



Press Release

TIM, KKR INFRASTRUCTURE AND FASTWEB: AGREEMENT TO ENTER THE CAPITAL OF FIBERCOP FINALISED

Thanks to the adoption of the open co-investment model, FiberCop will allow all operators in Italy to take part in the project

The new company will speed up closure of the digital divide with the aim of reaching 76% of property units in the grey and black areas of the country via FTTH

Rome, 1 April 2021

TIM, KKR Infrastructure and Fastweb announce the execution of the agreements relating to the entry of KKR Infrastructure and Fastweb into the capital of FiberCop, the new company combining TIM's secondary network (from the street cabinet to customers' homes) and the fibre network developed by FlashFiber, the joint venture of TIM (80%) and Fastweb (20%).

As announced on [31 August 2020](#), KKR Infrastructure's acquisition of 37.5% of FiberCop from TIM was finalised, for an equivalent-value of 1.8 billion, based on an enterprise value of around 7.7 billion euros (equity value 4.7 billion euros); at the same time Fastweb has subscribed FiberCop shares corresponding to 4.5% of the company's capital by transferring the 20% held in FlashFiber, which was simultaneously incorporated into FiberCop, fully operational from today. The company is fully operational from today.

As a result of the completion, FiberCop's Board of Directors will be made up of nine members, five of them selected by TIM, three by KKR Infrastructure and one by Fastweb. Mr Massimo Sarmi will be Chairman and Mr Carlo Filangieri Chief Executive Officer.

It is expected that FiberCop will have an EBITDA of around 0.9 billion euros on a full year basis, positive EBITDA - CAPEX starting 2025 and will not require capital injections from shareholders.

FiberCop will allow TIM, Fastweb and other operators to co-invest, completing the fibre coverage plans in black and grey areas of the country and speeding up the

adoption of Ultra-Broadband (UBB) services, on the basis of an open co-investment model. On 29 January 2021, TIM submitted the co-investment offer relating to

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KKR



FiberCop's secondary network to the Italian Communications Authority (AGCOM) and to the market, in accordance with the provisions of the European Electronic Communications Code.

FiberCop has a network asset that today already offers over 90% of the population UBB connections thanks to FTTC and FTTH technology. The company will continue to assure FTTH coverage, with a connection speed of up to 1 Gigabit, with the aim of reaching 76% of grey and black area property units, equating to coverage of a total of 56% of the country's technical property units, by 2025.

The new company will immediately offer passive access services of the secondary copper and fibre network to all market operators. FiberCop relies on the fibre infrastructure already installed by FlashFiber, without any duplication of investments and with maximum efficiency, at the same time promoting competition.

The transaction will make a critical contribution to the reduction of the digital divide in Italy, speeding up the switch of customers from copper to fibre.

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