensees have been implemented over the past two years, in continuous interaction with ANATEL and other authorities.

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Public policies applicable to the telecommunications sector

- **Connectivity Plan (Decree no. 9,612/2018)**: promotes the expansion of transportation and access networks, particularly in underserved regions.
- **Decree no. 10.799/2021**: prioritizes broadband coverage near public schools and in unserved areas.
- **Regulation of the Antenna Law (Decree no. 10,480/2020)**: facilitates network deployment by resolving infrastructure bottlenecks.
- **FUST Reform (Law no. 14.173/2021)**: It allows the private sector access to the FUST (Fund for the Universalization of Telecommunications Services) and offers tariff reductions to operators who invest in universalization projects. Subsequent regulations (Decree no. 11,004/2022 and Resolution no. 02/2022) clarified the mechanisms for using and supervising the fund.
- **National Cyber Security Policy (Decree no. 11,856/2023)**: **strengthens data governance and security standards.**
- **Resolution no. 783/2025: New General Plan of Competition Objectives (PGMC)**, still awaiting definitive definition by the Board of Directors of ANATEL on some of its articles.
- **Tax exemption for IoT devices and telecommunication stations (Law no. 15.320/2025)**: The tax benefits relating to the fees for installation and operation inspections, the contribution for the promotion of public broadcasting and the contribution for the development of the national film industry (Condecine) collected on telecommunications stations that are part of machine-to-machine communication systems and small satellite stations have been extended until December 31, 2030.

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

- **Resolution no. 772/2025**: New frequency allocation plan;
- **Resolution no. 773/2025**: Updated conditions for the use of radio frequencies;
- **Resolution no. 777/2025**: Revised general regulation of telecommunications services.

These measures aim to promote innovation, competition, and digital inclusion, supporting the continued development of telecommunications services in Brazil.

Revision of the Regulation on the quality of services

In December 2019, ANATEL approved the new service quality regulation (*service quality regulation - 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 such reactive regulation, ANATEL may adopt measures in specific cases, such as consumer compensation, the adoption of an action plan, or the adoption of precautionary measures to ensure the improvement of quality standards.

Following the joint work of ANATEL, operators and ESAQ (*Entidade de Suporte à Aferição da Qualidade*) to define objectives, criteria and reference values for these indicators, at the end of November 2021 the Board of Directors of ANATEL 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 the results of the quality indicators on its website every month. With regard to quality labels, in November 2023, the Agency announced the temporary and partial suspension of the Reference Values Document and the Quality Marks Document for the years 2022 and 2023, granting a period of 120 days to submit a new proposal on the method and parameters for establishing quality labels.

In December 2024, following an industry consultation, the Board of Directors approved an update to the Reference Values Document (*Documento de Valores de Referência - DVR*); however, this was at odds with industry demands, prompting operators to file administrative appeals. In light of these appeals, the Agency partially accepted the operators' request for a review in June 2025.

Furthermore, in December 2025, ANATEL published the first quality labels, using data from the first half of 2025 as a reference.

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.

In December 2024, ANATEL's Board of Directors assessed operators' requests for the suspension of certain regulatory obligations, introducing greater flexibility in key areas such as offer migration, data source adaptation, automatic renewals, billing during service suspension, asymmetry for small providers, and partner commissions. The revised regulatory framework entered into force in September 2025.

Data protection

- On August 14, 2018, the *Lei Geral de Proteção de Dados Pessoais* (Law 13.709/2018 - LGPD) was enacted.
- In December 2018, Provisional Measure 869/2018 created the National Data Protection Authority (*Autoridade Nacional de Proteção de Dados - ANPD*) and extended the period for the entry into force of the Law to 24 months (August 2020).
- In June 2020, Law 14,010/2020 deferred the coming into force of the LGPD, only for the provisions related to fines and penalties, to August 2021. The other provisions of the law took effect in September 2020. In addition, Decree no. 10,474/2020 came into effect in August 2020, establishing the ANPD, which, among other things, would become responsible for:
 - producing guidelines for national data protection policy;
 - supervising enterprises and applying sanctions;
 - issuing regulations and procedures on personal data protection.
- In February 2023, the Regulation on Dosimetry and Enforcement of Administrative Penalties was approved by Res. CD/ANPD no. 4/2023.
- In April 2024, ANPD published a Regulation on Security Incident Reporting.
- In July 2024, the ANPD approved the Regulations on the role of the data controller.
- In August 2024, ANPD published the Regulations on International Data Transfer and the Content of Standard Contractual Clauses.
- In September 2025, the National Data Protection Authority (ANPD) was converted into a regulatory agency by provisional measure no. 1,317/2025.

COMPETITION

Domestic

The market

Based on the most recent public information, in terms of revenues in 2024 the Italian retail telecommunications (TLC) market remained almost unchanged due to a slight growth in the fixed market (+2% compared to 2024) fully offset by a decrease in the mobile market (-3% compared to 2024).¹

This market remains highly competitive, showing a structural deflation that has lasted for over a decade. In 2024, the sector price index fell by -4% compared to 2024, in sharp contrast to the increase in the general consumer price index (+1.3% compared to 2024), confirming a medium-term trend. In fact, in the period 2020-2024, the National Consumer Price Index (NIC) rose by 20 points (from 110.4 to 130.4), while the electronic communications index fell by about 10 points (from 72.4 to 62.6).²

In 2025, the development of broadband and ultra-broadband continues to be the main driver of market evolution, favoring the progressive increase in traffic carried by networks, both for fixed (+6.8% compared to 2024 is the increase in fixed network download traffic in the first nine months of 2025) and for mobile (+15.7% compared to 2024 is the increase in download traffic carried on the mobile network in the first nine months of 2025).

The main OTTs, including Google (YouTube), Meta (Facebook, Instagram, WhatsApp), Netflix, Amazon (Prime Video), and Microsoft (Teams, Xbox), continue to generate the highest traffic volumes, driven by demand for high-definition video content, *online gaming* and collaborative applications. Added to these drivers is artificial intelligence, which generates massive data flows concentrated mainly in the interconnection between data centers, and generated by model training and computational workload processing. This dynamic increases the pressure on the infrastructure costs of traditional operators.

With regard to the current positioning of telecommunications operators in convergent markets, some trends with different levels of evolution can be observed:

- the development of new services in the media and entertainment sector (TV, music, gaming) and new digital services (smart homes, digital advertising, mobile payments, digital identity);
- the development of innovative services in the IT market, particularly in the areas of cloud, IoT, and *cybersecurity*;
- the emergence of integrated TLC, energy, and insurance offers, based on *bundles* that combine fixed connectivity services with electricity, gas, and insurance supplies, aimed at strengthening competitiveness in domestic multi-service packages.

The competitive context was further redefined by two significant transactions.

Fastweb and Vodafone became a single corporate entity under the name Fastweb S.p.A. as of January 1, 2026, completing an integration process begun in the two-year period 2024-2025. This industrial reorganization has resulted in a dimensional strengthening of the new operator, with a market share closer to that of TIM, and a consequent increase in the level of concentration, with potential effects of reducing competitive pressure in the key segments of the fixed and mobile markets.

At the same time, in 2025 Poste Italiane acquired control of TIM, reaching a total stake of 27.32%³, in a transaction of strategic significance for the telecommunications sector in Italy.

Competition in the fixed telecommunications sector

The fixed telecommunications market continues to be characterized both by the decline in revenues from access and voice and by the growth in revenues from broadband and ultra-broadband. In recent years, operators have mainly focused on increasing the penetration of broadband and ultra-broadband, through the introduction of "*bundled*" voice, broadband and service packages, in a context of high competition and price pressure.

The retail market continues to progressively increase the level of competition, with the HHI concentration index decreasing compared to 2024.⁴

In September 2025, total fixed accesses were 20.49 million and recorded a slight decline on a quarterly basis (-0.3% Quarter on Quarter), but substantial stability on an annual basis (+0.1% compared to 2024).

TIM is the leading operator with a market share of 35.9%, down by -1.6 percentage points compared to 2024; Fastweb+Vodafone follows with a market share of 28.4%, slightly down by -0.9 percentage points compared to 2024.

As of September 2025, broadband accesses amounted to 19.26 million and increased on a quarterly basis by +22 thousand units (+0.1% Quarter on Quarter), but decreased on an annual basis by -160 thousand units (-0.8% compared to 2024).⁵

On an annual basis, as of the third quarter of 2025, accesses in FTTH technology (6.7 million, +22.0% compared to 2024) and FWA (2.56 million, +11.5% compared to 2024) were on the increase, while accesses in FTTC technology (8.5 million, -8.4% compared to 2024) were on the decrease.⁶

In 2025, the presence of low Earth orbit (LEO) satellite operators, such as Starlink, strengthened, offering broadband services with performance increasingly comparable to FTTC and FWA solutions. This evolution expands connectivity options in rural and hard-to-reach areas with terrestrial networks, introducing a new form of competition in the fixed access market and increasing pressure on traditional operators.

At the same time, the domestic competitive landscape was characterized by a growing convergence between telecommunications, energy, and insurance. The main TLC operators have strengthened their integrated TLC, electricity, gas, and insurance offerings, while energy operators and multi-utility companies (including ENEL, Sorgenia, and Eni Plenitude) have entered

¹ Source: Asstel "Report on the Telecommunications Supply Chain in Italy" - 2025 Edition.

² Source: AGCOM "2025 Annual Report" (2024 data).

³ Shareholding as of December 31, 2025.

⁴ Herfindahl-Hirschman Index.

⁵ Source: AGCom Observatory 3rd quarter 2025.

⁶ Source: AGCom Observatory 3rd quarter 2025.

the fixed connectivity market, taking advantage of the reduction in wholesale telecommunications tariffs generated by the strong competitive pressure that has developed in this segment of the supply chain.

The entry of new non-traditional players increases competitive pressure and requires TLC operators to differentiate their offerings through high value-added digital services and loyalty strategies.

Competition in the mobile telecommunications sector

In the third quarter of 2025, total mobile lines (Human+M2M) amounted to 110.5 million, with an annual increase of +1.91 million (+1.8% compared to 2024): Both M2M lines, which reached 31.3 million (+2.8% compared to 2024), and Human lines, which totaled 79.3 million (+1.4% compared to 2024), increased. Compared to the previous quarter, M2M is growing slightly, while Human lines are stable.

At the same time, the spread of eSIMs has increased market competition, reducing barriers to switching operators and introducing new access channels, including through international travel eSIM providers. This phenomenon has affected the traditional monetization models of *roaming*, intensifying competitive pressure on prices and offer conditions.

In 2025, the competitive landscape of mobile telecommunications continues to be characterized by aggressive offers from the operator Iliad, in terms of price and volume of data offered, followed by those of virtual operators (MVNOs). In the *human* market, the operator Iliad and the virtual operators as a whole continue to gain customers and market share, at the expense of all other infrastructure-based operators.

In the third quarter of 2025, Fastweb+Vodafone is the leader of the total mobile market (Human+M2M) by volume, with a 29.9% share (+0.1 percentage points compared to 2024), followed by TIM with a 25.9% share (-1.3 percentage points compared to 2024) and WindTre with a 24.1% share (+0.3 percentage points compared to 2024).

Considering only Human lines, Fastweb+Vodafone remains the leader with a 25.4% share, but down -0.3 percentage points compared to 2024; WindTre follows, with a market share of 23.7%, down by -0.4 percentage points compared to 2024, while Iliad reaches a market share of 15.6%, up by +0.9 percentage points compared to 2024.

In 2025, 5G competition continued with the simultaneous presence of all infrastructure-based operators (TIM, Fastweb+Vodafone, WindTre, Iliad) and the progressive coverage of all major cities and suburban areas.

The spread of 5G has also progressively developed in the *business* segment, enabling specialized solutions for vertical markets, although in this segment the adoption of these services still does not seem to be taking off.

Globally, the first commercial “direct to cell” connectivity services have been launched, allowing standard 4G/5G smartphones to connect directly to low-orbit (LEO) satellites for messaging, low-speed data transmission, and voice communications.

Brazil

In 2025, Brazil's macroeconomic scenario shows a slowdown after the strong economic *performance* observed in 2024. While 2024 was characterized by robust GDP growth of around 3.5%, rising average income and falling unemployment to a historic low of 6.6%, economic activity in 2025 slowed to around 2.3%, reflecting both exogenous headwinds (such as US tariffs and currency pressure) and domestic constraints (persistently high interest rates and fiscal uncertainty). The outlook for 2026 indicates a continued weakening of the economy, with GDP growth expected to slow further to around 1.8%. Inflation remained a concern throughout 2025: the HICP (*Índice de Preços ao Consumidor Amplo*) closed the year at around 4.3%, a figure lower than expectations at the beginning of the year but which still keeps the cost of living under pressure, a trend that will probably continue in 2026 with a projection of 4.1%. At the same time, interest rates have been high compared to historical levels, around 15%, and are expected to decline only gradually, with the Selic rate expected to reach around 12% by the end of 2026.

The combination of high inflation, rising interest rates, and high household indebtedness continues to erode real purchasing power. The share of the defaulting population has risen to 49%, up from 45% in 2024, which, along with inflation, tends to weigh on the resilience of consumption, especially among lower-middle-income households. Despite these pressures, employment remains relatively strong with the unemployment rate reaching 5.2% in November 2025.

On the fiscal and political front, uncertainty increases as Brazil approaches the election year of 2026. Election cycles in the country typically lead to slower decision-making and reduced legislative momentum, as political priorities shift towards campaign positioning and coalition management. At the same time, pre-election dynamics tend to increase fiscal pressures, as governments are incentivized to preserve social spending and limit unpopular adjustment measures. Political and fiscal outcomes after 2026 will influence household purchasing power and investor risk appetite. This context reinforces market caution, increases risk perception and contributes to a more conservative attitude on the part of domestic and foreign investors.

In 2025, the telecommunications sector remains in a phase of competitive rationality. Operators continue to focus on developing increasingly attractive offerings, not only in terms of pricing but also through the addition of value-added services, including partnerships with video and content streaming companies, as well as services from other verticals such as financial services, education, healthcare and energy. At the same time, telecommunications company are increasingly leveraging artificial intelligence and advanced analytics to personalize offerings, optimize pricing, improve network performance, and automate customer interactions. The main challenge is to deepen customer engagement by offering a more cost-effective end-to-end digital experience, supported by fully integrated, AI-enabled digital solutions, with the dual goal of reducing churn and improving customer base monetization.

The structural shift towards postpaid plans continues: after surpassing 50% of the total mobile base in 2024, the segment recorded strong growth in 2025, with a 9.9% year-over-year increase in October, driven by both ex-M2M postpaid services (+7.4% year-over-year) and the faster expansion of M2M connections (+15.7% year-over-year). Growth reflects better segmentation of value-added offerings and services, as well as continued migration from prepaid to postpaid and hybrid “Control” plans, encouraged by combined offerings, better data experiences, and greater convenience. These dynamics continue to reshape the customer base towards more stable and higher value relationships, supporting ARPU growth and reducing the churn rate over time. At the same time, M2M expansion is supported by wider adoption of IoT solutions in sectors such as logistics, utilities, and agri-food, along with more powerful end-to-end IoT platforms from telecommunications company.

In contrast, the prepaid segment continued to decline, with the customer base down 8.6% year-over-year in October 2025. Beyond macroeconomic dynamics, the contraction is largely explained by sustained migration between segments. In response, market participants prioritized increasing service utilization, focusing on encouraging customers to migrate from sporadic, low-consumption pre-paid plans to weekly or monthly offerings, supported by packages that combine unlimited voice, data, and digital services aligned to different usage profiles. These initiatives are designed not only to offset the decline in prepaid base volumes, but to improve the overall customer mix, increase revenues visibility, reduce churn, and support sustainable ARPU growth.

Network quality, particularly 5G performance, remains a key competitive differentiator in this context. Speed continues to be the most visible and tangible measure of 5G performance, demonstrating the advanced capacity of next-generation networks. In major terrestrial markets, TIM, Vivo, and Claro are among the global leaders for download speeds in Opensignal's 2025 5G Global Mobile Network Experience Awards, reinforcing Brazil's position as a global benchmark. This positioning is further supported by the Speedtest Global Index published by Ookla in November 2025, which positions Brazil as the sixth country for mobile network speed globally, with Rio de Janeiro (6th) and São Paulo (8th) among the top 10 cities in the world for this indicator.

In terms of coverage, Brazil continues to show strong progress in mobile technologies. According to ANATEL, 4G networks currently cover 93.1% of the population, ensuring almost universal access to mobile services. At the same time, 5G coverage has steadily expanded on an annual basis, reaching 64.9% of the population at the end of 2025, for a total of 2,019 municipalities. Reflecting this spread, the 5G subscriber base reached 55 million accesses in October 2025, an increase of 49.8% compared to 2024. This combination of widespread 4G availability and accelerating 5G adoption strengthens the solidity of Brazil's mobile infrastructure, supporting greater data utilization, advanced digital services, and continued migration to higher-value plans.

The fixed broadband market is approaching maturity, with penetration reaching 74.2% in October 2025, and is extremely fragmented in Brazil, with over 9,000 players among large telecommunications operators and a large number of regional ISPs. This level of fragmentation helps explain why the market remains highly competitive and challenging.

The broadband subscriber base currently stands at 53.1 million accesses, with fluctuations observed during 2025. In this context, the consolidation of the sector has remained a decisive trend, with M&A activity continuing at a sustained pace throughout 2025 and showing clear signs of extending until 2026. This consolidation dynamic reflects operators' search for scalability, operational efficiency, and portfolio optimization in a market where organic growth opportunities are increasingly limited.

In this challenging and competitive environment, TIM's strategy is focused on sustainable revenues growth, supported by competitiveness across all mobile segments, stronger management of the base and sharper segmentation. At the same time, the company aims to improve operational efficiency in fixed broadband while preserving optionality for future convergence and to accelerate B2B growth through connectivity, IoT, and ICT.

CONSOLIDATED FINANCIAL POSITION AND CASH FLOWS PERFORMANCE

Non-current assets

- **Goodwill:** The item decreased by 5 million euros, from 11,030 million euros at December 31, 2024, to 11,025 million euros at December 31, 2025, mainly due to negative exchange rate differences relating to goodwill attributed to the Brazil Cash Generating Unit.
- **Intangible assets with a finite useful life:** these fell by 566 million euros, from 6,011 million euros at the end of 2024 to 5,445 million euros at December 31, 2025, representing the balance of:
 - CapEx (+825 million euros);
 - amortization charge for the year (-1,321 million euros);
 - reclassification to "Discontinued operations/Non-current assets held for sale" of the intangible assets with a finite useful life relating to the Telecom Italia Sparkle Group (-56 million euros);
 - a net negative balance of 14 million euros relating to disposals, exchange differences (negative at 8 million euros, relating to the Brazil Business Unit) and other changes.
- **Tangible assets:** these fell by 446 million euros, from 4,560 million euros at the end of 2024 to 4,114 million euros at December 31, 2025, representing the balance of:
 - CapEx (+1,024 million euros);
 - amortization charge for the year (-1,075 million euros);
 - reclassification to "Discontinued operations/Non-current assets held for sale" of the tangible assets relating to the Telecom Italia Sparkle Group (-334 million euros);
 - a net negative balance of 61 million euros relating to impairment losses, disposals, exchange differences (negative at 8 million euros, relating to the Brazil Business Unit) and other changes.
- **Rights of use assets** (mainly comprise rights of use on real estate leases, network connectivity and telecommunications infrastructure): these fell by 227 million euros, from 3,467 million euros at the end of 2024 to 3,240 million euros at December 31, 2025, representing the balance of:
 - investments (+54 million euros) and increases in lease contracts (+598 million euros); In particular, 508 million euros of those increases relate to the Brazil Business Unit and 90 million euros to the Domestic Business Unit;
 - amortization charge for the year (-542 million euros);
 - reclassification to "Discontinued operations/Non-current assets held for sale" of the right of use relating to the Telecom Italia Sparkle Group (-206 million euros);
 - a net negative balance of 131 million euros relating to disposals, impairment losses, exchange differences (negative at 11 million euros, essentially relating to the Brazil Business Unit) and other changes.

Consolidated equity

As of December 31, 2025, consolidated equity amounted to 13,455 million euros (13,361 million euros as of December 31, 2024), of which 12,219 million euros were attributable to the Shareholders of the Parent Company (11,957 million euros as of December 31, 2024) and 1,236 million euros were attributable to minority interests (1,404 million euros as of December 31, 2024). In greater detail, the changes in consolidated equity were the following:

(million euros)	12/31/2025	12/31/2024
At the beginning of the year	13,361	17,513
Total comprehensive income (loss) for the year	557	(1,091)
Dividends approved by:	(317)	(158)
<i>TIM S.p.A.</i>	—	—
<i>Other Group companies</i>	(317)	(158)
NetCo deconsolidation	—	(2,283)
Brazil BU - share capital transactions	(119)	—
Other changes	(27)	(620)
At the end of the year	13,455	13,361

Cash flows

Adjusted net financial debt at December 31, 2025 was equal to 9,778 million euros (10,126 million euros as of December 31, 2024). The main transactions that had an impact on the change in adjusted net financial debt are as follows:

Change in adjusted net financial debt

(million euros)	2025 (a)	2024 (b)	Change (a-b)
EBITDA	4,566	4,744	(178)
Capital expenditures on an accrual basis	(1,903)	(2,032)	129
Change in net operating working capital:	(762)	(41)	(721)
<i>Change in inventories</i>	(12)	(10)	(2)
<i>Change in trade receivables and other net receivables</i>	(232)	114	(346)
<i>Change in trade payables</i>	274	114	160
<i>Change in payables for mobile telephone licenses/spectrum</i>	—	(24)	24
<i>Other changes in operating receivables/payables</i>	(792)	(235)	(557)
Change in employee benefits	(9)	(12)	3
Change in operating provisions and Other changes	18	(91)	109
Net Operating Free Cash Flow	1,910	2,568	(658)
<i>% of Revenues</i>	<i>13.9</i>	<i>18.8</i>	<i>(4.9)pp</i>
Cash flows from sales of investments and other disposals	95	278	(183)
Share capital increases/reimbursements including incidental expenses	3	—	3
Financial investments	(142)	(46)	(96)
Dividends payment	(273)	(159)	(114)
Increases in lease contracts	(598)	(718)	120
Finance expenses, income taxes and other net non-operating requirements flow	(625)	(432)	(193)
Impact on NFP of NetCo sale	—	15,321	(15,321)
Reduction/(Increase) in adjusted net financial debt from continuing operations	370	16,812	(16,442)
Reduction/(Increase) in net financial debt from Discontinued operations/Non-current assets held for sale	(22)	(1,282)	1,260
Reduction/(Increase) in adjusted net financial debt	348	15,530	(15,182)

Equity free cash flow (calculated applying IFRS 16) for 2025 is positive at 1,120 million euros (positive at 243 million euros in 2024).

The Equity Free Cash Flow is calculated as follows:

(million euros)	2025	2024	Change
Reduction/(Increase) in adjusted net financial debt	348	15,530	(15,182)
Impact for finance leases (new lease operations and/or renewals and/or extensions (-)/any terminations/early extinguishing of leases (+))	448	77	371
Payment of TLC licenses and for the use of frequencies	—	24	(24)
Financial impact of acquisitions and/or disposals of investments	54	(15,547)	15,601
Dividend payment and Change in Equity	270	159	111
Equity Free Cash Flow	1,120	243	877

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

Capital expenditures and investments for mobile telephone licenses/spectrum

In 2025, **capital expenditures and investments in mobile telephony/spectrum licenses by the TIM Group (Sparkle Discontinued Operations)** amounted to 1,903 million euros (2,032 million euros in 2024).

CapEx is broken down as follows by operating segment:

(million euros)	2025		2024		Change
		% weight		% weight	
Domestic	1,183	62.2	1,252	61.6	(69)
Brazil	720	37.8	780	38.4	(60)
Other operations	—	—	—	—	—
Adjustments and eliminations	—	—	—	—	—
Consolidated Total	1,903	100.0	2,032	100.0	(129)
% of Revenues	13.9		14.9		(1.0)pp

Specifically:

- the **Domestic Business Unit (Sparkle Discontinued Operations)** presents industrial investments of 1,183 million euros, with a significant share aimed at the development of Mobile, IT and cloud infrastructure;
- the **Brazil Business Unit** posted capital expenditures in 2025 of 720 million euros (780 million euros for 2024). Excluding the unfavorable exchange rate dynamics (-59 million euros), the Business Unit's capital expenditures are substantially stable compared to 2024.

Change in net operating working capital

In 2025, the TIM Group's operating working capital (Sparkle Discontinued Operations) showed a decrease of 762 million euros, mainly attributable to changes in operating receivables/payables (-792 million euros) and trade receivables (-232 million euros), only partially offset by the change in trade payables (+274 million euros).

Financial investments

In 2025, the financial investments of the TIM Group (Sparkle Discontinued Operations) amounted to 142 million euros (46 million euros in 2024), of which 132 million euros were attributable to the Brazil Business Unit, mainly related to the share buyback program of TIM S.A., and 10 million euros to the Domestic Business Unit.

Increases in lease contracts

In 2025, the item came to 598 million euros (718 million euros in 2024) and includes the greater value of rights of use entered following new passive lease contracts, increases in lease charges and the renegotiation of existing lease contracts.

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

In 2025, the flow has a negative balance for a total of 625 million euros (negative for 432 million euros in 2024). It mainly includes outflows relating to financial management components, as well as the payment of income tax expense and changes in non-operating payables and receivables.

Sales of receivables to factoring companies

It should be noted that sales without recourse of trade receivables to factoring companies completed during 2025 resulted in a positive effect on the adjusted net financial debt at December 31, 2025 amounting to 1,137 million euros (1,134 million euros at December 31, 2024).

Net financial debt

Net financial debt is composed as follows:

(million euros)

	12/31/2025 (a)	12/31/2024 (b)	Change (a-b)
Non-current financial liabilities			
Bonds	6,918	7,527	(609)
Amounts due to banks, other financial payables and liabilities	1,073	1,201	(128)
Non-current financial liabilities for lease contracts	2,476	2,421	55
	10,467	11,149	(682)
Current financial liabilities (*)			
Bonds	1,188	2,401	(1,213)
Amounts due to banks, other financial payables and liabilities	1,839	1,469	370
Current financial liabilities for lease contracts	515	523	(8)
	3,542	4,393	(851)
Financial liabilities directly associated with Discontinued operations/Non-current assets held for sale	89	—	89
Total Gross financial debt	14,098	15,542	(1,444)
Non-current financial assets			
Securities other than investments	(1)	—	(1)
Non-current financial receivables arising from lease contracts	(34)	(40)	6
Financial receivables and other non-current financial assets	(396)	(646)	250
	(431)	(686)	255
Current financial assets			
Securities other than investments	(1,370)	(1,539)	169
Current financial receivables arising from lease contracts	(44)	(44)	—
Financial receivables and other current financial assets	(168)	(112)	(56)
Cash and cash equivalents	(2,048)	(2,924)	876
	(3,630)	(4,619)	989
Financial assets relating to Discontinued operations/Non-current assets held for sale	(162)	—	(162)
Total financial assets	(4,223)	(5,305)	1,082
Net financial debt carrying amount	9,875	10,237	(362)
Reversal of fair value measurement of derivatives and related financial liabilities/assets	(97)	(111)	14
Adjusted Net Financial Debt	9,778	10,126	(348)
Breakdown as follows:			
Total adjusted gross financial debt	13,839	15,189	(1,350)
Total adjusted financial assets	(4,061)	(5,063)	1,002
(*) of which current portion of medium/long-term debt:			
Bonds	1,188	2,401	(1,213)
Amounts due to banks, other financial payables and liabilities	196	991	(795)
Current financial liabilities for lease contracts	487	474	13

The financial risk management policies of the TIM Group are aimed at minimizing market risks, fully hedging exchange rate risk on financial liabilities, and optimizing interest rate exposure through appropriate diversification of the portfolio, which is also achieved by using carefully selected derivative financial instruments. It is emphasized that these instruments are not for speculative purposes.

It should also be noted that, in order to determine its exposure to interest rates, the Group defines an optimal composition of its long-term debt structure between fixed-rate and variable-rate components and uses derivative financial instruments in order to achieve the pre-established 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 risks, the Group has adopted Guidelines for the "Management and control of financial risk" and mainly uses IRS and CCIRS derivative financial instruments.

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

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

Net financial debt carrying amount as of December 31, 2025 amounted to 9,875 million euros, down 362 million euros compared to December 31, 2024 (10,237 million euros). This reduction is mainly due to the positive dynamics of operational and financial management, net of the payment of dividends and the share buyback program by the Brazil Business Unit.

Adjusted net financial debt ((including IFRS 16 net debt) amounted to 9,778 million euros as of December 31, 2025, down 348 million euros compared to December 31, 2024 (10,126 million euros). The reversal of the fair value measurement of derivatives and related financial liabilities/assets recorded a positive change of 14 million euros; this valuation adjusts the booked Net Financial Debt with no monetary effect.

Adjusted Net Financial Debt – After Lease (net of lease contracts) at December 31, 2025, amounted to 6,854 million euros, down 412 million euros compared to December 31, 2024 (7,266 million euros).

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

(million euros)	12/31/2025 (a)	12/31/2024 (b)	Change (a-b)
Net financial debt carrying amount	9,875	10,237	(362)
<i>Reversal of fair value measurement of derivatives and related financial liabilities/assets</i>	(97)	(111)	14
Adjusted Net Financial Debt	9,778	10,126	(348)
<i>Leasing</i>	(2,913)	(2,860)	(53)
<i>Leasing - Discontinued operations/Non-current assets held for sale</i>	(11)	—	(11)
Adjusted Net Financial Debt - After Lease	6,854	7,266	(412)

In the fourth quarter of 2025, adjusted net financial debt decreased by 756 million euros compared to September 30, 2025.

(million euros)	12/31/2025 (a)	9/30/2025 (b)	Change (a-b)
Net financial debt carrying amount	9,875	10,652	(777)
<i>Reversal of fair value measurement of derivatives and related financial liabilities/assets</i>	(97)	(118)	21
Adjusted Net Financial Debt	9,778	10,534	(756)
<i>Leasing</i>	(2,913)	(2,966)	53
<i>Leasing - Discontinued operations/Non-current assets held for sale</i>	(11)	(23)	12
Adjusted Net Financial Debt - After Lease	6,854	7,545	(691)

In July 2025, the entire receivable relating to the refund of the 1998 License fee (for a total amount of 995.4 million euros, including statutory interest accrued up to the date of transfer) was assigned to a pool of leading banks; the assignment had no impact on Net financial debt.

Gross financial debt

Bonds

Bonds at December 31, 2025 totaled 8,106 million euros (9,928 million euros at December 31, 2024). Repayments totaled a nominal 7,830 million euros (9,625 million euros at December 31, 2024).

The change in bonds during 2025 was as follows:

(millions of original currency)	Currency	Amount	Issue date
New issues			
TIM Brasil 2,791.7 million BRL CDI+0.70%	BRL	2,791.7	7/23/2025
TIM Brasil 2,208.3 million BRL CDI+0.85%	BRL	2,208.3	7/23/2025
TIM S.p.A. 500 million euros 3.625%	EUR	500	9/30/2025
TIM Brasil 1,400 million BRL CDI+0.35%	BRL	1,400	12/22/2025

(millions of original currency)	Currency	Amount	Repayment date
Repayments			
TIM Brasil 5,000 million BRL CDI+2.3%	BRL	294	1/27/2025
TIM S.p.A. 1,000 million euros 2.750%	EUR	1,000	4/15/2025
TIM Brasil 5,000 million BRL CDI+2.3%	BRL	294	4/25/2025
TIM Brasil 5,000 million BRL CDI+2.3%	BRL	3,824	7/25/2025
TIM S.p.A. 1,000 million euros 3.000%	EUR	1,000	9/30/2025
TIM S.p.A. 375 million euros 2.875% ⁽¹⁾	EUR	375	11/24/2025

⁽¹⁾ On October 24, 2025, TIM notified the full early repayment of the 375 million euro bond maturing on January 28, 2026, following the exercise of Clause 7.4 (Redemption at the option of the Issuer – so-called Issuer Maturity Par Call) of the terms and conditions applicable to the Notes. This redemption was made on November 24, 2025 at a redemption price equal to 100% of the principal amount of the bonds.

Revolving Credit Facility and Term Credit Facility

The following table shows committed credit lines:

(billion euros)

	12/31/2025		12/31/2024	
	Agreed	Drawn down	Agreed	Drawn down
Revolving Credit Facility – April 2030 (*)	3.000	—	4.000	—
Term Credit Facility – July 2030	0.750	0.015	—	—
Total	3.750	0.015	4.000	—

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

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

On July 22, 2025, TIM signed a new *Term Credit Facility* with a pool of leading national and international banks for an amount of 750 million euros and maturing on July 22, 2030, partially guaranteed by SACE (pursuant to Law no. 213 of December 30, 2023, and subsequent amendments). As of December 31, 2025, the drawn amount was 15 million euros. Subsequently, on January 20, 2026, the line was fully drawn down.

Average maturity of non-current financial liabilities and cost of debt

The average maturity of non-current financial liabilities (including the current portion of medium/long-term financial liabilities due within 12 months) was 7.74 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 6.8%, while the average cost of the Group's debt "After Lease" was equal to 5.9%.

Current financial assets and liquidity margin

As of December 31, 2025, the TIM Group's available **liquidity margin** was equal to 7,153 million euros and calculated considering:

- "Cash and cash equivalents" and "Current securities other than investments" for a total of 3,418 million euros (4,364 million euros at December 31, 2024), also including 334 million euros (nominal) in repurchase agreements expiring by February 2026;
- *Revolving Credit Facility* amounting to 3,000 million euros, totally available;
- the new *Term Credit Facility* entered into on July 22, 2025 by TIM with a pool of leading national and international banks for an amount of 750 million euros, partially guaranteed by SACE (pursuant to Law no. 213 of December 30, 2023, as amended), drawn for 15 million euros as of December 31, 2025.

This margin allows coverage of the Group's non-current financial liabilities (including the portion of medium/long-term liabilities maturing within twelve months) falling due for at least the next 48 months.

Specifically:

Cash and cash equivalents amounted to 2,048 million euros (2,924 million euros at December 31, 2024).

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

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

Current securities other than investments amounted to 1,370 million euros (1,539 million euros at December 31, 2024): These forms of investment represent alternatives to the investment of liquidity with the aim of improving returns. They included a total of 303 million euros of Italian and foreign treasury bonds held by Telecom Italia Finance S.A., 512 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 555 million euros of investments in monetary funds by the Brazil Business Unit.

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

CONSOLIDATED DATA – TABLES OF DETAIL

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

Separate Consolidated Income Statements

(million euros)

	2025	2024	Changes	
	(a)	(b)	(a-b)	%
			absolute	
Revenues	13,734	13,653	81	0.6
Other income	1,254	231	1,023	—
Total operating revenues and other income	14,988	13,884	1,104	8.0
Acquisition of goods and services	(8,647)	(7,391)	(1,256)	(17.0)
Employee benefits expenses	(1,474)	(1,414)	(60)	(4.2)
Other operating expenses	(580)	(638)	58	9.1
Change in inventories	12	11	1	9.1
Internally generated assets	267	292	(25)	(8.6)
Operating profit (loss) before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)	4,566	4,744	(178)	(3.8)
Depreciation and amortization	(2,938)	(3,063)	125	4.1
Gains (losses) on disposals of non-current assets	5	2	3	—
Impairment reversals (losses) on non-current assets	(69)	(14)	(55)	—
Operating profit (loss) (EBIT)	1,564	1,669	(105)	(6.3)
Share of profits (losses) of associates and joint ventures accounted for using the equity method	(23)	(20)	(3)	(15.0)
Other income (expenses) from investments	67	75	(8)	(10.7)
Finance income	938	1,053	(115)	(10.9)
Finance expenses	(1,839)	(2,365)	526	22.2
Profit (loss) before tax from continuing operations	707	412	295	71.6
Income tax expense	(112)	(178)	66	37.1
Profit (loss) from continuing operations	595	234	361	—
Profit (loss) from Discontinued operations / Non current assets held for sale	(76)	(598)	522	87.3
Profit (loss) for the year	519	(364)	883	—
Attributable to:				
Owners of the Parent	297	(610)	907	—
Non-controlling interests	222	246	(24)	(9.8)

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)

	2025	2024
Profit (loss) for the year	(a) 519	(364)
Other components of the Consolidated Statement of Comprehensive Income		
Other components that will not be reclassified subsequently to Separate Consolidated Income Statement		
Financial assets measured at fair value through other comprehensive income:		
Profit (loss) from fair value adjustments	(16)	9
Income tax effect	—	—
(b)	(16)	9
Remeasurements of employee defined benefit plans (IAS 19):		
Actuarial gains (losses)	4	13
Income tax effect	—	—
(c)	4	13
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) (12)	22
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	45	10
Loss (profit) transferred to Separate Consolidated Income Statement	(18)	(3)
Income tax effect	—	—
(f)	27	7
Hedging instruments:		
Profit (loss) from fair value adjustments	(177)	(127)
Loss (profit) transferred to Separate Consolidated Income Statement	238	132
Income tax effect	(15)	(1)
(g)	46	4
Exchange differences on translating foreign operations:		
Profit (loss) on translating foreign operations	(23)	(760)
Loss (profit) on translating foreign operations transferred to Separate Consolidated Income Statement	—	—
Income tax effect	—	—
(h)	(23)	(760)
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) 50	(749)
Total other components of the Consolidated Statements of Comprehensive Income	(m=e+k) 38	(727)
Total comprehensive income (loss) for the year	(a+m) 557	(1,091)
Attributable to:		
Owners of the Parent	306	(1,057)
Non-controlling interests	251	(34)

Consolidated Statement of Financial Position

In application of IFRS 5, the statements of financial position as at December 31, 2024 coincide with those published in the 2024 annual report; only in the balance sheets as at December 31, 2025 the Telecom Italia Sparkle group is reclassified among the 'Assets held for sale (Discontinued Operations)'.

(million euros)	12/31/2025 (a)	12/31/2024 (b)	Changes (a-b)
Assets			
Non-current assets			
Intangible assets			
Goodwill	11,025	11,030	(5)
Intangible assets with a finite useful life	5,445	6,011	(566)
	16,470	17,041	(571)
Tangible assets			
Property, plant and equipment owned	4,114	4,560	(446)
Rights of use assets	3,240	3,467	(227)
Other non-current assets			
Investments in associates and joint ventures accounted for using the equity method	241	265	(24)
Other investments	120	150	(30)
Non-current financial receivables arising from lease contracts	34	40	(6)
Other non-current financial assets	397	646	(249)
Miscellaneous receivables and other non-current assets	1,110	1,795	(685)
Deferred tax assets	510	513	(3)
	2,412	3,409	(997)
Total Non-current assets	(a) 26,236	28,477	(2,241)
Current assets			
Inventories	235	297	(62)
Trade and miscellaneous receivables and other current assets	5,317	4,146	1,171
Current income tax receivables	89	124	(35)
Current financial assets			
<i>Current financial receivables arising from lease contracts</i>	44	44	—
<i>Securities other than investments, other financial receivables and other current financial assets</i>	1,538	1,651	(113)
<i>Cash and cash equivalents</i>	2,048	2,924	(876)
	3,630	4,619	(989)
Current assets sub-total	9,271	9,186	85
Discontinued operations /Non-current assets held for sale			
of a financial nature	162	—	162
of a non-financial nature	1,065	—	1,065
	1,227	—	1,227
Total Current assets	(b) 10,498	9,186	1,312
Total Assets	(a+b) 36,734	37,663	(929)

(million euros)

	12/31/2025 (a)	12/31/2024 (b)	Changes (a-b)
Equity and Liabilities			
Equity			
Equity attributable to owners of the Parent	12,219	11,957	262
Non-controlling interests	1,236	1,404	(168)
Total Equity (c)	13,455	13,361	94
Non-current liabilities			
Non-current financial liabilities for financing contracts and others	7,991	8,728	(737)
Non-current financial liabilities for lease contracts	2,476	2,421	55
Employee benefits	188	200	(12)
Deferred tax liabilities	55	61	(6)
Provisions	439	485	(46)
Miscellaneous payables and other non-current liabilities	612	896	(284)
Total Non-current liabilities (d)	11,761	12,791	(1,030)
Current liabilities			
Current financial liabilities for financing contracts and others	3,027	3,870	(843)
Current financial liabilities for lease contracts	515	523	(8)
Trade and miscellaneous payables and other current liabilities	7,317	7,074	243
Current income tax payables	63	44	19
Current liabilities sub-total	10,922	11,511	(589)
Liabilities directly associated with Discontinued operations/Non-current assets held for sale			
of a financial nature	89	—	89
of a non-financial nature	507	—	507
	596	—	596
Total Current Liabilities (e)	11,518	11,511	7
Total Liabilities (f=d+e)	23,279	24,302	(1,023)
Total Equity and Liabilities (c+f)	36,734	37,663	(929)

Consolidated Statements of Cash Flows

(million euros)	2025	2024
Cash flows from operating activities:		
Profit (loss) from continuing operations	595	234
Adjustments for:		
Depreciation and amortization	2,938	3,063
Impairment losses (reversals) on non-current assets including investments	69	14
Net change in deferred tax assets and liabilities	(40)	88
Losses (gains) realized on disposals of non-current assets (including investments)	(4)	(73)
Share of losses (profits) of associates and joint ventures accounted for using the equity method	23	20
Change in employee benefits	(9)	(12)
Change in inventories	(12)	(10)
Change in trade receivables and other net receivables	(232)	114
Change in trade payables	(98)	(70)
Net change in income tax receivables/payables	51	73
Net change in miscellaneous receivables/payables and other assets/liabilities	(743)	(264)
Cash flows from (used in) operating activities	(a) 2,538	3,177
Cash flows from investing activities:		
Purchases of intangible, tangible and rights of use assets on a cash basis	(1,531)	(1,873)
Contributions for plants received	1	7
Acquisition of control of companies or other businesses, net of cash acquired	(1)	(4)
Acquisitions/disposals of other investments	(23)	(34)
Change in financial receivables and other financial assets (excluding hedging and non-hedging derivatives under financial assets)	(1) 81	2,864
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	95	278
Cash flows from (used in) investing activities	(b) (1,378)	5,407
Cash flows from financing activities:		
Change in current financial liabilities and other	1,103	(800)
Proceeds from non-current financial liabilities (including current portion)	1,542	1,886
Repayments of non-current financial liabilities (including current portion)	(4,369)	(8,426)
Changes in hedging and non-hedging derivatives	91	320
Consideration received from the sale of equity instruments	3	—
Share capital proceeds/reimbursements (including subsidiaries)	—	—
Dividends paid	(273)	(159)
Changes in ownership interests in subsidiaries	(119)	(8)
Cash flows from (used in) financing activities	(c) (2,022)	(7,187)
Cash flows from (used in) Discontinued operations/Non-current assets held for sale	(d) 50	(1,283)
Aggregate cash flows	(e=a+b+c+d) (812)	114
Net cash and cash equivalents at beginning of the year	(f) 2,924	2,912
Net foreign exchange differences on net cash and cash equivalents	(g) (8)	(102)
Net cash and cash equivalents at end of the year	(h=e+f+g) 2,104	2,924

(1) The item includes investments in marketable securities for 1,939 million euros in 2025 (2,295 million euros in 2024) and redemptions of marketable securities for 2,332 million euros in 2025 (2,673 million in 2024) relating to TIM S.A. and Telecom Italia Finance S.A..

Purchases of intangible, tangible and rights of use assets

(million euros)	2025	2024
Purchase of intangible assets	(825)	(832)
Purchase of tangible assets	(1,024)	(1,139)
Purchase of right of use assets	(652)	(779)
Total purchases of intangible, tangible and rights of use assets on an accruals basis	(2,501)	(2,750)
Change in payables arising from purchase of intangible, tangible and rights of use assets	970	877
Total purchases of intangible, tangible and rights of use assets on a cash basis	(1,531)	(1,873)

Additional Cash Flow information

(million euros)	2025	2024
Income taxes (paid) received	(78)	(31)
Interest expense paid	(1,105)	(1,838)
Interest income received	364	582
Dividends received	2	19

Analysis of Net Cash and Cash Equivalents

(million euros)	2025	2024
Net cash and cash equivalents at beginning of the year:		
Cash and cash equivalents	2,924	2,912
Bank overdrafts repayable on demand	—	—
	2,924	2,912
Net cash and cash equivalents at end of the year:		
Cash and cash equivalents	2,104	2,924
Bank overdrafts repayable on demand	—	—
	2,104	2,924

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, 2025.

Other information

Average salaried workforce

(equivalent number)	2025 (a)	2024 (b)	Change (a-b)
Average salaried workforce – Italy	13,870	14,312	(442)
Average salaried workforce – Outside Italy	8,540	8,809	(269)
Total average salaried workforce	22,410	23,121	(711)
Discontinued Operations	618	9,720	(9,102)
Total average salaried workforce - including Discontinued Operations ⁽¹⁾	23,028	32,841	(9,813)

⁽¹⁾ Includes agency contract workers: 76 average salaried staff in Italy in 2025; 18 average salaried staff in Italy in 2024.

Headcount at year end

(number)	12/31/2025 (a)	12/31/2024 (b)	Change (a-b)
Headcount – Italy	16,847	17,521	(674)
Headcount – Outside Italy	8,755	9,366	(611)
Total headcount at year end	25,602	26,887	(1,285)
Discontinued Operations	696	—	696
Total headcount at year end - including Discontinued Operations ⁽¹⁾	26,298	26,887	(589)

⁽¹⁾ Includes agency contract workers: 121 in Italy as of December 31, 2025; 63 in Italy as of December 31, 2024.

Headcount at year end – Breakdown by Business Unit

(number)	12/31/2025 (a)	12/31/2024 (b)	Change (a-b)
Domestic	16,887	17,751	(864)
Brazil	8,702	9,123	(421)
Other operations	13	13	—
Total	25,602	26,887	(1,285)

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)	2025	2024	Changes absolute	%
Like-for-like ORGANIC EBITDA	4,353	4,092	261	6.4
Lease payments	(664)	(629)	(35)	
Like-for-like EBITDA After Lease (EBITDA-AL)	3,689	3,463	226	6.5

LIKE-FOR-LIKE EBITDA AFTER LEASE - DOMESTIC

(million euros)	2025	2024	Changes absolute	%
Like-for-like ORGANIC EBITDA	2,217	2,107	110	5.2
Lease payments	(188)	(176)	(12)	
Like-for-like EBITDA After Lease (EBITDA-AL)	2,029	1,931	98	5.1

EBITDA AFTER LEASE - BRAZIL

(million euros)	2025	2024	Changes absolute	%
ORGANIC EBITDA excluding non-recurring items	2,143	1,991	152	7.7
Canoni per leasing (*)	(476)	(453)	(23)	
EBITDA After Lease (EBITDA-AL)	1,667	1,538	129	8.5

(*) Does not include approximately 37 million reais in sanctions associated with the decommissioning plan following the acquisition of the Oi Group's movable assets; approximately 6 million in 2025 (approx. 287 million reais; 45 million euros in 2024):

ADJUSTED NET FINANCIAL DEBT AFTER LEASE - TIM GROUP

(million euros)	12/31/2025	12/31/2024	Change
Adjusted Net Financial Debt	9,778	10,126	(348)
Leasing	(2,924)	(2,860)	(64)
Adjusted Net Financial Debt - After Lease	6,854	7,266	(412)

EQUITY FREE CASH FLOW AFTER LEASE - TIM GROUP

(million euros)	2025	2024	Change
Equity Free Cash Flow	1,120	243	877
Lease contract payments (principal share)	(384)	(564)	180
Equity Free Cash Flow After Lease	736	(321)	1,057

ESSENTIAL INTANGIBLE RESOURCES

The TIM Group identifies intangible resources as essential and strategic elements of its business model. These resources, devoid of physical substance, represent a key factor in creating value in the medium to long term and constitute a fundamental lever for the competitiveness and sustainability of the company. In particular, the following categories of strategic intangible resources are identified:

- **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.

TIM Group's business model is based on the ability to integrate and transform these forms of capital—along with financial, social, and physical-structural capital—into economic, social, and environmental outcomes along the entire value chain.

Physical-structural share capital includes network infrastructure, data centers and technology assets. Intellectual capital includes industrial property rights, patents, trademarks, and technological know-how; As of December 31, 2025, the Group has a patent portfolio relating to over 440 patented inventions and includes over 2,200 patent applications and patents issued.

Through its operational and planning activities, the Group implements a process of transforming available inputs into sustainable value, laying the foundations for solid and lasting growth over time.

Strategic and operational decisions are based on market analysis, customer feedback, regulatory requirements, and internal performance monitoring systems (KPI).

Through these inputs, TIM creates network infrastructure, connectivity services and digital solutions aimed at retail, business and public administration customers. These constitute the outputs of the business model.

The outcomes of this model represent the value generated through these activities, both for the company and for its stakeholders.

For TIM, outcomes translate to:

- economic and financial soundness (revenues, profitability, cost optimization);
- innovation and development of new business models;
- strengthening the competitive positioning and reputation of the brand.

For stakeholders, the value generated includes:

- improvement of the customer experience and customer retention;
- positive social impacts, such as digital inclusion, skills development, and health and safety protection;
- environmental benefits, including reduction of emissions, use of renewable energy and promotion of circular economy models;
- development of long-term relationships and partnerships.

The Group's value creation model is achieved through a structured ecosystem of relationships involving strategic suppliers, technological partners, and infrastructure operators, both upstream and downstream of company activities.

Upstream, the Group uses energy and energy services suppliers, network hardware and equipment, software solutions and licenses, as well as terminals and devices intended for marketing in the Consumer and Business segments. The supply chain also includes specialist ICT services, logistics and facility management services, as well as subcontractors for network maintenance, for the construction and maintenance of subscriber facilities, in addition to suppliers for call center management.

Following the sale of NetCo, FiberCop became a wholesale provider of ADSL, FTTC and the leading provider of FTTH connectivity in Italy, as well as the Group's main partner for installation and maintenance services for customers. The Group also uses infrastructure suppliers for the hosting of mobile network equipment on base radio stations and telecommunication towers, including INWIT, an operator specialized in the management of passive telecommunication infrastructures.

The value chain also includes subcontractors for network maintenance and call center management, as well as multi-year contracts for the hosting and management of network equipment for the distribution of television content.

Downstream, the value chain includes retail customers (households and SMEs), large enterprises and Public Administration, other telecommunications operators, sales networks, and business partners.

INNOVATION, RESEARCH AND DEVELOPMENT

Innovation and research

Innovation is a fundamental component of the TIM Group, which invests in new businesses and technologies, skills, research, and partnerships with the aim of supporting Italy's digital transformation, enabling the competitiveness of businesses, the evolution of public administration and citizen services, and the growth of an innovative and sustainable ecosystem.

Historically – from CSELT to the most recent TIM Innovation Lab – the focus has always been on opening laboratories and research centers that anticipate technologies and standards, contributing to the development of the Italian telecommunications industry and the ICT sector. A tradition that has been strengthened through an increasingly open model in terms of open innovation.

Partnerships, public-private collaborations, laboratories, innovation hubs, centers of expertise, patents, and projects now make up a system capable of transforming research into concrete solutions for citizens, businesses, and local institutions.

TIM, the leading infrastructure operator in Italy, is committed to developing solutions and technologies that enable new business models and service models, improving the quality of the digital experience: artificial intelligence, cloud and edge computing, 5G and next-generation networks, the Internet of Things with particular reference to smart land, cybersecurity, extended reality, data analytics and the development of new skills.

In the consumer and small and medium-sized business segments, TIM is evolving towards a customer platform model that goes beyond traditional telco services, positioning itself as a single point of access to customers' digital lives, simplifying the experience and integrating selected quality services in the entertainment, energy, and insurance sectors, as well as value-added digital platforms.

The entire system is geared towards creating real value, scalable solutions and measurable impacts. Innovation interventions are articulated with specific use cases and solutions, with innovative digital platforms and digital services and in the long term with technological research and contribution to international standards.

Domestic Innovation, research and development

2025 saw the TIM Group become the spokesperson for cross-cutting innovation activities, central to technological, market and competitive change. The Technological Innovation and Business Innovation function, with offices in Turin, Milan, Rome and Catania, employing around 160 people, focuses on activities that give the Company a competitive advantage in terms of business and technological innovation and recognition of the brand's innovative value, both in terms of revenue growth and corporate efficiency. More generally, TIM engages 1,450 people in research and development activities in Italy. It has strengthened its adherence to the open innovation paradigm as an operating model by focusing on:

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

Network innovation and 5G based services

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

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

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

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

In November 2025, TIM announced a major agreement with Nokia for the expansion and modernization of the 5G network, ensuring advanced services to the Group's customers and helping to bring ultra-broadband to underserved areas. The agreement will allow TIM's customers to benefit from even faster and more stable mobile connections, higher network quality in urban and rural areas, faster response times for digital applications and cloud services, and a more efficient experience for streaming, gaming, remote collaboration, and digital services for companies and the Public Administration.

TIM, in January 2026, defined with Fastweb+Vodafone a preliminary agreement to start a cooperation for the development of mobile access networks through a radio access network (RAN) sharing model. The agreement – preparatory to the finalization of a final contract, expected by the second quarter of 2026 – aims to accelerate the expansion of 5G in Italy. The project, subject to the authorizations of the Ministry of Business and Made in Italy (MIMIT), AGCM (the Italian Competition Authority), and the Italian Communications Authority (AGCOM), represents an important step forward in the efficient use of existing infrastructures and to achieve a wider and more sustainable 5G coverage. The agreement provides that each operator may use – in the areas concerned – the radio-mobile access infrastructure of the other, avoiding duplication of infrastructure. The efficiencies will extend the coverage of high-performance 5G networks to underserved low-density areas, improving digital inclusion and QoS for households and businesses.

Recent applications of 5G

- **TIM Enterprise has joined MOST** - Centro Nazionale per la Mobilità Sostenibile (National Centre for Sustainable Mobility), a project funded by the National Recovery and Resilience Plan (NRRP) to increase efficient mobility and support the development of smart cities by interconnecting vehicles, infrastructure and users. In coordination with the Spoke 7 - Cooperative, Connected and Automated Mobility (CCAM), Connected Networks and Smart Infrastructure - project from the University of Naples "Federico II", TIM Enterprise develops and trials innovative Smart-Road solutions through its proprietary "Via-Nova" platform, which is capable of enabling interoperable Cellular Vehicle-to-Everything (C-V2X) services thanks to the 5G network and the Edge Cloud, thus improving safety, traffic management and sustainability.
- Last December in Naples, TIM Enterprise participated in the "National Platform for Connected and Integrated Mobility", the event dedicated to CCAM (Cooperative Connected and Automated Mobility) technologies, during which several demonstration scenarios were presented. TIM Enterprise has made available advanced 5G connectivity, Edge Cloud and the "Via Nova" platform capable of allowing vehicles to communicate with the road infrastructure and city mobility control systems, accelerating the spread of safe and efficient cooperative services, new models for Smart Roads.
- In April 2025, TIM Enterprise takes part in the Smart Port project - carried out by the Ionian Sea Port System Authority, Port of Taranto - which, thanks to the implementation of TIM's 5G network, has become a model for the integrated management of technological applications in the port sector, improving the performance of digital services. The 5G network infrastructure will allow the integrated management of advanced services and solutions capable of covering different areas: arrival and departure of ships, loading and unloading of containers, logistics, warehouses and internal transport of containers.
- Thanks to TIM's private 5G network, it was possible to connect the Port of Livorno and the ship's command bridge at high speed, thus enabling ultra-high precision geolocation services, integrated with GPS systems.
- At the "5G Industrial Experience Hub" event held at **BI-REX in Bologna**, advanced manufacturing sector solutions using a private 5G network were showcased, ushering in a new era of the wireless "smart factory". At Bi-REX, TIM - in collaboration with Qualcomm - upgraded the latest generation 5G standalone private network with coverage at even 26 GHz millimetric frequencies, thus creating a digitally interconnected environment to foster businesses' technological and digital innovation processes. The BI-REX Competence Centre is an example of a state-of-the-art digital factory where companies can tangibly experience the benefits of adopting 5G integrated with enabling technologies such as IoT, AI, Edge Computing and Cloud Robotics, allowing them to test innovative industry solutions before investing. Examples include TIM Enterprise's "TIM Multi Robot Orchestrator", a software platform that manages robots (terrestrial and drones) in industrial scenarios, while also integrating cloud services for video stream analysis with AI and real-time data analysis. Furthermore, at BI-REX TIM Enterprise presented an Extended Reality solution designed to optimize business operations: technicians, directly from their smartphones, access information in Augmented Reality, receiving interactive and contextualized instructions. This makes it possible to improve the effectiveness of interventions and significantly reduce machine downtime. Using Virtual Reality headsets, it is also possible to simulate operational scenarios in an immersive environment, offering a more engaging, safe and effective learning and training experience, with a direct impact on the optimization of training processes.
- In January, a corneal surgical operation was performed remotely from Bangalore (India) to the Policlinico di Bari, made **possible by TIM's 5G technology, working in collaboration with Ericsson**. With the installation of the appropriate infrastructure at the Ophthalmology Clinic of the Policlinico di Bari, an adequate transmission latency was thus able to be maintained between the iVis Remote Control Station and the iRes@2 laser. Numerous remote operations using the same technology have already been carried out from Bari to Barcelona, Grosseto, Dubai and Rome.

TIM 5G for consumer and business customers

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

TIM also offers 5G speed to customers traveling 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 <https://www.tim.it/fisso-e-mobile/estero/copertura-5g>.

Applications and use scenarios of 5G

5G private network offer for businesses

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

Industrial robotics and automation

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

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

Smart City

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

Tourism, Culture & Entertainment

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

TIM is at the forefront of guaranteeing advanced, secure, and widespread connectivity at the Olympic and Paralympic Winter Games in Milan Cortina 2026, thanks to the enhancement of the 5G network with the provision of very high-density connectivity points in the key venues of the Olympics: a technological ecosystem designed to support athletes, organizers, competition venues and sports facilities, the media and the public, but also to accompany the transformation of the territories involved into real smart land.

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

Innovation and research

Funded research activities

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

The Group’s Innovation Laboratories, in addition to managing the patent assets, participate in over 20 innovation projects financed at the national and European level – including Horizon Europe and CEF – positioning TIM among the leading Italian companies in terms of volume of funding received.

TIM is also a member of the Restart Foundation, the reference program promoted by MUR and the Ministry of Enterprises and Made in Italy in the field of research and development for telecommunications in Italy. The collaboration involves leading Italian universities with joint projects, degree theses, and PhDs.

The IPCEI-CIS program

TIM is one of the Italian companies that has been awarded funding under the European Union “Important Projects of Common European Interest - Cloud Infrastructure Services” (IPCEI-CIS) – *Next Generation EU*.

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 collaboration with Italian universities in order to develop new Open Labs and Research Projects, as well as through PhD contributions to internalize specialized knowledge, but also for the sharing of technological trends, heralding new growth opportunities within an increasingly global market.

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

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

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

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

- research collaborations worth more than 1 million euros for 2025, involving orders across all technology themes (Mobile, Edge&Cloud, AI, Energy, IoT, Mobility, Industry) with various departments of leading research centers, some of which as part of the IPCEI-CIS initiative;
- the presence of TIM researchers in various capacities in university courses;
- 4 PhD courses financed by TIM;
- Quantum Academy (first in Italy) with the Polytechnic University of Turin and 5G Academy with the Federico II University of Naples;
- collaboration on European projects – in particular on the Horizon and DEP program;
- national research programs – in particular the MUR NRRP Measure 4.3 RESTART project.

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

National, European and international standardization

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

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

This specialist technical oversight of TIM delegates, some of whom also hold *leadership* roles, is focused on areas of priority to the Telco sphere such as 5G, IoT, OSS orchestration and evolution, AI, energy efficiency, and related regulatory impacts. By

contributing to and playing an active role in organizations that are spearheading progress in these critical areas for TIM's business, TIM is able to influence developments and achieve optimal solutions in coordination with its vendors and towards other operators and stakeholders.

The key Entities of strategic importance include:

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

Standardization is fundamental for innovation and economic development because it creates a common language for products and processes, ensures interoperability (especially digital), reduces costs, and increases quality. TIM is the only Italian operator directly contributing to the development of global telecommunications, cloud, and AI standards defined by major international and national bodies, including 3GPP, responsible for mobile standards from 2G and 5G and the future 6G, ETSI, ITU, and IEC, assuming prominent roles within technical and scientific committees, management boards, and national regulatory bodies such as CEI Norme and UNI. The Group participates in major open source projects in the telecommunications sector, actively contributing to the evolution of network technologies, including through participation in international communities such as the Linux Foundation. TIM's participation in the European IPCEI CIS - Cloud Infrastructure & Services program fits into this context. The program aims to create a sovereign cloud and edge computing infrastructure, developed in collaboration with operators such as Orange, Telefónica, and Deutsche Telekom, with the aim of strengthening Europe's technological autonomy.

TIM is also a member of the Restart Foundation, the reference program promoted by MUR and the Ministry of Enterprises and Made in Italy in the field of research and development for telecommunications in Italy. The collaboration involves leading Italian universities with joint projects, degree theses, and PhDs.

Patents and Intellectual Property Rights¹

In 2025, the size of the Group's patent portfolio remained comparable to previous years. The production of new patent applications increased slightly (7 patent applications filed for new inventions), as did the number of new patents granted during the year. The rationalization of the patent portfolio continued, leading to the abandonment of certain patents that, with technological evolution, no longer showed 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 2025, with over 440 patented inventions, includes more than 2,200 patent applications and patents issued: the latter, granted after examination by the European Patent Office and the national patent offices of 13 countries, represent 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 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 66 "standard essential" patent holders and has licensed over 60 automotive brands.

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

Innovation, research and development in Brazil

TIM Lab² 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 2025, TIM Lab was made up of 25 people, including telecommunications, electrical, and electronics specialists, IT professionals, and others with professional skills and experience covering all areas of IT and networking, responding to the need for innovation and support for research and development activities.

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

- next-generation network;

¹ Intellectual property rights.

² TIM Lab is part of the Technology Development Vice Presidency.

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

TIM Lab Innovation Center – From December 2025, TIM Lab, located in the São Cristóvão neighborhood of Rio de Janeiro, in the State of Rio de Janeiro, as an innovation center is composed of two environments that complement each other:³ the Innovation Lab and the TIM IoT Solutions Showroom. This is the multifunctional environment focused on innovation, which also plays a strategic role in supporting credibility tests and trials, as well as PoCs (proofs of concept), 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 Innovation Lab has a surface area of 850 m² and can also be used as an innovation space open to new opportunities, guiding innovation on the Brazilian telecommunications market and serving as a national point of reference for research and development, as well as strengthening the validation capacity regarding new software, features, solutions, technologies, services and devices and expanding the current structure in order to pursue and develop more business and opportunities in 2026.

The TIM IoT Solutions Showroom is a demonstration and networking space, created to showcase the innovative technologies and solutions that make up our TIM IoT Solutions portfolio in a practical and immersive way, applied to the Agriculture, Industry, Utilities, Logistics and Internet of Vehicles (IoV) verticals, with an immersive VR/AR experience.

Guaratiba Valley — Founded in 2019, it was renamed TIM Lab Valley in November 2025. TIM Lab Valley is an innovation campus for Silicon Valley-inspired infrastructure solutions. It covers an area of approximately 10,000 m² 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 LTE multilayer continues to be an excellent strategy that benefits from the spread of devices.

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

In addition, since 2022 TIM S.A. has been using 78 sites with band 5G (3,500 MHz), according to the regulatory rollout specified in the auction, which means that all capitals in Brazil have 5G SA (Standalone) coverage from TIM. TIM leads its competitors in 5G coverage, being the first operator in Brazil to reach more than 1,000 5G cities: as of December 2025, TIM has 1,089 towns and cities covered by 5G, serving more than 77.8% of the urban population. This frequency band has a bandwidth of 100 MHz, which offers higher throughput.

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

In February 2024, TIM achieved the speed record in the Americas (11.6 Gbps) by testing 5.5G (5G Advanced) technology in TIM Lab, using all available radio frequency resources.

To make the use of 5G Advanced tangible in a real-world scenario, in November 2025 during the Interlagos F1 Grand Prix, using the frequencies available in that region, TIM was the first in Brazil to test the concept of "Differentiated Connectivity" in 5G: refers to the ability to differentiate the experience for certain services, based on the needs of one's customers. Using technologies such as 5G Standalone, Network Slicing, Guaranteed Data Rate (GBR), and programmable APIs, we can deliver an even better experience for the user who wants it, delivering continuous speed and quality, even in a very crowded environment. TIM recorded the maximum speed in Brazil for 5G Advanced, reaching 5 Gbps outdoors.

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" solution, optimizing network resources and costs⁴. At present, this is the largest RAN sharing agreement worldwide and it supplies 4G services to the main cities of Brazil.

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

³TIM Lab of TIM S.A. also collaborates with TIM Lab Italy, which has more than 50 years of experience.

⁴ Sharing the Radio Access Network - RAN.

⁵ 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.

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

- **Single network:** sharing of the 3G and 4G networks in cities with fewer than 30 thousand inhabitants in which both operators provide their services. The underlying idea is to have, in the cities included in the agreement, a single telecommunications infrastructure that is entirely shared by the operators, thereby allowing them to switch off redundant sites and save on energy, rent and maintenance costs. This also allows for greater efficiency in future investments thanks to the sharing of the spectrum in MOCN mode. As of May 2021, each party had increased its 3G and 4G coverage in more than 300 towns and cities for a total of 422 shared sites each. From 2021 up to December 2025, we included other towns and cities within the single network agreement providing 3G and 4G coverage. One of the operators has switched off 3G and 4G networks across 478 towns and cities (equal to 29% of the total scope under the agreement, by December 2025).
- **2G switch-off:** nationwide sharing of the 2G network using GWCN technology, enabling both operators to switch off part (approximately 50%) of their network with the same technology, consequently saving on energy and maintenance costs. From 2021 to December 2025, operators shared their 2G network in 4,818 sites, including in major cities such as Rio de Janeiro, Curitiba, Fortaleza, Brasília, Belem and Recife via TIM; Belo Horizonte, Salvador, Manaus, Porto Alegre, and Campinas of Telefonica (approximately 89% of the total scope of the agreement implemented by December 2025).
- The addendum to the sharing agreement signed in December 2019 has already been submitted to the CADE (*Conselho Administrativo de Defesa Econômica*) and a decision has already been made. The sharing agreement was presented to anatel (still under analysis).

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

5G Fund – As previously communicated, we established the 5G Fund in partnership with Upload Ventures Growth, LP (“Upload”), with the goal of supporting early-stage companies developing 5G-based technology solutions. The vehicle targets startups and scaleups with validated business models and clear expansion plans, which can also benefit from access to our industrial and technological infrastructure to accelerate scalability. By the second quarter of 2025, the 5G Fund had generated 73 million reais in gains for the Company, with performance supported by all three of the current portfolio companies. The fund's beneficiaries include Topsort, a media retail technology platform; Simetrik, a financial reconciliation infrastructure provider; and Tractian, an industrial predictive maintenance solutions company. The 5G Fund was structured in collaboration with Upload, a venture capital manager recognized for its expertise in technology-based investments and responsible for fundraising, selection, and ongoing monitoring of portfolio companies.

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: un ecosistema connesso e cooperativo per rilevare dei pedoni agli incroci” (Conecta 2030: a connected, cooperative ecosystem to detect pedestrians at crossroads), aimed at creating a collaborative environment focused on initiatives assuring the safety of pedestrians and cyclists. Since then, the companies involved in Conecta 2030 have been engaged in developing a concept-ecosystem by August 2026, for the development and implementation of advanced driver assistance systems (ADAS), based on three main pillars: 5G connectivity, artificial intelligence and digital twins.

Also in the automotive sector, another partnership was launched in 2024 between TIM, UFPE (Federal University of Pernambuco) and Stellantis (along with other companies and universities), which is also supported by the Brazilian government's “Rota 2030” program promoting research and innovation in the vertical automotive segment through the “Vehicle OTA” project. The main goal of this project is to implement a secure and integrated electronic module capable of promoting OTA (Over-The-Air) firmware updates in vehicles' electronic control units (ECUs). The project is due for completion in April 2026.

5G RedCap - In 2024, the TIM Lab team worked to determine and validate TIM's 5G RedCap solution, the new 5G standard designed to address low-power, battery-efficient 5G use-cases (eMBB, uRLLC and mMTC). TIM Lab has validated the main vendors, having completed Ericsson by October 2024 and Nokia by May 2025. The commercial adoption of the solution is in the discussion phase.

PoC: 5G FWA in the Marte favela - As part of its firm commitment to digital inclusion and its focus on growing connectivity, TIM has teamed up with Gerando Falcões to create Brazil's first 5G-connected favela. The chosen community was the former favela of Vila Itália, in São José dos Campos near São Paulo, which is now being transformed into a 3D favela ('Dignified, Digital and Developed') with the new name of the Favela Marte. Relying on Fixed Wireless Access (FWA) technology, the Proof of Concept began in December 2024 and is still ongoing with residents. The impacts of the project in terms of digital inclusion and social and economic transformation include: (a) high quality Internet access; (b) community-building; (c) reducing the digital divide; (d) promoting distance education and learning; (e) digital entrepreneurship; (f) telemedicine; (g) delivery and logistics.

Network Slicing - In 2024, TIM became the first operator in Brazil to perform 5G network slicing on a public network to allow real-time video streaming. The initiative enabled HD streaming from 10 vehicles travelling at over 260 km/h during the final stage of the Porsche Cup 2024 season at the Interlagos racetrack in São Paulo. In this regard, TIM validated the principal vendors' resource partitioning policy for RAN slicing, with Huawei and Ericsson completed by March 2025 and Nokia by May 2025. Multivendor orchestration (NSSMF, NSMF, CSMF) is scheduled for assessment in 2026.

Open Gateway APIs – Open Gateway APIs (Application Programmable Interfaces) are of growing strategic importance in the global digital ecosystem. With this in mind, TIM Lab has developed and validated strategic APIs for TIM Brasil's business development. In May 2025, TIM Lab completed the Proof of Concept to exhibit the CAMARA-standardized Device Location API, which allows users to verify their location within a specific area. The solution underwent end-to-end validation on the 4G network, covering all flows, measurements, responses integrated into the existing architecture, parameterization and back-up solutions. The TIM Device Location Open Gateway API has since been running for commercial activation. In December 2025, TIM further enhanced its digital transformation journey by launching three new strategic APIs within the Open Gateway ecosystem: KYC (“Know Your Customer”), KYC Tenure API and Device Swap API. These solutions aim to improve the security, reliability and efficiency of digital processes in various sectors of the economy, such as fintech, insurance, retail and online services.

Open Lab initiatives

Living Lab 5G Florianópolis – In May 2025, TIM finalized the agreement with the City of Florianópolis and ACATE (Catarinense Technological Association) for a technical collaboration, under which connectivity infrastructure was provided for the Living Lab 5G

Florianópolis program. This urban lab has structured the real city environment to test and validate technological innovations and business models using 5G technology. The innovative solutions considered, tested and validated were in the areas of safety, hygiene and urban mobility. This partnership has encouraged open innovation and has contributed to growth and digital transformation, which is benefiting from the 5G network.

Award Winner – In August 2025, TIM, together with NTT DATA, won the TM Forum DTW Ignite 2025 award held in Copenhagen. TIM was awarded in the Best Moonshot Catalyst – Interactive Showcase category, with a project that develops a new communication protocol for the Spatial Web, or Web 3.0, the next generation of the Internet, which connects the physical and digital worlds through IoT, 5G, spatial computing and artificial intelligence. The initiative demonstrated how operators can leverage the Spatial Web and open APIs to launch new digital services, offer personalized user experiences, and create new revenue streams.

EVENTS AFTER DECEMBER 31, 2025

See the Note “Events after December 31, 2025” in the consolidated financial statements of the TIM Group and the separate financial statements of TIM S.p.A. as of December 31, 2025.

BUSINESS OUTLOOK FOR THE YEAR 2026

The Board of Directors of February 24, 2026 approved the update of the *budget* and *guidance* for 2026, confirming the *growth trends* foreseen in the objectives already presented to the market for the year.

Below are the *financial targets*¹:

- **Group revenues** grew between 2% and 3% from 13.7 billion euros in 2025; For TIM Domestic, revenues grew between 1% and 2% from 9.5 billion euros in 2025.
 - **Group EBITDA After Lease** grew between 5 and 6% from 3.7 billion euros in 2025; for TIM Domestic EBITDA After Lease up by approximately 4% from 2 billion euros in 2025.
 - **Group CapEx** below 14% of revenues in 2026; for TIM Domestic Capex equal to approximately 12% of revenues.
- ***
- **Equity Free Cash Flow After Lease**² equal to approximately 1.8 billion euros in 2026, including the reimbursement relating to the 1998 license fee.
 - **Organic reduction of Group debt**, with a Net Debt After Lease/EBITDA After Lease ratio below 1.7x in 2026³, which represents a 'best in class' level among European peers.

During the 2026 financial year, TIM intends to grant shareholders, through *buyback*, a remuneration equal to approximately 50% of the value expected from the sale of Sparkle, subject to the *closing*, expected in the second quarter of 2026, as well as the effectiveness of the voluntary reduction of the share capital and the conversion of savings shares, already approved by the Shareholders' Meetings of January 28, 2026. In particular, the Board of Directors decided to propose to the shareholders' meeting of April 15, 2026 a program for the purchase of treasury shares (*buyback*) up to a maximum of 400 million euros and for a maximum of 700,000,000 ordinary shares⁴, corresponding to approximately 3.3% of the share capital. The repurchase may be partly used to service the remuneration and stock incentive plans.

It should also be noted that, for the current financial year, savings shareholders are also guaranteed, for the current financial year, the remuneration deriving from the cash adjustment linked to the voluntary/mandatory conversion of savings shares into ordinary shares, as approved by the Shareholders' Meetings of January 28.

In addition, the Board of Directors resolved to propose to the shareholders' meeting on April 15, 2026 a grouping of TIM ordinary shares in the ratio of 1 new ordinary share for every 10 existing ordinary shares. The operation is subject to the effectiveness of the voluntary reduction of the share capital and the conversion of the savings shares referred to above. The reverse stock split will reduce stock volatility, also by attracting new investor classes, and, together with the conversion of savings shares, will result in a leaner and more efficient capital structure.

For the 2026 financial year, the Group confirms the guidance on remuneration of its shareholders, with an amount equal to approximately 70% of the equity free cash flow after lease generated, net of the impact of the reimbursement relating to the 1998 license fee and the dividends pertaining to the minority interests of TIM Brasil, to be distributed following the annual report meeting scheduled in the second quarter of 2027.

TIM, in the second half of the year, will organize a Capital Markets Day to illustrate to the market the new business plan it intends to adopt following the conversion of savings shares and in light of the main industrial dossiers under evaluation, including the definition of the scope of synergies with Poste Italiane.

¹ Excluding non-recurring items, changes in the scope of consolidation, and exchange rate fluctuations. Group income statement data at the average exchange rate of R\$6.31/€.

² TIM Brasil cash flow based on the annual exchange rate published by Bloomberg Survey and based on projections of leading banks (average exchange rate 2026 of R\$6.54/€).

³ The exact amount will depend on the percentage of savings shareholders who opt for the optional conversion of savings shares into ordinary shares.

⁴ To be understood as reduced, following the share reverse stock split, to a maximum of 70,000,000 ordinary shares in total.

MAIN RISKS AND UNCERTAINTIES

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

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

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

The Enterprise Risk Management model adopted by the TIM Group:

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

By way of non-exhaustive list, the main risk factors analyzed and described in the following paragraphs are given below: evolution of the international geopolitical climate, the market environment and competitive scenarios by business segment, including scenarios of potential new competitor entries; potential proceedings brought by the Authorities and consequent delays in implementing new strategies; potential critical issues in the supply chain further aggravated by the risk of an extension of trade tariffs compared to the current situation; 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 topic considered material from the ESG - Environmental (environment), Social (society) and Governance - perspective, are described within the Sustainability Reporting included in the Report on Operations, section "General Information - Management of impacts, risks and opportunities", in accordance with the European regulation of the Corporate Sustainability Reporting Directive (CSRD) and the related 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, with persistent price pressure generating a deflationary trend that has lasted for over a decade. This scenario entails potential risks for the TIM Group of a reduction in its market share and/or a negative impact on profitability.

The recent integration between Fastweb and Vodafone, which has created an operator of a size comparable to TIM, could alter the competitive balance by increasing market concentration and reducing price pressure in certain segments, while at the same time intensifying competition for customer acquisition. At the same time, the acquisition of a controlling interest by Poste Italiane introduces new strategic dynamics that could influence the Group's competitive positioning.

Competition in the telecommunications market is further fueled by the entry of non-traditional operators, such as energy and insurance multi-utilities, which offer integrated packages (connectivity, electricity, gas, insurance), and by low Earth orbit (LEO) satellite operators, capable of providing broadband services with performance comparable to terrestrial solutions.

In the event of regulatory disparities between satellite and terrestrial operators, there could be a risk of unfair competition to the detriment of TIM. Furthermore, the evolution toward "direct to cell" connectivity models via satellites introduces an additional competitive risk, expanding access options and reducing entry barriers for new global players.

In the mobile segment, the spread of eSIMs reduces barriers to switching operator, increasing market contestability and introducing new access channels, including through international travel eSIM providers. Furthermore, Iliad's aggressive strategy and the growth of virtual operators (MVNOs) continue to erode the market share of infrastructure-based operators, with impacts on margins.

The rollout of 5G requires significant investments and rapid adaptation, with potential impacts on profitability in the event of delays or inefficiencies in implementation, and significant differences in 5G coverage and offerings compared to direct competitors.

The increase in traffic generated by OTT and artificial intelligence applications accentuates the pressure on infrastructure costs, requiring further investments to ensure capacity and QoS.

In addition to the traditional core business services, competition in the market for innovative services and convergent offers, with an extension toward content, remains significant, expanding opportunities and risks for digital, cloud, IoT, and cyber security operators.

TIM Brasil operates in a telecommunications market characterized by a high level of competition, with the presence of several national mobile and broadband operators, regional players, and virtual operators (MVNOs), as well as suppliers of digital services and OTT providers offering alternative communications and content.

The intensification of competition may result in pressure on prices and commercial terms, leading to a reduction in margins and market share, as well as the need to support greater investments in network, marketing, and innovation to preserve competitive positioning, with a potential negative impact on the company's operating results and cash flows.

Risks related to 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. In addition, it relies on third parties for the supply of network equipment, smart devices, software licenses, and accessories necessary for its business.

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 makes use of a number of subcontractors for the maintenance of its network, the management of its call centers, and the supply, installation, and maintenance of terminals at its customers' homes. Even though it operates with a limited number of subcontractors, which it selects and monitors carefully, it is not always possible to guarantee that their assignments are carried out correctly and in full compliance with the required quality and safety standards or that the assignments are not further subcontracted to third-party contractors.

If hardware or software products are defective or the service levels provided by third-party contractors do not meet contractual requirements or are not performed correctly, relationships with customers and the brand's reputation could be adversely affected.

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

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

Tensions in the international scenario, related both to US trade policies and ongoing conflicts, could also have repercussions on energy costs, which are mitigated by TIM through appropriate hedging strategies.

Finally, also in consideration of the CSRD regulation, risks related to compliance with human rights along the supply chain are significant, as any violations may lead to legal, reputational, and operational consequences, affecting the reliability of the business model.

Risks following the sale of NetCo

FiberCop, following the sale of NetCo and the consequent transfer of the fixed infrastructure, became, as of July 1, 2024, the exclusive wholesale provider of ADSL and FTTC connectivity, the leading provider of FTTH connectivity in Italy, and the largest provider to 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.

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 and, consequently, the demand for products and services could be significantly affected, 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.

Internet, broadband and 5G

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 development of new technological infrastructures (i.e. data centers), partnerships with leading global players, and the ongoing commitment to manage and expand a range of proprietary innovative IT solutions, represent assets available for the execution of a growth strategy in this sector.

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 market, characterized by strong competition, is seeing the continuous entry of new national and international players who compete for market share, constantly changing the balance of 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 in which cross-functional skills converge.

In a rapidly evolving technological environment, the failure to allocate investments in artificial intelligence solutions in a timely and effective manner, together with misalignment with the main evolutionary trends in the sector, may compromise the company's competitiveness and have a negative impact on its reputation.

Cyber security risks

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

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

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

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

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

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

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

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

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

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

The TIM Group continues to act in coordination with the Agency for National Cyber Security (ACN) and, in particular, given the geopolitical context and in view of the evolution of information exchanges at the European and NATO levels, has raised the alert level in relation to cyber risk.

The inability to operate the TIM Group's networks and systems as a result of cyber attacks, even for a limited period of time, could result in significant expenses, a loss of market share, lower revenues from business interruption, and higher litigation costs. A major safety incident and/or business interruption and/or failure to comply with applicable laws and regulations could result in financial loss, reputational damage, loss of market share, and penalties.

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

Business continuity risks

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

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

TIM has adopted a Business Continuity Management System (BCMS) framework, in line with international standards for which it has obtained and maintains ISO22301 certification, to analyze and prevent the aforementioned threats. TIM considers Business Continuity a fundamental element for protecting the value and reputation of the Group, for the provision of its services, and for full compliance with what is defined by contracts with customers, sector regulations, and, more generally, the relevant 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.

“Traditional” phenomena such as subscription, interconnection, and commercial fraud currently account for the largest share of revenue loss and will continue to be significant in the near future, but new types of telematic fraud have gradually become more relevant (spamming/phishing, service reselling, VoIP bypass, etc.). In addition, certain specific types of services offered (e.g. wholesale international interconnection services, voice or data, Premium services) are potentially exposed to the risk of being used by third parties to construct fictitious transaction schemes, aimed at tax 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

Extreme weather events related to climate change represent a risk for TIM as they may affect the operational continuity of services and the integrity of infrastructures, generating additional costs related to asset damage and service interruptions. In this regard, TIM has put in place a specific insurance program to cover natural catastrophic risks. At the same time, the evolution of regulations in the energy sector may lead to an increase in costs for the purchase of renewable energy and higher environmental compliance costs, with potential impacts on the Group's economic performance. For more details, please refer to the 2025 TIM Group Sustainability Statement section, [\[ESR E1\]](#).

Risks related to employee 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. Gender inequalities and the lack of transparency in remuneration systems, career paths, and access to positions of responsibility can hinder the attraction and retention of talent and generate reputational risks.

In this context, the TIM Group confirms its focus on equal opportunities and inclusion to reduce the risk of gender inequalities in terms of pay, positions of responsibility, and career paths, with consequences for the attraction and retention of talent.

Financial risks

The TIM Group is exposed to various types of financial risks, such as risks arising from fluctuations in interest rates, exchange rates, and commodity prices, credit risk, liquidity risk, and risks related to the performance of the equity markets in general and, more specifically, risks related to the listing of shares of TIM S.p.A. and the TIM Group companies.

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

Generally, TIM hedges foreign currency exposure, but not translation risk relating to its foreign subsidiaries. However, starting from the 2024 financial year, it was decided to hedge part of the exposure to fluctuations in the Euro-Dollar and Euro-Brazilian Real exchange rates in order to mitigate the effect of volatility at the level of the Group's 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 Group policies, hedging of exposure in foreign currencies is mandatory when related to financial liabilities. Therefore, consolidated companies that finance themselves in currencies other than those used in their own annual report generally hedge this exposure to exchange rate risk through cross-currency and interest rate swaps.

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.

The Group is exposed to fluctuations in the price of energy purchased in the normal course of business. Price volatility is affected both by general supply conditions and by the geopolitical and environmental context. The instrument used to hedge this risk is the energy swap, which allows the average level of future purchase price to be predetermined over short- to medium-term horizons.

In particular, to mitigate liquidity risk, the TIM Group aims to maintain an “adequate level of financial flexibility,” in terms of cash and committed syndicated credit lines, which allows coverage of refinancing needs for at least the next 12-18 months.

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.

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 adopt measures to limit the non-payments of its customers or that allow it to accept new customers based on their credit history, the TIM Group will remain subject to the related losses from uncollectibility.

Risks related to macroeconomic factors

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

The current scenario is characterized by high and persistent uncertainty due to developments in the geopolitical context, marked by conflicts, tensions, and protectionist trade policies that impact international growth prospects.

ISTAT, in its latest report on the performance of the Italian economy (January 2026) referring to the results of the third quarter of 2025, also highlights the new outbreaks of instability that mark the beginning of the new year. However, the Italian economy shows a slight quarter-on-quarter increase in GDP (+0.1%) in the third quarter (+0.6% year-on-year), mainly due to a weak recovery in trade and a moderate increase in household spending, the latter stimulated by an increase in disposable income (+2.0% quarter-on-quarter). Production and employment show signs of slowing down, while the average inflation for the year 2025 is set at +1.7%.

With regard to the outlook, ISTAT confirms for 2025 the figure of +0.5% (already anticipated in the Economic and Financial Document of October), while for 2026 it expects growth of +0.8%, entirely supported by domestic demand. According to estimates by the Bank of Italy, Italian GDP is expected to grow by +0.6% both in 2025 and in 2026. Here too, the driving role of domestic demand is evident. Estimated inflation for 2025 is +1.7%, while for 2026 it is +1.4%.

The Brazilian economy recorded a quarter-on-quarter growth of seasonally adjusted GDP of +0.1% in the third quarter of 2025 (+1.8% year-on-year), according to data from the national statistics institute IBGE published in December. With regard to the forecast scenario, in the latest Relatório de Política Monetária (December 2025), the Banco Central do Brasil raised its 2025 GDP growth forecast from +2% to +2.3% due to a revision of certain historical series as well as better-than-expected results in some productive sectors (in particular, agriculture and extractive industry). For 2026, a more moderate growth is expected (+1.6%, an improvement compared to the +1.5% projected in September), mainly due to expectations of a slowdown in the global economy, which are reflected in the results of the leading sectors. The inflation rate fell from 5.13% in August to 4.46% in November. A decrease in the rate (3.5%-3.0%) is expected to levels more in line with the set target.

Geopolitical uncertainty

In recent months, the US Administration has maintained its tariff policy based on import duties. The negotiations conducted by the European Union have partially mitigated its impact, but the risk remains of an extension of tariffs to sectors that were less affected in the first phase.

Completing the picture are the factors of geopolitical instability brought about by ongoing conflicts as well as tensions fueled by strategic rivalries among the various economic systems seeking to secure supplies of essential raw materials, while at the same time reducing dependence on other competitors.

With reference to the developments of the conflict in the Middle East, it should be noted that the TIM Group does not carry out significant operating activities or present significant commercial or financial exposures to counterparties located in the areas directly concerned and therefore, at present, there are no direct impacts on the TIM Group's business.

However, these factors continue to generate uncertainty, with possible negative effects on energy security and global supply chains. This may affect the climate of confidence in the financial markets and create tensions that could deteriorate loan conditions, in addition to having more direct effects on companies that incur higher costs in international trade processes. For this reason, the outlook for the evolution of the economy and inflation remains more uncertain than usual, and a certain volatility in interest rates and exchange rates persists, factors that may affect loan costs and company margins.

The current developments in the geopolitical landscape mainly have an indirect impact on the business of the TIM Group, especially through possible effects on energy, material, and transportation costs, which to date remain contained but could become more significant should the current situation deteriorate. The possible effects of higher inflation in the short and medium term, as well as the fluctuation of financial markets and exchange rates, which could result in more stringent loan conditions, must also be assessed.

As a critical infrastructure operator, the effects that could impact the TIM Group in terms of physical and cyber security, as well as an increased likelihood of a disruption in supply chains, must also be assessed.

Pandemic risk

Although Covid-19 appears to have been overcome, the possibility of new pandemic scenarios arising due to the emergence of variants or new pathogens cannot be ruled out. Such events could have significant impacts on the operations of the TIM Group, such as a reduction in international traffic volumes, slower growth of the customer base, a possible increase in uncollectible receivables, and difficulties in network maintenance and supply chain management. All this would be reflected in margins and revenues, with potential delays in cash flows and general pressure on economic and financial results.

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 compliance of its processes, and therefore of the procedures and information systems that govern them, as well as of corporate behaviors, with the applicable regulations. The risk is associated with any potential time delays required to make processes compliant with regulatory developments or in the event that a lack of compliance is identified, and is monitored through the internal control system established for this purpose.

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.

The TIM Group may also be exposed to ESG non-compliance risks arising from failure to comply with anti-corruption and antitrust regulations, ethical standards, and sustainability reporting obligations, with possible sanctions, legal liabilities, operational limitations, and negative impacts on competitiveness and reputation.

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, also from an ESG perspective, the risk of shortcomings in the implementation of security measures, in compliance with legal requirements for data processing, in the application of data retention rules, or in the notification of data breaches within the strict mandatory timeframes could lead to disputes with the data protection authority and to 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 2025 TIM Group Sustainability Statement section, [\[S 1\]](#).

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 Art. 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 Art. 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 Art. 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 Art. 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.

Regarding the DPCM October 16, 2017, the same was amended by the DPCM June 20, 2025 as outlined below:

- with regard to the appointment of the Security Officer, in Art. 1 paragraph 1 (a) item 3, the sentence "chosen from a trio of names proposed by the Department of Security Information of the Presidency of the Council of Ministers" was deleted
- Art. 1 paragraph 1 (a) item 16, which stipulated that only Italian citizenship was required for the appointment of top executives, was repealed.

Furthermore, it is notified that the DPCM of August 4, 2025 authorized the sale of 100% of Sparkle's share capital, subject to compliance with specific conditions and requirements.

In the event of non-fulfillment or violation of the provisions and conditions imposed by the two D.P.C.M. of 2017 and subsequent amendments, the application of the sanctions referred to in Decree Law no. 21/2012 mentioned above is provided for.

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 submitted by TIM in 2022 and 2023, the Presidency of the Council of Ministers exercised the special powers provided for by Art. 1-bis of Decree Law 21/2012, by imposing specific requirements in order to protect the essential interests of defense and national security.

The 2024 5G plan submitted to the Authority in August was approved without conditions. The 5G 2025 plan was submitted to the Authority on July 25, 2025 and approved with conditions by DPCM on October 2, 2025.

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, 2025

Share Capital	11,677,002,855.10 euros
Number of ordinary shares (without nominal value)	15,329,466,496
Number of savings shares (without nominal value)	6,027,791,699
Number of TIM S.p.A. ordinary treasury shares	89,040,415
Percentage of ordinary treasury shares held by the Group to total share capital	0.42%
Market capitalization (based on December 2025 average prices)	11,100 million euros

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

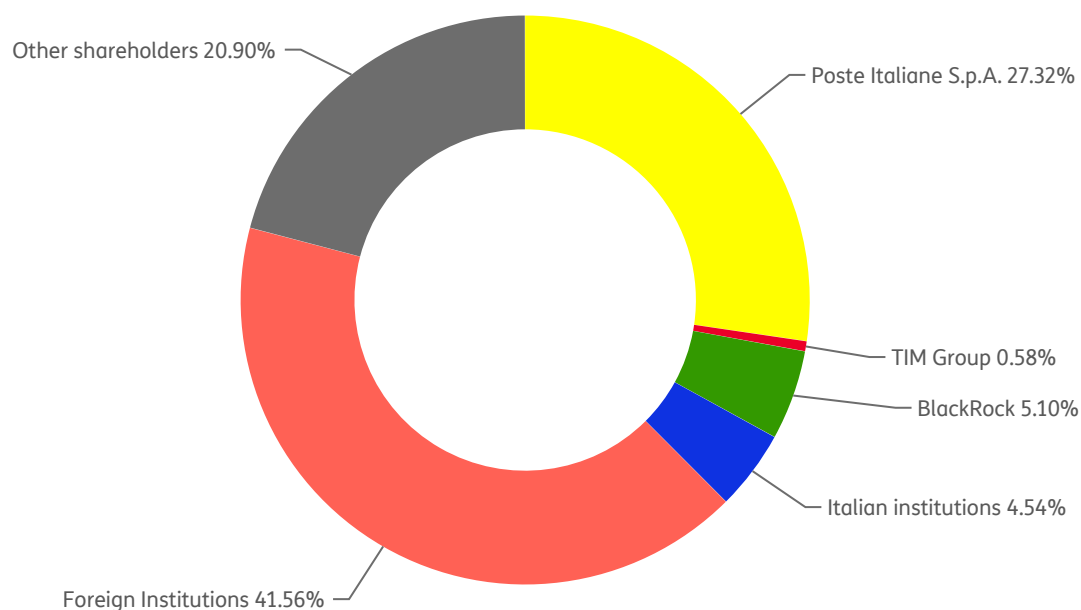
TIM S.p.A. ordinary and savings shares are listed on the Italian stock exchange (FTSE index), whereas the ordinary shares of TIM S.A. are listed in Brazil under B3.

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

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

Shareholders

Shareholder composition as of December 31, 2025, based on the Shareholders Book supplemented by communications received and other available information (ordinary shares):



Major Holdings in Share Capital

As of December 31, 2025, based on the results of the Shareholders' Register, communications made to Consob and the Company pursuant to Art. 120 of Legislative Decree no. 58 of February 24, 1998, and other available information, there were the following significant holdings (above the 3% threshold) in the ordinary share capital of TIM S.p.A:

Holder	Type of ownership	Percentage of ownership
Poste Italiane S.p.A. ^(*)	Direct	27.32%
BlackRock ^(**)	Indirect	5.10%

(*) It should be noted that on December 11, 2025, Poste Italiane S.p.A. announced that it had formalized the acquisition of the residual shareholding held by Vivendi SE in TIM S.p.A. corresponding to 2.51% of TIM's total ordinary shares. At the end of the acquisition, Poste Italiane – already a shareholder with 24.81% of the ordinary shares – holds a total shareholding equal to 27.32% of the TIM ordinary shares, with the consequent exceeding of the current threshold relevant for the purposes of the regulation on mandatory public tender offers. Poste Italiane has declared its intention to avail itself of the exemption referred to in Article 106, paragraph 5, of Legislative Decree 58/1998 and Article 49, paragraph 1, letter e), of Consob Regulation no.11971/1999. Therefore – in force under the current regulatory framework – Poste Italiane has undertaken to sell to unrelated parties the ordinary shares held in excess of the aforementioned relevant threshold, within 12 months of the completion of the purchase, while refraining, in the meantime, from exercising the voting rights relating to such shares.

(**) Aggregate shareholding held through 16 subsidiaries, including 6 subsidiaries with potential participation in shares subject to securities lending agreements with the option to return them at any time without expiration and 4 subsidiaries with long positions with cash settlement ("Contracts for Difference" without expiration date).

Common Representatives

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



For information on the resolutions of the Shareholders' Meetings of January 28, 2026 and other operations on the share capital of TIM S.p.A., please refer to the "Equity" Notes of the separate financial statements and the consolidated financial statements and to what can be found at <https://www.gruppotim.it/it/investitori/azioni/agm.html>.



Rating

At December 31, 2025, the three rating agencies – Standard & Poor's, Moody's and Fitch Ratings – rated TIM as follows:

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

Waiver of the obligation to publish disclosure documents for extraordinary transactions

On January 17, 2013, the Board of Directors of TIM S.p.A. resolved to exercise the option, as per Art. 70 subsection 8 and Art. 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, 2025 of the conditions referred to in Art. 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 2025 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..

In addition, there were no transactions concluded in 2025 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 2024 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 2025.

It should be noted that:

- on September 25, 2025, the Board of Directors, with exclusive reference to the application of the Procedure for related-party transactions of the company, resolved to exclude the Ministry of Economy and Finance (MEF) and its subsidiaries from the list of related parties in application of the provisions of Law no. 118 of August 8, 2025 (converting Decree Law no. 95 of June 30, 2025) which excluded the existence of correlation relationships for the purposes of article 2391-bis of the Civil Code between public administrations that do not exercise management and coordination powers and the companies indirectly owned by the latter;
- For the purposes of the annual financial report as of December 31, 2025, the MEF continues to be a Related Party; furthermore, as required by IAS 24 paragraph 26, a qualitative analysis was carried out on the existing relationships with the subsidiaries of the MEF. The analysis showed that these relationships are mainly related to purchases of goods and services (energy, transportation, postal services) that are conducted at normal market conditions.
- During 2025, "Relevant Shareholding Notifications - Form 120A" were served, giving notice of the following changes in the shareholding structure in TIM S.p.A., which resulting in a change in the perimeter of the Related Parties included in "Other Related Parties":
 - the relevant shareholding of 9.81% held by Cassa Depositi e Prestiti S.p.A. in TIM S.p.A., was transferred in its entirety to Poste Italiane S.p.A.; Therefore, as of March 2025, the Cassa Depositi e Prestiti (CDP) group and the companies it controls are no longer included among the "Other related parties";
 - at the end of June 2025, the sale by Vivendi to Poste Italiane S.p.A. of a share – equal to 15% of the share capital – of the shareholding held in the share capital of TIM S.p.A. became effective. On December 11, 2025, the sale of the last shareholding – equal to 2.506% of the share capital – was communicated; Therefore, as of the end of June 2025, the Vivendi Group and the group companies to which it belongs are no longer included among the "Other Related Parties";
 - as a result of the aforementioned transactions, the Poste Italiane group, as of the end of June 2025, is included among the "Other related parties"; At December 31, 2025, Poste Italiane S.p.A. holds a significant stake in TIM S.p.A. equal to 27.32% of the ordinary share capital.

It should also be noted that on December 11, 2025, Poste Italiane S.p.A. communicated the exceeding of the current threshold relevant for the purposes of the regulation on mandatory public purchase offers, declaring the intention to make use of the exemption referred to in Article 106, paragraph 5, of Legislative Decree 58/1998 and Article 49, paragraph 1, letter e), of Consob Regulation no.11971/1999. Therefore – in force under the current regulatory framework – Poste Italiane has undertaken to sell to unrelated parties the ordinary shares held in excess of the aforementioned relevant threshold, within 12 months of the completion of the purchase, while refraining, in the meantime, from exercising the voting rights relating to such shares.

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.

During 2025, the Procedure was amended with board resolutions of May 7, mainly in order to update the forecasts relating to the definition of small amount transactions and information flows to the Related Parties Committee and other corporate functions, and of September 25, in order to take into account the exclusion, referred to above, of the Ministry of Economy and Finance from the list of related parties of the Company.

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 investments in associates and joint ventures accounted for using the equity method (2)
EBIT - Operating profit (loss)	
+/-	Impairment losses (reversals) of non-current assets
+/-	Capital losses (gains) from non-current assets
+	Depreciation and amortization
EBITDA - Operating profit (loss) before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets	

(1) Expense/(income) from investments for TIM S.p.A..

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

- In this document, following the sale of NetCo, in order to provide a better understanding of business performance, the organic economic and financial information relating to the performance of operations for the 2024 financial year, reworked on the basis of management information, is presented. Such organic information is prepared by simulating the separation operation of the fixed network, with the creation of the NetCo component and the consequent definition of the new TIM Group perimeter, as it had occurred at the start of the reference period (January 1). Therefore, for all organic data, the term “like-for-like” 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 six months of 2024 the impact of the relationship between TIM and NetCo/FiberCop, governed by the Master Service Agreement (MSA), and recording, from July 1, 2024 (date of the sale), the actual accounting impact of the MSA and the Transitional Services Agreement (TSA).
- **Organic change and impact of non-recurring items on revenues, EBITDA and EBIT:** these measures express changes (amount and/or percentage) in Revenues, EBITDA and EBIT, excluding, where applicable, the effects of the change in the scope of consolidation, the exchange differences and the non-recurring events and transactions. The TIM Group presents a reconciliation between the “accounting or reported” figures and the “organic excluding the non-recurring items”.
- **EBITDA margin and EBIT margin:** TIM believes that these margins represent useful indicator of the ability of the Group (as a whole and at Business Unit level) to generate profits from its revenues. The EBITDA margin and EBIT margin measure an entity’s operating performance by analyzing the percentages of revenues that become 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. 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

9,446 millions
of euros

EBITDA

2,069 millions
of euros

EBITDA LIKE-FOR-LIKE

1,928 millions
of euros

EBITDA AFTER LEASE LIKE-FOR-LIKE

1,758 millions
of euros

NET FINANCIAL DEBT CARRYING AMOUNT

10,407 millions
of euros

ADJUSTED NET FINANCIAL DEBT AFTER LEASE

9,661 millions
of euros

CAPITAL EXPENDITURES & LICENSES

973 millions
of euros

HEADCOUNT AT YEAR END

12,787 numbers

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

Main changes in the corporate structure

During 2025, the main corporate transactions were as follows:

- On October 24, 2025, the stake held in Fin Priv S.r.l. was liquidated.

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, in the financial statements for the year ended December 31, 2024.

Operating Performance

(million euros)	2025	2024	% Change	
	(a)	(b)	(a - b)/b	
			% like-for-like	
Revenues	9,446	9,218	2.5	1.7
EBITDA	(1) 2,069	2,330	(11.2)	4.3
EBITDA Margin	(1) 21.9%	25.3%	(3.4)pp	
EBIT	(1) 387	662	(41.5)	
EBIT Margin	(1) 4.1%	7.2%	(3.1)pp	
Profit (loss) for the year	(155)	(1,242)	(87.5)	
Capital expenditures	973	1,037	(6.2)	
	31.12.2025	31.12.2024	Change (absolute)	
	(a)	(b)	(a-b)	
Net financial debt carrying amount	(1) 10,595	10,180	415	
Adjusted Net Financial Debt	(1) 10,407	9,915	492	
Headcount at year end (number)	12,787	12,951	(164)	

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

Revenues

Revenues for 2025 amounted to 9,446 million euros (9,218 million euros in 2024), with an increase of 228 million euros, equal to +2.5%.

Like-for-like revenues are calculated as follows:

(million euros)	2025	2024	Changes %
REVENUES	9,446	9,218	2.5
Non-recurring income/(expenses)	—	—	
ORGANIC REVENUES - excluding non-recurring items	9,446	9,218	2.5
Impacts deriving from:			
Master Service Agreement (MSA)		67	
Other		—	
Like-for-like ORGANIC REVENUES	9,446	9,285	1.7
Broken down as follows:			
Like-for-like service revenues	8,736	8,516	2.6
Handset and Bundle & Handset like-for-like revenues	710	769	(7.7)

"Like-for-like" service revenues amounted to 8,736 million euros (+220 million euros compared to 2024, equal to +2.6%) thanks to the growth in ICT and Multimedia revenues despite the impacts of the competitive context on the customer base.

"Like-for-like" revenues from Handsets and Bundles & Handsets, including the change in work in progress, amounted to 710 million euros in 2025, down 59 million euros compared to 2024, due to lower revenues in both the Enterprise and Consumer segments.

- **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) and SOHO (Small Office Home Office).

(million euros)	2025	2024	% Change
Consumer & SMB revenues - like-for-like	5,635	5,621	0.2
Service revenues	5,112	5,087	0.5
Handset and Bundle & Handset revenues	523	534	(2.1)

In particular, the **service revenues** of the segment amounted to 5,112 million euros and recorded an increase of 25 million euros (+0.5%) compared to fiscal year 2024, despite the competitive environment on the customer base.

Handset and Bundle & Handset revenues for the segment amounted to 523 million euros, down 11 million euros compared to fiscal year 2024 (-2.1%); the change is connected to the lower sales of products in the fixed segment.

- **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)	2025	2024	% Change
Enterprise revenues - like-for-like	3,478	3,265	6.5
Service revenues	3,281	3,031	8.2
Handset and Bundle & Handset revenues	197	234	(15.8)

Specifically, revenues from Enterprise services amounted to 3,281 million euros, an increase of 250 million euros (+8.2) compared to 2024, thanks to the growth of cloud and security services.

EBITDA

TIM S.p.A.'s **EBITDA** for FY2025 is 2,069 million euros (+/-261 million euros over FY2024, -11.2%).

Like-for-like EBITDA is calculated as follows:

(milioni di euro)	2025	2024	Changes %
EBITDA	2,069	2,330	(11.2)
Non-recurring expenses (income)	(141)	97	
ORGANIC EBITDA excluding non-recurring items	1,928	2,427	(20.6)
Impacts deriving from:			
New Master Service Agreement (MSA)		(902)	
Reversal of previous MSA between TIM and FiberCop		341	
Other		(17)	
Like-for-like ORGANIC EBITDA	1,928	1,849	4.3

The following elements also affected EBITDA:

■ Other income

(million euros)	2025	2024	Changes
1998 License fee - compensation for damages	973	—	973
Late payment fees charged for telephone services	17	19	(2)
Recovery of employee benefit expenses, purchases and services rendered	27	34	(7)
Capital and operating grants	27	15	12
Damages, penalties and recoveries connected with litigation	33	2	31
Estimate revisions and other adjustments	57	96	(39)
Income for special training activities	1	1	—
Services related to the MSA in place with FiberCop S.p.A.	82	42	40
Other	48	24	24
Total	1,265	233	1,032

Other income shows an increase of 1,032 million euros, benefiting in particular from the non-recurring income connected to the recognition of the reimbursement of the total damages in connection with the license fee for the exercise of telecommunications activities, paid by the TIM Group with reference to the 1998 financial year, definitively confirmed by the judgment of the Supreme Court no. 33241 of December 19, 2025, which upheld the decision of the Court of Appeal of Rome of April 2024. For further details see the section "Commentary on TIM S.p.A. data - 1998 License Fee".

Furthermore, the further variations are mainly due to the proceeds (40 million euros) arising from the MSA with FiberCop S.p.A. in force from the second half of 2024 and under the item *Compensations, penalties and recoveries related to disputes* (31 million euros) essentially relating to the release of commercial risk funds and penalties.

■ Acquisition of goods and services

(million euros)	2025	2024	Changes
Acquisition of goods	674	707	(33)
Revenues due to other TLC operators and costs for telecommunications network access services	1,739	1,451	288
Hosting and delivery	594	449	145
Commercial and advertising costs	2,318	1,642	676
Professional and consulting services	97	85	12
Power, maintenance and outsourced services	902	727	175
Lease and rental costs	896	759	137
Other	321	315	6
Total acquisition of goods and services	7,541	6,135	1,406
<i>% of Revenues</i>	<i>79.8</i>	<i>66.6</i>	<i>13.2 pp</i>

The item **Acquisition of goods and services** shows an increase of 1,406 million euros, mainly due to the effects related to the prospective change in the duration from 8 to 4 years of the recognition in the income statement of Deferred contract costs of the fixed network (671 million euros), to higher network access, hosting, and delivery costs related to the MSA contract with FiberCop, which in 2024 had impacted only in the second part of the year.

The item includes a non-recurring component of 707 million euros, mainly relating to commercial costs for committees related to the change in duration of deferred contract costs of the fixed network.

For further details, please refer to the section "TIM S.p.A. data commentary - Deferred contract costs of the fixed network".

■ Employee benefits expenses

(million euros)	2025	2024	Changes
Ordinary employee expenses and costs	869	826	43
Restructuring expenses and allocations to employee and other costs	122	84	38
Total employee benefits expenses	991	910	81

Employee benefits expenses were increased by 81 million euros compared to 2024; The main factors that drove this change were:

- to the increase of 43 million euros of ordinary employee expenses, mainly due to the higher costs identified for the provision of productivity bonuses related to company objectives.
- increase of 38 million euros in corporate restructuring and other expenses. In 2025, expenses totaling 122 million euros were incurred, mainly related to provisions for personnel disputes, wage supplementation connected to the Solidarity Contract and individual early retirement plans, as provided for in the union agreement signed by the Company on April 12, 2024, as well as the impact related to the prospective change in the duration from 8 to 4 years of the recognition in the income statement of Deferred contract costs of the fixed network for costs incurred in previous years for network technical

personnel for delivery and provisioning activities (39 million euros). For further details, please refer to the section "TIM S.p.A. data commentary - Deferred contract costs of the fixed network".

The headcount as of December 31, 2025 was 12,787 (12,951 as of December 31, 2024), with a decrease of 164.

■ Other operating expenses

(million euros)	2025	2024	Changes
Write-downs and expenses in connection with credit management	94	92	2
Provision charges	26	36	(10)
TLC operating fees and charges	18	19	(1)
Indirect duties and taxes	29	28	1
Penalties, settlement compensation and administrative fines	11	9	2
Subscription dues and fees, donations, scholarships and traineeships	7	6	1
Sundry expenses	36	44	(8)
Total	221	234	(13)

Other operating expenses for the 2025 financial year decrease by 13 million euros, mainly due to lower provisions for risks and charges (-10 million euros).

The item includes a non-recurring component of 18 million euros (44 in the 2024 financial year), mainly related to provisions and other charges connected with disputes.

Depreciation, amortization and capital expenditures

depreciation and amortization in 2025 came to 1,611 million euros (1,647 million euros in 2024) and are as follows:

(million euros)	2025	2024	Changes
Amortization of intangible assets with a finite useful life	916	961	(45)
Depreciation of tangible assets	468	494	(26)
Depreciation of rights of use assets	227	192	35
Total	1,611	1,647	(36)

The main aspects are listed below:

- **amortization of intangible assets** amounted to 916 million euros, down by 45 million compared to 2024, mainly as a result of lower amortization of software application developments and television broadcasting rights;
- **the depreciation of tangible assets owned** is equal to 468 million euros and shows a decrease of 26 million euros compared to 2024, attributable to the dynamics of investments and exercisability. The lower depreciation mainly relates to Plant and equipment (-33 million euros), while depreciation of Other assets increased (+7 million euros) due to the increased usability of IT hardware systems for customer management and corporate IT equipment;
- **Amortization of rights of use on third-party assets** amounted to 227 million euros, an increase of 35 million euros compared to 2024, mainly due to the recognition in July 2024, as part of the extraordinary transaction as part of the consideration, of the rights of use (fair value) on B2B connections (755 million euros) with durations varying between 7 and 20 years.

Capital expenditures totaled 973 million euros (1,037 million euros in 2024), signaling a reduction of 64 million euros. They are so broken down as follows:

(million euros)	2025	2024	Changes
Investments in intangible assets with a finite useful life	465	511	(46)
Investments in tangible assets	461	476	(15)
Investments in rights of use assets	47	50	(3)
Total	973	1,037	(64)

Investments in intangible assets decreased by 46 million euros, mainly as a result of fewer acquisitions of software licenses and lower software platform development activities;

Investments in tangible assets decreased by 15 million euros, due to lower investments in Plant and equipment in progress (-66 million euros), partially offset by higher investments in Plant and equipment (+47 million euros, mainly relating to the capitalization of the ARO fund) and other assets (+4 million euros, mainly relating to management hardware systems).

Investments in rights of use assets recorded a decrease of 3 million euros, essentially related to the lower 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 2 million euros in 2025 (negative for 7 million euros in 2024); in particular we note:

- capital losses of 6 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 for 4 million euros, mainly attributable to the termination of lease contracts and the on-site sale of equipment to customers.

Impairment reversals (losses) on non-current assets

The item is negative for 69 million euros in 2025 (negative for 14 million euros in 2024) and includes impairment losses recorded following the recoverability analysis of the company's fixed assets involved in the agreements signed during 2025 with suppliers of network equipment and with other TLC operators; these agreements aim to extend the coverage of 5G networks, in particular in low-density areas, in order to provide advanced services to the Group's customers with better network coverage, helping to bring ultra-broadband to less served areas, and have entailed the need to review the recoverable amount of the equipment in the different geographical areas involved in the project.

In preparing the Financial Statements for 2025, 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, 2025 of TIM S.p.A.

EBIT

TIM S.p.A. **EBIT** for 2025 came to 387 million euros (662 million euros in 2024). The operating result was impacted by the positive effect of non-recurring net income of 143 million euros, mainly attributable, as highlighted above, to the net income from the 1998 license fee, partially offset by the impact of the prospective change in the duration of fixed network customer acquisition and activation costs. In 2024, the effect of non-recurring items was negative by 94 million euros, mainly due to the impact of provisions for individual severance plans and disputes with personnel.

It should also be noted that the first half of 2024 included the economic impacts of the NetCo business unit (transferred to FiberCop on July 1, 2024), and that the Master Services Agreement, which governs the relationship between TIM S.p.A. and FiberCop, became effective as of July 1, 2024.

For further details, please refer to the Note "Significant non-recurring events and transactions" and the Note "Discontinued operations/Non-current assets held for sale" of the separate financial statements of TIM S.p.A. as of December 31, 2025.

Income (expenses) from investments

The item was positive for 152 million euros in 2025 (positive for 30 million euros in 2024).

(million euros)	2025	2024	Changes
Dividends	152	15	137
Other income and gains on disposals of investments	—	26	(26)
Other income from investments	—	—	—
Capital losses and impairment losses on financial assets	—	(11)	11
Sundry expenses from investments	—	—	—
Total	152	30	122

Income/(expenses) from equity investments, positive for million euros (positive for 152 million euros in fiscal year 2024), mainly include dividends received from the subsidiary Telecom Italia Finance S.A. for 120 million euros and from Fin. Priv. S.r.l. (for 30 million euros).

The write-down of the shareholding held in Telecom Italia Sparkle S.p.A., equal to 115 million euros in 2025 and 300 million euros in 2024 respectively, relating to the loss for the 2024 financial year recorded by the Telecom Italia Sparkle group (70 million euros) and the subsequent verification of the recoverability of the value of the shareholding based on the offer (230 million euros), was included among the discontinued items.

Finance income/(expenses), net

Finance income (expenses) showed a net expense of 531 million euros (negative for 937 million euros in 2024). The reduction in absolute terms is substantially related to the reduction in financial debt following the sale of NetCo.

The item consists of:

(million euros)	2025	2024	Changes
Finance income	602	1,003	(401)
Finance expenses	(1,133)	(1,940)	807
Total net finance income (expenses)	(531)	(937)	406

Income tax expense

In the 2025 annual report, no deferred tax assets were recognized on carryforward tax losses, in consideration of the assessment regarding the temporal distribution of the recoverability of TIM S.p.A.'s deferred tax assets.

The amount of taxes of 33 million euros represents, for 31 million euros, the current IRAP charge and, for 2 million euros, the IRES impact of deferred taxation and tax consolidation.

In 2024, the item Taxes 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.

Further details are provided in the Note "Income tax expense (current and deferred)" of the Separate Financial Statements at December 31, 2025 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 130 million euros; in particular, it includes the adjustment of the value of the stake held in Telecom Italia Sparkle to the presumed realization price for an amount of -115 million euros (an amount including the recognition of the net loss reported by the Sparkle group in 2025 and the estimated net result for the first half of 2026), as well as ancillary costs related to the separation of Telecom Italia Sparkle in addition to some residual items relating to the NetCo branch.

Profit (loss) for the year

The result for the year 2025 is negative by 155 million euros and includes non-recurring net income of 29 million euros, mainly attributable, as highlighted above, to the net income from the 1998 license fee, mainly offset by the impact of the prospective change in the duration of fixed network customer acquisition and activation costs and by the write-down to adjust Sparkle's estimated realizable value.

In the 2024 financial year, TIM S.p.A. recorded a loss of 1,242 million euros. It should be noted that the first half of 2024 included the economic impacts of the NetCo business unit (transferred to FiberCop and sold on July 1, 2024), and that the Master Services Agreement, which governs the relationship between TIM S.p.A. and FiberCop, became effective as of July 1, 2024.

For further details, please refer to the Note "Significant non-recurring events and transactions" and the Note "Discontinued operations/Non-current assets held for sale" of the separate financial statements of TIM S.p.A. as of December 31, 2025.

Non-recurring events

EBIT for the year 2025 of TIM S.p.A. includes non-recurring net income for a total of 143 million euros (non-recurring net charges for 94 million euros in the year 2024), broken down as follows:

(million euros)	2025	2024
Non-recurring expenses/(income) with an impact on EBITDA		
Other income		
1998 License fee - compensation for damages	(973)	
Other	(16)	(55)
Acquisition of goods and services and Change in inventories		
Deferred contract costs of the fixed network - transition from 8 years to 4 years of the recognition period in the income statement	671	
Expenses related to agreements and the development of non-recurring projects and other charges	36	24
Employee benefits expenses		
Deferred contract costs of the fixed network - transition from 8 years to 4 years of the recognition period in the income statement	39	
Charges connected to corporate reorganization/restructuring and other costs	83	84
Other operating expenses		
Other expenses and provisions	18	44
Impact on EBITDA	(142)	97
Gains/losses on disposals of non-current assets		
Gains on disposals of non-current assets	(1)	(3)
Impact on Operating profit (loss) (EBIT)	(143)	94

Net non-recurring income for the year 2025 mainly included:

- operating income of 973 million euros, relating to compensation for total damages in relation to the license fee for the exercise of telecommunications activities, paid by the TIM Group with reference to the 1998 financial year, definitively confirmed by the judgment of the Supreme Court no. 33241 of December 19, 2025, which upheld the decision of the Court of Appeal of Rome of April 2024. For further details, please refer to the paragraph "1998 License fee";
- operating expenses of 710 million euros (671 million euros recorded in acquisition of goods and services and 39 million euros recorded in employee benefits expenses) related to the prospective change in the duration from 8 to 4 years of the recognition in the income statement of Deferred contract costs of the fixed network. For further details, please refer to the section "Deferred contract costs of the fixed network";
- other costs for acquisition of goods and services amounting to 36 million euros, mainly relating to consulting and professional services connected with corporate transactions and the development of non-recurring projects;
- other employee benefits expenses of 83 million euros mainly connected to individual redundancy plans and disputes with staff;
- other operating expenses of 18 million euros mainly relating to provisions for related disputes, regulatory sanctions and potential liabilities.

1998 License fee

In 2010, Telecom Italia (also referred to as “the Company” and “TIM”) brought civil proceedings against the Presidency of the Council of Ministers for compensation for damages caused by the Italian State as a result of judgment no. 7506/09 handed down by the Council of State - following the proceedings brought by Telecom Italia before the Lazio Regional Administrative Court in 2003 - which had definitively declared that the license fee was also due for the year 1998, in violation, in the Company's opinion, of the principles of EU law which, starting from that year, prohibited Member States from maintaining similar license fees for electronic communications companies.

In particular, following the aforementioned unfavorable administrative rulings, the Company has brought actions at:

- the European Court of Justice to confirm that the license fee is not due in light of European legislation and, subsequently,
- the Italian civil court to claim compensation for damages caused by the Italian State.

Below are the main stages of the civil litigation for compensation for damages caused by the Italian State as a result of appeal ruling 7506/09 handed down by the Council of State:

- In March 2015, the Civil Court of Rome issued a ruling declaring the Company's claim for compensation inadmissible.
- Telecom Italia appealed and on April 3, 2024, the Court of Appeal of Rome, with judgment no. 2320/2024, upheld the claim and ordered the Presidency of the Council of Ministers to pay Telecom Italia 528,711,476.152 euros, plus ancillary costs and legal expenses, thus recognizing **compensation for damages totaling approximately 973 million euros** (including revaluation and interest up to April 3, 2024), plus additional legal interest which, until December 31, 2025, amounts to approximately 38 million euros;
- the calculation of the total damage takes into account the revaluation to the present day from the date of filing of the appeal with the Regional Administrative Court (November 2003), which constitutes the introductory act of the claim for repayment of the undue payment; Compensatory interest is due on the amount revalued at present value, in accordance with the criteria set out in the well-known ruling of the Joint Divisions of the Supreme Court 1712/1995, on the amounts revalued year by year;
- the Presidency of the Council of Ministers then notified Telecom Italia of the appeal to the Supreme Court against the ruling of the Court of Appeal of Rome, requesting its annulment “with all consequential measures, including, if necessary, a decision on the merits of the case.”
- Telecom Italia filed its counter-appeal with a conditional cross-appeal;
- **with its ruling no. 33241 of December 19, 2025, the Supreme Court upheld the Company's arguments and made final the decision of the Court of Appeal no. 2320/2024 of April 3, 2024, and the total amount of compensation for damages to be paid by the Presidency of the Council of Ministers to Telecom Italia.**

Therefore, the sums recognized by the aforementioned judgment no. 2320/2024 constitute, as a whole, a monetary credit amounting to approximately 973 million euros, recorded under Other Income in the Income Statement; the valuation of legal interests until December 31, 2025 (approximately 38 million euros) is recorded under Financial income; In the balance sheet as of December 31, 2025, the item “Other current receivables” shows a total amount of 1,011 million euros, as detailed below:

(million euros)	TIM S.p.A.
1998 License fee	
other income	973
finance income	38
Total	1,011
Miscellaneous receivables (current)	1,011

It should also be noted that in July 2025, the entire credit relating to the repayment of the 1998 License fee (for a total amount of 995.4 million euros, including legal interest accrued up to the date of transfer) was transferred to a pool of leading banks; the assignment had no impact on Net financial debt.

Deferred contract costs of the fixed network

With the sale of the fixed network, completed in the second half of 2024, and the gradual introduction of ancillary commercial elements to the pure sale of connectivity, linked to the development of the concept of customer platform (multimedia, energy, insurance, etc.), implemented starting from mid-2025 (also following amendments to the Bylaws of TIM S.p.A.), the notion of a customer tied to a specific telephone/data line is progressively losing its meaning, replaced by a vision of the customer at the center of an ecosystem of services and offers.

Following the sale of the fixed network, the Domestic business was faced with a new industrial model that has a significant impact on the cost/CapEx model, significantly linked to the contractual relationships that TIM maintains with wholesale operators (FiberCop and others). This new model has made it possible to increase the level of close correlation between customer acquisition capacity and related costs, overcoming the model based on "network coverage level".

In the second half of 2025, the company also continued and accelerated its commercial development path based on the customer platform concept, in which the customer is the recipient of a portfolio of services and offers.

It should also be noted that contract costs incurred in the domestic market to obtain and fulfil a contract with a fixed network customer (mainly relating to costs for commissions to the sales network and technical activation costs) in accordance with the requirements of IFRS 15 are subject to capitalization and subsequent recognition in the income statement over their estimated useful life.

Therefore, for the purposes of the 2025 Financial Statement, an assessment was carried out on the recoverability of the deferred contract costs in place on the fixed network and it was decided to link their duration no longer to the useful life of the customer (previously estimated at approximately 8 years) as it is difficult to trace and no longer representative of the business model, but to the period over which the economic recoverability of the "one-off" costs is achieved, a period calculated as 4 years.

This change in the duration has no impact on financial indicators (such as cash, net financial debt, and cash flows).

The change in the duration from 8 to 4 years for the recognition in the income statement of Deferred contract costs of the fixed network – carried out on a prospective basis – will result, as of December 31, 2025, in higher costs (for purchases and personnel) transferred to the income statement – in order to bring them into line with the new durations – with a total impact on TIM S.p.A. of 710 million euros. The balance as of December 31, 2025, of deferred contract costs for customer acquisition and for the fulfillment of the fixed network contract is therefore, for TIM S.p.A., 723 million euros.

The change in the duration from 8 to 4 years of the recognition in the income statement of deferred fixed network contract costs – carried out on a prospective basis – resulted in higher costs transferred to the income statement as of December 31, 2025, in order to adjust them to the new durations, as detailed below:

(million euros)	TIM S.p.A.
Deferred fixed network contract costs – recognition in the income statement from 8 to 4 years	
<i>purchases of raw materials and services</i>	(671)
<i>employee benefits expenses</i>	(39)
Total	(710)

For further details, please refer to the Note "Miscellaneous receivables (non-current)" of the separate financial statements as at December 31, 2025 of TIM S.p.A.

Financial Position and Cash Flows Performance

Financial position structure

(million euros)	12/31/2025	12/31/2024	Changes
Assets			
Non-current assets	24,784	26,883	(2,099)
<i>Goodwill</i>	8,814	8,814	—
<i>Intangible assets with a finite useful life</i>	3,504	3,957	(453)
<i>Tangible assets</i>	1,668	1,721	(53)
<i>Rights of use assets</i>	1,375	1,513	(138)
<i>Other non-current assets</i>	9,141	10,579	(1,438)
<i>Deferred tax assets</i>	282	299	(17)
Current assets	6,062	4,627	1,435
<i>Inventories, trade and miscellaneous receivables and other current assets</i>	4,561	3,287	1,274
<i>Current income tax receivables</i>	34	48	(14)
<i>Current financial assets</i>	876	1,292	(416)
<i>Discontinued operations/Non-current assets held for sale</i>	591	—	591
	30,846	31,510	(664)
Liabilities			
Equity	11,989	12,103	(114)
Non-current liabilities	8,025	9,070	(1,045)
Current liabilities	10,832	10,337	495
	30,846	31,510	(664)

Non-current assets

- **Goodwill:** is unchanged compared to December 31, 2024; Please refer to the Note "Goodwill" in the separate financial statements as of December 31, 2025 of TIM S.p.A. for more details.
- **Intangible assets with a finite useful life:** reduced by 453 million euros, from 3,957 million euros at the end of 2024 to 3,504 million euros at December 31, 2025, as the balance between the following items:
 - CapEx (+465 million euros);
 - amortization charge for the year (-916 million euros);
 - disposals, reclassifications and other changes (-2 million euros).
- **Tangible assets:** decreased by 53 million euros, representing the sum of the following:
 - CapEx (+461 million euros);
 - amortization charge for the year (-468 million euros);
 - disposals, reclassifications and other changes (-46 million euros).
- **Rights of use assets** (mainly relating to real estate leases, network connectivity and telecommunications infrastructure, etc.): decreased by 138 million euros, representing the sum of the following:
 - investments and increases in lease contracts (+127 million euros);
 - amortization charge for the year (-227 million euros);
 - disposals, reclassifications and other changes (-38 million euros).
- **Deferred tax assets:** decreased by 17 million euros compared to December 31, 2024.

Equity

Equity amounted to 11,989 million euros, down by 114 million euros compared to December 31, 2024 (12,103 million euros). The changes in equity over 2025 and 2024 are detailed in the following table:

(million euros)	12/31/2025	12/31/2024
At the beginning of the year	12,103	13,156
Profit (loss) for the year	(155)	(1,242)
Dividends approved	—	—
Equity instruments and other changes	7	1
Movements in the reserve for financial assets measured at fair value through other comprehensive income and derivative hedging instruments	31	175
Movements in the reserve for remeasurements of employee defined benefit plans (IAS 19)	3	13
At the end of the year	11,989	12,103

Cash flows

Change in adjusted net financial debt

(million euros)	2025	2024	Change
EBITDA	2,069	2,330	(261)
Capital expenditures on an accrual basis	(973)	(1,037)	64
Change in net operating working capital:	(740)	14	(754)
Change in inventories	5	(12)	17
Change in trade receivables and other net receivables	(178)	219	(397)
Change in trade payables	279	116	163
Other changes in operating receivables/payables	(846)	(309)	(537)
Change in employee benefits	(6)	(10)	4
Advance received on NRRP contributions	—	—	—
Change in operating provisions and Other changes	2	(99)	101
Net operating free cash flow	352	1,198	(846)
% of Revenues	3.7	13.0	(9.3)
Cash flows from sales of investments and other disposals	47	271	(224)
Share capital increases/reimbursements	3	—	3
Financial investments	—	(53)	53
Dividends flow	123	15	108
Increases in lease contracts	(80)	(199)	119
Financial expenses, income taxes and other net non-operating requirements flow	(406)	(664)	258
Impact on NFD resulting from the NetCo transaction	—	11,644	(11,644)
Reduction/(Increase) in adjusted net financial debt from continuing operations	39	12,212	(12,173)
Reduction/(Increase) in adjusted net financial debt from Discontinued operations / Non-current assets held for sale	(531)	(978)	447
Reduction/(Increase) in adjusted net financial debt	(492)	11,234	(11,726)

Equity Free Cash Flow

(million euros)	2025	2024	Change
Reduction/(Increase) in adjusted net financial debt	(492)	11,234	(11,726)
Impact for finance leases (new lease operations and/or renewals and/or extensions (-)/any terminations/early extinguishing of leases (+))	29	85	(56)
Payment of TLC licenses and for the use of frequencies	—	—	—
Financial impact of acquisitions and/or disposals of investments	486	(11,859)	12,345
Dividend payment and Change in Equity	(3)	—	(3)
Equity Free Cash Flow	20	(540)	560

The change in net operating free cash flow (calculated by applying IFRS 16) for the year 2025 compared to the year 2024 (-846 million euros) is mainly attributable to the change in operating working capital, in particular trade receivables and operating receivables/payables (mainly due to the impact of the compensation of the 1998 fee offset in part by the effect of the reduction in Deferred contract costs of the fixed network for the change in duration).

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 973 million euros (1,037 million euros in 2024), a decrease of million euros, due to lower investments in intangible assets (-64 million euros), tangible assets (-46 million euros), and rights to use third-party assets (-15 million euros).

Cash flows from sales of investments and other disposals

Positive for 47 million euros (positive for 271 million euros in the 2024 financial year) and mainly refers to the proceeds from the sale of shareholdings.

Financial investments flow

In 2024, amounted to 53 million euros and referred 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).

Dividends flow

Amounts to 123 million euros and shows a change of +108 million euros compared to fiscal year 2024, mainly due to the collection of dividends from the subsidiary Telecom Italia Finance S.A. (120 million euros) not distributed last year, partly offset by dividends received in 2024 by the associated company Daphne 3 (11 million euros) sold in November 2024.

Increases in lease contracts

This item amounted to 80 million euros (199 million euros in 2024). 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 for 406 million euros (negative for 664 million euros in 2024) and mainly includes the payment of net financial expenses of 378 million euros (908 million euros in 2024), in addition to the flow of taxes and non-operating payables and receivables.

Impact on NFD resulting from the NetCo transaction

In 2024, the item was positive for 11,644 million euros and included 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 2025 resulted in a positive effect on the adjusted net financial debt at December 31, 2025 amounting to 1,132 million euros (1,129 million euros at December 31, 2024).

Net financial debt

Net financial debt is composed as follows:

(million euros)

	12/31/2025 (a)	12/31/2024 (b)	Change (a-b)
Non-current financial liabilities			
Bonds	3,558	4,123	(565)
Amounts due to banks, other financial payables and liabilities	3,089	3,242	(153)
Non-current financial liabilities for lease contracts	556	644	(88)
	7,203	8,009	(806)
Current financial liabilities (1)			
Bonds	770	2,127	(1,357)
Amounts due to banks, other financial payables and liabilities	4,342	2,698	1,644
Non-current financial liabilities for lease contracts	241	231	10
	5,353	5,056	297
Total Gross financial debt	12,556	13,065	(509)
Non-current financial assets			
Non-current financial receivables arising from lease contracts	(10)	(14)	4
Financial receivables and other non-current financial assets	(1,075)	(1,579)	504
	(1,085)	(1,593)	508
Current financial assets			
Securities other than investments	—	—	—
Current financial receivables arising from lease contracts	(41)	(26)	(15)
Financial receivables and other current financial assets	(379)	(446)	67
Cash and cash equivalents	(456)	(820)	364
	(876)	(1,292)	416
Total financial assets	(1,961)	(2,885)	924
Net financial debt carrying amount	10,595	10,180	415
Reversal of fair value measurement of derivatives and related financial liabilities/assets	(188)	(265)	77
Adjusted Net Financial Debt	10,407	9,915	492
<i>Breakdown as follows:</i>			
Total adjusted gross financial debt	12,245	12,702	(457)
Total adjusted financial assets	(1,838)	(2,787)	949
<i>(1) of which current portion of medium/long-term debt:</i>			
Bonds	770	2,127	(1,357)
Amounts due to banks, other financial payables and liabilities	178	1,150	(972)
Non-current financial liabilities for lease contracts	213	205	8

The non-current portion of gross financial debt amounted to 7,203 million euros (8,009 million euros at the end of 2024) and represented 57% of total gross financial debt.

In line with the Group's objectives in terms of the long-term 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, mainly 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) amounts to 10,407 million euros as of December 31, 2025, an increase of 492 million euros compared to December 31, 2024 (9,915 million euros), mainly due to the conversion of the financial receivable from the subsidiary Telecom Italia Sparkle S.p.A. with a simultaneous increase in the value of the investment by 525 million euros.

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

(million euros)	12/31/2025	12/31/2024	Change
Net financial debt carrying amount	10,595	10,180	415
Reversal of fair value measurement of derivatives and related financial liabilities/assets	(188)	(265)	77
Adjusted Net Financial Debt	10,407	9,915	492
Leasing	(746)	(835)	89
Adjusted Net Financial Debt - After Lease	9,661	9,080	581

In July 2025, the entire receivable relating to the refund of the 1998 License fee (for a total amount of 995.4 million euros, including statutory interest accrued up to the date of transfer) was assigned to a pool of leading banks; the assignment had no impact on Net financial debt.

Net Financial Debt carrying amount at December 31, 2025 amounted to 10,595 million euros, up 415 million euros compared to December 31, 2024 (10,180 million euros). The reversal of the fair value measurement of derivatives and related financial liabilities/assets records a positive annual change of 77 million euros, due to the dynamics of the interest rate markets; 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, 2025 amounted to 9,661 million euros, up by 581 million euros compared to December 31, 2024 (9,080 million euros).

Gross financial debt

Bonds

Bonds at December 31, 2025 totaled 4,328 million euros (6,250 million euros at December 31, 2024). Their nominal repayment amount was 4,234 million euros, a decrease of 1,875 million euros compared to December 31, 2024 (6,109 million euros).

The change in bonds during 2025 was as follows:

New issues

(millions of original currency)	Currency	Amount	Issue date
TIM S.p.A. 500 million euros 3.625%	EUR	500	9/30/2025

Repayments

(millions of original currency)	Currency	Amount	Repayment date
TIM S.p.A. 1,000 million euros 2.750%	EUR	1,000	4/15/2025
TIM S.p.A. 1,000 million euros 3.000%	EUR	1,000	9/30/2025
TIM S.p.A. 375 million euros 2.875% ⁽¹⁾	EUR	375	11/24/2025

⁽¹⁾ On October 24, 2025, TIM notified the full early repayment of the 375 million euro bond maturing on January 28, 2026, following the exercise of Clause 7.4 (Redemption at the option of the Issuer – so-called Issuer Maturity Par Call) of the terms and conditions applicable to the Notes. This redemption was made on November 24, 2025 at a redemption price equal to 100% of the principal amount of the bonds.

Revolving Credit Facility and Term Credit Facility

The following table shows committed credit lines:

(billion euros)	12/31/2025		12/31/2024	
	Agreed	Drawn down	Agreed	Drawn down
Revolving Credit Facility – April 2030 (*)	3.000	—	4.000	—
Term Credit Facility – July 2030	0.750	0.015	—	—
Total	3.750	0.015	4.000	—

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

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

On July 22, 2025, TIM signed a new *Term Credit Facility* with a pool of leading national and international banks for an amount of 750 million euros and maturing on July 22, 2030, partially guaranteed by SACE (pursuant to Law no. 213 of December 30, 2023, and subsequent amendments). As of December 31, 2025, the drawn amount was 15 million euros. Subsequently, on January 20, 2026, the line was fully drawn down.

Maturities of non-current 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 6.41 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, 2025.

Financial assets and liquidity margin

Financial assets totaled 1,961 million euros (2,885 million euros at December 31, 2024), of which 1,035 million euros relating to financial receivables from Group companies.

Of that total, 876 million euros (1,292 million euros at December 31, 2024) was classified as current financial assets.

The available liquidity margin of TIM S.p.A. amounted to 4,191 million euros, equal to the sum of:

- “Cash and cash equivalents” and “Current securities other than investments” for a total of 456 million euros (820 million euros at December 31, 2024);
- *Revolving Credit Facility* amounting to 3,000 million euros, totally available;
- the new *Term Credit Facility* entered into on July 22, 2025 by TIM with a pool of leading national and international banks for an amount of 750 million euros, partially guaranteed by SACE (pursuant to Law no. 213 of December 30, 2023, as amended), drawn for 15 million euros as of December 31, 2025.

This margin allows for the coverage of debt repayment maturities expected in the next 36 months.

Since July 2025, cash and cash equivalents has benefited from the collection of 995.4 million euros, following the assignment to a pool of major banks of the entire receivable relating to the repayment of the 1998 license fee (share capital, revaluation and statutory interest). The assignment had no impact on Net financial debt.

At December 31, 2025, the item “**Cash and cash equivalents**” amounted to 456 million euros (820 million euros as of December 31, 2024). The different technical forms of investing available cash can be analyzed as follows:

- Maturities: investments have a maximum maturity of three months;
- Counterparty risk: investments 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)

	2025	2024	Changes (a-b)	
	(a)	(b)	absolute	%
Revenues	9,446	9,218	228	2.5
Other income	1,265	233	1,032	—
Total operating revenues and other income	10,711	9,451	1,260	13.3
Acquisition of goods and services	(7,541)	(6,135)	(1,406)	(22.9)
Employee benefits expenses	(991)	(910)	(81)	(8.9)
Other operating expenses	(221)	(234)	13	5.6
Change in inventories	(5)	14	(19)	—
Internally generated assets	116	144	(28)	(19.4)
Operating profit (loss) before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)	2,069	2,330	(261)	(11.2)
Depreciation and amortization	(1,611)	(1,647)	36	2.2
Gains (losses) on disposals of non-current assets	(2)	(7)	5	71.4
Impairment reversals (losses) on non-current assets	(69)	(14)	(55)	—
Operating profit (loss) (EBIT)	387	662	(275)	(41.5)
Income (expenses) from investments	152	30	122	—
Finance income	602	1,003	(401)	(40.0)
Finance expenses	(1,133)	(1,940)	807	41.6
Profit (loss) before tax from continuing operations	8	(245)	253	—
Income tax expense	(33)	(31)	(2)	(6.5)
Profit (loss) from continuing operations	(25)	(276)	251	90.9
Profit (loss) from Discontinued operations / Non current assets held for sale	(130)	(966)	836	86.5
Profit (loss) for the year	(155)	(1,242)	1,087	87.5

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)		2025	2024
Profit (loss) for the year	(a)	(155)	(1,242)
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		(16)	9
Income tax effect		—	—
	(b)	(16)	9
Remeasurements of employee defined benefit plans (IAS 19):			
Actuarial gains (losses)		3	13
Income tax effect		—	—
	(c)	3	13
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)	(13)	22
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
Loss (profit) transferred to the Separate Income Statements		—	—
Income tax effect		—	—
	(f)	—	1
Hedging instruments:			
Profit (loss) from fair value adjustments		(14)	253
Loss (profit) transferred to the Separate Income Statements		76	(36)
Income tax effect		(15)	(52)
	(g)	47	165
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)	47	166
Total other components of the Statements of Comprehensive Income	(k= e+i)	34	188
Total comprehensive income (loss) for the year	(a+k)	(121)	(1,054)

Statements of Financial Position

In application of IFRS 5, the statements of financial position as at December 31, 2024 coincide with those published in the 2024 annual report; only in the balance sheet balances as at December 31, 2025 the shareholding in Telecom Italia Sparkle S.p.A. is reclassified among the Assets held for sale (Discontinued Operations).

(million euros)	12/31/2025 (a)	12/31/2024 (b)	Changes (a-b)
Assets			
Non-current assets			
Intangible assets			
Goodwill	8,814	8,814	—
Intangible assets with a finite useful life	3,504	3,957	(453)
	12,318	12,771	(453)
Tangible assets			
Property, plant and equipment owned	1,668	1,721	(53)
Rights of use assets	1,375	1,513	(138)
Other non-current assets			
Investments	7,221	7,434	(213)
Non-current financial receivables arising from lease contracts	10	14	(4)
Other non-current financial assets	1,075	1,579	(504)
Miscellaneous receivables and other non-current assets	835	1,552	(717)
Deferred tax assets	282	299	(17)
	9,423	10,878	(1,455)
Total Non-current assets	(a) 24,784	26,883	(2,099)
Current assets			
Inventories	143	148	(5)
Trade and miscellaneous receivables and other current assets	4,418	3,139	1,279
Current income tax receivables	34	48	(14)
Current financial assets			
<i>Current financial receivables arising from lease contracts</i>	41	26	15
<i>Securities other than investments, other financial receivables and other current financial assets</i>	379	446	(67)
<i>Cash and cash equivalents</i>	456	820	(364)
	876	1,292	(416)
Current assets sub-total	5,471	4,627	844
Discontinued operations/Non-current assets held for sale			
of a financial nature	—	—	—
of a non-financial nature	591	—	591
	591	—	591
Total Current assets	(b) 6,062	4,627	1,435
Total Assets	(a+b) 30,846	31,510	(664)

(million euros)

	12/31/2025 (a)	12/31/2024 (b)	Changes (a-b)
Equity and liabilities			
Equity			
Share capital issued	11,677	11,677	—
less: Treasury shares	(49)	(53)	4
Share capital	11,628	11,624	4
Additional paid-in capital	—	—	—
Other reserves and retained earnings (accumulated losses), including profit (loss) for the year	361	479	(118)
Total Equity (c)	11,989	12,103	(114)
Non-current liabilities			
Non-current financial liabilities for financing contracts and others	6,647	7,365	(718)
Non-current financial liabilities for lease contracts	556	644	(88)
Employee benefits	159	163	(4)
Deferred tax liabilities	—	—	—
Provisions	191	199	(8)
Miscellaneous payables and other non-current liabilities	472	699	(227)
Total Non-current liabilities (d)	8,025	9,070	(1,045)
Current liabilities			
Current financial liabilities for financing contracts and others	5,112	4,825	287
Current financial liabilities for lease contracts	241	231	10
Trade and miscellaneous payables and other current liabilities	5,462	5,281	181
Current income tax payables	17	—	17
Current liabilities sub-total	10,832	10,337	495
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)	10,832	10,337	495
Total Liabilities (f=d+e)	18,857	19,407	(550)
Total Equity and Liabilities (c+f)	30,846	31,510	(664)

Statements of Cash Flows

(million euros)	2025	2024
Cash flows from operating activities:		
Profit (loss) for the year from continuing operations	(25)	(276)
Adjustments for:		
Depreciation and amortization	1,611	1,647
Impairment losses (reversals) on non-current assets including investments	69	26
Net change in deferred tax assets and liabilities	2	32
Losses (gains) realized on disposals of non-current assets (including investments)	2	(19)
Change in employee benefits	(6)	(10)
Change in inventories	5	(12)
Change in trade receivables and other net receivables	(178)	219
Change in trade payables	(50)	—
Net change in income tax receivables/payables	29	(5)
Net change in miscellaneous receivables/payables and other assets/liabilities	(848)	(193)
Cash flows from (used in) operating activities	(a) 611	1,409
Cash flows from investing activities:		
Purchases of intangible, tangible and rights of use assets on a cash basis	(645)	(920)
Contributions for plants received	1	7
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)
Change in financial receivables and other financial assets (excluding hedging and non-hedging derivatives under financial assets)	(124)	2,504
Proceeds from sale/repayments of intangible, tangible, rights of use assets and other non-current assets	47	271
Cash flows from (used in) investing activities	(b) (721)	5,978
Cash flows from financing activities:		
Change in current financial liabilities and other	1,012	(246)
Proceeds from non-current financial liabilities (including current portion)	675	2,000
Repayments of non-current financial liabilities (including current portion)	(3,543)	(7,945)
Changes in hedging and non-hedging derivatives	—	(85)
Consideration received from the sale of equity instruments	3	—
Consideration paid for the purchase of equity instruments	—	—
Share capital proceeds/reimbursements	—	—
Dividends paid	—	—
Changes in ownership interests in subsidiaries	—	—
Cash flows from (used in) financing activities	(c) (1,853)	(6,276)
Cash flows from (used in) discontinued operations/non-current assets held for sale	(d) (6)	(1,174)
Aggregate cash flows	(e=a+b+c+d) (1,969)	(63)
Net cash and cash equivalents at beginning of the year	(f) (328)	(265)
Net cash and cash equivalents at end of the year	(g=e+f) (2,297)	(328)

Purchases of intangible, tangible and rights of use assets

(million euros)	2025	2024
Purchase of intangible assets	(466)	(511)
Purchase of tangible assets	(461)	(476)
Purchase of right of use assets	(127)	(248)
Total purchases of intangible, tangible and rights of use assets on an accruals basis	(1,054)	(1,235)
Change in payables arising from purchase of intangible, tangible and rights of use assets	409	315
Total purchases of intangible, tangible and rights of use assets on a cash basis	(645)	(920)

Additional Cash Flow Information

(million euros)	2025	2024
Income taxes (paid) received	(7)	143
Interest expense paid	(829)	(1,597)
Interest income received	340	645
Dividends received	123	15

Analysis of Net Cash and Cash Equivalents

(million euros)	2025	2024
Net cash and cash equivalents at beginning of the year:		
Cash and cash equivalents	820	598
Bank overdrafts repayable on demand	(1,148)	(863)
	(328)	(265)
Net cash and cash equivalents at end of the year:		
Cash and cash equivalents	456	820
Bank overdrafts repayable on demand	(2,753)	(1,148)
	(2,297)	(328)

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, 2025.

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)	2025	2024	Changes	
			absolute	%
Like-for-like ORGANIC EBITDA	1,928	1,849	79	4.3
Lease payments	(170)	(164)	(6)	3.7
Like-for-like EBITDA After Lease (EBITDA-AL)	1,758	1,685	73	4.3

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

(million euros)	12/31/2025	12/31/2024	Change
Adjusted Net Financial Debt	10,407	9,915	492
Leasing	(746)	(835)	89
Adjusted Net Financial Debt - After Lease	9,661	9,080	581

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

(million euros)	2025	2024	Change
EQUITY FREE CASH FLOW	20	(540)	560
Lease contract payments (principal share)	(118)	(263)	145
EQUITY FREE CASH FLOW AFTER LEASE	(98)	(803)	705

RECONCILIATION OF CONSOLIDATED EQUITY

(million euros)

	Profit (loss) for the year		Equity at 12/31	
	2025	2024	2025	2024
Equity and Profit (Loss) for the year of TIM S.p.A.	(155)	(1,242)	11,989	12,103
Equity and Profit (Loss) for the year of consolidated companies, net of the share attributable to Non-controlling interest	1,624	751	12,954	12,267
Consolidation adjustments on the Equity and Profit (Loss) for the year attributable to Owners of the Parent:				
elimination of carrying amount of consolidated investments	—	—	(24,851)	(23,793)
impairment losses of consolidated companies included in the results of parent companies	117	284	10,101	9,979
elimination of goodwill recognized in Parent financial statements	—	—	(8,814)	(8,814)
recognition of positive differences arising from purchase of investments, of which:				
- goodwill	—	(52)	10,856	10,856
- 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	12	(20)	55	52
effect of elimination of carrying amount of Parent's shares held by TIM (formerly Telecom Italia Finance)	—	—	57	56
intra-group dividends	(1,371)	(377)	—	—
change in share of losses (profits) from sale of investments	—	27	4	(528)
other adjustments	70	19	(141)	(230)
Equity and Profit (Loss) for the year attributable to Owners of the Parent	297	(610)	12,219	11,957
Equity and Profit (Loss) for the year attributable to Non-controlling interest	222	246	1,236	1,404
Equity and Profit (Loss) for the year in the Consolidated Financial Statements	519	(364)	13,455	13,361

CORPORATE BODIES AS OF DECEMBER 31, 2025

Board of Directors

The Ordinary Shareholders' meeting of TIM S.p.A., 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, 2025, the Board of Directors of TIM S.p.A. was composed as follows:

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

Effective January 1, 2026, Umberto Paolucci (resigned) was replaced by Lorenzo Cavalaglio (co-opted into the Board of Directors on December 21, 2025).

The Board of Directors meeting of January 19, 2026, also confirmed that Directors Lorenzo Cavalaglio and Stefano Siragusa meet the independence requirements, pursuant to Art. 148 of Legislative Decree no. 58/1998 and the Corporate Governance Code.

The following board committees were in place as of December 31, 2025:

- **Control and Risk Committee**, made up of the Directors: Federico Ferro Luzzi (Chairman), Paola Camagni and Paola Giannotti De Ponti;
- **Nomination and Remuneration Committee**, made up of the Directors: Paola Giannotti De Ponti (Chairman), Umberto Paolucci^(**) and Alessandra Perrazzelli;
- **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 Giovanni Gorno Tempini, Alessandra Perrazzelli and Stefano Siragusa.

(**) On January 19, 2026 Umberto Paolucci was replaced by Lorenzo Cavalaglio.

(***) On January 19, 2026 Umberto Paolucci was replaced by 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 2025 TIM Group Sustainability Statement section, [\[21 a, b, c, d, e\]](#); [\[22 a, b, c i, ii, iii, d\]](#); [\[G1 GOV-1 5 a\]](#)

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.

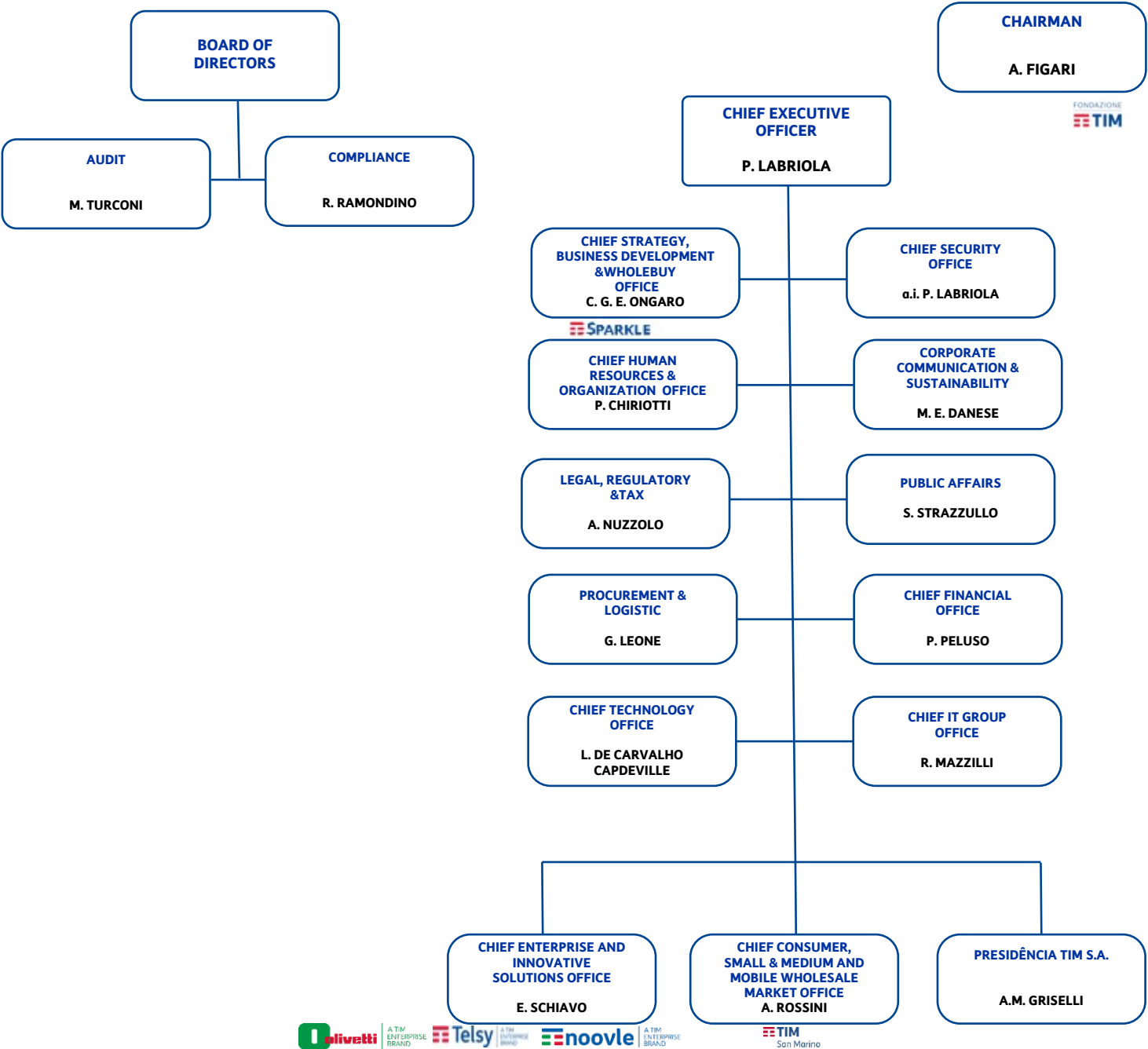
Executive responsible for preparing the corporate accounting documents

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. until November 6, 2025. On the same date, Piergiorgio Peluso assumed the role of Chief Financial Officer and Manager responsible for preparing the accounting documents of TIM S.p.A..

Sustainability Reporting 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 Reporting Manager of TIM S.p.A. The Board of Directors meeting of December 11, 2025, confirmed Maria Enrica Danese in this role for the same term as the Board of Directors that appointed her.

MACRO-ORGANIZATIONAL STRUCTURE AS OF DECEMBER 31, 2025



For more details, please refer to the 2025 TIM Group Sustainability Statement section, [\[66 a\]](#)



SUSTAINABILITY REPORTING

*PURSUANT
TO ITALIAN LEGISLATIVE
DECREE 125/24*

2025

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1. GENERAL INFORMATION

Methodological note and reporting perimeter

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

[5 a]; [5 b i, ii]; [5 c, d, e]

Reporting principles

The TIM Group Sustainability Reporting is prepared in accordance with the Corporate Sustainability Reporting Directive (CSRD), transposed into Italian law with Legislative Decree 125/2024, and in line with the ESRS Standards. The "Environment" section includes the information required by Article 8 of Regulation 852/2020 "European Taxonomy" and the related delegated acts. The Reporting is prepared on a consolidated basis and was approved by the Board of Directors (hereinafter "Board of Directors") on March 11, 2026.

The Sustainability Reporting includes data and information relating to TIM S.p.A. (Parent Company) and its subsidiaries consolidated on a line-by-line basis as of December 31, 2025, in line with the scope of the consolidated financial statements of the TIM Group, except for the specificities indicated below. The perimeter includes all group companies that meet specific materiality criteria. It also includes the Sparkle Group which, as of the same date, is still an integral part of the TIM Group, although in the consolidated financial statements it has been classified as Discontinued Operations pursuant to IFRS 5, as an asset intended for sale.

Thematic reporting perimeters

The thematic reporting perimeters are defined starting from the consolidation perimeter as of December 31, 2025 and applying specific criteria of significance, as described below.

Environmental perimeter

With reference to the methods of calculating the environmental perimeter, the scope of analysis was defined starting from the consolidated financial statements for the half-year ended June 30, 2025 of the Domestic Business Unit, taking into account the changes that occurred in July 2024.

Companies that meet at least one of the following materiality criteria were included in the analysis:

- 0,5% of total turnover (k€);
- 0,5% of the total number of employees (no.);
- 0,1% of total expenditure on energy and fluids (k€).

Based on these criteria, the following **11 companies** fall within the environmental perimeter: TIM S.p.A.; Telecom Italia Sparkle S.p.A.; TI Sparkle Greece; TI Sparkle Turkey; 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..

Of these, 10 companies fall within the perimeter of the domestic business unit, while TIM S.A. is included in the Brazil perimeter.

In the context of specific environmental disclosure obligations, the term "Domestic BU" (or "Tim Domestic") identifies the companies included in the environmental perimeter, excluding TIM S.A. ("Brazil" perimeter).

Social perimeter

In the social field, the data relating to the workforce include all group companies in which at least one employee is present during the year, in line with the scope of the consolidated financial statements.

As of December 31, 2025, **17 companies** fall within this perimeter: TIM S.p.A.; Telecom Italia Sparkle S.p.A.; Noovle S.p.A.; Noovle Malta¹; Olivetti S.p.A.; Telecontact Center S.p.A.; Telsy S.p.A.; TIM Retail S.r.l.; TI Trust Technologies S.r.l.; QTI S.r.l.; Mindicity S.r.l.; foreign companies controlled by Telecom Italia Sparkle S.p.A.; TIM San Marino S.p.A.; Telefonía Mobile Sammarinese S.p.A.; TIM Finance S.p.A.; TIM Capital; TIM S.A.

Of these, 14 companies fall within the perimeter of the "Domestic BU" ("Tim Domestic"), TIM S.A. enters the Brazil perimeter, while TIM Finance and TIM Capital are referred to as "other".

With reference to specific datapoints provided for by the ESRS S1 "Own workforce" disclosure obligation, the presentation of separate data by country is required on the basis of a materiality criterion, identified as 50 or more employees representing at least 10% of the total employees of the Group. The application of this criterion involves the identification of operating companies in Italy and Brazil. The "Italy" perimeter includes: TIM S.p.A., Telecom Italia Sparkle S.p.A., 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 S.r.l., QTI S.r.l. and Mindicity S.r.l..

For certain disclosure obligations provided for by the CSRD, the Group also reports, for the purposes of completeness of disclosure, initiatives carried out by the TIM Foundation in Italy and by the TIM Institute in Brazil. These entities, with independent legal personality and separate financial statements, do not fall within the scope of consolidation of the Group; however, their activities, aimed at promoting social impact projects in the areas of inclusion, education, and skills development, contribute to the generation of positive impacts on the territories and reference communities.

¹Despite having no employees as of December 31, 2025, Noovle Malta is included in the reporting scope as it had employees during the year up to December 1, 2025 and therefore contributed to the social data being reported.

Consideration of the value chain and completeness of disclosure

The Sustainability Reporting takes into account, where relevant and possible, the value chain as well, in order to provide a complete representation of the impacts, risks and opportunities related to the Group's activities, including the actors involved both upstream and downstream. This approach is applied, first of all, in the materiality analysis of impacts, risks, and opportunities (IROs), where it is specified whether they refer to the Group's activities or to the related value chain (see "SBM-3 disclosure obligation – Material impacts, risks, and opportunities and their interaction with the strategy and business model").

Information in the context of policies, objectives and initiatives involving upstream or downstream actors is provided according to the same principle; Similarly, the metrics also include, where applicable, value chain data, as in the case of Scope 3 greenhouse gases emissions.

In preparing the Sustainability Reporting, the TIM Group also provided complete disclosure with reference to sensitive information, including that relating to patents, intellectual property, know-how and innovation results, without availing itself of the exemptions provided to protect any competitive advantages.

Similarly, information likely to influence the market or shareholders, including information relating to financial news, material changes or matters under negotiation or development, has been provided without recourse to the exemption provided for imminent developments or matters under negotiation.

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

[9 a, b]; [10 a, b, c, d]; [11 a, b i,ii]; [13 a, b, c]; [14 a, b, c]; [15]; [16]

Reference time horizons

The following reference time horizons are adopted in the sustainability reporting, in order to ensure a consistent reading of the analyses, targets and risks related to sustainability issues:

- Short term: 1 year;
- Medium term: within 5 years;
- Long term: over 5 years.

In 2025, the medium- and long-term time horizons were updated compared to those defined in the previous financial year, in order to align their definitions with those suggested by ESRS 1. The new timeframe is in line with the reference framework used for updating the analysis of impacts, risks and opportunities, as well as with the definition of the Plan's ESG targets.

Methodological criteria, estimates and information limitations

In the area of Sustainability Reporting, in order to ensure a complete and transparent representation of the information, any estimates or assumptions used are also reported, as well as possible limitations in the availability of data.

Following the spin-off of the company's NetCo branch, which took place in July 2024, a master service agreement was signed that governs the relations between TIM S.p.A. and FiberCop. In the absence of specific criteria for allocating consumption, the Group resorted, where necessary, to estimates based on the best information available for the determination of data relating to the offices used by TIM staff and the infrastructures in colocation.

With reference to some calculations relating to Scope 3 emission categories, the Group used assumptions and data from third party sources. The estimates and assumptions adopted are based on consolidated and internationally recognized sources and do not present a significant level of measurement uncertainty. Further information on the methods applied can be found in the dedicated paragraphs.

In relation to the information limitations described above, for some metrics that require additional data or more articulated collection systems, the Group has adopted a gradual implementation approach (phase-in), as required by ESRS 1 with the aim of achieving full coverage within the deadlines provided for by the legislation. Forward-looking information has been developed based on assumptions and estimates relating to future events and the possible actions that the Group may undertake.

Also with reference to the financial information associated with the shares, some methodological clarifications are reported. In general, where relevant, operating expenses (OpEx) and capital expenditure (CapEx) related to the initiatives are indicated. For some actions, this information cannot be provided in a timely manner, due to the non-univocal nature of the expenses (e.g. indirect costs, shared costs or Intercompany costs), nor is an analytical reconciliation between OpEx and CapEx of the individual actions and the specific items of the consolidated income statement of the TIM Group always available.

A process of strengthening the methods of data collection and monitoring is currently underway, aimed at improving the level of information detail in the Group's next reporting cycles. At present, on the basis of the nature of the initiatives, it is possible to make a high reference to the relevant notes of 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 assets
- Construction in progress and advance payments

No. 7 Rights of use:

- Property
- Plant and equipment
- Other tangible assets
- Construction in progress and advance payments
- Intangible assets

OpEx

No. 28 Acquisition of goods and services:

- Purchase of raw materials and goods
- Costs of services:
 - Revenues due to other TLC operators
 - Costs for telecommunications network access services
 - Hosting and delivery
 - Commissions, sales commissions and other selling expenses
 - Advertising and promotion expenses
 - Professional and consulting services
 - Utilities
 - 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 expenses
 - Other employee benefits
- Costs and provisions for agency contract work
- Miscellaneous expenses for employees and other labor-related services rendered:
 - Expenses for corporate restructuring and termination benefit incentives
 - Other

Methodological evolution and comparability of emissions

In relation to the 2024 reporting period, for which the emission categories of Scope 3 no. 1, 2, 3, 11 and 12 had been published, during 2025 the TIM Group embarked on a **structured path of methodological evolution aimed at increasing the accuracy and reliability of the calculation of emissions**, with particular reference to categories 1, 3 and 11.

In particular, within Category 1 (goods and services purchased) a more advanced methodology (Average-data method) has been applied to device purchases; in Category 3 (activities related to fuels and energy), the accounting of grid losses associated with the supply of renewable energy has been integrated, in line with ISO 14064; for Category 11 (use of products sold), the emission factors relating to smartphones were updated, using more accurate and representative data.

The retroactive application of these methodological refinements to the 2024 data has been the subject of analysis; however, since the overall deviation from the published values was lower than the materiality threshold (about -3.4% at Group level), it was not considered necessary to carry out a restatement of the 2024 data. The new methodologies are therefore applied from 2025.

During 2025, a methodological refinement and an **expansion of the reporting perimeter** was carried out, through the integration of **additional Scope 3 categories** applicable to the TIM Group (Categories 4, 5, 6, 7, 9, 13, 14 and 15).

These categories have also been calculated with reference to 2024 for comparative purposes, consolidating **2024** as the **baseline** year to support the new transition plan, which is expected to be finalized during 2026 (see disclosure obligation E1-1 "Transition plan for the mitigation of climate change").

Revisions and Adjustments of Energy and Emissions Data

During 2025, a review of energy consumption data was also carried out for the calculation of Scope 1 greenhouse gases (GHG) emissions for the year 2024, with the aim of consolidating the quality of the data reported in a context characterized by significant organizational discontinuity and with a view to continuous improvement. In this consolidation activity, an adjustment was also made to some consumption of specific Group entities, in particular TIM S.p.A.

In accordance with the principles of transparency, reliability, and comparability of reporting provided for by the CSRD and the ESRS, these consumptions have been reprocessed and correctly reallocated to the competent entities, with the consequent updating of the aggregated values of energy consumption and Scope 1 emissions reported for 2024. The data have therefore been rectified and correctly relocated to the reference tables.

An update was also made regarding the emission factor used for the calculation of Scope 1 biogenic emissions for 2024; the data were then recalculated and updated to ensure accuracy and comparability.

Information scope and references to other sections

With a view to completeness and transparency of disclosure, the TIM Group includes in its Sustainability Reporting, where relevant, also information required by other regulations or generally accepted standards; in the event of partial application of these references, specific references are provided to the paragraphs applied.

In order to facilitate consultation of the document, some information is also provided by referring to other sections of the reporting, with explicit indication of the ESRS information obligation or the specific reference element (for example: "see ESRS 2 GOV-3 disclosure requirement – Integration of sustainability performance into incentive systems").

Corporate Governance

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

[21 a, b, c, d, e]; [22 a, b, c i, ii, iii, d]; [23 a, b]; [G1 GOV-1 5 a]

Composition and characteristics of the administrative and supervisory bodies

The Board of Directors of TIM S.p.A., appointed by the Shareholders' Meeting of April 23, 2024 for the three-year period 2024-2026, is composed of **nine Directors**, including one Executive Director (the CEO, who is also appointed as General Manager) and eight non-executive Directors, including the Chairman of the Board of Directors.

As of December 31, 2025, the composition of the Board remains unchanged, with the exception of the co-option of Alessandra Perrazzelli to replace the resigning Director Domitilla Benigni, approved on September 25, 2025. From January 1, 2026, the resignation of Director Umberto Paolucci and the simultaneous co-option of Lorenzo Cavalaglio, resolved on December 21, 2025 and subsequently approved by the shareholders' meeting on January 28, 2026, became effective.

On the same date, **six directors**, equal to 67% of the total, were qualified as **independent** pursuant to Article 148 of the Consolidated Law on Finance and the Corporate Governance Code.

The Group promotes balanced and pluralistic governance, favoring the presence of the underrepresented gender on the Board of Directors. In 2025, **female representation amounted to 44%** (four out of nine Directors), in line with the provisions of Article 9.1 of the Articles of Association, which establishes a threshold of at least two fifths of the total.

The composition of the Board ensures adequate heterogeneity in terms of age, professional background, language skills and sectoral and international experience. The experiences of the Directors, consistent with the Group's business sector and with the

geographical contexts in which it operates, are attributable to macro-functional areas of the business model, governance needs, and the main risk and opportunity profiles.

Composition and responsibilities of the Board of Directors

	Independence	Age	Languages	Digital TLC Technology	Finance (M&A) Risk Audits	Corporate Governance Legal	Experience in sectors other than FTA	International experience
Domitilla Benigni ²	YES	50-60	IT-EN	X				X
Paola Camagni	YES	50-60	IT-EN-FR		X			X
Federico Ferro Luzzi	YES	50-60	IT-EN		X	X		X
Alberta Figari	YES	>60	IT-EN		X	X		X
Paola Giannotti De Ponti	YES	>60	IT-EN-FR-ES		X	X	X	X
Giovanni Gorno Tempini	NO	>60	IT-EN		X	X		X
Pietro Labriola	NO	50-60	IT-EN-PT	X				X
Umberto Paolucci ³	YES	>60	IT-EN	X			X	X
Stefano Siragusa ⁴	YES	50-60	IT-EN	X	X		X	X
Alessandra Perrazzelli ⁵	YES	>60	IT-EN-FR	X	X	X	X	X

In this context, the Board ensures adequate oversight of relevant competencies, including those in the field of sustainability.

With reference to ESG competences, the Board of Directors ensures their availability both directly, through the composition and complementarity of the profiles of the directors, and indirectly, using the support of the competent corporate functions, including the Corporate Communication & Sustainability Department, as well as, where necessary, specialized contributions. This support is also made available to the members of the Board of Statutory Auditors.

Within the Board of Directors, **ESG competences** are particularly **concentrated in five Directors** (Figari, Gorno Tempini, Labriola, Perrazzelli and Siragusa), who bring specific experience and expertise gained, among other things, in the following areas:

- governance and operation of board committees with responsibility for sustainability;
- integration of ESG factors into the strategies of companies and institutions;
- ESG regulation and compliance profiles;
- environmental sustainability and assessment of the environmental impacts of activities and infrastructure;
- innovation and digital transformation to support sustainability objectives.

The ESG competences of the Board of Directors allow effective supervision and the integration of sustainability issues into the business strategy, with a focus on climate risks related to infrastructure management, information security and data protection risks, as well as compliance risks deriving from regulatory evolution.

The Board of Statutory Auditors, renewed by the shareholders' meeting of April 23, 2024, is composed of **five statutory auditors**, including the Chairman, and four alternate auditors, pursuant to Article 17 of the Articles of Association. As of December 31, 2025, the composition is unchanged.

In 2025, the representation of women in the Board of Statutory Auditors was 40%: of the five statutory auditors, three are male and two are female; of the four alternate statutory auditors, two are male and two are female.

The Board periodically evaluates the professionalism requirements of its members and, in 2025, the self-assessment confirmed a balanced and diverse structure in terms of professional skills and training courses.

Composition and responsibilities of the Board of Statutory Auditors

	Age	Languages	Digital TLC Technology	Finance (M&A) Risk Audit	Corporate Governance Legal	Experience in sectors other than FTA	International experience
Francesco Fallacara	>60	IT-EN		X	X		X
Anna Doro	>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

Any form of discrimination based, inter alia, on ethnicity, nationality, country of origin, sex, sexual orientation, religion, political opinion or other personal conditions is excluded in the election of Directors and members of the Board of Statutory Auditors.

The Group does not provide for trade union representation within the administrative, management and supervisory bodies.

² Resigned on September 25, 2025.

³ Resigned effective January 1, 2026.

⁴ Qualified as independent pursuant to Article 148 of the Consolidated Law on Finance until 12/31/2025. Since January 1, 2026, it has also been independent pursuant to the Corporate Governance Code.

⁵ Co-opted on September 25, 2025 and subsequently appointed by the shareholders' meeting of January 28, 2026.

Functions of the Board of Directors and internal board committees

The Board of Directors of the parent company TIM exercises strategic guidance and supervision functions, pursuing the creation of value in the medium to long term and taking into account the interests of stakeholders, with a view to the sustainability of the company.

Within the scope of its responsibilities, the Board:

- defines and approves the Group's strategic, industrial, financial and sustainability plans, and periodically monitors their implementation;
- evaluates the corporate and financial performance of the Group and the main subsidiaries, based on the information provided by the CEO, verifying the consistency of the results achieved with respect to the planned objectives;
- periodically assesses, with the support of the Sustainability Committee, the progress with respect to the objectives of the Sustainability Plan and the possible need for corrective actions;
- ensures compliance with the ethical and social responsibility principles enshrined in the Group's code of ethics and conduct, monitors compliance with applicable regulations and approves the Group's code of ethics and conduct as well as the Organization, Management and Control Model pursuant to Legislative Decree 231/2001, appointing the members of the Supervisory Body, having heard the opinion of the Control and Risk Committee and the Board of Statutory Auditors;
- defines the guidelines of the Internal Control and Risk Management System (SCIGR) and periodically verifies its adequacy and proper functioning, ensuring that the main corporate risks are identified, monitored, and managed appropriately;
- approves, at least once a year and after consulting the Control and Risk Committee, the Plans of the Compliance and Audits Departments;
- ensures the transparency of financial and non-financial communications to the market and investors.

In the exercise of its functions, the Board is supported by **four board committees** with advisory, propositional, investigative and monitoring functions: the **Control and Risk Committee**, the **Appointments and Remuneration Committee**, the **Related Parties Committee** and the **Sustainability Committee**, each governed by a specific regulation.

The Sustainability Committee, established in April 2021 and chaired by the Chairwoman of the Board of Directors, supports the Board in overseeing environmental, social and governance (ESG) issues. In this context, it interacts with the Nomination and Remuneration Committee for the integration of ESG objectives into the remuneration policy and with the Control and Risk Committee in relation to the double materiality analysis and Sustainability Reporting.

In confirmation of the Company's commitment to ESG issues, the Board of Directors of May 29, 2024 amended the Principles of Self-Regulation by providing for the inclusion of the CEO in the Sustainability Committee; The participation of the Corporate Communication & Sustainability Department in Committee meetings is also ensured.

The integration of sustainability practices into business operations is entrusted to the Corporate Communication & Sustainability Department, reporting directly to the CEO. Within this structure, the Sustainability function, in collaboration with the relevant corporate departments, coordinates the Group ESG Plan and its targets, social and environmental sustainability initiatives, the preparation of sustainability reporting, and the monitoring of sustainability indices and ratings.

The Board of Statutory Auditors exchanges relevant information with the Control and Risk Committee and with the Sustainability Committee, with particular reference to the process of preparing the sustainability reporting, ensuring that it is drawn up in accordance with the regulatory framework and applicable standards. The Chairman of the Board of Statutory Auditors, or an appointed Statutory Auditor, participates in the work of the board committees, without prejudice to the right of the other Statutory Auditors to participate in the meetings.

In Brazil, TIM S.A. has its own governance structure, consisting of a Board of Directors supported by four committees (Audits, Remuneration, Control and Risks, and ESG), as well as a Tax Board and a Management Board. Sustainability issues are overseen by the Regulation, Institutions, Public Relations & Sustainability Department and, at a strategic level, by the ESG Committee, which reports periodically to the Board of Directors.

Internal control system and risk management system

The Internal Control and Risk Management System (SCIGR) regulates the ways in which impacts, risks and opportunities are monitored and supervised at Group level, ensuring the supervision of the processes of identification, evaluation, monitoring and management of the same by the management, administration and control bodies, each according to their own responsibilities.

The SCIGR is a fundamental element of the Group's governance structure and consists of rules, procedures and organizational structures aimed at ensuring a healthy and consistent management of the main corporate risks, including ESG risks, in line with the Group's strategic objectives, "the Code of Ethics and Conduct" and the "Principles of Self-Regulation". The system is applied at Group level, taking into account the operational specificities of the individual companies.

With reference to the operational structure of the system, the SCIGR is divided into **three levels of control**:

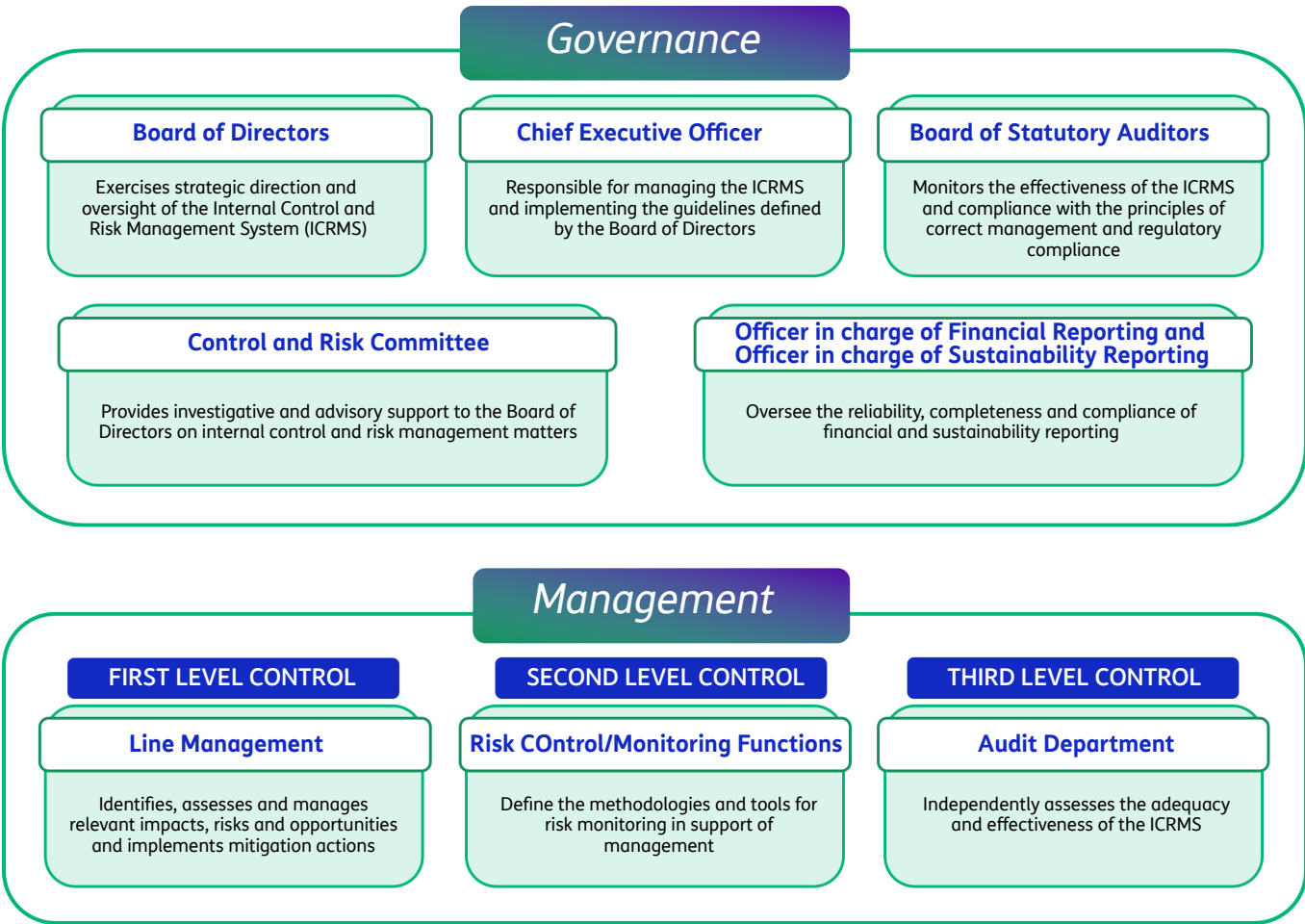
- **the first level**, entrusted to management, responsible for the identification, evaluation, and management of impacts, risks, and opportunities within its competence, as well as the definition and implementation of mitigation actions; in the ESG field, the Sustainability function identifies and assesses the extent of material sustainability impacts, risks and opportunities together with the Risk Management, Compliance and Finance functions;
- **the second level**, represented by the Financial Reporting Manager, the Sustainability Reporting Manager, the Data Protection Officer, and the Enterprise Risk Management, Health & Safety, Compliance and Tax Office, and other control functions, which define the measurement and monitoring methodologies and support management in risk assessment and mitigation;
- **the third level**, carried out by the Audit Department, which independently evaluates the adequacy and effectiveness of the design and overall functioning of the Internal Control System, also through verification activities on the first and second level.

The Governance and supervision of the SCIGR are entrusted to the Board of Directors which:

- verifies the appropriateness, effectiveness and proper functioning of the SCIGR, ensuring that the main business risks, including those related to material topics, are correctly identified, monitored and managed over time. To this end, the Board evaluates the adequacy and effectiveness of the SCIGR every six months, also on the basis of the results of the audits carried out by the Audit Department and the contributions of the other control functions, and defines the acceptable level of risk in line with the long-term strategic objectives (Risk Appetite);
- establishes the Control and Risk Committee, with the support of which it carries out the assessments and takes the decisions relating to the SCIGR, as well as the other board committees with advisory, propositional or investigative functions, governed by the Principles of Self-Regulation and their respective regulations.

Management of the SCIGR 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 **SCIGR 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" ("SCIGR Guidelines") that define the architecture of the SCIGR, the main corporate roles and responsibilities in the field of SCIGR, the coordination methods and information flows between the parties involved, the periodic evaluation process of TIM's SCIGR. The Board of Statutory Auditors plays a key role in ensuring the effectiveness of the SCIGR, 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.

Operational, management and governance structure of the SCIGR



Disclosure Requirement GOV-2 – Information provided to and sustainability matters addressed by the company's administrative, management and supervisory bodies

[26 a, b, c]

The management and supervision of the issues material to the Group are based on a structured system of information flows and processes involving the Board of Directors, the board committees and the control bodies.

The Board of Directors is periodically informed about the material impacts, risks, and opportunities, including those of an environmental, social, and governance (ESG) nature, as well as about the actions and policies adopted for their management. This disclosure is also provided through the board committees, in particular the Control and Risk Committee and the Sustainability Committee, which operate on the basis of an agenda defined annually.

The Board of Statutory Auditors is also involved in these information flows, having access to all the documentation and information necessary for the performance of its control functions and participating in the work of the board committees.

With reference to sustainability issues, the outcome of the double materiality analysis process, which identifies the material ESG impacts, risks and opportunities and forms the basis of the Sustainability Reporting, is presented annually by the Corporate Communication & Sustainability Department in joint session to the Control and Risk Committee, the Sustainability Committee and the Board of Statutory Auditors, and subsequently to the Board of Directors.

The TIM Group's administrative, management and control bodies use the Enterprise Risk Management (ERM) process to identify, assess, quantify and monitor significant risks for the Company, including those related to ESG issues. The ERM process is continuous and involves all the competent company functions (Risk Owners), who participate in periodic Risk Assessment activities aimed at updating risk profiles, including emerging ones.

The Enterprise Risk Management process includes the following main 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 business assets may be exposed;
- quantitative assessment of risks, both at the level of individual risk and from a portfolio perspective, taking into account possible correlations;
- support to management in defining risk appetite and the related Tolerances, 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 and subsequent submission to the Board of Directors;
- management of the information flow to top management and control bodies, through the preparation of periodic reports or on request, to support the evaluation activities of the SCIGR;
- management of the ERM steering committee, aimed at monitoring the status of Tolerances and coordinating Risk Owners in the timely adoption of any corrective actions.
- The risk management model adopts an integrated approach that also considers sustainability issues, including economic, environmental, social, and governance risks relevant to stakeholders, in line with the double materiality analysis.

The impacts identified through this analysis are integrated into business strategies, decision-making processes and the Enterprise Risk Management system, ensuring that strategic decisions are informed by a comprehensive view of potential impacts, risks and opportunities.

For a detailed description of the processes for identifying and assessing material impacts, risks, and opportunities from an ESG perspective, please refer to disclosure requirements IRO-1 "Description of the process for identifying and assessing material impacts, risks, and opportunities", E1 IRO-1 "Description of processes for identifying and assessing material climate-related impacts, risks, and opportunities", and E5 IRO-1 "Material impacts, risks, and opportunities – Resource use and circular economy". The list of material impacts, risks, and opportunities addressed by the administration, management and control bodies, or by their respective committees, during the reference period is provided in disclosure requirement ESRS 2 SBM-3 "Material impacts, risks, and opportunities and their interaction with the strategy and the business model", in this section.

Remuneration system

Disclosure Requirement GOV-3 – Integration of sustainability-related performance in incentive schemes

[29 a, b, c, d, e]; [E1 GOV-3 13]

The Remuneration Policy of the TIM Group is aimed at supporting the achievement of the Company's strategic objectives, while ensuring competitiveness in the labor market and the alignment of management interests with the creation of value in the short and long term. The Policy, approved by the Shareholders' Meeting on June 24, 2025, provides for a balanced equilibrium between economic-financial, stock performance, and ESG parameters, in line with the three-year Business Plan, integrating ESG issues, including those related to climate change, in a structured way into the incentive systems.

In implementation of the Remuneration Policy, the Report on the Remuneration policy and compensation paid is approved by the Board of Directors, upon the proposal of the Nomination and Remuneration Committee; with reference to aspects of the ESG component, the Sustainability Committee is involved in the process of defining and evaluating the related objectives.

The Remuneration Policy, for 2025, provides for: **a short-term variable remuneration** structured as follows:

- a **gate objective** of an economic-financial nature, consisting of the company indicator "TIM Group EBITDA After Lease", whose achievement at the minimum level is a necessary condition for access to the premium for all functions except those reporting to the Board of Directors (audits and Compliance), for which there is no provision. The weight and minimum threshold of the objective are differentiated by population cluster, with a gate percentage of 95% for the CEO and the Front Line and 90% for the Other Management;
- a uniform **pay-out scale** for all recipients, based on a linear interpolation mechanism between the minimum (50%), target (100%), and maximum (150%) levels of each objective, measured individually;
- **function objectives**, with a differentiated weight depending on the recipients' basins;
- **ESG objectives**, with a total **weight of 22%**, divided into the following areas:
 - **Environment**: number of **Data Centers certified according to the European Taxonomy** (Italy), aimed at promoting the improvement of the operational efficiency of Data Centers, also in terms of reducing environmental impacts and efficient use of natural resources;
 - **Social**: percentage of **female hires** out of total hires (Group);
 - **Governance**: percentage of **detractors** detected in the fourth quarter 2025 (Domestic BU).

The **long-term variable remuneration** provides for a 2025-2027 Performance Share LTI Plan, addressed to the CEO, top management, and a select number of managers with key roles. The recipients of the Plan are divided into three pay opportunity groups, determined according to the contribution to the company's strategic objectives. For each band, the number of rights to receive shares, attributed to the target, is defined.

The Plan provides for:

- **two economic-financial performance indicators**:
 - **"EBITDA – CapEx"** accumulated in the three-year period (reported values) with a **weight of 50%**, represented;
 - **"Total Shareholder Return"** with a **weight of 20%**, which measures the total return for shareholders, taking into account the trend of the share price and the dividends distributed. The indicator is assessed over a three-year time horizon and reflects the Company's ability to generate shareholder value over the medium to long term.
- **two ESG indicators**, with a total **weight of 30%**, broken down into the following areas:
 - **Environment**: **eco-efficiency of the mobile network** aimed at encouraging the improvement of the energy efficiency of the network and contributing to the reduction of consumption and emissions, with a weight of 15% (Domestic BU);
 - **Social**: percentage of **women in formalized positions of responsibility** in the company organization, with a weight of 15% (Domestic BU).

The variable component of remuneration in shares is linked to the achievement of specific performance objectives. The number of shares assigned depends on the level of achievement of the objectives, according to a payout curve that provides for the recognition of 50%, 75%, or 100% of the incentive, with proportional determination in the case of intermediate results.

The mechanism ensures a direct and transparent connection between the results achieved and the variable remuneration. Climate issues are integrated into the long-term variable component through the Environment objective of the Performance Shares 2025-2027 LTI Plan, with a weight of 15%, applied to the CEO and Managers with Strategic Responsibilities.

Disclosure Requirement GOV-4 – Statement on due diligence

[30]; [32]

The TIM Group identifies, assesses, and manages the actual and potential negative impacts of its activities on people and the environment, as well as the main sustainability risks and opportunities related to the TIM Group's activities and the value chain, through structured business processes integrated into governance and control systems.

All these processes, defined as a due diligence, are used to support company decisions, define prevention, mitigation or remedy actions, and monitor their effectiveness over time, ensuring the traceability of the ways in which sustainability impacts and risks are identified and addressed.

The **due diligence** is divided into the following **operational phases**:

- integration into governance and decision-making processes: sustainability impacts, risks and opportunities are considered in the Group's governance systems, planning processes and control measures;
- stakeholder engagement: TIM involves the main stakeholders to collect useful information for the identification and assessment of negative impacts and sustainability risks related to the Group's activities and the value chain;
- identification and assessment of impacts, risks and opportunities: TIM analyzes the actual and potential negative impacts and sustainability risks and opportunities, taking into account the severity of the effects, the likelihood of occurrence, and the level of exposure of the Group;
- prevention, mitigation and remedy actions: Based on the assessments, TIM defines and implements measures to prevent or mitigate the identified negative impacts and risks or, where necessary, to remedy the actual impacts;
- monitoring and reporting: the effectiveness of the actions taken is monitored over time and the results are communicated through the Sustainability Reporting.

The following table indicates, for each phase of the process, the paragraphs of the Sustainability Reporting in which these aspects are described.

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	• GOV-2 • GOV-3 • SBM-3 (including requirements in ESRS E1-S1-S2-S3-S4)
Stakeholder Engagement	• ESRS 2 MDR-P • GOV-2 • SBM-2 • IRO-1 (including the requirements set out in ESRS E1-S1-S2-S3-S4)
Identification and assessment of impacts and risks	• IRO-1 (including the requirements set out in ESRS E1-S1-S2-S3-S4) • SBM-3 (including requirements in ESRS E1-S1-S2-S3-S4)
Interventions to prevent, mitigate or remedy negative impacts and risks	• ESRS 2 MDR-A • E1-3 • E5-2 • S1-4 • S2-4 • S3-4 • S4-4
Monitoring and communication of the effectiveness of the actions taken	• MDR-T

Control system

Disclosure Requirement GOV-5 – Risk management and internal controls over sustainability reporting

Responsibility and structure of the control system over sustainability reporting

[36 a, b, c, d]

Sustainability reporting is supported by a dedicated risk management and internal control system, aimed at ensuring its completeness, accuracy, and compliance with applicable standards.

In this context, **TIM introduced the figure of the Sustainability Reporting Manager**, in accordance with the provisions of the Corporate Sustainability Reporting Directive, who certifies, together with the CEO, the accuracy, reliability, and compliance with standards of the information contained in the Sustainability Reporting.

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. The appointment was also confirmed in 2025 in the Board of Directors of November 11 of the same year.

To oversee the certification process and to support the responsibilities attributed to the Sustainability Reporting Manager, in 2024 **TIM also introduced an Internal Control System on Sustainability Reporting (SCIRS)**. The Model is developed in line with the main risks on corporate disclosure, also used in the Financial Disclosure Control Model, and reflects the company's attention to corporate governance, risk management, the responsibilities of the internal control system and the attribution of powers and responsibilities.

The Model is inspired by the framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and the guide "Achieving Effective Internal Control of Sustainability Reporting (SCSR)" published in March 2023 and is in line with the COSO Framework, divided into 17 fundamental principles grouped into five components of the internal control system: Control Environment, Risk Assessment, Control Activities, Information System and Monitoring Activities, which are interconnected and integrated into the Group's management processes.

The SCIRS Model is aimed at ensuring the reliability and accuracy of Sustainability Reporting and is based on a risk-based approach, which involves the identification, evaluation, and prioritization of the risks associated with sustainability disclosure, in order to define the most appropriate perimeter of analysis and controls. To this end, TIM has adopted a procedure dedicated to regulating the "Certification process on the Internal Control System on Sustainability Reporting pursuant to Legislative Decree no. 125 of 2024", which identifies the methodological references, criteria, perimeter and responsibilities of the SCIRS Model, and defines the controls associated with the risks on the sustainability disclosure for the datapoints within the perimeter.

The SCIRS Model is divided into the following **phases**:

- definition of the scope of analysis based on the assessment of risk and relevance;
- execution of controls at entity level (Entity Level Controls – ELC), transversal to the organization or referring to individual Group Companies;
- execution of general controls on information technology systems (Information Technology General Controls – ITGC);
- execution of process level controls (PLC);
- carrying out tests by management, issuing certifications by sign-off, and signing letters of attestation;
- independent audits by the Compliance Department;
- assessment of control deficiencies and definition of remediation plans and their management;
- final certificate and disclosure to the Administrative and Supervisory Bodies.

In application of the Model, a risk and materiality analysis was conducted that considered internal and external factors and covered all the datapoints and companies included in the scope of consolidation of the Sustainability Reporting.

For the purpose of prioritizing the datapoints subject to control, the SCIRS Model uses specific drivers of relevance, which are assigned a homogeneous weight and a predefined score. These drivers include:

- the complexity of the database and/or calculation methodology;
- the potential reputational and/or material impact resulting from any misstatement;
- the centrality of the datapoint with respect to the Company's sustainability plan and sustainability targets;
- the materiality of the datapoint for the purposes of the assessments by the rating agencies;
- the priority of the topic emerged as a result of the double materiality analysis.

Based on the analysis conducted and the prioritization of the datapoints, the main risks associated with sustainability disclosure have been identified, which concern in particular the incomplete or inaccurate collection of data, calculation errors, aggregation or consolidation, the incorrect imputation of data in information systems and in the ESG platform, as well as the inconsistent preparation of the reporting document with respect to the requirements of the ESRS.

In order to mitigate the risks identified, the SCIRS Model provides for the definition of control objectives and the implementation of structured controls, aimed at ensuring the completeness, accuracy, consistency, and traceability of sustainability information. Operational controls are built at the Company level (Entity Level Controls), at the process level (Process Level Controls) or are general on information systems (IT General Controls), with responsibilities assigned and formalized.

The evaluation of the design of the controls and their adequacy with respect to the identified risks involves the following operational **phases**:

- identification of control responsibilities;
- analysis of the risks of non-conformity of the control with respect to the qualitative characteristics provided for by the ESRS;
- verification of the coverage of the control objectives through the execution of tests;
- identification of any areas for improvement and definition of corrective actions.

The Model also provides for a process of periodic monitoring of the adequacy and operation of controls, based on self-assessment and testing activities carried out by the responsible company functions and on independent checks by the Compliance Department. The results of the risk assessment and controls are taken into account to update the design and strengthen the risk mitigation measures on the sustainability disclosure.

If the ineffectiveness of a control emerges, the results are formalized by opening a control deficiency and defining a remedy plan, the implementation of which is monitored.

The results of risk assessment activities and internal controls are reported periodically to the Administrative and Supervisory Bodies. In particular, the Sustainability Reporting Manager and the Compliance Department inform the Board of Statutory Auditors, the Control and Risk Committee and the Sustainability Committee about the status of the controls, the results of the tests, the deficiencies found and the progress of the related remediation plans, coordinating with the Executive Responsible for preparing the corporate accounting documents.

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 certifications issued by the subjects involved in different ways in the business processes, both by the department managers and by the directors of the subsidiaries falling within the scope of certification.

ESG strategy

Disclosure Requirement SBM–1 Strategy, business model and value chain

[40 a i, ii, iii, iv]; [40 e, f, g]; [42 a, b, c]

Business model and value generation

The TIM Group is a leader in the telecommunications and digital infrastructure sector and is the **main infrastructure operator in Italy**. Its activities include the development and management of fixed and mobile networks, Data Centers, communication services and digital solutions for retail customers, businesses and the Public Administration.

In the international segment, the subsidiary Sparkle operates a global optical fiber network among the most extensive in the world, offering high quality data, voice and video transmission services. **In Brazil, TIM S.A. is one of the leading operators in the telecommunications market** and stands out for its leadership in 4G and 5G coverage.

As of December 31, 2025, the Group had 26,177 employees, mainly located in Italy (17,231)⁶ and Brazil (8,702)⁷.

The Group's business model combines the development of digital infrastructures with the provision of innovative services, integrating technological innovation and sustainability in order to generate long-term value and contribute to the reduction of

⁶ Included in "Italy" are: TIM S.p.A., Telecom Italia Sparkle S.p.A., 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 S.r.l., QTI S.r.l., Mindicity S.r.l.

⁷ In Brazil only TIM S.A. is considered.

environmental impacts. The Group does not offer prohibited products and services in the markets in which it operates, in accordance with applicable regulations.

In the Consumer segment, TIM offers individuals and households a wide range of fixed and mobile telephony services, with solutions dedicated to connectivity, digital content and entertainment, while supporting small and medium-sized businesses in their digitization journey with dedicated services and offers.

In the Small Business segment, TIM targets professionals, micro-enterprises and SMEs with an integrated portfolio of fixed and mobile connectivity services, cloud solutions and digital communication tools, accompanying companies in digitization processes through dedicated offers and value-added services.

In the Business segment, TIM Enterprise acts as a strategic partner for companies and Public Administration, providing end-to-end solutions in the cloud, internet of things (IoT), and cybersecurity sectors. These services, delivered through a nationwide network of data centers, leverage the expertise of Group companies, including **Noovle, Olivetti, Telsy, and TI Trust Technologies**, and benefit from collaborations with internationally renowned technology partners.

Within the Group, some companies have adopted the status of **Benefit Corporation**, incorporating common benefit purposes into their corporate objectives alongside economic goals. In particular:

- **Noovle**, specialized in Cloud and Edge computing solutions, became a Benefit Corporation in July 2021 and operates data centers certified according to international standards of security and energy efficiency;
- **Olivetti**, focused on IoT and Big Data solutions, adopted Benefit Corporation status in January 2023, promoting sustainable digitalization;
- **Mindicity**, acquired by Olivetti in 2022, contributes to the development of solutions for local administrations in the smart city field.

Through these activities, TIM positions itself as a key player in technological innovation in Italy and Brazil, contributing to the responsible development of the economy and society.

The Group also promotes high social impact initiatives through TIM Foundation in Italy and TIM Institute in Brazil, in supporting community development and digital inclusion.

With regard to the value creation model, reference is made to the section “Essential Intangible Resources” in the TIM Group’s Management Report.

Sustainability strategy and drivers

In defining its industrial strategy, the TIM Group integrates in a structured way the environmental, social and governance dimensions into the business model, taking into account the material impacts, risks and opportunities in terms of sustainability, in line with the evolution of the regulatory, market and technological context.

On the environmental front, the impacts related to infrastructure activities and energy consumption are significant, as well as climate and transition risks and opportunities related to technological innovation, process efficiency, and progressive decarbonization.

On the social front, both the impacts on the workforce — with reference to the evolution of organizational models, the development of skills and the enhancement of merit — and the opportunities and impacts related to the growing demand for digitization by customers, businesses and the Public Administration are relevant, with effects on the inclusion and development of territories.

On the governance front, they highlight the risks associated with regulatory compliance, ethical and responsible management of the business, and the protection of stakeholders, as well as the opportunities deriving from the strengthening of control measures and transparency, as enabling elements for the stability and reliability of the business model.

In response to the impacts, risks and opportunities mentioned above, the Group sets out its sustainability strategy in the following priority drivers:

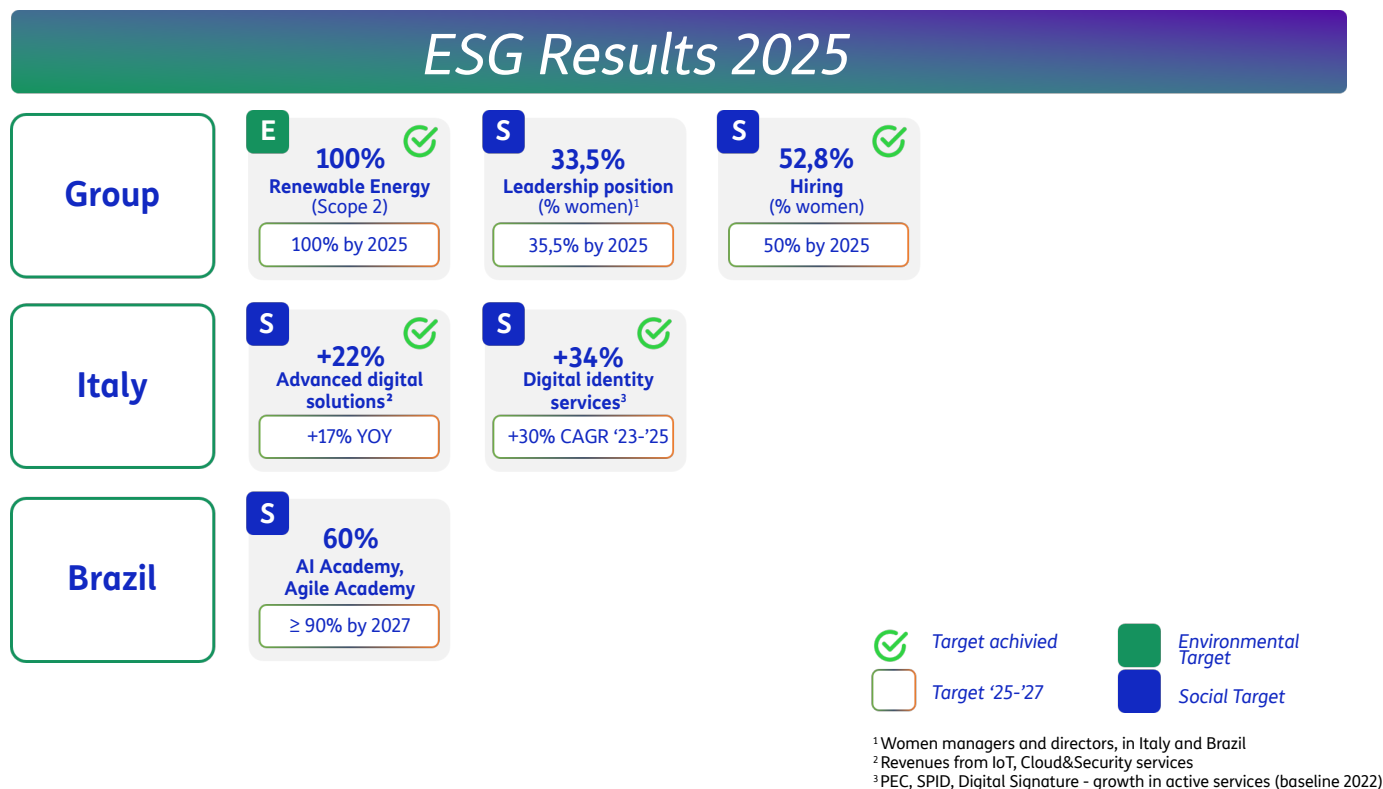
- **reduce the environmental impact of digital infrastructures** (5G, fiber, data centers), improving energy efficiency, strengthening emissions monitoring and implementing a long-term transition plan towards progressive decarbonization and efficient use of resources, including through the involvement of the supply chain and the tracking of related emissions;
- **accelerate the digital and environmental transition of companies and Public Administration**, through digital services and platforms aimed at the efficiency of processes and services, favoring their dissemination and scalability among central and local administrations;
- **strengthen the security and resilience of infrastructures and services, internal and for customers**, through sovereign cloud models and advanced digital solutions that guarantee data control, operational continuity, and technological autonomy;
- **enhance skills and merit** as a lever for growth, promoting the reduction of the gender gap and investing in structured upskilling and reskilling programs, with particular attention to AI skills.

The circular economy model (reuse/regeneration) **permeates across the Group's operational processes** to reduce the Company's environmental impact.

The new strategic plan and its sustainability targets, referring to the period 2026-2028, are currently being defined and will be formalized on the occasion of the presentation of the next business plan, scheduled for 2026. However, the Group confirms the strategic guidelines and the integration of sustainability into the business model and the Business Plan, which has been an integral part of it for years.

ESG Results 2025

With reference to the objectives of the 2025–2027 Business Plan, currently being updated, the results achieved in 2025 are shown below, with evidence of the targets due in the year.



On the environmental side, the **Group has achieved 100% procurement of electricity from renewable sources**, resulting in zero Scope 2 emissions (Market Based approach); the result constitutes the final result of the target with maturity in 2025. The Group confirms its commitment to maintain a supply from renewable sources in the coming years, evaluating, where possible, an increase in the self-production share.

On the social side, the target for the **presence of women in positions of responsibility** registers a value of **33.5%** in 2025, down slightly compared to 33.8% in 2024, while remaining consistent with the medium-long term trajectory.

With reference to the "hiring" target, 2025 ended with an **incidence of women among Group hires of 52.8%**, anticipating the achievement of the target set in the Plan (50% by 2027). The result was achieved even in the presence of a market characterized by a prevalence of male applications in technological and commercial profiles; on this front too, TIM confirms its commitment to maintaining a 50% share of female hires in the coming years.

Regarding digitization issues in the Domestic market, **service revenues from IoT, cloud and cybersecurity grew by 22%** compared to 2024, exceeding the expected target (+17% compared to 2024), also thanks to the contribution of TIM Enterprise and the factories Olivetti, Noovle and Telsy. The result reflects a solid performance both in the cloud (+24%), supported by TIM's multi cloud positioning and the growing demand from Public Administration, and in IoT solutions (+27%), which reflect the Company's role as an enabler in the development of integrated solutions with AI, Big Data and 5G connectivity.

Regarding the growth of **digital services (PEC, SPID and Digital Signature)**, measured as a percentage increase in active services compared to the base year 2023, in 2025 there is a **growth of 34%**, above the 30% target set by the Plan; the figure represents the final figure of the target with maturity in the year. The growth is almost entirely attributable to the Digital Signature, which represents 97% of the total services, aimed at signing digital documents with legal value and at the efficiency of administrative processes.

For TIM S.A., the Plan included a target related to training on Artificial Intelligence, involving 90% of employees by 2027. In 2025, the percentage of employees who completed the dedicated training courses stood at 60%, in line with the path of progressive achievement of the target.

Overall, 2025 confirms a strengthening of the Group's ESG profile, not only in terms of achieving the targets, but also of consolidating the structural safeguards.

During the year, **11 data centers were certified according to the EU Code of Conduct** on energy efficiency and the parent company obtained ISO 14064 certification on greenhouse gases.

On the social front, the strengthening of the gender balance in leadership roles continued and a training program on Artificial Intelligence was launched for the entire corporate population in Italy and Brazil.

On the market side, **TIM Enterprise has developed the plan of services and platforms to support the digital transition of the Public Administration, with 23 projects already underway.**

Finally, the Group's ESG positioning is confirmed by its inclusion in the main international indices and ratings, including the inclusion of **TIM Italia in the S&P Global Sustainability Yearbook 2026** (Industry Distinction – Top 10%) and the performance of **TIM Brasil in the "A List" of the CDP Climate**.

Integration of sustainability in the offering

In line with the decarbonization strategy and with the integration of sustainability into the business model, the Group progressively orients its offer towards solutions that reduce the environmental impact throughout the life cycle of products and favor more responsible consumption models, through the application of circular economy principles aimed at promoting the reuse, regeneration, and recovery of devices.

Below are some representative initiatives of this approach.

In Domestic, the evolution of the offer towards more responsible consumption models mainly translates into broadband offers that use TIM-branded devices accompanied by environmental product certifications (EPD); in the use of recycled materials for physical sims and for product packaging; in the progressive diffusion of e-sims as an alternative to physical sims, in order to reduce the use of plastic materials; in trade-in programs aimed at the reuse of devices and reducing electronic waste; in the use of regenerated products for technical assistance activities.

In Brazil, TIM S.A. adopts similar circular models through trade-in programs for mobile devices and structured initiatives for recovery, regeneration and reintroduction into the operating cycle of obsolete equipment returned by customers, as well as through collection and correct treatment of WEEE, in accordance with current environmental legislation.

The operating methods, the volumes managed and the quantitative results related to these initiatives are described in paragraph E1-3 "Actions and resources related to climate change policies" of the chapter "ESRS E1 climate change" of the section "Environmental information", in which the related environmental actions are illustrated.

Stakeholder Engagement and double materiality analysis

Disclosure Requirement SBM-2 – Interests and views of stakeholders

[45 a i, ii, iii, iv, v]; [45 b]; [45 c, i, ii, iii]; [45 d]

The TIM Group maintains a structured **dialogue with its stakeholders, through channels differentiated** according to the different reference categories.

The involvement concerns both the operational activities and the planning processes and allows to collect useful elements for the management of the issues relevant to the Group, including the assessment of the impacts, risks and opportunities related to its activities.

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 and the Board of Directors.

The identification of stakeholders is based on the analysis of business processes and the identification of stakeholders, including any vulnerable groups. The stakeholders are subsequently grouped into homogeneous categories and prioritized according to the relevance of the impacts, risks and opportunities. Eight categories have been identified: TIM people (including trade unions); Customers, Suppliers; Business communities (including peers, over-the-top operators and industry associations); Bodies and institutions (including public administrations and national and international institutions); Financial community (including shareholders and banks); Civil Society (including consumer associations); Media (including main opinion makers).

For each category, specific engagement channels and tools are defined, consistent with the nature of the relationship and the objectives of the comparison.

Main channels of engagement of the Group's stakeholders

Stakeholders	Main Engagement Channels
TIM people (includes trade unions)	Domestic Intranet Platform. in 2025 • Approx. 20 million visits; • Approx. 760,000 news views; • 273 news stories made with 1,700 comments. Structured system of industrial relations with: • Trade unions and RSU, at national and territorial level; • formal information, consultation and negotiation meetings.
Customers	Structured customer listening plan (surveys/interviews). In 2025 approximately 3.2 million interviews in Italy Direct contact digital channels (instant messaging) Caring social channels (Facebook and X) MyTIM reserved area for reports and requests
Suppliers	Supplier qualification and evaluation process, including ESG criteria. In 2025, 299 new suppliers with 35% evaluated on ESG topics On-site audits within the Joint Alliance for Corporate Social Responsibility (JAC): in 2025, 4 audits
Business Community (Include peer, over the top, industry associations)	Participation in intraoperational working tables and groups in trade associations (ASSTEL, Anitec-Assinform) and in the Confindustria Digitale Federation Collaboration with European representative organizations in the ICT sector (Uni Europa ICT) Active membership in international industry associations and networks (GSM, Connect Europe) Participation in industry conferences and events in Italy

Stakeholders	Main Engagement Channels
Bodies and institutions (includes public administrations, national and international institutions)	Discussion tables with Ministries and Public Administrations on industrial policies, labor and simplification
	Dialogue with European institutions (European Commission, European Parliament, Council of the EU, Permanent Representation of Italy in Brussels)
Financial community (includes shareholders and banks)	Periodic financial reporting and press releases (quarterly reports and other financial disclosure)
	Quarterly earnings presentations and webinars
	Individual and group meetings with analysts and institutional investors, industry conferences and roadshows
	Dedicated engagement initiatives with institutional investors and proxy advisors (off-season and pre-meeting)
	Participation in questionnaires and surveys of ESG rating agencies
Civil society (includes consumer associations)	Participation in the Consumers' Forum
	Periodic meetings with the Consumer Associations
	Collaboration with Italian Digital Media Observatory (IDMO) for combating disinformation and digital education.
	Collaboration with Osservatorio Permanente Giovani-Editori (OPGE) on civic education and digital literacy projects
Media (including opinion makers)	Dissemination of TIM Group press releases (about 175 in 2025)

The TIM Group website represents an additional channel of engagement for all stakeholders: in 2025, approximately 7 million visits to the site were recorded.

The stakeholder engagement process in TIM⁸, integrated into the business processes, is divided into the following main **phases**:

1. Integration into governance and strategies: stakeholder involvement is considered part of decision-making processes and is consistent with strategic and sustainability objectives;
2. Identification of stakeholders: stakeholders are identified through the analysis of business processes and related stakeholders, subsequently grouped into homogeneous categories. Within each category, the priority groups are identified according to the relevance of the impacts, risks and opportunities;
3. Engagement planning: for each engagement initiative, the following are defined: objectives, scope and responsibilities; profile of the stakeholders involved; levels and methods of involvement; dedicated resources, monitoring indicators and safeguards for the risks associated with the process;
4. Engagement tools and methods: involvement takes place through diversified tools, such as individual and collective meetings, information sessions, collaborative projects, surveys and focus groups;
5. Implementation of engagement and documentation: provides for the prior information of stakeholders on the context, objectives and methods of activities, active listening during engagement initiatives, the systematic collection and documentation of results and, where relevant, the definition of action plans to support decision-making processes;
6. Monitoring, evaluation and continuous learning: engagement activities are monitored and evaluated against the defined objectives. The evidence collected and the feedback received are analyzed to identify any areas for improvement;
7. Reporting, communication and management of relations with stakeholders: The results of the engagement activities are represented in the Sustainability Reporting and, where relevant, in the governance documents. TIM also ensures the availability of channels dedicated to communication, feedback and complaints management.

The contributions collected through stakeholder engagement are used to support the decision-making process. In particular:

- as part of the double materiality analysis, the assessments expressed by stakeholders on the environmental and social impacts of TIM's activities have been integrated with management's assessments in order to identify the list of IROs material to TIM;
- the impacts, risks and opportunities identified as material are subsequently considered in the definition of strategic priorities and are consistent with the lines of action of the Business Plan;
- the attention shown to issues such as environmental protection and gender equality has led to the strengthening of specific initiatives, including actions in favor of the circular economy, the progressive introduction of the carbon footprint of TIM-branded products, and the strengthening of inclusion and shared parenting policies;
- Customer feedback, also detected through the customer satisfaction index, is used to monitor the evolution of satisfaction in relation to the development of new offers, projects, and initiatives.

Through the institutional communication and reporting channels, the Group collects the requests and expectations expressed by the stakeholders, which are evaluated by the competent functions and considered in the relevant decision-making processes. At the reporting date, no critical issues emerged such as to require the adoption of specific remedial measures; any corrective actions are assessed on a case-by-case basis according to the nature and significance of the reports received.

TIM Group's main sustainability activities and commitments, including those related to stakeholder engagement, are periodically shared with the Sustainability Committee. The outcome of the double materiality analysis process was presented by the Corporate Communication & Sustainability Department in a joint session with the Control and Risk Committee, the Sustainability Committee and the Board of Statutory Auditors on November 3, 2025, and then submitted to the Board of Directors on December 11, 2025.

⁸ Stakeholder engagement in TIM follows the guidelines of the AccountAbility 1000 standards (AA1000APS and AA1000SES).

Disclosure Requirement SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

[48 a]; [48 c i, ii, iii, iv]; [48 g, h]

The double materiality analysis of the Group in 2025 highlighted **38 material IROs** divided into: **10 negative impacts, 6 positive impacts, 12 risks and 10 opportunities**. In view of the coverage of the topics addressed, the 38 IROs have been traced back to **7 ESRS topics**.

Below is the list of material impacts, risks, and opportunities (IROs), with the following details:

- IRO number: indicates the relevance attributed to the impact, risk or opportunity based on stakeholder assessments in the analysis. The same number is also used as the IRO identifier in the document references;
- description of the IRO; summary of the impact, risk or opportunity with evidence of the context, the potentially interested stakeholders, and the main effects;
- type of IRO: classification of the IRO as impact, risk or opportunity. For impacts, it is specified whether the effect is actual, i.e. already in place, or potential, i.e. that could occur in the future;
- scope of application: indicates the point in the value chain to which the impact, risk, or opportunity refers. If the IRO concerns the activities of TIM's business, the perimeter is indicated as own activities; if it concerns the supply chain, such as upstream activities; if it concerns customers, such as downstream activities;
- time horizon: indicates the time frame within which the effect of the IRO manifests itself. The horizon is divided into short term (within one year), medium term (within five years), and long term (beyond five years);
- ESRS topic and sub-topic: indicates the topics to which the IRO is referred for reporting purposes;
- disclosure obligation: indicates the reference of the document in which the topic is dealt with.

List of material IROs

IRO number	Description of IRO	Type of IRO	Scope of application	Time horizon	ESRS topic	ESRS sub-topic	Disclosure obligation
1	Vulnerabilities in computer systems can cause the loss of sensitive data, with consequences on the privacy of customers and employees and on the protection of information of companies and public administrations	Negative impact (Actual)	- Own activities - Downstream activities	Short	- S1 Own workforce - S4 Consumers and end-users	- S1 Other work-related rights - S4 Information-related impacts for consumers and/or end-users	- S1-SBM-3 - S1-1 - S1-4 - S4-SBM-3 - S4-1 - S4-4
2	Failure to comply with anti-corruption rules, antitrust legislation, ethical standards and sustainability reporting obligations can result in economic sanctions, legal liabilities and operational limitations, with repercussions on competitiveness, reputation and market confidence.	Risk	Own activities	- Short - Medium - Long	G1 Business conduct	- G1 Active and passive corruption - G1 Corporate culture	G1-1
3	The development of strategic partnerships in areas such as cybersecurity and artificial intelligence can favor the creation of innovative offers, with economic benefits and reputational benefits.	Opportunity	- Own activities - Upstream activities	- Short - Medium - Long	S4 Consumers and end-users	S4 Social inclusion of consumers and/or end users	- SBM-3 - S4-1 - S4-4
4	Transparent reporting procedures and adequate safeguards for whistleblowers can strengthen governance, foster whistleblower confidence, and support a company culture of integrity and legality.	Positive Impact (Actual)	Own activities	- Short - Medium - Long	G1 Business conduct	G1 Whistleblower Protection	
5	Training and development initiatives, also oriented to reskilling, can promote the development of skills, the involvement and satisfaction of employees, contributing to an inclusive and productive work environment.	Positive Impact (Actual)	Own activities	- Short - Medium - Long	S1 Own workforce	S1 Equal treatment and opportunity	- S1-SBM-3 - S1-1 - S1-4
6	Information and training activities on the responsible use of digital technology and online security can support people, especially the most vulnerable, in the safe and informed use of the internet.	Positive Impact (Actual)	Own activities	- Short - Medium - Long	S4 Consumers and end-users	S4 Information-related impacts for consumers and/or end-users	- S4-SBM-3 - S4-1 - S4-4
7	The development of 5G infrastructures and data centers, together with the growth of data traffic and the use of digital technologies such as artificial intelligence, can significantly increase energy consumption and emissions.	Negative impact (Actual)	- Own activities - Upstream activities	- Medium - Long	E1 Climate Change	E1 Energy	- E1-SBM-3 - E1-2 - E1-3
8	Active engagement of stakeholders such as shareholders, customers, employees and communities in strategic initiatives can foster long-term value creation and generate shared benefits	Positive Impact (Actual)	- Own activities - Upstream activities	- Short - Medium - Long	G1 Business conduct	G1 Corporate culture	G1-1
9	The adoption of technologies such as artificial intelligence, IoT and cloud can enable efficient solutions with a positive environmental impact, such as intelligent monitoring, smart cities and sustainable agriculture.	Positive Impact (Actual)	- Own activities - Upstream activities - Downstream activities	- Short - Medium - Long	E1 Climate Change	- E1 Climate change mitigation - E1 Adaptation to Climate Change	- E1-SBM-3 - E1-2 - E1-3

IRO number	Description of IRO	Type of IRO	Scope of application	Time horizon	ESRS topic	ESRS sub-topic	Disclosure obligation
10	The adoption of technologies such as artificial intelligence, 5G, cloud, and cybersecurity can strengthen the ability to anticipate emerging needs with innovative solutions, consolidating competitive advantage and aligning the offer with customer expectations.	Opportunity	- Own activities - Downstream activities	- Short - Medium - Long	S4 Consumers and end-users	S4 Social inclusion of consumers and/or end users	- S4-SBM-3 - S4-1 - S4-4
11	Clear and customized solutions that meet customer expectations in terms of transparency of the offer and continuity of the connection can promote loyalty and revenues	Opportunity	- Own activities - Upstream activities - Downstream activities	- Short - Medium - Long	S4 Consumers and end-users	S4 Social inclusion of consumers and/or end users	- S4-SBM-3 - S4-1 - S4-4
12	The lack of interventions to promote an informed use of digital can promote social exclusion, exposure to harmful content and the spread of misinformation, with repercussions on education and work	Negative impact (Actual)	- Own activities - Downstream activities	Short	S4 Consumers and end-users	- S4 Social inclusion of consumers and/or end users - S4 Consumer Information Impacts	- S4-SBM-3 - S4-1 - S4-4
13	The lack of diversification of energy sources and the limited use of renewable energy, including self-produced renewable energy, increase dependence on fossil sources and therefore emissions.	Negative impact (Actual)	- Own activities - Upstream activities	- Short - Medium - Long	E1 Climate Change	E1 Energy	- E1-SBM-3 - E1-2 - E1-3
14	The limited involvement of suppliers, with improvement projects, codes of conduct, and audits for the reduction of environmental impact along the supply chain, can weaken stakeholder confidence.	Negative impact (Actual)	- Own activities - Upstream activities	- Medium - Long	G1 Business conduct	G1 Management of relationships with suppliers, including payment practices	G1-1
15	Poor safety measures, insufficient training and lack of effective protective equipment can cause accidents and occupational injuries at work, with damage to the health of employees and workers in the supply chain	Negative impact (Actual)	- Own activities - Upstream activities	- Short - Medium - Long	- S1 Own workforce - S2 Workers in the value chain	- S1 Working conditions - S2 Working conditions	- S1-SBM-3 - S1-1 - S1-4 - S2-SBM-3 - S2-1 - S2-4
16	Cyberattacks, system breaches, and infrastructure sabotage can cause service outages, data loss, and business continuity disruption, impacting corporate reputation and bottom line	Risk	Own activities	- Short - Medium - Long	S4 Consumers and end-users	- S4 Information-related impacts for consumers and/or end-users - S4 Social inclusion of consumers and/or end users	- S4-SBM-3 - S4-1 - S4-4
17	Inadequate incentive and benefit systems aimed at integrating sustainability into the strategy reduce employee motivation and participation in environmental, social, and governance objectives, with effects on the environment and society.	Negative impact (Actual)	Own activities	- Short - Medium	S1 Own workforce	S1 Working conditions	- S1-SBM-3 - S1-1 - S1-4
18	Greenhouse gas emissions generated by direct activities and the value chain can contribute to climate change, with significant effects on the most vulnerable people and territories.	Negative impact (Actual)	- Own activities - Upstream activities - Downstream activities	- Short - Medium - Long	E1 Climate Change	E1 Climate change mitigation	- E1-SBM-3 - E1-2 - E1-3
19	Accessible products, digital services (such as PEC, digital signature, and SPID) and social inclusion initiatives can stimulate people and new generations to participate more actively in community life.	Positive Impact (Actual)	Own activities	- Short - Medium - Long	- S4 Consumers and end-users - S3 Affected communities	- S4 Social inclusion of consumers and/or end users - S3 Economic, social and cultural rights of communities	- S4-SBM-3 - S4-1 - S4-4 - S3-SBM-3 - S3-1 - S3-4
20	The enhancement of diversity and the creation of an inclusive work environment can promote the attraction of talent, the development of diversified skills and strengthen the corporate reputation	Opportunity	Own activities	- Short - Medium - Long	S1 Own workforce	S1 Equal treatment and opportunities	- S1-SBM-3 - S1-1 - S1-4
21	The evolution of regulations in the energy sector can lead to increased costs for the purchase of renewable energy and higher expenses for environmental compliance.	Risk	Own activities	- Short - Medium - Long	E1 Climate Change	E1 Energy	- E1-SBM-3 - E1-2 - E1-3
22	Adopting flexible and hybrid working models, in line with worker expectations and evolving organizational models, can improve employee well-being, increase productivity, and reduce operating expenses	Opportunity	Own activities	- Short - Medium - Long	S1 Own workforce	- S1 Working conditions - S1 Equal treatment and opportunities	- S1-SBM-3 - S1-1 - S1-4
23	The growing demand for IoT, cloud, big data, and artificial intelligence can foster the development of sustainable solutions that reduce emissions, with benefits for reputation and market positioning.	Opportunity	- Own activities - Upstream activities - Downstream activities	- Short - Medium - Long	E1 Climate Change	E1 Climate change mitigation	- E1-SBM-3 - E1-2 - E1-3
24	Setting clear and achievable performance goals for employees can strengthen motivation and a sense of responsibility, increasing company productivity	Opportunity	Own activities	- Medium - Long	S1 Own workforce	S1 Working conditions	- S1-SBM-3 - S1-1 - S1-4
25	Failure to technologically transform legacy infrastructure and platforms can reduce QoS, increase vulnerability, and lead to disruption, with consequences on reputation and economic performance	Risk	Own activities	- Medium - Long	S4 Consumers and end-users	S4 Social inclusion of consumers and/or end users	- S4-SBM-3 - S4-1 - S4-4

IRO number	Description of IRO	Type of IRO	Scope of application	Time horizon	ESRS topic	ESRS sub-topic	Disclosure obligation
26	Failure to comply with privacy laws or unauthorized access to personal data of customers and employees can result in legal penalties, as well as economic and reputational damages.	Risk	- Own activities - Downstream activities	- Short - Medium - Long	- S1 Own workforce - S4 Consumers and end-users	- S1 Other work-related rights - S4 Information-related impacts for consumers and/or end-users	- S1-SBM-3 - S1-1 - S1-4 - S4-SBM-3 - S4-1 - S4-4
27	The increase in digital threats, such as cyberattacks and disinformation campaigns, can generate unforeseen costs and have repercussions on the company's reputation	Risk	Own activities	- Short - Medium - Long	S4 Consumers and end-users	- S4 Information-related impacts for consumers and/or end-users - S4 Personal safety of consumers and/or end users	- S4-SBM-3 - S4-1 - S4-4
28	Material recovery and product life extension initiatives, aided by regulatory developments and consumer interest in the circular economy, can reduce procurement costs, generate new revenues from recycling, and strengthen competitiveness.	Opportunity	Own activities	- Short - Medium - Long	- E5 Circular economy - S4 Consumers and end-users	- E5 Waste - E5 Resource outflows related to products and services - S4 Social inclusion of consumers and/or end users	- E5-1 - E5-2 - S4-SBM-3 - S4-1 - S4-4
29	Failure to adopt artificial intelligence tools and misalignment with the main evolutionary trends in the sector can compromise the company's competitiveness, with repercussions on its reputation	Risk	- Own activities - Upstream activities	- Short - Medium - Long	G1 Business conduct	G1 Corporate culture	G1-1
30	Investments in training and research collaborations can anticipate and manage changes in the employment context, attract and maintain a competitive workforce, and generate economic and reputational benefits.	Opportunity	Own activities	- Short - Medium - Long	S1 Own workforce	S1 Equal treatment and opportunity	- S1-SBM-3 - S1-1 - S1-4
31	Extreme weather events related to climate change can impact service continuity and infrastructure integrity, with additional costs for asset damage and service outages	Risk	- Own activities - Upstream activities - Downstream activities	- Medium - Long	E1 Climate Change	E1 Adaptation to Climate Change	- E1-SBM-3 - E1-2 - E1-3
32	Initiatives for the development of the territory and involving the reference stakeholders can generate shared economic and social benefits, strengthening the company's reputation and attractiveness for investors.	Opportunity	- Own activities - Downstream activities	- Short - Medium - Long	S3 Affected communities	S3 Economic, social and cultural rights of communities	- S3-SBM-3 - S3-1 - S3-4
33	The lack of high-speed connectivity and digital inclusion actions, aimed at ensuring accessibility and comprehensiveness of the services offered, can affect the quality of the customer experience with repercussions on competitiveness, reputation, and revenues.	Risk	- Own activities - Downstream activities	- Short - Medium - Long	S4 Consumers and end-users	- S4 Information-related impacts for consumers and/or end-users - S4 Social inclusion of consumers and/or end users	- S4-SBM-3 - S4-1 - S4-4
34	Unstable geopolitical contexts and global health crises can disrupt supply chains and drive up costs, impacting service continuity and economic outcomes	Risk	- Own activities - Upstream activities	- Medium - Long	- S4 Consumers and end-users - G1 Business Conduct	- S4 Social inclusion of consumers and/or end users - G1 Supplier relationship management	- S4-SBM-3 - S4-1 - S4-4 - G1-1
35	Gender inequalities and the lack of transparency in remuneration systems, career paths, and access to positions of responsibility can hinder the attraction and retention of talent and generate reputational risks	Risk	Own activities	- Short - Medium - Long	S1 Own workforce	S1 Equal treatment and opportunities	- S1-SBM-3 - S1-1 - S1-4
36	A working environment that does not ensure the "right to disconnect" and that does not provide adequate work-life balance initiatives can affect the stress levels and well-being of employees	Negative impact (Potential)	Own activities	- Short - Medium - Long	S1 Own workforce	S1 Working conditions	- S1-SBM-3 - S1-1 - S1-4
37	Inadequate waste management, such as electronic waste, can increase environmental pollution and hinder the transition to the circular economy	Negative impact (Potential)	Own activities	- Medium - Long	E5 Circular economy	- E5 Waste - E5 Resource outflows related to products and services	- E5-1 - E5-2
38	Human rights violations, in the company and along the supply chain, can generate legal consequences, reputational damage, and operational impacts	Risk	- Own activities - Upstream activities - Downstream activities	- Short - Medium - Long	- S1 Own workforce - S2 Workers in the value chain	- S1 Working conditions - S1 Equal treatment and opportunity for all - S1 Other work-related rights - S2 Working conditions - S2 Other work-related rights	- S1-SBM-3 - S1-1 - S1-4 - S2-SMB-3 - S2-1 - S2-4

During 2025, the TIM Group updated the double materiality analysis compared to the previous period, which confirmed the substantial continuity of the material IROs in the ESRS topics already identified, while highlighting the growing relevance of issues related to artificial intelligence and digital transformation.

The following table shows the material impacts, positive and negative, identified in the double materiality analysis. For each impact, the following are indicated: the summary description; the type (positive or negative, current or potential); the effect of the

impact, understood as the area on which the impact affects (Environment, People or both); the connection with the business model and, where relevant, with the business strategy; the disclosure obligation in which the impact is treated in more detail.

List of material impacts: scope of incidence and connection with strategy and business model

Impact description	Type of Impact	Impact effect	Connection of impact with Enterprise strategy/model	Disclosure obligation
The development of 5G infrastructures and data centers, together with the growth of data traffic and the use of digital technologies such as artificial intelligence, can significantly increase energy consumption and emissions.	Negative impact (Actual)	Environment	- The business model is based on the development and management of network infrastructure and data centers that involve high energy consumption. - Investment strategy in 5G networks and advanced digital technologies increases overall energy demand	- E1-SBM-3 - E1-2 - E1-3
The lack of diversification of energy sources and the limited use of renewable energy, including self-produced renewable energy, increase dependence on fossil sources and therefore emissions.	Negative impact (Actual)	Environment	The business model requires a continuous and reliable energy supply to support network infrastructure and data centers, influencing the mix of sources used.	- E1-SBM-3 - E1-2 - E1-3
Greenhouse gas emissions from direct activities and the value chain can contribute to climate change, with significant effects on people and on the most vulnerable territories.	Negative impact (Actual)	- Environment - People	The business model is based on direct operational activities and an extended value chain, characterized by energy consumption and greenhouse gas emissions.	- E1-SBM-3 - E1-2 - E1-3
Inadequate waste management, such as electronic waste, can increase environmental pollution and hinder the transition to the circular economy	Negative impact (Potential)	- Environment - People	The business model is based on the use, marketing and renewal of network equipment and technological devices, which generate electronic waste streams throughout the life cycle of the products	- E5-1 - E5-2
The adoption of technologies such as artificial intelligence, IoT and cloud can enable efficient solutions with a positive environmental impact, such as smart monitoring, smart cities and sustainable agriculture.	Positive Impact (Actual)	Environment	- The business model is based on the offer of advanced digital and infrastructure solutions - The technological transformation strategy is geared towards the adoption of artificial intelligence, IoT, and cloud	- E1-SBM-3 - E1-2 - E1-3
Vulnerabilities in computer systems can cause the loss of sensitive data, with consequences on the privacy of customers and employees and on the protection of information of companies and public administrations	Negative impact (Actual)	People	The business model is based on the provision of connectivity and ICT services, for which system and data security is an essential element	- S1-SBM-3 - S1-1 - S1-4 - S4-SBM-3 - S4-1 - S4-4
The lack of interventions to promote an informed use of digital can promote social exclusion, exposure to harmful content and the spread of misinformation, with repercussions on education and work	Negative impact (Actual)	People	TIM's business model is based on the offer of connectivity and digital services that allow access to online technologies and content	- S4-SBM-3 - S4-1 - S4-4
Poor safety measures, insufficient training and lack of effective protective equipment can cause accidents and occupational injuries at work, with damage to the health of employees and workers in the supply chain	Negative impact (Actual)	People	The business model is based on operational and technical activities that expose workers to professional risks	- S1-SBM-3 - S1-1 - S1-4 - S2-SMB-3 - S2-1 - S2-4
Inadequate incentive and benefit systems aimed at integrating sustainability into the strategy reduce employee motivation and participation in environmental, social, and governance objectives, with effects on the environment and society.	Negative impact (Actual)	People	The strategy includes incentive and performance management systems to support employee alignment with ESG objectives.	- S1-SBM-3 - S1-1 - S1-4
A work environment that does not ensure the "right to disconnect" and that does not provide adequate work-life balance initiatives can affect the stress and well-being levels of employees	Negative impact (Potential)	People	The business model and work organization have an impact on how work time, availability and disconnection are managed	- S1-SBM-3 - S1-1 - S1-4
Training and development initiatives, also oriented to reskilling, can promote the development of skills, the involvement and satisfaction of employees, contributing to an inclusive and productive work environment.	Positive impact (Actual)	People	- The business model requires specialized and constantly evolving skills - The investment strategy aims at training and the development of skills	- S1-SBM-3 - S1-1 - S1-4
Information and training activities on the responsible use of digital technology and online security can support people, especially the most vulnerable, in the safe and informed use of the internet.	Positive impact (Actual)	People	- The business model is based on the offer of digital services and solutions - The strategy is geared towards the development of digital solutions and content aimed at the conscious use of technology	- S4-SBM-3 - S4-1 - S4-4
Accessible products, digital services (such as PEC, digital signature, and SPID) and social inclusion initiatives can stimulate people and new generations to participate more actively in community life.	Positive impact (Actual)	People	- The business model is based on the offer of digital products and digital services and promotes social inclusion initiatives of communities and consumers. - The technological transformation strategy is oriented towards the expansion and diffusion of digital solutions	- S4-SBM-3 - S4-1 - S4-4 - S3-SBM-3 - S3-1 - S3-4
The limited involvement of suppliers, with improvement projects, codes of conduct, and audits for the reduction of environmental impact along the supply chain, can weaken stakeholder confidence.	Negative impact (Actual)	People	The business model is characterized by an extended supply chain and relationships with suppliers that affect transparency and accountability along the supply chain.	G1-1
Transparent reporting procedures and adequate safeguards for whistleblowers can strengthen governance, foster whistleblower confidence, and support a company culture of integrity and legality.	Positive impact (Actual)	People	The business model is characterized by governance structures and an organizational culture oriented towards integrity and legality	G1-1
Active engagement of stakeholders such as shareholders, customers, employees and communities in strategic initiatives can foster long-term value creation and generate shared benefits	Positive impact (Actual)	People	- The business model is characterized by structured and ongoing relationships with relevant stakeholders - The strategy considers the active involvement of stakeholders an enabling factor of the business model	G1-1

Current and potential financial effects associated with IROs

[48 b, d, f]

The material impacts, risks, and opportunities identified in the double materiality analysis are considered in strategic planning processes and help guide key business decisions. Specifically, these elements are assessed in defining the Strategic Plan and investment priorities, to ensure consistency between the evolution of the business model, the market context, and stakeholder expectations.

This approach allows companies to assess and strengthen the resilience of their strategy and business model to major changes in the economic, technological, regulatory, and environmental context, identifying areas for business development, risk mitigation initiatives, and innovation opportunities.

With reference to the current and **potential financial effects associated with the material IROs**, the following is the main evidence divided by thematic area.

Environment

Extreme weather events caused by climate change represent a physical risk that can disrupt business activities and damage the Group's infrastructure and assets, with potential effects in terms of increased operating expenses and restoration, increased or anticipated investments, and impacts on cash flows.

In order to mitigate these risks and limit their potential financial exposure, the Group has adopted specific monitoring measures, including through risk transfer instruments, differentiated by geographical perimeter:

- Italy: in the domestic area TIM has subscribed to an "All Property" insurance program, with an annual premium of approximately 4.5 million euros, covering the main assets and infrastructure. During 2025, there were no extreme weather events resulting in significant economic losses beyond the deductible threshold provided for by the insurance coverage; therefore, there were no material current financial effects attributable to these events.
- Brazil: TIM S.A. has active insurance policies covering, inter alia, operational risks, general and environmental liability and cyber risks. These coverages provide for total compensation ceilings in excess of 660 million R\$, helping to mitigate the Group's potential financial exposure in relation to extreme weather events.

Social

Regarding personal data protection, failure to comply with applicable legislation or any unauthorized access to customer and employee data may result in penalties, as well as economic and reputational impacts.

During 2025, the company continued its activities to prevent and combat cyber attacks by third parties, notifying the Data Protection Authority (GPDP) of relevant cases of personal data breaches and informing data subjects, in accordance with the provisions of the law.

In the same year, the GPDP carried out an inspection activity focused on the processes of acquisition and activation of contracts, with particular reference to promotional telephone contacts, controls on the telemarketing chain, and the management of requests to exercise the privacy rights of customers. As a result of the verifications, the Authority notified the initiation of a procedure for the possible adoption of corrective and sanctioning measures.

There remains a potential risk associated with other proceedings still in progress, which at the annual report date have not required adjustments to carrying amounts.

In terms of cybersecurity, any attacks on infrastructure could generate operational interruptions with possible economic impacts. In 2025 there were no ICT security incidents with medium or high impact; there were five major incidents, the impact of which was contained by the countermeasures in place, without significant financial effects in the period.

Maintaining ISO 27001, ISO 27035 and ISO 22301 certifications and continuous improvement in incident management contribute to reducing system recovery times, limiting service interruptions and avoiding regulatory penalties, with positive effects on cash flows.

With reference to unfair business practices, in 2025 the AGCOM did not initiate proceedings against TIM that produced financial effects during the year. Similarly, in terms of consumer protection, AGCOM did not order proceedings with financial effects during the year.

In Brazil, with reference to consumer rights, TIM S.A. reports 24 cases of non-compliance with significant laws and regulations, of which 8 with non-pecuniary sanctions and 16 with pecuniary sanctions; during the year, a total of 13.3 million R\$ were paid as penalties, mainly related to the charge for the mobile data service (4G).

Governance

On the subject of business conduct, in 2025, with reference to the Domestic area, the Group did not encounter any significant incidents of non-compliance with applicable laws and regulations; as a result, there were no sanctions or other financial effects during the period.

In Brazil, in 2025, TIM S.A. received 53 administrative proceedings in environmental matters, mainly related to the discussion on the applicability of state and/or municipal legislation depending on the specific jurisdiction. Of these proceedings, 31 ended without the imposition of pecuniary sanctions, while in 22 cases sanctions were applied for a total amount of 666 k R\$.

With reference to the proceedings initiated by the Brazilian Telecommunications Authority (Anatel), in 2025 there were four significant proceedings relating to non-compliance with specific regulatory obligations, in particular in terms of QoS and rights and guarantees of users (three Procedures for the assessment of non-compliance with obligations – PADO – and a Procedure for the assessment of a program item – PADIC). Of these, one was the subject of a dispute during the year, while three are still pending. In 2025, penalties were paid for a total amount of R\$600 k, relating to five proceedings, four of which referred to previous years and one relating to the reporting period.

In tax matters, in the three-year period 2023–2025, with reference to the Domestic area, no significant tax penalties in excess of 100 k euros were paid.

Disclosure Requirement IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities

Double materiality analysis

[53 a]; [53 c iii]; [53 d, g, h]

In continuity with what was done in the previous year, the TIM Group carried out a double materiality analysis to identify material impacts (Impact Materiality) as well as material risks and opportunities (Financial Materiality), in line with the Corporate Sustainability Reporting Directive (CSRD) and the indications of Implementation Guidance 1 – “Materiality Assessment” published by EFRAG.

The activity involved the main companies within the Group, including TIM S.p.A., TIM S.A., Noovle S.p.A., Olivetti S.p.A., Telecom Italia Sparkle S.p.A. and Telsy S.p.A. TIM S.A., in addition to participating in the Group's double materiality analysis, periodically carries out its own analysis; the last available update, included in the ESG Report 2024, did not show significant differences compared to the Group analysis.

To identify a first list of potentially material positive and negative impacts, risks and opportunities, TIM used a dynamic semantic engine based on information extracted from public sources – such as regulations, financial and sustainability reports, as well as online news related to the peers of the reference sectors.

The analysis also integrated benchmarking activities and contributions deriving from the risk and opportunity assessments carried out within the Enterprise Risk Management (ERM) framework, ensuring consistency between the double materiality analysis process and the overall corporate risk management system.

The list was then submitted to internal and external stakeholders for evaluation and integrated through an analysis that, by testing various materiality threshold hypotheses, identified the significant materiality threshold that led to the identification of 38 material IROs.

To support the assessment process, the Group uses quantitative and qualitative analysis tools, including probabilistic models and scenario analysis, also with reference to environmental risks, in line with best market practices and international reference standards, including the TCFD framework.

These tools make it possible to assess the urgency and significance of sustainability risks in relation to other risk categories, ensuring an integrated and proactive management approach. Depending on the results of the assessment, the Company defines and implements mitigation actions prioritized according to the level of risk identified.

The entire double materiality analysis process, including the list of identified impacts, risks and opportunities, is part of a structured governance system that involves the Board of Directors and the competent board Committees, including the Sustainability Committee and the Control and Risk Committee. In this context, the results of the analysis were submitted to the competent Committees for examination and subsequently presented to the Board of Directors for validation.

The process is reviewed periodically and updated in the event of significant changes in the Group's regulatory, strategic or operational context. In continuity with the previous year, the current analysis was carried out on the basis of the same methodology, taking into account the evolution of the regulatory framework and the developments in the scope and activities of the Group.

With regard to the internal control procedures related to sustainability reporting, please refer to the paragraph on the disclosure obligation GOV-5 – “Risk management and internal controls over sustainability reporting”.

Assessment of significant impacts

[53 b i, ii, iii, iv]

The potentially material impacts were identified considering the general and specific dynamics of the reference sector⁹, as well as the impacts generated directly by the activities of the TIM Group and those deriving indirectly from business relationships with suppliers and customers. The analysis also takes into account the characteristics of the Group's value chain in the Italian and Brazilian contexts and considers the impacts on people and the environment, positive or negative, current or potential, over a short, medium, and long-term time horizon.

The impact assessment was carried out through differentiated methods according to the categories of stakeholders involved. In particular, individual interviews (one-to-one) were carried out for internal stakeholders — which include the directors of the Sustainability Committee, the Chairman, the top management (C-level) and the managers of the main functions and group companies of the Group — while a structured survey was administered for external stakeholders.

For the administration of the survey to external stakeholders, a representative sample was selected for each of the following categories: TIM People (including employees and workers' representatives); Customers; Media; Sector Business community; Institutions and regulatory bodies; Suppliers; Civil Society; Financial community. Overall, over 5,000 stakeholders were involved, with a response rate of 34%.

Impacts were assessed by assigning a relevance level based on a scale of 1 to 5 applied to the different assessment factors, consistently for both positive impacts and negative impacts.

For negative impacts, the assessment considered the severity of the impact, defined as the average of the factors of scale, scope and irremediable nature, and the probability of occurrence.

For positive impacts, the assessment considered the severity of the impact, determined as the average of only the scale and scope factors, and the probability of occurrence.

⁹ The reference sector, following the adaptation of the corporate purpose, considers, in addition to Technology & Telecommunication in continuity with 2024, also the Insurance, Consumer finance, Electric utilities and power generation, and Gas utilities and distribution sectors.

The overall score of each impact is calculated as a product of the severity of the impact and the probability of occurrence and can take a value between 1 and 25. Impacts with a score of 9 or higher were considered material for the double materiality analysis.

Assessment of material risks and opportunities

[53 c i, ii]; [53 e, f]

The TIM Group assigns strategic priority to risks related to sustainability, integrating them into overall corporate risk management processes.

Similar to impacts, risks and opportunities were also identified through a semantic analysis of documentary sources relating to TIM Group's industry peers and value chain actors, both upstream and downstream.

The list thus defined was shared with the Enterprise Risk Management (ERM) function in order to verify its completeness and consistency with respect to the corporate risk management framework and possibly integrate it. The ERM function also participated in the evaluation process as an internal stakeholder, contributing to the attribution of scores.

The relevance of risks and opportunities was determined by scoring the assessment factors on a scale of 1 to 5. In particular, the assessment considered the magnitude of the risk or opportunity, understood as the relevance of the economic and/or reputational effect, and the probability of occurrence. The overall score of each risk and opportunity is calculated as a product between the entity and the probability of occurrence and can take a value between 1 and 25. Risks and opportunities with a score of 9 or higher were considered material for the double materiality analysis.

Regardless of the outcome of the quantitative evaluation, the risks associated with the protection of human rights were still considered material.

The assessment of the material risks is carried out in line with the ERM framework, ensuring alignment with the Group's overall risk profile and with the objectives of the Business Plan. The information that emerged as part of the double materiality analysis is considered, where relevant, for the purposes of updating the risk management model and the related mitigation measures.

Similarly, material opportunities are evaluated according to their potential economic and financial contribution and the degree of alignment with the Group's strategic priorities. Opportunities identified as material are integrated into decision-making processes and, where relevant, monitored through specific indicators (KPI), in order to assess their evolution and potential effects in the medium to long term.

Material impacts, risks, and opportunities – Climate change

[E1 IRO-1, 20 a, b, c i, ii]; [E1 IRO-1 21]

In line with the double materiality analysis process, TIM has identified and assessed the material impacts, risks and opportunities related to climate change.

The activities of the TIM Group and its value chain can generate significant impacts on climate change through greenhouse gases emissions, as described in disclosure E1-6 "Gross GHG emissions of Scope 1, 2, 3 and total GHG emissions". In view of these potential impacts, the Group has integrated the risks and opportunities related to climate change into the Enterprise Risk Management process, adopting a structured approach that considers short (0–3 years), medium (3–5 years) and long-term (5–20 years) time horizons and that includes the entire value chain, including its own, upstream and downstream operations, in line with the Group's Internal Control System and Risk Management System.

As part of this process, TIM has identified and assessed, in the short, medium and long term, the main physical risks related to climate change, connected both to the progressive increase in temperatures and to the greater frequency and intensity of extreme weather events, such as landslides, floods and inundations, which can cause damage to property and network assets, an increase in insurance costs and potential impacts on business continuity and production capacity, also in relation to thermal stress on the workforce.

For the risk assessment, TIM conducted qualitative and quantitative scenario analyses at Group level, referring to the climate scenarios developed by the Network for Greening the Financial System (NGFS), in particular to RCP 2.6 and RCP 4.5 scenarios, used to support the assessment of the resilience of the Group's climate strategy over different time horizons. Climate scenario analysis is used as an integrative tool in the Enterprise Risk Management process to guide the identification and assessment of physical risks, transition risks, and related opportunities. In particular, the selected scenarios are used to test the resilience of corporate assets and strategies over short, medium and long term horizons, to compare different climate change trajectories and to define appropriate mitigation and adaptation plans.

With reference to the hydrogeological risk, in the scenario of transition to Net Zero by 2050, TIM used the risk maps provided by Climada to correlate assets to the different levels of climate risk and estimate their economic impact on the basis of reconstruction and replacement costs, quantifying by 2030 an increase in the risk value in relation to the exposure and vulnerability of assets in line with the risk analyses carried out to support the planning and operational management processes. The assessment of the exposure of assets and activities to climate hazards includes the analysis of vulnerability conditions, the mapping of critical assets, the quantification of exposure levels according to physical parameters and the determination of the associated gross physical risk, expressed in economic and operational terms.

In relation to chronic physical hazards, climatic conditions with high temperatures and high humidity can lead to a reduction in labour productivity. For TIM, this risk can translate into an estimated economic loss of between 16 million euros (with a reduction in work performance of 0.8% in the best scenario at +1.4°C) and 50 million euros (with a reduction in work performance of 2.4% in the worst scenario at +2°C).

TIM also identified the main transition risks related to climate change, with particular reference to regulatory risks, the increase in operating expenses deriving from the introduction of a carbon tax on CO₂ emissions and the increase in spending on the purchase or production of renewable energy. To this end, an NGFS transition scenario aligned with containing global temperature rise within 1.5°C was considered, with a quantitative analysis consistent with the path towards achieving the Net Zero target by 2040. By

2040, a progressive reduction in CO₂ emissions consistent with this path has been estimated, including scenarios of failure to achieve the reduction targets with hypothetical deviations of 10%, 20% and 30%.

With reference to the hypothesis of introduction of a carbon tax during the decade, TIM has estimated an annual carbon tax assuming a unit price of 83.5 euros per ton of CO₂ (average price 2024) and, to mitigate its economic impact, has brought forward to 2025 the objective of sourcing 100% electricity from renewable sources in Italy, while this objective is already achieved for Brazil.

The Group has also identified opportunities related to the transition to a low-emission economy, in particular in relation to increasing energy efficiency, the use of energy from renewable sources, and the progressive alignment of investments with the criteria of the EU Taxonomy, with potential benefits in terms of reducing energy costs and strengthening competitive positioning.

Transition risk may lead to increased operating costs in the medium term, particularly as a result of evolving energy regulations, which could lead to higher costs for the procurement of energy from renewable sources and for compliance with environmental requirements (IRO 21). In this context, TIM assessed the degree of alignment of its assets and main operating processes with the transition to a zero-emission economy, in accordance with Delegated Regulation (EU) 2021/2139 and the principles of the EU Taxonomy. The analysis focused in particular on data centers, network infrastructure, energy consumption, and dependence on fossil fuels along the supply chain. The actions taken to manage this risk are described in disclosure obligation E1-3 "Actions and resources related to climate change policies."

To support operational resilience, TIM monitors the evolution of significant climatic events that may affect the ICT sector and periodically verifies, through exercises and tests, the response capacity and continuity of the Essential Communication Services in the presence of extreme climatic events or emergency situations, as part of the Group's business continuity and emergency management measures.

Material impacts, risks, and opportunities – Resource use and circular economy

[E5 IRO-1, 11 a, 11 b]

Consistent with the double materiality analysis process adopted by the Group, the identification and assessment of the relevance of impacts, risks and opportunities related to resource use and the circular economy have concerned, in particular, incoming resource flows, outgoing resource flows and waste management along the entire Group value chain, both upstream and downstream, taking into account the contribution of internal and external stakeholders, including civil Society.

Following the analysis, two material IROs were identified, both attributable to the ESRS E5 topic "Resource use and circular economy", respectively, a negative impact and an opportunity, related to outgoing resource flows and waste management.

Material impacts, risks, and opportunities – Business conduct

[G1 IRO-1, 6]

As part of the process of identifying the material IROs related to business conduct issues, the TIM Group has considered a plurality of factors specific to the operating environment and the sector to which it belongs.

In particular, the geographical location of the activities was assessed, taking into account the countries in which the Group operates and the potential risks of negative impacts related to ethical profiles, human rights, and regulatory compliance. The activities carried out and the different business areas were also analyzed, in order to assess exposure to risks of unethical conduct.

The process also considered the characteristics of the reference sector, characterized by a strict regulatory framework and specific issues regarding privacy, data security and social responsibility. Finally, the structure of the Group's operations was examined, evaluating the corporate governance system, the management methods of subsidiaries and joint ventures, as well as the compliance and internal control policies adopted to prevent unethical behavior.

Policies (MDR-P)

Minimum disclosure requirement – MDR-P Policies – Policies adopted to manage material sustainability issues

[MDR-P 65 a, b, c, d, e, f]

The Group Policies take into consideration aspects identified as fundamental and priority on the basis of analyses conducted internally and, where necessary or appropriate, also taking into account regulatory references and external contexts, including market standards and guidelines. These aspects reflect the interests of the relevant stakeholders and are closely linked to the operations of the TIM Group Companies.

In order to ensure adequate dissemination, the Group Policies are made available to relevant stakeholders through the institutional channels of the TIM Group, in compliance with the principles of "least privilege" and "need to know". In particular, the documents are made available through the company intranet and the Group institutional website. In addition, in relations with third parties, where provided, the Group regulates the acknowledgement and/or compliance with the Policies by means of specific contractual clauses. Information relating to TIM S.A.'s policies is made available on its institutional website, in the section dedicated to regulations and policies.

Below is the list of ESG-relevant policies.

1. Purchases of Products and Services

Contents and objectives of the Policy

The Policy defines the general principles and framework for the management of procurement processes throughout the purchasing life cycle, establishing common rules for the planning, management and control of activities, as well as procurement commitments in terms of environmental and social responsibility. The document governs the entire purchasing process, from the planning of needs to the selection and management of suppliers, up to the contracting and monitoring of supplies, ensuring an approach aimed at monitoring costs, quality, and operational continuity, in line with the Group's industrial objectives.

The Policy also establishes the ways in which sustainability is operationally integrated into the procurement process, providing for the inclusion of environmental, social, and ethical criteria in the planning, selection, qualification, and management of suppliers along the value chain.

The main objectives of the Policy are to:

- centrally govern the purchasing processes, strengthening the Group's negotiating power and ensuring cost control, economies of scale and adequate levels of quality of supplies;
- accurately plan requirements, supporting make or buy decisions based on costs, available resources and operational priorities;
- foster fair and transparent competition among suppliers, ensuring equal treatment and consistency with the applicable sustainability criteria;
- select, qualify, and monitor suppliers and subcontractors on the basis of technical, economic, reputational, and sustainability criteria;
- monitor supply risks and promote the continuous improvement of suppliers' performance, through the definition and monitoring of service levels and the use of tools such as audits, rating systems, training activities, and collaboration initiatives (e.g. JAC, Open-es);
- require suppliers and subcontractors to make a formal commitment to comply with ESG principles, including legality, human rights, occupational health and safety, and environmental protection along the entire value chain;
- integrate environmental criteria into the purchasing process, promoting technical and operational solutions aimed at reducing the environmental impacts of supplies and the progressive orientation towards circular models.

With reference to material IROs relating to "climate change" and "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, the supply contracts provide for the possibility for TIM and for the Group Companies to carry out verification activities on the suppliers and on the services for which they are responsible, in compliance with the current regulatory and procedural framework, as well as to carry out ESG audits in accordance with the JAC guidelines.

Scope of the Policy

This Policy applies to TIM S.p.A., the TIM Foundation and the Italian and foreign companies of the TIM Group. It applies to all purchases managed by the Procurement Department of TIM S.p.A. on behalf of the Group Companies and provides a reference framework also for the companies that do not grant a purchasing mandate, or grant it only partially.

For foreign companies, the application takes place in compliance with local regulations and internal procedures in force.

The Policy is addressed to employees and collaborators involved in the purchasing process, in any capacity and in any operational mode, including activities carried out in person or remotely as well as digital communications, and also defines principles and expectations of behavior applicable to suppliers and, as far as relevant, to sub-suppliers and subcontractors, with reference also to respect for the rights and working conditions of people employed along the supply chain.

Responsible for Policy implementation

The implementation of the Policy is entrusted to the company functions involved in the purchasing process, each for their own skills and responsibilities. In particular, TIM SpA's Procurement Department ensures the overall supervision of the procurement process, while the user Functions and Companies contribute to the planning of needs and the supervision of supplies. The Chief Financial Office, Legal Regulatory and Tax, and Corporate Communication & Sustainability Departments support the implementation of the Policy, respectively for the aspects of economic control, regulatory compliance, and integration of ESG criteria in supply chain management.

External national and international regulatory references of the Policy

- Legislative Decree no. 231 of 8 June 2001 – Discipline of the Administrative Liability of Legal Persons, Companies and Associations;
- Legislative Decree no. 196 of 30 June 2003 – Personal Data Protection Code (Privacy Code);
- Regulation (EU) 2016/679 of the European Parliament and of the Council – General Data Protection Regulation (GDPR);
- Presidential Decree no. 313 of 14 November 2002 – Consolidated Law on Criminal Records and Pending Charges;
- Legislative Decree no. 81 of 9 April 2008 – Consolidated Law on Health and Safety at Work;
- Legislative Decree no. 152 of 3 April 2006 – Environmental Consolidated Act;
- CONSOB Resolution no. 17221 of 12 March 2010 – Provisions relating to Transactions with Related Parties;
- Law no. 262 of 28 December 2005 – Measures for the Protection of Savings and the Regulation of Financial Markets;
- Directive (EU) 2022/2464 of the European Parliament and of the Council – Corporate Sustainability Reporting Directive (CSRD);
- Legislative Decree no. 125 of 6 September 2024 – Implementation of the Corporate Sustainability Reporting Directive (CSRD) in Italy;
- Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 – European Sustainability Reporting Standards (ESRS).

ESRS covered by the Policy:

E1-2; S2-1.

IROs affected by the Policy

7; 9; 13; 15; 21; 23; 38.

2. Anti-corruption

Contents and objectives of the Policy

The Policy defines the framework, principles and rules of conduct adopted by the TIM Group to prevent and combat any form of active and passive corruption, direct or indirect, in line with the values expressed in the Code of Ethics and Conduct and with the 231 Organizational Model.

The Policy is part of the Group's Anti-Corruption Management System, inspired by the international standard UNI ISO 37001, and represents a central tool of the governance and internal control system. It defines homogeneous guidelines and principles for the Group's approach to the prevention of the risk of corruption, promoting conduct consistent with the principles of legality, integrity and transparency.

The Policy guides the behavior of the Group's people and those who work on its behalf, promoting a company culture based on zero tolerance towards corrupt practices or, in any case, practices that do not comply with laws and ethical principles, to protect the reliability, reputation, and sustainability of company activities, reducing exposure to legal, economic, and reputational risks.

The main objectives of the Policy are to:

- prevent, identify and mitigate the risks of active and passive corruption related to company activities, processes and relationships with third parties;
- ensure compliance with national and international anti-corruption regulations applicable to the Group's activities and lines of conduct;
- promote ethical, fair and responsible behavior on the part of all the recipients of the Policy, strengthening awareness of the risks of corruption;
- support a structured and coherent approach to corruption risk management, in line with the Anti-Corruption Management System;
- protect the Group from sanctions, operational limitations, economic losses and reputational damage resulting from unlawful or non-compliant conduct;
- promote a culture of legality, integrity and transparency, encouraging the responsible use of reporting tools including by third parties who have business relations with the Company.

Scope of the Policy

It applies to TIM S.p.A. and the Subsidiaries of the TIM Group, including national and foreign companies, and concerns the members of the corporate bodies, management, employees, and all those who operate on behalf of the Group Companies, in any capacity.

The Policy also applies to relations with third parties, such as suppliers, business partners, consultants, intermediaries, and other parties that have business relations with the Group, who are required to comply with the principles and standards of conduct defined in the Policy.

For listed subsidiaries and companies certified in accordance with UNI ISO 37001, the Policy constitutes a reference for the adoption of their own anti-corruption policies, consistent with the Group's principles.

In relation to joint ventures and Investee Companies, TIM uses its influence, as reasonable under the circumstances, to ensure that these companies and entities comply with the standards and rules of conduct defined in the Anti-Corruption Policy.

Responsible for Policy implementation

The Anti-Corruption Policy is approved by the Board of Directors of TIM, after an investigation by the Control and Risks Committee. Responsibility for the implementation of the Policy and the monitoring of the Anti-Corruption Management System (AMS) is entrusted to the Compliance Department, identified as a Compliance Function for the prevention of corruption, which operates with adequate autonomy and independence and is responsible for the overall supervision of the AMS, ensuring its consistency with the requirements of the UNI ISO 37001:2016 standard. Within the scope of its responsibilities, the Compliance Department supports the management and the competent bodies in the implementation of the Policy and in the monitoring of the control presides, working in coordination with the other actors of the internal control system and risk management system.

External national and international regulatory references of the Policy

- Legislative Decree no. 231 of 8 June 2001, no. 231;
- Criminal Code and Civil Code, with reference to the provisions relevant to corruption offences;
- National and international regulations on anti-corruption;
- International anti-corruption conventions, including the United Nations Convention against Corruption (UNCAC) and the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions;
- UK Bribery Act;
- US Foreign Corrupt Practices Act (FCPA);
- ISO 37001:2016 – Anti-Bribery Management Systems – Requirements with guidance for use.

ESRS affected by the Policy

G1-1

IROs affected by the Policy

2; 4.

3. Business Continuity

Contents and objectives of the Policy

The Policy defines the principles and framework adopted by the TIM Group to ensure the operational continuity of services and the resilience of infrastructures in the event of events that may compromise the operation of critical processes, including extreme weather events, technological incidents, and threats to the security of information systems.

The Policy is part of the Group's governance system and guides a structured approach to the management of crisis and emergency situations that may result in service interruptions, damage to assets, loss or compromise of data, and impacts on the Group's reputation and financial performance. In this context, the Policy contributes to the protection of critical infrastructure, IT systems and information, as well as to personal data protection and the protection of sensitive data of customers, employees and other interested parties.

The main objectives of the Policy are to:

- ensure the continuity of essential services and critical processes even in the presence of extreme weather events, technological incidents or cyber attacks;
- protect the integrity of infrastructure, information systems and business assets, reducing the impacts deriving from material damage or operational interruptions;
- prevent and mitigate the risks of loss, unavailability or compromise of data and information, including personal and sensitive data;
- strengthen the organization's ability to respond effectively to crisis events, limiting the effects on business continuity, reputation and economic performance;
- ensure a consistent and integrated approach to business continuity management, in coordination with the Group's other safety and resilience presides.

Scope of the Policy

The Business Continuity Policy applies to TIM S.p.A. and all TIM Group Companies, in Italy and abroad, and concerns the operational functions, process owners, and support structures involved in the management of company activities and essential services.

The principles of the Policy are applied to the activities, processes, systems, data and infrastructures considered critical for the achievement of the Group's business objectives and for the continuity of the provision of services, in line with the perimeter of the risks that may affect operational resilience.

Responsible for Policy implementation

The implementation of the Business Continuity Policy is entrusted to the "Crisis, Monitoring & Continuity Management" organizational structure, within the "Chief Public Affairs, Security & International Business Office" Department of TIM S.p.A., which is responsible for the overall supervision and coordination of the Business Continuity system.

The competent company structures and process managers contribute to the application of the Policy within the scope of their respective responsibilities, ensuring alignment with the defined guidelines and the integration of business continuity in the activities under their responsibility.

External national and international regulatory references of the Policy

The Business Continuity Policy is defined in line with international principles and best practices on business continuity and is aligned with the ISO 22301 - Business Continuity Management Systems (BCMS).

TIM S.p.A. is certified in accordance with the ISO 22301 standard, which is the reference for the adoption of consistent Business Continuity policies also by group companies.

ESRS affected by the Policy

E1-2; S4-1.

IROs affected by the policy

1; 7, 16; 25; 27; 31; 34.

4. Service Charter

Contents and objectives of the Policy

The TIM Service Charter, relating to fixed and mobile telephony services, defines the principles and framework adopted by TIM to ensure a transparent, correct and informed relationship with its customers throughout the entire cycle of the contractual relationship. The document represents a tool for customer protection and information, aimed at making clear and understandable the characteristics of the services offered, the contractual conditions, the quality standards, the rights of customers, and the methods of access to assistance and complaint channels.

The Charter guides the provision of clear and personalized solutions, responding to customers' expectations in terms of transparency, accessibility of products and services and continuity of connection, elements that contribute to strengthening customer confidence, satisfaction and loyalty. In this context, the document also promotes access to digital services and benefits dedicated to customers with special needs, promoting inclusion and participation in economic and social life.

The Service Charter also helps to manage the risks associated with service interruptions and disruptions, defining measurable commitments in terms of quality, activation and repair times, compensation and complaint procedures, to protect the continuity of the service and the reliability of the offer, with positive effects on customer loyalty and revenue stability.

The main objectives of the Service Charter are:

- ensure transparency and clarity of the offer, providing complete and understandable information on services, contractual conditions, and customer rights;
- ensure service quality standards consistent with applicable legislation, including through measurable commitments and compensation mechanisms in the event of disruption;
- protect the continuity of the connection and the usability of fixed and mobile telephony services, reducing the impacts deriving from interruptions or malfunctions;
- promote accessible products and services, including digital services and concessions for customers with special needs, promoting social inclusion;
- strengthen customer confidence and satisfaction, contributing to loyalty and value creation in the medium to long term.

Scope of the Policy

The Service Charter is aimed at all TIM customers who use fixed and mobile telephony services, regardless of the type of offer or contract entered into.

The principles and commitments contained in the Charter apply to the services provided by TIM throughout the contractual relationship with the customer, from the activation phase to the management of the service and assistance, in accordance with the applicable legislation and the contractual conditions.

Responsible for Policy implementation

The implementation of the Service Charter is ensured by the competent corporate functions, which contribute, within the scope of their respective responsibilities, to ensuring compliance with the service standards and quality commitments made to customers.

External national and international regulatory references of the Policy

The TIM Service Charter is drawn up in accordance with the guidelines of the Autorità per le Garanzie nelle Comunicazioni (AGCOM), pursuant to Resolution no. 179/03/CSP, as subsequently amended and supplemented.

ESRS affected by the Policy

S4-2

IROs affected by the Policy

11; 16; 19; 33.

5. Code of Ethics and Conduct**Contents and objectives of the Policy**

The code of ethics and conduct defines the values and lines of conduct that guide the action of the TIM Group in carrying out its activities and in relations with all stakeholders, promoting a corporate culture based on integrity, legality, transparency, respect for people, and social and environmental responsibility. The document constitutes a fundamental reference of the governance system and the internal control system and risk management system and is an integral part of the Organization, Management and Control Model pursuant to Legislative Decree 231/2001.

The document guides the decisions and behaviors of the corporate bodies, management, the people of the Group, and the subjects who work on its behalf, regulating conduct in internal relations and in relations with customers, suppliers, partners, institutions, and communities. In this framework, the Code covers in a transversal way the main risk and opportunity profiles related to business conduct, including those related to fairness in business, the prevention of illegal behavior, the protection of human rights and working conditions, the protection of data and information, the responsible use of digital technologies, as well as the social and environmental impacts of the Group's activities.

The Code also incorporates principles and commitments aimed at promoting inclusion, equal opportunities, health and safety at work, people's well-being, work-life balance, as well as the conscious and responsible use of technological innovation, including Artificial Intelligence, in compliance with applicable regulations and the best national and international guidelines. Finally, the methods of compliance with the Code are regulated, including the reporting, control and management of violations, as well as the criteria for dissemination, adoption and periodic updating of the document.

The main objectives of the Code are:

- define the values and lines of conduct that inspire the Group's actions and guide its strategic and operational choices;
- promote ethical, correct and responsible behavior, consistent with the principles of environmental and social sustainability, in the interest of current and future stakeholders, valuing sustainability and innovation as factors of development and success;
- ensure compliance with the laws, regulations and rules applicable in the contexts in which the Group operates;
- prevent unlawful or non-compliant conduct, including that relevant to the administrative liability of entities;
- protect the dignity, rights, health and safety of people, promoting an inclusive and respectful work environment; combating all forms of discrimination and promoting equal opportunities, work-life balance, and flexible working methods, while respecting the right to disconnect;
- ensure fairness, transparency and loyalty in relations with all stakeholders; including local communities, institutions and civil society;
- ensure the reporting, control and management of violations;
- contribute to sustainable business growth, promoting environmental and social responsibility and respect for the rights of future generations and the well-being of the communities in the territories in which the Group operates;
- promote the reduction of the environmental impacts of the Group's activities and support the energy transition, also through the offer of services and solutions that promote more sustainable development models and lifestyles for the benefit of communities in the reference territories and customers.

Scope of the Policy

The Code of Ethics and Conduct applies to TIM S.p.A. and all TIM Group Companies, including foreign subsidiaries. TIM S.A. has adopted its own code of ethics and conduct, whose principles are aligned with those adopted by the TIM Group.

The Code constitutes a binding reference for the corporate bodies, management, employees, and all those who work on behalf of the Group, in any capacity. Where required by the company's procedural system, the Code also applies to third parties who have relations with the Group, such as suppliers, partners, and collaborators, whose behavior may affect the Group's reputation and reliability.

The principles and rules of conduct apply along the entire value chain and integrate the system of company policies and procedures.

Responsible for Policy implementation

The "Code of Ethics and Conduct" is approved by TIM's Board of Directors, which ensures its oversight within the Group's governance system. The corporate bodies and management are responsible for the implementation of the Code and for promoting behaviors consistent with the values and lines of conduct contained therein. The Compliance Department supports the application of the Code and handles dissemination and training activities. Through the Whistleblowing Procedure, the monitoring of the mechanisms for reporting and managing violations is ensured, in line with the Organization, Management and Control Model adopted pursuant to Legislative Decree 231/2001.

External national and international regulatory references of the Policy

- Legislative Decree no. 231 of 8 June 2001, as subsequently amended – Discipline of the Administrative Liability of Legal Persons, Companies and Associations;
- Law no. 179 of 30 November 2017 and Legislative Decree no. 24 of 10 March 2023 – Protection of Whistleblowers;
- Regulation (EU) 2016/679 – General Data Protection Regulation (GDPR);
- National and European regulations on market abuse and insider information;
- National and international regulations on anti-corruption and combating offences against the Public Administration;
- UNI ISO 37001 – Anti-Bribery Management Systems;
- Directive (EU) 2022/2464 – Corporate Sustainability Reporting Directive (CSRD).

ESRS affected by the Policy

E1-2; S1-1; S3-1; S4-1; G1-1.

IROs affected by the Policy

1; 6, 11, 15, 18, 20, 22, 24, 26, 35, 36.

6. Human Rights

Contents and objectives of the Policy

The Policy defines the framework through which the Group integrates respect for human rights into its activities and relations with third parties, formalizing the commitment to operate in line with the main international references on the subject, including the principles of the United Nations and the Global Compact. This commitment applies across all areas of activity and extends to relationships with employees, workers in the value chain, business partners, customers, and communities in the contexts in which the Company operates, including indigenous peoples, as provided for by the international standards of reference for the policy. The Policy is referred to in the main company policies and operating procedures as well as in the management systems; The Group also encourages its stakeholders, including consumers and end users, to provide feedback with a view to continuous improvement.

In line with these principles, the Policy makes explicit the Group's commitment to prevent and combat any form of violation of the fundamental rights of the person, prohibiting any form of forced or compulsory labor, trafficking in human beings and exploitation of child labor and undertaking not to resort, directly or indirectly, to the employment of persons under the age of 18.

Starting from these general principles, the Policy articulates the areas of protection in relation to the Group's main areas of impact, distinguishing between rights related to the core business, workers' rights, and rights along the value chain.

With reference to the core business, the Policy considers the rights of customers and end users connected to the provision of telecommunications services and digital services, promoting fair access to services and innovation, the protection of freedom of expression, personal data protection and information security, as well as the protection of vulnerable groups — in particular minors — with respect to potentially harmful content or services. The principles of responsible advertising, zero tolerance for corruption and careful management of environmental impacts related to company activities are also recalled.

With reference to Group workers, the Policy protects fundamental rights in the workplace, including the prohibition of discrimination and harassment, the guarantee of fair working conditions, respect for working hours and wages, the protection of maternity, and freedom of association. Particular importance is attributed to occupational health and safety, through measures aimed at the preventing accidents and occupational diseases and the promotion of well-being in the workplace.

The same principles are extended, in proportion to the level of influence exercisable by the Group, to workers along the value chain. In this context, the Policy requires compliance with the minimum age for access to work, working conditions that are decent, and adequate health and safety standards, providing for qualification and monitoring mechanisms for suppliers and business partners.

The Policy provides, for all relevant activities within its scope, a periodic internal due diligence process, inspired by the United Nations Guiding Principles on Business and Human Rights, aimed at:

- identify and evaluate material topics in the area of human rights related to the Group's activities;
- verify that each area is adequately managed, monitored and tracked — where possible through indicators — with clearly assigned responsibilities;
- define, if necessary, actions for the progressive improvement of the measures adopted.

During the year, the Group began a process of reviewing and updating its human rights due diligence, aimed at strengthening its alignment with the sectoral and geographical context of operations. As part of this review, six priority areas have been identified, which will be formally incorporated into the new version of the Policy, whose approval is expected during 2026. The priority areas identified are the following:

- Environmental protection: monitoring of environmental impacts related to company activities, with reference to emissions, efficient use of resources, waste management, and circular economy.
- Equal treatment and fair working conditions: guarantee of equal opportunities, non-discrimination, pay equity, and respect for the dignity of the person at all stages of the employment relationship.
- Health and safety at work: prevention of accidents and occupational diseases through structured risk management systems and promotion of a widespread safety culture, also extended to contractors and subcontractors.
- Freedom, security and equity in access to digital technologies: promotion of fair access to digital services, protection of vulnerable persons, and guarantee of security and continuity of services.
- Personal data protection and information security: correct and secure management of data and information systems, prevention of breaches, and strengthening of cybersecurity and operational continuity safeguards.
- Respect for human rights along the value chain: prevention and management of impacts on the workers' rights of suppliers and partners, with particular attention to fair working conditions, health and safety, prohibition of forced and child labor, through qualification and monitoring processes.

Scope of the Policy

It applies to TIM S.p.A. and all TIM Group Companies, including foreign subsidiaries, and constitutes a binding reference for Group employees.

It concerns third parties who have relations with the Group, such as suppliers, contractors, subcontractors, partners and collaborators, as well as the workers employed by them, in relation to behaviors and practices relevant to the respect for human rights in the context of business relations with the Group.

The principles and control mechanisms of the Policy are integrated into the system of company policies and procedures.

Responsible for Policy implementation

The adoption of the Human Rights Policy was arranged by the first levels of the main corporate functions within the Group's governance system. The management of the group companies and the relevant departments is responsible for implementing the Policy and promoting conduct consistent with the principles and commitments contained therein.

The Corporate Communication & Sustainability Department is responsible for updating the Policy and the due diligence process; the Human Resources & Organization Department is responsible for compliance with the Policy with reference to the Group's people; the Procurement Department oversees the application of the Policy in relations with suppliers, contractors and subcontractors; the Compliance Department oversees the risk of non-compliance with the relevant regulations and standards.

External national and international regulatory references of the Policy

The Policy is consistent with the main international standards and initiatives on human rights, including:

- The UN Guiding Principles on Business and Human Rights (UNGPs);
- The ILO Declaration on Fundamental Principles and Rights at Work and its core Conventions;
- The OECD Guidelines for Multinational Enterprises;
- The Principles of the United Nations Global Compact, of which TIM is among the founders and an active participant in the Networks in Italy and Brazil.

In implementing the Policy, the Group also takes into account additional national and international instruments and regulatory references, including:

- The Universal Declaration of Human Rights (1948);
- The International Covenant on Civil and Political Rights (1976);
- The International Covenant on Economic, Social and Cultural Rights (1976);
- The main ILO Conventions on forced labour, freedom of association, non-discrimination, equal remuneration, minimum age and protection of maternity;
- The ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy;
- Sector-specific guidelines and tools, such as the ICT Sector Guide on Implementing the UN Guiding Principles on Business and Human Rights, published by the European Commission;
- The Charter for Equal Opportunities and Equality at Work, signed by the Group.

ESRS affected by the Policy

S1-1; S2-1; S3-1.

IROs affected by the Policy

12, 15, 16, 17, 19, 20, 24, 25, 26, 27, 33, 35, 36, 38.

7. Management of episodes Gender Based, Sexual, Harassment and Bullying Policy

Contents and objectives of the Policy

The Policy defines the principles and framework for the prevention, management and combating of incidents of gender harassment, sexual harassment and bullying, in order to ensure a safe, inclusive and respectful working environment for people's dignity.

The Policy defines a structured process for the prevention, management and fight against harassment and bullying, integrated into the TIM Group's governance system and consistent with the code of ethics and conduct, the human rights policy, human resources and equal opportunities policies, and whistleblowing procedures. The process involves the activation of dedicated, accessible, and secure reporting channels, a preliminary evaluation phase of the reports, and the operational management of the cases using differentiated methods based on their relevance, as well as the communication of the results in compliance with confidentiality. The Policy also regulates the adoption of measures to protect the whistleblower and other persons involved, including the prevention of retaliation, and the activation of appropriate support tools, ensuring impartiality, traceability and consistency in the management of incidents, in accordance with applicable regulations and the Group's ethical values.

The main objectives of the Policy are to:

- prevent and combat all forms of gender harassment, sexual harassment, stalking, and bullying through training, awareness-raising, and dissemination of a culture of respect;
- promote a work environment that is inclusive, safe and oriented towards the well-being and enhancement of people;
- make clear, accessible and safe channels available for reporting inappropriate behavior, ensuring confidentiality and protection;
- ensure a structured, timely and impartial management of reports, through evaluation and treatment processes consistent with the principles of fairness and transparency;
- protect and support those involved, including those reporting in good faith, including through protective measures against retaliation and discrimination;
- ensure traceability and consistency in the management of incidents, in compliance with applicable regulations and the Group's ethical values;
- contribute to the maintenance of a healthy organizational climate and to the protection of the reputation and reliability of the Group.

Scope of the Policy

It applies to TIM S.p.A. and the Italian companies of the TIM Group and constitutes a reference for the TIM Group's foreign companies, which adopt its principles in compliance with local regulations.

It is addressed to all persons working on behalf of the Group, regardless of their role, location or type of contract, as well as to third parties who come into contact with the company's work environment.

The scope includes all contexts in which work activities take place, including offices, business trips, events, meetings and digital environments.

Responsible for Policy implementation

The implementation of the Policy is overseen by the Human Resources & Organization Department, which coordinates operational activities, ensures compliance with procedures and manages, within its remit, the process of evaluating and processing reports.

The oversight of the Policy is ensured through the involvement of the competent company structures, in particular the Audit Department and the Supervisory Body pursuant to Legislative Decree 231/2001, as well as by a cross-functional network of dedicated representatives and committees, to ensure a consistent, effective and compliant application of the Group's governance system.

External national and international regulatory references of the Policy

- European Framework Agreement on Harassment and Violence in the Workplace (2007);
- CCNL Telecommunications – Articles 45 and 48;
- Interconfederal Agreement of January 25, 2016 on harassment and violence in the workplace;
- Asstel framework agreement – trade unions of January 16, 2019;
- Italian Civil Code – Art. 2043;
- Criminal Code – Articles 594, 595, 604-bis, 609-bis, 612, 612-bis, 660;
- Legislative Decree no. 145 of May 30, 2005;
- Law no. 38 of April 23, 2009;
- Legislative Decree June 15, 2015, no. 81;
- Law no. 179 of November 30, 2017 and Legislative Decree no. 24 of March 10, 2023 (whistleblowing);
- Law no. 69 of July 19, 2019.

ESRS affected by the Policy

S1-1

IROs affected by the policy

5, 20, 35, 38.

8. Waste management

Contents and objectives of the Policy

The Procedure defines the framework for the management of waste produced by company activities, indicating rules and responsibilities to ensure management in accordance with current environmental legislation and consistent with the Organization, Management and Control Model pursuant to Legislative Decree 231/2001. The document governs the entire life cycle of waste, from classification to its transfer to authorized parties, ensuring a structured and homogeneous operational approach throughout the territory, aimed at the prevention of environmental, health and safety risks.

The Procedure orients company processes towards correct management of waste streams, ensuring compliance with mandatory legislative obligations and promoting, where possible, the prevention, reuse, and recycling of the waste produced, in line with the principles of the circular economy.

The main objectives of the Procedure are:

- ensure compliance with applicable environmental legislation on waste management;
- ensure the correct identification, classification and traceability of the waste produced;
- prevent environmental impacts and health and safety risks related to non-compliant management;
- reduce the production of waste and promote reuse and recycling, also through the extension of the useful life of the goods;
- integrate sustainable waste management criteria into procurement processes and into the selection and management of suppliers;
- promote responsible behavior within the Organization through training and awareness-raising initiatives;
- support the continuous improvement of environmental performance through monitoring, control and audits;

In addition, in order to strengthen its commitment to the circular economy, TIM has defined additional guiding principles on resource management and waste management, 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 recycling programs for company equipment (e.g. PCs and mobile phones) favoring their internal reuse or donation for social purposes;
- the selection of suppliers that maximize the recovery of the waste delivered and prioritize the reuse of rare resources and precious materials.

Scope of the Policy

The Policy is addressed to TIM S.p.A. and Telecom Italia Sparkle S.p.A. and to all company departments that, in different capacities, participate in the management of waste deriving from their activities carried out on the national territory.

It constitutes a reference framework for the other group companies operating in the Domestic sector, which can transpose its principles or use it as a basis for the definition of their internal procedures, in compliance with the applicable regulations.

It applies to activities carried out at company offices, local units, construction sites and infrastructures and involves employees, collaborators and third parties operating on behalf of the company, including contractors and suppliers whose activities may generate waste or affect waste management processes.

Responsible for Policy implementation

The implementation is entrusted to the competent company Functions, each for their own responsibilities, with the coordination of the Health, Safety & Environment (HSE) Function, which ensures the overall supervision of the Procedure, the interpretative and application support and the monitoring of the correct implementation. The Operational Functions and territorial structures ensure the application of the provisions in their respective activities, while the Procurement Department ensures the qualification and monitoring of the suppliers in charge and compliance with regulatory requirements along the value chain.

External national and international regulatory references of the Policy

- Directive 2008/98/EC on waste and Decision 2014/955/EU;
- Legislative Decree April 3, 2006, no. 152 as amended – 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. 152/2006 and Article 14-bis of Decree-Law no. 78/2009, converted with amendments by Law no. 102/2009 as amended.
- Ministerial Decree no. 145 of April 1, 1998 – Waste identification forms;
- Ministerial Decree no. 148 of April 1, 1998 – Waste loading and unloading registers;
- Commission Regulation (EU) no. 1357/2014 – Classification of hazardous waste;
- Law no. 68 of May 20, 2015 – Crimes against the environment;
- Directive (EU) 2022/2464 – Corporate Sustainability Reporting Directive (CSRD).

ESRS affected by the Policy

E5-1

IROs affected by the Policy

28; 37.

9. Artificial Intelligence

Contents and objectives of the Policy

The Guidelines define the principles and framework that guide the development, use and purchase of Artificial Intelligence Systems by the TIM Group, in line with the values expressed in the Code of Ethics and Conduct and with the applicable regulatory framework. The Guidelines are part of the Group's governance system and accompany the technological evolution of the organization, favoring an adoption of AI that is aware, responsible, and aligned with the main evolutionary trends in the sector.

The document aims to ensure that Artificial Intelligence is used as a lever for innovation, efficiency and competitiveness, while preventing ethical, legal, social and reputational risks associated with the use of such technologies. In this context, the guidelines contribute to protecting the reliability and reputation of the Group, ensuring that the adoption of AI takes place in compliance with the fundamental rights of people, the security of solutions, and the interests of the Company and its stakeholders.

The guidelines also provide a common reference for translating ethical principles into criteria and guidelines applicable to business processes, supporting the development and integration of AI solutions capable of generating value in the medium to long term, including in terms of service quality, sustainability and competitive positioning.

The main objectives are:

- define the ethical principles that guide the development, use and purchase of Artificial Intelligence Systems in the TIM Group;
- provide a regulatory and value framework to support the adoption of AI in business processes;
- encourage the use of AI consistent with the Group's innovation and competitiveness strategy, avoiding misalignments with the main technological trends in the sector;
- ensure safety, reliability and protection of the fundamental rights of people in the use of AI Systems;
- prevent and mitigate ethical, legal and reputational risks related to the use of Artificial Intelligence;
- promote a conscious, responsible and sustainable use of AI as an enabling technology for value creation.

Scope of the Policy

They apply to the Italian companies of the TIM Group and constitute a reference framework for foreign companies, in compliance with applicable local regulations. The guidelines address a broad and transversal perimeter of subjects involved, in different ways, in the development, use or purchase of Artificial Intelligence Systems, including members of corporate bodies, management, employees, external collaborators and, where required by the company's procedural system, third parties who have business relations with the Group.

The principles and guidelines contained in the guidelines are applied in all activities that involve the development, use, or purchase of AI Systems, regardless of the business function involved, the operational context, or the type of solution adopted.

Responsible for Policy implementation

The Artificial Intelligence Guidelines are approved by TIM's Board of Directors, which ensures consistency with the business strategy and plays a strategic role, receiving periodic disclosure on the main activities carried out in the AI field.

The Group Committee for Artificial Intelligence, chaired by the CEO, represents the core of AI governance and directs the strategy for the adoption of Artificial Intelligence Systems in the Group.

The Control and Risk Committee supports the Board of Directors in overseeing the Internal Control System and Risk Management System with reference to AI Systems.

The relevant company functions contribute to the implementation of the guidelines within the scope of their respective responsibilities.

External national and international regulatory references of the Policy

- Charter of Fundamental Rights of the European Union;
- Regulation (EU) 2024/1689 of the European Parliament and of the Council, laying down harmonized rules on Artificial Intelligence (AI Act);
- European Commission Guidelines 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 (general data protection regulation – GDPR);
- directive 2002/58/EC of the European Parliament and of the Council (e-Privacy);
- 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.

ESRS affected by the Policy

G1-1

IROs affected by the Policy

29

10. Commitment to environmental sustainability

Contents and objectives of the Policy

The Policy defines the principles and guidelines for managing the environmental impacts generated by the Group's activities, with the aim of structurally integrating environmental sustainability into decision-making and operational processes, in line with current regulations, international standards, and company strategic guidelines along the value chain.

The Policy guides the management of infrastructure, operational processes, logistics and supply chain towards the prevention and reduction of environmental impacts, promoting the efficient use of natural resources and the reduction of greenhouse gas emissions, with a view to continuous improvement of environmental performance.

The Policy promotes the integration of environmental commitments into investment, procurement, and operational management processes, ensuring a consistent and homogeneous approach within the Group. Implementation is supported by management, monitoring and reporting systems for environmental performance, and by training and awareness-raising initiatives.

The main objectives of the Policy are to:

- ensure compliance with current environmental laws and regulations and reference standards;
- adopt environmental and energy management systems aimed at efficiency in resource use and reduction of the environmental impacts of infrastructures, also through advanced technologies;
- contribute to the reduction of direct and indirect emissions, promoting the use of energy from renewable sources and the progressive reduction of fossil fuels;
- develop and invest in solutions, products and services with low environmental impact, to support the transition to low carbon emissions models;
- integrate environmental sustainability criteria in the selection and management of suppliers and partners and in the assessment of environmental risks along the supply chain, adopting shared improvement actions.

The objectives of the Policy also contribute to the pursuit of the United Nations Sustainable Development Goals (SDGs), with respect to which the TIM Group recognizes its responsibilities and guides coherent policies, initiatives and behavior: SDG 7 – Clean and accessible energy; SDG 9 – Industry, innovation and sustainable infrastructure; SDG 11-Sustainable Cities and Communities; SDG 12-Responsible consumption and production; SDG 13-Fight against climate change.

Scope of the Policy

It applies to TIM S.p.A., the TIM Foundation and the Italian companies of the TIM Group. For the Group's foreign companies and for Istituto TIM, it constitutes a reference framework for the definition and updating of their respective environmental policies and procedures, in compliance with local regulations.

It is aimed at all company functions and operational structures whose activities may generate environmental impacts, direct or indirect, and applies to the entire value chain, including upstream (e.g. suppliers and procurement) and downstream (e.g. commercial offer, services and customer relations) activities, in all geographic areas of the Group's operations.

Responsible for Policy implementation

The implementation is entrusted to the company functions involved in the management of environmental impacts, each for their own skills and responsibilities. In particular, the Corporate Communication & Sustainability Department ensures the overall supervision of the Policy and the monitoring of its implementation, while the competent operational functions, the technical functions of infrastructure management, and the Procurement Department contribute to the implementation of the environmental guidelines in their respective activities.

External regulatory references of the Policy

- Legislative Decree 152/2006 as amended – Consolidated Law on Environmental Matters;
- UNI EN ISO 14001 – Environmental management systems;
- UNI CEI EN ISO 50001 – Energy management systems;
- GHG Protocol – Standard for accounting and reporting of greenhouse gases;
- ISO 14064 – Greenhouse gases – Specifications for the quantification and reporting of emissions;
- UNFCCC – United Nations Framework Convention on Climate Change;
- Paris Agreement – International agreement on combating climate change;
- Directive 92/43/EEC – Habitats Directive;
- Directive 2009/147/EC – Birds Directive;
- EU Circular Economy Package Directives – Waste prevention, reuse, recycling and efficient use of resources;
- Sustainable Development Goals (SDGs) – United Nations 2030 Agenda;
- Directive (EU) 2022/2464 – Corporate Sustainability Reporting Directive (CSRD).

ESRS affected by the Policy

E1-2; E5-1.

IROs affected by the Policy

7; 9; 13; 18; 23; 28; 31; 37.

11. 231 Organizational Model

Contents and objectives of the Policy

The Organization, Management and Control Model pursuant to Legislative Decree 231/2001 defines the framework adopted by TIM to prevent the commission of crimes carried out in the interest or for the benefit of the Company and which may result in the administrative liability of the entity. The Model is an integral part of the governance system and the internal control system and risk management system and is consistent with the values and lines of conduct expressed in the code of ethics and conduct.

The Model orients the organization towards a management of business activities based on legality, fairness and responsibility, promoting awareness of the consequences deriving from illegal conduct and combating any conduct that does not comply with current laws and the ethical principles adopted. In this context, the Model is part of an integrated cross-compliance approach, taking into account the other control systems and controls adopted by the Company.

The main objectives of the Model are:

- prevent and mitigate the risks of committing crimes related to corporate activities, reducing the Company's exposure to sanctioning risks;
- strengthen the awareness of the corporate bodies, management, employees, and third parties working on behalf of the Company regarding the responsibilities and consequences deriving from unlawful conduct;
- counter any unlawful conduct, regardless of the purposes pursued, as it is contrary to the laws in force, the values and the lines of conduct to which inspire TIM;;
- promote the adoption of behaviors that comply with the rules, control presides and guidelines of the Model;
- integrate the crime prevention system with the other tools and control models adopted by the Company, with a view to overall coordination and consistency.

Scope of the Policy

It applies to TIM S.p.A. and concerns all the subjects who operate within the scope of the Company's activities, in any capacity, including the members of the corporate bodies, management, employees, and third parties who act in the name and on behalf of the Company or who have significant relationships with it for the purposes of Decree 231.

The Model also constitutes a reference framework for TIM Group Companies, including foreign ones, which are inspired by it in the definition of their respective organization, management and control models or similar compliance systems, in compliance with applicable local regulations and operational requirements.

Responsible for Policy implementation

The Organization, Management and Control Model pursuant to Legislative Decree 231/2001 of TIM S.p.A. is adopted and updated by the Board of Directors of TIM S.p.A.

Supervision of the operation and compliance with the Model is entrusted to the Supervisory Body (SB), with autonomous powers of initiative and control, which verifies its effectiveness and takes care of its continuous monitoring and updating.

The management and the competent company functions contribute to the implementation of the Model within the scope of their respective responsibilities, ensuring its dissemination and effective application within the organization and in relations with third parties.

External national and international regulatory references of the Policy

- Legislative Decree no. 231 of June 8, 2001 – Administrative liability of entities;
- Confindustria guidelines for the construction of Organization, Management and Control Models;
- Legislative Decree March 10, 2023, no. 24 “Implementation of Directive (EU) 2019/1937 on the protection of persons who report violations of Union law and national regulatory provisions.”

ESRS affected by the Policy

G1-1

IROs affected by the Policy

2

12. Report on the remuneration policy and compensation paid

Contents and objectives of the Policy

The TIM Group Remuneration Policy defines the principles and guidelines governing remuneration and incentive systems, in line with the business strategy and the 2025-2027 Business Plan. The Policy constitutes a governance tool aimed at ensuring the consistency of the remuneration systems with the Group's strategic objectives and with the principles of sustainability, equity, and responsibility.

The Policy aims to support the involvement and motivation of people, promoting incentive systems that favor the achievement of clear and measurable performance objectives, the strengthening of a sense of responsibility and the improvement of productivity. In this context, the Policy promotes, where applicable, the integration of ESG criteria into remuneration systems, strengthening the connection between economic results and sustainability.

The Policy integrates risk management mechanisms related to incentive systems, providing for tools such as malus and clawback clauses, aimed at discouraging behavior inconsistent with the Group's values or results not correctly achieved, strengthening the link between incentive and responsible behavior.

The main objectives of the Policy are to:

- promote the creation of value for shareholders in the medium to long term, in line with the Business Plan;
- align the interests of management with those of the shareholders and with the Group's strategic objectives;
- ensure a balanced mix between short- and long-term incentive schemes;
- make the company attractive in the talent market, promoting attraction, motivation and retention of people;
- integrate, where applicable, economic-financial objectives and ESG criteria into remuneration and incentive systems;
- promote responsible behavior consistent with the Group's values;
- protect the principles of internal equity, including gender equity, and promote the involvement and engagement of people;
- safeguard consistency at Group level, taking into account the specificities of the reference markets.

Scope of the Policy

It applies to TIM S.p.A. and to the subsidiaries of the TIM Group, including foreign ones, and concerns, in particular, the members of the Administrative Bodies, the Managers with Strategic Responsibilities, the management, and the categories of personnel for which specific remuneration and incentive systems are provided. The application of the Policy to subsidiaries abroad takes place in compliance with current regulations and local market contexts, while safeguarding the consistency of the principles and guidelines at Group level.

Responsible for Policy implementation

The TIM Group Remuneration Policy is defined and approved by the Board of Directors, on the proposal of the Appointments and Remuneration Committee, and is subject to approval by the Shareholders' Meeting, in compliance with current legislation.

The Appointments and Remuneration Committee supports the Board of Directors in monitoring the implementation of the Policy, verifying its consistency with the Group's business strategy, Business Plan and sustainability objectives.

The CEO and the General Manager ensure the operational implementation of the Policy guidelines within the organization, with the support of the relevant company functions, in compliance with the governance and internal control system.

External national and international regulatory references of the Policy

- The Policy is adopted in accordance with the regulatory and self-regulatory framework applicable to listed companies and takes into account:
- Legislative Decree no. 58 of February 24, 1998 (Consolidated Law on Finance – TUF);
- Consob regulations applicable to listed issuers and remuneration disclosure;
- Directive (EU) 2017/828 (Shareholder Rights II);
- Corporate Governance Code of listed companies, to which TIM adheres.

ESRS affected by the Policy

S1-1

IROs affected by the Policy

17; 24; 35.

13. Human Resources and Equal Opportunity Policy**Contents and objectives of the Policy**

The Policy defines the principles and the reference framework that guide the commitment of the TIM Group in the management, enhancement, and development of its people, identifying the areas of intervention in the field of human resources and equal opportunities.

The Policy regulates working conditions, with particular reference to the protection of the health and safety of workers and the prevention of occupational diseases, through the assessment of risks and the adoption of principles, standards, and solutions recognized as best practices in terms of adequacy and effectiveness.

The Policy also addresses the organization of work, promoting the balance between professional and private life through the adoption of agile work as an integral part of the organizational model and through caring and corporate welfare initiatives. In this context, the Policy recognizes and respects the freedom of association and the right to collective bargaining, guaranteeing workers the possibility of forming and joining trade unions for the protection of individual and collective interests.

The Policy also governs the system of remuneration, adopting a fair and balanced system of remuneration, with fixed and variable components for the short and long term, which include the sustainability component, in order to attract, retain and motivate people.

The Policy promotes respect for people and diversity throughout the entire cycle of the employment relationship, combating all forms of discrimination in recruitment, remuneration, access to training, professional development, and career paths. In this context, the Policy promotes engagement and inclusion, ensuring the accessibility of systems, equipment, and workstations for all people, including those with disability.

The Policy also regulates the development and training of people through defined paths and targeted initiatives, aimed at consolidating professional skills, updating, and retraining.

Finally, the Policy includes personal data protection for individuals within the Group, providing for the adoption of a structured organizational model aimed at overseeing the correct application of the relevant legislation, through organizational and technical measures suitable for guaranteeing the confidentiality and security of personal data.

The main objectives of the Policy are to:

- improve the management and promotion of human resources in the Group;
- illustrate the principles that inspire the actions of the group companies so that they are a shared practice within the Organization and in relations with external partners;
- promote engagement, respect and inclusion, ensuring an inclusive working environment and combating all forms of discrimination throughout the entire employment relationship cycle;
- promote the balance between professional and private life;
- support the development of skills and the continuous training of people;
- adopt a fair and balanced system of remuneration;
- protect health and safety at work;
- recognize and respect freedom of association and the right to collective bargaining;
- ensure personal data protection of Group persons.

Scope of the Policy

It applies to TIM S.p.A. and to all TIM Group companies, in Italy and abroad, and is addressed to all persons working on behalf of the Group, in any capacity, regardless of the role held, the place of work, the type of contract, or the geographical area of operation.

The principles and provisions of the Policy are applied throughout the entire cycle of the employment relationship, from the selection and hiring phase until the termination of the relationship, and constitute a common reference for the adoption of consistent behaviors in terms of resource management and equal opportunities within the Group.

Responsible for Policy implementation

The implementation of the Human Resources and Equal Opportunities Policy is entrusted to the competent company Functions, each for their own responsibilities, in line with the Group's organizational model. The overall coordination is ensured by the Human Resources Function, which oversees the application of the Policy, provides interpretative and operational support to the structures involved and monitors its correct implementation.

The operational Functions and territorial structures are responsible for the implementation of the provisions of the Policy in the activities of their respective competence, ensuring their integration into the people management processes and organizational practices adopted at Group level.

External national and international regulatory references of the Policy

The Human Resources and Equal Opportunities Policy is in line with the principles of the United Nations Global Compact to which TIM has adhered, in particular with reference to respect for human rights, working conditions, and the promotion of equal opportunities.

ESRS affected by the Policy

S1-1

IROs affected by the Policy

5; 15; 17; 20; 22; 24; 26; 35; 36; 38.

14. Health and Safety at Work

Contents and objectives of the Policy

The Policy defines the principles and framework that guide TIM's commitment to protecting the health and safety of people in the workplace, in accordance with the provisions of UNI EN ISO 45001. The Policy constitutes a guiding tool for the systematic management of health and safety issues, promoting safe and healthy working conditions and the well-being of people throughout the scope of the operations.

The Policy regulates the prevention of accidents, occupational diseases and other incidental events, through the identification, evaluation and control of risks to the health and safety of workers. In this context, the Policy promotes the elimination of risks at source or, where not possible, their minimization, including through the adoption of principles, standards and solutions recognized as best practices.

The Policy also addresses aspects related to the design, construction and management of property and work environments, ensuring adequate conditions of safety, health and livability, as well as compliance with legal requirements and other applicable mandatory requirements. It promotes an approach aimed at the continuous improvement of occupational health and safety performance, also in relation to the evolution of the regulatory environment, the business, and the technologies used.

Finally, the Policy enhances the involvement and empowerment of workers in health and safety management, promoting the dissemination of a culture of prevention through information, training and education activities, as well as the consultation and participation of workers and their representatives.

The main objectives of the Policy are to:

- promote the reduction of accidents, occupational diseases and other incidental events through the adoption of prevention and protection measures and the verification of their adequacy and effectiveness;
- ensure full compliance with legal requirements and other mandatory requirements regarding health and safety at work;
- ensure safe and healthy working conditions, also with reference to the design, construction and management of property;
- assess the risks to the health and safety of workers, favoring their progressive elimination or minimization through the adoption of principles, standards and solutions recognized as best practices;
- promote the continuous improvement of occupational health and safety performance;
- promote the development of an organizational culture of health and safety through the involvement, consultation and active participation of workers;
- define and periodically review the objectives in line with the principles of the Policy.

Scope of the Policy

The Occupational Health and Safety Policy applies to TIM S.p.A. and concerns all persons who operate within the scope of the Company's activities, in any capacity, as well as third parties involved in the performance of operational activities under the responsibility of TIM, including workers of suppliers and contractors employed in the performance of such activities.

The principles and provisions of the Policy are applicable in all work contexts and throughout the entire perimeter of the Company's operations.

Responsible for Policy implementation

The implementation of the Occupational Health and Safety Policy is entrusted to the Health, Safety & Environment (HSE) Department, which ensures overall oversight of occupational health and safety and prevention of activities, as well as the implementation support and monitoring the proper implementation of the Policy.

The Real Estate Department is responsible for the implementation of occupational health and safety requirements with reference to company property, ensuring the compliance of structures and work environments with the applicable requirements as well as the implementation and maintenance of the Occupational Health and Safety Management System.

External national and international regulatory references of the Policy

The Policy is inspired by the international standard ISO 45001 on occupational health and safety management systems.

ESRS affected by the Policy

S1-1; S2-1.

IROs affected by the Policy

15; 38.

15. Information Security

Contents and objectives of the Policy

The Policy defines the principles and commitments of the TIM Group for the protection of company information and to ensure its correct, secure, and responsible use. Information is a strategic asset for the operation of business processes and for the provision of services; its protection is therefore essential to ensure business continuity, the reliability of services and the protection of stakeholders.

The Policy establishes a structured framework for the management of information security, identifying roles, responsibilities, criteria and operating rules for their protection. In this context, it regulates the methods of classification, processing, and protection of information, with the aim of guaranteeing its confidentiality, integrity, and availability, taking into account the value of the information and the consequences that any security incidents may generate.

The Policy is aimed at preventing and mitigating risks related to computer system vulnerabilities, unauthorized access, loss or compromise of data, as well as events that may result in service interruptions or impacts on business continuity. The information covered by the Policy includes any aggregation of data that has value and interest for the Group, regardless of the form, support or methods of processing.

In this context, the Policy promotes an integrated approach to information security, which includes the definition of processes, priorities and responsibilities, the monitoring of business continuity and the protection of strategic information, personal data and corporate image, helping to reduce legal, economic and reputational risks arising from security incidents or non-compliance with applicable regulations.

The Policy also enhances the role of people in information security, promoting training and awareness-raising activities and ensuring the monitoring, management, and analysis of security incidents, also with a view to continuous improvement of the measures adopted. In this framework, the Policy also supports the secure evolution of digital solutions and collaboration models with technology partners, favoring consistent security practices throughout the ecosystem.

The main objectives of the Policy are to:

- define rules, processes, roles and responsibilities for information security, ensuring management structured and coordinated management at Group level;
- ensure an adequate level of confidentiality, integrity and availability of information, proportionate to its business value and potential impacts on customers, employees and business activities;
- protect the safety of the services and the expected levels of business continuity, to protect customers, end users and business operations;
- protect strategic information, personal data and corporate image as a matter of priority;
- effectively prevent and manage security incidents, reducing their operational, legal and economic impacts;
- promote training and awareness of cyber risks and individual responsibilities among staff;
- promote the continuous improvement of the security measures adopted;
- In support of the Policy, TIM has equipped itself with an information security management system, aimed at ensuring the governance of processes and activities dedicated to the protection of information assets.

Scope of the Policy

It applies to TIM S.p.A. and the TIM Group Companies in the Domestic field and constitutes a reference for the Group's foreign companies, which adopt its principles in compliance with local regulations. The Policy concerns the protection of company information and the assets used for its processing throughout the entire information life cycle, regardless of the operating methods adopted, the technologies used, or the use of third parties.

Responsible for Policy implementation

The implementation of the Policy is supported by a governance model that ensures coordinated and consistent management of information security with a clear assignment of roles and responsibilities.

The Chief Security Office Function plays a leading and governing role in the information security system, ensuring the overall coordination and consistency of security initiatives at Group level. The company functions of the Domestic perimeter are responsible for the operational implementation of the Policy, the application of security measures, risk management and the protection of information processed within their processes, systems and assets.

External national and international regulatory references of the Policy

- 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; Part 2: Guidelines to plan and prepare for incident response; Part 3: Guidelines for ICT incident response operations;

ESRS affected by the Policy

S1-1; S4-1

IROs affected by the policy

1; 3; 16; 26; 27

16. Framework for the Application of Personal Data Protection Legislation

Contents and objectives of the Policy

The Policy defines the framework adopted by the TIM Group to ensure that personal data processing is carried out in compliance with current legislation and the fundamental rights and freedoms of natural persons, in line with the guidelines of the corporate governance system.

The document establishes the principles and commitments that guide the organization in the correct and responsible management of personal data, identifying the general criteria to be followed in data collection, use, storage and protection activities. In this framework, the Policy provides common guidance for the management of personal data processed in the context of relations with customers, employees, suppliers, partners, corporate bodies, and other stakeholders, promoting consistent behavior and appropriate safeguards to ensure lawfulness, fairness, transparency, security, and accountability of processing.

The management system promotes an approach to personal data protection based on the principles of lawfulness, fairness and transparency, as well as information security, the empowerment of those involved and the integration of data protection into business processes and information systems, also with a view to risk prevention.

The main objectives of the Policy are to:

- ensure compliance with the legislation on personal data protection and the principles of the GDPR;
- protect the fundamental rights and freedoms of data subjects in relation to personal data processing;
- ensure a homogeneous, coherent and structured governance of processing within the Group;
- prevent risks related to non-compliant uses, losses, unauthorized access or personal data breaches;
- strengthen an approach of empowerment and awareness in the management of personal data, in support of stakeholder trust.

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.

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).

Scope of the Policy

It applies to TIM S.p.A. and to the TIM Group Companies, both Italian and foreign, and is aimed at company departments and individuals who, within the Group's organization, are involved in personal data processing.

The principles of the Policy are applied in the different contexts of personal data processing managed by the Group, including those relating to customers, employees, suppliers, partners, corporate bodies and other subjects affected by the processing carried out by the Group.

Responsible for Policy implementation

The overall supervision of the Policy at Group level is entrusted to TIM's Legal, Regulatory & Tax Department, which approves it according to the corporate governance system, updates it, and coordinates its implementation.

Within the Legal, Regulatory & Tax Department, TIM's Privacy Department operates, which, as part of the role of the data protection officer (dpo), is responsible for directing, coordinating and overseeing the correct application of the legislation on personal data protection at Group level, providing specialist support to the company structures involved.

The implementation of the Policy in the TIM Group is ensured by TIM's internal privacy delegates and by the Privacy Coordinations of the Group companies, which operate within the scope of their respective competences and responsibilities in conjunction with TIM's Privacy Function.

External national and international regulatory references of the Policy

- Regulation (EU) 2016/679 – general data protection regulation (GDPR);
- Legislative Decree June 30, 2003, n. 196 and subsequent amendments – Code on personal data protection;
- Legislative Decree no. 101 of August 10, 2018 – Adaptation of national legislation to the GDPR.

ESRS affected by the Policy

S1-1; S4-1

IROs affected by the Policy

1; 26

17. Tax Strategy

Contents and objectives of the Policy

The document on the Tax Strategy defines the principles and guidelines adopted by TIM in the management of taxation, in line with the Code of Ethics and Conduct, the Organization, Management and Control Model pursuant to Legislative Decree 231/2001, and the Group's governance and internal control system.

The tax strategy orients the Group towards tax management based on fairness, transparency and compliance with tax regulations in the countries in which it operates, promoting responsible behavior and a collaborative dialogue with the tax authorities. In this context, TIM defines the level of acceptable tax risk and adopts an approach aimed at preventing and managing potential disputes in a timely manner, reserving the possibility of supporting reasoned interpretive positions when deemed adequately grounded.

The tax strategy also provides for the adoption of adequate control and monitoring tools and the involvement of the competent company functions in tax-relevant processes, while promoting the dissemination of the tax culture within the organization through information and training activities.

The main objectives are:

- disseminate, starting from the top of the company, the principles of tax conduct within the organization;
- operate in compliance with tax laws and regulations in the countries where TIM is present, ensuring the monitoring of regulatory developments;
- promote transparent and collaborative relationships with the tax authorities;
- define and oversee a propensity for tax risk consistent with the business strategy;
- adopt appropriate control and monitoring tools to ensure the tax compliance of business processes;
- ensure the involvement of the competent functions in the control presidencies;
- promote the training and awareness of personnel involved in tax-relevant activities.

Scope of the Policy

Applies to all TIM Group companies. In Brazil, the group companies have adopted their own tax policy, consistent with the addresses defined by the Group and the local regulatory context.

Responsible for Policy implementation

The Tax Strategy is approved by the Board of Directors, after an investigation by the Control and Risk Committee, and is updated in the event of significant changes in the regulatory, strategic, or operational context.

The Tax Department within the Legal, Regulatory and Tax Department ensures the implementation of the tax strategy and its operational oversight, coordinating monitoring activities and ensuring the consistency of the tax approach with the guidelines defined at Group level.

External national and international regulatory references of the Policy The Tax Strategy is defined in line with international guidelines and best practices on tax governance developed by the Organisation for Economic Co-operation and Development (OECD). In particular, the document refers to: • OECD, "Co-operative Compliance – A Framework: From Enhanced Relationship to Co-operative Compliance"; • OECD, "Guidelines on Building Better Tax Control Frameworks".
ESRS affected by the Policy G1-1 IROs affected by the Policy 2
18. Whistleblowing
Contents and objectives of the Policy The procedure defines the framework for reporting and managing violations of laws and regulations, the code of ethics and conduct, the Organization, Management and Control Model pursuant to Legislative Decree 231/2001, as well as internal policies and procedures. The document is part of the Group's governance and internal control system and is an essential tool for the prevention of unlawful conduct, including violations regarding anti-corruption, competition, human rights and ethical standards, as well as for strengthening stakeholder confidence. The procedure governs the principles and general guidelines relating to reporting channels, reporting management methods and whistleblower protection measures, ensuring the confidentiality of information, the protection of identity and the prevention of any form of retaliation, in compliance with the applicable regulatory framework. In this way, it contributes to strengthening the transparency of reporting processes and the effectiveness of control measures, favoring the timely emergence of non-compliant conduct that could generate legal, operational, economic or reputational risks. Through the whistleblowing system, the Group promotes a corporate culture based on integrity, legality, and responsibility, encouraging responsible reporting of irregular or illegal behavior and supporting the protection of people's fundamental rights, including along the value chain. The main objectives of the procedure are: • encourage responsible reporting of illegal, irregular or non-compliant behavior, guaranteeing the confidentiality of the identity of the whistleblower and the people involved; • ensure the protection of whistleblowers against any form of retaliation, discrimination or penalties resulting from the reporting; • ensure an impartial, timely and structured management of the reports received, in compliance with the applicable regulatory provisions; • strengthen measures to prevent the risks of non-compliance, including violations of regulations, ethical standards and human rights; • contribute to the protection of the reputation and reliability of the TIM Group towards stakeholders; • support the spread of a culture of legality and integrity within the organization.
Scope of the Policy It applies to TIM S.p.A. and TIM Group subsidiaries, excluding listed and foreign companies. It also constitutes a reference for the TIM Foundation and for the other subsidiaries of the Group not included in the scope of application, which can implement it in compliance with specific and/or local regulations, processes, and organizational structures. The recipients of the Procedure are the top management and members of the corporate bodies and the Supervisory Body of TIM S.p.A. and of the subsidiaries; employees, former employees and candidates for job positions, shareholders, customers of TIM and of subsidiaries, as well as partners, suppliers (also under contracts/subcontracting), consultants, collaborators in carrying out their work activities at TIM and/or the subsidiaries, who have information on violations as defined in this procedure. The provisions of the Procedure apply to activities carried out within the Group's operating perimeter, including those related to the value chain, insofar as they are compatible with the respective regulatory and contractual contexts.
Responsible for Policy implementation The responsibility for the management process of reports is attributed to the Supervisory Body of TIM S.p.A. and its subsidiaries, which ensures the supervision of the whistleblowing system and the correct implementation of the Procedure, in accordance with the Organization, Management and Control Model adopted by the Group. For the purposes of the management and investigation of the reports received, the Supervisory Body works in coordination with the TIM Audits Function and can avail itself of the relative support for the performance of verification and in-depth activities, in compliance with the applicable regulatory provisions and current information flows. The Supervisory Body ensures that the analysis and evaluation of reports are carried out according to criteria of confidentiality, impartiality and independence and may, where necessary, make use of internal specialist skills or external professional support, in order to acquire the information necessary for the correct management of reports.
External national and international regulatory references of the Policy • Directive (EU) 2019/1937 on the protection of persons reporting breaches of Union law; • Legislative Decree no. 24 of March 10, 2023, transposing Directive (EU) 2019/1937; • Legislative Decree no. 231 of June 8, 2001, on the administrative liability of entities; • Regulation (EU) 2016/679 (general data protection regulation – GDPR); • Legislative Decree June 30, 2003, no. 196 (Code regarding personal data protection) and subsequent amendments and additions; • Decree-Law no. 21 of March 15, 2012, converted into Law no. 56 of May 11, 2012, as amended, on special powers of the State (so-called golden power); • Decree-Law no. 105 of September 21, 2019, converted into Law no. 133 of November 18, 2019, on the Perimeter of National and Cyber Security; • Decrees of the President of the Council of Ministers (DPCM) applicable to the exercise of special powers and protection of information and strategic infrastructures.
ESRS affected by the Policy S1-1 IROs affected by the Policy 2; 4; 38

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Disclosure Requirement IRO-2 - Disclosure requirements in ESRS covered by the company's sustainability statement

[56]; [57]; [59]

In accordance with the applicable regulatory provisions, the following is a list of the disclosure obligations included in the 2025 Sustainability Reporting, identified on the basis of the double materiality analysis. For the purposes of selecting the information reported, the obligations relating to the topics "ESRS E2 – Pollution", "ESRS E3 – Marine Waters and Resources" and "ESRS E4 – Biodiversity and Ecosystems" were excluded, as they were assessed as not material.

Climate change was assessed as material following the double materiality analysis; therefore, the disclosure obligations provided for by ESRS E1 "climate change" are subject to reporting.

Material impacts, risks, and opportunities (IRO) were identified by applying the criteria and thresholds described in section 3.2 "Material issues and relevance of information" of ESRS 1. Each identified IRO was subsequently associated with the ESRS topics and sub-topics indicated in Appendix RA 16 of ESRS 1, in order to determine the specific information to be disclosed. For further details, please refer to table IRO-1 "Description of the process to identify and evaluate the material impacts, risks and opportunities."

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¹⁰ Paragraphs (datapoint) for which TIM does not provide disclosure as they are subject to the possibility of gradual introduction

¹¹ Disclosure requirements for which TIM does not provide disclosure as they are subject to the possibility of gradual introduction

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The following table shows the mapping between the datapoints of the Sustainability Reporting and the corresponding disclosure obligations provided for by additional European Union regulations, in addition to the CSRD, such as the sustainable finance Disclosure Regulation (SFDR), the "Capital Requirements Regulation" (Third Pillar), "the Benchmarks Regulation", and "European climate legislation". The table is intended as a regulatory link and allows you to identify the interrelationships between ESRS and other EU regulatory frameworks. For the obligations and datapoints reported, the page number of the reporting is indicated; If the paragraph is not subject to reporting, the page reference is not provided.

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		120
ESRS 2 GOV-1 Percentage of board members who are independent, paragraph 21 (e)			Commission Delegated Regulation Commission (EU) 2020/1816, Annex II		120
ESRS 2 GOV-4 Statement on due diligence, paragraph 30	Annex 1, Table 3, Indicator number 10				125
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	-

Paragraph and corresponding Disclosure Requirement.	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page number
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		-
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				186
ESRS E1-5 Energy consumption and mix, paragraph 37	Annex 1, Table 1, Indicator number 5				186
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43	Annex 1, Table 1, Indicator number 6				187
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions, paragraph 44	Annex I, Table 1, indicators no. 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)		188
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		193 , 194
ESRS E1-7 GHG removals and carbon credits, paragraph 56				Article 2(1) of Regulation (EU) 2021/1119	194
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 number 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 number 6.1				-
ESRS 2 IRO-1 – E4 paragraph 16, letter a point i)	Annex 1, Table 1, Indicator number 7				-

Paragraph and corresponding Disclosure Requirement.	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page number
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ESRS 2 IRO-1 — E4 paragraph 16, letter c	Annex 1, Table 2, Indicator number 14				-
ESRS E4-2 Sustainable land / agriculture practices or policies, paragraph 24, letter b	Annex 1, Table 2, Indicator number 11				-
ESRS E4-2 Sustainable oceans / seas practices or policies, paragraph 24, letter c	Annex 1, Table 2, Indicator number 12				-
ESRS E4-2 Policies to address deforestation, paragraph 24, letter d	Annex 1, Table 2, Indicator number 15				-
ESRS E5-5 Non-recycled waste, paragraph 37 (d)	Annex 1, Table 2, Indicator number 13				199
ESRS E5-5 Hazardous waste and radioactive waste, paragraph 39	Annex 1, Table 1, Indicator number 9				199
ESRS 2 – SBM3 – S1 Risk of incidents of forced labor, paragraph 14, letter f	Annex 1, Table 3, Indicator number 13				201
ESRS 2 – SBM3 – S1 Risk of incidents of child labor, paragraph 14, letter g	Annex I, Table 3, indicator no. 12				201
ESRS S1-1 Human rights policy commitments, paragraph 20	Annex 1, Table 3, Indicator number 9 and Annex 1, Table 1, Indicator number 11				202
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		202
ESRS S1-1 processes and measures for preventing trafficking in human beings, paragraph 22	Annex 1, Table 3, Indicator number 11				202
ESRS S1-1 workplace accident prevention policy or management system, paragraph 23	Annex 1, Table 3, Indicator number 1				202
ESRS S1-3 Grievance/complaints handling mechanisms, paragraph 32 (c)	Annex I, Table 3, indicator no. 5				204
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		222
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness, paragraph 88 (e)	Annex I, Table 3, Indicator no. 3				222
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		223
ESRS S1-16 Excess pay gap in favor of the CEO, paragraph 97 b)	Annex I, Table 3, Indicator no. 8				223
ESRS S1-17 Incidents related to discrimination, paragraph 103 a)	Annex I, Table 3, Indicator no. 7				224
ESRS S1-17 Failure to observe the United Nations Guiding Principles on Business and Human Rights and OECD, paragraph 104, letter a)	Annex 1, Table 1, Indicator number 10 and Annex 1, Table 3, Indicator number 14		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818		224
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 no. 12 and 13				225
ESRS S2-1 Human rights policy commitments, paragraph 17	Annex 1, Table 3, Indicator number 9 and Annex 1, Table 1, Indicator number 11				226
ESRS S2-1 Policies related to value chain workers, paragraph 18	Annex I, Table 3, indicators no. 11 and 4				226
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		226
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		226
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				224

Paragraph and corresponding Disclosure Requirement.	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page number
ESRS S3-1 Human rights policy commitments, paragraph 16	Annex 1, Table 3, Indicator number 9 and Annex 1, Table 1, Indicator number 11				230
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		230
ESRS S3-4 Human rights issues and incidents, paragraph 36	Annex I, Table 3, Indicator no. 14				224
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 number 11				237
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		237
ESRS S4-4 Human rights issues and incidents, paragraph 35	Annex I, Table 3, Indicator no. 14				224
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		254
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2. ENVIRONMENTAL DISCLOSURES

EU Taxonomy

Methodological note for the European Taxonomy

The European Taxonomy, introduced by Regulation (EU) 2020/852 and its delegated acts, represents the classification system adopted by the European Union to identify economic activities considered environmentally sustainable from an environmental perspective.

The section illustrates the activities of the TIM Group within this regulatory framework and assesses their contribution to one or more of the six environmental objectives defined by the EU:

- climate change mitigation;
- climate change adaptation;
- sustainable use and protection of water and marine resources;
- transition to a circular economy;
- prevention and reduction of pollution;
- protection and restoration of biodiversity and ecosystems.

An economic activity is considered "aligned" with the Taxonomy and therefore sustainable if it jointly meets the following conditions:

- contributes substantially to at least one of the six environmental objectives;
- does not cause significant damage to the other objectives (Do No Significant Harm principle – DNSH);
- is carried out in compliance with the Minimum Safeguard Guarantees in the area of human rights and responsible business conduct;
- complies with the Technical Screening Criteria (TSC) defined by the European Commission.

During 2025, the European Commission adopted Delegated Regulation (EU) 2026/73, which entered into force on January 1, 2026, introducing measures aimed at simplifying the classification system for economic activities and sustainable investments and reducing the administrative burden for businesses.

For the 2025 financial year, in continuity with the previous financial year and in accordance with the legislation applicable in the reference period, the TIM Group has prepared the disclosure relating to the European Taxonomy referring to Regulation (EU) 2021/2178, Delegated Regulation (EU) 2021/2139 and Delegated Regulation (EU) 2023/2486, in the version applicable as of December 31, 2025.

Therefore, the TIM Group conducted the analysis of eligibility and alignment of its activities with reference to all six environmental objectives. The analysis was carried out with respect to the environmental reporting perimeter and includes the relevant economic activities that belong to the following group companies: TIM S.p.A., Noovle S.p.A., Olivetti S.p.A., Telecom Italia Sparkle S.p.A. and TIM S.A.

The scope of eligibility of the TIM Group

The identification of eligible activities¹ under the EU Taxonomy was divided into four **phases**:

- preliminary analysis of the Group's business model and comparison with the classification of sustainable economic activities required by law;
- identification of potentially eligible activities;
- validation through the involvement of the competent company functions;
- formalization of the process and collection of evidence through the Group's ESG platform.

At the end of the analysis, **16 categories of eligible activities were mapped**, comprising **50 projects**.

The following table shows the summary of the activities included in the perimeter of eligibility, with the indication of:

- the title of the economic activity as defined by the EU Taxonomy Regulation;
- the description of the activities carried out by the Group attributable to this definition;
- the reference environmental objective;
- the group companies that carry out the activity.

Environmental objectives are indicated by the following acronyms: CCA – Adaptation to climate change; CCM – Climate change mitigation; WTR – sustainable use and protection of water and marine resources; CE – Transition to a circular economy.

¹ Activities that are among those listed in the Delegated Acts of the Taxonomy, regardless of whether they are actually aligned with the technical criteria.

Economic activity	Description of TIM activities	Objective	Company
4.1 Power generation by photovoltaic solar technology	■ Management of distributed generation plants for the production of renewable electricity from solar sources: the activity includes the production of electricity from owned photovoltaic systems, installed on company sites and mainly intended for self-consumption. The plants are part of a distributed generation system that contributes to covering the operational energy needs of offices, mobile networks and data centers.	CCM	TIM S.A.
4.5 Power generation from hydropower	■ Management of distributed generation plants for the production of renewable electricity from hydroelectric sources: the activity includes the production of electricity from owned hydroelectric plants, mainly intended for the self-consumption of the Group's operating sites. The plants contribute to covering the company's energy needs for offices, mobile networks and data centers.	CCM	TIM S.A.
4.8 Power generation from bioenergy	■ Management of distributed generation plants for the production of renewable electricity from biomass: the activity includes the production of electricity from biomass plants owned, mainly intended for the self-consumption of the Group's operating sites. The plants contribute to meeting the energy needs of offices, mobile networks and data centers	CCM	TIM S.A.
4.16 Installation and operation of electric heat pumps	■ Installation of heat pumps for the reuse and recovery of waste heat: the activity concerns the installation and management of electric heat pumps at the Rozzano data centers, aimed at recovering the thermal energy generated by IT equipment. The system makes it possible to reuse the heat recovered by feeding it into the district heating network for civil and industrial uses and for the production of cooling energy intended for the cooling of IT rooms, contributing to the improvement of overall energy efficiency and the reduction of primary energy consumption.	CCM	Noovle S.p.A.
4.25 Heat/cold production using waste heat	■ Recovery and transfer of waste heat from the Rozzano data centers for reuse in district heating: the activity concerns the recovery of the thermal energy generated by the server rooms of the Rozzano data centers and its transfer to a third-party energy operator for supply to the district heating network. The heat produced by IT equipment is captured and enhanced through the use of heat exchangers and heat pumps, which allow it to rise in temperature and be transferred to the network in the form of hot water, allowing the reuse of heat energy otherwise dispersed.	CCM	Noovle S.p.A.
4.30 High-performance cogeneration of heat/cold and electricity from gaseous fossil fuels	■ Management and maintenance of high-performance cogeneration plants in the Padova and Bologna data centers: the activity concerns the operational management of high-efficiency cogeneration (CAR) plants powered by natural gas, installed at the data centers in Padua and Bologna. The plants are intended for the combined production of electricity, heat and cooling to serve IT infrastructures, contributing to the coverage of the energy needs of the sites through an integrated use of primary energy, in line with the efficiency requirements for high-performance cogeneration. Overall, the following are installed: • two plants at the Bologna data center (2,019 kW and 860 kW); • a plant at the Padua data centers (2,019 kW).	CCM	TIM S.p.A.
	■ Management of high-performance cogeneration plants at Data Centers in Acilia, Pomezia and Rozzano: the activity concerns the operational management of high-efficiency cogeneration (CAR) plants powered by natural gas, installed at several Group data centers, including Acilia, Pomezia and Rozzano. The plants are intended for the combined production of electricity, heat and cooling to serve IT infrastructures, contributing to the coverage of the energy needs of the sites through an integrated use of primary energy, in line with the efficiency requirements for high-performance cogeneration. Overall, the following are installed: • a plant at the data centers in Acilia (1,560 kW); • two plants at the Pomezia data center (1,800 kW each); • three plants at the Rozzano data center (2,019 kW, 2,300 kW and 1,000 kW).	CCM	Noovle S.p.A.
4.31 Heat/cold production from gaseous fossil fuels in an efficient district heating and cooling system	■ High-performance cogeneration for the production of electricity and heat for district heating: the activity concerns the combined production of electricity and heat through a high-performance cogeneration plant installed at the Rozzano data centers. The heat recovered from the cogeneration process is transferred to a third-party energy operator for input into the district heating network. Thermal energy is captured and enhanced through exchange systems and heat pumps managed by the operator, which allow it to be converted into useful heat for civil and industrial uses.	CCM	Noovle S.p.A.
5.1 Construction, expansion and management of water collection, treatment and supply systems	■ Expansion of the water monitoring system for the measurement of the water efficiency of the data centers: the activity concerns the extension and completion of the water consumption measurement systems at the owned data centers, in order to monitor the main points of water use in a timely manner. The intervention allows the structured detection of the water volumes used in cooling processes and supports the calculation of the Water Usage Effectiveness (WUE) indicator, contributing to the improvement of efficiency in the use of water resources and the reduction of waste.	CCM	Noovle S.p.A.
7.3 Installation, maintenance and repair of energy efficiency devices	■ Maintenance and modernization of data centers: the activity includes both ordinary and extraordinary maintenance interventions, as well as technological modernization interventions on the industrial plants serving the Group's data centers, including uninterruptible power supplies (UPS), refrigeration units, batteries, generators and auxiliary systems. • Routine and extraordinary maintenance interventions are aimed at preserving the functionality and performance of the plants over time, through repair activities, replacement of components, and restoration of optimal operating conditions, ensuring continuity of service and reliability of IT infrastructures. • Plant modernization interventions, on the other hand, concern the planned replacement of obsolete or end-of-life components with more technologically efficient solutions, with the aim of improving the energy performance of the data centers, reducing the risk of failure and optimizing the use of resources.	CCM	Noovle S.p.A.

Economic activity	Description of TIM activities	Objective	Company
8.1 Data processing, hosting and related activities	■ Provision of Cloud IaaS services in partnership with hyperscaler: the activity concerns the supply of data processing, hosting and digital infrastructure services provided through Public Cloud platforms, in collaboration with international suppliers (hyperscalers). TIM operates as a qualified partner, integrating and managing Infrastructure as a Service (IaaS) services that allow customers to use computational resources, storage, and network resources in a scalable and remote manner, without the need for physical infrastructure at their premises. The business includes managed and unmanaged services, including configuration, security, monitoring and optimization of digital assets. ■ Provision of Cloud Services and Data Protection through TIM Data Centers: the activity concerns the supply of services for data processing, hosting and information protection through the Group's own data centers, managed by Noovle. The services are delivered according to the Infrastructure as a Service (IaaS) model and allow customers to use computational resources, storage capacity, and data protection solutions in a virtualized and scalable way. The main services offered include backup, business continuity and systems recovery solutions. ■ Provision of cloud services in partnership with the Public Administration: the activity concerns the provision of application services in Software as a Service (SaaS) mode intended for Public Administration, provided through cloud infrastructures hosted in the Group's data centers, designed to ensure high standards of energy efficiency, cybersecurity, and operational continuity. The services allow the remote use of digital applications and platforms, without the need for local installations, contributing to the rationalization of IT infrastructures and a more efficient use of computational resources. Solutions include tools for information flow management, digital collaboration, and digitization of administrative processes. ■ Provision of Cloud Services for digital identity and electronic signature: the activity concerns the provision of digital services in cloud mode for the management of digital identity, electronic signatures, and the storage of electronic documents, provided by TIM and the subsidiary Trust Technologies, a qualified certification authority. The solutions include Certified Electronic Mail (PEC), digital identity (SPID), qualified electronic signature and compliant digital storage services, allowing businesses, citizens and Public Administrations to carry out online operations with legal validity, integrity and traceability. The services include the issuance, management and revocation of digital certificates, the secure management of cryptographic keys and authentication systems, as well as the protection and storage of information and digital transactions, through ICT infrastructures with high reliability and security. ■ Provision of cloud services in partnership for collaboration and data management applications: the activity concerns the provision of application solutions in Software as a Service (SaaS) mode, provided by TIM as a qualified partner of large international operators (hyperscalers) and local technology partners. The services allow companies and Public Administrations to use digital applications for collaboration, data management and process automation, without the need for their own IT infrastructures. Solutions include collaboration and productivity tools, customer relationship management (CRM) applications, and platforms for document management, data analysis, and digital workflows. The delivery takes place through centralized cloud infrastructures, which guarantee scalability, operational continuity, and high levels of security and service availability. ■ Provision of proprietary cloud services for the Public Administration: the activity concerns the provision of digital applications services in Software as a Service (SaaS) mode intended for Public Administration, provided through cloud infrastructures and data centers owned by the Group. The services enable the secure management, processing and transmission of digital data, ensuring business continuity, information protection and systems reliability. The use of centralized and virtualized infrastructures favors the rationalization of public IT resources and the optimization of the use of computational capacities, in line with the criteria for high-efficiency digital infrastructures. ■ Supply of proprietary housing and colocation services for companies: the activity concerns the supply of infrastructural hospitality services at the data centers owned by the Group, which allow companies to place servers, network equipment and storage systems in dedicated, secure and high energy efficiency technological environments. Services include the provision of equipped spaces in protected data rooms, equipped with redundant power supply systems and efficient cooling, high-performance connectivity, continuous monitoring, access control and ancillary technical services. The use of centralized infrastructures allows a more efficient management of energy resources and a rationalization of IT infrastructures compared to solutions distributed at customer sites. ■ Provision of proprietary SaaS cloud services through TIM data centers: the activity concerns the provision of digital applications services in Software as a Service (SaaS) mode, provided through the data centers owned by the Group. The solutions allow companies and Public Administrations to use digital applications and platforms remotely, without the need for dedicated IT infrastructures at their offices. The services support the secure management of data, business continuity and reliability of IT systems, contributing to the digitization of processes and the rationalization of technological resources. The use of data centers designed according to energy efficiency criteria allows a more optimized management of consumption than distributed solutions, favoring a digital evolution consistent with environmental sustainability objectives. ■ Secure digitization of the Public Administration - National Strategic Hub: the activity concerns the design, implementation and management of the national digital infrastructure intended to support the technological transformation of the Italian Public Administration as part of the National Strategic Hub project, developed through a public-private partnership. The Temporary Grouping of Companies led by TIM, with the participation of industrial and institutional partners, is responsible for the construction and management of four new generation data centers located in the areas of Rome and Milan, intended to host Public Administration systems and applications. Services include hosting and housing, provision of infrastructure resources and digital platforms in Infrastructure as a Service (IaaS) and Platform as a Service (PaaS) mode, as well as migration and transformation of public information systems. The infrastructure is designed to high standards of security, resilience and energy efficiency, contributing to the rationalization of public IT infrastructures and the consolidation of existing data centers in technologically advanced environments.	CCM	TIM S.p.A.

Economic activity	Description of TIM activities	Objective	Company
8.1 Data processing, hosting and related activities	■ Migrating digital platforms to next-generation cloud infrastructures (Google Cloud and Oracle Cloud): the activity concerns the migration and modernization of business systems and applications towards cloud infrastructures with high energy efficiency, as part of strategic partnerships with international cloud service suppliers. The project involves the progressive transfer of applications and workloads from on-premises environments to scalable and virtualized cloud platforms, with the aim of streamlining IT infrastructure, improving business continuity, security, and overall system performance, as well as optimizing the use of computational resources. The activities include the migration of business applications to Google Cloud Platform and Oracle Cloud Infrastructure environments and, where applicable, the development and marketing of digital services based on these infrastructures. ■ Migration and technological upgrade of core network platforms on Group data centers infrastructures: the activity concerns the modernization and migration of central platforms for the management of mobile telephony services, such as charging and billing systems, towards infrastructures allocated in the Group's data centers and managed by Noovle. The intervention is aimed at overcoming technological obsolescence, aligning with new generation network architectures (5G Service Oriented), and improving service quality and continuity. Migrating to more efficient and virtualized infrastructure environments allows you to streamline the use of IT resources, improve security and operational reliability, and optimize energy consumption compared to distributed legacy systems. ■ Development of the Edge Cloud digital infrastructure for distributed data management: the activity concerns the design and implementation of an Edge Cloud digital infrastructure aimed at the distributed processing of data near the points of use, as an alternative to centralized models based on remote data centers. The initiative is part of the Important Project of Common European Interest in Cloud Infrastructure and Services (IPCEI CIS) and is developed in collaboration with leading European operators in the telecommunications sector, with the aim of contributing to the definition of a common technological framework and the creation of a federated European ecosystem of Edge Cloud services, in line with the principles of digital sovereignty and data security. The activities include research, development, and first industrial application of open source software solutions tested in operational environments, aimed at improving latency, resilience, and efficiency in the use of computational resources.	CCM	TIM S.p.A.
	■ Migrating TIM applications to cloud infrastructures with high energy efficiency: the activity concerns the migration of the Group's proprietary applications workloads, previously hosted on on-premise infrastructures, to cloud environments of international providers operating in European data centers characterized by high standards of energy efficiency. The initiative includes the progressive reallocation of business applications and systems on Google Cloud, Oracle Cloud Infrastructure, and Microsoft Azure platforms, with the aim of streamlining IT infrastructure, improving the scalability and resilience of systems, and optimizing the use of computational resources. ■ Replacement of data storage systems for the improvement of energy efficiency: the initiative provides for the replacement and consolidation of 50 obsolete data storage devices (storage equipment) with 26 new systems from the supplier "Pure Storage" characterized by higher performance and lower energy consumption. The data centers affected by the intervention are Cesano, Bologna, Padua, Oriolo and Pomezia. The operation makes it possible to optimize data storage capacity and reduce overall energy consumption in data centers by improving the efficiency of IT infrastructures. ■ Modernization and migration of IT systems for data centers efficiency: the activity includes technological updating and rationalization of IT infrastructures aimed at improving the energy efficiency and operational efficiency of the Group's data centers. In particular, three obsolete data storage systems were replaced with new high energy efficiency solutions at the Pomezia and Padua data centers, with the aim of reducing electricity consumption per unit of installed processing capacity. ■ The initiative also includes the migration of captive application workloads from the Naples data center to the Pomezia data center, characterized by more high-performing and flexible digital infrastructures, capable of dynamically optimizing the use of computational resources, memory and storage. The migration was carried out through controlled procedures, both through the physical transfer of equipment and through the migration of virtualized environments, ensuring the operational continuity of services. ■ Digital automation of business processes for operational efficiency: the activity concerns the development and implementation of workflow automation solutions for the digitization and integration of business processes, with particular reference to Operations and Asset Management activities of IT and network infrastructures. The solutions, delivered in Software as a Service (SaaS) mode, allow you to centralize and automate operational flows previously distributed on heterogeneous systems, improving the coordination of activities, process traceability and efficiency in the use of IT resources. Flow automation reduces operational redundancies and unnecessary processing cycles, contributing to the optimization of the use of IT infrastructures and, indirectly, to the reduction of energy consumption associated with digital systems.	CCM	Noovle S.p.A.
	■ Upgrading of power supply systems in the Palermo data centers: the activity concerns the modernization of the power supply systems of the Palermo data centers (Sicily Hub), by replacing existing uninterruptible power supply devices with new high efficiency uninterruptible power supply (UPS) units. The intervention is aimed at improving the energy efficiency of the power supply system and reducing electrical losses, while ensuring high levels of reliability and operational continuity of IT infrastructures. ■ Construction and installation of a new data room at the data centers in Milan: the activity concerns the construction of a new data room of about 125 m² at the Milan Malpaga data centers, intended for the provision of colocation services for operators in the digital sector. The intervention involved the installation of power supply, air conditioning, and wiring systems, designed to ensure energy efficiency, safety, and operational continuity. The new infrastructure allows the hosting of high-density IT equipment, ensuring reliability and optimization of energy consumption.	CCM	Sparkle S.p.A.
	■ Implementation and management of digital systems for remote control of civil and telecommunications infrastructures: the activity concerns the development and management of digital solutions based on connected sensors (IoT) and software platforms dedicated to remote monitoring and remote control of civil and network infrastructures. The systems allow the collection and analysis in real time of data relating to energy consumption, operating status and structural conditions, allowing timely interventions in the event of anomalies and reducing the need for on-site inspections and maintenance activities. In the case of critical infrastructure, such as railway bridges, structural and seismic sensors support continuous monitoring of safety conditions, contributing to more efficient management of operations and risk prevention.	CCM	Olivetti S.p.A.

Economic activity	Description of TIM activities	Objective	Company
8.1 Data processing, hosting and related activities (E1-3)	■ Environmental management of data centers: the activity concerns the adoption of environmental management systems and practices aimed at reducing energy consumption and the environmental impact associated with the processing, storage and transmission of data in the Group's data centers. The management is oriented to the continuous improvement of environmental performance through the structured monitoring of energy consumption, the use of efficiency indicators and the implementation of optimization interventions, with particular attention to air conditioning systems, the efficiency of technological infrastructures and the increase in supply from renewable sources. Data Centers operate in accordance with industry best practices and recognized environmental and safety standards, ensuring a balance between operational efficiency, service continuity, and sustainability.	CCM	TIM S.A.
8.2 Data-driven solutions for the reduction of greenhouse gas emissions	■ Digital services for environmental monitoring and intelligent land management: the initiative concerns the provision of digital solutions for the integrated management of the territory in the Smart City area, aimed mainly at public administrations. The services are based on internet of things (IoT) technologies, cloud platforms and advanced data analysis tools, including Artificial Intelligence algorithms, which allow the real-time collection and processing of environmental and infrastructure information. The solutions allow the monitoring of parameters such as traffic and mobility, parking availability, air quality, weather conditions, flows of people and vehicles and other indicators relevant to urban safety and territorial planning. ■ Solutions for monitoring and efficiency of energy consumption: the activity concerns the provision of digital solutions for the integrated management of the territory in the Smart City area, aimed mainly at public administrations. The services are based on internet of things (IoT) technologies, cloud platforms and advanced data analysis tools, including Artificial Intelligence algorithms, which allow the collection and real-time processing of environmental and infrastructure data. The solutions allow the monitoring of parameters such as traffic and mobility, parking availability, air quality, weather conditions, flows of people and vehicles and other indicators useful for urban planning and the management of public services.	CCM	TIM S.p.A.
	■ Digital system for optimizing the charging of electric vehicles in public transport: the activity concerns the development and implementation of a digital solution to support the charging management of electric buses used in the local public transport service in the city of Naples. The system allows the planning and optimization of charging operations on the basis of dwell times, service shifts and the operational needs of the different routes. Through energy management algorithms, the platform processes data on the status of vehicles and charging infrastructures in real time, assigning priority to vehicles based on energy needs and service programming. The solution is based on digital technologies and connected sensors (IoT) for the collection and integration of operational data from the fleet and charging stations, allowing dynamic management of charging sessions and more efficient use of the available infrastructures.	CCM	Olivetti S.p.A.
8.3 Programming and broadcasting activities	■ Dissemination of multimedia content through TIMVISION: the activity concerns the distribution and management of streaming audiovisual content through TIMVISION, the Group's digital entertainment service. Content is accessed and used through the MyCanal platform, developed and managed by Canal+, which acts as a user interface for navigation, content search, personalized recommendations and profile management. According to the contractual agreement, the platform is provided in "in service" mode, with operational management by the external provider; TIM does not exercise direct control or access to the internal systems of the platform ("black box" mode).	CCA	TIM S.p.A.
4.1 Provision of solutions based on IT/OT (information technologies/operational technologies) data for the reduction of losses	■ Implementation of digital system for remote monitoring of water resources in the Municipality of Belluno: the activity concerns the implementation of a digital supervision and control platform (SCADA) for the remote management and monitoring of the municipal water network, with the aim of reducing losses and improving the operational efficiency of the service. The system, funded under the NRRP, integrates intelligent peripheral devices and remote control units (RTUs) for the collection and real-time transmission of data along the network, allowing the timely detection of anomalies and malfunctions and supporting a more efficient management of water and energy resources.	WTR	Olivetti S.p.A.
5.3 Preparing for reuse of end-of-life products and product components	■ Use of regenerated devices for technical assistance services: the activity concerns the use of regenerated modems in assistance services for consumer and small business customers. Devices returned due to failure or termination of service undergo a structured process of selection, testing, repair, and updating at specialized centers, in order to ensure full functionality and safety for reuse. Regenerated equipment is reintroduced into the operating cycle as replacement equipment, contributing to the reduction of electronic waste and the lower use of new material resources, in line with the principles of the circular economy.	CE	TIM S.p.A.
	■ Recovery and reuse of disused electronic equipment of customers: The activity concerns the collection, regeneration, and reuse programs of the equipment provided to customers (modem, router, decoder) returned following the termination or inactivity of the service. The returned devices are subjected to inspection, functional tests, and software update to verify their suitability for reuse; compliant units are regenerated and re-entered into the operating cycle, contributing to the reduction of the demand for new equipment and electronic waste. Non-reusable equipment is instead sent for treatment and recycling at authorized plants, in compliance with environmental legislation ■ Recovery and reuse of used mobile devices: The initiative promotes the collection of used smartphones through trade-in programs that allow customers to return their device in exchange for discounts on the purchase of new models. The collected devices are subjected to technical verification, secure deletion of data and, where necessary, to regeneration and replacement of components, in order to certify their suitability for reuse and return them to the market, contributing to the reduction of electronic waste and the extension of the life cycle of the products.	CE	TIM S.A.

Economic activity	Description of TIM activities	Objective	Company
5.4 Sale of second-hand goods	■ Disposal and resale of unused and obsolete network equipment: the initiative concerns the disposal and enhancement of technological equipment no longer used in the process of modernizing network infrastructure. End-of-life equipment – including routers, switches and servers – are selected and, where appropriate, reintroduced to the market for reuse, contributing to the reduction of electronic waste and the enhancement of assets. The activity also allows you to optimize physical spaces and infrastructure management costs, including those in colocation.	CE	TIM S.p.A.
	■ Supply of refurbished toner cartridges for the Public Administration (Consip): the initiative concerns the supply of refurbished toner cartridges as part of Consip tenders for the Public Administration, with the commitment that at least 30% of the supplies consist of refurbished products. The spent cartridges are recovered, subjected to cleaning, technical verification, possible replacement of worn components and refilling of the toner, to be reintroduced into the production cycle. The activity contributes to the reduction of waste and the consumption of raw materials, favoring the extension of the life cycle of the products. ■ Sale of refurbished multifunction printers: the initiative concerns the marketing, through the network of authorized Olivetti dealers, of multifunction printers subjected to regeneration processes. The equipment is checked, cleaned, repaired, and equipped with replacement components where necessary, to ensure its correct operation and compliance with quality standards. The activity allows to extend the life cycle of the devices, reducing the production of electronic waste and the need for new resources.	CE	Olivetti S.p.A.
5.5 Product-as-a-service and other service models geared towards circular use and results	■ Rental of mobile devices: the initiative concerns the rental of mobile devices to Small Business customers under dedicated contracts, including connectivity via TIM SIM. At the end of the contract period, the devices are returned to the Group for status verification and possible regeneration or reuse, favoring the extension of the life cycle of the equipment and the reduction of electronic waste. ■ Loan for use of modem for access to the FWA network: The initiative provides for the granting on loan for use of modems necessary for access to broadband connectivity services through fixed wireless access (FWA) technology, in indoor and outdoor configuration. The devices remain the property of TIM and, at the end of the contract, are returned for verification, regeneration or reuse, favoring the extension of the life cycle of the equipment and the reduction of electronic waste.	CE	TIM S.p.A.

Verification of compliance with the Minimum Safeguard Guarantees

The verification of compliance with the Minimum Safeguard Guarantees is an integral phase of the process of assessing the alignment of its economic activities with the EU Taxonomy. The analysis constitutes a cross-cutting and preliminary condition with respect to the verification of the technical criteria of substantial contribution and the DNSH principle. The positive outcome of this evaluation allows the eligible activities to be considered as potentially aligned, where the additional requirements provided for by the Regulation are also met.

Specifically, in this phase, it is verified that the activities are carried out in accordance with the main international reference standards on human rights, labor, and responsible business conduct, including the OECD Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights, and the fundamental principles of the International Labour Organization (ILO). The commitment translates into a structured system of policies, procedures, and internal controls aimed at preventing risks of non-compliance and promoting ethical and responsible behavior in all Group activities and along the value chain.

Human Rights

The Group protects the fundamental rights of individuals through:

- membership of the United Nations Global Compact;
- adoption of a human rights Policy, applied to employees, partners and suppliers, covering issues such as forced and child labor, non-discrimination, freedom of association, pay equity, health and safety;
- integration of these principles into the Code of Ethics and governance tools;

In Brazil, TIM S.A. strengthens its commitment through the Social Responsibility Policy.

Corruption prevention

The Group protects the fundamental rights of individuals through:

- membership of the United Nations Global Compact;
- adoption of a human rights Policy, applied to employees, partners and suppliers, covering issues such as forced and child labor, non-discrimination, freedom of association, pay equity, health and safety;
- integration of these principles into the Code of Ethics and governance tools;

In Brazil, TIM S.A. strengthens its commitment through the Social Responsibility Policy.

Responsible taxation

The Group's tax approach is based on transparency and collaboration with the authorities, through:

- a tax strategy (TIM Tax Strategy) based on fairness and compliance with regulations;
- a tax risk management system with defined responsibilities;

- the involvement of management and the supervision of the Board of Directors;
- periodic checks and reviews of control measures;
- Audit in accordance with Brazilian and international standards by TIM S.A.

Fair competition

The Group operates in compliance with market and competition rules through a dedicated compliance framework that includes:

- an Antitrust Code of Conduct approved by the Board of Directors;
- an Antitrust Compliance Program aimed at employees and functions most exposed to competitive risks;
- periodic training activities and awareness-raising initiatives on competition topics;
- control devices and reporting mechanisms.

In Brazil, the adoption by TIM S.A. of the Competition Defence Policy, which regulates the behaviors to be adopted in relations with competitors, customers and authorities, in line with local legislation.

Verification of alignment of technical screening criteria and DNSH

Following the identification of the activities eligible for the European Taxonomy, the TIM Group has prepared a structured process to evaluate the possible alignment of its economic activities.

The analysis, carried out with the involvement of the competent technical functions and, where necessary, of third parties that collaborate with the Group in the management of economic activities, has made it possible to ascertain, through the timely verification of the technical screening criteria and compliance with the "Do No Significant Harm" (DNSH) principle, which activities are already fully compliant with the requirements of European legislation and to identify, at the same time, the areas subject to initiatives aimed at the progressive strengthening of alignment.

In 2025, three economic activities aligned with the European Taxonomy were identified, as defined below:

4.16 - Installation and operation of electric heat pumps;

4.25 - Heat/cold production using waste heat;

8.1 Data processing, hosting and related activities.

Since Activities 4.16 and 4.25 are carried out on the same site and partly use the same technical infrastructures, some DNSH audits were conducted in a coordinated manner, while still complying with the specific criteria established for each activity. In particular, the criteria relating to Adaptation to climate change and Transition to a circular economy, which are common to both activities, were assessed through a single analysis, broken down according to the requirements of the respective activities.

The Pollution Prevention and Reduction DNSH criterion is also applicable to both activities. The checks, however, were conducted separately as the technical requirements and compliance parameters required by the legislation differ depending on the specific type of intervention.

However, some additional DNSH criteria provided for by the legislation remain specific to each activity. In particular, for activity 4.16 the criterion relating to the Sustainable Use and Protection of Waters and Marine Resources applies, while for activity 4.25 the criterion relating to the Protection and Restoration of Biodiversity and Ecosystems applies.

With reference to activity 4.16, the activity was considered aligned with the European Taxonomy as the installation of the electric heat pump system, within a data center that meets sustainability criteria, provides a contribution to the climate change mitigation objective and complies with the "Do No Significant Harm" (DNSH) principle provided for by the applicable legislation.

Specifically, it was verified that the Rozzano data center has an overall low level of climate vulnerability, also thanks to the adaptation project measures adopted. This conclusion derives from a specific analysis of climate risks that highlighted low or medium exposures, mainly related to extreme heat and water stress events, being consistent with the DNSH related to adaptation to climate change.

It has also been ascertained that, at the Rozzano data centers, the exercise of the activities does not involve significant withdrawals of water resources or significant alterations in the quality or temperature of surface or groundwater, in accordance with the DNSH relating to the Sustainable Use and Protection of Waters and Marine Resources.

The verification carried out on the site also concerned the adoption of a structured end-of-life waste management plan, as well as the evaluation of the durability, recyclability, demountability, and possibility of requalification of electric heat pumps, resulting in line with the requirements of the DNSH criterion relating to the transition to a circular economy.

Activity 4.25 is also aligned with the European Taxonomy as it has been ascertained that the heat and cold production system by waste heat recovery allows the enhancement of the thermal energy generated by IT infrastructures and meets the criteria of substantial contribution to the climate change mitigation objective, in compliance with the DNSH principle provided for by the applicable legislation.

In addition to the checks common to activity 4.16 already described in terms of adaptation to climate change, sustainable use of water, and transition to the circular economy, as they refer to the same site, the compliance of the heat and cold production plant with eco-sustainable design criteria, energy efficiency, and adoption of the best available technologies for heat and circulation pumps was verified. This verification confirmed compliance with the DNSH on Pollution Prevention and Reduction. Finally, the Environmental Impact Assessment (EIA) procedure was carried out, aimed at verifying and mitigating the potential environmental impact of the intervention, in line with the DNSH concerning the protection and restoration of biodiversity and ecosystems.

Activity 8.1 – Data processing, hosting and related activities was also considered aligned with the European Taxonomy, limited to the Group's specific initiative "Digital automation of business processes for operational efficiency". The initiative involves the

adoption of a cloud-based digital workflow automation platform (Software as a Service – SaaS), aimed at digitizing internal infrastructure and operations management processes, including Asset Management. Implementing the platform allows you to streamline processing cycles, reduce operational errors, and optimize the use of IT resources.

For this initiative and its related infrastructure scope, compliance with the requirements for a substantial contribution to the climate change mitigation objective has been verified, thanks to the use of energy-efficient digital infrastructure, as well as compliance with the “Do No Significant Harm” (DNSH) principle set forth in the applicable regulations.

In particular, it was verified that the business is based on data processing and hosting services provided through data centers of selected suppliers. The facilities offer high standards of energy efficiency and sustainability, adhere to the European Code of Conduct on Energy Efficiency for data centers, have been subjected to audits by third-party bodies in the last three years, and use refrigerants with a Global Warming Potential (GWP) of less than 675.

Analyses were conducted on the data centers to assess the level of exposure to physical risks related to climate and the adequacy of the related management measures, in line with the DNSH criterion relating to adaptation to climate change.

Water risk analyses were also carried out at the sites concerned in order to ascertain the absence of significant impacts on water resources, in line with the DNSH criterion relating to the sustainable use and protection of water and marine resources.

Finally, the Data Centers' adoption of end-of-life waste management plans was verified, aimed at maximizing the reuse, remanufacturing, and recycling of installed equipment, in line with the DNSH criterion relating to the Transition to a Circular Economy.

During the year, TIM also **embarked on a structured and progressive process** to ensure compliance with the requirements **necessary for alignment** with the additional activities mapped by the European Taxonomy, with particular attention to activities related to the Group's core business, **including activity 8.1** - Data processing, hosting, and related activities.

In this context, an extensive climate risk analysis was conducted across all of the TIM Group's physical assets relevant to the provision of digital and infrastructure services, including data centers and key technological infrastructures located in Italy and Brazil. The analysis was aimed at strengthening the monitoring of the DNSH principle with reference to the objective of Adaptation to Climate Change and to ensure a homogeneous and comparable assessment of physical risks across the entire operational perimeter.

At the same time, in order to meet the technical screening criteria of activity 8.1, in 2025 independent bodies carried out on-site audits at the Group's main data centers within the framework of the European Code of Conduct for the energy efficiency of data centers, with a positive outcome for 11 sites. Audits and technical verification activities represent an evolutionary step aimed at creating the conditions for a progressive expansion of the scope of activities 8.1 potentially alignable with the European Taxonomy in the coming years, through a gradual process of adaptation and formalization of the requirements set out in the legislation.

The checks are part of a broader process to strengthen the technical, organizational and documentary oversight of the Group's data centers. The objective also for future years is to systematically consolidate evidence relating to energy efficiency, refrigerant management, consumption monitoring, and other environmental safeguards relevant to the substantial contribution criteria and DNSH.

Criteria for calculating the required KPIs for eligible and aligned activities

The EU Taxonomy legislation requires companies to report specific key performance indicators (KPIs) — Turnover, CapEx and OpEx — with the aim of representing the degree of exposure of the Group's economic activities to environmentally sustainable activities. The indicators allow us to understand to what extent revenues, investments and operating expenses are associated with activities within the scope of the Taxonomy (eligible) and, among these, those that meet the technical criteria provided for by the Regulation (aligned).

The accounting criteria adopted by the Group for the calculation of KPIs, defined in accordance with the provisions of Annex I of Delegated Regulation (EU) 2021/2178 and consistent with the accounting standards applied in the consolidated financial statements, are described below.

KPI	Description	References to the Consolidated Financial Statements
Turnover	- The numerator is represented by the net revenues associated with the sale of Group products and services related to activities eligible and/or aligned with the EU Taxonomy, as specified in point 1.1.1 of the Delegated Act. - The denominator corresponds to the item "Revenues" of the consolidated statement of comprehensive income for the year 2025, prepared in accordance with IAS 1, paragraph 82(a).	Note 26: Revenues
CapEx	- The numerator represents the share of capital expenditure recorded in the assets of the consolidated financial statements referring to eligible activities, identified according to the criteria of point 1.1.2.2 of the Delegated Act. - The denominator includes the increases in tangible and intangible assets for the year, considered before depreciation, impairment losses and revaluations, including the effects of revaluations and reductions in value and excluding those deriving from changes in fair value. Increases resulting from business combinations are also included.	Note 5, 6 and 7: Intangible assets with finite useful life, tangible assets and rights of use assets
OpEx	- The numerator represents the share of operating expenses referring to eligible activities, identified according to the criteria of point 1.1.3.2 of the Delegated Act. In order to avoid double counting phenomena, only expenses directly attributable to activities complying with the criteria of the Taxonomy have been included. - The denominator includes the total operating expenses defined by point 1.1.3.1 of the Delegated Deed, consisting of non-capitalized direct costs related to research and development, building renovations, short-term leases, maintenance and repair, as well as other direct expenses related to the ordinary maintenance of property, plant and equipment.	The OpEx defined by the EU Taxonomy differs from that reported in the consolidated financial statements, as it includes only specific categories of direct costs of maintenance and repair of tangible assets; therefore, a timely reconciliation with the income statement items is not possible.

The data relating to turnover, operating expenses and share capital expenses for eligible activities aligned with the Taxonomy, used for the calculation of KPIs, was extracted from the general and analytical accounting systems of the Group's consolidated companies. Where it was not possible to identify the economic amounts in a timely manner, management estimates were used. Where necessary, the data have been adjusted to ensure full compliance with IFRS adopted in the consolidated financial statements of the TIM Group, including appropriate consolidation eliminations, such as intra-group transactions and elimination of internal profits.

Composition of Revenue KPI		
Economic Activity	Description	Economic Amounts (€k)
Aligned Activities		
CCM 4.25	Heat/cold production using waste heat	55.00
Aligned Turnover		55 €k
Eligible Activities		
CCM 4.31	Production of heat or cold from gas-fired cogeneration or trigeneration plants for efficient district heating and cooling networks	55.00
CCM 8.1	Data processing, hosting and related activities	814,360.00
CCM 8.2	Data-driven solutions for reducing greenhouse gas emissions	14,823.00
WTR 4.1	Provision of solutions based on IT/OT (information technology/operational technologies) data for the reduction of losses	177.00
CE 5.4	Sale of second-hand goods	337.00
CE 5.5	Rental of mobile devices	3,725.00
Eligible Turnover		83,3477 €k

Composition of the CapEx KPI		
Economic Activity	Description	Economic Amounts (€k)
Eligible Activities		
CCM 4.30	High-performance cogeneration of heat/cold and electricity from gaseous fossil fuels	729.70
CCM 5.1	Construction, expansion and management of water collection, treatment and supply systems	247.80
CCM 7.3	Installation, maintenance and repair of energy efficiency devices	12,000
CCM 8.1	Data processing, hosting and related activities	65,556.03
CCM 8.2	Data-driven solutions for reducing greenhouse gas emissions	150.00
CE 5.5	Rental of mobile devices	11,260.57
Eligible share capital expenditures		89.944,1 €k

OpEx KPI Composition		
Economic Activity	Description	Economic Amounts (€k)
Aligned Activities		
CCM 4.16	Installation and operation of electric heat pumps	215.80
CCM 4.25	Heat/cold production using waste heat	215.80
CCM 8.1	Data processing, hosting and related activities	3,350.00
Aligned operating expenses		3781,6 €k
Eligible Activities		
CCM 4.1	Power generation by photovoltaic solar technology	29,909.86
CCM 4.5	Production of electricity from hydroelectric sources	5,830.63
CCM 4.8	Production of electricity from bioenergy	2,971.76
CCM 4.30	Efficient combined production of electricity and heat from fossil gases (high-performance cogeneration)	339.50
CCM 4.31	Production of heat or cold from gas-fired cogeneration or trigeneration plants for efficient district heating and cooling networks	215.80
CCM 7.3	Installation, maintenance and repair of energy efficiency devices	5,913.00
CCM 8.1	Data processing, hosting and related activities	54,363.00
CCA 8.3	Programming and broadcasting activities	5,340.00
CE 5.3	Preparing for reuse of end-of-life products and product components	5,299.28
CE 5.4	Sale of second-hand goods	77.00
Eligible operating expenses		110.259,83 €k

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 2025

2025 financial year	2025			Criteria for substantial contribution						DNSH ("Do No Significant Harm") criteria									
Economic activities	Code	Turnover	Share of turnover, year 2025	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 2025	Enabling activity category	Transition al activity category
Text		€k	%	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)																			
4.25 Heat or cold production by waste heat recovery	CCM 4.25	55.00	0.004%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	%		
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)		55.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	Yes	Yes	Yes	Yes	Yes	Yes		0.00%		
Of which enabling		—	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	No	No	No	No	No	0.00%				
Of which transitional		—	0.00%	0.00%							No	No	No	No	No		0.00%		
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 Digital solutions for reducing water losses	WTR 4.1	177.00	0.00%	N/EL	N/EL	EL	N/EL	N/EL	N/EL										
4.31 Production of heat or cold from gas-fired cogeneration or trigeneration plants for efficient district heating and cooling networks	CCM 4.31	55.00	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
5.4. Sale of second-hand goods	CE 5.4	337.00	0.00%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
5.5 Usage models and services based on the circular economy	CE 5.5	3,725.00	0.03%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
8.1 Data processing, hosting and related activities	CCM 8.1	814,360.00	5.93%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
8.2 Data-driven solutions for reducing greenhouse gas emissions	CCM 8.2	14,823.00	0.11%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Turnover from activities eligible for the taxonomy but not environmentally sustainable (activities not taxonomy-aligned) (A.2)		833,477.00	6.07%	6.04%	0.00%	0.00%	0.00%	0.03%	0.00%										
A. Turnover of activities eligible for the taxonomy (A.1 + A.2)		833,532.00	6.07%	6.04%	0.00%	0.00%	0.00%	0.03%	0.00%										
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																			
Turnover of activities not eligible for taxonomy		12,900,825.00	93.93%																
Total		13,734,357.00	100.00%																

	Share of turnover/Total turnover	
	Aligned with taxonomy by objective	Eligible for taxonomy by objective
CCM	0.00%	6.04%
CCA	0.00%	0.00%
WTR	0.00%	0.00%
CE	0.00%	0.03%
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 2025

2025 financial year	2025			Criteria for substantial contribution						DNSH ("Do No Significant Harm") criteria										
Economic activities	Code	CapEx	Share of CapEx, 2025	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, 2024	Enabling activity category	Transition al activity category	
Text		€k	%	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)		0.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	No	No	No	No	No	No		0.00%			
Of which enabling		0.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	No	No	No	No	No	No		0.00%			
Of which transitional		0.00	0.00%	0.00%						No	No	No	No	No	No		0.00%			
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											
4.30 Efficient combined production of electricity and heat from fossil gases (high-performance cogeneration)		CCM 4.30	729.70	0.03%	EL	N/EL	N/EL	N/EL	N/EL							N/EL				
5.1 Monitoring water consumption in data centers		CCM 5.1	247.80	0.01%	EL	N/EL	N/EL	N/EL	N/EL							N/EL				
5.5 Usage models and services based on the circular economy		CE 5.5	11,260.57	0.45%	N/EL	N/EL	N/EL	N/EL	EL							N/EL				
7.3. Installation, maintenance and repair of energy efficiency devices		CCM 7.3	12,000.00	0.48%	EL	N/EL	N/EL	N/EL	N/EL							N/EL				
8.1 Data processing, hosting and related activities		CCM 8.1	65,556.03	2.62%	EL	N/EL	N/EL	N/EL	N/EL							N/EL				
8.2 Data-driven solutions for reducing greenhouse gas emissions		CCM 8.2	150.00	0.01%	EL	N/EL	N/EL	N/EL	N/EL							N/EL				
CapEx of activities eligible for the taxonomy but not environmentally sustainable (activities not taxonomy-aligned) (A.2)		89,944.10	3.60%	3.15%	0.00%	0.00%	0.00%	0.00%	0.45%							0.00%				
A. CapEx of taxonomy-eligible for activities (A.1 + A.2)		89,944.10	3.60%	3.15%	0.00%	0.00%	0.00%	0.00%	0.45%							0.00%				
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																				
CapEx of activities not eligible for taxonomy		2,410,895.90	96.40%																	
Total		2,500,840.00	100.00%																	

	Share of CapEx/Total CapEx	
	Aligned with taxonomy by objective	Eligible for taxonomy by objective
CCM	0.00%	3.15%
CCA	0.00%	0.00%
WTR	0.00%	0.00%
CE	0.00%	0.45%
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 2025

2025 financial year	2025			Criteria for substantial contribution						DNSH ("Do No Significant Harm") criteria									
Economic activities	Code	OpEx	Share of OpEx, 2025	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, 2024	Enabling activity category	Transition al activity category
Text		€k	%	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)																			
4.16 Installation and operation of electric heat pumps	CCM 4.16	215.80	0.01%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.00%		
4.25 Heat or cold production by waste heat recovery	CCM 4.25	215.80	0.01%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.00%		
8.1 Data processing, hosting and related activities	CCM 8.1	3,350.00	0.21%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.00%		T
Operating expenses of environmentally sustainable activities (taxonomy-aligned) (A.1)		3,781.60	0.24%	0.24%	0.00%	0.00%	0.00%	0.00%	0.00%	Yes	Yes	Yes	Yes	Yes	Yes		0.00%		
Of which enabling		0.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	No	No	No	No	No	No		0.00%		
Of which transitional		3,350.00	0.21%	0.21%						Yes	Yes	Yes	Yes	Yes	Yes		0.00%		

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 Photovoltaic Solar Technology	CCM 4.1	29,909.86	1.87%	EL	N/EL	N/EL	N/EL	N/EL	N/EL		
4.5 Production of electricity from hydroelectric sources	CCM 4.5	5,830.63	0.37%	EL	N/EL	N/EL	N/EL	N/EL	N/EL		
4.8 Production of electricity from bioenergy	CCM 4.8	2,971.76	0.19%	EL	N/EL	N/EL	N/EL	N/EL	N/EL		
4.30 Efficient combined production of electricity and heat from fossil gases (high-performance cogeneration)	CCM 4.30	339.50	0.02%	EL	N/EL	N/EL	N/EL	N/EL	N/EL		
4.31 Production of heat or cold from gas-fired cogeneration or trigeneration plants for efficient district heating and cooling networks	CCM 4.31	215.80	0.01%	EL	N/EL	N/EL	N/EL	N/EL	N/EL		
5.3 Preparing for reuse of end-of-life products and product components	CE 5.3	5,299.28	0.33%	N/EL	N/EL	N/EL	N/EL	EL	N/EL		
5.4. Sale of second-hand goods	CE 5.4	77.00	0.00%	N/EL	N/EL	N/EL	N/EL	EL	N/EL		
7.3. Installation, maintenance and repair of energy efficiency devices	CCM 7.3	5,913.00	0.37%	EL	N/EL	N/EL	N/EL	N/EL	N/EL		
8.1 Data processing, hosting and related activities	CCM 8.1	54,363.00	3.41%	EL	N/EL	N/EL	N/EL	N/EL	N/EL		
8.3 Programming and transmission of radio and television and multimedia content	CCA 8.3	5,340.00	0.33%	N/EL	EL	N/EL	N/EL	N/EL	N/EL		
Operating expenses of activities eligible for the taxonomy but not environmentally sustainable (activities not taxonomy-aligned) (A.2)		110,259.83	6.91%	6.24%	0.33%	0.00%	0.00%	0.34%	0.00%		
A. OpEx of taxonomy-eligible activities (A.1 + A.2)		114,041.43	7.15%	6.24%	0.33%	0.00%	0.00%	0.34%	0.00%		
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY											
Operating expenses of activities not eligible for taxonomy		1,481,785.57	92.85%								
Total		1,595,827.00	100.00%								

	Share of OpEx/Total OpEx	
	Aligned with taxonomy by objective	Eligible for taxonomy by objective
CCM	0.24%	6.24%
CCA	0.00%	0.33%
WTR	0.00%	0.00%
CE	0.00%	0.34%
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	The company carries out, finances or has exposure to the construction and safe 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.	Yes

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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
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	55.00	0.00	55.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,781.60	0.24	3,781.60	0.24	0.00	0.00
8	Total applicable KPI	13,734,357.00	100.00	13,734,357.00	100.00	0.00	0.00	2,500,840.00	100.00	2,500,840.00	100.00	0.00	0.00	1,595,827.00	100.00	1,595,827.00	100.00	1,595,827.00	100.00

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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
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	55.00	100.00	55.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,781.60	100.00	3,781.60	100.00	0.00	0.00
8	Total amount and share of economic activities aligned with the taxonomy in the numerator of the applicable KPI	55.00	100.00	55.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,781.60	100.00	3,781.60	100.00	0.00	0.00

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	0.00	0.00	0.00	0.00	0.00	729.70	0.03	729.70	0.03	0.00	0.00	339.50	0.02	339.50	0.02	0.00	0.00
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	55.00	0.00	55.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	215.80	0.01	215.80	0.01	0.00	0.00
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	829,183.00	6.04	829,183.00	6.04	0.00	0.00	77,953.83	3.12	77,953.83	3.12	0.00	0.00	104,328.25	6.54	98,988.25	6.20	5,340.00	0.33
8	Total amount and share of economic activities eligible for but not aligned with the taxonomy in the denominator of the applicable KPI	829,238.00	6.04	829,238.00	6.04	0.00	0.00	78,683.53	3.15	78,683.53	3.15	0.00	0.00	104,883.55	6.57	99,543.55	6.24	5,340.00	0.33

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	0.00	0.00	0.00	0.00	0.00
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	0.00	0.00	0.00	0.00	0.00	0.00
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	12,900,825.00	93.93	2,410,895.90	96.40	1,481,785.57	92.85
8	Total amount and share of economic activities not eligible for the taxonomy in the denominator of the applicable KPI	12,900,825.00	93.93	2,410,895.90	96.40	1,481,785.57	92.85

Climate Change [ESRS E1]

Strategy

Disclosure Requirement E1-1 – Transition plan for climate change mitigation

[17]

The Group's environmental strategy is aimed at the **progressive decarbonization of its activities and those related to the supply chain**, through the adoption of innovative technologies and high-energy-efficiency resilient assets, the use of renewable energy, the promotion of circular models, and the purchase of solutions and products with a reduced and certified carbon footprint.

In 2022, in order to accelerate the reduction pathway of greenhouse gas emissions, TIM introduced into the ESG Plan the "Net Zero" target for 2040 and an intermediate target for 2030 relating to the reduction of value chain emissions. In the same year, the climate strategy was validated by the Science Based Targets initiative (SBTi), which confirmed its alignment with a trajectory compatible with containing the increase in global temperature within 1.5°C. In this context, the Group has committed to reduce absolute Scope 1 and 2 emissions by 75% by 2030 compared to 2019 and to reach 100% of electricity supply from renewable sources by 2025, the latter objective having been successfully achieved.

The years 2023 and 2024 represented a phase of significant methodological and organizational evolution. In 2023, the Group strengthened the scope 3 emissions calculation methodology, improving its robustness and reliability, with consequent effects on comparability with previous years. In 2024, the sale of the fixed network infrastructure assets to Kohlberg Kravis Roberts & Co. L.P. (KKR) resulted in a significant change in the operational perimeter, both in terms of the size of the assets and personnel, with significant impacts on the Group's emissions profile.

The significant changes in the Group's structure and activities have had an impact on the comparability of emission performance with respect to previous years and have made it necessary to identify a new baseline for monitoring progress. In this context, 2024 represents the new baseline year for measuring and monitoring the reduction of emissions and was the subject, in 2025, of further checks and methodological additions.

In 2025, TIM started updating its Transition Plan, with the aim of organically redefining the decarbonization trajectory and the related implementation measures, in line with the new industrial structure, with the recommendations of the Science Based Targets initiative (SBTi) and with the requirements of the ESRS Standards.

The Plan is currently in an advanced phase of definition and will be formalized and published during 2026, at the same time as the presentation of the 2026–2028 Business Plan, in order to ensure its consistent strategic alignment and integration into the Group's planning processes. In the meantime, the Group continues to implement the main emission-reduction levers already underway and confirms its commitment to the transition to a low-carbon business model.

Disclosure Requirement SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

[E1 SBM-3 18, 19 a, b, c]

Material climate risks and resilience strategy

With reference to the climate risks that emerged from the double materiality analysis, the Group has identified a **transition risk** related to the evolution of energy regulations, which can lead to increased costs for the purchase of renewable energy and higher expenses for environmental compliance (IRO 21), and a physical risk linked to the intensification of extreme weather events, which can affect the service continuity and the integrity of infrastructures (IRO 31). The detail of the individual IROs is shown in the dedicated table of ESRS 2 SBM-3 "Material impacts, risks, and opportunities and their interaction with the strategy and business model" in the "General information" section.

In consideration of the infrastructural nature of the company's activities and the widespread distribution of assets throughout the territory, these risks are significant for the Group's business model, making a structured assessment of the resilience of the strategy and critical assets necessary.

The assessment is conducted as part of the Enterprise Risk Management (ERM) process, integrated into the Group's risk governance system. The process of identifying and assessing climate risks is consistent with what is described in the IRO-1 disclosure obligation "Description of the process to identify and assess the material impacts, risks and opportunities," to which reference is made for methodological details.

The climate change observed in recent years has led to an increase in the frequency and intensity of extreme weather events, including intense rain events (flash floods) and storms characterized by strong winds. In view of the widespread distribution of assets in the territory, the Group's business model is exposed to potential direct and indirect impacts on plants and the operational continuity of services, requiring a structured oversight of the resilience of critical assets.

The Enterprise Risk Management function, in collaboration with the Sustainability function, has developed a methodology dedicated to the assessment and monitoring of ESG risks, based on a Key Risk approach. For climate risks deemed strategic, the assessment is based on an integrated probabilistic framework, supported by statistical-mathematical models, which allows the risk exposure to be analyzed both at the single factor level and at the portfolio level, taking into account the correlations between the different risks.

The results of the analyses make it possible to elaborate probability distributions across multiple scenarios and to estimate the potential economic impacts associated with climate risks, including outcomes in extreme scenarios, supporting the assessment of the resilience of the Group's strategy and business model in different future climate contexts. The analysis considers scenarios with

differentiated outcomes, highlighting how variations in climate factors can influence business resilience and allowing the variability of outcomes between more favorable and more adverse scenarios to be observed.

With reference to **physical risks**, the Group uses dedicated quantitative tools, including the CLIMADA (CLIMate ADAPtation) model², to assess the risk profile of assets and to monitor their evolution over time. These tools make it possible to estimate the potential loss associated with the occurrence of extreme weather events and to assess the vulnerability of the plants, also in order to guide strategic decisions regarding asset protection, business continuity and risk transfer to the insurance market.

The company also conducts periodic probabilistic analyses to estimate the potential direct loss resulting from the occurrence of adverse weather phenomena, such as river overflows, flash floods, landslides, fires and wind storms, assessing both the potential damage to assets and the possible impact on the continuity of services. These analyses contribute to the assessment of the resilience of the strategy and business model and support decisions on mitigation measures and insurance coverage.

For plants considered strategic or critical, quantitative assessments are accompanied by on-site analyses aimed at deepening the level of exposure and vulnerability of assets and strengthening prevention and adaptation measures.

The resilience analysis is carried out on the entire perimeter of the Group's assets and involves the main group companies, including TIM S.A and Telecom Italia Sparkle S.p.A., allowing a homogeneous and comparable assessment over time of the exposure to climate risks and the ability of the strategy and business model to adapt to the effects of climate change.

Assessment and updating of climate risk analysis

In line with the strategic planning process, the TIM Group carries out climate risk analysis on a cyclical basis to support the definition and updating of its resilience strategies.

The analysis is carried out within the Enterprise Risk Management system and is developed by the Enterprise Risk Management function in collaboration with the Sustainability function, according to a structured methodology integrated into the Group's decision-making processes and consistent with the main European regulatory references on sustainability.

The last update of the resilience analysis was carried out in conjunction with the definition of the 2024–2026 Strategic Plan, using the CLIMADA (CLIMate ADAPtation) quantitative model.

Quantitative analyses are currently focused on the acute physical risks associated with natural disaster phenomena relevant to the Group, including floods, landslides, fires and wind storms, in consideration of the widespread distribution of assets and their relevance for the continuity of services.

The Company has conducted specific risk analyses taking into consideration two scenarios consistent 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).

The simulations are carried out using internationally recognized climate scenarios, in particular the RCP (Representative Concentration Pathways) scenarios - RCP 2.6 (strong mitigation scenario), RCP 4.5 (intermediate scenario) - which allow forward-looking assessments on the evolution of the frequency and intensity of climate hazards over time.

The Group is also evaluating the progressive extension of the analyses also to chronic physical risks and medium-long term climate scenarios, including the new generation IPCC scenarios (SSP1-2.6, SSP2-4.5, SSP5-8.5), to expand over time the assessment of the effects of climate change on strategy and business model.

Integration of climate risks into strategy and business model

The climate change resilience analyses conducted by the TIM Group make it possible to assess the exposure of infrastructure assets to extreme weather events and to estimate their potential direct and indirect economic impacts, helping to strengthen the adaptability of the strategy and business model in the medium to long term. The results derived from the scenario analysis are used to outline differentiated resilience profiles depending on the severity of the hazards, highlighting how more adverse scenarios can lead to higher levels of stress on assets and continuity of services and more robustly orienting strategic mitigation and adaptation measures as well as their priority for intervention.

The evaluations consider both the potential direct damage to physical assets (buildings, infrastructure, and technological equipment), and the indirect effects resulting from the interruption of services, including impacts on business continuity, possible reductions in revenues, and repercussions on end customers. The results of the analyses support the definition of climate risk prevention and mitigation plans and the identification of the most appropriate strategies for insurance coverage of residual risks.

In order to ensure the continuity of services and limit the potential effects of physical risks, the Group adopts specific adaptation measures, including flood protection systems, the geographical location of plants, the redundancy of critical infrastructure and the continuous monitoring of the climate risk profile of assets.

The resilience analyses also help to guide the Group's main areas of strategic action, in particular:

Products and services

- development and offering of digital solutions and resilient connectivity infrastructures, which support the continuity of services and favor operating models with less environmental impact;
- development of digital solutions enabling the ecological transition, such as cloud computing, smart working, telemedicine, and smart agriculture, also through the strengthening of the cloud business as a strategic lever to increase operational flexibility, optimization of the use of digital resources, and contribution to the reduction of energy consumption and emissions.

² Open source tool developed by the Swiss Competence Centre for Climate Change Research and Disaster Prevention (C2SM) and the Centre for Climate Risk and Resilience (OCCR), which analyzes the probability and intensity of extreme weather events, estimates the potential economic impact on infrastructure assets, builds impact curves and damage scenarios, and supports strategic assessments on resilience, asset protection, business continuity, and risk transfer to the insurance market.

Supply chain

- integration of ESG criteria and environmental requirements into procurement processes;
- evaluation and monitoring of suppliers' environmental performance through ESG audits and follow-up mechanisms for cases of non-conformity.

Research and Development

- investments in innovative solutions aimed at improving energy efficiency, the reduction of emissions and promoting circular economy models, strengthening the contribution of digitalization to the ecological transition.

Operations

- actions aimed at reducing the emission impact of network infrastructure and data centers, through the adoption of technologies that allow better performance with the same energy input;
- periodic review of the consistency of the operating model with the evolution of the climate scenario, also during the definition of the Strategic Plan.

Overall, the results of the resilience analyses confirm the central role of climate risk management in the evolution of the Group's strategy and in strengthening the sustainability and resilience of the business model in the medium to long term.

Impact, risk, and opportunity management

Disclosure Requirement E1-2 – Policies related to climate change mitigation and adaptation

[24]; [MDR-P, 65 a, b, c, d, e, f]; [25 a, b, c, d, e]

The material IROs related to ESRS E1 “Climate change” are seven (7, 9, 13, 18, 21, 23 and 31). They are overseen through the “Commitment to Environmental Sustainability in the TIM Group” policy, the “Purchases of Products and Services” policy and the “TIM Group Code of Ethics and Conduct.”

The detail of the IROs is reported in the dedicated table of ESRS 2 SBM-3 “Material impacts, risks, and opportunities and their interaction with the strategy and business model”, in the “General Information” section, while for further information on the general aspects relating to policies, please refer to the chapter “Policies - MDR-P” of the same section.

To define the Group's framework in the Brazilian context, TIM S.A. has adopted specific policies to guide and manage the impacts on climate change. In particular, **TIM S.A.** has defined the **Policy “Climate change management,”** which addresses the issues of adaptation and mitigation of climate change, energy efficiency, and the use of renewable sources. The policy establishes the principles to be applied in the company's activities in order to ensure the correct and efficient management of greenhouse-gas emissions, in line with current legislation, the requirements of regulatory authorities and the Group's guidelines.

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 Policy “Purchases of Products and Services”, TIM integrates climate change issues into the different stages of the procurement process along the value chain. In particular, the Policy contributes to:

- climate change mitigation, integrating ESG criteria into the purchasing process, from qualification to tendering and contracting, and monitoring the environmental performance of suppliers during the contract execution phase, also for the purposes of Vendor Rating;
- adaptation to climate change by contributing indirectly to ensuring the continuity of supplies, through the oversight of supply risks;
- energy efficiency and the adoption of renewable energies, orienting, where appropriate, purchasing choices towards solutions that reduce energy consumption and favor the use of renewable sources, through requirements defined in the technical specifications, tender evaluations, and contractual clauses.

Disclosure Requirement E1-3 – Actions and resources in relation to climate change policies

[28]; [MDR-A, 68 a, b, c, d, e]; [29 a, b]; [MDR-A, 69 a, b], [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 mitigation and adaptation to climate change and energy, focused on the following topics:

1. **Use of energy from renewable sources**
2. **Reduction of energy and fossil 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.

Where the project activities have been mapped within the scope of the taxonomic activities, the reference to the specific economic activity is reported. The actions, organized around the main decarbonization levers, are consistent with the strategies for reducing energy consumption and CO₂ emissions and are part of the definition of the Group's climate transition plan.

In the description of the individual actions, unless otherwise indicated, the initiatives refer to the Domestic BU perimeter; while those expressly indicated as TIM S.A. refer to the Brazilian subsidiary.

The allocated financial resources are also reported, where available, with a distinction between operating expenses (OpEx) and capital expenditure (CapEx).

1. Use of energy from renewable sources

1a. Purchase of electricity from renewable sources

■ **Renewable energy supply through Guarantees of Origin and Power Purchase Agreements**

In 2025, **100%** of the Domestic BU's **electricity supply** (environmental perimeter) comes from **renewable sources**, covered 91.91% through the purchase of Guarantees of Origin (GO) and 8.09% through Power Purchase Agreements (PPA).

For the purchase of GO, OpEx amounted to approximately €422 k, while the PPAs were equal to €128 k³.

■ **Renewable energy supply through International Renewable Energy Certificates I-REC (TIM S.A.)**

In 2025 in Brazil, **38% of the electricity supply is covered by the purchase of I-REC**, certificates that attest to the renewable origin of the energy purchased.

For the purchase of I-REC, OpEx amounted to approximately €63 k.

1b. Self-production of electricity from renewable sources

■ **Production of electricity using solar photovoltaic technology, hydroelectric and bioenergy (TIM SA)**

In Brazil, in 2025, **62% of the energy** used **comes from owned renewable generation projects** that integrate photovoltaic, hydroelectric and biogas plants. The aim is to reduce dependence on fossil fuels, promote energy self-production and contribute to corporate decarbonization.

Energy production is based on a network of 134 small and medium-sized plants distributed throughout the country, powered exclusively by renewable sources. The predominant share of energy is produced by photovoltaic systems, which provide electricity for self-consumption and power for the company's operational sites (offices, mobile network and data centers), contributing to the improvement of energy efficiency and optimization of consumption. The active plants are divided as follows:

- 120 photovoltaic systems;
- 12 small hydroelectric plants;
- 2 biomass plants.

For these activities, also related to taxonomic activities 4.1, 4.5 and 4.8, the OpEx is equal to €38,712.25 k.

■ **Self-production of renewable energy for mobile network sites in remote areas (TIM S.A.)**

In 2025, 140 antennas (+4.5% compared to 2024) powered by solar energy are active in remote and hard-to-reach accessible areas, in order to guarantee the continuity of connectivity in the most vulnerable regions and strengthen the resilience of the network with respect to the impacts deriving from the climate scenario.

■ **Self-generation of renewable energy for data centers**

In 2025, the photovoltaic systems installed at the data centers in West Milan and West Turin generated a total of 348 MWh of electricity, destined for self-consumption.

³ The value of €911 k relating to expenditure for the purchase of Guarantees of Origin (GO) published in the 2024 Sustainability Report was based on an estimate; following the finalization of the purchases, the actual expenditure amounted to €531 k.

All the actions in this paragraph contribute to the mitigation of the negative impact IRO 13 and risk IRO 21 as illustrated in the dedicated table in paragraph SBM-3 "Material impacts, risks, and opportunities and their interaction with the strategy and business model", in the "General Information" section.

2. Containment of energy and fossil fuel consumption

2a. Efficiency Interventions on Data Centers

In **Italy**, TIM has **16 data centers** in 8 cities that guarantee the highest levels of operation, security and energy efficiency, divided as follows:

- **7 Core Data Centers** offering maximum-performance cloud and colocation services;
- **6 Public Cloud Data Centers**, where the platforms of the leading international public cloud providers operate with the highest levels of performance;
- **3 micro-Data Centers** (service centers) that are secure and reliable, located close to customer sites.

In **Brazil**, TIM S.A. has **37 data centers** (35 network data centers and 2 IT data centers), distributed in over 20 Brazilian cities, to support core network functions and edge architectures.

■ **Self-generation and energy recovery in data centers**

- **High-performance cogeneration:** High-efficiency cogeneration (CAR) plants powered by natural gas are installed at the data centers in Padua, Bologna, Acilia, Pomezia, Rozzano, Roma Sud, Milano Sud, and Roma Ovest, intended for the combined production of electricity, heat, and cooling to serve IT infrastructures. Cogeneration technology allows the recovery and use of thermal energy generated in the electricity production process, achieving overall yields of more than 70–80% compared to the separate production of electricity and heat. This configuration optimizes the use of fuel and reduces the overall energy needs of sites with the same useful energy produced. In 2025, the total self-produced and self-consumed electricity was 7.76 GWh. The activity related to taxonomy (4.30) has OpEx for €339.50 k and CapEx €729.70 k.
- **Recovery and valorization of waste heat from data centers:** at the Rozzano data center, an integrated system of heat pumps and heat exchangers is operational that allows the recovery of waste heat generated by IT infrastructures and cogeneration plants and its introduction into the district heating network, for a total of 5.75 GWh of thermal energy valorized in 2025. The initiative makes it possible to optimize the use of the thermal energy produced by the site and to integrate the data centers into the territorial energy system, improving the overall efficiency of the energy cycle. The activities related to the taxonomy (4.16, 4.25 and 4.31) have OpEx for €647.40 k.

■ **Plant and technological upgrading of data centers infrastructures**

- **Modernization and replacement of technological systems:** in 2025, ordinary and extraordinary maintenance and modernization work was carried out on the systems serving the data centers, with particular reference to power supply and cooling systems, including the replacement of uninterruptible power supplies (UPS), refrigeration units, energy storage systems and components at the end of their useful life. The new solutions adopted have improved performance in terms of electrical efficiency and cooling performance coefficient, allowing the reduction of conversion losses, the increase in the efficiency of air conditioning systems and the optimization of energy consumption with the same installed IT capacity, while strengthening the reliability and operational continuity of the infrastructures. The activity related to taxonomy (7.3) has OpEx of €5.913 k and CapEx of €12.000 k.
- **Rationalization and modernization of IT infrastructures in the data centers:** in 2025, the Group carried out interventions to replace and consolidate data storage systems and to rationalize application workloads, with the aim of reducing energy consumption and the thermal load of IT infrastructures. In particular, the replacement and consolidation of 50 obsolete storage devices with 26 new generation systems at the Cesano, Bologna, Padua, Oriolo and Pomezia data centers was completed, improving the ratio between electricity consumption and installed capacity (kWh/TB) and reducing cooling needs. The estimated reduction in associated emissions compared to the previous configuration is 72.4%. Further timely updating of the storage equipment was also carried out at the Pomezia and Padua data centers and the migration of application workloads to more efficient infrastructures was initiated, able to dynamically optimize the use of computational resources, memory and storage, guaranteeing operational continuity of services. The activity related to the taxonomy (8.1) has CapEx for €60 k.
- **IT load energy optimization and infrastructure rationalization:** in 2025, the path of IT load efficiency continued through the migration of applications and workloads from on-premises infrastructures to cloud environments of third-party providers operating in data centers characterized by high standards of energy efficiency and the reallocation of systems to Group data centers with more advanced technological standards. In parallel, renovation and consolidation of data storage infrastructures and further technological updating activities were carried out, with the aim of reducing electricity consumption per unit of installed capacity and the associated thermal load, also helping to reduce cooling needs. The activity related to taxonomy (8.1) has OpEx for €23.915.44 k and CapEx for €16.405.30 k.

■ **Monitoring, control and certified energy management systems of data centers**

- **Continuous monitoring of Power Usage Effectiveness:** In 2025, continuous monitoring of the PUE was carried out in the Core and Public Cloud data centers with a level of use of IT infrastructures (IT load) exceeding 25% of the installed capacity, a threshold considered representative for the purposes of measuring energy efficiency. The detection system made it possible to monitor 97.4% of the total energy consumption of the data centers included in the analysis perimeter, compared to 59.1% in 2024, expanding the share of energy actually measured through structured detection tools. In Italy, the **average PUE**, which expresses the ratio between the total energy absorbed by the data centers and that actually used by the IT equipment, was **1.608**.

In **Brazil**, TIM S.A.'s data centers recorded an **average PUE of 1.58** in 2025, a reduction of 4% compared to 2024. Further reductions are expected upon completion of the divestment of the Santo André IT data centers in São Paulo, scheduled for 2026.

- **Certification of compliance with the European Code of Conduct for the energy efficiency of data centers:** In 2025, on-site audits were carried out by independent entities at the Group's main data centers as part of the European Code of Conduct for energy efficiency. As a result of the verifications, **11 data centers have obtained certification of compliance** with the technical guidelines provided by the Code, which define requirements regarding energy management, cooling systems, power supply, performance monitoring, and operational optimization. The certification attests to the alignment of the sites with recognized European technical standards and the adoption of a structured system for measuring and controlling energy performance. OpEx: €85.27 k.

In Brazil, TIM SA's data centers adhere to industry best practices, including the use of performance parameters and energy-saving technologies. (Taxonomic activity 8.1) For the efficient management of data centers: OpEx €29.947.56 k, CapEx €17.053.73 k.

The interventions described aim to improve energy efficiency through the use of technologies that allow better performance in order to reduce and mitigate the negative impacts described in IROs 7 and 18 and the risk described in IRO 31 related to ESRS E1 "climate change" within the scope of actions related to "Energy," "Mitigation of climate change," and "Adaptation to climate change". For the details of the IROs, please refer to the dedicated table in paragraph SBM-3 "Material impacts, risks, and opportunities and their interaction with the strategy and business model", in the "General Information" section.

2b. Efficiency interventions on fixed and mobile network infrastructure

■ **Infrastructural rationalization and decommissioning of obsolete equipment**

TIM continued implementing structural energy-efficiency measures on the fixed and mobile network infrastructure through the decommissioning of obsolete equipment and the rationalization of sites and network components. These interventions in 2025 generated energy savings of 6.28 GWh. CapEx €8.650 k.

■ **Migration of traffic towards 5G technology with high energy efficiency**

In 2025 TIM accelerated the technological evolution of the mobile network, favoring **the progressive migration of traffic towards 5G technology**, characterized by a level of energy efficiency per service unit significantly higher than previous generations. In this context, this includes the strategic agreement signed in November 2025 with Nokia, aimed at the expansion and modernization of the 5G network on the national territory. The agreement provides for the adoption of state-of-the-art radio solutions and network platforms, prepared for integration with advanced optimization and automation features, with positive effects both in terms of transmission capacity and overall performance.

The technological update allows for an increase in the volumes of traffic managed with the same energy consumption and to progressively reduce the energy absorbed per bit transported. In equivalent operating conditions, 5G in fact allows the transport of significantly higher traffic volumes than legacy technologies, with an improvement in energy efficiency per traffic unit of 0.41 W/bit, contributing to the reduction of the emission intensity of mobile infrastructures.

The effectiveness of the migration action is monitored through the ratio between traffic carried on the 5G network and total mobile traffic. In 2025, **5G traffic will account for 16% of total mobile traffic**. CapEx €192.200 k.

■ **Optimization of operational processes in network infrastructure - RAN Sharing Project (TIM S.A.)**

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 expenses and emission impact. In 2025, the number of active shared sites (TIM + Live) was 6,858 and the number of deactivated sites was 3,933. OpEx €85,935.86 k.

■ **Energy efficiency of the fixed and mobile network (TIM S.A.)**

The adoption of innovative technologies and solutions for the fixed and mobile network makes it possible to reduce energy consumption with the same managed traffic. The action aims to improve the eco-efficiency of data traffic, measured as the ratio between the service provided (bit) and the energy consumed (Joule). In 2025, eco-efficiency amounted to 22,501 bits/Joule, a decrease of 7.5% compared to 2024. Compared to 2019 (base year), however, the indicator shows an increase of 129%, exceeding the objective of the 2025–2027 ESG Plan which expected an improvement of 110%.

2c. Efficiency interventions on TIM Stores

The TIM sales network has **666 points of sale** dedicated to the marketing of fixed and mobile telephony offers, of which **236 are managed directly through TIM Retail**, 296 are franchised and 134 are single brand. The main interventions carried out during 2025 are described below.

■ **Relamping**

Replacement of halide light fixtures with LED panels with an estimated energy saving of about 3,010 kWh/year per point of sale. The actions affected 8 stores, adding to the previous 39 in 2023–24. Expense of €20 k (CapEx).

■ **Building automation**

Installation of devices for remote monitoring and control of lights, air conditioning, display windows, signs, and monitors, with alarms for out-of-range parameters and remote commands. The estimate of the reduction in consumption/year for each point of sale is 2,100 kWh/year. In 2025, the stores involved in the project rose to 13, increasing the total by 3 points of sale compared to the 10 affected in 2024. CapEx €47 k.

■ **New TIM store layout - Blue Vision Project**

In 2025, TIM continued the program of redevelopment of the commercial network through the "Blue Vision" project, aimed at integrating the renewal of the layout of the points of sale with structural interventions for energy efficiency and reduction of the environmental impact of retail property. The initiative involves the adoption of technological solutions with lower energy intensity, including high-efficiency lighting systems with savings of up to 15%, further optimized at night, the replacement of air conditioning systems with equipment with higher efficiency and refrigerant gases with lower global warming potential, as

well as the installation of LED monitors with reduced energy consumption, with energy consumption decreases of up to 20% compared to previous solutions. The project also includes the use of furnishings made with FSC- and EPD-certified materials and the introduction of digital labels based on e-ink technology, which allow for the reduction of paper use and its indirect impacts.

During 2025, the interventions involved a total of 68 points of sale (of which 8 started in 2024). The plan calls for 200 stores to be completed by 2027.

The financial resources used in 2025 amounted to 5.8 million euros of CapEx for the creation and opening of 60 points of sale during the year and €277 k of OpEx, relating to the share granted to entrepreneurs for the lease of commercial spaces, with the partners bearing the additional costs of adaptation.

3. Low-emission transport

The company fleet in Italy consists of **2.259 cars**, of which 1,978 for mixed use or with ad personam assignment, 202 operational and 79 in car sharing.

The following interventions are aimed at reducing operating costs, optimizing fuel consumption, and introducing lower-impact home-to-work commuting options; in 2025, the following interventions were carried out:

- **Electrification of the car sharing fleet**

The path of progressive electrification of the company's car sharing service continued, aimed at the reduction of direct emissions associated with the fleet. As of December 31, 2025, the fleet consists of 79 vehicles, of which 18% are full electric (14 BEVs and 65 internal combustion).

- **Electrification of the mixed-use car fleet**

The renewal of the car fleet for mixed use continued through the introduction of vehicles with lower emission intensity (Hybrid – EREV, PHEV, HEV, MHEV – and BEV), in line with the decarbonization path of the company fleet. As of December 31, 2025, out of a total of 1,978 vehicles, 51% are low-emission models, up 7% compared to 2024.

- **Preparation of the Home-Work Movement Plan (PSCL)**

In 2025, the Commuting Plan (Piano Spostamento Casa-Lavoro - PSCL) was prepared, based on the results of the Mobility Survey aimed at employees, with the objective of defining measures to optimize commuting and for the reduction of emissions associated with commuting.

- **Carpooling service via dedicated app (JO-JOB).**

Shared mobility service aimed at promoting the use of private cars among employees and reducing emissions associated with commuting. In 2025, the service is active in 8 locations (+2 compared to 2024), for a total of 7,229 employees potentially involved; at December 31, 2025, the membership rate was 4% (-1% compared to 2024).

- **Company shuttle service**

This is a collective transport service dedicated to employees, aimed at reducing the use of private cars and the emissions associated with commuting between home and work, through shared mobility solutions with a lower emission impact. The service is active in 12 locations, with a potential audience of 7,492 employees; at December 31, 2025, the rate of adherence to the booking web-app was 30% (+5% compared to 2024).

Overall, the expenses recorded for low-emission mobility initiatives amount to OpEx €7,335.07 k.

4. Decarbonization of the supply chain

TIM integrates ESG criteria into supply chain management processes in order to create greater engagement of suppliers on environmental issues and promote the improvement of their performance, with indirect effects on Scope 3 emissions associated with the goods and services purchased.

- **Development of products under the TIM Brand with EPD certification**

As part of the development of TIM-branded products, the company collaborates with qualified suppliers to create solutions with EPD (Environmental Product Declaration) certification, validated by a third party, which quantifies the product's carbon footprint along its life cycle and enables a more transparent measurement of emissions associated with purchases. Modems, which account for about 90% of branded products, are designed for durability, reusability, repairability, recyclability, and energy efficiency. At the end of 2025, two types of products with EPD certification are listed: TIM HUB, a modem/router for fixed networks, and TIM Antenna, an external device for receiving wireless signals in FWA connectivity solutions.

5. Additional climate change mitigation initiatives

The Group implements climate mitigation interventions based on nature-based solutions and mechanisms to compensate for residual emissions. These initiatives are aimed at absorbing or neutralizing climate-altering emissions, contributing to the strengthening of the company's climate strategy.

- **Urban greening intervention – Bio Forest®**

In 2025, an urban greening intervention was carried out in Rome at the Torrino Mezzocammino District, with the planting of 400 trees and shrubs using the BioForest® technique⁴. The intervention involves the use of native species selected based on

⁴ The planting initiative is part of the national afforestation campaign "Foresta Italia®" by Rete Clima, a non-profit organization that accompanies companies on sustainability and decarbonization paths, in partnership with Coldiretti and PEFC Italia.

the characteristics of the soil and the reference climatic context, with the aim of maximizing the ecosystem benefits and optimizing the absorption capacity of CO₂eq in the medium-long term. The plants planted are capable of absorbing, over a 30-year life cycle, about 115 tCO₂eq, or the equivalent of the emissions derived from the production of about 1,500 smartphones⁵.

■ **Offsetting of website emissions**

In order to offset the emissions associated with visits to the main websites, TIM is supporting for the fourth consecutive year an environmental project aimed at the reduction of emissions. In 2025, visits to the 21 main commercial and institutional websites in the Domestic sector generated over 505 tCO₂eq. In response to these emissions, 505 carbon credits were purchased through the "The Envira Amazonia Project", a forest conservation initiative in Brazil certified according to the Verra standard (VCS), one of the main international standards for the quality of carbon credits. The project is aimed at protecting existing forests and preventing deforestation, avoiding the release of greenhouse gases from logging activities, but also includes interventions in favor of local communities, such as the construction and management of a medical and dental clinic, the installation of community toilets, and the distribution of kits for the prevention of water-related or insect-borne diseases. The initiative is part of the nature-based solutions, as it is based on the conservation of natural ecosystems for the mitigation of climate change, with environmental and social benefits for local communities.

The expenses recorded for further initiatives for the mitigation of climate change amount to 23.8 k euros OpEx.

The mitigation actions described contribute to achieving the Scope 1 and Scope 2 emission-reduction targets defined in the Business Plan and in the Group's climate strategy. In particular, initiatives such as the energy efficiency of the network, the progressive electrification of the fleet, and the procurement of electricity from renewable sources directly affect the Group's operational emissions.

These actions are integrated into the Group's industrial planning and multi-year investments, ensuring consistency between climate objectives, resource allocation and business development. The planning of financial resources is consistent with these objectives and supports the implementation of the mitigation initiatives described in this chapter.

At present, no information is available that would allow the punctual attribution of GHG-emission reductions to individual initiatives, nor to provide further financial breakdowns.

The total expenses identifiable for the actions covered by disclosure obligation E1-3 "Actions and resources relating to climate change policies" amount, gross of taxonomic activities, to €39,086.48 k (OpEx) and €235,912.00 k (CapEx) for the Domestic BU and to €154,658.67 k (OpEx) and €17,053.73 k (CapEx) for TIM S.A.; net of the portion attributable to taxonomic activities, these amounts are equal to €8,271.14 k (OpEx) and €206,717.00 k (CapEx) for the Domestic BU and to €85,998.86 k (OpEx).

To support the implementation of climate-mitigation and environmental-risk-management actions, the Group plans and allocates specific financial resources consistent with its transition strategy. In this context, the Group has developed a sustainable-finance plan providing for the issuance of dedicated bond instruments aimed at raising capital for environmental and social initiatives, including actions related to climate-change mitigation.

In Italy, a Sustainability Bond was issued in 2021, with a maturity of eight years and a residual notional amount of €499 million. As reported in the 2021 Sustainability Bond Report, the net proceeds were fully allocated to eligible categories under the 2020 Sustainability Financing Framework, including environmental initiatives consistent with the Group's climate objectives.

In Brazil, TIM S.A. issued in 2021 a Sustainability-Linked Bond for BRL 1.6 billion, financial instruments linked to the achievement of specific sustainability targets. These instruments contribute to ensuring the availability of the financial resources required to implement climate-mitigation actions, in line with the Group's environmental objectives and multi-year planning.

Metrics and targets

Disclosure Requirement E1-4 – Targets related to climate change mitigation and adaptation

[MDR-T 81 a, b]

With reference to the Group's climate targets, the previously adopted objectives are being updated as part of the definition of the new business plan and the related transition plan. The new targets will be formalized and communicated during 2026, in line with the new strategic plan.

In the transitional period, the Group continues to regularly monitor the trend of its emission performance and the effectiveness of the reduction actions already initiated, ensuring continuity in the decarbonization trajectory. The relevant emission metrics, reported in the disclosure obligations E1-5 "Energy consumption and energy mix" and E1-6 "Gross Scope 1, 2, 3 GHG emissions and total GHG emissions", are subject to periodic detection and systematic monitoring within the scope of internal controls.

For the purposes of monitoring progress with respect to climate objectives, the Group uses in particular indicators relating to:

- greenhouse gas emissions Scope 1, Scope 2 and Scope 3;
- emission intensity with respect to the main operational and financial drivers;
- total energy consumption and share of energy from renewable sources;
- energy efficiency indicators of infrastructures, including those related to data centers.

For the results achieved with respect to the objectives of the previous Plan, please refer to paragraph ESRS 2 SBM-1 "Strategy, business model and value chain" of the "General Information" section.

⁵ The calculation was carried out thanks to the CO₂Web® methodology developed by Rete Clima, a non-profit organization specialized in promoting sustainability in organizations, and verified by the ICMQ Certification Body.

Disclosure requirement E1-5 - Energy consumption and energy mix

[MDR-M, 77 a]; [37 a, b]; [38]; [39]; [42]

The metrics related to energy consumption refer to the companies included in the Group's environmental perimeter (for details see BP-1 "General Criteria for Preparing the Sustainability Statement"). The data are expressed in megawatt-hours (MWh) and refer to the entire 2025 financial year.

The Group measures energy consumption according to standardized and internationally recognized methodologies. **The total consumption includes the energy purchased, the self-produced energy and the energy actually consumed during the reference period.** Self-produced and internally consumed energy is counted only once in their respective categories.

Total consumption includes: energy from fossil sources (including fuels, cogeneration, and the share of energy purchased from fossil sources); **energy from renewable sources** (including purchased energy, self-produced energy and renewable fuels) and **energy from nuclear sources**.

The share of nuclear energy is determined, where applicable, on the basis of the Residual Mix published by AIB (Association of Issuing Bodies) to attribute the generation mix to electricity not covered by Guarantees of Origin or purchase contracts from renewable sources (PPA). In 2025, it was not necessary to apply the Residual Mix, as the electricity purchased by the Group is entirely covered by electricity from renewable sources.

The Group, at a consolidated level, is not classified among the sectors with a high climate impact under the ESRS. However, at the individual entity level, the Olivetti and TIM Retail companies fall into these sectors and therefore provide a more detailed level of disclosure, with a breakdown of consumption by fossil sources and calculation of energy intensity, defined as the ratio between total energy consumption and net revenues.

The consumption and energy mix at the Group level are shown below.

[37] Energy consumption and mix - TIM Group

	UOM	2025	2024 ⁶
Total energy consumption from fossil sources	MWh	91,750.41	348,767.06
Energy from fossil sources consumption on total energy consumption	%	4.16	15.76
Total energy consumption from nuclear sources	MWh	—	8,626.89
Energy consumption from nuclear sources on total energy consumption	%	—	0.39
Total energy consumption from renewable sources	MWh	2,113,739.53	1,856,138.55
Energy consumption from renewable sources on total energy consumption	%	95.84	83.85
Fuel consumption from renewable sources	MWh	112,235.80	134,243.97
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	1,581,157.70	1,351,332.71
Consumption of self-generated renewable energy without relying on fuels	MWh	420,346.04	370,561.87
Total energy consumption related to own operations	MWh	2,205,489.94	2,213,532.50

In 2025, **the total energy consumption related to the Group's own operations is essentially stable** compared to the previous year (-0.4%).

While overall consumption remains substantially stable, a significant change in the energy mix is noted, characterized **by a marked reduction in consumption from fossil fuels** (-74% compared to 2024), mainly offset by an increase in consumption of energy from renewable sources and, to a marginal extent, by an increase in self-produced renewable energy.

In line with this reallocation, **the share of energy from renewable sources increased by 12%** compared to 2024, to represent 95.84% of total energy consumption, mainly thanks to the full coverage of electricity purchased through Guarantees of Origin, I-REC and renewable energy purchase agreements (PPA).

Below is the representation of the energy consumption and the mix with the breakdown of the energy consumption from fossil sources of TIM Retail S.r.l., operating in section G "Wholesale and retail trade", and Olivetti S.p.A., operating in section C "Manufacturing activities", both operating in sectors with a high climate impact, calculated on gross revenues.

⁶ The data relating to 2024 have been subject to correction with respect to what was previously published (see the disclosure obligation BP-2, 14a). In particular, the total consumption of energy from fossil sources has been updated, adjusted from 349,240.98 to 348,767.06 MWh; the relative percentages of incidence and the overall energy consumption of own operations were consequently adjusted.

[38] Energy consumption and mix of High Climate Impact Companies (Olivetti S.p.A. and TIM Retail S.r.l.)

	UOM	2025	2024
Total energy consumption from fossil sources	MWh	1,517.07	752.24
Fuel consumption from coal and coal products	MWh	0.00	0.00
Fuel consumption from crude oil and petroleum products	MWh	1,292.26	591.63
Fuel consumption from natural gas	MWh	224.80	160.61
Fuel consumption from other fossil sources	MWh	0.00	0.00
Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources	MWh	0.00	0.00
Consumption of fossil fuels over total energy consumption	%	28.79	17.58
Total energy consumption from nuclear sources	MWh	0.00	0.00
Energy consumption from nuclear sources on total energy consumption	%	0.00	0.00
Total energy consumption from renewable sources	MWh	3,753.23	3,525.69
Fuel consumption from renewable sources	MWh	0.00	0.00
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	3,753.23	3,525.69
Consumption of self-generated renewable energy without relying on fuels	MWh	0.00	0.00
Energy consumption from renewable sources on total energy consumption	%	71.21	82.42
Total energy consumption related to own operations	MWh	5,270.29	4,277.93

The variation in total energy consumption from fossil sources (+102% compared to 2024) is mainly due to the inclusion, in 2025, of the consumption of petrol and diesel for motor vehicles of the company TIM Retail, which in 2024 had not been accounted for due to unavailability of data.

Below is the Group's detail regarding the production of energy from renewable and non-renewable sources.

[39] Non-renewable and renewable energy production - TIM Group

	UOM	2025	2024 ⁷
Non-renewable energy production	MWh	33,649.95	90,552.23
Renewable energy production	MWh	420,346.04	370,561.88

In 2025, the production of energy from non-renewable sources recorded a 63% reduction compared to 2024. This reduction is mainly attributable to the non-operation, for more than half the year, of the trigeneration plants, due to the process of defining the ownership of the plants between TIM and FiberCop, following the spin-off finalized on July 1, 2024. The plants were subsequently returned to TIM's full ownership and it is expected that operations will resume in 2026. The residual production of non-renewable energy is attributable to the trigeneration plants still included in the Group's perimeter, intended for the energy needs of the data centers.

On the other hand, the production of energy from renewable sources recorded an increase of 13% compared to 2024, especially due to the contribution of TIM S.A., in line with the evolution of the Group's energy mix.

Below are the data relating to energy intensity.

[40], [41]: Energy intensity of activities in high climate impact sectors (Olivetti S.p.A. and TIM Retail S.r.l.)

	UOM	2025	2024
Total energy consumption from activities in sectors with a high climate impact	MWh	5,270.29	4,277.93
Net revenues from activities in high climate impact sectors used to calculate energy intensity	€mln	226.91	229.27
Energy intensity of activities in sectors with high climate impact	MWh/€mln	23.23	18.66

The energy intensity represents the ratio between the total energy consumption and the net revenues generated by the activities and expresses the energy needed to generate one million euros of net revenues. In 2025, energy intensity increases by 24.5% compared to 2024, mainly due to the increase in energy consumption against slightly declining revenues.

The revenues used for the calculation of energy intensity for companies with a high climate impact are consistent and reconcilable with the Group's consolidated revenues, as can be seen from the table below.

⁷ The figure for 2024 for "Non-renewable energy production" has been adjusted compared to what was previously published (see disclosure obligation BP-2, 14a), changing from 100,081.42 to 90,552.23 MWh.

[43]: Net revenues from activities in high climate impact sectors used for energy intensity

	UOM	2025	2024
Net revenues (environmental perimeter including discontinued operations) (1)	€mln	226.91	229.27
Net revenues (other, not related to environmental perimeter)	€mln	14,409.55	14,212.73
Total net revenues as per consolidated financial statements (including discontinued operations) (2)	€mln	14,636.46	14,442.00

Disclosure requirement E1-6 - Gross GHG emissions of Scope 1, 2, 3 and total GHG emissions

Summary of Gross Scope 1, 2 and 3 GHG Emissions

[MDR-M, 77 a]; [44]; [48 a,b]; [47]; [52 a, b]; [AR 41]

Gross greenhouse gases (GHG) emissions refer to the Group's environmental perimeter (see the BP-1 disclosure obligation). The data are expressed in metric tons of CO₂ equivalent (tCO₂eq) and refer to the entire 2025 financial year.

The **calculation** of the emissions inventory is carried out in **accordance with the Greenhouse Gas Protocol**, applying the "Corporate Accounting and Reporting Standard" for Scope 1 and Scope 2 emissions and the "Corporate Value Chain Accounting and Reporting Standard" for Scope 3 emissions.

Scope 2 emissions are reported according to both approaches provided by the GHG Protocol: Location-Based, which reflects the average emission factor of the national energy mix, and Market-Based, which considers the contractual methods of purchasing electricity. For the purposes of analyzing the decarbonization performance, the Group takes as its main reference the Market-Based approach, as it allows to represent the effect of supply choices and the use of energy from renewable sources.

Following the organizational discontinuity on 1 July 2024, the comparison is made exclusively with respect to the 2024 financial year, as the previous years are not comparable.

[44], [52 a, b]: Gross Scope 1, 2, 3 GHG Emissions - TIM Group

	UOM	2025	2024 ⁸
Gross Scope 1 GHG emissions	tCO ₂ eq	31,853.30	49,569.70
Gross Scope 2 Location-Based GHG emissions	tCO ₂ eq	302,249.37	350,081.45
Gross Scope 2 Market-Based GHG emissions	tCO ₂ eq	—	103,374.75
Gross Scope 3 GHG emissions	tCO ₂ eq	2,202,376.07	2,170,925.37
Total Scope 1, 2 and 3 Location-Based GHG emissions	tCO₂eq	2,536,478.74	2,570,576.52
Total Scope 1, 2 and 3 Market-Based GHG emissions	tCO₂eq	2,234,229.37	2,323,869.82

In 2025, the Group's total emissions are almost entirely attributable to **Scope 3**, which accounts for **99%** of the total, while **Scope 1** represents approximately **1%** and Scope 2 is zero under the market-based approach. Compared to 2024 (Scope 3: 93%, Scope 2: 4%, Scope 1: 3%), this indicates a greater weight of value-chain emissions.

Total gross GHG emissions (Scope 1, 2 and 3) decreased by approximately 4% compared to 2024 (market-based approach).

This change is attributable to:

- the **elimination of Scope 2 emissions** under the market-based approach or, under the location-based approach, to a reduction (approximately -14% compared to 2024) resulting from the procurement of electricity fully covered by Guarantees of Origin, I-RECs, and renewable energy purchase agreements (PPAs);
- the **reduction in Scope 1 emissions (-36%** compared to 2024) due to the reduced operation of trigeneration plants, changes in the allocation boundary of generators between TIM and FiberCop, and the decreased use of refrigerant and ozone-depleting gases;
- a **slight increase in Scope 3 emissions (+1.5%** compared to 2024), driven by higher procurement expenditure and increased energy production, transport, and distribution costs, which affected emissions associated with energy purchases.

Below are the Group's gross GHG emissions disaggregated by Scope 1, 2 and 3 for the Domestic BU and TIM S.A.

⁸ The data relating to 2024 have been rectified with respect to what was previously published (see the disclosure obligation BP-2, 14a). In particular, the gross Scope 1 GHG emissions were updated from 52,402.12 to 49,569.70 tCO₂eq and the gross Scope 3 GHG emissions from 2,025,399.85 to 2,170,925.37 tCO₂eq. The GHG emission totals have consequently been updated.

[AR 41] Gross Scope 1, 2 and 3 GHG emissions by Business Unit

UOM		2025						2024 ⁹					
		Scope 1	Scope 2 Location Based	Scope 2 Market Based	Scope 3	Scope 1+2+3 Location Based	Scope 1+2+3 Market Based	Scope 1	Scope 2 Location Based	Scope 2 Market Based	Scope 3	Scope 1+2+3 Location Based	Scope 1+2+3 Market Based
TIM Domestic	tCO ₂ eq	18,435.57	290,368.65	—	1,622,171.90	1,930,976.12	1,640,607.47	30,917.93	333,801.94	103,374.75	1,516,648.06	1,881,367.93	1,650,940.74
TIM S.A.	tCO ₂ eq	13,417.73	11,880.72	—	580,204.17	605,502.63	593,621.90	18,651.77	16,279.51	—	654,277.32	689,208.60	672,929.09
Group	tCO ₂ eq	31,853.30	302,249.37	—	2,202,376.07	2,536,478.74	2,234,229.37	49,569.70	350,081.45	103,374.75	2,170,925.37	2,570,576.53	2,323,869.82

In 2025, the **emissions impact** (Scope 1+2+3) of **TIM S.A.** on the Group's total shows a slight decrease, falling from 29% in 2024 to **27%** in 2025. This trend reflects Scope 2 emissions that have already been reduced to zero since 2021, as well as a reduction in both Scope 1 and Scope 3 emissions over the reference period.

Summary of Gross Scope 1 and 2 GHG Emissions

[44]; [50 a, b]

Below are the Scope 1 and Scope 2 emissions of the TIM Group, referring to the environmental perimeter and disaggregated according to the type of control exercised over the activities, in accordance with the Greenhouse Gas Protocol.

The Group exercises **financial control** over owned buildings and infrastructure, as well as property and infrastructure held under lease agreements which, for accounting purposes (IFRS 16 – Leases), are recorded in the financial statements as right-of-use assets. The related emissions are therefore included in the reporting perimeter.

Operational control is exercised over property and infrastructures not owned and not recorded in the annual report (IFRS 16), for which the Group has energy utilities, can directly purchase energy (also from renewable sources), and is able to influence the methods of use or investments related to the assets.

[44], [50 a, b]: Gross GHG emissions disaggregated by control type - Scope 1 and 2 - TIM Group

	UOM	2025	2024 ¹⁰
Gross Scope 1 GHG emissions	tCO₂eq	31,853.30	49,569.70
from activities with financial control	tCO ₂ eq	29,404.43	45,121.91
from activities with operational control	tCO ₂ eq	2,448.86	4,447.79
Gross Scope 2 Location-Based GHG emissions	tCO₂eq	302,249.37	350,081.45
from activities with financial control	tCO ₂ eq	102,013.10	112,462.22
from activities with operational control	tCO ₂ eq	200,236.28	237,619.23
Gross Scope 2 Market-Based GHG emissions	tCO₂eq	—	103,374.75
from activities with financial control	tCO ₂ eq	—	5,230.99
from activities with operational control	tCO ₂ eq	—	98,143.76
Total Scope 1 and 2 Location-Based GHG emissions from financial control	tCO₂eq	131,417.53	157,584.13
Total Scope 1 and 2 Market-Based GHG emissions from financial control	tCO₂eq	29,404.43	50,352.90
Total Scope 1 and 2 Location-Based GHG emissions from operational control	tCO₂eq	202,685.14	242,067.02
Total Scope 1 and 2 Market-Based GHG emissions from financial control	tCO₂eq	2,448.86	102,591.55

In 2025, the **Group's gross Scope 1 and Scope 2 GHG emissions decreased** compared to 2024, both under the **Location-Based approach (approximately –16%)** and under the **Market-Based approach (approximately –79%)**; a detailed breakdown of the change is provided in the following sections dedicated to the individual scopes.

Gross Scope 1 GHG emissions

[MDR-M, 77 a]; [48 a, b]; [AR 43c]

The Group's gross **Scope 1 GHG emissions** derive from the use of fuels (such as **gas, petrol, and LPG**) and from **fugitive emissions** associated with operational activities (such as **refrigerant gas leaks from air conditioning systems**). The data are expressed in metric tons of CO₂ equivalent (tCO₂eq) and refer to the entire 2025 financial year.

For **TIM Domestic**, Scope 1 emissions mainly derive from:

- stationary combustion from fixed installations, particularly from the use of diesel for **generators**, natural gas for **heating**, and self-generation of electricity through high-efficiency **cogeneration units**;

⁹ The data relating to 2024 have been revised compared to what was previously published (see the disclosure obligation BP-2, 14a). In particular, the gross Scope 1 GHG emissions of the Domestic BU were updated from 33,750.35 to 30,917.93 tCO₂eq, with a consequent adjustment of the gross Scope 1 emissions for the total Group. The gross Scope 3 GHG emissions of the Domestic BU – from 1,439,960.93 to 1,516,648.06 tCO₂eq – and of TIM S.A. – from 585,438.92 to 654,277.32 tCO₂eq – were also updated, resulting in the adjustment of the Total Group gross Scope 3 emissions. The aggregate Scope 1+2+3 totals, according to both Location-Based and Market-Based approaches, have been updated accordingly.

¹⁰ The data relating to 2024 have been revised compared to what was previously published (see the disclosure obligation BP-2, 14a). In particular, the gross Scope 1 GHG emissions from activities with operational control were updated from 7,280.21 to 4,447.79 tCO₂eq, resulting in an update of the total Scope 1 emissions and the total Scope 1 and 2 emissions.

- mobile combustion, related **to vehicle use**;
- fugitive emissions, due to the release of refrigerant and ozone-depleting gases contained in air conditioning systems.

For **TIM S.A.**, in addition to the types described above, Scope 1 also includes:

- emissions from **biogas consumption**;
- process emissions associated with **effluents**, generated from wastewater treatment;
- **fugitive emissions** related to fire extinguisher refilling, due to the release of fire-extinguishing gases during maintenance operations of fire protection systems.

The calculation of CO₂ equivalent emissions is carried out by applying the Global Warming Potential (GWP) provided for by the VI IPCC Report, which compares the climate impact of the different gases with that of carbon dioxide (CO₂), to which a GWP of 1 is attributed.

The emission factors used are those published by DEFRA 2025 (Department for Environment, Food and Rural Affairs).

The calculation of Scope 1 emissions excludes any absorptions, emission allowances or carbon credits purchased, sold or transferred. The Group does not fall within the scope of the EU ETS.

Emissions are classified into the categories of stationary combustion, mobile combustion, process emissions and fugitive emissions, based on activity data relating to fuel consumption and gas losses.

[48a] Type of GHG emissions included in Scope 1 - TIM Group

	UOM	2025	2024 ¹¹
Emissions by stationary combustion	tCO₂eq	10,639.26	22,447.25
emissions from trigeneration	tCO ₂ eq	5,569.57	17,153.66
heating emissions	tCO ₂ eq	3,411.06	3,659.49
emissions from the self-generation of electricity from mixed sources ¹	tCO ₂ eq	1,658.64	1,634.10
Mobile combustion emissions	tCO₂eq	9,930.04	9,827.48
emissions from haulage	tCO ₂ eq	8,050.35	7,911.47
emissions from machinery used for plant maintenance and cleaning	tCO ₂ eq	1,879.69	1,916.01
Process emissions	tCO₂eq	1.01	—
emissions from effluents	tCO ₂ eq	1.01	—
Fugitive emissions	tCO₂eq	11,282.99	17,294.97
emissions from the dispersion of ozone-depleting gases	tCO ₂ eq	11,282.99	17,294.97
Total Scope 1 emissions	tCO₂eq	31,853.30	49,569.70

⁽¹⁾ includes diesel emissions from generators

In 2025, **gross Scope 1 emissions recorded a 36% reduction** compared to 2024. The decrease is mainly attributable to the decrease in emissions from stationary combustion, which are reduced by 53% compared to the previous year, in particular due to the reduced operation of trigeneration plants. Fugitive emissions, mainly associated with the dispersion of refrigerant gases, also show a 35% reduction, contributing to the overall decrease in Scope 1 emissions.

In line with the provisions of the GHG Protocol, biogenic CO₂ emissions, resulting from the combustion or biodegradation of biomass, are not included in Scope 1 and are reported separately from greenhouse gas emissions of fossil origin.

[AR 43c] Biogenic emissions not included in Scope 1 - TIM Group

	UOM	2025	2024 ¹²
Biogenic emissions of CO ₂ from the combustion or bio-degradation of biomass separately from the Scope 1 GHG emissions	tCO ₂ eq	22,358.69	26,745.85

In 2025, there was a **16.4% reduction in emissions of biogenic origin** compared to 2024, mainly attributable to the decrease in the consumption of biogenic fuels used by the Group's plants.

In calculating Scope 1 greenhouse gases (GHG) emissions, the TIM Group does not use or consider emissions covered by regulated Emission Trading Systems (ETS). The Group's operating activities, in fact, do not fall within the scope of application of these systems and are not subject, at the reporting date, to obligations to purchase or return emission allowances. The reported Scope 1 emissions are gross and not subject to regulated exchange or compensation mechanisms.

¹¹ The data relating to 2024 have been rectified with respect to what was previously published (see the disclosure obligation BP-2,14a). In particular, the emissions for stationary combustion from trigeneration - from 16,821.22 to 17,153.66 tCO₂eq-, from heating - from 3,734.21 to 3,659.49 tCO₂eq - and from electric self-production from mixed sources - from 2,135.61 to 1,634.10 tCO₂eq - were updated, resulting in the adjustment of the total emissions for stationary combustion. In addition, fugitive emissions from the dispersion of ozone-depleting gases were updated from 19,883.61 to 17,294.97 tCO₂eq. Total Scope 1 emissions were consequently adjusted from 52,402.12 tCO₂eq to 49,569.70 tCO₂eq.

¹² The data relating to 2024 have been rectified with respect to what was previously published (see the disclosure obligation BP-2, 14a). In particular, the biogenic CO₂ Scope 1 emissions were updated from 166.02 to 26,745.85 tCO₂eq.

Gross Scope 2 GHG emissions

[MDR-M, 77 a]; [49 a, b]

The gross **Scope 2 GHG emissions** of the TIM Group, expressed in tons of CO₂ equivalent (tCO₂eq), **resulting from the purchase of electricity**, are reported by distinguishing between the Location-Based method and the Market-Based method.

According to the **Location-Based approach**, emissions are calculated by applying the national average emission factors of the electricity grid of the countries where the energy is consumed. As part of the Domestic BU, the ISPRA 2024 databases for Italy, Terna 2024 for Turkey and Panama and AIB 2024 for Greece are used. For TIM S.A. the quantification is based on the average emission factor of the National Interconnected System (SIN), in accordance with the Brazilian Greenhouse Gases Emissions Management Program (PBGHGP). This method reflects the indirect emissions associated with the average national electricity generation mix.

According to the **Market-Based approach**, emissions are determined considering the specific contractual instruments for the supply of renewable energy. In particular, for the Domestic BU, 91.91% of the energy purchased is covered by Guarantees of Origin and 8.09% by a Power Purchase Agreement with ERG for the supply from wind power plants, with a total coverage equal to 100% of the energy purchased, while TIM S.A. covers 100% of its consumption through Renewable Energy Certificates (I-RECs).

[49 a, b]: Gross Scope 2 GHG Emissions - TIM Group

	UOM	2025	2024
Gross Scope 2 Location-Based GHG emissions	tCO ₂ eq	302,249.37	350,081.45
Gross Scope 2 Market-Based GHG emissions	tCO ₂ eq	0.00	103,374.75

In 2025, **Scope 2 emissions** calculated according to the **Location-Based approach** show a **reduction compared to 2024 (-13.6%)**, mainly due to the decrease in electricity consumption and the improvement of the national generation mix in the Group's countries of operation.

Under the **Market-Based approach**, in 2025 emissions were reduced to zero (-100% compared to 2024), in line with the choice of full coverage of electricity supply through contractual instruments of certification from renewable sources (Guarantees of Origin, PPAs and I-RECs).

Gross Scope 3 GHG emissions

[MDR-M, 77 a]; [51]

The gross Scope 3 GHG emissions of the TIM Group are reported in accordance with the Corporate Value Chain (Scope 3) Accounting and Reporting Standard of the Greenhouse Gas Protocol (2011).

In 2025, the Group **expanded the reporting perimeter of Scope 3 emissions** compared to the previous year, **including all applicable categories** along the upstream and downstream value chain, **with the exception of Categories 8** ("Upstream leased assets") **and 10** ("Processing of products sold"), which are not relevant in relation to the Group's operating model.

The expansion of disclosure compared to 2024 aims to ensure greater completeness and robustness of disclosure. The year 2024 is the reference for the definition of the climate transition plan currently under development.

The reporting perimeter includes companies falling within the environmental perimeter (see the BP-1 disclosure obligation). Any offsets, GHG allowances, or carbon credits purchased, sold, or transferred are excluded from the calculation. Emissions are estimated using activity data along the value chain; unless otherwise indicated, no primary data provided directly by the value chain partners has been used.

Below are the main calculation methodologies adopted by category.

■ Category 1 - Purchased goods and services

For the Domestic BU the prevailing calculation methodology is based on expenditure (spend-based approach). Specifically, the purchase items by commodity group (net of intercompany items) recorded by SAP¹³ systems were used, including expenses for the management of telecommunications services (such as leases, management of spaces and infrastructures of third parties, and colocation services). The conversion of monetary values into emissions was carried out using EEIO-Eurostat emission factors.

For the other companies in the environmental perimeter¹⁴ not detected by SAP, the items in the consolidated financial statements relating to "Purchases of goods and services" were used, applying average emission factors derived from the sample of available data.

For specific product categories such as devices, the Average Data Method was applied, based on the quantities purchased and on sector emission factors.

A spend-based methodology was also adopted for TIM S.A., using purchase items by goods group (net of intercompany items) and certified expense accounting items. EEIO-Eurostat emission factors were applied for the conversion into emissions. For the purchase of devices, the Average Data Method was applied.

■ Category 2 - Capital goods

For the Domestic BU, a spend-based approach was adopted, using the investment items by goods group (approved amounts net of intercompany items) of the companies included in the environmental perimeter, recorded by SAP systems (see note 13).

¹³ 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.

¹⁴ TI Sparkle Greece; Telsy S.p.A.; Panama Digital Gateway and TIM Retail S.r.l.

Investments related to the management of telecommunications services provided by third parties are also included. The conversion of monetary values into emissions was carried out by applying emission factors published by Eurostat.

For the other companies within the environmental perimeter (see Note 14), investment data were taken from the items in the consolidated financial statements relating to investments (CapEx), to which average emission factors derived from the sample of available data were applied.

A methodology based on expenditure was also adopted for TIM S.A., using certified investment items (net of intercompany items). The conversion into emissions was carried out by applying emission factors relating to the type of purchase published by Eurostat.

■ **Category 3 – Fuel and energy related activities (not included in Scope 1 and 2)**

For the Group, an activity-based approach was adopted, applying to the energy consumption reported in Scope 1 and Scope 2 specific emission factors aimed at estimating the upstream emissions associated with the production of fuels and electricity purchased, as well as network losses. For both the Domestic BU and TIM S.A., emission factors taken from the DEFRA 2025 database were used for the components related to electricity transmission and distribution losses (renewable and non-renewable), as well as from the DEFRA 2021 database for emissions associated with the extraction, refining, and transport phases of primary fuels prior to electricity generation.

■ **Category 4 – Upstream transportation and distribution**

For the Domestic BU, a hybrid methodology has been adopted that combines an expense-based approach to purchased transport services with a distance-based approach to product handling. The calculation considers, where available, the weight of the goods transported, the distances travelled and the modes of transport used. A similar methodology has been adopted for TIM S.A.; where available, data on fuel consumption provided by logistics operators have been integrated.

Both for the Domestic BU and for TIM S.A., the reference emission factors and their respective densities were used, extracted from the GLEC Framework, Global Logistics Emission Framework v3.1 (published March 2025).

■ **Category 5 – Waste generated in operations**

For all group companies, the "Average Data Method" was applied, considering the quantities of waste and the related treatment methods (recycling, landfill, incineration). In the absence of specific data, estimated distributions consistent with sectoral sources (e.g. ISPRA) were used. The emission factors derive from the DEFRA 2025 database.

■ **Category 6 – Business travel**

For all group companies, an activity-based approach was used, considering the distances traveled, the modes of transport used, and the overnight stays, based on data extracted from corporate travel management systems. The emission factors come from the DEFRA 2025 database.

■ **Category 7 – Commuting**

For the Domestic BU, a methodology was adopted based on internal surveys relating to modes of travel, average distances traveled, and the use of smart working, extended to the entire company population. Emissions were estimated by applying emission factors to the different transport modes declared. For TIM S.A., a methodology was adopted based on company data relating to smart working and on estimates of movements by type of means of transport, elaborated on the basis of national statistics referring to the Brazilian context. For both companies, the emission factors are taken from the DEFRA 2025 database.

■ **Category 9 – Downstream transportation and distribution**

For the Domestic BU, the calculation was carried out using a distance-based approach, which considers the weight of shipments, a standard average distance for the distribution of products to customers, and the modes of transport used. For TIM S.A., a similar methodology has been applied which, in the absence of precise data on the weight of shipments, uses average weights of the products sold.

For both realities, the emission factors and their densities were taken from the GLEC Framework – Global Logistics Emission Framework v3.1 (March 2025).

■ **Category 11 – Use of sold products**

For the Domestic BU, a methodology has been adopted that estimates the emissions generated in the use phase of the products sold. Given the wide range of products marketed, the focus was on the most relevant categories in terms of sales volumes and the average emission impact by product category. Emissions were determined by multiplying the average energy consumption of the product by its average useful life and applying the Location-Based emission factor of electricity. The ISPRA 2024 emission factor (published on May 7, 2025).

For TIM S.A., a similar methodology was applied, while the average emission factor of the National Interconnected System (SIN), published in December 2025 under the responsibility of the Ministries of Science and Technology (MCTI), was applied.

■ **Category 12 – End of life of products sold**

For all group companies, a methodology was adopted to estimate the emissions associated with the disposal phase of the products sold, applying the Average Data Method. Given the wide range of products marketed, average weights were determined by product category and sector estimates were applied relating to the prevailing end-of-life treatment methods for each asset. The emission factors used refer to DEFRA 2025.

■ **Category 13 – Leased Assets**

For the Domestic BU, emissions are estimated on the basis of the average energy consumption of the leased goods over their useful life, applying location-based emission factors for electricity published by ISPRA 2024 (published on May 7, 2025). For TIM S.A. the methodology is similar, while the emission factors are location-based and refer to the National Interconnected System (SIN), published in December 2025 under the responsibility of the Ministries of Science and Technology (MCTI).

■ **Category 14 – Franchises**

For the Domestic BU, emissions are estimated on the basis of the number of franchise points of sale, average surface area and energy consumption. The emission factors applied are the national location-based electricity emission factors published by ISPRA 2024. For TIM S.A., a similar methodology was adopted, while the emission factors are the national location-based ones related to the National Interconnected System (SIN), published in December 2025 under the responsibility of the Ministries of Science and Technology (MCTI).

■ Category 15 – Investments

For all group companies, a methodology based on average data (Average Data Method) was adopted, estimating emissions in proportion to the shareholding held, using the turnover of the investee companies (year x-1) and applying EEIO-Eurostat reference emission factors, with currency conversion where necessary.

There are no biogenic CO₂ emissions along the value chain, upstream or downstream. Scope 3 GHG emissions are reported gross of any removals and do not include offsets, GHG allowances, or carbon credits purchased, sold, or transferred.

[51]: Gross Scope 3 GHG Emissions - TIM Group

	UOM	2025	2024 ¹⁵
1. Purchasing of goods and services	tCO ₂ eq	1,563,689.88	1,507,169.99
2. Purchase of capital goods	tCO ₂ eq	310,727.26	303,900.22
3. Fuel and energy related activities (not included in Scope 1 or 2)	tCO ₂ eq	35,688.75	28,255.83
4. Upstream transport and distribution	tCO ₂ eq	23,770.48	30,711.59
5. Waste	tCO ₂ eq	57.24	101.62
6. Business trips	tCO ₂ eq	4,990.21	5,240.41
7. Commuting	tCO ₂ eq	21,306.87	25,986.75
9. Downstream transport	tCO ₂ eq	5.47	8.44
11. Use of products sold	tCO ₂ eq	153,754.04	186,054.21
12. End-of-life treatment of sold products	tCO ₂ eq	21.41	19.60
13. Emissions from downstream leased assets	tCO ₂ eq	63,586.96	67,978.11
14. Franchising	tCO ₂ eq	2,099.28	2,548.47
15. Investments	tCO ₂ eq	22,678.20	12,950.13
Total gross Scope 3 GHG emissions	tCO₂eq	2,202,376.07	2,170,925.37

In 2025, gross **Scope 3 emissions recorded a slight increase compared to the previous year (+1.5%)**. Analyzing the most significant categories in terms of emissions, Category 1 and Category 2 show increases of 3.8% and 2.2%, respectively, compared to 2024. These changes mainly reflect trends in operating expenditure and investments, as well as the infrastructure projects carried out during the period.

Emissions in **Category 3 also show an increase of 26%** compared to 2024, mainly due to the inclusion of network losses related to the supply of renewable energy, in accordance with the ISO 14064 standard.

Partially offsetting these dynamics is the **reduction in Category 11 emissions by 17.4%** compared to 2024, attributable to changes in the volumes and mix of devices sold, as well as the progressive improvement in the energy efficiency of products.

Emissions intensity

[MDR-M, 77 a]; [53]; [55]

Below is the value of the GHG intensity of the TIM Group (environmental perimeter) in metric tonnes of CO₂eq. The intensity of GHG emission is an indicator of emission efficiency and is measured in tCO₂eq per million euros of revenues. The indicator is calculated by comparing the total greenhouse gases emissions to the net revenues of the companies belonging to the environmental perimeter. The indicator is presented according to both the Location-Based and Market-Based approaches.

[53]: GHG Intensity - TIM Group

	UOM	2025	2024 ¹⁶
Total Location-Based GHG emissions	tCO ₂ eq	2,536,478.74	2,570,576.52
Total Market-Based GHG emissions	tCO ₂ eq	2,234,229.37	2,323,869.82
Net revenues environmental perimeter (gross of discontinued operations) ¹	€mln	14,440.99	14,207.38
Intensity of Location-Based GHG emissions	tCO₂eq/€mln	175.65	180.93
Intensity of Market-Based GHG Emissions	tCO₂eq/€mln	154.72	163.57

⁽¹⁾ Discontinued operations - environment perimeter: Telecom Italia Sparkle S.p.A.; TI Sparkle Greece; TI Sparkle Turkey and Panama Digital Gateway

In 2025 the indicator shows an improvement compared to 2024 with a reduction of 2.9% according to the Location-Based approach and 5.4% with the Market-Based approach. The improvement in the indicator reflects the combination of the substantial stability of overall emissions and the increase in revenues from the environmental perimeter in the reference period, with a

¹⁵The data relating to the 2024 financial year have been integrated, as indicated in section BP-2 [13a], for the purposes of CSRD reporting, including the calculation of the additional previously unpublished Scope 3 categories (Categories 4, 5, 6, 7, 9, 13, 14, and 15), in order to ensure full comparability with the 2025 financial year.

¹⁶ Data for 2024 have been adjusted, as indicated in section BP-2 [14a]. The table shows the updated values of total Location-Based and Market-Based GHG emissions and the related intensity indicators.

consequent reduction in emissions per unit of revenue. The more favorable trend in intensity calculated according to the Market-Based approach is also attributable to the elimination of Scope 2 emissions according to this methodology, compared to the full coverage of electricity consumption through renewable energy procurement instruments.

[55]: Reconciliation with financial statements - TIM Group

	UOM	2025	2024
Net revenues (environmental scope including discontinued operations) ¹	€mln	14,440.99	14,207.38
Net revenues (other, not related to environmental perimeter)	€mln	195.47	235.00
Total net revenues as per consolidated financial statements (including discontinued operations)²	€mln	14,636.46	14,442.00

⁽¹⁾ Environmental perimeter 2025: TIM S.p.A.; Olivetti S.p.A.; Noovle S.p.A.; Telsy S.p.A.; Telecontact Center S.p.A.; TIM Retail S.r.l.; Telecom Italia Sparkle S.p.A.; TI Sparkle Greece; TI Sparkle Turkey; Panama Digital Gateway and TIM S.A.

⁽²⁾ Discontinued operations: Sparkle Group

Disclosure Requirement E1-7 - GHG removals and GHG mitigation projects financed through carbon credits

[MDR-M 77 a]; [56 a, b]; [58 a, b, e, f]; [60]; [61 a, b, c]

The TIM Group does not carry out removal or storage activities of GHG deriving directly from its own operations or from the upstream and downstream value chain. Emission neutralization, both for specific components of the value chain and for emissions from its own activities, is achieved outside the value chain through the purchase of certified carbon credits, about which the Group provides adequate disclosure.

As part of the Domestic BU, in 2025 the emissions associated with browsing the main commercial and institutional websites, equal to over 505 tCO₂eq, were offset through the purchase of 505 carbon credits related to the "The Envira Amazonia Project", a forest conservation initiative located in Brazil and based on avoided deforestation activities. The project is aimed at preserving existing forests and preventing deforestation resulting from logging activities, generating a measurable reduction in emissions and supporting sustainable economic development programs. The initiative also includes interventions in favor of local communities, including the construction and management of a medical and dental clinic, the installation of community toilets and the distribution of kits for the prevention of water-related or insect-borne diseases.

The "The Envira Amazonia Project" is certified according to the VCS Standard (Verified Carbon Standard) – Verra, which ensures the generation of real, verifiable, and permanent CO₂ reductions, and has also obtained validation and verification of CCBS (Climate, Community & Biodiversity Standard) with Triple Gold Level Distinction, for the exceptional positive impact in terms of climate change mitigation, support for local communities, and protection of biodiversity.

The calculation of avoided emissions and carbon credits to be purchased follows the CO2web® methodology owned by Rete Clima, a nonprofit technical body specializing in promoting sustainability in organizations, and is verified by the ICMQ Certification Body. As the project is located in Brazil, the purchased carbon credits were not generated within the European Union.

The neutralization activity of the emissions associated with the websites has been the subject of specific public disclosure, with an indication of the compensation methods adopted.

In Brazil, TIM S.A. carries out the neutralization of direct emissions of GHG (Scope 1) through the purchase of certified carbon credits. In 2025, 13,418 credits were purchased. Project selection was carried out on the basis of recognized certification criteria and the ability to generate environmental and social benefits for local communities.

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, 16]; [MDR-P, 65 a, b, c, d, e, f]; [15 a,b]

The double materiality analysis identified **2 material IROs** (IROs 28 and 37) related to ESRS E5-1 "Resource use and circular economy", both referring to the Group's own operations. These IROs are monitored through the policy **"Commitment to environmental sustainability in the TIM Group"** and in the **"Waste Management Procedure"**.

The detail of the IROs is reported in the dedicated table of ESRS 2 SBM-3 "Material impacts, risks, and opportunities and their interaction with the strategy and business model", in the "General Information" section, while for further information on the general aspects relating to policies, please refer to the "Policies - MDR-P" chapter in the same section.

To define the Group's framework in the Brazilian context, TIM S.A. has adopted an "Environmental Policy" consistent with the Group's principles and guidelines and with the applicable local legislation.

The Policy guides company activities towards improving environmental performance, mitigating environmental risks, and complying with regulatory obligations. With specific reference to the theme of the circular economy, TIM S.A. promotes waste management aimed at reducing its production and promoting separate collection, recovery, and recycling, as well as the recovery of end-of-life products and their correct management and final disposal.

The Policy "Commitment to environmental sustainability in the TIM Group" provides for measures aimed at reducing the use of virgin resources and promoting the reuse and recycling of materials. In particular, the Policy:

- provides for waste management aimed at the reuse and recycling of products, substances and materials, in order to reduce the consumption of primary resources and limit the use of hazardous substances;
- directs the management of company offices towards reducing the use of resources such as paper and water and the management of infrastructures and technological systems towards a more efficient use of energy, gas and fuels.

The "Waste Management Procedure" also provides for measures aimed at reducing the production of waste and promoting the recovery of material, through:

- the reduction of waste production and the increase of reuse and recycling, including by extending the useful life of goods;
- the dissemination of responsible behavior within the Organization, through training and awareness-raising initiatives;
- the selection and management of suppliers that maximize the recovery of waste and prioritize the reuse of rare resources and precious materials.

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, d, e]; [MDR-A, 69 a, b]

In addition to circular economy policies that provide the framework for consistent and informed management of business activities, the Group deploys actions and resources connected to:

1. **Waste and resource management**
2. **Resource outflows related to products and services**

The initiatives are aimed at TIM customers and employees, both in Italy and in Brazil, and are implemented on an ongoing basis in order to ensure efficiency in the use of outgoing resources and promote the adoption of circular models along the value chain.

In the description of the individual actions, unless otherwise indicated, the initiatives refer to the Domestic BU perimeter; while those expressly indicated as TIM S.A. refer to the Brazilian subsidiary.

The allocated financial resources are also reported, where available, with a distinction between operating expenses (OpEx) and capital expenditure (CapEx).

1. Waste and resource management

The following actions aim to reduce the consumption of resources such as paper, plastic and encourage the spread of circular models.

■ **WEEE collection and management program (TIM S.A)**

In Brazil, the **"Take Back" program** promotes the collection, **recovery**, recycling, and proper treatment of post-consumer electrical and **electronic equipment (WEEE) waste**, in line with local waste legislation. The initiative makes use of a widespread network of collection points at company stores and authorized retailers and is supported by ABREE (Brazilian Association for the Recycling of Electrical and Electronic Equipment and Household Appliances), which takes care of transport, treatment and recycling activities at authorized plants. Campaigns are also carried out in collaboration with ABREE, schools and municipal administrations, aimed at collecting WEEE and promoting environmental education in local communities, including through incentives to support awareness-raising activities. In 2025, a total of 67 tons of WEEE were recovered from consumers, including 15 tons collected through the TIM logistics network, with a recycling rate of 98%, and 52 tons as part of awareness-raising and social mobilization campaigns carried out in partnership with ABREE. The CapEx earmarked for the initiative amounts to €85.2 k.

■ **Installation of water dispensers and reduction of single-use plastic**

Within the framework of initiatives aimed at the prevention of plastic waste, TIM promotes the progressive installation of drinking water dispensers at its offices, with the aim of reducing the consumption of disposable plastic bottles and promoting sustainable behavior among employees. In 2025, **13 dispensers were installed** at the main offices owned exclusively by TIM. The initiative has allowed us to estimate a **saving of about 6,000¹⁷ 500 ml bottles over the year**.

In Brazil, TIM S.A. has installed 365 water distributors at its offices nationwide. The installations involve administrative buildings characterized by high concentrations of employees, as well as points of sale and call centers. The intervention has contributed to the reduction of plastic waste, with an estimated 24.000 500 ml bottles saved in 2025.

■ **Monitoring and management of water consumption in Data Centers**

Noovle has implemented a structured system for monitoring and managing water consumption across its Data Centers, aimed at reducing water withdrawals and enhancing resource recovery. Performance is monitored through the Water Usage Effectiveness (WUE) indicator, which measures the amount of water used per unit of energy consumed by IT systems: the lower the value, the higher the efficiency in water use.

In 2025, monitoring covered 11 Data Centers, with an average **WUE of 0.097 l/kWh¹⁸**, improving from 0.291 l/kWh in 2024. This result was achieved through precise consumption control, the timely identification of leaks or anomalies, and the optimization of plant management.

In parallel, in line with circular economy principles, **rainwater collection and reuse systems** were installed in 3 Data Centers. In 2025, these systems enabled the recovery of approximately 480 m³ of water (equivalent to around 480 thousand litres), reused for technical and service purposes, contributing to a reduction in reliance on water supplied from the public network.

■ **Dematerialization of processes and monitoring of paper purchases**

The structured program of dematerialization of operational processes continues, aimed at reducing paper consumption through the digitization of company activities. The initiative contributes to the prevention of paper waste production and a more efficient use of resources. Monitoring takes place through the periodic tracking of paper purchases and through a qualitative indicator relating to the progress of the digital migration of processes. In 2025, a total of 1,306.4 tons of paper were purchased, of which 1,296.2 tons for commercial use and 10.2 tons for office use.

■ **Digitization of customer communications**

The process of digitization of customer communications is consolidated, through the monitoring of telephone invoice flows, **payment reminders, and contract termination notices**, with the aim of reducing the use of paper. In 2025, a total of about 92.6 million invoices were issued for Consumer (fixed and mobile), Enterprise and SMB (fixed and mobile) customers, of which about 44 million in digital mode and 48.6 million in paper mode, with a digitization percentage of 47.5%.

With reference to payment reminders and contract termination notices, 3.6 million communications were issued to Consumer customers in 2025, of which 1.5 million in digital format, equal to 41% of digitizable communications. For Business customers, 34,994 payment notices were issued, of which 5,247 in digital mode, equal to 15% of the total. The overall OpEx associated with the digitization of payment reminders amounts to approximately €910 k.

■ **Digitization of contracts in the sales network**

The **digitization project for contracts** signed at the physical sales network involves **enabling customers to digitally sign** through One Time Password (OTP) with a view to reducing the impact on the use of paper and speeding up sales operations, resulting in a paper saving of 10 A4 sheets for each landline contract (NIP/ULL), and 3 A4 sheets for each mobile line contract (AL/MNP). The implementation has been extended to the entire physical sales network, which includes over 4,000 points of sale, both single-brand and multi-brand. The adoption of the digital signature took place gradually and, at the end of the year, reached an overall penetration rate of more than 40%, with some channels and territorial areas exceeding 50%. In 2025, about **860,000 in-person contracts were signed by OTP signature**, of which about 286,000 related to fixed lines and 571,000 to mobile lines, generating an estimated saving of about 4,573,000 sheets of paper. The OpEx related to this initiative amounted to €597 k.

2. Resource outflows related to products and services

The initiatives described below are aimed at recovering materials, extending the useful life of products, and reducing electronic waste, through reuse, regeneration, resale, and leasing models.

¹⁷ TIM has estimated the reduction in plastic consumption resulting from the installation of water dispensers in its premises, assuming the potential consumption of a 500 ml bottle per day for each employee assigned to the premises equipped with dispensers.

¹⁸ TIM calculated the Water Usage Effectiveness (WUE) in accordance with the WP#35 - Water Usage Effectiveness (WUE): A Green Grid Data Center Sustainability Metric standard published by The Green Grid. In this regard, cogeneration systems are also included in the WUE calculation.

■ **Recovery, reuse and donation of company equipment**

The commitment to the recovery and regeneration of IT equipment and company smartphones continues, with the aim of promoting their internal reuse and reducing the production of electronic waste. In 2025, over 14,000 IT equipment units were collected, of which 48% were sent for disposal and the remaining part was recovered. Of the approximately 7,500 items recovered, more than 50% were reused internally or redeemed by employees, while the remaining portion was made available for further reuse.

In parallel, the donation of devices that are functional but not reusable internally to qualified non-profit organizations is promoted. In 2025, around 1,500 devices, including monitors and laptops, were donated, with over 200 units additionally available for future donations. The total OpEx for recovery and donation activities amounts to €78.6 k

■ **Extension of the useful life of the devices**

Trade-in initiatives, an integral part of the offer, aim to extend the useful life of the devices and promote the recovery of raw materials, contributing to the reduction of electronic waste. In Italy, through the "TIM Rivaluta Smartphone" service aimed at Consumer customers, customers can return their used device and obtain a discount on the purchase of a new smartphone. The collected devices are regenerated or sent to correct treatment. In 2025, **21,787 smartphones were collected**, an increase of almost 300% compared to 2024; about 80% of the recalled devices have been regenerated, making it possible to avoid the production of about 45 tons of electronic waste.

In Brazil, through the "TIM Troca Smart" initiative, TIM S.A. promotes the collection and reuse of used mobile devices, offering customers discounts or incentives for the purchase of new models. In 2025, a total of 15,933 devices were collected, of which 99% were reused.

■ **Replacement of faulty products with regenerated devices**

In the after-sales replacement processes, the use of regenerated devices is prioritized, contributing to the extension of the useful life of the products and the reduction of electronic waste. As part of the "All Risk Assistance" service aimed at Business customers, in 2025 about 12,000 regenerated smartphones were provided to replace failed, lost, or stolen devices, equal to 75% of the total replacements made.

For Consumer customers, over **13,000 modem replacements were made with regenerated devices**, equal to 19% of total replacements. In addition, as part of the **collaboration with the Turin Prison for the regeneration of modems**, in 2025 about 38,000 devices were regenerated, of which 13,500 were intended for new use.

The activities have OpEx of €2,619k

■ **Sale of reconditioned smartphones**

The offer aimed at Consumer customers is enriched by Grade A refurbished Apple smartphones, with the aim of offering quality devices at affordable prices and, at the same time, promoting more sustainable consumption models. The devices are purchased from suppliers specialized in carrying out a structured reconditioning process, including technical verification, replacement of worn or damaged components, and functional tests, in order to guarantee high quality standards. In 2025, approximately 550 refurbished smartphones were sold. The OpEx related to the initiative amounts to €88.7 k.

■ **Production of physical SIMs with reduced environmental impact:**

SIMs for TIM and KENA customers are made using 100% recycled and recyclable plastic, helping to reduce the use of virgin raw materials. The packaging includes the use of FSC-certified paper flyers and 100% recyclable plastic bags, with the aim of minimizing the environmental impact associated with the production and distribution of physical SIMs. The initiative contributes overall to the reduction of waste and to the improvement of efficiency in resource use throughout the life cycle of the product.

■ **Activation of e-SIM**

The adoption of e-SIM as an alternative to physical sims is promoted, with the aim of reducing the use of materials and the production of electronic waste. A comparative analysis of the carbon footprint shows a 98% reduction of unit emissions compared to traditional SIMs. At the end of 2025, about **175,000 lines with e-sim** are active in the Consumer segment, up from 77,000 recorded at the end of 2024. Overall, approximately **270,000 new e-SIMs were activated** during 2025, with avoided emissions estimated at 34 t CO₂eq¹⁹. The implementation activity resulted in OpEx amounting to €123 k.

■ **Rental of mobile devices**

The initiative provides for the rental supply of mobile devices for Small Business customers under mobile contracts, adopting an operating lease model as an alternative to the sale of the asset. The devices are provided together with the SIM for access to telephony and data services. At the end of the contract, or of the related renewals, the devices are returned for technical evaluation and possible regeneration or reuse, contributing to the extension of the useful life of the products and the reduction of electronic waste. In 2025, **7,434 rental devices were registered**. The initiative is part of the EU 5.5 taxonomic activity, as it promotes a product-service model aimed at promoting the operational life of the devices and efficiency in resource use. CapEx related to the initiative amount to €3,949 k.

■ **Sales of remanufactured multifunction printers**

The commercialization of regenerated multifunction printers is intended for the Olivetti authorized dealer network, with the aim of promoting the reuse of electronic equipment and reducing the production of technological waste. The devices are subjected to a structured regeneration process that includes checking the general condition, cleaning, repair, and replacement of worn or non-functioning components. At the end of the process, each printer is tested to ensure its correct operation and compliance with the required quality standards. In 2025, **366 regenerated printers were sold**. The activity is part of the EU 5.4 taxonomic activity, as it promotes the marketing of reconditioned and fully functional goods, contributing to the spread of more responsible consumption patterns and the reduction of environmental impact throughout the product life cycle.

¹⁹TIM, in line with what was done in 2024, assessed the difference in terms of climate footprint (greenhouse gas emissions) between the physical SIM and the eSIM (embedded sim), applying what emerged from the study carried out by RETECLIMA which highlighted: for the physical SIM, the obtained footprint is 0.131 KgCO₂eq for each SIM; for the eSIM, the footprint obtained is 0.00245 KgCO₂eq for each eSIM.

■ Supply of regenerated toner cartridges for the Public Administration

As part of the tenders addressed to the Public Administration (Consip), the supply of reconditioned toner cartridges for multifunction printers is envisaged, ensuring that at least 30% of the supplies consist of products recovered and returned to the production cycle. The regeneration process is based on the recovery of spent original cartridges which, after a careful cleaning and control process, are refilled with toner powder and, where necessary, subjected to the replacement of internal components subject to wear. **933 regenerated toner cartridges** were supplied in 2025. The activity falls within EU activity 5.4 of the Taxonomy, as it favors the reuse of materials and the reduction of waste production in the cycle of consumables for printing.

■ Reuse of customer premise equipment - Customer Premise Equipment (TIM S.A.)

In Brazil, structured programs are active for the recovery, regeneration and reuse of equipment provided to customers (Customer Premise Equipment – CPE), such as modems, routers and decoders, returned following the termination or suspension of telecommunications services or connectivity services. The returned devices are subjected to technical inspection, cleaning, functional tests, and firmware update to verify their suitability for reuse. Suitable equipment is regenerated and re-entered into the operating cycle, contributing to the reduction of the demand for new devices and the reduction of electronic waste (WEEE). The non-recoverable units are instead sent to authorized plants for the treatment and recycling of materials, in compliance with current environmental legislation. In 2025, **128 tons of modems were collected, of which 79% were regenerated and reused**, re-entering the supply circuit to customers. The activity falls under EU Activity 5.3 of the Taxonomy, as it promotes the reuse of products and their components, extending their useful life and reducing waste production, in line with the principles of the circular economy. The OpEx destined for this activity amounts to €2.680 k.

■ Disposal and resale of network equipment - decommissioning

The disposal and resale of no longer used technological equipment is part of the broader process of transforming and modernizing network infrastructure. The activity involves the removal of end-of-life equipment, such as routers, switches and servers, intended for the management of network links, the exchange of data between nodes and central processing and storage systems. Disused equipment undergoes an evaluation and selection process aimed at verifying its suitability for reintroduction to the market. The still functional devices are intended for sale through dedicated auctions, favoring their reuse and contributing to the reduction of electronic waste. This approach makes it possible to extend the useful life of the equipment, avoid the early decommissioning of devices that are still operational, free up space at technical sites, and optimize the management of infrastructure shared with other operators. The activity is part of the EU 5.4 taxonomic activity, as it promotes the sale and reuse of second-hand goods, contributing to the circularity of resources and the sustainable management of the end of life of technological equipment. In 2025, two sales auctions were held, with revenues of €69.7 k and total OpEx of €77.4 k.

■ Development of environmental culture and promotion of the circular economy (TIM S.A.)

Environmental culture is promoted through awareness-raising initiatives dedicated to the efficient use of resources and the principles of the circular economy, in support of waste management and material recovery actions. In 2025, two training meetings on the circular economy were held, one of which was open to the public and broadcast online. Periodic communications on environmental issues were also disseminated through internal channels and external platforms, with the aim of encouraging responsible behavior. The OpEx destined for this activity amounts to €10.2 k.

Overall, the actions described contribute to mitigating the negative impact IRO 37, connected to inadequate waste management, and to enhancing the opportunity IRO 28, linked to the recovery of materials and the extension of the life of products.

The total expenses identifiable for the actions described in disclosure requirement E5-2 "Actions and resources related to the use of resources and the circular economy" amount, gross of taxonomic activities, to €9,898 thousand (OpEx) and €3,949 thousand (CapEx) for the Domestic BU and to €2,690 thousand (OpEx) and €85 thousand (CapEx) for TIM S.A.; net of the portion attributable to taxonomic activities, these amounts are equal to €7,201 thousand (OpEx) for the Domestic BU and €10.2 thousand (OpEx) and €85 thousand (CapEx).

Metrics and targets

Disclosure Requirement E5-3 - Targets related to resource use and circular economy

[23]; [MDR-T 81 a, 81 b i, ii]

TIM monitors the effectiveness of policies and actions relating to impacts and risks in terms of resource use and the circular economy through a structured system of performance indicators (KPIs), recorded periodically, which allows for the continuous evaluation of environmental performance trends and the effectiveness of the measures adopted.

In particular, the monitoring concerns:

- aspects related to the recovery of materials and initiatives to extend the useful life of products, for which indicators such as: the number of devices recovered and regenerated through trade-in and preparation for reuse programs; the percentage of modems marketed with carbon footprint certification; the content of recycled materials in TIM-branded products; the quantity of precious materials recovered from WEEE;
- waste management, for which the total amount of waste produced is monitored; the total amount (by weight) of waste not destined for disposal through preparation operations for reuse and recycling; the quantity (in weight) of waste directed for disposal, broken down by type of treatment.

In Brazil, TIM S.A. monitors a further indicator relating to the reuse and recycling rate of solid waste, expressed as a percentage of the total solid waste generated by operational activities. For this indicator, a reference level of 96% has been defined by 2026, consistent with the waste management approach adopted by the company, aimed at favoring the recovery of material over final disposal.

The monitoring of environmental issues is also supported by the adoption of a management system certified according to the international standard ISO 14001, which provides for structured planning, control and continuous improvement processes aimed at preventing waste, increasing recycling and effectively managing disposal.

Disclosure Requirement E5-5 - Resource outflows

Environmental characteristics of the products

[35]; [36 a, b, c]; [MDR-M, 77 a]; [40]

In the Domestic sector, the TIM Group integrates environmental sustainability criteria and circular economy principles in the design and marketing of TIM-branded modems, which represent about 90% of the total products sold under the TIM brand.

The design of modems is aimed at extending the useful life and reducing environmental impacts throughout the entire life cycle. The devices are developed to ensure durability and reliability over time, with an estimated average life of about 10 years, depending on the technology used, failure rates and the availability of spare parts. During the tender phase, a Mean Time Between Failure (MTBF) of more than 300,000 hours is also required as a minimum reliability requirement, in order to limit premature replacements

The design also favors solutions that facilitate repairability and disassembly, allowing the replacement of standardized components and the reconditioning of devices returned by customers, which are verified, refurbished, and reintroduced into the technical assistance cycle. Particular attention is paid to material selection, through the use of recycled or recyclable components and the introduction of specific requirements regarding the recyclability of plastics in the tender procedures. The use phase is also optimised through energy-efficient solutions, while the packaging is made of 100% recycled and recyclable cardboard.

This design approach forms the basis for the adoption of instruments for measuring and certification of environmental impacts, including the EPD (Environmental Product Declaration). In this context, in 2024 the first modem with EPD (Environmental Product Declaration) certification was introduced, the TIM Hub Pro, to which the certification of the TIM Hub+ XDSL model was added in 2025, both validated by an independent third party. EPD certification, based on a Life Cycle Assessment, makes it possible to objectively quantify environmental impacts throughout all phases of the life cycle, including the carbon footprint. This tool directs customers towards conscious purchasing choices and promotes a design approach based on the comparability of environmental performance. In 2025, TIM shipped over 1 million modems, of which 70% were equipped with EPD.

TIM guarantees assistance and repair of modems, also through the use of refurbished products. The regeneration of failed devices is carried out through the recovery of modems returned by customers, technical verification of their condition, assessment of the feasibility of regeneration, replacement of functional blocks or standardized components, and subsequent re-entry into the technical assistance cycle for the replacement of other failed devices. Consistent with this approach.

For these two products, the average rate of recyclable content ²⁰ is 60.4%, while the rate of recyclable content in the relative packaging is 39.6%, as shown in the table below.

Recyclable content of products - TIM Group

	UOM	2025	2024
Recyclable content rate in products	%	60.40	93.17
Total weight of recyclable content in product packaging	%	39.63	29.94

The variation in the rate of recyclable content in the products reflects the different mix of equipment marketed. In particular, in 2025 the introduction of the TIM HUB+ XDSL, which includes a filter for access in ADSL technology, affected the average value of the indicator, since this component has a lower level of recyclability than the other type of modem (TIM HUB Pro). The increase in the rate of recyclable content of packaging is instead associated with the progressive spread of packaging solutions characterized by a lower use of plastic and a greater use of recyclable materials.

Waste production and treatment

[MDR-M, 77 a]; [37 a, b, c, d]; [38 a, b]; [39] ; [40]

The TIM Group monitors the production of waste and its management methods in order to improve prevention, recovery and reuse activities. Data is collected and analyzed periodically through dedicated management systems that allow for flow traceability and direct control of quantities.

In the Domestic sector, waste is classified according to the European Waste Catalogue (EWC) and the data collected complies with Directive 2008/98/EC of the European Parliament and of the Council, also known as the "Waste Framework Directive", amended by Directive (EU) 2025/1892.

In Brazil, TIM S.A. adopts an environmental management system that allows the traceability of incoming and outgoing flows of resources, ensuring the monitoring of waste production and recovery activities. The classification of hazardous waste and non-hazardous waste is carried out in accordance with ISO 14001, in order to ensure consistency, validation and comparability of data.

As part of its operations, the TIM Group generates non-hazardous waste, including mixed packaging, waste from electrical and electronic equipment (WEEE), cables and metals, as well as hazardous waste such as batteries and accumulators. The prevalent materials in the main types of waste include paper, wood, plastic and metal waste (mainly iron, steel and copper).

²⁰ The percentages of recyclable content are calculated using the weight of the TIM HUB+ modem (860 g) and the average weight of the packaging (360 g) as a reference. The calculation takes into account the different compositions of materials used in the product and its packaging.

The following table shows the details of the waste generated, separated by destination and type.

Waste generated - TIM Group

	UOM	2025			2024		
		Hazardous waste	Non-hazardous waste	Total	Hazardous waste	Non-hazardous waste	Total
Waste generated	t	713.63	3,341.17	4,054.80	956.64	4,438.58	5,395.22
Waste diverted from disposal	t	706.09	3,213.94	3,920.03	946.33	4,294.17	5,240.50
preparation for reuse	t	2.16	103.86	106.02	—	87.24	87.24
recycling	t	364.27	1,414.53	1,778.80	522.95	1,734.84	2,257.79
other recovery operations	t	2.70	6.76	9.46	—	—	—
Waste directed for disposal	t	7.54	127.23	134.77	10.31	144.41	154.72
incineration	t	2.42	23.76	26.18	5.16	11.16	16.32
disposal in landfill	t	5.12	103.48	108.60	5.16	133.26	138.42
other disposal operations	t	—	—	—	—	—	—
of which non-recycled waste	t	7.54	127.23	134.77	10.31	144.41	154.72
% of non-recycled waste	t	1.06	3.81	3.32	1.08	3.25	2.87

The data collection and consolidation process is progressively strengthened, with the aim of increasing the level of information detail at Group level.

Regarding waste diverted from disposal, it is specified that the data on the relative destinations (preparation for reuse and recycling) currently refer exclusively to TIM S.A. For waste destined for disposal, a methodological assumption has been adopted that provides for a 50% distribution of waste sent to landfill and 50% destined for incineration, in line with the ISPRA "2023 Urban Waste Reports" study. This criterion was applied to the entire reporting perimeter, in Italy and Brazil

In 2025, the **TIM Group generated 4,054.8 tons of waste, a 24.8% decrease** compared to 2024. The change primarily reflects a different information base for the 2024 data, which includes an estimated component related to the network separation process and the consequent unavailability of fully accurate tracking for the entire financial year. The 2025 figure, on the other hand, is entirely recorded on a final basis and is therefore more homogeneous than the current operating perimeter. In addition, during the year decommissioning initiatives were launched that prioritized the valorization and reuse of decommissioned assets, avoiding the production of waste (for details, see the disclosure obligation E5-3 "Objectives relating to resource use and the circular economy").

The **share of waste started for recovery remains high at about 97%** in 2025. As shown in the table below, the Group does not produce radioactive waste.

Hazardous and radioactive waste - TIM Group

	UOM	2025	2024
Total amount of hazardous waste	t	713.63	956.64
of which Radioactive	t	0.00	0.00

3. SOCIAL INFORMATION

Own workforce [ESRS S1]

Strategy

Disclosure Requirement SBM-2 – Interests and views of stakeholders

[S1 SBM-2, 12]

In defining its strategy and business model, the TIM Group considers the interests, opinions and rights of its workforce, recognized as key stakeholders for the creation of sustainable value in the medium to long term.

The needs and expectations of workers are collected through structured modes of involvement, both direct, such as interviews, internal surveys, climate questionnaires and dedicated meetings, and indirect, through workers' representatives systems and continuous dialogue with trade unions.

Disclosure Requirement SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

Perimeter of own workforce

[S1 SBM-3 14 a]

The TIM Group has identified the types of workers potentially subject to significant impacts deriving from its operations, including all categories of workers involved in its activities, regardless of the contractual form. This perimeter includes:

- **employees**, with whom the Group has a direct contractual relationship, for a fixed-term or open-ended period, full time or part-time;
- **non-employee** workers who operate on behalf of the Group, with whom TIM has indirect or atypical contractual relationships but who are functionally integrated into the company's activities. The following stand **out**:
 - **workers contracted** through temporary employment and/or administration agencies, including workers with a contract of administration mainly in staff leasing mode (in particular in the context of TIM Retail);
 - **self-employed workers**, understood as independent professionals who provide services or skills to the Group without an employment contract, in the context of ongoing collaboration relationships or in any case relevant to company operations, such as, for example, consultancy or health care activities for the Assilt entity.

Impacts, risks and opportunities related to the workforce

[S1 SBM-3 14 b, c, d, e, f, i, ii; [S1 SBM-3, 15]; [S1 SBM-3, 16]

Following the double materiality analysis, the Group identified material impacts, risks, and opportunities related to its workforce, distinguishing between effects of an incidental nature and factors of a structural nature.

The negative impacts deriving from specific events are mainly related to cybersecurity (IRO 1) and occupational health and safety (IRO 15); those of structural nature are linked to the way work is organized and, in particular, incentive and benefit systems not fully aligned with sustainability objectives can affect employee motivation (IRO 17), while work contexts that do not adequately guarantee the right to disconnection and work-life balance can negatively affect individual well-being and stress levels (IRO 36).

A positive impact has also been identified associated with training and skills development initiatives, including reskilling activities (IRO 5), which contribute to professional growth and strengthen the Group's workforce's ability to adapt to organizational and technological changes.

With reference to risks, aspects related to the violation of privacy and unauthorized access to employees' personal data (IRO 26), gender inequalities in terms of remuneration, access to roles of responsibility, and transparency in career paths (IRO 35), and the failure to respect human rights within the organization and along the supply chain (IRO 38), were identified. These issues can have legal, economic and reputational consequences, also affecting the ability to attract and retain talent. However, no operations involving a serious risk of forced labor, compulsory labor, or child labor were detected.

The identified opportunities concern the enhancement of diversity and the creation of an inclusive work environment (IRO 20), the adoption of flexible and hybrid working models (IRO 22), the definition of clear and achievable performance objectives for employees (IRO 24), as well as investments in training and skills development, including through research collaborations (IRO 30). These themes can contribute to improved productivity, organizational well-being, and the ability to attract and retain a skilled and diverse workforce, while generating economic and reputational benefits.

The Group's climate transition plan, currently being defined, is primarily oriented toward the reduction of emissions and the technological transformation of infrastructure and does not have significant impacts on its own workers in terms of working conditions, employment, or rights. Therefore, no significant effects on the business model or company resilience have been identified with respect to workforce size.

Some risks and opportunities may relate to specific groups of the workforce. In particular, the risks associated with gender inequalities, in line with structural dynamics observed in the labor market, mainly affect the female population, with respect to which the TIM Group is committed to reducing the wage gap and promoting equal opportunities.

Opportunities related to the enhancement of diversity and inclusion can instead concern, in addition to the female population, other groups of the workforce, such as ethnic and cultural minorities, as well as different generational groups, contributing to creating an inclusive work environment and strengthening the Group's attractiveness as an employer.

Some risks may affect specific groups of the workforce in different ways. In particular, the female population and minorities may be more exposed to inequalities in terms of access to opportunities, professional development, and working conditions. The Group devotes particular attention to these groups, monitoring the evolution of risks and promoting initiatives aimed at ensuring equal opportunities and inclusion.

To identify the risks that fall on its employees, the Group regularly collects the opinions of workers through listening activities and internal surveys on the level of satisfaction to understand their needs and guide their actions.

The detail of the IROs is reported in the dedicated table of ESRS 2 SBM-3 "Material impacts, risks, and opportunities and their interaction with the strategy and business model", in the "General Information" section.

Impact, risk, and opportunity management

Disclosure requirement S1-1 - Policies related to own workforce

[19]; [MDR-P, 65 a, b, c, d, e, f]; [20 a, b]; [21]; [22]; [23]; [24 a, b, c, d]

The double materiality analysis identified **twelve material IROs** (IROs 1, 5, 15, 17, 20, 22, 24, 26, 30, 35, 36 and 38) related to the topic "Own workforce". These IROs are **monitored** through the "**Code of Ethics and Conduct**", the "**Human Rights Policy**", the "**Human Resources and Equal Opportunities Policy**", the "**Management of episodes Gender Based, Sexual, Harassment and Bullying Policy**", the "**Whistleblowing Procedure**", the "**Report on the Remuneration Policy**", the "**Health and Safety Policy**", "**Framework for the Application of Personal Data Protection Legislation**" and the "**Information Security Policy**".

The detail of the IROs is reported in the dedicated table within ESRS 2 SBM-3 "Material impacts, risks, and opportunities and their interaction with the strategy and business model", in the "General Information" section, while for further information on the general aspects relating to policies, please refer to the chapter "Policies - MDR-P" in the same section. For the Group's commitments to human rights, including the prevention of human trafficking, forced and child labor, and compliance with international labor standards, please refer to the "Human Rights Policy" in chapter "Policies - MDR-P" of the same section.

To define the Group's framework in the Brazilian context, TIM S.A. has adopted specific policies aimed at guiding and managing the impacts on its workforce.

Through the "Code of Ethics and Conduct", the Human Rights Policy and the Social Responsibility Policy, TIM S.A. has defined a framework for the protection of human rights for the performance of its activities. The policies, aligned with leading international human rights and labor standards, apply to the Group's workforce and, where relevant, the value chain. TIM SA's commitment translates into the prevention of practices such as child labor, forced labor, and human trafficking, as well as the promotion of responsible behavior consistent with the Group's ethical principles.

TIM S.A. has defined a "Diversity and Inclusion" policy, aimed at promoting equal opportunities and an inclusive work environment along the people management processes; a "Policy on Occupational Health and Safety", which establishes common principles for the protection of the health and safety of workers and for the continuous improvement of working conditions; a "Business Development and Learning Policy", aimed at guiding professional growth and skills enhancement initiatives.

In terms of **occupational health and safety**, TIM adopts policies aimed at ensuring a safe and healthy working environment and preventing occupational accidents and diseases, promoting an approach oriented towards prevention and continuous improvement.

In the Italian context, these policies are supported by an occupational health and safety management system that uses specific procedures, including the procedure relating to the "management of worker accidents", aimed at ensuring a structured monitoring of professional events in line with the applicable legislation.

In the Brazilian context, TIM S.A. similarly adopts an occupational health and safety management system, within which the internal procedure "Management of professional events" represents one of the tools to support the implementation of health and safety policies, contributing to the prevention of accidents and the continuous improvement of working conditions.

TIM addresses the issue of **discrimination** through a comprehensive system of policies and procedures aimed at preventing, identifying, and combating discriminatory behavior, harassment, and bullying within the organization. The Group's policies prohibit any form of discrimination based, inter alia, on personal, social, or cultural characteristics and promote respect for equal opportunities and inclusion.

The Group has also adopted specific tools for the management and treatment of discriminatory incidents, including a whistleblowing procedure that allows workers to report unlawful conduct or conduct that does not comply with ethical principles, ensuring confidentiality and protection from retaliation. The commitments, principles and objectives of the policies on non-discrimination, equal opportunities and harassment prevention are described in the "Policies - MDR-P" chapter in the "General Information" section.

Even in the Brazilian context, TIM S.A. oversees the issue of non-discrimination through a set of policies and procedures that prohibit all forms of discriminatory behavior and promote respect for equal opportunities. These policies explicitly contemplate the main grounds of discrimination recognized at the regulatory and international level. The implementation of the principles of non-discrimination is supported by dedicated procedures and tools, aimed at preventing, identifying and managing non-compliant behavior within the organization.

As part of its policies, TIM S.A. pays attention to groups of workers who may be more exposed to situations of vulnerability, taking into account, among other factors, gender, disability, age, health conditions, and belonging to racial, ethnic, or religious minorities.

TIM S.A. promotes the inclusion of people belonging to potentially vulnerable groups through company policies aimed at enhancing differences and creating an inclusive work environment, in line with the principles of diversity and equal opportunities adopted by the Group.

Disclosure Requirement S1-2 - Processes for engaging with own workforce and workers' representatives about impacts

[27 a, b, c, d, e]; [28]

The TIM Group adopts structured processes for the involvement of workers, directly or through their representatives, in order to gather perspectives on the current and potential impacts of the Group's activities on the workforce and to consider them in the internal processes for assessing and managing these impacts.

Direct involvement of workers

The direct involvement of workers takes place through structured tools for listening to the company population and specific company processes, which allow the TIM Group to gather the perspectives of the workforce on the impacts of its activities and to evaluate over time the effectiveness of the methods of involvement adopted.

In 2025, TIM in the Domestic area used the following direct engagement tools:

- Double materiality analysis: in order to identify the material impacts of its activities on the environment, people, and governance, a sample of 531 employees was involved. The participation rate was 44.2% of the sample involved. The results help guide reporting priorities and involve workers in decision-making processes.
- InAscolto Survey: Addressed annually to the entire company population, the survey makes it possible to detect the needs and requirements of the workforce, also with reference to areas that can generate impacts, including corporate welfare. In 2025, the level of welfare satisfaction was 3.4 on a scale of 1 to 5. The results of the survey, shared with top management, are used to assess the effectiveness of engagement initiatives and to guide the improvement of welfare and inclusion policies.
- Climate Survey: detects the level of satisfaction and engagement of the company population, allowing identification of strengths and areas for improvement in the management of relationships with the workforce. The results represent one of the main tools with which the Group monitors the effectiveness of worker involvement over time. In 2025, the level of engagement was 56%. The data, collected in pseudo-anonymized form, analyzed by independent parties, and shared in summary with the Board of Directors, top management, and organizational managers.

In Brazil, TIM S.A., in addition to rapid and periodic surveys on climate and engagement (Pulse surveys), conducts an annual survey on climate and engagement aimed at assessing the level of engagement and cultural alignment of the corporate population with respect to various dimensions, including culture of integrity, organizational agility, responsible leadership, work environment, organizational processes, reward systems, professional development, and people well-being. The results of the Climate and Engagement Survey help identify opportunities for improvement and define corporate action plans and specific initiatives, which are monitored by the People, Culture & Organization function to support the continuous improvement of personnel management processes.

Moreover, to consider the perspectives of the workforce in a structured way in the management of impacts, TIM S.A. reviews its material sustainability issues at least biennially, involving employees among the stakeholders.

Indirect involvement of workers through workers' representatives

The TIM Group also engages workers through trade union representatives as part of its industrial relations model, which values information, consultation, and negotiation in compliance with legislation, collective bargaining agreements, and UN human rights guidelines. The model provides for the involvement of representatives at national and territorial level; in particular, the Unitary Trade Union Representatives (RSUs) favor decentralized comparison within the scope of the protections provided for by the applicable legislation and collective bargaining. In the Domestic perimeter, in 2025, TIM redefined the Industrial Relations Protocol and renewed workers' representations through elections that registered wide participation. During the year, more than 25 meetings were held with the trade union representatives of the parent company, during which issues such as supplementary corporate bargaining (for example, the Result Premium), organizational developments, training, and the safeguarding of employment levels were addressed, also through instruments such as the Solidarity Contract.

Involvement is also achieved through joint commissions provided for by the industrial relations model, dedicated to the in-depth study of specific subjects, including training, health and safety in the workplace, welfare, and equal opportunities. During the meetings, general requests expressed by workers can also be discussed, such as work-life balance, training, and the organization of working hours, which, where sustainable and compatible with company choices, can be formalized through trade union agreements.

Responsibility for the management of industrial relations and the involvement of workers' representatives is entrusted to the Industrial Relations function, within the Human Resources & Organization Department.

Workers can consult, through the company intranet, information relating to the main trade union agreements; The resources dedicated to the involvement of the representatives are defined annually in the budget, depending on the projects and agreements that the company intends to implement.

In Brazil, TIM S.A. involves workers' representatives at the national and territorial level, in particular with reference to collective agreements and related negotiations, profit-sharing programs, and any internal reorganizations that could have significant impacts on employment. Collective bargaining applies to all employees.

The collective contract 2025–2026 of TIM S.A. has been approved in all States and in the Federal District following the meetings of the trade union federations. The agreement provided for the updating of economic conditions, with salary and social security adjustments, as well as the recognition of a compensatory bonus. The contract also includes clauses relating to ethical principles in the use of artificial intelligence, commitments to professional development related to the use of such tools, provisions on environmental sustainability in employment relationships, the reduction of 6x1 hours in part of call center operations, the revision of hours for store staff, and the implementation of a mental health and psychological well-being program.

Responsibility for the management of relations and negotiations with trade unions, as well as the monitoring of related relations, is entrusted to the Trade Union & Labour Relations function, within the People, Culture & Organization Department. In defining the trade union agreements and regulations governing the employment relationship, the TIM Group takes into account fundamental human rights, ensuring that these instruments do not affect the freedom, dignity, equality, and justice of workers. The dialogue with trade union representatives and the industrial relations model adopted at Group level are therefore also a tool through which TIM collects and considers the demands and perspectives of the workforce in relation to social issues and human rights.

Disclosure Requirement S1- 3 - Processes to remediate negative impacts and channels for own workers to raise concerns

[32 a, b, c, d, e]; [33]

TIM monitors and manages the main negative impacts on its workforce through a complex system of policies, processes, and actions, supported by reporting channels that allow workers to communicate any concerns, violations, or needs related to company operations in a secure and confidential manner, ensuring they are addressed and properly managed. Channels are one of the tools the company uses to manage potentially significant workforce situations, including for evaluating potential remedial actions. They are cross-functional, making them suitable for capturing a wide range of business situations.

Through these channels, situations attributable to the material IROs can also be reported, including: issues related to cybersecurity and personal data protection, with possible impacts on privacy (IRO 1); aspects relating to health and safety at work, including any shortcomings in training or in prevention measures (IRO 15); organizational elements that affect the well-being and involvement of the workforce, such as incentive and benefit systems not adequately aligned (IRO 17), as well as respect for the right to disconnect and the balance between private life and work (IRO 36).

TIM provides internal reporting channels through which it is possible to transmit to the Supervisory Body information on possible violations of laws and regulations, the code of ethics and conduct, the 231 organizational model, and current procedures, referring to TIM personnel and/or third parties.

The Group monitors the level of awareness and trust in the reporting channels through employee feedback, collected through surveys, training activities and analysis of how the channels are used. The prevailing use of the whistleblowing channel compared to other available methods is an indicator of the level of knowledge and trust in the reporting system. Channel information is made available in key company documents, mandatory training programs, and internal communication tools.

Reporting channel for ethical, regulatory and anti-corruption violations

The Whistleblowing Channel is the tool through which the Group receives and manages reports relating to **ethical and regulatory violations and corruption**. In particular, the reports concern conduct carried out by employees of the TIM Group or by third parties, **including incidents of discrimination, harassment, and human rights violations**, which may have significant effects on the workforce.

Through the Channel, violations of laws and regulations, of the Group's code of ethics and conduct, of the Organization, Management and Control Model pursuant to Legislative Decree 231/2001 and of the current system of rules and procedures, as well as possible cases of corruption or bribery, can also be reported. The Channel manages reports relating to TIM S.p.A. and the TIM Group companies, with the exception of listed companies and foreign companies.

Reports can be made through a dedicated portal, accessible to internal and external stakeholders, which guarantees the confidentiality of the identity of the whistleblower and the people involved through the use of security protocols and encryption tools. The portal issues a Unique Identification Code that allows the whistleblower to monitor the status of the report and to exchange further communications with the competent parties, even anonymously. In compliance with applicable legislation and the protection of privacy, no form of retaliation, direct or indirect, personal or professional, against the whistleblower due to the report made is allowed or tolerated. The protections provided also apply to anonymous whistleblowers, including where the identity of the whistleblower has subsequently emerged.

The reports are received and managed by the Supervisory Bodies of TIM or of the group companies concerned, with the support of the Audits Department which, independently and objectively, carries out the investigative activities, identifies any corrective actions and communicates the results to the competent Supervisory Bodies. The Whistleblowing Procedure regulates the management of reports, including those relating to possible episodes of corruption, ensuring prompt, independent, and impartial investigations with certain response times to the whistleblower. The whistleblowing system is integrated into the Group's Internal Control and Risk Management System (SCIGR).

In addition to the dedicated portal, the whistleblowing channel also includes:

- a voice mail accessible via the toll-free number 800 664 411;
- the possibility of sending reports by ordinary mail to the Supervisory Body of TIM or the Group companies concerned, at their registered offices.

Reports received through the Whistleblowing Portal are received by the Supervisory Bodies of TIM or of the competent subsidiaries and managed with the support of the Audits Function.

The audits Department, independently and objectively, carries out the preliminary checks aimed at assessing the reliability of the information reported, identifying any control deficiencies, anomalies or irregularities and proposing the appropriate corrective

actions. The results of the activities are documented in specific reports and communicated to the competent Supervisory Bodies, which support the decisions to close the case and the possible adoption of disciplinary measures.

The implementation of corrective actions is entrusted to the management of the areas concerned, with monitoring by the Audits Department and periodic disclosure to the Supervisory Bodies.

The company communicates and promotes the use of the whistleblowing Channel both internally and externally, ensuring adequate visibility. Information on how to manage and process reports is made available through the company intranet and the website of the parent company and its subsidiaries.

Also in Brazil, TIM S.A. provides a Whistleblower Channel accessible to internal and external stakeholders, available 24 hours a day, 7 days a week, through an independent multi-channel platform (web, intranet, telephone and app), in bilingual format and equipped with accessibility tools. The Channel allows nominative or anonymous reports relating to incidents of discrimination, harassment, corruption, fraud, conflicts of interest, regulatory violations or violations of the code of ethics and conduct. The management is entrusted to the Internal Audits function, which reports to the Board of Directors, ensuring confidentiality, protection of the identity of the whistleblower, and absence of retaliation; the most important reports are submitted to the competent bodies and committees for the purposes of supervision.

The whistleblowing channel is supported by an ongoing awareness and training program, while the results of business climate surveys guide any improvement actions.

TIM S.A. provides additional dedicated tools for reporting discrimination, harassment or other forms of intolerance in the workplace (such as, by way of example, LGBTI+phobia, racism, misogyny, ageism, religious intolerance, moral or sexual harassment), guaranteeing in all cases the confidentiality of the reports.

Health and Safety reporting channels

These channels make it possible to report situations and events related to working conditions that may pose risks to the health and safety of workers, in particular in relation to deficiencies in prevention measures, training, or the organization of work activities (IRO 15).

In particular, the following channels are active:

- internal reporting channel dedicated to facility managers, within the Employer's delegation system on occupational health and safety and environmental protection, for reporting possible risk situations;
- internal reporting channel for workers through the company intranet (HSE Portal), which allows you to:
- send formal reports relating to hazards, anomalies or risk situations;
- consult the list of Workers' Safety Representatives (WSRs) and contact them for unresolved reports through the previous channels or for the mediated forwarding of reports;
- direct reports from workers to the supervisor and/or manager, to communicate anomalies or risk situations detected during the performance of work activities.

The reports are taken over and managed by the company departments responsible for Health and Safety, according to the applicable internal procedures.

In Brazil, TIM S.A. provides its employees with various reporting channels to represent situations, events, or needs related to working conditions. An anonymous reporting channel for workplace accidents is available on the company intranet. All reported incidents are analyzed by occupational health and safety (OHS) professionals, adequately trained to identify the causes of the events and define action plans aimed at preventing the recurrence of events of the same nature.

Employees can also directly contact the Health, Safety and Environment functions and the People, Culture and Organization team through the "Meu RH" channel, to report any specific concerns or needs.

In addition, 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. TIM S.A. provides a social worker and/or psychologist for psychological support to employees in situations of vulnerability. The service is part of the Continuous Support Program – Personal Support, aimed at promoting the well-being of employees and their families.

Reporting channels in the field of cybersecurity and physical security

These channels allow you to report events and situations related to information security and are a tool to intercept reports related to material risks in the field of cybersecurity and personal data protection (IRO 1).

In particular, for workers, the following channels and safeguards are active:

- email boxes available in a specific section of the Intranet dedicated to reporting security vulnerabilities on TIM-branded systems, applications, or products, spam and phishing, as well as cyber incidents involving people, company assets, and information and digital assets;
- Abuse Desk channel, accessible from the Group's website, through which employees can report improper or illegal use of the Group's network and assets;
- As part of integrated security systems, dedicated reporting channels (email boxes and toll-free numbers) are also active, which allow events relevant to the physical security of company premises and environments to be reported, contributing to the prevention and management of situations that may involve theft, loss, or improper disclosure of sensitive data, while respecting the privacy and personal data protection of employees.

Specialized monitoring and response structures operate to support the management of safety reports and events. In the area of cybersecurity, the Security Operations Center (SOC), operating 24/7, detects and manages events such as intrusion attempts, system anomalies, and data breaches, with the aim of preventing and limiting the theft, loss, or improper disclosure of sensitive data, including employee personal data.

Similarly, as part of integrated security, the control room Security structure, operating 24 hours a day, 365 days a year, centrally oversees the physical security systems of company offices, monitoring access and protection systems of assets and infrastructures, in order to prevent and counter unauthorized access to premises, equipment, and workstations. The Security Control Room contributes to the prevention of theft and the loss or improper disclosure of sensitive data and, in the event of incidents or critical events, coordinates the operational response by activating the planned procedures and involving the competent functions.

Privacy reporting channels

Workers can submit requests regarding the exercise of privacy rights by contacting their respective HRO Manager directly or, alternatively, submit requests regarding privacy issues to the DPO by writing to the appropriate email box.

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, d, e]; [MDR-A, 69 a, b]; [38 a, b, c, d]; [39]; [40 a, b]; [41]; [43]:

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** that include: a) adequate wages; b) working hours; c) work-life balance; d) health and safety; e) social dialogue and collective bargaining.
2. **Equal treatment and opportunities** which include: a) training and skills development; b) equal treatment in terms of employment and remuneration; c) diversity and inclusion; d) measures against violence and harassment in the workplace.
3. **Other work-related rights** regarding the confidentiality and protection of the data of TIM people.

The actions are aimed at workers of Italian and foreign companies included in the social perimeter of sustainability reporting and, unless otherwise specified, are continuous and are repeated annually.

The actions are aimed at the prevention and mitigation of actual and potential negative impacts, as well as the management of risks and opportunities relevant to the workforce, contributing as a whole to the monitoring of human rights issues.

For each action, where applicable, the purpose of the intervention is indicated, specifying whether it is aimed at mitigating negative impacts and risks or at enhancing opportunities and positive impacts.

In the description of the individual actions, unless otherwise indicated, the initiatives refer to the Domestic BU perimeter; while those expressly indicated as TIM S.A. refer to the Brazilian subsidiary.

The allocated financial resources are also reported, where available, with a distinction between operating expenses (OpEx) and capital expenditure (CapEx).

1. Working conditions

The main, ongoing actions in the areas of adequate wages, working hours, work-life balance, health and safety are highlighted below; freedom of association, collective bargaining.

1a. Adequate wages

■ **Adjustment of salary levels to protect purchasing power**

Application of the National Telecommunications Collective Bargaining Agreement renewed in 2025, which introduced economic adjustments aimed at preserving the purchasing power of wages in relation to inflation and ensuring wage levels consistent with the subsistence and dignity needs of the workforce.

■ **Monitoring of salary adequacy by professional classification**

Periodic monitoring of salary levels by classification, aimed at verifying the consistency of salaries with the applicable contractual minimums and the characteristics of the tasks performed, ensuring adequate economic treatment and in accordance with the regulatory and contractual framework of reference.

These measures contribute to the mitigation of the actual negative impact related to the adoption of inadequate incentive systems (IRO 17) and to the enhancement of the opportunities deriving from the adoption of clear and measurable performance objectives (IRO 24).

1b. Working Hours

■ Flexible working

- *Methods of performing work*: application, as of July 2025, of the new agreement that allows the performance of work for three days a week remotely and two on site, on a voluntary basis and on a daily or weekly basis, favoring a more flexible management of working hours.
- *Flexibility for specific needs*: adoption, within the framework of the Agile Work Agreement, of additional flexibility measures to support individual situations, including: pregnancy (up to six weeks of agile work in pre-maternity); maternity and paternity (flexible working five days out of five until the first year of the child's life); life-saving therapies (flexible working in the five working days following therapy); highly specialized profiles. There is also the possibility of recognizing additional temporary flexibility measures for workers with serious illnesses or certified discomforts.
- *Protection of the right to disconnect*: promotion, within the Agile Work Agreement, of responsible organizational behavior and operational practices aimed at ensuring compliance with work periods and rest times, such as deferred sending of communications and scheduling meetings within working hours, to support the balance between private and professional life.
- *Monitoring the adoption of measures*: periodic verification of the application of agile work and flexibility measures through discussions with trade union representatives. In 2025, the rate of adherence to the new agreement exceeded 96% of the qualified employees of the Domestic perimeter.

Such actions, especially disconnection protection measures, help mitigate a negative impact on employee well-being (IRO 36).

1c. Work-life balance

■ Tools to support work-life balance

- *Well Working*: set of tools and solutions to support work organization, including IT equipment, mobility tools (shuttles, car sharing), organizational flexibility measures and special permits.
- *Digital tools to support work*: technological solutions that allow a more efficient management of work activities, promoting operational autonomy and the reconciliation of life and work times (company PC, smartphone).

■ Support for parenting and caregiving

- *#BParen Plan*: structured plan that includes initiatives dedicated to parenting, with particular attention to the phases of transition (pregnancy, birth, return to work).
- *Pacchetto Bebè*: support measure for new parents, aimed at accompanying the first months after birth. Additional New Parent Leave: supplementary measures with respect to the relevant regulations, aimed at promoting the management of treatment times. Back to Work Mentorship: path of accompaniment to the return from maternity, aimed at facilitating conciliation and professional continuity.
- *Professional Channel*: information and guidance channel dedicated to pregnant women and women returning from maternity leave.
- *Leave for adoption*: measures to support adoption and foster care pathways.
- *Parenting skills pathways*: training initiatives aimed at supporting the management of the parental role in balance with work activity.
- *"DRITTO" Platform*: disclosure platform that facilitates access to key public welfare measures (bonuses, tax breaks, and benefits to support families, parenting, disability, and non-self-sufficiency), through a personalized profiling system to support the management of personal and family needs.
- *TIM CARE*: initiative dedicated to caregivers, which allows TIM people to access the Liane Care platform for free to search for certified care services for the elderly, non-self-sufficient adults, children and animals, to support the management of care responsibilities. In 2025, there were 557 accesses to the platform;
- *Pregnancy Program (TIM S.A.)*: program dedicated to employees and dependents during pregnancy, which provides for the continuous support of a midwife from the eighth week of pregnancy until the first year of the child's life, including exemption from co-payment of the health plan during the period of participation.
- *Reconnection with the TIME (TIM S.A.)*: a program to support women returning from maternity leave, including welcome initiatives, peer support groups, career mentoring, training courses dedicated to mothers and managers, and meetings facilitated by specialized professionals.

■ Psychophysical wellbeing support services for individuals

- *Psychological support desk for individuals*: service that offers a package of free online psychotherapy sessions, with the possibility of additional meetings at a reduced rate, to support stress management and personal well-being.
- *Autogenic mindfulness and training courses*: training and digital initiatives dedicated to managing emotions and reducing stress, available on the platform.
- *Open Learning Program "Sentieri di Resilienza"*: cycle of webinars and e-learning courses aimed at strengthening personal skills in the management of emotions, energy, and phases of change.
- *Family Audit Certification*: renewal of the certification attesting to the adoption of a structured system of measures to support the reconciliation of work and private life, aimed at promoting organizational well-being, flexibility, and the balance between the professional and personal needs of employees.

- **Unlock New Habits (TIM.S.A):** program aimed at promoting the physical and emotional well-being of employees through the support of physical educators, nurses and nutritionists, encouraging the adoption of healthy habits related to sleep, nutrition, hydration and the safe practice of physical activity.
- **Tune In to Yourself (TIM.S.A):** mental health program aimed at the emotional well-being of employees, offering 24/7 psychological support, monthly discussion circles, face-to-face and online training activities for professionals and leaders, and initiatives for the development of social-emotional skills, including free monthly psychological counseling through a dedicated app.
- **Continuous Care Program (TIM S.A):** A free, confidential, ongoing support program for employees and legally dependent family members, available 24 hours a day, 7 days a week, that provides assistance in personal and sensitive situations of daily life through telephone consultations and teleconsultations on request.
- **Female Versions (TIM S.A):** Program aimed at female employees in the perimenopausal and menopausal phases, which offers free consultations with a gynecologist and nutritionist, psychosocial support services, specialist meetings with doctors who are experts in women's health, and educational initiatives aimed at the entire company population.
- **Support for personal and economic stability**
 - **Extraordinary subsidies:** financial support measures aimed at employees facing situations of particular personal or family fragility, such as serious illness, bereavement, or unforeseen events.
 - **Smartphones and business SIM cards for mixed use,** which facilitate the integrated management of work and personal needs.
 - **"TIM Special Welfare" platform for Flexible and Fringe Benefits,** which allows the conversion of the Result Award into welfare services, favoring a more flexible management of individual and family needs.
 - **Company agreements,** which offer favorable conditions on goods and services for daily use.
- **Educational and organizational support for children and family members**
 - **TIM Studio:** study guidance: initiative aimed at the sons and daughters of employees to support school and university guidance through structured pathways and digital tools. In 2025 there were 274 participants.
 - **TIM Studio Estero:** economic support through wallet for participation in school programs abroad, including monthly contributions for ancillary expenses, to support family organization. In 2025, 15 scholarships were awarded.
 - **TIM Infanzia:** service that provides financial support for expenses incurred for nursery, kindergarten or baby-sitting services aimed at supporting parenting and work-life balance. The campaign for the 2025/2026 school year registered 678 applications.
 - **TIM Estate:** initiative dedicated to the children and grandchildren of employees that offers structured, inclusive and formative summer stays, to support the management of the school closure period. In 2025, the initiative involved 1,171 children and young people with a choice among 9 stays in Italy, 2 stays abroad, and 1 itinerant stay by sailboat, for a total of 23 shifts.

Overall, the actions described contribute to preventing and mitigating the negative impacts related to inadequately supported workloads and personal responsibilities, promoting well-being, work-life balance, and personal and economic stability of employees (IRO 36), as well as enhancing opportunities linked to flexible organizational models and welfare systems that strengthen the involvement and retention of the workforce (IRO 22).

Total expenses related to work-life balance initiatives within BU Domestic amount to €789k (OpEx), while for TIM S.A. they amount to €76k (OpEx).

1d. Health and Safety

- **Health protection, health prevention and access to care**
 - **TIM My Health:** free medical assistance policy for all employees, with coverage extended to family members, which includes emergency health care, 24/7 medical support, telemedicine services, prescription issuance and home delivery of medicines.
 - **Supplementary health insurance policies:** insurances that provide supplementary health benefits compared to those guaranteed by the National Health Service, with offers at favorable conditions intended for employees and family members.
 - **Prevention check-up:** free health check-up program for employees who are at least 45 years old, with access every two years.
 - **Flu vaccination campaigns:** prevention initiatives with full reimbursement of vaccination, aimed at the corporate population.
 - **Vaccination Journey (TIM. S.A):** Awareness-raising initiative on the prevention of infectious diseases that involves the dissemination of informative content created by health professionals.
 - **National health care plan (TIM S.A):** aimed at eligible employees and family members, without waiting periods, based on a co-payment model managed in collaboration with an extensive hospital network and two of the main health insurance companies in the country, in order to ensure fair and continuous access to medical care.
- **Accident prevention and safety management in the workplace**
 - **Health and safety management system:** structured risk management pursuant to Legislative Decree 81/08, through the drafting and updating of the Risk Assessment Document (DVR) by the Health, Safety & Environment (HSE) function, the management of accidents and occupational diseases and the monitoring of the related statistical data.
 - **Emergency management, first aid and operational risk management:** preparation and updating of emergency plans, appointment and training of fire prevention and first aid personnel, planning and execution of evacuation drills, as well as

carrying out periodic inspections aimed at identifying and implementing the most suitable risk reduction measures, even in extraordinary situations.

- **Health surveillance and risk factor monitoring:** implementation of health surveillance protocols for workers exposed to the main regulated risks (including work at the video terminal, work at height and exposure to electromagnetic fields), according to the frequencies provided for by current legislation, which in 2025 affected about 4,500 workers.
- **Training, information, listening, and safety culture:** provision of mandatory and periodic training on health and safety, information and awareness-raising activities through the company intranet and dedicated campaigns, as well as the use of structured reporting channels for the collection of workers' indications on potential hazards, monitoring the application of regulations and continuous improvement of the measures adopted. In 2025, a total of 39,349 hours of training were provided.
- **Management engagement:** activities aimed at developing and consolidating a safety culture, promoting risk awareness and the adoption of responsible behaviors regarding health and safety at work.
- **Technical prevention tools:** periodic redefinition of the environmental and safety requirements necessary to mitigate the risks present in the workplace, including the carrying out of instrumental surveys in the workplace, aimed at ensuring adequate and safe environmental conditions.
- **Organizational and operational prevention safeguards:** implementation of prevention support tools, including the definition of individual risk profiles by task, the assignment of health, safety and environmental powers pursuant to Legislative Decree 81/08, the use of computerized systems for reporting anomalies, and periodic verification by the supervisors.
- **Health and Safety Management System (ISO 45001):** adoption and maintenance of a management system compliant with the ISO 45001 standard, active in the Domestic sector, aimed at the prevention of accidents and occupational diseases and the continuous improvement of health and safety conditions in the workplace;
- **Bem+Estar Week (SIPAT) (TIM S.A.):** Mandatory annual initiative aimed at promoting a culture of health, safety, and environmental protection, which includes awareness campaigns and training sessions for all employees, in accordance with Brazilian legislation on occupational health and safety.

The actions described contribute to mitigating the negative impacts related to deficiencies in prevention and training measures in the field of occupational health and safety, reducing the risk of occupational accidents and diseases and improving the working conditions of its own workforce (IRO 15).

Overall, in 2025 total identifiable expenses for the Domestic BU amount to €508k (OpEx) and €15k (CapEx), while TIM S.A. recorded €24.554k (OpEx) and €6.895k (CapEx).

1e. Social dialogue and collective bargaining

- **Renewal of the National Collective Bargaining Agreement and oversight of the industrial relations system**
 - **Renewed TLC National Collective Bargaining Agreement:** adoption and application of the national collective bargaining agreement for the telecommunications sector, renewed in 2025, which regulates the exercise of trade union rights, the methods of representation, and the functioning of industrial relations, ensuring a framework of shared and updated rules.
 - **Exercise of trade union representation rights:** guarantee of the methods of participation and workers' representatives, including the possibility of conferring delegation for the retention of the union contribution in the paycheck, in accordance with the applicable legislation and collective bargaining.
 - **Industrial Relations Protocol:** implementation of the TIM S.p.A. Industrial Relations Protocol, signed in February 2025, which promotes a structured and continuous participatory model, based on dialogue between the company and trade union representatives.
 - **Thematic joint commissions:** operation of joint commissions dedicated to the main areas of common interest, including welfare, health and safety, training and industrial relations, aimed at periodic comparison, information sharing and continuous improvement of working conditions.

The actions aim to monitor the risks deriving from human rights violations in the company and along the supply chain (IRO 38) that can result in litigation, reputational damage, and operational criticalities, with effects also on collective bargaining, increasing the risk of trade union conflict and influencing the negotiation dynamics on protections, clauses, and working conditions.

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.

2a. Training and development

- **Advanced training, leadership and managerial development**
 - **Advanced Training Initiatives for colleagues under 35:** programs that include participation in the Coaching Academy; membership in technological academies (IoT and 5G); participation in further Advanced Training courses in collaboration with academic institutions and qualified partners (LUISS MBA, 5G Academy of the Federico II University of Naples, IoT Academy at CNI and BI-REX of Bologna, WIBO Leadership Academy); language coaching courses; MIP observers; master class on Excel, AI and communication; Valore D initiatives. In 2025, a total of 615 participants (of which 347 belong to TIM)
 - **Managerial development:** coaching and mentoring programs aimed at executives and managers, complemented by enrollment in specialized and managerial courses. Initiatives include the Leadership Academy, which involved 14 Function Managers, and participation in the POLIMI Observers, with the involvement of 250 managers and executives. During the year, advanced management training courses were also continued, including LUISS MBA, MBA and POLIMI Executive

Master, Executive Master in Business & Technology of POLITO and the TECHNE 2025 Master at BI-REX in Bologna that covered 15 managers.

- **PlayMaker:** managerial training project aimed at about 850 executives and managers, structured as a path dedicated to the development of skills on new technologies, in particular artificial intelligence, and human skills to support the change management processes generated by innovation.
- **Leadership Academy (TIM S.A.):** program dedicated to the development and strengthening of leadership skills, aimed at preparing the managerial pipeline, promoting behaviors consistent with company values, and supporting a culture of continuous learning and sustainable performance.
- **People development, coaching and mentoring**
 - **Individual development plans:** individual coaching courses aimed at TIM personnel, Group Companies and executives. In 2025, 89 people were involved for a total of approximately 900 hours.
 - **Collective development plans:** group coaching initiatives involving 54 colleagues, for a total of 648 hours of training.
 - **Age Empowerment Program:** intergenerational mentoring initiatives aimed at fostering generational dialogue, cultural contamination, and strengthening the motivation and employability of senior employees. In 2025, 82 colleagues were involved; the activities, started at the end of the year, will continue during 2026.
 - **Development of language skills:** Fluent Future project of individual language coaching, dedicated to 300 colleagues, for a total of 12,000 hours of training, with the achievement of language certification for 177 participants.
 - **Black Pearls Program (TIM S.A.):** Career development and acceleration program aimed at black professionals with leadership potential, aimed at strengthening managerial skills and promoting access to positions of responsibility within the organization.
- **Performance evaluation and management**
 - **Staff Potential Assessment:** conducting in 2025 assessments dedicated to entry-level managerial positions (Agile Assessment) and to roles of responsibility with managerial weight (Managerial Assessment), to support professional development paths.
 - **Skill Assessment on professional roles:** the Development function oversees skills assessment activities to support the mapping of professional roles. In 2025, 256 people were involved, including 164 from the Consumer function and 92 from the Enterprise perimeter.
 - **Staff assessment:** In 2025, about 170 assessments were carried out dedicated to entry-level managerial positions (Agile Assessment) and to roles of responsibility with managerial weight (Managerial Assessment), to support professional development paths.
 - **Performance development:** based on Continuous Feedback, involving around 6,400 people through a dedicated app that promotes dialogue, transparency and continuous improvement. The "The Power of Feedback" community fostered the comparison and sharing of experiences. The OKR methodology was also tested in the Enterprise perimeter, involving 34 Ambassadors and 270 hours of training.
 - **Motivation and employability assessment:** annual campaigns aimed at the corporate population of TIM and the Group Companies, designed to measure behaviors, results orientation, and professional growth.
 - **Assessment-Based Growth Plans:** 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.
- **Digital transformation skills and certifications**
 - **Reskilling initiatives:** training courses to support digital transformation. The training focused on the development of technological skills, professional skills related to processes and operations, as well as soft skills to support digitization. In 2025, initiatives involved a total of 13,436 employees, for a total of 262,582 hours of training.
 - **AI Training:** training in Artificial Intelligence, as a central lever of digital transformation. The training courses covered the entire spectrum of AI skills, including literacy, advanced specialization in technologies and languages, prompting methodologies and use of tools, as well as soft and managerial skills to support the adoption of technology. The training offer has combined the development of skills with the promotion of a conscious and responsible use of AI, in line with the provisions of the AI Act. To this end, TIM has made available to the entire company population a catalog of courses dedicated to AI skills, from basic to advanced levels, both on the TIM Open Learning internal platform and on external partner platforms (including Udemy, Google and Data Masters). Overall, in 2025 AI training was delivered in e-learning, online and in-person webinars for a total of 72,707 hours, involving 11,494 people.
 - **Technological and methodological certifications:** in the context of digital transformation, particular attention has been paid to the certification of skills, as a tool for professional qualification and formal recognition of specialist skills. In particular, technological certifications attest to skills on specific technologies, platforms and languages, while methodological certifications concern the adoption of frameworks, organizational models and structured work approaches (such as, by way of example, agile, project and service management methodologies). During 2025, 350 new technological certifications were obtained and 450 renewal courses were completed. With reference to methodological skills, 121 new certifications were obtained and 42 renewals were completed in the same period. At the end of the year, a total of 1,496 technological certifications and 2,876 methodological certifications were active, involving respectively 1,090 and 927 employees.
 - **Digital Wave (TIM S.A.):** initiative aimed at developing digital and technological skills that includes training courses in Artificial Intelligence, data analytics, cybersecurity, agile methodologies, digital marketing and 5G, with the aim of supporting innovation and improving business performance.
 - **Generational Inclusion Program 50+ (TIM S.A.):** training program aimed at employees over the age of 50, designed to promote the continuous updating of skills, openness to change, and the adoption of new technologies required by the labor market.

The total identifiable expenses for training and development initiatives within BU Domestic amount to €3.793k (OpEx), while TIM S.A. recorded €783k (OpEx).

Overall, the actions described contribute to achieving positive impacts deriving from the development of skills and employee involvement in support of an inclusive and productive work environment (IRO 5) and the opportunity linked to investments in training that involve the attraction and retention of a competitive workforce (IRO 30).

2b. Equal treatment in employment and remuneration

■ **Gender objectives integrated into the Strategic Plan and management evaluation systems**

Gender equality objectives are integrated into the Group's Strategic Plan and translated into measurable objectives in management incentive systems, in order to prevent and mitigate unequal treatment in the field of employment and pay. The objectives concern the presence of women in the company, the coverage of managerial positions by women, equality in the selection and hiring processes and the reduction of pay differences in managerial clusters.

■ **Monitoring of equal employment and pay conditions**

Implementation of a structured monitoring of gender indicators in the field of employment and pay, with periodic data analysis and comparison with market benchmarks. The evidence that has emerged is used to identify any deviations and guide improvement interventions on personnel management processes, in support of fairness and transparency of treatments.

■ **Certification in support of gender equality**

Annual renewal of the UNI/PdR 125:2022 certification obtained in 2023, which certifies the adoption of a structured system of organizational measures and processes aimed at guaranteeing equal opportunities and equal treatment in the field of employment and remuneration, with reference to the selection, development, remuneration, and career advancement processes.

Overall, the actions described contribute to mitigating the risk of gender inequalities and limited transparency in pay systems and career paths, which could compromise the attraction and retention of talent (IRO 35).

2c. Inclusion and enhancement of diversity

■ **Inclusion of people with disability and specific needs**

- *Communication support for deaf employees who use sign language*: activation of LIS interpreting services in person, remotely and by telephone, including the adoption of the "4 Work" service in collaboration with Veasyt and the extension of LIS video-interpreting to company webinars.
- *Disability Management Plan*: initiative aimed at guaranteeing people with disability inclusive and adequate working conditions, through the adoption of special equipment and dedicated organizational solutions.
- *Awareness and training on SLD and cognitive disabilities*: implementation of information and training initiatives aimed at the corporate population, including through the "SLD no Problem" project, aimed at promoting awareness and inclusion of people with specific learning disabilities.
- *Dyslexia Friendly Company certification*: renewal of the certification to support the adoption and maintenance of inclusive organizational, training, and communication practices for people with SLD, aimed at reducing cognitive barriers.
- *Workability Assessment*: activation of personalized assessment paths for colleagues with disability, aimed at identifying organizational adaptations, tasks, and operating methods.
- *Adaptation to the European Accessibility Act*: implementation of a structured path of adaptation to European regulations on accessibility, including the census and assessment of accessibility of websites and business applications.
- *Removal of digital barriers*: implementation of corrective actions to improve the accessibility of digital services and tools and reduce technological barriers.
- *Inclusive technological and IT equipment*: implementation of dedicated programs, including the "Deaf Included" project, aimed at facilitating the communication of colleagues with hearing disability through supplementary technological equipment, and the "Nobody Excluded" project, aimed at providing specific IT equipment to support people with disability.
- *Accessibility training*: specialist training course aimed at developing internal skills in digital and organizational accessibility, addressed to all employees and supported by dedicated digital content.
- *Enhancement of individual and cultural differences*.
- *Awareness on diversity and inclusion*: carrying out awareness-raising initiatives aimed at promoting an inclusive corporate culture that respects individual and cultural diversity.
- *Training and internal communication on diversity and inclusion*: activation of training activities and internal communication initiatives aimed at enhancing differences and combating stereotypes and prejudices in work contexts.
- *Involvement of employees on inclusive behaviors*: promotion of engagement initiatives aimed at spreading inclusive and responsible behaviors within the organization.
- *Diversity & Inclusion Management System (ISO 30415)*: adoption and maintenance of a management system compliant with the ISO 30415 standard, aimed at integrating the principles of diversity and inclusion into resource management processes and organizational practices, in support of fair, inclusive, and respectful work environments.
- *Diversity & Inclusion Program (TIM S.A.)*: Structured business program of diversity and inclusion based on the pillars of gender, people with disability, LGBTI+ communities, race/ethnicity and generations, aimed at ensuring equal opportunities, inclusion and representativeness at all levels of the organization.

With reference to actions related to governance and monitoring of inclusion initiatives and inclusion and equal opportunities programs, these initiatives contribute to pursuing the opportunity linked to the enhancement of diversity and an inclusive work environment, which favor talent attraction and corporate reputation (IRO 20), and to mitigating the risk related to gender inequalities and limited transparency in pay systems and career paths that can compromise talent attraction and retention (IRO 35).

Overall, in 2025 total identifiable expenses for diversity and inclusion initiatives within BU Domestic amount to €239k (OpEx), while TIM S.A. recorded €191k (OpEx).

2d. Measures against violence and harassment in the workplace

■ **Emergence and case management**

- *Reporting channels to support prevention measures*: use of confidential channels to facilitate the emergence of incidents of violence, harassment and inappropriate behavior and allow their management, in line with the complaints management system and reporting mechanisms described in paragraph S1-3 "Processes to remedy negative impacts and channels that allow own workers to raise concerns".
- *Network of internal contacts (Ambassadors)*: establishment of a network of specially trained internal contacts, who act as listening points and provide confidential guidance in support of people involved in situations of violence or harassment.

■ **Protection and support for victims**

- *Victim support pathways*: activation of dedicated support paths for people involved in incidents of violence or harassment, which include guidance, accompaniment, and access to specialist assistance services, including through the involvement of qualified external professionals.
- *Protective measures for employees who are victims of domestic violence*: Implementation of dedicated interventions for victims of domestic violence, including confidential procedures, coordination with local services and specialized support centers, and the provision of a financial contribution of up to €24 k over two years, aimed at supporting their needs for housing security and personal and family protection.

■ **Prevention, awareness and capacity building**

- *Structured awareness and prevention initiatives*: implementation of information campaigns and awareness-raising initiatives on the issues of violence, harassment, bullying and micro-aggressions, through internal communication tools and dedicated content aimed at the corporate population.
- *Targeted training on violence and harassment*: providing training courses dedicated to employees, managers, and key figures, aimed at recognizing inappropriate behavior, preventing risks, and properly managing reported situations. In 2025 we delivered 1,187 hours of training.
- *Collaborations with specialized organizations*: activation of collaborations with competent external organizations on the issues of violence prevention and victim protection, in support of awareness-raising, training, and case management activities.

Overall, in 2025 total identifiable expenses for measures against workplace violence and harassment within BU Domestic amount to €12k (OpEx).

The actions mentioned above help mitigate the risks arising from human rights violations, in the company and along the supply chain, which entail legal liabilities, reputational damage, and operational impacts, promoting a safer, more respectful, and compliant working environment.

3. Other work-related rights

The actions illustrated below are tools through which the organization guarantees the protection of privacy and personal data protection. Some of the initiatives described, appropriately highlighted, involve both workers and end users of the services (ESR S4).

3a. Privacy and personal data protection

■ **Privacy management model**

The TIM Group adopts a privacy operating model aimed at ensuring the correct application of the legislation on personal data protection, developed according to the privacy-by-design principle and subject to periodic improvements. The model is based on the implementation and constant interpretation of regulatory provisions, on the definition of roles and responsibilities in personal data processing, on the management of information for the different categories of data subjects, including employees, customers and end users, on the assessment of risks through the Data Processing Registers pursuant to the GDPR and on the adoption of appropriate technical and organizational measures. The operation of the model is governed by the "Framework for the Application of personal data protection legislation in the TIM Group", constantly updated and available on the company intranet.

In Brazil too, TIM S.A. adopts a privacy operating model compliant with the LGPD (Law no. 13.709/2018) based on the principles of privacy-by-design and a process of continuous improvement. The model provides for the monitoring of regulatory developments, the definition of roles and responsibilities in processing, the management of information to data subjects, the assessment of risks associated with processing activities and the adoption of appropriate technical and organizational measures to ensure an appropriate level of security. The framework is represented by the "Privacy Policy" and by additional policies, constantly updated and available on company channels. TIM S.A. also makes available on its institutional website a Privacy Center in which the methods of collection, use, sharing, storage, and personal data protection of customers and end users are described in accordance with current Brazilian legislation.

■ **Supervision of the Data Protection Officer and management of data breaches**

As part of the privacy operating model, the appointment of the data protection officer (DPO) of TIM and the group companies is foreseen, in continuity from the date of application of the GDPR (May 2018). The DPO performs advisory, training, information, and surveillance functions, supporting the Company Functions in the correct personal data processing of own workers, customers, and end users, providing opinions on the assessment of risks to the rights and freedoms of data subjects, coordinating the management of data breaches, and taking care of relations with the Guarantor for personal data protection.

In support of this monitoring, the TIM Group has defined policies, implemented procedures and security measures to prevent unlawful processing of personal data and a privacy compliance control system that provides for periodic self-assessments and multi-level controls, including second-level controls planned by the Compliance Department in collaboration with the DPO, consisting of periodic monitoring and sample checks. The Privacy function, within the scope of the responsibilities assigned to the DPO, also carried out training and consultancy activities during 2025, issued opinions on company initiatives and projects, coordinated the management of data breaches, and handled relations with the Guarantor for personal data protection.

In Brazil, TIM S.A. implements safeguards and initiatives regarding personal data protection in line with the Group's model and practices and in accordance with the General Law on the Protection of Personal Data (LGPD – Law no. 13.709/2018). The governance system is based on the appointment of the data protection officer (DPO), in continuity with the entry into force of the legislation, supported by the Privacy Support Team. The DPO carries out advisory, information and supervisory functions, coordinates with the Security Team on the management of personal data breaches, and manages relations with the national agency.

The organizational model also provides for the periodic review of internal documentation and the adoption of digital tools for the management of the rights of data subjects. TIM S.A. has adopted dedicated policies and procedures, including preventive and corrective technical and organizational measures for the mitigation of cyber threats and a procedure for the management of data breaches compliant with the LGPD.

The compliance control system, which involves the DPO, Privacy Team, and Security Information, includes periodic self-assessments, monitoring of processing, application of the principles of privacy-by-design and by default, and training activities. A structured procedure is also in place for the recording of events and the management of security incidents, with or without personal data breaches, aimed at ensuring a timely, appropriate, and traceable response.

■ **Training and awareness on personal data protection**

The TIM Group promotes the dissemination of the culture of personal data protection through training and information activities aimed at employees and workers, both during the onboarding phase and during the employment relationship. New hires are required to complete an online privacy course available on the company intranet. In 2025, specific training interventions were also carried out, involving a total of 206 people between TIM staff and commercial partners of the Consumer sales network, with a focus on telemarketing and teleselling legislation and on the requirements of the relevant Code of Conduct, to which TIM adhered in February 2025.

TIM S.A. also promotes the dissemination of the culture of personal data protection through training and information activities aimed at employees and workers, both during the onboarding phase and during the employment relationship. New hires are required to complete an online privacy course available on the company intranet. In 2025, specific training sessions were also provided to TIM business partners, Anti-Fraud functions and all Leaders, with the aim of strengthening the awareness and attention of personnel involved in personal data processing.

All actions together contribute to mitigate the risk of non-compliance with privacy laws and unauthorized access to personal data (IRO 26) and to prevent the risk of human rights violations related to personal data processing in the company (IRO 38), reducing the likelihood of legal, reputational, and operational impacts.

3b. Information security and cybersecurity

TIM protects the personal data of workers, customers, and end users, as well as company information and information assets, through a structured information security and cybersecurity management system, aimed at preventing potential impacts resulting from unauthorized access, misuse, security incidents, and data breaches.

■ **Organizational structures and information security governance**

Information security and cybersecurity management is based on clearly defined roles and responsibilities, formalized procedures, and cross-functional coordination structures. The overall governance is led by the Chief Security Office which, in coordination with the relevant directorates (including the Chief IT Group Office and the Chief Technology Office), ensures the implementation of preventive and corrective measures for the mitigation of cyber threats and compliance with the regulatory requirements and internal standards of the Group. In this context, in 2025 the Chief Security Office coordinated and monitored security governance activities, which included quarterly meetings of cross-functional committees, the definition and subsequent monitoring of risk KPIs, as well as the implementation of corrective plans for critical processes and systems.

In Brazil, TIM S.A. implements an organizational model dedicated to information security and cybersecurity, in line with Group practices and in compliance with applicable local legislation, including ANATEL Resolution no. 740. The model includes functions specialized in Business Continuity & Cyber Governance (for the coordination of the security regulatory framework and cyber awareness and training initiatives), Identity & ICT Risk Management (for the analysis of ICT risks and the governance of digital identities throughout their lifecycle), Cyber Intelligence (for the monitoring of emerging threats), Cybersecurity Operations Center (for the operational management of security events, vulnerabilities and security incidents) and Cyber Solution & Innovation (for the definition of architectural standards and the evolution of security solutions).

■ **Information security management system (ISMS)**

The protection of information and the reliability of digital services are guaranteed by an information security management system (ISMS) certified according to the international standard ISO/IEC 27001:2022, adopted both in the Domestic field and in TIM S.A. The information security management system is also integrated with the controls provided for by ISO/IEC 27017 and ISO/IEC 27018, applied respectively to the security of cloud services and personal data protection in the cloud environment.

The ISO/IEC 27001 certification certifies the implementation of organizational, procedural and technical measures aimed at protecting information and information assets, as well as the adoption of structured processes for risk management, monitoring and continuous improvement of information security, in line with the Group's practices and the regulatory framework applicable in the different operating contexts.

In 2025, the ISMS was updated and continuously improved through the implementation of an internal and external audits plan, the updating of the IT risk assessment, the implementation of risk treatment plans, and periodic training on the ISMS for the functions involved. These activities have contributed to the strengthening of the information security control system, with positive effects also on the levels of security experienced by consumers and end users.

Both in the Domestic sector and in TIM S.A., an information security management system compliant with the international standard ISO/IEC 27001 is adopted. The certification certifies the implementation of organizational, procedural, and technical safeguards aimed at protecting information and information assets, as well as the adoption of structured processes for risk management, monitoring, and continuous improvement of information security, in line with the Group's practices and the regulatory framework applicable in the different operating contexts.

■ **Prevention, monitoring and continuous improvement of safety.**

Information security is monitored through the Group's cybersecurity processes, which ensure the continuous monitoring of security events and the timely management of incidents potentially relevant to personal data protection and information assets. TIM takes preventive and corrective technical and organizational measures to counter cyber threats and process or system vulnerabilities, including specific countermeasures for the mitigation of DDoS attacks and other events potentially impacting the confidentiality, integrity and availability of information.

To support these presidencies, an internal information system is operational that makes structured information available to employees on the risks associated with the activities carried out and on the prevention and protection measures to be adopted, promoting behavior that is aware of and consistent with the security requirements of the information processed.

The effectiveness of the measures taken is verified through specific KPI of a systemic and operational nature, aligned with company objectives and aimed at continuous improvement. In 2025, the indicators monitored include the percentage of recovery plan returns, equal to 80%, as well as the planning and implementation of audits on the main processes, with a minimum target of at least one annual audit, fully achieved during the year.

Audits and risk analysis activities make it possible to verify the compliance of the ISMS with ISO/IEC 27001 and to identify any opportunities for improvement of information security policies and practices.

To complete the safety and monitoring measures described, TIM uses a structured Impact Analysis & Risk Assessment process to assess the relevance of the impacts deriving from the loss or compromise of information and systems and support the definition of intervention priorities. The results of the analyses feed into the Risk Treatment Plan and the Management Review, ensuring a proportionate and effective approach to the mitigation of cyber risks.

In Brazil, TIM S.A. adopts a continuous approach of prevention, detection and response to computer incidents, through monitoring systems, threat analysis activities, simulations and improvement plans of defense tools, ensuring the protection of networks, data and information assets.

All actions contribute overall to mitigate the negative impact actually caused by the vulnerability of computer systems (IRO 1) and in general to mitigate the risk related to non-compliance with privacy laws and unauthorized access to personal data (IRO 26).

In addition to the specific actions described above, TIM ensures that its practices do not cause or contribute to significant negative impacts on the workforce through ongoing dialogue, carried out through organizational climate analysis, monitoring of participation in agile working, and the inclusion in training courses of modules dedicated to occupational health and safety.

The total expenses identifiable for the actions described in the disclosure requirement S1-4 "Interventions on significant impacts for the Group's workforce and approaches for managing significant risks and pursuing significant opportunities in relation to the Group's workforce, as well as the effectiveness of such actions" amount to €4.641k (OpEx) and €15k (CapEx) for the Domestic BU and €25.603k (OpEx) and €6.895k (CapEx) for TIM S.A.

Metrics and targets

Disclosure Requirement S1-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

[MDR-T, 81 a, b]

With reference to the Group's social targets, the objectives are currently being updated as part of the definition of the new business plan and will be formalized and communicated during 2026, in line with the new strategic plan.

In the meantime, the Group maintains a structured system for monitoring social performance, aimed at continuously monitoring the impacts, risks, and opportunities associated with its own workforce. The system, integrated into company processes and internal governance, is based on key performance indicators (KPI) defined in line with applicable legislation and industry best practices, and allows the effectiveness of the policies and actions implemented to be assessed over time. Specifically:

- in the field of health and safety at work, the number and rate of accidents, the hours of training provided, and the number of workers subjected to health surveillance are monitored;
- in the field of training and skills development, the percentage of employees involved in periodic performance evaluation and professional development processes, the average number of hours of training by gender and professional category, and participation in advanced training courses are recorded;

- with reference to incentive and welfare systems, the adequacy of salaries with respect to the applicable contractual minimums and adherence to corporate welfare programs are assessed;
- in terms of diversity and inclusion, the composition of the company's population by gender, age, and level of classification, the presence of women in leadership positions, the percentage of female hires out of the total number of new hires, and the trend in the pay gap are monitored; the rate of adherence to flexible working models, access to and use of family leave, participation in parenting support programs and access to psychophysical well-being support services are also noted;
- in the field of cybersecurity and personal data protection of employees, the number of incidents, the average response and resolution times, the coverage of mandatory training on privacy and cybersecurity, and the reports received through the dedicated channels are monitored;
- With reference to respect for human rights and the prevention of discrimination and harassment, the number of reports received through the whistleblowing channel, the average management times, and the hours of training provided on ethical and behavioral topics are monitored.

These indicators fall within the scope of internal governance and are subject to monitoring by the competent bodies. In Italy, monitoring is also entrusted to specific dedicated bodies, including the Steering Committee for Gender Equality, and is supported by certification systems such as the UNI/PdR 125:2022 gender equality certification, since 2023.

In Brazil, TIM S.A. has identified an additional indicator in the area of training, which provides for the involvement of at least 90% of employees in structured programs for the development and updating of digital skills. The indicator is expressed as a percentage of employees trained out of the total workforce and covers the direct employees of the company. Participation is monitored through the company's training platforms, which track training hours, participation, and completion by personnel category.

For further information on the results achieved with respect to the objectives of the previous Plan related to the workforce, please refer to paragraph ESRS 2 SBM-1 "Strategy, business model and value chain of the "General Information" section.

Disclosure Requirement S1-6 - Characteristics of the undertaking's employees

[MDR-M, 77 a]; [50 a, b, c, d i, ii, e, f]

Below are the data relating to the workforce, showing the number of employees by gender and by country, the type of contract, and the turnover rate of personnel.

The data are expressed in whole heads and refer both to employees in force as of December 31, 2025 and to the average number of employees for the financial year. Temporary workers are not included, unless otherwise specified.

Employee data for TIM S.p.A., Telsy S.p.A., Telecontact Center S.p.A., Telecom Italia Sparkle S.p.A., TI Trust Technologies S.r.l., Olivetti S.p.A. and Noovle S.p.A. are extracted from the Group's HR information systems; for other companies, data are collected by the respective administrative and personnel management systems. Company systems allow for the determination of the average number of permanent and fixed-term employees, as well as the average distribution by gender, both overall and by contract type.

The number of employees is also reported in the consolidated financial statements in the "Detailed Tables – Consolidated Data" section of the report on operations. Compared to this section, the figure shows 121 fewer employees, due to the inclusion of agency workers and the consideration of the companies within the Sparkle perimeter as "discontinued operations."

The "Other" and "Not disclosed" columns, required by the ESRS scheme with reference to unspecified or undeclared gender, are not shown in the tables as the related values are zero for all the exercises presented.

[50 a]: Employees by gender - TIM Group

	UOM	2025			2024		
		Women	Men	Total	Women	Men	Total
Total employees - at the end of the period (head count)	n	12,989	13,188	26,177	13,181	13,643	26,824
Employee breakdown by gender - at the end of the period	%	49.62	50.38	100.00	49.14	50.86	100.00
Total employees - period average (head count)	n	13,059	13,424	26,483	13,280	13,797	27,077
Employee breakdown by gender - period average	%	49.31	50.69	100.00	49.04	50.96	100.00

At December 31, 2025, **the total number of employees of the TIM Group stood at 26,177, down 2.4%** compared to 2024. The figure for the year's averages also shows a decrease of 2.2%, from 27,077 to 26,483 units.

The composition by gender remains substantially stable and balanced. At the end of the period, women represented 49.62% of the workforce, confirming a balanced gender mix and a slight improvement compared to the previous year.

[50 a]: Employees by country

	2025		2024	
	Employees at the end of the period	Employees period average	Employees at the end of the period	Employees period average
Italy	17,231	17,356	17,458	17,683
Brazil	8,702	8,884	9,123	9,152

Employee representation by country includes only countries where Group companies have at least 50 employees and represent at least 10% of the Group's total employees. The "Italy" item includes TIM S.p.A., Telecom Italia Sparkle S.p.A., 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 S.r.l., QTI S.r.l. and Mindicity S.r.l. in the item "Brazil" is considered TIM S.A.

In 2025, Italy remains the Group's main country of presence, representing about 66% of the total workforce (65% in 2024), while Brazil accounts for about 33% (34% in 2024).

[50 b]: Employees by type of contract and gender - end of period - TIM Group

	UO M	2025			2024		
		Women	Men	Total	Women	Men	Total
Permanent	n	12,897	13,102	25,999	13,090	13,533	26,623
Fixed term	n	92	86	178	91	110	201
Variable hours	n	—	—	—	—	—	—
Total employees	n	12,989	13,188	26,177	13,181	13,643	26,824

[50 b]: Employees by type of contract and gender - period average - TIM Group

	UO M	2025			2024		
		Women	Men	Total	Women	Men	Total
Permanent	n	12,962	13,319	26,282	13,177	13,721	26,899
Fixed term	n	97	105	201	102	76	178
Variable hours	n	—	—	—	—	—	—
Total employees	n	13,059	13,424	26,483	13,280	13,797	27,077

The tables show a contractual structure strongly oriented to indefinite contracts, which represents over 99% of the workforce both at the end of the period and on average for the year, in line with the previous year.

In 2025, there is a slight reduction in the total number of permanent employees, consistent with the decrease in the workforce already highlighted at the overall level. The fixed-term component remains residual and is mainly linked to the management of business volumes in TIM Retail stores.

[50 c]: Employee turnover - TIM Group

	UO M	2025			2024		
		Women	Men	Total	Women	Men	Total
Total employees	n	12,989	13,188	26,177	13,181	13,643	26,824
Employees who have left the company	n	1,612	1,726	3,338	1,357	1,582	2,939
Employee turnover rate	%	12.41	13.09	12.75	10.30	11.60	10.96

In 2025, the Group's total number of **employee turnover**, amounting to 3,338, **increased by 13.6% compared to 2024**.

This rise is also reflected in the increase of the turnover rate, **which reached 12.75%** (+1.79% compared to 2024). This indicator measures the ratio between employee exits and the average workforce, thus providing an assessment of turnover intensity relative to the size of the workforce.

These indicators are influenced by the contribution of TIM S.A., where turnover is higher due to the characteristics of the Brazilian labor market, which is generally more flexible and marked by greater mobility compared to the Italian context.

Disclosure Requirement S1-8 Collective bargaining coverage and social dialogue

[MDR-M, 77 a], [60 a, b, c]; [63 a, b]; [RA 70]

The TIM Group recognizes the central role of collective bargaining and social dialogue in defining working conditions and managing industrial relations. The coverage of employees by collective agreements constitutes a structural element of the Group's organizational model and reflects the commitment to ensure uniform and transparent safeguards.

[60 a]: Employees covered by collective agreements - TIM Group

	UOM	2025	2024
Total employees	n	26,177	26,824
Employees covered by collective bargaining agreements	n	26,177	26,824
	%	100.00	100.00

In line with this approach, the percentage of own employees covered by collective agreements, **in all the Group's companies, is equal to 100%.**

Specifically, in Italian companies, the Group applies specific types of National Collective Bargaining Agreements (CCNL) depending on the professional category.

With reference to personnel with the qualification of Manager, the contractual coverage is guaranteed by two National Collective Bargaining Agreements, which affect 100% of the managers of the Italian companies of the Group: the National Collective Bargaining Agreements for Executives of Goods and Services Producing Companies (CCNL Industrial Executives), applied to 268 executives, and the national collective bargaining agreement for Executives of Distribution and Services Tertiary Companies, applied to 1 executive.

Also for personnel with the qualification of Employees and Managers, the coverage is total and is mainly divided into two National Collective Bargaining Agreements: the National Collective Bargaining Agreements for employees of companies providing telecommunications services (CCNL TLC), which covers 15,474 employees, and the National Collective Bargaining Agreement for employees of Tertiary, Distribution and Services companies, which applies to 983 employees.

In countries other than Italy, contractual coverage is guaranteed in accordance with the applicable local regulatory and industrial relations systems.

Regarding union representation, the Group operates in compliance with national regulations and industrial relations systems in force in the countries in which it operates. The methods of social dialogue and worker representation are defined in accordance with the models established by individual legal systems and applicable collective agreements. Within the European Economic Area (EEA), no transnational employee representation bodies, such as the European Works Council (EWC), nor similar structures have been established for European Companies (SE) or European Cooperative Societies (SCE).

[63 a]: Employees covered by employee representatives - TIM companies in EEA countries¹

	UOM	2025	2024
Total employees from EEA countries	n	17,231	17,458
Number of workers with their representatives	n	16,566	17,115
	%	96.14	98.04

In 2025, **96.14% of employees were covered by worker representation**, down from 98.04% in 2024. The change is attributable to the cessation of a Company Union Representation (RSA), which was subsequently not reconstituted by the trade unions.

[RA 70]: Coverage of collective bargaining and social dialogue

Coverage rate	Collective bargaining coverage		Social dialogue
	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%	Italia	Brasile	Italia

¹ The EEA scope includes companies with a total number of employees equal to at least 10% of the Group's total employees. The companies considered are: TIM S.p.A., Telecom Italia Sparkle S.p.A., 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 S.r.l., QTI S.r.l., Mindicity S.r.l.

Disclosure requirement S1-9 - Diversity metrics

[MDR-M, 77 a]; [66 a, b]

The TIM Group monitors the composition of its workforce through specific diversity metrics, in order to ensure transparency and foster an inclusive and balanced work environment. The main indicators relating to distribution by gender and age groups are reported below, in accordance with the ESRS standards.

The “Other” and “Not disclosed” columns, required by the ESRS scheme with reference to unspecified or undeclared gender, are not shown in the tables as the related values are zero for all the exercises presented.

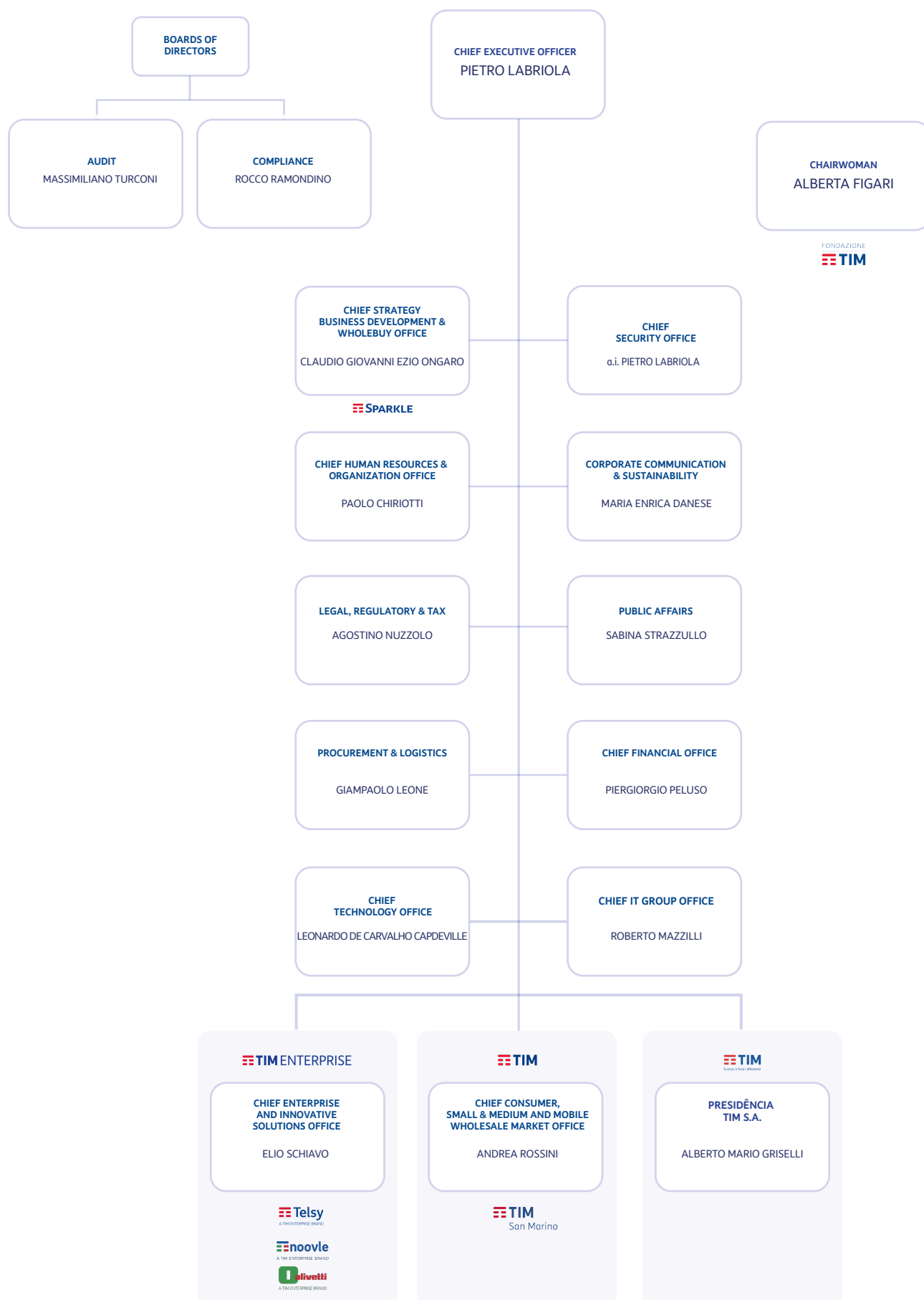
[66 a]: Distribution of employees by gender at senior management level - TIM Group

	UOM	2025			2024		
		Women	Men	Total	Women	Men	Total
Total employees at senior management level	n	4	15	19	3	14	17
Gender distribution at senior management level	%	21.05	78.95	100.00	17.65	82.35	100.00

The TIM Group defines "Senior Management" as all the executives, with the exception of the Group Chairman, who play key roles in the development and implementation of company strategies and who report directly to the Administrative and Supervisory Bodies or the Group CEO. The composition of the Senior Management is represented on the first page of the company organization chart that represents the macro organizational structure

In 2025, the Group's Senior Management consists of 19 people, up from 17 in 2024. The female component increased from 3 to 4, with an incidence that rises to 21.05%, recording an improvement of 3.4%.

Macro organizational structure as of 12/31/2025



The composition of the Group's workforce is also analyzed according to age groups, in order to represent the generational balance and the overall demographic structure.

[66 b]: Employee distribution by age group - TIM Group

	UO M	2025			2024		
		Women	Men	Total	Women	Men	Total
Employees under 30 years old	n	977	934	1,911	995	1,012	2,007
	%	7.52	7.08	7.30	7.55	7.42	7.48
Employees between the ages of 30 and 50	n	6,636	5,548	12,184	7,173	6,135	13,308
	%	51.09	42.07	46.54	54.42	44.97	49.61
Employees over the age of 50	n	5,376	6,706	12,082	5,013	6,496	11,509
	%	41.39	50.85	46.16	38.03	47.61	42.91
Total employees	n	12,989	13,188	26,177	13,181	13,643	26,824

In this table, the percentage of employees by age group is calculated by comparing the number of employees belonging to each group to the total number of employees of the same gender.

In 2025, the 30-50 age group fell compared to 2024 for both genders (-537 women and -587 men). The group over 50 grew in numerical terms (+363 women and +210 men), while the population under 30 registered a slight overall decrease. In terms of gender composition, men remain numerically prevalent in the over-50 age group, while women are more represented in the 30-50 age group.

[66 b]: Percentage distribution of employees by age group - TIM Group

	UO M	2025			2024		
		Women	Men	Total	Women	Men	Total
Employees under 30 years old	%	3.73	3.57	7.30	3.71	3.77	7.48
Employees between the ages of 30 and 50	%	25.35	21.19	46.54	26.74	22.87	49.61
Employees over the age of 50	%	20.54	25.62	46.16	18.69	24.22	42.91

In this table, the percentage of employees by age group is calculated by comparing the number of employees belonging to each age group to the total number of employees in the Group.

In 2025, the share of the over-50 age group in total employees increased (from 42.91% to 46.16%), while the incidence of the 30-50 age group decreased (from 49.61% to 46.54%). The share of employees under 30 remains substantially stable. The percentage distribution confirms that the male component has a higher incidence in the over-50s, while the female component is relatively more concentrated in the 30-50s.

Disclosure Requirement S1-10 - Adequate Wages

[MDR-M, 77 a]; [69]; [70]

The TIM Group ensures that the remuneration conditions applied to its employees comply with national collective agreements and regulatory benchmarks in the countries in which it operates;

[70] Employees who do not receive wages in line with applicable benchmarks

	%
Italy	—
Brazil	—

The "Country" scope includes exclusively countries in which the Group employs at least 50 employees and which represent at least 10% of the Group's total employees. The "Italy" item includes TIM S.p.A., Telecom Italia Sparkle S.p.A., 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 S.r.l., QTI S.r.l. and Mindicity S.r.l.; in the "Brazil" entry, only TIM S.A. is considered

As can be seen from the table, all employees receive an adequate salary in line with their respective reference contracts, as illustrated in disclosure Obligation S1-8 "Coverage of collective bargaining and social dialogue".

Disclosure requirement S1-12 - Persons with disabilities

[MDR-M, 77 a]; [79]

The TIM Group measures the number of employees with disability in line with the legislation in force in the countries in which it operates.

For Italian companies, for the purposes of reporting, employees with disability are considered workers who fall into the categories referred to in Article 1 of Law no. 68 of March 12, 1999, which regulates the employment of people with disability and identifies the categories subject to recruitment obligations. This framework is part of the broader national regulatory framework, in which Legislative Decree 62/2024 defines the condition of disability as a lasting physical, mental, intellectual, neurodevelopmental, or sensory impairment that, in interaction with barriers of different kinds, can limit full and effective participation in social and working life.

In Brazil, federal law defines a person with a disability as an individual who has a permanent and irreversible impairment of a physical, hearing, visual, intellectual/mental, or multiple nature, or an infirmity recognized by the health welfare service. This condition, when interacting with one or more barriers, can hinder full and effective participation in society on an equal basis with others. The classification process as "PCD" (Pessoa com Deficiência) requires a formal medical evaluation. The competent health department examines the CID (Classificação Internacional de Doenças - International Classification of Diseases), a system used to classify diseases and health conditions, and verifies that the condition falls within the cases provided for by current legislation, ascertaining its permanence and irreversibility.

[79] Employees with disabilities - TIM Group

	UO M	2025	2024
Total employees	n	26,177	26,824
Employees with disabilities	n	1,028	995
	%	3.93	3.71

In 2025, there were 1,028 employees with disability, up from 995 in 2024. The incidence on the total workforce goes from 3.71% to 3.93%.

Disclosure requirement S1-13 - Training and skill development metrics

[MDR-M, 77 a]; [83 a, b]

The TIM Group promotes professional growth and skills development through structured performance appraisal and individual development planning processes, monitoring employee participation in periodic performance and career development reviews.

The "Other" and "Not disclosed" columns, required by the ESRS scheme with reference to unspecified or undeclared gender, are not shown in the tables as the related values are zero for all the exercises presented.

[83 a] Training and skills development by gender - TIM Group

	UO M	2025			2024		
		Women	Men	Total	Women	Men	Total
Employees that participated in regular performance and career development reviews	n	11,468	11,879	23,347	10,434	10,264	20,698
	%	43.81	45.38	89.19	38.90	38.26	77.16

The percentage of employees who participated in periodic performance and career development reviews is calculated as the ratio between the number of employees involved in the appraisal process and the total number of Group employees, in accordance with the disclosure requirement S1-6 "Characteristics of the undertaking's employees".

In 2025, the share of employees who participated in periodic performance and career development reviews stood at 89.19%, up from 12.03% in 2024. The increase concerns both gender components and reflects the strengthening and progressive extension of performance management processes within the Group.

[83 b] Hours of training by gender - TIM Group

		2025			2024		
		Women	Men	Total	Women	Men	Total
Total training hours	h	343,818.02	420,653.27	764,471.29	482,628.26	396,292.78	878,921.04
Average hours of training per employee	h	26.47	31.90	29.20	36.62	29.05	32.77

Average training hours per employee are calculated as the ratio of the total number of training hours delivered and completed in the reporting year to the total number of Group employees by gender as at December 31, 2025.

In 2025, total training hours recorded a 13% reduction compared to 2024. Average training hours per employee stood at 29.20 hours, down from 32.77 in the previous year.

The reduction is attributable to the revision of the training use model introduced during 2025, which has favored face-to-face courses and initiatives with high specialist content, with a greater qualitative focus and a growing focus on obtaining certifications.

Disclosure Requirement S1-14 - Health and Safety Metrics

[MDR-M, 77 a]; [88 a, b, c, d, e]

The TIM Group monitors the proportion of its own workers included in the occupational health and safety management system, which encompasses all the procedures, organizational responsibilities, and controls adopted to prevent accidents and protect health in the workplace.

[88 a] Workers covered by the health and safety management system - TIM Group

	UO M	2025			2024		
		Employees	Non-employees	Total	Employees	Non-employees	Total
Own workers covered by the health and safety management system	n	25,990	—	25,990	26,634	—	26,634
	%	99.29	—	99.29	99.29	—	99.29

The coverage of workers by the health and safety management system remains at 99.29%, in line with the previous year. The differential with respect to 100% reflects the presence of Sparkle personnel operating abroad, in different regulatory contexts.

[88 b] Fatalities from work-related injuries and illnesses - TIM Group

	UO M	2025				2024			
		Employees	Non-employees	Other workers	Total	Employees	Non-employees	Other workers	Total
Number of fatalities as a result of work-related injuries	n	0	—	—	0	0	—	—	0

In 2025, no fatalities were recorded due to work-related injuries or illnesses, in continuity with what was recorded in the previous financial year.

[88 c] Recordable Workplace Injuries - TIM Group

	UO M	2025			2024		
		Employees	Non-employees	Total	Employees	Non-employees	Total
Recordable work-related accidents	n	30	0	30	25	0	25
Percentage rate of recordable occupational injuries	%	0.78	0.00	0.78	0.60	—	0.60

The rate of recordable work-related accidents is calculated as the ratio between the number of occupational injuries that resulted in at least one day of absence and the total hours worked by the Group's own workers in the reporting year - equal to 38,468,566-, multiplied by 1,000,000.

In 2025, there were 30 recordable occupational injuries among own workers, compared to 25 in 2024. The injury rate increased from 0.60 to 0.78 per million hours worked, showing an increase compared to the previous year. The recorded events were minor and referable to different operational circumstances, including activities carried out in agile mode.

[88 d, e] Cases and days lost due to occupational injuries, accidents and deaths - TIM Group

	UO M	2025	2024
		n	n
Recordable cases of work-related illness	n	0	0
Work days lost due to injuries and fatalities resulting from work-related accidents and illnesses, and fatalities due to illnesses ¹	n	513	367

⁽¹⁾ Working days lost due to injury do not include absences resulting from commuting accidents, except in cases where the transport was organized by the Company, nor those attributable to passive accidents (i.e. events not directly connected to the performance of work activity). If an injury results in an absence that extends over two reporting years, the event is recorded in the year in which it occurs, while the related days of absence are accounted for in the year in which they are actually taken.

In 2025, 513 workdays were lost due to work-related accidents and fatalities, an increase of 39.8% compared to 2024. The increase is mainly attributable to the higher incidence of events with medium-long prognoses (equal to or greater than 20 days). There are also no recognized cases of occupational disease in the reporting period, in continuity with 2024.

Disclosure requirement S1-15 - Work-life balance metrics

[MDR-M, 77 a]; [93 a,b] [94]

The TIM Group monitors access to and use of leave for family reasons, in accordance with the legislation in force in the countries in which it operates, as an indicator of the balance between professional and private life and the effective use of the rights granted to employees.

The “Other” and “Not disclosed” columns, required by the ESRS scheme with reference to unspecified or undeclared gender, are not shown in the tables as the related values are zero for all the exercises presented.

The data reported refer to employees who, during the reporting year, took family-related leave at least once.

[93 a] Employees entitled to family-related leave - TIM Group

	UO M	2025			2024		
		Women	Men	Total	Women	Men	Total
Total employees	n	12,989	13,188	26,177	13,181	13,643	26,824
Employees entitled to take family-related leave	n	12,989	13,188	26,177	13,181	13,643	26,824
	%	100.00	100.00	100.00	100.00	100.00	100.00

[93 b] Employees who have taken family-related leave - TIM Group

	UO M	2025			2024		
		Women	Men	Total	Women	Men	Total
Total employees	n	12,989	13,188	26,177	13,181	13,643	26,824
Employees who have taken family leave	n	2,256	1,371	3,627	2,020	1,083	3,103
	%	17.37	10.40	13.86	15.33	7.94	11.57

In 2025, 3,627 employees took at least one leave for family reasons, equal to 13.86% of the total, an increase of 16.9% compared to 2024. The incidence remains higher among women (17.37%) than men (10.40%), although there was an increase in use for both components compared to the previous year. The trend highlights a widespread use of work-life balance tools, in line with the applicable regulatory and contractual framework.

Disclosure requirement S1-16 - Remuneration metrics (pay gap and total remuneration)

[MDR-M, 77 a]; [97 a, b, c]

The gender pay gap shows that, at Group level, the average annual pay of women is 24.49% lower than that of men (24.41% in 2024), showing a substantially stable trend. At the domestic level, the gap stands at 19.92% (19.8% in 2024).

In line with the indications of the ESRS, the gap is calculated as the percentage difference between the average annual remuneration of men and that of women, compared to the average annual remuneration of men (unadjusted gender pay gap). The figure is determined on an aggregate basis and includes all companies in the reporting perimeter, including TIM S.A.

The measure reflects the overall distribution of roles and grade levels within the Group and is influenced by the composition of the workforce. In particular, it affects the significant concentration of women in the customer care sector, where about 80% of customer care operators are women and where there is a greater presence of lower levels of management compared to other company functions, in line with the tasks performed.

Net of the customer care sector, the Group's pay gap stands at 18.47%, while at the Domestic level it is 14.26%, highlighting how the different organizational composition affects the overall figure.

TIM S.A., in its sustainability reporting, also finds a gender pay gap of 1.8%, determined according to a different methodology, based on the comparison between men and women who hold the same professional role and which takes into account the differences in pay between the different States and regions of the Federation. This value therefore represents an additional measurement, not directly comparable with the aggregate Group data calculated according to the ESRS.

At Group level, the ratio of the highest annual total remuneration to the median annual total remuneration of all employees is 90.20, an improvement from 92.86 in 2024. This means that the highest overall pay is about 90 times higher than the median staff pay, slightly narrowing the overall gap.

In calculating the ratio, both the fixed component and the variable component of remuneration are considered. For the variable part, the target value provided for by the incentive systems was assumed, as at the time of processing the final amounts were not

yet available. Non-monetary benefits (such as a company car for mixed use, life insurance and meal vouchers) are not included in the calculation, as they represent a residual portion of the total remuneration.

Variable remuneration affects the entire company population, through managerial, commercial and collective incentive systems.

The median value of remuneration at Group level was estimated using an algorithm that calculates the weighted average, based on the number of employees, of the median values of the individual group companies.

Disclosure Requirement S1-17 - Incidents, complaints and severe human rights impacts

[MDR-M, 77 a]; [103 a, b, c, d] [104 a, b]; [ESRS S2-4, 36]; [ESRS S3-4, 36]; [ESRS S4-4, 35]

During 2025, in the Domestic sector, TIM received several reports relating to human rights. This includes incidents attributable to forms of discrimination, broadly understood as any differential treatment, exclusion, limitation or situation of disadvantage formally detected by the company and referable to individual characteristics or conditions. This perimeter also includes any incidents of harassment, such as manifestations of unfair treatment; it is understood that not all reports relating to human rights necessarily constitute cases of discrimination.

- In 2024, TIM received a total of 43 reports regarding human rights through its whistleblowing channel, 30 of which related to incidents of discrimination or harassment and 13 related to other issues.

In 2025, there were 45 total reports, 43 of which related to incidents of discrimination, including harassment. As a result of the checks carried out, one report was substantiated, eleven were not substantiated, while thirty-one are currently the subject of further investigations.

The remaining two reports, although falling within the perimeter of human rights, were not classified as episodes of discrimination, as no differential treatments or situations of disadvantage based on individual characteristics or conditions emerged. Both are currently being explored.

In Brazil, in 2025, TIM S.A. received twelve reports on Human Rights, nine of which were attributable to alleged episodes of discrimination, including harassment. Of these, five were considered unfounded and four inconclusive due to insufficient evidence. Although no proven cases have been identified, the company has nevertheless adopted corrective measures, including awareness-raising and discussion with the parties involved, as well as disciplinary measures.

The remaining three reports, although falling within the scope of human rights, were not classified as episodes of discrimination. In particular, one report was considered well-founded, one partially well-founded and the third unfounded. In relation to the two reports found to be well-founded, specific corrective actions have been taken.

- In the field of information security, about 500 reports have been received through the dedicated channels. Of these, 39 were classified as incidents and therefore involved the formal takeover and structured management of the event. The remaining reports have given rise to preliminary assessment and investigation activities, without determining the opening of incidents, as they were considered not material or not attributable to cybersecurity events.
- In the field of privacy, in 2025 there were no data breaches to be notified regarding employees' personal data.

It should also be noted that none of the substantiated reports has been subject to sanctions or fines by external parties.

In continuity with what was recorded in 2024, also during 2025 the TIM Group did not register any serious incidents in the area of Human Rights related to its workforce, workers in the value chain, reference communities, customers, and end users.

Serious incidents are defined as events involving particularly significant violations of the fundamental rights of the person, such as, for example, forced labor, child labor, trafficking in human beings, or other violations of similar gravity. Such incidents are detected and reported regardless of the reporting channels used.

Workers in the value chain [ESRS S2]

Strategy

Disclosure Requirement SBM-2 - Interests and views of stakeholders

[S2 SBM-2, 9]

In defining its strategy and business model, the TIM Group takes into account the potential impacts on workers in the value chain, in particular in relation to the sustainability policies and requirements imposed on suppliers and partners. To this end, TIM promotes dialogue and the involvement of workers in the value chain through dedicated tools, including through the Open-es platform. The evidence collected is used to guide the evolution of sustainability policies and requirements applied to the supply chain.

Disclosure Requirement SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

Perimeter of workers in the value chain

[S2 SBM-3 10 a, b]; [S2 SBM-3 11 a, i, ii, iii, iv ,v]

As part of the double materiality analysis, the TIM Group considered workers in the value chain potentially affected by its operations, taking into account the characteristics of the business model and business strategy. The Group operates through an articulated supply chain, which includes network operators, ICT service suppliers, manufacturing companies, and partners for outsourcing activities, located both in Italy and abroad.

The structure and methods of managing the value chain can have effects on working conditions, health and safety, and respect for the human rights of workers employed by suppliers, in particular in geographical contexts characterized by a higher risk of violations of fundamental rights. These effects are related to the complexity of the outsourced activities, the procurement methods, and the different regulatory and socio-economic conditions of the countries in which the suppliers operate.

The assessment of the social repercussions along the value chain supports the Group's strategic decisions and contributes to the management of operational and reputational risks related to the working conditions at suppliers.

Within the value chain, the workers upstream of the supply chain, that is, the employees of the suppliers who provide the TIM Group with products and services functional to the performance of core activities, are considered material. This category includes, by way of example, workers in companies that offer network services, telecommunications components and devices, as well as development and programming services. It also includes workers not belonging to the own workforce who work at the TIM Group's offices, such as workers of companies that provide technical assistance services and suppliers of professional services, such as consultancy service suppliers.

With reference to workers downstream of the value chain, those of companies that provide logistics services, distributors and dealers, as well as companies in charge of the construction and management of plants at customers, involved in the phases of distribution, installation and management of the services offered, are considered.

Finally, the workers involved in joint ventures are considered, which constitute a distinct category with respect to the activities upstream and downstream of the supply chain, as they operate within the framework of shared corporate structures and operating activities carried out jointly. By way of example, in Italy the TIM Group is involved in joint ventures with TIMFin S.p.A. and with the National Strategic Hub.

In addition to the groups of workers described above, no further relevant groups of workers have been identified in the value chain.

Impacts, risks and opportunities related to workers in the value chain

[S2 SBM-3 11 b, c, d, e]; [S2 SBM-3, 12, 13]

Following the double materiality analysis, a single significant negative impact emerged relating to workers in the value chain due to deficiencies in occupational health and safety, in particular related to inadequate safety measures, insufficient training, and the lack of personal protective equipment (IRO 15).

This identified negative impact is not generalized in nature, but is connected to the occurrence of a specific event found within the value chain.

On the other hand, the analysis did not show any positive impact.

The detail of the negative impact is reported in the dedicated table of ESRS 2 SBM-3 "Material impacts, risks, and opportunities and their interaction with the strategy and business model", in the "General Information" section.

With reference to the material risks, a topic has been identified related to the potential failure to respect human rights along the Group's value chain (IRO 38). This risk can generate legal, economic-financial and reputational consequences, with possible effects on the operational continuity of the supply chain and on the Group's ability to preserve its position on the market.

In the risk identification process, the geographical contexts in which the workers in the value chain of the TIM Group operate were considered, with particular reference to areas characterized by greater exposure to ESG issues, including some areas of Asia, Central and South America, North Africa, and Eastern Europe. In such contexts, workers may be more exposed to significant risks related to respect for human rights and working conditions, including, but not limited to, child labor and forced or compulsory labor.

On the other hand, the analysis did not highlight material opportunities connected to workers in the value chain, as the monitoring of these issues is mainly oriented toward the prevention and mitigation of negative impacts and related risks for the Group.

The results of the double materiality analysis on workers in the value chain are used by the TIM Group to guide the management of relationships with suppliers. In particular, this information is considered in the qualification, evaluation, and monitoring of suppliers, with attention to respect for human rights and working conditions, in order to prevent and reduce potential negative impacts and risks regarding the workers involved.

The detail of the IROs is reported in the dedicated table of ESRS 2 SBM-3 "Material impacts, risks, and opportunities and their interaction with the strategy and business model", in the "General Information" section.

Impact, risk, and opportunity management

Disclosure requirement S2-1 - Policies related to value chain workers

[16]; [MDR-P 65 a; b; c; d; e; f]; [17 a, b; 18; 19]

The double materiality analysis identified a negative impact (IRO 15) and a risk (IRO 38) related to the topic "Workers in the value chain." These IROs are monitored through the "Human Rights Policy", the "Purchasing of Products and Services Policy" and the "Health and Safety Policy".

The detail of the IROs is reported in the dedicated table of ESRS 2 SBM-3 "Material impacts, risks, and opportunities and their interaction with the strategy and business model", in the "General Information" section, while for further information on the general aspects relating to policies, please refer to the "Policies - MDR-P" chapter in the same section. For the TIM Group's commitments to human rights, including the prevention of human trafficking, forced and child labor, and compliance with international labor standards, please refer to the TIM Group's "Human Rights Policy" illustrated in chapter MDR-P in the "General Information" section.

To define the Group's framework in the Brazilian context, TIM S.A. has defined specific policies aimed at guiding and managing the impacts on the value chain.

In particular, it has defined a policy on "Relations with Suppliers," aimed at guiding the management of relations with suppliers and subcontractors in compliance with human rights and dignified working conditions; a "Social Responsibility Policy", which formalizes the company's commitments to national and international standards and principles on human rights, responsible labor practices and integrity; a policy on Occupational Health and Safety, applicable to TIM facilities in Brazil and also relevant for the workers of suppliers, which establishes principles and guidelines for the protection of health, the prevention of accidents, and the continuous improvement of working conditions.

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, d, e]; [MDR-A, 69 a, b, c, e]; [32 a, b, c, d; 33 a, b, c; 34 a; 35; 38]

In addition to the policies on "workers in the value chain", which provide the framework for the coherent and informed management of business activities, the TIM Group implements actions and resources related to the following topics:

- 1. Working conditions** including a) secure employment, b) health and safety.
- 2. Other work-related rights** that concern a) forced labor and child labor, b) data privacy in the value chain.

The actions are aimed at workers of Italian and foreign companies included in the social perimeter of sustainability reporting and, unless otherwise specified, are continuous and are repeated annually.

The actions described aim to prevent and mitigate negative impacts and to manage material risks for workers in the value chain, contributing overall to the oversight of human rights issues. For each action, where applicable, the purpose of the intervention is indicated, specifying whether it is aimed at mitigating negative impacts or managing risks.

In the description of the individual actions, unless otherwise indicated, the initiatives refer to the Domestic BU perimeter; while those expressly indicated as TIM S.A. refer to the Brazilian subsidiary.

The allocated financial resources are also reported, where available, with a distinction between operating expenses (OpEx) and capital expenditure (CapEx).

1. Working conditions

1a. Secure employment

■ Monitoring of employment conditions along the value chain

TIM requires its suppliers and contractors to comply with minimum standards regarding secure and fair working conditions, in line with the Code of Ethics and Conduct and the Human Rights Policy. The supply contracts include clauses that prohibit forced and child labor, require compliance with applicable legislation on working hours, pay, and non-discrimination, and protect freedom of association and the right to collective bargaining.

Compliance with these requirements is verified through initial qualification processes, periodic evaluations and, where appropriate, on-site audits and verifications, which may lead to the definition of improvement plans or, in the most serious cases, to the suspension or interruption of the contractual relationship. The effectiveness of these activities is monitored through internal

indicators relating to the coverage of assessments on suppliers, the results of the checks, and the cases of non-conformity found, which feed into the planning of corrective actions and the periodic review of the controls.

Overall, the action contributes to monitoring the risk that human rights violations, in the company and along the supply chain (such as forced labor, exploitation or failure to respect trade union rights), may generate legal consequences, reputational damage and operational impacts (IRO 38).

1b. Health and Safety

■ **Monitoring of health and safety requirements in the selection and management of suppliers**

All suppliers and contractors undergo a qualification process that includes the preliminary and periodic verification of compliance with occupational health and safety requirements, as a condition for operating on behalf of the Group. These requirements, defined in accordance with national and international reference standards, are formalized in the supply contracts and applicable to the activities carried out.

For activities and suppliers with higher risk profiles, enhanced checks are provided, which may include, where relevant, the presence of certified management systems, such as ISO 45001.

■ **Operational risk management and prevention measures along the value chain**

During the execution phase of the works, TIM manages the health and safety risks related to the activities carried out along the value chain, with reference to the operating environments, the methods of carrying out the activities, and the use of equipment and protective devices. The activities include direct observations, document analysis, occupational health and safety inspections and audits, aimed at identifying actual and potential risks and verifying the adequacy of the prevention and protection measures adopted.

These activities are complemented by the periodic monitoring of the health and safety conditions of the workers in the supply chain, carried out through annual campaigns, environmental surveys, and controls on physical, chemical, and biological agents, in accordance with current legislation on occupational medicine, in order to identify any operational criticalities and activate corrective actions and continuous improvement interventions.

In the TIM S.A. perimeter, risk management includes the identification of hazards and the assessment of risks related to activities, products and services throughout the operational life cycle, through observations, analyses, inspections and audits, with the support of health, safety and environmental professionals. For non-employee workers, health and safety management is carried out by the supplier companies in compliance with the applicable Brazilian legislation, including the requirements set forth by Regulatory Standard NR-01.

Overall, for TIM S.A. in 2025, the expenses detectable for risk management activities and prevention measures along the value chain amounted to €17.7 k (OpEx).

■ **Training, dialogue and field checks**

TIM carries out information and training activities, accompanied by moments of direct discussion and operational checks, aimed at suppliers and, where relevant, at workers employed along the supply chain. The initiatives are aimed at disseminating good practices, strengthening awareness of risks, and the correct application of prevention measures, including mandatory training activities planned for the performance of work in confined or suspected pollution environments. These initiatives are complemented by periodic checks at workplaces and construction sites, also carried out with the support of independent third parties, with the aim of evaluating the effective application of the measures adopted and promoting the continuous improvement of working conditions along the value chain.

The overall actions taken contribute to mitigating the negative impact caused by poor safety measures and insufficient training at the base of potential damage to the health of workers in the supply chain (IRO 15).

2. Other work-related rights

2a. forced labor, child labor

■ **Prohibition of forced and child labor along the supply chain**

The principles and requirements set out in the Group's Human Rights Policy are integrated into the supply chain management processes, through the definition of binding obligations for suppliers and partners. In particular, compliance with the prohibition of forced labor and child labor is required, as well as the prohibition of the employment of persons under the age of 18 in hazardous, unhealthy, or night-time work, in line with the United Nations Guidelines on Business and Human Rights and with European and international reference standards. As part of the measures adopted and the monitoring activities relating to the value chain, no risks of forced labor were detected.

In the TIM S.A. perimeter, the same requirements are applied in accordance with Brazilian labor legislation, which prohibits forced labor and child labor and regulates their control and sanction mechanisms.

■ **Qualification and selection of suppliers on ethical and social bases**

All suppliers undergo a qualification process that includes the verification of compliance with minimum ethical and social requirements, as a necessary condition for access to the Group supply chain. In particular, the qualification process involves formal adherence to the Group Code of Ethics and verification of the existence of organizational and procedural safeguards to prevent human rights violations, including forced labor and child labor. Failure to comply with these requirements constitutes an obstacle to qualification and subsequent contractualization.

In TIM S.A., the company selects suppliers by verifying their compliance with Brazilian labor legislation and consulting databases related to the fight against corruption and forced labor. Suppliers who do not meet these requirements or who present risks of child labor are excluded from the procurement process.

Overall, the expenses for the qualification and selection of suppliers on an ethical and social basis amount to €46 k (OpEx) for TIM S.A.

■ **ESG assessment of suppliers at risk during the qualification phase**

For suppliers identified with greater exposure to risk, based on criteria such as geographical area, product group, and economic relevance, an in-depth ESG assessment is carried out through a dedicated questionnaire. The assessment is aimed at identifying and grading potential human rights risks along the supply chain and requires, among other things, the presence of appropriate measures to prevent human rights violations, including the adoption of ethical and social management systems such as SA8000 certification or equivalent standards, as well as confidential procedures for reporting behavior that does not comply with the Code of Ethics. In 2025, approximately 35% of the 299 qualified suppliers were subjected to ESG assessment.

■ **Audits and controls on suppliers and the supply chain**

In 2025, 4 audits were carried out on suppliers at risk, conducted on-site or on-desk, also with the support of independent third parties and through collaborative sector initiatives such as the Joint Alliance for Corporate Social Responsibility (JAC), of which TIM is a founding member. The alliance, which promotes cooperation between companies in the ICT sector, and of which TIM is among the founding members, was created with the aim of improving the quality of audits and review practices. Audits cover areas such as child labor, forced labor, freedom of association, discrimination, disciplinary practices, working hours, wages, health and safety, environment and business ethics.

In the face of any critical issues arising from the audits and evaluation activities, corrective action plans and improvement measures are defined and monitored, in collaboration with suppliers, up to the adoption of more incisive interventions, including the change of supplier in cases of serious or unrectifiable violations.

In the TIM S.A. perimeter, verification and control activities on suppliers are carried out in accordance with Brazilian labor and human rights legislation; Suppliers who do not comply with labor legislation may not provide services or products to the company.

Overall, the expenses detectable for TIM S.p.A. from audits and controls on suppliers and the supply chain amount to €60 k (OpEx).

Overall, all actions contribute to mitigating the risks arising from human rights violations considered as a whole along the supply chain, which involve legal, reputational, and operational impacts (IRO 38).

2b. Data confidentiality in the value chain

TIM requires suppliers, partners and other third parties in its value chain who, in any capacity, process personal data or sensitive information on behalf of the Group, to adopt appropriate technical and organizational measures to ensure the confidentiality, integrity and availability of data, in line with the Group's privacy and information security governance model.

These requirements are formalized in data processing contracts and agreements, which provide for specific obligations regarding logical and physical security, including access controls, management of security incidents, activity tracking and limitation of data retention times, as well as confidentiality commitments for the personnel of the suppliers involved in the processing.

Compliance with these obligations is verified through due diligence processes and periodic evaluations of suppliers and, where necessary, through targeted assessments or audits, which may lead to the definition of corrective actions or, in the most serious cases, to the revision or termination of the contractual relationship.

The effectiveness of these safeguards is guaranteed within the Group's Internal Control and Risk Management System (SCIGR), which ensures the continuous monitoring of risks related to information security and personal data protection along the value chain.

Through these measures, TIM contributes to preventing the risk of human rights violations related to personal data processing in the value chain (IRO 38), reducing the likelihood of legal, reputational, and operational impacts.

With reference to Disclosure Obligation 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" (MDR-A), the total expenses recorded amount for the Domestic BU to €60 k (OpEx) and for TIM S.A. to €63.7 k (OpEx).

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 associated with workers in the value chain, TIM adopts structured control processes and performance indicators, in accordance with applicable legislation and industry best practices. In particular, the Group oversees the following topics:

- of health and safety, through the monitoring of compliance with company procedures and policies by suppliers, through qualification processes, audits and periodic checks, aimed at the prevention of accidents and the reduction of risks for workers involved in supply chain activities;
- of human rights, by monitoring the number and type of reports relating to potential violations involving workers in the value chain, using the channels provided by the Code of Ethics and company procedures, in order to promptly identify any critical issues and activate corrective actions.

Reference communities and territories [ESRS S3]

Strategy

Disclosure Requirement SBM-2 – Interests and views of stakeholders

[S3 SBM-2, 7]

In defining its business strategy, TIM takes into account the opinions, interests, and rights of the communities in the territories in which it operates, recognized as relevant stakeholders for the sustainable development of the Group.

The involvement of the territorial communities takes place through initiatives, projects and structured moments of discussion at the local level, aimed at gathering their needs and expectations. The information that emerges from these activities is used to guide the design, updating and improvement of initiatives aimed at communities. In Brazil, TIM S.A. preliminarily consults indigenous 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

Scope of the communities affected by the Group's activities

[S3 SBM-3, 8a, b]

In relation to the communities and territories in which it operates, the TIM Group has assessed the impacts, both actual and potential, the risks and opportunities connected to its business model and business strategy, considering the effects generated on the communities in terms of access to digital services and digital inclusion.

Network infrastructure and the provision of digital services can affect communities in the territories where the Group operates, in particular in relation to access to connectivity services, quality of life, and participation in economic and social life.

The assessment of the social repercussions on the communities supports the Group's strategic decisions and contributes to the management of operational and reputational profiles, as well as to the enhancement of opportunities related to the sustainable development of the territories, the reduction of the digital gap, and the strengthening of relations with the stakeholders present in the territories of operation.

The TIM Group has considered communities potentially affected by the impacts of its activities, including those connected to direct operations and the value chain, also through products, services, and business relationships. The communities considered include citizens, public bodies, local administrations and central institutions active in the territories in which the Group operates, mainly in Italy and Brazil.

Impacts, risks and opportunities for communities

[S3 SBM-3, 9 a i, ii, iii, iv; 9 b, c, d, 10, 11]

The double materiality analysis did not show any negative impacts or significant risks. Instead, a positive impact was identified, attributable to the promotion of digital inclusion thanks to access to digital services (IRO 19). This impact has a wide and transversal scope and is not limited to specific territorial contexts.

A material opportunity has also been identified (IRO 32), connected to the development of the territories and the involvement of stakeholders, through initiatives consistent with the company's business model which, as an infrastructure operator in telecommunications, interacts systematically with the territories in which it operates, generating shared economic and social benefits.

Interactions with communities take place both directly in the Group's operations and indirectly through the value chain and collaborations with suppliers and public entities.

The details of the identified impacts and opportunities are shown in the dedicated table of ESRS 2 SBM-3 "Material impacts, risks, and opportunities and their interaction with the strategy and business model", in the "General Information" section.

Impact, risk, and opportunity management

Disclosure requirement S3-1 - Policies related to affected communities

[14]; [MDR-P 65 a, b, c, d, e, f]; [16 a, b]; [17]

The double materiality analysis identified two material IROs (IRO 19 and 32) connected to the topic "Communities and reference territories." These IROs are governed by the "Code of Ethics and Conduct" and the "Human Rights Policy".

The detail of the IROs is reported in the dedicated table of ESRS 2 SBM-3 "Material impacts, risks, and opportunities and their interaction with the strategy and business model", in the General Information chapter, while for further information on the general aspects related to the policies, please refer to the "Policies - MDR-P" chapter in the same section.

In the Italian context, no significant impacts on indigenous peoples have been found. In the Brazilian context, TIM S.A. oversees the human rights of the communities concerned, including traditional communities, indigenous peoples, and Quilombola communities, through the Social Responsibility Policy that considers the expectations of the communities and prior consultation in the event of

interventions that affect their territories. Company policies are aligned with the United Nations Guiding Principles on Business and Human Rights and the main international reference standards.

In Italy, TIM adopts a structured approach to dialogue with the reference communities in relation to the impacts related to its activities. This approach is governed by the "Stakeholder Engagement Guidelines", which define the principles and guidelines for stakeholder engagement and ensure their integration into corporate governance processes.

In Brazil, TIM S.A. adopts a similar approach to dialogue and involvement of the reference communities, based on the principles defined in the "Engagement Policy", which establishes the general criteria for managing relations with local stakeholders.

Disclosure Requirement S3-4 - Actions on material impacts on affected communities and approaches to managing material risks and pursuing material opportunities for affected communities, as well as the effectiveness of such actions

[31]; [MDR-A, 68 a, b, c, e]; [MDR-A, 69 a, b]; [32 c, d; 38]

In addition to the policies regarding the "Affected Communities", which provide the framework for the coherent and informed management of business activities, the Group implements actions and resources related to the following topics:

1. **Digital education and digital awareness** which includes: a) Digital education and media literacy; b) Digital training and orientation to future skills; c) Enhancement of cultural heritage, health and research; d) Social development and inclusion.
2. **Development of the reference communities and territories** which includes: a) Social, digital and equal opportunities inclusion 2b). Cultural and educational inclusion.
3. **Participation in ecosystems and sector initiatives** aimed at fostering industry dialogue and the exchange of experiences and expertise in the ICT sector and in the field of sustainability, with a view to promoting the development of digital ecosystems and generating indirect benefits for the relevant regions.

The actions, also carried out in collaboration with external parties and system networks, are continuous over time and are aimed, as appropriate, at enhancing opportunities and generating positive impacts for the communities of reference, contributing as a whole to the monitoring of human rights issues. For each initiative, where relevant, the purpose of the intervention is indicated, specifying the connection to the pursuit of the positive impacts and/or opportunities identified.

In the description of the individual actions, unless otherwise indicated, the initiatives refer to the Domestic BU perimeter; while those expressly indicated as TIM S.A. refer to the Brazilian subsidiary.

The allocated financial resources are also reported, where available, with a distinction between operating expenses (OpEx) and capital expenditure (CapEx).

1. Digital education and awareness

1a. Digital Education and Media Literacy

■ **Italian Digital Media Observatory (IDMO)**

Participation, for the second consecutive year, in the activities of IDMO, the Italian hub of the EDMO Consortium, aimed at combating online disinformation and promoting media literacy among young people. In 2025, TIM implemented the "Mind The Web" project, included in the protocol signed between IDMO and the Ministry of Education and Merit (MIM), which involved 46,000 students and over 750 teachers from about 350 schools in 250 municipalities. Thanks to the involvement of the Ministry of Foreign Affairs and International Cooperation (MAECI), the initiative also involved 1,000 students from Italian schools abroad (Ethiopia, Turkey, Morocco, France, USA, Peru, Venezuela, Romania, Greece and Iran). The video podcasts and webinars produced are available on the IDMO website and have exceeded 9,500 views. As part of the same protocol, TIM also delivered a webinar dedicated to students from 80 schools identified by the MIM.

■ **Technology Digital Literacy**

Participation, as a partner, in the project promoted by the Permanent Observatory of Young Publishers (OPGE, subsequently renamed Osservatorio for Independent Thinking in October 2025), aimed at female and male secondary school students. The initiative is aimed at developing the skills necessary for the correct, conscious and critical use of digital tools, with particular attention to online information, digital content and media.

■ **Doubt and Debate**

Joining the project promoted by the Observatory for Independent Thinking, which consists of an educational platform aimed at teachers and students of upper secondary schools. The initiative is aimed at developing critical thinking, civic sense, and the ability to analyze information through media literacy and tech literacy courses, in support of the conscious use of digital tools and information content.

■ **TIMVISION Agenda 2030**

Educational initiative aimed at children, developed through animated content – including "undercover pollution" and "Kuomi" – aimed at promoting environmental awareness and responsible behavior, in line with the issues of the 2030 Agenda. The initiative uses accessible and engaging language to promote early learning on issues of sustainability and environmental protection. In 2025, the project was launched in April on the occasion of Earth Day and was monitored in May, registering a share of 8%. The initiative is structured on a contract with a duration of 48 months and includes a promotion programmed over time.

In total, expenses incurred for digital education and media literacy initiatives amounted to €430k (OpEx) for TIM Domestic.

1b. Digital training and orientation to future skills

■ **42 ROMA Luiss**

TIM is a strategic partner of 42 ROMA Luiss, a free coding school inspired by the French model École 42. The program is based on a peer-to-peer and coopetition learning approach, without teachers. Started in 2021, the partnership involves TIM organizing workshops and internships for students, while LUISS promotes calls for ideas on topics of interest to the company.

■ **ITS Maria Gaetana Agnesi**

TIM is among the founding partners of the Maria Gaetana Agnesi Higher Technological Institute, with the goal of contributing to the training of new generations of digital professionals. The ITS, hosted at the TIM Academy in Rome, offers training courses aimed at young diploma holders in strategic areas such as Data Analysis and Artificial Intelligence.

■ **Career Day and company visit**

In 2025, TIM participated in the Career Days and Job Fairs of major Italian universities, with a focus on STEM events. It has also organized two company visits for STEM students from the Polytechnic of Turin and the Roman universities, at the Customer Innovation Center in OGR in Turin and at the Innovation Lab of Val Cannuta in Rome. The two occasions allowed the students to get in touch with TIM managers and professionals and take part in the demos of TIM Enterprise's innovative Smart land, XR and IOT solutions.

In total, expenses for digital training and future skills development amounted to €417k (OpEx) for TIM Domestic.

Both the actions related to education and digital training listed above contribute overall to pursuing the opportunities deriving from initiatives for the development of the territory in order to generate shared economic and social benefits to strengthen corporate reputation and attractiveness for investors (IRO 32).

2. Development of the communities and territories of reference

2a. Social, digital and equal opportunities inclusion

■ **Women Plus**

Program aimed at the empowerment and professional development of women, inside and outside the company. The initiative includes: moments of discussion with women's associations, schools and universities to encourage the meeting of talents and opportunities in the area; communication and awareness-raising projects aimed at countering gender stereotypes and promoting positive models.

■ **Podcast "Equality Can't Wait"**

Communication and awareness project on gender equality issues, part of the TIM Group's women empowerment initiatives. In 2024 and 2025, a total of 8 episodes were published (4 in 2024 and 4 in 2025), based on real stories, interviews and data, with the aim of spreading a culture of equality. The podcast was first launched within the company and then made available on the main podcasting platforms, recording 3,900 external views and 4,104 internal views as of December 31, 2025. The initiative was then enriched with the creation of a theatrical event inspired by the contents of one of the episodes, and with a cycle of live events open to the public organized by the ELLE Active forum.

■ **Includere per Crescere (Include to Grow)**

Project promoted by the ELIS Consortium, in which TIM participates as a partner company, aimed at promoting inclusion as a lever for economic and social growth. The initiative promotes the employment of people with fragility or specific needs, often excluded from traditional selection channels, and supports collaboration between companies and companies with a social impact operating in the territory. In 2025, TIM supported the project with a focus on the reintegration of women into the workforce, contributing to the communication activities on the web and social channels of the organizations involved.

■ **Generazione Talento**

Project promoted by the ELIS Consortium, in which TIM participates as a partner, aimed at enhancing senior staff and promoting intergenerational integration in work contexts. The initiative supports the dialogue between companies and institutions for the development of innovative models of management of the last stretch of working life, favoring policies and organizational practices aimed at the inclusion and transmission of skills. In 2025, TIM contributed to the dissemination of the project through its communication channels (social media, website, and company intranet).

■ **Global Inclusion 2025**

Event promoted by the Global Inclusion Foundation, in collaboration with Il Sole 24 Ore and Gruppo 24 ORE, in which TIM participates as a partner, with the aim of promoting a culture of inclusion in companies, institutions, and society. The initiative involves companies, academics, institutional representatives and third sector organizations in a discussion on strategies, policies and projects to support diversity, equity and inclusion.

■ **Pride**

Support to the main Pride events held in 2025, including Rome and Milan, dedicated to the promotion of the rights, dignity and inclusion of LGBTQIA+ people. The initiative involved the active participation of TIM employees, who paraded bringing the company's values and colors together with those of Pride, contributing to the spread of a culture of respect and non-discrimination.

■ **Accessibility Days**

Participation in the main Italian event dedicated to accessibility and digital inclusion for people with disability. In the 2025 edition, entitled "Il digitale che accoglie" (digital that welcomes), TIM contributed by sharing its best practices in the field of disability management and the design of inclusive digital solutions, also for the benefit of people with sensory or communication-related disability. The initiative is part of a business context in which the TIM Group enhances the skills of people with disability, favoring inclusive work environments and the development of accessible services for customers.

■ **Digitization of rural areas (TIM S.A)**

The project provides for the extension of connectivity in Brazilian rural areas in the States of Espírito Santo, Paraná, Rio de Janeiro, and Santa Catarina, guaranteeing connectivity services to public schools in the territories concerned, with monitoring of obligations by the National Telecommunications Authority (Anatel). The initiative also includes the development of coverage in agricultural areas, in support of productivity and agribusiness, with the aim of connecting 32 million hectares by 2026. In 2025, TIM S.A. covered 26.2 million hectares through 4G technology and 53.1 million hectares through NB IOT technology, with benefits for over 2.6 million people living in rural areas.

Overall, for social inclusion and equal opportunities activities in the Domestic area, €147 k (OpEx) was spent.

2b. Cultural and educational inclusion

■ **TIMVISION Inclusion**

Initiative aimed at promoting cultural and linguistic diversity through the "Favole ROM" cartoon, developed with the involvement of the Italian ROM and SINTI community and with the patronage of the UCRI. The content integrates words in Romani, a language spoken by Rom and Sinti, with the aim of promoting recognition, respect and cultural inclusion, contributing to the fight against stereotypes and marginalization from childhood. In 2025, the initiative, which registered a 6% share, is monitored annually on the occasion of the National Day of Rom and Sinti.

■ **TIMVISION Disability**

Awareness-raising initiative aimed at children, developed through educational content in which WILL and Handico illustrate twelve conditions and syndromes, including paraplegia, autism, blindness, deafness, and Down syndrome. The project aims to promote awareness, understanding and an inclusive language from childhood, contributing to the reduction of stigma and stereotypes. In 2025, the initiative was monitored with reference to the month of January and recorded a 1% share.

■ **TIMVISION Emotional and Sexual Education**

Training initiative that addresses in a guided and appropriate way the issues of affective and sexual education through the contents "Bees and Flowers" and "Sex Symbols", developed with the patronage of the international association Terres des Hommes. The project is aimed at supporting the conscious growth of the youngest, promoting knowledge, respect and prevention of discriminatory or violent behavior, respecting the sensitivity of the topics covered and the correct contextualization of content. In 2025, the initiative was made available on the occasion of the Day against Gender Violence; registering a 1% share.

■ **TIMVISION for Everyone:**

An education and support initiative dedicated to the health and well-being of children, developed through the "Croco Doc" cartoon, which addresses the most common diseases and how to manage them in a simple and accessible way. The project is carried out under the patronage of the non-profit organization "Un Sogno nel Cassetto" and is integrated with a concrete action to support the territory, which has provided for the donation of ten tablets to pediatric cancer hospitals. The initiative, which registered a 12% share, is cyclically proposed again to support educational initiatives.

Overall, Cultural inclusion, education and combating inequalities, €63 k (CapEx), was spent

2c. Enhancing cultural heritage, health and research - TIM Foundation

The TIM Foundation is the Group's body dedicated to promoting initiatives of social, cultural and scientific interest, through support for projects and organizations active in the fields of health, social inclusion, research and the enhancement of cultural heritage, in line with the Group's values and the needs of the reference communities.

In 2025, the Foundation's activities focused both on the management and continuation of initiatives already started, and on the launch of new calls, with effects destined to develop in the medium term.

On the first front, in the field of health and prevention, support continued to the School Project "Anlaids Lazio meets Students", aimed at the prevention of HIV and AIDS and at promoting awareness of health issues among students of Secondary Schools in Lazio, through information and direct dialogue.

The activities related to social inclusion, culture and prevention of youth distress projects selected as part of calls promoted by the Foundation in previous years also continued. These initiatives, carried out by entities and institutions operating at the national level, concern the enhancement of cultural heritage, the fight against conditions of social fragility, and the prevention of the phenomenon of NEETs, contributing to the generation of positive and lasting social impacts.

In the same context is the Mausoleum of Augustus Project, for which the agreement with the Capitoline Superintendence was renewed, allowing the reopening of the restoration site and the continuation of the site enhancement activities. The initiative also includes the creation and publication on the TIMVISION platform of a documentary dedicated to the figure of Augustus and the recovery path of the monument.

On the second front, the Foundation launched new thematic calls in the fields of scientific research, social inclusion and health, allocating a total of around 1.5 million euros.

In particular, the Research Calls were launched, aimed at supporting high-impact scientific research projects; the Inclusion Calls, dedicated to initiatives to combat inequalities and support people in fragile conditions; and the Health Calls, focused on prevention, innovation in care models and improving the well-being of people and communities.

As a result of the selection process, six entities of excellence at the national level were awarded funding. The projects will have a duration of 24 months and the operational start is expected after the resolution of the Foundation's Board of Directors, with the aim of generating measurable and lasting social impacts over time.

2d. Social development and inclusion – TIM Institute

In the perimeter of TIM S.A. (Brazil), social development and inclusion initiatives are carried out through the TIM Institute and are aimed at the communities and territories of reference. Since its inception in 2013, the TIM Institute has supported more than 700,000 people in 500 cities across Brazil.

Among the active initiatives is the Bateria do Instituto TIM project, an inclusive music education program carried out in Rio de Janeiro and aimed at children, young people and adults, with and without disability. The initiative uses music as a tool for social inclusion and skills development, annually involving more than 50 participants, mainly young people with disability, through free courses and moments of public performance.

In the same context, Academic Working Capital is included, a support program for university students interested in transforming end-of-course work into entrepreneurial initiatives with a technological content. The program includes training, mentoring and financial support. Since 2015, it has supported 240 projects from 88 universities, contributing to the creation of 128 startups; in the most recent period it involved 95 students and facilitated the launch of 20 new initiatives.

To complete the actions, the TIM Institute promotes the Edital Fortalecendo Redes call, aimed at institutional strengthening and the development of social projects of the organizations belonging to the Gerando Falcões network, active in the fields of technology, culture, sport and education. The call provides for the loan of selected organizations and the structured monitoring of activities, with the aim of strengthening their capacity for intervention and the social impact on the territories involved.

The Group monitors and evaluates the effectiveness of the actions undertaken through quantitative and qualitative indicators specific to each initiative, including the number of beneficiaries reached, participation rates, content viewing shares and results achieved with respect to the objectives set. Monitoring is carried out periodically and the results are used to guide the continuous improvement of initiatives and verify their impact on the communities concerned.

Overall, all actions concerning the social development of the territories, the inclusion and cohesion of the communities, as well as the cultural, educational, and research enhancement contribute to pursuing the positive impact deriving from the introduction of initiatives aimed at social inclusion and active participation in the life of the community (IRO 19) and to pursuing the opportunities deriving from initiatives for the development of the territory with the aim of generating shared economic benefits and social benefits to strengthen corporate reputation and attractiveness for investors (IRO 32).

Overall, €28.5k (OpEx) was spent on Social Development and Inclusion activities within TIM S.A.

3. Participation in ecosystems and sector initiatives

The TIM Group actively contributes to industrial and institutional discussions on the main issues affecting the evolution of the telecommunications sector, including network regulation, cybersecurity, cloud and digital sovereignty, artificial intelligence, personal data protection, consumer protection, and environmental sustainability.

Participation in industry initiatives and thematic working groups enables the Group to share expertise, contribute to the definition of standards and best practices, and promote solutions aligned with technological and regulatory developments in the sector. This commitment is carried out at the national, European, and international levels.

At the domestic level, the Group is active in the main industry and telecommunications representative bodies:

- Within **Confindustria**, TIM participates in numerous technical groups, including those dedicated to digital transition and sustainability, contributing to discussions on digital infrastructure, cybersecurity, data centers, STEM skills, and energy efficiency. The CEO of TIM also serves as the Delegate for Digital Transition to the President of Confindustria and chairs the related Technical Group, which has promoted initiatives mapping connectivity demand in production areas to support national infrastructure enhancement.
- Within **Assotelecomunicazioni (Asstel)**, of which the CEO of TIM is President for the 2025–2027 term, the Group contributes to defining common industry positions on industrial, regulatory, and employment issues, including the renewal of the national collective bargaining agreement for telecommunications, sector industrial policy, the evolution of call centers, professional skills, and measures supporting the sustainability and competitiveness of the supply chain.

At the European and international level, TIM actively participates in the main industry associations and their working groups, contributing to the definition of common positions and the development of regulatory and technical guidelines consistent with the evolution of the telecommunications market:

- Within **GSMA**, the global association representing mobile operators, TIM participates in task forces dedicated to sustainability and the sector's climate transition. In particular, the Group contributes to the work of the Climate Action Task Force, collaborating on topics such as energy efficiency benchmarking, promotion of renewable energy, Scope 3 emissions calculation methodologies, and circular economy models applied to network equipment and mobile devices.
- Within **Connect Europe**, the association of major European telecommunications operators, TIM contributes to working groups on European policies regarding sustainability and sustainable finance, including alignment with the EU Taxonomy and reporting obligations. The Group participates in discussions on European legislative initiatives on energy efficiency, circular economy, and sector decarbonization, sharing operational experience and contributing to the development of common industry positions.

Alongside participation in telecommunications sector working groups, the Group also engages in multi-stakeholder initiatives promoting sustainability and corporate responsibility at the national and international level:

- TIM is a partner of the **Italian Alliance for Sustainable Development (ASviS)**, a network of over 300 organizations promoting the 17 Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda. In 2025, the Group took part in the Sustainable Development Festival, contributing to discussions on the role of digital technologies and innovation in reducing environmental impact and improving digital infrastructure efficiency.
- The TIM Group has been a member of the **United Nations Global Compact** since 2002 and is part of the Global Compact Network Italy, the national network promoting the integration of the ten Global Compact principles on human rights, labor standards, environmental protection, and anti-corruption into business activities. Through this participation, TIM contributes to

the activities and initiatives promoted by the Italian network on corporate responsibility and sustainability, in line with the objectives of the United Nations 2030 Agenda.

Activities related to participation in ecosystems and industry initiatives are linked to IRO 19 and 32, as they contribute to stakeholder dialogue and the development of initiatives benefiting local communities, generating shared value and strengthening the Group's positioning. Total expenses for these activities amounted to €64k (OpEx).

The total identifiable expenses for the actions described in the disclosure requirement S3-4 "Interventions on significant impacts on affected communities and approaches to manage significant risks and achieve significant opportunities for affected communities, as well as effectiveness of such actions" amount to €994k (OpEx) and €63k (CapEx) for the Domestic BU and €92.5k (OpEx) for TIM S.A.

Metrics and targets

S3-5 Targets related to managing relevant negative impacts, enhancing positive impacts, and managing relevant risks and opportunities

[41]; [MDR-T, 81 b i, ii]

To monitor the effectiveness of policies and actions related to impacts, risks and opportunities related to the communities concerned, TIM adopts structured monitoring processes, in accordance with applicable legislation and industry best practices, using performance indicators consistent with the main areas of intervention.

In particular, the Group notes:

- the number of initiatives carried out and the number of beneficiaries involved, as indicators of the effective capacity to reach the reference communities;
- the territorial extension and coverage of the initiatives, where applicable, as useful elements to evaluate the dissemination and accessibility of the interventions;
- the level of participation and the degree of satisfaction of the recipients, detected through feedback tools and satisfaction questionnaires, as qualitative indicators of the perceived effectiveness of the actions carried out.

Clients and end-users [ESRS S4]

Strategy

Disclosure Requirement SBM-2 – Interests and views of stakeholders

[S4 SBM-2, 8]

In defining its business strategy, TIM considers the interests, opinions, and rights of customers, as well as consumers and end users of the products and services offered, as they are directly affected by the effects of the Group's business model.

The feedback and active involvement of these parties, as well as the organizations that represent them in various capacities, are used to monitor the level of satisfaction and assess the response to new offers, projects, and initiatives, guiding the company's future actions.

Disclosure Requirement SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

Perimeter of customers and end users

[S4 SBM-3, 9 a, b, 10 a i, ii, iii, iv]

In relation to consumers and end-users, as part of the double materiality analysis, the TIM Group considered customers who purchase TIM products and services, as well as consumers and end-users who use those products and services. These subjects were included as they were directly affected by the effects of the Group's business model, based on the supply of telecommunications services and digital solutions, considering both direct operations and the value chain.

The analysis did not highlight significant risks to the health of consumers and end users related to the use of the Group's products and services; while potential negative impacts related to the protection of privacy and personal data protection have been identified, with respect to which the need arises to guarantee clear, accurate, and accessible information on products and services, as well as transparent business practices, in order to promote informed use and informed decisions. In this context, children have been identified as the most potentially vulnerable category of end-users.

Impacts, risks and opportunities related to customers and end users

[S4 SBM-3, 10 b,c, d]; [S4 SBM-3, 11, 12]

Two significant negative impacts emerged from the double materiality analysis. The first is related to the loss of sensitive data following vulnerabilities in computer systems (IRO 1) and is mainly associated with the occurrence of individual incidents; the second is connected to exposure to harmful content, the spread of misinformation and phenomena of social exclusion (IRO 12) and is considered to be generalized in nature, as it can potentially refer to a wide audience of consumers and end users.

Two positive impacts were also identified. The first is attributable to training activities on digital and online security, aimed in particular at the most vulnerable people and aimed at promoting safer use of the network (IRO 6). The second concerns the promotion of social inclusion and access to digital services, with the aim of encouraging greater participation of people in economic and social life (IRO 19).

Both impacts affect individuals, families, small and medium-sized enterprises and large companies, at the national and international level, and are connected both to access to digital products and digital services and to the information and training activities promoted by the Group on the responsible use of digital technology and online safety.

Six material risks and four material opportunities connected to customers and end users have also been identified, which derive from the Group's business model and the methods of providing telecommunications services and digital services. Risks and opportunities may vary between different groups of customers and end users depending on the level of awareness in the use of digital, socio-demographic conditions and the territorial context.

In particular, risks (IRO 16, 25, 26, 27, 33, and 34) tend to have a greater impact on potentially more vulnerable categories of customers and end users, such as minors, the elderly, and individuals with less awareness of digital risks, who may be more exposed to issues related to the protection of confidentiality, cybersecurity, interruptions or discontinuities of services, and the effects of uneven connectivity, even in the presence of unstable geopolitical contexts.

Furthermore, the analysis did not highlight significant risks to the health of consumers and end users related to the use of the Group's products and services. However, potential negative impacts related to the protection of privacy and personal data protection have been identified, with respect to which the need arises to guarantee clear, accurate, and accessible information on products and services, as well as transparent business practices, in order to promote informed use and informed decisions.

The opportunities (IRO 3, 10, 11 and 28), on the other hand, are generally referable to a wider audience of customers and end users and are connected to the dissemination of advanced digital technologies, the expansion of network coverage and the offer of innovative solutions, with potential benefits in terms of accessibility, quality of experience and digital inclusion, in particular in favor of the least served or included groups.

The details of all IROs are shown in the dedicated table of ESRS 2 SBM-3 "Material impacts, risks, and opportunities and their interaction with the strategy and business model", in the "General Information" section.

Impact, risk, and opportunity management

Disclosure requirement S4-1 - Policies related to consumers and end users

[15]; [MDR-P, 65 a, b, c, d, e, f]; [16 a, b]; [17]

The double materiality analysis identified fourteen material IROs (1, 3, 6, 10, 11, 12, 16, 19, 25, 26, 27, 28, 33 and 34) related to the topic “Consumers and End Users”. These IROs are addressed within 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”, the “Business Continuity Policy” and the “Services Charter”.

The detail of the IROs is reported in the table dedicated to ESRS 2 SBM-3 “Material impacts, risks, and opportunities and their interaction with the strategy and business model”, in the “General Information” section, while for further information on the general aspects related to policies, please refer to the “Policies - MDR-P” chapter in the same section.

To define the Group's framework in the Brazilian context, TIM S.A. has adopted specific additional policies aimed at overseeing the main impacts on consumers and end users.

In particular, TIM S.A. has defined a “Privacy Policy”, which establishes the principles for the collection, use of customers personal data protection, in accordance with the General Law on the Protection of Personal Data (LGPD), and which provides, among other things, for the prohibition of the marketing of products and services to minors, as well as the strengthened protection of minors' personal data.

TIM S.A. has also adopted a “Cybersecurity Policy,” which defines the general guidelines for the security of networks and telecommunications services and for the protection of critical infrastructures, in accordance with the applicable legislation, to safeguard against risks related to information security and the continuity of services and to manage any security incidents, including data breaches, to protect customers and end users.

Processes for engaging with consumers and end-users about impacts - Disclosure Requirement S4-2

[20 a, b, c, d]; [21]

The TIM Group adopts structured ways of listening to and engaging with customers and end users, directly or through the organizations that represent them, in order to gather their views on the current and potential effects of business activities and integrate them into decision-making and management processes, contributing to the continuous improvement of business strategies and the quality of the services offered.

The dialogue with the market is carried out through direct and indirect channels, consistent with the Group's relationship model with stakeholders.

Direct Involvement

Direct interaction with customers takes place through structured listening tools and specific business processes, aimed at collecting consumer and business evaluations. In 2025, the Group used, among others, the following tools:

- customer experience listening systems: continuous system for detecting customer perception throughout all phases of the customer journey, from acquisition to possible termination of the relationship, aimed at identifying opportunities for improvement. In 2025, over 3,000,000 pieces of customer feedback were collected. The system integrates market analysis on competitive positioning and the evolution of needs, segmentation activities, surveys on brand perception, and dedicated surveys on the occasion of the launch of new products or services;
- enterprise customer engagement: TIM adopts a structured approach of direct interaction with customers belonging to the Enterprise segment through digital factories dedicated to specific areas of offering and technological solutions (cloud, IoT, cybersecurity, Digital Identity), which foster personalized and ongoing relationships;
- double materiality analysis: as part of the process of identifying and assessing the impacts, risks and opportunities material to the Group, in 2025 approximately 3,000 customers were involved through dedicated surveys to collect their assessments of the effects of the company's activities on the environment and society;
- the effectiveness of customer engagement methods is monitored over time through periodic surveys conducted by independent third parties on the main touchpoints and key processes.

The surveys are based on certified metrics, such as the “customer satisfaction index (CSI)” and the “Net Promoter Score (NPS)”, which allow us to measure the perceived quality of services and, respectively, the propensity of customers to recommend the Group.

In this context, the “Detractor” KPI is particularly important, as it represents the percentage of customers who give a score between 0 and 6 to the question on the recommendability of services (NPS).

In 2025, the value of Detractors stood at 15.74%, a significant improvement compared to 19.28% recorded in 2024, highlighting a strengthening of the Group's positive perception.

In line with the approach adopted at Group level, TIM S.A. also monitors the experience and satisfaction of its customers through continuous customer experience and Net Promoter Score (NPS) surveys, conducted through periodic interviews. The surveys cover both relational and transactional indicators, with reference to the mobile and Ultra Fiber segments.

In line with the model adopted at Group level, TIM S.A. also carries out structured customer involvement through continuous Customer Satisfaction (CSAT) and Net Promoter Score (NPS) detection systems. The surveys cover the main touchpoints of the relationship – service activation, customer assistance, digital channels and commercial network – and allow you to monitor in a timely manner the key moments of the customer journey, guiding interventions to improve the QoS and the overall experience.

Indirect involvement through representative organizations

TIM collaborates with consumer associations as part of a structured dialogue aimed at protecting customers' rights, improving the quality of services offered and promoting transparent information. The comparison also allows us to collect comments and opinions on the way in which the company operates in the proceedings or appeals adopted by the Authority.

Among the relevant interactions of 2025, the involvement of consumer associations in the sharing of strategies for expanding the offer in the energy sector, developed in collaboration with Poste Italiane, as part of the evolution of the initiative's governance model is noted.

The dialogue with the Associations is also carried out through the discussion on the mechanisms of extrajudicial dispute management (Alternative Dispute Resolution), with the aim of monitoring the overall trend and promoting the continuous improvement of processes.

As part of the dialogue with consumer Associations, TIM devotes particular attention to understanding the needs and demands of the most vulnerable categories of consumers, also through ongoing relationships with trade Associations committed to their protection. This comparison contributes to strengthening an approach based on equity, accessibility of services and the prevention of unfair or excessively aggressive business 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.

Operational responsibility for the involvement and satisfaction of customers and end users, as well as the integration of related feedback, is attributed to the Group's main business lines, in particular the Chief Enterprise and Innovative Solutions Office and the Chief Consumer, Small & Medium and Mobile Wholesale Market Office, with the support of the Data Analytics, Artificial Intelligence & Customer Insight function, within the Chief Strategy, Business Development & Wholesale Office.

With regard to the double materiality analysis, the TIM Group's policies, commitments and strategies on stakeholder involvement are overseen at executive level by the Sustainability function within the Corporate Communication & Sustainability Department, under the supervision of the Sustainability Committee, which operates at the level of the Board of Directors.

As part of institutional initiatives and dialogue with consumer Associations, supervision is entrusted to the Customer Protection & Transparency function, within the Legal, Regulatory & Tax Department.

In Brazil, TIM S.A. integrates the indirect involvement of consumers through an ongoing dialogue with protection bodies and competent institutions, including through the analysis of requests and information registered with external bodies such as Procons, Consumidor.gov.br, the Special Civil Courts, and Anatel. These dialogues help to monitor over time the main needs and critical issues of customers and to guide actions to improve services. TIM S.A. has also established the TIM User Council, a comparison body that promotes dialogue between the company, customers and consumer protection associations. The Board promotes active participation in the provision of services and provides useful contributions to the continuous improvement of the customer experience.

Customer engagement is monitored through dedicated functions, in particular Business to Consumer and Customer Experience & Ombudsman. The latter is responsible for defining the strategy and governance of initiatives to improve the customer experience, as well as conducting market research, monitoring customer needs, and generating insights to support the adoption of best practices and a customer-oriented company culture.

Disclosure Requirement S4-3 - Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

[25 a, b, c, d]; [26]; [S4-1, 16 c]

TIM manages the negative impacts on customers and end users associated with its products and services through a complex system of policies, processes, and actions, supported by accessible and fair reporting channels. These channels allow the communication of concerns, complaints, or disputes, ensuring timely response and transparent management, with the adoption of appropriate corrective measures. The channels are cross-functional and suitable for intercepting a wide range of needs, including commercial and administrative reports.

Through these tools, situations can also be reported that are attributable to material IROs, including vulnerabilities of computer systems or security events that may result in the loss or compromise of personal data and information processed, as well as interruptions or disruptions that affect the accessibility, continuity, or quality of digital services.

The Group monitors the level of awareness and trust in reporting channels through customer feedback, collected through surveys and analysis of how channels are used. Information on reporting channels is made available on institutional and commercial websites. In general, customers are involved in satisfaction surveys in which they have the opportunity to provide feedback on the level of assistance received.

Channels for Consumer and Business customers

■ "Voice" channels for the management of commercial, administrative and technical needs

- Customer Service 187 (landline) and Customer Service 119 (mobile) for individuals and families;
- Customer Service 191 for companies and professionals.

To improve service efficiency and the quality of interaction, voice channels are supported by virtual assistants based on artificial intelligence.

■ **"Display" channels to consult information about the line and perform dispositive operations**

- My TIM app for individuals and families;
- MyTIM Business app for professionals and businesses;
- MyTIM customer area, dedicated to individuals, families and businesses for commercial and technical assistance.

Digital channels are supported by Angie, a virtual assistant based on artificial intelligence, with the possibility of escalating to human operators for the most complex requests.

■ **Social media channels to provide support and responses to reports**

On social media channels (Facebook, Instagram, X, and LinkedIn), TIM has adopted artificial intelligence-based solutions to support customer care activities, improve the management of customer complaints, and monitor technical and administrative assistance processes. In particular, the following have been introduced:

- a sample-based statistical analysis tool of anonymized transcripts of conversations between customers and operators, to support the improvement of the quality of customer care and training;
- an interactive voicebot based on natural language, replacing the traditional IVR, for a more fluid and timely management of requests.

In Brazil, TIM S.A. provides the following specific channels: Meu TIM App; virtual assistant; social media; WhatsApp; online chat; Call Center: *144 and 1056 services; Meu TIM website. In addition, the Ombudsman's Office - which acts as a second-level customer service channel - provides assistance to customers who have already sought support through the multi-channel system and who have not been assisted within the established timeframe or have not had their request adequately met. The purpose of the Ombudsman's Office is to transform a regulatory obligation into an opportunity to internalize the voice of the customer, allowing the company to continuously improve, reduce service requests and increase customer satisfaction.

Channels for Enterprise customers

■ **Channels to manage technical reports, security incidents, and operational support requests**

For companies and public administrations, among others, the following are active:

- Sinfonia technical assistance: channel, managed through CNA - Symphony Technical Assistance, accessible via toll-free number 800.100.100 with authentication via dedicated PIN, for the management of operational and technical reports, verification of the status of the lines, and support on Symphony services (outsourcing offer).
- Telsy Security / SOC Toll-Free number (800 811 822): channel dedicated to managing cybersecurity incidents and requests for specialist support on security services, with authentication via PIN and coordination with the Security Operations Center (SOC) (cybersecurity offer);
- TuConTI portal: digital ticketing and operational support platform that allows the opening and monitoring of reports, the consultation of service levels (SLA), periodic reports, and contractual and technical documentation, ensuring the traceability of requests.

Reporting channel for ethical, regulatory and anti-corruption violations

As part of the monitoring of significant impacts on customers, including human rights, the Whistleblowing channel constitutes a formal tool for reporting ethical and regulatory violations. The channel is accessible to external parties who have relationships with the Group, including customers and end users, to report illicit or non-compliant behavior, such as unfair practices, corruption, discrimination, or other violations of rights. The channel does not replace the usual commercial assistance tools, but constitutes a protection tool against conduct that could have a significant impact on stakeholders. Reports can be made through a dedicated portal, which guarantees the confidentiality of the identity of the whistleblower and the people involved through the use of security protocols and encryption tools. The portal issues a Unique Identification Code, which allows the whistleblower to monitor the status of the report and to exchange further communications with the competent parties, even anonymously. In compliance with the applicable legislation, the privacy and freedom of the whistleblower, any form of retaliation as a result of the report made is expressly prohibited.

The reports are received and managed by the Supervisory Body of TIM or the Group companies concerned, with the support of the Audits Department for the performance of the investigative activities.

In addition to the dedicated portal, the whistleblowing channel also includes:

- a voice mail box, accessible via the toll-free number 800 664 411;
- the possibility of sending reports by ordinary mail to the Supervisory Body of TIM or the Group companies concerned, at their registered offices.

In Brazil, TIM S.A. provides a Whistleblower Channel active 24 hours a day, seven days a week, to report actions or behaviors related to corruption, fraud, conflict of interest, discrimination, moral harassment, sexual harassment, human rights violations or violations of the Consumer Defense Code, or any other behavior that does not comply with the legislation and Code of Ethics and Conduct of TIM. For further details, please refer to the information in paragraph S1-3 "Processes to remedy negative impacts and channels for own workers to raise concerns".

Channels for Joint Conciliation

As part of the reporting and dispute management channels made available to customers and end users, TIM ensures accessible, fair, and transparent tools for the resolution of complaints. In this context, the Company maintains a continuous dialogue with the main consumer associations adhering to the Joint Conciliation Protocol, including at national level, in order to ensure the correct application of the procedures.

The Protocol allows disputes to be settled through an Alternative Dispute Resolution (ADR) procedure, an alternative to recourse to the judicial authority. The procedure is managed by a Joint Committee composed of a conciliator appointed by TIM and a representative of the Consumer Association and takes place entirely online. The process is aimed at identifying a shared solution, offering a quick, free and effective method, with a binding outcome in the event of an agreement. The system currently allows the management of approximately 7,500 cases per year.

During 2025, joint conciliation and the management of complaints through Consumer Associations recorded an increase in overall volumes, in particular in the Consumer segment. A total of 9,058 cases were handled, an increase of 21% compared to 2024. The system shows a high level of effectiveness, with a percentage of positive agreements for the customer equal to 97%.

Cybersecurity reporting channels

To report cyber abuse and illicit use of the internet and digital assets, the Group has an Abuse Desk, accessible via the institutional website and dedicated forms. This channel allows customers and other external parties to report events such as phishing, spamming, cyber attacks, viruses, improper use of services, or other illicit behavior detected online, for evaluation and management by the relevant structures.

Privacy reporting channels

Customers and end consumers can submit requests regarding the exercise of privacy rights by contacting Customer Service (e.g. 187, 119, 191) or they can send requests regarding privacy issues directly to the DPO, by writing to dedicated email addresses.

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, d, e]; [MDR-A, 69 a, b]; [31 a, b, c, d]; [32 a, b, c]; [33 a, b]; [34]; [37]

In addition to the policies on “Consumers and end users”, 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. Data protection and information security** which includes a) privacy and personal data protection; b) Information security and cybersecurity;
- 2. Continuity of services and infrastructure** which includes the ability to prevent, manage, and mitigate technological incidents and external factors that can compromise the security of infrastructure and the continuity of services;
- 3. Technological innovation and secure digital solutions** which includes the development and adoption of emerging technologies (AI, 5G, IoT, cloud and cybersecurity) and strategic partnerships to meet the needs of customers and businesses with secure, innovative, and reliable digital solutions;
- 4. Quality, accessibility and conscious use of services** which includes a) equitable and inclusive access to essential services; b) accessibility of digital content and digital services; c) digital experience security and child protection; d) digital education and conscious access to technologies.

The actions are aimed at the prevention and mitigation of actual and potential negative impacts, as well as the management of risks and opportunities material to consumers and end users. For each action, where applicable, the purpose of the intervention is indicated, specifying whether it is aimed at mitigating negative impacts and risks or at enhancing opportunities and positive impacts.

In the description of the individual actions, unless otherwise indicated, the initiatives refer to the Domestic BU perimeter; while those expressly indicated as TIM S.A. refer to the Brazilian subsidiary.

The allocated financial resources are also reported, where available, with a distinction between operating expenses (OpEx) and capital expenditure (CapEx).

1. Data protection and information security

1a. Privacy and personal data protection

For a detailed description of the implementation methods and the measures adopted regarding personal data protection, applicable to both employees and customers of TIM, please refer to Disclosure Obligation S1-4 "Interventions on material impacts for the workforce and approaches for the management of material risks and the pursuit of material opportunities in relation to the workforce, as well as the effectiveness of such actions", in the context of actions related to "Other work-related rights".

1b. Information Security and Cybersecurity

For a detailed description of the implementation methods and the measures adopted in terms of information security and cybersecurity applicable to both employees and customers of TIM, please refer to Disclosure Obligation S1-4 "Interventions on material impacts for the workforce and approaches for the management of material risks and the pursuit of material opportunities in relation to the workforce, as well as the effectiveness of such actions", as part of the actions related to "Other work-related rights".

2. Continuity of services and infrastructure

TIM protects customers and end users by ensuring the continuity and reliability of essential services through structured measures of infrastructural resilience and operational continuity, aimed at preventing, managing and mitigating the impacts deriving from adverse events, operational interruptions and external factors that may compromise the provision of services.

■ **Business Continuity System Certification (ISO 22301)**

TIM adopts a Business Continuity framework certified according to the international standard ISO 22301, integrated with the Group's technological and infrastructural assets. The certification attests to the adoption of a structured business continuity management system, aimed at the prevention, management, and restoration of critical activities in the event of incidents that may cause interruptions or degradation of the service.

The framework is aimed at ensuring the continuity of services for consumers and end users, ensuring the functioning of critical processes and the organization's ability to respond in crisis scenarios.

■ **Management of continuity risks and recovery plans**

The Business Continuity system adopted by TIM provides for the periodic updating of Business Impact Analysis (BIA) and Risk Assessment (RA) on critical processes, carried out on a recurring basis and updated annually, in order to identify intervention priorities and assess potential impacts deriving from adverse events or operational interruptions. Based on the analyses carried out, TIM defines, maintains and tests the continuity and recovery plans, ensuring the organization's responsiveness and the maintenance of essential service levels in favor of consumers and end users.

The effectiveness of the system is monitored through monthly progress of activities and an annual Management Review, aimed at comparing results achieved with initial planning and at defining any corrective actions.

For 2025, TIM has defined specific objectives to strengthen operational resilience, including the annual update of more than 65% of the Business Continuity Plans and the annual testing of more than 65% of them. Business continuity activities are supported by periodic testing of recovery strategies and training and awareness-raising initiatives, aimed at promoting a widespread culture of business continuity at all organizational levels.

The adoption of these safeguards makes it possible to minimize downtime in the event of adverse events, to ensure continuity of essential services and to respond effectively to the needs of consumers, authorities and partners.

In line with the Group's approach, TIM S.A. also carries out Business Impact Analysis (BIA) to identify critical activities and define recovery priorities, developing business continuity plans that provide for response strategies to scenarios of unavailability of people, systems, suppliers, and operational sites. A Crisis Management procedure is also in place to minimize the impact of adverse events.

Overall, the detectable OpEx associated with Business Continuity activities for 2025 for the Domestic BU is approximately €330 k.

All of the actions described contribute overall to mitigating business continuity risks arising from cyberattacks, system breaches and infrastructure sabotage (IRO 16), the failure to technologically transform legacy infrastructure and platforms (IRO 25), as well as unstable geopolitical contexts and global health crises (IRO 34).

3. Technological innovation and secure digital solutions

TIM develops and offers advanced technological solutions in the field of cybersecurity, cloud, IoT and Artificial Intelligence, aimed at people, companies and institutions, with the aim of supporting a safe, sustainable and inclusive digital transformation, mitigating the risks associated with the use of digital technologies and enhancing growth opportunities.

The solutions are developed through a dedicated organizational model, which includes the Group's digital factories, including Noovle for cloud, Olivetti for IoT and Telsy for Cybersecurity, ensuring a direct and personalized relationship with customers.

■ **Cybersecurity solutions and cyber risk management**

Cybersecurity solutions are aimed at companies and Public Administrations and cover the entire cyber risk management cycle, from prevention to detection, to response and recovery. Services include the protection of applications, digital services and infrastructure exposed on the Internet through traffic control, anomaly detection and vulnerability management, with the aim of reducing the risk of compromise of core platforms, cloud environments and critical systems.

Continuous security event monitoring services are provided (24/7), based on the collection and analysis of system (logs), which allow the early detection of intrusion attempts, suspicious activities and advanced cyber attacks (Advanced Persistent Threat - apt). (Cyber Incident Response - CIR) services are available for the management of major incidents, including technical analysis, containment and restoration of systems to ensure business continuity.

The offer also includes solutions for the protection of the availability of critical digital services, including distributed "denial of service" attack mitigation services (DDoS Protection as a Service). Cyber risk assessment and risk management tools are included, which allow organizations to analyze the level of exposure to cyber risks and plan adaptation interventions to applicable regulatory requirements.

These services support in particular companies subject to security and digital resilience obligations under the NIS2 Directive (Network and Information Security 2), the DORA Regulation (Digital Operational Resilience Act), and the Cyber Resilience Act of

the European Union, contributing to compliance with the provisions on risk management, business continuity, and protection of digital infrastructures.

The offer is completed by technical security verification activities, such as intrusion testing (Penetration Testing) and vulnerability assessment (Vulnerability Assessment), as well as training and awareness programs on cybersecurity issues (Security Awareness) aimed at technical and managerial personnel.

In 2025, the cybersecurity offering portfolio generated CapEx of €7.690 k and OpEx of €95.980 k.

■ **IoT solutions for resilience and intelligent land management**

The IoT solutions developed by TIM support the real-time monitoring of territories, infrastructures, plants and critical networks, helping to prevent and mitigate operational, environmental and safety risks that can compromise the continuity of activities and the quality of services. These solutions are applicable across companies and institutions, operating locally, nationally and internationally, and adapt to contexts characterized by high operational complexity and critical infrastructure.

Integration with next-generation networks such as 5G and optical fiber enables highly reliable applications, ensuring timely data transmission, high processing capacity, and secure interconnections between devices, systems, and infrastructures distributed throughout the territory.

IoT platforms allow you to anticipate and manage risk situations through advanced monitoring systems, predictive maintenance and infrastructure control, contributing to a more efficient management of resources and the reduction of energy and water waste.

On these platforms, TIM develops digital services in cloud SaaS mode integrated with Artificial Intelligence algorithms, in support of public administrations, which enable Smart City and Smart Land models as integrated approaches to the intelligent and secure management of the territory, infrastructure, and services.

Smart City solutions, such as "TIM Urban Genius", allow for the continuous analysis of parameters relevant to safety and collective well-being — including air quality, weather conditions, flows of people and vehicles, traffic, and use of urban spaces — supporting the timely identification of potentially critical situations and the planning of interventions based on the needs of the territories.

In the field of buildings and infrastructure, IoT solutions allow the detection and analysis of functional parameters of plants, helping to guarantee conditions of comfort, safety and continuity of services in environments frequented by citizens and workers.

Similarly, with reference to mobility, TIM offers digital solutions for fleet management and for optimizing the charging of electric vehicles in public transport, based on cloud platforms and connected devices. Data analysis allows to improve safety, reliability and regularity of the service, reducing the time of unavailability of vehicles and contributing to a more efficient mobility oriented to the needs of the community.

During 2025, TIM developed an overall plan of services and platforms to support the digital transition of the Public Administration, activating 68 projects at Entities and Municipalities, of which 23 were implemented thanks to the TIM Urban Genius solution.

■ **Cloud solutions for flexible and scalable delivery of digital services**

TIM's cloud solutions support companies and institutions in the safe and efficient management of data and digital services, helping to reduce operational risks and guarantee the integrity, availability, protection and confidentiality of information, as well as, where applicable, compliance with regulatory requirements regarding personal data protection (e.g. GDPR).

The integration of cloud platforms with digital identity services – such as PEC, digital signature, and SPID – makes it possible to simplify and make access to public and private services more secure, favoring the reliable use of digital services by citizens, users, and organizations. Cloud solutions also enable flexible and collaborative work models, supporting business continuity and the adoption of more inclusive and sustainable ways of working through digital collaboration and smart working tools.

Thanks to the integration with new generation networks, such as optical fiber and 5G, cloud solutions ensure high application performance, low latency and scalability, being particularly relevant for complex digital ecosystems in areas such as digital industry, health, education and intelligent infrastructure management. In this context, the cloud represents an enabling element for the provision of reliable digital services, aimed at the end user and able to adapt to distributed operational contexts. Cloud platforms are also used to support inclusive digitization initiatives in the educational field, through digital environments that favor collaboration between teachers and students, simplify the management of teaching processes, and guarantee high levels of security and accessibility, also for the benefit of people with disability.

Finally, the cloud constitutes the technological basis for the adoption of Artificial Intelligence and advanced data analysis solutions, allowing to improve the efficiency of processes, the quality of services, and interaction with customers and end users. In this context, the Group's approach is based on principles of responsibility, safety and ethics, in support of a reliable and sustainable digital transformation.

■ **Artificial Intelligence solutions for the continuity and quality of services**

TIM adopts Artificial Intelligence (AI) solutions both in internal processes and in services aimed at customers and end users, with the aim of strengthening the continuity, reliability, and quality of digital services and improving the overall user experience. The adoption of AI is accompanied by a responsible approach, based on principles of sustainability, transparency, and governance, in line with the latest European regulatory guidelines, including the AI Act.

From an environmental point of view, the Group's strategy considers the energy impact of AI systems and promotes solutions oriented towards Green AI, in order to mitigate the consumption associated with the development and use of the models, while ensuring the operational reliability of the systems supporting the services.

In 2025, the adoption of AI was strengthened along the main business processes that enable the delivery of services to customers, from customer care to marketing and support functions, with the aim of making processes more stable, consistent and scalable and reducing the risk of disruption.

In customer care, Artificial Intelligence is used to improve the continuity, reliability and quality of support for Consumer and Business customers. In particular, AI supports the statistical analysis of anonymized voice conversations, aimed at identifying recurring criticalities and opportunities for improvement of support processes, as well as the adoption of natural language-based conversational solutions that allow a more fluid, timely and consistent management of customer requests. These solutions also allow you to automate repetitive service activities, ensure 24/7 service availability and ensure greater consistency of responses across different contact channels, helping to reduce disruption and improve the overall customer experience. In Brazil, TIM S.A. adopts similar solutions based on voice and natural language to strengthen the accessibility and reliability of assistance services, in line with the Group's model and the local regulatory context.

In this context, TIM S.A. in Brazil adopts assistance solutions based on Artificial Intelligence, including voice response and natural language platforms, which allow customers to be guided along simpler, more accessible and reliable assistance paths, also through digital and physical channels. These applications help to strengthen the continuity and reliability of customer care services, in line with the Group model and the local regulatory context.

In marketing and proactive caring, predictive machine learning models support the anticipation of customer needs and the planning of targeted interventions, contributing to a more stable and continuous relationship with customers and to a reduction in ineffective or redundant interactions.

AI is also used to improve internal processes in support of services, such as document automation and generative productivity tools, with the aim of making the processes that enable the provision of services to the end customer more reliable and timely.

Finally, to promote the spread of Artificial Intelligence among Consumer customers, TIM has integrated services based on AI technologies into its offer, expanding access to innovative digital tools. In particular, TIM has made available a free one-year subscription to Perplexity Pro for its fixed and mobile customer base, as a service included in the offer and at no additional cost to customers. Since December 2025, TIM has also included Gemini Plus in the Google One 2TB offer, further strengthening the offer of advanced digital services.

All AI applications are accompanied by human supervision, which allows to validate the outputs, monitor the performance of the models and intervene in case of anomalies, ensuring over time reliability, control and continuity of the services offered to customers and end users.

All the actions described contribute overall to mitigating the negative impact resulting from vulnerability in IT systems that can cause loss of sensitive data and compromise of the privacy of customers and employees (IRO 1), as well as business continuity risks resulting from cyberattacks, system breaches and infrastructure sabotage (IRO 16), non-compliance with privacy laws and unauthorized access to personal data (IRO 26), and the increase in digital threats and cyberattacks (IRO 27), and contribute to seizing opportunities related to the development of strategic partnerships in cybersecurity and artificial intelligence (IRO 3), the adoption of advanced technologies to anticipate emerging customer needs and consolidate competitive advantage (IRO 10), as well as opportunities related to the circular economy and the reduction of resource waste through more efficient management of energy and materials (IRO 28).

4. Quality, accessibility and conscious use of services

4.a Equitable and inclusive access to essential services

In order to ensure fair and non-discriminatory access to digital services and telecommunication services, TIM promotes specific initiatives aimed at reducing economic and social barriers that can hinder the use of essential services. These actions are aimed in particular at low-income clients, the elderly and people with disability, helping to promote digital inclusion and full participation in social and economic life.

■ **Financial benefits for low-income customers (Universal Service)**

As the operator in charge of providing the Universal Service, TIM applies the economic benefits provided for by AgCom Resolution no. 258/18/CONS, aimed at customers who are in conditions of economic hardship, with the aim of guaranteeing access to basic communication services even to the most vulnerable population groups.

The benefits are granted to customers who hold TIM's VOICE offer and apply to the telephone service on the first home, on a traditional network (RTG). The initiative provides for a 50% reduction in the monthly fee, which is set at 9.44 euros per month (VAT included), as well as 30 minutes per month of free calls to national landlines and mobiles; once this threshold has been exceeded, calls are charged according to the pay-per-use prices provided for in the offer, with no call setup fee.

Customers with an ISEE of the household not exceeding 8,112.23 euros per year can access the facilitated conditions, helping to reduce economic barriers to access to essential communication services.

In line with the Authority's indications, TIM has also extended the benefits to the broadband Internet access service, providing for a 50% reduction in the monthly subscription price of the Alice 7 Mega broadband Internet offer. This measure strengthens the objective of combating the digital divide, favoring access to connectivity even for customers with lower economic availability.

■ **Financial benefits for customers with disability**

TIM takes specific measures to support customers with disability, with the aim of ensuring fair and appropriate access conditions to telecommunications services, in line with the applicable regulatory framework.

The benefits are aimed in particular at people with severe limitations of the ability to walk, total or partial blind people and deaf people. For fixed network services, TIM provides for a 50% reduction in the monthly fee for bundled offers that include telephony and data; for blind and deaf customers, there is also, as an alternative, a total reduction (100%) of the ADSL component activated on the RTG line, applied to the list price.

As of December 31, 2025, there were 20,331 fixed network lines that included benefits dedicated to customers with disability.

With regard to the mobile network, TIM provides offers specifically designed to meet the needs of customers with disability and their families. As of December 31, 2025, 12,200 mobile offers dedicated to these customers were active.

■ **Digital Identity Tools**

PEC (certified email), 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 at the same time ensuring greater personal data protection and security of online operations.

■ **TIM phones dedicated to accessibility**

TIM offers a range of TIM-branded corded and cordless phones designed to ensure a simple, intuitive and inclusive user experience, with special attention to the needs of people with disability and senior customers.

The devices integrate specific features to facilitate daily communication, including large numeric keys with sound feedback when pressed, clear and easily recognizable ringtones, incoming call light signaling, and a dedicated key for increasing the listening volume, in order to improve audio quality during the conversation and reduce barriers to accessing telecommunications services.

TIM strengthens its commitment to ensure the accessibility of digital products and digital services to all customers, including people with disability or with specific access needs, in line with the European Accessibility Act. The adjustment concerns the entire ecosystem of interaction with the end user, including websites, mobile applications and products equipped with computer interfaces, such as operating systems and Web user interfaces.

In collaboration with vendors and technology partners, TIM integrates solutions that comply with regulatory requirements and the principles of universal accessibility and inclusive design. Among the main actions are the introduction of QR codes highlighted on the packaging, which allow access to the digital Quick User Guide with voice interface, and the integration into the Web User Interface of tools dedicated to improving readability, navigation, and usability also for users with visual, motor, or cognitive disability.

4.b Accessibility of digital content and digital services

■ **Accessibility of audiovisual content for people with sensory disability**

TIM promotes the accessibility of audiovisual content through initiatives dedicated to people with hearing and visual disabilities, with the aim of reducing barriers to the use of digital services and promoting equitable access to information and educational content. In this context, TIM has developed two specific initiatives:

- **TIMVISION Speak in LIS:** initiative that makes audiovisual content for children accessible through cartoons with interpreters in Italian Sign Language (LIS), through dedicated activities of editing and adaptation of the contents in the TIMVISION catalog. The project is mainly aimed at children and families living with absence or spoken language disorder, in particular deaf people, and more generally at users with specific communication needs. The initiative helps reduce barriers to accessing audiovisual content and promote a more inclusive viewing experience. The project is developed under the patronage of the National Deaf Authority (ENS) and has been active for years, with periodic updating through the introduction of new "properties". The initiatives also generate a positive effect on the use of the standard versions of the same content.

In 2025, LIS products were licensed free of charge under commercial agreements.

- **TIMVISION Listen:** An initiative aimed at promoting the accessibility of audiovisual content for blind and visually impaired children, through the introduction of audio description in the cartoons available on the TIMVISION platform. Audio description allows you to describe scenes, settings, actions and relevant visual elements, allowing a complete understanding of the narrative content and a more autonomous use of the services.

The project includes dedicated content editing and adaptation activities and is aimed at filling a gap still present in the market, where audio description for content intended for children is overall less widespread than other accessibility features.

The initiative is carried out under the patronage of the Italian Union of the Blind and Visually Impaired (UCI) and has been active for years, with a continuous updating process through the renewal of the "properties" and the monitoring of the feedback also in terms of support for the standard versions of the same contents.

In 2025, the described audio products were licensed free of charge within existing commercial agreements.

In Brazil, TIM S.A. adopts initiatives aimed at ensuring the accessibility of services and information channels even for customers in conditions of greater vulnerability. In this context, it provides an accessible online space for people with visual, hearing, and speech disability, in accordance with the WCAG and W3C guidelines.

Among the available initiatives, the Libras Center allows customers who use Brazilian Sign Language to communicate, via video call, with a specialized intermediary available 24 hours a day, 7 days a week. Since 2022, a keyboard navigation experience compliant with accessibility standards has also been available.

4.c Digital experience security and child protection

TIM adopts specific measures aimed at protecting minors and ensuring safe and appropriate use of digital services, reducing exposure to inappropriate content and the main risks of cyberspace, in line with the applicable regulatory framework.

In this context, TIM provides secure browsing and parental control services that can be activated on fixed and mobile network connections, designed to protect minors while using the Internet. In particular, the Safe Browsing functionality is active by default, while the Parental Control is initially disabled and can be enabled by the customer. The solutions also help strengthen the protection of the digital experience against online threats, such as malware and phishing.

Parental control measures allow you to automatically block access to content that is not suitable for use by minors, including, but not limited to, categories such as adult content, gambling and betting, weapons, violence, hatred and discrimination, drugs, self-harm.

In addition, in compliance with AgCom Resolution no. 9/23/cons on systems for the protection of minors from the risks of cyberspace, TIM provides a free parental control service automatically applied to lines for minors. The service helps to ensure a safer and more age-consistent digital experience for users, strengthening the protection of minors when accessing electronic communications services.

TIM periodically provides the Authority with information on the performance of the lines in the name of minors; to date, about 130,000 lines subject to protection measures are active.

4.d Digital education and conscious access to technologies

■ Ecosystems of innovation and dissemination of digital skills

TIM promotes the dissemination of digital skills and the conscious use of technologies through participation in and development of open innovation ecosystems, aimed at students, startups, SMEs, social impact companies, and territorial stakeholders.

In this context, the company operates through the "TIM Innovation LABs" and the "Customer Innovation Center" at OGR Turin, which host open innovation, training, and technological experimentation activities. The spaces are dedicated to the organization of training events, workshops and networking initiatives open to schools, universities, startups and businesses, promoting the sharing of skills and access to emerging technologies.

TIM also participates in the "Impact Deal", a European acceleration program aimed at companies with a social and environmental impact that use data as a lever for growth. As a partner and member of the Data Club, TIM contributes to the journey by offering access to datasets, mentorship, and collaboration opportunities. The program, now in its fourth edition, has grown steadily; the current edition provides for the acceleration of about 30 companies selected out of 139 applications.

In this context, "Opening Future" is also included, a project launched in 2021 in collaboration with Google Cloud and Intesa Sanpaolo, aimed at accelerating digital transformation through the dissemination of skills on cloud, artificial intelligence, cybersecurity, and emerging technologies. The project also takes shape in the Opening Future Hub at OGR Turin, which hosts training courses for secondary school and university students, hackathons, programs for startups and initiatives dedicated to female entrepreneurship in the stem field.

In 2025, the supported initiatives involved over 3,000 students and teachers, 150 startups, and 350 SMEs, exceeding the cumulative targets envisaged in the first five years of activity.

■ Immersive technologies and inclusive access to culture

TIM contributes to the spread of digital inclusion and the enhancement of cultural heritage through the use of immersive technologies that make the cultural experience more accessible, interactive, and engaging for students, citizens, and visitors.

In 2025, TIM participated in the European project "Horizon Europe – TrialsNet", carrying out extended reality (XR) experiments at the National Museum of the Italian Risorgimento and the Pietro Micca Museum in Turin. Immersive experiences have included the use of virtual reality headsets and voice-assisted guides, allowing visitors to explore digitally reconstructed historical environments and enjoy cultural content in innovative ways.

The trials, carried out in March 2025, involved a total of over 150 participants, including students, teachers, guides, and visitors. Following the positive results, TIM, in collaboration with the Municipality of Turin and the museum directorates, has extended access to immersive experiences, with the aim of scaling up the model to other museum and cultural contexts on the national territory.

All the actions described have been identified as suitable and necessary to contribute overall to mitigate the negative impact deriving from the vulnerability in computer systems and the compromise of users' privacy (IRO 1), as well as the negative impact connected to the lack of interventions to promote a conscious use of digital, which can favor social exclusion and the spread of disinformation (IRO 12), and generate positive impacts on the spread of the responsible and conscious use of digital technologies (IRO 6) and on the active participation of people in the life of the community through accessible digital identity services and tools (IRO 19). The same actions also contribute to mitigating the risks associated with the increase in digital threats and cyber attacks (IRO 27) and the lack of high-speed connectivity and lack of digital inclusion (IRO 33), as well as the lack of technological transformation of legacy infrastructures and platforms (IRO 25), and contribute to seizing the opportunities linked to the development of strategic partnerships and innovative offers (IRO 3), the adoption of advanced technologies to consolidate competitive advantage (IRO 10), and customer loyalty through customized and accessible solutions (IRO 11).

In general, the Company evaluates the effectiveness of the actions undertaken through specific monitoring systems. The progress of the initiatives is periodically verified through performance indicators, internal control activities, and reporting processes that allow us to monitor the results achieved against the defined objectives and identify any corrective actions. Additionally, specific operational indicators are monitored, such as customer satisfaction levels and the number of security incidents that could impact customers.

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 81 a, b]

With reference to the digital growth targets, the previously adopted objectives are currently being updated as part of the definition of the new business plan. The new targets will be formalized and communicated during 2026, in line with the new strategic plan.

To monitor the effectiveness of policies and actions aimed at consumers and end users, the Group adopts an integrated system of performance indicators and control measures, in line with applicable legislation and industry best practices.

In particular, monitoring includes:

- security and data protection indicators, including the number of relevant security events (including any data breaches), incident handling times, and periodic checks on the effectiveness of cybersecurity safeguards;
- Service reliability and continuity indicators, such as the technical performance parameters of the infrastructures, the recovery times in the event of disruption, and the results of the testing and updating of the business continuity plans;
- customer experience quality indicators, including customer satisfaction levels (NPS, CSI), the number of complaints and average resolution times, as well as joint conciliations with consumer associations and any sanctions received from the sector authorities;
- indicators related to the accessibility and conscious use of digital services, such as participation in digital education initiatives and awareness-raising activities aimed at the most vulnerable.

The indicators are collected periodically and fall within the Group's governance and internal control safeguards, in support of risk monitoring and the continuous improvement of the quality and reliability of the services offered.

For further information on the results achieved with respect to the objectives of the previous plan related to customers and end users, please refer to ESRS 2 SBM-1 "Strategy, business model and value chain" in the "General Information" section.

4. GOVERNANCE DISCLOSURES

Business conduct and management of relations with suppliers [ESRS G1]

Impact, risk, and opportunity management

Disclosure Requirement G1-1 – Business conduct policies and corporate culture

Business Conduct Policies

[7]; [MDR-P, 65 a, b, c, d, e, f]; [9]; [10 a, c, e, g, h]

The double materiality analysis identified six material IROs (2, 4, 8, 14, 29, 34) related to the issue of business conduct. These IROs are overseen through an integrated governance and control system based on the code of ethics and conduct, the Organization, Management and Control Model pursuant to Legislative Decree 231/2001, the Anti-Corruption Policy, the tax strategy, the Report on the Remuneration Policy and the remuneration paid, the Purchasing and Services Policy, and the Artificial Intelligence Guidelines. The detail of the IROs is reported in the table dedicated to ESRS 2 SBM-3 "Material impacts, risks, and opportunities and their interaction with the strategy and business model", in the "General Information" section, while for further information on the policies, please refer to the chapter "Policies - MDR-P" in the same section.

The issues related to business conduct fall within the responsibility of the Board of Directors, which exercises supervision within the Group's governance system, ensuring consistency with the principles of ethics, legality, transparency, and business integrity. For details, please refer to paragraph ESRS 2 GOV-1 "Role of administrative, management and control bodies". The main policies governing business conduct — including the Code of Ethics and Conduct, the 231 Model, the Anti-Corruption Policy, the Tax Strategy Policy, and the Remuneration Policy Report — are approved by resolution of the Board of Directors and are subject to periodic updating, also in light of regulatory developments and identified risks. Their dissemination is ensured through publication on institutional channels and on the company intranet, as well as through structured communication initiatives.

In terms of preventing and combating active and passive corruption, TIM S.p.A. and the main subsidiaries adopt an Anti-Corruption Management System compliant with the UNI ISO 37001 standard "Anti-bribery Management Systems", as a structured safeguard to protect company integrity. In Brazil, TIM S.A. operates in compliance with the Brazilian Anti-Corruption Law, adheres to the ten principles of the United Nations Global Compact and has adopted its own "Code of Ethics and Conduct" consistent with the Group's principles and the local regulatory context.

The Group adopts a risk-based approach to the identification and management of corruption risks, ensuring that the most exposed areas and roles are subject to specific controls. More details on the functions at risk and the related control controls are available in paragraph ESRS G1-3 "Prevention and detection of corruption and bribery".

The promotion of the culture of business conduct is supported by structured periodic training and information activities aimed at employees, intended to strengthen awareness of the principles of ethics, legality, and integrity. The main topics covered by the training include whistleblowing, anti-corruption, corporate governance, and the Code of Ethics. In 2025, an e-learning course on anti-corruption and ISO 37001 was held for the entire company population. Further information on the training program is available in paragraph ESRS G1-3 "Prevention and detection of corruption and bribery".

In Brazil, as part of the Integrity Program, TIM S.A. has implemented a structured training program on business conduct and integrity principles, aimed at top management and all employees, including awareness-raising initiatives also intended for third parties and business partners.

The Group also has a structured whistleblowing system on business conduct issues that allows reports to be made even anonymously, guaranteeing confidentiality and prohibiting retaliation. Dedicated procedures are provided for the management of reports and for the conduct of prompt, independent and objective investigations, including those relating to possible cases of corruption. For more details, please refer to the information reported in paragraph G1-3 "Prevention and detection of corruption and bribery" and S1-3 "Processes to remedy negative impacts and channels that allow own workers to raise concerns."

Actions relating to business conduct

[MDR-A 68 a, b, c, d, e]; [MDR-A, 69 a, b]

In addition to the policies on "business conduct", which provide the framework for the coherent and informed management of business activities, the Group implements actions and resources related to the following topics:

1. **Corporate culture** which includes a) corruption and bribery, b) protection and safeguarding of whistleblowers, and c) governance and responsible adoption of Artificial Intelligence;
2. **Management of relationships with suppliers** which includes 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).

In the description of the individual actions, unless otherwise indicated, the initiatives refer to the Domestic BU perimeter; while those expressly indicated as TIM S.A. refer to the Brazilian subsidiary.

The allocated financial resources are also reported, where available, with a distinction between operating expenses (OpEx) and capital expenditure (CapEx).

1. Corporate culture

1a. Corruption and bribery

■ **Anti-Corruption Management System (AMS)**

During 2025, TIM continued the implementation of the Anti-Corruption Management System (AMS) and the Integrity Program, through prevention, monitoring and continuous improvement activities aimed at mitigating the risks of active and passive corruption. The main actions implemented during the year concerned:

- the execution of anti-corruption risk assessment activities and the updating of the risk mapping and related controls;
- the performance of due diligence activities on roles and third parties exposed to risk;
- the monitoring of sensitive processes and the implementation of any corrective actions;
- maintenance and monitoring of ISO 37001 certifications for Group companies that are certified;
- the provision of training and information initiatives on anti-corruption and corporate integrity.

In Brazil, TIM S.A. continued the implementation of the Integrity Program, ensuring the monitoring of sensitive activities and compliance with local legislation on the prevention of corruption.

The financial resources used in 2025 for the implementation and maintenance of anti-corruption measures are equal to: TIM S.p.A.: €233.5 k (OpEx); TIM S.A.: €340 k (OpEx) and €96.2 k (CapEx).

These resources were mainly allocated to the maintenance of the Anti-Corruption Management System, surveillance checks for ISO 37001 certification, monitoring and control activities, as well as the development and updating of tools to support the prevention and management of corruption risks.

■ **Organization, Management and Control Model pursuant to Legislative Decree 231/2001**

TIM continued to update its Organization, Management and Control Model pursuant to Legislative Decree 231/2001 as a structured measure for the prevention of corporate crimes, including those relevant to corruption, regulatory compliance and cybersecurity.

In 2025, the Board of Directors approved version 7.5 of the Model, incorporating the main regulatory changes in the field of national cybersecurity and computer crimes (Law no. 90 of June 28, 2024), excise duties (Legislative Decree no. 141 of September 26, 2024), employment of irregular foreign nationals (Law no. 187 of December 9, 2024), as well as the amendments introduced by Law no. 114 of August 9, 2024 (so-called "Nordic Law") and Law no. 112 of August 8, 2024.

The Model is adopted by TIM S.p.A. as the parent company and by the main subsidiaries of the Group, covering all company functions and integrating with the internal control system and risk management system.

In 2025, for TIM S.p.A., the operating costs (OpEx) incurred for updating and managing the Model amounted to €52.4 k.

■ **Tax Control Framework**

TIM has adopted a Tax Control Framework (TCF), which is a structured system of governance and internal control of tax risks, aimed at their identification, management, and monitoring, as well as ensuring compliance with tax legislation and preventing irregularities or fraud with potential tax, reputational, and financial impacts.

Since 2017, the Company has been admitted to the Collaborative Compliance regime ("Cooperative Compliance") with the Revenue Agency. In this context, in line with the "Code of Conduct" provided for companies participating in the regime, TIM adopts a prudent and transparent approach in the interpretation of tax rules, maintaining a constant dialogue with the Financial Administration in order to prevent and resolve any interpretative uncertainties in advance.

The framework provides for internal monitoring processes aimed at ensuring the correct application of tax provisions and includes annual reporting to the Board of Directors and the Revenue Agency on the activities carried out and the discussions held. The system involves the financial and administrative functions, as well as all company structures that operate in tax-relevant processes.

■ **Awareness and operational supervision of tax risks**

The Tax Office function carries out continuous support and supervision of the company structures involved in tax-relevant processes, including financial ones, in order to ensure the correct application of tax legislation and prevent risks of non-compliance.

This activity is part of the Tax Control Framework and contributes to strengthening internal awareness of tax risks, promoting behavior consistent with the current regulatory framework and with the principles of transparency adopted by the Company.

1b. Protection and safeguarding of whistleblowers

During 2025, TIM S.p.A. and the subsidiaries included in the Domestic perimeter continued their activities aimed at promoting the protection of whistleblowers through information and training initiatives aimed at the entire company population, with particular attention to the functions most involved in the management of reports. The activities concerned the dissemination of the Whistleblowing Procedure, the methods of use of the reporting channels, and the protections provided for whistleblowers, including the prohibition of retaliation and confidentiality measures.

The regulation of the reporting system and its operating procedures is described in paragraphs S1-3 "Processes of involvement of own workforce and workers' representatives regarding the impacts" and S1-17 "Incidents, complaints and serious impacts in the area of human rights" of this document, to which reference is made. The Policy and information on how to manage and process reports are made available through the company portals, the intranet, and the website of the parent company and its subsidiaries.

1c. Governance and Responsible Adoption of Artificial Intelligence

During 2025, the TIM Group continued the implementation of the governance model for the responsible adoption of Artificial Intelligence, in order to ensure development consistent with ethical, regulatory, and sustainability principles and to mitigate the risks associated with uncontrolled or non-homogeneous use of AI technologies.

■ **Operational governance of Artificial Intelligence projects**

During 2025, the TIM Group consolidated the governance model for the responsible adoption of Artificial Intelligence through a Steering Committee dedicated to digital and technological issues. Steering ensures cross-functional coordination of programs involving the use of AI solutions, ensuring consistency with the Group's strategy, alignment with the Artificial Intelligence Guidelines, and monitoring of the risks associated with the adoption of emerging technologies. The Committee monitors the progress of projects, assesses potential reputational, regulatory, and operational impacts, and promotes the use of AI consistent with the principles of person-centeredness, transparency, data protection, and sustainability.

■ **Adoption of Artificial Intelligence Group Guidelines**

During 2025, the TIM Group implemented the Group's Artificial Intelligence Guidelines, progressively integrating their principles into the evaluation and development processes of AI projects in the main areas of activity (customer services, network, Operations and central functions).

The operational application of the Guidelines has been integrated into the internal control system and the governance mechanisms of digital projects, helping to mitigate the risk of adoptions inconsistent with ethical and regulatory principles and misalignment with the competitive and regulatory context.

■ **Participation in Responsible AI initiatives**

TIM participates in initiatives and working groups on Responsible AI promoted by industry associations, including the GSMA, in order to contribute to the definition of shared standards for the responsible use of AI in telecommunications and to promptly incorporate regulatory and technological developments, reducing the risk of falling behind the main evolutionary trends in the sector and strengthening its reputational positioning.

2. Management of relationships with suppliers, including payment practices

During 2025, TIM continued to implement structured practices for managing relations with suppliers, regulating differentiated standard payment terms for product groups in contracts and ensuring the monitoring of compliance with agreed deadlines. The contractual conditions generally provide for terms not exceeding 120 days from the date of issue of the invoice, conventionally set at the last day of the month, except for specific provisions contained in framework agreements or special clauses.

The Group also makes available to suppliers reverse factoring programs on a voluntary basis, which allow the anticipation of the collection of receivables through affiliated banking institutions or payment according to the natural contractual maturity. Any disputes relating to payment requests are handled through structured procedures of verification and comparison with suppliers, in order to ascertain the correct execution of contractual bonds.

The details of the average payment terms, financial programs and pending disputes are set out in the G1-6 disclosure obligation "Payment practices."

With reference to the Disclosure Requirement G1-1 – Business conduct policies and corporate culture (MDR-A), the total expenses recorded for the Domestic BU amounted to €285.9 k (OpEx) and for TIM S.A. to €340 k (OpEx) and €96.2 k (CapEx).

Disclosure Requirement G1-2 - Management of relationships with suppliers

The figures for the supply chain

[14]; [15 a, b]

In 2025, the TIM Group relied on a broad and diversified network of suppliers covering the main strategic spending categories, including network infrastructure, technological equipment, IT services, professional services, energy, and operational services. Overall, the Group carried out **123,635 purchase deeds for a value of more than 5.3 billion euros**, confirming the economic relevance of the supply chain within the company's operating model.

Below is a summary table showing the main figures of the supply chain - TIM Group:

Total Active Suppliers (Tier 1)⁽¹⁾

	UOM	2025
Group	no.	2,586
ITA	no.	1,937
BRA	no.	649

New Suppliers acquired in the year

	UOM	2025
Group	no.	267
ITA	no.	123
BRA	no.	144

Purchase deeds (for accrual in the year)

	UOM	2025
Group	no.	123,635
ITA	no.	12,737
BRA	no.	110,898

Value of purchases (ordered)⁽²⁾

	UOM	2025
Group	€ Mln	5,318
ITA	€ Mln	4,024
BRA	€ Mln	1,294

⁽¹⁾ Suppliers with an order and expected delivery within the year.

⁽²⁾ Purchases made by the Procurement Department for 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.

Below is a summary table showing the main figure¹ of the supply chain - Domestic BU:

Composition of suppliers and purchase deeds

	UOM	2025	2024
Total Active Suppliers (Tier 1)⁽¹⁾	no.	1,937	1,844
of which significant ⁽²⁾	no.	566	745
New suppliers acquired in the year	no.	123	136
Purchase deeds (for accrual in the year)	no.	12,737	12,238
Value of purchases (ordered)⁽³⁾	€ Mln	4,024	4,043

Supplier Assessment

	UOM	2025	2024
Suppliers subject to desk and on-site assessment	no.	768	694
of which significant	%	39	39
Suppliers assessed with actual/potential negative impacts	no.	344	137

CONTINUOUS ESG ASSESSMENT OF SUPPLIERS

	UOM	2025	2024
Suppliers registered in the TIM Register uploaded to Open-es⁽⁴⁾	no.	4,527	4,039
of which registered on Open-es	no.	1,400	1,282
Active suppliers registered in the TIM Register	no.	1,937	1,844
of which registered on Open-es	no.	580	513

¹ The data refer to the portion of the Domestic BU perimeter managed by the Group Procurement Department and include purchases made for 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.

Supplier audits

	UOM	2025	2024
Audits conducted by JAC⁽⁵⁾	no.	151	150
Audits conducted by TIM for the JAC	no.	4	11

⁽¹⁾ Suppliers with an order and expected delivery within the year.

⁽²⁾ Suppliers with orders ≥ 500,000 euros or at sustainability risk with orders ≥ 250,000 euros. Sustainability risk is related to the geographical context of origin, the sector, and the type of good/service provided.

⁽³⁾ Purchases made by the Procurement Department for 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..

⁽⁴⁾ Collaborative digital platform that helps companies measure, improve, and share their sustainability performance (ESG).

⁽⁵⁾ Joint Alliance for CSR (JAC), an international initiative among telecommunications operators aimed at verifying the conditions of social responsibility at the production sites of the main suppliers in the sector.

At the end of the year, the active suppliers for the Domestic BU are 1,937, an increase of 5% compared to 2024, with a geographical distribution concentrated mainly in Italy and EU countries (95%) and 5% in non-EU countries. Spending is concentrated for about 54% on 20 large companies, and then distributed across a broader base of smaller suppliers.

In 2025 there was also an intensification of verification activities along the supply chain: Suppliers undergoing documentary or on-site evaluation increased by 11% compared to 2024. The checks include both the activities carried out during the qualification phase for registration in the Supplier Register, as well as the controls relating to suppliers registered on the Open-es platform and those subject to audits under the JAC initiative.

The strengthening of ESG monitoring measures has led to an increase in the number of suppliers for which actual or potential negative impacts have been detected (344 in 2025 compared to 137 in 2024). This increase is mainly due to the extension and greater systematic nature of control activities and has led to the activation of specific improvement plans, in line with the Group's due diligence approach.

The ESG approach in the supply chain

The TIM Group promotes a structured and integrated approach to sustainability along the supply chain, with the aim of preventing and mitigating negative environmental, social and governance impacts and contributing to the achievement of the TIM Group's climate and social targets, including Scope 3 emissions associated with the goods and services purchased. In this context, TIM integrates ESG criteria into procurement processes to promote the active involvement of suppliers on environmental and social issues and to encourage the continuous improvement of their related performance.

The TIM Group's "Product and Service Purchasing Policy" defines the principles and rules that govern the procurement process, integrating ESG criteria in all phases of the life cycle of the relationship with the supplier.

The Policy also governs payment mechanisms, which occur exclusively following the completion of the provision or delivery of the goods/services. Each user company function records the receipt of goods in the SAP system with reference to the purchase order, which formalizes acceptance of the supply and authorizes the issuance of the invoice, which is subsequently verified by the Accounting Operations Function of the Chief Financial Office before initiating the payment process according to the contractual timeframes.

To ensure the continuity of the supply chain, TIM adopts supply diversification measures, continuous monitoring of suppliers, audits and emergency plans, business continuity procedures, responsible purchasing practices, and dedicated training programs. The Company also encourages suppliers to take a proactive sustainable approach and to continuously improve ESG performance.

The Group also promotes solutions that allow reductions in greenhouse gas emissions in the supply chain, aimed at mitigating indirect emissions associated with the goods and services purchased. In parallel, it collaborates with suppliers and partners to reduce the risk of security incidents in the activities carried out, with the aim of progressively reducing their incidence, and promotes fair and non-discriminatory work practices along the entire value chain.

In terms of human rights, the Group promotes respect for fundamental principles along the entire value chain, requiring suppliers to act in a manner consistent with the "Code of Ethics" and the "Human Rights Policy". TIM promotes fair and non-discriminatory work practices and promotes adequate health and safety conditions along the supply chain.

Compliance with these principles is monitored through audits at relevant suppliers, with particular attention to geographical contexts characterized by significant socio-environmental risk. The Group also guarantees the availability of confidential reporting mechanisms, extending access to suppliers to the whistleblowing channels provided for by the Code of Ethics, as tools for the prevention and management of any non-compliant behavior.

In line with the principles defined by the Policy, the integration of ESG criteria takes place systematically throughout all phases of the procurement process:

■ Pre-contractual qualification

TIM adopts a risk-based approach aimed at identifying and monitoring the suppliers most exposed to ESG risks, ensuring that access to and maintenance in the Supplier Register are subject to the verification of economic-financial, technical-organizational, and sustainability requirements.

In the Domestic sector, suppliers are considered at ESG risk when they operate in geographical areas characterised by a high level of socio-environmental risk – such as Asia, Central and South America, North Africa and Eastern Europe – and have an order volume equal to or greater than 250 thousand euros; More generally, all suppliers with an order equal to or greater than 500 thousand euros fall within this perimeter, regardless of the geographical area.

For these suppliers, the completion of a structured ESG questionnaire is required, consisting of more than 30 questions related to environmental, social, and governance aspects, as well as the verification of the possession of specific certifications, including: SA8000 or equivalent standards in terms of social responsibility; ISO 45001 for occupational health and safety; ISO 37001 for the prevention of corruption; ISO 30415 on Diversity & Inclusion. Access and maintenance in the Suppliers Register are subject to exceeding a minimum compliance threshold of 40% of the positive responses to the questionnaire, which is binding for the purposes of qualification.

In 2025, within the Domestic area, approximately 300 suppliers were qualified and over 35% were subjected to socio-environmental assessment. 100% of the new qualified suppliers have signed the code of ethics and conduct, also on behalf of subcontractors and collaborators. In Brazil, TIM S.A. applies an integrated socio-environmental qualification process: In 2025, 354 suppliers were evaluated, of which 251 were approved and 103 were excluded during the qualification phase.

■ **Tenders and negotiations**

The ESG aspects are integrated, depending on the type of purchase and the relevance of the impact, in the "sustainability envelope," which can be assigned a weight of up to 10% in the overall evaluation of the offer. The envelope is based on a checklist consisting of a maximum of 30 environmental parameters, applied, where relevant, to the products and services under tender, with the aim of guiding procurement choices toward solutions with a lower environmental impact. In 2025, approximately 40 sustainability envelopes were used.

■ **Execution of the contract**

Periodic checks are carried out to ascertain the compliance of suppliers with the ESG commitments undertaken, with particular attention to environmental performance. The results of the checks are incorporated into the Vendor Rating index and may lead to the rescheduling of orders, limitations on participation in tenders, a review of the qualification process, the application of corrective contractual measures and, where necessary, the activation of specific improvement plans (Corrective Action Plans – CAPs).

In 2025, in the Domestic BU, 768 suppliers were subjected to second-party audits, with checks on environmental requirements and occupational health and safety; in the presence of non-compliance, Zip codes were defined with agreed deadlines, confirming the structured approach to monitoring and continuous improvement adopted by the Group.

TIM S.A. also carries out second party audits on a sample basis. In 2025, 26 suppliers were subjected to audits with checks on environmental requirements and occupational health and safety; for cases of non-compliance, specific action plans have been defined, confirming the Group's commitment to continuous improvement, risk mitigation and regulatory compliance.

■ **Monitoring and evaluation of ESG performance**

The monitoring of suppliers' ESG performance is supported by the Open-es alliance, of which TIM has been a value chain partner since 2022. Through the platform developed as part of the initiative, the ESG performance of suppliers is assessed, with the aim of increasing transparency, strengthening oversight of environmental issues, and promoting continuous improvement along the supply chain.

The platform also allows for training activities, sharing best practices, and promoting structured moments of discussion with business partners. As of December 31, 2025, TIM suppliers profiled on the platform are over 1,400, with an increase of 8% compared to 2024, higher than the annual growth target for enrollments set at 5%. Suppliers are also involved through dedicated ESG workshops and seminars (OpEx €143 k).

TIM also participates in the Joint Alliance for CSR (JAC), an international initiative among telecommunications operators aimed at verifying the conditions of social responsibility at the production sites of the main suppliers in the sector. In 2025, through the JAC, 151 audits were conducted that detected a total of 794 non-conformities; TIM also directly carried out 4 on-site audits (OpEx €60 k).

In the presence of findings, corrective action plans (CAPs) are defined and monitored over time until their closure, according to timelines agreed with the suppliers.

With reference to the G1-2 "Management of relationships with suppliers" disclosure obligation, the total expenses recorded amount to €203 k (OpEx) for the Domestic BU.

Disclosure Requirement G1-3 – Prevention and detection of corruption and bribery

[18 a,b,c]; [20]; [21 a,b,c]

In implementation of the business conduct guidelines, the TIM Group has adopted a structured system for the prevention, identification and management of risks of active and passive corruption, based on an integrated set of organizational, procedural and control tools.

To prevent, identify and manage corruption risks, TIM S.p.A. has adopted an Anti-Corruption Management System (AMS) compliant with the UNI ISO 37001:2016 standard, applicable to the Company, members of corporate bodies, employees and collaborators. The certification, obtained in 2019, was reconfirmed following the annual surveillance audits with a positive outcome until 2028. Subsidiaries are required to adopt the AMS or equivalent controls in proportion to the risks to which they are exposed. 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 Technologies S.r.l. (June 6, 2022), Telecontact Center S.p.A. (July 21, 2022) and Telecom Italia Sparkle S.p.A. (December 15, 2023).

The Group Anti-Corruption Policy is an integral part of the AMS and defines the framework and rules of conduct for the prevention of corruption. TIM annually defines a System verification and monitoring plan, which is submitted to evaluation by the external Certification Body for the purpose of maintaining certification.

The System is based on a structured anti-corruption risk assessment process that identifies and evaluates the main corruption risks and the controls implemented to mitigate them. The analysis considers factors such as the location and sectors of activity, the nature and complexity of the operations, the third parties involved and the relationships entered into. This identifies the

foreseeable risks of corruption, maps the processes at risk, documents the methodologies used, and assesses the adequacy and effectiveness of existing controls, updating the assessment both periodically and in the event of significant changes.

To identify the functions, roles and relationships most exposed to the risk of corruption, a risk-based approach is adopted. In particular, the "Personnel in a Significant Position" are identified, i.e. figures who, due to their role or responsibility, have relationships with third parties, including public or private counterparties other than natural persons as customers or end users of TIM products and services. These include first level function managers, second level managers holding corporate power of attorney, and third and fourth level managers with formalized responsibilities in the organization chart and holding power of attorney, also identified on the basis of the results of internal due diligence activities.

The main business areas at risk of corruption are also considered, including procurement, investments, annual report, sales, logistics, human resources, finance and taxation, as well as the area of control and governance, with particular reference to the management of gifts and representation expenses, sponsorships and donations, relations with institutions and authorities, authorizations and concessions, legal and arbitration proceedings, health and safety at work, environmental protection and senior management operations.

The risk-based approach finally considers the potentially exposed third parties. In this context, the "Significant Relationships" are distinguished, depending on the nature of the relationship (public bodies, customers, suppliers, and private bodies), and the "Significant Third Parties", identified on the basis of the characteristics of the counterparty and the level of exposure to risk. These include beneficiaries of sponsorships or contributions, consultants, brokers, business partners, external collaborators, suppliers of goods and services, counterparties in extraordinary transactions, partners in joint ventures, and candidates for recruitment, also assessed from the point of view of reputation and potential conflicts of interest.

To support the monitoring of relations with third parties, the Company has implemented an IT system dedicated to the risk assessment of Third Parties, operational for suppliers and business partners of the indirect sales network, through Anti-Corruption due diligence activities. The Control and Risk Committee is involved in the process of identifying and assessing risks, including those of corruption, as well as in the continuous monitoring of the related mitigation measures, also exercising a supervisory role on the adequacy and overall effectiveness of the System in conjunction with the Board of Directors.

Following the identification and assessment of risks, the Anti-Corruption Management System is implemented through control and monitoring measures, reporting and evidence management mechanisms, structured reporting flows to governance bodies, and dissemination and training initiatives aimed at employees and third parties.

Reports relating to possible cases of active or passive corruption are received by the TIM Supervisory Body or by the Supervisory Body of the group company concerned. The Supervisory Body, with the support of the Audit Function, carries out the investigative activities operating in a position of independence with respect to the management of the areas under audits. At the end of the investigation, the Audits Department informs the Supervisory Body of the results of the checks and, where elements of suspected fraud with potential impacts in the area of anti-corruption emerge, it also notifies the Compliance Department. If critical issues are detected, the management of the areas or processes concerned defines a plan of corrective actions, ensures its implementation within the established time frame, and communicates the progress to the Audits Department. The Supervisory Body monitors its effective implementation.

In parallel, the supervision of the System is supported by periodic reporting and supervision flows. The Compliance Department periodically provides the Control and Risk Committee with information reports on the activities carried out in the field of corruption prevention; with reference to the EMS, these reports include the results of monitoring and control activities, the results of the integrity risk assessment, updates on improvements and non-conformities identified, as well as information deriving from due diligence processes. The CRC examines over time the adequacy and effectiveness of the System on the basis of the information received and reports annually to the Board of Directors on its assessments.

As part of the AMS, TIM SpA has adopted specific preventive measures aimed at strengthening control over the roles most exposed to the risk of corruption and promoting the dissemination of the culture of integrity through structured due diligence, training, and communication activities.

In particular, the Anti-Corruption Policy provides for due diligence checks to be carried out on resources that hold or are intended to hold "Significant Positions", i.e. roles with a non-low level of risk according to the internal guidelines. The checks include the assessment of reputation and reliability, the analysis of any conflicts of interest (including economic or financial interests in activities of Third Parties), the existence of relations with the Public Administration, the organizational position, the conferral of proxies or powers of attorney and participation in training initiatives on anti-corruption, 231 Organizational Model and Code of Ethics.

The promotion of the culture of integrity is supported by structured training activities. As part of the Compliance Department's Activity Plan, approved by the Board of Directors, there are differentiated initiatives for recipients, including awareness campaigns extended to the entire company population and programs dedicated to at-risk and newly hired functions.

100% of the functions identified as at risk are covered by anti-corruption training programs. In 2025, over 31,000 hours of training were provided on governance, ethics and anti-corruption, including e-learning modules on anti-corruption issues and related-party transactions, including simulations of real cases and final learning verification questionnaires. A specific e-learning course on anti-corruption and ISO 37001 was also made available to the entire company population, while no induction initiatives dedicated to the administrative, management, and control bodies were carried out.

In order to ensure the dissemination and accessibility of anti-corruption safeguards to internal and external stakeholders, the "Anti-Corruption Policy," the "code of ethics and conduct," the "231 Model," and the Anti-Corruption Manifesto are published on the institutional website, on the company intranet, and on the supplier portal. Contracts with business partners include a specific anti-corruption clause that requires a commitment to comply with these documents; order Vouchers are issued with an acceptance clause. Since 2023, there has also been a video interview dedicated to the main integrity principles aimed at third parties; in 2025, this content was used by 117 business partners.

In Brazil, TIM S.A. adopts a corporate risk management (ERM) process in accordance with the Corporate Risk Management Policy, aimed at identifying and managing risks that may compromise the achievement of corporate objectives. Within this system, the risk & compliance function, which reports directly to the Board of Directors, annually carries out the assessment of sensitive activities, ensuring their correlation with the relevant processes, the responsible functions, the stakeholders involved, the risk scenarios, and the mapped controls.

Through the annual anti-corruption risk assessment, TIM S.A. identifies relationships, roles, activities, and third parties with medium-high exposure to the risk of corruption, identifying sensitive activities such as agreements and contracts, authorizations and licenses, relationships with public officials and institutions, sponsorships, donations, purchases and sales of goods and services, hiring, management of variable remuneration incentives, health, safety and environmental activities, investments, and relationships with business partners. The outcome of the assessment forms the basis for the definition of monitoring priorities and any corrective actions.

In the 2025 monitoring cycle, three streams of activities considered at risk were audited, without detecting cases of corruption or bribery.

The supervision of the system is also supported by a structured flow of reporting to the governance bodies. At TIM S.A., the Risk & Compliance Department periodically provides the Board of Directors with information reports on the activities carried out in the anti-corruption field. These reports include key performance indicators related to the Anti-Bribery Management System (ISO 37001), the results of monitoring activities and integrity risk assessments, updates on improvements and non-conformities, as well as information deriving from due diligence processes, the Ethics Hotline, and related-party transactions. The reporting process allows the Board of Directors to carry out its supervisory activities on the effectiveness of the Anti-Corruption Management System.

At TIM S.A., integrity and anti-corruption issues are overseen as part of the Anti-Corruption Program, an integral part of the Integrity Program, which combines communication and training initiatives with prevention and monitoring tools. The system provides for the continuous control of areas exposed to the risk of corruption through the evaluation of internal controls, the updating of the risk matrix and the implementation of corrective action plans. Sensitive areas include, among others, the management of agreements, permits and licenses, the purchase of goods and services, the receipt or offer of gifts and invitations, representation expenses, donations to non-profit entities, financing and loans, top management operations, manual or foreign currencies payments, operations on participations and goods, the establishment of companies, and commercial and institutional sponsorships.

The dissemination of the culture of integrity is ensured through structured training programs aimed at the entire organization. During the year, 3,967 employees participated in training courses on integrity and anti-corruption policies and procedures — including anti-corruption safeguards, Code of Ethics, and governance — completing the courses and the related mandatory assessments from the moment they joined the company. The training initiatives involved the entire organization, ensuring complete coverage of the functions identified at risk, and involved 100% of the members of the corporate governance bodies, informed about the presidencies and anti-corruption procedures.

The promotion of anti-corruption practices, accounting transparency and compliance with competition rules takes place through annual training activities aimed at employees and third parties, as well as through the provision of guidelines and documentation through official company channels, including intranet, institutional website, formal communications and contractual documentation.

Metrics and targets

Disclosure Requirement G1-4 – Incidents of active or passive corruption

[24 a, b]

In 2025, as in the previous year, no cases of active or passive corruption referring to TIM S.p.A. or to the Group companies included in the reporting scope were ascertained. During the year, the monitoring of initiatives related to a proceeding related to an alleged case of corruption between private individuals concerning a former executive of the Company, which emerged in 2024, continued.

With reference to TIM S.A., in 2025 no convictions or financial penalties were imposed for violations of the legislation on active or passive corruption.

Disclosure Requirement G1-6 - Payment practices

[33 a ,b ,c, d]

In line with company procedures, the TIM Group defines differentiated standard payment terms for product groups in contracts with its suppliers.

In the Domestic area, the parent company's Purchasing department defines guidelines and standard contractual conditions applicable to relations with suppliers; the individual companies operate in accordance with these guidelines, in compliance with their respective management autonomy.

The conditions generally provide for terms not exceeding 120 days from the date of issue of the invoice, conventionally set at the last day of the month. Different conditions may be provided for in the presence, for example, of framework agreements or specific contractual clauses. Payments are made within the agreed terms, except in residual and non-significant cases attributable to disputed invoices or suspension of approval for payment.

Average payment days represent the average time between the invoice date and TIM's actual payment. The figure is calculated taking into account the value of the individual invoices, so as to proportionally reflect the weight of the different amounts, and distinguishing between payables subject to financial agreements and payables not subject to agreements.

For TIM S.p.A., 100% of the payments were made within the standard terms set. In fact, the average days from the invoice date are equal to:

- 113 days for payables subject to financial agreements;
- 100 days for those not subject to agreements;

- overall average of 103 days.

Reverse factoring programs are made available to suppliers, which allow, on a voluntary basis, the advance collection of receivables through affiliated banking institutions or the option to wait for the original contractual due date for payment of the amount due.

In 2025, there were 6 pending disputes with suppliers for alleged non-payment, for a total value of 13,206,864 euros. These disputes concern payment requests disputed by the Company, in relation to the existence of the credit and/or the failure or partial fulfillment of contractual bonds by suppliers.

For TIM S.A., the average payment days are 42 days and there are no disputes of the same nature.

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 Maria 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 11, 2026

Chief Executive Officer

/ Signed /

Pietro Labriola

**Manager in charge of Preparing
the Sustainability Report**

/ Signed /

Maria Enrica Danese

Independent Auditors' Report on the Sustainability Report

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 2025 (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 2025, 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.

We believe we have obtained sufficient and appropriate evidence on which to base our conclusions.

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 "Stakeholder engagement and double materiality analysis " 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 "*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 "Methodological note and reporting perimeter", 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 "Methodological note and reporting perimeter ", 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, 23 March 2026

EY S.p.A.

Signed by: Ettore Abate, Auditor

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



TIM GROUP
CONSOLIDATED
FINANCIAL
STATEMENTS

2025

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Assets

(million euros)	notes	12/31/2025	of which with related parties	12/31/2024	of which with related parties
Non-current assets					
Intangible assets					
Goodwill	4)	11,025	—	11,030	—
Intangible assets with a finite useful life	5)	5,445	—	6,011	—
		16,470	—	17,041	—
Tangible assets	6)				
Property, plant and equipment owned		4,114	—	4,560	—
Rights of use assets	7)	3,240	—	3,467	1
Other non-current assets					
Investments in associates and joint ventures accounted for using the equity method	8)	241	—	265	—
Other investments	8)	120	—	150	—
Non-current financial receivables arising from lease contracts	9)	34	—	40	—
Other non-current financial assets	9)	397	—	646	—
Miscellaneous receivables and other non-current assets	10)	1,110	3	1,795	3
Deferred tax assets	11)	510	—	513	—
		2,412	—	3,409	—
Total Non-current assets (a)		26,236	—	28,477	—
Current assets					
Inventories	12)	235	—	297	—
Trade and miscellaneous receivables and other current assets	13)	5,317	304	4,146	203
Current income tax receivables	11)	89	—	124	—
Current financial assets	9)				
Current financial receivables arising from lease contracts		44	—	44	24
Securities other than investments, other financial receivables and other current financial assets		1,538	269	1,651	437
Cash and cash equivalents		2,048	—	2,924	—
		3,630	—	4,619	—
Current assets sub-total		9,271	—	9,186	—
Discontinued operations /Non-current assets held for sale	14)				
of a financial nature		162	—	—	—
of a non-financial nature		1,065	—	—	—
		1,227	—	—	—
Total Current assets (b)		10,498	—	9,186	—
Total Assets (a+b)		36,734	—	37,663	—

Equity and liabilities

(million euros)

	notes	12/31/2025	of which with related parties	12/31/2024	of which with related parties
Equity	15)				
Share capital issued		11,677	—	11,677	—
less: Treasury shares		(49)	—	(53)	—
Share capital		11,628	—	11,624	—
Additional paid-in capital		—	—	—	—
Other reserves and retained earnings (accumulated losses), including profit (loss) for the year		591	—	333	—
Equity attributable to owners of the Parent		12,219	—	11,957	—
Non-controlling interests		1,236	—	1,404	—
Total Equity	(c)	13,455	—	13,361	—
Non-current liabilities					
Non-current financial liabilities for financing contracts and others	16)	7,991	—	8,728	—
Non-current financial liabilities for lease contracts	16)	2,476	—	2,421	—
Employee benefits	21)	188	—	200	—
Deferred tax liabilities	11)	55	—	61	—
Provisions	22)	439	—	485	—
Miscellaneous payables and other non-current liabilities	23)	612	—	896	—
Total Non-current liabilities	(d)	11,761		12,791	
Current liabilities					
Current financial liabilities for financing contracts and others	16)	3,027	—	3,870	1
Current financial liabilities for lease contracts	16)	515	—	523	—
Trade and miscellaneous payables and other current liabilities	24)	7,317	55	7,074	59
Current income tax payables		63	—	44	—
Current liabilities sub-total		10,922		11,511	
Liabilities directly associated with Discontinued operations/Non-current assets held for sale	14)				
of a financial nature		89	—	—	—
of a non-financial nature		507	—	—	—
		596	—	—	—
Total Current Liabilities	(e)	11,518	—	11,511	—
Total Liabilities	(f=d+e)	23,279	—	24,302	—
Total Equity and Liabilities	(c+f)	36,734	—	37,663	—

SEPARATE CONSOLIDATED INCOME STATEMENT

(million euros)	notes	Year 2025	of which with related parties	Year 2024	of which with related parties
Revenues	26)	13,734	315	13,653	236
Other income	27)	1,254	23	231	1
Total operating revenues and other income		14,988		13,884	
Acquisition of goods and services	28)	(8,647)	(173)	(7,391)	(250)
Employee benefits expenses	29)	(1,474)	(55)	(1,414)	(53)
Other operating expenses	30)	(580)	(1)	(638)	—
Change in inventories		12	—	11	—
Internally generated assets	31)	267	—	292	—
Operating profit (loss) before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)		4,566		4,744	
<i>of which: impact of non-recurring items</i>	42)	213		(97)	
Depreciation and amortization	32)	(2,938)	—	(3,063)	—
Gains (losses) on disposals of non-current assets	33)	5	—	2	—
Impairment reversals (losses) on non-current assets	34)	(69)	—	(14)	—
Operating profit (loss) (EBIT)		1,564		1,669	
<i>of which: impact of non-recurring items</i>	42)	213		(94)	
Share of profits (losses) of associates and joint ventures accounted for using the equity method	8)	(23)	—	(20)	—
Other income (expenses) from investments		67	—	75	—
Finance income	36)	938	14	1,053	3
Finance expenses	36)	(1,839)	(3)	(2,365)	(4)
Profit (loss) before tax from continuing operations		707		412	
<i>of which: impact of non-recurring items</i>	42)	237		(121)	
Income tax expense		(112)	—	(178)	—
Profit (loss) from continuing operations		595		234	
Profit (loss) from Discontinued operations / Non current assets held for sale	14)	(76)	(1)	(598)	(32)
Profit (loss) for the year	37)	519		(364)	
<i>of which: impact of non-recurring items</i>	42)	157		(693)	
Attributable to:					
Owners of the Parent		297		(610)	
Non-controlling interests		222		246	

(euros)	Year 2025	Year 2024
Earnings per share:	38)	
Basic and diluted earnings per share (EPS)		
Ordinary share	0.01	(0.03)
Savings share	0.02	(0.03)
<i>of which:</i>		
from continuing assets attributable to owners of the Parent		
ordinary share	0.02	—
savings share	0.03	—
<i>of which:</i>		
from Discontinued operations/Non-current assets held for sale attributable to owners of the Parent		
ordinary share	(0.01)	(0.03)
savings share	(0.01)	(0.03)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Note 15

(million euros)

		Year 2025	Year 2024
Profit (loss) for the year	(a)	519	(364)
Other components of the Consolidated Statement of Comprehensive Income			
Other components that will not be reclassified subsequently to Separate Consolidated Income Statement			
Financial assets measured at fair value through other comprehensive income:			
Profit (loss) from fair value adjustments		(16)	9
Income tax effect		—	—
	(b)	(16)	9
Remeasurements of employee defined benefit plans (IAS 19):			
Actuarial gains (losses)		4	13
Income tax effect		—	—
	(c)	4	13
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)	(12)	22
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		45	10
Loss (profit) transferred to Separate Consolidated Income Statement		(18)	(3)
Income tax effect		—	—
	(f)	27	7
Hedging instruments:			
Profit (loss) from fair value adjustments		(177)	(127)
Loss (profit) transferred to Separate Consolidated Income Statement		238	132
Income tax effect		(15)	(1)
	(g)	46	4
Exchange differences on translating foreign operations:			
Profit (loss) on translating foreign operations		(23)	(760)
Loss (profit) on translating foreign operations transferred to Separate Consolidated Income Statement		—	—
Income tax effect		—	—
	(h)	(23)	(760)
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)	50	(749)
Total other components of the Consolidated Statements of Comprehensive Income	(m=e+k)	38	(727)
Total comprehensive income (loss) for the year	(a+m)	557	(1,091)
Attributable to:			
Owners of the Parent		306	(1,057)
Non-controlling interests		251	(34)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Changes from January 1, 2024 to December 31, 2024

(million euros)	Equity attributable to owners of the Parent								Total	Non-controlling interests	Total Equity
	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			
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

Changes from January 1, 2025 to December 31, 2025 Note 15

(million euros)	Equity attributable to owners of the Parent								Total	Non-controlling interests	Total Equity
	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			
Balance at December 31, 2024	11,624	—	(6)	(76)	(2,439)	(66)	—	2,920	11,957	1,404	13,361
Changes in equity during the year:											
Dividends approved	—	—	—	—	—	—	—	—	—	(317)	(317)
Total comprehensive income (loss) for the year	—	—	11	46	(52)	4	—	297	306	251	557
Brazil BU - share capital transactions	—	—	—	—	—	—	—	(82)	(82)	(37)	(119)
LTI granting of treasury shares	4	—	—	—	—	—	—	(4)	—	—	—
Other changes	—	—	—	—	—	—	—	38	38	(65)	(27)
Balance at December 31, 2025	11,628	—	5	(30)	(2,491)	(62)	—	3,169	12,219	1,236	13,455

CONSOLIDATED STATEMENT OF CASH FLOWS

(million euros)

	notes	Year 2025	Year 2024
Cash flows from operating activities:			
Profit (loss) from continuing operations		595	234
Adjustments for:			
Depreciation and amortization		2,938	3,063
Impairment losses (reversals) on non-current assets including investments		69	14
Net change in deferred tax assets and liabilities		(40)	88
Losses (gains) realized on disposals of non-current assets (including investments)		(4)	(73)
Share of losses (profits) of associates and joint ventures accounted for using the equity method		23	20
Change in employee benefits		(9)	(12)
Change in inventories		(12)	(10)
Change in trade receivables and other net receivables		(232)	114
Change in trade payables		(98)	(70)
Net change in income tax receivables/payables		51	73
Net change in miscellaneous receivables/payables and other assets/liabilities		(743)	(264)
Cash flows from (used in) operating activities	(a)	2,538	3,177
Cash flows from investing activities:			
Purchases of intangible, tangible and rights of use assets on a cash basis		(1,531)	(1,873)
Contributions for plants received		1	7
Acquisition of control of companies or other businesses, net of cash acquired		(1)	(4)
Acquisitions/disposals of other investments		(23)	(34)
Change in financial receivables and other financial assets (excluding hedging and non-hedging derivatives under financial assets)	(1)	81	2,864
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		95	278
Cash flows from (used in) investing activities	(b)	(1,378)	5,407
Cash flows from financing activities:			
Change in current financial liabilities and other		1,103	(800)
Proceeds from non-current financial liabilities (including current portion)		1,542	1,886
Repayments of non-current financial liabilities (including current portion)		(4,369)	(8,426)
Changes in hedging and non-hedging derivatives		91	320
Consideration received from the sale of equity instruments		3	—
Share capital proceeds/reimbursements (including subsidiaries)		—	—
Dividends paid(*)		(273)	(159)
Changes in ownership interests in subsidiaries		(119)	(8)
Cash flows from (used in) financing activities	(c)	(2,022)	(7,187)
Cash flows from (used in) Discontinued operations/Non-current assets held for sale	(d)	50	(1,283)
Aggregate cash flows	(e=a+b+c+d)	(812)	114
Net cash and cash equivalents at beginning of the year	(f)	2,924	2,912
Net foreign exchange differences on net cash and cash equivalents	(g)	(8)	(102)
Net cash and cash equivalents at end of the year	(h=e+f+g)	2,104	2,924
(*) of which from related parties		1	12

(1) The item includes investments in marketable securities for 1,939 million euros in 2025 (2,295 million euros in 2024) and redemptions of marketable securities for 2,332 million euros in 2025 (2,673 million in 2024) relating to TIM S.A. and Telecom Italia Finance S.A..

Purchases of intangible, tangible and rights of use assets

(million euros)	notes	Year 2025	Year 2024
Purchase of intangible assets	5)	(825)	(832)
Purchase of tangible assets	6)	(1,024)	(1,139)
Purchase of right of use assets	7)	(652)	(779)
Total purchases of intangible, tangible and rights of use assets on an accruals basis(*)		(2,501)	(2,750)
Change in payables arising from purchase of intangible, tangible and rights of use assets		970	877
Total purchases of intangible, tangible and rights of use assets on a cash basis		(1,531)	(1,873)
(*) of which from related parties		1	12

Additional Cash Flow information

(million euros)	Year 2025	Year 2024
Income taxes (paid) received	(78)	(31)
Interest expense paid	(1,105)	(1,838)
Interest income received	364	582
Dividends received	2	19

Analysis of Net Cash and Cash Equivalents

(million euros)	Year 2025	Year 2024
Net cash and cash equivalents at beginning of the year:		
Cash and cash equivalents	2,924	2,912
Bank overdrafts repayable on demand	—	—
	2,924	2,912
Net cash and cash equivalents at end of the year:		
Cash and cash equivalents	2,104	2,924
Bank overdrafts repayable on demand	—	—
	2,104	2,924

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. Moreover, following the amendment of the Articles of Association, passed by resolution of the Shareholders’ Meeting on June 24, 2025, TIM S.p.A. may also operate in sectors such as energy, gas, financial products and insurance, subject to having the appropriate legal authorizations.

The TIM Group’s Consolidated Financial Statements at December 31, 2025, 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.

It should also be noted that in 2025, the Group applied accounting standards consistent with those of the previous year, except for the amendments to accounting standards issued by the IASB and effective as of January 1, 2025. See Note 2 - “Accounting Policies” for more details.

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

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

It should also be noted that the Sparkle group, active in the development of fiber optic networks for wholesale customers in the international field (International wholesale), is classified, pursuant to IFRS 5, as “Assets available for sale,” as the sale is considered highly probable. For comparison purposes only, consolidated income statement and consolidated statement of cash flows data already published in the annual consolidated financial statements at December 31, 2024 have been consistently reclassified, as required by IFRS 5.

For details on the Sparkle Group transaction, please refer to the description in Note 14 “Discontinued operations/non-current assets held for sale.”

The consolidated financial statements of the TIM Group as of December 31, 2025 are presented in euros (rounded to the nearest million, unless otherwise indicated).

The consolidated financial statements of the TIM Group as of December 31, 2025 were approved by resolution of the Board of Directors on March 11, 2026.

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 (loss)	
+/-	Impairment losses (reversals) of non-current assets
+/-	Capital losses (gains) from non-current assets
+	Depreciation and amortization
EBITDA - Operating profit (loss) before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets	

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

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

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

Segment reporting

An operating segment is a component of an entity:

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

The TIM Group operating segments are in line with and continuing on from the information given in the Consolidated Annual Financial Report at December 31, 2024, are represented for the part relating to the telecommunications business, on the basis of the related geographic location (Domestic and Brazil). It should also be noted that the economic results of the activities relating to the Sparkle Group, which is active in the development of fiber optic networks for wholesale customers in the international field (International wholesale), are classified, pursuant to IFRS 5, as Assets Held for Sale, as the sale is considered highly probable.

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

The operating segments of the TIM Group are as follows:

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

The TIM Group is still involved in a transformation process aimed at overcoming the vertically integrated model and based on separate entities (specifically Consumer and Enterprise in the Domestic segment) with different industrial and economic focuses. These entities cannot currently be considered an "operating segment" pursuant to IFRS 8 – Operating Segments, as they are still in a phase of analytical design and implementation and, therefore, do not yet have a detailed economic and financial information set.

The Group expects to complete the sale of the Sparkle Group in 2026 and, based on the specific indications provided by the standard for the purpose of identifying operating segments (autonomy of operating flows, methods of allocating financial resources, management reporting, etc.), will continue monitoring and analyzing the process to ensure the correct representation of the Group's Business Units.

NOTE 2

ACCOUNTING POLICIES

Going concern

The consolidated financial statements for the year 2025 have been prepared on a going concern basis, as there is a reasonable expectation that TIM will continue its operations in the foreseeable future (and in any case with a time horizon of more than 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;
 - the factors of geopolitical instability brought about by ongoing conflicts with possible negative effects on energy security and global supply chains, including possible new tariffs;
 - 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 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 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 through 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, please refer to the 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 Art. 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".

Share-based payment arrangements

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. Specifically:

- **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 commissions to the sales network) are subject to deferral and recognized in the separate income statement based on the estimated period of recoverability of the related economic benefits which, for mobile network customers, is based on the expected duration of the contractual relationship, while for fixed network customers it is based on the economic recoverability of the one-off costs (referring to costs for commissions to the sales network and technical activation costs).

The recoverability of contract assets and deferred costs is periodically assessed.

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.

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 accruals 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 effect of any change in the accounting estimate is recognized prospectively.

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 costs to obtain and fulfill contracts for mobile network customers (mainly, costs for commissions to the sales network) is influenced by the estimate of the expected duration of the relationship, calculated on the basis of historical churn rates and future forecasts. 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. The recognition of costs to obtain and fulfill contracts for fixed network customers depends on the economic recoverability of the one-off costs (mainly referring to costs for commissions to the sales network and technical activation costs).
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 adopted by the EU and effective as of January 1, 2025

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

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

On November 12, 2024, Regulation (EU) no. 2024/2862 was enacted, implementing into law certain amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates. The amendments clarify how an entity should operate/calculate and how it should determine the spot exchange rate if an exchangeable currency shows a lack of exchangeability (a relatively uncommon situation but one that may arise, for example, when authorities impose controls on currencies that prohibit their exchange or limit their transaction volume). In addition, the amendments require disclosures enabling users of financial statements to understand the impact of a currency that is not exchangeable.

The adoption of these amendments had no impact on the consolidated financial statements as of December 31, 2025.

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

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

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

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

	Mandatory application starting from
New Standards and Interpretations not yet endorsed by the EU	
IFRS 19 – Subsidiaries without Public Accountability: Disclosures	1/1/2027
IAS 21 – Use of a hyperinflationary presentation currency	1/1/2027
New Standards and Interpretations endorsed by the EU	
IFRS 18 – Presentation and Disclosure in Financial Statements	1/1/2027
Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	1/1/2026
Annual Improvements to IFRS — Volume 11	1/1/2026
Nature-dependent electricity contracts: Amendments to IFRS 9 and IFRS 7	1/1/2026

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

It should be noted that in April 2024 the IASB issued IFRS 18, which will replace IAS 1 – Presentation of the annual report.

IFRS 18, together with the amendments to other accounting standards, is effective for financial years beginning on or after January 1, 2027; Early application is permitted. IFRS 18 will be applied retrospectively.

IFRS 18 introduces new presentation requirements in the income statement, including specifically defined totals and subtotals. In addition, entities are required to classify all income and expenses in the income statement into one of the following five categories: operating activities, investing activities, loan activities, income tax expense, and discontinued operating activities.

The standard requires specific disclosure on the new performance measures defined by management ("MPM"), represented by subtotals of income and expenses, and also introduces new requirements regarding the aggregation and disaggregation of financial information.

In addition, limited scope amendments have been made to IAS 7 – Cash Flow, which include:

- the change in the starting point for determining cash flows generated from operating activities using the indirect method, which shifts from "profit or loss for the year" to "operating result"; and
- the elimination of the classification options for cash flows relating to interest and dividends.

Consequential amendments to several other accounting standards are also envisaged.

The Group is currently conducting an analysis aimed at identifying all the impacts that the changes introduced by the new standard will have on the primary financial statements and on the notes to the annual report, as well as on the new determination of performance indicators.

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

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

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

Company		Business Unit	Month
Entry:			
MINDICITY S.r.l. Società benefit	Increase in share held	Domestic	September 2025
Exit:			
OLIVETTI PAYMENT SOLUTIONS S.p.A.	Liquidated	Domestic	January 2025
NOOVLE SICILIA S.c.a. r.l.	Liquidated	Domestic	February 2025
CD FIBER S.r.l.	Liquidated	Domestic	February 2025
TI SPARKLE SLOVAKIA S.R.O.	Liquidated	Domestic	June 2025
Merger:			
TS-WAY S.r.l.	Merged into Telsy S.p.A.	Domestic	June 2025

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

Companies:	12/31/2025		Totale
	Italy	Outside Italy	
subsidiaries consolidated line-by-line	11	43	54
joint ventures accounted for using the equity method	2	—	2
associates accounted for using the equity method	6	1	7
Total companies	19	44	63

Companies:	12/31/2024		Total
	Italy	Outside Italy	
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

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, 2025, the TIM Group held investments in subsidiaries, with significant non-controlling interests 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

The share of equity interests held by minority interests as of December 31, 2025, is equal to 32.5% of the capital of TIM S.A..

Financial position data TIM Brasil group

(million euros)	12/31/2025	12/31/2024
Non-current assets	7,041	7,111
Current assets	2,357	2,081
Total Assets	9,398	9,192
Non-current liabilities	3,446	3,111
Current liabilities	2,569	2,194
Total Liabilities	6,015	5,305
Equity	3,383	3,887
<i>of which Non-Controlling Interests</i>	<i>1,224</i>	<i>1,389</i>

Income statement data TIM Brasil group

(million euros)	2025	2024
Revenues	4,220	4,366
Profit (loss) for the year	539	412
<i>of which Non-Controlling Interests</i>	<i>222</i>	<i>181</i>

Financial data of the TIM Brasil group

Aggregate cash flows generated in 2025 were positive for 54 million euros, with a negative exchange rate effect of 4 million euros. In 2024, this was equal to -116 million euros, with a negative exchange rate difference of 104 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: connected to agreements with suppliers and partners, employee engagement, climate change, technological innovation and ESG transition;
- operational risks: related to business continuity, fraud, supply chain, network development and infrastructure resilience;
- financial risks: arising from fluctuations in interest and exchange rates, liquidity, credit and macroeconomic factors;
- legislative and regulatory context risks: including regulatory risks, privacy (GDPR), health and safety at work, Golden Power legislation and EU compliance (e.g. EU AI Act);
- market risks: associated with competitive dynamics, geopolitical stability, evolving needs and customer satisfaction;
- technological and cybersecurity risks: relating to technology security, cyber attacks, data management, and the integrated use of artificial intelligence in business processes.

NOTE 4

GOODWILL

Goodwill shows the following breakdown and changes for 2024 and 2025:

(million euros)	12/31/2023	Discontinued Operation	Increase	Decrease	Impairments	Exchange differences and other changes	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

(million euros)	12/31/2024	Discontinued Operations	Increase	Decrease	Impairments	Exchange differences and other changes	12/31/2025
Domestic	10,185					(1)	10,184
Brazil	845					(4)	841
Other operations	—						—
Total	11,030	—	—	—	—	(5)	11,025

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 2025, Goodwill decreased by 5 million euros, from 11,030 million euros at the end of 2024 to 11,025 million euros as of December 31, 2025. In particular, the goodwill of the Brazil Cash Generating Unit recorded a negative exchange difference of 4 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 6.43318 at December 31, 2024 to 6.46532 at December 31, 2025).

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, 2025 and 2024 can be summarized as follows:

(million euros)	12/31/2025			12/31/2024		
	Gross carrying amount	Accumulated impairment losses	Net carrying amount	Gross carrying amount	Accumulated impairment losses	Net carrying amount
Domestic	30,737	(20,553)	10,184	30,809	(20,624)	10,185
Brazil	978	(137)	841	983	(138)	845
Other operations	—	—	—	—	—	—
Total	31,715	(20,690)	11,025	31,792	(20,762)	11,030

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, 2025 (5,439 million reais at December 31, 2024).

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 and the acceptance, on February 12, 2025, by TIM's Board of Directors of the 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 completion of which is expected in the first half of 2026, the Domestic CGU includes the Enterprise and Consumer perimeters.

The value configuration used to determine the recoverable value of the Domestic CGU as of December 31, 2025 was the fair value based on the income approach, as it was considered to best express the value of the Group's assets (the so-called market participant perspective), also reflecting the cost measures taken in view of a possible future new and different business structure.

The fair value of the Domestic CGU was estimated using the income approach, in accordance with IAS 36, valuation principles, and best practices, with reference to the cash flows in the 2026–2028 Business Plan, which is based on the results for 2025: (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, 2025. The expected cash flows reported in the 2026-2028 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 2026-2028 Industrial Plan were extrapolated for an additional two years (2029-2030), thus bringing the explicit forecast period for future cash flows to a total of five years (2026-2030). The extrapolation of data for 2029-2030 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 flows beyond the explicit forecast period ("terminal value"). For this purpose, the 2030 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. Finally, the theoretical flows related to the renewal of the rights of use were taken into account.

The cost of capital used to discount the future cash flows in the estimates of fair value for the Domestic CGU:

- 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.

For the Domestic CGU, it was as follows:

- 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 CGU

WACC	6.75 %
WACC before tax	8.75 %
Growth rate beyond the explicit period (g)	0.75 %
Capitalization rate after tax (WACC-g)	6.00%
Capitalization rate before tax (WACC-g)	8.00 %
CapEx/Revenues, perpetual	10.90 %

The weighted average cost of capital estimate of 6.75% is within the range of weighted average cost of capital estimates estimated by equity analysts.

The growth rate in the terminal value "g" of the Domestic CGU was estimated taking into account macroeconomic data (inflation and GDP), expected growth for operators in the sector, and market analysts' estimates for the TIM Group itself and for comparable companies. 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 Domestic Cash Generating Unit, determined on the basis of the estimated fair value, showed a higher fair value than the carrying amount (so-called headroom) of 1,514 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	1,514	4,175

Therefore, in light of all the foregoing, the Goodwill values recognized in the financial statements relating to the Domestic CGU (positive difference of +1,514 million euros) and the Brazil CGU (positive difference of +4,175 million euros) are confirmed.

In accordance with IAS 36, a sensitivity analysis was performed to identify the change in key variables (weighted average cost of capital, annual cash flows including that of the terminal value, income growth rate in the 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:

- a decrease in annual cash flows (including terminal value) of 8.7%, or;
- or a 0.54% rise in the WACC (at the value of 7.28%), or;
- a growth rate of income in terminal value of 0.04%.

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 -52.3%.

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 566 million euros compared to December 31, 2024. The breakdown and movements are as follows:

(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

(million euros)	12/31/2024	Discontinued Operations	Investments	Depreciation and amortization	Impairment (losses) / reversals	Disposals	Exchange differences	Other changes	12/31/2025
Industrial patents and intellectual property rights	1,565	(32)	687	(847)			(4)	249	1,618
Concessions, licenses, trademarks and similar rights	4,006		7	(466)			(3)	3	3,547
Other intangible assets with a finite useful life	41		2	(8)				(8)	27
Work in progress and advance payments	399	(24)	129				(1)	(250)	253
Total	6,011	(56)	825	(1,321)	—	—	(8)	(6)	5,445

Investments in 2025 amounted to 825 million euros (855 million euros in 2024) and included 169 million euros in internally generated assets (174 million euros in 2024).

Industrial patent rights and intellectual property rights as of December 31, 2025 are essentially represented by application and plant operating software acquired as property and under license; They are amortized over a period of between 2 and 6 years and mainly refer to TIM S.p.A. (974 million euros), the Brazil Business Unit (454 million euros) and Noovle S.p.A. (139 million euros).

Concessions, licenses, trademarks and similar rights at December 31, 2025 mainly refer to the residual cost of telephone licenses and similar rights (2,356 million euros for TIM S.p.A. and 1,158 million euros for the Brazil Business Unit).

The residual amount of telephone licenses and similar rights in operation at December 31, 2025 (3,514 million euros) and their useful lives are detailed below:

Type	Residual amount at December 31, 2025 (million euros)	Useful life (years)	Maturity	Amortization expense for 2025 (million euros)
TIM S.p.A.:				
UMTS 2100 MHz (extension)	120	8	12/31/2029	30
WiMax (extension)	3	7	12/31/2029	1
34-36-MHz OpNet (former Linkem) band	35	7	12/31/2029	9
LTE 1800 MHz	34	18	12/31/2029	9
LTE 800 MHz	240	17	12/31/2029	60
LTE 2600 MHz	26	17	12/31/2029	7
L Band (1452-1492 MHz)	66	14	12/31/2029	16
900 and 1800 MHz band	219	11	12/31/2029	55
3600-3800 MHz band (5G)	1,065	19	12/31/2037	89
26.5-27.5 GHz band (5G)	21	19	12/31/2037	2
694-790 MHz band (5G)	527	15 years and 6 months	12/31/2037	44
TIM Brasil group:				
800 MHz, 900 MHz and 1800 MHz band	251	From 2 to 20	From 2027 to 2039	24
1900 MHz and 2100 MHz band	73	From 2 to 20	From 2026 to 2039	7
700 MHz, 2500 MHz and 2.5 GHz band (4G)	318	From 2 to 20	From 2026 to 2039	71
2.3 GHz, 3.5 GHz, and 26 GHz band (5G)	516	From 10 to 20	From 2030 to 2041	37

Work in progress and advance payments mainly relate to TIM S.p.A. (169 million euros) and the Brazil Business Unit (57 million euros) and refer mainly to software developments.

The gross carrying amount, accumulated impairment losses and accumulated amortization/depreciation at December 31, 2024 and December 31, 2025 can be summarized as follows:

(million euros)	12/31/2024			
	Gross carrying amount	Accumulated impairment losses	Accumulated amortization/depreciation	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

(million euros)	12/31/2025			
	Gross carrying amount	Accumulated impairment losses	Accumulated amortization/depreciation	Net carrying amount
Industrial patents and intellectual property rights	13,335	—	(11,717)	1,618
Concessions, licenses, trademarks and similar rights	7,834	—	(4,287)	3,547
Other intangible assets	224	—	(197)	27
Work in progress and advance payments	253	—	—	253
Total	21,646	—	(16,201)	5,445

With reference to gross values in 2025, the Parent Company TIM S.p.A. made disposals amounting to 181 million euros relating to intellectual property rights that were almost entirely amortized, essentially referring to obsolete IT and network systems and software developments.

NOTE 6

TANGIBLE ASSETS

Property, plant and equipment owned

This item decreased by 446 million euros compared to December 31, 2024. The breakdown and movements are as follows:

(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

(million euros)	12/31/2024	Discontinued Operations	Investments	Depreciation and amortization	Impairment (losses) / reversals	Disposals	Exchange differences	Other changes	12/31/2025
Land	46	(5)	6						47
Buildings (civil and industrial)	244	(20)	3	(10)				1	218
Plant and equipment	3,521	(248)	657	(924)	(47)	(4)	(7)	259	3,207
Manufacturing and distribution equipment	4		1	(2)				1	4
Other	259	(3)	115	(139)		(1)	(1)	35	265
Construction in progress and advance payments	486	(58)	242			(2)		(295)	373
Total	4,560	(334)	1,024	(1,075)	(47)	(7)	(8)	1	4,114

Land comprises both built-up land and available land and is not subject to depreciation. The balance as of December 31, 2025 refers mainly to the Domestic Business Unit (41 million euros).

Buildings (civil and industrial) mainly includes buildings for industrial use hosting data centers. Specifically, the balance as of December 31, 2025 refers mainly to Noovle S.p.A. (208 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, 2025 was mainly attributable to the Brazil Business Unit (1,728 million euros) and the Domestic Business Unit (1,479 million euros).

The business plan sees the parent company TIM S.p.A. committed to extending the coverage of 5G networks, in particular in low-density areas, in order to provide advanced services to the Group's customers with better network coverage, helping to bring ultra-broadband to less served areas and reducing the costs of implementing the new generation mobile technology. In order to achieve this objective, agreements have been signed, both with suppliers of network equipment and with other TLC operators, which provide for a substantial technological renewal, also allowing significant optimization of the costs of power supply and maintenance of the equipment. In this context, the parent company TIM S.p.A. carried out an assessment of the plants involved in the company projects, considering their reuse rate, provided only for modernized equipment. The analysis resulted in an overall write-down of approximately 47 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 2025 include 98 million euros of internally generated assets (123 million euros in 2024).

Depreciation, impairment losses and reversals have been recorded in the income statement as components of EBIT.

Depreciation for the years 2025 and 2024 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)	3% - 7%
Plant and equipment	3% - 50%
Manufacturing and distribution equipment	10% - 25%
Other	8% - 50%

The gross carrying amount, accumulated impairment losses and accumulated amortization/depreciation at December 31, 2024 and December 31, 2025 can be summarized as follows:

(million euros)

	12/31/2024			
	Gross carrying amount	Accumulated impairment losses	Accumulated depreciation	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

(million euros)

	12/31/2025			
	Gross carrying amount	Accumulated impairment losses	Accumulated depreciation	Net carrying amount
Land	47			47
Buildings (civil and industrial)	393		(175)	218
Plant and equipment	20,847	(48)	(17,592)	3,207
Manufacturing and distribution equipment	41	(1)	(36)	4
Other	3,442	(2)	(3,175)	265
Construction in progress and advance payments	373			373
Total	25,143	(51)	(20,978)	4,114

With regard to the gross amounts, in 2025 the parent company TIM S.p.A. made disposals for a total value of 139 million euros, mainly in relation to fully depreciated assets, including: mobile network infrastructure and equipment (68 million euros), consumer and business network equipment (51 million euros), network infrastructure (12 million euros), hardware management systems (3 million euros), PCs for social use (1 million euros).

The impairment losses at December 31, 2025 mainly refer to the parent company TIM S.p.A. and mainly concerned the SRB devices and antennas assessed as non-reusable following the technological renewal plan for Italy's digital transformation.

NOTE 7

RIGHT OF USE ASSETS

This item decreased by 227 million euros compared to December 31, 2024. The breakdown and movements are as follows:

(million euros)

	12/31/2023	Discontinued Operations	Investments	Increases in lease contracts	Depreciation and amortization	Impairment (losses) / reversals	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 payments	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

(million euros)	12/31/2024	Discontinued Operations	Investments	Increases in lease contracts	Depreciation and amortization	Impairment (losses) / reversals	Disposals	Exchange differences	Other changes	12/31/2025
Property	864	(18)	2	148	(127)		(7)	(3)	(20)	839
Plant and equipment	2,465	(150)	19	432	(396)	(22)	(19)	(8)	(31)	2,290
Other tangible assets	45			12	(15)				(2)	40
Construction in progress and advance payments	52	(1)	33						(19)	65
Intangible assets	41	(37)		6	(4)					6
Total	3,467	(206)	54	598	(542)	(22)	(26)	(11)	(72)	3,240

Investments in 2025 mainly refer to the Domestic Business Unit (49 million euros) and are mainly related to the acquisition by the Parent Company TIM S.p.A. of IRU transmission capacity (*backhauling, backbone* and other rights of use provided for under the *Master Service Agreement* entered into with FiberCop S.p.A.).

Increases in leases in 2025, totaling 598 million euros, relate to the Brazil Business Unit for 508 million euros and the Domestic Business Unit for 90 million euros.

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

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.

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

The item Property includes buildings and land subject to finance lease contracts and the related building adaptations. It refers to the Brazil Business Unit for 515 million euros and to the Domestic Business Unit for 324 million euros.

The item **plant and equipment** mainly includes rights of use on radio base stations (SRB) and infrastructures for telecommunications services as well as rights of use on B2B connections. It refers to the Brazil Business Unit for 1,231 million euros and the Domestic Business Unit for 1,059 million euros.

Other tangible assets mainly comprises the leases on motor vehicles.

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

The gross carrying amount, accumulated impairment losses and accumulated amortization/depreciation at December 31, 2024 and December 31, 2025 can be summarized as follows:

(million euros)	12/31/2024			
	Gross carrying amount	Accumulated impairment losses	Accumulated amortization/depreciation	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

(million euros)	12/31/2025			
	Gross carrying amount	Accumulated impairment losses	Accumulated depreciation	Net carrying amount
Property	1,529		(690)	839
Plant and equipment	4,190		(1,900)	2,290
Other	77		(37)	40
Construction in progress and advance payments	65			65
Intangible assets	13		(7)	6
Total	5,874	—	(2,634)	3,240

Impairment losses of "Plant and equipment" at December 31, 2024 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, classified at December 31, 2025 among "Assets available for sale".

With reference to gross amounts, in 2025 the parent company TIM S.p.A. made disposals for a total value of 120 million euros. The categories of assets most affected were: rented properties and related improvements and adaptations (10 million euros), radio base stations (55 million euros), leased management hardware (25 million euros), IRU (26 million euros) and leased cars (4 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)		12/31/2025	12/31/2024
I-Systems S.A.		195	213
W.A.Y. S.r.l.		4	3
Total Associates	(a)	199	216
TIMFin S.p.A.		33	31
Polo Strategico Nazionale S.p.A.		9	18
Total Joint Ventures	(b)	42	49
Total investments accounted for using the equity method	(a+b)	241	265

The changes in this item are broken down as follows:

(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

(million euros)	12/31/2024	Investments	Disposals and reimbursements of capital	Valuation using equity method	Other changes	12/31/2025
I-Systems S.A.	213			(17)	(1)	195
W.A.Y. S.r.l.	3			1		4
Other	—					—
Total Associates	216	—	—	(16)	(1)	199
TIMFin S.p.A.	31			2		33
Polo Strategico Nazionale S.p.A.	18			(9)		9
Total Joint Ventures	49	—	—	(7)	—	42
Total investments accounted for using the equity method	265	—	—	(23)	(1)	241

"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)	12/31/2023	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 CommsTech Innovations Partners L.P.	13	1		(2)		12
Upload Ventures Growth LP	10	23				33
Other	13					13
Totale	100	26	—	(11)	(5)	150

(million euros)	12/31/2024	Investments	Disposals and reimbursements of capital	Valuation at fair value	Other changes	12/31/2025
SECO S.p.A.	19			11		30
Banco C6 S.A.	25		(25)			—
Fin.Priv. S.r.l.	32		(45)	13		—
UV T-Growth	16	9				25
Northgate CommsTech Innovations Partners L.P.	12		(12)			—
Upload Ventures Growth LP	33	14		7	(2)	52
Other	13			—		13
Total	150	23	(82)	31	(2)	120

In particular, we report the following:

- **Banco C6 S.A.:** on February 11, 2025, TIM S.A. (Brazil Business Unit) 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 ongoing arbitration proceedings. During the partnership period, TIM S.A. had obtained the right to a minority stake in the share capital of the bank equal to 6.06%, of which 4.62% was held in the form of subscription options (Non-hedging derivatives – non-current) and 1.44% as a shareholding in Banco C6 S.A. The agreement signed provided, in addition to the termination of the partnership, for the transfer of all shares held by TIM S.A. in Banco C6 S.A., as well as all outstanding subscription options, for a total amount of 520 million reais, which, as of December 31, 2025, had been fully collected by the Company;
- **Fin.Priv. S.r.l.:** On September 29, 2025, the liquidation of the Fin.Priv company was resolved. S.r.l.; the liquidation was concluded with the final liquidation balance sheet as of October 24, 2025;
- as at December 31, 2025, the TIM Group has committed to subscribe to shares:
 - of the **UV T-Growth** fund for an amount equal to 28 million euros;
 - in the **Northgate CommsTech Innovations Partners L.P.** fund for 2.6 million USD, equal to approximately 2.2 million euros at the exchange rate as at December 31, 2025.

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)		12/31/2025	12/31/2024
Other non-current financial assets			
Securities other than investments		1	—
Receivables from employees		9	11
Hedging derivatives relating to hedged items classified as non-current assets/liabilities of a financial nature		383	554
Non-hedging derivatives		4	81
		397	646
Financial receivables for lease contracts		34	40
Total non-current financial assets	(a)	431	686
Securities other than investments, other financial receivables and other current financial assets			
Securities other than investments			
Measured at amortized cost (AC)		—	—
Measured at Fair Value Through Comprehensive Income (FVTOCI)		815	1,116
Measured at Fair Value Through Profit or Loss (FVTPL)		555	423
		1,370	1,539
Financial receivables and other current financial assets			
Receivables from employees		3	3
Hedging derivatives relating to hedged items classified as current assets/liabilities of a financial nature		29	32
Non-hedging derivatives		70	75
Other short-term financial receivables		66	2
		168	112
	(b)	1,538	1,651
Financial receivables for lease contracts	(c)	44	44
Cash and cash equivalents	(d)	2,048	2,924
Total current financial assets	e=(b+c+d)	3,630	4,619
Financial assets relating to Discontinued operations/Non-current assets held for sale	(f)	162	—
Total non-current and current financial assets	g=(a+e+f)	4,223	5,305

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

Financial receivables for lease contracts refer to:

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

Hedging derivatives relating to hedged items classified among non-current and current financial assets refer to cash flow hedge derivatives (410 million euros) and fair value hedge derivatives (2 million euros).

The **non-hedging derivatives** classified among non-current assets of a financial nature (4 million euros) refer to Total Return Equity Swaps entered into by TIM S.p.A., while the non-hedging derivatives classified among current assets of a financial nature (70 million euros) relate to the Brazil Business Unit. The non-hedging derivatives - non-current of 2024 included 81 million euros relating to the option to subscribe for shares of C6 Bank, fully transferred from TIM S.A. to C6 Bank following the signing on February 11, 2025 of a settlement agreement, which provided, in addition to the termination of the partnership, for the transfer of all the shares held by TIM S.A. in Banco C6 S.A., as well as all the subscription options in place.

Further details are provided in the Note 19 "Derivatives".

Other short-term financial receivables include credit lines that TIM S.p.A. (1 million euros) and the Luxembourg companies (63 million euros) have in place with Discontinued Operations.

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

- 815 million euros of listed securities, of which 303 million euros of Italian and foreign treasury bonds purchased by Telecom Italia Finance S.A. as well as 512 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;
- 555 million euros of investments in monetary funds by the Brazil Business Unit, which, under IFRS 9, are classified as financial assets measured at fair value through profit or loss (FVTPL).

Further details are provided in Note 2 "Accounting policies".

Cash and cash equivalents amounted to 2,048 million euros (2,924 million euros at December 31, 2024) and were broken down as follows:

(million euros)	12/31/2025	12/31/2024
Liquid assets with banks, financial institutions and post offices	1,493	2,428
Securities other than investments (due within 3 months)	549	496
Other financial receivables	6	—
Total	2,048	2,924

The different technical forms of investing available cash at December 31, 2025 had the following characteristics:

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

Securities other than investments (due within 3 months) included 549 million euros (496 million euros at December 31, 2024) of Brazilian bank certificates of deposit (*Certificado de Depósito Bancário*) held by the Brazil Business Unit with premier local banking and financial institutions.

Other financial receivables (6 million euros) refer to the cash-pooling arrangements that the Luxembourg companies have in place with Discontinued Operations.

NOTE 10

MISCELLANEOUS RECEIVABLES AND OTHER NON-CURRENT ASSETS

These decreased by 685 million euros compared to December 31, 2024. The breakdown is as follows:

(million euros)		12/31/2025	of which Financial Instruments	12/31/2024	of which Financial Instruments
Miscellaneous receivables (non-current)	(a)	472	149	546	147
Other non-current assets					
Deferred contract costs		520		1,079	
Other deferred costs		118		170	
	(b)	638		1,249	
Total	(a+b)	1,110	149	1,795	147

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

Miscellaneous receivables (non-current) totaled 472 million euros (546 million euros at December 31, 2024) and included Non-current income tax receivables of 66 million euros (65 million euros at December 31, 2024).

The item includes:

- 300 million euros related to the Brazil Business Unit pertaining mainly to judicial deposits (105 million euros), indirect taxes (111 million euros) and direct taxes (35 million euros);
- 171 million euros relating to the Domestic Business Unit, mainly recorded by the Parent Company TIM S.p.A. in relation to the non-current portion of the receivable from FiberCop S.p.A. for services related to the Master Services Agreement (MSA) arising as part of the NetCo operation (133 million euros) and receivables from the Treasury for income tax expense (30 million euros).

Other non-current assets amounted to 638 million euros (1,249 million euros at December 31, 2024). They mainly break down as follows:

- **Deferred contract costs** of 520 million euros (1,079 million euros at December 31, 2024), mainly related to the deferral of costs related to the activation and acquisitions of new customer contracts in the fixed and mobile sectors.

For mobile network customers, contractual costs (mainly costs for commissions to the sales network) are deferred and recognized in a separate profit or loss based on the expected duration of the contractual relationship, estimated at 4 years.

For fixed-line customers, it should be noted that following the sale of the network completed in 2024, and the progressive introduction of commercial elements ancillary to the pure sale of connectivity, linked to the development of the customer platform concept (multimedia, energy, insurance, ...) launched in mid-2025, the notion of a customer tied to a specific telephone/data line is gradually losing its meaning, replaced by a vision of the customer at the center of an ecosystem of services and offerings.

Furthermore, the Domestic business has been confronted with a new industrial model that has a significant impact on the industrial cost/investment model, which is closely linked to TIM's contractual relationships with wholesale operators (FiberCop and others). This new model has made it possible to increase the level of close correlation between customer acquisition capacity and related costs, overcoming the model based on "network coverage level".

Therefore, for the purposes of the 2025 annual report, an assessment was carried out on the recoverability of the deferred contract costs in place on the fixed network and it was decided to link the duration of the deferral no longer to the useful life of the customer (previously estimated at approximately 8 years), as it is difficult to trace and no longer representative of the business model, but to the period over which the economic recoverability of the "one-off" costs is achieved, a period calculated as 4 years.

The change in the duration of the recognition of deferred fixed network contract costs in the income statement from 8 to 4 years – carried out on a prospective basis – resulted in overall higher costs of 628 million euros for 2025.

With reference to the amount of deferred fixed network contractual costs in place at December 31, 2025 (642 million euros), the prospective effect on the income statement is estimated at 269 million euros for the 2026 financial year and 201 million euros for 2027.

As of December 31, 2025, total deferred contract costs for mobile and fixed network customers (non-current and current) amount to 929 million euros (1,534 million euros as of December 31, 2024) and are detailed as follows:

(million euros)	12/31/2025	12/31/2024
Deferred contract costs		
Non-current deferred contract costs	520	1,079
Current deferred contract costs	409	455
Total	929	1,534

(million euros)	12/31/2025	12/31/2024
Deferred contract costs		
Contract acquisition costs	756	1,210
Contract execution costs	173	324
Total	929	1,534

Changes to comprehensive deferred contract costs in 2025 are as follows:

(million euros)	12/31/2024	Discontinued Operations	Increase	Release to income statement	Exchange differences and other changes	12/31/2025
Contract acquisition costs	1,210	—	392	(845)	(1)	756
Contract execution costs	324	—	106	(257)	—	173
Total	1,534	—	498	(1,102)	(1)	929

The deferred contractual costs, based on the outstanding amount as of December 31, 2025 without taking into account the new deferred portions, will be recognized in the income statement in future years, and in particular about 409 million euros in 2026.

(million euros)	12/31/2025	Year of recognition in the income statement				
		2026	2027	2028	2029	After 2029
Contract acquisition costs	756	342	233	137	44	
Contract execution costs	173	67	54	39	13	
Total	929	409	287	176	57	—

- **Other deferred costs** equal to 118 million euros, mainly attributable to TIM S.p.A. (68 million euros, essentially attributable to rental costs of third-party assets) and to 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, 2025 amounted to 155 million euros (189 million euros at December 31, 2024).

Specifically, they consisted of:

- non-current income tax receivables of 66 million euros (65 million euros at December 31, 2024), mainly relating to the Brazil Business Unit (35 million euros) and the Parent TIM S.p.A. (30 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 89 million euros (124 million euros at December 31, 2024), relating to the companies of the Brazil Business Unit (50 million euros) and the Domestic Business Unit (37 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 22 million euros, the tax consolidation receivable in the amount of 11 million euros, and other tax receivables in the amount of 1 million euros of the parent company TIM S.p.A..

Tax assets and deferred tax liabilities

The net balance of 455 million euros at December 31, 2025 (452 million euros at December 31, 2024) breaks down as follows:

(milioni di euro)	12/31/2025	12/31/2024
Deferred tax assets	510	513
Deferred tax liabilities	(55)	(61)
Total	455	452

Deferred tax assets at December 31, 2025 mainly refer to the Domestic Business Unit for 300 million euros and to the Brazil Business Unit for 210 million euros. As at December 31, 2024, deferred tax assets referred mainly to the Domestic Business Unit for 340 million euros and the Brazil Business Unit for 168 million euros.

In the 2025 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 18 million euros (19 million euros at December 31, 2024) and the Domestic Business Unit for 33 million euros (36 million euros at December 31, 2024).

Since the presentation of deferred tax assets and liabilities 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)	12/31/2025	12/31/2024
Deferred tax assets	1,070	1,073
Deferred tax liabilities	(615)	(621)
Total	455	452

The temporary differences which made up this line item at December 31, 2025 and 2024, as well as the movements during 2025, were as follows:

(million euros)	12/31/2024	Recognized in profit or loss	Recognized in equity	Change in scope of consolidation and other changes	12/31/2025
Deferred tax assets					
Tax loss carryforwards	4	(2)		1	3
Derivatives	272	(2)	(17)		253
Provision for bad debts	106	(18)		(4)	84
Provisions	425	37		(3)	459
Taxed depreciation and amortization	71	(3)		(2)	66
Other deferred tax assets	195	27	—	(17)	205
Total	1,073	39	(17)	(25)	1,070
Deferred tax liabilities					
Derivatives	(309)	25	2	—	(282)
Business combinations - for step-up of net assets in excess of tax basis	(111)	(25)	—	1	(135)
Accelerated depreciation	(158)	(7)		4	(161)
Other deferred taxes	(43)	6		—	(37)
Total	(621)	(1)	2	5	(615)
Total Deferred tax assets net of Deferred tax liabilities	452	38	(15)	(20)	455

The expirations of deferred tax assets and deferred tax liabilities at December 31, 2025 were the following:

(million euros)	Within next year	Beyond 1 year	Total at 12/31/2025
Deferred tax assets	228	842	1,070
Deferred tax liabilities	(32)	(583)	(615)
Total Deferred tax assets net of Deferred tax liabilities	196	259	455

At December 31, 2025, the TIM Group had unused tax loss carryforwards of 4,755 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)
2026	1
2027	—
2028	—
2029	—
2030	1
Expiration after 2030	31
Without expiration	4,722
Total unused tax loss carryforwards	4,755

Unused tax loss carryforwards considered in the calculation of deferred tax assets amounted to 11 million euros at December 31, 2025 (16 million euros at December 31, 2024) and mainly referred to 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 1,158 million euros (1,233 million euros at December 31, 2024) were not recognized on 4,744 million euros of tax loss carry-forwards since, at the reporting date, their recoverability was not considered probable.

At December 31, 2025, deferred tax liabilities were not recognized on approximately 3.2 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 63 million euros (45 million euros at December 31, 2024). They break down as follows:

(million euros)	12/31/2025	12/31/2024
Income tax payables:		
non-current	—	1
current	63	44
Total	63	45

The current portion, amounting to 63 million euros, mainly refers to companies in the Domestic Business Unit (19 million euros) and the Brazil Business Unit (25 million euros). Payables for current taxes of the parent company TIM S.p.A. amount to 16 million euros for IRAP due to the Treasury, net of the IRAP credit from previous years (not present at December 31, 2024).

Non-current tax liabilities, related to the parent company, have been eliminated (1 million euros at December 31, 2024).

Income tax expense

The income tax expense for the years 2025 and 2024 breaks down as follows:

(million euros)	2025	2024
Current taxes for the year	149	91
Net difference in prior year estimates	1	—
Total current taxes	150	91
Deferred taxes	(38)	87
Total income tax expense on continuing operations (a)	112	178
Income tax expense on Discontinued operations/Non-current assets held for sale (b)	(1)	47
Total income tax expense for the year (a+b)	111	225

Current taxes refer mainly to companies in the Brazil Business Unit (86 million euros) and the Domestic Business Unit (50 million euros).

Deferred taxes mainly refer to the benefit deriving from the allocation of deferred tax assets by the Brazil Business Unit (43 million euros).

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, 2025 and 2024 is as follows:

(million euros)	2025	2024
Result before tax		
From continuing operations	707	257
Derived from Discontinued operations/Non-current assets held for sale	(77)	(396)
Total profit (loss) before tax	630	(139)
Theoretical income tax expense	151	(33)
Income tax effect on increases (decreases) in variations		
Tax losses of the year not considered recoverable	1	218
Tax losses from prior years not recoverable (recoverable) in future years	(44)	(39)
Non-deductible write-down of non-current assets	5	19
Brazil: different tax rate compared to the theoretical rate in force in Italy	58	50
Brazil: investment incentives	(63)	(57)
Other net differences	(32)	50
Actual taxes on income statement, excluding IRAP	76	208
IRAP (Regional Tax on Production Activities)	35	17
Total of actual taxes to income statement	111	225

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 in the first three years of the GloBE Rules (until 2026 but with an extension to 2027 based on recent indications provided by the OECD in the so-called Side-by-Side Agreement), which will make it possible to avoid carrying out the complex calculations provided for and 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 for 2027) 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 an analysis of 2024 data with reference to the application of safe harbours to the jurisdictions in which it operates. From the calculations carried out and based on the best interpretation of documents published by the OECD, practically all countries pass at least one of the tests. The only notable exceptions were the jurisdictions of Luxembourg, Argentina, and Singapore, which were not covered by any of the safe harbours examined. In this regard, it should be noted that Luxembourg – unlike Argentina and Singapore – has adopted the GloBE Rules through domestic legislation and that the respective Qualified Domestic Minimum Top-Up Tax (also “QDMTT”) has been in effect since 2024.

In relation to the 2025 financial year, TIM S.p.A. has carried out a similar preliminary analysis of the results of the jurisdictions in which it operates for the purposes of applying the aforementioned safe harbours, with the exception of the States that, on the basis of the data for the 2024 financial year, have not passed the relevant tests. The ordinary GloBE Rules will apply to these jurisdictions.

In relation to jurisdictions that, on the basis of the analyses carried out, exceed the aforementioned safe harbours, the ordinary discipline of the GloBE Rules does not apply and, consequently, no Top-Up Tax is due. On the contrary, with reference to Brazil — which, on the basis of the information available to date, does not appear to satisfy the aforementioned tests — the emergence of a potential supplementary tax cannot be excluded, in theory. However, it should be noted that, with effect from January 1, 2025, Brazil has introduced a local QDMTT, included by the OECD in the Central Record of Legislation among the qualified domestic minimum taxes that benefit from the QDMTT safe harbour regime. Consequently, if a supplementary taxation referring to entities located in Brazil were to be due, the related payment obligation would be fulfilled domestically and would not, in any case, result in any payment obligation on the part of TIM S.p.A.

NOTE 12 INVENTORIES

Down by 62 million euros compared to December 31, 2024, they are broken down as follows:

(million euros)	12/31/2025	12/31/2024
Raw materials and supplies	4	3
Work in progress and semifinished products	4	2
Finished goods	227	251
Deposits on stocks		41
Total	235	297

Inventories essentially consist of fixed and mobile telecommunications equipment and handsets and related accessories, as well as office products and specialist printers.

Inventories refer to the Domestic Business Unit for 180 million euros (251 million euros as at December 31, 2024, of which 74 million attributable to Telecom Italia Sparkle now classified among the “Available-for-sale Activities”) and to the Brazil Business Unit for 55 million euros (46 million euros as at December 31, 2024).

The “deposits on stocks” as of December 31, 2024 referred to deposits paid by Telecom Italia Sparkle for the construction of the Blu-Raman System (fiber on submarine cables), limited to the component intended 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, 2025 (12 million euros at December 31, 2024).

NOTE 13

TRADE AND MISCELLANEOUS RECEIVABLES AND OTHER CURRENT ASSETS

This item increased, compared to December 31, 2024, by 1,171 million euros, and is broken down as follows:

(million euros)		12/31/2025	of which Financial Instruments	12/31/2024	of which Financial Instruments
Trade receivables	(a)	2,345	2,345	2,309	2,309
Miscellaneous receivables (current)					
Other receivables	(b)	2,030	107	896	69
Other current assets					
Contract assets		41	41	28	28
Deferred contract costs		409		455	
Other deferred costs		462		431	
Other		30		27	
	(c)	942	41	941	28
Total	(a+b+c)	5,317	2,493	4,146	2,406

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, 2025 and December 31, 2024 are provided below:

(million euros)	12/31/2025	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	2,493	2,057	436	147	49	66	174

(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

Compared to December 31, 2024, receivables not past due increased by 192 million euros, of which:

- 96 million euros relating to the Domestic Business Unit;
- 96 million euros relating to the Brazil Business Unit. Excluding the negative exchange rate effect of about 3 million euros in 2025, the increase is equal to 99 million euros.

Past-due receivables decreased by 105 million euros compared to December 31, 2024, of which:

- 44 million euros relating to the Domestic Business Unit;
- 60 million euros relating to the Brazil Business Unit. Excluding the negative exchange rate effect of about 1 million euros in 2025, the decrease is equal to 61 million euros.

Trade receivables amounted to 2,345 million euros (2,309 million euros at December 31, 2024) and are stated net of the provision for bad debts of 317 million euros (388 million euros at December 31, 2024).

Trade receivables mainly relate to TIM S.p.A. (1,521 million euros) and to the Brazil Business Unit (774 million euros).

Movements in the provision for bad debts were as follows:

(million euros)	12/31/2025	12/31/2024
At January 1	388	463
Discontinued Operations	(31)	(11)
Provision charges to the income statement	170	184
Utilization and decreases	(213)	(230)
Exchange rate differences and other changes	3	(18)
At December 31	317	388

Miscellaneous receivables (current) refer to other receivables amounting to 2,030 million euros (896 million euros at December 31, 2023) and are net of a provision for bad debts of 13 million euros (40 million euros at December 31, 2024). Details are as follows:

(million euros)	12/31/2025	12/31/2024
Receivable connected to the 1998 License Fee ruling	1,011	
Advances to suppliers	165	157
Receivables from employees	7	7
Tax receivables	479	219
Receivables for grants from the government and public entities	18	11
Sundry receivables	350	502
Total	2,030	896

The item "Receivable connected to the 1998 License Fee ruling" includes the pecuniary credit, which has become certain, liquid and payable following the judgment of the Supreme Court no. 33241 of December 19, 2025, which made the decision of the court of appeals of April 3, 2024, no. 2320/2024 final. The amount of 1,011 million euros relates to approximately 973 million euros to the amount recognized as compensation for total damage and approximately 38 million euros to the valuation of legal interests from the decision of the Court of Appeal until December 31, 2025.

As at December 31, 2025, "tax receivables" refer to the Brazil Business Unit for 185 million euros and to the Domestic Business for 294 million euros.

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

"Sundry receivables" specifically include the following receivables of TIM S.p.A.:

- current portion (98 million euros) of the receivable from FiberCop S.p.A. for services related to the Master Service Agreement (MSA), which arose in 2024 as part of the NetCo transaction;
- receivables for Universal Service (52 million euros);
- receivables from social security and pension institutions (40 million euros);
- miscellaneous receivables from other TLC operators (27 million euros);
- receivables for with-recourse assignments to factoring companies (36 million euros).

Other current assets included:

- **Contract assets.** This item mainly includes:
 - 26 million euros of TIM S.p.A. connected to the work carried out in relation to the "5G Coverage Plan" within the NRRP;
 - 11 million euros attributable to TIM S.p.A. due to the effect of the early recognition of revenues for those bundle contracts (such as bundles of products and services) with individual performance obligations with a different recognition timing, in which the goods recognized "at a point in time" are sold at a discounted price, or for those contracts which, by providing for a discount for a period of time shorter than the minimum contract term, require, pursuant to IFRS 15, a reallocation of the discount over the minimum contractual term. These Contract Assets are net of the related impairment provision of 1 million euros.
- **Deferred contract costs** (409 million euros; 455 million euros at December 31, 2024): are contract costs (mainly technical activation costs and costs for commissions to the sales network) subject to deferral and recognized in the separate income statement:
 - for mobile network customers depending on the expected duration of the contractual relationship with customers;
 - for fixed network customers according to the period over which the economic recoverability of the "one-off" costs is achieved.

For further details, please refer to Note 10 "Miscellaneous receivables and other non-current assets".

■ **Other deferred costs** mainly concern:

- the Parent TIM S.p.A. essentially for costs relating to:

- rental charges and other lease and rental costs (306 million euros);
- the purchase of products and services (39 million euros);
- after-sales expenses on application offers (23 million euros);
- insurance premiums (6 million euros);
- maintenance fees (1 million euros);
- to the Brazil Business Unit (23 million euros) for items mainly relating to maintenance contracts and marketing activities.

NOTE 14

DISCONTINUED OPERATIONS /NON-CURRENT ASSETS HELD FOR SALE

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

The agreement provides for an enterprise value of the Telecom Italia Sparkle group of 700 million euros. The price for the sale will be equal to the enterprise value, adjusted on the basis of the value of net financial debt and on the basis of the usual price adjustments related to certain objectives relating to economic performance and deviations from target working capital of the Telecom Italia Sparkle group at closing.

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

As of December 31, 2025 (as already indicated starting from the first quarter of 2025), the Sparkle group is classified, in accordance with IFRS 5, as an "Asset available for sale". The shareholding in Telecom Italia Sparkle S.p.A. is held by the Parent Company TIM S.p.A.; the Sparkle group is active in the development of fiber optic networks for international wholesale customers.

It should also be noted that in 2024 the entire FiberCop - NetCo was classified as "Asset sold", consisting of the activities of FiberCop S.p.A., a company that already managed the activities related to the secondary network in fiber and copper and in which TIM S.p.A. had conferred a business unit, consisting of the activities related to the Primary Network, the so-called "Wholesale" activity and the entire shareholding in the subsidiary Telenergia S.r.l.. The sale was completed on July 1, 2024.



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

(million euros)		12/31/2025
Discontinued operations /Non-current assets held for sale:		
of a financial nature		162
of a non-financial nature		1,065
Total	(a)	1,227
Liabilities directly associated with Discontinued operations/Non-current assets held for sale		
of a financial nature		89
of a non-financial nature		507
Total	(b)	596
Net value of Discontinued operations / Non current assets held for sale	(a-b)	631

Assets of a financial nature are composed as follows:

(million euros)		12/31/2025
Non-current financial assets		7
Current financial assets		155
Total		162

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

(million euros)	12/31/2025
Non-current assets	
Goodwill	—
Intangible assets with a finite useful life	79
Tangible assets	382
Rights of use assets	198
Other non-current assets	66
	725
Current assets	340
Total	1,065

Liabilities of a financial nature are composed as follows:

(million euros)	12/31/2025
Non-current financial liabilities	15
Current financial liabilities	74
Total	89

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

(million euros)	12/31/2025
Non-current liabilities	204
Current liabilities	303
Total	507

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

The economic effects of the 2025 financial year include, in addition to the economic results of the Telecom Italia Sparkle group, the adjustment to the presumed realizable value, which led to a write-down of 20 million euros, in addition to charges related to the transaction.

The economic effects of the 2024 financial year include:

- Telecom Italia Sparkle group, including the net result of the group and the write-down to the presumed realizable value;
- FiberCop - NetCo, whose sale was completed on July 1, 2024, including the net impact of the sale, as well as the economic results up to the date of the sale.

(million euros)

	2025	2024
Economic effects of Discontinued operations / Non-current assets held for sale:		
Revenues	738	1,681
Other income	1	30
Acquisition of goods and services	(579)	(663)
Employee benefits expenses	(63)	(622)
Other operating expenses/Change in inventories/Internally generated assets	8	29
Operating profit (loss) before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)	105	455
Depreciation and amortization	(115)	(891)
Gains (losses) on disposals of non-current assets	(10)	1
Impairment reversals (losses) on non-current assets	—	—
Operating profit (loss) (EBIT)	(20)	(435)
Share of profits (losses) of associates and joint ventures accounted for using the equity method and Other income/(expenses) from investments	—	—
Net financial income/expense	(22)	(219)
Earnings before tax from Discontinued operations/Non-current assets held for sale	(42)	(654)
Income tax expense	1	(47)
Earnings after tax from Discontinued operations/Non-current assets held for sale (a)	(41)	(701)
Other economic impacts:		
Provisions and charges related to the sale of Telecom Italia Sparkle	(26)	(80)
Other income/ (expenses) related to disposals from previous years	(9)	—
(b)	(35)	(80)
Profit (loss) from Discontinued operations / Non current assets held for sale (a)	(76)	(781)
Economic effects on disposing entities:		
Gross capital gain related to the sale of NetCo		325
Incidental charges and other minor items related to the sale of NetCo		(142)
Income tax expense related to the sale of NetCo		—
(b)		183
Profit (loss) from Discontinued operations / Non current assets held for sale (a+b)	(76)	(598)
Attributable to:		
Owners of the Parent	(75)	(661)
Non-controlling interests	(1)	63

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

(euros)	2025	2024
Basic earnings per share from Discontinued operations/Non-current assets held for sale		
ordinary share	(0.01)	(0.03)
savings share	(0.01)	(0.03)
Diluted earnings per share from Discontinued operations/Non-current assets held for sale		
ordinary share	(0.01)	(0.03)
savings share	(0.01)	(0.03)

In addition, within the scope of the consolidated statements of comprehensive income in relation to discontinued operations/non-current assets held for sale:

- the change in actuarial gains/losses included in the Reserve for remeasurement of employee defined benefit plans is nil in the 2025 financial year (positive for 11 million euros in the 2024 financial year);
- the change in the translation reserve was negative for 18 million euros in 2025 (positive for 9 million euros in 2024).

Therefore, the total income from "Discontinued Operations/Non-current Assets held for sale" is negative 94 million euros in 2025 and negative 578 million euros in 2024.

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

(million euros)	2025	2024
Discontinued operations /Non-current assets held for sale:		
Cash flows from (used in) operating activities	52	(608)
Cash flows from (used in) investing activities	(50)	(473)
Cash flows from (used in) financing activities	48	(202)
Total	50	(1,283)

NOTE 15 EQUITY

This item consisted of:

(million euros)	12/31/2025	12/31/2024
Equity attributable to owners of the Parent	12,219	11,957
Non-controlling interests	1,236	1,404
Total	13,455	13,361

The composition of **Equity attributable to owners of the Parent** is the following:

(million euros)	12/31/2025	12/31/2024
Share capital	11,628	11,624
Additional paid-in capital	—	—
Other reserves and retained earnings (accumulated losses), including profit (loss) for the year	591	333
Reserve for financial assets measured at fair value through other comprehensive income	5	(6)
Reserve for hedging instruments	(30)	(76)
Reserve for exchange differences on translating foreign operations	(2,491)	(2,439)
Reserve for remeasurements of employee defined benefit plans (IAS 19)	(62)	(66)
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	3,169	2,920
Total	12,219	11,957

At December 31, 2025, **share capital** amounted to 11,628 million euros, already net of treasury shares of 49 million euros; As of December 31, 2024, the share capital was 11,624 million euros, already net of treasury shares of 53 million euros, with a change of 4 million euros following the allocation of treasury shares in execution of the 2022-2024 Stock Options Plan.

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, 2024).

Movements in Share Capital during 2025 are presented in the following tables:

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

(number of shares)		at Dec 31, 2024	Share assignment/ issue	at Dec 31, 2025	% of Share Capital
Ordinary shares Issued	(a)	15,329,466,496	—	15,329,466,496	71.78%
less: treasury shares	(b)	(96,442,802)	7,402,387	(89,040,415)	
Ordinary shares outstanding	(c)	15,233,023,694	7,402,387	15,240,426,081	
Savings shares issued and outstanding	(d)	6,027,791,699	—	6,027,791,699	28.22%
Total TIM S.p.A. shares issued	(a+d)	21,357,258,195	—	21,357,258,195	100.00%
Total TIM S.p.A. shares outstanding	(c+d)	21,260,815,393	7,402,387	21,268,217,780	

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

(million euros)		Share capital at Dec 31, 2024	Change in share capital	Share capital at Dec 31, 2025
Ordinary shares Issued	(a)	8,381	—	8,381
less: treasury shares	(b)	(53)	4	(49)
Ordinary shares outstanding	(c)	8,328	4	8,332
Savings shares issued and outstanding	(d)	3,296	—	3,296
Total TIM S.p.A. share capital issued	(a+d)	11,677	—	11,677
Total TIM S.p.A. share capital outstanding	(c+d)	11,624	4	11,628

The total value of ordinary treasury shares at December 31, 2025, amounting to 280 million euros, was recorded as follows: the part relating to accounting par value (49 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.

The Ordinary Shareholders' Meeting of TIM S.p.A. and the Special Meeting of Savings Shareholders were held on January 28, 2026. For further details, please refer to the section "Conversion of Savings Shares into Ordinary Shares and Voluntary Reduction of Share Capital".

Capital disclosure as of December 31, 2025

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**, as of December 31, 2025 was zero (as of December 31, 2024) following the coverage of the loss for the 2023 financial year, 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**, positive for 5 million euros at December 31, 2025, decreased by 11 million euros compared to the figure at December 31, 2024. In particular, the movement in 2025 includes the losses of the Telecom Italia Finance securities portfolio (6 million euros, of which 17 million euros were realized), the zeroing of the negative reserve relating to the participation in Northgate by Telecom Italia Ventures (22 million euros), and the profits recorded by Olivetti for the valuation of SECO S.p.A. (11 million euros), the profits relating to the other financial assets held by the parent company TIM (1 million euros) and the zeroing of the positive reserve relating to the shareholding in Fin.Priv. following the sale of the shareholding by the parent company TIM (17 million euros). This reserve is stated net of deferred tax assets of 2 million euros (at December 31, 2024, it was stated net of deferred tax liabilities of 2 million euros).
- The **Reserve for hedging instruments** had a negative balance of 30 million euros at December 31, 2025, (negative 76 million euros at December 31, 2024). This reserve is stated net of deferred tax assets of 8 million euros (at December 31, 2023, it was stated net of deferred tax liabilities of 23 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 2,491 million euros at December 31, 2025 (negative 2,439 million euros at December 31, 2024) 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 2,507 million euros versus negative for 2,472 million euros at December 31, 2024).
- The **Reserve for the remeasurement of employee defined benefit plans**, negative for 62 million euros, decreased by 4 million euros compared with December 31, 2024 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, 2025 and December 31, 2024.

Other sundry reserves and retained earnings (accumulated losses), including profit (loss) for the year amounted to 3,169 million euros and increased by 249 million euros, as detailed below:

(million euros)	2025	2024
Profit (loss) for the year attributable to owners of the Parent	297	(610)
Dividends approved - TIM S.p.A.	—	—
Equity instruments	—	—
LTI granting of treasury shares	(4)	(4)
Brazil BU - share capital transactions	(82)	—
Other changes	38	(57)
Change for the year in Sundry reserves and retained earnings (accumulated losses), including profit (loss) for the year	249	(671)

No dividends were approved in 2025.

Equity attributable to non-controlling interests of 1,236 million euros refers mainly to the companies of the Brazil Business Unit (1,224 million euros) and decreased by 168 million euros compared to December 31, 2024 as detailed below:

(million euros)	2025	2024
Profit (loss) for the year attributable to Non-controlling interests	222	246
Group Company dividends paid to minority shareholders	(317)	(158)
Changes in the Reserve for exchange differences on translating foreign operations	29	(280)
Brazil BU - share capital transactions	(37)	—
NetCo deconsolidation	—	(2,283)
Other changes	(65)	12
Change for the year in Equity attributable to Non-controlling interest	(168)	(2,463)

Dividends from Group companies to minority shareholders mainly refer to the Brazil Business Unit for 317 million euros (158 million euros in 2024).

The Reserve for exchange differences on translating foreign operations attributable to non-controlling interest showed a negative balance of 1,161 million euros at December 31, 2025 (negative for 1,190 million euros at December 31, 2024), 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 41 “Share-based payment arrangements”.

Right of withdrawal arising from the resolutions of the Extraordinary Shareholders' Meeting of June 24, 2025

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

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

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

Therefore, all the shares subject to withdrawal, for a total value of 443,546 euros, appear to have been purchased by shareholders who did not exercise, in whole or in part, the right of withdrawal, following the exercise of option and pre-emption rights.



Information relating to the resolutions of the Shareholders' Meetings of January 28, 2026

Voluntary reduction of share capital and conversion of savings shares into ordinary shares

The Ordinary Shareholders' Meeting and the Special Meeting of Savings Shareholders of TIM S.p.A., which met on January 28, 2026, approved the proposal for the voluntary reduction of share capital and the conversion of TIM savings shares into ordinary shares, in accordance with the proposal presented by the Board of Directors.

In particular, the Ordinary Shareholders' Meeting of TIM S.p.A. approved in extraordinary session:

- the voluntary reduction of the share capital to 6 billion euros, allocating the resulting amount to the legal reserve and to the available net equity reserve;
- the optional conversion of savings shares into ordinary shares, based on a conversion ratio equal to 1 ordinary share for each savings share held, plus a cash adjustment of 0.12 euros;
- the mandatory conversion of savings shares that have not been subject to optional conversion, on the basis of the same conversion ratio and with a balancing payment of 0.04 euros.

The Special Meeting of Savings Shareholders of TIM S.p.A., in turn, approved the proposal for the mandatory conversion of savings shares into ordinary shares.

Specifically:

- Savings shareholders who did not vote in favor of the mandatory conversion resolution at the Special Meeting of Savings Shareholders have the right to withdraw, which must be exercised within 15 days of the date of registration of the shareholders' meeting resolution, which took place on January 29, 2026. It was therefore validly exercised in the period from January 29, 2026 to February 13, 2026 for a total of 2,014,231 savings shares representing 0.0334% of the total savings shares. On March 2, 2026, the offer of rights for the shares subject to withdrawal was published, the acceptance period of which runs

from March 2, 2026 to April 1, 2026. As previously communicated, the unit liquidation value of the savings shares subject to withdrawal has been set at €0.5117. At the same time, it was announced that the condition for the effectiveness of the conversion has been fulfilled, according to which the maximum disbursement to be made by the Company for the liquidation of the Shares Subject to Withdrawal that are not purchased by the shareholders or placed with third parties, following the procedure referred to in Article 2437-quater of the Italian Civil Code, must not exceed a total amount equal to Euro 100,000,000.00 (the so-called "stop-loss" condition);

- The Conversion was also conditional upon the absence of any opposition from the Company's creditors within 90 days of the registration of the capital reduction resolution with the competent registry of companies (which took place on January 29, 2026, and therefore by April 29, 2026), pursuant to Article 2445, paragraph 3, of the Italian Civil Code, or, in the event of opposition, the authorization of the Court, pursuant to Article 2445, paragraph 4, of the Italian Civil Code, within six months (extendable by the Company for a maximum of an additional three months) from the registration of the resolution;
- the total amount that the Company will pay to savings shareholders as adjustment will be 723,335,003.88 euros in the event of full acceptance of the optional conversion and 241,111,667.96 euros if all savings shares are converted into ordinary shares as a result of the mandatory conversion.

The above-mentioned Shareholders' Meetings resolutions will have the following implications for TIM:

- **Simplification: a single class of shares.** With a single share class, TIM's corporate structure becomes clearer and more streamlined, reducing the costs and governance complexity typical of a two-share class structure;
- **Fairness: same rights for all shareholders.** All shareholders will have the same rights and conditions. This eliminates historical differences between share classes and makes TIM more transparent and more aligned with best market practices;
- **Solidity: optimized capital structure.** The capital reorganization redistributes TIM's resources among the various accounting items (legal reserve and available reserve), making the capital structure more balanced and efficient.

Furthermore, the reduction in share capital results in a more balanced composition of equity items, which currently do not include any available and distributable reserves.

In fact, during the Shareholders' Meeting it was highlighted that:

- the Company's net equity, as resulting from TIM S.p.A.'s separate financial statements for the 2024 financial year and already taking into account the coverage of the loss recorded for the same financial year, was composed of approximately 96% of share capital and the remainder of the legal reserve;
- TIM S.p.A.'s share capital – which has remained substantially unchanged since 2005 following its privatization and subsequent corporate transactions involving the Company – was the highest compared to the market benchmark for nationally listed issuers of the same size, both in absolute terms and with reference to the main KPIs (Key Performance Indicators);
- during 2024, following the completion of the FiberCop sale transaction, the Group's net financial debt significantly reduced, as did the Group's main financial indicators: Consolidated net invested capital decreased by more than 40% and the value of "Domestic" goodwill decreased by approximately 50%.

Therefore, the reduction of share capital to 6 billion euros will allow TIM S.p.A.'s equity structure and share capital to be realigned with the Company's new capital structure and its main ratios to be aligned with market standards.

In this sense, the replenishment of the available reserve will allow, from a perspective of greater flexibility, the use of available financial resources not employed in operational management. In particular, following the capital reduction, these resources may also be used to approve any dividend distributions or buyback transactions.

The approved reduction in share capital impacts exclusively the accounting par value of the shares that make up the share capital and has no impact on net equity or the number of shares, as detailed below:

Net Equity as of December 31, 2025 before and after capital reduction

(million euros)	12/31/2025	Reduction of share capital	12/31/2025 after reduction of share capital
Share capital issued	11,677	(5,677)	6,000
less: Treasury shares	(49)	24	(25)
Share capital	11,628	(5,653)	5,975
Other reserves and retained earnings (accumulated losses), including profit (loss) for the year	591	5,653	6,244
Total equity attributable to owners of the Parent	12,219	—	12,219
Number of shares issued	21,357,258,195		21,357,258,195
(euros)			
Parity per share - ratio of total share capital to the number of shares issued	0.5467		0.2809



Information relating to the resolutions of the Board of Directors of February 24, 2026

Buyback and reverse stock split of TIM S.p.A. Ordinary Shares

During the 2026 financial year, TIM intends to grant shareholders, through *buyback*, a remuneration equal to approximately 50% of the value expected from the sale of Sparkle, subject to the *closing*, expected in the second quarter of 2026, as well as the effectiveness of the voluntary reduction of the share capital and the conversion of savings shares, already approved by the Shareholders' Meetings of January 28, 2026. In particular, the Board of Directors of TIM S.p.A. on February 24, 2026 decided to propose to the Shareholders' Meeting on April 15, 2026 a share buyback program of up to a maximum of 400 million euros and for a maximum of 700,000,000 ordinary shares (to be understood as reduced, following the share reverse stock split referred to below, to a maximum of 70,000,000 ordinary shares in total) corresponding to approximately 3.3% of the share capital. The repurchase may be partly used to service the remuneration and stock incentive plans.

In addition, the Board of Directors also resolved to propose to the Shareholders' Meeting on April 15, 2026 a grouping of TIM ordinary shares in the ratio of 1 new ordinary share for every 10 existing ordinary shares. The operation is subject to the effectiveness of the voluntary reduction of the share capital and the conversion of the savings shares referred to above. The reverse stock split will reduce stock volatility, also by attracting new investor classes, and, together with the conversion of savings shares, will result in a leaner and more efficient capital structure.

NOTE 16

NON-CURRENT AND CURRENT FINANCIAL LIABILITIES

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

(million euros)	12/31/2025	12/31/2024
Non-current financial liabilities for financing contracts and others		
Medium/long-term financial liabilities:		
Bonds	6,918	7,527
Amounts due to banks	630	701
Other financial payables	255	303
	7,803	8,531
Other medium/long-term financial liabilities:		
Hedging derivatives relating to hedged items classified as non-current assets/liabilities of a financial nature	167	170
Non-hedging derivatives	20	26
Other liabilities	1	1
	188	197
	(a)	8,728
Non-current financial liabilities for lease contracts	(b)	2,421
Total non-current financial liabilities	c=(a+b)	11,149
Current financial liabilities for financing contracts and others		
Short-term financial liabilities:		
Bonds	1,188	2,401
Amounts due to banks	1,497	1,144
Other financial payables	288	257
	2,973	3,802
Other short-term financial liabilities:		
Hedging derivatives relating to hedged items classified as current assets/liabilities of a financial nature	24	23
Non-hedging derivatives	30	44
Other liabilities	—	1
	54	68
	(d)	3,870
Current financial liabilities for lease contracts	(e)	523
Total current financial liabilities	f=(d+e)	4,393
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

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

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

	12/31/2025		12/31/2024	
	(millions in foreign currency)	(million euros)	(millions in foreign currency)	(million euros)
USD	2,027	1,725	2,044	1,967
BRL	24,201	3,743	21,258	3,304
JPY	20,052	109	20,042	123
ILS	—	—	33	9
EUR		8,432		10,139
Total		14,009		15,542
Discontinued Operations		89		—
Total		14,098		15,542

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)	12/31/2025	12/31/2024
Up to 2.5%	1,411	1,178
From 2.5% to 5%	3,955	5,313
From 5% to 7.5%	2,886	3,425
From 7.5% to 10%	2,200	2,265
Over 10%	3,043	2,780
Accruals/deferrals, MTM and derivatives	514	581
Total	14,009	15,542
Discontinued Operations	89	—
Total	14,098	15,542

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

(million euros)	12/31/2025	12/31/2024
Up to 2.5%	2,124	2,103
From 2.5% to 5%	4,571	5,328
From 5% to 7.5%	1,702	2,867
From 7.5% to 10%	1,410	1,515
Over 10%	3,688	3,148
Accruals/deferrals, MTM and derivatives	514	581
Total	14,009	15,542
Discontinued Operations	89	—
Total	14,098	15,542

The maturities of financial liabilities according to the expected nominal repayment amount, as defined by contract, are the following:

(million euros)	maturing by 12/31 of the year:						Total
	2026	2027	2028	2029	2030	After 2030	
Bonds	977	825	1,457	715	716	3,140	7,830
Loans and other financial liabilities	120	452	32	231	43	(33)	845
Finance lease liabilities	470	391	405	366	265	1,048	2,945
Total	1,567	1,668	1,894	1,312	1,024	4,155	11,620
Current financial liabilities	1,662	—	—	—	—	—	1,662
Total	3,229	1,668	1,894	1,312	1,024	4,155	13,282
Discontinued Operations	87	—	—	—	—	—	87
Total	3,316	1,668	1,894	1,312	1,024	4,155	13,369

The main components of financial liabilities are commented below.

Bonds are broken down as follows:

(million euros)	12/31/2025	12/31/2024
Non-current portion	6,918	7,527
Current portion	1,188	2,401
Total carrying amount	8,106	9,928
Fair value adjustment and measurements at amortized cost	(276)	(303)
Total nominal repayment amount	7,830	9,625

In terms of nominal value, bonds total 7,830 million euros, down 1,795 million euros compared to December 31, 2024 (9,625 million euros) following movements (new issues and redemptions) during 2025.

The change in bonds during 2025 was as follows:

(millions of original currency)	Currency	Amount	Issue
New issues			
TIM Brasil 2,791.7 million BRL CDI+0.70%	BRL	2,791.7	7/23/2025
TIM Brasil 2,208.3 million BRL CDI+0.85%	BRL	2,208.3	7/23/2025
TIM S.p.A. 500 million euros 3.625%	EUR	500	9/30/2025
TIM Brasil 1,400 million BRL CDI+0.35%	BRL	1,400	12/22/2025

(millions of original currency)	Currency	Amount	Repayment date
Repayments			
TIM Brasil 5,000 million BRL CDI+2.3%	BRL	294	1/27/2025
TIM S.p.A. 1,000 million euros 2.750%	EUR	1,000	4/15/2025
TIM Brasil 5,000 million BRL CDI+2.3%	BRL	294	4/25/2025
TIM Brasil 5,000 million BRL CDI+2.3%	BRL	3,824	7/25/2025
TIM S.p.A. 1,000 million euros 3.000%	EUR	1,000	9/30/2025
TIM S.p.A. 375 million euros 2.875% ⁽¹⁾	EUR	375	11/24/2025

⁽¹⁾ On October 24, 2025, TIM notified the full early repayment of the 375 million euro bond maturing on January 28, 2026, following the exercise of Clause 7.4 (Redemption at the option of the Issuer – so-called Issuer Maturity Par Call) of the terms and conditions applicable to the Notes. This redemption was made on November 24, 2025 at a redemption price equal to 100% of the principal amount of the bonds.

The following table summarizes the bonds issued by TIM Group companies, listed by issuing company, expressed at the nominal repayment amount, net of bond buy-backs, and at market value:

Currency	Total (millions)	Nominal repayment amount (million euros)	Coupon	Issue date	Maturity date	Issue price (%)	Market price at December 31, 2025 (%)	Market value at December 31, 2025 (million euros)
Bonds issued by TIM S.p.A.								
Euro	678	678	3.625%	5/25/16	5/25/26	100	100.576	682
Euro	742	742.29	2.375%	10/12/17	10/12/27	99.185	100.291	744
Euro	625	625	6.875%	1/27/23	2/15/28	(*) 100.240	107.710	673
Euro	750	750	7.875%	7/20/23	7/31/28	(*) 100.998	111.631	837
Euro	499	499.18	1.625%	1/18/21	1/18/29	99.074	96.051	480
Euro	500	500	3.625%	9/30/25	9/30/30	100	100.615	503
Euro	440	440	5.250%	3/17/05	3/17/55	99.667	102.299	450
Subtotal		4,234.5						4,369
Bonds issued by Telecom Italia Finance S.A. and guaranteed by TIM S.p.A.								
Euro	656	656	7.750%	1/24/03	1/24/33	(*) 109.646	124.482	816
Subtotal		656						816
Bonds issued by Telecom Italia Capital S.A. and guaranteed by TIM S.p.A.								
USD	500	425.53	6.375%	10/29/03	11/15/33	99.558	105.292	448
USD	500	425.53	6.000%	10/6/04	9/30/34	99.081	102.602	437
USD	500	425.53	7.200%	7/18/06	7/18/36	99.440	108.500	462
USD	500	425.53	7.721%	6/4/08	6/4/38	100	110.923	472
Subtotal		1,702.1						1,819
Bonds issued by TIM S.A.								
BRL	1,600	247.5	IPCA+4.1682%	6/15/21	6/15/28	100	124.268	308
Subtotal		247.5						308
Bonds issued by TIM Brasil Serviços e Participações S.A.								
BRL	2,792	431.8	CDI+0.70%	7/23/25	7/23/30	100	103.091	445
BRL	2,208	341.6	CDI+0.85%	7/23/25	7/23/32	100	103.564	354
BRL	1,400	216.5	CDI+0.35%	12/22/25	12/15/26	100	100.170	217
Subtotal		989.9						1,016
Total		7,830						8,328

(*) Weighted average issue price for bonds issued with more than one tranche.

The regulations and the offering circulars relating to the bonds of the TIM Group are available on the Group's website gruppotim.it.

Amounts due to banks (medium/long-term) totaled 630 million euros (701 million euros at December 31, 2024). Short-term payables to banks amount to 1,497 million euros (1,144 million euros as of December 31, 2024) and include 103 million euros as the current portion of payables to banks for medium/long-term loans, 1,002 million euros relating to the debt sold by TIM S.p.A. in relation to the repayment of the 1998 License Fee credit, and 335 million euros of Repurchased credit agreements contracted by Telecom Italia Finance S.A..

Other medium/long-term financial payables totaled 255 million euros (303 million euros at December 31, 2024), 107 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 288 million euros (257 million euros at December 31, 2024) and included 40 million euros as the current portion of other medium/long-term financial payables and 90 million euros in short-term financial payables of TIM S.p.A. towards Discontinued Operations.

Medium/long-term financial liabilities for lease contracts amounted to 2,476 million euros (2,421 million euros at December 31, 2024), whilst short-term payables totaled 515 million euros (523 million euros at December 31, 2024) and included 487 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 2025 and 2024, the following is noted:

(million euros)	2025	2024
Principal reimbursements	390	428
Cash out interest portion	294	308
Total	684	736

Hedging derivatives relating to items classified as non-current financial liabilities amount to 167 million euros (170 million euros as of December 31, 2024), while hedging derivatives relating to items classified as current financial liabilities amount to 24 million euros (23 million euros as of December 31, 2024). They refer to hedging derivatives in cash flow hedges.

Non-hedging derivatives classified as non-current financial liabilities came to 20 million euros (26 million euros at December 31, 2024), while non-hedging derivatives classified as current financial liabilities amounted to 30 million euros (44 million euros at December 31, 2024). These also include the measurement of derivatives which, although put into place for hedging purposes, do not possess the formal requisites to be considered as such under IFRS.

Covenants and negative pledges in place at December 31, 2025

The bonds issued by TIM S.p.A., Telecom Italia Finance S.A. and Telecom Italia Capital S.A. do not contain financial covenants of any kind (e.g. Debt/EBITDA ratio, EBITDA/Interest, etc.) or clauses that would entail the automatic early repayment of loans in the event of non-insolvency events of the TIM Group; moreover, the repayment of bonds and the payment of interest are not backed by specific guarantees, nor are there any commitments to issue future guarantees, with the exception of the full and unconditional guarantees granted by TIM S.p.A. for bonds issued by Telecom Italia Finance S.A. and Telecom Italia Capital S.A..

Since these are mainly transactions placed with institutional investors on the main global capital markets (Euromarket and USA), the terms governing the loans are in line with the market practice for similar transactions carried out on the same markets.

The documentation concerning the loans taken out by TIM contain the usual other types of covenants, including the commitment not to pledge the Company's assets as collateral for loans (negative pledge) and the commitment not to change the business purpose or sell the assets of the Company unless specific conditions exist (e.g. the sale takes place at fair market value). Covenants with basically the same content can be found in the export credit loan agreement.

In the loan agreements, TIM is required to provide notification of change of control. Events constituting a change of control and the applicable consequences – including, at the discretion of the investors, the establishment of guarantees or the early repayment of the amount paid in cash and the cancellation of the commitment in the absence of agreements to the contrary – are specifically identified in each agreement.

In addition, the outstanding loans generally contain a commitment by TIM, any breach of which constitutes an Event of Default, not to implement mergers, demergers or transfers of business, involving entities outside the Group, except where certain conditions exist. Such an Event of Default may entail, upon request of the Lender, the early repayment of the drawn amounts and/or the annulment of the undrawn commitment.

In particular, with reference to the financing taken out by TIM with the European Investment Bank ("EIB"), on May 5, 2023, TIM signed a loan for an amount of 360 million euros, initially partially guaranteed by SACE. This guarantee was definitively terminated on June 27, 2025. As of December 31, 2025, this loan is the only one outstanding with the EIB.

The EIB financing includes, among other things, the following covenants and commitments:

- 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, 2025, contain obligations to comply with certain financial ratios, as well as the usual other covenants, under penalty of a request for the early repayment of the loan.

Finally, as at December 31, 2025, no covenant, negative pledge or other clause relating to the aforementioned debt position had in any way been breached or violated. nor are any difficulties in complying with the covenants expected in the near future.

Revolving Credit Facility and Term Credit Facility

The following table shows committed credit lines:

(billion euros)	12/31/2025		12/31/2024	
	Agreed	Drawn down	Agreed	Drawn down
Revolving Credit Facility – April 2030 (*)	3.000	—	4.000	—
Term Credit Facility – July 2030	0.750	0.015	—	—
Total	3.750	0.015	4.000	—

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

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

On July 22, 2025, TIM signed a new *Term Credit Facility* with a pool of leading national and international banks for an amount of 750 million euros and maturing on July 22, 2030, partially guaranteed by SACE (pursuant to Law no. 213 of December 30, 2023, and subsequent amendments). As of December 31, 2025, the drawn amount was 15 million euros. Subsequently, on January 20, 2026, the line was fully drawn down.

Rating

At December 31, 2025, the three rating agencies – Standard & Poor's, Moody's and Fitch Ratings – rated TIM as follows:

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

NOTE 17

NET FINANCIAL DEBT

The table below shows the breakdown of net financial debt of the TIM Group at December 31, 2025 and December 31, 2024, determined in accordance with the provisions of the “Guidelines on disclosure requirements under the Prospectus Regulation” issued by the ESMA (European Securities & Markets Authority) on March 4, 2021 (ESMA32-382-1138) and incorporated by Consob with its Note of Attention no. 5/21 dated April 29, 2021.

This table also shows the reconciliation of the net financial debt determined according to the aforementioned criteria indicated by the ESMA and net financial debt calculated according to the criteria of the TIM Group.

(million euros)		12/31/2025	12/31/2024
Liquid assets with banks, financial institutions and post offices	(a)	1,493	2,428
Other cash and cash equivalents	(b)	549	496
Securities other than investments	(c)	1,370	1,539
Liquidity	(d=a+b+c)	3,412	4,463
Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	(e)	1,671	527
Current portion of non-current financial debt	(f)	1,772	3,759
Current financial debt	(g=e+f)	3,443	4,286
Net current financial debt	(h=g-d)	31	(177)
Non-current financial debt (excluding current portion and debt instruments)	(i)	3,162	2,987
Debt instruments	(j)	6,918	7,527
Trade payables and other non-current debt	(k)	51	51
Non-current financial debt	(l=i+j+k)	10,131	10,565
Total net financial debt as per ESMA guidelines 32-382-1138	(m=h+l)	10,162	10,388
Trade payables and other non-current debt		(51)	(51)
Non-current financial receivables arising from lease contracts		(34)	(40)
Current financial receivables arising from lease contracts		(44)	(44)
Financial receivables and other current financial assets		(69)	(5)
Other financial receivables and other non-current financial assets		(16)	(11)
Financial assets/liabilities relating to discontinued operations/non-current assets held for sale		(73)	—
Subtotal	(n)	(287)	(151)
Net financial debt carrying amount (*)	(p=m+n)	9,875	10,237
Reversal of fair value measurement of derivatives and related financial liabilities/assets	(q)	(97)	(111)
Adjusted Net Financial Debt	(r=p+q)	9,778	10,126

(*) For the impact of Related-Party Transactions on Net Financial Debt, reference should be made to the table included in the Note "Related-party transactions".

Additional cash flow information required by IAS 7

(million euros)	12/31/2024	Cash movements		Non-cash movements			12/31/2025
		Receipts and/or Issues	Payments and/or reimbursements	Exchange differences	Fair value changes	Other changes and reclassifications	
Medium/long-term financial liabilities:							
Bonds	9,928	1,514	(3,074)	(235)	(17)	(10)	8,106
Amounts due to banks	1,569	28	(860)	(1)		(3)	733
Other financial payables	360		(45)	(15)		(5)	295
(a)	11,857	1,542	(3,979)	(251)	(17)	(18)	9,134
of which short-term	3,326						1,331
Medium/long-term finance lease liabilities:							
	2,895		(390)	(14)		472	2,963
(b)	2,895	—	(390)	(14)	—	472	2,963
of which short-term	474						487
Other medium/long-term financial liabilities:							
Hedging derivative liabilities relating to hedged items classified as non-current assets/liabilities of a financial nature	193			56	(58)	(1)	190
Non-hedging derivative liabilities	69			1	(20)		50
Other liabilities	1						1
(c)	263	—	—	57	(78)	(1)	241
of which short-term	66						53
Short-term financial liabilities:							
Amounts due to banks	276					1,118	1,394
Other financial payables	202					47	249
Short-term finance lease liabilities	49					(21)	28
(d)	527	—	—	—	—	1,144	1,671
Financial liabilities directly associated with Discontinued operations/Non-current assets held for sale:							
(e)	—	—	(3)	(2)	—	94	89
Total financial liabilities (Gross financial debt) (f=a+b+c+d+e)	15,542	1,542	(4,372)	(210)	(95)	1,691	14,098
Hedging derivative assets relating to hedged items classified as non-current and current assets/liabilities of a financial nature							
(g)	586			(181)	5	2	412
Non-hedging derivative receivables	156			(9)	(86)	13	74
(h)							
Total (i=f-g-h)	14,800	1,542	(4,372)	(20)	(14)	1,676	13,612

The change in short-term payables to banks (1,118 million euros) is due to a change in cash flows mainly due to the disposal of the 1998 license fee and the opening/closing of repurchased credit agreements and bank credit lines.

The value of the paid and collected interest expense for Continuing Operations reported in the Statements of Cash Flows takes into account the movements relating to transactions in CCIRS derivatives to hedge underlying assets in both the assets component (collections) and the liabilities component (payments) without netting the positions.

(million euros)	2025	2024
Interest expense paid	(1,105)	(1,838)
Interest income received	364	582
Net total	(741)	(1,256)

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)	2025	2024
Interest expense paid	(973)	(1,572)
Interest income received	232	316
Net total	(741)	(1,256)

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: arising from changes in interest rates, exchange rates and commodity prices, connected to the financial assets originated, the financial liabilities assumed and the energy supply;
- 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;
- equity risk on TIM S.p.A. shares in relation to staff incentive plans.

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, exchange rates, and commodity prices, 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/Options, to convert loans and bonds issued in currencies other than euro (principally in US dollars) to the functional currencies of the operating companies;
- Energy Swaps, to hedge against fluctuations in energy prices.

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, 2025;
- 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, 2025 (and also at December 31, 2024), 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.

Commodity Risk – Sensitivity Analysis

Fluctuations in energy commodity prices expose the TIM Group to the risk of financial losses. These exposures are normally managed by the Group through the use of derivative instruments applied to individual quarters or calendar years. As of December 31, 2025, if the average energy price had been 10% higher, there would have been higher energy supply costs of approximately 3 million euros.

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, 2025 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 (-7 million euros at December 31, 2024).

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)	12/31/2025			12/31/2024		
	Rate fixed	Rate variable	Total	Rate fixed	Rate variable	Total
Bonds	6,193	1,637	7,830	8,691	934	9,625
Loans and other financial liabilities	3,039	751	3,790	2,827	1,565	4,392
Total non-current financial liabilities (including the current portion of medium/long-term financial liabilities)	9,232	2,388	11,620	11,518	2,499	14,017
Total current financial liabilities	520	1,142	1,662	449	76	525
Total excluding Discontinued Operations	9,752	3,530	13,282	11,967	2,575	14,542
Discontinued Operations	19	68	87	—	—	—
Total	9,771	3,598	13,369	11,967	2,575	14,542

Total Financial assets (at the nominal investment amount)

(million euros)	12/31/2025			12/31/2024		
	Rate fixed	Rate variable	Total	Rate fixed	Rate variable	Total
Cash and cash equivalents	—	1,499	1,499	—	2,427	2,427
Securities	765	1,158	1,923	1,171	884	2,055
Other receivables	248	64	312	443	4	447
Total excluding Discontinued Operations	1,013	2,721	3,734	1,614	3,315	4,929
Discontinued Operations	11	151	162	—	—	—
Total	1,024	2,872	3,896	1,614	3,315	4,929

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)	12/31/2025		12/31/2024	
	Adjusted carrying amount	Effective interest rate (%)	Adjusted carrying amount	Effective interest rate (%)
Bonds	7,874	6.28	9,650	5.86
Loans and other financial liabilities	5,620	6.67	5,310	7.15
Total excluding Discontinued Operations	13,494	6.44	14,960	6.32
Discontinued Operations	87	3.97	—	—
Total	13,581	6.43	14,960	6.32

Total Financial assets

(million euros)	12/31/2025		12/31/2024	
	Adjusted carrying amount	Effective interest rate (%)	Adjusted carrying amount	Effective interest rate (%)
Cash and cash equivalents	1,499	1.86	2,427	2.41
Securities	1,923	1.01	2,055	1.03
Other receivables	154	4.90	99	6.79
Total excluding Discontinued Operations	3,576	1.53	4,581	1.89
Discontinued Operations	162	0.40	—	—
Total	3,738	1.48	4,581	1.89

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".

Equity risk

The employee incentive program Stock Option Plan, whose economic value is linked to the TIM S.p.A. share price, exposes the Group to the risk of fluctuations in the value of the share itself. With a view to minimizing this risk, TIM has entered into a Total Return Equity Swap with an underlying of 140 million TIM ordinary shares, which defines the maximum cash out level for the Group in the event of an appreciation of the share price and the consequent exercise of rights by the beneficiaries.

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, 2025, the liquidity margin available for the TIM Group is 7,153 million euros, with a decrease of 1,211 million euros with respect to end 2024 (8,364 million euros).

25% of gross financial debt at December 31, 2025 (nominal repayment amount) will become due in the next 12 months.

As of December 31, 2025, current financial assets, together with unused committed bank lines, provide full coverage of the Group's financial liabilities maturing over the next 48 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, 2025. 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:						Total
		2026	2027	2028	2029	2030	After 2030	
Bonds	Principal	977	825	1,457	715	716	3,140	7,830
	Interest portion	512	441	384	291	261	1,389	3,278
Loans and other financial liabilities (*)	Principal	120	452	32	231	43	(33)	845
	Interest portion	18	18	(14)	(5)	(21)	(128)	(132)
Finance lease liabilities	Principal	470	391	405	366	265	1,048	2,945
	Interest portion	276	239	202	165	135	407	1,424
Non-current financial liabilities	Principal	1,567	1,668	1,894	1,312	1,024	4,155	11,620
	Interest portion	806	698	572	451	375	1,668	4,570
Current financial liabilities	Principal	1,662	—	—	—	—	—	1,662
	Interest portion	6	—	—	—	—	—	6
Total excluding Discontinued Operations	Principal	3,229	1,668	1,894	1,312	1,024	4,155	13,282
	Interest portion	812	698	572	451	375	1,668	4,576
Discontinued Operations	Principal	87	—	—	—	—	—	87
	Interest portion	2	—	—	—	—	—	2
Total	Principal	3,316	1,668	1,894	1,312	1,024	4,155	13,369
	Interest portion	814	698	572	451	375	1,668	4,578

(*) These include hedging and non-hedging derivatives.

Derivatives on financial liabilities – Contractually expected interest flows

(million euros)		maturing by 12/31 of the year:						Total
		2026	2027	2028	2029	2030	After 2030	
Disbursements		125	129	125	125	121	441	1,066
Receipts		(161)	(153)	(152)	(151)	(148)	(591)	(1,356)
Hedging derivatives – net (receipts) disbursements		(36)	(24)	(27)	(26)	(27)	(150)	(290)
Disbursements		167	150	113	11	10	8	459
Receipts		(156)	(152)	(123)	(9)	(9)	(8)	(457)
Non-Hedging derivatives – net (receipts) disbursements		11	(2)	(10)	2	1	—	2
Total net disbursements (receipts)		(25)	(26)	(37)	(24)	(26)	(150)	(288)

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 CCIRs, 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 CCIRs involve the exchange of the reference interest and principal, in the respective denomination currencies.

The market value of Energy Swaps is defined as the difference between the National Single Price (PUN) level set in the derivative and the expected rate on the valuation date.

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.

The Total Return Equity Swap is calculated as the sum of the following valuation components: a) equity, given by the difference between the market price of the TIM ordinary share and the initial reference price defined at the start of the coverage; b) interest, given by the interest accrued from time to time to be paid to the bank.

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 transactions outstanding at December 31, 2025 are mainly related to debt and energy supply management, such as interest rate swaps (IRS) to bring fixed-rate bank loans and bonds into line with the most appropriate risk profile, energy swaps to fix the price of energy purchases, CCIRS, currency forwards, and foreign exchange options to convert loans/credits contracted in different currencies into the reference 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/prices.

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, 2025 belong to two items: Fair value hedges of bond issues denominated in euros, cash flow hedges arising from i) the coupon flow of bond issues in currencies other than the euro, ii) energy purchases indexed at variable prices and iii) a foreign currency supply contract entered into by Noovle S.p.A. with Google Cloud Italy S.r.l. (*Cash flow hedges*).

In a Fair Value hedge, the risk is represented by the variability of the fair value of the underlying financial liability due to the movement of market interest rates; the derivative transforms the coupon rate from fixed to variable and the changes in the fair value of the instrument offset the changes in the value of the liability.

In Cash Flow hedges, the hedged risk is represented by the variability of cash flows generated by exchange rates and energy prices. For bonds denominated in currencies other than the euro, hedging consists of combinations of IRS and CCIRS that synthetically transform the coupon flow in a fixed-rate currency into a fixed-rate euro flow. 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. For energy purchases, coverage consists of IRSs that allow the variable PUN purchase price to be transformed into a fixed price, completely eliminating the effects of market volatility. For Google's dollar-denominated supply contract, the hedge is provided by assets denominated in the same currency and forward FX contracts through which the increase/decrease in payments due to Google caused by changes in the exchange rate are offset by equal and opposite changes recorded in assets and derivatives. For the hedges of energy purchases and the commercial contract with Google, the accounting offsetting produced by the effective effects of the hedge occurs in the same operating income statements in which the variability of the underlying flows is recorded, as permitted by IAS/IFRS principles; therefore, the hedges do not produce financial effects net of any ineffectiveness.

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, exchange rate and energy prices) 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, 2025 and 2024; 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 and forward currency contracts, the notional amount refers to the contractual euro equivalent, while for IRS in currencies other than the euro, it refers to the equivalent at the market exchange rate.

Type (million euros)	Hedged risk	Notional amount at 12/31/2025	Notional amount at 12/31/2024	Mark to Market Spot* (Clean Price) at 12/31/2025	Mark to Market Spot* (Clean Price) at 12/31/2024
Interest Rate Swaps	Interest rate risk	400	—	1	—
Cross Currency and Interest Rate Swaps (CCIRS)	Interest rate risk and currency exchange rate risk	—	—	—	—
Total Fair Value Hedge Derivatives		400	—	1	—
Interest Rate Swaps	Interest rate risk	2,236	2,403	32	(30)
Cross Currency and Interest Rate Swaps (CCIRS)	Interest rate risk and currency exchange rate risk	1,954	1,968	117	352
Energy swaps	Energy price risk	52	—	(2)	—
Fx forward	Foreign exchange risk	151	—	(1)	—
Total Cash Flow Hedge Derivatives		4,393	4,371	146	322
Total Non-Hedge Accounting Derivatives		595	1,025	(42)	32
Total TIM Group's Derivatives		5,388	5,396	105	354

* The Spot Mark-to-market table represents the market measurement of the derivative net of the accrued portion of the flow in progress.

In the category of derivatives not included in hedge accounting, the value of the Total Return Equity Swap subscribed by TIM S.p.A. amounts to 4 million euros.

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)	400	1	1
Assets				1	
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)	400	1	1
Accruals				1	
Derivative instruments (gross value)				2	
Underlying instruments ⁽¹⁾	Bonds - Current/non-current liabilities			(404)	
of which fair value adjustment	Fair value adjustment and measurements at amortized cost	c)		(1)	(1)
Ineffectiveness		a)+b)+c)		—	—
Fair value adjustment for hedging settled in advance ⁽²⁾				(9)	

(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)	2,236	32	61	
Assets				131	17	
Liabilities				(99)	44	
Cross Currency and Interest Rate Swaps (CCIRS)	Hedging derivatives relating to hedged items classified as current financial assets/liabilities - Current/non-current assets.	b)	1,954	117	(235)	
Assets				184	(230)	
Liabilities				(67)	(5)	
Energy swaps	Hedging derivatives relating to hedged items classified as current financial assets/liabilities - Current/non-current assets.	c)	52	(2)	(2)	
Assets				—	—	
Liabilities				(2)	(2)	
Fx forward	Hedging derivatives relating to hedged items classified as current financial assets/liabilities - Current/non-current assets.	d)	151	(1)	(1)	
Assets				—	—	
Liabilities				(1)	(1)	
Derivative instruments (spot value)		a)+b)+c)+d)	4,393	146	(177)	
Accruals				73		
Derivative instruments (gross value)				219		
of which equity reserve gains and losses					62	
Determination of ineffectiveness						
Change in derivatives		e)				151
Change in underlying instruments ⁽³⁾		f)				(133)
Ineffectiveness ⁽⁴⁾	Positive fair value adjustment of financial derivatives - non-hedging					13
Equity reserve						
Equity reserve balance				(37)		
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)				4	

(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 62 million euros.

Changes in the equity cash flow hedge reserve (million euros)	Balance 12/31/2024	Hedging instrument gains / losses	Reversal from reclassification	Reversal from fair value adjustment of hedging settled in advance	Total change	Balance 12/31/2025
	(99)					(37)
Change in the effective fair value of derivatives		59				
Change in the CVA/DVA		—				
Reversal for ineffectiveness 2019			4			
Amortization in P&L of the fair value of hedging settled in advance				(1)		
Overall change					62	

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-26	Oct-29	5.000%	Semiannually	174	6.940%
JPY**	20,000	Jan-26	Oct-29	0.750%	Semiannually	138	0.696%
USD	500	Jan-26	Nov-33	6.375%	Semiannually	425	5.978%
USD	500	Jan-26	Sep-34	6.000%	Semiannually	391	4.340%
USD	500	Jan-26	Jul-36	7.200%	Semiannually	394	5.925%
USD	500	Jan-26	Jun-38	7.721%	Semiannually	322	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.

The methodology chosen to perform the retrospective and prospective effectiveness test for all hedges in hedge accounting is the Volatility Risk Reduction (VRR) Test. This test evaluates the relationship between the risk of the portfolio (where portfolio means the derivative and the hedged item) 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 Note 16 "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, 2025 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, 2025 and December 31, 2024 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 and Loss	FVTPL
Financial liabilities measured at:		
Amortized cost	Amortized Cost	AC
Fair Value Through Profit or Loss	Fair Value Through Profit and 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 12/31/2025

(million euros)	IFRS 9 categories	notes	Carrying amount at December 31, 2025	Amounts recognized in financial statements			Levels of hierarchy of fair value			Carrying amount under IFRS 16	Fair Value at 12/31/2025
				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	4,768	4,768						4,768
Non-current assets											
Receivables from employees			9)	9	9						
Miscellaneous receivables (non-current)			10)	149	149						
Current assets											
Receivables from employees			9)	3	3						
Other short-term financial receivables			9)	66	66						
Cash and cash equivalents			9)	2,048	2,048						
Trade receivables			13)	2,345	2,345						
Other current receivables			13)	107	107						
Contract assets			13)	41	41						
Financial assets measured at fair value through other comprehensive income			FVTOCI	884	884						884
Non-current assets											
Other investments			8)	68	68		30		38		
Securities other than investments			9)	1	1						
Current assets											
Securities other than investments			9)	815	815		815				
Financial assets measured at fair value through profit or loss			FVTPL	681		681					681
Non-current assets											
Other investments			8)	52		52	52				
Non-hedging derivatives			9)	4		4		4			
Current assets											
Securities other than investments			9)	555		555	555				
Non-hedging derivatives			9)	70		70		70			
Hedge Derivatives			HD	412	412						412
Non-current assets											
Hedge Derivatives			9)	383	383			383			
Current assets											
Hedge Derivatives			9)	29	29			29			
Financial receivables for lease contracts			n.a.	78							78
Non-current assets			9)	34							34
Current assets			9)	44							44
Total				6,823	4,768	1,296	681	1,452	486	38	78
											6,823

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.

The valuation of Northgate CommsTech Innovations Partners L.P. and UV-T Growth was carried out based on the latest available net asset value 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, 2025	Amounts recognized in financial statements			Levels of hierarchy of fair value			Carrying amount under IFRS 16	Fair Value at 12/31/2025
				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	15,523	15,523						15,736
Non-current liabilities											
Medium- and long-term financial payables and other liabilities			16)	7,804	7,804						
Current liabilities											
Short-term financial payables and other liabilities			16)	2,973	2,973						
Trade and miscellaneous payables and other current liabilities			24)	4,650	4,650						
Contract liabilities			24)	96	96						
Financial liabilities measured at fair value through profit or loss			FVTPL	50		50					50
Non-current liabilities											
Non-hedging derivatives			16)	20		20		20			
Current liabilities											
Non-hedging derivatives			16)	30		30		30			
Hedge Derivatives			HD	191		191					191
Non-current liabilities											
Hedge Derivatives			16)	167		167		167			
Current liabilities											
Hedge Derivatives			16)	24		24		24			
Finance lease liabilities			n.a.	2,991						2,991	2,783
Non-current liabilities			16)	2,476						2,476	
Current liabilities			16)	515						515	
Total				18,755	15,523	191	50	241		2,991	18,760

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 receivables (non-current)		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

(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											
Financial payables (medium/long-term)		16)	8,532	8,532							
Current liabilities											
Short-term financial 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

Gains and losses by IAS 9 category - Year 2025

(million euros)	IFRS 9 categories	Net gains/(losses) 2025	of which interest
Assets measured at amortized cost	AC	504	215
Assets and liabilities measured at fair value through profit or loss	FVTPL	309	—
Assets measured at fair value through other comprehensive income	FVTOCI	47	—
Liabilities measured at amortized cost	AC	640	(615)
Total		1,500	(400)

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	(117)	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		(1,186)	1,177

NOTE 21

EMPLOYEE BENEFITS

These decreased by 15 million euros compared to December 31, 2024. The breakdown is as follows:

(million euros)	12/31/2023	Discontinued Operations	Increases/ Present value	Decrease	Exchange differences and other changes	12/31/2024	
Provision for employee severance indemnities	(a)	496	(305)	4	(9)	—	186
Provisions for pension 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
<i>of which:</i>							
Non-current portion		511					200
Current portion (*)		4					3

(*) The current portion refers only to Other provisions for employee benefits.

(million euros)	12/31/2024	Discontinued Operations	Increases/ Present value	Decrease	Exchange differences and other changes	12/31/2025	
Provision for employee severance indemnities	(a)	186	(6)	3	(8)	—	175
Provision for pension and other plans		14	(1)	1	(1)	—	13
Provision for termination benefit incentives and corporate restructuring		3	(1)		(2)	—	—
Total other employee benefits	(b)	17	(2)	1	(3)	—	13
Total	(a+b)	203	(8)	4	(11)	—	188
of which:							
Non-current portion		200					188
Current portion (*)		3					

(*) The current portion refers only to Other provisions for employee benefits.

The **Provision for Employee Severance Indemnities** refers only to Italian companies and in the 2025 financial year it will decrease overall by 11 million euros mainly due to decreases relating to the company Telecom Italia Sparkle classified, pursuant to IFRS 5, as "Assets available for sale" and to uses during the year for severance pay to terminated personnel and for advances.

The changes recorded in "Increases/Present value" are as follows:

(million euros)	2025	2024
(Positive)/negative effect of curtailment	—	—
Current service cost (*)	—	—
Finance expenses	6	6
Net actuarial (gains) losses for the year	(3)	(2)
Total	3	4
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, 2025 amounted to 3 million euros (net actuarial loss of 2 million euros in 2024), 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, 2024, at 2.00%; the discount rate increased, going from the 3.18% used at December 31, 2024 to 3.37% at December 31, 2025.

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	3.37% per annum	3.37% 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	
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 175 million euros at December 31, 2025 (186 million euros at December 31, 2024).

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 7.4 years.

CHANGES IN ASSUMPTIONS	Amounts (million euros)
Turnover rate:	
+0.50 p.p.	—
-0.50 p.p.	—
Annual inflation rate:	
+0.50 p.p.	5
-0.50 p.p.	(5)
Annual discount rate:	
+0.50 p.p.	(6)
-0.50 p.p.	6

The **Provision for pension and other plans** amounted to 13 million euros at December 31, 2025 (14 million euros at December 31, 2024) and mainly represented pension plans in place at foreign companies of the Group.

The **Provision for termination benefit incentives and corporate restructuring** will be reduced to zero by December 31, 2025, mainly due to the classification of Telecom Italia Sparkle as an “Asset available for sale” and staff departures related to the early retirement plans set aside for the Domestic Business Unit.

NOTE 22

PROVISIONS

This item increased, compared to December 31, 2024, by 18 million euros, and is broken down as follows:

(million euros)	12/31/2024	Discontinued operations	Increase	Taken to income	Used directly	Exchange differences and other changes	12/31/2025
Provision for taxation and tax risks	120		15		(10)	16	141
Provision for restoration costs	80		49		(2)	(7)	120
Provision for legal disputes	474	(3)	106		(84)	4	497
Provision for commercial risks	154		9	(16)	(7)	(28)	112
Provision for risks and charges on investments and corporate-related transactions	39	(28)					11
Other provisions	10		5		(1)		14
Total	877	(31)	184	(16)	(104)	(15)	895
of which:							
Non-current portion	485						439
current portion	392						456

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 taxation and tax risks** increased by 21 million euros compared to December 31, 2024, essentially relating to the Brazil Business Unit.

The **provision for restoration costs** refers to the provision for the costs expected to be incurred for the restoration of leased properties and sites used in the mobile sector; at December 31, 2025 is mainly attributable to the parent company TIM S.p.A. (117 million euros). The increase in 2025 refers mainly to the Parent Company TIM S.p.A. and is related to the projects described in Note 6 "Tangible assets" (Item "Plant and equipment"), connected to the extension of 5G network coverage in low-density areas and for which agreements have been signed with network equipment suppliers and other TLC operators, in order to proceed with a substantial technological renewal. Therefore, the provision for restoration charges has been increased by an amount of approximately 41 million euros relating to the sites to be released and the equipment installed there that must be dismantled.

The **provision for legal disputes** included the provision for litigation with other counterparties and employees. The amount at December 31, 2025 included 394 million euros for the Domestic Business Unit and 103 million euros for the Brazil Business Unit. The change for 2025 is attributable to profits for the period only partially offset by provisions and other movements made during the year, including the reclassification from trade risk provisions for the transformation of certain disputes into legal dispute.

The **provision for commercial risks** relates to the Domestic Business Unit and mainly the Parent Company TIM S.p.A..

NOTE 23

MISCELLANEOUS PAYABLES AND OTHER NON-CURRENT LIABILITIES

These decreased by 284 million euros compared to December 31, 2024. The breakdown is as follows:

(million euros)	12/31/2025	12/31/2024
Miscellaneous payables (non-current)		
Payables to social security agencies	224	381
Income tax payables ^(*)	—	1
Other payables	71	11
(a)	295	393
Other non-current liabilities		
Deferred revenues from customer contracts (Contract liabilities)	91	128
Other deferred revenues and income	201	360
Capital grants	25	15
(b)	317	503
Total	(a+b) 612	896

(*) Analyzed in the Note "Income tax expense".

Miscellaneous payables (non-current) include:

- **payables to social security agencies** amounting to 224 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)	12/31/2025	12/31/2024
Non-current payables		
Due from 2 to 5 years after the end of the reporting period	216	367
Due beyond 5 years after the end of the reporting period	8	14
	224	381
Current payables	181	231
Total	405	612

- **other payables** amounting to 71 million euros mainly pertaining to the Brazil Business Unit.

Other non-current liabilities include:

- **Deferred revenues from contracts with customers (contract liabilities)** of 91 million euros (128 million euros at December 31, 2024): Based on the duration resulting from the contractual obligations between the parties, the item will be recognized in the income statement on average over 5 years. The item includes in particular the deferred revenues of TIM S.p.A. relating to subscription, rental and maintenance fees (86 million euros) and outsourcing fees (1 million euros).
- **Other deferred revenues and income** amounting to 201 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. (127 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. 72 million euros).
- **Capital grants** of 25 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.

NOTE 24

TRADE AND MISCELLANEOUS PAYABLES AND OTHER CURRENT LIABILITIES

This item rose by 243 million euros compared to December 31, 2024. The figure breaks down as follows:

(million euros)		12/31/2025	of which Financial Instruments	12/31/2024	of which Financial Instruments
Trade payables	(a)	4,483	4,483	4,351	4,351
Tax payables	(b)	128		136	
Miscellaneous payables					
Payables for employee compensation		160		183	
Payables to social security agencies		250		308	
Payables for TLC operating fee		673		527	
Dividends approved, but not yet paid to shareholders		91	91	48	48
Other		220	76	216	89
Employee benefits (except for employee severance indemnities) for the current portion expected to be settled within 12 months		—		3	
Provisions for risks and charges for the current portion expected to be settled within 12 months		456		392	
	(c)	1,850	167	1,677	137
Other current liabilities					
Liabilities from customer contracts (Contract liabilities)		764	96	797	101
Other deferred revenues and income		92		113	
	(d)	856	96	910	101
Total	(a+b+c+d)	7,317	4,746	7,074	4,589

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

Trade payables, amounting to 4,483 million euros (4,351 million euros as of December 31, 2024) mainly refer to the Domestic Business Unit (3,623 million euros) and the Brazil Business Unit (874 million euros).

As of December 31, 2025, trade payables due in more than 12 months amounted to 40 million euros (40 million euros as of December 31, 2024) and are mainly represented by payables of the Brazil Business Unit for the renewal of telecommunications licenses.

Supplier finance arrangements

TIM S.p.A. provides its suppliers with certain financial instruments that allow them to advance the collection of their receivables (so-called *reverse factoring*). These instruments are not intended to modify in any way the contractual terms between TIM S.p.A. and its suppliers, but are available to suppliers who, at their discretion, choose to assign their receivables to the financial institution.

In addition, TIM S.p.A. has negotiated extensions of payment terms with a limited number of specific suppliers, in order to bring them back to the usual payment terms of the product category to which they belong. In 2025, these agreements resulted in payment terms consistent with those applied to suppliers not subject to specific agreements, equal to 120 days; the relative amounts are aligned with those of the previous year and therefore did not have any significant impact on the company's balance sheet data.

Tax payables amounted to 128 million euros and related mainly to both tax payables of the Brazil Business Unit (94 million euros) and TIM S.p.A. payables (30 million euros) and mainly refer to the amount owed to the tax authorities for withholdings made as withholding agent (25 million euros), as well as VAT payable (1 million euros) and government concession tax payable (2 million euros).

Miscellaneous payables mainly comprise:

- the debt position of the Brazil Business Unit for the *Taxa de Fiscalização de Funcionamento* (TFF), a contribution suspended from 2020;
- the current debt position towards INPS in view of the application of the agreements signed with the trade unions regarding the application of Art. 4 of Italian Law no. 92 of June 28, 2012 and former Art. 41, subsection 5bis, Italian Legislative Decree no. 148/2015;
- the item "Other" includes, among others, advances on contributions paid by the Italian State to the Parent Company TIM S.p.A. in relation to:
 - "5G Coverage Plan" under the NRRP (53 million euros);
 - Projects funded by MIMIT and the European Community (39 million euros), in particular projects related to Emerging Technologies Centers and cloud and edge computing services;
 - Projects financed by the European Community (11 million euros), partly related to implementations of 6g technologies and partly related to network infrastructure;
- the current portion of provisions for employee benefits and provisions for risks and charges amounted to 456 million euros.

Other current liabilities amounted to 856 million euros (910 million euros at December 31, 2024). They break down as follows:

- **Liabilities arising from contracts with customers (Contract liabilities)**, amounted to 764 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 371 million euros; the item includes trade payables following contractual relationships, such as the payable for prepaid traffic and the subscription charges charged in advance;
- **progress payments and advances** equal to 41 million euros relating to trade payables following prepayments, such as deposits made by subscribers for telephone calls;
- **deferred revenues from contracts with customers**, equal to 347 million euros, essentially including the deferred revenues of the Parent Company TIM S.p.A. for rental and maintenance fees (273 million euros) and subscription fees (51 million euros).
- **Other deferred revenues and income**, amounting to 92 million euros, mainly refer to the current portion of the deferred income of the Parent Company TIM S.p.A. in connection with the Master Service Agreement entered into with FiberCop S.p.A.

NOTE 25

DISPUTES AND PENDING LEGAL ACTIONS, OTHER INFORMATION, COMMITMENTS AND GUARANTEES

The main judicial, arbitration and tax disputes involving TIM Group companies as of December 31, 2025, as well as those closed during the year, are described below.

The TIM Group has posted liabilities totaling 306 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 of the disputes listed below, based on the information available as of the closing date of this Financial Report and with particular reference to the complexity of the proceedings, their stage of progress, as well as the elements of technical-procedural uncertainty, it was not possible to make a reliable estimate of the charges and/or the timing of any

potential payments. 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 Art. 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

As of December 31, 2025, the companies of the Brazil Business Unit are involved in tax or regulatory disputes whose outcome is assessed as a possible loss for a total amount of approximately 24.5 billion reais (22.3 billion reais as of December 31, 2024), corresponding to approximately 3.8 billion euros as of December 31, 2025.

The main types of litigation are listed below, classified according to the tax to which they refer.

Federal taxes

In relation to the federal level of taxation, the following disputes should be noted:

- disallowance of the tax effects of the merger between the companies of the TIM Brasil group;
- denial of the SUDENE regional tax benefit, due to alleged irregularities in the management and reporting of the benefit itself;
- challenges regarding offsetting against previous tax losses;
- further challenges regarding the tax deductibility of the amortization of goodwill;
- imposition of income tax on certain types of exchange rate differences;
- imposition of withholding taxes on certain types of payments to foreign entities (for example, payments for international roaming);
- further challenges regarding offsets made between taxes payable and group company credit positions. In this respect, during the third and fourth quarters of 2024, an appeal was filed in relation to a dispute regarding the use of PIS and COFINS credits, deriving from the exclusion of ICMS from the respective calculation bases, in offsetting against the taxes due. The amount in question, classified as a possible risk, amounts to about 1.6 billion reais.

Overall, the risk for these cases, considered to be possible, amounts to 5 billion reais (5.1 billion reais at December 31, 2024).

State taxes

Within the scope of the state levy, there are numerous challenges regarding ICMS, and in particular:

- challenges concerning the reduction of the tax base due to discounts granted to customers, as well as challenges regarding the use of tax credits declared by group companies, with respect to the return of loaned telephone handsets, and following the detection of contract frauds to the detriment of the companies;
- subjection of some fees owed to group companies and classified by them as fees for services other than telecommunications to ICMS;
- challenges over the use of the "PRO-DF" tax benefit originally granted by some states, and subsequently declared unconstitutional (the challenge refers to the actual credit due to ICMS, declared by TIM Cellular, now incorporated into TIM S.A., on the basis of the aforementioned tax benefits);
- challenges relating to the use of ICMS credits claimed by Group companies as a result of the acquisition of property, plant and equipment, and in relation to the supply of electricity to the companies, as well as in application of the provisions on acting as a withholding agent;
- fines imposed on group companies for irregularities in tax return compliance;
- challenges of ICMS credits in relation to the tax substitution procedure applicable when equipment is bought and distributed in different states;
- challenges of ICMS credits deriving from the "special credit" recognized by the company to its prepaid customers, against subsequent top-ups.

Overall, the risk for such cases, considered possible, amounts to 13 billion reais (11.1 billion reais as of December 31, 2024).

Municipal taxes

Among the disputes with a risk level classified as "possible," there are some disputes relating to municipal taxes (Municipal Taxes) whose total amount is approximately 2 billion reais (approximately 1.9 billion reais as of December 31, 2024).

FUST and FUNTTEL

The main challenges about contributions to the regulatory body (Anatel), and in particular in terms of FUST and FUNTTEL, concern whether or not interconnection revenues should be subject to these contributions.

Overall, the risk for such cases, considered possible, amounts to 4.5 billion reais (4.2 billion reais as of December 31, 2024).

Golden Power Case

In August 2017 the Prime Minister's office brought proceedings against TIM (as well as Vivendi) in order to verify the fact that TIM has an obligation to notify, pursuant to the "Golden Power" law, Vivendi's acquisition of corporate control of TIM and the strategic assets it holds. In September 2017, the proceedings in question concluded by affirming that this obligation did exist for TIM with effect from May 4, 2017 (the date of the Shareholders' Meeting that renewed TIM's corporate boards).

As a result of this decision by the Presidency of the Council of Ministers, new and separate administrative proceedings started for the imposition on TIM of the financial penalty laid down by the Golden Power law for non-compliance with the aforementioned obligation to notify. These proceedings ended on May 8, 2018 with the imposition of a financial penalty of 74.3 million euros.

The Presidency of the Council of Ministers also exercised Golden Power under the decrees of October 16, 2017 and November 2, 2017. The Company, is convinced that it has the legal arguments to demonstrate that it was under no obligation to notify the control exercised over it by Vivendi, filed separate extraordinary appeals to the President of the Republic to request the abrogation of the order of September 28, 2017 for assessment of the Special Powers Decree of October 16, 2017, and the Special Powers Decree of November 2, 2017, and before the Lazio Regional Administrative Court (TAR) against the aforementioned order of May 8, 2018, which imposed a financial penalty, requesting its precautionary suspension. As regards the appeal to the Lazio Regional Administrative Court (TAR) against the provision of May 8, 2018, which imposed the financial penalty, the TAR, in upholding in July 2018 the interim petition lodged by the Company, has suspended payment of the penalty. Subsequently, in a non-definitive ruling dated May 2019, the Lazio Regional Administrative Court (TAR), in view of the "originality" of the distinction in proceedings between the assessment notice of September 28, 2017 and the penalty-imposing decree of May 8, 2018: (i) accepted TIM's request for provisional measures to suspend the fine conditional on the offer of the guarantee; (ii) granted the suspension of the procedure to wait for the final judgment in the (injurious) case pending before the President of the Republic against the assessment notice of September 28, 2017; (iii) rejected the procedural objections raised by the defendant administrations.

The extraordinary appeal to the President of the Republic, against the decree of November 2, 2017 exercising the special powers, was dismissed.

It should also be noted that in May 2018 a guarantee bond for 74.3 million euros was issued in favor of the Presidency of the Council. TIM had been requested to submit such a bond for its application to Lazio Regional Administrative Court 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 Art. 82 of the Code of Civil Procedure. TIM therefore requested that a public hearing be held to discuss the appeal. The public hearing was scheduled for January 10, 2024. Following the hearing, by way of order 709 of January 15, 2024, the Regional Administrative Court upheld the suspension of the proceedings, as previously dictated by non-final judgment 6310 of May 23, 2019, and upheld the suspension of the enforcement of the measure under the conditions dictated by that ruling, all of which pending the decision in the extraordinary proceedings against the assessment notice of September 28, 2017.

In Opinion no. 1259/2024, rendered in the extraordinary proceeding against the assessment notice of September 28, 2017, the Council of State agreed with the opinion expressed by the Lazio Regional Administrative Court in its non-final judgment of May 2019, finding the appeal inadmissible because the contested notice does not qualify as a measure but qualifies as a sub-procedural act forming part of the sanctioning procedure (appealed to the Lazio Regional Administrative Court). Hence, on December 5, 2024, TIM applied to the Lazio Regional Administrative Court for a precautionary measure to adjourn the proceedings against the sanctioning decree, subject to the possibility of a further suspension pending the decision of the Council of State on the extraordinary proceedings against the still pending Special Powers Decrees, and/or pending the decree of the Presidency of the Republic to implement the aforementioned Council of State Opinion no. 1259/2024. The hearing before the Regional Administrative Court was set for March 19, 2025. On conclusion of the hearing, the Bench retired to consider whether to suspend the case or to render judgment. In its ruling of May 23, 2025, the Lazio Regional Administrative Court rejected the appeal and upheld the legality of the fine imposed on TIM. On July 28, 2025, TIM appealed the ruling in the Council of State, with an application for a precautionary suspension of the collection of the fine. At the hearing on August 28, the Council of State, having acknowledged the submission of a new guarantee replacing the one issued for the first instance of proceedings, granted the precautionary request by suspending the measure until the hearing on the merits, which has been scheduled for March 31, 2026.

Furthermore, TIM appealed before the Lazio Regional Administrative Court 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 Supreme Court 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 Supreme Court declared that Consob's petition was unacceptable, consequently ordering it to pay the dispute expenses.

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 Supreme Court 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. By petition dated April 24, 2025, TIM appealed the judgment of the Supreme Court before the European Court of Human Rights, alleging a violation of the right of defense by the national courts, which was declared inadmissible on October 30, 2025.

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 the hearing for September 17, 2025, for the closing arguments, later adjourned to September 9, 2026. In the meantime, a settlement agreement has been reached which will lead to the dismissal of the proceedings.

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 Art. 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 defense to September 20, 2019 and set the final hearing for September 25, 2019.

On September 18, 2019, AGCM (the Italian Competition Authority) resolved to further extend the deadline for conclusion of the proceedings, which were scheduled for February 28, 2020.

On March 6, 2020, TIM was notified of the decision to close the investigation: AGCM (the Italian Competition Authority) ruled that TIM had abused its dominant position, finding that TIM had put in place an anticompetitive strategy designed to hinder the

competitive development of investment in Ultrabroadband network infrastructure. The fine imposed on TIM for the anti-competitive offence is 116,099,937.60 euros.

On June 25, 2020 TIM sent AGCM (the Italian Competition Authority) the so-called compliance report as ordered in the final provision.

In May 2021, the Company in any case paid the fine.

TIM appealed the aforementioned fine before the Lazio Regional Administrative Court (TAR). By judgment 1963/2022 of February 28, 2022, TIM's appeal was rejected; TIM has appealed to the Council of State against the decision of the regional administrative court.

In August 2022, Irideos notified a deed of intervention ad opponendum with respect to TIM's principal appeal.

The related hearing for oral discussion was scheduled for May 25, 2023. At the end of the hearing, the Council of State ordered a report from a court-appointed expert on three issues regarding the profitability of the investment in "white areas" with low population density. On October 11, 2023, the court-appointed experts were sworn-in in the Council of State and requested an extension to the completion deadlines. Under the new deadlines granted by the Council of State, the expert report was filed in May 2024.

At the public hearing on October 10, 2024, the case was reserved for decision; Open Fiber requested that the operative part be published in advance. On October 25, 2024, the Council of State published the operative part of the judgment, in which it dismissed the motions (including preliminary motions) of the parties and partially upheld the appeal and, partially reforming of the appealed judgment, upheld the appeal at first instance only insofar as the measurement of the penalty imposed, which is reduced by 25%; it dismissed all other parts of the appeal and upheld the contested order from all other counterclaims. On November 13, 2024, the judgment was published and TIM initiated the necessary procedures to obtain partial restitution of the penalty in the amount of 29,024,984.40 euros, plus statutory interest, from the date of payment until the date of actual restitution. On February 27, 2025, AGCM notified the Ministry of Enterprises and Made in Italy of the clearance for payment to TIM of the aforementioned amount following the Authority's redetermination at 87,074,953.20 euros of the penalty imposed on TIM for the conduct ascertained in Order no. 28162 of February 25, 2020. At the request of TIM, the Ministry of Enterprises and Made in Italy has repaid the aforementioned sum of 29,024,984.40 euros and related interest equal to 2,664,864.94 euros.

Open Fiber

In March 2020, Open Fiber (OF) sued TIM before the Court of Milan, claiming damages of 1.5 billion euros for alleged abuse of an exclusive and dominant position in relation to OF. The alleged actions consist of: (i) preemptive investments in FTTC networks in white areas; (ii) initiating specious legal action to obstruct Infratel tenders; (iii) spurious repricing of certain wholesale services; (iv) commercial lock-in offers on the retail market; (v) false disclosure to AGCOM in connection with the approval of a wholesale offer and spreading rumors about TIM being interested in acquiring OF; (vi) discriminatory access conditions to TIM passive infrastructure. TIM filed an appearance, contesting the arguments of OF. Enel S.p.A. intervened in the proceedings, asking that TIM be ordered to compensate all damages suffered and being suffered by Enel and OF, without, however, quantifying such. During the course of proceedings, Open Fiber redetermined the damage allegedly suffered, taking it to 2.6 billion euros plus interest and monetary revaluation. Open Fiber has also clarified that it believes such damages are still to be suffered. Enel then quantified the damages allegedly suffered as approximately 228 million euros, plus interest. On October 19, 2022, the hearing was held for admission of the evidence, after which the judge reserved the right to deliberate. By order of July 17, 2023, the Court of Milan lifted the

reservation and deferred the hearing for delivery of the verdict until April 3, 2024. At the hearing of April 3, the Judge ordered that Court obtain the expert witness report rendered in the appeal proceedings brought by TIM before the Council of State against the unfavorable ruling of the Regional Administrative Court relating to fines imposed in relation to case A514. The case was then adjourned to be heard on June 12, 2024, with the Judge reserving the right to deliberate.

By order served on July 5, it was deemed fit – in order to adjudicate whether to stay the proceedings as requested by TIM – to invite the Parties to make their closing arguments. For this purpose, a hearing was set for September 18, 2024, with the Parties ordered to make their submissions in writing and invited to waive the time limits for the filing of closing briefs. This hearing was replaced by the filing of written notes only. The Court of Milan, in accepting the motion of TIM, ordered to stay the proceedings until the proceedings before the Council of State are concluded.

Following the publication of the Council of State's ruling on November 13, 2024, Open Fiber applied for the case to be resumed on November 18, 2024, and simultaneously applied for a hearing to be set. The resumptive hearing was scheduled for May 20, 2025.

At the hearing of May 20, 2025, the investigating judge, having taken note of Open Fiber's waiver of certain preliminary motions, granted a time limit (i) until May 30, 2025 for Open Fiber to clarify its positions and (ii) until June 10, 2025 for TIM and Enel to counterclaim on this point, setting the hearing for June 18, 2025. The parties filed their respective pleadings.

At the hearing of June 18, 2025, the investigating judge asked the parties to summarize their considerations on the possible anti-competitive effects of TIM's conduct sanctioned in Measure A514, as ascertained by the AGCM as the case may be, assigning a deadline until July 30, 2025 and setting the next hearing for October 1, 2025, later adjourned to November 5, 2025. The judge, upon lifting the reservation, by order dated December 12, 2025, submitted to the parties a draft expert question, scheduling a hearing on March 18, 2026 for the continuation of the evidentiary activities.

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 Ultra-broadband fixed network (the "wholesale market") and on the market for retail telecommunications services on the Broadband and Ultra-broadband fixed network (the "retail market"). TIM filed an appearance, contesting the opposing party's arguments. At the hearing held on June 1, 2022, the investigating judge (i) assigned the parties time for depositing the briefs with terms running from February 15, 2023 and (ii) deferred the case to the hearing of June 7, 2023. The hearing for the taking of evidence was set for October 5, 2023. The Judge, having taken note of Irideos' request to defer the hearing and motivated by the judgment pending in case A514 before the Council of State, deferred the hearing of the parties until October 10, 2024, which was further postponed to March 13, 2025. On that date, the judge ordered a further postponement, scheduling a new hearing for

October 22, 2025. In the meantime, a settlement agreement was reached between the parties, resulting in the withdrawal of the proceedings and the extinction of the proceedings declared by the Court of Rome with a ruling dated August 29, 2025.

Italian Data Protection Authority - Initiation of proceedings to adopt corrective and sanctioning measures regarding telemarketing

On February 9, 2026, the Italian Data Protection Authority notified TIM of the initiation of proceedings to adopt corrective measures and sanctions regarding telemarketing following an inspection that took place in March 2025.

The Guarantor, while acknowledging with approval the initiatives undertaken by TIM in the meantime and its full cooperation during and following the investigation, contested the Company's alleged violation of certain provisions of the GDPR in the context of telemarketing activities and the management of requests to exercise rights by interested parties.

TIM must file a defense brief by March 11, 2026, and possibly request a hearing.

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 referral to the European Union Court of Justice (CJEU) 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 Supreme Court 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 Supreme Court 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 Supreme Court 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 Supreme Court in 2024. Consequently, the assumptions underlying Resolution no. 75/20 regarding TIM's alleged non-compliance are disproved by the documentary evidence attached in the judgment of the Regional Administrative Court, which attest that TIM fully complied with the decision-making rules of the Ordinary Judicial Authority which formed the basis of the judgment. At the hearing on January 24, the case was reserved for judgment by the court following discussion. On February 13, 2025, the Lazio Regional Administrative Court's ruling was published rejecting the appeal filed by TIM against Resolution no. 75/20/CONS.

TIM filed an appeal (served on May 12, 2025). The hearing for the discussion of the merits is scheduled for May 21, 2026.

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 Art. 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 Regional Administrative Court for the quashing of said measure.

On January 31, 2020, TIM was notified of the decision to close the investigation, in which AGCM (the Italian Competition Authority) confirmed the existence of the agreement between TIM, Vodafone, Fastweb, Wind Tre, but excluding Asstel from participation in the agreement. The fine imposed on TIM for participation in the anticompetitive agreement was 114,398,325 euros. In April 2020, TIM also challenged the fine order.

In a ruling published on July 12, 2021, the Lazio Regional Administrative Court upheld the petition and the grounds added and submitted by TIM, canceling the measures taken by AGCM (the Italian Competition Authority), including that relating to the existence of the agreement and application of the fine.

On September 11, 2021, AGCM (the Italian Competition Authority) presented a petition to the Council of State, requesting the cancellation of the judgment given by the regional administrative court.

On July 25, 2023, the Council of State reformed the decision of the Lazio Regional Administrative Court, upholding the validity of AGCM ((the Italian Competition Authority) measure in case I820 and referring to the Authority to redetermine the sanction in view of the reduced duration of the infringement.

In view of the rulings of the Council of State on the quantum of the sanction, TIM – in a petition dated August 28, 2023 – asked the AGCM (the Italian Competition Authority) for the redetermination of the sanction to take place in full adversarial proceedings between the parties as part of a special investigation procedure.

In its order of September 26, 2023, served on the Company on October 3, 2023, the AGCM (the Italian Competition Authority) informed TIM that it had quantified the fine at 100,670,526.00 euros, holding that it had no margins for discretion in executing the judgment of the Council of State. On October 12, 2023, TIM filed an appeal to overturn the judgment of the Council of State; the hearing to discuss the revocation application was set for March 6, 2025 and has subsequently been postponed to April 10, 2025. In a judgment published on May 30, 2025, the Council of State declared the appeal for revision inadmissible.

On October 13, 2023, TIM filed an appeal before the Lazio Regional Administrative Court to annul the measure redetermining the sanction; TIM also requested the precautionary suspension of the measure, but this was rejected by order of November 9, 2023. On October 14, 2025, the Regional Administrative Court ruling rejecting TIM's appeal was published. The judgment was appealed by TIM with an appeal to the Council of State.

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 Art. 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.

At TIM's request, AGCM granted the Company the right to pay the fine in thirty monthly installments.

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.

On August 6, 2025, the Authority again recalculated the interest amount, notifying the Company of a new installment plan until August 2026.

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 Art. 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 have caused the interest in the appeal of first instance to be extinguished. At the hearing of April 10, 2025, the case was reserved for decision. On December 17, 2024, AGCM – accepting the claims of TIM and FiberCop – ruled in its order no. 31414 to revoke the commitments that were made binding by the Authority in Resolution no. 30002 of February 15, 2022, as part of these proceedings.

The Authority holds that, as of July 1, 2024, the antitrust concerns that existed under the initial hypothesis of an agreement restricting competition have been extinguished following the unbundling of TIM's fixed network infrastructure.

On May 13, 2025, the Council of State declared Open Fiber's appeal inadmissible due to the issuing of the measure revoking the commitments ordered by the AGCM.

The measure revoking the commitments (no. 31414) approved by resolution no. 30002 of February 15, 2022, was challenged before the Lazio Regional Administrative Court by Open Fiber, Fastweb, and Iliad; the hearing date is pending.

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 defense 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 Art. 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 would have had effects on the market from January 27, 2021 to August 4, 2022, while the Decision reduced the duration of the violation to the period from July 1, 2021, the date on which the commercialization of the rights began based on the Deal Memo, until the implementation at the beginning of August 2021 of the voluntary measures adopted by TIM and DAZN within the scope of the interim proceedings. There would therefore be a contradiction between the AGCM Measure and the CRI, without the Panel having adequately justified its decision to depart from the findings of the investigation. TIM has decided to proceed with the appeal, which has been served on all parties involved. With an order published on October 4, 2024, the Council of State rejected TIM's request for a stay, and with a ruling published on June 19, 2025, the Council of State rejected TIM's appeal.

On November 12, 2024, following Judgment no. 09315/2024 of the Regional Administrative Tribunal rendered on May 11 which found that the initial decision of the AGCM was lacking in grounds, the Authority ruled to initiate proceedings under Art. 14 of Law no. 287/1990 (I857C) with the aim of redetermining the duration of the infringement referred to in the I857 proceedings.

At its hearing of June 24, 2025, the AGCM passed resolution extending the deadline for conclusion of the proceedings until December 31, 2025.

On September 24, 2025, AGCM notified TIM of the Communication of the Results of the Investigation (CRI), setting the final hearing for November 11. On January 2, 2026, AGCM notified TIM of the final measure. The Authority extended the duration of the agreement, setting it between January 27, 2021 and August 3, 2022. Nevertheless, the original amount of the penalty, equal to 760,776.82 euros, was confirmed. The fine had already been paid on September 20, 2023. TIM filed an appeal.

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 and then again to October 15, 2025.

At the hearing on October 15, 2025, the case was adjourned to May 12, 2026.

Antitrust case I874

On December 17, 2024, the AGCM (the Italian Competition Authority) ruled to initiate a preliminary investigation proceeding to assess the possible anti-competitiveness of certain clauses contained in the Master Service Agreement between TIM and FiberCop regulating the relations between those entities following the transfer of fixed network activities from TIM to FiberCop.

In June 2025, TIM and FiberCop submitted Commitments pursuant to Art. 14-ter of Law no. 287/1990, consisting of measures aimed at overcoming the competition concerns raised by the Authority in the opening phase of the proceedings.

On July 30, 2025, the Authority published the Commitments on its website, considering them to be not manifestly unfounded and reserving the right to carry out any further assessment as to the suitability of the commitments to remove the restrictions of competition, thereby initiating the market test phase (i.e., asking the market for any comments, which were to be received by September 30, 2025).

The deadline for the market test was subsequently extended to October 8, 2025, and that for the TIM and FiberCop tests to November 7, 2025.

The process was due to be concluded by January 31, 2026. On January 27, 2026, AGCM (the Italian Competition Authority) resolved to extend the deadline for conclusion of the proceedings until February 18, 2026.

On February 23, 2026, the Authority published the closing order of the procedure with which it accepted, and therefore made mandatory, the commitments proposed by TIM and FiberCop, having deemed them suitable to remove the competitive concerns that had led to the initiation of the procedure.

The proceeding was therefore closed without ascertaining the infringement.

The Commitments concern the duration and scope of the exclusivity between TIM and FiberCop, the FiberCop intermediation mechanism in TIM's customer migration choices, the methods of applying the discounts, and the rights of use of the fiber connections used by TIM in the offer to its business customers. The Parties shall prepare and submit to the Authority a report on the implementation of the commitments undertaken within 6 months. The Authority has reserved the right to review the adequacy of the commitments, in light of market conditions, at the latest 2 years after the notification of the measure.

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 Supreme Court (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 Regional Administrative Court rejected all of Vodafone's appeals for observance, and, as requested by TIM, expressly affirmed that AGCOM must renew the proceedings, particularly with regard to the determination of the degree of replaceability between fixed and mobile telephony. Vodafone challenged the four judgments before the Council of State, which, with a decision of October 2019, upheld Vodafone's appeal and confirmed the restitutory obligation of the sums in question applicable to TIM.

With resolution no. 263/20/CIR, AGCOM started proceedings to renew the investigation into the iniquity of the net cost of the universal service for 1999–2009 and the allocation of contribution expenses. Vodafone has challenged this resolution before the Regional Administrative Court. The renewal proceedings concluded with resolution 18/21/CIR, which substantively confirmed the draft order. This same resolution has only been challenged before the regional administrative court by TIM for the years 1999 and 2000, while Vodafone, Wind and Fastweb have challenged the resolution for all years concerned with opposite grounds. By judgments published in February 2022, resolution 18/21/CIR was partially canceled; indeed, the regional administrative court has rejected the main complaint reporting the lack of power of renovation and upheld only the grounds hinged on the alleged unreasonable nature of the threshold envisaged by AGCOM for the analysis of iniquity second facie. Fastweb, Vodafone, Wind, AGCOM and TIM appealed the judgment of the Regional Administrative Court with the Council of State; The hearings on the merits were set for April 4 and April 27, 2023. At the end of the hearing on April 4, 2023, the case was reserved for judgment. On April 18, 2023, the Council of Ministers issued a collegial order referring several issues to the EU Court of Justice for a preliminary ruling.

The EU Court of Justice, in a ruling published on September 19, 2024, upheld the arguments of TIM's defense and rejected Vodafone's arguments, ruling that: (i) proof of a certain degree of fixed/mobile substitutability is not required for mobile operators to participate in the unfair burden sharing mechanism; (ii) it is up to Member States to establish the criteria for assessing burden unfairness. The hearing on the cases stayed in the Council of State pending the decision of the Court of Justice has been set for May 8, 2025.

The aforesaid judgments were therefore upheld in the judgments of May 20 and 26, 2025, rejecting all the main and incidental grounds of appeal, with the exception of the ground brought by Vodafone in which it contested the manner of the second-facie unfairness analysis and, in greater detail, the unfairness threshold value identified by AGCOM. On September 30, with Resolution 41/25/CIR, AGCOM initiated the procedure concerning the review of the unfairness of the net cost of the universal service for the years 1999–2009.

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 license 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 Regional Administrative Court, by Regional Administrative Court 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 Supreme Court 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 license fee). Following the decision of the Supreme Court (no. 33241/25 published on December 19, 2025), which rejected the appeal of the Presidency of the Council of Ministers, the request to schedule the hearing on the merits of the case regarding the 1998 license fee adjustment was filed. This hearing was scheduled for April 15, 2026.

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 appeal with the Supreme Court 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 Supreme Court, with the 2020 Award remaining in effect.

On December 20, 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.

On January 21, 2026, the Supreme Court upheld the Court of Appeal's decision to annul the 2016 award on grounds relating to the participation in the arbitration panel of a member considered by the Court to be in a conflict of interest.

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. At the hearing on April 30, 2025, the investigating councilor, after acknowledging the filing of the final briefs, referred the case to the Board for decision. In a ruling published on June 25, 2025, the Court of Appeal rejected Iliad's appeal in its entirety. The deadline for filing an appeal to the Supreme Court expired on September 30, 2025. Since no appeal was filed, the sentence has become final.

Iliad (restrictions on duration and termination costs)

By writ of summons notified in September 2021, Iliad Italia S.p.A. summonsed TIM before the Court of Milan for the alleged application to customers of unlawful contractual conditions in terms of time limits and economic costs for withdrawal with reference to mobile and fixed telephone offers, with a consequent petition to order TIM to compensate damages, currently quantified as 120.4 million euros.

The hearing for closing arguments, originally set for May 28, 2024, was postponed first to June 10, 2025 and then to December 16, 2025. On December 15, 2025, the Judge communicated a further postponement of the hearing for the specification of conclusions to May 26, 2026.

Fastweb (Ethernet ATM migration)

By writ of summons notified in December 2021, TIM summonsed Fastweb before the Court of Milan, asking that it be ascertained and declared that Fastweb had not achieved the minimum objectives of migration from ATM bitstream technology to Ethernet bitstream technology in any of the 30 Collection Areas into which the national territory is divided by the deadline envisaged by industry regulation and the migration plan agreed by the parties; and therefore that it ascertain and declare that TIM is entitled to: (a) reverse the economic benefits relating to this migration granted retroactively from April 12, 2016 to Fastweb and (b) obtain from Fastweb the prices for the ATM bandwidth envisaged by the contract stipulated by the parties and the current Reference Offers in force *ratione temporis*; (c) therefore declare and order Fastweb to pay TIM the total amount of 79,240,329.47 euros (or other amount, potentially greater, as may be assessed during the course of proceedings).

Fastweb filed an appearance and submitted a counterclaim for abuse of a dominant market position and breach of contract. Fastweb's application is essentially based on alleged delays in the development of Ethernet coverage. The counterparty complains of damages of around 81.4 million euros. Having noted that the counterclaim made by Fastweb would appear to go beyond the profile of breach of contract and that, in this case, the specialized business chambers may be competent to judge the matter, the investigating judge has returned the case to the Chambers President for due consideration. The Chambers President has submitted the case to the President of the specialized business chambers. The first hearing was held on December 14, 2022. The hearing for the admission of the preliminary motions has been postponed to June 13, 2023. Subsequent to the filing of the preliminary motions, Fastweb re-quantified damage allegedly suffered as a result of TIM's unlawful conduct at approximately 101.1 million euros (of which 13.2 million euros is subject to the acceptance of TIM's main claim).

At the hearing of June 13, 2023, the investigating judge reserved judgment. To dissolve this reservation, the G.I. ordered an expert report to be prepared by a court-appointed expert, who was to be appointed and sworn in on November 21, 2023. The public hearing for the examination of the court-appointed expert witness has been scheduled for June 17, 2025.

The court-appointed expert submitted a new petition to the judge for a time extension to file the expert report. The investigating judge granted the petition and extended the deadline for filing the report to October 16, 2025 and set the hearing for discussion for November 4, 2025.

By order dated September 24, 2025, the case was reassigned to another judge.

On October 15, 2025, the court-appointed expert (CTU) submitted to the new judge (G.I.) a further request for an extension of the deadline for filing the expert report. The judge granted the requested extension, setting the deadline of April 15, 2026, for the filing of the CTU's final report and the hearing for the examination of the CTU for April 21, 2026.

Iliad (INWIT)

By writ of summons served in July 2022, Iliad Italia S.p.A. summonsed Telecom, Vodafone and Infrastrutture Wireless Italiane S.p.A. ("INWIT") before the Court of Milan to assess the alleged unlawful conduct of INWIT, Telecom and Vodafone, consisting of refusal to allow Iliad to upgrade its mobile telephone transmission systems installed on INWIT-owned infrastructures. As a result of this conduct, Iliad has asked that Telecom be ordered, together with INWIT and Vodafone, to compensate the damages allegedly suffered, which it has reserved the right to quantify during the course of proceedings. The initial hearing took place on April 5, 2023, with the Judge reserving judgment on the objection as to the invalidity of the writ of summons brought by TIM. The initial hearing was deferred to October 11, 2023, following the admittance of the objection as to the invalidity of the writ of summons brought by TIM. At the hearing, the Judge set three dates for the exchange of pleadings between the parties: November 10, 2023, December 11, 2023, and January 2, 2024. At the end of the hearing of September 24, 2024 concerning the admission of evidence, the Judge adjourned the discussion of the same to the hearing on January 21, 2025. At the hearing of January 21, 2025, the parties requested, by mutual agreement, for the case to be postponed; a new hearing is scheduled for September 23, 2025. Following a settlement agreement between the parties, the Court of Milan declared the proceedings terminated on July 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 (Art. 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 the Company's role as the injured party victim of the crime was confirmed; the proceedings were subsequently dismissed.

In addition, the Company promptly carried out all the necessary actions aimed at neutralizing the phenomenon of illicit activations of VAS services.

The Milan Public Prosecutor's Office, on March 10, 2025, issued the notice of conclusion of the investigations from which it is confirmed that TIM is not investigated pursuant to Legislative Decree no. 231 of 2001, a circumstance confirmed by the request for indictment notified on 17 February u.s.

Eutelsat S.A.

On July 4, 2025, Eutelsat obtained a non-immediately enforceable injunction from the Court of Rome for the sum of 13,396,500 euros (plus interest and legal costs), corresponding to the amounts allegedly due for the period November 2023 - January 2025 with reference to the "Service Agreement" for the provision of satellite services (broadband and high-speed internet connection) entered into between TIM and Eutelsat S.A. on April 23, 2021.

By writ of summons dated September 12, 2025, TIM filed an opposition to the aforementioned injunction, requesting the rejection of Eutelsat's claims and the termination of the contract due to Eutelsat's breach (or, alternatively, a reduction in the fee proportional to the alleged breaches) and, at the same time, an order for Eutelsat to pay compensation for all damages suffered.

With a statement filed on December 19, 2025, Eutelsat appeared in court requesting the dismissal of TIM's claims and confirmation of the injunction opposed. In a counterclaim, Eutelsat also requested that TIM be ordered to pay approximately 79 million euros (in addition to the amount covered by the injunction), corresponding to the contractual fees allegedly accrued and accruing between January 2025 and the natural expiry of the contract (alternatively, the same amount was requested as compensation for damages).

The first appearance hearing is set for April 23, 2026.

b) Other information

Vivendi S.E.

On December 15, 2023, TIM S.p.A. was served an ordinary writ of summons from the shareholder Vivendi, contesting the legitimacy of the board resolution of November 5, 2023 approving the sale of TIM's fixed network assets and the investments held in FiberCop S.p.A. and Telenergia S.r.l. ("NetCo") by Optics BidCo S.p.A. (a subsidiary of KKR). Vivendi did not make any application for precautionary injunction, nor did it request an urgent halt to executing the resolution and the consequent negotiations. The Company appeared in the proceedings to contest the merits of the arguments and requests made by Vivendi, confirming the legitimacy of the resolutions adopted by the Board of Directors and the agreements signed with Optics BidCo.

The Court of Milan, in its ruling of January 14, 2025, declared the application brought by Vivendi to be inadmissible due to a lack of interest in the action and a lack of standing, and ordered the plaintiff to pay TIM costs of approximately 40,000 euros. Vivendi filed a notice of appeal against the judgment, served on February 13, 2025, before later filing notice that it was withdrawing its lawsuit and appeal proceedings under Art. 306 of the Civil Procedure Code.

Dispute concerning the license fee 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 license fee 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 Supreme Court 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 Regional Administrative Court 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 Supreme Court 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 the Supreme Court 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 Art. 111 of the Constitution and in accordance with Art. 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 filed, 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 Supreme Court. On November 19, 2024, the Presidency of the Council of Ministers filed a motion to stay the ruling in the Rome Court of Appeals, which, at a hearing held on December 16, 2024, postponed the hearing to January 20, 2025. The Court of Appeals, in its order published on January 22, 2025, rejected the application of the Presidency of the Council of Ministers for an injunction against the enforceable effects of the Court of Appeals' ruling. The public hearing of the Presidency of the Council appeal before the Supreme Court has been set for May 27, 2025.

At the hearing, the Court noted ex officio that, for the purposes of the decision to be rendered on the appeals, it was necessary to preliminarily examine the question of the correctness or otherwise of the appeal filed by TIM against Sentence no. 6174 of 2015 rendered at first instance by the Court of Rome, granting the parties a 30-day period to file observations, submitted by TIM within the time limits, reserving the decision to the outcome.

By judgment no. 33241 of December 19, 2025, the Supreme Court rejected the main appeal of the Presidency of the Council of Ministers, declared the grounds of TIM's conditional cross-appeal absorbed, and rejected the remaining grounds of the cross-appeal, fully offsetting the costs of the legitimacy proceedings between the parties.

Other assets/liabilities related to the disposal of assets and equity investments

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, within the scope of certain asset disposal contracts, post closing earn-out is in favor of TIM.

(c) Commitments and guarantees

Guarantees, net of back-to-back guarantees received, amounted to 460 million euros.

The guarantees provided by third parties to Group companies, amounting to 6,687 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 1,705 million euros, mainly refer to guarantee financing by the TIM Group in applying legal provisions for contracts of Public Administrations and similar bodies;
- the insurance guarantees of the Brazil Business Unit, which totaled 3,354 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 Art. 4 of Italian Law 92 of June 28, 2012 and Art. 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 876 million euros, including 816 million euros for TIM S.p.A. and 60 million euros for Group companies.

Please note the 74 million euro surety bond issued by TIM in August 2025 in favor of the Presidency of the Council of Ministers for the filing of an appeal before the Council of State against the ruling of May 23, 2025, accompanied by a request for precautionary suspension of the collection of the administrative fine imposed for the alleged violation of Art. 2 of Legislative Decree no. 21 of March 15, 2012 (Golden Power).

NOTE 26 REVENUES

This item rose by 81 million euros compared to 2024. The figure breaks down as follows:

(million euros)	2025	2024
Equipment sales	874	957
Services	12,860	12,696
Total	13,734	13,653

Revenues from telecommunications services are presented gross of amounts due to other TLC operators, equal to 644 million euros (629 million euros in 2024), included in Costs of services.

Revenues from services in 2025 include revenues for voice and data services on fixed and mobile networks for Retail customers for 8,297 million euros and for other Wholesale operators for 331 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 1,023 million euros compared to 2024. The figure breaks down as follows:

(million euros)	2025	2024
1998 License fee - compensation for damages	973	—
Late payment fees charged for telephone services	36	37
Recovery of employee benefit expenses, purchases and services rendered	12	18
Capital and operating grants	29	16
Damages, penalties and recoveries connected with litigation	37	7
Estimate revisions and other adjustments	57	96
Income for special training activities	1	1
Services related to the MSA in place with FiberCop S.p.A.	82	42
Other	27	14
Total	1,254	231

Other income for the 2025 financial year particularly benefits from the non-recurring income related to the recognition of compensation for total damages in connection with the license fee for the exercise of telecommunications activities, paid by the TIM Group with reference to the 1998 financial year, definitively confirmed by the judgment of the Supreme Court no. 33241 of December 19, 2025, which recognized the decision of the Court of Appeal of Rome from April 2024.

NOTE 28

ACQUISITION OF GOODS AND SERVICES

This item rose by 1,256 million euros compared to 2024. The figure breaks down as follows:

(million euros)	2025	2024
Purchase of raw materials and goods (a)	906	938
Costs of services:		
Revenues due to other TLC operators	644	629
Costs for telecommunications network access services	1,316	1,035
Hosting and delivery	594	449
Commissions, sales commissions and other selling expenses	2,023	1,487
Advertising and promotion expenses	217	232
Professional and consulting services	212	208
Utilities	369	326
Maintenance costs	330	255
Outsourcing costs for other services	368	383
Mailing and delivery expenses for telephone bills, directories and other materials to customers	25	30
Other service expenses	412	351
(b)	6,510	5,385
Lease and rental costs:		
Rent and leases	99	90
TLC circuit subscription charges	201	187
Other lease and rental costs	931	791
(c)	1,231	1,068
Total (a+b+c)	8,647	7,391

The growth of the item "Acquisition of goods and services" in 2025 is affected, in particular by:

- the effects related to the change, made in prospective terms, of the duration from 8 to 4 years of the recognition in the income statement of the Deferred fixed network contract costs (589 million euros). For further details, see Note 10 "Miscellaneous receivables (non-current)";
- the charges for network access and hospitality and delivery, linked to the Master Service Agreement (MSA) stipulated by TIM S.p.A. with FiberCop, which in 2024 had only impacted the second part of the year.

Lease and rental costs for 2025 include lease payments relating to short-term or low-value contracts for approximately 19 million euros (approximately 10 million euros in 2024).

NOTE 29

EMPLOYEE BENEFITS EXPENSES

These increased by 60 million euros compared to 2024. The breakdown is as follows:

(million euros)	2025	2024
Ordinary employee expenses		
Wages and salaries	898	887
Social security expenses	326	319
Other employee benefits	198	136
(a)	1,422	1,342
Costs and provisions for agency contract work	(b)	4
Miscellaneous expenses for employees and other labor-related services rendered		
Expenses for corporate restructuring and termination benefit incentives	46	69
Other	2	2
(c)	48	71
Total	(a+b+c)	1,474

Employee benefits expenses mainly related to the Domestic Business Unit for 1,165 million euros (1,081 million euros in 2024) and to the Brazil Business Unit for 307 million euros (331 million euros in 2024).

"Other costs related to employees" include, among others, the higher costs related to the change, carried out prospectively, in the duration from 8 to 4 years of the recognition in the income statement of the Deferred contract costs of the fixed network (39 million euros) with reference to the costs incurred in previous years for network technical personnel for delivery and provisioning activities. For further details, please refer to Note 10 "Miscellaneous receivables and other non-current assets".

"Expenses for corporate restructuring and termination benefit incentives" amounted to a total of 46 million euros (69 million euros in 2024) and are mainly related to individual early retirement plans, as provided for in the agreement signed with the trade unions on April 12, 2024, and to the wage supplementation related to the same agreement.

The average salaried workforce, including agency contract workers, stood at 22,410 employees in 2025 (23,121 in 2024). A breakdown by category is as follows:

(number of units)	2025	2024
Executives	354	342
Middle Managers	2,877	2,826
White collars	19,103	19,935
Blue collars	—	—
Employees on payroll	22,334	23,103
Agency contract workers	76	18
Total average salaried workforce	22,410	23,121

Personnel in service as of December 31, 2025, including personnel with an employment contract and excluding the staff related to "Discontinued operations/Non-current assets destined to be sold", amount to of 25,602 (26,887 as of December 31, 2024).

NOTE 30

OTHER OPERATING EXPENSES

This item decreased by 58 million euros compared to 2024. The figure breaks down as follows:

(million euros)	2025	2024
Write-downs and expenses in connection with credit management	216	214
Provision charges	36	56
TLC operating fees and charges	187	211
Indirect duties and taxes	73	76
Penalties, settlement compensation and administrative fines	11	9
Subscription dues and fees, donations, scholarships and traineeships	10	8
Sundry expenses	47	64
Total	580	638
<i>of which, included in the supplementary disclosure on financial instruments</i>	<i>216</i>	<i>214</i>

NOTE 31

INTERNALLY GENERATED ASSETS

This item decreased by 25 million euros compared to 2024. The figure breaks down as follows:

(million euros)	2025	2024
Intangible assets with a finite useful life	169	169
Tangible assets	98	123
Total	267	292

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 125 million euros compared to 2024. The breakdown is as follows:

(million euros)	2025	2024
Amortization of intangible assets with a finite useful life		
Industrial patents and intellectual property rights	847	904
Concessions, licenses, trademarks and similar rights	466	477
Other intangible assets	8	9
(a)	1,321	1,390
Depreciation of tangible assets owned		
Buildings (civil and industrial)	10	10
Plant and equipment	924	981
Manufacturing and distribution equipment	2	1
Other	139	138
(b)	1,075	1,130
Depreciation of rights of use assets		
Property	127	140
Plant and equipment	396	386
Other tangible assets	15	14
Intangible assets	4	3
(c)	542	543
Total	(a+b+c) 2,938	3,063

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)	2025	2024
Gains on disposals of non-current assets:		
Gains on the retirement/disposal of intangible, tangible and user rights on rental	14	15
(a)	14	15
Losses on disposals of non-current assets:		
Losses on the retirement/disposal of intangible, tangible and user rights on rental	9	13
(b)	9	13
Total	(a-b) 5	2

NOTE 34

IMPAIRMENT REVERSALS (LOSSES) ON NON-CURRENT ASSETS

This item consisted of:

(million euros)	2025	2024
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	47	14
rights of use on third-party assets	22	—
(b)	69	14
Total	(a-b) (69)	(14)

The impairment losses for 2025 were carried out by the parent company TIM S.p.A. following the recoverability analysis of the company's fixed assets involved in the agreements signed during 2025 with suppliers of network equipment and with other TLC operators; these agreements aim to extend the coverage of 5G networks, in particular in low-density areas, in order to provide advanced services to the Group's customers with better network coverage, helping to bring ultra-broadband to less served areas, and have entailed the need to review the recoverable amount of the equipment in the different geographical areas involved in the project.

In preparing the Financial Statements for 2025, the TIM Group carried out an impairment test on Goodwill.

As noted, 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.

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 two Cash Generating Units, Domestic and Brazil.

NOTE 35

OTHER INCOME (EXPENSES) FROM INVESTMENTS

This item consisted of:

(million euros)	2025	2024
Dividends from Other investments	66	2
Net gains on the sale of investments in associates and joint ventures accounted for using the equity method	—	70
Sundry income (expense)	1	3
Total	67	75
<i>of which, included in the supplementary disclosure on financial instruments</i>	66	2

In 2025, the balance mainly includes income related to investments in Northgate CommsTech Innovations Partners L.P. (36 million euros) and in Fin. Priv. S.r.l. (30 million euros).

In the 2024 financial year, the item mainly included the net capital gain (62 million euros) connected to the sale of the residual 10% stake held by TIM S.p.A. in the share capital of Daphne 3 S.p.A..

NOTE 36

FINANCE INCOME AND EXPENSES

Finance income (expenses) showed a net expense of 901 million euros (expense of 1,312 million euros in 2024) and comprises:

(million euros)	2025	2024
Finance income	938	1,053
Finance expenses	(1,839)	(2,365)
Net finance income (expenses)	(901)	(1,312)

The items break down as follows:

(million euros)	2025	2024
Interest expenses and other finance expenses:		
Interest expenses and other costs relating to bonds	(509)	(739)
Interest expenses to banks	(62)	(235)
Interest expenses to others	(91)	(80)
Finance expenses on lease liabilities	(295)	(296)
	(957)	(1,350)
Commissions	(73)	(72)
Other finance expenses (*)	(203)	(264)
	(276)	(336)
Interest income and other finance income:		
Interest income	217	128
Income from financial receivables, recorded in Non-current assets	5	84
Income from securities other than investments, recorded in Non-current assets	—	—
Income from securities other than investments, recorded in Current assets	29	24
Miscellaneous finance income (*)	107	76
	358	312
Total net finance interest/(expenses)	(a) (875)	(1,374)
Other components of finance income and expenses:		
Net exchange gains and losses	7	22
Net result from derivatives	(4)	50
Net fair value adjustments to fair value hedge derivatives and underlying instruments	—	—
Net fair value adjustments to non-hedging derivatives	(29)	(10)
Total other components of finance income and expenses	(b) (26)	62
Total net finance income (expenses)	(a+b) (901)	(1,312)
<i>of which, included in the supplementary disclosure on net financial instruments</i>	<i>(478)</i>	<i>(969)</i>

(*) of which IFRS 9 impact:

(million euros)	2025	2024
Income from negative adjustment of IFRS 9 impairment reserve on financial assets measured at FVTOCI	—	—
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	(1)
Reversal of IFRS 9 impairment reserve on financial assets measured at FVTOCI	1	1
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)	2025	2024
Foreign currency conversion gains	327	296
Exchange losses	(320)	(274)
Net exchange gains and losses	7	22
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)	178	332
Negative effect of the reversal of the Reserve of cash flow hedge derivatives to the income statement (interest rate component)	(154)	(273)
Net effect of the Reversal of the Reserve of cash flow hedge derivatives to the income statement (interest rate component) (b)	24	59
Income from non-hedging derivatives	37	50
Charges from non-hedging derivatives	(65)	(59)
Net result from non-hedging derivatives (c)	(28)	(9)
Net result from derivatives (a+b+c)	(4)	50
Positive fair value adjustments to fair value hedge derivatives	1	8
Negative fair value adjustments relating to financial assets and liabilities underlying fair value hedge derivatives	(1)	(8)
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)	37	55
Negative fair value adjustments to non-hedging derivatives (g)	(66)	(65)
Net fair value adjustments to non-hedging derivatives (f+g)	(29)	(10)

NOTE 37

PROFIT (LOSS) FOR THE YEAR

The profit (loss) for the year can be analyzed as follows:

(million euros)	2025	2024
Profit (loss) for the year	519	(364)
Attributable to:		
Owners of the Parent:		
Profit (loss) from continuing operations	372	51
Profit (loss) from Discontinued operations / Non current assets held for sale	(75)	(661)
Profit (loss) for the year attributable to owners of the Parent	297	(610)
Non-controlling interests:		
Profit (loss) from continuing operations	223	183
Profit (loss) from Discontinued operations / Non current assets held for sale	(1)	63
Profit (loss) for the year attributable to Non-controlling interests	222	246

The result related to 'Discontinued operations/Non-current assets held for sale' for 2025 mainly relates to the economic results of the Telecom Italia Sparkle Group, which is classified as an "Available-for-sale asset" in accordance with IFRS 5. The 2024 financial year result also includes the economic results of the "NetCo transaction".

The net profit for 2025 was 519 million euros (the portion attributable to owners of the parent was 297 million euros).

NOTE 38

EARNINGS PER SHARE

	2025	2024
Basic earnings per share		
Profit (loss) for the year attributable to owners of the Parent	297	(610)
Less: additional dividends for the savings shares (0.011 euros per share and up to capacity)	—	—
(million euros)	297	(610)
Average number of ordinary and savings shares (millions)	21,261	21,259
Basic earnings per share – Ordinary shares (euros)	0.01	(0.03)
Plus: additional dividends per savings share	0.01	—
Basic earnings per share – Savings shares (euros)	0.02	(0.03)
Basic earnings per share from continuing operations		
Profit (loss) from continuing operations attributable to Owners of the Parent	372	51
Less: additional dividends for the savings shares	—	—
(million euros)	372	51
Average number of ordinary and savings shares (millions)	21,261	21,259
Basic earnings per share from continuing operations – Ordinary shares (euros)	0.02	0.00
Plus: additional dividends per savings share	0.01	—
Basic earnings per share from continuing operations – Savings shares (euros)	0.03	0.00
Basic earnings per share from Discontinued operations/Non-current assets held for sale attributable to owners of the Parent		
Profit/(loss) from Discontinued operations/Non-current assets held for sale attributable to owners of the Parent	(75)	(661)
Average number of ordinary and savings shares (millions)	21,261	21,259
Basic earnings per share from Discontinued operations/Non-current assets held for sale attributable to owners of the Parent – Ordinary Share (euros)	(0.01)	(0.03)
Basic earnings per share from Discontinued operations/Non-current assets held for sale attributable to owners of the Parent – Savings Share (euros)	(0.01)	(0.03)
	2025	2024
Average number of ordinary shares	15,233,640,560	15,231,587,091
Average number of savings shares	6,027,791,699	6,027,791,699
Total	21,261,432,259	21,259,378,790

	2025	2024
Diluted earnings per share		
Profit (loss) for the year attributable to owners of the Parent	297	(610)
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)	297	(610)
Average number of ordinary and savings shares (millions)	21,261	21,261
Diluted earnings per share – Ordinary shares (euros)	0.01	(0.03)
Plus: additional dividends per savings share	0.01	—
Diluted earnings per share – Savings shares (euros)	0.02	(0.03)
Diluted earnings per share from continuing operations		
Profit (loss) from continuing operations attributable to Owners of the Parent	372	51
Dilution effect of stock option plans and convertible bonds (*)	—	—
Less: additional dividends for the savings shares	—	—
(million euros)	372	51
Average number of ordinary and savings shares (millions)	21,261	21,261
Diluted earnings per share from continuing operations – Ordinary shares (euros)	0.02	0.00
Plus: additional dividends per savings share	0.01	—
Diluted earnings per share from continuing operations – Savings shares (euros)	0.03	0.00
Diluted earnings per share from Discontinued operations/Non-current assets held for sale attributable to owners of the Parent		
Profit/(loss) from Discontinued operations/Non-current assets held for sale attributable to owners of the Parent (million euros)	(75)	(661)
Dilution effect of stock option plans and convertible bonds	—	—
Average number of ordinary and savings shares (millions)	21,261	21,261
Diluted earnings per share from Discontinued operations/Non-current assets held for sale attributable to owners of the Parent - Ordinary Share (euros)	(0.01)	(0.03)
Diluted earnings per share from Discontinued operations/Non-current assets held for sale attributable to owners of the Parent - Savings Share (euros)	(0.01)	(0.03)
	2025	2024
Average number of ordinary shares (*)	15,233,640,560	15,233,023,694
Average number of savings shares	6,027,791,699	6,027,791,699
Total	21,261,432,259	21,260,815,393

(*) The average number of ordinary shares also includes potential ordinary shares relating to employee stock ownership plans for which the performance conditions (market and otherwise) have been met. Consequently, the "Net profit (loss) for the 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. Based on the forecasts of IAS 33, with regard to 2025, however, these effects were not included in the calculation as the performance conditions are not met and would have been anti-dilutive in 2024. Details of "Future potential changes in share capital" are presented in Note 41 "Share-based payment arrangements".

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 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 is still involved in a transformation process aimed at overcoming the vertically integrated model and based on separate entities (specifically Consumer and Enterprise in the Domestic segment) with different industrial and economic focuses. These entities cannot currently be considered an "operating segment" pursuant to IFRS 8 – Operating Segments, as they are still in a phase of analytical design and implementation and, therefore, do not yet have a detailed economic and financial information set.

The Group expects to complete the sale of the Sparkle Group in 2026 and, based on the specific indications provided by the standard for the purpose of identifying operating segments (autonomy of operating flows, methods of allocating financial resources, management reporting, etc.), will continue monitoring and analyzing the process to ensure the correct representation of the Group's Business Units.

Separate Consolidated Income Statements by Operating Segment

	Domestic		Brazil		Other operations		Adjustments and eliminations		Consolidated Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Third-party revenues	9,517	9,290	4,217	4,363	—	—	—	—	13,734	13,653
Intragroup revenues	26	28	3	3	—	—	(29)	(31)	—	—
Revenues by operating segment	9,543	9,318	4,220	4,366	—	—	(29)	(31)	13,734	13,653
Other income	1,230	205	22	24	1	2	1	—	1,254	231
Total operating revenues and other income	10,773	9,523	4,242	4,390	1	2	(28)	(31)	14,988	13,884
Acquisition of goods and services	(7,120)	(5,817)	(1,552)	(1,601)	(2)	(2)	27	29	(8,647)	(7,391)
Employee benefits expenses	(1,165)	(1,081)	(307)	(331)	(2)	(1)	—	(1)	(1,474)	(1,414)
of which: of which: provisions for employee severance indemnities	—	—	—	—	—	—	—	—	—	—
Other operating expenses	(226)	(240)	(349)	(393)	(4)	(5)	(1)	—	(580)	(638)
of which: write-downs and expenses in connection with credit management and provision charges	(121)	(132)	(131)	(138)	—	—	—	—	(252)	(270)
Change in inventories	2	17	10	(7)	—	—	—	1	12	11
Internally generated assets	173	191	92	97	—	—	2	4	267	292
EBITDA	2,437	2,593	2,136	2,155	(7)	(6)	—	2	4,566	4,744
Depreciation and amortization	(1,816)	(1,858)	(1,122)	(1,205)	—	—	—	—	(2,938)	(3,063)
Gains (losses) on disposals of non-current assets	(3)	(7)	8	10	—	—	—	(1)	5	2
Impairment reversals (losses) on non-current assets	(69)	(14)	—	—	—	—	—	—	(69)	(14)
EBIT	549	714	1,022	960	(7)	(6)	—	1	1,564	1,669
Share of losses (profits) of associates and joint ventures accounted for using the equity method	(6)	(6)	(17)	(14)	—	—	—	—	(23)	(20)
Other income (expenses) from investments	—	—	—	—	—	—	—	—	67	75
Finance income	—	—	—	—	—	—	—	—	938	1,053
Finance expenses	—	—	—	—	—	—	—	—	(1,839)	(2,365)
Profit (loss) before tax from continuing operations	—	—	—	—	—	—	—	—	707	412
Income tax expense	—	—	—	—	—	—	—	—	(112)	(178)
Profit (loss) from continuing operations	—	—	—	—	—	—	—	—	595	234
Profit (loss) from Discontinued operations / Non current assets held for sale	—	—	—	—	—	—	—	—	(76)	(598)
Profit (loss) for the year	—	—	—	—	—	—	—	—	519	(364)
Attributable to:	—	—	—	—	—	—	—	—	—	—
Owners of the Parent	—	—	—	—	—	—	—	—	297	(610)
Non-controlling interests	—	—	—	—	—	—	—	—	222	246

Revenues by operating segment

	Domestic		Brazil		Other operations		Adjustments and eliminations		Consolidated Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Revenues from equipment sales - third party	752	809	122	148	—	—	—	—	874	957
Revenues from equipment sales - intragroup	—	—	—	—	—	—	—	—	—	—
Total revenues from equipment sales	752	809	122	148	—	—	—	—	874	957
Revenues from services - third party	8,765	8,481	4,095	4,215	—	—	—	—	12,860	12,696
Revenues from services - intragroup	26	28	3	3	—	—	(29)	(31)	—	—
Total revenues from services	8,791	8,509	4,098	4,218	—	—	(29)	(31)	12,860	12,696
Total third-party revenues	9,517	9,290	4,217	4,363	—	—	—	—	13,734	13,653
Total intragroup revenues	26	28	3	3	—	—	(29)	(31)	—	—
Total revenues by operating segment	9,543	9,318	4,220	4,366	—	—	(29)	(31)	13,734	13,653

Purchase of intangible, tangible and right of use assets by operating segment

	Domestic		Brazil		Other operations		Adjustments and eliminations		Consolidated Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Purchase of intangible assets	561	644	264	188	—	—	—	—	825	832
Purchase of tangible assets	573	554	451	585	—	—	—	—	1,024	1,139
Purchase of right of use assets	139	265	513	514	—	—	—	—	652	779
Total purchases of intangible assets, tangible assets and right of use assets	1,273	1,463	1,228	1,287	—	—	—	—	2,501	2,750
<i>of which: capital expenditures</i>	<i>1,183</i>	<i>1,252</i>	<i>720</i>	<i>780</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>1,903</i>	<i>2,032</i>
<i>of which: increases in lease/leasing contracts for right of use assets</i>	<i>90</i>	<i>211</i>	<i>508</i>	<i>507</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>598</i>	<i>718</i>

Headcount by Operating Segment

	Domestic		Brazil		Other operations		Consolidated Total	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024	12/31/2025	12/31/2024	12/31/2025	12/31/2024
Headcount	16,887	17,751	8,702	9,123	13	13	25,602	26,887

Assets and liabilities by Operating Segment

	Domestic		Brazil		Other operations		Adjustments and eliminations		Consolidated Total	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024	12/31/2025	12/31/2024	12/31/2025	12/31/2024	12/31/2025	12/31/2024
Non-current operating assets	18,379	20,304	6,554	6,558	1	1	—	—	24,934	26,863
Current operating assets	4,455	3,322	1,113	1,017	15	16	(31)	(48)	5,552	4,307
Total operating assets	22,834	23,626	7,667	7,575	16	17	(31)	(48)	30,486	31,170
Investments accounted for using the equity method	46	52	195	213	—	—	—	—	241	265
Discontinued operations /Non-current assets held for sale									1,227	—
Unallocated assets									4,780	6,228
Total Assets									36,734	37,663
Total operating liabilities	6,340	6,708	2,247	1,978	17	19	(59)	(52)	8,545	8,653
Liabilities directly associated with Discontinued operations/Non-current assets held for sale									596	—
Unallocated liabilities									14,138	15,649
Equity									13,455	13,361
Total Equity and Liabilities									36,734	37,663

b) Reporting by geographical area

		Revenues				Non-current operating assets	
		Breakdown by location of operations		Breakdown by location of customers		Breakdown by location of operations	
		2025	2024	2025	2024	12/31/2025	12/31/2024
Italy	(a)	9,506	9,277	9,444	9,200	18,370	20,093
Outside Italy	(b)	4,228	4,376	4,290	4,453	6,564	6,770
Total	(a+b)	13,734	13,653	13,734	13,653	24,934	26,863

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 2025 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 2025 that significantly impacted the equity position or results of the TIM Group, nor were there any changes or developments with respect to the related-party transactions described in the 2024 Report on Operations which had a significant effect on the financial position or on the performance of the TIM Group in 2025.

It should be noted that:

- on September 25, 2025, the Board of Directors, with exclusive reference to the application of the Procedure for related-party transactions of the company, resolved to exclude the Ministry of Economy and Finance (MEF) and its subsidiaries from the list of related parties in application of the provisions of Law no. 118 of August 8, 2025 (converting Decree Law no. 95 of June 30, 2025) which excluded the existence of correlation relationships for the purposes of article 2391-bis of the Civil Code between public administrations that do not exercise management and coordination powers and the companies indirectly owned by the latter;
- For the purposes of the annual financial report as of December 31, 2025, the MEF continues to be a Related Party; furthermore, as required by IAS 24 paragraph 26, a qualitative analysis was carried out on the existing relationships with the subsidiaries of the MEF. The analysis showed that these relationships are mainly related to purchases of goods and services (energy, transportation, postal services) that are conducted at normal market conditions.
- During 2025, "Relevant Shareholding Notifications - Form 120A" were served, giving notice of the following changes in the shareholding structure in TIM S.p.A., which resulting in a change in the perimeter of the Related Parties included in "Other Related Parties":
 - the relevant shareholding of 9.81% held by Cassa Depositi e Prestiti S.p.A. in TIM S.p.A., was transferred in its entirety to Poste Italiane S.p.A.; Therefore, as of March 2025, the Cassa Depositi e Prestiti (CDP) group and the companies it controls are no longer included among the "Other related parties";
 - at the end of June 2025, the sale by Vivendi to Poste Italiane S.p.A. of a share – equal to 15% of the share capital – of the shareholding held in the share capital of TIM S.p.A. became effective. On December 11, 2025, the sale of the last shareholding – equal to 2.506% of the share capital – was communicated; Therefore, as of the end of June 2025, the Vivendi Group and the group companies to which it belongs are no longer included among the "Other Related Parties";
 - as a result of the aforementioned transactions, the Poste Italiane group, as of the end of June 2025, is included among the "Other related parties"; At December 31, 2025, Poste Italiane S.p.A. holds a significant stake in TIM S.p.A. equal to 27.32% of the ordinary share capital.

It should also be noted that on December 11, 2025, Poste Italiane S.p.A. communicated the exceeding of the current threshold relevant for the purposes of the regulations on mandatory public purchase offers, declaring the intention to make use of the exemption referred to in Article 106, paragraph 5, of Legislative Decree 58/1998 and Article 49, paragraph 1, letter e), of Consob Regulation no.11971/1999. Therefore – in force under the current regulatory framework – Poste Italiane has undertaken to sell to unrelated parties the ordinary shares held in excess of the aforementioned relevant threshold, within 12 months of the completion of the purchase, while refraining, in the meantime, from exercising the voting rights relating to such shares.

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](https://www.gruppotim.it), under the Group - Governance - Governance Tools - Other Codes and Procedures section.

During 2025, the Procedure was amended with board resolutions of May 7, mainly in order to update the forecasts relating to the definition of small amount transactions and information flows to the Related Parties Committee and other corporate functions, and of September 25, in order to take into account the exclusion, referred to above, of the Ministry of Economy and Finance from the list of related parties of the Company.

The effects of the related-party transactions on the TIM Group separate consolidated income statement line items for 2025 and 2024 are as follows:

SEPARATE CONSOLIDATED INCOME STATEMENT LINE ITEMS 2025

(million euros)	Total	Associates, subsidiaries of associates and joint ventures	Other related parties	Pension funds	Key Managers	Total related parties	Discontinued Operations relationships	Total related parties net of Disc.Op.	% of financial statement item
	(a)							(b)	(b/a)
Revenues	13,734	306	9			315	—	315	2.3
Other income	1,254	1	22			23	—	23	1.8
Acquisition of goods and services	8,647	82	91			173	—	173	2.0
Employee benefits expenses	1,474			41	15	56	(1)	55	3.7
Other operating expenses	580		1			1	—	1	0.2
Finance income	938		14			14	—	14	1.5
Finance expenses	1,839	2	1			3	—	3	0.2
Profit (loss) from Discontinued operations / Non current assets held for sale	(76)			(1)		(1)			

SEPARATE CONSOLIDATED INCOME STATEMENT LINE ITEMS 2024

(million euros)	Total	Associates, subsidiaries of associates and joint ventures	Other related parties	Pension funds	Key Managers	Total related parties	Discontinued Operations relationships	Total related parties net of Disc.Op.	% of financial statement item
	(a)							(b)	(b/a)
Revenues	13,653	157	71			228	8	236	1.7
Other income	231	1	0			1	—	1	0.4
Acquisition of goods and services	7,391	86	166			252	(2)	250	3.4
Employee benefits expenses	1,414			56	16	72	(19)	53	3.7
Depreciation and amortization	3,063		3			3	(3)	—	—
Finance income	1,053		3			3	—	3	0.3
Finance expenses	2,365	4				4	—	4	0.2
Profit (loss) from Discontinued operations / Non current assets held for sale	(598)	(1)	(12)	(18)	(1)	(32)			

The effects of related-party transactions on the TIM Group separate consolidated statements of financial position line items at December 31, 2025 and December 31, 2024, are as follows:

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION LINE ITEMS AT 12/31/2025

(million euros)	Total	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						
Securities other than investments (current assets)	(1,370)		(269)		(269)	19.6
Total net financial debt	9,875		(269)		(269)	(2.7)
Other statement of financial position line items						
Miscellaneous receivables and other non-current assets	1,110	3			3	0.3
Trade and miscellaneous receivables and other current assets	5,317	299	5		304	5.7
Trade and miscellaneous payables and other current liabilities	7,317	14	29	12	55	0.8

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION LINE ITEMS AT DECEMBER 31, 2024

(million euros)	Total	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						
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)	(4.5)
Other statement of financial position line items						
Right of use assets	3,467		1		1	—
Miscellaneous receivables and other non-current assets	1,795	3			3	0.2
Trade and miscellaneous receivables and other current assets	4,146	191	12		203	4.9
Trade and miscellaneous payables and other current liabilities	7,074	16	31	12	59	0.8

The effects of the related-party transactions on the significant TIM Group consolidated statements of cash flows line items for 2025 and 2024 are as follows:

CONSOLIDATED STATEMENT OF CASH FLOWS LINE ITEMS 2025

(million euros)	Total	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 accruals basis	2,501		1		1	—	1	—

CONSOLIDATED STATEMENT OF CASH FLOWS LINE ITEMS 2024

(million euros)	Total	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 accruals basis	2,750	1	12		13	(1)	12	0.5

Transactions with associates, subsidiaries of associates and joint ventures

The most significant values of the transactions with associates, subsidiaries of associates and joint ventures are summarized in the tables below.

It should be reminded that the investments in Italtel S.p.A. and NordCom S.p.A. were sold by TIM S.p.A. on July 4, 2024 and July 15, 2024, respectively.

SEPARATE CONSOLIDATED INCOME STATEMENT LINE ITEMS

(million euros)	2025	2024	TYPE OF CONTRACT
Revenues			
Polo Strategico Nazionale S.p.A.	328	183	Supply of software and related installation and configuration services; security services; cloud services, Data Center spaces, connectivity, design.
I-Systems S.A.	—	1	Services related to network operation and maintenance.
Italtel S.p.A.		1	Fixed and mobile telephony services including equipment, licenses and outsourcing services.
TIMFin S.p.A.	(23)	(28)	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	1		
Total revenues	306	157	
Other income	1	1	Recovery of seconded personnel costs, recovery of centralized expenses.
Acquisition of goods and services			
I-Systems S.A.	73	78	Supply of multimedia communication services and capacity services.
Italtel S.p.A.		1	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	7	Supply, installation and technical assistance services to support the Fleet platform and for geolocation equipment as part of offers to TIM customers, software development.
Other minor companies	2	—	
Total acquisition of goods and services	82	86	
Finance expenses	2		
TIMFin S.p.A.	2	4	Finance expenses for commission and other finance expenses.
Total finance expenses	2	4	

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION LINE ITEMS

(million euros)	12/31/2025	12/31/2024	TYPE OF CONTRACT
Net financial debt			
Current financial liabilities for financing contracts and others	—	1	Financial liabilities for expenses on the transfer of receivables in respect of TIMFin S.p.A.
Total current financial liabilities	—	1	
Miscellaneous receivables and other non-current assets	3	3	
Trade and miscellaneous receivables and other current assets			
Polo Strategico Nazionale S.p.A.	293	185	Supply of products, software installation and configuration services, cloud servers, Data Center spaces, connectivity and design.
I-Systems S.A.	5	4	Services related to network operation and maintenance.
TIMFin S.p.A.	1	1	Miscellaneous costs for loans.
Other minor companies	—	1	
Total trade and miscellaneous receivables and other current assets	299	191	
Trade and miscellaneous payables and other current liabilities			
I-Systems S.A.	9	9	Supply of multimedia communication services and capacity services.
TIMFin S.p.A.	3	3	Miscellaneous costs for loans.
W.A.Y. S.r.l.	1	3	Supply, installation and technical assistance services to support the Fleet platform and for geolocation equipment as part of offers to TIM customers, software development.
Other minor companies	1		
Total trade and miscellaneous payables and other current liabilities	14	16	

CONSOLIDATED STATEMENT OF CASH FLOWS LINE ITEMS

(million euros)	2025	2024	TYPE OF CONTRACT
Purchase of intangible, tangible and rights of use assets on an accruals basis			
Italtel S.p.A.		1	Software development
Total purchases of intangible, tangible and rights of use assets on an accruals basis	—	1	

Transactions with other related parties (through directors, statutory auditors and key managers, as well as participants in shareholder agreements pursuant to Art. 122 of the Consolidated Law on Finance)

Details are provided below of the transactions with:

- Poste Italiane group. As of the end of June 2025, it is included among the "Other related parties";
- Vivendi group and the group companies to which it belongs. As of the end of June 2025, it is no longer included among the "Other related parties";
- Cassa Depositi e Prestiti (CDP) group and the group subsidiaries; As of March 2025, it is no longer included among the "Other related parties";
- Ministry of Economy and Finance (MEF);
- companies related through Directors, Statutory Auditors and Key Managers with strategic responsibilities.

SEPARATE CONSOLIDATED INCOME STATEMENT LINE ITEMS

(million euros)	2025	2024	TYPE OF CONTRACT
Revenues			
Cassa Depositi e Prestiti Group	4	70	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.
Poste Italiane Group	5		fixed and mobile telephony services including equipment and ICT services; application outsourcing services, cloud services, equipment maintenance services, and other revenues from services.
Other minor companies	—	1	
Total revenues	9	71	
Other income			
Poste Italiane Group	22		
Total other income	22	0	
Acquisition of goods and services			
Cassa Depositi e Prestiti Group	—	2	Concession of the installation of sheaths for telecommunication cables along the motorway segments (occupation of soil and movement of cables) and maintenance of the Open Fiber (formerly Metroweb) network of Milan and Genoa (primary network portion).
Havas Group	69	157	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
Poste Italiane Group	20		Provision of printing and delivery services for invoices and business correspondence intended for Telecom Italia Group customers through the Posta Contes service and registered mail delivery service.
Vivendi group	2	7	Operational management of TIM's "TIM I Love Games" online store platform and related developments; TIM cloud gaming (TIMGAMES) service in SaaS mode; use of My Canal platform licenses.
Total acquisition of goods and services	91	166	
Other operating expenses	1		
Poste Italiane Group	1		
Total other operating expenses	1		
Depreciation and amortization	—	3	Purchase of underground infrastructure in black areas and purchase of connected fiber to Open Fiber (formerly Metroweb), a company of the Cassa Depositi e Prestiti group.
Finance income			
Ministry of Economy and Finance	14	2	Income from bonds
Cassa Depositi e Prestiti Group	—	1	Interest income on trade receivables
Total finance income	14	1	
Finance expenses			
Ministry of Economy and Finance	1	—	Capital loss on securities disposal
Total finance expenses	1	0	

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION LINE ITEMS

(million euros)	12/31/2025	12/31/2024	TYPE OF CONTRACT
Net financial debt			
Securities other than investments (current assets)	(269)	(437)	Bond securities issued by the Ministry of Economy and Finance (MEF).
Financial receivables and other current financial assets	—	(24)	Lease agreements for infrastructure with Open Fiber (Cassa Depositi e Prestiti group).
Total financial receivables and other current financial assets	(269)	(461)	
Other statement of financial position line items			
Right of use assets	—	1	Supply and installation of vertical segments and infrastructures for Open Fiber (Cassa Depositi e Prestiti group).
Trade and miscellaneous receivables and other current assets			
Poste Italiane Group	5		Provision of printing and delivery services for invoices and business correspondence intended for Telecom Italia Group customers through the Posta Contes service and registered mail delivery service.
Cassa Depositi e Prestiti Group	—	10	IRU transfer of rights to use dark fiber installation and infrastructures; supply of housing, dark fiber maintenance and dedicated GEA/Giganet connectivity services, fixed and mobile voice services and devices, application outsourcing services, cloud services, maintenance services and electricity supply.
Havas Group	—	2	Prepaid expenses related to costs for advertising services.
Total trade and miscellaneous receivables and other current assets	5	12	Sale of equipment, telephony and ITC services; Maintenance and security activities.
Trade and miscellaneous payables and other current liabilities			
Poste Italiane Group	29		Contract to provide invoice and business correspondence delivery services to Telecom Italia Group customers. through the Posta Contes service
Cassa Depositi e Prestiti Group	—	1	Concession of the installation of sheaths for telecommunication cables along the motorway segments (occupation of soil and movement of cables), use and maintenance of the Open Fiber (formerly Metroweb) network of Milan and Genoa (primary network portion) and purchase of electricity.
Havas Group	—	29	Service & advisory activities in the purchase of media space by the TIM Group; study and implementation of advertising campaigns for the TIM and Kena brands, editorial management services for TIM brands on social media and TIM data room management services
Vivendi group	—	1	Purchase of musical and television digital content, operative management of the TIM S.p.A. on-line store platform "TIM I Love Games" and related developments. TIM cloud gaming (TIMGAMES) service in SaaS mode; use of My Canal platform licenses.
Total trade and miscellaneous payables and other current liabilities	29	31	

CONSOLIDATED STATEMENT OF CASH FLOWS LINE ITEMS

(million euros)	2025	2024	TYPE OF CONTRACT
Purchase of intangible, tangible and rights of use assets on an accruals basis			
Cassa Depositi e Prestiti Group	—	12	Investments in intangible and tangible assets (supplier: Open Fiber), in relation to the 5G Coverage Plan under the NRRP.
Poste Group	1	—	Software development
Total purchases of intangible, tangible and rights of use assets on an accruals basis	1	12	

Transactions with pension funds

The most significant amounts are summarized as follows:

SEPARATE CONSOLIDATED INCOME STATEMENT LINE ITEMS

(million euros)	2025	2024	TYPE OF CONTRACT
Employee benefits expenses			Contributions to pension funds.
Fontedir	5	7	
Telemaco	31	44	
Other pension funds	5	5	
Total employee benefits expenses	41	56	

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION LINE ITEMS

(million euros)	12/31/2025	12/31/2024	TYPE OF CONTRACT
Trade and miscellaneous payables and other current liabilities			Payables for contributions to pension funds.
Fontedir	1	2	
Telemaco	1	1	
Other pension funds	10	9	
Total trade and miscellaneous payables and other current liabilities	12	12	

Remuneration to Key Managers with Strategic Responsibilities

In 2025, the total remuneration recorded on an accrual basis by TIM or by Group subsidiaries in respect of key managers amounted to 15 million euros (16 million euros in 2024).

(million euros)	2025	2024
Short-term remuneration	11.5 ⁽¹⁾	14 ⁽³⁾
Long-term remuneration	0.5	—
Employment termination benefit incentives	—	—
Share-based payments (*)	3 ⁽²⁾	2 ⁽⁴⁾
Totale	15	16

(*) 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 1.3 million euros recorded by subsidiaries;

(2) of which 1.3 million euros recorded by subsidiaries;

(3) of which 1.4 million euros recorded by subsidiaries;

(4) of which 1.7 million euros recorded by subsidiaries.

Short-term remuneration is paid during the reference year, and, at the latest, within the six months following the end of that period and, in 2025, do not include the effects of assessment differences related to 2024 costs amounting to -0.4 million euros for TIM S.p.A.. In particular, the MBO incentive for the year 2025 is shown in the table at the *target* value.

Long-term cash-settled remuneration will be paid at the end of the Plan in the 2027 financial year and, in 2025, refers to the fair value accrued in the reference period.

In 2025, the contributions paid in to defined contribution plans (Assida and Fontedir) by TIM S.p.A. on behalf of key managers, amounted to 272.5 thousand euros (232 thousand euros in 2024).

In 2025, "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 Office
Paolo Chiriotti	Chief Human Resources & Organization Office
Leonardo De Carvalho Capdeville	(2) Chief Technology Office
Giampaolo Leone	Head of Procurement & Logistics
Roberto Mazzilli	Chief IT Group Officer
Agostino Nuzzolo	Chief Legal, Regulatory & Tax Officer
Claudio Giovanni Ezio Ongaro	Chief Strategy, Business Development & Wholebuy Office
Piergiorgio Peluso	(3) Chief Financial Office
Andrea Rossini	Chief Consumer, Small & Medium and Mobile Wholesale Market Officer
Eugenio Santagata	(4) Chief Public Affairs, Security and International Business Officer
Elio Schiavo	Chief Enterprise and Innovative Solutions Officer

(1) Until November 6, 2025

(2) From August 5, 2025

(3) From November 6, 2025

(4) Until August 30, 2025

NOTE 41

SHARE-BASED PAYMENT ARRANGEMENTS

TIM S.p.A. - Long-term plans

The Shareholders' Meeting of TIM S.p.A. held on June 24, 2025 approved the launch of the long-term incentive plans called:

- "Piano LTI di Performance Shares 2025-2027" (Piano LTI 2025-2027)
- Proposals for amendments to the "2022-2024 Stock Options Plan" (Amended SOP), as approved by the Shareholders' Meeting on April 7, 2022
- "Phantom Shares Plan 2025-2027" (Phantom Shares Plan)

For a description of the features of the original 2022-2024 Stock Options Plan, please refer to the Annual Report as of December 31, 2024 of TIM S.p.A.

TIM S.p.A. - LTI Plan 2025-2027

The shareholders' meeting held on June 24, 2025 approved the 2025-2027 Performance Shares LTI Plan, aimed at strengthening the alignment between the interests of management and those of the shareholders, through the free allocation of TIM ordinary shares subject to the achievement of specific performance targets on a three-year basis.

The Plan is addressed to the CEO and to members of the Group's management (including Executives with Strategic Responsibilities)

The Plan qualifies as an equity-based and equity-settled plan, structured over a three-year time horizon, in line with market best practices in terms of remuneration. The beneficiaries of the Plan are assigned a number of Performance Shares proportional to their gross annual remuneration. In particular, the pay opportunity compared to the base salary will depend on the role and the performance achieved.

The number of Shares assigned to the Beneficiaries at Vesting is directly correlated to the degree of achievement of the Performance Objectives illustrated below, consisting of one economic-financial objective, two ESG objectives, as well as one market-based objective relating to the Total Shareholder Return (TSR, which measures the overall return on investment in the Shares over the reference three-year period, taking into account the change in the Share price and the dividends distributed by the Company).

Specifically:

- the economic-financial objective consists of the TIM Group cumulative reported EBITDA AL - CAPEX for the three-year period 2025-2027;
- the ESG objectives are related to (i) the eco-efficiency of the mobile network and (ii) the percentage of female individuals in positions of responsibility;
- With regard to TSR (Total Shareholder Return), performance will be calculated by verifying the positioning of TIM's Total Shareholder Return compared to a basket of peers consisting of ten European TLC peers.

The Plan will end upon the possible vesting of the Performance Shares as determined by the Board of Directors at the time of approval of the Group consolidated financial statements as of December 31, 2027 (and therefore in fiscal year 2028), subject to the subsequent Lock-up and Claw-back provisions.

The payout curve is defined as follows: 50% of the pay opportunity at the minimum value, 75% of the pay opportunity at the target value, 100% of the pay opportunity at the maximum value.

As of December 31, 2025, there are a total of 66 beneficiaries and the number of shares granted upon maximum achievement (100% of the pay opportunity) amounts to 26,526,484.

For further details, see the Information Document on the initiative at <https://www.gruppotim.it/content/dam/gt/investitori/doc---avvisi/anno-2025/Documento-Informativo-LTI-Performance-Shares-2025-2027-.pdf>.

TIM S.p.A. - Amended SOP

The Shareholders' Meeting of June 24, 2025 approved a series of amendments to the 2022-2024 Stock Options Plan, already approved by the Shareholders' Meeting of April 7, 2022.

The achievement of the objectives linked to said Plan was approved by the Board of Directors of TIM S.p.A. on April 14, 2025, and on that date the Options became exercisable.

These additions were introduced to neutralize the effects of the significant business discontinuity resulting from the sale of the fixed network (netco) and to preserve the incentive and retention purpose of the original Plan for the management.

The aforementioned changes, further detailed below, apply to the beneficiaries of the SOP 2022-2024 options who: (i) as of June 24, 2025, were still employed or held an administrative relationship with TIM or another Subsidiary (excluding Telecom Italia Sparkle S.p.A.) and (ii) opted to adhere to the new rules set forth below, waiving the previous regulation regarding strike price and exercise period ("Non-Terminated Adhering Beneficiaries").

In particular, the proposed changes concern:

- the determination of a different strike price value, reduced from the original price of 0.424 euros to the New Strike Price of 0.3465 euros (calculated on the basis of the weighted average of TIM share market prices recorded in the 30 days prior to the Board of Directors' resolution of May 23, 2025), with the related reparameterization of the maximum payout achievable by the Non-Terminated Adhering Beneficiaries;

- the determination of a different exercise period, which will run from February 1, 2027 to April 14, 2027 for the Non-Terminated Adhering Beneficiaries, as previously defined.

As of December 31, 2025, the total number of beneficiaries of the amended SOP is 77 and the number of options granted and outstanding at that date amounts to 136,892,161.

The beneficiaries of the original 2022-2024 SOP, excluded from the regulations of the new amended SOP (for example, because they have left the company), total 64, with a number of options already exercisable equal to 72,457,254, of which 7,402,387 had already been exercised as of December 31, 2025. The exercise period for the original SOP will end - as with the amended SOP - on April 14, 2027, with a strike price of €0.424.

For further details, see the Information Document on the initiative at <https://www.gruppotim.it/content/dam/gt/investitori/doc---avvisi/anno-2025/Modifica-Documento-informativo-SOP-2022-2024-DEF-ITA-26-05.pdf>.

TIM S.p.A. - Phantom Share Plan

The shareholders' meeting of June 24, 2025 approved the 2025-2027 Phantom Shares Plan. This is a long-term monetary incentive plan (Long Term Incentive) based on the value of participation in the share capital, aimed at a selected group of Group employees identified based on the strategic role held, who are not already beneficiaries of the 2022-2024 SOP.

Unlike stock options or performance share plans, this instrument is "cash settled": it does not provide for the allocation of physical shares, but rather of virtual units called "Phantom Shares". These units grant the beneficiary the right to receive a cash bonus (Monetary Bonus), calculated based on the increase in the value of the TIM share compared to an initial reference value.

Specifically:

- the Threshold Value (reference price) is set at 0.3465 euros, in line with the new strike price defined for the amended SOP;
- The vesting of the bonus is subject to a value of the share at the end of the Plan (Vesting Value) higher than the Threshold Value and to the continuation of the employment relationship between the Company (or a Subsidiary) and the Beneficiary as of January 31, 2027 (except in the case of so-called good leaver scenarios).

The final bonus will be determined by multiplying the number of vested Phantom Shares by the difference between the market value of the share at the vesting date and the above-mentioned Threshold Value. The maximum value in any case attributable to each Phantom Share, once the vesting for the purposes of payment of the Bonus has occurred, will be equal to 1.4225 euros.

As of December 31, 2025, there are a total of 89 beneficiaries of the Phantom Shares Plan and the number of Phantom Shares granted amounts to 37,957,500.

For further details, please refer to the information document on the initiative available at the following link: <https://www.gruppotim.it/content/dam/gt/investitori/doc---avvisi/anno-2025/TIM-Documento-Informativo-Piano-di-Phantom-Shares-2025-2027.pdf>.

TIM S.A. (Brazil Business Unit)

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, the beneficiaries of the plan were granted the right to receive a total of 3,431,610 shares, of which 3,173,142 are performance shares, subject to performance conditions and with gradual vesting over 3 years, and 258,468 are restricted shares, with a 3-year vesting period.

In 2021, alongside the traditional plan, the special grant was introduced, an additional extraordinary concession aimed at incentivizing the completion of the acquisition of part of Oi Móvel's assets in Brazil as well as the success of subsequent integration operations.

Out of the total 3,431,610 shares granted, 1,151,285 relate to the traditional allocation (with 892,817 performance shares and 258,468 restricted shares) and 2,280,325 refer to the special grant.

On February 9, 2023, the Board of Directors agreed to adjust by 220,743 the number of performance shares granted under the Special Grant to the participants appointed to higher-responsibility roles during the period.

On December 31, 2024, three vesting periods were completed with regard to **the traditional grant**:

- **2022:** in compliance with the results approved on April 26, 2022, in July 572,608 shares were transferred to beneficiaries, of which 463,608 relating to the original volume accrued, 87,605 granted according to the degree to which objectives had been achieved and 21,395 shares as a result of the dividends distributed during the period. In addition, for participants transferred to other Group companies, as per the Plan rules, it was ordered in June to make cash payments of the amount corresponding to 3,486 shares (2,883 relating to the original volume accrued, 473 acknowledged according to the degree to which the objectives had been achieved and 130 due to dividends distributed during the period).
- **2023:** in compliance with the results approved on May 8, 2023, in July 169,462 shares were transferred to beneficiaries, of which 128,384 relating to the original volume accrued, 28,484 granted according to the degree to which objectives had been achieved and 12,594 shares as a result of the dividends distributed during the period. In addition, for participants transferred to other Group companies, as per the Plan rules, payment in cash was considered in July of the amount corresponding to 17,576 shares (13,316 relating to the original volume accrued, 2,954 acknowledged according to the degree to which the objectives had been achieved and 1,306 due to dividends distributed during the period).

- **2024:** in compliance with the results approved on May 6, 2024, in July 530,784 shares were transferred to beneficiaries, of which 298,151 relating to the original volume accrued, 180,353 granted according to the degree to which objectives had been achieved and 52,280 shares as a result of the dividends distributed during the period. In addition, for participants transferred to other Group companies, as per the Plan rules, payment in cash was considered in July of the amount corresponding to 31,677 shares (17,792 relating to the original volume accrued, 10,764 acknowledged according to the degree to which the objectives had been achieved and 3,121 due to dividends distributed during the period).

Regarding the **Special Grant**:

- **2022:** in compliance with the results approved on April 26, 2022, 601,936 shares were transferred to beneficiaries in July, of which 579,451 relating to the original volume accrued and 22,485 shares as a result of the dividends distributed during the period.
- **2023:** in compliance with the results approved on May 8, 2023, in July 1,038,041 shares were transferred to beneficiaries, of which 829,161 relating to the original volume accrued, 131,775 granted according to the degree to which objectives had been achieved and 77,105 shares as a result of the dividends distributed during the period. In addition, for participants transferred to other Group companies, as per the Plan rules, payment in cash was considered in July of the amount corresponding to 92,254 shares (76,087 relating to the original volume accrued, 9,314 acknowledged according to the degree to which the objectives had been achieved and 6,853 due to dividends distributed during the period).
- **2024:** in compliance with the results approved on May 6, 2024, in July 719,164 shares were transferred to beneficiaries, of which 483,928 relating to the original volume accrued, 164,415 granted according to the degree to which objectives had been achieved and 70,821 shares as a result of the dividends distributed during the period. In addition, for participants transferred to other Group companies, as per the Plan rules, payment in cash was considered in July of the amount corresponding to 19,892 shares (13,385 relating to the original volume accrued, 4,548 acknowledged according to the degree to which the objectives had been achieved and 1,959 due to dividends distributed during the period).

At December 31, 2024, and including the shares for July transfer, of the original volume assigned of 3,431,610 shares plus the 220,743 assigned due to participants' appointments to new roles, 746,207 had been canceled due to the beneficiaries having left the company and 3,631,995 shares had been transferred to beneficiaries (2,782,683 related to the original volume vested, 592,632 recognized on the basis of performance achieved and 256,680 for effect of dividends distributed during the period). For participants transferred to other companies within the Group, in accordance with the rules set out in the Plan, payment in cash was arranged for the amount corresponding to 164,885 shares (123,463 relating to the original vested volume, 28,053 recognized based on the level of achievement of objectives, and 13,369 due to dividends distributed during the period), thus completing the 2021 grant.

Year 2022

On April 26, 2022, the beneficiaries of the plan were granted the right to receive a total of 1,227,712 shares, of which 927,428 are performance shares, subject to performance conditions and with gradual vesting over 3 years, and 300,284 are restricted shares, with 3-year vesting.

- **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 accordance with the results approved on May 6, 2024, in July 680,532 shares were transferred to the beneficiaries, of which 252,442 related to the original vested amount, 374,411 granted based on the level of achievement of objectives, and 53,679 shares as a result of dividends distributed during the period. In addition, for participants transferred to other companies belonging to the Group, according to the rules set out in the Plan, payment in cash was arranged during the month of July for the amount corresponding to 19,018 shares (7,055 relating to the original vested volume, 10,463 recognized based on the level of achievement of objectives, and 1,500 due to the dividends distributed during the period). Furthermore, in October, 57,021 shares were transferred to other beneficiaries belonging to other companies of the Group, of which 37,087 related to the original vested amount, 15,437 granted based on the level of achievement of objectives, and 4,497 shares as a result of dividends distributed during the period.
- **2025:** in compliance with the results approved on May 5, 2025, in July 768,845 shares were transferred to beneficiaries, of which 403,661 relating to the original volume accrued, 253,959 granted according to the degree to which objectives had been achieved and 111,224 shares as a result of the dividends distributed during the period. In addition, for participants transferred to other companies belonging to the Group, according to the rules set out in the Plan, a cash payment was made during July for an amount corresponding to 20,848 shares (11,646 relating to the original vested volume, 6,186 recognized based on the level of achievement of objectives, and 3,016 due to dividends distributed during the period).

At December 31, 2025 – including the shares to be transferred in July – of the original volume assigned of 1,227,712 shares, 251,517 had been canceled due to the beneficiaries having left the company and 1,898,858 shares had been transferred to beneficiaries (957,495 related to the original volume vested, 754,735 recognized on the basis of performance achieved and 186,627 for effect of dividends distributed during the period). For participants transferred to other Group companies, as per the Plan rules, cash payment was made of an amount corresponding to 39,866 shares (18,701 relating to the original volume accrued, 16,649 acknowledged according to the degree to which the objectives had been achieved and 4,516 due to dividends distributed during the period), thus completing the 2022 grant.

Year 2023

On July 31, 2023, plan beneficiaries were granted the right to receive a total of 1,560,993 shares, of which 1,189,900 performance shares restricted to performance conditions and with gradual vesting over 3 years and 371,093 restricted shares, with a vesting period of 3 years.

- **2024:** in compliance with the results approved on May 6, 2024, in August 475,520 shares were transferred to beneficiaries, of which 227,983 relating to the original volume accrued, 223,132 granted according to the degree to which objectives had been achieved and 24,405 shares as a result of the dividends distributed during the period. In addition, 135,421 shares were transferred in October to other beneficiaries transferred to other Group companies, of which 78,467 relating to the original volume accrued, 50,008 granted according to the degree to which objectives had been achieved and 6,946 shares as a result of the dividends distributed during the period.

- **2025:** in compliance with the results approved on May 5, 2025, in August 646,081 shares were transferred to beneficiaries, of which 303,469 relating to the original volume accrued, 265,491 granted according to the degree to which objectives had been achieved and 77,121 shares as a result of the dividends distributed during the period.

As of December 31, 2025, out of a total of 1,560,993 shares granted, 263,986 were canceled due to the departure of the beneficiaries from the Company, leaving a balance of 687,088 shares that may vest at the end of the period.

TIM S.A. – Long Incentive Plan 2024-2026

On March 28, 2024, the General Meeting of Shareholders of TIM S.A. approved the long-term incentive plan for managers in key positions in the company. The plan aims to reward participants with shares issued by the company, according to specific time (restricted shares) and performance (performance shares) conditions. The vesting period is 3 years and the company does not have the legal obligation to repurchase or liquidate the shares in cash or in any other form. The plan – in addition to transferring shares to beneficiaries – also includes the possibility of rewarding participants through the settlement of the amount corresponding in cash.

Year 2024

On July 30, 2024, plan beneficiaries were granted the right to receive a total of 1,226,859 shares, of which 946,060 performance shares restricted to performance conditions and with gradual vesting over 3 years and 280,799 restricted shares, with a vesting period of 3 years.

- **2025:** in compliance with the results approved on May 5, 2025, in August 144,065 shares were transferred to beneficiaries, of which 88,693 relating to the original volume accrued, 44,360 granted according to the degree to which objectives had been achieved and 11,012 shares as a result of the dividends distributed during the period.

As of December 31, 2025, out of a total of 1,226,859 shares granted, 169,302 were canceled due to the beneficiaries leaving the Company, leaving a balance of 884,346 shares that may vest at the end of the period.

Year 2025

On May 5, 2025, the beneficiaries of the plan were granted the right to receive a total of 1,368,704 shares, subject to performance share conditions, with a 3-year vesting period.

As of December 31, 2025, out of a total of 1,368,704 shares assigned, plus 15,252 related to the internal movement of participants, 261,997 shares were canceled due to the departure of beneficiaries from the Company, leaving a balance of 1,121,959 shares to be acquired at the end of the period.

Calculation of fair value measurement of the granted options and rights

Parameters used for the assignments of TIM S.p.A.

Plans/Parameters	Exercise price (euros)	Starting value (Euro) (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
Modified SOP	0.3465	—	36.7%	2 years	0.01	2.018% at 2 years
2025-2027 Performance Share LTI Plan	—	0.4071	—	3 years	0.01	2.092% over 3 years
Phantom Share Plan	0.3465	—	36.7%	2 years	0.01	2.018% at 2 years

- (1) Arithmetic mean of the official prices of the Shares recognized starting from the stock market trading day prior to that of assignment of the Plan 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 fourth 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 interest 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
PS/RS Plan 2025	17.22	3 years

Effects on the income statement and statement of financial position

Equity compensation plans which call for remuneration in share capital instruments are recorded at fair value, which represents the cost of such instruments at the grant date and is recorded in the separate income statement 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 provide for remuneration in share capital instruments did not have significant impacts either on the income statement or on the statement of financial position of the TIM Group at December 31, 2025.

NOTE 42

SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

The effect of 2025 non-recurring events and transactions on the equity, profit, net financial debt and cash flows of the TIM Group is set out below in accordance with Consob Communication DEM/6064293 of July 28, 2006. The non-recurring effects on Equity and Profit (loss) for the year are shown net of tax effects.

(million euros)

		Equity	Profit (loss) for the year	Net financial debt	Cash flows (*)
Carrying amount	(a)	13,455	519	9,778	(812)
Other income		944	944	(33)	1,028
Acquisition of goods and services - Expenses related to agreements and the development of non-recurring projects and other expenses		(601)	(601)	70	(70)
Employee benefits expenses - Charges connected to corporate reorganization/restructuring and other costs		(117)	(117)	277	(277)
Other operating expenses - Charges from regulatory litigation and sanctions and contingencies, other provisions and charges		(17)	(17)	78	(78)
Other finance income		38	38	—	—
Other finance expenses		(14)	(14)	—	—
Total non-recurring effects	(b)	233	233	392	603
Profit (loss) from Discontinued operations / Non current assets held for sale	(c)	(76)	(76)	(61)	(12)
Figurative amount – financial statements	(a-b-c)	13,298	362	9,447	(1,403)

(*) Cash flows refer to the increase (decrease) in Cash and cash equivalents during the period.

The impact of non-recurring items on the Separate Consolidated Income Statements line items is as follows:

(million euros)	2025	2024
Other income:		
1998 License fee - compensation for damages	973	
Other	16	55
Acquisition of goods and services, Change in inventories:		
Deferred contract costs of the fixed network - transition from 8 years to 4 years of the recognition period in the income statement	(589)	
Other costs and charges	(46)	(23)
Employee benefits expenses:		
Deferred contract costs of the fixed network - transition from 8 years to 4 years of the recognition period in the income statement	(39)	
Charges connected to corporate reorganization/restructuring and other costs	(84)	(85)
Other operating expenses:		
Expenses from regulatory litigation and sanctions and contingencies, other provisions and expenses	(18)	(44)
Impact on Operating profit (loss) before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)	213	(97)
Gains (losses) on disposals of non-current assets:		
Gains on disposals of non-current assets	—	3
Impact on Operating profit (loss) (EBIT)	213	(94)
Other income (expenses) from investments:		
Other (expenses)/income from corporate operations	—	68
Finance income:		
1998 License fee - legal interest	38	
Other finance income	—	1
Finance expenses:		
Other finance expenses	(14)	(96)
Impact on profit (loss) before tax from continuing operations	237	(121)
Income tax expense on non-recurring items	(4)	26
Profit (loss) from Discontinued operations / Non current assets held for sale	(76)	(598)
Impact on Profit (loss) for the year	157	(693)

NOTE 43

POSITIONS OR TRANSACTIONS RESULTING FROM ATYPICAL AND/OR UNUSUAL OPERATIONS

In accordance with Consob Communication DEM/6064293 of July 28, 2006, it is specified that during the 2025 financial year, no atypical and/or unusual transactions were carried out, 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)		Average exchange rates for the year (income statements and statements of cash flows)	
		12/31/2025	12/31/2024	2025	2024
Europe					
BGN	Bulgarian lev	1.95580	1.95580	1.95580	1.95580
CHF	Swiss franc	0.93140	0.94120	0.93693	0.95268
CZK	Czech koruna	24.23700	25.18500	24.69000	25.11989
GBP	Pound sterling	0.87260	0.82918	0.85681	0.84666
RON	Romanian leu	5.09680	4.97430	5.04175	4.97463
RUB	Russian ruble	92.89380	117.69650	94.40740	100.43821
TRY	Turkish lira	50.48380	36.73720	44.77805	35.56202
North America					
USD	U.S. dollar	1.17500	1.03890	1.13008	1.08209
Latin America					
ARS	Argentine peso	1,703.51420	1,067.32740	1,414.17854	990.20651
BOB	Bolivian boliviano	8.08970	7.15080	7.79693	7.46514
BRL	Brazilian real	6.46532	6.43318	6.30892	5.82877
CLP	Chilean peso	1,056.88000	1,031.22000	1,074.80525	1,021.10031
COP	Colombian peso	4,429.82000	4,559.17000	4,575.26421	4,406.72481
MXN	Mexican peso	21.11800	21.55040	21.67501	19.81481
PEN	Peruvian nuevo sol	3.94620	3.88790	4.02787	4.06054
VES	Venezuelan bolivar	347.20730	53.77410	148.12671	41.50741
Other countries					
ILS	Israeli shekel	3.74710	3.78850	3.89437	4.00504
INR	Indian rupee	105.59650	88.93350	98.52205	90.53835
NGN	Nigerian naira	1,685.43970	1,597.89150	1,718.45864	1,602.68136

(*) 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)	2025	2024
Research and development costs expensed during the year	29	35
Capitalized development costs	293	500
Total research and development costs (expensed and capitalized)	322	535

Total research and development costs for 2025 amount to 322 million euros.

The reduction compared to the 2024 financial year is connected, on the one hand, with the complete revision of the scope of activities and Research and Development projects, carried out downstream of the delayering process with the sale of NetCo and the consequent modification of the industrial model of the activities of the TIM Group and, on the other hand, with the reduction of IT Office expenses, as a result of the sale of NetCo, as well as with the start of a spending optimization process carried out by the Technology Office with reference to the mobile access plan.

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; the lease installments at nominal value still to be collected totaled:

(million euros)	12/31/2025	12/31/2024
Within next year	33	43
From 1 to 2 years after the end of the reporting period	3	5
From 2 to 3 years after the end of the reporting period	3	5
From 3 to 4 years after the end of the reporting period	3	5
From 4 to 5 years after the end of the reporting period	2	4
Beyond 5 years after the end of the reporting period	3	2
Total	47	64

(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 table below shows the disbursements collected by the TIM Group during fiscal years 2025 and 2024:

Distributing entity	Area of intervention	Received 2025 (million euros)	Received 2024 (million euros)
Fondimpresa/Fondirigenti	training	2	2
Infratel	construction of network infrastructure		7
Ministry of Enterprises and Made in Italy (MIMIT) ⁽¹⁾	research and innovation	4	32
ANPAL	training		1
Other ⁽²⁾		2	1
Total		8	43

(1) 2025 - includes the TIM Edge & Cloud Continuum projects; ChAALenge, CADUCEO.
2024 - include the TIM Edge & Cloud Continuum projects; TIMONE, CADUCEUS.

(2) 2025 - MUR and University of Naples Federico II, Area of intervention: research and innovation.
2024 - MUR and Lombardy Region, Area of intervention: research.

Specifically:

- 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 aims to improve the quality of life of vulnerable people in every environment through the smart everything everywhere paradigm *Smart Everything Everywhere*, by building an integrated system to support vulnerability and active aging. The project was rolled out on January 1, 2021 and wrapped up on December 31, 2023. In fiscal year 2025, TIM received non-repayable grants amounting to 0.05 million euros.
 - 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. In 2025, TIM received non-repayable grants amounting to 0.07 million euros (0.2 million euros in 2024).
- With reference to the research and development project "TIMONE - TIM Oss for Network Evolution" (Project no. F/140007/00/X39), TIM received non-repayable grants totaling 0.7 million euros in 2024. 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 Implementation Objectives of TIMONE concerned the transformation and evolution activities of the OSS in the application 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.

During 2025, the subsidized loan amounting to 11 million euros was disbursed, with repayment scheduled according to the amortization plan until June 30, 2031.

(e) Directors' and statutory auditors' remuneration

Total remuneration due for 2025 to the directors and statutory auditors of TIM S.p.A. for the performance of these functions at the Parent Company and in other consolidated companies totaled 1.850 million euros for directors and 0.623 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 Art. 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 2025 financial statements, and the fees referring to 2025 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 2025 are also shown.

(thousands of euros)	EY S.p.A.		TIM Group	Other entities of the EY network			Total EY network
	TIM S.p.A.	Subsidiaries		TIM S.p.A.	Subsidiaries	TIM Group	
Audit services	2,536	1,641	4,177		2,202	2,202	6,379
Audit services with the issue of certification	114	5	119			—	119
Sustainability statement assurance services	325		325		49	49	374
Other services	25		25		62	62	87
Total fees due for auditing and other services to the EY network	3,000	1,646	4,646	—	2,313	2,313	6,959
Out-of-pocket expenses	52	32	84		9	9	93
Total	3,052	1,678	4,730	—	2,322	2,322	7,052

NOTE 45

EVENTS AFTER DECEMBER 31, 2025

TIM S.A. (Brazil Business Unit): TIM S.A. strengthens its B2B strategy with the acquisition of V8.Tech

On November 26, 2025, the Board of Directors of TIM S.A. (Brazil Business Unit) approved the signing of a share purchase agreement ("Agreement") for the acquisition of 100% of the share capital of V8 Consulting S.A. ("V8.Tech") for a consideration of 140 million reais (amount subject to the usual adjustments for this type of transaction, as provided for in the Agreement) to be paid at closing. This amount may be increased by further payments (earn-out) up to a limit of 140 million reais, subject to the fulfillment of certain conditions, within a period of six years (the "Transaction").

Founded in 2014, V8.Tech is a technology company specializing in the integration of digital solutions and managed services, with a strong presence in digital transformation, cloud computing (multicloud, private and hybrid) and artificial intelligence. The company currently employs approximately 380 professionals and posted net revenues of approximately 235 million reais in the last 12 months (through September 2025), with a compound annual growth rate (CAGR) of 17% between 2021 and 2024. Additionally, it serves more than 100 customers active in various sectors of the economy.

The transaction strengthens TIM S.A.'s B2B strategy, significantly expanding the Company's ability to provide comprehensive digital transformation solutions. The integration of cloud and digital services into TIM S.A.'s portfolio will enable the delivery of end-to-end projects, supported by highly specialized teams recognized for their industry know-how.

The closing of the Transaction was subject to the approval of the *Conselho Administrativo de Defesa Econômica* (CADE) as well as the fulfillment of other customary conditions for transactions of this type.

On January 30, 2026, TIM S.A. announced that it had completed, once all applicable conditions precedent had been satisfied, the acquisition of the entire share capital of V8 Consulting S.A., according to the terms and conditions described above.

TIM S.A. (Brazil Business Unit): Acquisition of all shares of I-Systems

On February 11, 2026, TIM S.A. (Brazil Business Unit) announced that the Company's Board of Directors has approved the execution of a Share Purchase Agreement with IHS Fiber Brasil - Cessão de Infraestruturas Ltda., which sets forth the terms and conditions for the Company's acquisition of 51% of the total share capital of I-Systems Soluções de Infraestrutura S.A. ("I-Systems") currently held by IHS Brasil, for an amount of 950 million reais, to be paid on the date of the closing of the Transaction.

Should the Transaction be completed, the Company – which already owns 49% of I-Systems' share capital – will hold all of its shares, making I-Systems its wholly-owned subsidiary.

I-Systems operates in the neutral fiber optic network sector in the Brazilian market, offering independent infrastructures for the wholesale segment. The company operates in the states of São Paulo, Minas Gerais, Rio de Janeiro, Goiás, Paraná, Bahia, Pernambuco, and Amazonas, with a total of approximately 9 million homes passed.

The closing of the Transaction is subject to the satisfaction of certain customary conditions precedent for this type of transaction, including, among others, obtaining the necessary approvals from the *Conselho Administrativo de Defesa Econômica* (CADE) and the *Agência Nacional de Telecomunicações* (ANATEL), as well as applicable corporate approvals.

Resolutions of the Shareholders' Meetings of TIM S.p.A. of January 28, 2026 and resolutions of the Board of Directors of TIM S.p.A. of February 24, 2026

Please refer to the Note "Equity" for the resolutions:

- of the Shareholders' Meetings of TIM S.p.A. of January 28, 2026 on the conversion of savings shares into ordinary shares and on the voluntary reduction of share capital;
- of the Board of Directors of TIM S.p.A. dated February 24, 2026 regarding the proposal to the Shareholders' Meeting of April 15, 2026 of a program for the purchase of treasury shares (buyback) and the reverse stock split of TIM ordinary shares in the ratio of 1 new ordinary share for every 10 existing ordinary shares.

Trade union agreements signed on March 5, 2026 by TIM S.p.A.

On March 5, 2026, TIM S.p.A. signed an agreement with the RSU National Coordination together with SLC CGIL, FISTEL CISL, UILCOM UIL, and UGL Telecommunications for early retirement. The agreement will activate the special grant provided for by the Bilateral Fund for the telecommunications sector. Joining will be voluntary and will concern a maximum number of 1,000 people of TIM S.p.A. who meet the minimum requirements for the right to start old-age or early retirement pension (in the latter case, including the time frame of the so-called window) by November 30, 2031 and express their consent to terminate the employment relationship with effect no later than November 30, 2026.

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						
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	95.0000		OLIVETTI S.p.A. SOCIETA' BENEFIT
NOOVLE INTERNATIONAL SAGL (in liquidation) (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.
OLIVETTI S.p.A. SOCIETA' BENEFIT (production and sale of office equipment and information technology services)	IVREA (TURIN)	EUR	11,000,000	100.0000		TIM S.p.A.
QTI S.r.l. (development, production and marketing of innovative products and services with high technological value)	FLORENCE	EUR	19,608	80.0000		TELSY S.p.A.
TELECOM ITALIA TRUST TECHNOLOGIES S.r.l. (other operations related to non-classified IT services)	POMEZIA (ROME)	EUR	7,000,000	100.0000		OLIVETTI S.p.A. SOCIETA' BENEFIT
TELECOM ITALIA VENTURES S.r.l. (investment holding company)	MILAN	EUR	10,000	100.0000		TIM S.p.A.
TELECONTACT CENTER S.p.A. (telemarketing services)	NAPLES	EUR	3,000,000	100.0000		TIM S.p.A.
TELEFONIA MOBILE SAMMARINESE S.p.A. (development and management of mobile telecommunications plants and services)	BORGOMAGGIORE (SAN MARINO)	EUR	78,000	51.0000		TIM SAN MARINO S.p.A.
TELSY S.p.A. (production, installation, maintenance, reconditioning and sale of terminals, radio telephones, telecommunications and electronic systems in general)	TURIN	EUR	5,390,000	100.0000		TIM S.p.A.
TIM MY BROKER S.r.l. (insurance brokerage)	ROME	EUR	10,000	100.0000		TIM S.p.A.
TIM RETAIL S.r.l. (sale of fixed and mobile telecommunications products and services and all analog and digital broadcasting equipment)	MILAN	EUR	2,402,241	100.0000		TIM S.p.A.
TIM SAN MARINO S.p.A. (San Marino telecommunications management)	BORGOMAGGIORE (SAN MARINO)	EUR	1,808,000	100.0000		TIM S.p.A.
BRAZIL BU						
TIM BRASIL SERVIÇOS E PARTICIPAÇÕES S.A. (investment holding company)	RIO DE JANEIRO (BRAZIL)	BRL	8,227,356,500	99.9999 0.0001		TELECOM ITALIA FINANCE S.A. TIM S.p.A.
TIM S.A. (telecommunications services)	RIO DE JANEIRO (BRAZIL)	BRL	13,477,890,508	67.3865 0.1445	67.4840	TIM BRASIL SERVIÇOS E PARTICIPAÇÕES S.A. TIM S.A.

Company name	Reg. office	Currency	Share Capital	% Ownership	% of voting rights	Participating companies
OTHER OPERATIONS						
OLIVETTI DEUTSCHLAND GmbH (sale of office equipment and supplies)	NUREMBERG (GERMANY)	EUR	25,600,000	100.0000		OLIVETTI S.p.A. SOCIETA' BENEFIT
OLIVETTI UK Ltd (sale of office equipment and supplies)	NORTHAMPTON (UNITED KINGDOM)	GBP	6,295,712	100.0000		OLIVETTI S.p.A. SOCIETA' BENEFIT
TELECOM ITALIA CAPITAL S.A. (financial company)	LUXEMBOURG	EUR	2,336,000	100.0000		TIM S.p.A.
TELECOM ITALIA FINANCE S.A. (financial company)	LUXEMBOURG	EUR	1,818,691,979	100.0000		TIM S.p.A.
TELECOM ITALIA LATAM PARTICIPAÇÕES E GESTÃO ADMINISTRATIVA Ltda (telecommunications and promotional services)	SAO PAULO (BRAZIL)	BRL	219,360,393	100.0000		TIM S.p.A.
SUBSIDIARIES FOR SALE						
TELECOM ITALIA SPARKLE S.p.A. (completion and management of telecommunications services for public and private use)	ROME	EUR	200,000,000	100.0000		TIM S.p.A.
MED 1 SUBMARINE CABLES Ltd (construction and management of the submarine cable lev1)	RAMAT GAN (ISRAEL)	ILS	9,607,583	100.0000		TELECOM ITALIA SPARKLE S.p.A.
PANAMA DIGITAL GATEWAY S.A. (telecommunications services and data center management)	PANAMA CITY (PANAMA)	USD	10,000	60.0000		TELECOM ITALIA SPARKLE S.p.A.
SPARKLE COMMUNICATIONS INDIA PRIVATE Ltd. (telecommunications services)	MUMBAI (INDIA)	INR	25,500,000	99,9998 0,0002		TELECOM ITALIA SPARKLE S.p.A. TI SPARKLE UK Ltd
TI SPARKLE AMERICAS Inc. (managed bandwidth services)	MIAMI (USA)	USD	10,000	100.0000		TELECOM ITALIA SPARKLE S.p.A.
TI SPARKLE ARGENTINA S.A. (managed bandwidth services)	BUENOS AIRES (ARGENTINA)	ARS	9,998,000	100.0000		TELECOM ITALIA SPARKLE S.p.A.
TI SPARKLE AUSTRIA GmbH (telecommunications services)	VIENNA (AUSTRIA)	EUR	2,735,000	100.0000		TELECOM ITALIA SPARKLE S.p.A.
TI SPARKLE BELGIUM S.P.R.L. - B.V.B.A. (telecommunications services)	BRUSSELS (BELGIUM)	EUR	2,200,000	99,9967 0,0033		TELECOM ITALIA SPARKLE S.p.A. TI SPARKLE UK Ltd
TI SPARKLE BRASIL PARTICIPAÇÕES 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 PARTICIPAÇÕES Ltda TI SPARKLE AMERICAS Inc.
TI SPARKLE BULGARIA EOOD (telecommunications)	SOFIA (BULGARIA)	BGN	100,000	100.0000		TELECOM ITALIA SPARKLE S.p.A.
TI SPARKLE CHILE S.p.A. (managed bandwidth services)	SANTIAGO (CHILE)	CLP	5,852,430,960	100.0000		TELECOM ITALIA SPARKLE S.p.A.
TI SPARKLE COLOMBIA Ltda (managed bandwidth services)	BOGOTA (COLOMBIA)	COP	12,636,774,908	99,9999 0,0001		TELECOM ITALIA SPARKLE S.p.A. TI SPARKLE AMERICAS Inc.
TI SPARKLE FRANCE S.A.S. (installation and management of telecommunications services for fixed network and related activities)	PARIS (FRANCE)	EUR	18,295,000	100.0000		TELECOM ITALIA SPARKLE S.p.A.
TI SPARKLE GERMANY GmbH (telecommunications services)	FRANKFURT (GERMANY)	EUR	25,000	100.0000		TELECOM ITALIA SPARKLE S.p.A.
TI SPARKLE GREECE S.A. (telecommunications)	ATHENS (GREECE)	EUR	368,760	100.0000		TELECOM ITALIA SPARKLE S.p.A.
TI SPARKLE ISRAEL Ltd (international wholesale telecommunication services)	RAMAT GAN (ISRAEL)	ILS	1,000	100.0000		TELECOM ITALIA SPARKLE S.p.A.
TI SPARKLE MEXICANA S.A. de C.V. (telecommunications services)	MEXICO CITY (MEXICO)	MXN	2,000,000	99,9995 0,0005		TELECOM ITALIA SPARKLE S.p.A. TI SPARKLE AMERICAS Inc.
TI SPARKLE NETHERLANDS B.V. (telecommunications services)	AMSTERDAM (NETHERLANDS)	EUR	18,200	100.0000		TELECOM ITALIA SPARKLE S.p.A.
TI SPARKLE NORTH AMERICA, Inc. (telecommunications and promotional services)	NEW YORK (USA)	USD	15,550,000	100.0000		TELECOM ITALIA SPARKLE S.p.A.
TI SPARKLE PANAMA S.A. (managed bandwidth services)	PANAMA CITY (PANAMA)	USD	10,000	100.0000		TELECOM ITALIA SPARKLE S.p.A.
TI SPARKLE PERU' S.A. (managed bandwidth services)	LIMA (PERU)	PEN	57,101,788	99,9999 0,0001		TELECOM ITALIA SPARKLE S.p.A. TI SPARKLE AMERICAS Inc.
TI SPARKLE PUERTO RICO LLC (managed bandwidth services)	SAN JUAN (PUERTO RICO)	USD	3,050,000	100.0000		TELECOM ITALIA SPARKLE S.p.A.
TI SPARKLE ROMANIA S.r.l. (telecommunications services)	BUCHAREST (ROMANIA)	RON	3,021,560	100.0000		TELECOM ITALIA SPARKLE S.p.A.
TI SPARKLE RUSSIA LLC (telecommunications Services)	MOSCOW (RUSSIA)	RUB	8,520,000	99,0000 1,0000		TELECOM ITALIA SPARKLE S.p.A. TI SPARKLE UK Ltd
TI SPARKLE SINGAPORE Pte.Ltd (telecommunications services)	SINGAPORE	USD	28,482	99,9965 0,0035		TELECOM ITALIA SPARKLE S.p.A. TI SPARKLE NORTH AMERICA, Inc.
TI SPARKLE SPAIN TELECOMMUNICATIONS S.L. (telecommunications services)	MADRID (SPAIN)	EUR	1,687,124	100.0000		TELECOM ITALIA SPARKLE S.p.A.
Company name	Reg. office	Currency	Capitale sociale	% Partecipazione Capitale	% Voto	Imprese partecipanti

TI SPARKLE ST. CROIX LLC (managed bandwidth services)	VIRGIN ISLANDS (USA)	USD	1,000	100.0000	TELECOM ITALIA SPARKLE S.p.A.
TI SPARKLE SWITZERLAND GmbH (telecommunications services)	ZURICH (SWITZERLAND)	CHF	2,000,000	100.0000	TELECOM ITALIA SPARKLE S.p.A.
TI SPARKLE TURKEY TELEKOMÜNİKASYON ANONİM SİRKETİ (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	12,136,930	100.0000	TELECOM ITALIA SPARKLE S.p.A.
TIS LAGOS LIMITED (telecommunications services)	LAGOS (NIGERIA)	NGN	100,000,000	99,9999 0,0001	TELECOM ITALIA SPARKLE S.p.A. TI SPARKLE UK Ltd

ASSOCIATES AND JOINT VENTURES ACCOUNTED FOR USING THE EQUITY METHOD

AREE URBANE S.r.l. (in bankruptcy) (real estate management)	MILAN	EUR	100,000	32.6200	TIM S.p.A.
I-SYSTEMS S.A. (telecommunications systems)	SAO PAULO (BRAZIL)	BRL	1,794,287,995	49.0000	TIM S.A.
PEDIUS S.r.l. (Specialized telecommunications applications, telephone line telecommunications, VoIP services)	ROME	EUR	181	16.5553 (*)	TELECOM ITALIA VENTURES S.r.l.
POLO STRATEGICO NAZIONALE S.p.A. (design, preparation, set-up and provision of a high- reliability national data network infrastructure for public administration)	ROME	EUR	3,000,000	45.0000	TIM S.p.A.
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).

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
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 ART. 81-TER OF CONSOB REGULATION 11971 DATED MAY 14, 1999, AS AMENDED

1. We, the undersigned, Pietro Labriola, as Chief Executive Officer, and Piergiorgio Peluso, as Manager responsible for preparing TIM S.p.A. financial reports, certify, having also considered the provisions of Art. 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 2025 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, 2025:
 - a) have been prepared in compliance with the international accounting standards adopted by the European Union pursuant to Regulation (EC) 1606/2002 of the European Parliament and Council of July 19, 2002 (International Financial Reporting Standards – IFRS), as well as the legislative and regulatory provisions in force in Italy, including, in particular, the measures enacted for the implementation of Art. 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 11, 2026

Chief Executive Officer

/ signed /

Pietro Labriola

**Executive Responsible for
Preparing the Corporate
Financial Reports**

/ signed /

Piergiorgio Peluso

INDEPENDENT AUDITORS' REPORT

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, 2025, and the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the 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, 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union 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.

We identified the following key audit matters:

Key Audit Matter	Audit Response
Impairment test of goodwill – Domestic As of December 31, 2025, goodwill amounts to Euro 11,025 million and refers for Euro 10,184 million to the Domestic cash generating unit ("CGU") and for Euro 841 million to the Brazil CGU. The processes and methodologies used by the 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".	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; ▶ 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 13,734 million as of December 31, 2025, 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	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,

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 connected to certain contracts. The Group provides the relative disclosures in Note 26 "Revenues" of the consolidated financial statements.

- ▶ involving our experts in information systems;
 - ▶ 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 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, 2025, TIM Group is involved in several regulatory disputes in progress, many of which are characterized by significant counterparty requests, that led to the accrual of provisions included in the line item provisions for risks.

The assessment of the disputes was carried out by Management, as of 31 December 2025, 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 are reported in note 25 "Disputes and pending legal actions, other information, commitments and guarantees".

Fiscal disputes in Brazil

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 consolidated financial statements.

As of December 31, 2025, 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, 2025, amounts to Euro 3.8 billion. With reference to this potential liability, the Group recognized a provision of Euro 139 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, 2025, deferred tax assets amount, net of deferred tax liabilities, to Euro 455 million in the consolidated financial statements and 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

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.

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)".

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, 2025, 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, 2025 with the provisions of the Delegated Regulation.

In our opinion, the consolidated financial statements as at December 31, 2025 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, 2025, 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, 2025.

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 23, 2026

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

2025

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STATEMENTS OF FINANCIAL POSITION

Assets

(euros)	notes	12/31/2025	of which with related parties	12/31/2024	of which with related parties
Non-current assets					
Intangible assets					
Goodwill	3)	8,813,746,000		8,813,746,000	
Intangible assets with a finite useful life	4)	3,504,734,422		3,957,667,705	
		12,318,480,422		12,771,413,705	
Tangible assets					
Property, plant and equipment owned		1,668,159,192		1,720,965,830	
Rights of use assets	6)	1,375,025,350	15,605,000	1,512,686,403	18,931,000
Other non-current assets					
Investments	7)	7,220,974,387		7,433,825,513	
Non-current financial receivables arising from lease contracts	8)	10,243,047	7,553,000	14,461,801	9,597,000
Other non-current financial assets	8)	1,074,797,478	761,038,000	1,578,610,214	1,106,271,000
Miscellaneous receivables and other non-current assets	9)	834,586,957	84,318,000	1,551,597,641	154,610,000
Deferred tax assets	10)	282,090,900		299,318,138	
		9,422,692,769		10,877,813,307	
Total Non-current assets	(a)	24,784,357,733		26,882,879,245	
Current assets					
Inventories	11)	143,320,424		147,970,346	
Trade and miscellaneous receivables and other current assets	12)	4,418,403,506	618,031,000	3,138,672,395	499,243,000
Current income tax receivables	10)	33,942,637		48,145,130	
Investments					
Current financial assets					
Current financial receivables arising from lease contracts		40,459,725	2,014,000	25,567,202	25,982,000
Securities other than investments, other financial receivables and other current financial assets		378,830,079	348,132,000	446,769,038	411,903,000
Cash and cash equivalents		456,189,458	187,000	819,532,528	87,490,000
	8)	875,479,262		1,291,868,768	
Current assets sub-total		5,471,145,829		4,626,656,639	
Discontinued operations/Non-current assets held for sale					
	13)				
of a financial nature		—		—	
of a non-financial nature		591,129,926		—	
		591,129,926		—	
Total Current assets	(b)	6,062,275,755		4,626,656,639	
Total Assets	(a+b)	30,846,633,488		31,509,535,884	

Equity and Liabilities

(euros)	note	12/31/2025	di cui con parti correlate	12/31/2024	di cui con parti correlate
Equity	14)				
Share capital issued		11,677,002,855		11,677,002,855	
less: Treasury shares		(48,682,521)		(52,729,749)	
Share capital		11,628,320,334		11,624,273,106	
Additional paid-in capital		—		—	
Legal reserve		673,210,191		1,915,709,471	
Other reserves					
Reserve for remeasurements of employee defined benefit plans (IAS 19)		(57,035,901)		(60,156,948)	
Other		(100,580,842)		(134,827,868)	
Total Other reserves		(157,616,743)		(194,984,816)	
Retained earnings (accumulated losses), including profit (loss) for the year		(154,569,181)		(1,242,499,280)	
Total Equity	(c)	11,989,344,601		12,102,498,481	
Non-current liabilities					
Non-current financial liabilities for financing contracts and others	15)	6,646,996,449	2,366,579,000	7,364,513,135	2,438,919,000
Non-current financial liabilities for lease contracts	15)	556,390,610	12,788,000	644,120,072	16,245,000
Employee benefits	20)	159,349,340		163,334,112	
Deferred tax liabilities	10)	—		—	
Provisions	21)	190,943,617		199,009,826	
Miscellaneous payables and other non-current liabilities	22)	471,203,207	13,149,000	699,130,796	1,081,000
Total Non-current liabilities	(d)	8,024,883,223		9,070,107,941	
Current liabilities					
Current financial liabilities for financing contracts and others	15)	5,112,243,019	3,066,077,000	4,824,628,385	1,617,767,000
Current financial liabilities for lease contracts	15)	240,311,812	4,042,000	231,238,416	3,616,000
Trade and miscellaneous payables and other current liabilities	23)	5,463,334,133	495,202,000	5,281,062,661	465,360,000
Current income tax payables	10)	16,516,700		—	
Current liabilities sub-total		10,832,405,664		10,336,929,462	
Liabilities directly associated with Discontinued operations/Non-current assets held for sale	13)				
of a financial nature		—		—	
of a non-financial nature		—		—	
		—		—	
Total Current Liabilities	(e)	10,832,405,664		10,336,929,462	
Total Liabilities	(f=d+e)	18,857,288,887		19,407,037,403	
Total Equity and Liabilities	(c+f)	30,846,633,488		31,509,535,884	

SEPARATE INCOME STATEMENTS

(euros)	notes	Year 2025	of which with related parties	Year 2024	of which with related parties
Revenues	25)	9,445,836,437	465,377,000	9,218,214,372	392,496,000
Other income	26)	1,265,001,510	65,606,000	232,817,071	36,975,000
Total operating revenues and other income		10,710,837,947		9,451,031,443	
Acquisition of goods and services	27)	(7,540,933,738)	(1,214,309,000)	(6,134,825,583)	(1,383,631,000)
Employee benefits expenses	28)	(990,799,791)	(50,870,000)	(910,119,365)	(52,048,000)
Other operating expenses	29)	(220,741,902)	(1,195,000)	(233,725,052)	(553,000)
Change in inventories	30)	(4,692,704)		13,572,209	
Internally generated assets	31)	115,582,271		143,816,045	
Operating profit (loss) before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)		2,069,252,083		2,329,749,697	
<i>of which: impact of non-recurring items</i>	39)	<i>141,579,000</i>		<i>(97,120,000)</i>	
Depreciation and amortization	32)	(1,610,913,074)	(3,883,000)	(1,647,128,845)	(4,918,000)
Gains (losses) on disposals of non-current assets	33)	(1,913,140)		(6,233,727)	
Impairment reversals (losses) on non-current assets	34)	(68,994,410)		(14,225,059)	
Operating profit (loss) (EBIT)		387,431,459		662,162,066	
<i>of which: impact of non-recurring items</i>	39)	<i>142,236,000</i>		<i>(93,952,000)</i>	
Income/(expenses) from investments	35)	152,369,331	122,528,000	29,242,617	13,156,000
Finance income	36)	601,828,591	346,647,000	1,003,197,187	485,849,000
Finance expenses	36)	(1,132,781,548)	(353,533,000)	(1,939,951,919)	(674,633,000)
Profit (loss) before tax from continuing operations		8,847,833		(245,350,049)	
<i>of which: impact of non-recurring items</i>	39)	<i>165,606,000</i>		<i>(93,271,000)</i>	
Income tax expense	10)	(33,214,997)		(30,912,426)	
Profit (loss) from continuing operations		(24,367,164)		(276,262,475)	
Profit (loss) from Discontinued operations / Non current assets held for sale	13)	(130,202,017)	—	(966,236,805)	232,909,000
Profit (loss) for the year		(154,569,181)		(1,242,499,280)	
<i>of which: impact of non-recurring items</i>	39)	<i>28,717,000</i>		<i>(1,051,255,000)</i>	

STATEMENTS OF COMPREHENSIVE INCOME

(euros)		Year 2025	Year 2024
Profit (loss) for the year	(a)	(154,569,181)	(1,242,499,280)
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		(16,399,460)	8,918,899
Income tax effect		195,805	(114,361)
	(b)	(16,203,655)	8,804,538
Remeasurements of employee defined benefit plans (IAS 19):			
Actuarial gains (losses)		3,121,047	12,803,322
Income tax effect		—	—
	(c)	3,121,047	12,803,322
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)	(13,082,608)	21,607,860
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		200,673	1,494,641
Loss (profit) transferred to the Separate Income Statements		—	—
Income tax effect		(48,161)	(358,714)
	(f)	152,512	1,135,927
Hedging instruments:			
Profit (loss) from fair value adjustments		(14,261,175)	252,746,819
Loss (profit) transferred to the Separate Income Statements		76,376,492	(36,317,301)
Income tax effect		(14,907,676)	(51,943,084)
	(g)	47,207,641	164,486,434
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)	47,360,153	165,622,361
Total other components of the Statements of Comprehensive Income	(k= e+i)	34,277,545	187,230,221
Total comprehensive income (loss) for the year	(a+k)	(120,291,636)	(1,055,269,059)

STATEMENTS OF CHANGES IN EQUITY

Changes in Equity from January 1 to December 31, 2024

(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, 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			9,940,465	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	—	13,293,881	(162,690,539)	(60,156,948)	687,778,980	12,102,498,480

Changes in Equity from January 1 to December 31, 2025 – 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, 2024	11,624,273,106	—	13,293,881	(162,690,539)	(60,156,948)	687,778,980	12,102,498,480
Changes in equity during the year:							
Coverage of prior year loss		—					—
Total comprehensive income (loss) for the year			(16,051,143)	47,207,641	3,121,047	(154,569,181)	(120,291,636)
Treasury shares servicing the 2022-2024 Stock Option Plan	4,047,228					(908,616)	3,138,612
Equity instruments						3,722,354	3,722,354
Other changes		—				276,791	276,791
Balance at December 31, 2025	11,628,320,334	—	(2,757,262)	(115,482,898)	(57,035,901)	536,300,328	11,989,344,601

STATEMENTS OF CASH FLOWS

(euros)	notes	Year 2025	Year 2024
Cash flows from operating activities:			
Profit (loss) for the year from continuing operations		(24,362,000)	(276,262,474)
Adjustments for:			
Depreciation and amortization	31)	1,610,913,074	1,647,128,846
Impairment losses (reversals) on non-current assets including investments		68,993,000	25,999,000
Net change in deferred tax assets and liabilities		2,468,000	32,271,000
Losses (gains) realized on disposals of non-current assets (including investments)		1,913,000	(19,423,000)
Change in employee benefits		(6,052,000)	(9,762,000)
Change in inventories		4,650,000	(12,204,000)
Change in trade receivables		(178,156,000)	219,345,000
Change in trade payables		(50,143,000)	(175,000)
Net change in income tax receivables/payables		29,478,000	(4,816,000)
Net change in miscellaneous receivables/payables and other assets/liabilities		(847,892,943)	(193,047,673)
Cash flows from (used in) operating activities	(a)	611,809,131	1,409,053,699
Cash flows from investing activities:			
Purchases of intangible, tangible and rights of use assets on a cash basis		(645,122,000)	(920,522,000)
Contributions for plants received		1,221,000	7,200,000
Acquisition of control of companies or other businesses, net of cash acquired		—	329,000
Proceeds from sale that result in a loss of control of subsidiaries or other businesses, net of cash disposed of	7)	—	4,168,898,000
Acquisitions/disposals of other investments		—	(53,208,000)
Change in financial receivables and other financial assets (excluding hedging and non-hedging derivatives under financial assets)		(124,112,000)	2,503,908,000
Proceeds from sale/repayments of intangible, tangible, rights of use assets and other non-current assets		47,073,000	271,080,000
Other changes in non-current assets (tangible/intangible/rights of use/investments/securities)		1,000	2,000
Cash flows from (used in) investing activities	(b)	(720,939,000)	5,977,687,000
Cash flows from financing activities:			
Change in current financial liabilities and other		1,011,759,000	(246,056,000)
Proceeds from non-current financial liabilities (including current portion)		674,994,000	2,000,004,000
Repayments of non-current financial liabilities (including current portion)		(3,543,333,000)	(7,944,895,000)
Changes in hedging and non-hedging derivatives		—	(84,757,000)
Consideration received from the sale of equity instruments		3,139,000	—
Consideration paid for the purchase of equity instruments		—	—
Share capital proceeds/reimbursements		—	—
Dividends paid (*)		—	(2,000)
Changes in ownership interests in subsidiaries		—	—
Cash flows from (used in) financing activities	(c)	(1,853,441,000)	(6,275,706,000)
Cash flows from (used in) discontinued operations/non-current assets held for sale	(d)	(6,016,000)	(1,174,454,000)
Aggregate cash flows	(e=a+b+c+d)	(1,968,586,869)	(63,419,301)
Net cash and cash equivalents at beginning of the year	(f)	(328,188,321)	(264,769,020)
Net cash and cash equivalents at end of the year	(g=e+f)	(2,296,775,190)	(328,188,321)
(*) of which from related parties		—	—

Purchase of intangible, tangible and rights of use assets

(euros)	notes	Year 2025	Year 2024
Purchase of intangible assets	4)	(466,191,000)	(511,081,000)
Purchase of tangible assets	5)	(461,297,000)	(475,767,000)
Purchase of right of use assets	6)	(126,679,000)	(248,169,000)
Total purchases of intangible, tangible and rights of use assets on an accruals basis (*)		(1,054,167,000)	(1,235,017,000)
Change in payables arising from purchase of intangible, tangible and rights of use assets		409,045,000	314,495,000
Total purchases of intangible, tangible and rights of use assets on a cash basis		(645,122,000)	(920,522,000)
(*) of which from related parties		(21,668,000)	(36,114,000)

Additional Cash Flow information

(euros)	Year 2025	Year 2024
Income taxes (paid) received	(7,361,000)	143,285,000
Interest expense paid	(828,558,000)	(1,597,025,000)
Interest income received	340,199,000	644,602,000
Dividends received	122,600,000	15,347,000

Analysis of Net Cash and Cash Equivalents

(euros)	Year 2025	Year 2024
Net cash and cash equivalents at beginning 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)
Net cash and cash equivalents at end of the year:		
Cash and cash equivalents	456,189,458	819,532,528
Bank overdrafts repayable on demand	(2,752,964,648)	(1,147,720,849)
	(2,296,775,190)	(328,188,321)

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 separate financial statements of TIM S.p.A. as of December 31, 2025 have been prepared on a going concern basis (see the Note "Accounting policies" for further details) and in compliance with the International Financial Reporting Standards issued by the International Accounting Standards Board and endorsed by the European Union (referred to as "IFRS"), as well as with the legislative and regulatory provisions in force in Italy.

It should also be noted that in 2025 TIM S.p.A. applied accounting principles consistent with those of the previous year, except for the changes to accounting standards issued by the IASB and effective as of January 1, 2025. 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).

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.

It should also be noted that the Sparkle group, active in the development of fiber optic networks for wholesale customers in the international field (International wholesale), is classified, pursuant to IFRS 5, as "Assets available for sale," as the sale is considered highly probable. For comparative purposes only, the income statement and cash flow data already published in the annual report as at December 31, 2024 have been consistently reclassified, as required by IFRS 5. For more details, 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 the separate financial statements of TIM S.p.A. for the year ended December 31, 2025 was authorized by resolution of the Board of Directors on March 11, 2026.

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
+/-	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 annual report as of December 31, 2025 has been prepared on a going concern basis as there is a reasonable expectation that TIM will continue its operating activities in the foreseeable future (and in any case with a time horizon of more than twelve months).

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

- the main risks and uncertainties (that are for the most part of an external nature) to which the Group and the various activities of the TIM Group are exposed:
 - variations in business conditions, also related to competition;
 - technological risks such as cyber security, ICT network development and maintenance, artificial intelligence;
 - financial risks (interest rate and/or exchange rate trends, changes in the Group's credit rating by rating agencies);
 - changes in the international geopolitical and general macroeconomic situation in the Italian, European and Brazilian markets, as well as the volatility of financial markets arising from inflation risks;
 - the factors of geopolitical instability brought about by ongoing conflicts with possible negative effects on energy security and global supply chains, including possible new tariffs;
 - 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" in the Consolidated Financial Statements for the year ended December 31, 2024.

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

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 the following:

- **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 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 through 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 Art. 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".

Share-based payment arrangements

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 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. Specifically:

- **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 commissions to the sales network) are subject to deferral and recognized in the separate income statement based on the estimated period of recoverability of the related economic benefits which, for mobile network customers, is based on the expected duration of the contractual relationship, while for fixed network customers it is based on the economic recoverability of the one-off costs (referring to costs for commissions to the sales network and technical activation costs).

The recoverability of contract assets and deferred costs is periodically assessed.

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.

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 accruals 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 effect of any change in the accounting estimate is recognized prospectively.

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 costs to obtain and fulfill contracts for mobile network customers (mainly, costs for commissions to the sales network) is influenced by the estimate of the expected duration of the relationship, calculated on the basis of historical churn rates and future forecasts. 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. The recognition of costs to obtain and fulfill contracts for fixed network customers depends on the economic recoverability of the one-off costs (mainly referring to costs for commissions to the sales network and technical activation costs).
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 adopted by the EU and effective as of January 1, 2025

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

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

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

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

The adoption of these amendments had no impact on the consolidated financial statements as of December 31, 2025.

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

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

New standards and interpretations issued by the IASB but not yet applicable

At the date of preparation of these 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	
IFRS 19 – Subsidiaries without Public Accountability: Disclosures	1/1/2027
IAS 21 – Use of a hyperinflationary presentation currency	1/1/2027
New Standards and Interpretations endorsed by the EU	
IFRS 18 – Presentation and Disclosure in Financial Statements	1/1/2027
Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	1/1/2026
Annual Amendments to IFRS - Volume 11	1/1/2026
Nature-dependent electricity contracts: Amendments to IFRS 9 and IFRS 7	1/1/2026

Any impacts on the 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.

It should be noted that in April 2024 the IASB issued IFRS 18, which will replace IAS 1 – Presentation of the annual report.

IFRS 18, together with the amendments to other accounting standards, is effective for financial years beginning on or after January 1, 2027; Early application is permitted. IFRS 18 will be applied retrospectively.

IFRS 18 introduces new presentation requirements in the income statement, including specifically defined totals and subtotals. In addition, entities are required to classify all income and expenses in the income statement into one of the following five categories: operating activities, investing activities, loan activities, income tax expense, and discontinued operating activities.

The standard requires specific disclosure on the new performance measures defined by management (“MPM”), represented by subtotals of income and expenses, and also introduces new requirements regarding the aggregation and disaggregation of financial information.

In addition, limited scope amendments have been made to IAS 7 – Cash Flow, which include:

- the change in the starting point for determining cash flows generated from operating activities using the indirect method, which shifts from “profit or loss for the year” to “operating result”; and
- the elimination of the classification options for cash flows relating to interest and dividends.

Consequential amendments to several other accounting standards are also envisaged.

The Company is currently conducting an analysis aimed at identifying all the impacts that the changes introduced by the new standard will have on the primary financial statements and on the notes to the annual report, as well as on the new determination of performance indicators.

NOTE 3

GOODWILL

Goodwill as of December 31, 2025 amounted to 8,814 million euros and refers to the goodwill included in TIM S.p.A.'s domestic business segment. The item is unchanged compared to December 31, 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, which includes the controlling interest held by TIM S.p.A. in Noovle S.p.A..

Therefore, on the separate financial statements of TIM S.p.A., goodwill does not need to be impaired.

Therefore, the methods of carrying out the impairment test of the Domestic CGU for the purposes of the consolidated financial statements, which includes the Enterprise and Consumer perimeter, are illustrated below.

The value configuration used to determine the recoverable value of the Domestic CGU as of December 31, 2025 was the fair value based on the income approach, as it was considered to best express the value of the Group's assets (the so-called market participant perspective), also reflecting the cost measures taken in view of a possible future new and different business structure.

The fair value of the Domestic CGU was estimated using the income approach, in accordance with IAS 36, valuation principles, and best practices, with reference to the cash flows in the 2026–2028 Business Plan, which is based on the results for 2025: (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, 2025. The expected cash flows reported in the 2026-2028 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 2026-2028 Industrial Plan were extrapolated for an additional two years (2029-2030), thus bringing the explicit forecast period for future cash flows to a total of five years (2026-2030). The extrapolation of data for 2029-2030 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 flows beyond the explicit forecast period ("terminal value"). For this purpose, the 2030 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. Finally, the theoretical flows related to the renewal of the rights of use were taken into account.

The cost of capital used to discount the future cash flows in the estimates of fair value for the Domestic CGU:

- 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.

For the Domestic CGU, it was as follows:

- 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 CGU

WACC	6.75 %
WACC before tax	8.75 %
Growth rate beyond the explicit period (g)	0.75 %
Capitalization rate after tax (WACC-g)	6.00 %
Capitalization rate before tax (WACC-g)	8.00 %
CapEx/Revenues, perpetual	10.90 %

The weighted average cost of capital estimate of 6.75% is within the range of weighted average cost of capital estimates estimated by equity analysts.

The growth rate in the terminal value “g” of the Domestic CGU was estimated taking into account macroeconomic data (inflation and GDP), expected growth for operators in the sector, and market analysts' estimates for the TIM Group itself and for comparable companies. 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 Domestic Cash Generating Unit, determined on the basis of the estimated fair value, showed a higher fair value than the carrying amount (so-called headroom) of 1,514 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 2025.

NOTE 4

INTANGIBLE ASSETS WITH A FINITE USEFUL LIFE

The item decreased by 453 million euros compared to December 31, 2024. The breakdown and movements are as follows:

(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)	0	—	239	1,006
Concessions, licenses, trademarks and similar rights	3,004	(8)	—	(320)	0	—	(1)	2,675
Other intangible assets	2	—	—	(1)	0	—	1	2
Work in progress and advance payments	318	(69)	206	—	0	(1)	(180)	274
Total	4,578	(229)	511	(961)	—	(1)	59	3,957

(million euros)	12/31/2024	Investments	Depreciation and amortization	Impairment (losses) /reversals	Disposals	Other changes	12/31/2025
Industrial patents and intellectual property rights	1,006	387	(594)	—	—	176	975
Concessions, licenses, trademarks and similar rights	2,675	—	(320)	—	—	1	2,356
Other intangible assets	2	1	(2)	—	—	1	2
Work in progress and advance payments	274	77	—	—	—	(180)	171
Total	3,957	465	(916)	—	—	(2)	3,504

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.

They decrease by 31 million euros compared to December 31, 2024, due to amortization, the effect of which is only partially mitigated by the dynamics of investments and exercisability in the financial 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, 2024, they decreased by 319 million euros due to the effect of amortization.

The amount of telephone licenses and similar rights in operation at December 31, 2025 and their useful lives are detailed below:

Type	Residual value as of 12/31/2025 (thousands of euros)	Useful life (Years)	Maturity	Amortization expense for 2025 (thousands of euros)
UMTS 2100 MHz (extension)	119,843	8	12/31/2029	29,961
WiMax (extension)	2,622	7	12/31/2029	655
34-36-MHz OpNet (former Linkem) band	34,978	7	12/31/2029	8,744
LTE 1800 MHz	34,284	18	12/31/2029	8,571
LTE 800 MHz	240,126	17	12/31/2029	60,032
LTE 2600 MHz	26,409	17	12/31/2029	6,602
L Band (1452-1492 MHz)	65,883	14	12/31/2029	16,471
900 and 1800 MHz band	218,993	11	12/31/2029	54,748
3600-3800 MHz band (5G)	1,064,943	19	12/31/2037	88,745
26.5-27.5 GHz band (5G)	20,855	19	12/31/2037	1,738
694-790 MHz band (5G)	526,606	15 years and 6 months	12/31/2037	43,884

Work in progress and advance payments amounted to 171 million euros (274 million euros as of December 31, 2024) and decreased by 103 million euros, due to the commissioning of assets partially offset by investments during the year. The ongoing activities are mainly related to IT investments in BSS-OSS and Service Creation, access platforms, Core&Edge Network and Network management services, Syber Security, as well as investments for the digital transformation of management and sales systems.

Capital expenditures in the 2025 financial year are equal to 465 million euros and decrease by 46 million euros compared to the 2024 financial year (511 million euros), mainly due to lower ongoing investments.

Amortization related to intangible assets amounted to 916 million euros and decreased by 45 million euros compared to those recognized in 2024 (961 million), 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/depreciation at December 31, 2024 and December 31, 2025 can be summarized as follows:

(million euros)	Gross carrying amount	12/31/2024 Accumulated impairment losses	Accumulated amortization/ depreciation	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

(million euros)	12/31/2025			Net carrying amount
	Gross carrying amount	Accumulated impairment losses	Accumulated amortization/ depreciation	
Diritti di brevetto industriale e diritti di utilizzazione delle opere dell'ingegno	8,311	(1)	(7,335)	975
Concessioni, licenze, marchi e diritti simili	4,868	—	(2,513)	2,355
Altre attività immateriali	63	—	(60)	3
Attività immateriali in corso e acconti	171	—		171
Totale	13,413	(1)	(9,908)	3,504

With regard to the gross values of intangible assets with a finite useful life, in 2025 there were disposals of 181 million euros related to almost fully amortized intellectual property rights, essentially referring to obsolete IT and network systems and software developments.

NOTE 5

TANGIBLE ASSETS

The item decreased by 53 million euros compared to December 31, 2024. The breakdown and movements are as follows:

(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

(million euros)	12/31/2024	Investments	Depreciation and amortization	Impairment (losses) / Reversals	Disposals	Other changes	12/31/2025
Land	2	—	—	—	—	—	2
Buildings (civil and industrial)	5	—	(1)	—	—	—	4
Plant and equipment	1,318	278	(418)	(47)	(2)	169	1,298
Other	80	43	(49)	—	—	24	98
Construction in progress and advance payments	316	140	—	—	(2)	(189)	265
Total	1,721	461	(468)	(47)	(4)	5	1,668

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. The item remains unchanged compared to December 31, 2024.

Buildings (civil and industrial) includes buildings for industrial use or offices and light construction (small prefabricated buildings and stacked containers). This item decreased by million euros compared to December 31, 2024, due to amortization.

Plant and equipment consists mainly of transmission and power systems and equipment, data network and switching, SRB infrastructure, and commercial products. The item decreased by 20 million euros compared to December 31, 2024, mainly as a result of amortization and depreciation, partially offset by investments and cash flow. Investments for 2025 (278 million euros) are increasing compared to those of the 2024 financial year (+47 million euros).

The business plan sees the Company committed to extending the coverage of 5G networks, in particular in low-density areas, in order to provide advanced services to the Group's customers with better network coverage, helping to bring ultra-broadband to less served areas and reducing the costs of implementing the new generation mobile technology. In order to achieve this objective, agreements have been signed, both with suppliers of network equipment and with other TLC operators, which provide for a substantial technological renewal, also allowing significant optimization of the costs of power supply and maintenance of the equipment.

In this context, an audit of the plants involved in the company projects was carried out, considering their expected reuse rate, only for modernized equipment. The analysis resulted in an overall write-down of approximately 47 million euros.

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; increased by 18 million euros compared to December 31, 2024 as a result of the investment and exercisability dynamics in the financial year.

The item **Construction in progress and advance payments** decreased by 51 million euros compared to December 31, 2024, as a result of the fact that there were lower investments in the period compared to the amounts relating to work in progress in previous years; 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 into operation of capitalizations from previous years.

Disposals are equal to 4 million euros and are related to the abandonment of sites for Radio Base Stations.

Capital expenditures for the 2025 financial year amount to 461 million euros, down 15 million euros compared to the 2024 financial year (476 million euros); These mainly relate to commercial products for customer rental contracts (102 million euros),

transmission equipment including SDH-WDM (82 million euros), LTE/UMTS core and access (12 million euros), data network and switching (29 million euros), hardware management systems (34 million euros), capitalization of restoration costs (44 million), corporate IT equipment (9 million euros), as well as tangible assets in progress (147 million euros) mainly related to the development of mobile access platforms and mobile engineering.

Depreciation of tangible assets amounted to 468 million euros, a decrease of 26 million euros from 2024.

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 2025 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/depreciation at December 31, 2024 and December 31, 2025 can be summarized as follows:

(million euros)	Gross carrying amount	12/31/2024 Accumulated impairment losses	Accumulated depreciation	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

(million euros)	Gross carrying amount	12/31/2025 Accumulated impairment losses	Accumulated depreciation	Net carrying amount
Land	2	—	—	2
Buildings (civil and industrial)	14	—	(10)	4
Plant and equipment	12,845	(47)	(11,500)	1,298
Manufacturing and distribution equipment	3	—	(2)	1
Other	1,090	(2)	(990)	98
Construction in progress and advance payments	265	—	—	265
Total	14,219	(49)	(12,502)	1,668

With regard to the gross carrying amounts of tangible assets, in 2025 disposals were made for a total value of 139 million euros, mainly in relation to fully depreciated assets, including: mobile network infrastructure and equipment (68 million euros), consumer and business network equipment (51 million euros), network infrastructure (12 million euros), hardware management systems (3 million euros), PCs for social use (1 million euros).

The write-downs (49 million euros) mainly related to SRB equipment and antennas deemed unusable following Italy's digital transformation technology renewal plan, as described above.

NOTE 6

RIGHTS OF USE ASSETS

The item decreased by 138 million euros compared to December 31, 2024. The breakdown and movements are as follows:

(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 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
Total	3,271	(2,506)	50	199	(192)	—	(30)	721	1,513

(million euros)	12/31/2024	Investments	Increases in lease contracts	Depreciation and amortization	Impairment (losses) / reversals	Disposals	Other changes	12/31/2025
Rights of use on tangible assets								
Property	264	—	21	(43)	—	(1)	(1)	240
Plant and equipment	1,178	13	52	(177)	(22)	(1)	7	1,050
Other	20	—	7	(7)	—	(1)	—	19
Construction in progress and advance payments	51	34	—	—	—	—	(19)	66
Total	1,513	47	80	(227)	(22)	(3)	(13)	1,375

Rights of use on tangible assets amounted to 1,375 million euros and decreased compared to December 31, 2024 by 138 million euros. In particular:

- the item Property includes buildings and land under lease contracts and the related building adaptations. They decrease by 24 million euros mainly due to the dynamics of depreciation partially offset by increases in lease contracts;
- The item Plant and equipment mainly includes rights of use on radio base stations and infrastructures for telecommunications services (backbone and backhauling) and rights of use on B2B connections. Compared to December 31, 2024, decreases by 128 million euros, mainly as a result of amortization, decreases in lease contracts, and a write-down of rights of use for telecommunications services, only partially offset by related increases.
- Other assets mainly includes finance leases on motor vehicles and decreased by 1 million euros compared to December 31, 2024.

Capital expenditures amount to 47 million euros and relate to the acquisition of transmission capacity in IRU (backhauling, backbone, and other rights of use provided for in the MSA with FiberCop S.p.A.).

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 assets from real estate lease agreements (and related improvements), SRB and on vehicles released in advance, net of the value of the residual financial debt.

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 IFRS16.

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/depreciation at December 31, 2024 and December 31, 2025 can be summarized as follows:

(million euros)	Gross carrying amount	12/31/2024 Accumulated impairment losses	Accumulated amortization/ depreciation	Net carrying amount
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 payments	51	—	—	51
Total	2,336	—	(823)	1,513

(million euros)	Gross carrying amount	12/31/2025 Accumulated impairment losses	Accumulated amortization/ depreciation	Net carrying amount
Rights of use on tangible assets				
Property	505	—	(265)	240
Plant and equipment	1,731	—	(681)	1,050
Equipment	—	—	—	—
Other	35	—	(16)	19
Construction in progress and advance payments	66	—	—	66
Total	2,337	—	(962)	1,375

With regard to the gross carrying amounts of rights of use of third party assets, in 2025 disposals were made for a total value of 120 million euros. The categories of assets most affected were: rented properties and related improvements and adaptations (10 million euros), radio base stations (55 million euros), leased management hardware (25 million euros), IRU (26 million euros) and leased cars (4 million euros).

NOTE 7 INVESTMENTS

These decreased, compared to December 31, 2024, by 213 million euros and refer to:

(million euros)	12/31/2025	of which Financial Instruments	12/31/2024	of which Financial Instruments
Subsidiaries	7,140		7,321	
Associates and joint ventures	68		68	
Other investments	13	13	44	44
Total	7,221	13	7,434	44

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 2025 the main transactions with subsidiaries, associates, joint ventures and other equity investments of TIM S.p.A. were the following:

- Telecom Italia Sparkle S.p.A.: During the 2025 financial year, the changes concerned the increase in the value of the shareholding following the waiver of the financial credit for 525 million euros and the presumed realizable value was adjusted with a total negative impact of 115 million euros.

The value of the investment at December 31, 2025, equal to 591 million euros, has been reclassified, pursuant to IFRS 5, to the item "Discontinued operations/Assets available for sale", as the sale is considered highly probable. For more information, please refer to Note 13 "Discontinued operations/ Non-current assets held for sale".

- Fin Priv S.r.l.: the shareholding was liquidated on October 24, 2025.

Movements during 2025 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:

Investments

(thousands of euros)	Carrying amount at 12/31/2024	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 12/31/2025
Investments in subsidiaries								
CD FIBER S.r.l.	37			(37)			(37)	—
OLIVETTI S.p.A. SOCIETA' BENEFIT	8,232					26	26	8,258
NOOVLE S.p.A. SOCIETA' BENEFIT	1,079,904					38	38	1,079,942
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
TELECOM ITALIA SAN MARINO S.p.A.	7,565						—	7,565
TELECOM ITALIA SPARKLE S.p.A.	181,130		525,000		(115,000)	(591,130)	(181,130)	—
TELECOM ITALIA VENTURES S.r.l.	63,635						—	63,635
TELECONTACT CENTER S.p.A.	12,654						—	12,654
TELSY S.p.A.	19,522					27	27	19,549
TIM BRASIL SERVIÇOS E PARTICIPAÇÕES S.A.	—						—	—
TIM RETAIL S.r.l.	15,143						—	15,143
TIM MY BROKER S.r.l.	10						—	10
	7,321,186	—	525,000	(37)	(115,000)	(591,039)	(181,076)	7,140,110

(thousands of euros)

	Carrying amount at 12/31/2024	Mergers/ demergers spin-offs of business units	Acquisitions/ Subscriptions/ Payments to cover Losses	Disposals/ Reimburseme nts	Impairment losses / Reversals Value/ Adj. Fair value	Other changes and reclassifica- tions	Total changes	Carrying amount at 12/31/2025
Investments in associates and joint ventures								
AREE URBANE (in liquidation)	—						—	—
POLO STRATEGICO NAZIONALE S.p.A.	31,500						—	31,500
TIGLIO I in liquidation	—						—	—
TIMFin S.p.A.	36,750						—	36,750
	68,250	—	—	—	—	—	—	68,250

(thousands of euros)

	Carrying amount at 12/31/2024	Mergers/ demergers spin-offs of business units	Acquisitions/ Subscriptions/ Payments to cover Losses	Disposals/ Reimburseme nts	Impairment losses / Reversals Value/ Adj. Fair value	Other changes and reclassifica- tions	Total changes	Carrying amount at 12/31/2025
Investments in other companies								
BANCA UBAE	2,447				246		246	2,693
FIN. PRIV.(*)	32,361			(43,964)	11,603		(32,361)	—
IST. ENCICLOPEDIA ITALIANA G. TRECCANI	2,783				(83)		(83)	2,700
ISTITUTO EUROPEO DI ONCOLOGIA	2,941				156		156	3,097
Other minor investments	3,858	—	—	—	266	—	266	4,124
	44,390	—	—	(43,964)	12,188	—	(31,776)	12,614
Total Investments	7,433,826	—	525,000	(44,001)	(102,812)	(591,039)	(212,852)	7,220,974

(*) Recognized investment measured at fair value through other comprehensive income (FVTOCI).

The list of investments in subsidiaries, associates and joint ventures at December 31, 2025 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)	12/31/2025	12/31/2024
Non-current financial assets		
Financial receivables and other non-current financial assets		
Financial receivables from subsidiaries	700	1,034
Receivables from employees	8	9
Hedging derivatives relating to hedged items classified as non-current assets/liabilities of a financial nature	62	72
Non-hedging derivatives	305	464
	1,075	1,579
Financial receivables for lease contracts	10	14
Total non-current financial assets	(a) 1,085	1,593
Securities other than investments, other financial receivables and other current financial assets		
Securities other than investments		
	—	—
Financial receivables and other current financial assets		
Receivables from employees	2	3
Hedging derivatives relating to hedged items classified as current assets/liabilities of a financial nature	4	4
Non-hedging derivatives	37	43
Financial receivables from subsidiaries	335	395
Other short-term financial receivables	1	1
	(b) 379	446
Financial receivables for lease contracts	(c) 41	26
Cash and cash equivalents	(d) 456	820
Total current financial assets	e=(b+c+d) 876	1,292
Total non-current and current financial assets	(f)=(a+e) 1,961	2,885

Further details on Financial Instruments are provided in Note 19 "Supplementary disclosures on financial instruments".

Financial receivables from subsidiaries amounted to **million euros** (million euros at December 31, 2024) and consisted of loans granted to Noovle S.p.A. (684 million euros), Telsy S.p.A. (15 million euros) and MIndicity (1 million euros). Current financial receivables from subsidiaries amount to 335 million euros (395 million euros as of December 31, 2024) and include 228 million euros as the current portion of medium/long-term loans (of which 204 million euros to Noovle S.p.A. and 24 million euros to Telsy S.p.A.) and 107 million euros in short-term credit lines (of which 101 million euros related to Noovle S.p.A.).

Financial receivables for lease contracts (current and non-current) amounted to 51 million euros (40 million euros at December 31, 2024) and included:

- agreements for the sale of network infrastructure in IRU with deferred collection over time of 35 million euros (20 million euros at December 31, 2024) recognized using the financial method envisaged by IFRS 16 given the contractual term substantially close to the economic life of the asset;
- 11 million euros in sub-lease agreements (including 10 million to subsidiaries);
- contracts for the lease of commercial products to customers, for an amount of 5 million euros (7 million euros at December 31, 2024).

Receivables from employees (current and non-current) amounted to 10 million euros (12 million euros at December 31, 2024) and included the remaining amount due on loans granted.

Hedging derivatives, amounting to 66 million euros (76 million euros as of December 31, 2024), include the spot mark-to-market valuation components of hedging derivatives in cash flow hedges (64 million euros) and in fair value hedge (2 million euros) and the accrued income on these contracts.

Non-hedging derivatives, equal to 342 million euros (507 million euros at December 31, 2024), include the active valuation of the transactions that TIM S.p.A. carries out to serve the Group companies in its exclusive centralized treasury function and which are offset in the corresponding item classified among financial liabilities. In addition, in non-hedging derivatives classified as non-current financial assets, 4 million euros refers to Total Return Equity Swaps.

The non-hedging derivatives consisted of:

- items classified under non-current financial assets (305 million euros), which refer to the mark-to-market spot valuation component of the non-hedging derivatives;
- items classified as current financial assets (37 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 456 million euros, down by 364 million euros compared to December 31, 2024 and were broken down as follows:

(million euros)	12/31/2025	12/31/2024
Liquid assets with banks, financial institutions and post offices	456	732
Receivables from subsidiaries	—	88
Total	456	820

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)	12/31/2025	of which Financial Instruments	12/31/2024	of which Financial Instruments
Miscellaneous receivables (non-current)				
Miscellaneous receivables from subsidiaries	14	—	3	—
Miscellaneous receivables from associates	—	—	—	—
Other receivables	170	7	247	6
(a)	184	7	250	6
Other non-current assets				
Deferred contract costs	583	—	1,221	—
Other deferred costs	68	—	81	—
(b)	651	—	1,302	—
Total	(a+b) 835	7	1,552	6

Further details on Financial Instruments are provided in Note 19 "Supplementary disclosures on financial instruments".

Miscellaneous receivables (non-current)

This item decreased by 66 million euros compared to December 31, 2024, and includes:

- receivables from subsidiaries for tax consolidation amounting to 14 million euros (3 million euros as of December 31, 2024);
- receivables from others amounting to 170 million euros (247 million euros as of December 31, 2024), which mainly include 133 million euros (211 million euros as of December 31, 2024) relating to the non-current portion of the receivable from FiberCop S.p.A. for services related to the MSA, arising from the NetCo transaction, and 30 million euros due from the tax authorities for income taxes (unchanged compared with December 31, 2024).

Other non-current assets

This item decreased by 651 million euros compared to December 31, 2024, and includes:

- **Deferred contract costs** for 583 million euros (1,221 million euros at December 31, 2024): mainly related to the deferral of costs connected to the activation and acquisitions of new customer contracts, fixed and mobile services.

For mobile network customers, contractual costs (mainly costs for commissions to the sales network) are deferred and recognized in a separate profit or loss based on the expected duration of the contractual relationship, estimated at 4 years.

For fixed-line customers, it should be noted that following the sale of the network completed in 2024, and the progressive introduction of commercial elements ancillary to the pure sale of connectivity, linked to the development of the customer platform concept (multimedia, energy, insurance, ...) launched in mid-2025, the notion of a customer tied to a specific telephone/data line is gradually losing its meaning, replaced by a vision of the customer at the center of an ecosystem of services and offerings.

Furthermore, the Domestic business has been confronted with a new industrial model that has a significant impact on the industrial cost/investment model, which is closely linked to TIM's contractual relationships with wholesale operators (FiberCop and others). This new model has made it possible to increase the level of close correlation between customer acquisition capacity and related costs, overcoming the model based on "network coverage level".

Therefore, for the purposes of the 2025 annual report, an assessment was carried out on the recoverability of the deferred contract costs in place on the fixed network and it was decided to link the duration of the deferral no longer to the useful life of the customer (previously estimated at approximately 8 years), as it is difficult to trace and no longer representative of the business model, but to the period over which the economic recoverability of the "one-off" costs is achieved, a period calculated as 4 years.

The change in the duration of the recognition of deferred fixed network contract costs in the income statement from 8 to 4 years – carried out on a prospective basis – resulted in overall higher costs of 710 million euros for 2025.

With reference to the amount of deferred fixed network contractual costs in place at December 31, 2025 (equal to 723 million euros), the prospective effect on the income statement is estimated at 305 million euros for the 2026 financial year and 226 million euros for 2027.

Total deferred contract costs relating to fixed and mobile (non-current and current) amounted to 1,019 million euros (1,710 million euros at December 31, 2024); the breakdown of the total deferred non-current and current contract costs at December 31, 2025 is provided below, as well as the related changes in the year:

(million euros)	12/31/2025	12/31/2024
Deferred contract costs		
Non-current deferred contract costs	583	1,221
Current deferred contract costs	436	489
Total	1,019	1,710

(million euros)	12/31/2024	Increase	Release to income statement	12/31/2025
Contract acquisition costs	1,386	402	(942)	846
Contract execution costs	324	105	(256)	173
Total deferred contract costs	1,710	507	(1,198)	1,019

Overall deferred contract costs will be recognized in the income statement of the Company's future financial years and in particular:

(million euros)	12/31/2025	Year of recognition in the income statement			
		2026	2027	2028	2029
Deferred contract costs					
Contract acquisition costs	846	369	265	160	52
Contract execution costs	173	67	54	39	13
Total	1,019	436	319	199	65

- **Other deferred costs** of 68 million euros (81 million euros at December 31, 2024): 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 30 million euros at December 31, 2025, 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 amount to 34 million euros (48 million euros at December 31, 2024) and decreased by 14 million euros compared to December 31, 2024, essentially due to the reclassification of the IRAP credit from previous financial years to the reduction of the IRAP debt for the 2025 financial year; they include receivables for taxes paid abroad for 22 million euros, a tax consolidation credit for 11 million euros, and other tax receivables for 1 million euros.

Tax assets and deferred tax liabilities

The net balance is composed as follows:

(million euros)	12/31/2025	12/31/2024
Deferred tax assets	282	299
Deferred tax liabilities	—	—
Total	282	299

The 2025 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)	12/31/2025	12/31/2024
Deferred tax assets	285	303
Deferred tax liabilities	(3)	(4)
Total	282	299

Deferred tax assets and deferred tax liabilities which made up this line item at December 31, 2025 and 2024, as well as the movements during 2025 were as follows, broken down by type of temporary differences:

(million euros)	12/31/2024	Recognized in profit or loss	Recognized in equity	Other changes	12/31/2025
Deferred tax assets:					
Provisions for pension fund integration Law 58/92	3				3
Provisions	105	2			107
Provision for bad debts	61	(15)			46
Financial instruments	53		(15)		38
Taxed depreciation and amortization	65	(3)			62
Other deferred tax assets	16	13			29
Total	303	(3)	(15)	—	285
Deferred tax liabilities:					
Bond issue expense	(1)	1			—
Other deferred tax liabilities	(3)				(3)
Total	(4)	1	—	—	(3)
Total Deferred tax assets net of Deferred tax liabilities	299	(2)	(15)	—	282

The expirations of deferred tax assets and deferred tax liabilities at December 31, 2025 were the following:

(million euros)

	Within next year	Beyond 1 year year	Total at Dec 31, 2025
Deferred tax assets	128	157	285
Deferred tax liabilities	(1)	(2)	(3)
Total Deferred tax assets net of Deferred tax liabilities	127	155	282

The company has not recognized deferred tax assets for IRES of 954 million euros on tax losses, for 82 million euros on the Aid to Economic Growth benefit, and deferred tax assets for IRAP of 18 million euros.

Current income tax payables

As of December 31, 2025, the **current tax payables** amounted to 16 million euros for IRAP due to the Treasury, net of the IRAP receivable from previous years (not present as of December 31, 2024), while **the non-current tax payables** were zero (1 million euros as of December 31, 2024).

Income tax expense

The **income tax expense** for the years ended December 31, 2025 and 2024 is detailed below:

(million euros)	2025	2024
IRAP taxes for current year	31	—
IRES taxes for current year	—	—
Substitute tax pursuant to Decree Law 104/2020 Art. 110	—	—
Expenses/(income) from tax consolidation	(1)	(2)
Current taxes of prior years	1	1
Total current taxes	31	(1)
Deferred taxes for the year	(6)	30
Deferred taxes of prior years	8	2
Total deferred taxes	2	32
Total income tax expense for the year	33	31

The current IRES tax rate is 24%, while the effective IRAP tax rate is 4.5%.

The charge for current taxes is represented by IRAP (31 million euros) and by the benefit of tax consolidation (1 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 2024 annual report on the basis of the information available at the time.

Deferred tax expense amounts to 2 million euros and consists of 6 million from the benefit deriving from the allocation of 6 million deferred tax assets and 8 million from the tax expense of previous years.

The reconciliation between the theoretical tax charge, calculated on the basis of the IRES tax rate in effect at December 31, 2025 (24%), and the effective tax charge in the financial statements is as follows:

(million euros)	2025	2024
Result before tax		
From continuing operations	9	(245)
Derived from Discontinued operations/Non-current assets held for sale	(130)	(966)
Total profit (loss) before tax	(121)	(1,211)
Theoretical income tax expense	(29)	(291)
Income tax effect on increases (decreases) in variations:		
dividends recognized in income	(35)	(4)
impairment losses, gains and losses on investments	30	98
non-deductible depreciation, amortization and impairments	27	15
non-deductible costs	12	4
other items	8	(4)
IRES taxes for previous years	9	3
ACE Deduction	(20)	
Tax losses of the year not considered recoverable	—	210
Actual taxes on income statement, excluding IRAP	2	31
IRAP (Regional Tax on Production Activities)	31	—
Total of actual taxes to income statement	33	31

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 in the first three years of the GloBE Rules (until 2026 but with an extension to 2027 based on recent indications provided by the OECD in the so-called Side-by-Side Agreement), which will make it possible to avoid carrying out the complex calculations provided for and 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 for 2027) 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 employee benefits expenses 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 an analysis of 2024 data with reference to the application of safe harbours to the jurisdictions in which it operates. Based on the calculations made and the best interpretation of the documents published by the OECD, virtually all countries passed at least one of the tests. The only notable exceptions concerned the jurisdictions of Luxembourg, Argentina, and Singapore, which were not covered by any of the safe harbours examined. In this regard, it should be noted that Luxembourg –

unlike Argentina and Singapore – has adopted the GloBE Rules through domestic legislation and that the respective Qualified Domestic Minimum Top-Up Tax (also "QDMTT") has been in effect since 2024.

In relation to the 2025 financial year, TIM S.p.A. has carried out a similar preliminary analysis of the results of the jurisdictions in which it operates for the purposes of applying the aforementioned safe harbours, with the exception of the States that, on the basis of the data for the 2024 financial year, have not passed the relevant tests. Ordinary GloBE Rules will apply to such jurisdictions.

In relation to jurisdictions that, on the basis of the analyses carried out, exceed the aforementioned safe harbours, the ordinary discipline of the GloBE Rules does not apply and, consequently, no Top-Up Tax is due. On the contrary, with reference to Brazil — which, on the basis of the information available to date, does not appear to satisfy the aforementioned tests — the emergence of a potential supplementary tax cannot be excluded, in theory. However, it should be noted that, with effect from January 1, 2025, Brazil has introduced a local QDMTT, included by the OECD in the Central Record of Legislation among the qualified domestic minimum taxes that benefit from the QDMTT safe harbour regime. Consequently, if a supplementary taxation referring to entities located in Brazil were to be due, the related payment obligation would be fulfilled domestically and would not, in any case, result in any payment obligation on the part of TIM S.p.A.

NOTE 11

INVENTORIES

At December 31, 2025, these amounted to 143 million euros (148 million euros at December 31, 2024) and mainly consisted of fixed and mobile telecommunications equipment and terminals and the related accessories.

This item increased by 5 million euros compared to December 31, 2024; this trend is mainly due to lower purchases in the fixed asset sector.

In 2025, 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, 2025 breaks down as follows:

(million euros)	12/31/2025	of which Financial Instruments	12/31/2024	of which Financial Instruments
Trade receivables				
Receivables from customers	1,196	1,196	1,126	1,126
Receivables from subsidiaries	204	204	225	225
Receivables from associates and joint ventures	293	293	186	186
Receivables from other related parties	5	5	9	9
Customer collections pending credit	11	11	9	9
(a)	1,709	1,709	1,555	1,555
Miscellaneous receivables (current)				
Receivables from subsidiaries	37		5	—
Receivables from associates and joint ventures	—	—	—	—
Receivables from other related parties	—	—	—	—
Other receivables	1,776	105	681	66
(b)	1,813	105	686	66
Other current assets				
Contract assets	37	37	24	24
Deferred contract costs	436	—	489	—
Other deferred costs	399	—	360	—
Other	24	—	25	—
(c)	896	37	898	24
Total	(a+b+c) 4,418	1,851	3,139	1,645

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, 2025 and December 31, 2024 are provided below:

(million euros)	12/31/2025	of which non-overdue	of which overdue	0-90 days	Overdue: 91-180 days	181-365 days	More than 365 days
Trade and miscellaneous receivables and other current assets	1,851	1,566	285	67	28	18	172

(million euros)	12/31/2024	of which non-overdue	of which overdue	0-90 days	Overdue:		
					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

Financial instruments included in trade and miscellaneous receivables and other current assets include assets deriving from contracts with customers (Contract Assets) for 37 million euros.

The increase compared to December 31, 2024 of 206 million euros is concentrated in the category of receivables due/to be issued (+138 million euros) and expired credit aged 0-90 days (+44 million euros) and is attributable to the development of the instalment components relating to subscriber customers, to the dynamics relating to various credits, Contract assets and other activities, as well as to the management dynamics of the non-core component and, for both bands, of the Enterprise component.

Trade receivables

These came to 1,709 million euros (1,555 million euros at December 31, 2024) and were net of the related provision for bad debts of 196 million euros (239 million euros at December 31, 2024); In particular, the provision for write-down during the 2025 financial year changed due to the provisions made, totaling 47 million euros, and due to the uses amounting to 90 million euros.

Movements in the provision for bad debts were as follows:

(million euros)	12/31/2025	12/31/2024
Al 1° gennaio	239	316
Discontinued operations	—	(11)
Accantonamenti a conto economico	47	45
Utilizzo e altre variazioni	(90)	(111)
Al 31 dicembre	196	239

Trade receivables increase by 154 million euros compared to December 31, 2024, mainly due to the dynamics of credit positions towards customers and subsidiaries.

In particular, we report:

- receivables from customers: amounted to 1,196 million euros and increased by 70 million euros compared to December 31, 2024;
- receivables from subsidiaries: These amounted to 204 million euros and decreased by 21 million euros compared to December 31, 2024; This item refers to receivables for the supply of TLC products and services, mainly to Noovle S.p.A. Società Benefit (139 million euros), TIM S.A. (14 million euros), TIM Retail S.r.l. (20 million euros), Telecom Italia Sparkle S.p.A. (16 million euros); Olivetti S.p.A. Società Benefit (5 million euros) and Telecontact Center S.p.A. (3 million euros);
- receivables from associates: amounted to 293 million euros (186 million euros at December 31, 2024) and mainly relate to the supply of services to Polo Strategico Nazionale S.p.A.;
- receivables from associates amounted to 5 million euros (9 million euros at December 31, 2024) and mainly relate to the supply of services to Poste Group and its subsidiaries.

Miscellaneous receivables (current)

Amounted to 1,813 million euros (net of a provision for bad debts of 13 million euros), increasing by 1,127 million euros compared to December 31, 2024. They include:

- **receivables from subsidiaries:** amount to 37 million euros (5 million euros at December 31, 2024) and mainly refer to receivables from group companies for tax consolidation and group VAT (for a total of 35 million euros);
- **other receivables:** totaled 1,776 million and break down as follows:

(million euros)	12/31/2025	12/31/2024
Receivable connected to the 1998 License Fee ruling	1,011	—
Advances to suppliers	146	140
Receivables from employees	6	6
Tax receivables	284	58
Receivables for grants from the government and public entities	18	11
Sundry receivables	311	466
Total	1,776	681

The item "Receivable connected to the 1998 License Fee ruling" includes the pecuniary credit, which has become certain, liquid and payable following the judgment of the Supreme Court no. 33241 of December 19, 2025, which made the decision of the court of appeals of April 3, 2024, no. 2320/2024 final. The amount of 1,011 million euros relates to approximately 973 million euros to the amount recognized as compensation for total damage and approximately 38 million euros to the valuation of legal interests from the decision of the Court of Appeal until December 31, 2025.

For more details, please refer to Note 26 "Other income".

Tax receivables, amounting to 284 million euros, are mainly represented by the VAT credit (281 million euros).

Receivables for grants from the government and public entities (18 million euros) mainly relate to projects non-network infrastructure related projects financed by the Italian Ministry of Economic Development and the European Community, particularly projects related to Emerging Technology Centers and cloud and edge computing services. Recognition of these grants in the income statement is made, in the case of capital grants, on a systematic basis over the useful life of the assets to which the grants relate or, in the case of operating grants, on a systematic basis over the periods in which the Company reports to the financing entities the eligible costs incurred.

Sundry receivables mainly included:

- current portion (98 million euros) of the receivable from FiberCop S.p.A. for services related to the Master Service Agreement (MSA), which arose in 2024 as part of the NetCo transaction;
- receivables for Universal Service (52 million euros);
- receivables from social security and pension institutions (40 million euros);
- miscellaneous receivables from other TLC operators (27 million euros);
- receivables for with-recourse assignments to factoring companies (36 million euros).

The different matches are reduced by 155 million euros compared to December 31, 2024, mainly because last year they included the receivable for tax consolidation from FiberCop S.p.A. (135 million euros) and from Telenergia S.p.A. (2 million euros) and the 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, both collected during the current financial year.

Other current assets

The item amounted to 896 million euros and decreased by 2 million compared to December 31, 2024; it included:

- **Contract assets:** amounted to 37 million euros (24million euros as of December 31, 2024) and refer to:
 - 26 million euros to the work carried out in connection with the "5G Coverage Plan" under the NRRP;
 - 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.
- Contract assets – net of the related provision for write-down of 1 million euros – increased by 13 million euros compared to December 31, 2024 mainly due to the increase in activities related to the 5G Coverage Plan (+13 million euros), launched in 2023.
- **Deferred contract costs** equal to 436 million euros (489 million euros at December 31, 2024); they mainly relate to technical activation costs and commissions to the sales network. These costs are deferred and recorded in the separate income statement:
 - for the mobile business depending on the expected duration of the contractual relationship with customers (on average about 4 years);
 - for the fixed business according to the period over which the economic recoverability of the "one-off" costs is achieved (calculated over 4 years).

For additional details on the deferred contract costs and their movement during the year, refer to the Note 9 "Miscellaneous receivables and other non-current assets";

- **Other deferred costs:** amount to 399 million euros (360 million euros as of December 31, 2024) and mainly refer to:
 - 329 million euros for the deferral of costs related to rental fees and other lease and rental costs;
 - 39 million euros for the deferral of costs for the purchase of products and services;
 - 23 million euros for the deferral of after-sales expenses on application offers;
 - 1 million euros for maintenance fees;
 - 6 million euros for insurance premiums;

- **Others** amount to 24 millions of euros (25 million euros as of December 31, 2024) and relate to receivables for contract work.

NOTE 13

DISCONTINUED OPERATIONS /NON-CURRENT ASSETS HELD FOR SALE

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

The agreement provides for an enterprise value of the Telecom Italia Sparkle group of 700 million euros. The price for the sale will be equal to the enterprise value, adjusted on the basis of the value of net financial debt and on the basis of the usual price adjustments related to certain objectives relating to economic performance and deviations from target working capital of the Telecom Italia Sparkle group at closing.

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

As of December 31, 2025, the investment in Telecom Italia Sparkle S.p.A., the holding company of the group active in the development of fiber optic networks for wholesale customers in the international field (International wholesale), is classified, pursuant to IFRS 5, as "Assets held for sale," as the sale is considered highly probable. For comparative purposes, the effects on the income statement relating to the investment (write-down of 300 million euros) and any impacts on the cash flow, already published in the annual report as at December 31, 2024, have been consistently reclassified, as required by IFRS 5.

It is recalled that the value of the investment, classified under the item "Discontinued operations/Assets available for sale", as of December 31, 2025, is equal to 591 million euros; during the 2025 financial year, the changes concerned the increase in the value of the shareholding following the waiver of the financial credit by TIM S.p.A. for 525 million euros and the adjustment to the presumed realizable value with a total negative impact of 115 million euros.

It should also be noted that in 2024 the entire FiberCop - NetCo was classified as "Asset sold", consisting of the shareholding held by TIM S.p.A. in FiberCop S.p.A., a company that already managed the activities related to the secondary network in fiber and copper and in which TIM S.p.A. had conferred a business unit, consisting of the activities related to the Primary Network, the so-called "Wholesale" activity and the entire shareholding in the subsidiary Telenergia S.r.l. The sale was completed on 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)		2025	2024
Economic effects of Discontinued operations / Non-current assets held for sale:			
Revenues			1,547
Other income			34
Acquisition of goods and services			(1,274)
Employee benefits expenses			(551)
Other operating expenses/Change in inventories/Internally generated assets		—	19
Operating profit (loss) before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)		—	(225)
Depreciation and amortization			(515)
Gains (losses) on disposals of non-current assets			—
Impairment reversals (losses) on non-current assets			—
Operating profit (loss) (EBIT)		—	(740)
Net financial income/expense and other from investments		—	(67)
Earnings before tax from Discontinued operations/Non-current assets held for sale		—	(807)
Income tax expense		—	—
Earnings after tax from Discontinued operations/Non-current assets held for sale	(a)	—	(807)
Other economic impacts:			
Telecom Italia Sparkle S.p.A. write-down		(115)	(300)
Other minor items		(6)	—
Incidental charges and other minor items related to the sale of NetCo			—
Incidental charges and other minor items related to the sale of the NetCo business unit			—
Other income/ (expenses) related to disposals from previous years		(9)	—
Other minor items	(b)	(130)	(300)
Profit (loss) from Discontinued operations / Non current assets held for sale	(a)	(130)	(1,107)
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)	(130)	(966)

The result related to “Discontinued operations/Non-current assets held for sale” for 2025 was negative 130 million euros; in particular, it incorporates the write-down of the stake held in Telecom Italia Sparkle S.p.A. for an amount of 115 million euros, ancillary costs related to the separation of Telecom Italia Sparkle, as well as some residual items relating to the NetCo branch.

The economic effects of the 2024 financial year include:

- Telecom Italia Sparkle, write-down of the investment, for approximately 300 million euros;
- FiberCop - NetCo, whose sale was completed on July 1, 2024, including the net impact of the sale, as well as the economic results up to the date of the sale.

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

(million euros)		12/31/2025
Discontinued operations /Non-current assets held for sale:		
of a financial nature		—
of a non-financial nature		591
Total	(a)	591
Liabilities directly associated with Discontinued operations/Non-current assets held for sale		
of a financial nature		—
of a non-financial nature		—
Total	(b)	—
Net value of Discontinued operations / Non current assets held for sale	(a-b)	591

The item Discontinued operations of a non-financial nature expresses the value as of December 31, 2025 of the stake held in Telecom Italia Sparkle S.p.A..

NOTE 14

EQUITY

This item is composed as follows:

(million euros)	12/31/2025	12/31/2024
Share capital issued	11,677	11,677
less Treasury shares	(49)	(53)
Share capital	11,628	11,624
Additional paid-in capital	—	—
Legal reserve	673	1,915
Other reserves	(157)	(194)
Retained earnings, including profit (loss) for the year	(155)	(1,242)
Total	11,989	12,103

At December 31, 2025, the share capital amounted to 11,628 million euros, already net of treasury shares of 49 million euros; As of December 31, 2024, the share capital was 11,624 million euros, already net of treasury shares of 53 million euros, with a change of 4 million euros following the allocation of treasury shares in execution of the 2022-2024 Stock Options Plan. 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, 2024).

Movements in Share Capital during 2025 are presented in the following tables:

Reconciliation between the number of shares outstanding at 12/31/2024 and at 12/31/2025

(number of shares)		at Dec 31, 2024	Share assignment/ issue	at Dec 31, 2025	% of Share Capital
Ordinary shares Issued	(a)	15,329,466,496		15,329,466,496	71.78
less: treasury shares	(b)	(96,442,802)	7,402,387	(89,040,415)	
Ordinary shares outstanding	(c)	15,233,023,694	7,402,387	15,240,426,081	
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)	21,260,815,393	7,402,387	21,268,217,780	

Reconciliation between the value of shares outstanding at 12/31/2024 and at 12/31/2025

(thousands of euros)		Share capital at Dec 31, 2024	Change in share capital	Share capital at Dec 31, 2025
Ordinary shares Issued	(a)	8,381,330		8,381,330
less: treasury shares	(b)	(52,730)	4,047	(48,683)
Ordinary shares outstanding	(c)	8,328,600	4,047	8,332,647
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)	11,624,273	4,047	11,628,320

The Ordinary Shareholders' Meeting of TIM S.p.A. and the Special Meeting of Savings Shareholders were held on January 28, 2026. For further details, please refer to the section "Conversion of Savings Shares into Ordinary Shares and Voluntary Reduction of Share Capital".

Capital disclosure as of December 31, 2025

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.

The **Legal Reserve**, amounting to 673 million euros as of December 31, 2025, decreased by 1,242 compared to December 31, 2024 as a result of the coverage of the loss for the year 2024, as resolved by the Shareholders' Meeting on June 24, 2025. The reserve carries a tax suspension restriction up to 173 million euros.

Other reserves totaled a negative value of 157 million euros as of December 31, 2025, a decrease in absolute value of 37 million euros compared to December 31, 2024.

The Other reserves moved through the Statements of Comprehensive Income are broken down as follows:

- Reserve for remeasurement of employee defined benefit plans (negative 57 million euros): decreased, in absolute terms, by 3 million euros compared to December 31, 2024, following actuarial gains on severance pay for the 2025 financial year;
- Reserve for hedging instruments (negative 115 million euros, down 47 million euros in absolute terms compared to December 31, 2024): 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 (negative for 2 million euros): this reserve decreased by million euros compared to December 31, 2024.

The Other reserves also include:

- Reserve for other equity instruments: is equal to 7 million and increases by 3 million euros compared to December 31, 2024. This includes 1 million euros for the 2025-2027 Performance Share LTI Plan approved by the Shareholders' Meeting on June 24, 2025, 3 million euros for the 2022-2024 Stock Option Plan approved by the Shareholders' Meeting on April 7, 2022, and 3 million euros for the 2022-2024 Stock Option Plan as amended by the Shareholders' Meeting on June 24, 2025.
- Other reserves: amount to a total of 10 million euros, unchanged compared to December 31, 2024.

Retained earnings (accumulated losses), including result for the year, was negative for 155 million euros at December 31, 2025 (negative for 1,242 million euros at December 31, 2024) and refer to the 2025 loss.

The following statement provides additional disclosure on equity and is prepared pursuant to Art. 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 2023-2025.

Summary pursuant to Art. 2427, no. 7-bis

Nature/description (million euros)	Amount as of 12/31/2025	Potential utilization	Amount available	Summary of utilizations made in the three-year period 2023-2025	
				for loss coverage	for other reasons
Share capital	11,628				
Capital reserves:					
Additional paid-in capital	—		—	2,133	
Legal reserve	291	B	—	1,662	
Reserve for other equity instruments	7	B	—		
Other reserves	11	A,B,C	11		
Reserve for remeasurements of defined benefit plans	57	A,B,C	57		
Profit reserves:					
Legal reserve	382	B	—		
Reserve for hedging instruments and related underlying instruments	(115)		—		
Reserve for available-for-sale financial assets	(2)		—		
Reserve for remeasurements of defined benefit plans	(114)	A,B,C	(114)		
Total	12,145		(46)	3,795	—
Treasury shares			(50)		
Residual distributable percentage			(96)		

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 Art. 109, subsection 4, letter b) of TUIR:

(million euros)	
Off-book deductions at 12/31/2024	1
Reversal for taxation during the year	(1)
Off-book deductions at 12/31/2025	—
Deferred taxes	
Restriction on equity at 12/31/2025	—

Compared to the situation on December 31, 2024, the constraint is eliminated.

Future potential changes in share capital

With reference to future capital changes, please refer to Note 38 "Share-based arrangements".

Right of withdrawal arising from the resolutions of the Extraordinary Shareholders' Meeting of June 24, 2025

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

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

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

Therefore, all the shares subject to withdrawal, for a total value of 443,546 euros, appear to have been purchased by shareholders who did not exercise, in whole or in part, the right of withdrawal, following the exercise of their option and pre-emption rights.



Information relating to the resolutions of the Shareholders' Meetings of January 28, 2026

Voluntary reduction of share capital and conversion of savings shares into ordinary shares

The Ordinary Shareholders' Meeting and the Special Meeting of Savings Shareholders of TIM S.p.A., which met on January 28, 2026, approved the proposal for the voluntary reduction of share capital and the conversion of TIM savings shares into ordinary shares, in accordance with the proposal presented by the Board of Directors.

In particular, the Ordinary Shareholders' Meeting of TIM S.p.A. approved in extraordinary session:

- the voluntary reduction of the share capital to 6 billion euros, allocating the resulting amount to the legal reserve and to the available net equity reserve;
- the optional conversion of savings shares into ordinary shares, based on a conversion ratio equal to 1 ordinary share for each savings share held, plus a cash adjustment of 0.12 euros;
- the mandatory conversion of savings shares that have not been subject to optional conversion, on the basis of the same conversion ratio and with a balancing payment of 0.04 euros.

The Special Meeting of Savings Shareholders of TIM S.p.A., in turn, approved the proposal for the mandatory conversion of savings shares into ordinary shares.

Specifically:

- Savings shareholders who did not vote in favor of the mandatory conversion resolution at the Special Meeting of Savings Shareholders have the right to withdraw, which must be exercised within 15 days of the date of registration of the shareholders' meeting resolution, which took place on January 29, 2026. It was therefore validly exercised in the period from January 29, 2026 to February 13, 2026 for a total of 2,014,231 savings shares representing 0.0334% of the total savings shares. On March 2, 2026, the offer of rights for the shares subject to withdrawal was published, the acceptance period of which runs from March 2, 2026 to April 1, 2026. As previously communicated, the unit liquidation value of the savings shares subject to withdrawal has been set at €0.5117. At the same time, it was announced that the condition for the effectiveness of the conversion has been fulfilled, according to which the maximum disbursement to be made by the Company for the liquidation of the Shares Subject to Withdrawal that are not purchased by the shareholders or placed with third parties, following the procedure referred to in Article 2437-quater of the Italian Civil Code, must not exceed a total amount equal to Euro 100,000,000.00 (the so-called "stop-loss" condition);
- The Conversion was also conditional upon the absence of any opposition from the Company's creditors within 90 days of the registration of the capital reduction resolution with the competent registry of companies (which took place on January 29, 2026, and therefore by April 29, 2026), pursuant to Article 2445, paragraph 3, of the Italian Civil Code, or, in the event of

opposition, the authorization of the Court, pursuant to Article 2445, paragraph 4, of the Italian Civil Code, within six months (extendable by the Company for a maximum of an additional three months) from the registration of the resolution;

- the total amount that the Company will pay to savings shareholders as adjustment will be 723,335,003.88 euros in the event of full acceptance of the optional conversion and 241,111,667.96 euros if all savings shares are converted into ordinary shares as a result of the mandatory conversion.

The above-mentioned Shareholders' Meetings resolutions will have the following implications for TIM:

- **Simplification: a single class of shares.** With a single share class, TIM's corporate structure becomes clearer and more streamlined, reducing the costs and governance complexity typical of a two-share class structure;
- **Fairness: same rights for all shareholders.** All shareholders will have the same rights and conditions. This eliminates historical differences between share classes and makes TIM more transparent and more aligned with best market practices;
- **Solidity: optimized capital structure.** The capital reorganization redistributes TIM's resources among the various accounting items (legal reserve and available reserve), making the capital structure more balanced and efficient.

Furthermore, the reduction in share capital results in a more balanced composition of equity items, which currently do not include any available and distributable reserves.

In fact, during the Shareholders' Meeting it was highlighted that:

- the Company's net equity, as resulting from TIM S.p.A.'s separate financial statements for the 2024 financial year and already taking into account the coverage of the loss recorded for the same financial year, was composed of approximately 96% of share capital and the remainder of the legal reserve;
- TIM S.p.A.'s share capital – which has remained substantially unchanged since 2005 following its privatization and subsequent corporate transactions involving the Company – was the highest compared to the market benchmark for nationally listed issuers of the same size, both in absolute terms and with reference to the main KPIs (Key Performance Indicators);
- during 2024, following the completion of the FiberCop sale transaction, the Group's net financial debt significantly reduced, as did the Group's main financial indicators: Consolidated net invested capital decreased by more than 40% and the value of "Domestic" goodwill decreased by approximately 50%.

Therefore, the reduction of share capital to 6 billion euros will allow TIM S.p.A.'s equity structure and share capital to be realigned with the Company's new capital structure and its main ratios to be aligned with market standards.

In this sense, the replenishment of the available reserve will allow, from a perspective of greater flexibility, the use of available financial resources not employed in operational management. In particular, following the capital reduction, these resources may also be used to approve any dividend distributions or buyback transactions.

The approved reduction in share capital impacts only the accounting par value of the shares that make up the share capital and has no impact on net equity or the number of shares, as detailed below:

Net Equity as of December 31, 2025 before and after capital reduction

(million euros)	12/31/2025	Reduction of share capital	12/31/2025 after reduction of share capital
Share capital issued	11,677	(5,677)	6,000
less: Treasury shares	(49)	24	(25)
Share capital	11,628	(5,653)	5,975
Other reserves and retained earnings, including profit (loss) for the year	361	5,653	6,014
Total	11,989	—	11,989
Number of shares issued	21,357,258,195		21,357,258,195
(euros)			
Parity per share - ratio of total share capital to the number of shares issued	0.5467		0.2809



Information relating to the resolutions of the Board of Directors of February 24, 2026

Buyback and reverse stock split of TIM S.p.A. Ordinary Shares

During the 2026 financial year, TIM intends to grant shareholders, through *buyback*, a remuneration equal to approximately 50% of the value expected from the sale of Sparkle, subject to the *closing*, expected in the second quarter of 2026, as well as the effectiveness of the voluntary reduction of the share capital and the conversion of savings shares, already approved by the Shareholders' Meetings of January 28, 2026. In particular, the Board of Directors of TIM S.p.A. on February 24, 2026 decided to propose to the Shareholders' Meeting on April 15, 2026 a share buyback program of up to a maximum of 400 million euros and for a maximum of 700,000,000 ordinary shares (to be understood as reduced, following the share reverse stock split referred to below, to a maximum of 70,000,000 ordinary shares in total) corresponding to approximately 3.3% of the share capital. The repurchase may be partly used to service the remuneration and stock incentive plans.

In addition, the Board of Directors also resolved to propose to the Shareholders' Meeting on April 15, 2026 a grouping of TIM ordinary shares in the ratio of 1 new ordinary share for every 10 existing ordinary shares. The operation is subject to the effectiveness of the voluntary reduction of the share capital and the conversion of the savings shares referred to above. The reverse stock split will reduce stock volatility, also by attracting new investor classes, and, together with the conversion of savings shares, will result in a leaner and more efficient capital structure.

NOTE 15

NON-CURRENT AND CURRENT FINANCIAL LIABILITIES

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

(million euros)	12/31/2025	12/31/2024
Non-current financial liabilities for financing contracts and others		
Non-current financial payables:		
Bonds	3,558	4,123
Amounts due to banks	548	580
Payables to other lenders	6	33
Payables due to subsidiaries	2,046	1,968
	6,158	6,704
Other non-current financial liabilities:		
Hedging derivatives relating to hedged items classified as non-current assets/ liabilities of a financial nature	167	170
Non-hedging derivatives	321	490
Other liabilities	1	1
	489	661
(a)	6,647	7,365
Non-current financial liabilities for lease contracts		
Payables to subsidiaries	13	16
Payables to third parties	543	628
(b)	556	644
Total non-current financial liabilities	c=(a+b)	8,009
Current financial liabilities for financing contracts and others		
Current financial payables:		
Bonds	770	2,127
Amounts due to banks	1,068	813
Payables to other lenders	183	242
Payables due to subsidiaries	3,040	1,588
Payables to associates	—	1
	5,061	4,771
Other current financial liabilities:		
Hedging derivatives relating to hedged items classified as current assets/liabilities of a financial nature	11	7
Non-hedging derivatives	40	47
Other liabilities	—	—
	51	54
(d)	5,112	4,825
Current financial liabilities for lease contracts		
Payables to subsidiaries	4	3
Payables to third parties	237	228
(e)	241	231
Total Current financial liabilities	f=(d+e)	5,056
Total financial liabilities (Gross Financial Debt)	g=(c+f)	13,065

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:

	12/31/2025		12/31/2024	
	(millions in foreign currency)	(million euros)	(millions in foreign currency)	(million euros)
USD	500	425	500	481
JPY	20,000	109	20,000	123
EUR		12,022		12,461
Total		12,556		13,065

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)	12/31/2025	12/31/2024
Up to 2.5%	3,817	1,504
From 2.5% to 5%	4,710	6,715
From 5% to 7.5%	1,594	2,186
From 7.5% to 10%	1,725	1,727
Over 10%	—	—
Accruals/deferrals, MTM and derivatives	710	933
Total	12,556	13,065

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

(million euros)	12/31/2025	12/31/2024
Up to 2.5%	4,314	2,179
From 2.5% to 5%	3,663	5,665
From 5% to 7.5%	2,144	2,561
From 7.5% to 10%	1,725	1,727
Over 10%	—	—
Accruals/deferrals, MTM and derivatives	710	933
Total	12,556	13,065

The maturities of financial liabilities according to the expected nominal repayment amount, as defined by contract, are the following:

(million euros)	maturing by 12/31 of the year:						Total
	2026	2027	2028	2029	2030	After 2030	
Bonds	678	742	1,375	499	500	440	4,234
Loans and other financial liabilities	80	540	6	231	24	1,996	2,877
Finance lease liabilities	201	132	128	118	77	101	757
Total	959	1,414	1,509	848	601	2,537	7,868
Current financial liabilities	4,182						4,182
Total	5,141	1,414	1,509	848	601	2,537	12,050

The main components of financial liabilities are commented below.

Bonds are broken down as follows:

(million euros)	12/31/2025	12/31/2024
Non-current portion	3,558	4,123
Current portion	770	2,127
Total carrying amount	4,328	6,250
Fair value adjustment and measurements at amortized cost	(94)	(141)
Total nominal repayment amount	4,234	6,109

In terms of nominal value, bonds total 4,234 million euros, down 1,875 million euros compared to December 31, 2024 (6,109 million euros) following movements (new issues and redemptions) during 2025.

The change in bonds during 2025 was as follows:

New issues

(millions of original currency)	Currency	Amount	Issue date
TIM S.p.A. 500 million euros 3.625%	EUR	500	9/30/2025

Repayments

(millions of original currency)	Currency	Amount	Repayment date
TIM S.p.A. 1,000 million euros 2.750%	EUR	1,000	4/15/2025
TIM S.p.A. 1,000 million euros 3.000%	EUR	1,000	9/30/2025
TIM S.p.A. 375 million euros 2.875% ⁽¹⁾	EUR	375	11/24/2025

⁽¹⁾ On October 24, 2025, TIM notified the full early repayment of the 375 million euro bond maturing on January 28, 2026, following the exercise of Clause 7.4 (Redemption at the option of the Issuer – so-called Issuer Maturity Par Call) of the terms and conditions applicable to the Notes. This redemption was made on November 24, 2025 at a redemption price equal to 100% of the principal amount of the bonds.

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, 2025	Market value at December 31, 2025
Bonds issued by TIM S.p.A.								
Euro	678	678	3.625%	5/25/16	5/25/26	100	100.576	682
Euro	742	742	2.375%	10/12/17	10/12/27	99.185	100.291	744
Euro	625	625	6.875%	1/27/23	2/15/28	(*) 100.240	107.710	673
Euro	750	750	7.875%	7/20/23	7/31/28	(*) 100.998	111.631	837
Euro	499	499	1.625%	1/18/21	1/18/29	99.074	96.051	480
Euro	500	500	3.625%	9/30/25	9/30/30	100	100.615	503
Euro	440	440	5.250%	3/17/05	3/17/55	99.667	102.299	450
Total		4,234						4,369

The regulations and/or Offering Circulars relating to the bonds described above are available on the corporate website at the address: gruppotim.it.

Amounts due to banks are equal to 548 million euros (580 million euros as of December 31, 2024). Short-term bank debt amounts to 1,068 million euros (813 million euros at December 31, 2024) and included 66 million euros of the current portion of medium/long-term borrowings and 1,002 million euros relating to the debt assigned in connection with the repayment of the 1998 License Fee credit.

Non-current payables to other lenders amount to 6 million euros (33 million euros as of December 31, 2024), while current payables to other lenders amount to 183 million euros (242 million euros as of December 31, 2024) and include 26 million euros of the current portion of medium/long-term payables.

Non-current payables to subsidiaries amounted to 2,046 million euros (1,968 million euros at December 31, 2024) and consisted of loans obtained from Telecom Italia Capital S.A. (1,291 million euros) and from Telecom Italia Finance S.A. (755 million euros), following the issues of bonds placed by the financial companies of the Group on the United States and Luxembourg markets. Current payables to subsidiaries amounted to 3,040 million euros and increased by 1,452 million euros compared to December 31, 2024 (1,588 million euros). They include:

- the current portion of medium/long-term loans to Telecom Italia Capital S.A. (12 million euros) and Telecom Italia Finance S.A. (23 million euros);
- short-term loans to Telecom Italia Capital S.A. (252 million euros) and Telecom Italia Finance S.A. (2,402 million euros);

- the current account relationships held within the treasury service regulated at market rates for a total of 351 million euros, held in particular with Telecom Italia Ventures (100 million euros), Telecom Italia Sparkle S.p.A. (90 million euros), TIM Retail S.r.l. (66 million euros), Telecontact Center S.p.A. (26 million euros), Noovle S.p.A. (20 million euros), Telsy S.p.A. (17 million euros), TIM Broker S.r.l. (13 million euros), Telecom Italia Trust Technology (12 million euros), Olivetti S.p.A. (7 million euros).

Non-current financial liabilities for lease contracts amounted to 556 million euros (644 million euros as of December 31, 2024). Current financial liabilities for lease contracts amounted to 241 million euros (231 million euros at December 31, 2024) and referred for 213 million euros to the current portion of non-current financial liabilities for lease contracts. With reference to the finance lease liabilities recognized in 2025 and 2024 the following is noted:

(million euros)	2025	2024
Principal reimbursements	126	101
Cash out interest portion	31	55
Total	157	156

Hedging derivatives relating to hedged items classified as non-current financial liabilities amount to 167 million euros (170 million euros as of December 31, 2024), while those classified as current financial liabilities amount to 11 million euros (7 million euros as of December 31, 2024). They refer to cash flow hedge derivatives.

Non-current non-hedging derivatives amounted to 321 million euros (490 million euros at December 31, 2024). **Current non-hedging derivatives** amounted to 40 million euros (47 million euros at December 31, 2024). 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 and negative pledges in place at December 31, 2025

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.

In particular, with reference to the financing taken out by TIM with the European Investment Bank ("EIB"), on May 5, 2023, TIM signed a loan for an amount of 360 million euros, initially partially guaranteed by SACE. This guarantee was definitively terminated on June 27, 2025. As of December 31, 2025, this loan is the only one outstanding with the EIB.

The EIB financing includes, among other things, the following covenants and commitments:

- 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, 2025, no covenant, negative pledge or other clause relating to the aforementioned debt position had in any way been breached or violated. nor are any difficulties in complying with the covenants expected in the near future.

Revolving Credit Facility and Term Credit Facility

The following table shows committed credit lines:

(billion euros)	12/31/2025		12/31/2024	
	Agreed	Drawn down	Agreed	Drawn down
Revolving Credit Facility - April 2030 (*)	3.000	—	4.000	—
Term Credit Facility - July 2030	0.750	0.015	—	—
Total	3.750	0.015	4.000	—

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

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

On July 22, 2025, TIM signed a new *Term Credit Facility* with a pool of leading national and international banks for an amount of 750 million euros and maturing on July 22, 2030, partially guaranteed by SACE (pursuant to Law no. 213 of December 30, 2023, and subsequent amendments). As of December 31, 2025, the drawn amount was 15 million euros. Subsequently, on January 20, 2026, the line was fully drawn down.

TIM's rating at December 31, 2025

At December 31, 2025, the three rating agencies – Standard & Poor's, Moody's and Fitch Ratings – rated TIM as follows:

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

NOTE 16

NET FINANCIAL DEBT

The table below shows the breakdown of net financial debt of TIM S.p.A. at December 31, 2025 and December 31, 2024, determined in accordance with the provisions of the "Guidelines on disclosure requirements under the Prospectus Regulation" issued by the ESMA (European Securities & Markets Authority) on March 4, 2021 (ESMA32-382-1138) and incorporated by Consob with its Note of Attention no. 5/21 dated April 29, 2021.

This table also shows the reconciliation of the net financial debt determined according to the aforementioned criteria indicated by the ESMA and net financial debt calculated according to the criteria of TIM S.p.A..

(million euros)		12/31/2025	12/31/2024
Liquid assets with banks, financial institutions and post offices	(a)	(456)	(732)
Other cash and cash equivalents	(b)	—	(88)
Securities other than investments	(c)	—	—
Liquidity	(d=a+b+c)	(456)	(820)
Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	(e)	4,192	1,574
Current portion of non-current financial debt	(f)	1,120	3,435
Current financial debt	(g=e+f)	5,312	5,009
Net current financial debt	(h=g-d)	4,856	4,189
Non-current financial debt (excluding current portion and debt instruments)	(i)	3,278	3,350
Debt instruments	(j)	3,558	4,123
Trade payables and other non-current debt	(k)	1	1
Non-current financial debt	(L=i+J+K)	6,837	7,474
Total net financial debt as per ESMA guidelines 32-382-1138	(m=h+L)	11,693	11,663
Trade payables and other non-current debt (**)		(1)	(1)
Non-current financial receivables arising from lease contracts		(10)	(14)
Current financial receivables arising from lease contracts		(41)	(26)
Financial receivables and other current financial assets		(338)	(399)
Other financial receivables and other non-current financial assets		(708)	(1,043)
Subtotal	(n)	(1,098)	(1,483)
Net financial debt carrying amount (*)	(p=m+n)	10,595	10,180
Reversal of fair value measurement of derivatives and related financial liabilities/assets	(q)	(188)	(265)
Adjusted Net Financial Debt	(r=p+q)	10,407	9,915

(*) 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)	12/31/2024	Cash movements		Non-cash movements			12/31/2025
		Receipts and/ or Issues	Payments and/or reimburse ments	Exchange differences	Fair value changes	Other changes and reclassificatio ns	
Medium/long-term financial liabilities:							
Bonds	6,250	500	(2,375)		(13)	(34)	4,328
Amounts due to banks	1,393	28	(797)			(10)	614
Other financial payables	2,284	147	(245)	(69)		(4)	2,113
(a)	9,927	675	(3,417)	(69)	(13)	(48)	7,055
<i>of which short-term</i>	3,223						897
Non-current financial liabilities for lease contracts							
(b)	849	—	(126)	—	—	46	769
<i>of which short-term</i>	205						213
Other medium/long-term financial liabilities:							
Hedging derivatives relating to hedged items classified as non-current assets/liabilities of a financial nature	177			56	(58)	3	178
Non-hedging derivative liabilities	537			(188)	19	(7)	361
Other financial liabilities	1					—	1
(c)	715	—	—	(132)	(39)	(4)	540
<i>of which short-term</i>	54						51
Short-term financial liabilities:							
Amounts due to banks	—					1,002	1,002
Other financial payables	1,574					1,616	3,190
(d)	1,574	—	—	—	—	2,618	4,192
Financial liabilities directly associated with Discontinued operations/Non-current assets held for sale	—	—					—
(e)	—	—	—	—	—	—	—
Total financial liabilities (Gross financial debt)							
(f=a+b+c+d+e)	13,065	675	(3,543)	(201)	(52)	2,612	12,556
Hedging derivative receivables relating to hedged items classified as current and non-current assets/ liabilities of a financial nature							
(g)	76	—	—	(14)	(1)	5	66
Non-hedging derivative receivables	507			(184)	26	(7)	342
(h)							
Total	(i=f-g-h)	12,482	675	(3,543)	(3)	(77)	12,148

The change in short-term payables to banks (1,002 million euros) is a monetary movement attributable to the transfer of the 1998 license fee.

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)	2025	2024
Interest expense paid	(829)	(1,597)
Interest income received	340	645
Net total	(489)	(952)

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)	2025	2024
Interest expense paid	(801)	(1,508)
Interest income received	312	556
Net total	(489)	(952)

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, and the price of commodities.

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 40 million euros (12 million euros at December 31, 2024).

Refer to Note 2 "Accounting Policies" for the potential risk generated by the reform of benchmark interest rates.

Commodity Risk – Sensitivity Analysis

Fluctuations in energy commodity prices expose the TIM Group to the risk of financial losses. These exposures are normally managed by the Group through the use of derivative instruments applied to individual quarters or calendar years. As of December 31, 2025, if the price of energy had been on average 10% higher, there would have been higher charges for energy supply at the income statement level for about 3 million euros.

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)	12/31/2025			12/31/2024		
	Fixed rate	Variable rate	Total	Fixed rate	Variable rate	Total
Bonds	3,834	400	4,234	6,109	—	6,109
Loans and other financial liabilities	3,135	499	3,634	3,529	1,253	4,782
Total non-current financial liabilities (including the current portion of medium/long-term financial liabilities)	6,969	899	7,868	9,638	1,253	10,891
Total current financial liabilities	436	3,746	4,182	226	1,343	1,569
Total	7,405	4,645	12,050	9,864	2,596	12,460

Total Financial assets (at the nominal investment amount)

(million euros)	12/31/2025			12/31/2024		
	Fixed rate	Variable rate	Total	Fixed rate	Variable rate	Total
Cash and cash equivalents	—	456	456	—	819	819
Other receivables	1,122	144	1,266	1,311	535	1,846
Total	1,122	600	1,722	1,311	1,354	2,665

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)	12/31/2025		12/31/2024	
	Adjusted carrying amount	Effective interest rate (%)	Adjusted carrying amount	Effective interest rate (%)
Bonds	4,228	4.75	6,104	4.15
Loans and other financial liabilities	7,618	3.41	6,027	4.37
Total	11,846	3.89	12,131	4.26

Total Financial assets

(million euros)	12/31/2025		12/31/2024	
	Adjusted carrying amount	Effective interest rate (%)	Adjusted carrying amount	Effective interest rate (%)
Cash and cash equivalents	456	1.24	819	2.30
Other receivables	1,089	3.72	1,471	4.07
Total	1,545	2.99	2,290	3.44

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".

Equity risk

The employee incentive program Stock Option Plan, whose economic value is linked to the TIM share price, exposes the Group to the risk of fluctuations in the value of the share itself. With a view to minimizing this risk, TIM has entered into a Total Return Equity Swap with an underlying of 140 million TIM ordinary shares, which defines the maximum cash out level for the Group in the event of an appreciation of the share price and the consequent exercise of rights by the beneficiaries.

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, 2025, together with unused committed bank lines, ensure coverage of debt repayment obligations for the next 36 months.

As of December 31, 2025, the available liquidity margin for TIM S.p.A. was 4,191 million euros (4,820 million euros at the end of 2024).

43% of gross financial debt at December 31, 2025 (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, 2025. 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:						Total
		2026	2027	2028	2029	2030	After 2030	
Bonds	Principal	678	742	1,375	499	500	440	4,234
	Interest portion	194	169	130	49	41	578	1,161
Loans and other financial liabilities (*)	Principal	80	540	6	211	24	1,827	2,688
	Interest portion	156	171	148	139	133	669	1,416
Finance lease liabilities	Principal	201	132	128	118	77	101	757
	Interest portion	24	19	14	10	6	14	87
Non-current financial liabilities(**)	Principal	959	1,414	1,509	828	601	2,368	7,679
	Interest portion	374	359	292	198	180	1,261	2,664
Current financial liabilities(**)	Principal	4,182	—	—	—	—	—	4,182
	Interest portion	63	—	—	—	—	—	63
Total	Principal	5,141	1,414	1,509	828	601	2,368	11,861
	Interest portion	437	359	292	198	180	1,261	2,727

(*) 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:						Total
		2026	2027	2028	2029	2030	After 2030	
Disbursements		43	46	43	42	39	150	363
Receipts		(37)	(28)	(27)	(25)	(24)	(72)	(213)
Hedging derivatives – net (receipts) disbursements		6	18	16	17	15	78	150
Disbursements		8	8	8	—	—	—	24
Receipts		—	—	—	—	—	—	—
Non-Hedging derivatives – net (receipts) disbursements		8	8	8	—	—	—	24
Total net disbursements (receipts)		14	26	24	17	15	78	174

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 market value of Energy Swaps is defined as the difference between the National Single Price (PUN) level set in the derivative and the expected rate on the valuation date.

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.

The Total Return Equity Swap is calculated as the sum of the following valuation components: a) equity, given by the difference between the market price of the TIM ordinary share and the initial reference price defined at the start of the coverage; b) interest, given by the interest accrued from time to time to be paid to the bank.

NOTE 18

DERIVATIVES

Derivative financial instruments are used by TIM S.p.A. to hedge its exposure to foreign exchange risk, changes in commodity prices and interest rates, and also to diversify the parameters of debt so that costs and volatility can be reduced to within predetermined operational limits.

Derivative transactions outstanding as of December 31, 2025 are mainly related to debt and energy supply management, such as interest rate swaps (IRS) to bring fixed-rate bank loans and bonds to the most appropriate risk profile, energy swaps to fix the price of energy purchases, CCIRS, and currency forwards to convert loans/credits contracted in different currencies into the reference 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 four categories: i) fair value hedges of bond issues denominated in euros, ii) cash flow hedges arising from variable interest payments on intercompany loans denominated in euros, iii) cash flow hedges arising from variable interest payments on intercompany loans denominated in foreign currencies, iv) hedges of variability in the purchase price of energy.

In a Fair Value hedge, the risk is represented by the variability of the fair value of the underlying financial liability due to market interest rates; the derivative transforms the coupon rate from fixed to variable, and changes in its fair value offset changes in the value of the liability.

In the cash flow from financing in euros, the risk hedged is represented by the variability of cash flows in relation to the trend in 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 foreign currency financing cash flows, the risk hedged is the variability of cash flows (including the nominal repayment amount) caused by exchange rates as well as market interest rates in foreign currencies; 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.

In the cash flow for energy purchases, hedging consists of IRSs that allow the variable PUN purchase price to be converted into a fixed price, completely eliminating the effects of PUN volatility. In this case, the accounting offsetting produced by the effective effects of the hedge occurs in the same operating income statements in which the variability of the underlying flows is recorded; therefore, there are no financial effects net of any ineffectiveness.

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, exchange rate and energy prices) 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, 2025 and 2024; 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 12/31/2025 (million euros)	Notional amount at 12/31/2024 (million euros)	Spot Mark-to- Market ^(*) (Clean Price) at 12/31/2025 (million euros)	Spot Mark-to- Market ^(*) (Clean Price) at 12/31/2024 (million euros)
Interest Rate Swaps	Interest rate risk	400	—	1	—
Cross Currency and Interest Rate Swaps (CCIRS)	Interest rate risk and currency exchange rate risk	—	—	—	—
Total Fair Value Hedge Derivatives		400	—	1	—
Interest Rate Swaps	Interest rate risk	959	959	(99)	(143)
Cross Currency and Interest Rate Swaps (CCIRS)	Interest rate risk and currency exchange rate risk	599	599	(74)	(17)
Energy swaps	Energy price risk	52	—	(2)	—
Total Cash Flow Hedge Derivatives		1,610	1,558	(175)	(160)
Total Non-Hedge Accounting Derivatives		168	100	(16)	(27)
Total TIM derivatives		2,178	1,658	(190)	(187)

(*) The Spot Mark-to-Market table 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)	400	1	1
Assets				1	
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)	400	1	1
Accruals				1	
Derivative instruments (gross value)				2	
Underlying instruments ⁽¹⁾	Bonds - Current/non-current liabilities			(404)	
of which fair value adjustment	Fair value adjustment and measurements at amortized cost	c)	—	(1)	(1)
Ineffectiveness		a)+b)+c)			—
Fair value adjustment for hedging settled in advance ⁽²⁾				(9)	

(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	(99)	44	
Assets				—	—	
Liabilities				(99)	44	
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	(74)	(57)	
Assets				(7)	(52)	
Liabilities				(67)	(5)	
Energy swaps	Hedging derivatives relating to hedged items classified as current financial assets/liabilities - Current/non-current assets	c)	52	(2)	(2)	
Assets				—	—	
Liabilities				(2)	(2)	
Derivative instruments (spot value)		a)+b)+c)	1,610	(175)	(15)	
Accruals				60		
Derivative instruments (gross value)				(115)		
of which equity reserve gains and losses					62	
Determination of ineffectiveness						
Change in derivatives		d)				(202)
Underlying instruments ⁽⁴⁾		e)				199
Ineffectiveness ⁽⁵⁾	Positive fair value adjustment of financial derivatives - non-hedging					(4)
Equity reserve						
Equity reserve balance				(152)		
of which due to the fair value of hedging settled in advance				7		
Reclassification to P&L	Negative reversal of the reserve for the fair value adjustment of hedging derivatives (cash flow hedges)					(2)

(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
JPY	20,000	Jan-26	Oct-29	^(a) JPY Libor 6m + 0.94625%	Semiannually	174	6.940%
USD	500	Jan-26	Nov-33	3 month USD Libor + 0.756% ^(a)	Quarterly	425	5.978%
EUR	391	Jan-26	Sep-34	6-month Euribor + 0.8787%	Semiannually	391	4.340%
EUR	394	Jan-26	Jul-36	6-month Euribor + 1.45969%	Semiannually	394	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, 2025 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, 2025 and December 31, 2024 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 and Loss	FVTPL
Financial liabilities measured at:		
Amortized cost	Amortized Cost	AC
Fair Value Through Profit or Loss	Fair Value Through Profit and 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 12/31/2025

(million euros)	Categories IFRS 9	notes	Carrying amount at December 31, 2025	Amounts recognized in financial statements			Levels of hierarchy of fair value			Carrying amount under IFRS 16	Fair Value at 12/31/2025		
				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	3,360	3,360	—	—	—	—	—	3,360	
Non-current assets													
Receivables from employees				8)	8	8							
Other financial receivables				8)	700	700							
Miscellaneous receivables from others (non-current)				9)	7	7							
Current assets													
Receivables from employees				8)	2	2							
Other short-term financial receivables				8)	336	336							
Cash and cash equivalents				8)	456	456							
Trade receivables				12)	1,709	1,709							
Miscellaneous receivables from others (current)				12)	105	105							
Contract assets				12)	37	37							
Financial assets measured at fair value through other comprehensive income				FVTOCI	13	—	13	—	—	13	—	13	
Non-current assets													
Other investments				7)	13	13		—	13				
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	342	—	—	342	—	342	—	342	
Non-current assets													
Non-hedging derivatives				8)	305		305	305					
Current assets													
Securities other than investments				8)									
Non-hedging derivatives				8)	37		37	37					
Hedge Derivatives				HD	66	—	64	2	—	66	—	66	
Non-current assets													
Hedge Derivatives				8)	62		61	1	62				
Current assets													
Hedge Derivatives				8)	4		3	1	4				
Financial receivables for lease contracts				N/A	51	—	—	—	—	—	—	51	
Non-current assets				8)	10						10		
Current assets				8)	41						41		
Total					3,832	3,360	77	344	—	408	13	51	3,832

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 2025, the fair value measurement of level 3 financial instruments resulted in a total impairment loss of 586 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.

(million euros)	IFRS 9 categories	notes	Carrying amount at December 31, 2025	Amounts recognized in financial statements			Levels of hierarchy of fair value				Fair Value at 12/31/2025
				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	
LIABILITIES											
Financial liabilities measured at amortized cost	AC/HD		15,005	15,005	—	—	—	—	—	—	15,335
Non-current liabilities											
Non-current financial payables and other liabilities		15)	6,159	6,159							
Current liabilities											
Current financial payables and other liabilities		15)	5,061	5,061							
Trade and miscellaneous payables and other current liabilities		23)	3,692	3,692							
Contract liabilities		23)	93	93							
Financial liabilities measured at fair value through profit or loss	FVTPL		361	—	—	361	—	361	—	—	361
Non-current liabilities											
Non-hedging derivatives		15)	321			321		321			
Current liabilities											
Non-hedging derivatives		15)	40			40		40			
Hedge Derivatives	HD		178	—	178	—	—	178	—	—	178
Non-current liabilities											
Hedge Derivatives		15)	167		167	—		167			
Current liabilities											
Hedge Derivatives		15)	11		11	—		11			
Liabilities for lease contracts	N/A		797	—	—	—	—	—	—	797	788
Non-current liabilities											
		15)	556							556	
Current liabilities											
		15)	241							241	
Total			16,341	15,005	178	361	—	539	—	797	16,662

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						
				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		
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					
Current assets													
Securities other than investments				8)									
Non-hedging derivatives				8)	43			43					
Hedge Derivatives				HD	76	—	76	—	—	—		76	
Non-current assets													
Hedge Derivatives				8)	72			72					
Current assets													
Hedge Derivatives				8)	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	—	615	12	40	4,580

(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	15,031	15,031	—	—	—	—	—	—	15,275
Non-current liabilities											
Non-current financial payables		14)	6,705	6,705							
Current liabilities											
Current financial payables		14)	4,771	4,771							
Trade and miscellaneous payables and other current liabilities		22)	3,456	3,456							
Contract liabilities		22)	99	99							
Financial liabilities measured at fair value through profit or loss		FVTPL	537	—	—	537	—	537	—	—	537
Non-current liabilities											
Non-hedging derivatives		14)	490	490			490	—			
Current liabilities											
Non-hedging derivatives		14)	47	47			47				
Hedge Derivatives		HD	177	—	177	—	—	177	—	—	177
Non-current liabilities											
Hedge Derivatives		14)	170	170			170				
Current liabilities											
Hedge Derivatives		14)	7	7			7				
Liabilities for lease contracts		N/A	875	—	—	—	—	—	—	875	869
Non-current liabilities		14)	644							644	
Current liabilities		14)	231							231	
Total			16,620	15,031	177	537	—	714	—	875	16,858

Gains and losses by IFRS 9 categories - Year 2025

(million euros)	IFRS 9 categories	Profit (loss) net 2025	of which interest
Assets measured at amortized cost	AC	(89)	64
Assets and liabilities measured at fair value through profit or loss	FVTPL	(7)	
Assets and liabilities measured at fair value through other comprehensive income	FVTOCI	30	
Financial Liabilities at Amortized Cost	AC	(493)	(470)
Total		(559)	(406)

Gains and losses by IFRS 9 categories - Year 2024

(million euros)	IFRS 9 categories	Profit (loss) net 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)

NOTE 20

EMPLOYEE BENEFITS

The item decreased by 4 million euros compared to December 31, 2024. The breakdown and movements are as follows:

(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.

(million euros)	12/31/2024	Increase/ Discounting	Decrease	12/31/2025
Provision for employee severance indemnities	163	2	(6)	159
Provision for termination benefit incentives and corporate restructuring	—			—
Total	163	2	(6)	159
of which:				
Non-current portion	163			159
current portion (*)	—			—

(*) The current portion refers to the Provision for termination benefit incentives and corporate restructuring.

The **Provision for employee severance indemnities** decreased by 4 million euros compared to December 31, 2024. The decreases of 6 million euros relating to indemnities paid during the year to employees who terminated employment or for advances.

"Increases/ Present value" of 2 million euros breaks down as follows:

(million euros)	2025	2024
(Positive)/negative effect of curtailment		—
Finance expenses	5	5
Net actuarial (gains) losses recognized during the year	(3)	(2)
Total expenses (income)	2	3
Effective return on plan assets	there are no assets servicing the plan	

The net actuarial losses recognized at December 31, 2025 amounted to 3 million euros (net actuarial losses of 2 million euros in 2024), 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 3.18% used as of December 31, 2024 to 3.37% as of December 31, 2025.

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, 2025.

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	3.37% per annum	3.37% 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	
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 159 million euros at December 31, 2025 (163 million euros at December 31, 2024).

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 7.4 years.

CHANGES IN ASSUMPTIONS	Amounts (million euros)
Turnover rate:	
+0.5 p.p.	-
- 0.5 p.p.	-
Annual inflation rate:	
+0.5 p.p.	4
- 0.5 p.p.	(4)
Annual discount rate:	
+0.5 p.p.	(5)
- 0.5 p.p.	5

The Provision for termination benefit incentives and corporate restructuring set aside in 2025 was fully utilized in 2025 as a result of staff departures.

NOTE 21

PROVISIONS

This item increased by 60 million euros compared to December 31, 2024. The breakdown and movements are as follows:

(million euros)	12/31/2024	Increase	Taken to income	Used directly	Other changes	12/31/2025
Provision for taxation and tax risks	—	1	—	—	1	2
Provision for restoration costs	71	44	—	(2)	4	117
Provision for legal disputes	345	63	—	(52)	37	393
Provision for commercial risks	152	9	(16)	(7)	(27)	111
Provision for risks and charges on investments and corporate-related transactions	26	—	—	—	—	26
Other provisions	7	5	—	—	—	12
Total	601	122	(16)	(61)	15	661
of which:						
Non-current portion	199					191
current portion	402					470

The non-current portion of provisions for employee benefits mainly relates to the provision for restoration costs and to a 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 amounted to 480 thousand euros at December 31, 2024, amounted to 2 million euros at December 31, 2025.

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. The increase in 2025 is linked to the projects described in the Note "Tangible assets" (Plant and equipment item), connected to the extension of 5G network coverage in low-density areas and for which agreements have been signed with suppliers of network equipment and with other TLC operators, in order to proceed with a substantial technological renewal. Therefore, the provision for restoration charges has been increased by an amount of approximately 41 million euros relating to the sites to be released and the equipment installed there that must be dismantled.

The provision for legal disputes **increases by 48 million euros compared to December 31, 2024, following uses only partially offset by provisions and other movements made during the year, including the reclassification from commercial risk provisions for the transformation of certain disputes into legal disputes.** the provision includes amounts set aside for disputes with employees (77 million euros) and third-parties (316 million euros).

The **provision for commercial risks** decreased by 41 million euros compared to December 31, 2024, in relation to the releases of funds and other movements made during the financial year, only partially offset by provisions.

NOTE 22

MISCELLANEOUS PAYABLES AND OTHER NON-CURRENT LIABILITIES

Miscellaneous payables and other non-current liabilities consisted of the following at December 31, 2025:

(million euros)	12/31/2025	12/31/2024
Miscellaneous payables (non-current)		
Payables to social security agencies	219	368
Payables due to subsidiaries	13	—
Other payables to third parties	1	2
(a)	233	370
Other non-current liabilities		
Deferred revenues from customer contracts (Contract liabilities)	88	108
Other deferred revenues and income	127	207
Capital grants	24	14
(b)	239	329
Total	(a+b) 472	699

Miscellaneous payables (non-current)

This item decreased by 137 million euros compared to December 31, 2024, and includes:

- **Payables to social security agencies** amounted to 219 million euros (368 million euros at December 31, 2024): 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 28 "Employee benefits expenses" for more details). These payables were as follows:

(million euros)	12/31/2025	12/31/2024
Non-current payables		
Due from 2 to 5 years after the end of the reporting period	211	354
Due beyond 5 years after the end of the reporting period	8	14
	219	368
Current payables	176	224
Total	395	592

- **Payables due to subsidiaries**, amounting to 13 million euros (zero as of December 31, 2024): this item relates to the payables due for the adoption of the consolidated tax return in Italy;
- **Other payables to third parties**, amounting to 1 million euros (2 million euros as of December 31, 2024).

Other non-current liabilities

The item, amounting to 239 million euros, fell by 90 million euros compared to December 31, 2024 and consisted of:

- **Deferred revenues from contracts with customers (contract liabilities)** of 88 million euros (108 million euros at December 31, 2024): the item is recognized in the income statement based on the duration deriving from the contractual constraints between the parties and will be recognized in the income statement on average in 5 years. The item mainly includes:
 - deferred revenues for subscription charges and rent and maintenance payments of 86 million euros;
 - deferred revenues relating to outsourcing fees for 1 million euros.
- **Other deferred revenues and income**, equal to 127 million euros (207 million euros as of December 31, 2024), refer to the non-current portion of deferred income connected to the Master Service Agreement (MSA) with FiberCop S.p.A..
- **Capital grants** of 24 million euros (14 million euros at December 31, 2024): the item represents the component to be charged to the income statement on the basis of the 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 (23 million euros).

NOTE 23

TRADE AND MISCELLANEOUS PAYABLES AND OTHER CURRENT LIABILITIES

Trade and miscellaneous payables and other current liabilities at December 31, 2025 consisted of the following:

(million euros)	12/31/2025	of which Financial Instruments	12/31/2024	of which Financial Instruments
Trade payables				
Payables due to suppliers	3,135	3,135	2,966	2,966
Payables due to subsidiaries	447	447	381	381
Payables to associates and joint ventures	6	6	6	6
Payables to other subsidiaries	27	27	14	14
	(a) 3,615	3,615	3,367	3,367
Miscellaneous payables				
Payables due to subsidiaries	5	—	55	—
Payables to associates and joint ventures	—	—	—	—
Payables to other related parties	10	—	9	—
Tax payables	30	—	34	—
Payables to social security agencies	214	—	266	—
Payables for employee compensation	100	—	113	—
Other	209	77	195	89
Employee benefits (except for employee severance indemnities) for the current portion expected to be settled within 1 year	—	—	—	—
Provisions for employee benefits (except for employee severance indemnities) for the current portion expected to be settled within 12 months	470	—	402	—
	(b) 1,038	77	1,074	89
Other current liabilities				
Liabilities from customer contracts (Contract liabilities)	727	93	756	99
Other deferred revenues and income	82	—	84	—
	(c) 809	93	840	99
Total	(a+b+c) 5,462	3,785	5,281	3,555

Further details on Financial Instruments are provided in Note 19 "Supplementary disclosures on financial instruments".

Trade payables

This item increased by 248 million euros compared to December 31, 2024, mainly as a result of the change in bills payable.

In particular, we report:

- trade payables to subsidiaries, amounting to 447 million euros (381 million euros as of December 31, 2024): mainly refer to debt positions owed to Noovle S.p.A. Società Benefit (255 million euros), Telsy S.p.A. (58 million euros), TIM Retail S.r.l. (28 million euros), Telecom Italia Sparkle S.p.A. (56 million euros), Olivetti S.p.A. Società Benefit (14 million euros), Telecom Italia Trust Technologies S.p.A. (20 million euros) and Telecontact Center S.p.A. (10 million euros) for supply relationships;
- trade payables to associates, amounting to 6 million euros (6 million euros as of December 31, 2024): are related to debt positions mainly with TIMFin S.p.A. and W.A.Y. S.r.l.;
- trade payables to other related parties, amounting to 27 million euros (14 million euros as of December 31, 2024): they refer to debt positions towards the Poste group.

Supplier finance arrangements

TIM S.p.A. makes certain financial instruments available to its suppliers that allow them to advance the collection of their receivables (so-called reverse factoring).

These instruments are not intended to modify in any way the contractual terms between TIM S.p.A. and its suppliers, but are available to suppliers who, at their discretion, choose to assign their receivables to the financial institution.

In addition, TIM S.p.A. has negotiated extensions of payment terms with a limited number of specific suppliers, in order to bring them back to the usual payment terms of the product category to which they belong.

In 2025, these agreements resulted in payment terms consistent with those applied to suppliers not subject to specific agreements, equal to 120 days; the relative amounts are aligned with those of the previous year and therefore did not have any significant impact on the company's balance sheet data.

Miscellaneous payables

These amounted to 1,038 million euros and decreased by 36 million euros compared to December 31, 2024; they mainly comprise:

- the current portion of provisions for risks and charges amounting to 470 million euros;
- payables to social security agencies amounted to 214 million euros: these include the short-term portion (176 million euros) 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 22 "Miscellaneous payables and other non-current liabilities";
- the item "Other" includes, among others, advances on contributions paid by the Italian State, in relation to:
 - 5G Coverage Plan under the NRRP (53 million euros);
 - Projects financed by MIMIT and the European Community (39 million euros), in particular projects relating to Emerging Technologies Centers and *cloud* and *edge computing* services;
 - Projects financed by the European Community (11 million euros), partly related to implementations of 6g technologies and partly related to network infrastructure;
- tax payables, amounting to 30 million euros: mainly refer to the amount owed to the tax authorities for withholdings made as withholding agent (25 million euros), as well as VAT payable (1 million euros) and government concession tax payable (2 million euros).
- payables to subsidiaries of 5 million euros: include 4 million euros for tax consolidation (mainly towards TIM Retail S.r.l. and Telecontact Center S.p.A.) and other payables for 1 million euros, in particular towards Telecom Italia Sparkle S.p.A. and Olivetti S.p.A. Società Benefit;

Other current liabilities

These amounted to 809 million euros and decreased by 31 million euros compared to December 31, 2024; they include:

- **The liability arising from contracts with customers (Contract liabilities)**, amounting to 727 million euros (756 million euros as of December 31, 2024): 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, 2024): 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 353 million euros (411 million euros at December 31, 2024): 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 35 million euros (41 million euros at December 31, 2024): the item includes trade payables following prepayments, such as deposits made by subscribers for phone calls;
 - **Deferred revenues from contracts with customers** of 336 million euros (301 million euros at December 31, 2024): the item refers to the deferral of revenues from customers contracts and mainly includes:
 - deferred revenues for rent and maintenance of 273 million euros (237 million euros as of December 31, 2024);
 - deferred revenues related to subscription charges of 51 million euros (unchanged compared to December 31, 2024).
- **Other revenues and deferred income** amounted to 82 million euros (84 million euros as of December 31, 2024): refer mainly to the current portion of deferred income related to the Master Service Agreement (MSA) with FiberCop S.p.A..

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, 2025, as well as those that came to an end during the year.

The Company has posted liabilities totaling 306 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 Art. 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.

The extraordinary appeal to the President of the Republic, against the decree of November 2, 2017 exercising the special powers, was dismissed.

It should also be noted that in May 2018 a guarantee bond for 74.3 million euros was issued in favor of the Presidency of the Council. TIM had been requested to submit such a bond for its application to Lazio Regional Administrative Court 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 Art. 82 of the Code of Civil Procedure. TIM therefore requested that a public hearing be held to discuss the appeal. The public hearing was scheduled for January 10, 2024. Following the hearing, by way of order 709 of January 15, 2024, the Regional Administrative Court upheld the suspension of the proceedings, as previously dictated by non-final judgment 6310 of May 23, 2019, and upheld the suspension of the enforcement of the measure under the conditions dictated by that ruling, all of which pending the decision in the extraordinary proceedings against the assessment notice of September 28, 2017.

In Opinion no. 1259/2024, rendered in the extraordinary proceeding against the assessment notice of September 28, 2017, the Council of State agreed with the opinion expressed by the Lazio Regional Administrative Court in its non-final judgment of May 2019, finding the appeal inadmissible because the contested notice does not qualify as a measure but qualifies as a sub-procedural act forming part of the sanctioning procedure (appealed to the Lazio Regional Administrative Court). Hence, on December 5, 2024, TIM applied to the Lazio Regional Administrative Court for a precautionary measure to adjourn the proceedings against the sanctioning decree, subject to the possibility of a further suspension pending the decision of the Council of State on the extraordinary proceedings against the still pending Special Powers Decrees, and/or pending the decree of the Presidency of the Republic to implement the aforementioned Council of State Opinion no. 1259/2024. The hearing before the Regional Administrative Court was set for March 19, 2025. On conclusion of the hearing, the Bench retired to consider whether to suspend the case or to render judgment. In its ruling of May 23, 2025, the Lazio Regional Administrative Court rejected the appeal and upheld the legality of the fine imposed on TIM. On July 28, 2025, TIM appealed the ruling in the Council of State, with an application for a precautionary suspension of the collection of the fine. At the hearing on August 28, the Council of State, having acknowledged the

submission of a new guarantee replacing the one issued for the first instance of proceedings, granted the precautionary request by suspending the measure until the hearing on the merits, which has been scheduled for March 31, 2026.

Furthermore, TIM appealed before the Lazio Regional Administrative Court 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 Supreme Court 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 Supreme Court declared that Consob's petition was unacceptable, consequently ordering it to pay the dispute expenses.

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 Supreme Court 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. By petition dated April 24, 2025, TIM appealed the judgment of the Supreme Court before the European Court of Human Rights, alleging a violation of the right of defense by the national courts, which was declared inadmissible on October 30, 2025.

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 the hearing for September 17, 2025, for the closing arguments, later adjourned to September 9, 2026. In the meantime, a settlement agreement has been reached which will lead to the dismissal of the proceedings.

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 Art. 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 contendability 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 defense to September 20, 2019 and set the final hearing for September 25, 2019.

On September 18, 2019, AGCM (the Italian Competition Authority) resolved to further extend the deadline for conclusion of the proceedings, which were scheduled for February 28, 2020.

On March 6, 2020, TIM was notified of the decision to close the investigation: AGCM (the Italian Competition Authority) ruled that TIM had abused its dominant position, finding that TIM had put in place an anticompetitive strategy designed to hinder the competitive development of investment in Ultrabroadband network infrastructure. The fine imposed on TIM for the anti-competitive offence is 116,099,937.60 euros.

On June 25, 2020 TIM sent AGCM (the Italian Competition Authority) the so-called compliance report as ordered in the final provision.

In May 2021, the Company in any case paid the fine.

TIM appealed the aforementioned fine before the Lazio Regional Administrative Court (TAR). By judgment 1963/2022 of February 28, 2022, TIM's appeal was rejected; TIM has appealed to the Council of State against the decision of the regional administrative court.

In August 2022, Irideos notified a deed of intervention ad opponendum with respect to TIM's principal appeal.

The related hearing for oral discussion was scheduled for May 25, 2023. At the end of the hearing, the Council of State ordered a report from a court-appointed expert on three issues regarding the profitability of the investment in "white areas" with low population density. On October 11, 2023, the court-appointed experts were sworn-in in the Council of State and requested an extension to the completion deadlines. Under the new deadlines granted by the Council of State, the expert report was filed in May 2024.

At the public hearing on October 10, 2024, the case was reserved for decision; Open Fiber requested that the operative part be published in advance. On October 25, 2024, the Council of State published the operative part of the judgment, in which it dismissed the motions (including preliminary motions) of the parties and partially upheld the appeal and, partially reforming of the appealed judgment, upheld the appeal at first instance only insofar as the measurement of the penalty imposed, which is reduced by 25%; it dismissed all other parts of the appeal and upheld the contested order from all other counterclaims. On November 13, 2024, the judgment was published and TIM initiated the necessary procedures to obtain partial restitution of the penalty in the amount of 29,024,984.40 euros, plus statutory interest, from the date of payment until the date of actual restitution. On February 27, 2025, AGCM notified the Ministry of Enterprises and Made in Italy of the clearance for payment to TIM of the aforementioned amount following the Authority's redetermination at 87,074,953.20 euros of the penalty imposed on TIM for the conduct ascertained in Order no. 28162 of February 25, 2020. At the request of TIM, the Ministry of Enterprises and Made in Italy has repaid the aforementioned sum of 29,024,984.40 euros and related interest equal to 2,664,864.94 euros.

Open Fiber

In March 2020, Open Fiber (OF) sued TIM before the Court of Milan, claiming damages of 1.5 billion euros for alleged abuse of an exclusive and dominant position in relation to OF. The alleged actions consist of: (i) preemptive investments in FTTC networks in white areas; (ii) initiating specious legal action to obstruct Infratel tenders; (iii) spurious repricing of certain wholesale services; (iv) commercial lock-in offers on the retail market; (v) false disclosure to AGCOM in connection with the approval of a wholesale offer and spreading rumors about TIM being interested in acquiring OF; (vi) discriminatory access conditions to TIM passive infrastructure. TIM filed an appearance, contesting the arguments of OF. Enel S.p.A. intervened in the proceedings, asking that TIM be ordered to compensate all damages suffered and being suffered by Enel and OF, without, however, quantifying such. During the course of proceedings, Open Fiber redetermined the damage allegedly suffered, taking it to 2.6 billion euros plus interest and monetary revaluation. Open Fiber has also clarified that it believes such damages are still to be suffered. Enel then quantified the damages allegedly suffered as approximately 228 million euros, plus interest. On October 19, 2022, the hearing was held for

admission of the evidence, after which the judge reserved the right to deliberate. By order of July 17, 2023, the Court of Milan lifted the

reservation and deferred the hearing for delivery of the verdict until April 3, 2024. At the hearing of April 3, the Judge ordered that Court obtain the expert witness report rendered in the appeal proceedings brought by TIM before the Council of State against the unfavorable ruling of the Regional Administrative Court relating to fines imposed in relation to case A514. The case was then adjourned to be heard on June 12, 2024, with the Judge reserving the right to deliberate.

By order served on July 5, it was deemed fit – in order to adjudicate whether to stay the proceedings as requested by TIM – to invite the Parties to make their closing arguments. For this purpose, a hearing was set for September 18, 2024, with the Parties ordered to make their submissions in writing and invited to waive the time limits for the filing of closing briefs. This hearing was replaced by the filing of written notes only. The Court of Milan, in accepting the motion of TIM, ordered to stay the proceedings until the proceedings before the Council of State are concluded.

Following the publication of the Council of State's ruling on November 13, 2024, Open Fiber applied for the case to be resumed on November 18, 2024, and simultaneously applied for a hearing to be set. The presumptive hearing was scheduled for May 20, 2025.

At the hearing of May 20, 2025, the investigating judge, having taken note of Open Fiber's waiver of certain preliminary motions, granted a time limit (i) until May 30, 2025 for Open Fiber to clarify its positions and (ii) until June 10, 2025 for TIM and Enel to counterclaim on this point, setting the hearing for June 18, 2025. The parties filed their respective pleadings.

At the hearing of June 18, 2025, the investigating judge asked the parties to summarize their considerations on the possible anti-competitive effects of TIM's conduct sanctioned in Measure A514, as ascertained by the AGCM as the case may be, assigning a deadline until July 30, 2025 and setting the next hearing for October 1, 2025, later adjourned to November 5, 2025. The judge, upon lifting the reservation, by order dated December 12, 2025, submitted to the parties a draft expert question, scheduling a hearing on March 18, 2026 for the continuation of the evidentiary activities.

Irideos

In January 2022, Irideos summonsed TIM to the Court of Rome, making a claim for damages allegedly suffered as a consequence of the unlawful conduct of TIM, as sanctioned by AGCM (the Italian Competition Authority), with the provision that concluded case A514 ("follow-on claim"). The compensation claim comes to 23,204,079.87 euros for damages caused by the anti-competitive behavior of TIM from 2017 to 2019 (with effects also in subsequent years) on the market for services of wholesale access to the Broadband and Ultrabroadband fixed network (the "wholesale market") and on the market for retail telecommunications services on the Broadband and Ultrabroadband fixed network (the "retail market"). TIM filed an appearance, contesting the opposing party's arguments. At the hearing held on June 1, 2022, the investigating judge (i) assigned the parties time for depositing the briefs with terms running from February 15, 2023 and (ii) deferred the case to the hearing of June 7, 2023. The hearing for the taking of evidence was set for October 5, 2023. The Judge, having taken note of Irideos' request to defer the hearing and motivated by the judgment pending in case A514 before the Council of State, deferred the hearing of the parties until October 10, 2024, which was further postponed to March 13, 2025. On that date, the judge ordered a further postponement, scheduling a new hearing for October 22, 2025. In the meantime, a settlement agreement was reached between the parties, resulting in the withdrawal of the proceedings and the extinction of the proceedings declared by the Court of Rome with a ruling dated August 29, 2025.

Italian Data Protection Authority - Initiation of proceedings to adopt corrective and sanctioning measures regarding telemarketing

On February 9, 2026, the Italian Data Protection Authority notified TIM of the initiation of proceedings to adopt corrective measures and sanctions regarding telemarketing following an inspection that took place in March 2025.

The Guarantor, while acknowledging with approval the initiatives undertaken by TIM in the meantime and its full cooperation during and following the investigation, contested the Company's alleged violation of certain provisions of the GDPR in the context of telemarketing activities and the management of requests to exercise rights by interested parties.

TIM must file a defense brief by March 11, 2026, and possibly request a hearing.

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 referral to the European Union Court of Justice (CJEU) 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 Supreme Court 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 Supreme Court 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 Supreme Court 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 Supreme Court in 2024. Consequently, the assumptions underlying Resolution no. 75/20 regarding TIM's alleged non-compliance are disproved by the documentary evidence attached in the judgment of the Regional Administrative Court, which attest that TIM fully complied with the decision-making rules of the Ordinary Judicial Authority which formed the basis of the judgment. At the hearing on January 24, the case was reserved for judgment by the court following discussion. On February 13, 2025, the Lazio Regional Administrative Court's ruling was published rejecting the appeal filed by TIM against Resolution no. 75/20/CONS.

TIM filed an appeal (served on May 12, 2025). The hearing for the discussion of the merits is scheduled for May 21, 2026.

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 Art. 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 Regional Administrative Court for the quashing of said measure.

On January 31, 2020, TIM was notified of the decision to close the investigation, in which AGCM (the Italian Competition Authority) confirmed the existence of the agreement between TIM, Vodafone, Fastweb, Wind Tre, but excluding Asstel from participation in the agreement. The fine imposed on TIM for participation in the anticompetitive agreement was 114,398,325 euros. In April 2020, TIM also challenged the fine order.

In a ruling published on July 12, 2021, the Lazio Regional Administrative Court upheld the petition and the grounds added and submitted by TIM, canceling the measures taken by AGCM (the Italian Competition Authority), including that relating to the existence of the agreement and application of the fine.

On September 11, 2021, AGCM (the Italian Competition Authority) presented a petition to the Council of State, requesting the cancellation of the judgment given by the regional administrative court.

On July 25, 2023, the Council of State reformed the decision of the Lazio Regional Administrative Court, upholding the validity of AGCM (the Italian Competition Authority) measure in case I820 and referring to the Authority to redetermine the sanction in view of the reduced duration of the infringement.

In view of the rulings of the Council of State on the quantum of the sanction, TIM – in a petition dated August 28, 2023 – asked the AGCM (the Italian Competition Authority) for the redetermination of the sanction to take place in full adversarial proceedings between the parties as part of a special investigation procedure.

In its order of September 26, 2023, served on the Company on October 3, 2023, the AGCM (the Italian Competition Authority) informed TIM that it had quantified the fine at 100,670,526.00 euros, holding that it had no margins for discretion in executing the judgment of the Council of State. On October 12, 2023, TIM filed an appeal to overturn the judgment of the Council of State; the hearing to discuss the revocation application was set for March 6, 2025 and has subsequently been postponed to April 10, 2025. In a judgment published on May 30, 2025, the Council of State declared the appeal for revision inadmissible.

On October 13, 2023, TIM filed an appeal before the Lazio Regional Administrative Court to annul the measure redetermining the sanction; TIM also requested the precautionary suspension of the measure, but this was rejected by order of November 9, 2023. On October 14, 2025, the Regional Administrative Court ruling rejecting TIM's appeal was published. The judgment was appealed by TIM with an appeal to the Council of State.

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 dueeness of such interest due to the absence of the prerequisites of liquidity and collectability required by Art. 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.

At TIM's request, AGCM granted the Company the right to pay the fine in thirty monthly installments.

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.

On August 6, 2025, the Authority again recalculated the interest amount, notifying the Company of a new installment plan until August 2026.

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 Art. 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 have caused the interest in the appeal of first instance to be extinguished. At the hearing of April 10, 2025, the case was reserved for decision. On December 17, 2024, AGCM – accepting the claims of TIM and FiberCop – ruled in its order no. 31414 to revoke the commitments that were made binding by the Authority in Resolution no. 30002 of February 15, 2022, as part of these proceedings.

The Authority holds that, as of July 1, 2024, the antitrust concerns that existed under the initial hypothesis of an agreement restricting competition have been extinguished following the unbundling of TIM's fixed network infrastructure.

On May 13, 2025, the Council of State declared Open Fiber's appeal inadmissible due to the issuing of the measure revoking the commitments ordered by the AGCM.

The measure revoking the commitments (no. 31414) approved by resolution no. 30002 of February 15, 2022, was challenged before the Lazio Regional Administrative Court by Open Fiber, Fastweb, and Iliad; the hearing date is pending.

Antitrust case 1857

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 defense 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 Art. 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 would have had effects on the market from January 27, 2021 to August 4, 2022, while the Decision reduced the duration of the violation to the period from July 1, 2021, the date on which the commercialization of the rights began based on the Deal Memo, until the implementation at the beginning of August 2021 of the voluntary measures adopted by TIM and DAZN within the scope of the interim proceedings. There would therefore be a contradiction between the AGCM Measure and the CRI, without the Panel having adequately justified its decision to depart from the findings of the investigation. TIM has decided to proceed with the appeal, which has been served on all parties involved. With an order published on October 4, 2024, the Council of State rejected TIM's request for a stay, and with a ruling published on June 19, 2025, the Council of State rejected TIM's appeal.

On November 12, 2024, following Judgment no. 09315/2024 of the Regional Administrative Tribunal rendered on May 11 which found that the initial decision of the AGCM was lacking in grounds, the Authority ruled to initiate proceedings under Art. 14 of Law no. 287/1990 (I857C) with the aim of redetermining the duration of the infringement referred to in the I857 proceedings.

At its hearing of June 24, 2025, the AGCM passed resolution extending the deadline for conclusion of the proceedings until December 31, 2025.

On September 24, 2025, AGCM notified TIM of the Communication of the Results of the Investigation (CRI), setting the final hearing for November 11. On January 2, 2026, AGCM notified TIM of the final measure. The Authority extended the duration of the agreement, setting it between January 27, 2021 and August 3, 2022. Nevertheless, the original amount of the penalty, equal to 760,776.82 euros, was confirmed. The fine had already been paid on September 20, 2023. TIM filed an appeal.

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 and then again to October 15, 2025.

At the hearing on October 15, 2025, the case was adjourned to May 12, 2026.

Antitrust case 1874

On December 17, 2024, the AGCM (the Italian Competition Authority) ruled to initiate a preliminary investigation proceeding to assess the possible anti-competitiveness of certain clauses contained in the Master Service Agreement between TIM and FiberCop regulating the relations between those entities following the transfer of fixed network activities from TIM to FiberCop.

In June 2025, TIM and FiberCop submitted Commitments pursuant to Art. 14-ter of Law no. 287/1990, consisting of measures aimed at overcoming the competition concerns raised by the Authority in the opening phase of the proceedings.

On July 30, 2025, the Authority published the Commitments on its website, considering them to be not manifestly unfounded and reserving the right to carry out any further assessment as to the suitability of the commitments to remove the restrictions of competition, thereby initiating the market test phase (i.e., asking the market for any comments, which were to be received by September 30, 2025).

The deadline for the market test was subsequently extended to October 8, 2025, and that for the TIM and FiberCop tests to November 7, 2025.

The process was due to be concluded by January 31, 2026. On January 27, 2026, AGCM (the Italian Competition Authority) resolved to extend the deadline for conclusion of the proceedings until February 18, 2026.

On February 23, 2026, the Authority published the closing order of the procedure with which it accepted, and therefore made mandatory, the commitments proposed by TIM and FiberCop, having deemed them suitable to remove the competitive concerns that had led to the initiation of the procedure.

The proceeding was therefore closed without ascertaining the infringement.

The Commitments concern the duration and scope of the exclusivity between TIM and FiberCop, the FiberCop intermediation mechanism in TIM's customer migration choices, the methods of applying the discounts, and the rights of use of the fiber connections used by TIM in the offer to its business customers. The Parties shall prepare and submit to the Authority a report on the implementation of the commitments undertaken within 6 months. The Authority has reserved the right to review the adequacy of the commitments, in light of market conditions, at the latest 2 years after the notification of the measure.

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 Supreme Court (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 Regional Administrative Court rejected all of Vodafone's appeals for observance, and, as requested by TIM, expressly affirmed that AGCOM must renew the proceedings, particularly with regard to the determination of the degree of replaceability between fixed and mobile telephony. Vodafone challenged the four judgments before the Council of State, which, with a decision of October 2019, upheld Vodafone's appeal and confirmed the restitutory obligation of the sums in question applicable to TIM.

With resolution no. 263/20/CIR, AGCOM started proceedings to renew the investigation into the iniquity of the net cost of the universal service for 1999–2009 and the allocation of contribution expenses. Vodafone has challenged this resolution before the Regional Administrative Court. The renewal proceedings concluded with resolution 18/21/CIR, which substantively confirmed the draft order. This same resolution has only been challenged before the regional administrative court by TIM for the years 1999 and 2000, while Vodafone, Wind and Fastweb have challenged the resolution for all years concerned with opposite grounds. By judgments published in February 2022, resolution 18/21/CIR was partially canceled; indeed, the regional administrative court has rejected the main complaint reporting the lack of power of renovation and upheld only the grounds hinged on the alleged unreasonable nature of the threshold envisaged by AGCOM for the analysis of iniquity second facie. Fastweb, Vodafone, Wind, AGCOM and TIM appealed the judgment of the Regional Administrative Court with the Council of State; The hearings on the merits were set for April 4 and April 27, 2023. At the end of the hearing on April 4, 2023, the case was reserved for judgment. On April 18, 2023, the Council of Ministers issued a collegial order referring several issues to the EU Court of Justice for a preliminary ruling.

The EU Court of Justice, in a ruling published on September 19, 2024, upheld the arguments of TIM's defense and rejected Vodafone's arguments, ruling that: (i) proof of a certain degree of fixed/mobile substitutability is not required for mobile operators to participate in the unfair burden sharing mechanism; (ii) it is up to Member States to establish the criteria for assessing burden unfairness. The hearing on the cases stayed in the Council of State pending the decision of the Court of Justice has been set for May 8, 2025.

The aforesaid judgments were therefore upheld in the judgments of May 20 and 26, 2025, rejecting all the main and incidental grounds of appeal, with the exception of the ground brought by Vodafone in which it contested the manner of the second-facie unfairness analysis and, in greater detail, the unfairness threshold value identified by AGCOM. On September 30, with Resolution 41/25/CIR, AGCOM initiated the procedure concerning the review of the unfairness of the net cost of the universal service for the years 1999-2009.

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 license 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 Regional Administrative Court, by Regional Administrative Court 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 Supreme Court 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 license fee). Following the decision of the Supreme Court (no. 33241/25 published on December 19, 2025), which rejected the appeal of the Presidency of the Council of Ministers, the request to schedule the hearing on the merits of the case regarding the 1998 license fee adjustment was filed. This hearing was scheduled for April 15, 2026.

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 appeal with the Supreme Court 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 Supreme Court, with the 2020 Award remaining in effect.

On December 20, 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.

On January 21, 2026, the Supreme Court upheld the Court of Appeal's decision to annul the 2016 award on grounds relating to the participation in the arbitration panel of a member considered by the Court to be in a conflict of interest.

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. At the hearing on April 30, 2025, the investigating councilor, after acknowledging the filing of the final briefs, referred the case to the Board for decision. In a ruling published on June 25, 2025, the Court of Appeal rejected Iliad's appeal in its entirety. The deadline for filing an appeal to the Supreme Court expired on September 30, 2025. Since no appeal was filed, the sentence has become final.

Iliad (restrictions on duration and termination costs)

By writ of summons notified in September 2021, Iliad Italia S.p.A. summonsed TIM before the Court of Milan for the alleged application to customers of unlawful contractual conditions in terms of time limits and economic costs for withdrawal with reference to mobile and fixed telephone offers, with a consequent petition to order TIM to compensate damages, currently quantified as 120.4 million euros.

The hearing for closing arguments, originally set for May 28, 2024, was postponed first to June 10, 2025 and then to December 16, 2025. On December 15, 2025, the Judge communicated a further postponement of the hearing for the specification of conclusions to May 26, 2026.

Fastweb (Ethernet ATM migration)

By writ of summons notified in December 2021, TIM summonsed Fastweb before the Court of Milan, asking that it be ascertained and declared that Fastweb had not achieved the minimum objectives of migration from ATM bitstream technology to Ethernet

bitstream technology in any of the 30 Collection Areas into which the national territory is divided by the deadline envisaged by industry regulation and the migration plan agreed by the parties; and therefore that it ascertain and declare that TIM is entitled to: (a) reverse the economic benefits relating to this migration granted retroactively from April 12, 2016 to Fastweb and (b) obtain from Fastweb the prices for the ATM bandwidth envisaged by the contract stipulated by the parties and the current Reference Offers in force *ratione temporis*; (c) therefore declare and order Fastweb to pay TIM the total amount of 79,240,329.47 euros (or other amount, potentially greater, as may be assessed during the course of proceedings).

Fastweb filed an appearance and submitted a counterclaim for abuse of a dominant market position and breach of contract. Fastweb's application is essentially based on alleged delays in the development of Ethernet coverage. The counterparty complains of damages of around 81.4 million euros. Having noted that the counterclaim made by Fastweb would appear to go beyond the profile of breach of contract and that, in this case, the specialized business chambers may be competent to judge the matter, the investigating judge has returned the case to the Chambers President for due consideration. The Chambers President has submitted the case to the President of the specialized business chambers. The first hearing was held on December 14, 2022. The hearing for the admission of the preliminary motions has been postponed to June 13, 2023. Subsequent to the filing of the preliminary motions, Fastweb re-quantified damage allegedly suffered as a result of TIM's unlawful conduct at approximately 101.1 million euros (of which 13.2 million euros is subject to the acceptance of TIM's main claim).

At the hearing of June 13, 2023, the investigating judge reserved judgment. To dissolve this reservation, the G.I. ordered an expert report to be prepared by a court-appointed expert, who was to be appointed and sworn in on November 21, 2023. The public hearing for the examination of the court-appointed expert witness has been scheduled for June 17, 2025.

The court-appointed expert submitted a new petition to the judge for a time extension to file the expert report. The investigating judge granted the petition and extended the deadline for filing the report to October 16, 2025 and set the hearing for discussion for November 4, 2025.

By order dated September 24, 2025, the case was reassigned to another judge.

On October 15, 2025, the court-appointed expert (CTU) submitted to the new judge (G.I.) a further request for an extension of the deadline for filing the expert report. The judge granted the requested extension, setting the deadline of April 15, 2026, for the filing of the CTU's final report and the hearing for the examination of the CTU for April 21, 2026.

Iliad (INWIT)

By writ of summons served in July 2022, Iliad Italia S.p.A. summonsed Telecom, Vodafone and Infrastrutture Wireless Italiane S.p.A. ("INWIT") before the Court of Milan to assess the alleged unlawful conduct of INWIT, Telecom and Vodafone, consisting of refusal to allow Iliad to upgrade its mobile telephone transmission systems installed on INWIT-owned infrastructures. As a result of this conduct, Iliad has asked that Telecom be ordered, together with INWIT and Vodafone, to compensate the damages allegedly suffered, which it has reserved the right to quantify during the course of proceedings. The initial hearing took place on April 5, 2023, with the Judge reserving judgment on the objection as to the invalidity of the writ of summons brought by TIM. The initial hearing was deferred to October 11, 2023, following the admittance of the objection as to the invalidity of the writ of summons brought by TIM. At the hearing, the Judge set three dates for the exchange of pleadings between the parties: November 10, 2023, December 11, 2023, and January 2, 2024. At the end of the hearing of September 24, 2024 concerning the admission of evidence, the Judge adjourned the discussion of the same to the hearing on January 21, 2025. At the hearing of January 21, 2025, the parties requested, by mutual agreement, for the case to be postponed; a new hearing is scheduled for September 23, 2025. Following a settlement agreement between the parties, the Court of Milan declared the proceedings terminated on July 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 (Art. 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 the Company's role as the injured party victim of the crime was confirmed; the proceedings were subsequently dismissed.

In addition, the Company promptly carried out all the necessary actions aimed at neutralizing the phenomenon of illicit activations of VAS services.

The Milan Public Prosecutor's Office, on March 10, 2025, issued the notice of conclusion of the investigations from which it is confirmed that TIM is not investigated pursuant to Legislative Decree no. 231 of 2001, a circumstance confirmed by the request for indictment notified on 17 February u.s.

Eutelsat S.A.

On July 4, 2025, Eutelsat obtained a non-immediately enforceable injunction from the Court of Rome for the sum of 13,396,500 euros (plus interest and legal costs), corresponding to the amounts allegedly due for the period November 2023 - January 2025 with reference to the "Service Agreement" for the provision of satellite services (broadband and high-speed internet connection) entered into between TIM and Eutelsat S.A. on April 23, 2021.

By writ of summons dated September 12, 2025, TIM filed an opposition to the aforementioned injunction, requesting the rejection of Eutelsat's claims and the termination of the contract due to Eutelsat's breach (or, alternatively, a reduction in the fee proportional to the alleged breaches) and, at the same time, an order for Eutelsat to pay compensation for all damages suffered.

With a statement filed on December 19, 2025, Eutelsat appeared in court requesting the dismissal of TIM's claims and confirmation of the injunction opposed. In a counterclaim, Eutelsat also requested that TIM be ordered to pay approximately 79 million euros (in addition to the amount covered by the injunction), corresponding to the contractual fees allegedly accrued and accruing between January 2025 and the natural expiry of the contract (alternatively, the same amount was requested as compensation for damages).

The first appearance hearing is set for April 23, 2026.

b) Other information

Vivendi S.E.

On December 15, 2023, TIM S.p.A. was served an ordinary writ of summons from the shareholder Vivendi, contesting the legitimacy of the board resolution of November 5, 2023 approving the sale of TIM's fixed network assets and the investments held in FiberCop S.p.A. and Telenergia S.r.l. ("NetCo") by Optics BidCo S.p.A. (a subsidiary of KKR). Vivendi did not make any application for precautionary injunction, nor did it request an urgent halt to executing the resolution and the consequent negotiations. The Company appeared in the proceedings to contest the merits of the arguments and requests made by Vivendi, confirming the legitimacy of the resolutions adopted by the Board of Directors and the agreements signed with Optics BidCo.

The Court of Milan, in its ruling of January 14, 2025, declared the application brought by Vivendi to be inadmissible due to a lack of interest in the action and a lack of standing, and ordered the plaintiff to pay TIM costs of approximately 40,000 euros. Vivendi filed a notice of appeal against the judgment, served on February 13, 2025, before later filing notice that it was withdrawing its lawsuit and appeal proceedings under Art. 306 of the Civil Procedure Code.

Dispute concerning the license fee 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 license fee 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 Supreme Court 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 Regional Administrative Court 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 Supreme Court 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 the Supreme Court 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 Art. 111 of the Constitution and in accordance with Art. 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 filed, 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 Supreme Court. On November 19, 2024, the Presidency of the Council of Ministers filed a motion to stay the ruling in the Rome Court of Appeals, which, at a hearing held on December 16, 2024, postponed the hearing to January 20, 2025. The Court of Appeals, in its order published on January 22, 2025, rejected the application of the Presidency of the Council of Ministers for an injunction against the enforceable effects of the Court of Appeals' ruling. The public hearing of the Presidency of the Council appeal before the Supreme Court has been set for May 27, 2025.

At the hearing, the Court noted ex officio that, for the purposes of the decision to be rendered on the appeals, it was necessary to preliminarily examine the question of the correctness or otherwise of the appeal filed by TIM against Sentence no. 6174 of 2015 rendered at first instance by the Court of Rome, granting the parties a 30-day period to file observations, submitted by TIM within the time limits, reserving the decision to the outcome.

By judgment no. 33241 of December 19, 2025, the Supreme Court rejected the main appeal of the Presidency of the Council of Ministers, declared the grounds of TIM's conditional cross-appeal absorbed, and rejected the remaining grounds of the cross-appeal, fully offsetting the costs of the legitimacy proceedings between the parties.

Other assets/liabilities related to the disposal of assets and equity investments

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, within the scope of certain asset disposal contracts, post closing earn-out is in favor of TIM.

(c) Commitments and guarantees

Personal guarantees provided, totaling 3,478 million euros, mainly refer to guarantees provided by TIM on behalf of subsidiaries (including 1,702 million euros relating to Telecom Italia Capital, 784 million euros relating to Telecom Italia Finance, 260 million euros relating to Noovle, 109 million euros relating to Telecom Italia Sparkle and 57 million euros relating to Telsy).

Significant purchase commitments outstanding at December 31, 2025 for long-term contracts forming part of TIM S.p.A.'s business operations, totaling 1,626 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 2,773 million euros, refer for 1,242 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 1,531 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 Art. 4, paragraph 1, of Law no. 92 of June 28, 2012 and Art. 41, paragraph 5bis, of Legislative Decree no. 148/2015 for the voluntary redundancy of employees meeting the requirements; The total amount of guarantees is 876 million euros (of which 816 million euros for TIM and 60 million euros for other Group companies).

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 Art. 2 of Decree Law 21 of 3/15/2012 (the "Golden Power" law).

As of December 31, 2025, the undrawn portion of intercompany credit lines granted by TIM to subsidiaries amounted to 30 million euros.

The loan guarantees are described in the Note 15 "Non-current and current financial liabilities".

NOTE 25

REVENUES

This item increased compared to 2024 by 228 million euros and breaks down as follows:

(million euros)	2025	2024
Equipment sales	710	769
Services	8,736	8,449
Total	9,446	9,218

Revenues from services are mainly represented by voice and data services on fixed and mobile networks for Retail customers amounting to 7,668 million euros (7,505 million euros in FY 2024) and for other Wholesale operators amounting to 108 million euros (165 million euros in FY 2024).

Revenues are shown before fees to be paid to other operators amounting to 423 million euros (417 million euros in fiscal year 2024), included in "Costs of services."

NOTE 26

OTHER INCOME

This item increased by 1,032 million euros compared to 2024. The figure breaks down as follows:

(million euros)	2025	2024
1998 License fee - compensation for damages	973	—
Late payment fees charged for telephone services	17	19
Recovery of employee benefit expenses, purchases and services rendered	27	34
Capital and operating grants	27	15
Damages, penalties and recoveries connected with litigation	33	2
Estimate revisions and other adjustments	57	96
Income for special training activities	1	1
Services related to the MSA in place with FiberCop S.p.A.	82	42
Other	48	24
Total	1,265	233

Other operating income for the 2025 financial year benefits in particular from the non-recurring income attributable to the compensation for overall damages relating to the license fee for the operation of telecommunications activities, paid by the TIM Group with reference to the 1998 financial year. Further details regarding the stages of the litigation are provided below.

In 2010, Telecom Italia brought civil proceedings against the Presidency of the Council of Ministers for compensation for damages caused by the Italian State with judgment no. 7506/09 handed down by the Council of State - following the proceedings brought by Telecom Italia before the Lazio Regional Administrative Court in 2003 - which had definitively declared that the license fee was also due for the year 1998, in violation, in the Company's opinion, of the principles of EU law which, starting from that year, prohibited Member States from maintaining similar license fees for electronic communications companies.

In particular, following the aforementioned unfavorable administrative rulings, the Company has brought actions at:

- the European Court of Justice to confirm that the license fee is not due in light of European legislation and, subsequently,
- the Italian civil court to claim compensation for damages caused by the Italian State.

Below are the key stages of the administrative dispute:

- in November 2003 Telecom Italia filed an appeal with the Lazio Regional Administrative Court, requesting that its right not to pay any amount as a license fee be ascertained;
- In May 2006, the Lazio Regional Administrative Court referred to the EU Court of Justice the question of the compatibility with EU law of internal regulations (Art. 20 of Law no. 488/98) which, in an already liberalized market, had extended the validity of the obligation to pay the license fee for 1998;

- On February 23, 2008, the EU Court of Justice ruled in favor of Telecom Italia, confirming the illegality of the disputed fee to the administrative court of first instance;
- on December 15, 2008 the Lazio Regional Administrative Court rejected Telecom Italia's request for reimbursement of the 1998 license fee;
- in March 2009, the appeal filed by Telecom Italia against the decision of the Lazio Regional Administrative Court was notified to the Council of State;
- on December 1, 2009, with ruling 7506/09, the Council of State definitively denied Telecom Italia's right to the refund of the license fee.

Below are the main stages of the civil litigation for compensation for damages caused by the Italian State through appeal ruling 7506/09 handed down by the Council of State:

- In March 2015, the Civil Court of Rome issued a ruling declaring the Company's claim for compensation inadmissible.
- Telecom Italia appealed and on April 3, 2024, the Court of Appeal of Rome, with judgment no. 2320/2024, upheld the claim and ordered the Presidency of the Council of Ministers to pay Telecom Italia 528,711,476.152 euros, plus ancillary costs and legal expenses, thus recognizing compensation for damages totaling approximately 973 million euros (including revaluation and interest up to April 3, 2024), plus additional legal interest until satisfaction in the amount referred to in the first paragraph of Article 1284 of the Italian Civil Code, which, until December 31, 2025, amounts to approximately 38 million euros;
- the calculation of the total damage takes into account the revaluation to the present day from the date of filing of the appeal with the Regional Administrative Court (November 2003), which constitutes the introductory act of the claim for repayment of the undue payment; Compensatory interest is due on the amount revalued at present value, in accordance with the criteria set out in the well-known ruling of the Joint Divisions of the Supreme Court 1712/1995, on the amounts revalued year by year;
- the Presidency of the Council of Ministers then notified Telecom Italia of the appeal to the Supreme Court against the ruling of the Court of Appeal of Rome, requesting its annulment "with all consequential measures, including, if necessary, a decision on the merits of the case."
- Telecom Italia filed its counter-appeal with a conditional cross-appeal;
- **with its ruling no. 33241 of December 19, 2025, the Supreme Court upheld the Company's arguments and made final the decision of the Court of Appeal no. 2320/2024 of April 3, 2024, and the total amount of compensation for damages to be paid by the Presidency of the Council of Ministers to Telecom Italia.**

The sums liquidated by the aforementioned ruling no. 2320/2024 amount to approximately 973 million euros, recorded under Other Income in the Income Statement, to which is added the valuation of legal interest up to December 31, 2025 (approximately 38 million euros) recorded under Financial Income.

NOTE 27

Acquisition of goods and services

This item increased by 1,406 million euros compared to 2024. The figure breaks down as follows:

(million euros)	2025	2024
Acquisti di materie prime e merci	(a) 674	707
Costi per prestazioni di servizi		
Quote di ricavo da riversare ad altri operatori	423	417
Costi per servizi di accesso a reti di telecomunicazioni	1,316	1,034
Ospitalità e delivery	594	449
Commissioni, provvigioni e altre spese commerciali	2,210	1,530
Spese di pubblicità e promozione	108	112
Consulenze e prestazioni professionali	97	85
Consumi energetici	259	200
Spese di manutenzione	250	152
Costi per altri servizi in outsourcing	393	375
Spese invio fatture, elenchi telefonici, altro materiale alla clientela	23	26
Spese di distribuzione e logistica	2	—
Spese di viaggio e soggiorno	4	4
Costi per assicurazioni	15	15
Prestazioni e servizi vari	277	270
(b)	5,971	4,669
Costi per godimento di beni di terzi		
Affitti e locazioni	10	7
Altri costi per godimento beni di terzi	886	752
(c)	896	759
Totale	(a+b+c) 7,541	6,135

The increase in the item "Acquisition of goods and services" in the 2025 financial year is affected by the costs associated with the Master Service Agreement (MSA) contract with FiberCop, active from July 1, 2024 (with effects for 12 months in 2025 and for 6 months in 2024) as well as the effects of the prospective change in the duration of the recognition in the income statement of deferred fixed network contractual costs from 8 to 4 years (with reference to the costs incurred in previous financial years for acquisition and external execution costs for delivery and provisioning activities for a total of 671 million euros).

For further details, please refer to Note 9 "Miscellaneous receivables (non-current)".

In application of IFRS 16, leased asset costs mainly included rental fees for contracts relating to intangible assets (886 million euros, mainly for software licenses).

The item other service expenses mainly includes services for software products and solutions and management expenses related to property, plants, vehicles.

NOTE 28

EMPLOYEE BENEFITS EXPENSES

This item increased by 81 million euros compared to 2024. The figure breaks down as follows:

(million euros)	2025	2024
Ordinary employee expenses		
Wages and salaries	573	545
Social security expenses	220	207
Employee Severance Indemnities	—	—
Other employee benefits	142	79
(a)	935	831
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	45	68
Other	11	11
(c)	56	79
Total	(a+b+c)	910

The item “**Ordinary employee expenses**” increased by 104 million euros, mainly due to the accrual of costs for disputes with personnel, the higher costs identified for the provision of productivity bonuses related to company objectives and the impact connected to the prospective change in the duration from 8 to 4 years of the recognition in the income statement of deferred contract costs of the fixed network (with reference to the costs incurred in previous financial years for network technical personnel for delivery and provisioning activities (39 million euros). For further details, please refer to Note 9 "Miscellaneous receivables (non-current)".

“**Expenses for corporate restructuring and termination benefit incentives**” amounted to 45 million euros (68 million euros in 2024) and are mainly related to individual early retirement plans, as provided for in the union agreement signed with the trade unions on April 12, 2024, and to the wage supplementation related to the same agreement.

The average salaried workforce stood at 10,841 units at December 31, 2025 (11,228 at December 31, 2024). A breakdown by category is as follows:

(number of units)	2025	2024
Executives	244	230
Middle Managers	2,140	2,082
White collars	8,457	8,916
Blue collars	—	—
Employees on payroll	10,841	11,228
Agency contract workers	—	—
Total headcount	10,841	11,228

The headcount as of December 31, 2025 was 12,787 (12,951 as of December 31, 2024), with a decrease of 164.

NOTE 29

OTHER OPERATING EXPENSES

This item decreased by 13 million euros compared to 2024. The figure breaks down as follows:

(million euros)	2025	2024
Write-downs and expenses in connection with credit management	94	92
Provision charges	26	36
TLC operating fees and charges	18	19
Indirect duties and taxes	29	28
Penalties, settlement compensation and administrative fines	11	9
Subscription dues and fees, donations, scholarships and traineeships	7	6
Sundry expenses	36	44
Total	221	234
<i>of which, included in the supplementary disclosure on financial instruments</i>	94	92

Further details on Financial Instruments are provided in Note 19 "Supplementary disclosures on financial instruments".

NOTE 30

CHANGE IN INVENTORIES

Was positive by 5 million euros (positive by 14 million euros as of December 31, 2024) and mainly attributable to a trend of lower consumption on the Mobile segment.

In 2025, write-downs of inventories amounted to 4 million euros.

NOTE 31

INTERNALLY GENERATED ASSETS

They amounted to 116 million euros and decreased by 28 million euros compared to 2024. They consist solely of tangible and intangible capitalizations on labor costs and specifically:

- for 89 million euros (-11 million euros compared to 2024) relating to “intangible assets with a finite useful life”, mainly relating to development of software and network solutions, applications and innovative services;
- for 27 million euros (-17 million euros compared to 2024) relating to the “tangible assets” connected with design, construction and testing of network infrastructure and systems.

NOTE 32

DEPRECIATION AND AMORTIZATION

This item decreased by 36 million euros compared to 2024. The figure breaks down as follows:

(million euros)	2025	2024
Amortization of intangible assets with a finite useful life		
Industrial patents and intellectual property rights	594	640
Concessions, licenses, trademarks and similar rights	320	320
Other intangible assets	2	1
(a)	916	961
Depreciation of tangible assets owned		
Buildings (civil and industrial)	1	1
Plant and equipment	418	451
Manufacturing and distribution equipment	—	—
Other	49	42
(b)	468	494
Depreciation of rights of use assets		
Rights of use Concessions, Licenses, Trademarks and Similar Rights	—	—
Property	43	40
Plant and equipment	177	146
Other	7	6
(c)	227	192
Total (a+b+c)	1,611	1,647

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)	2025	2024
Gains on disposals of non-current assets		
Gains on the retirement/disposal of intangible, tangible and rights of use assets	4	4
(a)	4	4
Losses on disposals of non-current assets		
Losses on the retirement/disposal of intangible, tangible and rights of use assets	6	11
(b)	6	11
Total	(a-b)	(7)

NOTE 34

IMPAIRMENT REVERSALS (LOSSES) ON NON-CURRENT ASSETS

The item is negative for 69 million euros (negative for 14 million euros in fiscal year 2024) mainly as a result of the analysis of the recoverability of certain company assets involved in the agreements signed in 2025 with network equipment suppliers and other telecommunications operators, which aim to extend 5G network coverage, particularly in low-density areas, in order to provide advanced services to the Group's customers with improved network coverage, helping to bring ultra-broadband to underserved areas.

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)	2025	2024
Dividends	152	15
Net gains on disposals of investments	—	26
Other income from investments	—	—
Capital losses and impairment losses on financial assets	—	(11)
Sundry expenses from investments	—	—
Total	152	30
<i>of which, included in the supplementary disclosure on financial instruments</i>	30	2

Further details on Financial Instruments are provided in Note 19 "Supplementary disclosures on financial instruments".

In particular, we report:

- dividends refer to the subsidiaries Telecom Italia Finance S.A. (120 million euros) and Telecom Italia S. Marino (2 million euros) and the Fin. Priv. S.r.l. (30 million euros). In the 2024 financial year, dividends related to the companies of 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).
- the net capital gain on disposal of investments is zero in 2025. In 2024, 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).
- Losses and impairment losses on financial assets were nil in 2025. In the 2024 financial year, capital losses and impairment losses on financial assets referred to Olivetti S.p.A. Società Benefit.

NOTE 36

FINANCE INCOME AND EXPENSES

Finance income (expenses) showed a net expense of 531 million euros, which breaks down as follows:

(million euros)	2025	2024
Finance income	602	1,003
Finance expenses	(1,133)	(1,940)
Total net finance income (expenses)	(531)	(937)

The items break down as follows:

(million euros)	2025	2024
Interest expenses and other finance expenses		
Interest expenses and other costs relating to bonds	(208)	(353)
Interest expenses relating to subsidiaries	(187)	(305)
Interest expenses relating to associates	—	—
Interest expenses to banks	(49)	(198)
Finance expenses on lease liabilities	(31)	(39)
Interest expenses to others	(12)	(22)
	(487)	(917)
Commissions	(42)	(59)
Other finance expenses (*)	(96)	(155)
	(138)	(214)
Interest income and other finance income:		
Interest income	42	11
Interest income from subsidiaries	20	26
Interest income from associates	—	—
Income from financial receivables, recorded in Non-current assets	—	5
Income from financial receivables from subsidiaries, recorded in Non-current assets	41	116
Income from financial receivables from associates, recorded in Non-current assets	—	—
Income from securities other than investments, recorded in Non-current assets	—	—
Income from securities other than investments, recorded in Current assets (*)	5	5
Miscellaneous finance income	12	22
	120	185
Total net finance interest/(expenses)	(a) (505)	(946)
Other components of finance income and expenses:		
Net exchange gains and losses	(1)	3
Net result from derivatives	(27)	3
Net fair value adjustments to fair value hedge derivatives and underlying instruments	—	—
Net fair value adjustments to non-hedging derivatives	2	3
Total other components of finance income and expenses:	(b) (26)	9
Total net finance income (expenses)	(c)=(a+b) (531)	(937)
<i>of which, included in the supplementary disclosure on financial instruments</i>	<i>(495)</i>	<i>(919)</i>

(*) of which IFRS9 impact, nil on 2025 and 2024.

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)		2025	2024
Foreign currency conversion gains		8	54
Exchange losses		(9)	(51)
Net exchange gains and losses		(1)	3
Income from fair value hedge derivatives		1	—
Charges from fair value hedge derivatives		—	—
Net result from fair value hedge derivatives	(a)	1	—
Positive effect of the reversal of the Reserve of cash flow hedge derivatives to the income statement (interest rate component)		37	101
Negative effect of the reversal of the Reserve of cash flow hedge derivatives to the income statement (interest rate component)		(57)	(98)
Net effect of the Reversal of the Reserve of cash flow hedge derivatives to the income statement (interest rate component)	(b)	(20)	3
Income from non-hedging derivatives		227	361
Charges from non-hedging derivatives		(235)	(361)
Net result from non-hedging derivatives	(c)	(8)	—
Net result from derivatives	(a+b+c)	(27)	3
Positive fair value adjustments to fair value hedge derivatives		1	—
Negative fair value adjustments relating to financial assets and liabilities underlying fair value hedge derivatives		(1)	—
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)	208	302
Negative fair value adjustments to non-hedging derivatives	(g)	(206)	(299)
Net fair value adjustments to non-hedging derivatives	(f+g)	2	3

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 2025 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 2025 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 2024 Report on Operations which had a significant effect on the financial position or on the performance of TIM S.p.A. in 2025.

It is also specified that:

- on September 25, 2025, the Board of Directors, with exclusive reference to the application of the Procedure for related-party transactions of the company, resolved to exclude the Ministry of Economy and Finance (MEF) and its subsidiaries from the list of related parties in application of the provisions of Law no. 118 of August 8, 2025 (converting Decree Law no. 95 of June 30, 2025) which excluded the existence of correlation relationships for the purposes of article 2391-bis of the Civil Code between public administrations that do not exercise management and coordination powers and the companies indirectly owned by the latter;
- For the purposes of the annual financial report as of December 31, 2025, the MEF continues to be a Related Party; furthermore, as required by IAS 24 paragraph 26, a qualitative analysis was carried out on the existing relationships with the subsidiaries of the MEF. The analysis showed that these relationships are mainly related to purchases of goods and services (energy, transportation, postal services) that are conducted at normal market conditions.
- During 2025, "Relevant Shareholding Notifications - Form 120A" were served, giving notice of the following changes in the shareholding structure in TIM S.p.A., which resulting in a change in the perimeter of the Related Parties included in "Other Related Parties":
 - the relevant shareholding of 9.81% held by Cassa Depositi e Prestiti S.p.A. in TIM S.p.A., was transferred in its entirety to Poste Italiane S.p.A.; Therefore, as of March 2025, the Cassa Depositi e Prestiti (CDP) group and the companies it controls are no longer included among the "Other related parties";
 - at the end of June 2025, the sale by Vivendi to Poste Italiane S.p.A. of a share – equal to 15% of the share capital – of the shareholding held in the share capital of TIM S.p.A. became effective. On December 11, 2025, the sale of the last shareholding – equal to 2.506% of the share capital – was communicated; Therefore, as of the end of June 2025, the Vivendi Group and the group companies to which it belongs are no longer included among the "Other Related Parties";
 - as a result of the aforementioned transactions, the Poste Italiane group, as of the end of June 2025, is included among the "Other related parties"; At December 31, 2025, Poste Italiane S.p.A. holds a significant stake in TIM S.p.A. equal to 27.32% of the ordinary share capital.

It should be noted that on December 11, 2025, Poste Italiane S.p.A. communicated the exceeding of the current threshold relevant for the purposes of the regulation on mandatory public purchase offers, declaring the intention to make use of the exemption referred to in Article 106, paragraph 5, of Legislative Decree 58/1998 and Article 49, paragraph 1, letter e), of Consob Regulation No.11971/1999. Therefore – in force under the current regulatory framework – Poste Italiane has undertaken to sell to unrelated parties the ordinary shares held in excess of the aforementioned relevant threshold, within 12 months of the completion of the purchase, while refraining, in the meantime, from exercising the voting rights relating to such shares.

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.

During 2025, the Procedure was amended with board resolutions of May 7, mainly in order to update the forecasts relating to the definition of small amount transactions and information flows to the Related Parties Committee and other corporate functions, and of September 25, in order to take into account the exclusion, referred to above, of the Ministry of Economy and Finance from the list of related parties of the Company.

The effects of related-party transactions on the line items of the separate income statements for 2025 and 2024 are as follows:

SEPARATE INCOME STATEMENT LINE ITEMS 2025

(million euros)	Total	Related Parties								
		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.	% of financial statement item
	(a)								(b)	(b/a)
Revenues	9,446	153	304	8	—	—	465	—	465	4.9
Other income	1,265	43	1	22	—	—	66	—	66	5.2
Acquisition of goods and services	7,541	1,158	9	47	—	—	1,214	—	1,214	16.1
Employee benefits expenses	991	8	—	—	30	13	51	—	51	5.1
Other operating expenses	221	—	—	1	—	—	1	—	1	0.5
Depreciation and amortization	1,611	4	—	—	—	—	4	—	4	0.2
Gains/losses on disposals of non-current assets	(2)	—	—	—	—	—	—	—	—	—
Income (expenses) from investments	152	123	—	—	—	—	123	—	123	80.9
Finance income	602	347	—	—	—	—	347	—	347	57.6
Finance expenses	1,133	351	2	—	—	—	353	—	353	31.2
Profit/(loss) from Discontinued operations / Non-current assets held for sale	(130)	—	—	—	—	—	—	—	—	—

(*) Vivendi group and companies belonging to the group that it belongs to until May 26, 2025; Cassa Depositi e Prestiti group and its subsidiaries until February 19, 2025; Ministry of Economy and Finance (MEF); Poste Italiane group and its subsidiaries as of May 26, 2025; other related parties through Directors, Statutory Auditors and Key Managers.

SEPARATE INCOME STATEMENT LINE ITEMS 2024

(million euros)	Total	Related Parties								
		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.	% of financial statement item
	(a)								(b)	(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	30	2	11	—	—	—	13	—	13	43.3
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	(966)	248	—	1	(17)	—	232			

(*) Vivendi group and companies belonging to the group to which it belongs; 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, 2025 and December 31, 2024 are as follows:

STATEMENT OF FINANCIAL POSITION LINE ITEMS AT DECEMBER 31, 2025

(million euros)	Total (a)	Related Parties				Total related parties (b)	% of financial statement item (b/a)
		Subsidiaries	Associates, subsidiaries of associates and joint ventures	Other related parties (*)	Pension funds		
NET FINANCIAL DEBT							
Non-current financial assets	1,085	769	—	—	—	769	70.9
of which: Non-current financial assets for lease contracts	10	8	—	—	—	8	80.0
Securities other than investments (current assets)	—	—	—	—	—	—	—
Financial receivables and other current financial assets	420	350	—	—	—	350	83.3
of which: Current financial assets for lease contracts	41	2	—	—	—	2	4.9
Cash and cash equivalents	456	—	—	—	—	—	—
Current financial assets	876	350	—	—	—	350	40.0
Non-current financial liabilities	7,203	2,379	—	—	—	2,379	33.0
of which: Non-current financial liabilities for lease contracts	556	13	—	—	—	13	2.3
Current financial liabilities	5,353	3,070	—	—	—	3,070	57.4
of which: Current financial liabilities for lease contracts	241	4	—	—	—	4	1.7
Total net financial debt	10,595	4,330	—	—	—	4,330	40.9
OTHER STATEMENT OF FINANCIAL POSITION LINE ITEMS							
Rights of use assets	1,375	16	—	—	—	16	1.2
Miscellaneous receivables and other non-current assets	835	84	—	—	—	84	10.1
Trade and miscellaneous receivables and other current assets	4,418	319	294	5	—	618	14.0
Miscellaneous payables and other non-current liabilities	472	13	—	—	—	13	2.8
Trade and miscellaneous payables and other current liabilities	5,462	452	6	27	10	495	9.1

(*) Poste Italiane 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, 2024

(million euros)

	Total	Subsidiaries	Associates, subsidiaries of associates and joint ventures	Related Parties		Total related parties	% of financial statement item
	(a)			Other related parties (*)	Pension funds		
NET FINANCIAL DEBT						(b)	(b/a)
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 to which it belongs; 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 2025 and 2024 are as follows:

STATEMENT OF CASH FLOWS LINE ITEMS 2025

(million euros)

	Total	Related Parties						Total related parties net of Disc.Op.	% of financial statement item
	(a)	Subsidiaries	Associates, subsidiaries of associates and joint ventures	Other related parties (*)	Pension funds	Total related parties	Discontinued Operations relationships		
Purchase of intangible, tangible and rights of use assets on an accruals basis	1,054	22	—	—	—	22	—	22	2.1
Dividends paid	—	—	—	—	—	—	—	—	—

(*) Poste Italiane 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 2024

(million euros)

	Total	Related Parties						Total related parties net of Disc.Op.	% of financial statement item
	(a)	Subsidiaries	Associates, subsidiaries of associates and joint ventures	Other related parties (*)	Pension funds	Total related parties	Discontinued Operations relationships		
Purchase of intangible, tangible and rights of use assets on an accruals basis	1,235	24	—	12	—	36	—	36	2.9
Dividends paid	—	—	—	—	—	—	—	—	—

(*) Vivendi group and companies belonging to the group to which it belongs; 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.

SEPARATE INCOME STATEMENT LINE ITEMS

(million euros)	2025	2024	Type of contract
Revenues			
FiberCop S.p.A.	—	661	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.	70	69	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.	21	33	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.	26	29	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	22	26	Voice services, supply of ICT products, real estate and operating services, facility services, security services
Olivetti S.p.A. Società Benefit	4	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.	2	3	Lease of properties and facility management services, supply of fixed and mobile network telecommunications products and services and IP connectivity, security services.
Telecom Italia Trust Technologies S.r.l.	3	2	Voice services, management and supply of ICT Security & Risk Management services, property leasing, Spid activation service
Telsy S.p.A.	4	3	Fixed and mobile telephony services and supply of products and licenses, property leases and facility management services
Telenergia S.r.l.	—	1	Outsourcing for company business, supply of operative assistance services
Telecom Italia S.Marino S.p.A.	1	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 sales
Telefonia Mobile Sammarinese S.p.A.	—	1	Mobile voice services and equipment sales
Total revenues	153	835	

(million euros)	2025	2024	Type of contract
Other income			
Noovle S.p.A. Società Benefit	34	35	Recovery of seconded personnel costs, refunds of costs of centralized services, other income
Telecom Italia Sparkle S.p.A.	1	2	Refunds of costs for centralized services, other income
FiberCop S.p.A.	—	3	Fees for corporate office, penalties
Telecontact Center S.p.A.	3	2	Refunds of costs for centralized services, other income
TIM Retail S.r.l.	1	1	Recovery of seconded personnel costs, other income
Olivetti S.p.A. Società Benefit	2	1	Recovery of seconded personnel costs, refunds of costs of centralized services, other income
Other minor companies	2	2	
Total other income	43	46	
Acquisition of goods and services			
FiberCop S.p.A.	—	591	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	566	501	Minimum commitment fee for operating services; customized services by TIM to end customers; provision of ICT products and services; 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, paid in "revenue share" mode as part of offers to TIM end customers; in general, the services provided by Noovle included in the scope of the MSA contract and concerning: Site Management Services, Proximity Services, Assurance; Security Management, Architecture & Engineering Services, Operating Governance Services, Demand Management, Infrastructure and Project Delivery, System Development & Management, COE – Centers of Excellence, Offering, Power Supply and Air Conditioning Services, System/Operational Management Discovery.
Telenergia S.r.l.	—	140	Electricity supply
Telecom Italia Sparkle S.p.A.	135	152	Portion to be paid for telecommunications services and interconnection costs, telephone services, data transmission; full ip transit seabone
TIM Retail S.r.l.	163	110	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.	130	139	Customized services and purchase of products for resale and lease as part of TIM offerings for end customers; ICT and cybersecurity security solutions and services; maintenance services and software licenses; services for the National Strategic Hub and for participating User Administrations; HW/SW supply MILAN CORTINA 2026;
Telecontact Center S.p.A.	75	58	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	44	45	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; Smart Retail services; services for MASE (Ministry of Environment and Energy Security),
Telecom Italia Trust Technologies S.r.l.	37	31	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 issuance and 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 and integration project with OTP; services for the National Strategic Hub and for the participating User Administrations, cloud products in SaaS mode.
TIM S.A.	2	2	Roaming services
Other minor companies	6	3	
Total acquisition of goods and services	1,158	1,772	

Employee benefits expenses	8	9 Costs to Noovle, Telecontact and Olivetti for seconded personnel
Other operating expenses	—	4 Costs for penalties to FiberCop S.p.A. and operating costs for guarantees of origin to Telenergia S.r.l.
Depreciation of rights of use assets		
FiberCop S.p.A.	—	5 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	4	9
Income (expenses) from investments		
Telecom Italia Finance S.A.	120	— Dividends
Telecom Italia S.Marino S.p.A.	3	2 Dividends
Total income (expenses) from investments	123	2
Finance income		
Telecom Italia Capital S.A.	256	298 Income from derivatives
FiberCop S.p.A.	—	83 Interest income on financial receivables, financial commission income
Telecom Italia Finance S.A.	28	33 Income from securities, income from derivatives
Noovle S.p.A. Società Benefit	43	44 Interest income on financial receivables, financial commission income
Telecom Italia Sparkle S.p.A.	17	23 Interest income on financial receivables, financial commission income
Telenergia S.r.l.	—	1 Interest income on financial receivables, financial commission income
Telsy S.p.A.	2	2 Interest income on financial receivables, financial commission income
Other minor companies	1	1
Total finance income	347	485
Finance expenses		
Telecom Italia Capital S.A.	221	478 Interest expense on financial payables, charges on derivatives
Telecom Italia Finance S.A.	129	191 Interest expense on financial payables, charges on derivatives
Noovle S.p.A. Società Benefit	1	1 Interest expense associated with rights of use on buildings
Total finance expenses	351	670

STATEMENT OF FINANCIAL POSITION LINE ITEMS

(million euros)	12/31/2025	12/31/2024	Type of contract
Net financial debt			
Non-current financial assets			
Noovle S.p.A. Società Benefit	691	892	Financing and lease contracts
Telecom Italia Finance S.A.	61	72	Derivative assets
Telecom Italia Sparkle S.p.A.	1	111	Financing and lease contracts
Telsy S.p.A.	15	39	Loan
Other minor companies	1	1	
Total non-current financial assets	769	1,115	
Financial receivables and other current financial assets			
Telecom Italia Sparkle S.p.A.	2	387	Short-term financial receivables
Telecom Italia Finance S.A.	2	2	Derivative assets
Telecom Italia Capital S.A.	11	15	Derivative assets
Telsy S.p.A.	24	—	Short-term financial receivables
Noovle S.p.A. Società Benefit	307	5	Short-term financial receivables and receivables from lease contracts
Olivetti S.p.A. Società Benefit	4	5	Short-term financial receivables
Total financial receivables and other current financial assets	350	414	
Cash and cash equivalents			Treasury current accounts
Noovle S.p.A. Società Benefit	—	87	
Total Cash and cash equivalents	—	87	
Non-current financial liabilities			
Telecom Italia Capital S.A.	1,573	1,633	Hedging derivatives and financial payables
Telecom Italia Finance S.A.	793	806	Hedging derivatives and financial payables
Noovle S.p.A. Società Benefit	13	16	Non-current financial liabilities related to the recognition of rights of use for building lease liabilities
Total Non-current financial liabilities	2,379	2,455	

(million euros)	12/31/2025	12/31/2024	Type of contract
Current financial liabilities			
Telecom Italia Finance S.A.	2,428	898	Financial payables, payables for current accounts, derivative liabilities
Telecom Italia Capital S.A.	287	443	financial payables, derivative liabilities
TIM Retail S.r.l.	66	66	Payables for current account transactions
Telecom Italia Ventures S.r.l.	100	61	Payables for current account transactions
Telecom Italia Sparkle S.p.A.	90	61	Payables for current account transactions
Telecontact Center S.p.A.	26	36	Payables for current account transactions
Olivetti S.p.A. Società Benefit	7	7	Payables for current account transactions
Telecom Italia Trust Technologies S.r.l.	12	15	Payables for current account transactions
TIM My Broker S.r.l.	13	12	Payables for current account transactions
Telsy S.p.A.	17	17	Payables for current account transactions
Noovle S.p.A. Società Benefit	24	4	Financial rights of use liabilities
Total Current financial liabilities	3,070	1,620	
Other statement of financial position line items			
Rights of use assets			
Noovle S.p.A. Società Benefit	16	19	Rights of use on buildings
Total rights of use assets	16	19	
Miscellaneous receivables and other non-current assets			
Telecontact Center S.p.A.	8	36	deferred contract costs (customer cares services)
TIM Retail S.r.l.	60	112	deferred contract costs (new activations) and receivables related to tax consolidation
Telecom Italia Ventures S.r.l.	10	—	Receivables for tax consolidation
Other minor companies	6	7	other deferred costs and receivables related to tax consolidation
Total miscellaneous receivables and other non-current assets	84	155	

(million euros)	12/31/2025	12/31/2024	Type of contract
Trade and miscellaneous receivables and other current assets			
Noovle S.p.A. Società Benefit	178	155	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.	69	63	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.	14	24	Roaming services, license support and provision as part of network operations, information technology, marketing & sales, Royalties Trademark License Agreement
Telecontact Center S.p.A.	11	21	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.	17	16	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.	15	12	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	5	6	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
Telecom Italia Trust Technologies S.r.l.	6	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	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.	1	—	Commission on the provision of surety
Other minor companies	2	1	
Total trade and miscellaneous receivables and other current assets	319	304	

(million euros)	12/31/2025	12/31/2024	Type of contract
Miscellaneous payables and other non-current liabilities			
Telecom Italia Sparkle S.p.A.	10	1	Payables for tax consolidation
Telecontact Center S.p.A.	3	—	Payables for tax consolidation
Total miscellaneous payables and other non-current liabilities	13	1	
Trade and miscellaneous payables and other current liabilities			
Noovle S.p.A. Società Benefit	255	239	Minimum commitment fee for operating services; customized services by TIM to end customers; provision of ICT products and services; 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, paid in "revenue share" mode as part of offers to TIM end customers; in general, the services provided by Noovle included in the scope of the MSA contract and concerning: Site Management Services, Proximity Services, Assurance; Security Management, Architecture & Engineering Services, Operating Governance Services, Demand Management, Infrastructure and Project Delivery, System Development & Management, COE – Centers of Excellence, Offering, Power Supply and Air Conditioning Services, System/Operational Management Discovery.
Telecom Italia Sparkle S.p.A.	56	59	Trade payables for the portion to be paid for telecommunications services and interconnection costs, voice services, data transmission, seabone full IP transit; payables for tax consolidation
Telsy S.p.A.	58	47	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; HW/SW supply MILAN CORTINA 2026;
TIM Retail S.r.l.	31	34	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	15	23	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; Smart Retail services; services for MASE (Ministry of Environment and Energy Security).
Telecom Italia Trust Technologies S.r.l.	20	14	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 issuance and 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 and integration project with OTP; services for the National Strategic Hub and for the participating User Administrations, cloud products in SaaS mode.
Telecontact Center S.p.A.	11	14	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	6	7	
Total trade and miscellaneous payables and other current liabilities	452	437	

STATEMENT OF CASH FLOWS LINE ITEMS

(million euros)	2025	2024	Type of contract
Purchase of intangible, tangible and rights of use assets on an accruals basis			
Telsy S.p.A.	18	18	Purchase of ICT security solutions and services, supplies for network infrastructure
Noovle S.p.A. Società Benefit	1	4	License acquisitions
Olivetti S.p.A. Società Benefit	2	1	Investments in platform development and implementation
Telecom Italia Trust Technologies S.r.l.	1	1	Investments in Digital Identity and Certification Authority
Total purchases of intangible, tangible and rights of use assets on an accruals basis	22	24	

Transactions with associates, subsidiaries of associates and joint ventures

The most significant values of the transactions with associates, subsidiaries of associates and joint ventures are summarized in the tables below.

It should be reminded that the investments in Italtel S.p.A. and NordCom S.p.A. were sold by TIM S.p.A. on July 4, 2024 and July 15, 2024, respectively.

SEPARATE INCOME STATEMENT LINE ITEMS

(million euros)	2025	2024	Type of contract
Revenues			
Polo Strategico Nazionale S.p.A.	328	183	Supply of software and related installation and configuration services; security services; cloud services, Data Center spaces, connectivity, design
ITALTEL S.p.A.	—	1	Fixed and mobile telephony services including equipment, licenses and outsourcing services
TIMFin S.p.A.	(25)	(29)	Mobile and fixed voice services, outsourcing services and fees; costs related to financing transactions recorded as a reduction in revenues
Other minor companies	1	—	
Total revenues	304	155	
Other income	1	1	Recovery of seconded personnel costs, recovery of centralized expenses
Acquisition of goods and services			
W.A.Y. S.r.l.	7	7	Supply, installation and technical assistance services to support the Fleet platform and for geolocation equipment as part of offers to TIM customers, software development.
Other minor companies	2	—	
Total acquisition of goods and services	9	7	
Income (expenses) from investments			
Daphne 3 S.p.A.	—	11	Dividends
Total income (expenses) from investments	—	11	
Finance expenses			
TIMFin S.p.A.	2	4	Finance expenses for commission and other finance expenses
Total finance expenses	2	4	

STATEMENT OF FINANCIAL POSITION LINE ITEMS

(million euros)	12/31/2025	12/31/2024	Type of contract
Net financial debt			
Current financial liabilities			
TIMFin S.p.A.	—	1	Financial liabilities for expenses on the transfer of receivables
Total Current financial liabilities	—	1	
Other statement of financial position line items			
Trade and miscellaneous receivables and other current assets			
Polo Strategico Nazionale S.p.A.	293	185	Supply of products, software installation and configuration services, cloud servers, Data Center spaces, connectivity and design
Other minor companies	1	1	
Total trade and miscellaneous receivables and other current assets	294	186	
Trade and miscellaneous payables and other current liabilities			
TIMFin S.p.A.	3	3	Miscellaneous costs for loans
W.A.Y. S.r.l.	1	3	Supply, installation and technical assistance services to support the Fleet platform and for geolocation equipment as part of offers to TIM customers, software development.
Other minor companies	2	—	
Total trade and miscellaneous payables and other current liabilities	6	6	

STATEMENT OF CASH FLOWS LINE ITEMS

(million euros)	2025	2024	Type of contract
Purchase of intangible, tangible and rights of use assets on an accruals basis			
Total purchases of intangible, tangible and rights of use assets on an accruals basis	—	—	

TIM S.p.A. has issued guarantees on behalf of subsidiaries, associates and joint ventures for a total of 3,007 million euros, net of back-to-back guarantees received (3,313 million euros at December 31, 2024).

In particular, the following is noted: 1,702 million euros on behalf of Telecom Italia Capital S.A. (1,925 million euros at December 31, 2024); 784 million euros on behalf of Telecom Italia Finance S.A. (787 million euros at December 31, 2024); 109 million euros on behalf of Telecom Italia Sparkle S.p.A. (198 million euros at December 31, 2024); 260 million euros on behalf of Noovle S.p.A. (197 million euros at December 31, 2024); 57 million euros relating to Telsy S.p.A. (33 million euros at December 31, 2024).

Transactions with other related parties (through directors, statutory auditors and key managers, as well as participants in shareholder agreements pursuant to Art. 122 of the Consolidated Law on Finance)

Details are provided below of the transactions with:

- Poste Italiane group and group companies to which it belongs related parties as of May 26, 2025;
- Vivendi group and group companies to which it belongs, related parties until May 26, 2025;
- Cassa Depositi e Prestiti group and group companies controlled by the group, related parties until February 19, 2025;
- Ministry of Economy and Finance (MEF) related party as of October 4, 2024;
- Companies related through Directors, Statutory Auditors and Key Managers with strategic responsibilities.

SEPARATE INCOME STATEMENT LINE ITEMS

(million euros)	2025	2024	Type of contract
Revenues			
Other Directors or through	1	—	Fixed and mobile telephony services
Cassa Depositi e Prestiti Group	3	79	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
Poste Italiane Group	4	—	
Total revenues	8	79	
Other income			
Poste Italiane Group	22	—	
Total other income	22	—	
Acquisition of goods and services			
Havas Group	25	52	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
Poste Italiane Group	20	—	
Vivendi group	2	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	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	47	59	
Finance income	—	1	

STATEMENT OF FINANCIAL POSITION LINE ITEMS

(million euros)	12/31/2025	12/31/2024	Type of contract
Net financial debt			
Financial receivables and other current financial assets	—	24	Current financial receivables from the Cassa Depositi e Prestiti Group for the IRU transfer of rights of use to installation and dark fiber infrastructure
Trade and miscellaneous receivables and other current assets			
Cassa Depositi e Prestiti Group	—	9	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
Poste Italiane Group	5	—	fixed and mobile telephony services including equipment and ICT services; application outsourcing services, cloud services, equipment maintenance services, and other revenues from services.
Total trade and miscellaneous receivables and other current assets	5	9	
Trade and miscellaneous payables and other current liabilities			
Havas Group	—	12	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	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)
Poste Italiane Group	28	—	Provision of printing and delivery services for invoices and business correspondence intended for Telecom Italia Group customers through the Posta Contes service and registered mail delivery service.
Vivendi group	—	1	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	28	14	

STATEMENT OF CASH FLOWS LINE ITEMS

(million euros)	2025	2024	Type of contract
Purchase of intangible and tangible assets on an accruals basis	—	12	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)	2025	2024	Type of contract
Employee benefits expenses			Contributions to pension funds
Fontedir	5	6	
Telemaco	25	39	
Total Employee benefits expenses	30	45	

STATEMENT OF FINANCIAL POSITION LINE ITEMS

(million euros)	12/31/2025	12/31/2024	Type of contract
Trade and miscellaneous payables and other current liabilities			Payables for contributions to pension funds
Fontedir	2	1	
Telemaco	8	8	
Total trade and miscellaneous payables and other current liabilities	10	9	

Remuneration to Key Managers with Strategic Responsibilities

In 2025, the total remuneration recorded on an accrual basis by TIM S.p.A. in respect of key managers amounted to 13 million euros (14 million euros at December 31, 2024). The figure breaks down as follows:

(million euros)	2025	2024
Short-term remuneration	10	13
Long-term remuneration	1	—
Employment termination benefit incentives	—	—
Share-based payments (*)	2	1
Total	13	14

(*) These refer to the fair value, accrued to December 31, of rights under the incentive plans of TIM S.p.A. (Long Term Incentive, Stock Options Plan, other Plans).

Short-term remuneration is paid during the reference year, and, at the latest, within the six months following the end of that period and, in 2025, do not include the effects of assessment differences related to 2024 costs amounting to -0.4 million euros for TIM S.p.A.. In particular, the MBO incentive for the year 2025 is shown in the table at the target value.

Long-term cash-settled remuneration will be paid at the end of the Plan in the 2027 financial year and, in 2025, refers to the fair value accrued in the reference period.

In 2025, the contributions paid in to defined contribution plans (Assida and Fontedir) by TIM S.p.A. on behalf of key managers, amounted to 273 thousand euros (232 thousand euros at December 31, 2024).

With regard to the remuneration to Directors and Statutory Auditors due for the 2025 financial year, we refer you (pursuant to Art. 2427, no.16 of the Italian Civil Code) to the Remuneration Report, which is available at the Company's headquarters and on the website <https://www.gruppotim.it/it/gruppo/governance/remunerazione/relazione.html>.

In 2025, "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 Office
Paolo Chiriotti	Chief Human Resources & Organization Office
Leonardo De Carvalho Capdeville	(2) Chief Technology Office
Giampaolo Leone	Head of Procurement & Logistics
Roberto Mazzilli	Chief IT Group Officer
Agostino Nuzzolo	Chief Legal, Regulatory & Tax Officer
Claudio Giovanni Ezio Ongaro	Chief Strategy, Business Development & Wholebuy Office
Peluso Piergiorgio	(3) Chief Financial Office
Andrea Rossini	Chief Consumer, Small & Medium and Mobile Wholesale Market Officer
Eugenio Santagata	(4) Chief Public Affairs, Security and International Business Officer
Elio Schiavo	Chief Enterprise and Innovative Solutions Officer

(1) Until November 6, 2025.

(2) From August 5, 2025.

(3) From November 6, 2025.

(4) Until August 30, 2025.

NOTE 38

SHARE-BASED PAYMENT ARRANGEMENTS

The Shareholders' Meeting held on June 24, 2025 approved the launch of the long-term incentive plans called:

- "2025-2027 LTI Performance Shares Plan" (2025-2027 LTI Plan);
- Proposals for amendments to the "2022-2024 Stock Options Plan" (Amended SOP), as approved by the Shareholders' Meeting on April 7, 2022;
- "Phantom Shares Plan 2025-2027" (Phantom Shares Plan).

For a description of the features of the original 2022-2024 Stock Options Plan, please refer to the Annual Report as of December 31, 2024 of TIM S.p.A.

Description of long-term plans

TIM S.p.A.'s 2025-2027 LTI Plan

The shareholders' meeting held on June 24, 2025 approved the 2025-2027 Performance Shares LTI Plan, aimed at strengthening the alignment between the interests of management and those of the shareholders, through the free allocation of TIM ordinary shares subject to the achievement of specific performance targets on a three-year basis.

The Plan is addressed to the CEO and to members of the Group's management (including Executives with Strategic Responsibilities)

The Plan qualifies as an equity-based and equity-settled plan, structured over a three-year time horizon, in line with market best practices in terms of remuneration. The beneficiaries of the Plan are assigned a number of Performance Shares proportional to their gross annual remuneration. In particular, the pay opportunity compared to the base salary will depend on the role and the performance achieved.

The number of Shares assigned to the Beneficiaries at Vesting is directly correlated to the degree of achievement of the Performance Objectives illustrated below, consisting of one economic-financial objective, two ESG objectives, as well as one market-based objective relating to the Total Shareholder Return (TSR, which measures the overall return on investment in the Shares over the reference three-year period, taking into account the change in the Share price and the dividends distributed by the Company).

Specifically:

- the economic-financial objective consists of the TIM Group cumulative reported EBITDA AL - CAPEX for the three-year period 2025-2027;
- the ESG objectives are related to (i) the eco-efficiency of the mobile network and (ii) the percentage of female individuals in positions of responsibility;
- With regard to TSR (Total Shareholder Return), performance will be calculated by verifying the positioning of TIM's Total Shareholder Return compared to a basket of peers consisting of ten European TLC peers.

The Plan will end upon the possible vesting of the Performance Shares as determined by the Board of Directors at the time of approval of the Group consolidated financial statements as of December 31, 2027 (and therefore in fiscal year 2028), subject to the subsequent Lock-up and Claw-back provisions.

The payout curve is defined as follows: 50% of the Pay Opportunity at the minimum value, 75% of the Pay Opportunity at the target value, 100% of the Pay Opportunity at the maximum value.

As of December 31, 2025, there are a total of 66 beneficiaries and the number of shares granted upon maximum achievement (100% of the Pay Opportunity) amounts to 26,526,484.

For further details, see the Information Document on the initiative at <https://www.gruppotim.it/content/dam/gt/investitori/doc---avvisi/anno-2025/Documento-Informativo-LTI-Performance-Shares-2025-2027-.pdf>.

TIM S.p.A. - Amended SOP

The Shareholders' Meeting of June 24, 2025 approved a series of amendments to the 2022-2024 Stock Options Plan, already approved by the Shareholders' Meeting of April 7, 2022.

The achievement of the objectives linked to said Plan was approved by the Board of Directors of TIM S.p.A. on April 14, 2025, and on that date the Options became exercisable.

These additions were introduced to neutralize the effects of the significant business discontinuity resulting from the sale of the fixed network (netco) and to preserve the incentive and retention purpose of the original Plan for the management.

The aforementioned changes, further detailed below, apply to the beneficiaries of the SOP 2022-2024 options who: (i) as of June 24, 2025, were still employed or held an administrative relationship with TIM or another Subsidiary (excluding Telecom Italia Sparkle S.p.A.) and (ii) opted to adhere to the new rules set forth below, waiving the previous regulation regarding strike price and exercise period ("Non-Terminated Adhering Beneficiaries").

In particular, the proposed changes concern:

- the determination of a different strike price value, reduced from the original price of 0.424 euros to the New Strike Price of 0.3465 euros (calculated on the basis of the weighted average of TIM share market prices recorded in the 30 days prior to the Board of Directors' resolution of May 23, 2025), with the related reparameterization of the maximum payout achievable by the Non-Terminated Adhering Beneficiaries;
- the determination of a different exercise period, which will run from February 1, 2027 to April 14, 2027 for the Non-Terminated Adhering Beneficiaries, as previously defined.

As of December 31, 2025, the total number of beneficiaries of the amended SOP is 77 and the number of options granted and outstanding at that date amounts to 136,892,161.

The beneficiaries of the original 2022-2024 SOP, excluded from the regulations of the new amended SOP (for example, because they have left the company), total 64, with a number of options already exercisable equal to 72,457,254, of which 7,402,387 had already been exercised as of December 31, 2025. The exercise period for the original SOP will end - as with the amended SOP - on April 14, 2027, with a strike price of 0.424 euros.

For further details, see the Information Document on the initiative at <https://www.gruppotim.it/content/dam/gt/investitori/doc---avvisi/anno-2025/Modifica-Documento-informativo-SOP-2022-2024-DEF-ITA-26-05.pdf>.

TIM S.p.A. Phantom Share Plan

The shareholders' meeting of June 24, 2025 approved the 2025-2027 Phantom Shares Plan. This is a long-term monetary incentive plan (Long Term Incentive) based on the value of participation in the share capital, aimed at a selected group of Group employees identified based on the strategic role held, who are not already beneficiaries of the 2022-2024 SOP.

Unlike stock options or performance share plans, this instrument is "cash settled": it does not provide for the allocation of physical shares, but rather of virtual units called "Phantom Shares". These units grant the beneficiary the right to receive a cash bonus (Monetary Bonus), calculated based on the increase in the value of the TIM share compared to an initial reference value.

Specifically:

- the Threshold Value (reference price) is set at 0.3465 euros, in line with the new strike price defined for the amended SOP;
- The vesting of the bonus is subject to a value of the share at the end of the Plan (Vesting Value) higher than the Threshold Value and to the continuation of the employment relationship between the Company (or a Subsidiary) and the Beneficiary as of January 31, 2027 (except in the case of so-called good leaver scenarios).

The final bonus will be determined by multiplying the number of vested Phantom Shares by the difference between the market value of the share at the vesting date and the above-mentioned Threshold Value. The maximum value in any case attributable to each Phantom Share, once the vesting for the purposes of payment of the Bonus has occurred, will be equal to 1.4225 euros.

As of December 31, 2025, there are a total of 89 beneficiaries of the Phantom Shares Plan and the number of Phantom Shares granted amounts to 37,957,500.

For further details, see the Information Document on the initiative at: <https://www.gruppotim.it/content/dam/gt/investitori/doc---avvisi/anno-2025/TIM-Documento-Informativo-Piano-di-Phantom-Shares-2025-2027.pdf>

Calculation of fair value measurement of the granted options and rights

Parameters used to determine the fair value

Plans/Parameters	Exercise price (euros)	Starting value (Euro) (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
Modified SOP	0.3465	—	36.7%	2 years	0.01	2.018% at 2 years
2025-2027 Performance Share LTI Plan	-	0.4071	—	3 years	0.01	2.092% over 3 years
Phantom Share Plan	0.3465	—	36.7%	2 years	0.01	2.018% at 2 years

- (1) Arithmetic mean of the official prices of the Shares recognized starting from the stock market trading day prior to that of assignment of the Plan 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 fourth 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 remuneration in share capital instruments are recorded at fair value, which represents the cost of such instruments at the grant date and is recorded in the separate income statement 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, 2025.

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)	11,989	(155)	10,407	(1,969)
Other income - Contingent gain		944	944	(33)	1,028
Acquisition of goods and services - Expenses related to agreements and the development of non-recurring projects and other expenses		(675)	(675)	70	(70)
Employee benefits expenses - Charges connected to corporate reorganization/restructuring and other costs		(117)	(117)	269	(269)
Other operating expenses - Expenses related to disputes and regulatory sanctions and potential liabilities related to them, other provisions and charges		(17)	(17)	78	(78)
Gains (losses) on disposals of non-current assets		1	1	—	—
Income/(expenses) from investments		—	—	—	—
Finance income		38	38	—	—
Finance expenses		(15)	(15)	—	—
Total non-recurring effects	(b)	159	159	384	611
Profit (loss) from Discontinued operations / Non current assets held for sale	(c)	(130)	(130)	6	(6)
Figurative amount – financial statements	(a-b-c)	11,960	(184)	10,017	(2,574)

(*) 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)	2025	2024
Revenues and other income	989	55
1998 License fee - compensation for damages	973	
Other	16	55
Acquisition of goods and services, Change in inventories	(707)	(24)
Deferred contract costs of the fixed network - transition from 8 years to 4 years of the recognition period in the income statement	(671)	
Acquisition of goods and services - Expenses related to agreements and the development of non-recurring projects and other expenses	(36)	(24)
Employee benefits expenses	(122)	(84)
Deferred contract costs of the fixed network - transition from 8 years to 4 years of the recognition period in the income statement	(39)	
Expenses related to corporate reorganization/restructuring and other costs	(83)	(84)
Other operating expenses	(18)	(44)
Expenses related to disputes and regulatory sanctions and potential liabilities related to them, other provisions and charges	(18)	(44)
Impact on Operating profit (loss) before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)	142	(97)
Gains (losses) on disposals of non-current assets	1	3
Gains on disposals of non-current assets	1	3
Impact on Operating profit (EBIT)	143	(94)
Income / (expenses) from investments	—	26
Net gain/(loss) on disposal of investments	—	26
Finance income	38	3
1998 License fee - legal interest	38	
Other finance income	—	3
Finance expenses	(15)	(28)
Other finance expenses	(15)	(28)
Impact on profit (loss) before tax from continuing operations	166	(93)
Income tax expense on non-recurring items	(7)	8
Profit (loss) from Discontinued operations / Non current assets held for sale	(130)	(966)
Impact on profit (loss) for the year	29	(1,051)

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 2025 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)	2025	2024
Research and development costs expensed during the year	29	35
Capitalized development costs	259	468
Total research and development costs (expensed and capitalized)	288	503

Total research and development costs for 2025 amount to 288 million euros. The reduction compared to the 2024 financial year is connected, on the one hand, with the complete revision of the scope of activities and Research and Development projects, carried out downstream of the delayering process with the sale of NetCo and the consequent modification of the industrial model of the activities of the TIM Group and, on the other hand, with the reduction of IT Office expenses, as a result of the sale of NetCo, as well as with the start of a spending optimization process carried out by the Technology Office with reference to the mobile access plan.

In the 2025 separate income statement, depreciation/amortization charges totaling 495 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, 2025, the lease installments at nominal value still to be collected totaled:

(million euros)	12/31/2025	12/31/2024
Within next year	56	58
From 1 to 2 years after the end of the reporting period	21	20
From 2 to 3 years after the end of the reporting period	19	18
From 3 to 4 years after the end of the reporting period	17	17
From 4 to 5 years after the end of the reporting period	9	15
Beyond 5 years after the end of the reporting period	4	11
Total	126	139

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 2025 (million euros)	Received in 2024 (million euros)
Fondimpresa/Fondirigenti	training	2	2
Infratel	construction of network infrastructure		7
Ministry of Enterprises and Made in Italy (MIMIT) ⁽¹⁾	research and innovation	4	32
ANPAL	training		1
Other ⁽²⁾		2	1
Total		8	43

(1) 2025 - includes the Tim Edge & Cloud Continuum, ChAALenge, and CADUCEO projects
2024 - includes the Tim Edge & Cloud Continuum, TIMONE, CADUCEO Projects
(2) 2025 - MUR and University of Naples Federico II: research and innovation
2024 - MUR and the Lombardy Region, Sector affected: research

Specifically:

- 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. In fiscal year 2025, TIM received non-repayable grants amounting to 0.05 million euros.
 - 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. In 2024, TIM received non-repayable grants of 0.2 million euros. In 2025, TIM received non-repayable grants of 0.07 million euros.
- With reference to the research and development project “TIMONE - TIM Oss for Network Evolution” (Project no. F/140007/00/X39), TIM received non-repayable grants totaling 0.7 million euros in 2024. 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 Implementation Objectives of TIMONE concerned the transformation and evolution activities of the OSS in the application 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.

During 2025, the subsidized loan amounting to 11 million euros was disbursed, with repayment scheduled according to the amortization plan until June 30, 2031.

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 2025 financial statements, and the fees referring to the year 2025 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 2025 are also shown.

(in euro thousands)	TIM S.p.A.		Total EY network
	EY S.p.A.	Other firms of the EY network	
Audit services:			
audit of the separate financial statements	821		821
audit of the consolidated financial statements	225		225
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	985		985
limited audit of the half-year consolidated financial statements	227		227
other	278		278
Audit services with the issue of certification	114		114
Certification of compliance of the Consolidated Non-Financial Statement	325		325
Other services	25		25
Total fees due for auditing and other services to the EY network	3,000	—	3,000
Out-of-pocket expenses	52		52
Total	3,052	—	3,052

NOTE 42

EVENTS AFTER DECEMBER 31, 2025

Resolutions of the Shareholders' Meetings of TIM S.p.A. of January 28, 2026 and resolutions of the Board of Directors of TIM S.p.A. of February 24, 2026

Please refer to the Note "Equity" for the resolutions:

- of the Shareholders' Meetings of TIM S.p.A. of January 28, 2026 on the conversion of savings shares into ordinary shares and on the voluntary reduction of share capital;
- of the Board of Directors of TIM S.p.A. dated February 24, 2026 regarding the proposal to the Shareholders' Meeting of April 15, 2026 of a program for the purchase of treasury shares (buyback) and the reverse stock split of TIM ordinary shares in the ratio of 1 new ordinary share for every 10 existing ordinary shares.

Trade union agreements signed on March 5, 2026 by TIM S.p.A.

On March 5, 2026, TIM S.p.A. signed an agreement with the RSU National Coordination together with SLC CGIL, FISTEL CISL, UILCOM UIL, and UGL Telecommunications for early retirement. The agreement will activate the special grant provided for by the Bilateral Fund for the telecommunications sector. Joining will be voluntary and will concern a maximum number of 1,000 people of TIM S.p.A. who meet the minimum requirements for the right to start old-age or early retirement pension (in the latter case, including the time frame of the so-called window) by November 30, 2031 and express their consent to terminate the employment relationship with effect no later than November 30, 2026.

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	—	—	—	— %	—	—	—
NOOVLE S.p.A. Società Benefit	Milan	Euro	1,000	897,150	(260)	100.00 %	897,150	1,079,942	182,792
OLIVETTI S.p.A. Società Benefit	Ivrea (TO)	Euro	11,000	28,845	9,284	100.00 %	28,845	8,258	(20,587)
TELECOM ITALIA CAPITAL S.A.	Luxembourg	Euro	2,336	135,073	6,125	100.00 %	135,073	2,388	(132,685)
TELECOM ITALIA FINANCE S.A.	Luxembourg	Euro	1,818,692	6,923,182	658,853	100.00 %	6,923,182	5,914,971	(1,008,211)
TELECOM ITALIA LATAM PARTIC. E GESTÃO ADMIN.	SanPaolo (Brazil)	R\$	219,360	4,849	606				
		Euro	33,929	750	94	100.00 %	750	(5) 15,995	15,245
TELECOM ITALIA SAN MARINO S.p.A.	San Marino	Euro	1,808	9,377	2,380	100.00 %	9,377	7,565	(1,812)
TELECOM ITALIA VENTURES S.r.l.	Milan	Euro	10	110,895	21,502	100.00 %	110,895	63,635	(47,260)
TELECONTACT CENTER S.p.A.	Naples	Euro	3,000	27,922	(8,738)	100.00 %	27,922	12,654	(15,268)
TELSY S.p.A.	Turin	Euro	5,390	50,598	8,581	100.00 %	50,598	19,549	(31,049)
TIM BRASIL SERVIÇOS E PARTICIPAÇÕES	Rio de Janeiro (Brazil)	R\$	8,227,357	6,588,632	3,140,655				
		Euro	1,272,537	1,019,073	485,769	0.00000001 %	—	—	—
TIM MY BROKER S.r.l.	Rome	Euro	10	11,715	1,987	100.00 %	11,715	10	(11,705)
TIM RETAIL S.r.l.	Milan	Euro	2,402	86,420	(10,177)	100.00 %	86,420	15,143	(71,277)
								7,140,110	(1,141,817)

(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 held for sale									
TELECOM ITALIA SPARKLE S.p.A.	Rome	Euro	200,000	682,566	(38,064)	100.00 %	682,566	(6) 591,130	(91,436)

(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	38,640	(11,364)	45.00 %	17,388	31,500	14,112
TIGLIO I S.r.l. (in liquidation)	Milan	Euro	100	110	21	47.80 %	53	—	(53)
TIMFIN S.p.A.	Turin	Euro	40,000	63,012	1,077	49.00 %	30,876	36,750	5,874
								68,250	57,179

- (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 ART. 81-TER OF CONSOB REGULATION 11971 DATED MAY 14, 1999, AS AMENDED

1. We, the undersigned, Pietro Labriola, as Chief Executive Officer, and Piergiorgio Peluso, as Manager responsible for preparing TIM S.p.A. financial reports, certify, having also considered the provisions of Art. 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 2025 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, 2025:
 - a) have been prepared in compliance with the international accounting standards adopted by the European Union pursuant to Regulation (EC) 1606/2002 of the European Parliament and Council of July 19, 2002 (International Financial Reporting Standards – IFRS), as well as the legislative and regulatory provisions in force in Italy, in particular Art. 154-ter of Italian Legislative Decree 58 of February 24, 1998 and the measures enacted for the implementation of Art. 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 11, 2026

Chief Executive Officer

/ signed /

Pietro Labriola

**Executive Responsible for
Preparing the Corporate
Financial Reports**

/ signed /

Piergiorgio Peluso

INDEPENDENT AUDITORS' REPORT

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, 2025, 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, 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union 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.

We identified the following key audit matters:

Key Audit Matter	Audit Response
Impairment test of goodwill As of December 31, 2025, goodwill amounts to Euro 8,814 million and refers entirely to the Domestic cash generating unit ("CGU"). The processes and methodologies used by the 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 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".	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; ▶ 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 9,446 million as of December 31, 2025, 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	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, involving our experts in information systems; ▶ the assessment that the accounting policy



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certain manual phases in the revenue recognition process, in particular for services provided to large customers and (iii) the complexity in estimating commitments connected to certain contracts.

The Group provides the relative disclosures in Note 25 "Revenues" of the separate financial statements.

adopted for the main commercial offers is consistent with the provisions of the reference accounting standard;

- ▶ 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 separate financial statements with regards to the revenue recognition process.

Regulatory disputes

As of December 31, 2025, TIM Group is involved in several regulatory disputes in progress, many of which are characterized by significant counterparty requests, that led to the accrual of provisions included in the line item provisions for risks.

The assessment of the disputes was carried out by Management, as of 31 December 2025, 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".

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 financial statements.

Recoverability of deferred tax assets

As of December 31, 2025, deferred tax assets amount, net of deferred tax liabilities, to Euro

Our audit procedures in response to the key audit matter included, among others:



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282 million in the separate financial statements, and 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 10 "Income tax expense (current and deferred)".

▶ 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.

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, 2025, 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, 2025 with the provisions of the Delegated Regulation.

In our opinion, the separate financial statements as at December 31, 2025 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, 2025, 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, 2025.

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 23, 2026

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***

2025

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.

AES 256 (Advanced Encryption Standard 256-bit)

Internationally standardized, symmetric block cipher algorithm that uses a 256-bit key to ensure a high level of data protection security. AES 256 is widely used in cybersecurity applications, networks, storage and transmission of sensitive information, thanks to its robustness against cryptographic attacks and processing speed. It is considered one of the most secure standards for data encryption in enterprise, government and military environments.

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.

AI Fabric

AI Fabric refers to the set of core services (data, compute, network, and MLOps) that enable and orchestrate end-to-end Artificial Intelligence workloads in a scalable and governed manner.

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 (BH)

The interface between the radio access node and the core network. It is abbreviated as BH.

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 Kubernetes 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.

CGNAT (Carrier Grade Network Address Translation)

In the access network, it is a platform that transforms private traffic generated by customers (both mobile and fixed) into public traffic. It allows you to map many private IP addresses to a few public IPs, optimizing resource use of IPv4 and facilitating the simultaneous connection of many users.

CI/CD (Continuous Integration/Continuous Delivery)

In software engineering, CI/CD or CI/CD are the combined practices of continuous integration (CI) and (more often) continuous delivery or (less often) continuous distribution. CI/CD bridges the gap between development and operational activities and teams 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).

Cloud Sovereignty

Control and management of cloud data across jurisdictional boundaries for security and regulatory compliance, essential for regulated and growing industries in Europe.

CNI (Cloud Native Infrastructure)

CNI is the set of hardware and software that runs and supports Cloud Native applications.

CNIS (Cloud Native Infrastructure Solution)

It is a cloud-native cloud infrastructure platform, owned by Ericsson, optimized for Telco environments, which provides a standardized, scalable and automated basis for the execution of cloud-native network functions (CNFs) and 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.

CO₂ – 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.

CSR (Cell Site Router)

Router installed at mobile sites (BTS/eNB/gNB) that manages the IP/MPLS backhaul, the aggregation of radio unit streams (RU/DU) and redundancy towards the metro network.

CSRD (Corporate Sustainability Reporting Directive)

The CSRD is the European directive that requires companies to integrate detailed and transparent information on environmental, social and governance (ESG) performance into their financial statements, making sustainability reporting a legal obligation and a tool for transparency towards stakeholders.

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.

CTE (Total Cost Equivalent)

Indicator used to assess the overall cost of a network solution, considering all expenditure components (CapEx, OpEx, maintenance, energy, etc.) compared to a common base. It is used to compare different technologies or architectures of the network solution in a homogeneous way, facilitating the choice of the most economically efficient solution.

DAM (Digital Asset Management)

digital asset management (DAM) is the integrated system for 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.

Dual Mode Core (DMC)

Core network architecture that simultaneously supports both fourth-generation (4G, EPC) and fifth-generation (5G, 5GC) mobile network capabilities, enabling integrated management of LTE and 5G NR.

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.

ECQ (Enhanced Customer Quality indicators)

Advanced metrics used to assess the customer's perceived quality of network traffic. In the context of “Traffic Quality”, ECQ summarizes parameters such as speed, latency, stability and reliability of data traffic, providing an immediate picture of the QoS offered to end users.

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, routes 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 GEAPON, 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.

EVPN (Ethernet VPN)

BGP-based control plane for transporting MAC/IP information over virtualized L2/L3 networks, often as overlay in data centers.

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.

Fiber Channel FC8/16/32/64G

Network technology for high-performance SAN (Storage Area Network); the acronyms indicate the generations and the nominal bitrate (8, 16, 32, 64 Gb/s).

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.

GDPR (General Data Protection Regulation)

General Data Protection Regulation of the European Union that establishes the rules for the collection, processing and personal data protection, guaranteeing rights to data subjects and imposing strict obligations on organizations that process data.

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 starting in 2014, which allows aggregated downstream and upstream speeds of around 500 Mbit/s up to 100m and 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 even closer to the customer than in distribution cabinets, that is, in the distribution boxes at or at the base of buildings.

GNSS (Global Navigation Satellite System)

Global satellite navigation system that allows the determination of geographical position (latitude, longitude, altitude) and time synchronization at any point on Earth, through a constellation of satellites and receivers on the ground. Major GNSS systems include GPS (United States), GLONASS (Russia), Galileo (European Union), and BeiDou (China). GNSS is used in numerous areas, including telecommunications, transport, industrial applications, emergency services and mobile devices, to ensure accuracy and reliability in location and timing.

GPON (Gigabit capable Passive Optical Network)

A passive optical network (PON) is a network architecture that brings optical fiber cabling into the customer's home using a point-to-multipoint scheme, based on passive optical splitters, to serve multiple premises with a single optical fiber. GPON is part of a set of PON standards (defined within the ITU framework), which differ based on the maximum overall speed attainable within each optical tree, 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 reach up to 128. Each of the connected lines will then have a nominal maximum speed set by the operator (e.g. 1 Gbps in 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.

IPCEI (Important Project of Common European Interest)

It refers to strategic initiatives approved at European level to foster the development of innovative technologies and critical infrastructures, with the aim of strengthening the EU's competitiveness and digital sovereignty. In the context of the technology plan, IPCEI is linked to the creation of a federated and secure cloud-edge continuum.

IPSEC (Internet Protocol Security)

A suite of IP-level security protocols offering end-to-end encryption, integrity, and authentication.

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.

IRU (Indefeasible Right of Use)

Irrevocable right to use telecommunications infrastructure (fiber, cables, ducts) for a long period and a one-off and/or recurring fee; does not transfer ownership but guarantees exclusive/reserved use.

ISAC - Integrated Sensing and Communication

Use of mobile network radio signals for real-time environmental sensing, opening up new services in security, industry and entertainment, with planned deployments on 5G Advanced and 6g.

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.

L4S (Low Latency, Low Loss, Scalable Throughput)

Technology that improves the Internet connection making it faster and more responsive, especially for gaming, VR/AR and video conferencing, detecting and managing congestion almost instantly to reduce delays and packet losses.

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.

MACsec (Media Access Control Security)

IEEE 802.1AE protocol for encryption and integrity at level 2 over Ethernet links.

MBB (Mobile Broadband)

The mobile broadband data service available on a 3G/4G-LTE network.

MCPTT (Mission Critical Push-to-Talk)

International 3GPP standard that enables instant, secure, and priority voice communication over LTE and 5G networks, designed for public safety, emergency, and mission-critical services. It allows group and individual calls in push-to-talk mode (walkie-talkie type), emergency management, localization, messaging and prioritization of communications, ensuring interoperability, QoS (quality of service), and security between different entities and devices.

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.

Maintenance Fee (MSA Engineering Services)

Recurring fee provided for by the Engineering Services (MSA) framework contracts for preventive/corrective maintenance activities on network equipment and network infrastructure.

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 (Mobile Switching 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.

NDM (Network Data Mediation)

Platform that collects, normalizes and distributes network-generated data to OSS (Operations Support Systems) and automation platforms. Its role is fundamental to ensure that information from different devices and technologies is made consistent, usable, and automatable in network management and monitoring processes.

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.

NETCONF/YANG

Protocol for network device configuration and management (NETCONF) and data modeling language to describe configuration/telemetry (YANG) schemes.

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.

NNI (Network-to-Network Interface) L2

Network interface between operators or network domains at layer 2 (Ethernet) that allows the interconnection of VLAN services, with definition of QoS, MTU and delivery models.

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.

Observability

Ability to understand the internal state of complex systems through analysis of logs, metrics, traces and events.

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.

OTA (Over-The-Air)

Modes of transmission and updating of data, configurations, or software directly via radio network (cellular or Wi-Fi), without the need for a physical connection. Used for provisioning, firmware updates, SIM/eSIM configuration and remote management of mobile devices.

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)

This is the traditional telephone service (telephone line for voice, landline services, and access to the public voice telephone network).

PQC (Post-Quantum Cryptography)

Set of cryptographic algorithms designed to resist quantum computer attacks, ensuring the security of communications and data even in the post-quantum era. PQC aims to replace or complement current cryptographic standards vulnerable to future quantum computing capabilities.

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).

PUE (Power Usage Effectiveness)

Data centers energy efficiency indicator defined as the ratio between the total energy of the site and the energy absorbed by the IT. Values close to 1 indicate greater efficiency.

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.

RAG (Retrieval Augmented Generation)

Architecture for generative artificial intelligence that integrates the content generation of a large language model (LLM) with the retrieval of information from knowledge bases or external sources. Before producing an answer, the RAG model performs a search on documents, databases or corporate repositories, integrates the results ("grounding") in the prompt and generates more accurate and reliable answers, reducing the risk of hallucinations typical of traditional LLMs.

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).

RTN (National Transmission Network)

National transport infrastructure that guarantees backbone connectivity between the main network nodes and data centers.

RTR (Regional Transmission Network)

A segment of the transport network that operates at the local/regional level, connecting POPS, exchanges and access nodes to the national network (RTN).

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.

SINR (Signal-to-Interference-plus-Noise Ratio)

Ratio of the received useful signal strength to the sum of the interference and noise strength. It is a fundamental parameter to evaluate the quality of radio transmission in mobile networks, affecting data rate, coverage and connection stability. High SINR values indicate optimal reception and better performance.

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.).

SMO (Service Management Orchestration)

Platform or component that centrally manages and coordinates the provision, monitoring and automation of network services and device management functions. In specific contexts, SMO enables the integration, orchestration and supervision of innovative services, optimizing operational efficiency and the speed of introducing new solutions.

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 aggregates the light contributions carried by the N optical fibers.

SUPI (Subscription Permanent Identifier)

Permanent identifier assigned to a subscription in 5G mobile networks. It is a key element for authentication and security management, used to uniquely identify the user within the system. SUPI is generally derived from IMSI (international mobile subscriber identity) and is transmitted in a protected form to ensure confidentiality and prevent eavesdropping or tracking attacks.

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.

SSB (Synchronization Signal Block)

Signal block transmitted by base stations in 5G mobile networks, containing time and frequency synchronization information, cell identification, and parameters necessary for the initial attachment of mobile devices to the network. SSBs are fundamental to the access procedure and mobility in 5G environments.

SRTP (Secure Real-Time Transport Protocol)

Security protocol designed to protect real-time communications over IP networks, such as voice and video over VoIP. SRTP provides encryption, authentication and integrity of data transmitted via RTP (Real-Time Transport Protocol), ensuring that conversations are confidential and protected from eavesdropping or manipulation.

SSAI (Server-Side Ad Insertion)

Technology that allows advertisements to be placed directly at the server level within video streams broadcast on digital platforms. This approach allows for more seamless and personalized advertising, improving the user experience and compatibility with different devices and streaming systems.

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.

TaaS (Time as a Service)

TIM is equipped with a high-quality and reliable synchronization network already used for the 4G and 5G mobile radio access network and for private 5G networks. A primary cesium reference clock (PRC) ensures the provision of high-quality and reliable synchronization even in case of local or global unavailability of the GPS/Galileo signal. The time signal is provided precisely in the order of fractions of a microsecond. Precision synchronization services find different fields of applicability (ICT, IOT, financial services...).

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.

Terahertz Radio (THz =10¹² Hz)

It refers to wireless communication using frequencies in the teraHertz range (0.1–10 THz), well beyond the current 5G and planned 6g bands. These ultra-high frequencies enable extremely fast data transmission and ultra-low latency, ideal for future digital applications.

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.

Tier IV

In the context of data centers, Tier IV (Uptime Institute classification) is the highest level of fault tolerance, aiming at availability ≈ 99.995% per year. It is designed to withstand individual failures without impacting service delivery.

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).

Uplink

Indicates the direction of data transmission "upwards", i.e. from the user's device (e.g. smartphone, terminal) to the network, a repeater, or a satellite, opposite the downlink (from the network to the user).

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.

VXLAN (Virtual eXtensible LAN)

L2 overlay protocol on IP/UDP network that encapsulates Ethernet frames into IP packets, creating virtual segments. It is widely used in data centers and cloud architectures to ensure scalability and isolation between customers.

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 2025 can be accessed by visiting the websites 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.

It is also possible to obtain information about TIM at the website gruppotim.it and information about products and services at the website tim.it.

Finally, the following contact numbers are available:

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Share capital 11,677,002,855.10 euros fully paid up

Tax Code/VAT no. and Milan-Monza Brianza-Lodi Business Register no. 00488410010