



CAPITAL MARKET DAY

7 JULY 2022

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The new TIM: unlocking hidden value

Key messages we want to convey today

Beyond vertical integration

- Reiterate reasons why **unprecedented value-accretive actions are required** leading to the **creation of 4 separate entities** with **different industrial focus and economics**

The new TIM

NetCo

ServiceCo

TIM Enterprise

TIM Consumer

TIM Brasil

- Explain why **each entity can achieve better results on a stand-alone basis** by outlining:
 - Market context
 - Strategic priorities
 - Perimeter
 - Medium-long term financial trends and KPIs

Capital structure and Plan execution highlights

- Confirm strong commitment to **reduce leverage** and maintain a **sustainable capital structure**
- Share different **strategic M&A options to create value** for all stakeholders and update on **execution**

Relentless effort on day-to-day operations

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Beyond vertical integration

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The new TIM

NetCo

TIM Enterprise

TIM Consumer

TIM Brasil

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Capital structure and plan execution highlights

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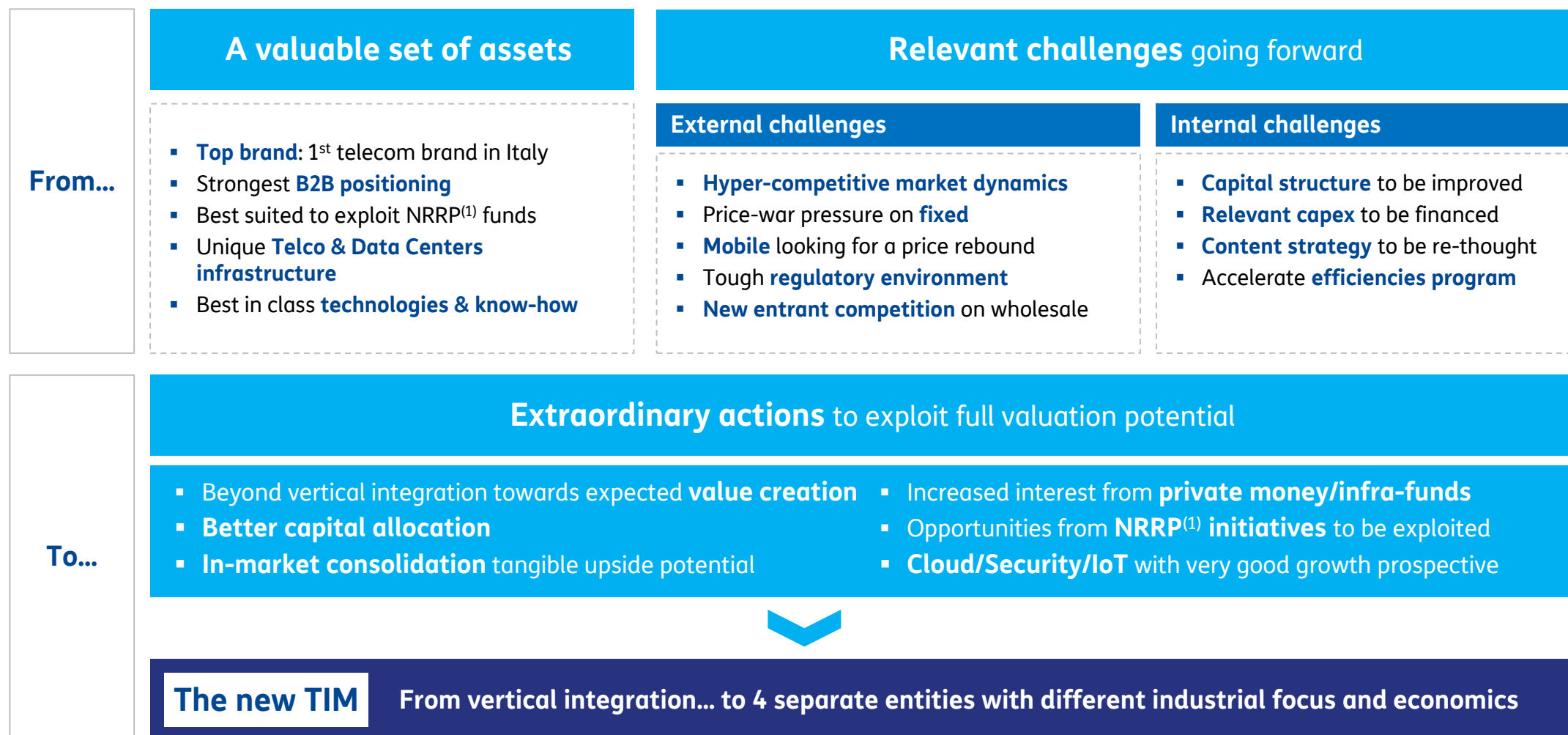
Closing remarks

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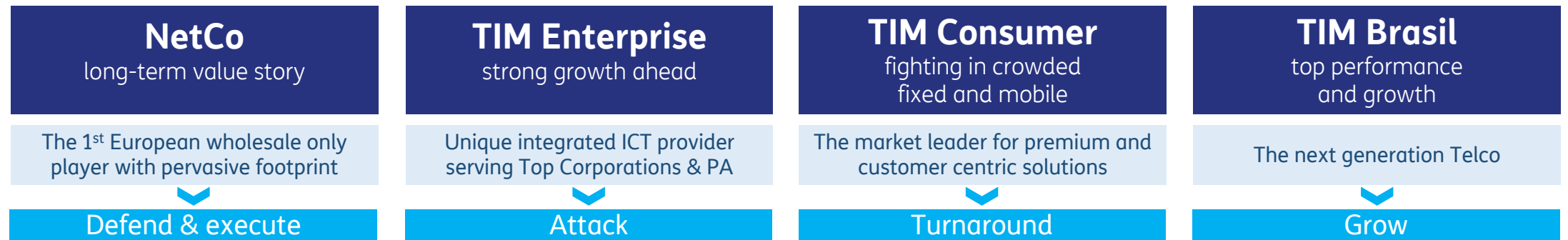
The path to a higher value: setting the scene



(1) National Recovery and Resilience Plan

Beyond vertical integration

To extract the **highest value in the M-L term**, entities coexisting in TIM would better off **being managed separately**



The separation would bring **key benefits**, ensuring **life term assets valorisation** and **debt sustainability**

Business & strategic	<ul style="list-style-type: none">Stronger business focusStrategic options for the four entitiesNetwork company dedicated infra perimeter makes partnerships/aggregations easierPossibility to identify and fix potential inefficiencies
Regulatory	<ul style="list-style-type: none">Network company could be freed from cost-orientation if it becomes “wholesale-only”⁽²⁾, promoting fiber investment, migration and decommissioningRetail would enjoy regulatory relief (elimination of current replicability rules)
Financial	<ul style="list-style-type: none">Better capital allocationImproved risk profile/return on capitalBetter visibility on group assets and attractiveness for private moneyRegaining financial flexibility

(1) National Recovery and Resilience Plan (2) Art. 80 EU Communication Code. Considering new regime for SMP 'wholesaler-only', cost-orientation would be lifted excluding exceptional cases

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The new TIM - Clearly identified domestic perimeter

		ServiceCo		NetCo
		TIM Consumer	TIM Enterprise	Wholesale
Commercial & Legal	Brands and legal entities	  	   	 
	Target markets	Consumer & Small Medium Enterprises	Large corporates & Public Administrations	National and International Wholesale
Access Network	Secondary & Cabinets		Selected fibers IRU ⁽²⁾	
	Primary	Selected fibers IRU ⁽¹⁾	Selected fibers IRU ⁽²⁾	Ducts / mini-ducts & fibers
	Edge			
	Access Electronics & Central Office HW			Distr. Frame/ DSLAMs / OLT FTTC
	Real Estate & building systems			
Backbone	Junction and Backbone Fibers	Selected fibers IRU ⁽³⁾	Selected fibers IRU ⁽³⁾	
	Backbone/Transport HW & Platforms			
DC / Platforms	Service Platforms	Consumer Platforms	Enterprise Platforms	
	Data Centers (Noovle)			
Mobile	Mobile Network ⁽⁴⁾		Full MVNO-like services	
	Mobile Service Platforms ⁽⁴⁾			
	Frequencies			

(1) For mobile backhauling (2) Preserve ServiceCo offering differentiation/ competitiveness for enterprise segments (3) May guarantee ServiceCo competitiveness (4) Minimum fiber backbone required to offer Enterprise most important products/services with autonomy

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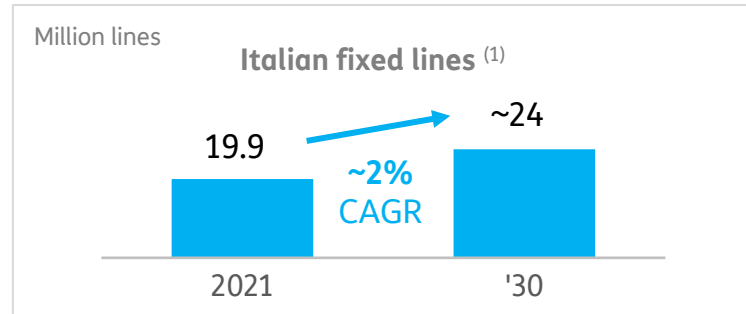
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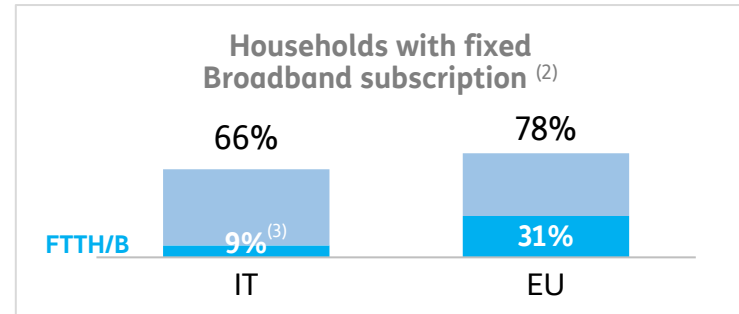


NetCo - Market context: room for improvement, with broadband market still underpenetrated and change in mix towards ultrabroadband

Fixed lines market expected growth



Broadband market underpenetrated



NRRP initiatives to support FTTH coverage expansion and take-up ⁽⁵⁾

“Italia 1Giga”

- ✓ 7 lots assigned to TIM (~1.2m technical households)

“5G backhauling”

- ✓ all lots assigned to TIM (>11k mobile sites)

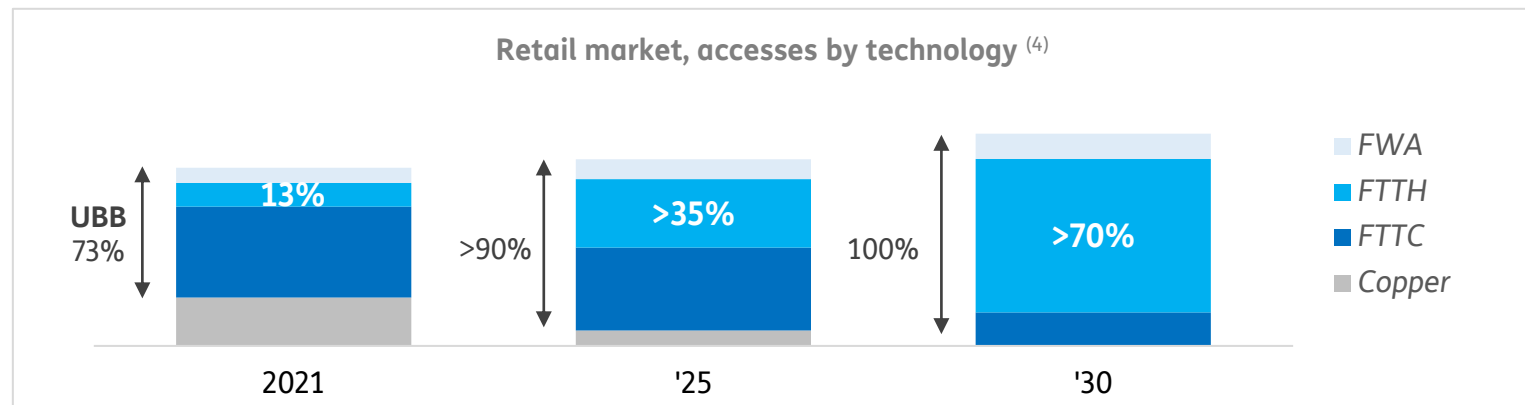
“Connected healthcare”

- ✓ 2 lots assigned to TIM (~3.1k healthcare facilities)

“Connected schools”

- ✓ 4 lots assigned to TIM (~5.9k schools)

Market growth fueled by FTTH take up thanks to coverage increase and copper switch off



(1) Million lines, source AGCOM and internal elaborations on Analysis Mason's estimates (2) Households with a fixed broadband subscription on total households, Eurostat, 2021. FTTH/B data source: FTTH Council, May '22 (data as of Sep. '21) (3) Equal to 20% take up rate (calculated on tot. HHs passed with FTTH) (4) Internal estimates (5) Fiber roll-out in National Recovery and Resilience Plan (NRRP) initiatives to be completed by 2026

NetCo - The largest UBB infrastructure in the country, successfully upgrading access network through FiberCop

CB, coverage & assets ⁽¹⁾

82%
market share fixed ⁽²⁾

16.4m
accesses in 2021,
o/w ~11m FTTx accesses

>94%
FTTx Coverage ⁽³⁾
o/w >56% with speed >100Mbps

>27%
technical units covered in FTTH

21m km
fiber deployed nationwide

>127k
fiber cabinets connected ⁽⁴⁾

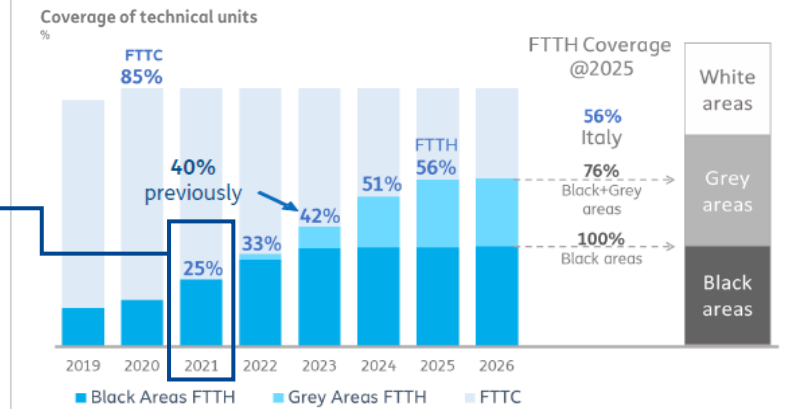
~4m
poles in white areas

Unparalleled execution capabilities

On-track on FiberCop Plan execution

~25% FTTH coverage
EoY 2021
as declared in August 2020

FiberCop Plan presented in August 2020



From the beginning of Pandemic (Q1 '20):

- ✓ **3m km** fiber deployed
- ✓ **18k** new fiber cabinets connected
- ✓ **8m** activations and migrations

White areas

76% FTTx Coverage ⁽³⁾

800k Orders activated

Infratel schools tender

4.6k Connected schools

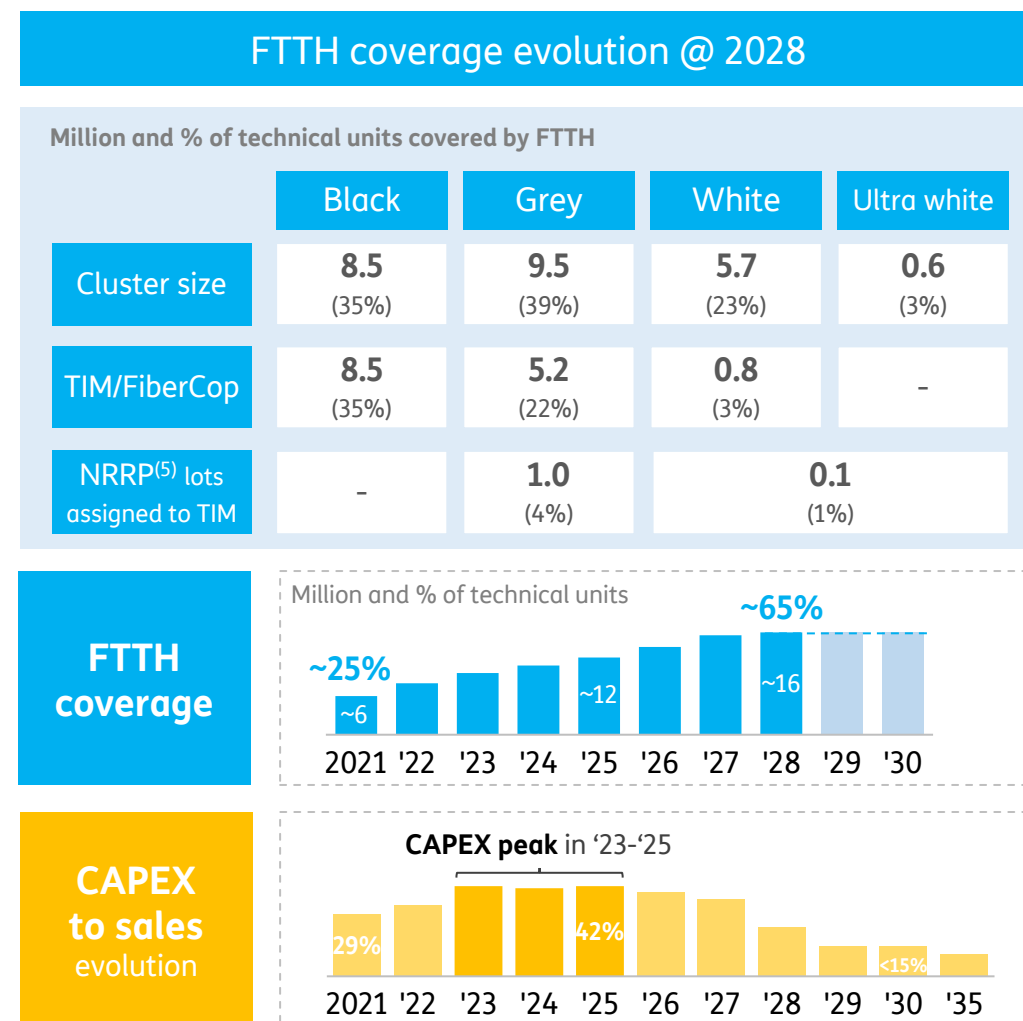
106% of 1st year contractual target

(1) As of May '22 (2) Market share on overall fixed market, retail and wholesale (3) On active fixed lines (4) ~84% of total cabinets

NetCo - A long-term value story

standalone

Organic figures, €bn (including Sparkle)	2021	2025	2030
Revenues ⁽¹⁾	5.3	~5.2	5.4
Including upside from higher commercial flexibility ⁽²⁾			
EBITDA AL ⁽³⁾ % on revenues	2.0 38%	~2.2 ~40%	~2.7 ~50%
CAPEX ⁽⁴⁾ % on revenues	1.6 29%	2.2 42%	~0.8 <15%
€2.0bn CAPEX contribution from NRRP ⁽⁵⁾ “Italia 1 Giga” and “5G backhauling” in ‘24-’27			
EBITDA AL – CAPEX % on EBITDA AL	0.4 22%	~0	1.9 72%
FTE ⁽⁶⁾	21.4k	~17k	~15k
2022-’30 cash flow impacted by extra costs (~€140m/year on avg.) required by right-sizing			



(1) Including intercompany (2) “Fair and reasonable pricing”, as per Art.80 of the EU Communication Code, not included (3) EBITDA After Lease slightly lower vs indicative figure published in “FY’21 Results & 2022-2024 Plan update” presentation due to change in personnel perimeter (4) CAPEX net of license. Capex contribution from National Recovery and Resilience Plan not included (5) National Recovery and Resilience Plan (6) Full Time Equivalents EoY

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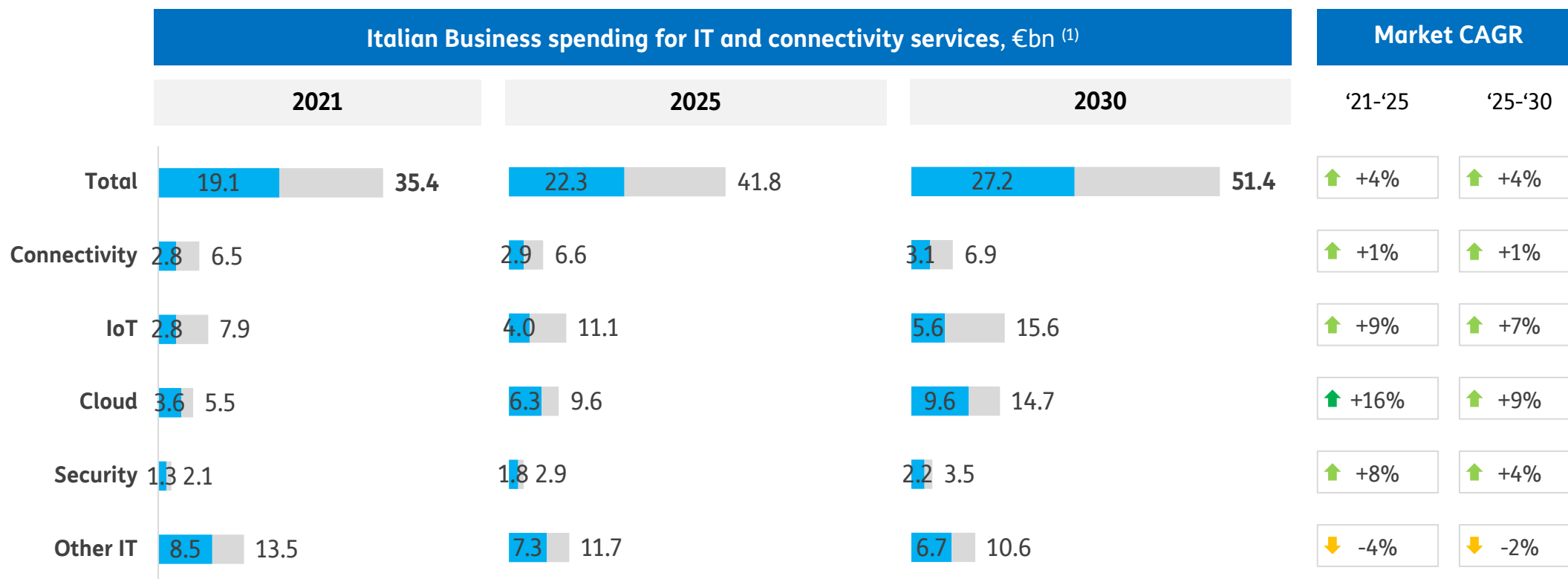
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TIM Enterprise - Sizable market, fast-growing & profitable ICT space



■ Total market ■ Addressable by TIM Enterprise ⁽²⁾

- **Market growth** driven by **Cloud, IoT and Security**, **Connectivity** progressively evolving towards **software-based solutions**
- Further acceleration from **increasing need for tailored e2e ICT solutions**, **PA cloud-first strategy** and **massive tenders on-going**

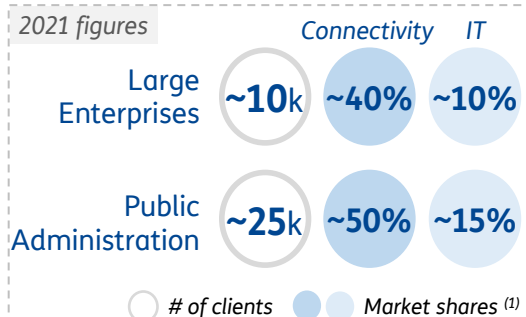
⁽¹⁾ Cloud incl. IaaS, SaaS, PaaS, Colocation, Migration, MS for Cloud; Security incl. products, consulting services, MS, implementation & HW support; IoT incl. applications, HW and installation; Other IT incl. all other IT services (e.g. system integration), software, hardware ⁽²⁾ Based on estimated % of Large and PA entities on total business segment; for IoT based on value of addressed verticals (i.e. Industrial, Smart Agriculture, Urban, eHealth, Merchant)

TIM Enterprise - Unparalleled starting point and unique right-to-win

Leading client portfolio and complete e2e ICT offering

Clear leadership in Large Enterprises segment, **unique positioning** in PA

Complete end-to-end offering, unparalleled in the market



~3 years
avg. duration of contracts,
with length and value increasing as
offering expands towards IT

>20 years
of continued relationship
on average for top 10 clients

Unique assets & network infrastructure

The only network infrastructure ICT player in Italy,
with a unique and superior assets base

- **Proprietary backbone** in strategic areas, with **45k+** dedicated customer fiber lines

- **Own mobile core network** with an MVNO agreement ⁽²⁾

- ✓ Guaranteed participation in tenders requiring owned backbone
- ✓ Low industrial costs/ high competitiveness
- ✓ Light cost structure guaranteeing competitiveness

Superior go-to-market capabilities

Superior go-to-market
to push offering across the whole
customer base



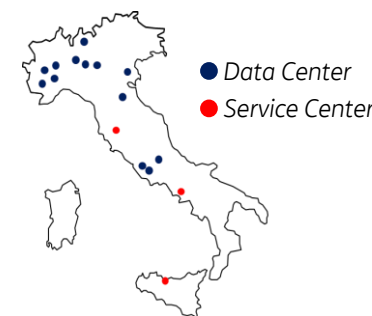
~1k Sales generating €3m+ of
yearly service revenues each

~0.5k Pre-sales with deep
industry knowledge / solution-
specific know-how

Strong strategic partnerships,
offering best in class technologies
and joint go-to-market while being
key tenants on TIM Enterprise DCs

Leading DCs infrastructure in Italian market

- **Direct property of 16 DCs** (50k sqm, 100MW fast growing), of which 7 with Rating-4 and 5 with Rating-3 ⁽³⁾
- **Largest DCs footprint** vs. competitors ⁽⁴⁾



(1) Source: Gartner, IDC, BCG analysis, TIM data (2) MVNO agreement with TIM Consumer (3) According to ANSI-TIA certification. Remaining 4 DC sites currently with no certification due to small dimensions (4) Op.#1 4 sites (100MW), Op.#2 1 site (60MW), Op.#3 4 sites (40MW), Op.#4 5 sites (30MW). Source: Datacentermap, Omdia, company websites

TIM Enterprise - More than just a "sum-of-parts", new integrated model unlocking full value creation potential

From current **Enterprise & Factories model**...



...to new **integrated model**, larger than just a "sum-of-the-parts"...



noovle

Telsy

olivetti

TIM Enterprise



noovle

Telsy

olivetti

End-to-end Connectivity, Cloud, Security and IoT integrated offering

- x **Fragmented offering** across factories
- x **Complex interaction of sales / pre-sales** to propose cross-offering proposition
- x Clients unable to recognize **portfolio variety and depth**
- x **Complexity in end-to-end assurance model**
- x **Some duplication / limited synergies** across the various BUs

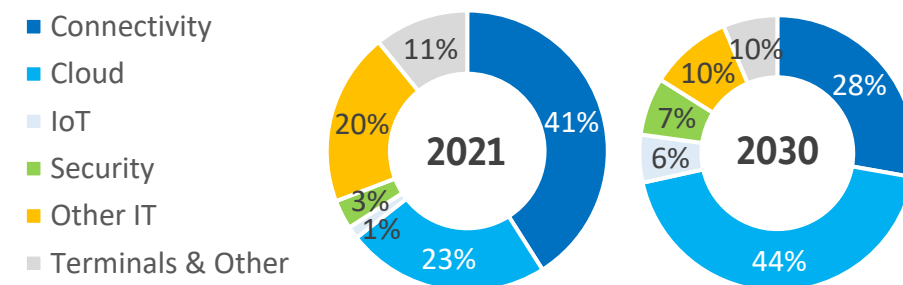
- ✓ **Integrated and clear end-to-end proposition**, for all customer needs, unique in B2B market
- ✓ **Integrated sales / pre-sales** incentivized to propose full potential offering, driving cross-selling
- ✓ **Scaled up/ industrialized approach**, leveraging integrated competences and capabilities, plus owned infrastructure
- ✓ Increased level of **synergies and efficiencies** also through **portfolio simplification** and **R&D focus**

TIM Enterprise - Strong growth ahead

Organic figures, €bn	2021	2025	2030
Revenues ⁽¹⁾	3.0	≥3.5	~5.0
Strong multi-year backlog: ~60% of revenues secured on avg. between 2022-'25			
EBITDA AL ⁽²⁾ % on revenues	0.9 32%	1.0 27%	≥1.7 34%
Higher labour cost due to onboarding of Tech/IT talents			
CAPEX ⁽³⁾ % on revenues	0.6 19%	0.5 15%	~0.5 10%
EBITDA AL – CAPEX % on EBITDA AL	0.4 39%	0.5 47%	≥1.2 ~70%
Cash flow affected by additional restructuring costs of ~€30m/year on avg. over the entire plan to support personnel rotation & refresh of competence mix			
Headcounts	5.3k	~6.0k	~5.5k

- Steady topline growth above market (4% CAGR '21-'30), with change in revenue mix

Revenues by segment



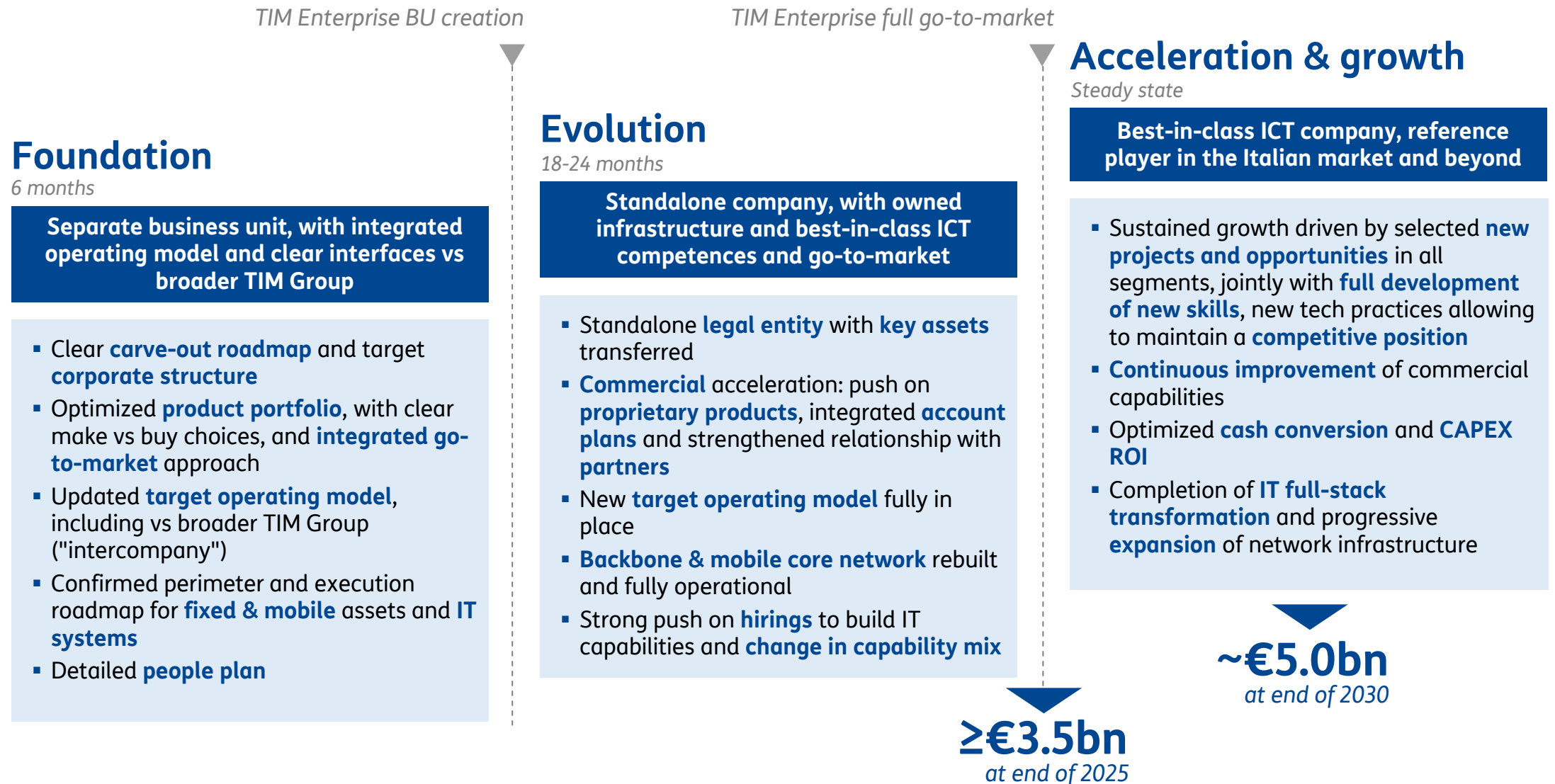
- Strong marginality and cash conversion after initial carve-out/business set-up, driven by scale, optimized operating model and high focus on proprietary products / expansion towards Managed and Professional services

Potential upsides not factored in plan

- Public safety tender and NRRP⁽⁴⁾ additional opportunities
- Expanding collaboration with Cloud Service Providers
- Expansion on medium segment / reselling of proprietary off-the-shelf products

(1) Including intercompany (2) EBITDA After Lease (3) Organic CAPEX net of license and excluding one off investments of ~€220m cumulated in 2023-'26 for IT system, backbone and mobile core network key components rebuild (4) National Recovery and Resilience Plan

TIM Enterprise - Evolutionary steps to accelerate revenue growth



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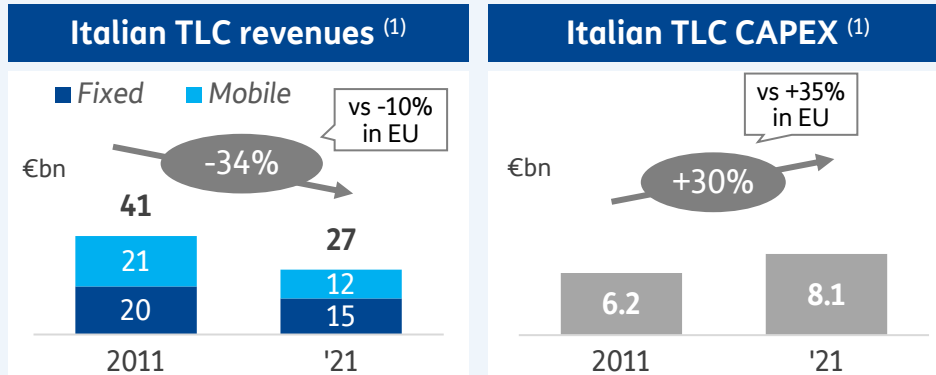
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TIM Consumer - Market context: crowded fixed and mobile, room for growth

Market context is challenging...



EBITDA-CAPEX from €10bn in '11 to €1.5bn in '21

- **Highly competitive environment:** Fixed growing but still highly competitive, Mobile stabilizing but still at low ARPU
- **Growing Data traffic volumes** expected to stretch network capacity
- **Spectrum costs** for 5G frequencies among the highest in EU

...but rising opportunities set the ground for growth

- ✓ Increase in UBB footprint driving **growth of fixed market** (33% HHs mobile-only vs. 7.5% avg. excluding Italy)
- ✓ **Growing bandwidth and low latency demand**, with 5G enabling a **strengthening of network capacity**
- ✓ **Sharing of network infrastructures** to optimize investments and reduce run costs while improving service levels
- ✓ **In-market consolidation / asset separation** to secure future market sustainability

NRRP⁽²⁾ to further support 5G

- coverage expansion and take-up
- ✓ All lots assigned to TIM consortium ⁽³⁾

TIM Consumer - Turnaround a sustainable value creation

Fix the core

Build the future

Reposition towards premium / high reliability operator, digital with a “human touch”

- **Premium brand positioning**, also through targeted and digital communication
- **Service level** as key differentiation element
- **Price-up** to strengthen valorization

Turnaround sales channels and fix execution

- **Sales excellence**
- **Channel mix modernization**, shift to digital

Introduce new CVM⁽¹⁾ capabilities

- **Data-driven CVM**, focused on CB valorization
- **Best quality customer services**

Transform digital services for economic sustainability

- **Turnaround of content strategy**
- **Turnkey ICT solutions** for SMB
- **Customer platform**

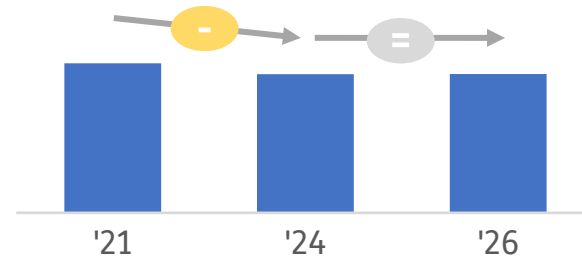
Restructure operating model towards efficiency

- **Channels turnaround**
- **Organizational restructuring / right-sizing**
- **Smart Capex**, ROIC-driven

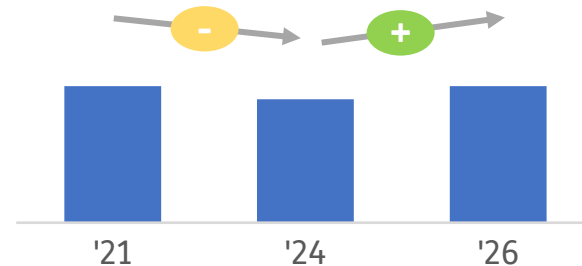
TIM Consumer - Revenue stabilization and cost optimization

Revenue stabilization - Ambitions 2026 vs '21

CB stabilization,
CB fixed + mobile lines TIM
Consumer + SMB



ARPU increase
CB ARPU Consumer



Focus on FTTH
share of FTTH on tot. fixed
lines, Consumer + SMB



Shift to digital
share of digital acquisitions,
Consumer fixed



Cost optimization - Ambitions 2026 vs '21

-30%
Caring cost

-55%
bad debt

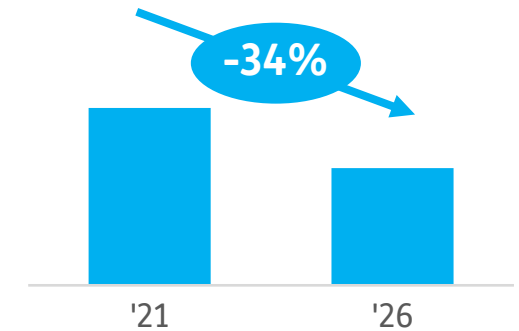
-20%
advertising expense

-20%
FTEs

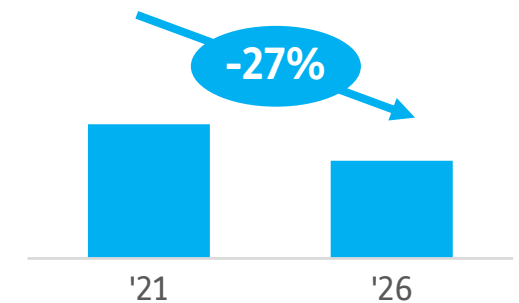
-20%
network CAPEX

-25%
IT full cost

Addressable OPEX
TIM Consumer



CAPEX net of licence
TIM Consumer



TIM Consumer – A turnaround story

Organic figures, €bn	2021	2025	2026
Revenues ⁽¹⁾	6.8	~6.4	6.5
EBITDA AL ⁽²⁾ ----- % on revenues	1.2 ----- 17%	≥1.3 ----- ~21%	>1.4 ----- 22%
CAPEX ⁽³⁾ ----- % on revenues	1.1 ----- 16%	0.9 ----- ~13%	0.8 ----- 12%
€0.1bn CAPEX contribution from NRRP “5G backhauling” in ‘23-’27			
EBITDA AL – CAPEX ----- % on EBITDA AL	0.1 ----- 10%	≥0.4 ----- >31%	0.6 ----- ~43%
FTE ⁽⁴⁾	~14k		~11k further actions under evaluation
2022-’26 cash flow impacted by extra costs (~€80m/year on avg.) required by right-sizing			

Included in the plan

- Commercial and operative transformation
- TIM content transformation for Consumer
- ICT offering evolution for SMB
- Active sharing agreement on mobile

Potential upsides - not included in the plan

- New regulation on power limits and 5G tender
- New ecosystem of digital services
- Further in-market consolidation and / or asset separations

(1) Organic revenues net of €0.3bn one-offs in 2021 (2) EBITDA After Lease net of €0.4bn one-offs in 2021 (3) CAPEX net of license (4) Full Time Equivalents EoY

TIM Consumer - Execution roadmap

Restructuring

6 months

Set-up transformation machine and 1st wave of cash-oriented initiatives

- Brand repositioning and pricing / portfolio redesign
- Turnaround of content
- Sales excellence program
- New organizational structure
- Mobile network active sharing
- CAPEX and IT demand optimization

Balance to zero

(EBITDA AL – CAPEX)
as percentage on revenues

Turnaround

12-18 months

Execute structural turnaround initiatives

- Service quality optimization
- Customer Value Management
- Channels transformation
- Caring turnaround
- Organizational right-sizing
- Industrialization of ICT for SMB

From 0% to 5%

(EBITDA AL – CAPEX)
as percentage on revenues

Sustainable growth

2024 onwards

Scale turnaround initiatives and secure sustainable growth

- Valorization beyond core
- Scale-up of Customer Value Management and channels transformation
- Transformation of IT systems

From 5% to 10%+

(EBITDA AL – CAPEX)
as percentage on revenues

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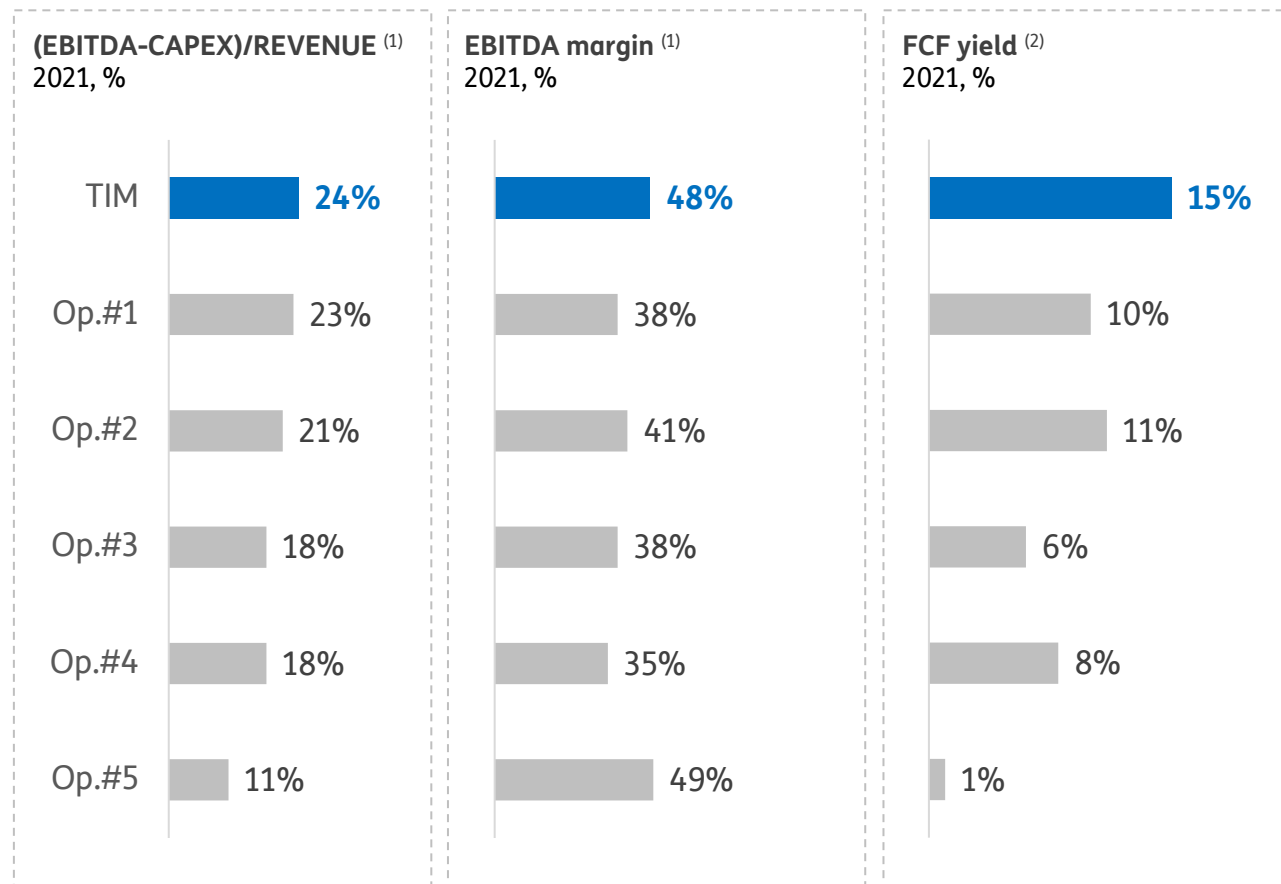
#5

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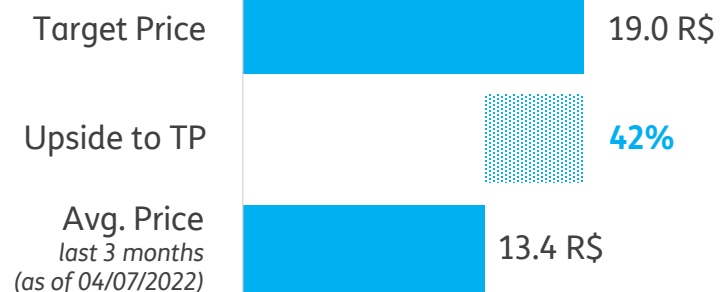
TIM Brasil - The most profitable company in LatAM TLC space

Performance-driven market leader...



...with a significant upside to be captured

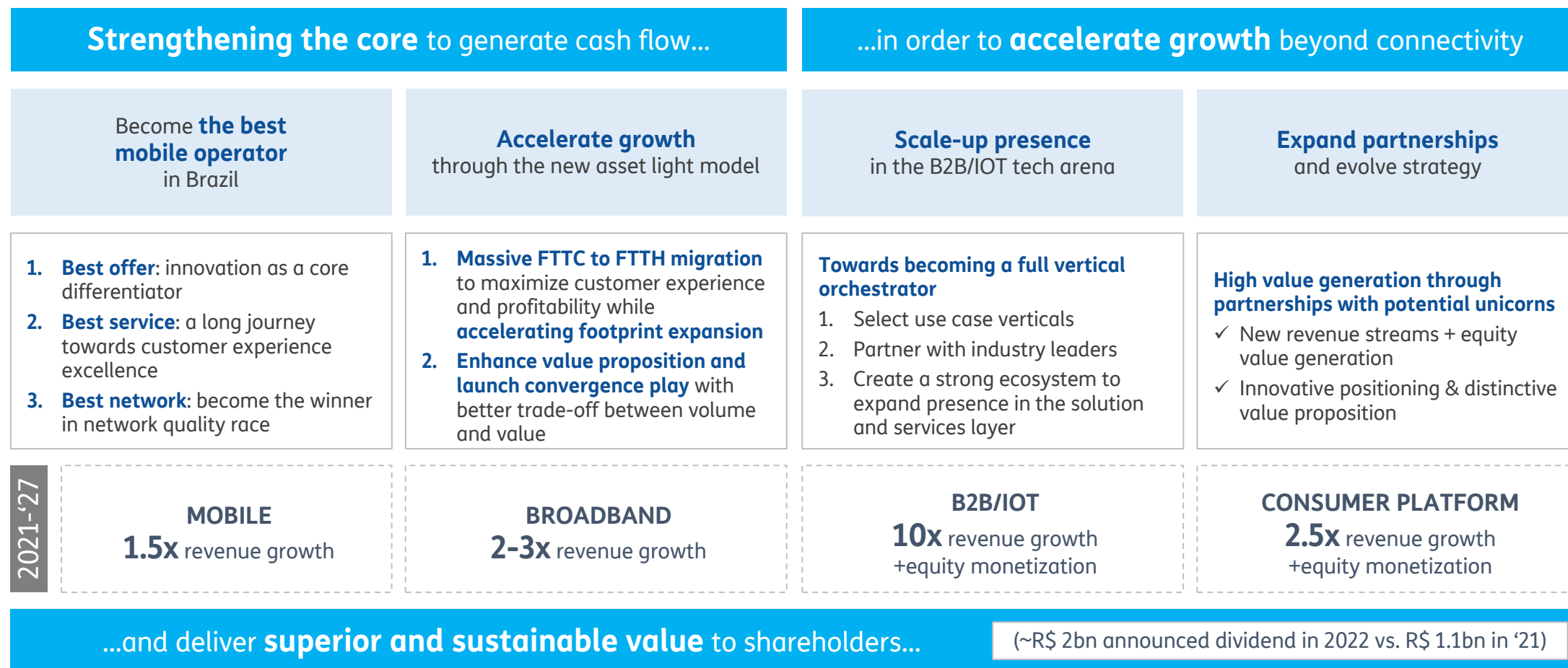
Analysts Consensus ⁽³⁾



Enterprise Value= ~R\$ 60bn ⁽²⁾

(1) Source: Companies' disclosures (2) Source: Bloomberg, FCF yield based on 31/12/2021 Equity Value (3) Consensus TIM @ 22 June 2022 (considering only data from analysts that have already included Oi in their models) (4) Enterprise Value derived from consensus

TIM Brasil - Set to become the next generation telco, with a clear path to value



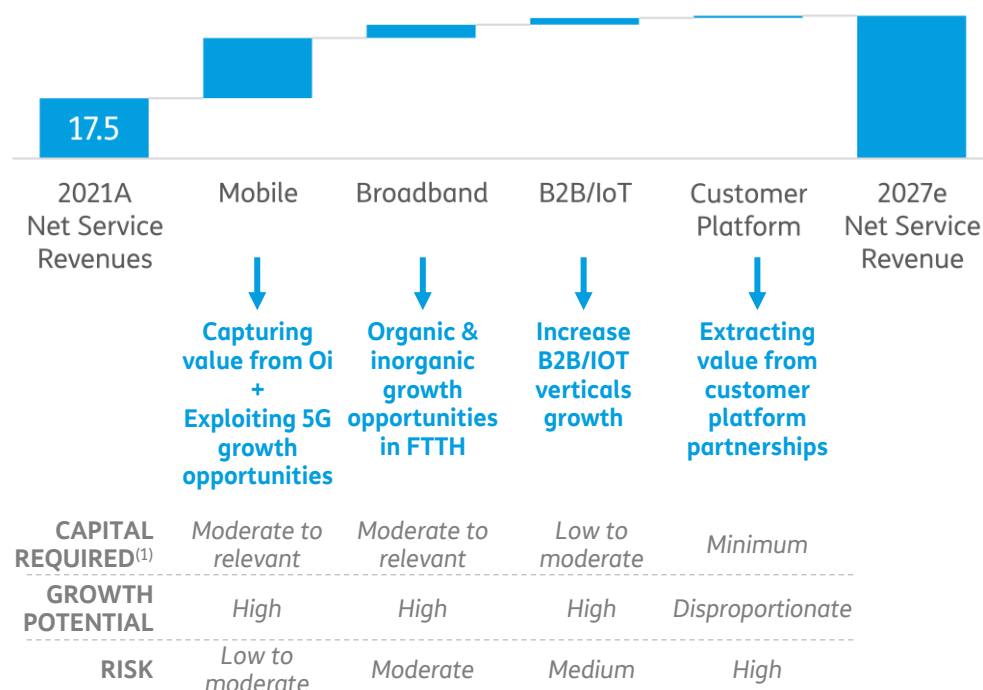
TIM Brasil - Enhanced value creation from improvement in all metrics

Revenues Growth Acceleration

From Mid single To High single

CAGR 21-27

NET SERVICE REVENUES



EBITDA Growth Acceleration

From Mid Single To Low Double

CAGR 21-24

Improved Capex on Revenues

From Mid-twenties To Mid-teens

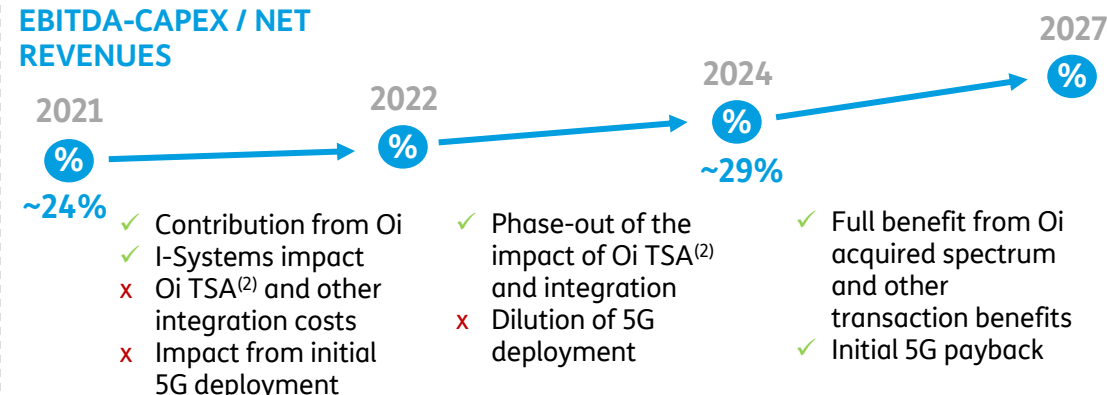
2021 to 2030

EBITDA – Capex on Revenues

From Mid-Twenties To Above 30s

2021 to 2027

EBITDA-CAPEX / NET REVENUES



Shareholder Remuneration

2x in 2022

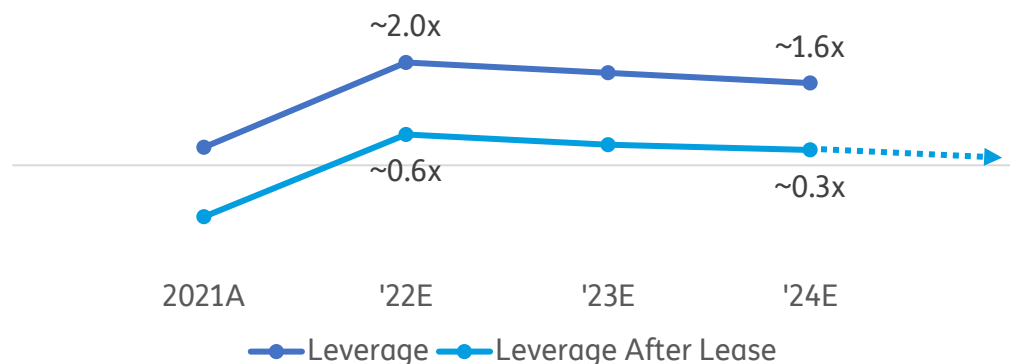
Dividends and Interest on Equity

(1) Capital requirements for growth initiatives will be balanced with shareholder remuneration evolution

(2) Transitional Service Agreement

TIM Brasil - Maintaining a healthy leverage position after OI closing, rapidly deleveraging afterwards. Value from the deal >2x the amount paid

Net Debt / EBITDA evolution



OI DEAL NET VALUE CREATION

R\$ 16-19bn - R\$ 7.3bn (acquisition) = R\$ 8.7-11.7bn

1

R\$ 4-5bn

Immediate benefit from increased scale
(6-12 months to start materially benefiting)

2

R\$ 12-13bn

Additional spectrum allows for savings
shortly after closing

3

~R\$ 0.7bn

Goodwill starting after
transition phase

~R\$ 0.3bn

Decommission
starts in Q3 '22

OI DEAL VALUE DRIVERS

1

COMMERCIAL DRIVERS

- ✓ Increased scale and fixed cost dilution
- ✓ Migration to more sustainable churn levels
- ✓ Shift in competitive dynamics: customer experience as a key differentiator
- ✓ Creation of new revenue opportunities

2

INFRASTRUCTURE DRIVERS

- ✓ Network CAPEX and OPEX savings from additional spectrum availability
- ✓ Relevant site overlap allowing for significant OPEX/leasing synergies

3

ADDITIONAL UPSIDES

- ✓ Tax Effects
- ✓ Accelerated site decommissioning
- ✓ Additional equity stakes in partners coming from the Customer Platform strategy (not quantified)

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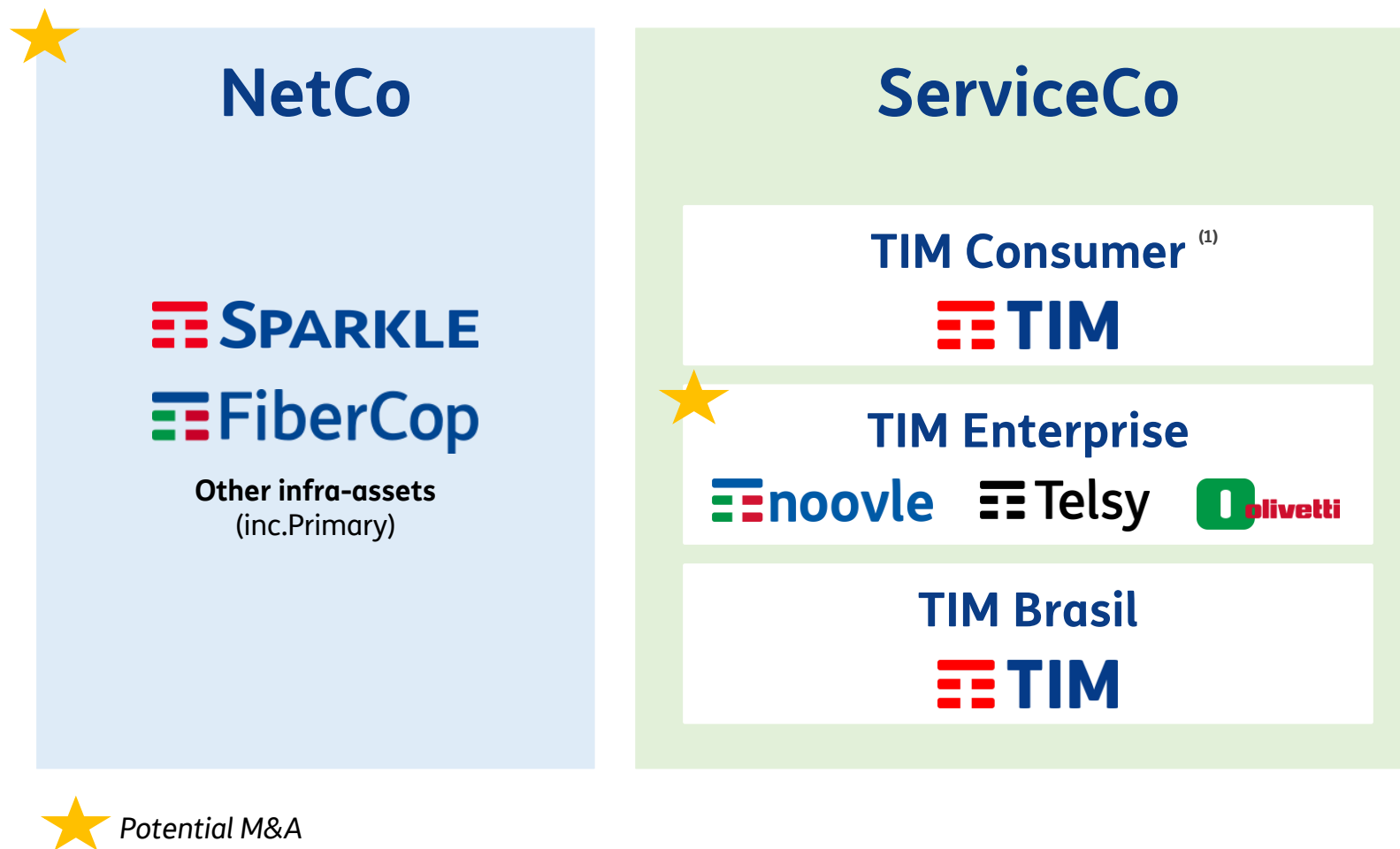
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The new TIM, not a holding company

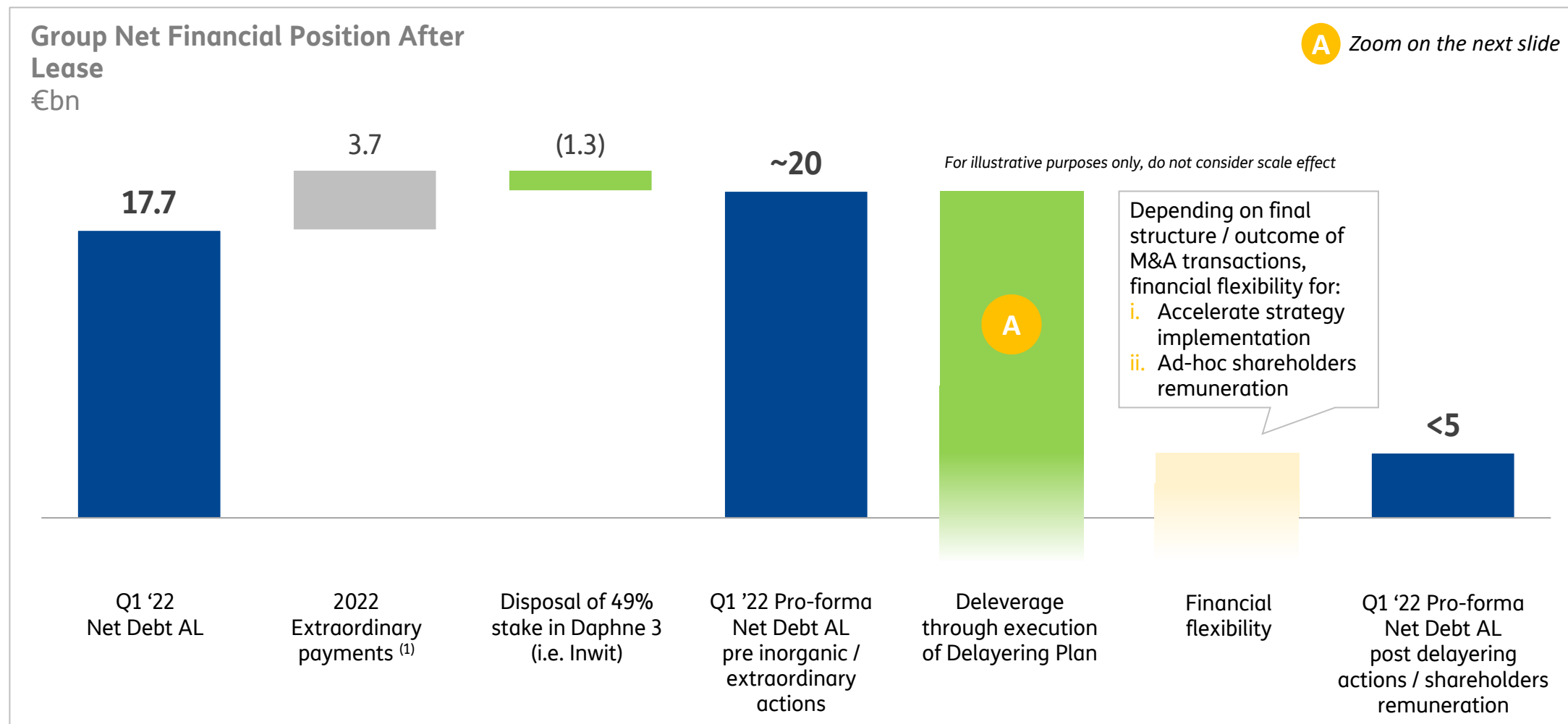


Note: The chart is a simplified representation of the pro-forma group structure
(1) Including Small and Medium Businesses

All preparatory activities ongoing

	NetCo	ServiceCo
Perimeter	✓	✓
Dedicated management team	✓	✓
FTEs allocation	✓	✓
Dedicated business plan	✓	✓
Carve-out financials	Ongoing: Big-4 appointed	Ongoing: Big-4 appointed
Capital Structure	Considerable structuring work done Implementation depending on outcome of M&A transactions	Considerable structuring work done Implementation depending on outcome of M&A transactions

Delaying Plan - Strengthening TIM's capital structure



(1) Includes 5G spectrum in Italy (€1.7bn) and Brazil (€0.4bn), Oi acquisition (€1.1bn), DAZN payment (€0.3bn) and substitute tax (€0.2bn) based on the Plan's exchange rate assumption

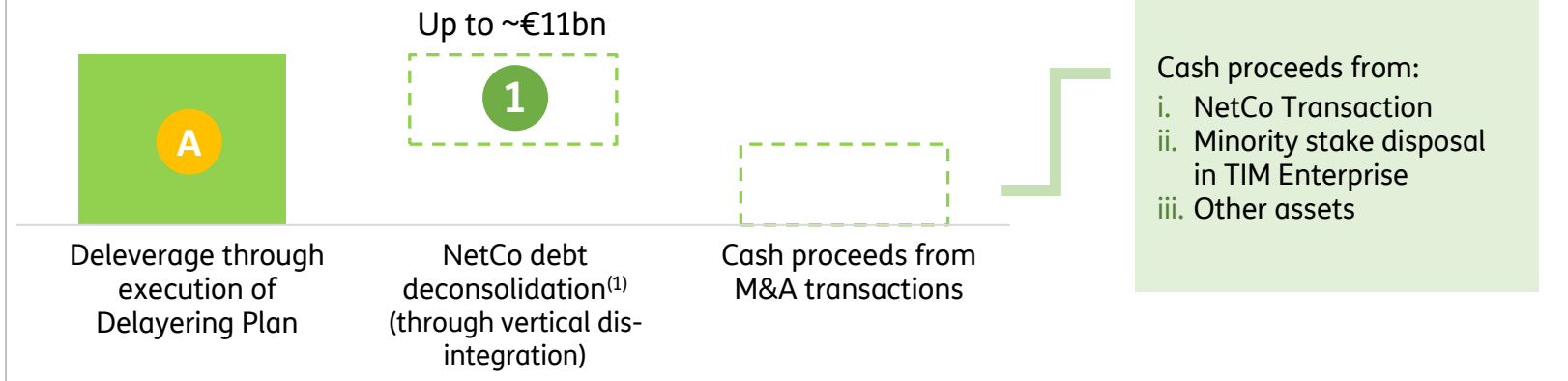
Delaying Plan - Strengthening TIM's capital structure

Key highlights

- TIM will **no longer be vertically integrated**
 - Deleverage achieved either through (i) deconsolidation of debt and (ii) cash proceeds from M&A transactions (e.g. NetCo, minority stake in TIM Enterprise, residual stake in Inwit)
- TIM has flexibility to structure M&A transactions in a manner that achieves its objectives
- Confidential M&A negotiations ongoing – amount of cash-in will depend on the outcome of the negotiations

Delaying Plan to accelerate deleverage

For illustrative purposes only, do not consider scale effect



1

Vertical dis-integration to accelerate deleverage

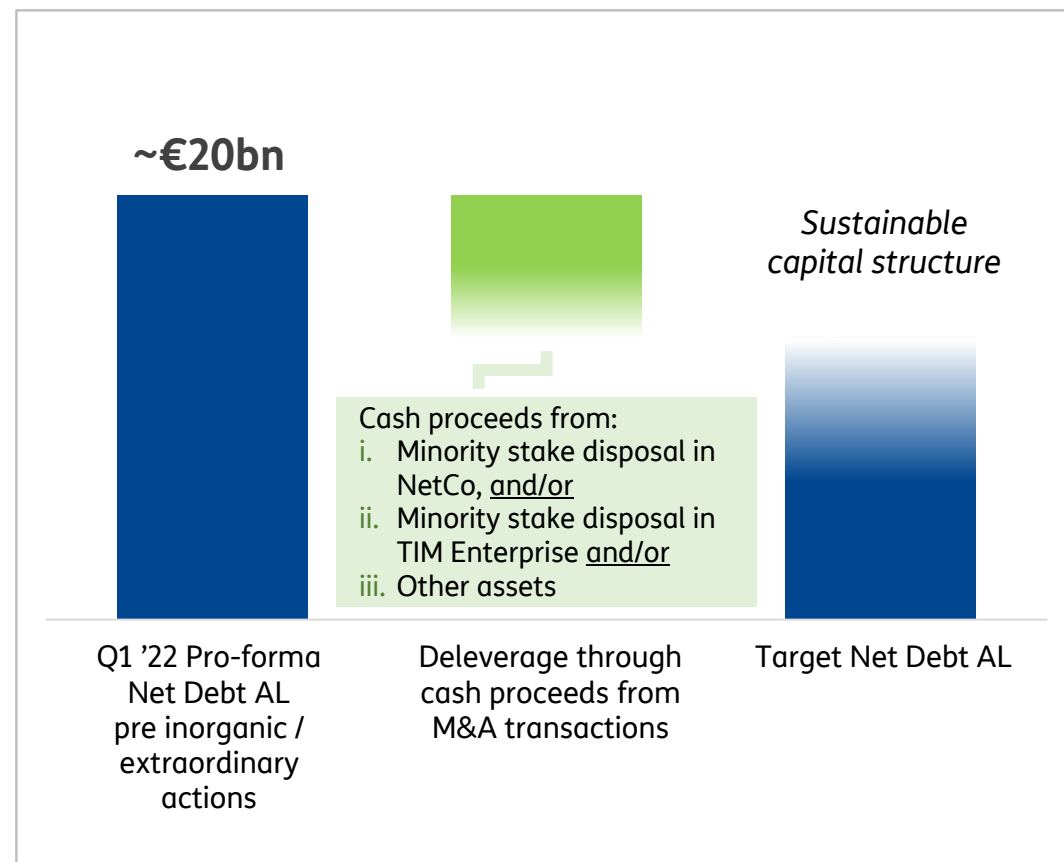
- **“Combination”⁽²⁾ with Open Fiber remains the priority / preferred option** in order to unlock sizable synergies and allow full valorization of TIM's infrastructure network...
- ... but **only if executed at attractive terms** to both equity / debt holders
- Should the transaction not be finalized **alternative options** might include, among others:
 - Potential disposal to private market investors, given the proven appetite currently showed for the asset class
 - “Structural” separation

(1) It might include, among other options, intercompany loan repayment

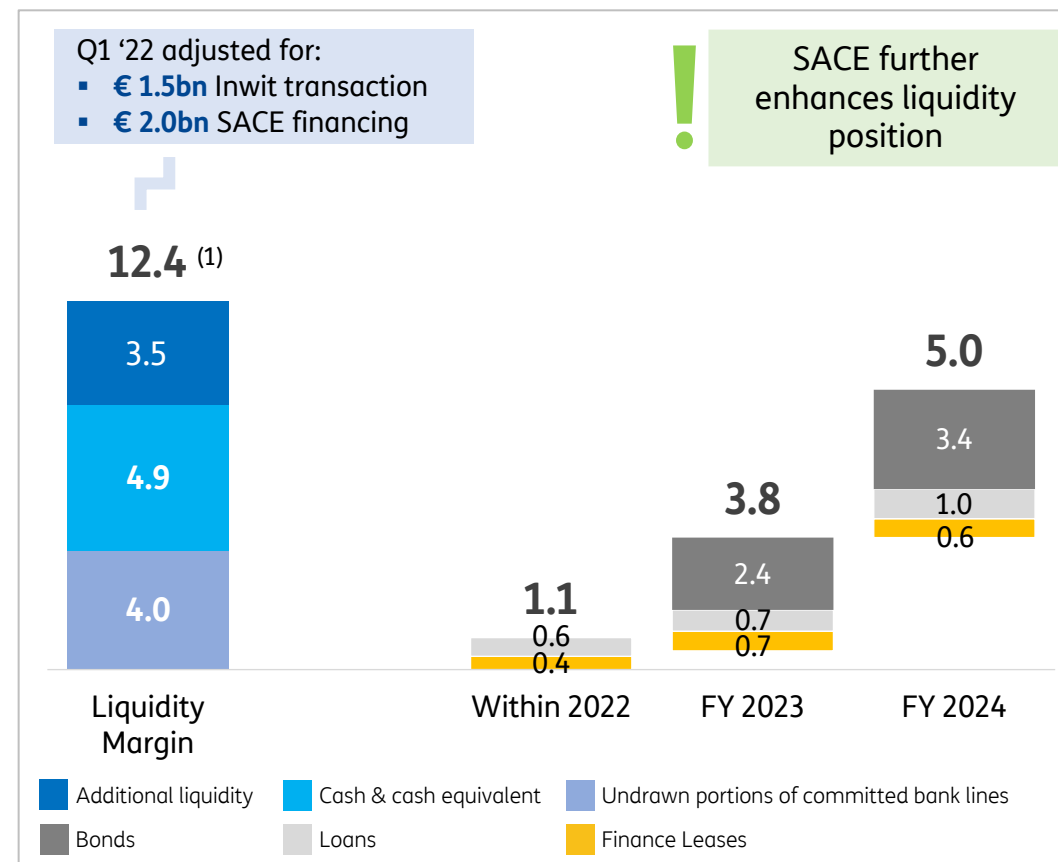
(2) It might include, among other options, full disposal of NetCo to Open Fiber

Independently from vertical dis-integration, we still have options for a sustainable capital structure

TIM is committed to **reduce total leverage** also in a “continuity” scenario



Liquidity secured until 2024 – no refinancing needs, thus flexibility to execute



(1) Excludes € 285m repurchase agreements o/w € 85m will expire in April 2022, € 150m will expire in May 2022 and € 50m will expire in June 2022

In any potential M&A structure, a key objective of the Delaying Plan will be the reduction in leverage and strong commitment to improve rating profile

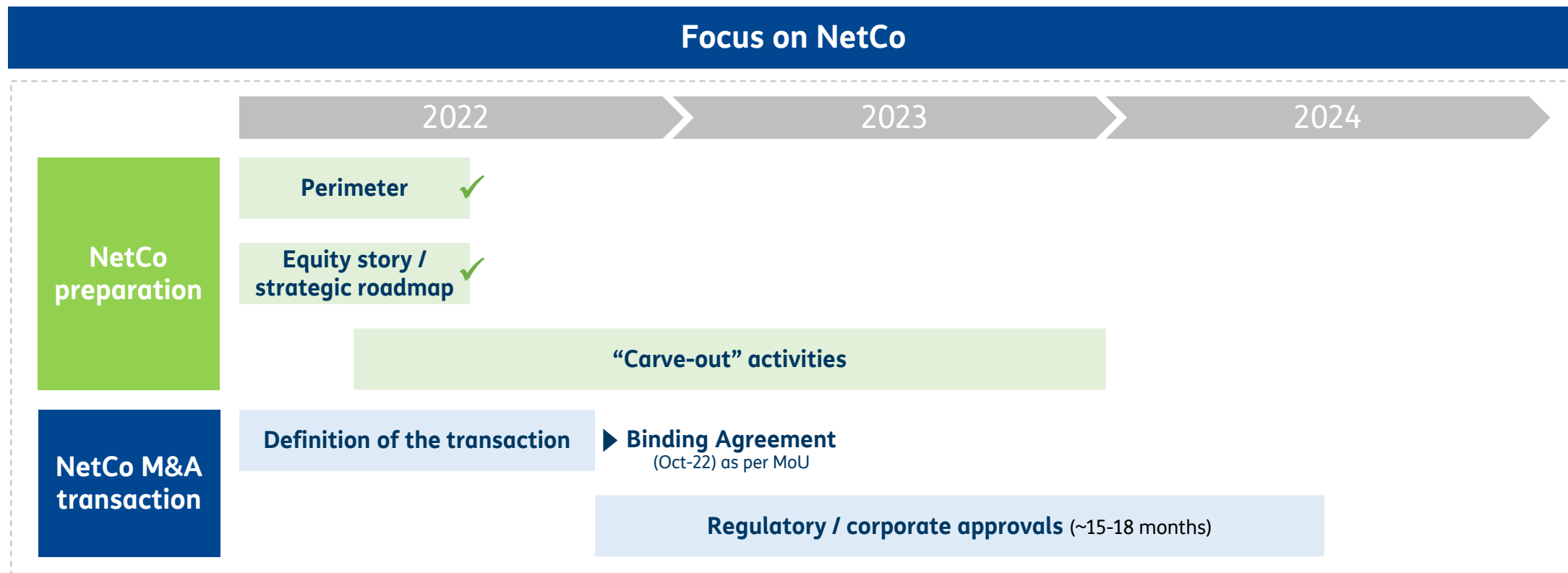
Key Pillars

- One of TIM's key objectives for the Delaying Plan is to **improve Group's leverage and credit metrics**
- TIM currently benefits from a **strong liquidity position, sufficient to cover any maturities until 2024** – this will allow ample time to complete the contemplated strategic transactions without having to refinance maturities before a transaction structure is decided
- **Considerable structuring work on the current capital structure has been completed** to ensure all envisaged transaction structures can be implemented in an efficient way and with an improvement in the leverage profile
 - Envisaged liability management actions for debt allocation, if any, will be decided once there is full visibility on the final structure / final negotiation of the M&A transactions

Rating Considerations

- Before committing to any transaction, TIM intends to pursue a **full rating assessment**
- Following the execution of the Delaying Plan, TIM targets a **solid and sustainable capital structure**, resulting in ratings (e.g., for ServiceCo) which are robust and not lower than current ratings
- **TIM will optimise its de-leveraging and structuring solutions** to achieve its objectives such that the interest of TIM debtholders are preserved

Delaying Plan - Execution will take ~15-18 months given the extraordinary nature and complexity of the transaction



- **TIM is focused on identifying NetCo "path" to vertical dis-integration by YE '22**, in parallel with the assessment of other strategic options
- Execution (including regulatory / corporate approvals) will take **~15-18 months**
- **TIM is committed to accelerate delaying plan's execution**

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Closing remarks

- Delaying TIM is an unprecedented opportunity to **unleash the strengths hidden in the integrated model**
- Running a **well-balanced portfolio of distinct entities** with different characteristics and at different level of maturity
- Identified a **clear tailor-made strategy** for each entity
- Focus will be on **execution**
- Strong commitment to **reduce leverage and improve rating profile**
- **Different options** ensure the necessary **flexibility** vis-à-vis the status quo



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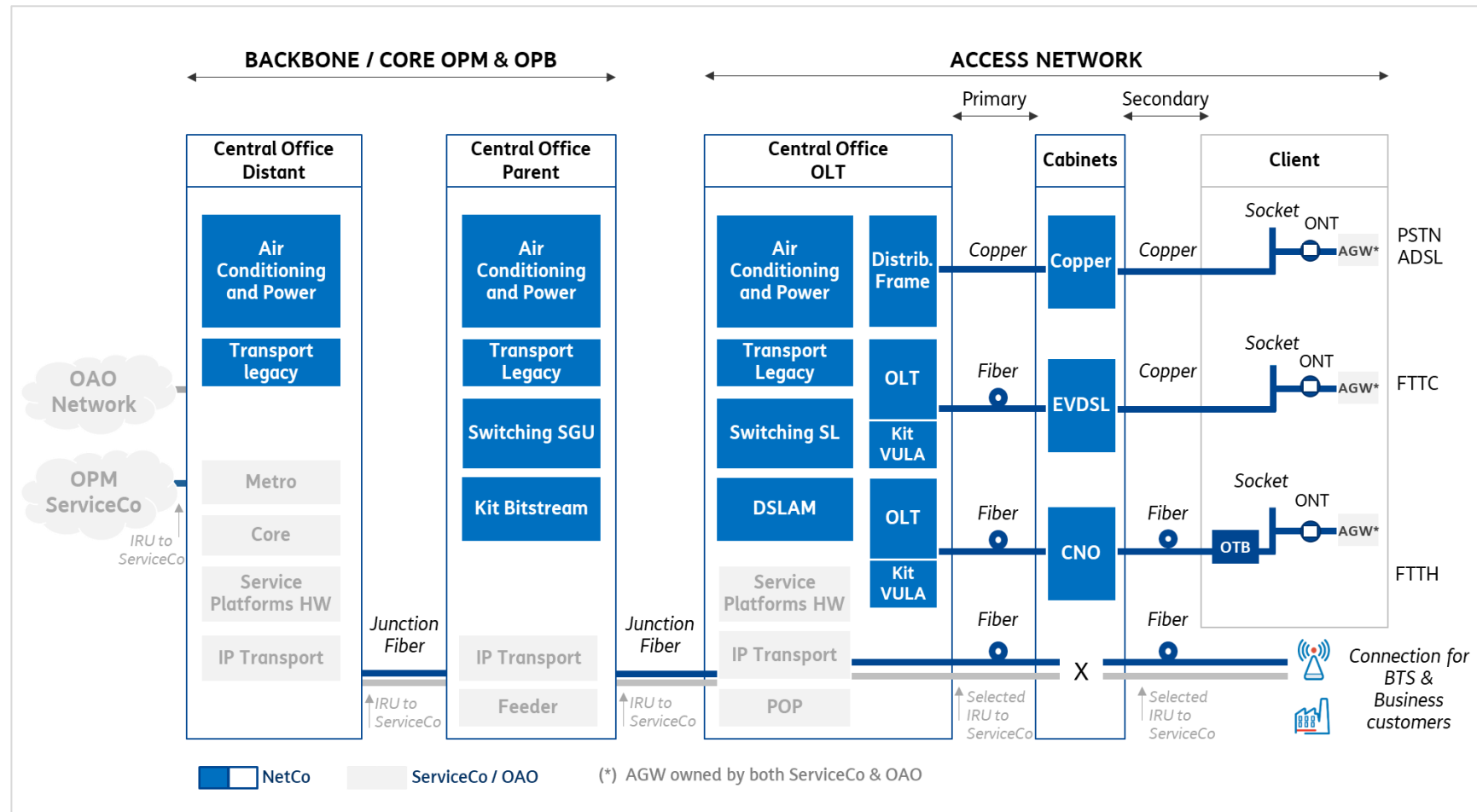
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NetCo - Perimeter

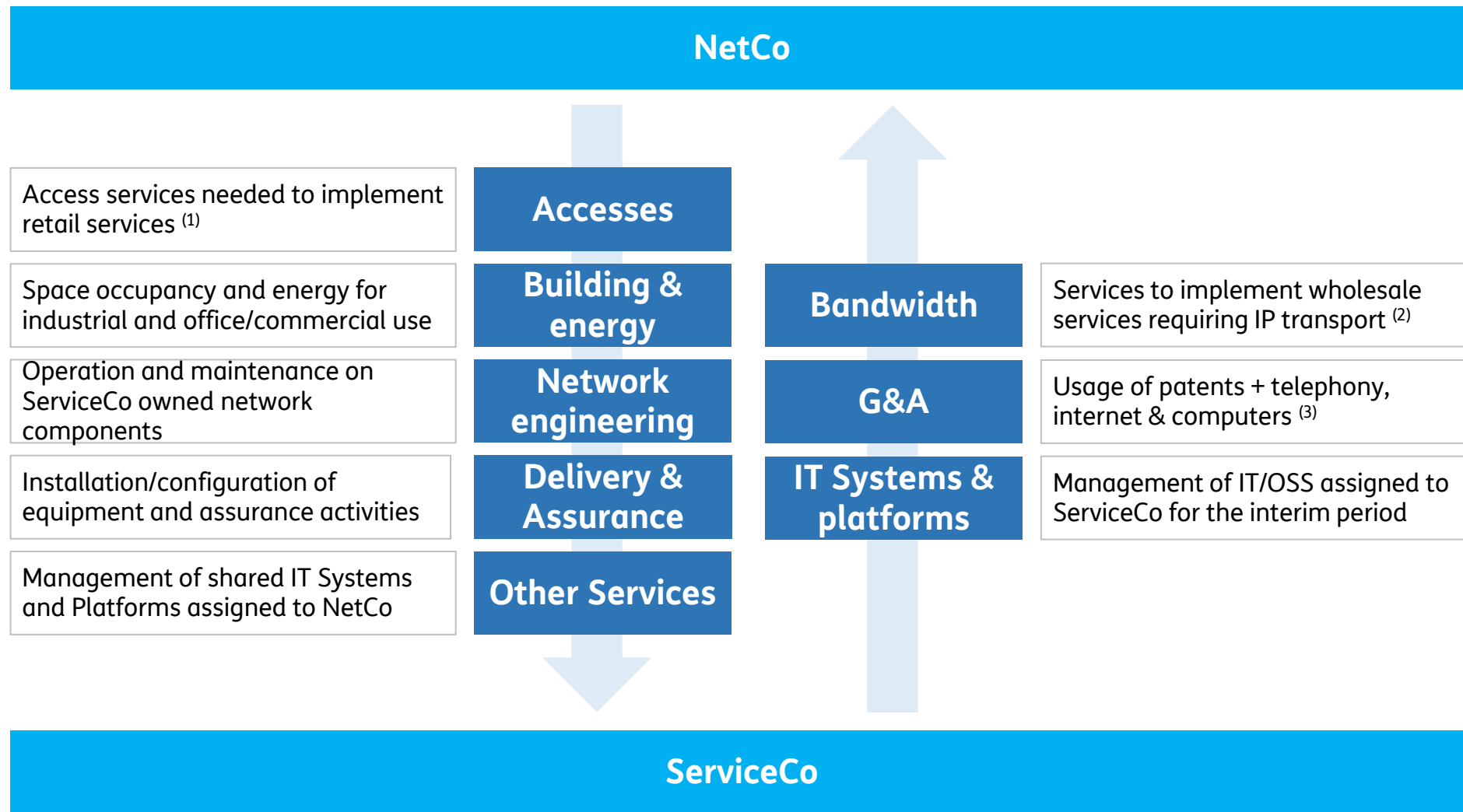


Highlights on NetCo perimeter

- Copper and fiber infrastructure** from central office to client premises, with ServiceCo retaining selected primary fibers
- Central offices and junction infrastructure**, excluding backbone, IP transport and mobile infrastructure
- All real estate assets** except for data centers, commercial only spaces and ServiceCo-only offices

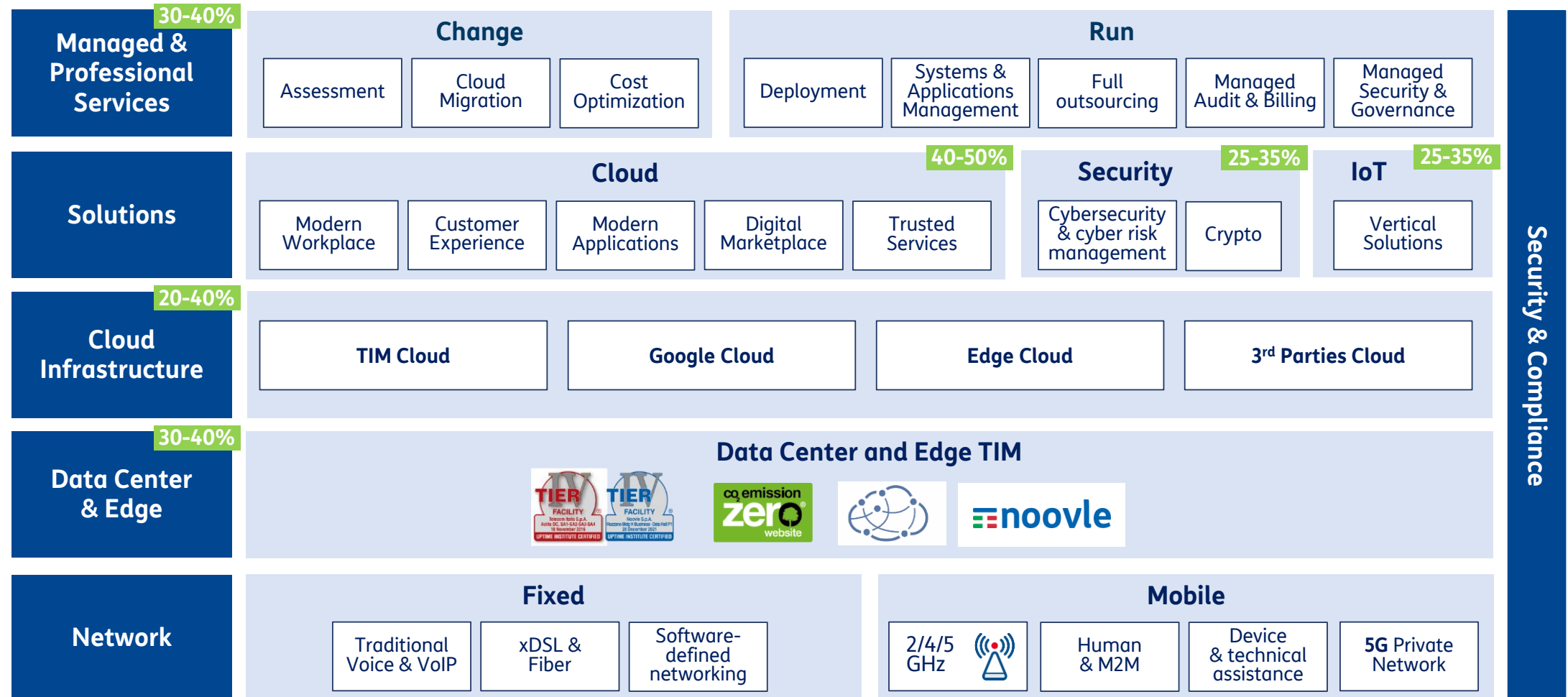
Glossary: AGW= Access Gateway; BTS= Base Transceiver Station; CNO= Optical Distribution Node; DSLAM= Digital Subscriber Line Access Multiplexer; EVDSL= Enhanced Very-high-bit-rate Digital Subscriber Line; IRU= Indefeasible right of use; OAO= Other Authorized Operators; OLT= Optical Line Terminal; ONT= Optical Network Termination; OPB= Optical Packet Backbone; OPM= Optical Packet Metro; OTB= Optical Termination Box; POP= Point of Presence; PSTN= Public Switched Telephone Network; Switching SL=Switching "Stadio di Linea"

NetCo - Key services between NetCo and ServiceCo



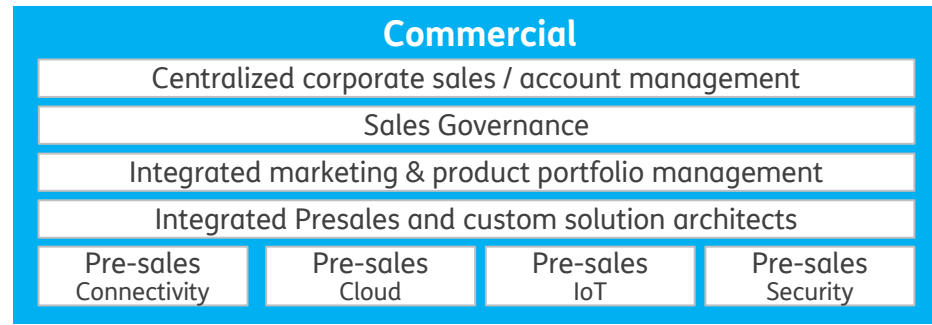
⁽¹⁾ ISO-CSP service purchase, ADSL via interconnection to DSLAM, UBB via VULA purchase over FTTx networks (VULA C, VULA H), business fiber connections or backhauling of SRBs through access fiber purchase beyond those in IRU at carve out ⁽²⁾ Over time NetCo will rebuild its own backbone ⁽³⁾ At start-up

TIM Enterprise - Complete end-to-end ICT offering, unparalleled in the market

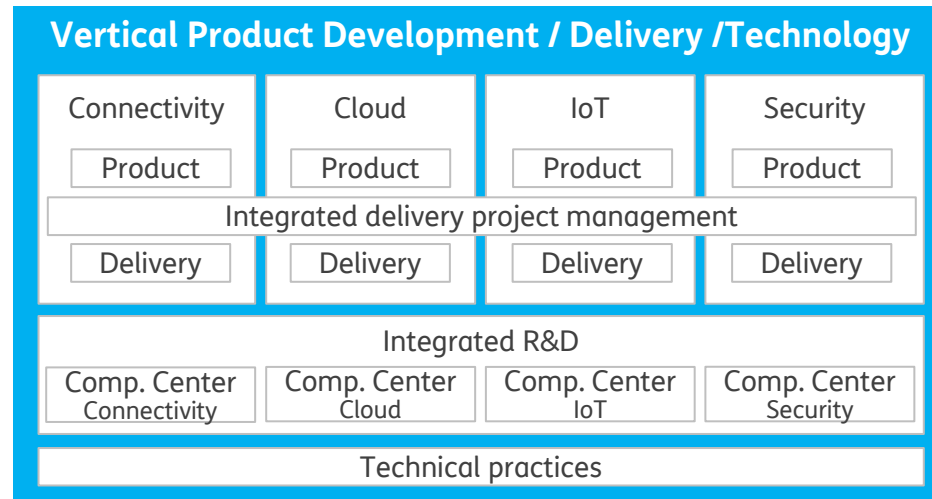


xx% Marginality observed in the market (defined as Revenues minus direct costs, incl. OPEX contribution)

TIM Enterprise - Operating model

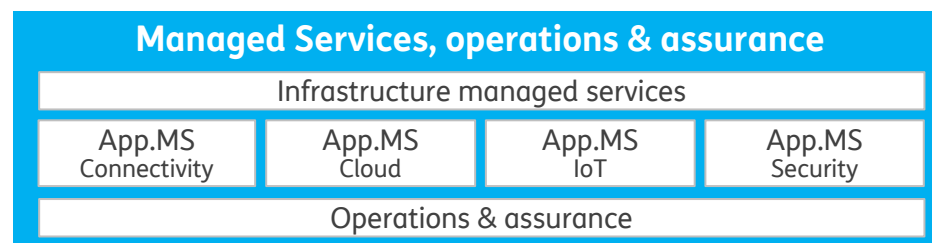


- **Centralized corporate sales / account management:** single point of contact to engage with customers in order to better identify needs and explore opportunities
- **Integrated marketing and solution development,** by industry and top clients
- **Specialized pre-sales:** product-focused pre-sales specialists supporting account managers during sales process



- **Vertical product management:** product-focused business and technical requirement identification to steer competence center development
- **Integrated delivery project management:** specialized PMs for project delivery coordination
- **Vertical delivery specialists:** product-focused experts responsible for single product delivery

- **Integrated R&D** to setup common standards and methodology
- **Product-specific competence centers** to develop internal IP from product management inputs
- **Integrated technical practices** for management of key partners' technology solutions



- **Integrated managed services** for infrastructures
- **Vertical application managed services** (product-specific)
- **Integrated operations & assurance** in charge of post-sales services, assurance & maintenance



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