

Half-Year Condensed Consolidated Financial Statements at June 30, 2025

Unaudited Half-Year Condensed Consolidated Financial Statements at June 30, 2025, which have been authorized by the Board of Directors held on August 04, 2025

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The Business Units

BRAZIL

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.

TIM BRASIL SERVIÇOS E PARTICIPAÇÕES S.A.
 TIM S.A.

OTHER OPERATIONS

This Business Unit provides financial assistance to TIM Group companies and the management of liquidity buffer through money market instruments.

As of June 30, 2025:

- The amount of notes (issued by Telecom Italia Finance and listed on Bourse of Luxembourg) is 656 million euros.
- The amount of net financial debt is equal to -3.245 million euros.

• TELECOM ITALIA FINANCE

Key operating Financial Data

Consolidated Operating and Financial Data

(million euros)	1st Half 2025	1st Half 2024
Revenues	2.064	2.257
EBITDA	1.012	1.092
EBIT	457	458
Profit (loss) before tax from continuing operations	274	277
Profit (loss) for the year	250	239
Profit (loss) for the year attributable to Owners of the Parent	156	160
Capital expenditures	353	415

Consolidated Financial Position Data

(million euros)	30/06/2025	31/12/2024
Total assets	14.171	13.844
Takal assitus	7.205	7.246
Total equity	7.206	7.216
Attributable to Owners of the Parent	5.879	5.827
Attributable to non-controlling interests	1.327	1.389
Total liabilities	6.965	6.629
Total equity and liabilities	14.171	13.844
Share capital	1.819	1.819
Net financial debt carrying amount	-992	-1.130

Headcount

	30/06/2025	31/12/2024
Number in the Group at year end	8.914	9.133
Average number in the Group	8.661	8.764

Highlights

Parent's activity

In 2025 the Parent's activities continue to be segmented into two business: holding of participations and financial assistance to Telecom Italia Group ("TIM Group") companies.

FINANCIAL HIGHLIGHTS

In terms of economic and financial performance in the 1st Half 2025:

- Consolidated revenues amounted to 2,1 billion euros, down by 8,5% on the 1st Half 2024.
- **EBITDA** amounted to 1,0 billion euros, down by 7,3% on the 1st Half 2024.
- Operating profit (EBIT) was 0,5 billion euros, down by 0,3% compared to the 1st Half 2024.
- The **Profit for the year attributable to Owners of the Parent** amounted to 0,2 billion euros (0,2 billion euros for the 1st Half 2024).
- Capital expenditures in 2025 amounted to 0,4 billion euros (0,4 billion euros in the 1st Half 2024).
- Net financial debt amounts to -1,0 billion euros at June 30, 2025, up of 0,1 billion euros compared to the end of 2024 (-1,1 billion euros).

The general decrease in amounts in euros is explained by exchange rate fluctuations.

Consolidated operating performance

The operating performance of the Group is almost entirely attributable to the Brazil Business Unit.

	Consoli	dated	Other op	erations		Brazil Busi	ness Unit			
	(millions	of euros)	(millions of euros)		(millions	(millions of euros) (millions of reais)				
	1st Half 2025	1st Half 2024	1st Half 2025	1st Half 2024	1st Half 2025	1st Half 2024	1st Half 2025	1st Half 2024	Char	iges
									Amount	%
							(a)	(b)	(a-b)	(a-b)/b
Revenues	2.064	2.257	_	_	2.064	2.257	12.994	12.398	596	4,8
EBITDA	1.012	1.092	-3	-3	1.015	1.095	6.388	6.016	372	6,2
EBITDA Margin	49,0	48,4			49,2	48,5	49,2	48,5		0,7 pp
EBIT	457	458	-3	-3	459	461	2.892	2.532	360	14,2
EBIT Margin	22,1	20,3			22,3	20,4	22,3	20,4		1,9 pp
Headcount at period end (number)	8.914	9.133[*]	10	10[*]			8.904	9.123[*]	-219	-2,4

^[*] Figures as of December 31, 2024

The average exchange rates used for the translation into euro (expressed in terms of units of real per 1 Euro) were 6,29415 in the 1st Half 2025 and 5,49271 in the 1st Half 2024.

	1st Half 2025	1st Half 2024
Lines at period end (thousands)	62.194	62.058 [*]
ARPU (reais)	32,3	30,8

^[*] Figures as of December 31, 2024

REVENUES

Revenues in the 1st Half 2025 were entirely related to the Brazil Business Unit and amounted to 12.994 million reais (2.064 million euros), up by 4,8% in reais on the 1st Half 2024.

The acceleration has been determined by **Revenues from services** that totaled 12.657 million reais (2.011 million euros), an increase of 644 million reais (-176 million euros) compared to 12.013 million reais (2.187 million euros) in the 1st Half 2024 (+5,4% in reais) with mobile telephony service revenues at +5,9% on the first half of 2024 due to the continuous improvement of the post-paid segment. Revenues from fixed telephony services decreased by 3,4% compared to the first half of 2024, mainly due to the trend in the Ultrafibra offering.

Revenues from product sales totaled to 337 million reais, or 53 million euros (385 million reais, or 70 million euros in the 1st Half 2024).

Total mobile lines in place at June 30, 2025 amounted to 62,2 million, an increase of 0,1 million compared to 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. Post-paid customers represented 50,7% of the customer base as of June 30, 2025 (48,7% at December 31, 2024).

Mobile Average Revenue Per User (ARPU) for the 1st Half 2025 was 32,3 reais (5,1 euros), up 4,9% compared to the figure posted in the 1st Half 2024.

	1st Half 2025	1st Half 2024
(millions of reais)		
Net revenues	12.994	12.398
Service revenues	12.657	12.013
Mobile services	12.011	11.344
Fixed services	646	669
Product revenues	337	385
(thousands)		
Lines at period end	62.194	62.058 [*]
Average Market Lines	62.028	61.450
(reais)		
Mobile ARPU (mobile services/average market lines/months)	32,3	30,8
Provide Aid o (movice services/average market unes/months)	32,3	30,0

^[*] Lines as of December 31, 2024

EBITDA

EBITDA in the 1st Half 2025 totaled 1.012 million euros, of which 1.015 million euros attributable to the Brazil BU.

Considering Brazil BU, EBITDA for the 1st Half 2025 amounted to 6.388 million reais (1.015 million euros), up by 372 million reais (-80 million euros) year-on-year (+6,2%).

EBITDA for the Brazil BU net of the non-recurring component (Organic EBITDA), grew by 6,5% and is calculated as follows:

	(millions of euros)		(millions of reais)		Change	
	1st Half 2025 1st Half 2024		1st Half 2025	1st Half 2024	Amount	%
	(a)	(b)	(c)	(d)	(c-d)	(c-d)/d
EBITDA	1.015	1.095	6.388	6.016	372	6,2
+/- Non recurring expenses/(income)	3	_	20	0	20	
= Organic EBITDA	1.018	1.095	6.408	6.016	392	6,5

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

The related margin on revenues stood at 49,3%, up in organic terms by 0,8% compared to the 1st Half 2024.

The changes in the main costs for the BU are shown below:

	(millions	of euros)	(millions		
	1st Half 2025 1st Half 2024 (a) (b)		1st Half 2025	1st Half 2025 1st Half 2024	
			(c) (d)		(c-d)
Acquisition of goods and services	793	860	4.988	4.723	265
Employee benefits expenses	153	173	963	951	11
Other operating expenses	172	206	1.084	1.130	-46

EBIT

EBIT totaled 457 million euros (458 million euros in the 1st Half 2024), a decrease of 1 million euros.

Considering Brazil BU, EBIT for the 1st Half 2025 amounted to 2.892 million reais (459 million euros).

Organic EBIT, net of the non-recurring component, amounted to 2.912 million reais (463 million euros), with a margin on revenues of 22,4% (20,4% in 2024), and was calculated as follows:

	(millions of euros)		(millions of reais)		Change	
	1st Half 2025 1st Half 2024		1st Half 2025	1st Half 2024	Amount	%
	(a)	(b)	(c)	(d)	(c-d)	(c-d)/d
EBIT	459	461	2.892	2.532	360	14,2
+/- Non recurring expenses/(income)	3	_	20	_	20	
= Organic EBIT	463	461	2.912	2.532	380	15,0

PROFIT (LOSS) FOR THE YEAR

(million euros)	1st Half 2025	1st Half 2024
Profit (loss) for the year	250	239
Attributable to		
Owners of the Parent	156	160
Non-controlling interests	94	79

CAPITAL EXPENDITURE

All capital expenditure is referred to the Brazil Business Unit. The BU posted capital expenditures in the 1st Half 2025 of 353 million euros, decreasing by 62 million euros on the 1st Half 2024 (415 million euros). Other than the unfavorable exchange rate fluctuations (-53 million euros), the Business Unit's capital expenditures decreased by 9 million euros, mainly due to lower IT investments.

Consolidated financial position and cash flows performance

Non-current assets

Non-current assets are mainly referred to the Brazil Business Unit.

- **Goodwill** increased by 5 million euros as a consequence of changes in foreign exchange rates applicable to the Group's Brazilian operations. Further details are provided in the Note "Goodwill".
- Other intangible assets decreased by 23 million euros representing the balance of the following items:
 - Capex (+118 million euros)
 - Amortization charge for the year (-151 million euros)
 - Disposals, exchange differences, reclassifications and other changes (for a net balance of +10 million euros, of which +11 related to exchange rate differences).
- Tangible assets decreased by 18 million euros representing the balance of the following items:
 - Capex (+235 million euros)
 - Depreciation charge for the year (-263 million euros)
 - Disposals, exchange differences, reclassifications and other changes for a net balance of +10 million euros of which +12 related to exchange rate differences.
- **Rights of use third-party assets:** increased by 105 million euros representing the balance of the following items:
 - Investments and increases in finance leasing contracts (+277 million euros)
 - Amortization charge for the period (-145 million euros)
 - Disposals, exchange differences and other changes (for a net balance of -27 million euros of which +8 related to exchange rate difference).

Consolidated equity

Consolidated equity amounted to 7.206 million euros at June 30, 2025 (7.216 million euros at December 31, 2024), of which 5.879 million euros attributable to Owners of the Parent (5.827 million euros at December 31, 2024) and 1.327 million euros attributable to non-controlling interests (1.389 million euros at December 31, 2024).

Cash flows

(million euros)	1st Half 2025	1st Half 2024
Cash flows from (used in) operating activities	740	636
Cash flows from (used in) investing activities	-385	270
Cash flows from (used in) financing activities	-173	-570
Aggregate cash flows	182	335
Net foreign exchange differences on net cash and cash equivalents	4	-46
Net cash and cash equivalents at beginning of the year	2.983	2.763
Net cash and cash equivalents at end of the period	3.165	3.098

Net financial debt

Net financial debt amounts to -992 million euros at June 30, 2025, up of 138 million euros compared to the end of 2024 (-1.130 million euros).

(million euros)	Consol	idated	Other op	erations	Brazil Business Unit		
	30/06/2025 31/12/2024		30/06/2025	31/12/2024	30/06/2025	31/12/2024	
Non-current financial liabilities	3.568	3.626	876	866	2.692	2.760	
Current financial liabilities	1.356	1.005	714	456	642	549	
Total gross financial debt	4.924	4.631	1.590	1.322	3.334	3.309	
Non-current financial assets	-924	-1.001	-891	-888	-33	-113	
Current financial assets	-4.992	-4.760	-3.944	-3.764	-1.048	-996	
Net financial debt carrying amount	-992	-1.131	-3.245	-3.330	2.253	2.200	

Further details are provided in the Note "Net Financial Debt".

Main changes in the regulatory framework

Brazil

Revision of the model for the supply of telecommunications services

Law No. 13.879/2019, in effect since October 4, 2019, introduced the most significant regulatory reform in Brazil's telecommunications sector in over two decades. It allows the conversion of fixed-line concession contracts into authorization regimes, subject to ANATEL's approval. In return, operators must commit to investments aimed at expanding fixed broadband and telephony services in underserved areas, thereby reducing regional disparities.

The reform also modernized spectrum management by enabling multiple renewals of frequency authorizations and permitting spectrum trading among operators. Decree No. 10.402/2020 further detailed the procedures for this transition and established criteria for calculating investment commitments. It also provided guidelines for extending spectrum authorizations, enhancing regulatory predictability and investment security. The migration processes for major concessionaires have been under implementation over the past two years, involving ongoing interactions with ANATEL and other relevant authorities.

Public policies applicable to the telecommunications sector

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

- Connectivity Plan (Decree No. 9.612/2018): Promotes the expansion of transport and access networks, particularly in underserved regions.
- Decree No. 10.799/2021: Prioritizes broadband coverage in public school neighborhoods and unserved areas.
- Antenna Law Regulation (Decree No. 10.480/2020): Facilitates network deployment by addressing infrastructure bottlenecks.
- FUST Reform (Law No. 14.173/2021): Enables private sector access to the Universalization Fund and offers contribution reductions for operators investing in universalization projects. Subsequent regulations (Decree No. 11.004/2022 and Resolution No. 02/2022) clarified fund usage and oversight mechanisms.
- National Cybersecurity Policy (Decree No. 11.856/2023): Reinforces governance and information security standards.

ANATEL is currently reviewing three key regulations: the General Competition Goals Plan (PGMC), the Radio Spectrum Usage Regulation (RUE), and rules governing access to utility poles, with final versions expected in line with the agency's Regulatory Agenda. 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 (PDFF);
- Resolution No. 773/2025: Updated Regulation on Conditions of Use of Radio Frequencies;
- Resolution No. 777/2025: Revised General Regulation of Telecommunications Services (RGST).

These measures aim to support the continued evolution of telecommunications services in Brazil, fostering innovation, competition, and digital inclusion.

Revision of the Service Quality Regulation

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

Following the joint work of ANATEL, operators and ESAQ (Entidade de Suporte à Aferição da Qualidade) to define the objectives, criteria and reference values of these indicators, in late November 2021 the ANATEL Board of Directors formalized the reference documents supporting this regulation: the Operating Manual and the Reference Values; it also established the operational entry into force on March 1, 2022. The agency now publishes monthly quality indicator results on its website. Regarding the Quality Mark, in November 2023 the Agency announced the temporary and partial suspension of the Reference Values Documentand the Quality Marks Document for the years 2022 and 2023, and granted a period of 120 days to submit a new proposal for the method and parameters to establish Quality Marks.

In December 2024, following an industry-wide discussion, the Board of Directors approved an update to the Reference Values Document (Documento de Valores de Referência - DVR) in a manner that diverged from the industry's requests, prompting operators to file administrative appeals. In June 2025, following its reviews, the Agency partially granted the request for reconsideration submitted by the operators.

Review of the General Regulation on Consumer Rights (RGC)

In November 2023 ANATEL published Resolution 765/2023, the New General Regulation on Consumer Rights (Regulamento Geral de Direitos do Consumidor de Serviços de Telecomunicações - RGC), which revokes Resolution no. 632/2014 and establishes new general rules for customer service, billing and offers, applicable to

fixed-line, mobile, broadband and cable TV customers. The new RGC will come into force by September 1, 2025 as regards the general rules and within fifteen months as regards the registration of offers and the price adjustment rules.

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

Data protection

On August 14, 2018, the Lei Geral de Proteção de Dados Pessoais (Law 13.709/2018 - LGPD) was enacted.

In December 2018, Provisional Measure 869/2018 created the National Data Protection Authority (Autoridade Nacional de Proteção de Dados - ANPD) and extended the period for the entry into force of the Law to 24 months (August 2020).

In June 2020, Law 14.010/2020 deferred the coming into force of the LGPD, only for the provisions related to fines and penalties, to August 2021. The other provisions of the law took effect in September 2020. In addition, Decree 10.474/2020 came into effect in August 2020, establishing the ANPD, which among other things would become responsible for: producing guidelines for national data protection policy; supervising enterprises and applying sanctions; issuing regulations and procedures on personal data protection.

In August 2021, articles relating to supervision and sanctions imposed by the ANPD came into force.

In October 2021, the regulation (CD/ANPD no. 1 of October 2021) for the administrative supervision and sanction process under the responsibility of the ANPD was approved.

In January 2022, the regulation (CD/ANPD no. 2 of January 2022) implementing the LGPD for small processing agents was approved.

In June 2022, a Provisional Measure no. 1.124 was published, transforming the ANPD into an independent agency of special nature. The interim measure was converted into Law no. 14.460/22.

In December 2022, the new incident report form was published, with the obligation to report any breach of personal data.

In January 2023, the ANPD became a self-sufficient entity connected to the Ministry of Justice and Public Safety.

In February 2023, the Regulation on Dosimetry and Enforcement of Administrative Penalties was approved by Res. CD/ANPD no. 4/2023.

In May 2023, CD/ANPD Statement no. 1 was published, which addressed the applicable legal basis for processing personal data of children and adolescents (Articles 7 and 11 of the LGPD).

In February 2024, the ANPD published a guideline on legal assumptions for the processing of personal data based on legitimate interest.

In April 2024 it published a Regulation on Security Incident Reporting.

In July 2024, it approved the Regulations on the Role of the Data Protection Officer.

In August 2024, it published the Regulations on International Data Transfer and the Content of Standard Contractual Clauses.

Innovation, research and development

Brazil

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

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

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

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

TIM Lab Innovation Center - TIM Lab as an Innovation Center is the multifunction environment focused on innovation, which also plays a strategic role in supporting credibility tests and trials, as well as PoCs (proofs of concepts), collaborating with the main suppliers and technology partners through knowledge sharing, technological infrastructure for interoperability tests, staff assessment and the definition of technical requirements; in synergy with the R&D department, it facilitates innovation activities and promotes collaborations with universities and research institutes.

The TIM Lab Innovation Center has moved to the São Cristóvão district of Rio de Janeiro, in the State of Rio de Janeiro, has a surface area of 850 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 2025.

TIM Guaratiba Valley – Established in 2019, TIM Guaratiba Valley is an innovation campus for Silicon Valley-inspired infrastructure solutions. The space covers an area of approximately 10.000 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 the multilayer LTE continues to be an excellent strategy that benefits from the spread of devices.

Since the end of 2022, TIM SA has covered all cities in Brazil, ensuring 100% presence nationwide (with any technology). By the end of 2023, 100% of Brazilian towns and cities (5.570) had 4G coverage. The implementation of the 700 MHz LTE layer has continued to significantly improve coverage expansion and indoor penetration, promoting the presence of LTE on a national level, and consolidating TIM S.A.'s leadership in LTE.

In addition, since 2022 TIM S.A. is deploying 78 band (3.500 MHz) sites, according to the regulatory rollout specified in the auction, which means that all capitals in Brazil have TIM's 5G SA (Standalone) coverage. TIM leads its competitors in 5G coverage: as of June 2025, TIM has 707 cities covered by 5G, serving more than 69,5% of the urban population. This frequency band has a bandwidth of 100 MHz, which offers higher throughput.

In February 2024, TIM achieved the speed record in the Americas (11,6 Gbps) when it tested 5,5G (5G Advanced) technology in the TIM lab.

Another highlight is support for TIM's IoT strategy, where NB-IoT network coverage has reached 5.167 cities nationwide. This provides an important basis for exploring new business opportunities.

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 costs. At present, this is the largest agreement for RAN sharing worldwide and it supplies 4G services to the main cities of Brazil.

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

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

• Single network: sharing of the 3G and 4G networks in cities with fewer than 30 thousand inhabitants in which both operators provide their services. The underlying idea is to have, in the cities included in the agreement, a single telecommunications infrastructure that is entirely shared by the operators, thereby allowing them to switch off redundant sites and save on energy, rent and maintenance costs. This also allows for greater efficiency in future investments thanks to the sharing of the spectrum in MOCN mode. As of May 2021, each party had increased its 3G and 4G coverage in more than 300 towns and cities with a total of 422 shared sites each. From 2021 up to June 2025, we added further cities within the single network agreement providing 3G and 4G coverage. In 417 cities, one of the operators disconnected the 3G and 4G networks (resulting in 25% of the total scope of the agreement implemented by June 2025).

• 2G switch-off: nationwide sharing of the 2G network using GWCN technology, enabling both operators to switch off part (approximately 50%) of their network with the same technology, consequently saving on energy and maintenance costs. From 2021 to June 2025, TIM was sharing its 2G network in 4.818 sites, including in major cities such as Rio de Janeiro, Curitiba, Fortaleza, Brasilia, Belem and Recife. During the same period, Vivo was sharing its 2G network in 4.686 sites, in cities that includes Belo Horizonte, Salvador, Manaus, Porto Alegre and Campinas (around 88% of the total scope of the agreement implemented by June 2025).

Next generation network projects, future Internet applications, positive impact on the environment and society **5G Fund** — In 2023 TIM announced another strategic investment to map technology-based solutions. In collaboration with the investment manager Upload Ventures, which specializes in investments in companies operating in the B2B and B2B2C segments, TIM anchored a venture capital growth fund, the 5G Fund, which aims to promote companies in different sectors of the economy. The goal is to contribute to the development of companies, including startups, by providing financial support especially to those that already have coherent business models, and to support defined growth plans by leveraging our industrial and technological assets.

5G for the automotive segment – in June 2023, in collaboration with Stellantis, IP Facens (the Research Institute of the Facens University Center) and the universities of USP - São Carlos, UFSCAR and the German Technische Hochschule Ingolstadt (THI), TIM announced the launch of the project "Conecta 2030: Ecosistema connesso e cooperativo per rilevare dei pedoni agli incroci" (Conecta 2030: connected, cooperative ecosystem to detect pedestrians at crossroads), aimed at creating a collaborative environment focused on initiatives assuring the safety of pedestrians and cyclists. Since then, the companies involved in Conecta 2030 are addressing the challenge of developing a concept-ecosystem up to 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.

In 2024, also in the automotive sector, TIM, UFPE (Federal University of Pernambuco) and Stellantis (together with other companies and universities) launched another partnership, 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). This project is expected to be concluded in October 2025.

Private Networks - In 2022, TIM started offering private networks, with edge core and Multi-Access Edge Computing (MEC) capabilities on the customer premises, allowing the deployment of high throughput, low-latency, and high availability services on 5G. Thiis was the use case ran by a Proof of Concept with a customer in the automotive industry, successfully demonstrated the automated quality conformance. The first commercial implementation occurred in 2023, involving a customer in the port logistics segment. In 2024, an RFI was launched to update the current ecosystem of private network providers, and new solutions for Private Networks are continuously been tracked to meet the needs of business customers.

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

5G FWA's Favela Marte PoC – Focused on expanding access to connectivity and committed to digital inclusion, TIM has partnered with Gerando Falcões to deliver the first 5G Favela in Brazil. The chosen community was the former Vila Itália Favela, in São José dos Campos, in the interior of São Paulo, transformed into a 3D Favela (Dignified, Digital and Developed) and now called Favela Marte. Through the FWA (Fixed Wireless Access) technology, Proof of Concept started in December 2024 and is still ongoing with residents, bringing impacts in terms of digital inclusion as well as social and economic transformation, such as (non-exhaustive list): a) access to high-quality internet; b) strengthening the community; c) reducing the digital divide; d) boosting remote education and training; e) digital entrepreneurship; f) telemedicine; g) delivery and logistics.

Network Slicing – In 2024, TIM was the first operator in Brazil to perform 5G network slicing on a public network for real-time video transmission. The action allowed the transmission of high-definition internal images of 10 vehicles traveling at over 260 km/h during the last stage of the 2024 Porsche Cup season, at the Interlagos Racetrack (SP). In this sense, TIM validated the prioritization of resources (PRBs) in the RAN of the main vendors, having completed Huawei and Ericsson by March 2025, and Nokia by May 2025. Also in 2025, multivendor orchestration evaluation (NSSMF, NSMF, CSMF) is expected.

Open Gateway APIs – Open Gateway APIs have a growing strategic importance in the global digital ecosystem. In this vein, TIM Lab has been developing and validating strategic APIs for the evolution of TIM Brasil's business. In May 2025, TIM Lab completed the Proof of Concept for exposing the Device Location API standardized by CAMARA, which allows users to verify their location within a specific area. The solution was end-to-end validated on the 4G network, including all flows, measurements, responses integrated into the existing architecture, parameterizations, and fallback solutions. TIM topology is prepared for commercial activation of the Device Location Open Gateway API according to standardized technical requirements.

Open Lab initiatives

Living Lab 5G Florianópolis — In May 2025, TIM has concluded its agreement with the City of Florianópolis and ACATE (Catarinense Technological Association) for a technical collaboration, in which connectivity infrastructure was provided for the Living Lab 5G Florianópolis program. This urban lab leveraged the real city environment to test and validate technological innovations and business models using 5G technology. Innovative solutions, in security, sanitation, and urban mobility areas, was considered, tested, and validated. This partnership has encouraged the open innovation and contributed to growth and digital transformation, which is deriving benefit from the 5G network.

Events subsequent to June 30, 2025

Payment of Dividends and Interest on Equity

In July 2025, TIM S.A paid Dividends related to the fiscal year ending on December 31, 2024 and approved on March 27, 2025 and Interest on Capital (IOC) related to the fiscal year ending on December 31, 2025 and approved on May 05, 2025.

On July 22, 2025, TIM S.A.'s Board of Directors, approved the payment of Interest on Capital (IOC) related to the fiscal year ending on December 31, 2025, which will be paid in October 2025.

Payment Date	Reais per share
23/07/2025	0,282254233
23/07/2025	0,124084855
21/10/2025	0,132315100

Reverse Stock Split and Split Operation

At the beginning of July, TIM S.A. carried out the reverse stock split and stock split procedure, following the 30-day period. On July 14, 2025, the Company held an auction to sell the 22.059.698 common shares related to the fractions resulting from the reverse split and split operation, formed by aggregating fractional shares. The result of the auction, totalling 455.691 reais —already net of costs and fees— equivalent to 20,66 reais per common share, was made available to the holders of the fractional shares, in the appropriate proportions, by July 23, 2025.

Full Early Repayment of First Issuance Debentures

On July 10, 2025, TIM Brasil announced to the market the full early repayment of the First Issuance of Simple Debentures, Non-Convertible into Shares, Secured Type, Single Series, issued in July 2023, totaling 5 billion reais. The full early repayment of the debentures took place on July 25, 2025, following the settlement of the Second Issuance of Debentures.

Second Issuance of Debentures

On July 16, 2025, TIM Brasil announced to the market the result of the bookbuilding process for the Second Issuance and Distribution of Simple Debentures, Non-Convertible into Shares, Unsecured Type, in up to two (2) Series, totaling 5 billion reais, all registered and book-entry, approved on June 23, 2025 by the Company. The result was a total issuance of 5 billion reais, with 2,8 billion reais allocated to the First Series Debentures, remunerated at CDI +0,70% per year and maturing on July 23, 2030, and 2,2 billion reais allocated to the Second Series Debentures, remunerated at CDI +0,85% per year and maturing on July 23, 2032, respectively. The public offering was announced on July 21, 2025, and financial settlement occurred on July 23, 2025.

For other details of subsequent events, see the specific Note "Events Subsequent to June 30, 2025".

Main risks and uncertainties

The majority of risks and uncertainty that impact financial markets and industrial arena are beyond the Group's control, therefore risk governance is considered a strategic tool for value creation.

In addition, there have been several major shifts, including, but not limited to, the change in the market environment, the entry of potential new competitors, the start of proceedings by Authorities, and the implementation of new business strategies in the multimedia segment. These risk factors may have unforeseeable repercussions in terms of the strategic choices adopted by the Group and could have an impact on the evolution model adopted in the multimedia market.

The main risks affecting the business activities of the TIF Group are presented below.

Strategic risks

Risks related to macro-economic factors

The Group's economic and financial situation, including its capacity to support the expected level of cash flows and business margins, depends on the influence of numerous macroeconomic factors such as economic growth, consumer confidence, interest rates, inflation rate and exchange rates in the markets where it operates.

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

Regarding Brazil, IBGE, the Brazilian statistical institute, estimates that Brazil's seasonally adjusted GDP growth for the first quarter of 2025 was +1,4% on a cyclical basis, thanks to the performance of sectors less sensitive to economic cycles (especially agriculture). According to the forecasts contained in Banco Central do Brasil's Relatório de Política Monetária (June 2025), the GDP growth projection for 2025 is to be revised upwards from +1,9% to +2,1% (down from +3,4% in 2024), although uncertainties about the international landscape have prompted caution in anticipation of a possible slowdown in activity later in the year. In May, cumulative inflation over the 12-month increased to 5,32% and is expected to stand at between 5,4% and 5,5% in the first three quarters of 2025, before falling to 4,9% at the end of the year (3,6% for the fourth quarter of 2026 and 3,2% for the fourth quarter of 2027).

Risks related to competition

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

Operational risks

Operational risks inherent in our business relate, on one hand, to possible inadequacies in internal processes, external factors, frauds, employee errors, errors in properly documenting transactions, loss of critical or commercially sensitive data and failures in systems and/or network platforms; and on the other hand, to the possibility of implementing strategies for value creation through the optimization of costs and capital expenditure, which in part could depend on factors beyond the control of the Group, such as the cooperation of external counterparties (suppliers, trade unions, industry associations) and laws and regulations.

Cybersecurity risks

Cyber risk is on the increase worldwide and as such requires continual monitoring by the Group, given the sheer amount of IT assets managed in terms of own TLC infrastructure and assets necessary to deliver services to customers. In view of these considerations, considerable attention was paid to protecting networks from main threats (e.g. viruses, malware, hackers, 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.

As regards prevention, the Group monitors cyber risk analyses, defining security plans for the company's IT assets, to identify the actions necessary to mitigate cyber risk in advance and guarantee a security by design approach, also monitoring the plans of these actions and controls on actual adoption in the field. TIM has also implemented an insurance program to cover cyber risks.

Risks related to business continuity

The TIF Group's success depends heavily on the ability to ensure continuous and uninterrupted delivery of the products and services we provide through the availability of processes and the relating supporting assets. In particular, the Network Infrastructure and the Information Systems are sensitive to various internal and

external threats: power outage, floods, storms, human errors, system failures, hardware and software failures, software bugs, cyber-attacks, earthquakes, facility failures, strikes, fraud, vandalism, terrorism, etc.

TIF, as part of the TIM Group, has adopted a "Business Continuity Model System" framework in line with international standards, to analyze and prevent these risks.

Risks related to the development of fixed and mobile networks

To maintain and expand our customer portfolio in the Brazilian market it is necessary to maintain, update and improve existing networks in a timely manner. A reliable and high-quality network is necessary to maintain the customer base and minimize terminations to protect the Group's revenues from erosion. The maintenance and improvement of existing installations depend on our 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.

Risks of internal/external fraud

TIF Group, as part of the TIM Group, has an organizational model in place to prevent fraud. The organization is designed to ensure higher risk mitigation levels against illegal acts committed by people inside and outside the organization, which could adversely affect the Group's operating performance, financial position and image.

Risks related to disputes and litigation

TIF 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 unfavorable settlement for 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.

Financial risks

TIF Group may be exposed to financial risks, such as risks arising from fluctuations in interest rates and exchange rates, credit risk, liquidity risk and risks related to the performance of the equity markets in general, and, more specifically, risks related to the performance of the share price of the Brazilian companies.

Generally, the TIF Group might hedge exposure in foreign currencies and the risk of transfer relating to its foreign subsidiaries. However, for the 2024 and 2025 fiscal year, it has been decided to cover a substantial portion of the exposure to fluctuations in the euro-brazilian real exchange rate in order to mitigate the effect of volatility on the Group's Consolidated Equity Free Cash Flow. With regard to translation risk, the performance of the euro exchange rates with respect to the Brazilian real may have a negative impact on the consolidated results. Appreciation of the euro with respect to the currencies of certain countries in which the TIF Group operates or has made investments, will reduce the related value of the revenues or assets, of the transactions implemented in such countries and, therefore, may have a negative impact on the operating profit or financial position.

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

For further details of financial risks, see the specific Note "Financial risks management" of the December 31, 2024 Consolidate Financial Statements.

Regulatory and compliance risks

Regulatory risks

The telecommunications industry is highly regulated. In this context, new decisions by Anatel may lead to changes in the regulatory framework that may affect the expected results of the Group.

Compliance risks

The TIF Group may be exposed to risks of non-compliance 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 TIF Group aims to ensure that processes, and, therefore, the procedures and systems governing them, and corporate conduct comply with legal requirements. The risk is associated with potential time lags in making the processes compliant with regulatory changes or whenever non-conformities are identified.

Group internal control and risk management

TIF Group adheres to the principles and criteria of the TIM Group Corporate Governance Code. Its Internal Control and Risk Management System consists of the set of rules, procedures and organizational structures applied to the entire TIM Group, which TIF Group is part of. This set allows the sound, fair and consistent operation of the Group in line with the pre-established objectives. At TIM Group level, the Internal Control and Risk Management System involves several components acting in a coordinated way accordingly to their respective responsibilities: the Board of Directors, with the responsibility to direct and provide strategic supervision; the Executive Directors and Management with the responsibility to control and manage; the Control and Risk Committee and the Head of the Group Audit Department, with the responsibility to monitor, control and provide support to the Board of Directors.

Information for investors

Brazil – shares

Regarding the trading of shares issued by Group companies on regulated markets, the ordinary shares of TIM S.A. are listed in Brazil on B3 (formerly BM&F/Bovespa).

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.

Alternative Performance Measures

In this Directors' Report and in the Consolidated Financial Statements of the Group for the year ended June 30, 2025, in addition to the conventional financial performance measures established by IFRS, certain alternative performance measures are presented for a better understanding of the trend of operations and financial condition. Such measures, which are also presented in interim financial reports, should, however, not be considered as a substitute for those required by IFRS.

EBITDA/EBIT: these financial measures represent a useful unit of measurement for assessing the
operating performance of the Group (considering in particular Brazil BU level). In order to get a more
complete and effective understanding, they are also presented in terms of organic changes (amount
and/or percentage), excluding, where applicable, the effects of non recurring items. EBITDA/EBIT are
calculated as follows:

Profit	t (loss) before tax from continuing operations
+	Finance expenses
-	Finance income
+/-	Other expenses (income) from investments
+/-	Share of profits (losses) of associates accounted for using the equity method
EBIT	– operating profit (loss)
+/-	Impairment losses (reversals) on non-current assets
+/-	Losses (gains)on disposals of non-current assets
+	Depreciation and amortization
	DA – Operating profit(loss) before depreciation and amortization, Capital gains (losses) and impairment reversal

- EBITDA margin and EBIT margin: Telecom Italia Finance believes that these margins represent useful indicators of the ability of the Group (and in particular the Brazil BU) to generate profits from its revenues. In fact, EBITDA margin and EBIT margin measure the operating performance of an entity by analysing the percentage of revenues that are converted, respectively, into EBITDA and EBIT.
- Capital Expenditures ("Capex"): Telecom Italia Finance considers Capex as relevant measures to understand the Group investments in intangible and tangible nun-current assets. The amount presented corresponds to the sum of columns "addition" in Note "Intangible assets with a finite useful life" and Note "Tangible assets".
- Net financial debt: Telecom Italia Finance believes that 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 Directors' Report includes a table showing
 the amounts taken from the statements of financial position and used to calculate the Net Financial
 Debt of the Group, divided by operating segment. In addition, Note "Net Financial Debt" details the
 calculation for the Group.
- ARPU: The Group uses Average Revenue Per User (ARPU) as metric to understand the revenue generation capability and growth at the per-customer level. It is equivalent to the total revenue divided by average users number during a period.

Corporate Governance Statement

A description of the Parent Corporate Governance is provided within the statutory accounts of Telecom Italia Finance, available at www.tifinance.lu.

Consolidated Statements of Financial Position Assets

(millions of euros)	Note	30/06/2025	31/12/2024
Non-current assets			
Intangible assets		2.597	2.615
Goodwill	[4]	850	845
Intangible assets with a finite useful life	[5]	1.747	1.770
Tangible assets	[6]	1.964	1.982
Property, plant and equipment		1.964	1.982
Right of use assets	[7]	1.725	1.620
Other non-current assets		1.734	1.782
Investments in associates accounted for using the equity method and oth investments	ner [8]	258	271
Non-current financial receivables for lease contracts	[9]	33	32
Other non-current financial assets	[9]	891	969
Miscellaneous receivables and other non-current assets	[10]	353	341
Deferred tax assets		200	168
Total Non-current assets		8.021	7.999
Current assets			
Inventories		56	46
Trade and miscellaneous receivables and other current assets	[11]	1.049	971
Current income tax receivables		53	69
Current financial assets	[9]	4.992	4.760
Current financial receivables arising from lease contracts		5	5
Securities other than investments, financial receivables and other current financial assets		1.700	1.651
Cash and cash equivalents		3.287	3.104
Total Current Assets		6.150	5.845
TOTAL ASSETS		14.171	13.844

Equity and Liabilities

(million euros)	Note	30/06/2025	31/12/2024
Equity			
Share capital issued	[12]	1.819	1.819
Other reserves and retained earnings (accumulated losses), including profit (loss) for the year		4.060	4.008
Equity attributable to owners of the Parent		5.879	5.827
Non-controlling interests	[3]	1.327	1.389
TOTAL EQUITY		7.206	7.216
Non-current liabilities			
Non-current financial liabilities for financing contracts and others	[13]	1.736	1.925
Non-current financial liabilities for lease contracts	[13]	1.832	1.702
Deferred tax liabilities		_	_
Provisions	[17]	237	252
Miscellaneous payables and other non-current liabilities	[18]	88	98
Total Non-current liabilities		3.893	3.977
Current liabilities			
Current financial liabilities for financing contracts and others	[13]	1.106	751
Current financial liabilities for lease contracts	[13]	250	253
Trade and miscellaneous payables and other current liabilities	[19]	1.701	1.630
Current income tax payables		15	18
Total Current Liabilities		3.072	2.652
TOTAL LIABILITIES		6.965	6.629
TOTAL EQUITY AND LIABILITIES		14.171	13.844

Separate Consolidated Income Statements

(million euros)	Note	1st Half 2025	1st Half 2024
Revenues	[21]	2.064	2,257
Other operating income	[21]	12	10
Total operating revenues and other income		2.076	2.268
Acquisition of goods and services		-793	-861
Employee benefits expenses		-154	-174
Other operating expenses		-174	-208
Change in inventories		10	15
Internally generated assets		46	51
Operating profit before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)		1.012	1.092
Depreciation and amortization		-560	-639
Gains/(losses) on disposals of non-current assets		4	5
Operating profit (loss) (EBIT)		457	458
Share of profits (losses) of equity investments valued using equity method		-8	-8
Other income (expenses) from investments		_	_
Finance income	[22]	288	425
Finance expenses	[22]	-462	-597
Profit (loss) before tax from continuing operations		274	277
Income tax expenses		-24	-39
PROFIT (LOSS) FOR THE PERIOD		250	239
Attributable to			
Owners of the Parent		156	160
Non-controlling interests		94	79

Consolidated Statements of Comprehensive Income

(millions of euros)	Note	1st Half 2025	1st Half 2024
Profit (loss) for the period	(a)	250	239
Other components that subsequently will not be reclassified to the Separate Consolidated Income Statements	(b=c)	_	_
Financial assets measured at fair value through other comprehensive income:	(c)	_	_
Profit (loss) from fair value adjustments		_	
Other components that subsequently will be reclassified to the Separate Consolidated Income Statements	(d=e+f+g)	22	-452
Financial assets measured at fair value through other comprehensive income:	(e)	1	-1
Profit (loss) from fair value adjustments		11	-6
Loss (profit) transferred to the Separate Consolidated Income Statements		-10	5
Hedging derivative instruments:	(f)	-1	_
Profit (loss) from fair value adjustments		-1	_
Loss (profit) transferred to the Separate Consolidated Income Statements		_	_
Exchange rate differences on translating foreign operations:	(g)	22	-451
Profit (loss) on translating foreign operations		22	-451
Other components of the Consolidated Statements of Comprehensive Income	(h=b+d)	22	-452
Total comprehensive income (loss) for the period	(i=a+h)	272	-213
Attributable to			
Owners of the Parent		166	-131
Non-controlling interests		106	-82

Consolidated Statements of Changes in Equity

Changes from January 1, 2025 to June 30, 2025

Reference Computer Computer	5	,	,		,							
O1, 2025 1.819 3.148 29 1 -2.472 — — 3.302 5.827 1.389 7.22 Changes in equity during the period: Dividends approved — — — — — — -120 — -120 — -160 — -28 Total comprehensive income (loss) for the period — — 1 — — — — 156 166 106 2 Other changes — — — — — — 6 6 -8 Balance at June 30,	(millions of euros)		l paid in	for financial assets measure d at fair value through other compreh ensive	hedging	exchange differences on translating foreign	remeasure ments of employee defined benefit plans	other profits (losses) of associates and joint ventures accounted for using the equity	reserves and retained earnings (accumulated losses), including profit (loss)	attributable to owners of	controlling	Total equity
during the period: Dividends approved —		1.819	3.148	29	1	-2.472	_	_	3.302	5.827	1.389	7.216
approved —<												
comprehensive income (loss) for the period — — 1 -1 10 — — 156 166 106 2 Other changes — — — — — — 6 6 -8 Balance at June 30,		_	_	_	_	_	_	_	-120	-120	-160	-280
Balance at June 30,	comprehensive income (loss) for	_	_	1	-1	10	_	_	156	166	106	272
	Other changes	_	_	_	_	_	_	_	6	6	-8	-2
		1.819	3.148	30	1	-2.462	_	_	3.344	5.879	1.327	7.206

Changes from January 1, 2024 to December 31, 2024

9	_										
(millions of euros)	Share capital	Additiona l paid in capital	Reserve for financial assets measure d at fair value through other compreh ensive income	Reserve for hedging instruments	Reserve for exchange differences on translating foreign operations	Reserve for remeasure ments of employee defined benefit plans (IAS 19)	Share of other profits (losses) of associates and joint ventures accounted for using the equity method	Other reserves and retained earnings (accumulated losses), including profit (loss) for the period	Total Equity attributable to owners of the Parent	Non- controlling interests	Total equity
Balance at January 01, 2024	1.819	3.148	4	1	-1.983	_	_	2.946	5.934	1.646	7.581
Changes in equity during the period:											
Dividends approved	_	_	_	_	_	_	_	_	_	-157	-157
Total comprehensive income (loss) for the period	_	_	25	_	-489	_	_	354	-110	-99	-209
Other changes		_		_	_	_	_	2	2	-1	1
Balance at December 31, 2024	1.819	3.148	29	1	-2.472		_	3.302	5.827	1.389	7.216

Consolidated Statements of Cash Flows

(million euros)	Note	1st Half 2025	1st Half 2024
Cash Flows from operating activities:			
Profit (loss) from continuing operations		250	239
Adjustments for:			
Depreciation and amortization		560	639
Net change in deferred tax assets and liabilities		-31	17
Losses (gains) realized on disposal of non-current assets (including investments)	[31] [32]	-4	-5
Share of losses (profits) of associates accounted for using the equity method		8	8
Change in inventories		-10	-15
Change in trade receivables and other net receivables	[11]	-27	-14
Change in trade payables		6	-85
Net change in current income tax receivables/payables		13	35
Net changes in miscellaneous receivables/payables and other assets/liabilities		-25	-182
Cash flows from (used In) operating activities		740	636
Cook Flavor from investing activities			
Cash Flows from investing activities:		/ 21	F2/
Purchase of intangible, tangible and right of use on a cash basis Acquisitions/disposals of other investments	[0]	-431	-524
Change in financial receivables and other financial assets (excluding hedging and	[8]	-14	-14
non-hedging derivatives under financial assets)	[9]	59	807
Proceed from sale/repayment of intangible, tangible and other non-current assets		1	_
Cash flows from (used In) investing activities		-385	270
Cash Flows from financing activities:			
Changes in current financial liabilities and other	[15] [16]	288	-178
Proceeds from non-current financial liabilities (including current portion)	[15] [16]	_	70
Repayments of non-current financial liabilities (including current portion)	[15] [16]	-256	-364
Changes in derivatives		8	-8
Dividends paid		-205	-83
Changes in ownership interests in consolidated subsidiaries		-8	-8
Cash flows from (used In) financing activities		-173	-570
Assessments Coult flower		103	225
Aggregate Cash flows		182	335
Net foreign exchange differences on net cash and cash equivalents Net cash and cash equivalents at the beginning of the year	[9]	2.983	-46 2.763
Net cash and cash equivalents at the beginning of the year Net cash and cash equivalents at the end of the period	[9]	3.165	
rece cash and cash equivalents at the end of the period	[2]	3.103	3.030
Additional Cash Flow Information			
(million euros)		1st Half 2025	1st Half 2024
Income taxes (paid) received		-34	-16
Interest expense paid		-270	
		112	105

(million euros)	1st Half 2025	1st Half 2024
Income taxes (paid) received	-34	-16
Interest expense paid	-270	-422
Interest income received	113	195

Notes to the Consolidated Financial Statements

Note 1 - Form, content and other general information

FORM AND CONTENT

Telecom Italia Finance S.A. (the "Parent" or "TIF") is established in Luxembourg as Société Anonyme under the laws of the Grand Duchy of Luxembourg. The registered office is located at 12, rue Eugène Ruppert, Luxembourg. Parent and its subsidiaries are collectively referred to as the "Group" or "TIF Group".

The immediate and ultimate Parent of the Group is TIM S.p.A.

The Group, through its Brazilian's subsidiaries, is principally engaged in providing fixed-line and telephony services to the public. The Parent is also involved in providing financial assistance and loans to the ultimate Parent of the Group and its subsidiaries.

The Half-Year Condensed Consolidated Financial Statements at June 30, 2025 of the Group 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"), and were authorized for issue with a resolution of the Board of Directors on August 04, 2025.

In particular, they have been prepared in accordance with IAS 34 (Interim Financial Reporting) and, as permitted by that standard, do not include all the information that would be required in annual financial statements; accordingly, these financial statements should be read together with the 2024 Telecom Italia Finance Group Consolidated Financial Statements.

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

The Half-Year Condensed Consolidated Financial Statements at June 30, 2025 have been prepared under the historical cost convention, except for financial assets, which are measured at the fair value recognized in the other components of the comprehensive income, financial assets measured at fair value through the income statement, and derivative financial instruments, which have been measured at fair value.

For the sake of comparison, data from the statement of financial position at December 31, 2024, the separate consolidated income statement and consolidated statement of comprehensive income, consolidated statement of cash flows and changes in consolidated shareholders' equity for the first half of 2024, are also presented.

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

FINANCIAL STATEMENT FORMATS

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

- the Consolidated Statement of Financial Position has been prepared by classifying assets and liabilities according to the "current and non-current" criterion;
- the Separate Consolidated Income Statement has 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 Group's industrial sector:
- the Consolidated Statement of Comprehensive Income includes the profit or loss for the period as shown in the Separate Consolidated Income Statement and all other changes in equity related to non-controlling interests;
- the Consolidated 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, according to IAS 1 (paragraphs 97 and 98), certain expense and income items that are material in terms of nature and amount are separately disclosed in the notes to the separate consolidated income statement. Specifically, such items 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.

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 to be allocated to the segment and assess its performance; and
- for which separate financial information is available.

In particular, the operating segments of the Group are organized according to the specific businesses. The term operating segment is considered synonymous with Business Unit.

The operating segments of the Group are as follows:

- Telecommunications (or Brazil Business Unit): includes mobile and fixed telecommunications operations in Brazil;
- Other Operations: includes TI Finance, that provides financial assistance to TIM Group companies.

For these Business Units, the Group has identified Chief Operating Decision Makers (CODMs) within the directors for each segment.

Note 2 - Accounting Policies

GOING CONCERN

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

- the main risks and uncertainties (that are for the most part of an external nature) to which the Group and the various activities of the 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);
 - macroeconomic changes in the Italian, European and Brazilian markets and financial market volatility due to inflationary risks;
 - 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;
- the policy for financial risk management (market risk, credit risk and liquidity risk), as described in the Note "Financial risk management" of the December 31, 2024 Consolidate Financial Statements.

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

ACCOUNTING POLICIES AND PRINCIPLES OF CONSOLIDATION

The accounting policies and principles of consolidation adopted in the preparation of the Half-Year Condensed Consolidated Financial Statements at June 30, 2025 have been applied on a basis consistent with those used for the Consolidated Financial Statements at December 31, 2024, to which reference should be made, except for:

- amendments to accounting standards issued by the IASB and in force from January 1, 2025 as described below:
- the changes required because of the nature of interim financial reporting.

Furthermore, in the Half-Year Condensed Consolidated Financial Statements at June 30, 2025, income taxes for the period of the individual consolidated companies are calculated according to the best possible estimate based on available information and on a reasonable forecast of performance up to the end of the tax period. Conventionally, the income tax liabilities (current and deferred) on the profit for the interim period of the individual consolidated companies are recorded net of advances and tax receivables (excluding receivables for which refunds have been requested) as well as deferred tax assets, and classified as an adjustment to "Deferred tax liabilities"; if the balance between deferred tax assets and deferred tax liabilities is an asset it is conventionally recognized in "Deferred tax assets".

USE OF ESTIMATES

The preparation of the Half-Year Condensed Consolidated Financial Statements at June 30, 2025 and related disclosure in conformity with IFRS requires management to make estimates and assumptions based also on subjective judgments, past experience and hypotheses 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 the amount of revenues and costs during the period. 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.

As regard the most important accounting estimates, please refer to those illustrated in the Consolidated Financial Statements at December 31, 2024.

NEW STANDARDS AND INTERPRETATIONS ENDORSED BY THE EU AND IN FORCE FROM JANUARY 1, 2025

As required by IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors), the following is a brief description of the IFRS in force as from 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 effect on the Half-Year Condensed Consolidated Financial Statements at June 30, 2025.

NEW STANDARDS AND INTERPRETATIONS ISSUED BY IASB BUT NOT YET APPLICABLE

At the reporting date of these Half-Year Condensed Consolidated Financial Statements at June 30, 2025, the IASB had issued the following new Standards and Interpretations which have not yet come into force.

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

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

Note 3 - Scope of Consolidation

No changes occurred in the scope of consolidation as of June 30, 2025 compared to December 31, 2024.

Note 4 - Goodwill

Goodwill is only referred to Brazil Cash Generating Unit ("CGU") and shows the following changes during 2025 and 2024:

(million euros)	31/12/2024	Increase	Decrease	Impairments	Exchange differences	30/06/2025
Brazil	845	_	_	_	5	850
(million euros)	31/12/2023	Increase	Decrease	Impairments	Exchange differences	31/12/2024
Brazil	1.017	_	_	_	-171	845

During the 1st Half 2025 Goodwill recorded net exchange gains for 5 million euros. In particular, the exchange rate used to convert Brazilian reais into euros (expressed in terms of local currency units per 1 euro) went from 6,43318 as of December 31, 2024 to 6,39572 as of June 30, 2025.

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 consolidated financial statements. If specific events or circumstances occur (trigger events) that may indicate an impairment of goodwill, impairment testing is also carried out when preparing the interim financial statements.

In accordance with the TIM Group procedures, in preparation of the half-year report at June 30, 2025, has been deemed it appropriate to check for trigger events.

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

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

Considering that the recoverable amount has been based on the market capitalization, the Group did not made assumptions for estimating cash flows, including evaluation of the climate change impact.

Note 5 - Intangible assets with a finite useful life

All intangible assets with a finite useful life in the 1st Half 2025 and 2024 are referred to Brazil Business Unit.

(millions of euros)	31/12/2024	Investments	Amortizatio n	Disposals	Exchange differences	Other Changes	30/06/2025
Industrial patents and intellectual property rights	363	100	-75	_	1	19	408
Concessions, licenses, trademarks and similar rights	1.327	9	-73	_	9	_	1.272
Other intangible assets	28	_	-3	_		_	25
Work in progress and advance payments	52	8	_	_		-20	41
Total	1.770	118	-151	_	11	-1	1.747

(millions of euros)	31/12/2023	Investments	Amortizatio n	Disposals	Exchange differences	Other Changes	31/12/2024
Industrial patents and intellectual property rights	445	138	-161	_	-74	15	363
Concessions, licenses, trademarks and similar rights	1.755	11	-157	_	-282	_	1.327
Other intangible assets	39	1	-6	_	-6	_	28
Work in progress and advance payments	38	37	_	_	-9	-15	52
Total	2.277	188	-324	_	-371	_	1.770

Industrial patents and intellectual property rights at June 30, 2025 consisted mainly of software licenses.

Concessions, licenses, trademarks and similar rights at June 30, 2025 mainly related to the residual cost of authorizations and rights to use radio frequency bands for 1.238 million of euros (1.293 million euros at December 31, 2024).

Work in progress and advance payments relate to Brazil Business Unit and refer mainly to software developments.

Investments in 2025 amounted to 118 million euros (188 million euros in 2024) and included 16 million euros in internally generated assets (17 million euros in the 1st Half 2024).

Note 6 - Tangible assets

All tangible assets in the 2025 and 2024 are referred to Brazil Business Unit.

PROPERTY, PLANT AND EQUIPMENT OWNED

(million euros)	31/12/2024	Investments	Depreciation	Disposals	Exchange differences	Other Changes	30/06/2025
Land	6	_	_	_	_	_	6
Buildings (civil and industrial)	7	_	_	_	_	_	7
Plant and equipment	1.797	156	-237	-1	11	75	1.802
Other	96	18	-27	_	1	3	90
Construction in progress and advance payments	76	61	_	_	1	-78	60
Total	1.982	235	-263	-1	12	-1	1.964

(million euros)	31/12/2023	Investments	Depreciation	Disposals	Exchange differences	Other Changes	31/12/2024
Land	7	_	_	_	-1	_	6
Buildings (civil and industrial)	9	_	-1	_	-2	_	7
Plant and equipment	2.114	456	-496	-1	-360	85	1.797
Other	123	44	-55	-1	-20	4	96
Construction in progress and advance payments	85	84	_	_	-15	-78	76
Total	2.338	585	-552	-2	-398	11	1.982

Land comprises both built-up land and available land and is not subject to depreciation.

Buildings (civil and industrial) mainly includes buildings for industrial use hosting telephone exchanges or for office use, and light constructions.

Plant and equipment includes the aggregate of all the structures used for the functioning of voice and data telephone traffic.

The item **Other** mainly consists of hardware for work stations, furniture and fixtures and, to a minimal extent, transport vehicles and office machines.

Construction in progress and advance payments refers 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 amounted to 235 million euros (585 million euros in 2024) and included 30 million euros in internally generated assets (34 million euros in the 1st Half 2024).

Note 7 - Right of use assets

At June 30, 2025 right of use assets amounted to 1.725 million euros and are referred to Brazil Business Unit. The breakdown and movements during the 2025 and 2024 are shown below.

(millions of euros)	31/12/2024	Investments	lease	Depreciation and amortization	Disposals	Exchange differences	Other Changes	30/06/2025
Property	493	_	75	-37	-13	2	_	520
Plant and equipment	1.127	_	202	-108	-17	5	-4	1.205
Total	1.620	_	277	-145	-31	8	-4	1.725

(millions of euros)	31/12/2023	Investments	lease	Depreciation and amortization	Disposals	Exchange differences	Other Changes	31/12/2024
Property	595	_	157	-91	-68	-100	_	493
Plant and equipment	1.318	8	350	-239	-84	-225	_	1.127
Total	1.913	8	506	-330	-153	-325	_	1.620

The item Property includes buildings under passive leases and related building adaptations.

The item **Plant and equipment** mainly includes the rights of use on the infrastructures for telecommunications services. This includes, among others, the recognition of the value of the telecommunications towers sold by the TIM Brasil group to American Tower do Brasil and subsequently repurchased in the form of finance lease. Further details on the operation are provided in the Note "Miscellaneous payables and other non-current liabilities".

The increases in financial leasing contracts in 2025, equal to 277 million euros (506 million euros at December 31, 2024), 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. Further details on finance lease are provided in the Note "Financial liabilities (non-current and current)".

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

Note 8 - Investments

INVESTMENTS IN ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD

In November 2021, as a result of the spin-off of net assets from the broadband business and creation of I-Systems, TIM S.A. disposed of 51% of its equity interest on behalf of IHS. As a result of this transaction, a loss of control took place and the Group no longer consolidates the company.

(million euros)	30/06/2025	31/12/2024
I-Systems S.A.	206	213
Total	206	213

The changes to the item during the period are due to equity method accounting for -8 million euros and exchange rate difference for 1 million euros.

The following table represents summarized financial information about the investment of I-Systems:

(millions of euros)	30/06/2025	31/12/2024
Assets	314	332
Current and non-current assets	48	60
Tangible and intangible assets	266	272
Liabilities and shareholders' equity	314	332
Current and non-current liabilities	115	117
Shareholders' equity	199	214
Net loss for the year	-17	-29
Group's proportional interest	49 %	49 %
Group's interest in the associated company's income (loss)	-8	-14

The Groups' proportional share of the shareholders' equity in I-Systems S.A. corresponds to 97 million euros. The difference with the value of the investment is due to the higher fair value attributed at the acquisition of the associate.

OTHER INVESTMENTS

Other investments refer mainly to the following:

(million euros)	30/06/2025	31/12/2024
Banco C6 S.A.	_	25
Upload Ventures Growth	52	33
Total	52	58

In relation to the investment in Banco C6 S.A., on February 11, 2025, TIM S.A. – a Brazilian subsidiary of the TIM Group – and Banco C6 S.A. entered into an agreement to end all disputes related to the partnership between the two companies and, consequently, to resolve the arbitration proceedings pending. During the partnership period, TIM S.A. had obtained the right to a minority stake in the bank's capital of 6,06%, of which 4,62% was held in the form of subscription options (derivatives) and 1,44% as a shareholding in Banco C6 S.A.. The agreement signed also provided for the termination of the partnership, as well as the transfer of all shares held by TIM S.A. in Banco C6 S.A. and all outstanding subscription options, for an amount of 520 million Brazilian reais (before taxes).

Furthermore, as at June 30, 2025, TIM S.A. (Brazil Business Unit) has invested 52 million euros in the investment fund focused on 5G solutions called Upload Ventures Growth. Out of this total amount, on January 16, 2025, the Company made a contribution of approximately 85 million reais (13,50 million euros) to the 5G Fund (185 million reais until 2024).

As at June 30, 2025, TIM S.A. (Brazil Business Unit) does not control the management of the fund or exercise significant influence.

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

Note 9 - Financial assets (non-current and current)

(millions of euros)	30/06/2025	31/12/2024
Non-current financial assets	924	1.001
Financial receivables for lease contracts	33	32
Hedging derivatives relating to hedged items classified as non-current assets/	1	1
Non-hedging derivatives	126	199
Loans and other financial receivables	764	769
Current financial assets	4.992	4.760
Securities other than investments	1.441	1.539
Fair value through other comprehensive income (FVTOCI)	1.009	1.116
Fair value through profit or loss (FVTPL)	431	423
Financial receivables and other current financial assets	264	116
Financial receivables arising from lease contracts	5	5
Non-hedging derivatives	80	79
Loans and other financial receivables	179	32
Cash and cash equivalents	3.287	3.104
Total non-current and current financial assets	5.916	5.761

Financial receivables for lease contracts refers to finance leases on rights of use (Brazil Business Unit).

Hedging derivatives relating to hedged items classified as non-current assets/liabilities of a financial nature refers mainly to the mark-to-market component of the hedging derivatives.

Non-hedging derivatives relating to items classified as current and non-current financial assets totaled 206 million euros (278 million euros at December 31, 2024). These 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 and derivatives put in place in the framework of the activity of centralizing all the banking exposures of the TIM Group (further details are provided in the Note "Derivatives").

Loans and receivables both in current and non-current financial assets amounts to 943 million euros (801 million euros at December 31, 2024) and refers mainly to loans granted by the Parent to the ultimate Parent and other TIM Group companies. Regarding the loans granted to the ultimate Parent company, the credit risk is considered low based on the financial capability of TIM S.p.A.. Other loans are considered fully recoverable by the management.

In addition, on February 11, 2025, an agreement was signed whereby Banco C6 S.A. undertook to purchase its treasury shares as well as its outstanding subscription options from TIM S.A. for 520 million reais (82,62 million euros). A total of 52 million reais (8,26 million euros) have been settled in cash to date, while the remaining 468 million reais (equivalent to 73 million euros at June 30, 2025) have been reclassified from "other investments" and non-hedging derivatives to other short-term financial receivables. The transaction is expected to be completed by the end of 2025.

Securities other than investments included in current assets relates to:

- listed securities, classified as FVTOCI Fair value through other comprehensive income, due beyond three months. They consist of 437 million euros (568 million euros at December 31, 2024) of treasury bonds and 572 million euros (548 million euros at December 31, 2024) of bonds purchased by the Parent with different maturities, all with an active market and consequently readily convertible into cash. The above government bonds represent investments in "Sovereign debt securities".
- securities, classified as FVTPL Fair value through profit or loss, due beyond three months. They are related to the investment made by the Brazil Business Unit for an equivalent value of 431 million euros (423 million euros at December 31, 2024) in monetary funds.

At June 30, 2025, Telecom Italia Finance S.A raised short-term capital (note "Financial liabilities (non-current and current)") with government and corporate bonds serving as collateral for a total value of 497 million euros by entering in repurchase agreements ("Repo") expiring in short term.

At June 30, 2025, the Parent has contracts of security lending with TIM S.p.A. for a total of 131 million euros of government bonds.

As per IFRS9, the assets have not been derecognized, being Telecom Italia Finance S.A. the Company which retains the risks and benefits associated with the position.

Cash and cash equivalents:

(millions of euros)	30/06/2025	31/12/2024
Liquid assets with banks, financial institutions and post offices	622	1.585
Other financial receivables (due within 3 months)	2.199	1.023
Securities other than investments (due within 3 months)	466	496
Total	3.287	3.104

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

(millions of euros)	30/06/2025	31/12/2024
Liquid assets with banks, financial institutions and post offices	622	1.585
Other financial receivables (due within 3 months)	2.199	1.023
Securities other than investments (due within 3 months)	466	496
	3.287	3.104
Financial payables (due within 3 months)	-122	-121
Total	3.165	2.983

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

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

Other financial receivables (due within 3 months) refers to loans granted by the Parent to the Ultimate Parent and other TIM Group companies. All loans are considered fully recoverable by the management.

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

Note 10 - Miscellaneous receivables and other non-current assets

(million euros)	30/06/2025	31/12/2024
Miscellaneous receivables	307	298
Other non-current assets	46	44
Prepaid expenses from customer contracts (contract assets)	6	5
Other prepaid expenses	41	39
Total	353	341

As at June 30, 2025 **Miscellaneous receivables** relate to the Brazil Business Unit for an amount of 307 million euros (298 million euros at December 31, 2024). They include:

- receivables for judicial deposits of 108 million euros (106 million euros at December 31, 2024);
- non-current income tax receivables of 35 million euros (33 million euros at December 31, 2024);
- · receivables for indirect taxes totaling 121 million euros (117 million euros at December 31, 2024).

Other non-current assets include prepaid expenses related to the Brazil BU for 46 million euros (44 million euros at December 31, 2024) and is mainly represented by the non current portion of i) incremental costs related to sales commissions paid to partners for obtaining customer contracts arising from the adoption of IFRS 15, which are deferred to the result in accordance with the term of the contract and/or economic benefit, usually from 1 to 2 years, and ii) the costs of installing a neutral network deferred over the term of the contract.

Note 11 - Trade and miscellaneous receivables and other current assets

(million euros)	30/06/2025	31/12/2024
Trade receivables	775	745
Receivables from customers	622	600
Receivables from other telecommunications operators	154	145
Miscellaneous receivables	181	179
Other current assets	92	47
Prepaid expenses from customer contracts (contract assets)	28	28
Other prepaid expenses	64	19
Total	1.049	971

As at June 30, 2025 **Trade receivables** related to the Brazil Business Unit amounted to 775 million euros (745 million euros at December 31, 2024) and are stated net of the provision for expected credit losses of 107 million euros (104 million euros at December 31, 2024).

As at June 30, 2025 **Miscellaneous receivables** amounted to 181 million euros (179 million euros at December 31, 2024) and did not include provisions for bad debts (same as at December 31, 2024).

Details are as follows:

(million euros)	30/06/2025	31/12/2024
Advances to suppliers	10	7
Tax receivables	136	143
Sundry receivables	34	28
Total	181	179

As at June 30, 2025 **Tax receivables** included 136 million euros (143 million euros at December 31, 2024) referring to the Brazil Business Unit and related to local indirect taxes.

Other current assets include the current portion of prepaid expenses related to the Brazil BU and is mainly represented by i) incremental costs related to sales commissions paid to partners for obtaining customer contracts arising from the adoption of IFRS 15, which are deferred to the result in accordance with the term of the contract and/or economic benefit, usually from 1 to 2 years, and ii) the costs of installing a neutral network deferred over the term of the contract.

Other prepaid expenses referred to the Brazil BU and included the deferral of the charge relating to the FISTEL telecommunications services fee (27 million euros) and other items mainly relating to maintenance contracts and marketing activities.

Note 12 - Share capital issued

As at June 30, 2025 the authorized, issued and fully paid capital of 1.818.691.978,50 euros (1.818.691.978,50 euros at December 31, 2024) is represented by 185.960.325 ordinary shares (185.960.325 at December 31, 2024) with a nominal value of EUR 9,78 per share.

As at June 30, 2025 and 2024 the Parent is 100% held by TIM S.p.A.

There has not been any movement in Share Capital in the 1st Half 2025.

Note 13 - Financial liabilities (non-current and current)

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

(million euros)	30/06/2025	31/12/2024
Non-current financial liabilities	3.568	3.626
Financial payables (medium/long-term):	1.632	1.836
Bonds	1.274	1.456
Amounts due to banks	95	113
Other financial payables	263	266
Finance lease liabilities (medium/long-term)	1.832	1.702
Other financial liabilities (medium/long-term):	104	89
Non-hedging derivatives	104	89
Current financial liabilities	1.356	1.005
Financial payables (short-term):	1.068	708
Bonds	326	244
Amounts due to banks	607	331
Other financial payables	134	134
Finance lease liabilities (short-term)	250	253
Other financial liabilities (short-term):	38	43
Hedging derivatives	1	_
Non-hedging derivatives	38	43
Total financial liabilities (gross financial debt)	4.924	4.631

The breakdown of gross financial debt by effective interest rate bracket, excluding the effect of any derivative instruments, is provided below:

(million euros)	30/06/2025	31/12/2024
Up to 2,5%	619	108
From 2,5% to 5%	_	683
From 5% to 7,5%	262	199
From 7,5% to 10%	1.026	654
Over 10%	2.824	2.780
Accruals/deferrals, MTM and derivatives	193	207
Total	4.924	4.631

Following the use of derivative instruments[*], on the other hand, the gross financial debt by nominal interest rate bracket is:

	30/06/2025	31/12/2024
Up to 2,5%	737	123
From 2,5% to 5%	_	320
From 5% to 7,5%	65	76
From 7,5% to 10%	654	757
Over 10%	3.275	3.148
Accruals/deferrals, MTM and derivatives	193	207
Total	4.924	4.631

^[*] These 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. Further details on derivative instruments are provided in the Note "Derivatives".

The following table lists the changes in bonds during 2025:

Repayments

(millions of original currency)	Currency	Amount	Date
TIM Brasil 5.000 million BRL CDI+2.3%	BRL	294	27/01/2025
TIM Brasil 5.000 million BRL CDI+2.3%	BRL	294	25/04/2025

The following tables list the bonds issued by the Group, expressed at the nominal repayment amount, net of bond repurchases, and also at market value as at June 30, 2025:

Currency	Amount (millions)	Nominal repayment amount at 30/06/2025 (millions of euros)	Coupon	Issue date	Maturity date	Issue price (%)	Market price at 30/06/2025 (%)	Market value at 30/06/2025 (millions of euros)
Bonds issue	d by Telecon	n Italia Finance	e and guaranteed	d by TIM S.p.A				
Euro	656	656	7,750 %	24/01/2003	24/01/2033	109,646[*]	125,477	823
Bonds issue	Bonds issued by TIM S.A.							
BRL	1.600	250	IPCA+4,1682%	15/06/2021	15/06/2028	100	117,700	294
Bonds issued by TIM Brasil Serviços e Participações S.A. [**]								
BRL	3.824	598	CDI+2,3%	31/07/2023	25/07/2028	100	79,856	478
Total								1.595

^[*]Weighted average issue price for bonds issued with more than one tranche.

Amounts due to banks (medium/long term) of 95 million euros (113 million euros at December 31, 2024) decreased by 18 million euros, mainly as net result of new loans and the transfer to the current portion.

As at June 30, 2025 **Other financial payables (medium/long-term)** amounted to 263 million euros (266 million euros at December 31, 2024) corresponding to Telecom Italia Finance loan of 20.000 million Japanese yens expiring in 2029.

^[**] The issuance is guaranteed by the economic rights on TIM S.A. shares.

Finance lease liabilities (medium/long-term) totaled 1.832 million euros at June 30, 2025 (1.702 million euros at December 31, 2024). With reference to the financial lease liabilities recognized, in the 1st Half 2025 and the 1st Half 2024 the following is noted:

(million euros)	30/06/2025	30/06/2024
Principal reimbursements	162	148
Cash out interest portion	125	127
Total	287	275

The lease amounts considered low-value or short-term (less than 12 months) were recognized as rental expenses and totaled 2 million euros in 2025 (5 million euros in 2024).

Non-hedging derivatives relating to items classified as current and non-current financial liabilities totaled 141 million euros (132 million euros at December 31, 2024). These 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 and derivatives put in place in the framework of the activity of centralizing all the banking exposures of the TIM Group (further details are provided in the Note "Derivatives").

Short-term amounts due to banks totaled 607 million euros (331 million euros at December 31, 2024) and included 43 million euros of the current portion of medium/long-term amounts due to banks. As at June 30, 2025, the item includes 497 million euros of short-term capital raised by entering in repurchase agreements ("Repo").

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

Note 14 - Net financial debt

The following table shows the net financial debt at June 30, 2025 and December 31, 2024, determined in accordance with the provisions of the "Guidelines on disclosure requirements under the Prospectus Regulation" issued by the ESMA (European Securities & Markets Authority) on March 4, 2021 (ESMA32-382-1138).

(million euros)		30/06/2025	31/12/2024
Liquid assets with banks, financial institutions and post offices	a)	622	1.585
Other cash and cash equivalents	b)	466	496
Securities other than investments	c)	1.441	1.539
Liquidity	d=a+b+c	2.529	3.620
Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	e)	686	398
Current portion of non-current financial debt	f)	589	527
Current financial debt	g=e+f	1.276	925
Net current financial debt	h=g-d	-1.253	-2.695
Non-current financial debt (excluding the current part and debt instruments)	i)	2.167	1.970
Debt instruments	j)	1.274	1.456
Trade payables and other non-current debt	k)	46	50
Non-current financial debt	l=i+j+k	3.487	3.476
Total net financial debt as per ESMA guidelines 32-382-1138	m=h+l	2.234	781
Trade payables and other non-current debt		-46	-50
Loans and other non-current financial receivables		-764	-769
Non-current financial receivables arising from lease contracts		-33	-32
Loans and other current financial receivables		-2.378	-1.055
Current financial receivables arising from lease contracts		-5	-5
Subtotal	n)	-3.226	-1.911
Net financial debt carrying amount[*]	o=m+n	-992	-1.130

^[*] For details of the effects of related party transactions on net financial debt, see the specific table in the Note "Related party transactions".

The following additional disclosures are provided in accordance with IAS 7:

(million euros)		Cach m	ovements	Non each	novements		
(ITIIIIIOTI euros)	24 /42 /202 /					Oth - ·	20/06/2025
	31/12/2024	and/or issues	Payments and/or reimbursem ents	Differences exchange rates	changes	Other changes	30/06/2025
Financial payables (medium/long-term):	2.146	-	129	4	_	-8	2.013
Bonds	1.700	_	93	7	_	-13	1.600
Amounts due to banks	168	_	35	1	_	5	138
Other financial payables	279	_		-4	_	_	275
of which short-term portion	311	_	129	-1	_	200	381
Finance lease liabilities (medium/long-term):	1.955	7	2 -127	10	_	172	2.082
of which short-term portion	253	_	127	2	_	121	250
Other financial liabilities (medium/long-term):	132	_		-12	22	_	142
Hedging derivatives relating to hedged items classified as non-current assets/liabilities of a financial nature	_	-		_	_	_	1
Non-hedging derivatives	132	-		-12	22	_	141
of which short-term portion	43	_			-5	_	38
Financial payables (short-term):	398	28	8 —		_	1	686
Amounts due to banks	276	28	7 —	_	_	1	564
Non-hedging derivatives	_	_			_	_	_
Other financial payables	122		1 –	_	_		122
Total financial liabilities (gross financial debt)	4.631	36	0 -256	2	22	165	4.924
	_						_
Positive hedging derivatives (current and non-current)	2	_			-1	_	1
Positive non-hedging derivatives (current and non-current)	278		3 —	-11	-74	9	206
Total	4.351	35	7 -256	13	96	156	4.717

(million euros)		Cash m	ovements	Non-cash i	movements		
	31/12/2023	Receipts and/or issues	Payments and/or reimbursem ents	Differences exchange rates	Fair value changes	Other changes	31/12/2024
Financial payables (medium/long-term):	3.045	80	-343	-283	_	-359	2.146
Bonds	2.380	_	101	-210	_	-369	1.700
Amounts due to banks	357	80	5 -243	-37	_	4	168
Other financial payables	308	_		-36	_	7	279
of which short-term portion	454	_	343	-49	_	250	311
Finance lease liabilities (medium/long-term):	2.291	198	3 -315	-391	_	172	1.955
of which short-term portion	338	_	315	-54	_	285	253
Other financial liabilities (medium/long-term):	366	_		- 13	-25	-222	132
Hedging derivatives relating to hedged items classified as non-current assets/liabilities of a financial nature	_	_		_	. <u>-</u>	_	_
Non-hedging derivatives	365	-		. 13	-25	-222	132
of which short-term portion	114	_		-16	21	-76	43
Financial payables (short-term):	1.178	54	· -823	_		-11	398
Amounts due to banks	1.111	_	823	_	_	-11	276
Non-hedging derivatives	_	_		_	_	_	
Other financial payables	67	54	<u> </u>	_	_	_	122
Total financial liabilities (gross financial debt)	6.880	338	3 -1.482	-660	-25	-420	4.631
Positive hedging derivatives (current and non-current)	2	_					2
Positive non-hedging derivatives (current and non-current)	505	_		6	-30	-202	278
Total	6.373	338	3 -1.482	-666	5	-218	4.351

Note 15 - Derivatives

The hedge accounting rules provided by IAS 39 continued to be applied for derivatives.

Derivative financial instruments are used by the Group to hedge its exposure to foreign exchange rate risk, to manage interest rate risk and to diversify the parameters of debt so that costs and volatility can be reduced to within predetermined operational limits.

Derivative financial instruments existing at June 30, 2025 are principally used to manage debt positions. They include interest rate swaps (IRSs) used to reduce the interest rate exposure of fixed-rate bank loans and bonds, as well as cross currency and interest rate swaps (CCIRSs), currency forwards and foreign exchange options to convert the loans/receivables secured in currencies different from the functional currencies of the various Group companies.

IRSs transactions provide for or may entail, at specified maturity dates, the exchange of flows of interest, calculated on the notional amount, at the agreed fixed or variable rates.

The same also applies to CCIRSs 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 of providing financial assistance to TIM Group companies, Telecom Italia Finance aggregates all the exposure with some banking counterparties in just one entity. As a consequence, the Group has derivative contracts signed with banks and analogous intercompany derivative contracts with other TIM Group companies for a notional amount of 859 million euros (892 million euros at December 31, 2024). The balance of asset and liability measurements of these contracts is equal to zero.

The following tables show the derivative financial instruments of the Group at June 30, 2025 and December 31, 2024, by type. For CCIRS, the notional amount refers to the contractual value in euros, for IRS in a currency other than the euro, the value is indicated at the market exchange rate.

	,				
Type(million euros)	Hedged risk	Notional amount at 30/06/2025	Notional amount at 31/12/2024	Spot Mark-to- Market (Clean Price) at 30/06/2025	Spot Mark-to- Market (Clean Price) at 31/12/2024
Cross Currency and Interest Rate Swap [*]	Interest rate risk and currency exchange rate risk	139	139	1	1
Total Cash Flow H	edge Derivative [**]	139	139	1	1
Total Non-Hedge	Accounting Derivatives [***]	2.732	1.945	(4)	88
Total Telecom Ital	lia Finance Group Derivatives	2.870	2.083	(3)	89

^[*] For this instrument contracts no exchange of notional amounts has been agreed with the counterparties.

^[**] On the liability expiring on 2029, derivatives are both accounted in CFH and non-hedge; accordingly, although it is a single issue, the notional amount of derivatives is included in both the CFH and non-hedging groupings.

^[***] Telecom Italia Finance Group entered into some derivatives on other TIM Group companies request. Since TIF Group has a contract with an external counterparty and the opposite contract with an affiliated company (outside the perimeter of consolidation), the MTM exposure on these positions is neutral and there is no risk connected. The notional amounts are exposed for all these positions.

Note 16 - 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 Group consist of bonds, whose fair value is directly observable in the financial markets, as they are financial instruments that due to their size and diffusion among investors, are commonly traded on the relevant markets (see the Note "Non-current and current financial liabilities"). For other types of financing, however, the following assumptions have been made in determining fair value:

- for variable-rate loans, the nominal repayment amount has been assumed;
- for fixed-rate loans, the present value of future cash flows at the market interest rates of June 30, 2025 has been assumed.

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. For long term loans towards the Ultimate Parent Company, the present value of future cash flows at the market interest rates of June 30, 2025 has been used. Lastly, the fair value of trade accounts receivable is close to the book value recorded on June 30, 2025.

The fair value measurement of the financial instruments of the Group is classified according to the three levels set out in IFRS 7. In particular, the fair value hierarchy introduces three levels of input:

- Level 1: quoted prices in active market;
- Level 2: prices calculated using observable market inputs;
- Level 3: prices calculated using inputs that are not based on observable market data.

Further details on Level 2 inputs are provided in the Note "Derivatives".

The tables below provide additional information on the financial instruments, including the hierarchy level for each class of financial asset/liability measured at fair value at June 30, 2025.

The assets and liabilities at June 30, 2025 are presented based on the categories established by IFRS 9. Key for IFRS 9 categories

	Acronym
Financial assets measured at:	
Amortized Cost	AC
Fair Value Through Other Comprehensive Income	FVTOCI
Fair Value Through Profit or Loss	FVTPL
Financial liabilities measured at:	
Amortized Cost	AC
Fair Value Through Profit or Loss	FVTPL
Hedge Derivatives	HD
Not applicable	n/a
Not applicable	

Classification and fair value hierarchy of financial instruments measured at fair value as at June 30, 2025:

					Levels of hie	rarchy
(millions of euros)		IFRS 9 Categories	Note	Value at 30/06/2025	Level1	Level2
ASSETS						
Non-current Assets	a)			179	52	127
Other investments		FVTPL	[8]	52	52	_
Other non-current financial assets:						
Hedging derivatives		HD[*]	[9]	1	_	1
Non-hedging derivatives		FVTPL	[9]	126	_	126
Current Assets	b)			1.521	1.441	80
Securities other than investments, measured at:						
Fair value through other comprehensive income		FVTOCI	[9]	1.009	1.009	_
Fair value through profit or loss		FVTPL	[9]	431	431	_
Other current financial assets:						
Non-hedging derivatives		FVTPL	[9]	80	_	80
Total (a+b)				1.700	1.493	207
LIABILITIES						
Non-current liabilities	c)			104	_	104
Non-hedging derivatives		FVTPL	[13]	104	_	104
Current liabilities	d)			38		38
Hedging derivatives		HD[*]	[13]	1	_	
Non-hedging derivatives		FVTPL	[13]	38	_	38
Total (c+d)				142	_	142

^[*] Derivative measured at fair value through other comprehensive income.

Classification and fair value hierarchy of financial instruments measured at fair value as at December 31, 2024:

					Levels of hie	rarchy
(millions of euros)		IFRS 9 Categories	Note	Value at 31/12/2024	Level1	Level
ASSETS						
Non-current Assets	a)			259	33	226
Other investments		FVTPL	[8]	58	33	25
Other non-current financial assets:						
Hedging derivatives		HD[*]	[9]	1	_	
Non-hedging derivatives		FVTPL	[9]	199	_	199
Current Assets	b)			1.619	1.539	80
Securities other than investments, measured at:						
Fair value through other comprehensive income		FVTOCI	[9]	1.116	1.116	_
Fair value through profit or loss		FVTPL	[9]	423	423	_
Other current financial assets:						
Non-hedging derivatives		FVTPL	[9]	79	_	79
Total (a+b)			1.878	1.572	305
LIABILITIES						
Non-current liabilities	c)			89	_	89
Non-hedging derivatives		FVTPL	[15]	89	_	89
Current liabilities	d)			43		4:
Hedging derivatives		HD[*]	[15]	_	_	_
Non-hedging derivatives		FVTPL	[15]	43	_	43
Total (c+d))			132	_	132

^[*] Derivative measured at fair value through other comprehensive income.

For financial assets measured at FVTOCI, 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.

Carrying amount and fair value of financial instruments not measured at fair value as at June 30, 2025:

Categories 30/06/2025 30/				els of hierard	archy				
Non-current Assets a	(millions of euros)		Note			Level1	Level2	Level3	Amounts recognized in the financial statement s pursuant to IFRS 16
Other financial receivables AC [9] 764 950 — 832 Miscellaneous receivables AC [10] — — — Financial receivables for lease contracts n/a [9] 33 33 Current Assets b) 4,250 4,250 Other short-term financial receivables AC [9] 179 179 Cash and cash equivalents AC [9] 3,287 3,287 Trade and miscellaneous receivables AC [11] 779 779 Financial receivables for lease contracts n/a [9] 5 5 Total (a+b) 5,047 5,233 — 832 LIABILITIES Non-current liabilities c) 3,464 3,638 1,448 — 1,8 Financial payables AC [13] 1,632 1,806 1,448 Financial payables AC [13] 1,068 1,068 Current liabilities	ASSETS								
Miscellaneous receivables AC [10] — — Financial receivables for lease contracts n/a [9] 33 33 Current Assets b) 4.250 4.250 Other short-term financial receivables AC [9] 179 179 Cosh and cash equivalents AC [9] 3.287 3.287 Trade and miscellaneous receivables AC [11] 779 779 Financial receivables for lease contracts n/a [9] 5 5 Total (a+b) 5.047 5.233 — 832 LIABILITIES Non-current liabilities c) 3.464 3.638 1.448 — 1.8 Finance lease liabilities n/a [13] 1.632 1.806 1.448 — 1.8 Current liabilities d) 2.237 2.237 2 2 Financial payables AC [13] 1.068 1.068 1.068 1.068 Trade and miscellaneous payables and other current liabilities AC [19] 920 920 920 Finance lease lia	Non-current Assets	a)		797	983	_	832		33
Financial receivables for lease contracts	Other financial receivables	AC	[9]	764	950	_	832		_
Lasse contracts	Miscellaneous receivables	AC	[10]	_	_				_
Other short-term financial receivables AC [9] 179 179 Cash and cash equivalents AC [9] 3.287 3.287 Trade and miscellaneous receivables AC [11] 779 779 Financial receivables for lease contracts n/a [9] 5 5 Total (a+b) 5.047 5.233 — 832 LIABILITIES Non-current liabilities c) 3.464 3.638 1.448 — 1.8 Financial payables AC [13] 1.632 1.806 1.448 Financial liabilities n/a [13] 1.832 1.832 1.8 Current liabilities d) 2.237 2.237 2 Financial payables AC [13] 1.068 1.068 Trade and miscellaneous payables and other current liabilities AC [19] 920 920 Finance lease liabilities n/a [13] 250 250 250		n/a	[9]	33	33				33
Total (a+b)	Current Assets	b)		4.250	4.250				5
Trade and miscellaneous receivables AC [11] 779 779 Financial receivables for lease contracts n/a [9] 5 5 Total (a+b) 5.047 5.233 — 832 LIABILITIES Non-current liabilities c) 3.464 3.638 1.448 — 1.8 Financial payables AC [13] 1.632 1.806 1.448 Finance lease liabilities n/a [13] 1.832 1.832 1.8 Current liabilities d) 2.237 2.237 2 Financial payables AC [13] 1.068 1.068 Trade and miscellaneous payables and other current liabilities AC [19] 920 920 Finance lease liabilities n/a [13] 250 250 250		AC	[9]	179	179				_
Total (a+b)	Cash and cash equivalents	AC	[9]	3.287	3.287				_
Liabilities Non-current liabilities C S.237		AC	[11]	779	779				_
Non-current liabilities C 3.464 3.638 1.448 — 1.8 Financial payables AC [13] 1.632 1.806 1.448 Finance lease liabilities n/a [13] 1.832 1.832 1.832 1.8 Current liabilities d) 2.237 2.237 2.237 2.237 Financial payables AC [13] 1.068 1.068 Trade and miscellaneous payables and other current liabilities AC [19] 920 920 Finance lease liabilities n/a [13] 250		n/a	[9]	5	5				5
Non-current liabilities c) 3.464 3.638 1.448 — 1.8 Financial payables AC [13] 1.632 1.806 1.448 Finance lease liabilities n/a [13] 1.832 1.832 1.8 Current liabilities d) 2.237 2.237 2 Financial payables AC [13] 1.068 1.068 Trade and miscellaneous payables and other current liabilities AC [19] 920 920 Finance lease liabilities n/a [13] 250 250 2	Total (a+b))		5.047	5.233	_	832		38
Financial payables AC [13] 1.632 1.806 1.448 Finance lease liabilities n/a [13] 1.832 1.832 1.8 Current liabilities d) 2.237 2.237 2 Financial payables AC [13] 1.068 1.068 Trade and miscellaneous payables and other current liabilities AC [19] 920 920 Finance lease liabilities n/a [13] 250 250 2	LIABILITIES								
Finance lease liabilities n/a [13] 1.832	Non-current liabilities	c)		3.464	3.638	1.448	_		1.832
Current liabilities d) Einancial payables AC [13] Trade and miscellaneous payables and other current liabilities AC [19] Finance lease liabilities AC [19]	Financial payables	AC	[13]	1.632	1.806	1.448			_
Financial payables AC [13] 1.068 1.068 Trade and miscellaneous payables and other current liabilities AC [19] 920 920 Finance lease liabilities n/a [13] 250 250 250	Finance lease liabilities	n/a	[13]	1.832	1.832				1.832
Trade and miscellaneous payables and other current liabilities AC [19] 920 920 Finance lease liabilities n/a [13] 250 250 2	Current liabilities	d)		2.237	2.237				250
payables and other current liabilities AC [19] 920 920 Finance lease liabilities n/a [13] 250 250 2	Financial payables	AC	[13]	1.068	1.068				
	payables and other current	AC	[19]	920	920				_
	Finance lease liabilities	n/a	[13]	250	250				250
Total (c+d) 5.702 5.876 2.0	Total (c+d)	<u> </u>		5 702	5 976				2.082

Carrying amount and fair value of financial instruments not measured at fair value as at December 31, 2024:

			Lev	Levels of hierarchy				
(millions of euros)	IFRS 9 Categories	Note	Value at 31/12/2024	Fair Value at 31/12/2024	Level1	Level2	Level3	Amounts recognized in the financial statement s pursuant to IFRS 16
ASSETS								
Non-current Assets	a)		941	1.116	_	821		32
Other financial receivables	AC	[9]	769	944	_	821		_
Miscellaneous receivables	AC	[10]	140	140				_
Financial receivables for lease contracts	n/a	[9]	32	32				32
Current Assets	b)		3.891	3.891				5
Other short-term financial receivables	AC	[9]	32	32				_
Cash and cash equivalents	AC	[9]	3.104	3.104				_
Trade and miscellaneous receivables	AC	[13]	750	750				_
Financial receivables for lease contracts	n/a	[9]	5	5				5
Total (a+b)			4.832	5.007	_	821		37
LIABILITIES								
Non-current liabilities	c)		3.537	3.637	1.558	_		1.702
Financial payables	AC	[15]	1.836	1.935	1.558			_
Finance lease liabilities	n/a	[15]	1.702	1.702				1.702
Current liabilities	d)		1.866	1.866				253
Financial payables	AC	[15]	708	708				_
Trade and miscellaneous payables and other current liabilities	AC	[22]	904	904				_
Finance lease liabilities	n/a	[15]	253	253				253
Total (c+d)			5.403	5.503				1.955

Note 17 - Provisions

(million euros)	31/12/2024	Increase	Taken to income	Used directly	Exchange differences and other changes	30/06/2025
Provision for taxation and tax risks	118	9	_	-7	10	131
Provision for restoration costs	9	_	_	_	-4	5
Provision for legal disputes	125	16	_	-15	-26	101
Other provisions	1	_	_	_	_	1
Total	253	25	_	-21	-19	237
of which:						
non-current portion	252	25	_	-21	-19	237
current portion	1	_	_	_	_	1

Provision for taxation and tax risks are mainly related to the Brazil Business Unit and Increased by 13 million euros compared to December 31, 2024.

The **provision for restoration costs** refers to the provision for the costs expected to be incurred for the restoration of leased properties and sites used in the mobile sector and for the dismantling of assets; it entirely refers to the Brazil Business Unit.

Provision for legal disputes includes the provision for litigation with employees and other counterparties and refers to the Brazil Business Unit. The uses consisted of 15 million euros and resulted from settlement agreements reached.

So far, Management has not identified nor considered any material impacts of climate change on assumptions used (e.g. for impairment tests, fair value measurement, etc.) and on the Group's financial reporting (e.g. provisions, fixed assets, etc.).

Note 18 - Miscellaneous payables and other non-current liabilities

(million euros)	30/06/2025	31/12/2024
Deferred revenues from customer contracts (Contract liabilities)	2	2
Other deferred income	81	85
Other	6	11
Total	88	98

Other deferred income includes the non-current portion of approximately 77 million euros as at June 30, 2025 (81 million euros as at December 31, 2024) of deferred gain on the sale and lease back of the telecommunication towers of the Brazil Business Unit.

In particular, TIM S.A. entered into two Sales Agreements with American Tower do Brasil Cessão de Infraestruturas Ltda. ("ATC") in November 2014 and January 2015 for up to 6.481 telecommunications towers then owned by TIM Celular, for an amount of approximately 3 billion reais (0,5 billion euros), and a Master Lease Agreement ("MLA") for part of the space on these towers for a period of 20 years from the date of transfer of each tower, under a sale and leaseback transaction, with a provision for monthly rental amounts depending on the type of tower (greenfield or rooftop). The sales agreements provided for the towers to be transferred in tranches to ATC, due to the need to meet certain conditions precedent.

In total, 5.873 towers were transferred. This transaction resulted in a sales amount of 2,7 million reais (0,4 million euros), of which 1,1 million reais (0,2 million euros) was booked as deferred revenue and will be amortized over the period of the contract.

Note 19 - Trade and miscellaneous payables and other current liabilities

(million euros)	30/06/2025	31/12/2024
Trade payables	788	854
Payables to suppliers	674	767
Payables to other telecommunication operators	114	87
Tax payables	72	92
Miscellaneous payables	780	626
Payables for employee compensation	37	40
Payables to social security agencies	14	12
Payables for TLC operating fee	600	526
Dividends approved, but not yet paid to shareholders	129	47
Provisions for risks and charges for the current portion expected to be settled within 1 year	1	1
Other current liabilities	61	58
Deferred revenues from customer contracts (Contract liabilities)	10	10
Customer-related items	26	24
Other deferred income	9	9
Advances received	1	1
Other current liabilities	14	13
Total	1.701	1.630

Trade payables amounting to 788 million euros as at June 30, 2025 (854 million euros at December 31, 2024) are mainly referred to the Brazil Business Unit.

According to IAS 1, trade payables are part of the working capital used in the entity's normal operating cycle and are classified as current liabilities even if they are due to be settled more than twelve months after the reporting period. At June 30, 2025, trade payables due beyond 12 months totaled 41 million euros (40 million euros at December 31, 2024) and are mainly represented by payables of the Brazil Business Unit for the renewal of telecommunications licenses.

Tax payables amounting to 72 million euros as at June 30, 2025 are entirely referred to the Brazil Business Unit (92 million euros at December 31, 2024).

Miscellaneous payables comprise the debt position of the Brazil Business Unit for the Taxa de Fiscalização de Funcionamento (TFF), a contribution suspended from 2020 amounting to 3.815 million reais (597 million euros) as at June 30, 2025 (3.377 million reais or 528 million euros at December 31, 2024).

Other current liabilities includes current contract liabilities, recognized when the client has paid the consideration or when the Company has the right to a consideration amount that is unconditional, before the Company has complied with the performance obligation, whether through the sale of equipment/devices or the provision of services to the client and customer-related items, that include trade payables following contractual relationships, such as the payable for prepaid traffic and the subscription charges charged in advance.

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

Note 20 - 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 the Group companies are involved as at June 30, 2025, as well as those that came to an end during the financial period.

SIGNIFICANT DISPUTES AND PENDING LEGAL ACTIONS

International tax and regulatory disputes

As of June 30, 2025, the companies belonging to the Brazil Business Unit were involved in tax or regulatory disputes, the outcome of which is estimated as a possible loss totaling around 23,1 billion reais (around 3,6 billion euros, 22,3 billion reais at December 31, 2024). The main types of litigation are listed below, classified according to the tax to which they refer.

Federal taxes

In relation to the federal level of taxation, the following disputes should be noted:

- · disallowance of the tax effects of the merger between the companies of the TIM Brasil Group;
- denial of the SUDENE regional tax benefit, due to alleged irregularities in the management and reporting of the benefit itself;
- challenges regarding offsetting against previous tax losses;
- further challenges regarding the tax deductibility of the amortization of goodwill;
- imposition of income tax on certain types of exchange rate differences;
- imposition of withholding taxes on certain types of payments to foreign entities (for example, payments for international roaming);
- further challenges regarding offsets made between taxes payable and group company credit positions. In this respect, duringthe 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 (about 0,3 billion euros).

Overall, the risk for these cases, considered to be possible, amounts to 5,1 billion reais (about 0,8 billion euros, 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 handset, 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 the TIM Cellular 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 tangible assets, 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 acting as a withholding agent, applicable when equipment is bought and distributed in different States;
- challenges of ICMS credits deriving from the "special credit" recognized by the company to its prepaid customers, against subsequent top-ups.

Overall, the risk for these cases, considered to be possible, amounts to 11,8 billion reais (about 1,8 billion euros, 11,1 billion reais at December 31, 2024).

Municipal taxes

Among disputes classified with a "possible" degree of risk, there are some relating to municipal taxes for a total amounting to around 1,9 billion reais (about 0,3 billion euros, 1,9 billion reais at December 31, 2024).

FUST and FUNTTEL

The main challenges about contributions to the regulatory body (Anatel), and in particular in terms of FUST and FUNTTEL, concern whether or not interconnection revenues should be subject to these contributions.

Overall, the risk for these cases, considered to be possible, amounts to 4,3 billion reais (around 0,7 billion euros, 4,2 billion reais at December 31, 2024).

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 Arbitration Award and the 2020 Arbitration Award. The appeal proceedings were heard on January 8, 2024. 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 2020 Arbitration Award proceedings and, 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.

On June 20, 2024, TIM and Telecom Italia Finance lodged an appealed with the Court of Cassation against the judgment quashing the 2016 Arbitration Award.

On June 24, 2024, observations were submitted on the consequences that the quashing of the 2016 Arbitration Award may have in relation to the appeal against the 2020 Arbitration Award. Proceedings are still pending.

On September 3, 2024, the Paris Court of Appeal rejected Opportunity's petition to set aside the 2020 Award following the annulment of the 2016 Award. The proceedings have therefore been stayed until the outcome of the case initiated in the Court of Cassation, with the 2020 Award remaining in effect.

On December 19, 2024, TIM and Telecom Italia Finance filed a statement of defense in the proceedings before the Supreme Court, aimed at overturning the decision of the Paris Court of Appeals to quash the 2016 Arbitration Award.

COMMITMENTS AND GUARANTEES

TIM S.p.A. has provided to the Group the following guarantees:

(million euros)	30/06/2025	31/12/2024
Guarantee on bonds and other debts issued by the Group	774	779
Guarantee on derivatives financial instruments	23	9
Total	797	787

There are also insurance guarantees of the Brazil Business Unit, which totaled 3.052 million euros and mainly refer to surety bonds provided primarily for litigation and for telecommunications services using 4G and 5G technology.

ASSETS GUARANTEEING FINANCIAL LIABILITIES

The special rate loan contracts granted by the Brazilian Development Bank BNDES (Banco Nacional de Desenvolvimento Econômico e Social) to TIM S.A. for a total value of 59 million euros are covered by specific

covenants. Financial indices are: (1) Shareholders' equity over total assets; (2) EBITDA on net financial expenses; (3) Total financial debt on EBITDA and (4) Short-term net financial debt to EBITDA. The Debentures issued by TIM S.A. (2nd issue in a Single Series) have a financial ratio covenant calculated semiannually. The index is the Net Financial Debt on EBITDA. The company complied with all the ratios established.

Note 21 - Revenues

(million euros)	1st Half 2025	1st Half 2024
Equipment sales	53	70
Services	2.011	2.187
Total	2.064	2.257

Revenues only relates to the Brazil Business Unit.

Revenues from telecommunications services are presented gross of amounts due to other TLC operators, equal to 122 million euros in 2025 (108 million euros in 2024, 13,4% change), included in the costs of services.

For a breakdown of revenues by operating segment, reference should be made to the Note "Segment Reporting".

Note 22 - Finance income and expenses

FINANCE INCOME

(million euros)	1st Half 2025	1st Half 2024
Interest income and other finance income	258	320
Income from financial receivables, recorded in non-current assets	27	42
Interest income on bank and postal accounts	66	44
Interest income on trade accounts receivable	3	4
Income from securities other than investments measured at FVTOCI	11	8
Income other than the above:		
Interest income on financials leasing receivables	2	3
Exchange gains	24	27
Reversal of the Reserve for cash flow hedge derivatives to the income statement (interest rate component)	1	1
Income from non-hedging derivatives	42	107
Miscellaneous finance income	83	85
Positive fair value adjustments to non-hedging derivatives	29	104
Positive adjustments and reversal for impairment on financial assets	_	1
Total	288	425

FINANCE EXPENSES

(million euros)	1st Half 2025	1st Half 2024
Interest expenses and other finance expenses	391	515
Interest expenses and other costs relating to bonds	90	113
Interest expenses to banks	8	29
Interest expenses to others	5	6
Interest expenses on lease liabilities	125	133
Expenses other than the above:		
Financial commissions and fees	9	7
Exchange losses	38	39
Charges from non-hedging derivatives	41	107
Miscellaneous finance expenses	75	80
Negative fair value adjustments to non-hedging derivatives	71	82
Negative adjustments for impairment on financial assets	_	1
Total	462	597

For greater clarity of presentation, the net effects relating to derivative financial instruments are summarized in the following table:

(million euros)	1st Half 2025	1st Half 2024
Exchange gains	24	27
Exchange losses	-38	-39
Net exchange gains and losses	-14	-11
Positive Reversal of the Reserve for cash flow hedge derivatives	1	1
Negative Reversal of the Reserve for cash flow hedge derivatives	_	_
Net effect of the Reversal of the Reserve of cash flow hedge derivatives to the income statement (interest rate component)	1	_
Income from non-hedging derivatives	42	107
Charges from non-hedging derivatives	-41	-107
Net result from non-hedging derivatives	1	_
Net result from derivatives	2	_
Positive fair value to non-hedging derivatives	29	104
Negative fair value adjustments to non-hedging derivatives	-71	-82
Net fair value adjustments to non-hedging derivatives	-41	22
Positive adjustments and reversal for impairment on financial assets	_	1
Negative adjustments for impairment on financial assets	_	-1
Net impairment on financial assets	_	_

Note 23 - Segment reporting

SEGMENT REPORTING

Segment reporting is based on the following operating segments:

- Telecommunications (Brazil)
- Other Operations

Separate Consolidated Income Statements by Operating Segment

(million euros)	Braz	zil	Other Ope	erations	Consolidat	ed Total
	1st Half 2025	1st Half 2024	1st Half 2025	1st Half 2024	1st Half 2025	1st Half 2024
Third-party revenues	2.064	2.257	_	_	2.064	2.257
Revenues by operating segment	2.064	2.257	_	_	2.064	2.257
Other income	12	10	_	_	12	11
Total operating revenues and other income	2.076	2.268	_	_	2.076	2.268
Acquisition of goods and services	-793	-860	_	-1	-793	-861
Employee benefits expenses	-153	-173	-1	-1	-154	-174
Other operating expenses	-172	-206	-2	-2	-174	-208
of which: write-downs and expenses in connection with credit management and provision charges	-59	-70	_	_	-59	-70
Change in inventories	10	15	_	_	10	15
Internally generated assets	46	51	_	_	46	51
EBITDA	1.015	1.095	-3	-3	1.012	1.092
Depreciation and amortization	-560	-639	_	_	-560	-639
Gains/(losses) on disposals of non- current assets	4	5	_	_	4	5
EBIT	459	461	-3	-3	457	458
Share of profits (losses) of equity investment	nents valued us	sing equity me	thod		-8	-8
Other income (expenses) from investme	nts				_	_
Finance income					288	425
Finance expenses					-462	-597
Profit (loss) before tax	274	277				
Income tax income (expense)	-24	-39				
Profit (loss) for the year	250	239				
Attributable to:						
Owners of the Parent					156	160
Non-controlling interests					94	79

Revenues by operating segment

The revenues only relate to the Brazil Business Unit.

Purchase of intangible and tangible assets by operating segment

Purchase of intangible and tangible assets only relates to the Brazil Business Unit.

Assets and liabilities by Operating Segment

(millions of euros)	Bro	Brazil Other Operations		Consolido	Consolidated Total		
	30/06/2025	31/12/2024	30/06/2025	31/12/2024	30/06/2025	31/12/2024	
Non-current operating assets	6.639	6.558	_	_	6.640	6.559	
Current operating assets	983	967	29	2	1.013	969	
Total operating assets	7.623	7.525	30	2	7.652	7.527	
Investments accounted for using the equity method					206	213	
Unallocated assets					6.313	6.104	
Total Assets					14.171	13.844	
Total operating liabilities	2.023	1.976	4	4	2.026	1.980	
Unallocated liabilities					4.939	4.649	
Equity					7.206	7.216	
Total Equity and Liabilities						13.844	

Note 24 - Related party transactions

The following tables show the figures relating to related party transactions and the impact of those amounts on the Separate Consolidated Income Statement and Consolidated Statement of Financial Position.

Related party transactions, when not dictated by specific laws, were conducted at arm's length.

The effects on the individual line items of the Group's Separate Consolidated Income Statements for the 1st Half 2025 and the 1st Half 2024 are as follows:

Separate Consolidated Income Statement line items at 30/06/2025

(million euros)	Related Parties						
	Total	Associates, companies controlled by associates	Other related parties [*]	Pension funds	Key managers	Total related parties	% of financial statement item
Revenues	2.064	_	4	_	_	4	0,2
Other income	12	_	_	_	_	_	1,8
Acquisition of goods and services	793	_	212	_	_	212	26,8
Employee benefits expenses	154	_	_	5	3	8	5,1
Other operating expenses	174	_	_	_	_	_	_
Finance income	288	_	246	_	_	246	85,7
Finance expenses	462	_	101	_	_	101	21,9

[*] TIM Group companies; Vivendi Group and companies belonging to the group that it belongs to, which as of the end of June 2025 are no longer included in "Other Related Parties"; Cassa Depositi e Prestiti (CDP) and its subsidiaries which as of the end of March 2025 are no longer included in "Other Related Parties"; the Poste Italiane Group, which as of the end of June 2025 is included in "Other Related Parties"; the Ministry of Economy and Finance (MEF) and other related parties through TIM Group Directors, Statutory Auditors ("Collegio sindacale") and Key Managers.

Separate	Consolidated	Income S	Statement l	ine items	1st Half 2024

(million euros)				Related P	arties		
	Total	Associates, companies controlled by associates	Other related parties [*]	Pension funds	Key managers	Total related parties	% of financial statement item
Revenues	2.257	_	1		_	1	_
Other income	10	_	_		_	_	0,2
Acquisition of goods and services	861	_	99		_	99	11,5
Employee benefits expenses	174	_	_	2	3	5	3,1
Other operating expenses	208	_	_	_	_	_	_
Finance income	425	_	177		_	177	41,7
Finance expenses	597	_	91	_	_	91	15,2

[*] TIM Group companies; Vivendi Group and companies belonging to the group that it belongs to, which as of the end of June 2025 are no longer included in "Other Related Parties'"; Cassa Depositi e Prestiti (CDP) and its subsidiaries which as of the end of March 2025 are no longer included in "Other Related Parties'"; the Poste Italiane Group, which as of the end of June 2025 is included in "Other Related Parties'"; the Ministry of Economy and Finance (MEF) and other related parties through TIM Group Directors, Statutory Auditors ("Collegio sindacale") and Key Managers.

The effects on the individual line items of the consolidated statements of financial position at June 30, 2025 and December 31, 2024 are as follows:

Consolidated Statement of Financial Position line items at 30/06/2025

(million euros)	Total	Associates, companies controlled by associates	Other related parties [*]	Pension funds	Total related parties	% of financial statement item
Net financial debt	-992	<u> </u>	-2.097	-	-2.097	
Non-current financial assets	-924	_	-806	_	-806	87,3
Current financial assets	-4.992	_	-1.496	_	-1.496	30,0
Securities other than investments (current assets)	-1.441	_	-437	_	-437	30,4
Financial receivables and other current financial assets	-264	_	-35	_	-35	13,4
Cash and cash equivalents	-3.287	_	-1.023	_	-1.023	31,1
Non-current financial liabilities	3.568	_	82		82	2,3
Current financial liabilities	1.356	_	124	_	124	9,1
Other statement of financial position line items						
Trade and miscellaneous receivables and other current assets	1.049	_	11	_	11	1,1
Miscellaneous payables and other non-current liabilities	88	_	_	_	_	_
Trade and miscellaneous payables and other current liabilities	1.701	_	54	1	54	3,2

[*] TIM Group companies; Vivendi Group and companies belonging to the group that it belongs to, which as of the end of June 2025 are no longer included in "Other Related Parties'"; Cassa Depositi e Prestiti (CDP) and its subsidiaries which as of the end of March 2025 are no longer included in "Other Related Parties'"; the Poste Italiane Group, which as of the end of June 2025 is included in "Other Related Parties'"; the Ministry of Economy and Finance (MEF) and other related parties through TIM Group Directors, Statutory Auditors ("Collegio sindacale") and Key Managers.

Consolidated Statement of Financial Position line items at 31/12/2024

		Associates and companies	Other			% of financial
		controlled by	related	Pension	Total related	statement
(million euros)	Total	associates	parties [*]	funds	parties	item
Net financial debt	-1.130	_	-2.097	_	-2.097	185,5
Non-current financial assets	-1.001	_	-806	_	-806	80,5
Current financial assets	-4.760	_	-1.496	_	-1.496	31,4
Securities other than investments (current assets)	-1.539	_	-437	_	-437	28,4
Financial receivables and other current financial assets	-117	_	-35	_	-35	30,4
Cash and cash equivalents	-3.104	_	-1.023	_	-1.023	33,0
Non-current financial liabilities	3.626	_	82	_	82	2,3
Current financial liabilities	1.005	_	124	_	124	12,3
Other statement of financial position line items						
Trade and miscellaneous receivables and other current assets	971	_	11	_	11	1,2
Miscellaneous payables and other non-current liabilities	98	_	_	_	_	_
Trade and miscellaneous payables and other current liabilities	1.630	_	54	1	54	3,3

[*] TIM Group companies; Vivendi Group and companies belonging to the group that it belongs to, which as of the end of June 2025 are no longer included in "Other Related Parties"; Cassa Depositi e Prestiti (CDP) and its subsidiaries which as of the end of March 2025 are no longer included in "Other Related Parties"; the Poste Italiane Group, which as of the end of June 2025 is included in "Other Related Parties"; the Ministry of Economy and Finance (MEF) and other related parties through TIM Group Directors, Statutory Auditors ("Collegio sindacale") and Key Managers.

TRANSACTIONS WITH PENSION FUNDS

The most significant amounts are summarized as follows:

Separate Consolidated Income Statement line items

(million euros)	1st Half 2025	1st Half 2024	Type of contract
Other pension funds	5	2	
Total employee benefits expenses	5	2	Contributions to pension funds

Consolidated Statement of Financial Position line items

(million euros)	30/06/2025	31/12/2024	Type of contract
Other pension funds	1	1	
Total trade and miscellaneous payables and other current liabilities	1	1	Payables for contributions to pension funds

REMUNERATION TO KEY MANAGERS

The remuneration to key managers in 2025 amounted to 3 million euros (3 million euros in 2024). The compensation of key Management personnel for services rendered is shown below:

(million euros)	1st Half 2025	1st Half 2024
Short-term benefits	2	2
Share-based payments remuneration	1	1
Total remuneration to key managers	3	3

The Group considers as key managers the statutory directors and the Board of Directors.

Note 25 - Equity compensation plans

The equity compensation plans in force at June 30, 2025 are used for attraction and retention purposes, and as a long-term incentive for the managers and employees of the Brazil BU.

However, it should be noted that these plans do not have any significant effect on the economic result or on the financial position or on cash flows at June 30, 2025.

The 2021-2023 Plan provides for the granting of shares (performance shares and/or restricted shares). They propose to grant participants shares issued by TIM S.A., subject to the participant's permanence in the Company (achievement of specific goals). The number of shares may vary, for more or for less, as a result of the performance and possibly of the dividend award, considering the criteria provided for in each Grant.

For the 2021-2023 and 2024-2026 plan, the term of validity has the same periodicity of 3 years related to its vesting. These Plans, in addition to considering the transfer of shares, also provides for the possibility of making payment to participants of the equivalent amount in cash.

A summary is provided below of the plans in place at June 30, 2025.

TIM S.A. - Long Term Incentive Plan 2021-2023

On March 30, 2021, the General Meeting of Shareholders of TIM S.A. approved the long-term incentive plan for managers in key positions in the company. The plan aims to reward participants with shares issued by the company, according to specific time (restricted shares) and performance (performance shares) conditions. The vesting period is 3 years and the company does not have the legal obligation to repurchase or liquidate the shares in cash or in any other form. The plan – in addition to transferring shares to beneficiaries – also includes the possibility of rewarding participants through the settlement of the amount corresponding in cash.

Year 2021

On May 05, 2021, plan beneficiaries were granted the right to receive a total of 3.431.610 shares, of which 3.173.142 performance shares restricted to performance conditions and with gradual vesting over 3 years and 258.468 restricted shares, with a vesting period of 3 years.

In 2021, the Special Grant was added to the traditional plan, a further extraordinary concession with the aim of encouraging the closure of the purchase operation for part of Oi Móvel's assets in Brazil as well as the success of the subsequent integration operations.

Of the total 3.431.610 shares granted, 1.151.285 relate to the traditional grant (with 892.817 performance shares and 258.468 restricted shares) and 2.280.325 refer to the Special Grant.

On February 9, 2023, the Board of Directors agreed to adjust by 220.743 the number of performance shares granted under the Special Grant to the participants appointed to higher-responsibility roles during the period.

On June 30, 2025, three vesting periods were completed with regard to the traditional grant:

- In 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).
- In 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).
- In 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 Grant:

- In 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.
- In 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).
- In 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 June 30, 2025, and including the shares for July transfer, of the original volume assigned of 3.431.610 shares plus the 220.743 assigned due to participants' appointments to new roles, 746.207 had been canceled due to the beneficiaries having left the company and 3.631.995 shares had been transferred to beneficiaries (2.782.683 related to the original volume vested, 592.632 recognized on the basis of performance achieved and 256.680 for effect of dividends distributed during the period). For participants transferred to other Group companies, as per the Plan rules, payment in cash was considered of the amount corresponding to 164.885 shares (123.463 relating to the original volume accrued, 28.053 acknowledged according to the degree to which the objectives had been achieved and 13.369 due to dividends distributed during the period), thus completing the 2021 grant.

Year 2022

On April 26, 2022, plan beneficiaries were granted the right to receive a total of 1.227.712 shares, of which 927.428 performance shares restricted to performance conditions and with gradual vesting over 3 years and 300.284 restricted shares, with a vesting period of 3 years.

- In 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.
- In 2024, in compliance with the results approved on May 6, 2024, in July 680.532 shares were transferred to beneficiaries, of which 252.442 relating to the original volume accrued, 374.411 granted according to the degree to which objectives had been achieved and 53.679 shares as a result of the dividends distributed during the period. In addition, for participants transferred to other Group companies, as per the Plan rules, payment in cash was considered in July of the amount corresponding to 19.018 shares (7.055 relating to the original volume accrued, 10.463 acknowledged according to the degree to which the objectives had been achieved and 1.500 due to dividends distributed during the period). In October, 57.021 shares were transferred to beneficiaries, of which 37.087 relating to the original volume accrued, 15.437 granted according to the degree to which objectives had been achieved and 4.497 shares as a result of the dividends distributed during the period.
- İn 2025, in compliance with the results approved on May 5, 2025, in July 2025 768.845 shares will be transferred to beneficiaries, of which 403.661 relating to the original volume accrued, 253.959 granted according to the degree to which objectives had been achieved and 111.224 shares as a result of the dividends distributed during the period. In addition, for participants transferred to other Group companies, as per the Plan rules, payment in cash was considered in July of the amount corresponding to 20.848 shares (11.646 relating to the original volume accrued, 6.186 acknowledged according to the degree to which the objectives had been achieved and 3.016 due to dividends distributed during the period).

At June 30, 2025, including the shares to be transferred in July – of the original volume assigned of 1.227.712 shares, 251.517 had been canceled due to the beneficiaries having left the company and 1.898.858 shares had been transferred to beneficiaries (957.495 related to the original volume vested, 754.735 recognized on the basis of performance achieved and 186.627 for effect of dividends distributed during the period). For

participants transferred to other Group companies, as per the Plan rules, cash payment was made of an amount corresponding to 39.866 shares (18.701 relating to the original volume accrued, 16.649 acknowledged according to the degree to which the objectives had been achieved and 4.516 due to dividends distributed during the period), thus completing the 2022 grant.

Year 2023

On July 31, 2023, plan beneficiaries were granted the right to receive a total of 1.560.993 shares, of which 1.189.900 performance shares restricted to performance conditions and with gradual vesting over 3 years and 371.093 restricted shares, with a vesting period of 3 years.

- In 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.
- In 2025, in compliance with the results approved on May 5, 2025, a total of 646.081 shares will be transferred to beneficiaries in August, of which 303.469 relating to the original volume accrued, 265.491 granted according to the degree to which objectives had been achieved and 77.121 shares as a result of the dividends distributed during the period.

As of June 30, 2025, 156.813 of a total of 1.560.993 allocated shares had been canceled due to beneficiaries leaving the Company. This left a total of 794.261 shares that could be vested at the end of the period.

TIM S.A. - Long Incentive Plan 2024-2026

On March 28, 2024, the General Meeting of Shareholders of TIM S.A. approved the long-term incentive plan for managers in key positions in the company. The plan aims to reward participants with shares issued by the company, according to specific time (restricted shares) and performance (performance shares) conditions. The vesting period is 3 years and the company does not have the legal obligation to repurchase or liquidate the shares in cash or in any other form. The plan – in addition to transferring shares to beneficiaries – also includes the possibility of rewarding participants through the settlement of the amount corresponding in cash.

Year 2024

On July 30, 2024, plan beneficiaries were granted the right to receive a total of 1.226.859 shares, of which 946.060 performance shares restricted to performance conditions and with gradual vesting over 3 years and 280.799 restricted shares, with a vesting period of 3 years.

- In 2025, in compliance with the results approved on May 5, 2025, a total of 144.065 shares will be transferred to beneficiaries in August, of which 88.693 relating to the original volume accrued, 44.360 granted according to the degree to which objectives had been achieved and 11,012 shares as a result of the dividends distributed during the period.

As of June 30, 2025, 84.518 of a total of 1.226.859 allocated shares had been canceled due to beneficiaries leaving the Company.

This left a total of 1.053.648 shares that could be vested at the end of the period.

Year 2025

On May 5, 2025, plan beneficiaries were granted the right to receive a total of 1.368.704 shares linked to performance, gradually vesting over 3 years.

As of June 30, 2025, a total of 1.368.704 allocated shares had not been canceled due to beneficiaries leaving the Company. This left a total of 1.368.704 shares that could be vested at the end of the period.

Note 26 - Other information

EXCHANGE RATE USED TO TRANSLATE FOREIGN OPERATIONS

	Period-end exch	nange rates	Average exchange rates for the period		
	(statements of fina	incial position)	(income statements and statements of cash flows)		
Local currency against 1 EUR	30/06/2025	31/12/2024	30/06/2025	30/06/2024	
BRL (Brazilian real)	6,39572	6,43318	6,29415	5,49271	
USD (U.S. dollar)	1,17200	1,03890	1,09334	1,08136	
JPY (Japan Yen)	169,17000	163,06000	162,12899	164,41254	
GBP (Pound sterling)	0,85550	0,82918	0,84252	0,85477	
CHF (Swiss franc)	0,93470	0,94120	0,94118	0,96157	

Source: Data processed by the European Central Bank, Reuters and major Central Banks.

RESEARCH AND DEVELOPMENT

Costs for research and development activities are represented by external costs, labor costs of dedicated staff and depreciation and amortization.

Details are as follows:

(million euros)	1st Half 2025	1st Half 2024
Capitalized development costs	16	17
Total research and development costs	16	17

Note 27 - Events subsequent to June 30, 2025

Payment of Dividends and Interest on Equity

In July 2025, TIM S.A paid Dividends related to the fiscal year ending on December 31, 2024 and approved on March 27, 2025 and Interest on Capital (IOC) related to the fiscal year ending on December 31, 2025 and approved on May 05, 2025.

On July 22, 2025, TIM S.A.'s Board of Directors, approved the payment of Interest on Capital (IOC) related to the fiscal year ending on December 31, 2025, which will be paid in October 2025.

Payment Date	Reais per share		
23/07/2025	0,282254233		
23/07/2025	0,124084855		
21/10/2025	0,132315100		

Reverse Stock Split and Split Operation

On March 27, 2025, the Annual and Extraordinary General Meeting of Shareholders of TIM S.A., a Brazilian subsidiary of the TIM Group, approved the proposal for the reverse split of all ordinary shares issued by the Company, at a ratio of one hundred (100) shares for every one (1) share, and to subsequently split them so that one (1) new reverse-split share corresponds to one hundred (100) shares, without any change in the Company's share capital ("Transaction").

On July 2, 2025, TIM S.A. announced the end of the thirty (30) day period available to shareholders holding ordinary shares in the Company to adjust their shareholding positions, if they so wished, in wholes and multiples of one hundred (100) shares, so as to own a whole number of shares following the Transaction ("End of the Position Adjustment Period").

Transaction completion. The Transaction entered into force on the business day following the end of the Position Adjustment Period, i.e. July 3, 2025, without any change in the Company's share capital. As of July 3, 2025 (inclusive), the shares were traded as ex-reverse split and ex-split shares.

ADR programme. Under the terms approved by the Annual and Extraordinary General Meeting of Shareholders, the transaction will have no impact on the American Depositary Receipts (ADRs) traded on the US market, and the custodian bank is responsible for adjusting the number of local shares underlying the ADR programme of TIM S.A. so that the balance of ADRs remains unchanged. Following the Transaction, ADRs issued by TIM S.A. will continue to be traded at a ratio of five (5) ordinary shares for every one (1) ADR.

At the end of the Position Adjustment Period, shareholders holding fractional shares resulting from the Transaction were subject to the following procedure:

Treatment of fractions. Fractions of shares held by shareholders who did not adjust their position to multiples of one hundred (100) shares were grouped into whole numbers and auctioned on the stock exchange B3 S.A. -

Brasil, Bolsa e Balcão on behalf of the holders of the fractions ("Auction"). The Auction for the sale of the 22,059,698 ordinary shares resulting from the reverse split of the fractions of shares following the Transaction took place through BTG Pactual CTVM S.A. at B3 S.A. - Bolsa, Brasil, Balcão on July 14, 2025, during the opening auction of the trading session.

The proceeds from the auction, which totalled 455.691.275,10 reais, net of expenses and fees (equivalent to 20,65718556528 reais per ordinary share), is to be allocated and distributed proportionally among all holders of fractional shares, as follows:

- (a) shareholders with complete registration data: amounts are to be deposited in the current account indicated in the entry for each shareholder;
- (b) shareholders with shares deposited with the B3 Central Depository: the amounts are to be credited directly to the Central Depository, which will be responsible for transferring them to each shareholder through its custodian; and
- (c) other shareholders not identified or without complete registration data: amounts are to be held by the Company, for the statutory period, to be received by the shareholder once they have provided complete registration data.

Full Early Repayment of First Issuance Debentures

On July 10, 2025, TIM Brasil announced to the market the full early repayment of the First Issuance of Simple Debentures, Non-Convertible into Shares, Secured Type, Single Series, issued in July 2023, totaling 5 billion reais. The full early repayment of the debentures took place on July 25, 2025, following the settlement of the Second Issuance of Debentures.

Second Issuance of Debentures

On July 16, 2025, TIM Brasil announced to the market the result of the bookbuilding process for the Second Issuance and Distribution of Simple Debentures, Non-Convertible into Shares, Unsecured Type, in up to two (2) Series, totaling 5 billion reais, all registered and book-entry, approved on June 23, 2025 by the Company. The result was a total issuance of 5 billion reais, with 2,8 billion reais allocated to the First Series Debentures, remunerated at CDI +0,70% per year and maturing on July 23, 2030, and 2,2 billion reais allocated to the Second Series Debentures, remunerated at CDI +0,85% per year and maturing on July 23, 2032, respectively. The public offering was announced on July 21, 2025, and financial settlement occurred on July 23, 2025.

Note 28 - List of companies of the Telecom Italia Finance Group

Company name	Head office	Currency	Share Capital	% Ownership	% of voting [*]	Held by
PARENT COMPANY						
Telecom Italia Finance	Luxembourg	EUR	1.818.691.979			
SUBSIDIARIES CONSOLIDATED I	LINE-BY-LINE					
Brazil Business Unit						
 TIM Brasil Serviços & Partecipações S.A. 	Rio de Janeiro	BRL	8.227.356.500	99,9999 0,0001		Telecom Italia Finance TIM S.p.A.
• TIM S.A.	Rio de Janeiro	BRL	13.477.890.508	66,5882 0,1282	66,6737	TIM Brasil Serviços & Partecipações S.A. TIM S.A.
ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD						
I-System S.A.	Sao Paulo	BRL	1.794.287.995	49,0000		TIM S.A.

[*] In addition to the percentage ownership of share capital, the percentage of voting rights in the ordinary shareholders' meeting is presented, if different from the percentage holding of share capital.

Certification of the Consolidated Financial Statements pursuant to Luxembourg Transparency Law

Pursuant to paragraph 4 of Luxembourg's Transparency Law, the undersigned Fabio Adducchio, Managing Director of the Company, to the best of his knowledge, hereby declares that the above interim financial statements prepared in accordance with the applicable set of accounting standards give a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer and that the management report includes an indication of important events that have occurred during the first six months of the financial year, and their impact on the financial statements, together with a description of the principal risks and uncertainties for the remaining six months of the financial year.

Fabio Adducchio Managing Director