



Tax Strategy

Insight

TIM Group

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1. TIM Group's Tax Strategy

The TIM Group's Tax Strategy, approved by the Board of Directors, defines principles and guidelines for managing tax matters. It is based on the principles of honesty, fairness, and compliance, and is characterized by cooperative and transparent conduct toward Tax Authorities and third parties, with the aim of minimizing tax and reputational risks.

In this context, we are committed to:

- defining and disseminating, from Top Management to all employees involved, the values and principles of conduct on tax matters, ensuring consistency between stated commitments and the behavior adopted at the top, in line with the "Tone at the Top" principle;
- developing and maintaining ongoing relationships with Tax Authorities based on professionalism, transparency, and timeliness;
- acting, in compliance with the principle of Corporate Responsibility, with honesty and integrity in managing tax matters, protecting the interests of all stakeholders and recognizing that tax revenues represent a fundamental lever for the economic and social development of the countries in which the Group operates;
- defining our level of tax risk tolerance, in order to establish limits and boundaries for risk-taking and to align tax matters with the corporate strategy and the Group's risk framework, while retaining the possibility of not aligning with the positions of the Tax Authorities when the Company's reasoning is adequately supported (agree to disagree);
- adopting control and monitoring tools suitable to ensure compliance with the established tax risk levels;
- operating in full compliance with the tax laws and regulations of the countries in which we are present, respecting not only their letter but also their spirit and purpose, through: (i) continuous monitoring of legislative developments, (ii) the



correct management of their application, and (iii) regular information and training activities to spread awareness at all levels through periodic and systematic deployment actions;

- ensuring continuous monitoring of business activities and processes, to guarantee compliance with the standards set by current tax regulations, with the involvement of all Bodies and Functions responsible for internal and external controls;
- adapting, according to needs and based on principles of rationality and efficiency, the organizational structures, corporate systems, and processes affected by regulatory changes and related controls.

2. TIM Group's approach to Tax Risk

The Group, with the aim of minimizing tax risk:

- does not carry out transactions aimed solely at obtaining tax advantages without valid business reasons, nor "artificial" transactions designed exclusively to reduce the tax burden;
- does not transfer value created to jurisdictions with preferential tax regimes, nor makes use of so-called tax havens for tax avoidance purposes. Any presence in jurisdictions with preferential tax regimes is permitted only if strictly functional to commercial objectives and to the development of business activities;
- carries out cross-border intragroup transactions in compliance with the arm's length principle, in accordance with the OECD Transfer Pricing Guidelines;
- in the presence of interpretative doubts or difficulties in applying tax regulations, adopts solutions based on criteria of reasonableness and in full compliance with the principle of legality;
- maintains an ongoing dialogue with the Italian Revenue Agency (Agenzia delle Entrate) on potentially controversial issues or matters of complex interpretation, connected to significant business, financial, or commercial transactions, regardless



of possible profiles of tax avoidance or non-application of anti-avoidance rules;

- ensures transparency and fairness in relations with Tax Authorities, basing them on the principles of cooperation and good faith.

3. Tax Governance

TIM's Board of Directors, drawing on the preparatory work carried out by the Control and Risk Committee, is responsible for periodically verifying the adequacy and effective functioning of the internal control and risk management system, of which the tax control system is an essential component. In this context, the Board examines, at least once a year, a dedicated report containing the results of the periodic review of the tax risk control and management system.

In particular, starting from the premise that tax risk is inherent both in the company's ordinary and extraordinary activities and in the related internal processes, TIM has adopted a tax risk management and control system based on a governance model designed to ensure that:

- Top Management is constantly informed about the tax impacts of strategic and operational transactions, both planned and in the implementation phase, so as to ensure full consistency between business decisions and the defined tax strategy;
- the Tax Function is promptly involved in the performance of ordinary and extraordinary activities, in order to allow for a prior assessment of the related tax implications and to ensure correct and informed management of tax matters.

4. Tax Conduct

The governance and functioning of our tax risk management and control system — including delegated authorities, roles, and responsibilities in the processes of identification, management, and monitoring — are set out in a specific Tax Policy.



The incentive system for the Tax Function does not include objectives linked to reducing the tax rate. All of us — TIM employees and management, at every level — are required to comply with the general principles set out in our Code of Ethics: honesty, accuracy, transparency, confidentiality, impartiality, diligence, integrity, and mutual respect. Failure to comply with these principles may result in legal action or other measures, as provided for in the Code of Ethics itself.

We clearly communicate to executives and employees the importance of these values and of the codes of conduct applicable to tax matters, we promote virtuous behavior through appropriate recognition, and we sanction confirmed violations, in line with the Tone at the Top principle.

5. Training

TIM Group trains and supports all employees involved in tax-related activities, not only staff specifically assigned to the Tax Department, in order to ensure that all employees acquire the skills and experience needed to handle their responsibilities. To achieve this goal, TIM invests in employees' professional growth, including through specific training plans.

6. Relations with the Tax Authorities

TIM is committed to building relationships with Tax Authorities based on full transparency and cooperation. In particular, the Group works to:

- communicate clearly and transparently to the Italian Revenue Agency any changes to its tax strategy and the risks connected to its most significant transactions;
- provide correct, accurate, and complete information, responding promptly to requests from the Italian Revenue Agency;
- promptly manage any uncertain tax positions before filing tax returns and, should disagreements arise afterward, work to reach reasonable and shared solutions with



the Italian Revenue Agency.

7. Reporting

To ensure maximum transparency toward all stakeholders, we report our tax data according to the "Country-by-Country Reporting (CbCR)" standard — that is, a report showing, in detail, the main economic and tax data broken down by each country in which we operate.

The indicators reported refer to fiscal year 2024 and correspond to those included in the official reporting. The taxes reported in the CbCR — which we present again here — are calculated net of certain adjustments provided for by the relevant regulations. The scope of the disclosure covers all TIM Group companies operating in various countries.

Country	Description of the organization's main activities	Employees (no.)	Revenue from sales to third parties (EUR/000)	Revenue from intragroup transactions (EUR/000)	Profit/Loss (EUR/000)	Assets (EUR/000)	Share capital (EUR/000)	Reserves (EUR/000)	Income taxes paid (EUR/000)	Income taxes accrued (EUR/000)
Argentina	Provision of administrative services, support in the technical management of equipment relating to the local network, and management of relationships with local customers for the provision of international telecommunications services.	8	7,971	485	1,584	3,523	2,892	0	-17	101
Austria	Provision of administrative services and support in the technical management of equipment relating to the local network for the provision of international telecommunications services.	1	16	1,551	82	305	2,735	79	20	19
Belgium	Provision of administrative services and support in the technical management of equipment relating to the local network for the provision of international telecommunications services.	0	180	565	92	248	2,200	81	25	22
Brazil	Fixed-line and mobile telephony services.	9,134	4,614,671	4,875	495,438	1,999,702	3,447,963	645,370	16,046	50,311



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Bulgaria	Provision of administrative services and support in the technical management of equipment relating to the local network for the provision of international telecommunications services.	0	71	557	37	621	51	0	-2	0
Chile	Provision of administrative services and support in the technical management of equipment relating to the local network for the provision of international telecommunications services.	1	3,042	0	-478	3,172	9,971	0	0	0
Colombia	Provision of administrative services and support in the technical management of equipment relating to the local network for the provision of international telecommunications services.	0	116	2,107	-89	1,196	3,686	0	7	56
France	Provision of administrative services, support in the technical management of equipment relating to the local network, and management of relationships with local customers for international telecommunications services.	19	736	13,964	767	5,377	18,295	1,892	201	196
Germany	Provision of administrative services, support in the technical management of equipment relating to the local network, and management of relationships with local customers for international telecommunications services.	5	1,605	11,004	1,262	7,161	25,625	5,905	187	214
Greece	Provision of administrative services, support in the technical management of equipment relating to the local network, and management of relationships with local customers for international telecommunications services.	31	10,348	5,231	-1,694	23,710	369	5,383	0	0



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Israel	Provision of administrative services, support in the technical management of equipment relating to the local network, and management of relationships with local customers for international telecommunications services.	14	9,774	1,455	159	9,319	1,988	28,167	2	0
Italy	In Italy, the TIM Group operates across the entire advanced communications services value chain, including fixed-line and mobile telecommunications, Internet, multimedia and television, IT products and services, and R&D. Coordination functions for controlled non-resident companies are also carried out from Italy.	17,521	9,508,005	3,053,491	-483,179	2,440,158	11,906,956	-1,491,364	2,163	5,955
Luxembourg	Financial and subholding activities.	13	892,899	326,004	195,383	20	1,821,028	1,436,877	9,859	21,544
Malta	Provision of administrative, management and support services; sale of IT solutions.	2	78	0	-237	4	10	0	0	0
Nigeria	Provision of administrative services and support in the technical management of equipment relating to the local network for international telecommunications services.	0	320	97	-206	713	84	0	0	2
Netherlands	Provision of administrative services and support in the technical management of equipment relating to the local network for international telecommunications services.	2	132	3,895	205	2,252	18	1,610	45	43
Panama	Provision of administrative services, support in the technical management of equipment relating to the local network, and management of relationships with local customers for international telecommunications services.	10	1,116	1,724	-4,781	15,377	4,165	0	-2	0



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Peru	Provision of administrative services and support in the technical management of equipment relating to the local network for international telecommunications services.	0	2,920	238	-406	1,095	17,634	0	0	177
Puerto Rico	Provision of administrative services and support in the technical management of equipment relating to the local network for international telecommunications services.	0	238	1,904	-286	1,904	2,936	55	1	0
Portugal	Permanent establishment of TI Sparkle UK Limited. Support in the technical management of equipment relating to the local network for international telecommunications services.	0	39	261	11	1,054	0	0	79	2
United Kingdom	Provision of administrative services, support in the technical management of equipment relating to the local network, and management of relationships with local customers for international telecommunications services.	8	0	8,169	-488	7,929	11,576	-5,264	-7	0
Czech Republic	Provision of administrative services and support in the technical management of equipment relating to the local network for international telecommunications services.	0	0	0	-10	0	0	0	0	0
Republic of San Marino	Fixed-line and mobile telephony services.	40	11,006	727	3,019	1,118	1,886	2,787	548	557
Romania	Provision of administrative services and support in the technical management of equipment relating to the local network for international telecommunications services.	2	109	237	27	11	608	0	5	5
Russia	Provision of administrative services, support in the technical management of equipment relating to the local network, and management of relationships with local customers for international telecommunications services.	4	0	570	60	27	72	0	11	12



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Singapore	Provision of administrative services, support in the technical management of equipment relating to the local network, and management of relationships with local customers for international telecommunications services.	10	47,672	23,576	926	551	27	0	0	0
Slovakia	Provision of administrative services and support in the technical management of equipment relating to the local network for international telecommunications services.	0	5	0	-14	0	300	0	0	0
Spain	Provision of administrative services, support in the technical management of equipment relating to the local network, and management of relationships with local customers for international telecommunications services.	4	13	1,162	61	330	1,687	157	0	0
United States of America	Provision of administrative services, support in the technical management of equipment relating to the local network, and management of relationships with local customers for international telecommunications services.	41	132,097	39,948	-1,211	24,045	14,977	44,103	993	607
Switzerland	Provision of administrative services and support in the technical management of equipment relating to the local network for international telecommunications services; sale of IT solutions.	1	194	655	-197	227	1,378	625	10	9
Turkey	Provision of administrative services, support in the technical management of equipment relating to the local network, and management of relationships with local customers for international telecommunications services.	17	21,598	61	-850	7,600	17,279	0	0	0
Venezuela	Provision of administrative services and support in the technical management of equipment relating to the local network for international telecommunications services.	0	9	252	-911	0	456	0	-28	0



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U.S. Virgin Islands	Provision of administrative services and support in the technical management of equipment relating to the local network for international telecommunications services.	0	47	1,261	-6	916	1	5,729	1	0
India	Provision of services to unrelated parties.	-	-	-	-49	-	287	-	-	-
Mexico	Provision of services to unrelated parties.	-	-	-	-88	-	96	-	15	-

The scope of the information and data reported refers to the "country by country" reporting for the 2024 tax period.

Companies resident in Argentina: TI Sparkle Argentina S.A.; companies resident in Austria: TI Sparkle Austria GmbH; companies resident in Belgium: TI Sparkle Belgium S.P.R.L. - B.V.B.A.; companies resident in Brazil: TI Latam Participacoes e Gestao Administrativa LTD, TI Sparkle Brasil Participacoes LTDA, TI Sparkle Brasil Telecomunicacoes LTDA, TIM Brasil Servicos e Participacoes, TIM S.A.; companies resident in Bulgaria: TI Sparkle Bulgaria EOOD; companies resident in Chile: TI Sparkle Chile SPA; companies resident in Colombia: TI Sparkle Colombia LTDA; companies resident in France: TI Sparkle France SAS; companies resident in Germany: Olivetti Deutschland GmbH, TI Sparkle Germany GmbH; companies resident in Greece: TI Sparkle Greece S.A.; companies resident in Israel: MED 1 Submarine Cables LTD, TI Sparkle Israel LTD; companies resident in Italy: Telecom Italia S.p.A. (also TIM S.p.A.), CD Fiber S.r.l., Global Space Tre S.r.l., Noovle AI S.r.l., Noovle S.p.A. società benefit, Noovle Sicilia - società consortile a r.l., Olivetti Payment Solutions S.p.A., Olivetti S.p.A. società benefit, Telecom Italia Sparkle S.p.A., Telecom Italia Trust Technologies S.r.l., Telecom Italia Ventures S.r.l., Telecontact Center S.p.A., Telsy Elettronica e Telecomunicazioni S.p.A., TIM My Broker S.r.l., TIM Retail S.r.l., Mindicity S.r.l. società benefit, TS - Ways S.r.l., QTI S.r.l.; companies resident in Luxembourg: Telecom Italia Capital S.A., Telecom Italia Finance S.A.; companies resident in Malta: Noovle Malta LTD; companies resident in Nigeria: TIS Lagos Limited; companies resident in the Netherlands: TI Sparkle Netherlands B.V.; companies resident in Panama: Panama Digital Gateway S.A., TI Sparkle Panama S.A.; companies resident in Peru:



TI Sparkle Peru S.A.; companies resident in Puerto Rico: TI Sparkle Puerto Rico LLC; companies resident in the United Kingdom of Great Britain and Northern Ireland: Olivetti UK LTD, TI Sparkle UK LTD; companies resident in Romania: TI Sparkle Romania SRL; companies resident in Russia: TI Sparkle Russia LLC; companies resident in the Czech Republic: TI Sparkle Czech S.R.O. V Likvidaci; companies resident in the Republic of San Marino: Telecom Italia San Marino S.p.A., Telefonía Mobile Sammarinese S.p.A.; companies resident in Singapore: TI Sparkle Singapore PTE/LTD; companies resident in Slovakia: TI Sparkle Slovakia S.R.O.; companies resident in Spain: TI Sparkle Spain Telecommunications S.L.; companies resident in the United States of America: TI Sparkle Americas Inc., TI Sparkle North America Inc.; companies resident in Switzerland: Noovle International SAGL, TI Sparkle Switzerland GmbH; companies resident in Turkey: TI Sparkle Turkey Telekomunikasyon Hizmetleri Anonim Sirketi; companies resident in Venezuela: TI Sparkle Venezuela C.A.; companies resident in the U.S. Virgin Islands: TI Sparkle St. Croix LLC; companies resident in Portugal: permanent establishment of TI Sparkle UK LTD; companies resident in India: Sparkle Communications India Private Limited; companies resident in Mexico: TI Sparkle Mexicana S.A. de C.V.