

## *TValue*

A plan designed to provide optionality and deliver superior value to the benefit of all TIM's shareholders

11 April 2024

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## Executive Summary (i)

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We are in a **pivotal moment in the history of TIM**, a moment where critical business and capital allocation decisions are being made.

We have a very high conviction in the strategic role that TIM plays in Italy and in the **value creation opportunity** that can be realised for all shareholders through a correct **engagement of all stakeholders** in a plan that does not exclusively rely on the sale of NetCo to solve the company's problems.

**The plan put forth by the Board of Directors not only lacks clarity and financial sustainability**, but it also carries substantial risks that could potentially lead the company into a state of financial tension, and there exists a significant possibility of necessitating a capital increase in the event of prolonged delays in finalizing the sale of the network

This situation and the **lack of any meaningful disclosure about contingency plans** can't continue to be ignored.

The market reaction following the disclosure of the plan figures on 7 March 2024, echoing our apprehensions, has only reinforced our conviction that a new direction is imperative for the long term health and prosperity of TIM

It is now the duty of us shareholders to express ourselves and decide on the course our company should take, properly evaluating every option available to ensure sufficient and quick deleveraging.

Over the course of the last few months, **we worked on an effective and executable business plan for the industrial and financial relaunch of TIM that we named TValue.**

**TValue offers optionality and offers an alternative path for TIM.** TValue addresses any contingent scenario to make sure that the much needed deleveraging of TIM happens as soon as possible

**TValue's vision is to transform TIM into TechCo, a high growth Tech & Infra business dedicated to provide leading edge solutions to Business and Public Administration clients leveraging its pervasive network.**

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## Executive Summary (ii)

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TValue **refocuses TIM where it has a unique competitive advantage** and can become a European leader.

This transformation will be executed by **immediately divesting from non-core operations** such as TIM Brasil already in 2024 **and businesses lacking competitive advantages** such as TIM Consumer by mid 2025.

The immediate sale of TIM Brasil, already in 2024, will generate the **liquidity cushion** to start serving the existing debt and execute the transformation plan. Already by summer 2024, we will initiate discussions with potential buyers to accelerate the sale of TIM Consumer and positively execute it as quickly as possible and in any case no later than mid 2025.

**TechCo will act as a market aggregator**, moving to the role of predator rather than the one of potential prey in the value-added telco edge space, AI and related computing revolution, cloud, ICT, cybersecurity and IoT. TechCo will achieve the right scale and become a European leader in this space, also through fostering and leveraging strong and newly designed connections with the key global powerhouses.

Such transformation will not only **create superior value for all shareholders** thanks to its cutting edge added value, higher margins, and higher market multiples, but will also support Italy in meeting its digitalisation targets and boost the entire national economic system.

We firmly believe that decisions that significantly impact the future of our company should be taken in the appropriate venue, adhering to the **highest standards of corporate governance**: the shareholders' meeting. With this in mind, we have announced the candidacy of a slate of highly qualified professionals, led by Mr. Paolucci as Chairman and Mr. Siragusa as CEO, for the upcoming Board of Directors election to ensure a new course of action in TIM for the benefit of all shareholders and employees.

Our team is committed to executing the Tvalue plan, which we believe offers a **sustainable and strategic path forward for TIM**, not just based on the liquidation of the network.

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# Agenda

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01



**TValue  
Plan**

02



Create superior  
value for  
shareholders

03



Leadership  
is key

## TValue: deliver superior value to shareholders

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A BUSINESS PLAN AIMED AT VALUE CREATION AND STOCK APPRECIATION

OPTIONALITY TO ENSURE FINANCIAL SUSTAINABILITY (DELEVERAGE) IN ANY SITUATION WITH NO RISK OF CAPITAL INCREASE

CREATE TECHCO TO BUILD A BRIGHT FUTURE

EXIT NON-CORE BUSINESSES

EXIT BUSINESSES WITH LOW COMPETITIVE ADVANTAGE

RE-FOCUS TIM  
ON THE FAST  
GROWING, HIGH  
MULTIPLE  
TECH-INFRA  
BUSINESS  
TO CREATE  
SUPERIOR  
VALUE FOR ALL  
SHAREHOLDERS

## TValue: 5 Key Pillars of the Plan





## Assess NetCo Deal

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### Inclusivity is paramount

- Execution of this deal requires an inclusive approach: doing it against the will of key stakeholders will inevitably lead to its delay and legal battles
- TValue is committed to openly engage with all the major **shareholders** (starting from Vivendi and CDP), **stakeholders** (including the MEF, KKR and OpenFiber) to find the right way to execute the deal and avoid unnecessary delays

### Business & financial soundness is essential

- TValue **meticulously analysed** and **planned against any potential scenario** with a **contingency plan for each one** to ensure the much-needed deleverage happens in any case and the company can start thinking about its future without the burden of the past

### Reassurance for employees is key

- We will involve **employees** and **trade unions** to assess the implications of the deal and the necessary remedies to avoid any further delays

### Competitiveness is crucial

- We will **address any concern raised by Regulators and Other Operators**, ensuring **transparency** and **compliance** with industry standards



1



**Assess NetCo Deal:** NetCo deal does not limit TValue plan. Even without NetCo perimeter, TIM remains the most infrastructure player in Italy with a strong focus on the intelligent part of the network

### Current TIM Network- simplified

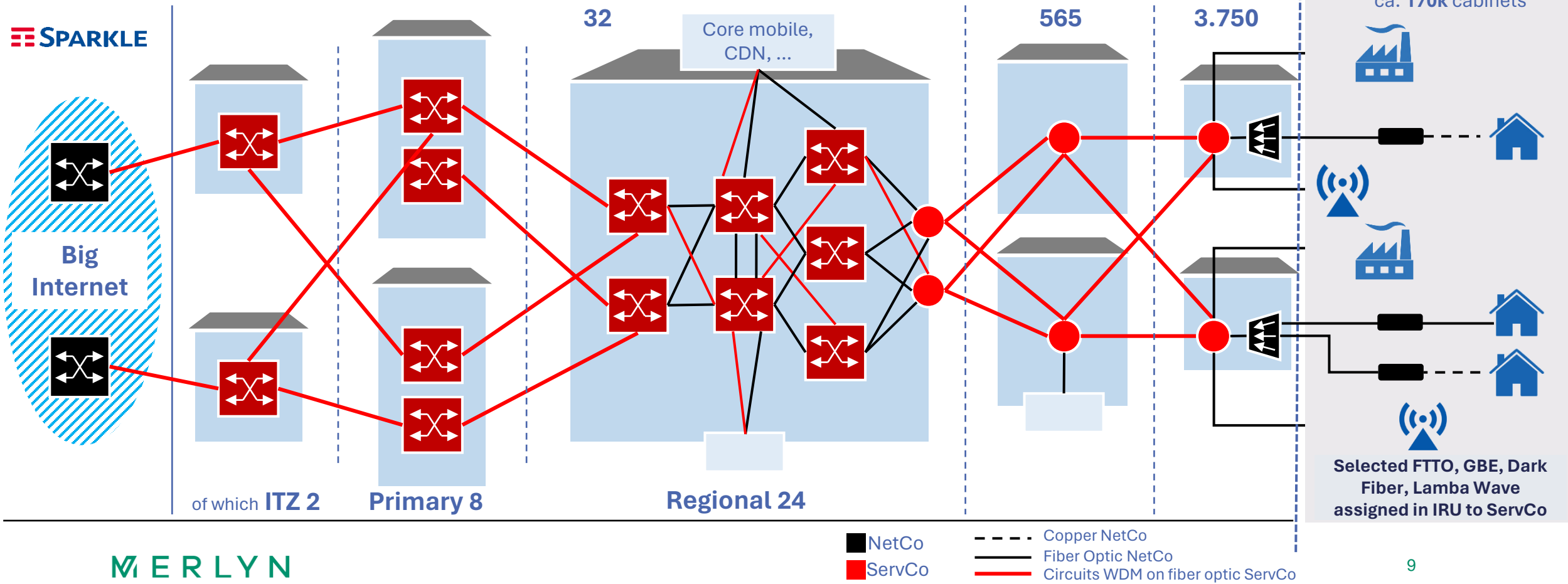
## SERVCO

Still the most infrastructure player thanks to Intelligent- Network

## NETCO

### Access Network

ca. 20k sites  
ca. 170k cabinets



MERLYN

Source: press, company website\



# Sell TIM Brasil in 2024: TIM Brasil is not core and its disposal is key to immediately start deleverage and invest in TechCo

## Tim Brasil is not a core assets...



**No synergies** in terms of **cost baseline and clients sharing**



**Valuable subsidiary** of the group with consistent **revenues, strong EBITDA and Enterprise Value**



Selling TIM Brasil is a fundamental tool **to immediately start the deleveraging process** and the investments into TechCo

## Even if it has consistently delivered strong results

### Pre Closing 2023 achievements of TIM Brasil

- **Service revenues growth**, with ARPU +13,1% YoY and MSR +11,2% YoY
- **Oi integration on track**: ~9m clients migrated until Jan23, 74% of full network integrated, >500 sites decommissioned
- **Network leadership**: largest mobile coverage in Brazil, 1<sup>st</sup> to cover 100% of cities
- **Steady FTTH migration** and launch of “*TIM UltraFibra*” new premium identity

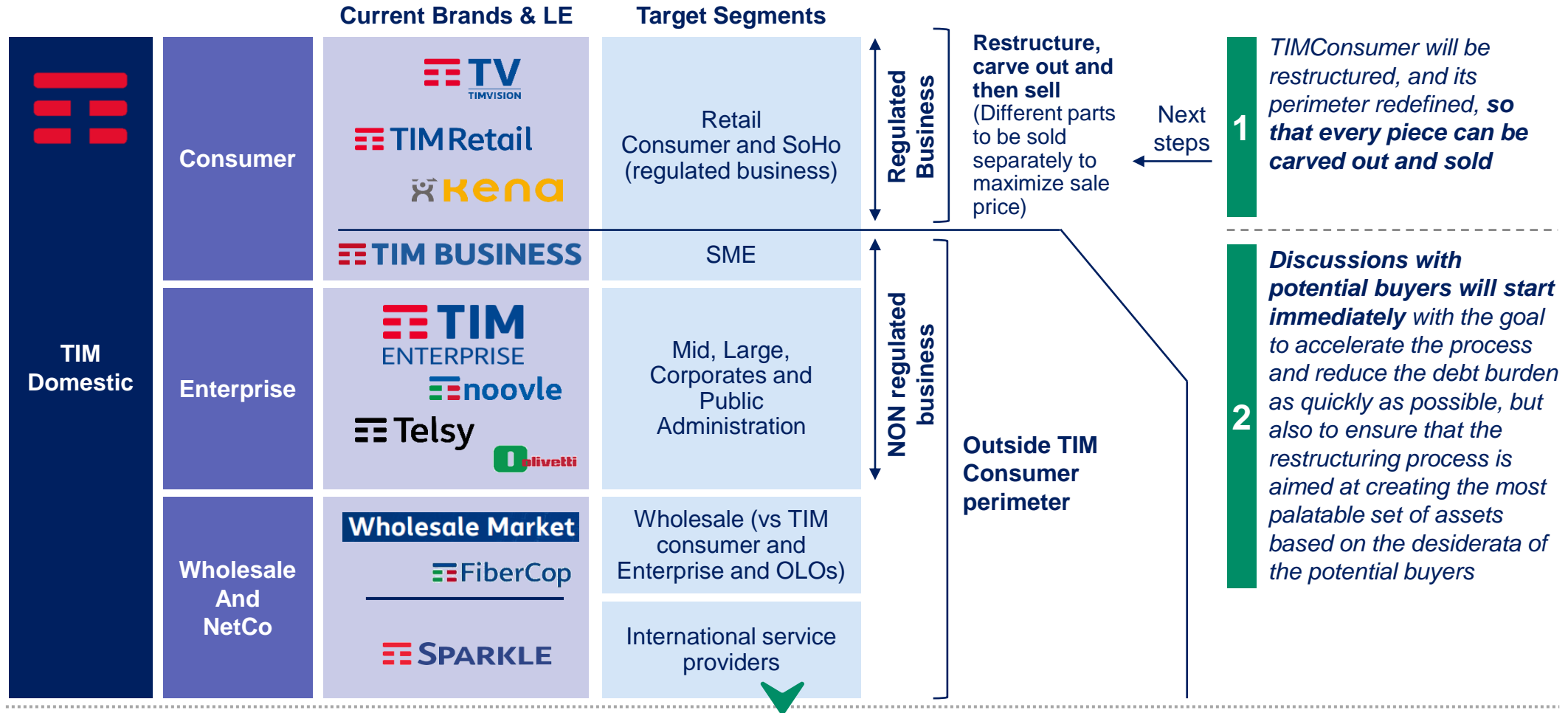
Service Revenues	+10.8% YoY	EBITDA-CAPEX	+62.1% YoY
EBITDA net of non-recurring items	+14.7% YoY	Shareholders remuneration	>2.9bnR\$
CAPEX on Revenue	+18.9%		



**Selling TIM Brasil in 2024 will generate the liquidity cushion to serve the existing debt and start investing in TechCo**



# Sell TIM Consumer in 2025: a restructured and repositioned digital customer platform to be carved out and disinvested (i)



**1** TIMConsumer will be restructured, and its perimeter redefined, so that every piece can be carved out and sold

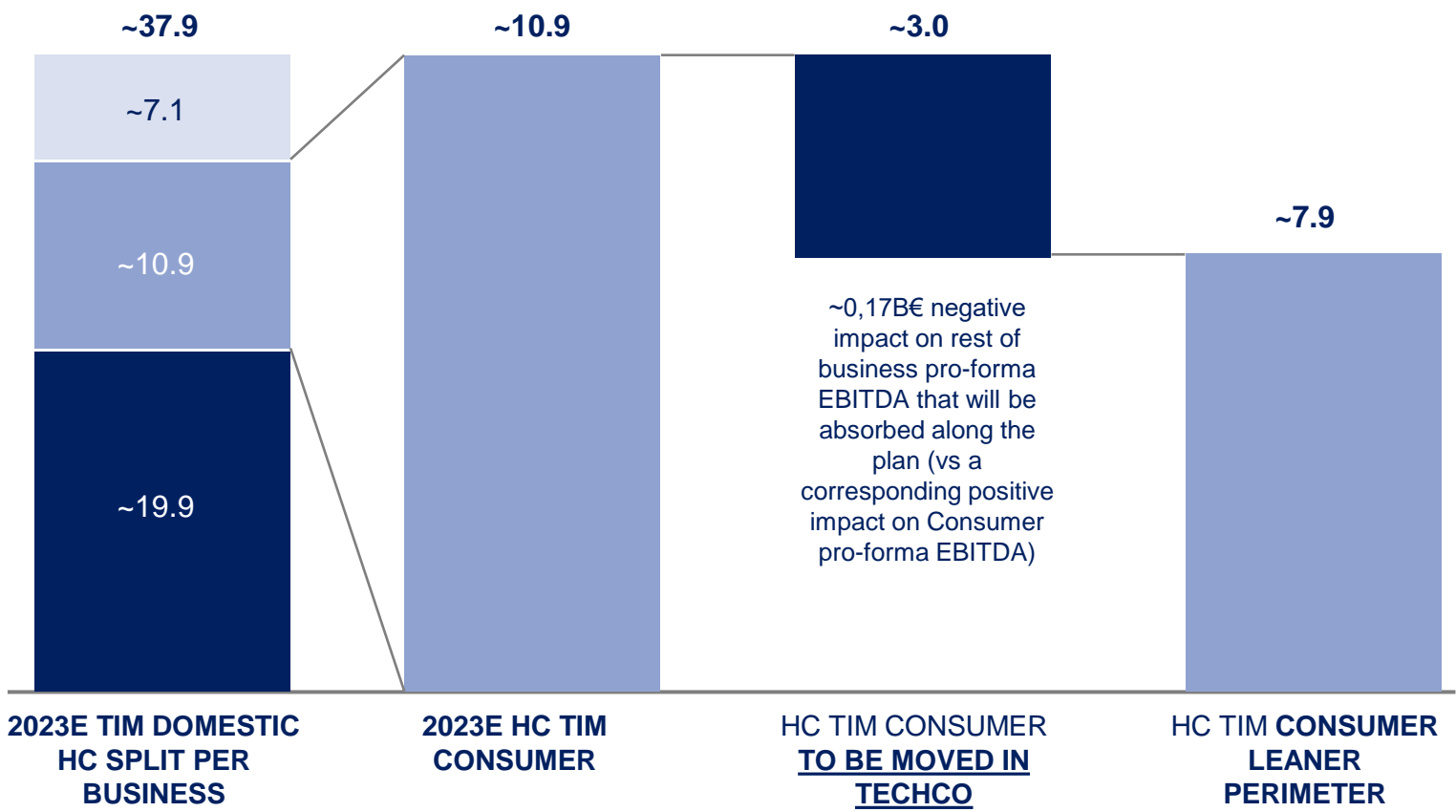
**2** Discussions with potential buyers will start immediately with the goal to accelerate the process and reduce the debt burden as quickly as possible, but also to ensure that the restructuring process is aimed at creating the most palatable set of assets based on the desiderata of the potential buyers

Discussions with potential buyers will start in 3Q24 to accelerate the sale of TIM Consumer by no later than 2025



# Sell TIM Consumer in 2025: a restructured and repositioned digital customer platform to be carved out and disinvested (ii) Focus on Transferred Personnel

NetCo TIM Consumer TIM Enterprise



- **Personnel transferred to rest of business to take care of**
  - Operations insourcing, e.g.:
    - Activations
    - Sites inspections
    - Processes and filing
    - Support to wholesale clients
    - Vendor management
- **TechCo will promote an Industry retirement fund in line with other industries (e.g., Financial Services)**

'000 HC



## Create TechCo: the fast growing, high multiple Tech-Infra company with global ambitions, focused on non-regulated services and leading-edge tech solutions (i)

TechCo will be the digital development engine of the Country

TechCo will provide:

- Exclusively **non-regulated network services**
- Leading **ICT**
- Edge **Cloud/ Artificial Intelligence/Low Latency services**
- **Security/Critical** valued-added **solutions**



TechCo a leading Tech&Infra player

Enterprise



Including **all subsidiaries** (e.g. Olivetti, Noovle, Telsy, PSN), **know-how, client relationships, supplier ecosystems and assets**

Wholesale  
(including access to)



TechCo will drive the next wave of business innovation and growth across virtually all industries



TechCo in any scenario will leverage its network and will access to NetCo a **pure wholesale player** (*eliminating Antitrust issues*), ensuring **equal access to all OLOs<sup>1</sup>** that will serve all the segments including the retail one



TechCo will become the **partner of choice in supporting the Public Administration, small and medium enterprises (SMEs) or large corporations** with global reach in acquiring data from all sources



The **leading infrastructure player** ensuring and delivering on-time and on-budget the digital NRRP plan in the interests of our Shareholders, our Company, the workers and the full Country



Market aggregator in the ICT, value-added, telco edge space to achieve the required scale to play a leading role in Europe

Note: (1) Other Licensed Operators



## Create TechCo: the fast growing, high multiple Tech-Infra company with global ambitions, focused on non-regulated services and leading-edge tech solutions (ii)

**TechCo will be the Italian leader in the Infra/Tech space offering non-regulated services and leading-edge tech solutions**

- Act as a **market aggregator in the ICT, value-added, edge space** to achieve the required scale to play a **leading role also in EU**
- Leverage its **unique infrastructure and intelligent network** coupled with **TIM Enterprise's relationships** and act as the **digital development engine of the Country**
- Such transformation will **create superior value for all shareholders** thanks to its cutting edge added value, higher margins, and higher market multiples, but will also **support Italy in meeting its digitalisation targets** and boost the entire national economic system

**TechCo will not compete in any consumer segment and will exit from all regulated businesses**

- **Exit from regulated high competitive retail market** to allow the regulator to **remove all current constraints** from the Company
- **Act** in any case with its network as a pure wholesale player **ensuring equal access**, in equivalence of input, **to all Other Licensed Operators (OLOs)** in any segment they serve
- **TechCo will act as a market aggregator**, moving to the role of predator rather than the one of potential prey in the value-added telco edge space, AI and related computing revolution, cloud, ICT, cybersecurity and IoT.

**TechCo will have global ambitions**

- **Grow outside Italy** and become an important partner of giants like Microsoft, Google, Apple and Amazon
- The broader reach will be an additional driver to support the **international growth of Italian companies**

**TechCo will create the growth potential for the company in the space where TIM enjoys a competitive advantage and where growth rates are the highest**



**TValue expects that trading multiples of TechCo will eventually converge towards the ones of Infra and Tech companies further increasing the stock appreciation potential**



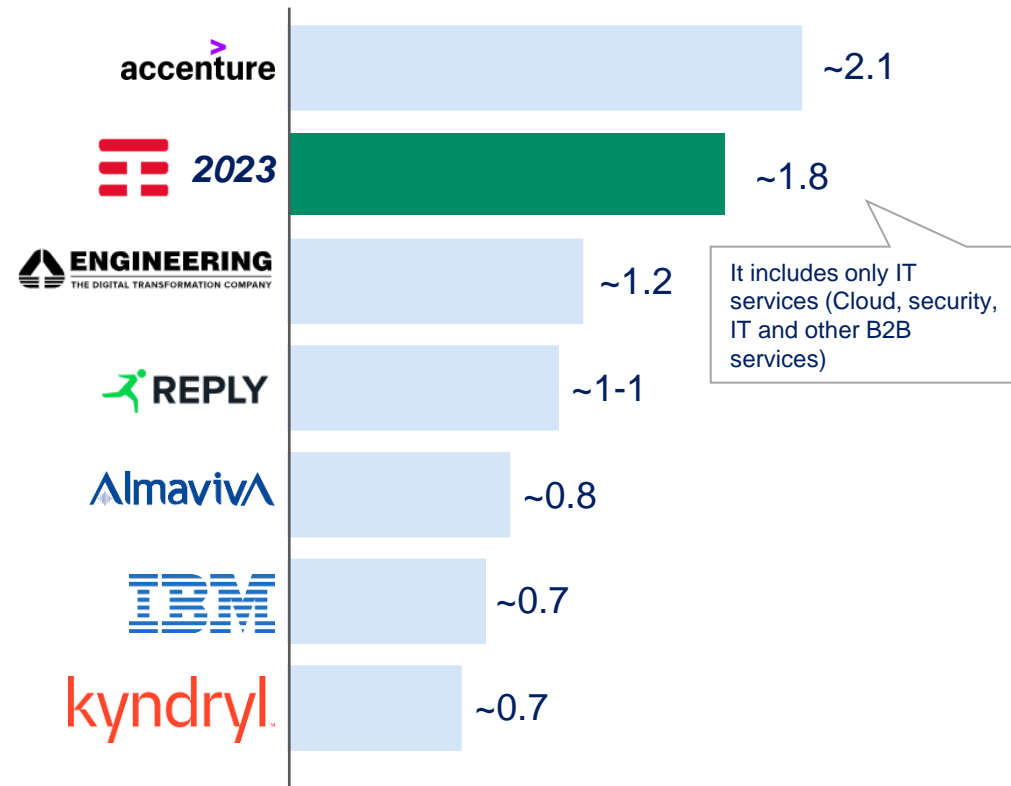
## Create TechCo: the fast growing, high multiple Tech-Infra company with global ambitions, focused on non-regulated services and leading-edge tech solutions (iii)

### TechCo would ride on the Infra digital fast lanes

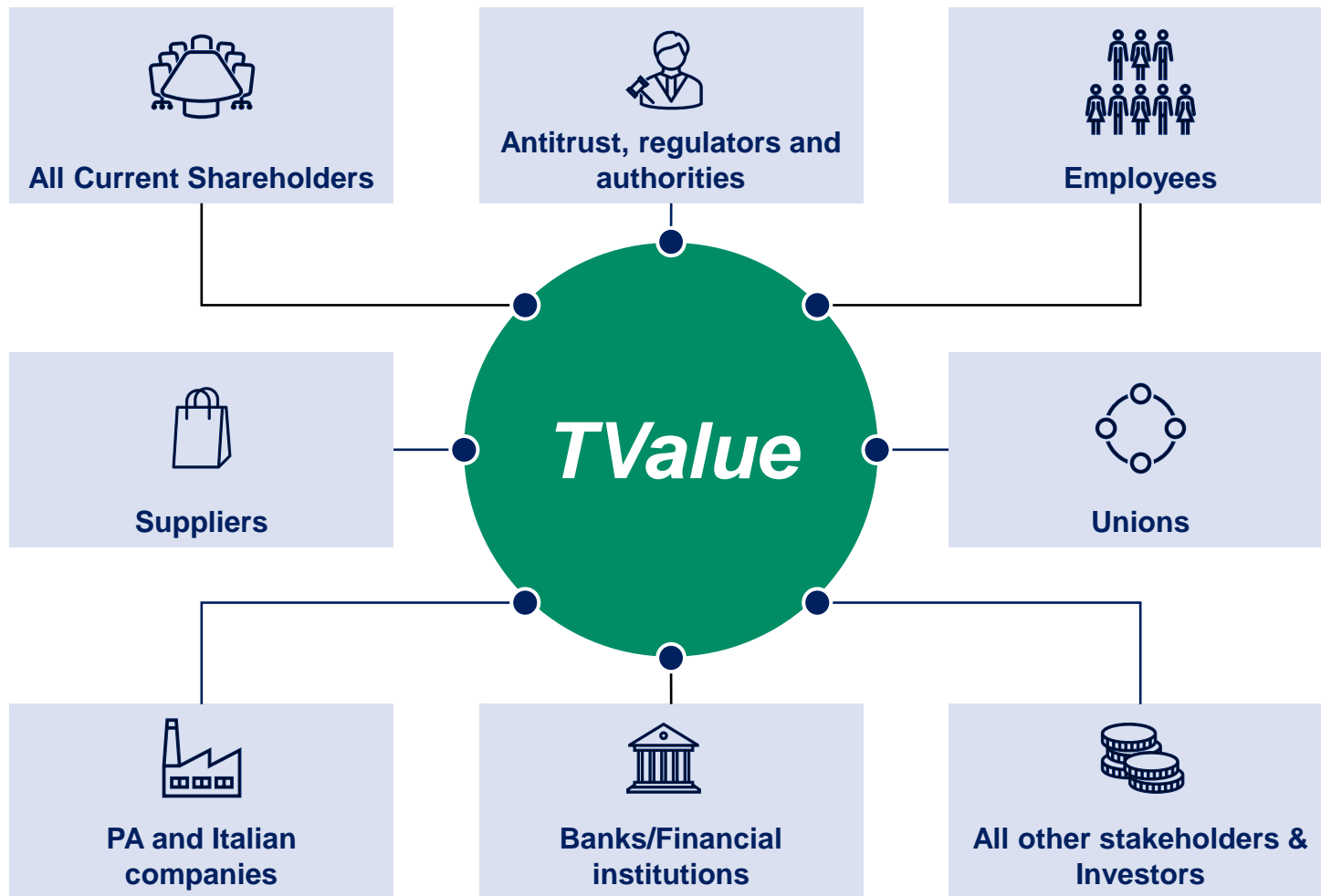
	Market 2023		TIM 2023 market share (%)
	Value € bn	CAGR '23-'25	
Cloud	4.7	11%	17%
Cyber-security	1.8	14%	6%
IoT	1.8	11%	4%

### TechCo leading market player in Italian IT Services

#### Estimated IT Services supported 2023, € bn



## Inclusive Governance and Dialogue: prerequisites to execute any plan and achieve stock appreciation



- TValue plan is aimed at maximizing value for shareholders
- TValue execution is designed to restore better governance in TIM's Board of Directors with the commitment to properly engage all shareholders, starting from the main ones, Vivendi and CDP.
- TValue plan welcomes to participate all existing stakeholders including KKR and any future one that is willing to contribute



# Agenda

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01



TValue  
Plan

02



**Create superior  
value for  
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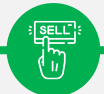





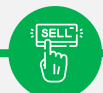


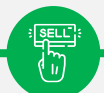





03



Leadership  
is key



















## TValue offers optionality: 6 different scenarios evaluated all ensuring superior value

In any scenario TechCo transformation will be executed, Brazil and Consumer will be sold

Scenarios								
SCENARIO 1			SCENARIO 2			SCENARIO 3		
								
TIM Brasil sold in 4Q24	NetCo sold in 3Q24	TIM Consumer sold in 1Q25	TIM Brasil sold in 4Q24	NetCo sold in 3Q24	TIM Consumer sold in 3Q25	TIM Brasil sold in 4Q24	NetCo sold in 4Q24	TIM Consumer sold in 1Q25
SCENARIO 4			SCENARIO 5			SCENARIO 6		
								
TIM Brasil sold in 4Q24	NetCo sold in 4Q24	TIM Consumer sold in 3Q25	TIM Brasil sold in 4Q24	NetCo retained	TIM Consumer sold in 1Q25	TIM Brasil sold in 4Q24	NetCo retained	TIM Consumer sold in 3Q25

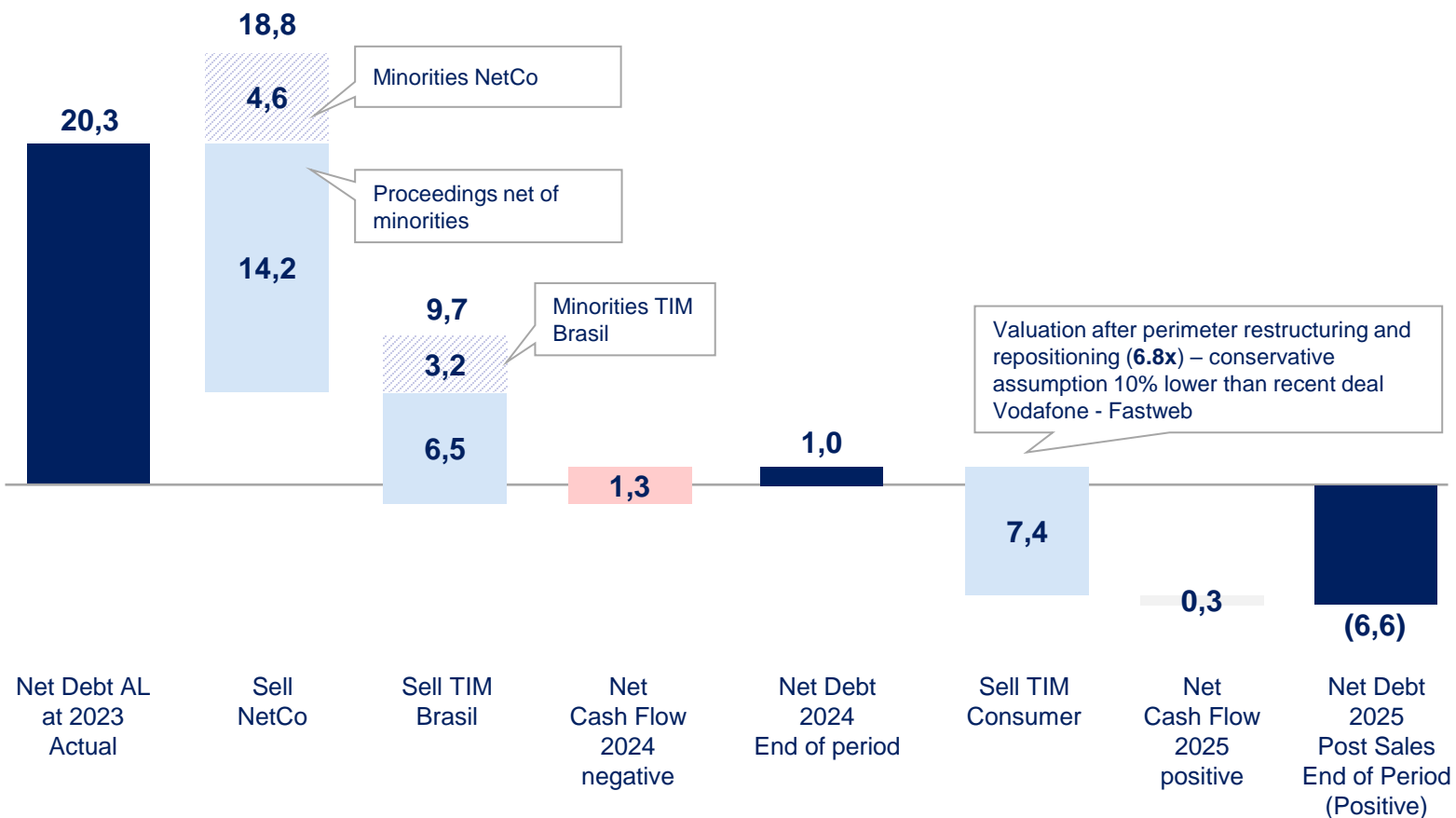
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## Scenario 1 – Recap of Group Deleverage (i)

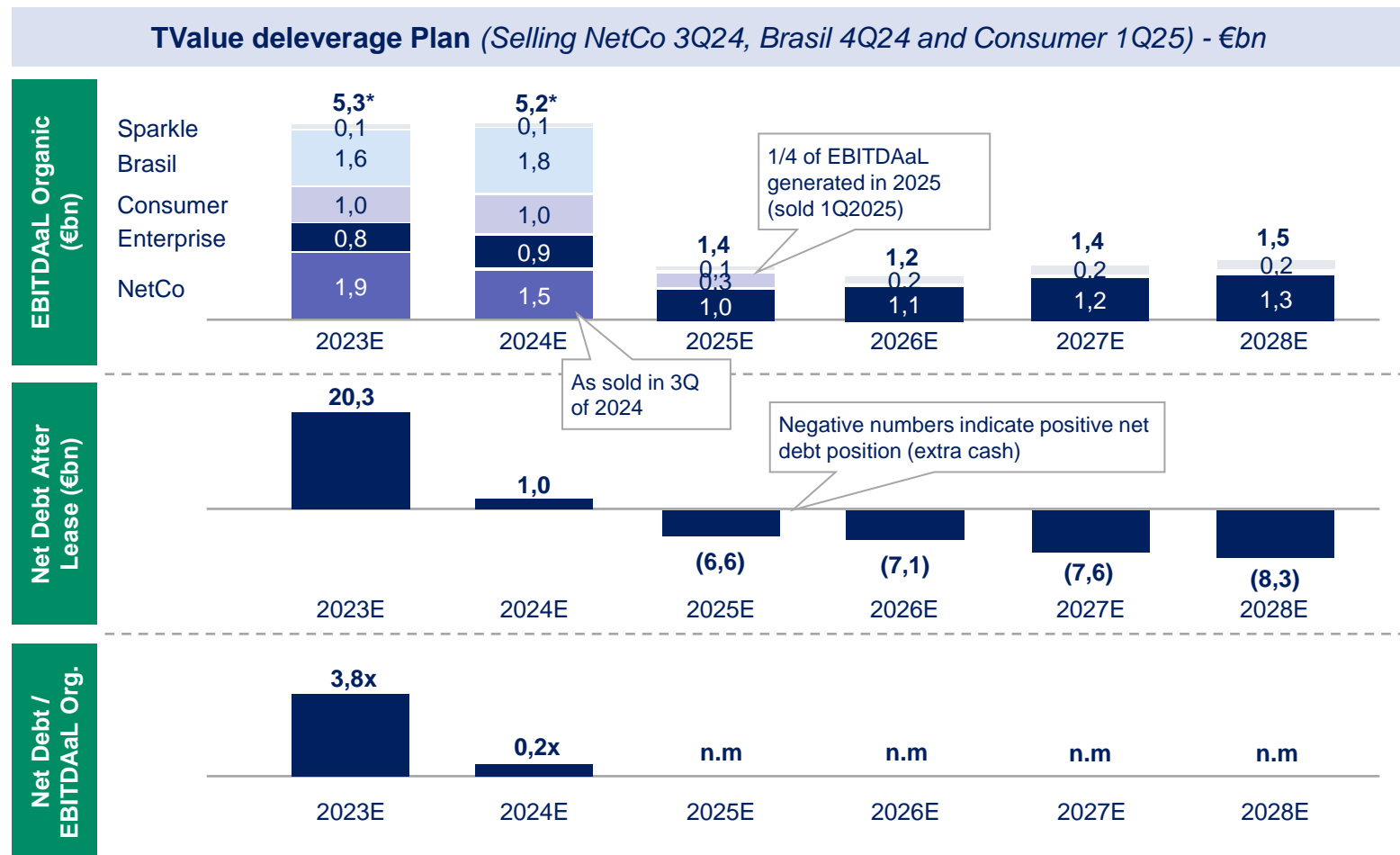
### TValue deleverage Plan (Selling NetCo 3Q24, Brasil 4Q24 and Consumer 1Q25) - €bn



### Key assumptions

- **Net Debt AL 20,3 €bn 2023E** (to reach 21,7 €bn in 2024 in management plan based on 2024 TIM Capital Market Day 2024)
- Net Debt AL to be reduced by net proceeds of:
  - **NetCo at same prices as per TIM 2024 Capital Market Day in 3Q 2024**
  - **TIM Brasil sale in 2024**
    - TIM Brasil valued ~6,5 €bn net of minorities of ~3,2 €bn
  - **TIM Consumer (incl. Business Prosumer, excluding SME) sold in 1Q 2025** (post partial restructuring and repositioning)
    - TIM Consumer valued ~7,4 €bn (~6,8 EV / EBITDA AL)

## Scenario 1 – Recap of Group Deleverage (ii)





















### Key assumptions

- Enterprise + SME projected EBITDAaL with a CAGR 2023-2028 of ca. 10%, factorizing an acceleration of the growth rate assumed in TIM Capital Market Day 2024 of ca. 7% driven by an acceleration of the capex invested per year from 2025 onwards for TIM Enterprise of 150M€ / year
- Consumer undergoing partial restructuring, capable to bring its EBITDAaL at ca. 1,1€B (considering also HC moved to NetCo) at end of 2024
  - Ca. 170M€ of positive impact driven by the shift of ca. 3k resources from Consumer to remaining businesses
- Sparkle kept in TechCo perimeter
- Positive cash in 2025E-2028E potentially to be invested into selected M&A to support TechCo growth

Perimeter: Consumer = Consumer + Prosumer; Enterprise = Enterprise + SME + Interconnections; (\*) Includes 0,1€B of MSA eliminations as per TIM CMD 2024

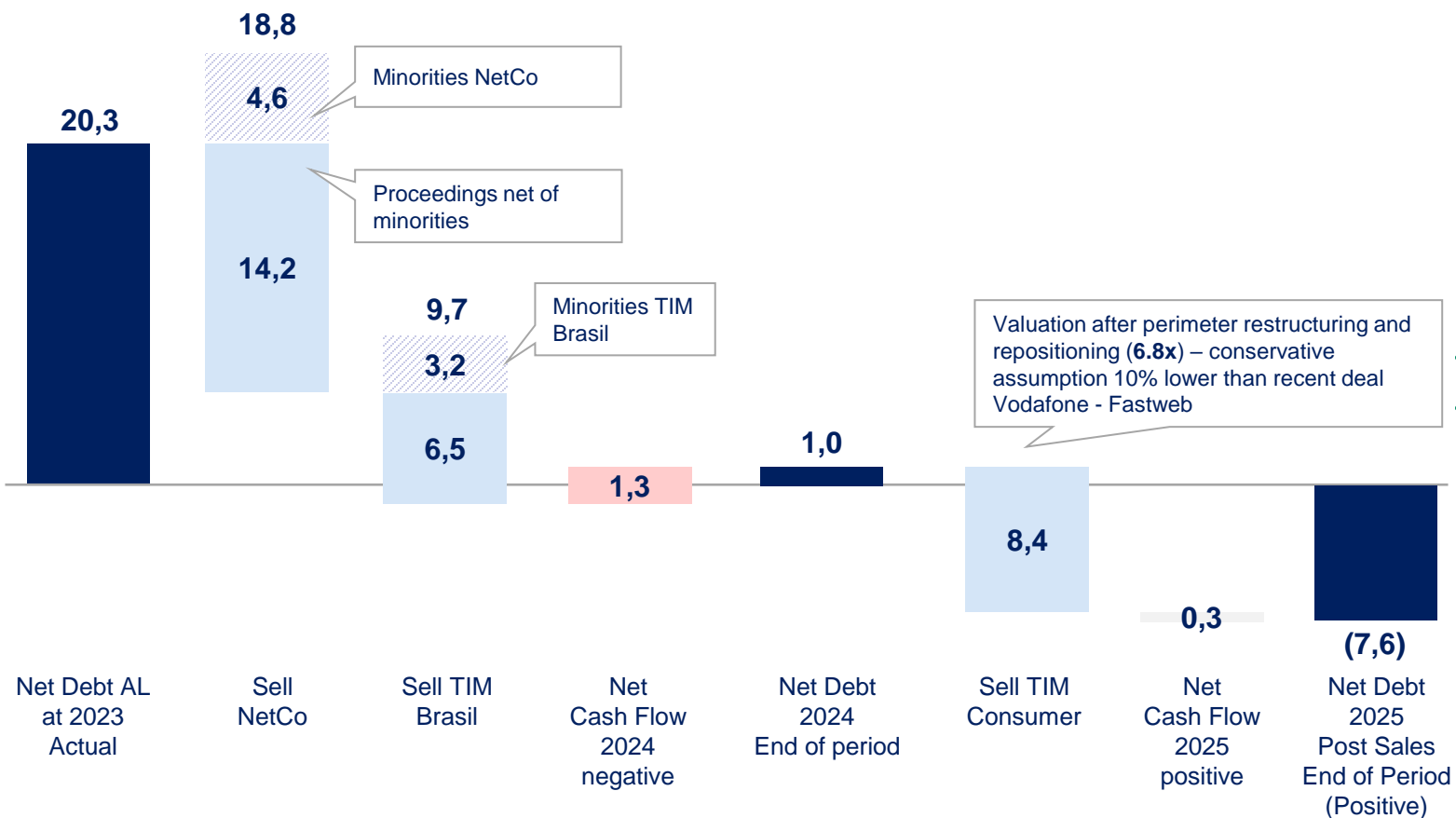
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## Scenario 2 – Recap of Group Deleverage (i)

TValue deleverage Plan (Selling NetCo 3Q24, Brasil 4Q24 and Consumer 3Q25) - €bn

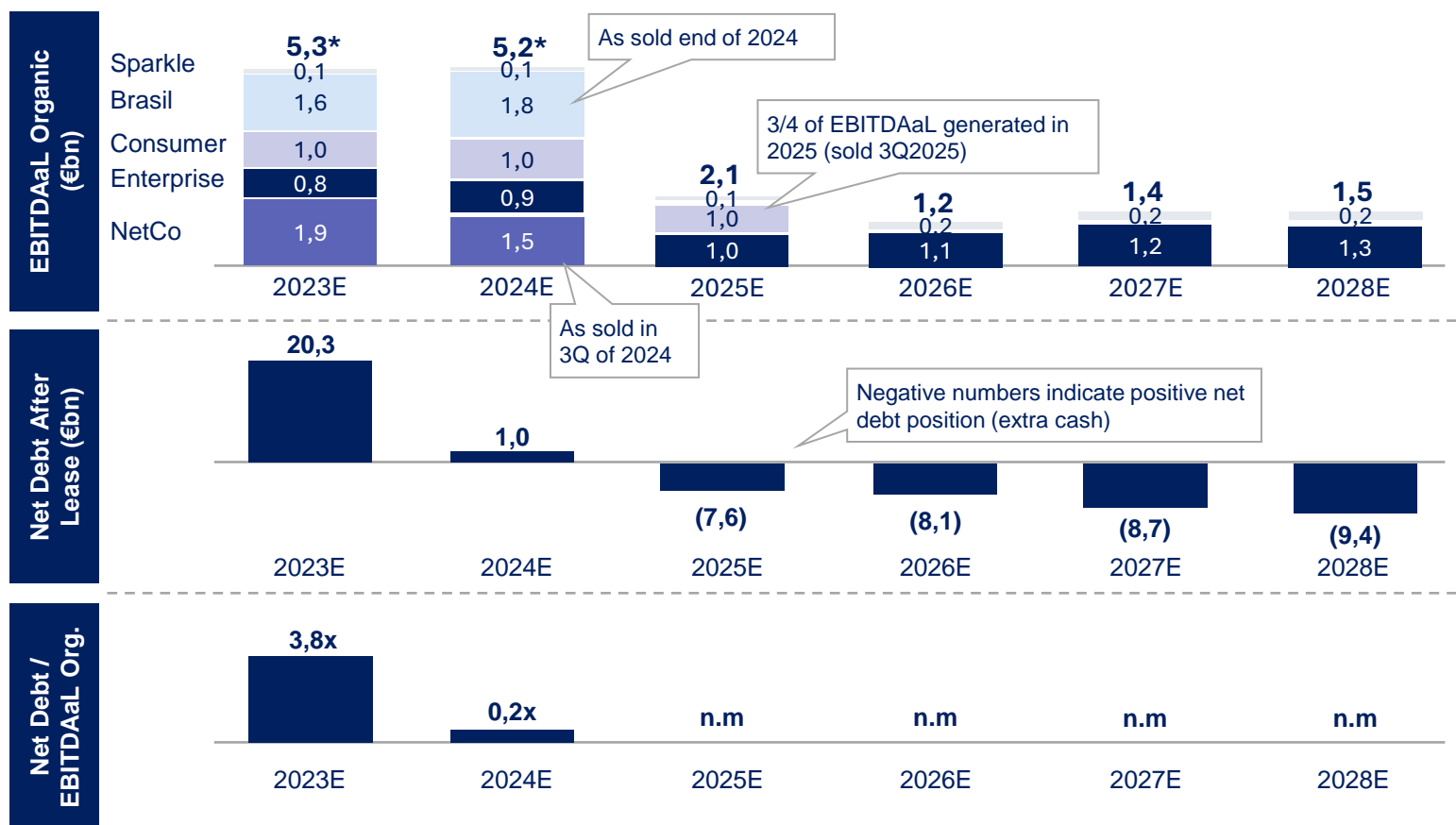


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## Scenario 2 – Recap of Group Deleverage (ii)

TValue deleverage Plan (Selling NetCo 3Q24, Brasil 4Q24 and Consumer 3Q25) - €bn



### Key assumptions



















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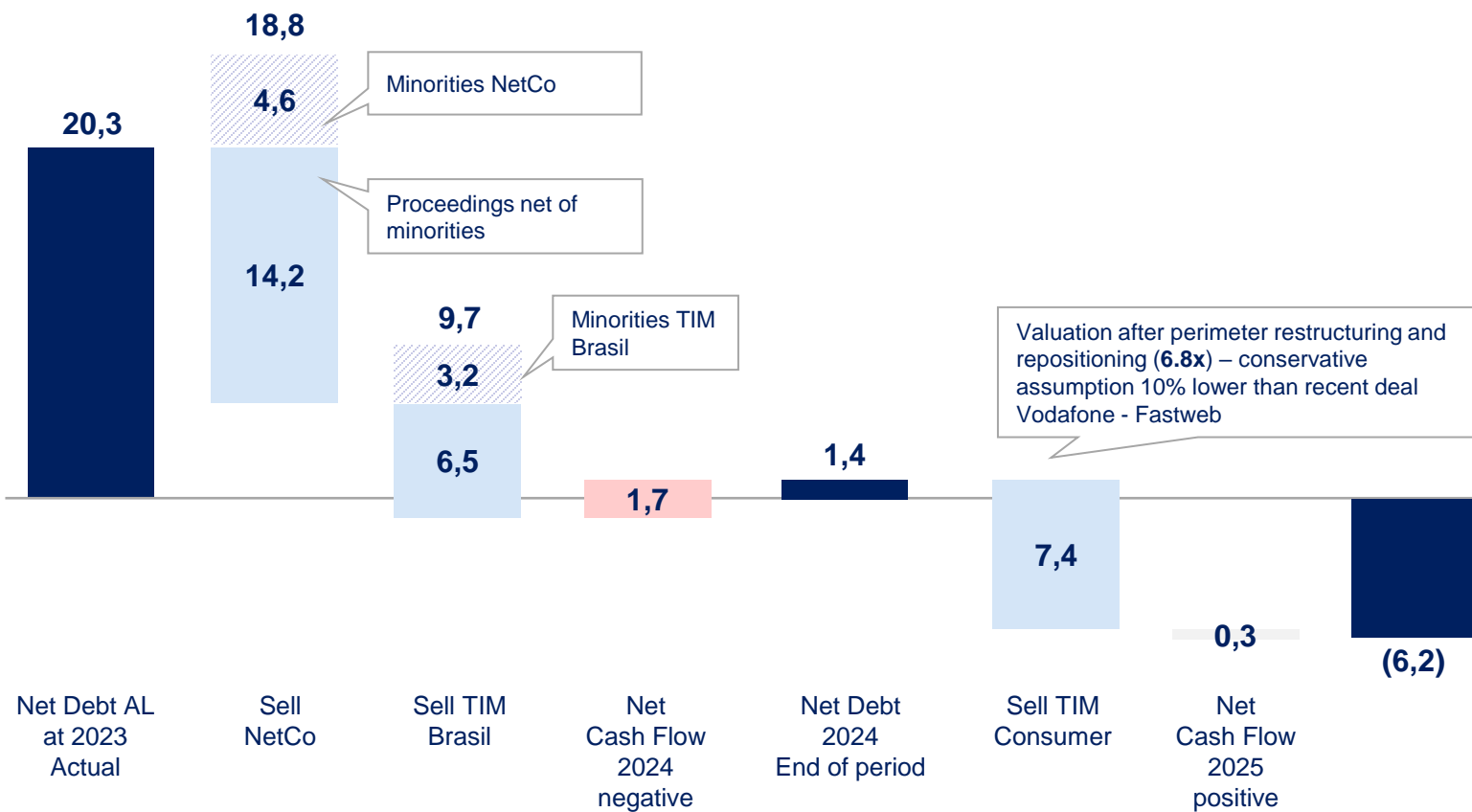
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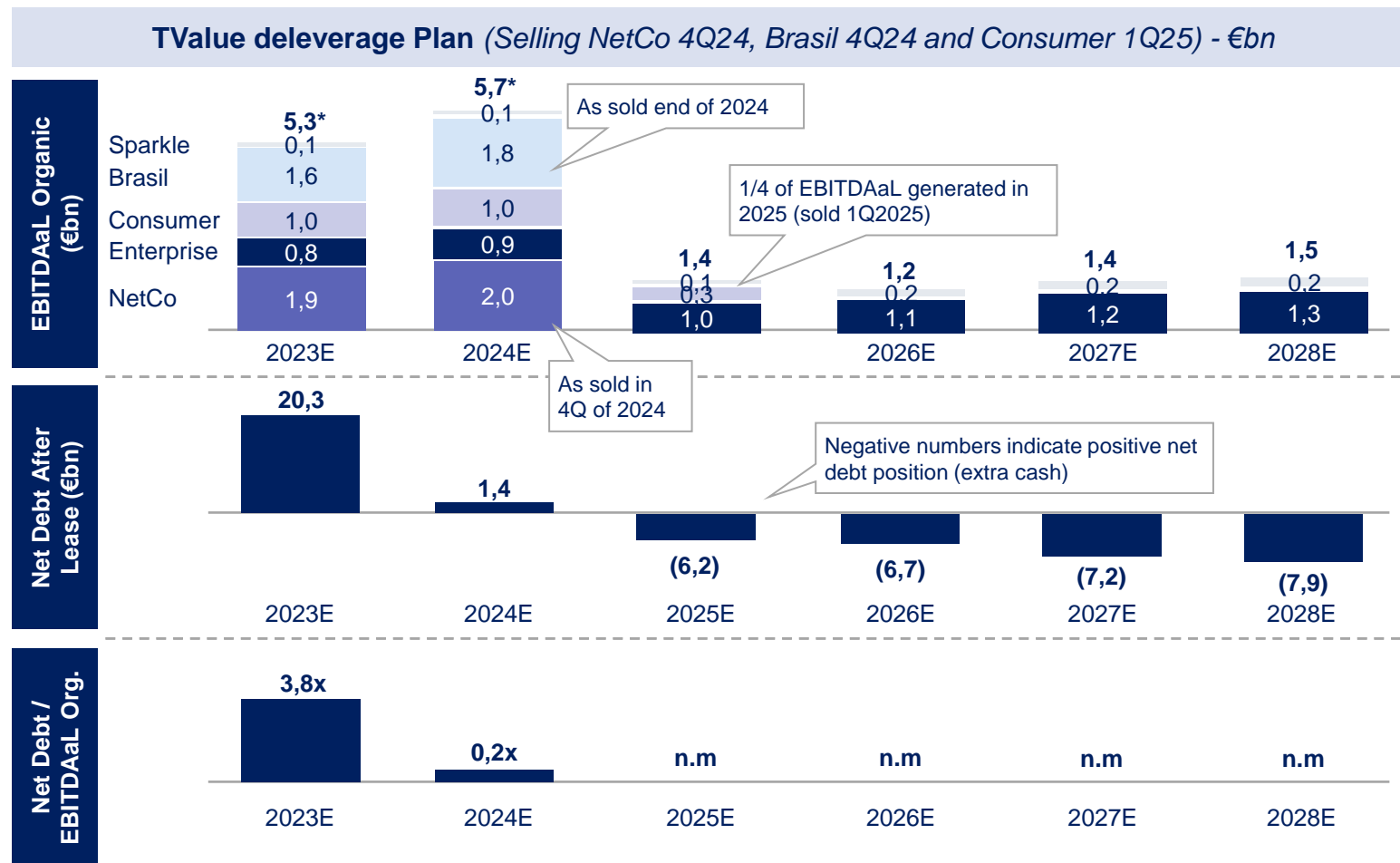
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## Scenario 3 – Recap of Group Deleverage (ii)





















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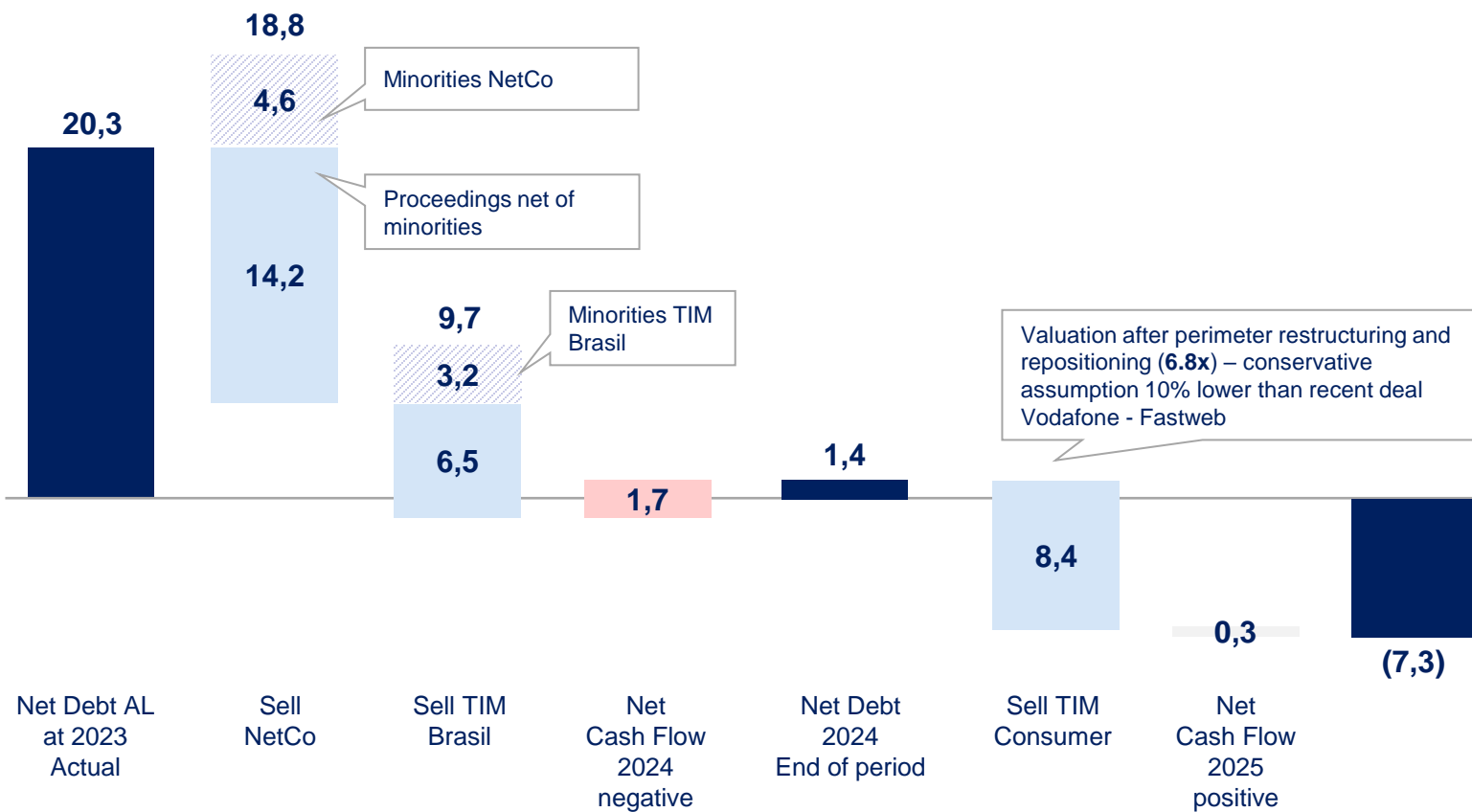
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Scenarios								
SCENARIO 1			SCENARIO 2			SCENARIO 3		
								
TIM Brasil sold in 4Q24	NetCo sold in 3Q24	TIM Consumer sold in 1Q25	TIM Brasil sold in 4Q24	NetCo sold in 3Q24	TIM Consumer sold in 3Q25	TIM Brasil sold in 4Q24	NetCo sold in 4Q24	TIM Consumer sold in 1Q25
SCENARIO 4			SCENARIO 5			SCENARIO 6		
								
TIM Brasil sold in 4Q24	NetCo sold in 4Q24	TIM Consumer sold in 3Q25	TIM Brasil sold in 4Q24	NetCo retained	TIM Consumer sold in 1Q25	TIM Brasil sold in 4Q24	NetCo retained	TIM Consumer sold in 3Q25

## Scenario 4 – Recap of Group Deleverage (i)

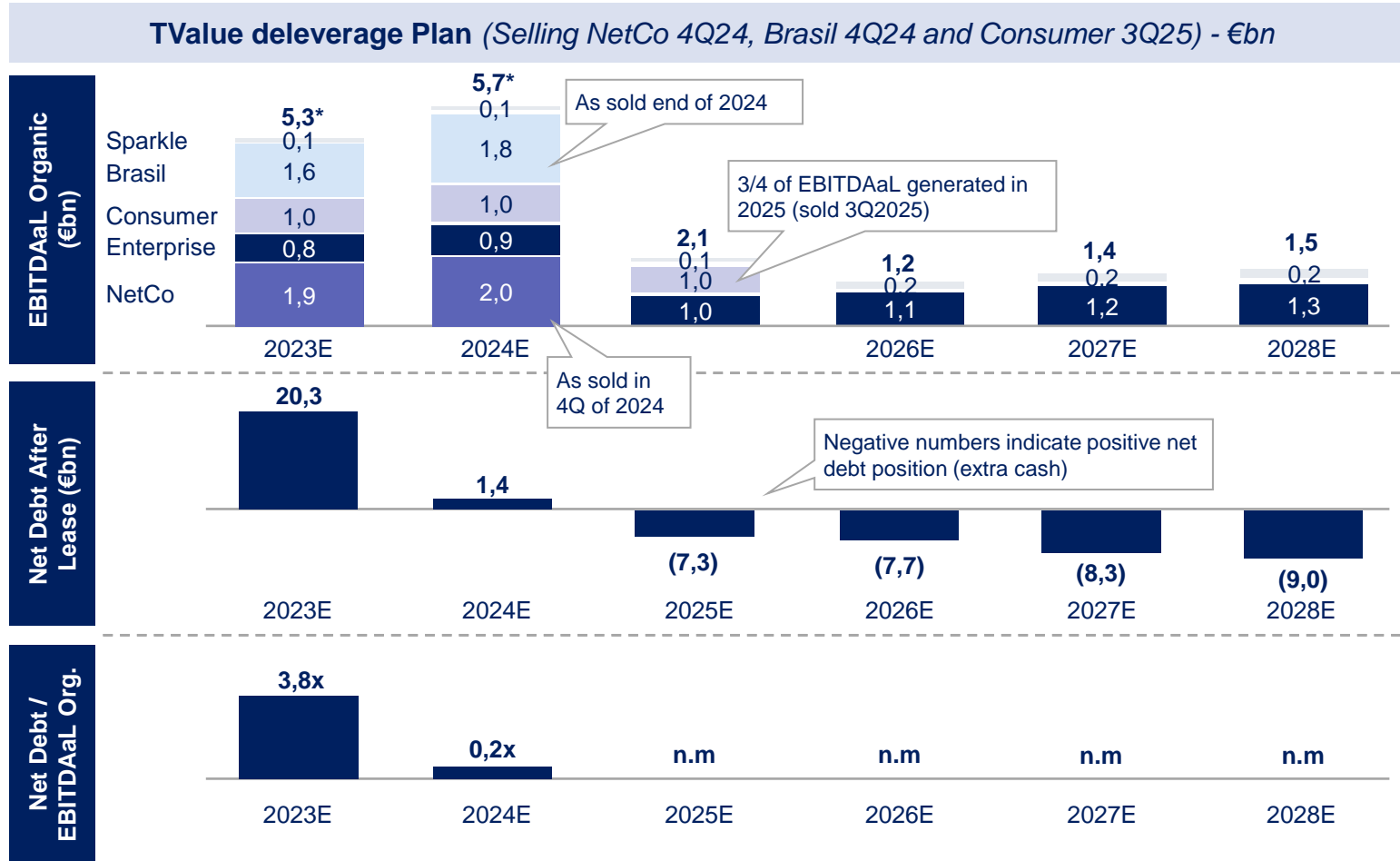
TValue deleverage Plan (Selling NetCo 4Q24, Brasil 4Q24 and Consumer 3Q25) - €bn



### Key assumptions

- **Net Debt AL 20,3 €bn 2023E** (to reach 21,7 €bn in 2024 in management plan based on 2024 TIM Capital Market Day 2024)
- Net Debt AL to be reduced by net proceeds of:
  - **NetCo at same prices as per TIM 2024 Capital Market Day in 4Q 2024**
  - **TIM Brasil sale in 2024**
    - TIM Brasil valued ~6,5 €bn net of minorities of ~3,2 €bn
  - **TIM Consumer (incl. Business Prosumer, excluding SME) sold in 1Q 2025** (post partial restructuring and repositioning)
    - TIM Consumer valued ~8,4 €bn (~6,8 EV/ EBITDA AL)

## Scenario 4 – Recap of Group Deleverage (ii)





















### Key assumptions

- Enterprise + SME projected EBITDAaL with a CAGR 2023-2028 of ca. 10%, factorizing an acceleration of the growth rate assumed in TIM Capital Market Day 2024 of ca. 7% driven by an acceleration of the capex invested per year from 2025 onwards for TIM Enterprise of 150M€ / year
- Consumer undergoing partial restructuring, capable to bring its EBITDAaL at ca. 1,3€B (considering also HC moved to NetCo) at end of 2024
  - Ca. 170M€ of positive impact driven by the shift of ca. 3k resources from Consumer to remaining businesses
- Sparkle kept in TechCo perimeter
- Positive cash in 2025E-2028E potentially to be invested into selected M&A to support TechCo growth

Perimeter: Consumer = Consumer + Prosumer; Enterprise = Enterprise + SME + Interconnections; (\*) Includes 0,1€B of MSA eliminations as per TIM CMD 2024

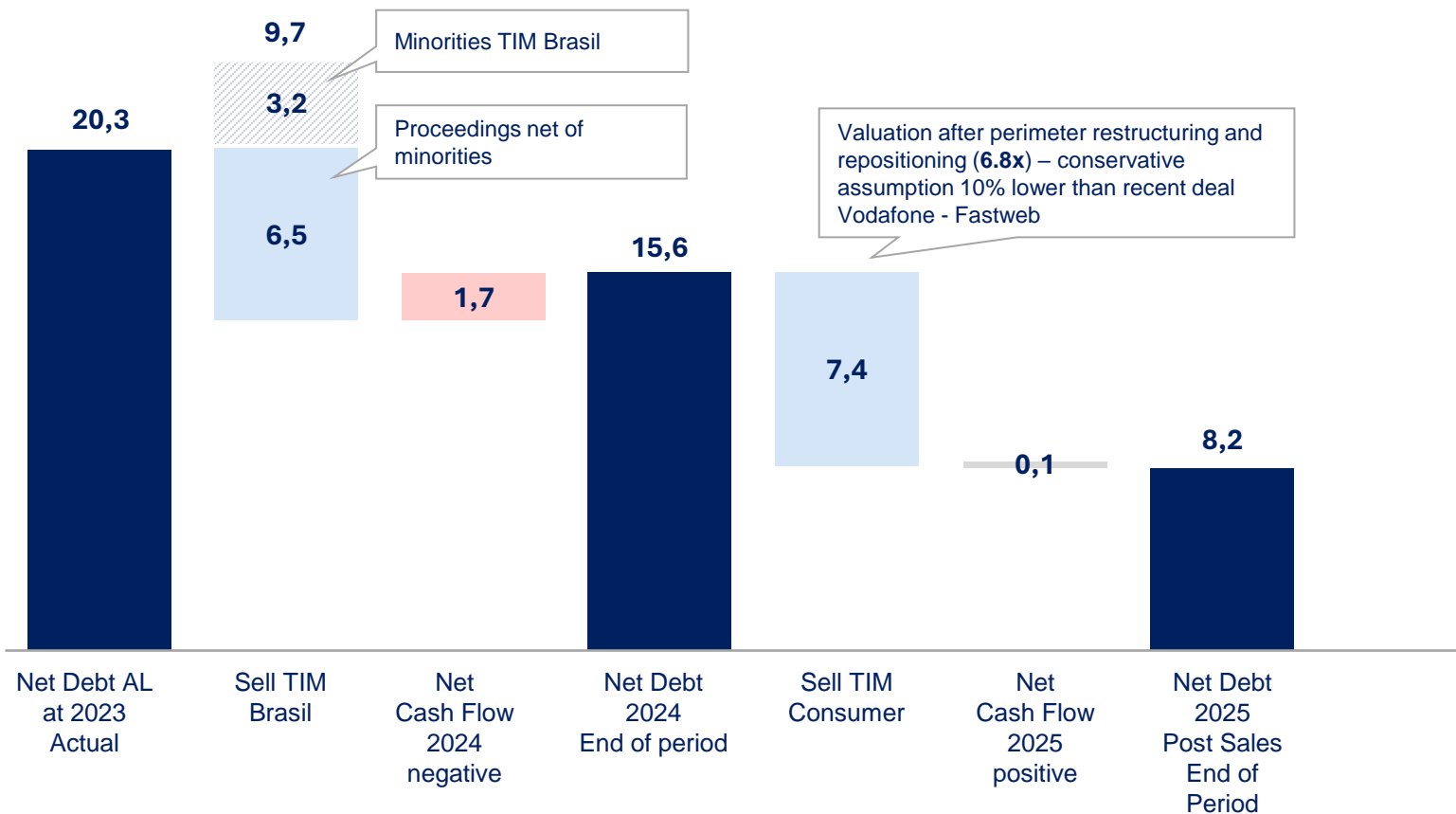
## TValue offers optionality: 6 different scenarios evaluated all ensuring superior value

In any scenario TechCo transformation will be executed, Brazil and Consumer will be sold

Scenarios								
SCENARIO 1			SCENARIO 2			SCENARIO 3		
								
TIM Brasil sold in 4Q24	NetCo sold in 3Q24	TIM Consumer sold in 1Q25	TIM Brasil sold in 4Q24	NetCo sold in 3Q24	TIM Consumer sold in 3Q25	TIM Brasil sold in 4Q24	NetCo sold in 4Q24	TIM Consumer sold in 1Q25
SCENARIO 4			SCENARIO 5			SCENARIO 6		
								
TIM Brasil sold in 4Q24	NetCo sold in 4Q24	TIM Consumer sold in 3Q25	TIM Brasil sold in 4Q24	NetCo retained	TIM Consumer sold in 1Q25	TIM Brasil sold in 4Q24	NetCo retained	TIM Consumer sold in 3Q25

## Scenario 5 – Recap of Group Deleverage (i)

### TValue deleverage Plan (Selling Brasil 4Q24 and Consumer 1Q25) - €bn

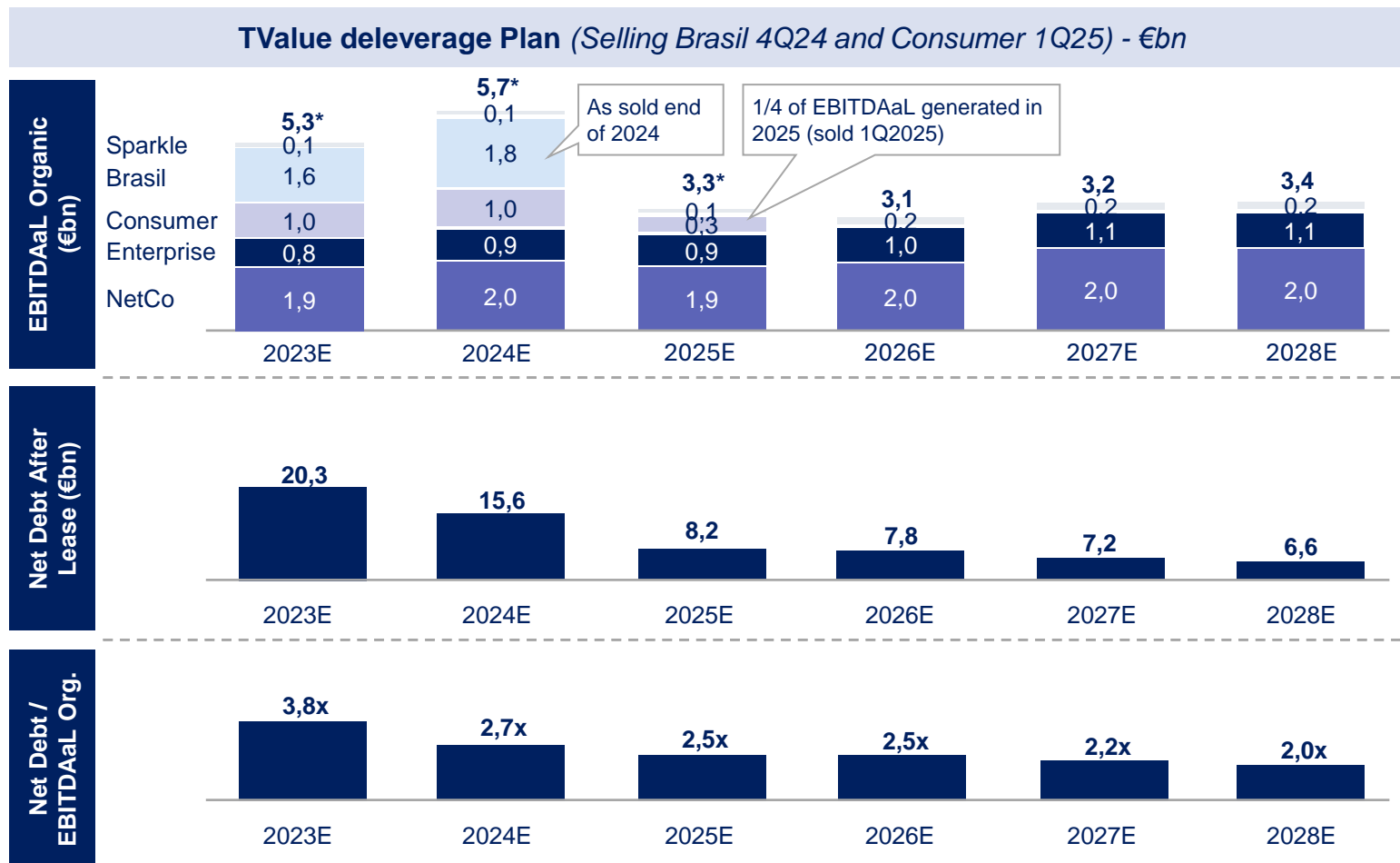


### Key assumptions

- **Net Debt AL 20,3 €bn 2023E** (to reach 21,7 €bn in 2024 in management plan based on 2024 TIM Capital Market Day 2024)
- Net Debt AL to be reduced by net proceeds of:
  - **TIM Brasil sale in 2024**
    - TIM Brasil valued ~6,5 €bn net of minorities of ~3,2 €bn
  - **TIM Consumer (incl. Business Prosumer, excluding SME) sold in 1Q 2025** (post partial restructuring and repositioning)
    - TIM Consumer valued ~7,4 €bn (~6,8 EV / EBITDA AL)



## Scenario 5 – Recap of Group Deleverage (ii)



















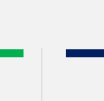
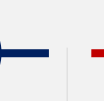
### Key assumptions

- Enterprise + SME projected EBITDAaL with a CAGR 2023-2028 of ca. 7%, based on combined analysis of market trends (tailwind on IT Services growth) and TIM Capital Market Day 2024 guidance applied to a different perimeter
- Consumer undergoing partial restructuring, capable to bring its EBITDAaL at ca. 1,1€B (considering also HC moved to NetCo) at end of 2024
  - Ca. 170M€ of positive impact driven by the shift of ca. 3k resources from Consumer to remaining businesses
- NetCo and Sparkle kept in TechCo perimeter

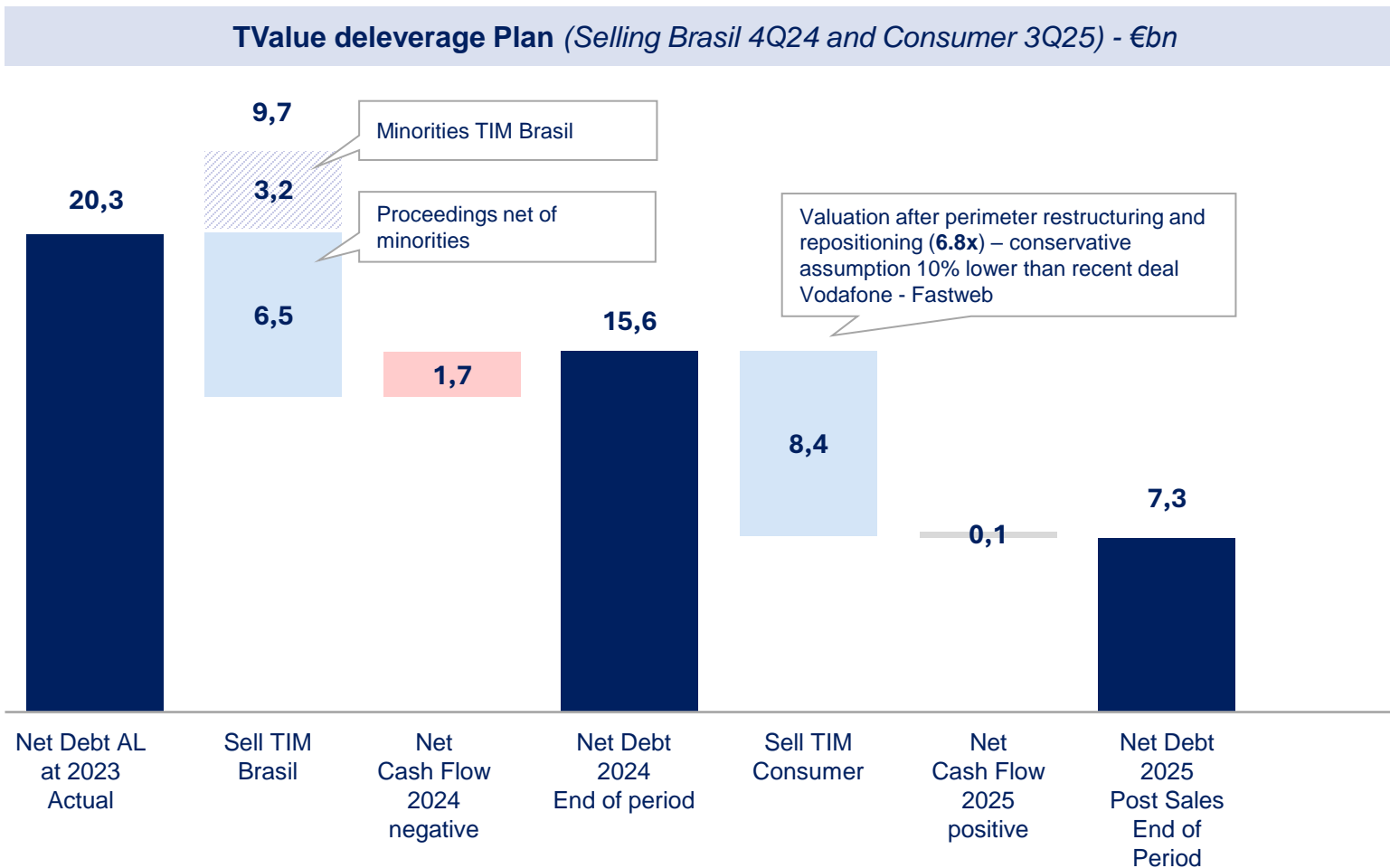
Perimeter: Consumer = Consumer + Prosumer; Enterprise = Enterprise + SME + Interconnections; (\*) Includes 0,1€B of MSA eliminations as per TIM CMD 2024

## TValue offers optionality: 6 different scenarios evaluated all ensuring superior value

In any scenario TechCo transformation will be executed, Brazil and Consumer will be sold

Scenarios								
SCENARIO 1			SCENARIO 2			SCENARIO 3		
								
TIM Brasil sold in 4Q24	NetCo sold in 3Q24	TIM Consumer sold in 1Q25	TIM Brasil sold in 4Q24	NetCo sold in 3Q24	TIM Consumer sold in 3Q25	TIM Brasil sold in 4Q24	NetCo sold in 4Q24	TIM Consumer sold in 1Q25
SCENARIO 4			SCENARIO 5			SCENARIO 6		
								
TIM Brasil sold in 4Q24	NetCo sold in 4Q24	TIM Consumer sold in 3Q25	TIM Brasil sold in 4Q24	NetCo retained	TIM Consumer sold in 1Q25	TIM Brasil sold in 4Q24	NetCo retained	TIM Consumer sold in 3Q25

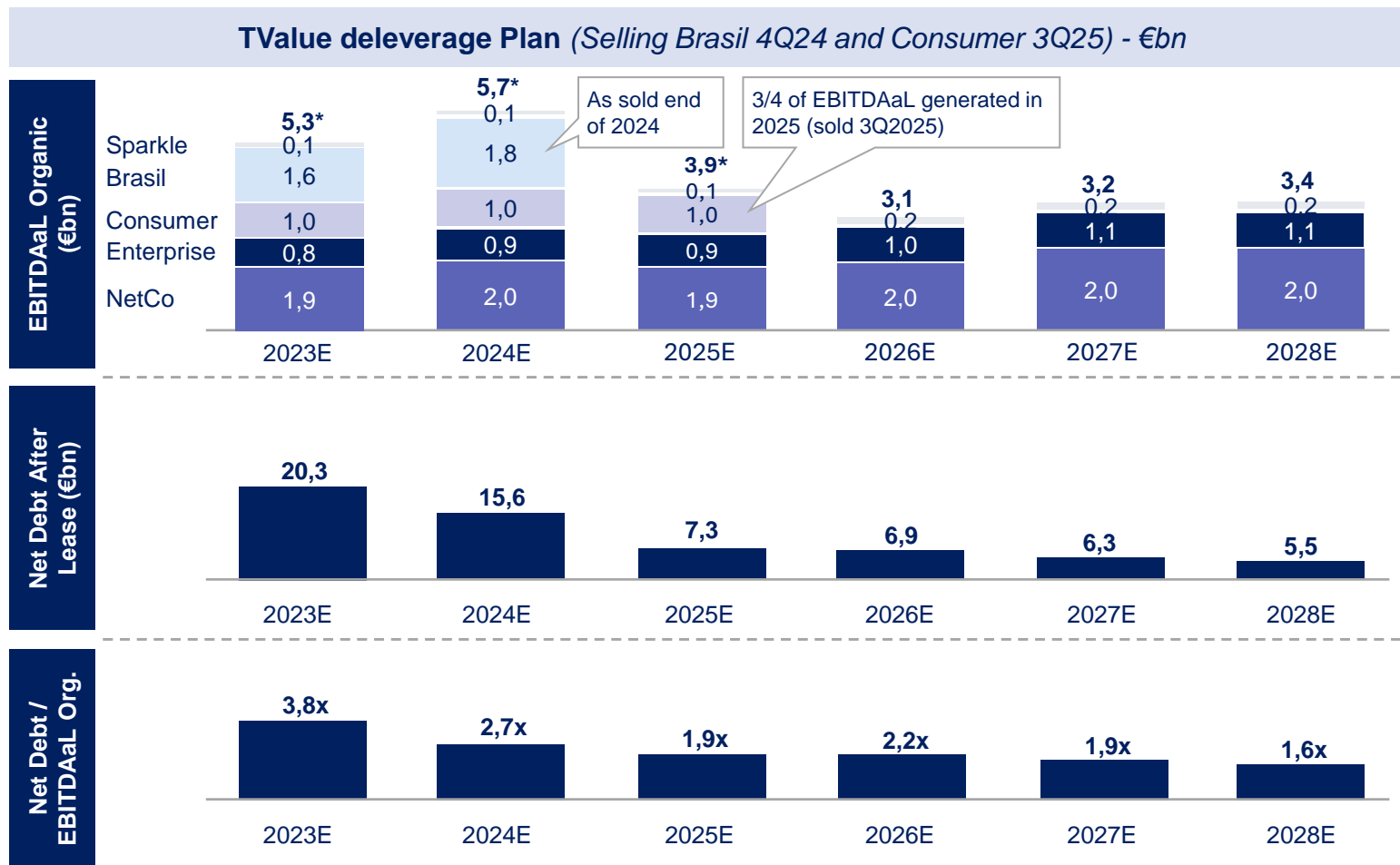
## Scenario 6 – Recap of Group Deleverage (i)



### Key assumptions

- **Net Debt AL 20,3 €bn 2023E** (to reach 21,7 €bn in 2024 in management plan based on 2024 TIM Capital Market Day 2024)
- Net Debt AL to be reduced by net proceeds of:
  - **TIM Brasil sale in 2024**
    - TIM Brasil valued ~6,5 €bn net of minorities of ~3,2 €bn
  - **TIM Consumer (incl. Business Prosumer, excluding SME) sold in 3Q 2025** (post partial restructuring and repositioning)
    - TIM Consumer valued ~8,4 €bn (~6,8 EV / EBITDA AL)

## Scenario 6 – Recap of Group Deleverage (ii)



### Key assumptions

- Enterprise + SME projected EBITDAaL with a CAGR 2023-2028 of ca. 7%, based on combined analysis of market trends (tailwind on IT Services growth) and TIM Capital Market Day 2024 guidance applied to a different perimeter
- Consumer undergoing partial restructuring, capable to bring its EBITDAaL at ca. 1,3€B (considering also HC moved to NetCo) at end of 2024
  - Ca. 170M€ of positive impact driven by the shift of ca. 3k resources from Consumer to remaining businesses
- NetCo and Sparkle kept in TechCo perimeter

Perimeter: Consumer = Consumer + Prosumer; Enterprise = Enterprise + SME + Interconnections; (\*) Includes 0,1€B of MSA eliminations as per TIM CMD 2024

# Agenda

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01



TValue  
Plan

02



Create superior  
value for  
shareholders

03



**Leadership  
is key**

# Leadership is key to deliver superior value creation: TValue List of Directors

A list of candidates with international and sector expertise

Support and help to the future management team to execute the plan

Foster a better and more collaborative governance within TIM's Board of Directors



**Umberto Paolucci\***  
Chairman



**Stefano Siragusa**  
Chief Executive Officer



**Ersilia Vaudo\***



**Niccolò Ragnini\***



**Ida Panetta\***



**Ottavia Orlandoni\***



**Boris Nemšić\***



**Robert Hackl\***



**Paul Doany\***



**Barbara Oldani\***

\* Independent