

Press Release

TIM: SALE OF NETCO TO KKR COMPLETED

Expected reduction in financial debt from the transaction confirmed

Rome, 1 July 2024

Following the announcement on 24th June 2024, TIM confirms the completion of the sale of NetCo to Kohlberg Kravis Roberts & Co. L.P. ("KKR"), via the transfer to FiberCop (a 58% owned subsidiary of TIM) of TIM's business unit comprising the fixed network infrastructure and wholesale activities, and the subsequent acquisition of the entire capital of FiberCop by Optics BidCo, a subsidiary of KKR.

The sale of NetCo, valued at up to €22.0 billion, including earn-outs linked to the fulfilment of certain conditions, allows TIM to reduce its net financial debt in line with its previous disclosure to the market ([Link, slide 60](#)).

The expected deleverage upon completion, pending customary post-closing adjustments, is confirmed at €14.2 billion ([Link, slide 60](#)).

Furthermore, consistent with the disclosure included in the Addendum to the Capital Market Day published on 11th March 2024, adjustments and separation costs amounting to €0.4 billion are confirmed, translating into a reduction of net financial debt by €13.8 billion. Noteworthy, the cash component corresponding to the PNRR advances relating to FiberCop, amounting to €0.4 billion, was deconsolidated as part of the transaction ([Link, slide 1](#)).

In addition, following the disposal, the future business relationships between NetCo and TIM are regulated through a 15-year term Master Service Agreement (MSA), renewable for a further 15 years. The services comprised in the MSA will be provided at market prices and without any minimum purchase commitments. ([Link, slide 18](#))

The transaction provides TIM with the opportunity to adopt a new business model that will allow the Group to compete more effectively in the consumer and enterprise markets in Italy, thanks to a stronger focus on the industrial and commercial aspects of its business and thanks to a solid financial structure.

*“The completion of the transaction with KKR and the Italian Ministry of Finance is the result of two and a half years of intense work, during which we have improved the management of TIM and identified industrial and financial solutions that will enable us to meet future challenges”, stated **Pietro Labriola, CEO of TIM**. “We reached a milestone that is also a new starting point: we have done so by meeting all targets within the announced deadlines. We intend to continue along this path, further increasing the trust of our employees, our customers and our shareholders. As the first European mover, we chose to separate the fixed network infrastructure services from the other services we provide, to ensure the best, sustainable and fastest possible development of TIM. TIM will remain the reference Telco in Italy and will*

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continue to be the country's most infrastructure-rich operator, offering innovative services, across both fixed and mobile services, serving families, the Public Administration and businesses”.

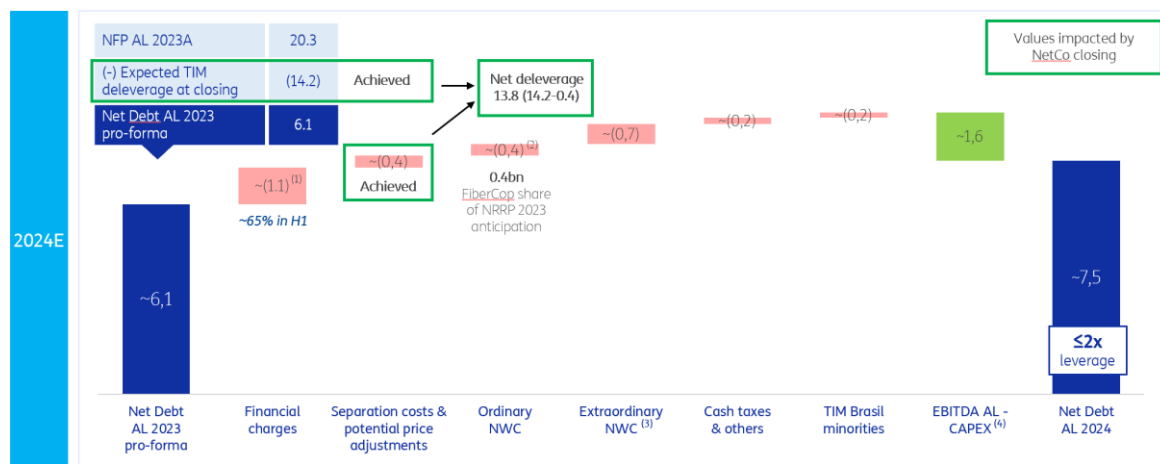
Following the transaction, TIM's total headcount will decrease from 37,065 to 17,281, equal to 16,135 full-time equivalents.

More details on the completion of the transaction will be provided during the preliminary Q2 2024 results conference call on 1st August, 2024.

TIM Group

Addendum to CMD- Update reflecting NetCo closing effects

€bn, After Lease view, including Sparkle



(1) Of which ~20% for TIM Brasil Serviços and Participações S.A. (2) Includes FiberCop share of NRRP 2023 anticipation (3) As communicated in slide #64 of the Capital Market Day 2024 presentation (4) Organic EBITDA AL minus CAPEX net of licences

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