

TVALUE

April 2024

Dear Shareholder,

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.

NetCo stands as TIM's most valuable asset. Should its sale be the only solution for the company's deleveraging, it must be executed in the appropriate way. However, it's crucial to acknowledge the genuine risk of temporary or indefinite delays in the sale process, as exemplified by the situation with ITA and Lufthansa or by the fact that the EU commission is at the end of its mandate due to the upcoming elections.

Disregarding such a risk would constitute a significant strategic oversight by the current Board of Directors and management team.

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 addresses any contingent scenario and offers an alternative path for TIM.

TValue evolves around the concept of refocusing the company on what used to be its core mission: being the innovation engine of the Country, while respecting the employees and the suppliers in the interest of all Italians.

On 27 October 2023, we presented a plan to TIM's Board of Directors stating that it could have been the viable alternative to the proposed liquidation of the network. Despite our sincere efforts and the detailed presentation of various solutions, our concerns were quickly dismissed, and the Board pressed ahead with its plan of liquidating the network, without even engaging the shareholders.

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 absolute lack of any contingency plan 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.

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.

TValue Plan

TValue's vision is to transform TIM into TechCo, a high growth Tech & Infra business dedicated to Business and Public Administration clients.

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.

The new TIM, reshaped by 2025, will be an Italian company with European ambitions effectively deploying the competencies, knowhow, client relationships of TIM Enterprise along TIM network.

We refer to it as TechCo to clearly highlight the new strategic vision of TIM in opposition to a simple NetCo liquidation.

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.

This plan addresses the strategic needs of the Country and at the same time aims to deliver superior value for shareholders, enhancing free cashflow generation to solve TIM's debt issue and deleverage its balance sheet avoiding any risk of capital increase and safeguarding the workforce.

We encourage shareholders to take immediate action by selecting the right slate of candidates at the next annual general meeting.

This ensures that any decision made by our company, both presently and in the future, is executed with an inclusive mindset. It is imperative that all potential execution risks are thoroughly assessed to ensure financial stability, provide reassurance to employees and suppliers, and adhere to European competition guidelines:

- Inclusivity is paramount. Execution of this plan requires right governance in TIM's Board of Directors for the benefit of all shareholders. We are committed, even before the upcoming general meeting, to openly engaging with all major shareholders, Vivendi and CDP, and stakeholders, including KKR, Macquarie and OpenFiber, and any future one that is willing to contribute to the relaunch of TIM in the interests of the company and our Country;
- Industrial and financial soundness is essential. We will meticulously analyse and address any potential scenario with a contingency plan to safeguard against the risk of failing to achieve the much-needed deleveraging;
- Reassurance is key. We will involve employees and trade unions in discussions regarding the impacts of every decision that will be made;
- Competitiveness is crucial. We will address any concern raised by regulators and other operators, ensuring transparency and compliance with industry standards.

TValue did not have access to any non-public information: our plan is exclusively based on an outside-in deep analysis of market dynamics, public data and an extensive due diligence effort supported by consultants, financial, accounting, and legal advisors across TIM's numerous businesses.

This work makes us strongly believe in our assumptions and analysis and leads us to conclude that our plan, with the support of as many shareholders as possible, will generate better value for all stakeholders when compared to the one presented on 7 March by the company.

Upon its execution we are convinced the stock price can significantly increase and it will set the stage for the resumption of dividend payments.

Leadership is key in delivering such a plan. We have presented the market a list of candidates to join the board with unparalleled international and sector expertise, uniquely capable of supporting and helping the future management team to execute the plan while fostering a better and more collaborative governance within TIM's Board of Directors.

We thank you in advance for the time and consideration you may give to the TValue's proposal, written in the best interest of all shareholders and we kindly request support during the upcoming general meeting.

Yours sincerely



Alessandro Barnaba



Umberto Paolucci



Stefano Siragusa

Promoter of the TValue List
at the next AGM of TIM

TValue Candidate Chairman of TIM
at the next AGM

TValue Candidate CEO of TIM
at the next AGM