Telecom Italia Finance Group

Half-Year Condensed Consolidated Financial Statements at June 30, 2026

Unaudited Half-Year Condensed Consolidated Financial Statements at June 30, 2026, which have been authorized by the Board of Directors held on March 09, 2026

Table of Contents

Directors' report

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.
  - I-Systems Soluções de Infraestrutura S.A.
  - V8 Consulting 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, 2026:
- 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 -3.283 million euros.

- TELECOM ITALIA FINANCE

Key operating Financial Data

Consolidated Operating and Financial Data

(million euros)	1st Half 2026	1st Half 2025
Revenues	**2.291**	**2.064**
EBITDA	**1.113**	**1.012**
EBIT	**548**	**457**
Profit (loss) before tax from continuing operations	314	274
Profit (loss) for the year	**256**	**250**
Profit (loss) for the year attributable to Owners of the Parent	159	156
Capital expenditures	**381**	**353**

Consolidated Financial Position Data

(million euros)	30/06/2026	31/12/2025
Total assets	**15.300**	**14.659**
Total equity	**7.182**	**7.243**
Attributable to Owners of the Parent	5.784	6.020
Attributable to non-controlling interests	1.399	1.224
Total liabilities	**8.118**	**7.416**
Total equity and liabilities	**15.300**	**14.659**
Share capital	**1.819**	**1.819**
Net financial debt carrying amount	**-356**	**-1.315**

Headcount

	30/06/2026	31/12/2025
Number in the Group at year end [*]	9.015	8.712
Average number in the Group	8.929	8.496

[*] The increase was attributable to the consolidation of the Brazilian companies V8 Consulting and I-Systems during the first half of 2026.

Highlights

ACQUISITION OF THE CONTROL OF V8 CONSULTING S.A. ("V8.TECH")

On November 26, 2025, TIM S.A.'s Board of Directors approved the acquisition of 100% of the share capital of V8 Consulting S.A. ("V8.Tech"), subject to additional variable payments (earn-outs). The transaction, which aligns with the Group''s strategy to strengthen its B2B segment, was subject to the fulfillment of conditions precedent, including approval by CADE on December 19, 2025, and the satisfaction of other conditions. TIM S.A. completed the acquisition on January 30, 2026, the date from which the Group assumed control of the acquired company.

V8.Tech is a technology company specializing in the integration of digital solutions and managed services, with a strong focus on digital transformation, cloud computing and artificial intelligence.

ACQUISITION OF THE CONTROL OF I - SYSTEMS S.A

On February 11, 2026, TIM S.A.'s Board of Directors approved the acquisition of the remaining 51% of the share capital of I-Systems Soluções de Infraestrutura S.A. ("I-Systems"). The Group already held 49% of the acquired company's share capital and, upon completion of the transaction, came to hold 100% of its share capital, reinforcing its broadband-focused strategy. Following the satisfaction of conditions precedent and applicable regulatory approvals, the transaction was concluded on May 6, 2026, the date on which the Group assumed control of the acquired company.

I-Systems operates in the neutral fiber optic network sector in the Brazilian market, offering independent infrastructures for the wholesale segment.

Parent's activity

In 2026 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 2026:

- **Consolidated revenues** amounted to 2,3 billion euros, up by 11,0% on the 1st Half 2025.
- **EBITDA** amounted to 1,1 billion euros, up by 10,0% on the 1st Half 2025.
- **Operating profit (EBIT)** was 0,5 billion euros, up by 20,0% compared to the 1st Half 2025.
- 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 2025).
- **Capital expenditures** in 2026 amounted to 0,4 billion euros (0,4 billion euros in the 1st Half 2025).
- **Net financial debt** amounts to -0,4 billion euros at June 30, 2026, up of 1,0 billion euros compared to the end of 2025 (-1,3 billion euros).

NON-RECURRING EVENTS

In the 1st Half 2026, the Group recognized non-recurring net expenses connected to events and transactions that by their nature do not occur continuously in the normal course of operations and have been shown because their amount is significant. Non-recurring charges include, among others, any goodwill impairment changes, charges associated with corporate reorganization/restructuring, provisions for regulatory disputes and potential liabilities related to them, liabilities with customers and/or suppliers, provisions for onerous contracts and prior-year adjustments.

(millions of euros)	1st Half 2026
Acquisition of goods and services	-4
Impact on EBITDA	**-4**
Impact on EBIT	**-4**
Other Expenses from Investments	-9
Impact on Profit (loss) before tax from continuing operations	**-13**
Non recurrent fiscal impact	1
Impact on Profit (loss) from continuing operations	**-12**

In the 1st Half 2026, non-recurring events were mainly attributable the acquisition of V8.Tech and I-System S.A. In particular, the "Acquisition of goods and services" item, amounting 4 million euros (22 million reais), relates to legal and professional fees incurred with the execution of V8.Tech and I-System transactions. In addition, "Other Expenses from Investments", amounted to 9 million euros (56 million reais), refers to losses recognized in connection with the acquisition of I-System.

Consolidated operating performance

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

	Consolidated (millions of euros)		Other operations (millions of euros)		Brazil Business Unit (millions of euros)		Brazil Business Unit (millions of reais)		Changes	
	1st Half 2026	1st Half 2025	1st Half 2026	1st Half 2025	1st Half 2026	1st Half 2025	1st Half 2026 (a)	1st Half 2025 (b)	Amount (a-b)	% (a-b)/b
Revenues	**2.291**	**2.064**	**—**	**—**	**2.291**	**2.064**	**13.772**	**12.994**	**778**	**6,0**
EBITDA [**]	**1.113**	**1.012**	**-3**	**-3**	**1.116**	**1.015**	**6.710**	**6.388**	**322**	**5,0**
EBITDA Margin	48,6	49,0			48,7	49,2	48,7	49,2		-0,5 pp
EBIT	**548**	**457**	**-3**	**-3**	**551**	**459**	**3.314**	**2.892**	**423**	**14,6**
EBIT Margin	23,9	22,1			24,1	22,3	24,1	22,3		1,8 pp
Headcount at period end (number)	**9.015**	**8.712[*]**	**10**	**10[*]**			**9.005**	**8.702[*]**	**303**	**3,5**

[*] Figures as of December 31, 2025

[**]EBITDA for the first half of 2026 excludes the one-off income arising from the renegotiation of the infrastructure agreements between TIM S.A. and American Tower do Brasil - Cessão de Infraestruturas S.A. ("ATC") (approximately 80 million reais, equivalent to approximately EUR 13 million). This was recognized at the EBIT level for the purposes of the TIF Group's consolidated financial statements. This one-off income has no impact on cash flows or net financial debt and, for the purposes of the local annual report, is recognized as other operating income with an impact on EBITDA, as required under Brazilian law. Accordingly, for local reporting purposes, the performance reported to the market shows EBITDA increasing by 6,8% and EBITDA AL up by 7,8% compared with the corresponding period of the previous year.

The average exchange rates used for the translation into euro (expressed in terms of units of real per 1 Euro) were 6,01202 in the 1st Half 2026 and 6,29415 in the 1st Half 2025.

	1st Half 2026	1st Half 2025
Lines at period end (thousands)	61.856	61.974 [*]
ARPU (reais)	34,0	32,3

[*] Figures as of December 31, 2025

REVENUES

Revenues in the 1st Half 2026 were entirely related to the Brazil Business Unit and amounted to 13.772 million reais (2.290 million euros), up by 6,0% in reais on the 1st Half 2025.

Growth was driven by **Revenues from services** that totaled 13.429 million reais (2.233 million euros), an increase of 772 million reais (222 million euros) compared to 12.657 million reais (2.011 million euros) in the 1st Half 2025 (+6,1% in reais) with mobile service revenues growing 5,1% in the first half of 2026 thanks to continued improvement in the post-paid segment. Including the contribution on B2B revenues of V8 Tech, consolidated since February 2026, fixed-line service revenues showed an increase of 24,9% compared to the first half of 2025 financial year. Ultrafibra's results show a return to growth, reflecting the company's efforts throughout to improve its operations.

Revenues from product sales totaled to 342 million reais, or 57 million euros (337 million reais, or 53 million euros in the 1st Half 2025).

Total mobile lines in place at June 30, 2026 amounted to 61,9 million, in line with the total mobile lines as of December 31, 2025. The positive performance of the post-paid segment was offset by the reduction of lines in the pre-paid segment. As of June 30, 2026, post-paid customers represent 54,4% of the customer base (52,8% as of December 31, 2025).

Mobile Average Revenue Per User (ARPU) for the 1st Half 2026 was 34,0 reais (5,7 euros), up 5,3% compared to the figure posted in the 1st Half 2025.

	1st Half 2026	1st Half 2025
(millions of reais)		
Net revenues	**13.772**	**12.994**
Service revenues	13.429	12.657
Mobile services	12.623	12.011
Fixed services	806	646
Product revenues	342	337
(thousands)		
Lines at period end	**61.856**	**61.974 [*]**
Average Market Lines	**61.849**	**62.028**
(reais)		
Mobile ARPU (mobile services/average market lines/months)	**34,0**	**32,3**

[*] Lines as of December 31, 2025

EBITDA

EBITDA in the 1st Half 2026 totaled 1.113 million euros, of which 1.116 million euros attributable to the Brazil BU.

Considering Brazil BU, EBITDA for the 1st Half 2026 amounted to 6.710 million reais (1.116 million euros), up by 322 million reais (101 million euros) year-on-year (+5,0%).

EBITDA for the Brazil BU net of the non-recurring component (Organic EBITDA), grew by 5,1% and is calculated as follows:

	(millions of euros)		(millions of reais)		Change	
	1st Half 2026	1st Half 2025	1st Half 2026	1st Half 2025	Amount	%
	(a)	(b)	(c)	(d)	(c-d)	(c-d)/d
EBITDA	**1.116**	**1.015**	**6.710**	**6.388**	**322**	**5,0**
+/- Non recurring expenses/(income)	4	3	22	20	2	
= Organic EBITDA	**1.120**	**1.018**	**6.732**	**6.408**	**324**	**5,1**

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 48,9%, down in organic terms by 0,4% compared to the 1st Half 2025.

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

	(millions of euros)		(millions of reais)		
	1st Half 2026	1st Half 2025	1st Half 2026	1st Half 2025	Change
	(a)	(b)	(c)	(d)	(c-d)
Acquisition of goods and services	870	793	5.235	4.988	247
Employee benefits expenses	170	153	1.024	963	61
Other operating expenses	206	172	1.243	1.084	159

<u>EBIT</u>

EBIT totaled 548 million euros (457 million euros in the 1st Half 2025), an increase of 91 million euros.

Considering Brazil BU, EBIT for the 1st Half 2026 amounted to 3.314 million reais (551 million euros).

Organic EBIT, net of the non-recurring component, amounted to 3.336 million reais (555 million euros), with a margin on revenues of 24,2% (22,4% in 2025), and was calculated as follows:

	(millions of euros)		(millions of reais)		Change	
	1st Half 2026	1st Half 2025	1st Half 2026	1st Half 2025	Amount	%
	(a)	(b)	(c)	(d)	(c-d)	(c-d)/d
EBIT	**551**	**459**	**3.314**	**2.892**	**423**	**14,6**
+/- Non recurring expenses/(income)	4	3	22	20	2	
= Organic EBIT	**555**	**463**	**3.336**	**2.912**	**424**	**14,6**

In the first half of 2026, EBIT for the Brazil Business Unit includes non-recurring income of approximately 80 million reais (approximately 13 million euros) arising from a change in the accounting treatment of the existing contractual arrangements with American Tower do Brasil - Cessão de Infraestruturas S.A. ("ATC"). This followed the execution in March 2026 of a new strategic agreement covering the entire scope of the relationship between TIM S.A. and ATC, encompassing approximately 9.000 towers, representing around 30% of TIM's total infrastructure.
In addition to consolidating all existing agreements into a single contract with a common expiry date of 2034, the new contractual framework streamlines and enhances the efficiency of infrastructure portfolio management, particularly in relation to:

- the updating and alignment of the the contractual clauses with current market conditions, ensuring greater cost sustainability and predictability;
- the consolidation and harmonization of contractual terms and conditions, resulting in reduced administrative effort and more efficient management processes;
- greater predictability in the delivery of new projects, together with the flexibility to implement solutions aligned with the network development plan.

This one-off income has no impact on cash flows or net financial debt and, for the purposes of the local annual report, is recognized as other operating income with an impact on EBITDA, as required under Brazilian law. Accordingly, for local reporting purposes, the performance reported to the market shows EBITDA increasing by 6,8% and EBITDA AL up by 7,8% compared with the corresponding period of the previous year.

PROFIT (LOSS) FOR THE YEAR

(million euros)	1st Half 2026	1st Half 2025
Profit (loss) for the year	**256**	**250**
Attributable to		
Owners of the Parent	159	156
Non-controlling interests	97	94

CAPITAL EXPENDITURE

All capital expenditure is referred to the Brazil Business Unit. The BU posted capital expenditures in the 1st Half 2026 of 381 million euros, increasing by 28 million euros on the 1st Half 2025 (353 million euros).
Excluding the impact of changes in exchange rates (16million euros), investments increased by 12 million euros compared to the first half of 2025 and mainly due to the higher investments in IT and in projects aimed at the Business Unit's technological and operational development.

Consolidated financial position and cash flows performance

Non-current assets

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

- **Goodwill** increased by 247 million euros, of which +166 million euros as a result of the goodwill recognized by the Brazil Business Unit following the acquisitions of the companies described in the highlights of this Directors' report: +871 million reais corresponding to +149 million euros for I-System at the exchange rate real/euro of 5,83697 and +106 million reais corresponding to +17 million euros for V8 Tech at the exchange rate real/euro of 6,23298. In addition, positive foreign exchange differences of 80 million euros were recognized in relation to the goodwill allocated to the Brazil cash-generating unit (CGU). Further details are provided in the Note "Goodwill" and in the Note "Business Combinations".

- **Other intangible assets** increased by 153 million euros representing the balance of the following items:
  - Capex (+144 million euros)
  - Amortization charge for the year (-167 million euros)
  - Disposals, exchange differences, reclassifications and other changes (for a net balance of +163 million euros, of which +165 related to exchange rate differences).
  - +13 as a result of the acquisition of the companies described in the highlights of this Directors' report.

- **Tangible assets** increased by 394 million euros representing the balance of the following items:
  - Capex (+237 million euros)
  - Depreciation charge for the year (-266 million euros)
  - Disposals, exchange differences, reclassifications and other changes (for a net balance of +162 million euros of which +179 related to exchange rate differences).
  - +261 as a result of the acquisition of the companies described in the highlights of this Directors' report.

- **Rights of use third-party assets:** increased by 142 million euros representing the balance of the following items:
  - Investments and increases in finance leasing contracts (+507 million euros)
  - Amortization charge for the period (-155 million euros)
  - Disposals, exchange differences and other changes (for a net balance of -211 million euros of which +168 related to exchange rate difference and -378 of disposals).

Consolidated equity

Consolidated equity amounted to 7.182 million euros at June 30, 2026 (7.243 million euros at December 31, 2025), of which 5.784 million euros attributable to Owners of the Parent (6.020 million euros at December 31, 2025) and 1.399 million euros attributable to non-controlling interests (1.224 million euros at December 31, 2025).

Cash flows

(million euros)	1st Half 2026	1st Half 2025
Cash flows from (used in) operating activities	910	740
Cash flows from (used in) investing activities	-310	-385
Cash flows from (used in) financing activities	-747	-173
Aggregate cash flows	**-147**	**182**
Net foreign exchange differences on net cash and cash equivalents	51	4
Net cash and cash equivalents at beginning of the year	**3.925**	**2.983**
Net cash and cash equivalents at end of the period	**3.778**	**3.165**

Net financial debt

Net financial debt amounts to -356 million euros at June 30, 2026, up of 959 million euros compared to the end of 2025 (-1.315 million euros).

(million euros)	Consolidated		Other operations		Brazil Business Unit	
	30/06/2026	31/12/2025	30/06/2026	31/12/2025	30/06/2026	31/12/2025
Non-current financial liabilities	4.153	3.917	823	855	3.330	3.062
Current financial liabilities	1.534	1.252	1.007	571	528	681
Total gross financial debt	**5.687**	**5.169**	**1.829**	**1.426**	**3.858**	**3.743**
Non-current financial assets	-865	-897	-831	-866	-34	-31
Current financial assets	-5.179	-5.587	-4.281	-4.394	-898	-1.193
Net financial debt carrying amount	**-356**	**-1.315**	**-3.283**	**-3.834**	**2.927**	**2.519**

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 force since October 4, 2019, introduced the most significant regulatory reform in the Brazilian telecommunications sector in more than 20 years. It allows fixed network concession contracts to be converted into an authorization regime, subject to approval by ANATEL (It is only pending for Sercomtel, having already been approved for Algar, Claro, Oi and Telefônica). In exchange, licensees must commit to investing in the expansion of fixed broadband and telephony services in underserved areas, with the aim of reducing regional disparities.
The reform also modernized spectrum management by allowing multiple renewals of frequency authorizations and enabling spectrum trading between operators. Decree no. 10.402/2020 further detailed the procedures for this transition and established the criteria for calculating investment commitments.
The renewal of spectrum authorizations remains subject to a case-by-case review by ANATEL and the Federal Court of Accounts (TCU).

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 transportation and access networks, particularly in underserved regions.
- Decree no. 10.799/2021: prioritizes broadband coverage near public schools and in unserved areas.
- Regulation of the Antenna Law (Decree no. 10.480/2020): facilitates network deployment by resolving infrastructure bottlenecks.
- FUST Reform (Law no. 14.173/2021): It allows the private sector access to the FUST (Fund for the Universalization of Telecommunications Services) and offers tariff reductions to operators who invest in universalization projects. Subsequent regulations (Decree no. 11.004/2022 and Resolution no. 02/2022) clarified the mechanisms for using and supervising the fund.
- National Cyber Security Policy (Decree no. 11.856/2023): strengthens data governance and security standards

- Tax exemption for IoT devices and telecommunication stations (Law no. 15.320/2025): The tax benefits relating to the fees for installation and operation inspections, the contribution for the promotion of public broadcasting and the contribution for the development of the national film industry (Condecine) collected on telecommunications stations that are part of machine-to-machine communication systems and small satellite stations have been extended until December 31, 2030.

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

- Resolution no. 772/2025: New frequency allocation plan;
- Resolution no. 773/2025: Updated conditions for the use of radio frequencies;
- Resolution no. 777/2025: Revised general regulation of telecommunications services.
- Resolution no. 783/2025: New General Plan of Competition Objectives (PGMC).

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

In the fourth quarter of 2017, ANATEL introduced the Quality of Telecommunications Services Regulation (Regulamento de Qualidade dos Serviços de Telecomunicações – "RQUAL"), which was formally approved in December 2019. Under this regulation, telecommunications service providers are assessed against a set of quality and performance indicators and assigned a grade ranging from A to E, covering mobile, fixed-line, broadband and pay television services at both national and municipal levels. Quality measurements are conducted in six-month cycles.

Pursuant to the RQUAL, ANATEL may adopt corrective or preventive measures when deemed necessary, including consumer compensation, the imposition of mandatory action plans or other precautionary measures aimed at improving service quality standards and strengthening consumer protection, such as allowing customers to terminate service agreements without penalty in cases of persistently inadequate service quality.

Between 2019 and 2025, ANATEL conducted a series of technical discussions with telecommunications operators to review measurement criteria, assess methodological refinements and address factors that could affect the reliability of quality indicators. In December 2025, ANATEL published the first quality labels based on performance results for the period from January to June 2025.

Throughout this process, we continued to participate in discussions aimed at identifying recurring operational or systemic problems that could affect the accuracy or consistency of quality measurements.

General Regulation on Consumer Rights (RGC)

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

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

Data protection

The evolution of the data protection regulatory environment in Brazil began with the enactment of the General Data Protection Law (LGPD) through Law No. 13.709/2018, establishing rights for data subjects and obligations for public and private organizations regarding the processing of personal data. The creation of the National Data Protection Authority (ANPD) in 2018, followed by its structuring in 2020 through Decree No. 10.474/2020, enabled the implementation and enforcement of the new legislation. The LGPD entered into force in September 2020, consolidating data protection as a legal obligation in the country.

From 2023 onward, the regulatory focus shifted from implementation to enforcement. Key developments include the publication of the Regulation on the Calculation of Administrative Sanctions and the Application of Administrative Penalties through ANPD Board Resolution No. 4/2023, which establishes criteria for the imposition of fines and other penalties. In 2024, additional foundational regulations were finalized, including the Security Incident Notification Regulation in April 2024, the Regulation on the Role of the Data Protection Officer (DPO) in July 2024, and the Regulation on the International Transfer of Personal Data in August 2024. These regulations established mechanisms and safeguards to enable the transfer of data to other countries in a manner consistent with the principles and requirements set forth in the LGPD.

The most significant milestone of the recent period occurred in 2025, with Provisional Measure No. 1.317/2025, which transformed the ANPD into an independent regulatory agency, officially renaming it the National Data Protection Agency. This change strengthened its institutional autonomy and expanded its regulatory, supervisory, and enforcement powers. In 2026, the international integration of Brazil's data protection framework advanced further with the ANPD's recognition of the European Union as an adequate jurisdiction for international data transfers through ANPD Board Resolution No. 32.

Innovation, research and development

Brazil

TIM Lab 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 2026, TIM Lab was made up of 25 people, including telecommunications, electrical, and electronics specialists, IT professionals, and others with professional skills and experience covering all areas of IT and networking, responding to the need for innovation and support for research and development activities.

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

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

TIM Lab Innovation Center – From June 2026, TIM Lab, located in the São Cristóvão neighborhood of Rio de Janeiro, in the State of Rio de Janeiro, as an innovation center is composed of two environments that complement each other: the Innovation Lab and the TIM IoT Solutions Showroom. This is the multifunctional environment focused on innovation, which also plays a strategic role in supporting credibility tests and trials, as well as PoCs (proofs of concept), collaborating with the main suppliers and technology partners through knowledge sharing, technological infrastructure for interoperability tests, staff assessment, and the definition of technical requirements; in synergy with the R&D department, it facilitates innovation activities and promotes collaborations with universities and research institutes.

The Innovation Lab has a surface area of 850 m2 and can also be used as an innovation space open to new opportunities, guiding innovation on the Brazilian telecommunications market and serving as a national point of reference for research and development, as well as strengthening the validation capacity regarding new software, features, solutions, AI technologies, services and devices and expanding the current structure in order to pursue and develop more business and opportunities in 2026.

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

TIM Lab Guaratiba Valley — Founded in 2019, and rebranded in November 2025, TIM Lab Guaratiba Valley is an innovation campus for Silicon Valley-inspired infrastructure solutions. It covers an area of approximately 10.000 m² and allows for the development of network projects focused on efficiency, agility and low cost. The innovations produced include urban furnishings, such as flowerpots and park benches, biosites, off-grid sites, and extremely low-cost (ELC) solutions used in the Sky Coverage Project, as well as remote monitoring initiatives, Security Site solutions, and testing and approval of batteries and direct current power sources used in base transceiver stations (BTS). In the first half of 2026, the Smart Greenhouse was inaugurated: a demonstration space within the TIM Lab Guaratiba Valley environment designed to showcase IoT solutions applied to precision agriculture. The project aims to create an experimental environment for testing, validating, and displaying IoT-based agricultural monitoring solutions, with a focus on sustainability and production efficiency.

<u>Next generation network projects</u>

LTE Spectrum Refarming - The reallocation of the 1.800 MHz, 850 MHz, and 2.100 MHz bands from 2G/3G to 4G continues, with a multilayer deployment configuration, bringing important competitive advantages for TIM S.A, such as reducing the cost of LTE deployment, enabling the carrier aggregation strategy, improving the customer experience through higher throughput, and better indoor coverage (the use of the 850/1.800/2.100 MHz bandwidths could increase capacity in cities already covered by the 2,6 GHz LTE bandwidth, with little additional cost). In this scenario, more than 99% of current LTE terminals are compatible with our available LTE bands. Therefore, the implementation of LTE multilayer continues to be an excellent strategy that benefits from the spread of devices.

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

In addition, since 2022 TIM S.A. has been using 78 sites with band 5G (3.500 MHz), according to the regulatory rollout specified in the auction, which means that all capitals in Brazil have 5G SA (Standalone) coverage from TIM. TIM leads its competitors in 5G coverage, being the first operator in Brazil to reach more than 1.000 5G

cities: as of June 2026, TIM has 1.101 towns and cities covered by 5G, serving more than 78,1% of the urban population. This frequency band has a bandwidth of 100 MHz, which offers higher throughput.
Another highlight is support for TIM's IoT strategy, where NB IoT network coverage has reached more than 5.558 towns and cities nationwide. This provides an important basis for exploring new business opportunities.
5G Advanced - In February 2024, TIM achieved the speed record in the Americas (11,6 Gbps) by testing 5,5G (5G Advanced) technology in TIM Lab, using all available radio frequency resources. To make the use of 5G Advanced tangible in a real-world scenario, in November 2025 during the Interlagos F1 Grand Prix, using the frequencies available in that region, TIM was the first in Brazil to test the concept of "Differentiated Connectivity" in 5G: refers to the ability to differentiate the experience for certain services, based on the needs of one's customers. Using technologies such as 5G Standalone, Network Slicing, Guaranteed Data Rate (GBR), and programmable APIs, we can deliver an even better experience for the user who wants it, delivering continuous speed and quality, even in a very crowded environment. TIM recorded the maximum speed in Brazil for 5G Advanced, reaching 5 Gbps outdoors.

Projects entailing a reduction of energy consumption
The expansion of "LTE RAN Sharing", in partnership with other mobile operators in Brazil to fulfill regulatory obligations from the 4G spectrum auction, aims to define the architectural requirements, technical assumptions and specifications for the "LTE RAN sharing" solution, optimizing network resources and costs. At present, this is the largest RAN sharing agreement worldwide and it supplies 4G services to the main cities of Brazil.
The RAN sharing agreement allows TIM S.A. to further the spread of LTE in Brazilian rural areas, thanks to effective sharing of spectrum, access and backhaul. Now, the RAN LTE sharing solution is a partnership between TIM S.A. and Telefónica, based on the MOCN architecture, which has expanded the advantages and efficiency of this technical model. The energy consumption recorded for the site, dependent on the access technology and coverage conditions, showed a reduction of up to 10%.
In December 2019, TIM S.A. and Telefónica stipulated new sharing contracts aimed at increasing the network cost efficiency through the following initiatives:

- **Single network:** sharing of the 3G and 4G networks in cities with fewer than 30 thousand inhabitants in which both operators provide their services. The underlying idea is to have, in the cities included in the agreement, a single telecommunications infrastructure that is entirely shared by the operators, thereby allowing them to switch off redundant sites and save on energy, rent and maintenance costs. This also allows for greater efficiency in future investments thanks to the sharing of the spectrum in MOCN mode. As of May 2021, each party had increased its 3G and 4G coverage in more than 300 towns and cities for a total of 422 shared sites each. From 2021 up to June 2026, we included other towns and cities within the single network agreement providing 3G and 4G coverage. One of the operators has switched off 3G and 4G networks across 494 towns and cities (equal to 30% of the total scope under the agreement, by June 2026).
- **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 2026, operators shared their 2G network in approximately 5.000 sites each, including in major cities such as Rio de Janeiro, Curitiba, Fortaleza, Brasilia, Belem and Recife via TIM; Belo Horizonte, Salvador, Manaus, Porto Alegre, and Campinas of Telefonica (approximately 94% of the total scope of the agreement implemented by June 2026).
- The addendum to the sharing agreement signed in December 2019 has already been submitted to the CADE (Conselho Administrativo de Defesa Econômica). In 2025, the expansion of the original agreement was approved by CADE, with safaguards to preserve competition and monitoring mechanisms established in coordination with Anatel, which approval is pending.

Next generation network projects, future Internet applications, positive impact on the environment and society
5G Fund – As previously communicated, we established the 5G Fund in partnership with Upload Ventures Growth, LP ("Upload"), with the goal of supporting early-stage companies developing 5G-based technology solutions. The vehicle targets startups and scaleups with validated business models and clear expansion plans, which can also benefit from access to our industrial and technological infrastructure to accelerate scalability. By the second quarter of 2025, the 5G Fund had generated 73 million reais in gains for the Company, with performance supported by all three of the current portfolio companies. The fund's beneficiaries include Topsort, a media retail technology platform; Simetrik, a financial reconciliation infrastructure provider; and Tractian, an industrial predictive maintenance solutions company. The 5G Fund was structured in collaboration with Upload, a venture capital manager recognized for its expertise in technology-based investments and responsible for fundraising, selection, and ongoing monitoring of portfolio companies.
5G for the automotive segment - In June 2023, in collaboration with Stellantis, IP Facens (the Research Institute of the Facens University Center) and the universities of USP - São Carlos, UFSCAR and the German Technische Hochschule Ingolstadt (THI), TIM announced the launch of the project "Conecta 2030: un ecosistema connesso e cooperativo per rilevare dei pedoni agli incroci" (Conecta 2030: a connected,

cooperative ecosystem to detect pedestrians at crossroads), aimed at creating a collaborative environment focused on initiatives assuring the safety of pedestrians and cyclists. Since then, the companies involved in Conecta 2030 have been engaged in developing a concept-ecosystem by February 2027, for the development and implementation of Advanced Driver Assistance Systems (ADAS), based on three main pillars: 5G connectivity, artificial intelligence and digital twins.
Also in the automotive sector, TIM concluded in April 2026 its partnership with UFPE (Federal University of Pernambuco) and Stellantis (along with other companies and universities), which was also supported by the Brazilian government's "Rota 2030" program promoting research and innovation in the vertical automotive segment through the "Vehicle OTA" project. Launched in 2024, the main goal of this project was to implement a secure and integrated electronic module capable of promoting OTA (Over-The-Air) firmware updates in vehicles' Electronic Control Units (ECUs). Among the project's key outcomes was the successful TIM's advocacy for the inclusion of an embedded NB-IoT connectivity module in the solution architecture. While the original concept relied exclusively on non-3GPP technologies such as Bluetooth and Wi-Fi, the addition of cellular connectivity creates a future path for direct OTA updates over mobile networks, significantly increasing the scalability and commercial potential of the solution.
Network Slicing - In 2024, TIM became the first operator in Brazil to perform 5G network slicing on a public network to allow real-time video streaming. The initiative enabled HD streaming from 10 vehicles travelling at over 260 km/h during the final stage of the Porsche Cup 2024 season at the Interlagos racetrack in Sao Paulo. In this regard, TIM validated the principal vendors' resource prioritization policy for RAN slicing, with Huawei and Ericsson completed by March 2025 and Nokia by May 2025. Multivendor orchestration (NSSMF, NSMF, CSMF) is scheduled for assessment in 2026. As part of our ongoing efforts to develop differentiated connectivity solutions, during the first half of 2026, it was developed and tested a new concept called VIP Logo: an innovative way to dynamically identify opportunities to improve the network user experience in high-traffic situations, using advanced 5G SA Core functions such as the NWDAF (Network Data & Analytics Function), thereby introducing new monetization opportunities for the network infrastructure.
Open Gateway / CAMARA APIs – Open Gateway APIs (Application Programmable Interfaces) are of growing strategic importance in the global digital ecosystem. In May 2025, TIM Lab completed the Proof of Concept to exhibit the CAMARA-standardized Device Location API, which allows users to verify their location within a specific area. The solution underwent end-to-end validation on the 4G network, covering all flows, measurements, responses integrated into the existing architecture, parameterization and back-up solutions. The TIM Device Location Open Gateway API has since been running for commercial activation. During the first half of 2026, TIM continued to advance its Open Gateway strategy by expanding the commercialization and market adoption of CAMARA-standardized network APIs, including Number Verify, SIM Swap, Device Location, and KYC Match, launched by 2025. As part of the GSMA Open Gateway initiative, these capabilities enable enterprises and developers to securely access network functionalities for authentication, fraud prevention, identity verification, and location-based services. The initiative reinforces TIM's commitment to open innovation and positions the company at the forefront of the emerging API economy, creating new monetization opportunities beyond traditional connectivity services.
eSIM Transfer Cross OS – In June 2026, TIM became the first MNO in South America to support eSIM transfers between iPhone iOS and selected Android devices, enabling a fully digital, on-device migration experience with no physical SIM card required. The initiative, developed in collaboration with major global operating system providers, represents an important step toward greater interoperability across mobile ecosystems, enhancing customer autonomy and reinforcing TIM's strategy of delivering seamless, innovative, and digital-first connectivity experiences.
COR-Rio Partnership for Smart Cities – In June 2026, TIM formalized a Technical Cooperation Agreement with the Rio Operations Center (COR-Rio) to establish a long-term innovation framework aimed at transforming the city of Rio de Janeiro into an open laboratory for urban management, IoT, and mobile connectivity solutions. Structured around three pillars (critical urban sensing, mobility intelligence, and simulation-based governance), the initiative will enable the testing and validation of innovative technologies in real-world environments, supporting more efficient city operations, emergency response, and data-driven decision-making. The partnership reinforces TIM's commitment to open innovation and strengthens its positioning in the Smart Cities ecosystem by creating opportunities to develop, validate, and scale new B2B digital solutions.

Open Lab initiatives
TM Forum Catalyst Program – In the first half of 2026, TIM continued its participation in the TM Forum Catalyst Program through the project "Spatial Web: Open Gateway to the Immersive Future – Phase II", presented in June 24th 2026 at DTW Ignite 2026. Building on the success of the award-winning initiative presented at DTW Ignite 2025, the project further advanced the application of Spatial Web concepts by combining Open Gateway APIs, TM Forum Open Digital Architecture (ODA) components, and AI-driven orchestration to enable context-aware digital services. The Catalyst demonstrated how telecom operators can move beyond connectivity and API exposure to deliver outcome-based services, leveraging spatial intelligence, real-time network capabilities, and ecosystem collaboration to create new monetization opportunities and support emerging Industry 4.0 use cases. By participating in this initiative, TIM further consolidated its position as an active contributor to industry

innovation, helping explore how open network capabilities, spatial intelligence, and AI can unlock new opportunities for digital services, ecosystem collaboration, and value creation.
Smart Cities Flood Resilience Initiative – As an evolution of the innovation ecosystem fostered through the Living Lab 5G Florianópolis, TIM acted as a technology supporter of SANAPP, a Brazilian startup focused on smart sanitation and urban resilience solutions. Through technical collaboration and NB-IoT connectivity support, TIM contributed to the development and validation of the "Não Enche!" platform, which combines IoT sensors, NB-IoT communications, data integration and analytics to support flood prevention and urban drainage monitoring. Developed under the FAPESC Mulheres+Tec program, the initiative also promotes technology entrepreneurship and innovation led by women. The project demonstrates the practical application of low-power IoT technologies to address critical urban challenges, while showcasing how open innovation ecosystems and Living Lab initiatives can evolve into real-world smart city solutions with measurable social and environmental impact.

Events subsequent to June 30, 2026

Payment of Interest on Equity

On June 17, 2026, TIM S.A.'s Board of Directors, approved the payment of Interest on Capital (IOC) related to the half year ending on June 30, 2026, which was paid in July 2026.

Payment Date	Reais per share	Amount paid (million reais)
22/07/2026	0,167457322	400

Public tender and exchange offer by Poste Italiane S.p.A.

On March 22, 2026, the Board of Directors of Poste Italiane S.p.A. approved the launch of a voluntary public tender and exchange offer for all the shares of Telecom Italia S.p.A. ("TIM S.p.A."), the Ultimate Parent of TIF Group. The stated objective is to create a single Group combining two of Italy's largest and most important industrial companies.
On July 16, 2026, Poste Italiane S.p.A. issued a press release announcing that CONSOB had approved the offer Document and the acceptance period would end on September 11, 2026, subject to any extensions.
On July 18, 2026, the Board of Directors of TIM S.p.A. unanimously approved a statement containing its reasoned assessment of the Offer and of the financial fairness of the consideration.
As TIM S.p.A. is the Ultimate Parent of the Telecom Italia Finance Group, developments relating to the offer are considered a relevant subsequent event for the Group.
As of the reporting date, the transaction remains ongoing and subject to completion. Based on the information currently available, no material impacts on the Telecom Italia Finance Group are expected, other than the possible change in its Ultimate Parent.

For other details of subsequent events, see the specific Note "Events Subsequent to June 30, 2026".

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

<u>Risks related to macro-economic factors</u>
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.
In the first quarter of 2026, the Brazilian economy recorded stronger-than-expected growth. Gross domestic product (GDP) grew by 1,1% quarter on quarter, compared with 0,3% in the previous quarter, leading the Central Bank of Brazil to revise its full-year growth forecast for 2026 upwards from 1,6% to 2,0%. The growth recorded during the quarter was also partly driven by the recovery in household consumption, supported by fiscal and credit stimulus measures Higher energy prices contributed to pushing the national IPCA inflation rate above the levels recorded in the first few months of the year, reaching 4,72% in May. However, the latest reading for June (4,64%) points to a slight deceleration in inflation. The Central Bank of Brazil's latest projections indicate that inflation will reach 5,2% by the end of 2026, up from 4,3% at the end of 2025.

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 but not translation risk relating to its foreign subsidiaries. However, starting from the 2024 financial year, it has been decided to hedge part of the exposure to fluctuations in the Euro-Dollar and Euro-Brazilian Real exchange rates in order to mitigate the effect of volatility at the level of the Group's Consolidated Equity Free Cash Flow. It should be noted, however, that these realized hedges may not be able to fully protect the Group from adverse exchange rate movements.
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, 2025 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, by laws, 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. are 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, 2026, 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 (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
EBITDA – Operating profit(loss) before depreciation and amortization, Capital gains (losses) and impairment reversal (losses) on non-current assets	

- 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	30/06/2026	31/12/2025
Non-current assets			
Intangible assets		**2.959**	**2.560**
Goodwill	[5]	1.088	841
Intangible assets with a finite useful life	[6]	1.871	1.719
Tangible assets	[7]	**2.290**	**1.895**
Property, plant and equipment		2.290	1.895
Right of use assets	[8]	**1.887**	**1.745**
Other non-current assets		**1.605**	**1.707**
Investments in associates accounted for using the equity method and other investments	[9]	56	247
Non-current financial receivables for lease contracts	[10]	34	31
Other non-current financial assets	[10]	831	866
Miscellaneous receivables and other non-current assets	[11]	394	353
Deferred tax assets		290	210
Total Non-current assets		**8.741**	**7.908**
Current assets			
Inventories		72	55
Trade and miscellaneous receivables and other current assets	[12]	1.246	1.058
Current income tax receivables		61	50
Current financial assets	[10]	**5.179**	**5.587**
Current financial receivables arising from lease contracts		6	5
Securities other than investments, financial receivables and other current financial assets		1.269	1.532
Cash and cash equivalents		3.903	4.050
Total Current Assets		**6.559**	**6.751**
TOTAL ASSETS		**15.300**	**14.659**

The accompanying notes are an integral part of these half-year Consolidated Financial Statements.

Equity and Liabilities

(million euros)	Note	30/06/2026	31/12/2025
Equity			
Share capital issued	[13]	1.819	1.819
Other reserves and retained earnings (accumulated losses), including profit (loss) for the year		3.965	4.201
Equity attributable to owners of the Parent		**5.784**	**6.020**
Non-controlling interests	[3]	**1.399**	**1.224**
TOTAL EQUITY		**7.182**	**7.243**
Non-current liabilities			
Non-current financial liabilities for financing contracts and others	[14]	2.089	2.052
Non-current financial liabilities for lease contracts	[14]	2.064	1.866
Deferred tax liabilities		—	—
Provisions	[18]	274	244
Miscellaneous payables and other non-current liabilities	[19]	143	140
Total Non-current liabilities		**4.570**	**4.301**
Current liabilities			
Current financial liabilities for financing contracts and others	[14]	1.250	988
Current financial liabilities for lease contracts	[14]	284	263
Trade and miscellaneous payables and other current liabilities	[20]	1.989	1.838
Current income tax payables		25	25
Total Current Liabilities		**3.548**	**3.115**
TOTAL LIABILITIES		**8.118**	**7.416**
TOTAL EQUITY AND LIABILITIES		**15.300**	**14.659**

The accompanying notes are an integral part of these half-year Consolidated Financial Statements.

Separate Consolidated Income Statements

(million euros)	Note	1st Half 2026	1st Half 2025
Revenues	[22]	2.291	2.064
Other operating income		12	12
Total operating revenues and other income		**2.302**	**2.076**
Acquisition of goods and services		-872	-793
Employee benefits expenses		-171	-154
Other operating expenses		-209	-174
Change in inventories		12	10
Internally generated assets		50	46
Operating profit before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)		**1.113**	**1.012**
Depreciation and amortization		-588	-560
Gains/(losses) on disposals of non-current assets		23	4
Operating profit (loss) (EBIT)		**548**	**457**
Share of profits (losses) of equity investments valued using equity method		-7	-8
Other income (expenses) from investments		-9	—
Finance income	[23]	397	288
Finance expenses	[23]	-614	-462
Profit (loss) before tax from continuing operations		**314**	**274**
Income tax expenses		-58	-24
PROFIT (LOSS) FOR THE PERIOD		**256**	**250**
Attributable to			
Owners of the Parent		159	156
Non-controlling interests		97	94

The accompanying notes are an integral part of these half-year Consolidated Financial Statements.

Consolidated Statements of Comprehensive Income

(millions of euros)	Note	1st Half 2026	1st Half 2025
Profit (loss) for the period	**(a)**	**256**	**250**
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)**	**310**	**22**
Financial assets measured at fair value through other comprehensive income:	**(e)**	**-10**	**1**
Profit (loss) from fair value adjustments		-2	11
Loss (profit) transferred to the Separate Consolidated Income Statements		-8	-10
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)**	**320**	**22**
Profit (loss) on translating foreign operations		320	22
Other components of the Consolidated Statements of Comprehensive Income	**(h=b+d)**	**310**	**22**
Total comprehensive income (loss) for the period	**(i=a+h)**	**566**	**272**
Attributable to			
Owners of the Parent		353	166
Non-controlling interests		213	106

The accompanying notes are an integral part of these half-year Consolidated Financial Statements.

Consolidated Statements of Changes in Equity

Changes from January 1, 2026 to June 30, 2026

(millions of euros)	Share capital	Additional paid in capital	Reserve for financial assets measured at fair value through other comprehensive income	Reserve for hedging instruments	Reserve for exchange differences on translating foreign operations	Reserve for remeasurements of employee defined benefit plans (IAS 19)	Share of other 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, 2026	**1.819**	**3.148**	**23**	**1**	**-2.511**	**—**	**—**	**3.541**	**6.020**	**1.224**	**7.243**
Changes in equity during the period:											
Dividends approved	—	—	—	—	—	—	—	-600	-600	-42	**-642**
Total comprehensive income (loss) for the period	—	—	-10	—	204	—	—	159	353	213	**566**
Other changes	—	—	—	—	—	—	—	11	11	4	**15**
Balance at June 30, 2026	**1.819**	**3.148**	**12**	**1**	**-2.306**	**—**	**—**	**3.111**	**5.784**	**1.399**	**7.182**

Changes from January 1, 2025 to December 31, 2025

(millions of euros)	Share capital	Additional paid in capital	Reserve for financial assets measured at fair value through other comprehensive income	Reserve for hedging instruments	Reserve for exchange differences on translating foreign operations	Reserve for remeasurements of employee defined benefit plans (IAS 19)	Share of other 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, 2025	**1.819**	**3.148**	**29**	**1**	**-2.472**	**—**	**—**	**3.302**	**5.827**	**1.389**	**7.216**
Changes in equity during the period:											
Dividends approved	—	—	—	—	—	—	—	-120	**-120**	-317	**-437**
Total comprehensive income (loss) for the period	—	—	-6	-1	-39	—	—	381	**335**	254	**589**
Other changes [*]	—	—	—	—	—	—	—	(22)	**(22)**	-102	**-125**
Balance at December 31, 2025	**1.819**	**3.148**	**23**	**1**	**-2.511**	**—**	**—**	**3.541**	**6.020**	**1.224**	**7.243**

[*] The variation reported in other changes is primarily attributable to the cancellation of treasury shares from TIM S.A.. During the year, TIM S.A. has repurchased 33.494 thousand shares for a total amount of 748 million reais (119 million euros reported in the consolidated statements of cash flows in "changes in ownership interests in consolidated subsidiaries") and allocated 1.559 thousand shares to the Long Term Incentive Plan program (LTI).
On December 16, 2025, the TIM S.A.'s Board of Directors approved the cancellation of 28.679 thousand shares held in treasury, without a share capital decrease, for a total amount of 644 million reais (102 million euros).

The accompanying notes are an integral part of these half-year Consolidated Financial Statements.

Consolidated Statements of Cash Flows

(million euros)	Note	1st Half 2026	1st Half 2025
Cash Flows from operating activities:			
Profit (loss) from continuing operations		256	250
Adjustments for:			
Depreciation and amortization		588	560
Net change in deferred tax assets and liabilities		-19	-31
Losses (gains) realized on disposal of non-current assets (including investments)		-23	-4
Share of losses (profits) of associates accounted for using the equity method		7	8
Change in inventories		-12	-10
Change in trade receivables and other net receivables	[12]	-101	-27
Change in trade payables		2	6
Net change in current income tax receivables/payables		-11	13
Net changes in miscellaneous receivables/payables and other assets/liabilities		221	-25
Cash flows from (used In) operating activities		**910**	**740**
Cash Flows from investing activities:			
Purchase of intangible, tangible and right of use on a cash basis		-450	-431
Acquisition of control of companies or other businesses, net of cash acquired	[4]	-152	—
Acquisitions/disposals of other investments	[9]	—	-14
Change in financial receivables and other financial assets (excluding hedging and non-hedging derivatives under financial assets)	[10]	290	59
Proceed from sale/repayment of intangible, tangible and other non-current assets		1	1
Cash flows from (used In) investing activities		**-310**	**-385**
Cash Flows from financing activities:			
Changes in current financial liabilities and other	[13] [14]	448	288
Repayments of non-current financial liabilities (including current portion)	[13] [14]	-503	-256
Changes in derivatives		-5	8
Dividends paid		-687	-205
Changes in ownership interests in consolidated subsidiaries		—	-8
Cash flows from (used In) financing activities		**-747**	**-173**
Aggregate Cash flows		**-147**	**182**
Net foreign exchange differences on net cash and cash equivalents		51	4
Net cash and cash equivalents at the beginning of the year	**[10]**	**3.925**	**2.983**
Net cash and cash equivalents at the end of the period	**[10]**	**3.778**	**3.165**

Additional Cash Flow Information

(million euros)	1st Half 2026	1st Half 2025
Income taxes (paid) received	-58	-34
Interest expense paid	-290	-270
Interest income received	113	113

The accompanying notes are an integral part of these half-year Consolidated Financial Statements.

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, 2026 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 March 09, 2026.

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 2025 Telecom Italia Finance Group Consolidated Financial Statements.

In the first six months of 2026, 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, 2026. See the Note "Accounting policies" for more details.

The Half-Year Condensed Consolidated Financial Statements at June 30, 2026 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, 2025, 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 2025, are also presented.

The Half-Year Condensed Consolidated Financial Statements at June 30, 2026 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, 2026 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;
  - the factors of geopolitical instability brought about by ongoing conflicts with possible negative effects on energy security and global supply chains, including possible new tariffs;
  - 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, 2025 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, 2026 have been applied on a basis consistent with those used for the Consolidated Financial Statements at December 31, 2025, to which reference should be made, except for:

- amendments to accounting standards issued by the IASB and in force from January 1, 2026 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, 2026, 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, 2026 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, 2025.

NEW STANDARDS AND INTERPRETATIONS ENDORSED BY THE EU AND IN FORCE FROM JANUARY 1, 2026

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, 2026.

Annual Improvements to IFRS Accounting Standards — Volume 11
On July 9, 2025, Regulation (EU) 2025/1331 was adopted, incorporating the package of clarifications, simplifications, corrections and amendments intended to improve the consistency of the various IFRS Accounting Standards.
The accounting principles in question are:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosure and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements;
- IAS 7 Statement of Cash Flows.

Amendments to IFRS 9 and IFRS 7 – Nature-dependent Electricity Contracts
On June 30, 2025, Regulation (EU) 2025/1266 was adopted, endorsing amendments to IFRS 9 and IFRS 7 aimed at improving the reporting of the financial effects of nature-dependent electricity contracts (both physical and virtual) linked to renewable energy sources, such as solar and wind power.
Changes include:

- clarification of the application of the own-use exception requirements (IFRS 9);
- the ability to apply hedge accounting where such contracts are designated as hedging instruments (IFRS 9);
- the introduction of new disclosure requirements to enable investors to understand the effects of these contracts on an entity's financial performance and cash flows (IFRS 7).

Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments
On May 27, 2025, Regulation (EU) 2025/1047 was adopted, endorsing amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments.
Changes include:

- Settlement of liabilities through electronic payment systems: a financial liability is generally derecognized on the settlement date. The amendments introduce an accounting treatment that permits the derecognition of financial liabilities before the settlement date where an electronic payment system is used, provided that specified conditions are met.
- Classification of financial instruments with environmental, social and governance (ESG) and similar features: the classification of financial instruments with ESG characteristics has been clarified. In particular, depending on their characteristics, financial instruments may be measured either at amortized cost or at fair value. The measurement must be based on the contractual cash flow characteristics.

The amendments also address non-recourse loans and derivative instruments.

The adoption of these amendments had no effect on the Half-Year Condensed Consolidated Financial Statements at June 30, 2026.

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, 2026, the IASB had issued the following new Standards and Interpretations which have not yet come into force.

	Mandatory application starting from
New Standards and Interpretations not yet endorsed by the EU	
IFRS 19 – Subsidiaries without Public Accountability: Disclosures	1 January, 2027
IAS 21 – Use of a hyperinflationary presentation currency	1 January, 2027
IFRS 20 – Regulatory Assets and Regulatory Liabilities	1 January, 2029
IAS 28 - Amendments to the Fair Value Option (Investments in Associates and Joint Ventures)	1 January, 2029
New Standards and Interpretations endorsed by the EU	
IFRS 18 – Presentation and Disclosure in Financial Statements	1 January, 2027

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

It should be noted that in April 2024 the IASB issued IFRS 18, which replaces IAS 1 – Presentation of the annual report.
IFRS 18, together with the amendments to other accounting standards, is effective for financial years beginning on or after January 1, 2027; Early application is permitted. IFRS 18 will be applied retrospectively.
IFRS 18 introduces new presentation requirements in the income statement, including specifically defined totals and subtotals. In addition, entities are required to classify all income and expenses in the income statement into one of the following five categories: operating activities, investing activities, loan activities, income tax expense, and discontinued operating activities.
The standard requires specific disclosure on the new performance measures defined by management (“MPM”), represented by subtotals of income and expenses, and also introduces new requirements regarding the aggregation and disaggregation of financial information.
In addition, limited scope amendments have been made to IAS 7 – Cash Flow, which include:

- the change in the starting point for determining cash flows generated from operating activities using the indirect method, which shifts from “profit or loss for the year” to “operating result”; and
- the elimination of the classification options for cash flows relating to interest and dividends.

Consequential amendments to several other accounting standards are also envisaged.
The Group is currently conducting an analysis aimed at identifying all the impacts that the changes introduced by the new standard will have on the primary financial statements and on the notes to the annual report, as well as on the new determination of performance indicators.

Note 3 - Scope of Consolidation

SCOPE OF CONSOLIDATION

The changes in the scope of consolidation at June 30, 2026 compared to December 31, 2025 are listed below.

Company	Event	Business Unit	Month
V8 Consulting S.A.	New acquisition	Brazil	January 2026
I-Systems Soluções De Infraestrutura S.A.	Increase in share held	Brazil	May 2026

Further details are provided in the Note "Business Combinations" and "List of companies of the Telecom Italia Finance Group".

Note 4 - Business combinations

Acquisition of control of V8 Consulting S.A. ("V8.Tech")
On January 30, 2026, TIM S.A. (Brazil Business Unit) acquired a 100% stake in V8 Consulting S.A. ("V8.Tech"). V8.Tech is a technology company specializing in the integration of digital solutions and managed services, with a strong focus on digital transformation, cloud computing and artificial intelligence.

The accounting effects of the business combination are summarized below:
- the consideration is equal to 139 million reais (22 million euros);
- all the identifiable assets acquired and liabilities assumed were measured at their acquisition-date fair values;
- in addition to the value of the acquired assets and assumed liabilities, provisional goodwill amounting to 106 million reais (17 million euros) was recognized, determined as follows:

		Values at fair value provisional (million euros) [*]	Values at fair value provisional (million reais)
Measurement of consideration	a)	22	139
Value of acquired assets	b)	30	187
Value of liabilities assumed	c)	-25	-154
Goodwill	**a)-b)-c)**	**17**	**106**

[*] Real/euro exchange rate 6,23304.

V8 Consulting S.A. ("V8.Tech") – Values at the acquisition date

		Values at fair value provisional	Carrying amounts	Values at fair value provisional	Carrying amounts
		(million euros) [*]		(million reais)	
Goodwill		17	—	106	—
Other non-current assets		9	4	54	24
Current assets		21	21	133	133
of which Cash and cash equivalents		*8*	*8*	*47*	*47*
Total assets	**a)**	**47**	**25**	**293**	**157**
Total non-current liabilities		10	8	61	52
of which non-current financial liabilities		*7*	*7*	*45*	*45*
Total current liabilities		15	15	93	93
of which current financial liabilities		*4*	*4*	*22*	*22*
Total liabilities	**b)**	**25**	**23**	**154**	**145**
Net assets	**a)-b)**	**22**	**2**	**139**	**12**

[*] Real/euro exchange rate 6,23304.

During 2026 – and in any event within 12 months of the acquisition date – the provisional amounts recognized for the assets acquired and liabilities assumed may be adjusted retrospectively, as permitted by IFRS 3, with a corresponding adjustment to goodwill.
It should also be noted that, had the acquisition of control of V8 Consulting S.A. been completed on January 1, 2026, the TIF Group's condensed consolidated interim financial statements as of June 30, 2026 would not have been materially affected in terms of revenue or net profit attributable to the Owners of the Parent.

Acquisition of control of I-Systems Soluções de Infraestrutura S.A. ("I-Systems")
On May 6, 2026, TIM S.A. (Brazil Business Unit) acquired the remaining 51% equity interest in I-Systems Soluções de Infraestrutura S.A. ("I-Systems"). TIM S.A. already owned 49% of the share capital of I-Systems. Accordingly, following the acquisition, I-Systems is now a wholly owned subsidiary of the TIF Group.
I-Systems operates in the neutral fiber optic network sector in the Brazilian market, offering independent infrastructures for the wholesale segment.

The accounting effects of the business combination are summarized below:

- the consideration is equal to 1.857 million reais (318 million euros). The consideration paid was 947 million reais (162 million euros);
- the fair value measurement of all assets acquired and liabilities assumed of the acquired company is still in progress;
- In addition to the value of the acquired Assets and assumed Liabilities, provisional Goodwill of 149 million euros was recognized, determined as follows:

		Values at fair value provisional (million euros) [*]	Values at fair value provisional (million reais)
Measurement of consideration	a)	318	1.857
Value of acquired assets	b)	302	1.763
Value of liabilities assumed	c)	-133	-777
Goodwill	**a)-b)-c)**	**149**	**871**

[*] Real/euro exchange rate 5,83696.

I-Systems Soluções de Infraestrutura S.A. ("I-Systems") – values at the acquisition date

		Values at fair value provisional (million euros) [*]	Carrying amounts	Values at fair value provisional (million reais)	Carrying amounts
Goodwill		149	—	871	—
Other non-current assets		277	277	1.617	1.617
Current assets		25	25	146	146
of which Cash and cash equivalents		*19*	*19*	*112*	*112*
Total assets	**a)**	**451**	**302**	**2.634**	**1.763**
Total non-current liabilities		93	93	542	542
of which non-current financial liabilities		*85*	*85*	*495*	*495*
Total current liabilities		40	40	235	235
of which current financial liabilities		*12*	*12*	*71*	*71*
Total liabilities	**b)**	**133**	**133**	**777**	**777**
Net assets	**a)-b)**	**318**	**169**	**1.857**	**986**

[*] Real/euro exchange rate 5,83696.

During 2026 – and in any event within 12 months of the acquisition date – the provisional amounts recognized for the assetsi acquired and liabilities assumed may be adjusted retrospectively, as permitted by IFRS 3, with a corresponding adjustment to goodwill.
It should also be noted that, had the acquisition of control of I-Systems Soluções de Infraestrutura S.A. been completed on January 1, 2026, the TIM Group's condensed consolidated financial statements as of June 30, 2026 would not have recorded material impacts on revenues or on the net result for the period attributable to the Owners of the Parent.

Note 5 - Goodwill

Goodwill is only referred to Brazil Cash Generating Unit ("CGU") and shows the following changes during 2026 and 2025:

(million euros)	31/12/2025	Increase	Decrease	Impairments	Exchange differences	30/06/2026
Brazil	**841**	166	—	—	80	**1.088**

(million euros)	31/12/2024	Increase	Decrease	Impairments	Exchange differences	31/12/2025
Brazil	**845**	—	—	—	-4	**841**

During the 1st Half 2026 Goodwill increased by 246 million euros, primarily as a result of the goodwill recognized by the Brazil Business Unit following the acquisitions of control of I-Systems Soluções de Infraestrutura S.A. ("I-Systems") (149 million euros) and V8 Consulting S.A. ("V8.Tech") (17 million euros).
For more details, see Note 4 "Business Combinations".
In addition, net exchange gains for 80 million euros were recorded. In particular, the exchange rate used to convert Brazilian reais into euros (expressed in terms of local currency units per 1 euro) went from 6,46532 as of December 31, 2025 to 5,89753 as of June 30, 2026.

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, 2026, has been deemed it appropriate to check for trigger events.
The share price attributable to the Brazil CGU, whose recoverable value at December 31, 2025 had been estimated on a market cap basis, did not show a trend that would indicate the need to impair goodwill.
In light of the tests carried out, there were no indications of impairment of Goodwill at June 30, 2026, 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 6 - Intangible assets with a finite useful life

All intangible assets with a finite useful life in the the 1st Half 2026 and 2025 are referred to Brazil Business Unit.

(millions of euros)	31/12/2025	Investments	Amortization	Disposals	Exchange differences	Other Changes	30/06/2026
Industrial patents and intellectual property rights	**454**	115	-87	—	45	34	**561**
Concessions, licenses, trademarks and similar rights	**1.186**	6	-76	—	113	1	**1.229**
Other intangible assets	**22**	—	-3	—	2	5	**27**
Work in progress and advance payments	**57**	22	—	—	5	-30	**55**
Total	**1.719**	**144**	**-167**	**—**	**165**	**11**	**1.871**

(millions of euros)	31/12/2024	Investments	Amortization	Disposals	Exchange differences	Other Changes	31/12/2025
Industrial patents and intellectual property rights	**363**	229	-155	—	-4	21	**454**
Concessions, licenses, trademarks and similar rights	**1.327**	7	-145	—	-3	—	**1.186**
Other intangible assets	**28**	1	-6	—	—	—	**22**
Work in progress and advance payments	**52**	27	—	—	—	-22	**57**
Total	**1.770**	**264**	**-306**	**—**	**-8**	**-1**	**1.719**

Industrial patents and intellectual property rights at June 30, 2026 consisted mainly of software licenses internally generated.

Concessions, licenses, trademarks and similar rights at June 30, 2026 mainly related to the residual cost of authorizations and rights to use radio frequency bands for 1.201 million of euros (1.158 million euros at December 31, 2025).

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

Investments in 2026 amounted to 144 million euros (264 million euros in 2025) and included 20 million euros in internally generated assets (16 million euros in the 1st Half 2025).

The balance of "Other changes" mainly includes the impact from the Brazilian companies I-Systems and V8.Tech being included in the scope of consolidation, totaling +13 million euros.

Note 7 - Tangible assets

All tangible assets in the 2026 and 2025 are referred to Brazil Business Unit.

PROPERTY, PLANT AND EQUIPMENT OWNED

(million euros)	31/12/2025	Investments	Depreciation	Disposals	Exchange differences	Other Changes	30/06/2026
Land	**6**	—	—	—	1	—	**6**
Buildings (civil and industrial)	**6**	—	—	—	1	—	**6**
Plant and equipment	**1.728**	151	-239	—	163	310	**2.113**
Other	**91**	18	-27	—	9	4	**94**
Construction in progress and advance payments	**65**	68	—	—	6	-70	**69**
Total	**1.895**	**237**	**-266**	**-1**	**179**	**245**	**2.290**

(million euros)	31/12/2024	Investments	Depreciation	Disposals	Exchange differences	Other Changes	31/12/2025
Land	**6**	—	—	—	—	—	**6**
Buildings (civil and industrial)	**7**	—	-1	—	—	—	**6**
Plant and equipment	**1.797**	338	-471	-1	-7	72	**1.728**
Other	**96**	46	-52	-1	—	3	**91**
Construction in progress and advance payments	**76**	67	—	—	—	-78	**65**
Total	**1.982**	**451**	**-523**	**-2**	**-7**	**-4**	**1.896**

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 2026 amounted to 237 million euros (451 million euros in 2025) and included 30 million euros in internally generated assets (30 million euros in the 1st Half 2025).

The balance of "Other changes" mainly includes the impact from the Brazilian companies I-Systems and V8.Tech being included in the scope of consolidation, totaling +261 million euros.

Note 8 - Right of use assets

At June 30, 2026 right of use assets amounted to 1.887 million euros and are referred to Brazil Business Unit. The breakdown and movements during the 2026 and 2025 are shown below.

(millions of euros)	31/12/2025	Investments	Increase in lease contracts	Depreciation and amortization	Disposals	Exchange differences	Other Changes	30/06/2026
Property	515	—	75	-35	-154	47	—	**449**
Plant and equipment	1.230	—	432	-120	-224	120	—	**1.439**
Total	**1.745**	**—**	**507**	**-155**	**-378**	**168**	**—**	**1.887**

(millions of euros)	31/12/2024	Investments	Increase in lease contracts	Depreciation and amortization	Disposals	Exchange differences	Other Changes	31/12/2025
Property	493	—	128	-75	-28	-3	—	**515**
Plant and equipment	1.127	6	380	-218	-47	-8	-9	**1.230**
Total	**1.620**	**6**	**508**	**-292**	**-75**	**-11**	**-9**	**1.745**

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.

In the first half of 2026, the Brazil Business Unit benefited from one-off income of approximately 80 million reais (approximately 13 million euros) arising from a change in the accounting treatment of the existing contractual arrangements with American Tower do Brasil - Cessão de Infraestruturas S.A. ("ATC"). This followed the execution in March 2026 of a new strategic agreement covering the entire scope of the relationship between TIM S.A. and ATC, encompassing approximately 9.000 towers, representing around 30% of TIM's total infrastructure.
In addition to consolidating all existing agreements into a single contract with a common expiry date of 2034, the new contractual framework streamlines and enhances the efficiency of infrastructure portfolio management, particularly in relation to:

- the updating and alignment of the contractual clauses with current market conditions, ensuring greater cost sustainability and predictability;
- the consolidation and harmonization of contractual terms and conditions, resulting in reduced administrative effort and more efficient management processes;
- greater predictability in the delivery of new projects, together with the flexibility to implement solutions aligned with the network development plan.

Further details on the operation are provided in the Note "Miscellaneous payables and other non-current liabilities".

The increases in financial leasing contracts in 2026, equal to 507 million euros (508 million euros at December 31, 2025), 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 9 - Investments

INVESTMENTS IN ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD

On February 11, 2026, TIM S.A.'s Board of Directors approved the acquisition of the remaining 51% of the share capital of I-Systems Soluções de Infraestrutura S.A. ("I-Systems"). The Group already held 49% of the acquired company's share capital and, upon completion of the transaction, came to hold 100% of its share capital, reinforcing its broadband-focused strategy. Following the satisfaction of conditions precedent and applicable regulatory approvals, the transaction was concluded on May 6, 2026, the date on which the Group assumed control of the acquired company, that is subsequently fully consolidated and no more evaluated using the equity method. For further details, see Note "Business Combinations".

(million euros)	30/06/2026	31/12/2025
I-Systems S.A.	—	195
Total	**—**	**195**

The changes other than derecognition to the item during the period are due to equity method accounting for -7 million euros and exchange rate difference for 15 million euros.

OTHER INVESTMENTS

Other investments refer mainly to the following:

(million euros)	30/06/2026	31/12/2025
Upload Ventures Growth	56	52
Total	**56**	**52**

As at June 30, 2026, TIM S.A. (Brazil Business Unit) has invested 56 million euros in the investment fund focused on 5G solutions called Upload Ventures Growth. Since the initial investment and up to December 31, 2025, the Group made contributions in dollars, equivalent to approximately 46 million euros (270 million reais) in the Investment fund focused on 5G solutions "Upload Ventures Growth" ("5G Fund"), reinforcing its commitment to boosting the development of solutions based on 5G technology; thus, concluding the contributions provided for.
There were no new contributions in 2026.

As at June 30, 2026, 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 10 - Financial assets (non-current and current)

(millions of euros)	30/06/2026	31/12/2025
Non-current financial assets	**865**	**897**
Financial receivables for lease contracts	34	31
Hedging derivatives relating to hedged items classified as non-current assets/ liabilities of a financial nature	1	1
Non-hedging derivatives	76	110
Loans and other financial receivables	754	755
Current financial assets	**5.179**	**5.587**
Securities other than investments	**1.155**	**1.370**
Fair value through other comprehensive income (FVTOCI)	824	814
Fair value through profit or loss (FVTPL)	332	555
Financial receivables and other current financial assets	**120**	**167**
Financial receivables arising from lease contracts	6	5
Non-hedging derivatives	64	75
Loans and other financial receivables	49	87
Cash and cash equivalents	**3.903**	**4.050**
Total non-current and current financial assets	**6.044**	**6.484**

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 140 million euros (185 million euros at December 31, 2025). 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 804 million euros (842 million euros at December 31, 2025) and refers to loans granted by the Parent to the ultimate Parent. For these loans, the credit risk is considered low based on the financial capability of TIM S.p.A..

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 303 million euros (305 million euros at December 31, 2025) of treasury bonds and 521 million euros (509 million euros at December 31, 2025) 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 332 million euros (555 million euros at December 31, 2025) in monetary funds.

At June 30, 2026, 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 779 million euros by entering in repurchase agreements ("Repo") expiring in short term.
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)	30/06/2026	31/12/2025
Liquid assets with banks, financial institutions and post offices	195	1.000
Other financial receivables (due within 3 months)	3.256	2.501
Securities other than investments (due within 3 months)	452	549
Total	**3.903**	**4.050**

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

(millions of euros)	30/06/2026	31/12/2025
Liquid assets with banks, financial institutions and post offices	195	1.000
Other financial receivables (due within 3 months)	3.256	2.501
Securities other than investments (due within 3 months)	452	549
	3.903	**4.050**
Financial payables (due within 3 months)	-126	-125
Total	**3.777**	**3.925**

The different technical forms of investing available cash at June 30, 2026 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 452 million euros (549 million euros at December 31, 2025) of Brazilian bank certificates of deposit (*Certificado de Depósito Bancário*) held by the Brazil Business Unit with premier local banking and financial institutions.

Note 11 - Miscellaneous receivables and other non-current assets

(million euros)	30/06/2026	31/12/2025
Miscellaneous receivables	**332**	**300**
Other non-current assets	**62**	**53**
Prepaid expenses from customer contracts (contract assets)	7	6
Other prepaid expenses	56	47
Total	**394**	**353**

As at June 30, 2026 **Miscellaneous receivables** relate to the Brazil Business Unit for an amount of 332 million euros (300 million euros at December 31, 2025). They include:

- receivables for judicial deposits of 120 million euros (104 million euros at December 31, 2025);
- non-current income tax receivables of 40 million euros (35 million euros at December 31, 2025);
- receivables for indirect taxes totaling 121 million euros (111 million euros at December 31, 2025).

Other non-current assets include prepaid expenses related to the Brazil BU for 62 million euros (53 million euros at December 31, 2025) 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; ii) the costs of installing a neutral network deferred over the term of the contract and iii) payments of advertising expenses for products and services of the TIM brand that are recognized in the result according to the period of serving the advertisement.

Note 12 - Trade and miscellaneous receivables and other current assets

(million euros)	30/06/2026	31/12/2025
Trade receivables	**889**	**775**
Receivables from customers	735	624
Receivables from other telecommunications operators	154	151
Miscellaneous receivables	**244**	**228**
Other current assets	**114**	**55**
Prepaid expenses from customer contracts (contract assets)	39	32
Other prepaid expenses	75	24
Total	**1.246**	**1.058**

As at June 30, 2026 **Trade receivables** related to the Brazil Business Unit amounted to 889 million euros (775 million euros at December 31, 2025) and are stated net of the provision for expected credit losses of 127 million euros (109 million euros at December 31, 2025).

As at June 30, 2026 **Miscellaneous receivables** amounted to 244 million euros (228 million euros at December 31, 2025) and did not include provisions for bad debts (same as at December 31, 2025).

Details are as follows:

(million euros)	30/06/2026	31/12/2025
Advances to suppliers	2	9
Tax receivables	198	185
Sundry receivables	43	34
Total	**244**	**228**

As at June 30, 2026 **Tax receivables** included 198 million euros (185 million euros at December 31, 2025) 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 refers to the Brazil BU and includes the deferral of the charge relating to TIM S.A.'s FISTEL telecommunications services fee (28 million euros), as well as items relating mainly to marketing activities and maintenance contracts.

Note 13 - Share capital issued

As at June 30, 2026 the authorized, issued and fully paid capital of 1.818.691.978,50 euros (1.818.691.978,50 euros at December 31, 2025) is represented by 185.960.325 ordinary shares (185.960.325 at December 31, 2025) with a nominal value of EUR 9,78 per share.

As at June 30, 2026 and 2025 the Parent is 100% held by TIM S.p.A.

There has not been any movement in Share Capital in the 1st Half 2026.

Note 14 - Financial liabilities (non-current and current)

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

(million euros)	30/06/2026	31/12/2025
Non-current financial liabilities	**4.153**	**3.917**
Financial payables (medium/long-term):	**2.028**	**1.959**
Bonds	1.619	1.636
Amounts due to banks	141	76
Other financial payables	268	248
Finance lease liabilities (medium/long-term)	**2.064**	**1.866**
Other financial liabilities (medium/long-term):	**60**	**92**
Non-hedging derivatives	60	92
Current financial liabilities	**1.534**	**1.252**
Financial payables (short-term):	**1.212**	**958**
Bonds	164	391
Amounts due to banks	908	429
Other financial payables	140	138
Finance lease liabilities (short-term)	**284**	**263**
Other financial liabilities (short-term):	**39**	**31**
Hedging derivatives	1	—
Non-hedging derivatives	38	31
Total financial liabilities (gross financial debt)	**5.687**	**5.169**

The following table lists the main changes in bonds during 2026:

Repayments

(millions of original currency)	Currency	Amount	Date
TIM Brasil 5.000 million BRL CDI+0,35% [*]	BRL	1.400	15/06/2026
TIM S.A. 1.600 million BRL HICP+4,1682%	BRL	533	15/06/2026

[*] On June 15, 2026, TIM Brasil completed the full early redemption of its BRL 1.400 million bond maturing on December 15, 2026.

The following table lists 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, 2026:

Currency	Amount (millions)	Nominal repayment amount at 30/06/2026 (millions of euros)	Coupon	Issue date	Maturity date	Issue price (%)	Market price at 30/06/2026 (%)	Market value at 30/06/2026 (millions of euros)
Bonds issued by Telecom Italia Finance and guaranteed by TIM S.p.A.								
Euro	656	656	7,750 %	24/01/2003	24/01/2033	109,646[*]	122,486	803
Bonds issued by TIM S.A.								
BRL	1.067	181	IPCA+4,1682%	15/06/2021	15/06/2028	100	84,690	153
Bonds issued by TIM Brasil Serviços e Participações S.A.								
BRL	2.792	473	CDI+0,70%	23/07/2025	23/07/2030	100	103,140	488
BRL	2.208	374	CDI+0,85%	23/07/2025	23/07/2032	100	103,654	388
Total								**1.833**

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

Amounts due to banks (medium/long term) of 141 million euros (76 million euros at December 31, 2025) Increased by 66 million euros, mainly as net result of new loans and the transfer to the current portion.

As at June 30, 2026 **Other financial payables (medium/long-term)** amounted to 268 million euros (248 million euros at December 31, 2025) includes Telecom Italia Finance loan of 20.000 million Japanese yens expiring in 2029 for 108 million euros and other financial payables related to the Brazilian BU for 160 million euros.

Finance lease liabilities (medium/long-term) totaled 2.064 million euros at June 30, 2026 (1.866 million euros at December 31, 2025). With reference to the financial lease liabilities recognized, in the 1st Half 2026 and the 1st Half 2025 the following is noted:

(million euros)	30/06/2026	30/06/2025
Principal reimbursements	126	162
Cash out interest portion	154	125
Total	**281**	**287**

The lease amounts considered low-value or short-term (less than 12 months) were recognized as rental expenses and totaled 2 million euros in the 1st Half 2026 (2 million euros in the 1st Half 2025).

Non-hedging derivatives relating to items classified as current and non-current financial liabilities totaled 98 million euros (123 million euros at December 31, 2025). 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 908 million euros (429 million euros at December 31, 2025) and included 68 million euros of the current portion of medium/long-term amounts due to banks. As at June 30, 2026, the item includes 779 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 15 - Net financial debt

The following table shows the net financial debt at June 30, 2026 and December 31, 2025, 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)		30/06/2026	31/12/2025
Liquid assets with banks, financial institutions and post offices	a)	195	1.000
Other cash and cash equivalents	b)	452	549
Securities other than investments	c)	1.155	1.370
Liquidity	**d=a+b+c**	**1.803**	**2.918**
Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	e)	966	517
Current portion of non-current financial debt	f)	504	660
Current financial debt	**g=e+f**	**1.470**	**1.177**
Net current financial debt	**h=g-d**	**-334**	**-1.741**
Non-current financial debt (excluding the current part and debt instruments)	i)	2.457	2.170
Debt instruments	j)	1.619	1.636
Trade payables and other non-current debt	k)	115	101
Non-current financial debt	**l=i+j+k**	**4.191**	**3.907**
Total net financial debt as per ESMA guidelines 32-382-1138	**m=h+l**	**3.857**	**2.166**
Trade payables and other non-current debt		-115	-101
Loans and other non-current financial receivables		-754	-755
Non-current financial receivables arising from lease contracts		-34	-31
Loans and other current financial receivables		-3.305	-2.589
Current financial receivables arising from lease contracts		-6	-5
Subtotal	**n)**	**-4.214**	**-3.481**
Net financial debt carrying amount[*]	**o=m+n**	**-356**	**-1.315**

[*] 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)		Cash movements		Non-cash movements			
	31/12/2025	Receipts and/or issues	Payments and/or reimbursements	Differences exchange rates	Fair value changes	Other changes	30/06/2026
Financial payables (medium/long-term):	**2.400**	**—**	**-374**	**147**	**—**	**101**	**2.274**
Bonds	2.027	—	-322	121	—	-43	1.783
Amounts due to banks	113	—	-53	12	—	137	209
Other financial payables	261	—	—	14	—	7	282
of which short-term portion	*441*	—	*-374*	*34*	—	*145*	*246*
Finance lease liabilities (medium/long-term):	**2.129**	**—**	**-129**	**205**	**—**	**143**	**2.348**
of which short-term portion	*263*	—	*-129*	*25*	—	*124*	*284*
Other financial liabilities (medium/long-term):	**122**	**—**	**—**	**4**	**-14**	**-27**	**84**
Hedging derivatives relating to hedged items classified as non-current assets/liabilities of a financial nature	—	—	—	—	—	—	1
Non-hedging derivatives	121	—	—	4	-14	-27	84
of which short-term portion	*29*	—	—	*2*	*-6*	*-2*	*24*
Financial payables (short-term):	**518**	**461**	**—**	**—**	**—**	**1**	**981**
Amounts due to banks	392	447	—	—	—	1	840
Non-hedging derivatives	1	13	—	—	—	—	15
Other financial payables	125	1	—	—	—	—	126
Total financial liabilities (gross financial debt)	**5.169**	**461**	**-503**	**356**	**-14**	**218**	**5.687**
	—						—
Positive hedging derivatives (current and non-current)	1	—	—	—	—	—	1
Positive non-hedging derivatives (current and non-current)	185	1	—	8	-10	-43	140
Total	**4.983**	**460**	**-503**	**349**	**-4**	**261**	**5.546**

(million euros)		Cash movements		Non-cash movements			
	31/12/2024	Receipts and/or issues	Payments and/or reimbursem ents	Differences exchange rates	Fair value changes	Other changes	31/12/2025
Financial payables (medium/long-term):	**2.146**	**1.014**	**-761**	**-28**	**—**	**28**	**2.400**
Bonds	1.700	1.014	-699	-13	—	25	2.027
Amounts due to banks	168	—	-61	—	—	7	113
Other financial payables	279	—	—	-15	—	-3	261
of which short-term portion	*311*	—	*-761*	*-5*	—	*896*	*441*
Finance lease liabilities (medium/long-term):	**1.955**	**—**	**-248**	**-14**	**—**	**436**	**2.129**
of which short-term portion	*253*	—	*-248*	*-2*	—	*259*	*263*
Other financial liabilities (medium/long-term):	**132**	**—**	**—**	**-3**	**-8**	**—**	**122**
Hedging derivatives relating to hedged items classified as non-current assets/liabilities of a financial nature	—	—	—	—	—	—	—
Non-hedging derivatives	132	—	—	-3	-8	—	121
of which short-term portion	*43*	—	—	—	*-13*	—	*29*
Financial payables (short-term):	**398**	**120**	**—**	**—**	**—**	**—**	**518**
Amounts due to banks	276	115	—	—	—	—	392
Non-hedging derivatives	—	1	—	—	—	—	1
Other financial payables	122	4	—	—	—	—	125
Total financial liabilities (gross financial debt)	**4.631**	**1.256**	**-1.009**	**-45**	**-7**	**343**	**5.169**
Positive hedging derivatives (current and non-current)	2	—	—	—	-1	—	1
Positive non-hedging derivatives (current and non-current)	278	—	—	-3	-103	13	185
Total	**4.351**	**1.255**	**-1.009**	**-42**	**96**	**331**	**4.983**

Note 16 - Derivatives

The hedge accounting rules provided by IAS 39 continued to be applied for derivatives.
The Group carries out transactions with derivative financial instruments, without speculative purposes, only with the aim of i) reducing risks related to foreign exchange variation and ii) managing interest rate exposure.
The Group's derivative financial instruments are specifically represented by swaps and options contracts.

Moreover, 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 348 million euros (859 million euros at December 31, 2025).
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, 2026 and December 31, 2025, by type. For cross currency and interest rate swaps (CCIRS), the notional amount refers to the contractual value in euros, for interest rate swaps (IRSs) in a currency other than the euro, the value is indicated at the market exchange rate.

Type(million euros)	Hedged risk	Notional amount at 30/06/2026	Notional amount at 31/12/2025	Spot Mark-to-Market (Clean Price) at 30/06/2026	Spot Mark-to-Market (Clean Price) at 31/12/2025
Cross Currency and Interest Rate Swap [*]	Interest rate risk and currency exchange rate risk	139	139	1	1
Total Cash Flow Hedge Derivative [**]		**139**	**139**	**1**	**1**
Total Non-Hedge Accounting Derivatives [***]		**1.945**	**1.717**	**(18)**	**(8)**
Total Telecom Italia Finance Group Derivatives		**2.083**	**1.856**	**(18)**	**(8)**

[*] 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 17 - 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, 2026 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 or variable-rate financial instruments. For fixed rate long term loans towards the Ultimate Parent Company, the present value of future cash flows at the market interest rates of June 30, 2026 has been used. Lastly, the fair value of trade accounts receivable is close to the book value recorded on June 30, 2026.

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, 2026.

The assets and liabilities at June 30, 2026 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

Classification and fair value hierarchy of financial instruments measured at fair value as at June 30, 2026:

					Levels of hierarchy	
(millions of euros)		IFRS 9 Categories	Note	Value at 30/06/2026	Level1	Level2
ASSETS						
Non-current Assets	**a)**			**133**	**56**	**77**
Other investments		FVTPL	[9]	56	56	—
Other non-current financial assets:						
Hedging derivatives		HD[*]	[10]	1	—	1
Non-hedging derivatives		FVTPL	[10]	76	—	76
Current Assets	**b)**			**1.220**	**1.155**	**64**
Securities other than investments, measured at:						
Fair value through other comprehensive income		FVTOCI	[10]	824	824	—
Fair value through profit or loss		FVTPL	[10]	332	332	—
Other current financial assets:						
Non-hedging derivatives		FVTPL	[10]	64	—	64
Total (a+b)				**1.353**	**1.211**	**141**
LIABILITIES						
Non-current liabilities	**c)**			**60**	**—**	**60**
Non-hedging derivatives		FVTPL	[14]	60	—	60
Current liabilities	**d)**			**39**	**—**	**39**
Hedging derivatives		HD[*]	[14]	1	—	1
Non-hedging derivatives		FVTPL	[14]	38	—	38
Total (c+d)				**99**	**—**	**99**

[*] 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, 2025:

(millions of euros)		IFRS 9 Categories	Note	Value at 31/12/2025	Levels of hierarchy Level1	Level2
ASSETS						
Non-current Assets	**a)**			**164**	**52**	**111**
Other investments		FVTPL	[8]	52	52	—
Other non-current financial assets:						
Hedging derivatives		HD[*]	[9]	1	—	1
Non-hedging derivatives		FVTPL	[9]	110	—	110
Current Assets	**b)**			**1.444**	**1.370**	**75**
Securities other than investments, measured at:						
Fair value through other comprehensive income		FVTOCI	[9]	814	814	—
Fair value through profit or loss		FVTPL	[9]	555	555	—
Other current financial assets:						
Non-hedging derivatives		FVTPL	[9]	75	—	75
Total (a+b)				**1.608**	**1.422**	**186**
LIABILITIES						
Non-current liabilities	**c)**			**92**	**—**	**92**
Non-hedging derivatives		FVTPL	[15]	92	—	92
Current liabilities	**d)**			**31**	**—**	**31**
Hedging derivatives		HD[*]	[15]	—	—	—
Non-hedging derivatives		FVTPL	[15]	31	—	31
Total (c+d)				**123**	**—**	**123**

[*] 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, 2026:

					Levels of hierarchy	
(millions of euros)	IFRS 9 Categories	Note	Carryng amount at 30/06/2026	Fair Value at 30/06/2026	Level1	Level2
ASSETS						
Non-current Assets						
Loans towards Ultimate Parent Company	AC	[10]	646	812		812
LIABILITIES						
Non-current liabilities						
Bonds issued	AC	[13]	1.619	1.756	1.756	
Current liabilities						
Bonds issued [*]	AC	[13]	90	77	77	

[*] Accruals are excluded.

For all other financial instruments not measured at fair value as at June 30, 2026 the carrying amount is a reasonable approximation of fair value.

Carrying amount and fair value of financial instruments not measured at fair value as at December 31, 2025:

					Levels of hierarchy	
(millions of euros)	IFRS 9 Categories	Note	Carryng amount at 31/12/2025	Fair Value at 31/12/2025	Level1	Level2
ASSETS						
Non-current Assets						
Loans towards Ultimate Parent Company	AC	[10]	646	825		825
LIABILITIES						
Non-current liabilities						
Bonds issued	AC	[13]	1.636	1.820	1.820	

For all other financial instruments not measured at fair value as at December 31, 2025 the carrying amount is a reasonable approximation of fair value.

Note 18 - Provisions

(million euros)	31/12/2025	Increase	Taken to income	Used directly	Exchange differences and other changes	30/06/2026
Provision for taxation and tax risks	**139**	7	—	-6	21	**161**
Provision for restoration costs	**2**	—	—	—	—	**2**
Provision for legal disputes	**103**	12	—	-15	11	**111**
Other provisions	**1**	—	—	—	—	**1**
Total	**245**	**19**	**—**	**-21**	**32**	**275**
of which:						
non-current portion	**244**	19	—	-21	32	**274**
current portion	**1**	—	—	—	—	**1**

Provision for taxation and tax risks are mainly related to the Brazil Business Unit and Increased by 22 million euros compared to December 31, 2025 due to the exchange rate effect of the period for 14 million euros.

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 19 - Miscellaneous payables and other non-current liabilities

(million euros)	30/06/2026	31/12/2025
Deferred revenues from customer contracts (Contract liabilities)	3	2
Other deferred income	60	76
Other	80	62
Total	**143**	**140**

Other deferred income includes the non-current portion of approximately 56 million euros as at June 30, 2026 (72 million euros as at December 31, 2025) 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 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 it owned, for an approximate amount of 3 billion reais (0,5 billion euros), accompanied by a Master Lease Agreement ("MLA"), with a term of 20 years, under a sale and leaseback modality. A total of 5.873 towers were transferred between 2015 and 2017, amounting to 2,7 million reais (0,4 million euros) in sales, of which 1,1 million reais (0,2 million euros) was recorded as deferred revenue, amortized over the contractual term. In March 2026, the Company entered into a strategic agreement with ATC, which covered the entire network that comprises the relationship between TIM and ATC. Such agreement modified the balances of sale and leaseback, due to the reduction of the term and usage restrictions, with simultaneous remeasurement of balances. On the other hand, the Group also has other tower lease contracts with ATC, which had an increase in terms, with remeasurement effects.

Note 20 - Trade and miscellaneous payables and other current liabilities

(million euros)	30/06/2026	31/12/2025
Trade payables	**909**	**876**
Payables to suppliers	845	795
Payables to other telecommunication operators	65	81
Tax payables	**102**	**94**
Miscellaneous payables	**930**	**815**
Payables for employee compensation	46	40
Payables to social security agencies	16	12
Payables for TLC operating fee	819	672
Dividends approved, but not yet paid to shareholders	47	91
Provisions for risks and charges for the current portion expected to be settled within 1 year	1	1
Other current liabilities	**48**	**52**
Deferred revenues from customer contracts (Contract liabilities)	19	14
Customer-related items	9	18
Other deferred income	10	9
Advances received	2	2
Other current liabilities	9	10
Total	**1.989**	**1.838**

Trade payables amounting to 909 million euros as at June 30, 2026 (876 million euros at December 31, 2025) 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, 2026, trade payables due beyond 12 months totaled 43 million euros (40 million euros at December 31, 2025) and are mainly represented by payables of the Brazil Business Unit for the renewal of telecommunications licenses.

Tax payables amounting to 102 million euros as at June 30, 2026 are entirely referred to the Brazil Business Unit (94 million euros at December 31, 2025).

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 4.803 million reais (814 million euros), of which 3.458 million reais (586 million euros) represents principal and 1.345 million reais (228 million euros) represents accrued interest as at June 30, 2026 (4.320 million reais or 733 million euros at December 31, 2025).

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 21 - 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, 2026, 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, 2026, 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 25,4 billion reais (around 4,3 billion euros, 24,5 billion reais at December 31, 2025). The main types of litigation are listed below, classified according to the tax to which they refer.

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

- disallowance of the tax effects of the merger between the companies of the TIM Brasil Group;
- denial of the SUDENE regional tax benefit, due to alleged irregularities in the management and reporting of the benefit itself;
- challenges regarding offsetting against previous tax losses;
- further challenges regarding the tax deductibility of the amortization of goodwill;
- imposition of income tax on certain types of exchange rate differences;
- imposition of withholding taxes on certain types of payments to foreign entities (for example, payments for international roaming);
- further challenges regarding offsets made between taxes payable and group company credit positions. In this respect, 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 1,9 billion reais (about 0,3 billion euros).

Overall, the risk for these cases, considered to be possible, amounts to 5,3 billion reais (about 0,9 billion euros, 5 billion reais at December 31, 2025).

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 13,4 billion reais (about 2,3 billion euros, 13 billion reais at December 31, 2025).

Municipal taxes
Among disputes classified with a "possible" degree of risk, there are some relating to municipal taxes for a total amounting to around 2 billion reais (about 0,3 billion euros, 2 billion reais at December 31, 2025).

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 4,7 billion reais (around 0,8 billion euros, 4,5 billion reais at December 31, 2025).

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 20, 2024, TIM and Telecom Italia Finance filed a statement of defense in the proceedings before the Supreme Court, aimed at overturning the decision of the Paris Court of Appeals to quash the 2016 Arbitration Award.

On January 21, 2026, the Court of Cassation confirmed the Court of Appeal's decision to annul the 2016 Award, due to issues related to the participation in the arbitral panel of a member whom the Court considered to be in a conflict of interest.

On April 7, 2026, a hearing was held before the Paris Court of Appeal in the proceedings to set aside the 2020 Award, following the decision of the Court of Cassation setting aside the 2016 Award.

On April 30, 2026, Opportunity filed its submissions regarding the judgment setting aside the 2016 Award, maintaining that the 2020 Award must also be set aside as a consequence of that judgment, as the 2020 Award had become invalid following the setting aside of the 2016 Award. Opportunity further submits that, should the Court decline to set aside the 2020 Award on that basis, it will pursue its application to set aside the Award on the grounds that: (i) Mr Hanotiau allegedly lacked independence and impartiality, resulting in the improper constitution of the arbitral tribunal and a breach of the principles of collegiality and equality; and (ii) the Award is contrary to international public policy, as its upholding would allow TIM to benefit from unlawful conduct, including corruption.

On May 29, 2026, TIM/TIF filed its reply to Opportunity's memorandum of April 30, 2026, arguing that there were no grounds for setting aside the 2020 Award as a consequence of the setting aside of the 2016 Award. The hearing on the merits is scheduled to take place before the Paris Court of Appeal on October 6, 2026.

There has been no change in the management risk assessment.

COMMITMENTS AND GUARANTEES

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

(million euros)	30/06/2026	31/12/2025
Guarantee on bonds and other debts issued by the Group	764	765
Guarantee on derivatives financial instruments	9	19
Total	**773**	**784**

There are also insurance guarantees of the Brazil Business Unit, which totaled 3.810 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 51 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 22 - Revenues

(million euros)	1st Half 2026	1st Half 2025
Equipment sales	57	53
Services	2.234	2.011
Total	**2.291**	**2.064**

Revenues only relates to the Brazil Business Unit.

Revenues from telecommunications services are presented gross of amounts due to other TLC operators, equal to 127 million euros in 2026 (122 million euros in 2025, 3,9% 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 23 - Finance income and expenses

FINANCE INCOME

(million euros)	1st Half 2026	1st Half 2025
Interest income and other finance income	**384**	**258**
Income from financial receivables, recorded in non-current assets	27	27
Interest income on bank and postal accounts	83	66
Interest income on trade accounts receivable	5	3
Income from securities other than investments measured at FVTOCI	10	11
Income other than the above:		
Interest income on financials leasing receivables	2	2
Exchange gains	46	24
Reversal of the Reserve for cash flow hedge derivatives to the income statement (interest rate component)	1	1
Income from non-hedging derivatives	152	42
Miscellaneous finance income	58	82
Positive fair value adjustments to non-hedging derivatives	**12**	**29**
Positive adjustments and reversal for impairment on financial assets	**—**	**—**
Total	**397**	**288**

FINANCE EXPENSES

(million euros)	1st Half 2026	1st Half 2025
Interest expenses and other finance expenses	**590**	**391**
Interest expenses and other costs relating to bonds	119	90
Interest expenses to banks	8	8
Interest expenses to others	5	5
Interest expenses on lease liabilities	151	125
Expenses other than the above:		
Financial commissions and fees	8	9
Exchange losses	45	38
Charges from non-hedging derivatives	150	41
Miscellaneous finance expenses	102	75
Negative fair value adjustments to non-hedging derivatives	**23**	**71**
Negative adjustments for impairment on financial assets	**1**	**—**
Total	**614**	**462**

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

(million euros)	1st Half 2026	1st Half 2025
Exchange gains	46	24
Exchange losses	-45	-38
Net exchange gains and losses	**1**	**-14**
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	152	42
Charges from non-hedging derivatives	-150	-41
Net result from non-hedging derivatives	2	1
Net result from derivatives	**2**	**2**
Positive fair value to non-hedging derivatives	12	29
Negative fair value adjustments to non-hedging derivatives	-23	-71
Net fair value adjustments to non-hedging derivatives	**-11**	**-41**

Note 24 - 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)	Brazil		Other Operations		Consolidated Total	
	1st Half 2026	1st Half 2025	1st Half 2026	1st Half 2025	1st Half 2026	1st Half 2025
Third-party revenues	2.291	2.064	—	—	2.291	2.064
Revenues by operating segment	**2.291**	**2.064**	**—**	**—**	**2.291**	**2.064**
Other income	12	12	—	—	12	12
Total operating revenues and other income	**2.302**	**2.076**	**—**	**—**	**2.302**	**2.076**
Acquisition of goods and services	-871	-793	-1	—	-872	-793
Employee benefits expenses	-170	-153	-1	-1	-171	-154
Other operating expenses	-206	-172	-2	-2	-209	-174
of which: write-downs and expenses in connection with credit management and provision charges	*-94*	*-59*	—	—	*-94*	*-59*
Change in inventories	12	10	—	—	12	10
Internally generated assets	50	46	—	—	50	46
EBITDA	**1.116**	**1.015**	**-3**	**-3**	**1.113**	**1.012**
Depreciation and amortization	-588	-560	—	—	-588	-560
Gains/(losses) on disposals of non-current assets	23	4	—	—	23	4
EBIT	**551**	**459**	**-3**	**-3**	**548**	**457**
Share of profits (losses) of equity investments valued using equity method					-7	-8
Other income (expenses) from investments					-9	—
Finance income					397	288
Finance expenses					-614	-462
Profit (loss) before tax					**314**	**274**
Income tax income (expense)					-58	-24
Profit (loss) for the year					**256**	**250**
Attributable to:						
Owners of the Parent					159	156
Non-controlling interests					97	94

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)	Brazil		Other Operations		Consolidated Total	
	30/06/2026	31/12/2025	30/06/2026	31/12/2025	30/06/2026	31/12/2025
Non-current operating assets	7.531	6.554	—	—	7.531	6.554
Current operating assets	1.301	1.084	18	29	1.319	1.114
Total operating assets	**8.832**	**7.638**	**18**	**29**	**8.850**	**7.667**
Investments accounted for using the equity method					—	*195*
Unallocated assets					6.450	6.797
Total Assets					**15.300**	**14.659**
Total operating liabilities	**2.403**	**2.218**	2	4	**2.405**	**2.222**
Unallocated liabilities					*5.713*	*5.194*
Equity					7.182	7.243
Total Equity and Liabilities					**15.300**	**14.659**

Note 25 - 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 2026 and the 1st Half 2025 are as follows:

Separate Consolidated Income Statement line items at 30/06/2026

(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	**2.291**	—	3	—	—	3	0,1
Other income	**12**	—	—	—	—	—	0,2
Acquisition of goods and services	**872**	25	17	—	—	41	4,7
Employee benefits expenses	**171**	—	—	3	3	6	3,4
Other operating expenses	**209**	—	—	—	—	—	—
Other income (expenses) from investments	**(9)**	(9)	—		—	(9)	100,0
Finance income	**397**	—	82	—	—	82	20,6
Finance expenses	**614**	—	17	—	—	17	2,8

[*] TIM Group companies; 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 Statement line items 1st Half 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	5,0
Other operating expenses	**174**	—	—	—	—	—	—
Finance income	**288**	—	246		—	246	85,7
Finance expenses	**462**	—	101	—	—	101	21,9

[*] TIM Group companies; Vivendi Group and the companies within its group, which as of June 30, 2025, are no longer classified 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, 2026 and December 31, 2025 are as follows:

Consolidated Statement of Financial Position line items at 30/06/2026

(million euros)	Total	Associates, companies controlled by associates	Other related parties [*]	Pension funds	Total related parties	% of financial statement item
Net financial debt	**-356**	**—**	**-4.159**	**—**	**-4.159**	**1.167,2**
Non-current financial assets	**-865**	**—**	**-771**	**—**	**-771**	**89,1**
Current financial assets	**-5.179**	**—**	**-3.576**	**—**	**-3.576**	**69,0**
Securities other than investments (current assets)	-1.155	—	-269	—	-269	**23,3**
Financial receivables and other current financial assets	-120	—	-51	—	-51	**42,5**
Cash and cash equivalents	-3.903	—	-3.256	—	-3.256	**83,4**
Non-current financial liabilities	**4.153**	**—**	**60**	**—**	**60**	**1,5**
Current financial liabilities	**1.534**	**—**	**128**	**—**	**128**	**8,3**
Other statement of financial position line items						
Trade and miscellaneous receivables and other current assets	**1.246**	—	3	—	3	**0,2**
Miscellaneous payables and other non-current liabilities	**143**	—	—	—	—	**—**
Trade and miscellaneous payables and other current liabilities	**1.989**	—	25	2	26	**1,3**

[*] TIM Group companies; 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 31/12/2025

(million euros)	Total	Associates and companies controlled by associates	Other related parties [*]	Pension funds	Total related parties	% of financial statement item
Net financial debt	**-1.315**	**—**	**-3.454**	**—**	**-3.454**	**262,6**
Non-current financial assets	**-897**	**—**	**-793**	**—**	**-793**	**88,4**
Current financial assets	**-5.587**	**—**	**-2.860**	**—**	**-2.860**	**51,2**
Securities other than investments (current assets)	-1.370	—	-269	—	-269	**19,7**
Financial receivables and other current financial assets	-167	—	-89	—	-89	**53,4**
Cash and cash equivalents	-4.050	—	-2.501	—	-2.501	**61,8**
Non-current financial liabilities	**3.917**	**—**	**73**	**—**	**73**	**1,9**
Current financial liabilities	**1.252**	**—**	**127**	**—**	**127**	**10,1**
Other statement of financial position line items						
Trade and miscellaneous receivables and other current assets	**1.058**	5	2	—	7	**0,7**
Miscellaneous payables and other non-current liabilities	**140**	—	—	—	—	**—**
Trade and miscellaneous payables and other current liabilities	**1.838**	9	17	1	26	**1,4**

[*] TIM Group companies; Vivendi Group and the companies within its group, which as of June 30, 2025, are no longer classified 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 2026	1st Half 2025	Type of contract
Other pension funds	3	5	
Total employee benefits expenses	**3**	**5**	Contributions to pension funds

Consolidated Statement of Financial Position line items

(million euros)	30/06/2026	31/12/2025	Type of contract
Other pension funds	2	1	
Total trade and miscellaneous payables and other current liabilities	**2**	**1**	Payables for contributions to pension funds

REMUNERATION TO KEY MANAGERS

The remuneration to key managers in 2026 amounted to 3 million euros (3 million euros in 2025). The compensation of key Management personnel for services rendered is shown below:

(million euros)	1st Half 2026	1st Half 2025
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 26 - Equity compensation plans

The equity compensation plans in force at June 30, 2026 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, 2026.
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, 2026.

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, 2026, 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, 2026, 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.
- In 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, 2026, 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, 2026, out of a total of 1.560.993 shares granted, 313.184 were canceled due to the departure of the beneficiaries from the Company, leaving a balance of 637.890 shares that may vest at the end of the period.

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

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

- Year 2024

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

- 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, 2026, out of a total of 1.226.859 shares granted, 307.580 were canceled due to the beneficiaries leaving the Company, leaving a balance of 830.586 shares that may vest 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, 2026, out of a total of 1.368.704 shares assigned, plus 15.252 related to the internal movement of participants, 323.548 shares were canceled due to the departure of beneficiaries from the Company, leaving a balance of 1.060.408 shares to be acquired at the end of the period.

- FY 2026

On May 5, 2026, the beneficiaries of the plan were granted the right to receive a total of 887,812 shares, subject to performance share conditions, with a 3-year vesting period.

Note 27 - Other information

EXCHANGE RATE USED TO TRANSLATE FOREIGN OPERATIONS

	Period-end exchange rates (statements of financial position)		Average exchange rates for the period (income statements and statements of cash flows)	
Local currency against 1 EUR	30/06/2026	31/12/2025	30/06/2026	30/06/2025
BRL (Brazilian real)	5,89753	6,46532	6,01202	6,29415
USD (U.S. dollar)	1,13940	1,17500	1,16648	1,09334
JPY (Japan Yen)	185,08000	184,09000	184,43814	162,12899
GBP (Pound sterling)	0,86178	0,87260	0,86732	0,84252
CHF (Swiss franc)	0,92240	0,93140	0,91806	0,94118

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 2026	1st Half 2025
Capitalized development costs	20	16
Total research and development costs	**20**	**16**

Note 28 - Events subsequent to June 30, 2026

Payment of Interest on Equity

On June 17, 2026, TIM S.A.'s Board of Directors, approved the payment of Interest on Capital (IOC) related to the half year ending on June 30, 2026, which was paid in July 2026.

Payment Date	Reais per share	Amount paid (million reais)
22/07/2026	0,167457322	400

Public tender and exchange offer by Poste Italiane S.p.A.

On March 22, 2026, the Board of Directors of Poste Italiane S.p.A. approved the launch of a voluntary public tender and exchange offer for all the shares of Telecom Italia S.p.A. ("TIM S.p.A."), the Ultimate Parent of TIF Group. The stated objective is to create a single Group combining two of Italy's largest and most important industrial companies.
On July 16, 2026, Poste Italiane S.p.A. issued a press release announcing that CONSOB had approved the offer Document and the acceptance period would end on September 11, 2026, subject to any extensions.
On July 18, 2026, the Board of Directors of TIM S.p.A. unanimously approved a statement containing its reasoned assessment of the Offer and of the financial fairness of the consideration.
As TIM S.p.A. is the Ultimate Parent of the Telecom Italia Finance Group, developments relating to the offer are considered a relevant subsequent event for the Group.
As of the reporting date, the transaction remains ongoing and subject to completion. Based on the information currently available, no material impacts on the Telecom Italia Finance Group are expected, other than the possible change in its Ultimate Parent.

Note 29 - 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 LINE-BY-LINE						
Brazil Business Unit						
• I-Systems Soluções De Infraestrutura S.A.	Rio de Janeiro	BRL	1.794.287.995	100,0000		TIM S.A.
• 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	67,3865 0,1445	67,4840	TIM Brasil Serviços & Partecipações S.A. TIM S.A.
• V8 Consulting S.A.	Sao Paulo	BRL	10.072.726	100,0000		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