



**HALF-YEARLY CONDENSED  
FINANCIAL REPORT  
JUNE 30, 2025**

---

FiberCop S.p.A.  
Registered office in Milan - Via Marco Aurelio 24, 20127  
Fully paid-up Share Capital Euro 17,835,900  
Tax code and Company Registration number: 11459900962  
REA Number: MI - 2604085  
Management and coordinated by Optics HoldCo S.r.l.

<b>INTRODUCTION .....</b>	<b>5</b>
<b>INTERIM MANAGEMENT DISCUSSION .....</b>	<b>6</b>
<b>INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS.....</b>	<b>7</b>
Corporate Structure and Activities .....	7
Main events of the period.....	8
Alternative performance indicators.....	9
Financial and operating highlights .....	11
Competitive Environment, Regulatory Framework, Sustainability Issues and Key Risks and Uncertainties .....	11
Results of operations .....	21
Balance Sheet and Financial Performance.....	22
Related parties' transactions.....	23
Business outlook .....	23
Own shares and shares of parent company .....	24
<b>INTERIM CONDENSED FINANCIAL STATEMENTS .....</b>	<b>25</b>
<b>INCOME STATEMENT .....</b>	<b>26</b>
<b>STATEMENT OF FINANCIAL POSITION .....</b>	<b>28</b>
<b>CASH FLOW STATEMENT.....</b>	<b>29</b>
<b>STATEMENT OF CHANGES IN EQUITY.....</b>	<b>30</b>
<b>EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS.....</b>	<b>31</b>
1. General information .....	31
2. Basis of preparation .....	31
3. Accounting principles and estimates.....	32
4. Business combination and reverse merger .....	34
5. Revenues .....	35
6. Costs of goods and services.....	35
7. Personnel costs.....	36
8. Other operating income/ (expense) .....	36
9. Restructuring and non-recurring items .....	37
10. Depreciation and amortization .....	37
11. Financial income, financial expenses and foreign exchange gains/(losses).....	37
12. Income taxes .....	38
13. Intangible assets .....	39
14. Property, plant and equipment.....	40
15. Right of use assets .....	40
16. Current and non-current financial assets.....	41
17. Trade receivables.....	41
18. Other current and non-current assets .....	42
19. Equity .....	42
20. Current and non-current financial debt .....	43
21. Derivative financial instruments .....	46
22. Employee Benefits .....	46
23. Current and non-current provisions .....	48
24. Trade payables .....	48
25. Other current and non-current liabilities.....	49

**FiberCop S.p.A.**

26. Fair value measurement .....	49
27. Qualitative and quantitative information on financial risk.....	50
28. Related parties' disclosure .....	52
29. Other information .....	53
30. Subsequent events .....	54

---

**Board of Directors**

**Chairman and Chief Executive Officer  
Directors**

Massimo Sarmi  
Alexandre Adrien Van Meeuwen  
Batiste Thomas Degaris Ogier  
Gabriele Questa  
Graham Alan Davies  
Jamai Mamoun  
James Anthony Gordon  
Laurent Fortino  
Manilo Marocco  
Marco Fontana  
Mauro Miglio  
Riccardo Busani  
Simone Vellucci  
Tara Courtney Davies

---

**Board of Statutory Auditors**

**Chairman  
Effective Statutory Auditors**

**Deputy Statutory Auditors**

Daniela Travella  
Giovanni Maria Garegnani  
Mauro Zanin  
Maurizio Accarino  
Valentina Cortellazzi

---

**Manager in charge**

Alberto Carreri

---

**Independent Auditors**

EY S.p.A.

## INTRODUCTION

This document includes (i) the interim management report and (ii) the condensed half-yearly financial statements of FiberCop SpA (hereinafter “**FiberCop**” or the “**Company**”) as of June 30, 2025, prepared in accordance with the international accounting standards (“**IFRS**” Accounting Standards) issued by the International Accounting Standards Board (“**IASB**”) adopted by the European Union and in accordance with the indications of *IAS 34 - Interim financial reporting*.

Compared to the annual financial report, IAS 34 establishes that the interim financial report does not have to present the same level of information and disclosure and should be read in conjunction with it. For this reason, in subsequent chapters, reference will be made to the annual financial report for the year ended December 31, 2024.

### Basis of preparation

FiberCop is a company incorporated in November 2020 and domiciled in Italy, with registered office in Milan, Via Marco Aurelio 24, and organized accordingly to the Italian law.

The establishment of FiberCop was originally part of a broader project aimed at expanding fiber optic coverage throughout Italy. The company was incorporated with fully paid-up share capital by the then sole shareholder, TIM SpA (“**TIM**”). On March 31, 2021, Teemo Bidco Sarl (“**Teemo Bidco**”), a company controlled by investment funds managed or advised by Kohlberg Kravis Roberts & Co. LP (“**KKR**”), and Fastweb SpA (“**Fastweb**”) have acquired a 37.5% and 4.5% stake in FiberCop, respectively.

On July 1, 2024, (i) TIM contributed the business unit comprising assets and contracts relating to the primary fiber and copper network (including the related infrastructures) to FiberCop (the “**Ramo Contribution**”), (ii) Optics BidCo (“**Optics BidCo**”), a company controlled by investment funds managed or advised by KKR, has acquired all the shares held by TIM in FiberCop, (iii) Optics BidCo acquired from Fastweb the stake held by the latter in the Company and (iv) Teemo BidCo has contributed its stake in FiberCop in Optics BidCo, which then became the sole shareholder of FiberCop. Optics BidCo was subsequently merged into FiberCop with accounting and tax effects effective from July 1, 2024 (the “**Reverse Merger**”). The above transactions are collectively referred to as the “**Business Combination**.”

As result of the Business Combination, as discussed in the 2024 Annual Financial Report, the financial results for the first half of 2025, including EBITDA and Organic EBITDA, are not directly comparable with those for the same period of 2024, primarily due to the corporate reorganization and changes to the business model resulting from the Business Combination.

For more information, please refer to the Management’s Discussion, Results of Operations, Main Events of the Period and *Note 5—Business Combination and Reverse Merger* of the annual report 2024.

The Company's financial information is presented in Euro (“**€**”). In certain cases, some figures are reported in US Dollars (“**USD**” or “**\$**”).

This document is written in English. However, certain legislative references and technical terms are cited in their original language to preserve their precise technical meaning under applicable law. Additionally, some totals in the tables within this document may not sum exactly due to rounding.



# FiberCop

**INTERIM MANAGEMENT DISCUSSION**  
June 30, 2025

---

## INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

### Corporate Structure and Activities

#### Company Information

FiberCop is the country's most advanced, extensive and integrated digital network infrastructure operator in the country. With ultra-broadband coverage that exceeds 96% of active lines, it reaches approximately the 40% of national residential units with Fiber To The Home ("FTTH") technology.

FiberCop is a unique case within the European Union, as the first instance of ownership from the incumbent national Telecoms operator. With total investments amounting to Euro 1.4 billion in the second half of 2024 and Euro 1.2 billion in the first half of 2025, following the separation from TIM, the Company has launched its new ultra-broadband strategy. The objective is to accelerate the development of the fiber-optic network.

FiberCop had over 14.1 million active access to its network, providing operators with a comprehensive and integrated full range of and integrated reliable and innovative solutions, all supported by constantly cutting-edge technology in constant evolution. The Company's activities – which include infrastructure of access, high-capacity networks, transport infrastructures, as well as monitoring, diagnostics and support services for installation and maintenance – meet the growing needs of the market and, in the research from the solutions best suited to individual customers, guaranteeing the highest levels of quality, safety, reliability and stability.

One of the company's strengths is its widespread presence throughout the territory and regions. In addition to the 26 million kilometers of fiber optic laid, there are more than 114.3 million km of traditional copper network, 10,500 exchanges and more than 160,000 ripartilinea cabinets.

The people of FiberCop, located across the entire country, are leading the way in enabling and accelerating Italy's digitalization, developing an optical fiber network to meet the European digital agenda's goal of delivering a 1 Giga connection to the entire population by 2030.

Innovation and sustainability are core to FiberCop's business development, allocating substantial investment to fiber – more sustainable and future proof than traditional technologies – both in areas with existing fiber infrastructure and those historically served solely by copper infrastructure, while also employing available National Recovery and Resilience Plan ("NRRP") funds, of which FiberCop has been assigned about Euro 2,300 million. The tenders envisaged under the NRRP are key drivers of the country's technological development and digitalization. The projects that have been implemented will finally give previously underserved geographical areas access to the ultra-fast connectivity enjoyed by major urban centers.

The entire share capital of FiberCop is held by Optics HoldCo S.r.l. ("Optics HoldCo"), whose share capital is in turn held as follows: 33.5% is held by KKR Optics Aggregator SCSp, 4.3% by K-INFRA Optics Limited, 17.5% by 13545369 Canada Inc., 17.5% by Azure Vista C 2020 Sarl, 16% by the Ministry of the Economy and Finance of Italy ("MEF") and 11.2% by F2i Fibra S.r.l.

#### Business Combinations

The Business Combination described in the Introduction to this condensed half-yearly financial report and commented on in more detail in the 2024 annual report, has been accounted for as a corporate reorganization

## FiberCop S.p.A.

and, therefore, following the Reverse Merger of Optics Bidco into FiberCop, the Financial Statements of FiberCop reflect:

- The assets and liabilities of Optics BidCo at their book value prior to the Reverse Merger, including certain Euro and USD existing notes issued by TIM, which have been exchanged by the issue of certain Euro and USD bonds by Optics Bidco in connection with the Business Combination;
- the assets and liabilities of FiberCop measured at their fair value at the acquisition date using the acquisition method of accounting in accordance with IFRS 3, which applies the fair value concepts requiring to recognize the assets acquired and the liabilities assumed at their fair values at the acquisition date of July 1, 2024 (with certain exceptions).

In addition to what has been mentioned above in relation to the Business Combination, it should be noted that at the board meeting of 24 June 2025, it was resolved to merge Optics PrepCo S.r.l., a company under the control of the parent Optics HoldCo, into FiberCop S.p.A.. The merger will be effective for accounting and tax purposes as of 1 January 2025 and will become effective in the second half of 2025.

For further information about the Business Combination, please refer to *Note 4-Business Combination and Reverse Merger* within the Company's financial statements included in this document.

### Main events of the period

#### Bond Offering Launch

On 16 June 2025, the Company announced the launch of a bond offering, finalized on 27 June 2025, of three new bonds with a total nominal amount of Euro 2.8 billion divided into: i) Euro 1,200,000,000 of 4.750% fixed-rate senior secured bonds maturing in 2030, ii) Euro 900,000,000 of 5.125% fixed-rate senior secured bonds maturing in 2032, and iii) Euro 700,000,000 of floating-rate senior secured bonds maturing in 2031 with interest calculated on the 3-month EURIBOR rate plus 3.00% per annum.

All bond loans are listed on the official list of the Luxembourg Stock Exchange ("Euro MTF Market") and are secured by guarantees.

These funds will be used to fund the Company's liquidity instrumental to its business activities including investments and possible refinancing of existing debt.

#### Incorporation of FiberCop Insurance Broker S.r.l.

In May 2025, a new company was established under the company name FiberCop Insurance Broker S.r.l. ("**FiberCop Insurance Broker**"), which is wholly owned by FiberCop. This new company is duly authorized to operate as an insurance intermediary by the Insurance Supervisory Authority ("**IVASS**"). FiberCop Insurance Broker was established with the aim of identifying and structuring tailor-made insurance covers in line with business and operational needs.

With this transaction, FiberCop Insurance Broker S.r.l. expects to gain greater control over insurance costs and maintain a direct and ongoing relationship with major insurance companies, ensuring transparency, efficiency and a high level of customization in risk management.

## Alternative performance indicators

The Company's management monitors and evaluates performance through non-GAAP financial measures, including EBITDA, Organic EBITDA, EBITDA-AL, Organic EBITDA-AL, Net Debt and Net Debt-AL. These measures are considered useful in providing insight into the Company's financial performance and condition, enabling easier comparisons with other companies. Additionally, they offer comparable metrics that help management in identifying operational trends and in taking informed decisions about future spending, resource allocation, and other strategic choices. Definitions, relevance, and reconciliations to the closest IFRS-compliant measures are provided below.

### EBITDA and Organic EBITDA

EBITDA is defined as Profit/(Loss) for the year before (i) income taxes, (ii) net finance costs and foreign exchange losses, and (iii) depreciation, amortization and (loss)/profit on disposal.

Organic EBITDA is defined as EBITDA adjusted for certain income and expenses, which are significant in nature and which the directors consider not representative of ongoing operations.

The Company's management uses EBITDA and Organic EBITDA to assess and analyze the Company's underlying operating performance. These non-GAAP financial measures are considered useful as they exclude items that FiberCop's management believes are not indicative of the Company's underlying operating performance and allow management to view operating trends, perform analytical comparisons and benchmark performance across periods.

The following table presents a reconciliation of (Loss)/Profit for the period to Organic EBITDA:

<i>(in € millions)</i>	for the six-month ended June 30	
	2025	2024
<b>(Loss)/Profit</b>	<b>(66)</b>	<b>111</b>
Income Taxes	(53)	48
Net financial expenses and foreign exchange losses	370	120
<b>Operating loss</b>	<b>251</b>	<b>279</b>
Depreciation, amortization and (loss)/gain on disposals of non-current asset	722	254
<b>EBITDA</b>	<b>973</b>	<b>533</b>
Restructuring and non-recurring items	40	-
<b>Organic EBITDA</b>	<b>1,013</b>	<b>533</b>

### EBITDA-AL and EBITDA-AL Organic

EBITDA-AL is defined as the Profit/(Loss) for the year before (i) income tax, (ii) net finance costs and foreign exchange losses, (iii) depreciation, amortization and (loss)/gains on disposal and (iv) adjusted for amounts related to the accounting treatment of lease contracts.

Organic EBITDA-AL is defined as EBITDA-AL adjusted for certain income and expenses of a significant nature, which the directors believe are not representative of recurring operations.

The Company's management uses EBITDA-AL and Organic EBITDA-AL to assess and analyze the Company's underlying operating performance. These non-GAAP financial measures are considered useful as

## FiberCop S.p.A.

they exclude items that Company's management believes are not indicative of the Company's underlying operating performance and allows management to view operating trends, perform analytical comparisons and benchmark performance across periods.

The following table presents a reconciliation of (Loss)/Profit for the period to Organic EBITDA-AL:

<i>(in € millions)</i>	<b>for the six-month ended June 30</b>	
	<b>2025</b>	<b>2024</b>
<b>(Loss)/profit</b>	<b>(66)</b>	<b>111</b>
Income Taxes	(53)	48
Net financial expenses and foreign exchange losses	370	120
<b>Operating Loss (EBIT)</b>	<b>251</b>	<b>279</b>
Depreciation, amortization and write-downs and gains/(losses) on disposal of non-current assets	722	254
<b>EBITDA</b>	<b>973</b>	<b>533</b>
Leasing impact <sup>(1)</sup>	(189)	(1)
<b>EBITDA-AL</b>	<b>784</b>	<b>532</b>
Restructuring and non-recurring items	40	-
<b>Organic EBITDA-AL</b>	<b>824</b>	<b>532</b>

(1) The impact of leases refers to payments that would have been recognized as cost of goods and services if IFRS 16 had not been applied.

### Net Debt and Net Debt After Lease

Net Debt is defined as the sum of current and non-current debt, net of cash and cash equivalents and current financial assets.

Net Debt-AL is defined as Net Debt adjusted for amounts connected with the accounting treatment of the lease contracts.

The Company's management believes that Net Debt and Net Debt-AL (i) are useful to monitor the level of net liquidity and financial resources available to the Company; (ii) aid it, investors and analysts in analyzing the Company's financial position and available financial resources; and (iii) are helpful in comparing the Company's financial position and available financial resources with those of other companies.

The following table shows the calculation of Net Debt and Net Debt AL at June 30, 2025, and December 31, 2024:

<i>(in € millions)</i>	<b>30/06/2025</b>	<b>31/12/2024</b>
Cash and cash equivalents	3,548	997
Current financial assets	128	143
<b>Cash and cash equivalents and current financial assets</b>	<b>3,676</b>	<b>1,140</b>
Current debt	(1,090)	(408)
Non-current debt	(14,372)	(11,879)
<b>Total debt</b>	<b>(15,462)</b>	<b>(12,287)</b>
<b>Net Debt</b>	<b>(11,786)</b>	<b>(11,147)</b>
Lease liabilities	1,835	1,963
<b>Net debt-AL</b>	<b>(9,951)</b>	<b>(9,184)</b>

## Financial and operating highlights

The following tables show the Company's key figures for the first half of 2025 and the comparative period 2024.

<i>(in € millions)</i>	for the six-month ended June 30	
	2025	2024
Revenues	1,861	634
<b>EBITDA</b>		
Organic	1,013	533
Reported	973	533
<b>EBITDA-AL</b>		
Organic	824	532
Reported	784	532
<b>(Loss)/profit for the period</b>	<b>(66)</b>	<b>111</b>

  

<i>(in € millions)</i>	As at June 30, 2025	As at December 31, 2024
Equity	8,879	8,901
Net debt	(11,786)	(11,147)
Net debt-AL	(9,951)	(9,184)
Investments	1,155	2,031
Number of UI ESRI (millions)	13.2	12.2
Number of employees (units)	18,361	19,788

The financial results, including EBITDA and Organic EBITDA, are not directly comparable with those of 2024, mainly due to the corporate reorganization and changes to the Company's business model as a result of the Business Combination. This business reorganization had a significant impact on both revenue generation and cost structure, making year-on-year comparisons less meaningful. For more information on Business Combination accounting, please refer to *Note 4 - Business Combination and Reverse Merger* of the Interim Financial Statements included in this document.

## Competitive Environment, Regulatory Framework, Sustainability Issues and Key Risks and Uncertainties

### Macroeconomic context

GDP growth, high levels of inflation, global capital and credit market conditions and the volatility of European sovereign debt markets, an economic slowdown or uncertainty in Italy and other EU Member States are all macroeconomic factors that affect our operating results, influencing overall customer spending in the telecommunications sector and, therefore, the demand for our services.

The Italian telecommunications market continues to be characterized by strong competition and a growing demand for high-speed connectivity, increasingly oriented towards fiber optics, with a decline in copper-based access and an acceleration in FTTH coverage. FiberCop is leading this technological transition, thanks to its state-of-the-art infrastructure that enables operators to provide high-performance connectivity. This transition, promoted by the Italian government, is witnessed by the government funding granted, such as the funds allocated under the NRRP for the 'Italia a 1 Giga' and 'Backhauling 5G' initiatives, aimed at technological progress in public administration and the extension of coverage to rural areas.

The Company operates in the wholesale fixed-line access services market, a context in which the decisions

## FiberCop S.p.A.

of the Italian Communications Regulatory Authority ("**AGCOM**") and the Italian Antitrust Authority ("**AGCM**") play a crucial role. These authorities intervene to ensure an environment of fair competition within the market and monitor anti-competitive practices by operators seeking to hinder competition.

Key regulatory aspects for the Company include:

- the constraints and controls imposed on operators that are granted significant power in the wholesale market, defined through the periodic market analyses conducted by AGCOM, which also apply to the offers of these operators, subject to AGCOM's supervision;
- the terms and conditions of the wholesale offers of such operators; and
- the rules governing the public disclosure of offers, with particular attention to the accurate disclosure of the physical infrastructure used and its characteristics.

In the context of the protection of competition, the continuous monitoring of restrictive agreements between operators and anti-competitive behavior by dominant operators aimed at blocking market entry is particularly significant.

### Proceedings by the AGCM

#### Proceedings I874

At the meeting of 17 December 2024, the AGCM decided to open an investigation pursuant to Article 14 of Law no. 287/1990 against FiberCop and TIM to ascertain potential violations of Article 101 of the TFEU. The proceedings focus on verifying the compatibility of the MSA with antitrust law. The MSA constitutes an agreement compliant with Article 101 TFEU.

The MSA takes into account the issues previously raised by the European Commission in the decision on the approval of the Optics Transaction. The competitive issues highlighted in the AGCM's opening decision are the following

- the duration of the exclusive supply agreement in favor of FiberCop
- the provision of volume-based discounts for VULA-H;
- the most-favored nation clause in favor of TIM, which prevents FiberCop from offering services to third parties on better terms than those granted to TIM
- the regulation of the infeasible rights-of-use ("IRU" or "Infeasible Right-of-use") on point-to-point ("P2P") fibers for business customers. AGCM challenges the potential disputes the potential restriction of competition due to the possible exclusion of access to such fibers by other competitors intending to serve such customers.

In the course of the proceeding, the Company has confronted the Authority on several occasions, producing legal defense briefs and economic studies in support of the competitive correctness and adequacy with respect to the investments implemented and planned of the provisions contained in the MSA.

The proceeding is expected to be concluded by January 31, 2026.

### Proceedings by AGCOM

With Resolution No. 315/24/CONS, published in September 2024, AGCOM initiated a new coordinated analysis of the markets for access services to electronic communications networks from fixed locations pursuant to Article 89 of the “Testo Unico delle Telecomunicazioni” (ECC) following the implementation of the structural separation of the TIM Group's fixed access network. The coordinated analysis proceeding, which is still in progress, will update the regulatory framework of the markets for wholesale access services to the fixed-line network according to the changed competitive conditions resulting from the Acquisition Transactions. During this proceeding, with Resolution No. 406/24/CONS, adopted a precautionary measure pursuant to Article 33, paragraph 8, of the Consolidated Law on Telecommunications (ECC), ordering the immediate suspension of the applicability of the regulatory obligations imposed on FiberCop with Resolution No. 114/24/CONS until the completion of the new proceeding initiated with Resolution No. 315/24/CONS.

With Resolution No. 38/24/CIR, the economic and technical conditions were approved for the provision of passive access services to the fiber optic network (Full-GPON and Semi-GPON services) offered by FiberCop pursuant to Articles 28 and 29 of Resolution No. 114/24/CONS. This is the first time in Italy that prices based on the principle of fairness and reasonableness have been approved.

With Resolution No. 103/25/CONS, AGCOM initiated a public consultation regarding the qualification of FiberCop as a 'wholesale only' operator, pursuant to Article 91 of the Code. This consultation ended on 16 May 2025 and on 18 June the outcome was notified to the European Commission. Having ascertained the status of "wholesale only" operator, by July AGCOM is expected to submit for public consultation the modification of the regulatory remedies applicable to "wholesale only" operators.

### Conflicts and geopolitical tensions

Global economic conditions and political events could adversely affect the Company's business, mainly through increased energy, raw material and transport costs. The outlook for the global economy remains subject to uncertainty, particularly in light of current geopolitical conflicts and tensions, including the ongoing conflict between Russia and Ukraine, increased tensions in the Middle East following the conflict between Israel and Hamas, Israel's recent military operation in Lebanon, the recent and ongoing conflict between Israel and Iran and its potential escalation, tensions in the Red Sea and increasing political tensions worldwide, which have led to higher energy prices, the cost of raw materials and disruptions in supply chains. The effects on our business of escalation in neighboring countries or direct military involvement by the US or any member of the EU or NATO as well as the consequences of sanctions and export controls imposed by the US or any member of the EU or NATO on other countries or people around the world cannot be predicted but could be significant and adverse. To mitigate these challenges, FiberCop has implemented proactive measures to reduce exposure to rising costs and improve resilience, such as (i) increasing the use of renewable energy sources and exploring alternative energy supply strategies to limit vulnerability to price fluctuations, while continuously monitoring geopolitical developments; and (ii) conducting scenario analysis to anticipate potential impacts on costs and supply chains, enabling timely decisions.

### Sustainability aspects

#### Environmental aspects

FiberCop punctually measures all consumption that generates climate-changing emissions and in order to enhance the transparency and effectiveness of its decarbonization pathway has submitted its environmental

## FiberCop S.p.A.

targets to the Science Based Target Initiative (SBTi) and obtained their validation in first half of 2025.

The commitment involves the three Scope of emissions, i.e. direct and indirect emissions related to its operations and upstream and downstream emissions from its own activities and is embodied in the Net zero target by 2050, brought forward to 2040 for Scope 1 and 2 emissions.

To seal this commitment, FiberCop's Institutional Environmental Policy was issued and shared with the Board of Directors.

### Social aspects

FiberCop promotes a diverse and inclusive workforce and is committed to maintaining certification for gender equality and improving employee engagement. In terms of health and safety, the reduction of accidents is FiberCop's priority objective, implemented through the involvement of employees and suppliers.

Last but not least, the company mission, i.e. the expansion of FTTH coverage, does not disregard the involvement of local communities in high social impact projects enabled by the network expansion.

### Governance aspects

FiberCop is committed to addressing ethical governance through policies, training and stakeholder engagement, and to strengthening the monitoring and governance of ESG data across the company and aimed at the robustness of all sustainability disclosures as well as measuring the impact of the company in all areas of the country system.

It is also committed to the involvement of the Supply Chain, with which it shares its targets, promoting participation in them by suppliers, undertaking to monitor their actions and offering support and guidance in this regard.

With regard to its network, FiberCop is committed to ensuring that it is secure and resilient, guaranteeing continuity of service, data privacy and IT security, also attested by appropriate certifications.

### Sustainability reporting

In accordance with the provisions of Directive 2022/2464/EU (Corporate Sustainability Reporting Directive - CSRD), transposed in Italy by Legislative Decree No. 125/24, from 2025 FiberCop would be required to prepare, include within the Financial Statements and approve its own sustainability reporting according to the new European standards, the European Sustainability Reporting Standards (ESRS).

The aim of this initiative is to anticipate the regulatory compliance, initiating a consequent analysis of any existing gaps and preparing the necessary processes to ensure full compliance as of the entry into force of the regulatory obligation. In this regard, it is worth mentioning the approval, in April 2025, of the "Stop-the-clock" measure, contained in the "Omnibus" regulatory simplification package, which envisages a two-year postponement for the entry into application of sustainability reporting obligations.

### Risk management

Risk management is a strategic tool for value creation. FiberCop has, therefore, adopted an evolving ERM model, aligned with international regulations and standards. The objective of this model is to identify, assess and

## FiberCop S.p.A.

monitor risks that may jeopardize the achievement of corporate objectives, including those of an ESG nature. The ERM process is an integral part of the corporate governance and control system and represents a key tool to support decision-making and business continuity/sustainability.

The following paragraphs outline the main risks to which FiberCop is exposed in carrying out its activities.

### Financial risks

The Company's activities are exposed to the following risks

- financial market risk, primarily related to foreign currency exchange rates and interest rates
- liquidity risk relating to the availability of funds and access to credit, if required, and to financial instruments in general;
- credit risk relating to counterparties failing to repay amounts owed or meet contractual obligations.

These risks could significantly impact the Company's financial position, operating results and cash flows. To manage these exposures, the Company identifies and monitors these risks closely, aiming to detect potential adverse effects early and take appropriate mitigation steps. These efforts are primarily managed through the Company's operational and financing activities, and, when necessary, by entering into derivative financial instruments contracts.

### Risks related to business and industry

In recent months, the fixed network has continued to record a decline of total accesses, mainly due to the progressive decommissioning of copper lines and the reduction of FTTC technology accesses. This trend is accompanied by a steady growth in fiber-to-the-home (FTTH) and Fixed Wireless Access (**FWA**) connections. The decrease in revenues from traditional voice services, driven both by the decline in accesses and by competitive price pressure, has been partly offset by the growth in data service revenues. According to AGCOM reports, the adoption of broadband and ultra-broadband services continues to grow. In terms of infrastructure, the market has underscored the importance of investments initiated in recent years, not only by FiberCop but also by other key players such as Open Fiber, Fastweb, and several others wholesale operators. These operators are expanding fiber-optic networks on a national level and within regional and provincial areas, increasing wholesale market competition. Within this context, FiberCop has further accelerated the competitive landscape in telecommunications infrastructure, expanding its FTTH coverage by using both its own resources and funds from the "Italia 1 Giga" initiative. During 2025, a company merger between Fastweb and Vodafone will increase competition on the wholesale market and will probably have an effect on their access on FiberCop's network. In addition, this merger will have an impact in the retail market as well, potentially affecting TIM's performance. Moreover, exclusive agreements between major telecom operators and Open Fiber remain in place in black areas, limiting FiberCop's commercial penetration. To mitigate risk, FiberCop is following two key strategies: diversification of the offering and enhanced competitiveness and market penetration. For the first strategy, FiberCop is accelerating the roll-out of its FTTH network to expand coverage and solidify its market position. The Company is leveraging both public and private funding while introducing innovative wholesale services, including tailored solutions for the business segment and value-added offerings for partner operators. With regards to the second strategy, FiberCop is forging new commercial agreements with alternative operators, broadening its customer base, and actively participating in public tenders and national initiatives to secure additional funding and enhance its infrastructure.

### Risks related to the wholesale-only business model in pay-per-use mode

The Company has adopted a wholesale-only business model based on a pay-per-use approach, which

## FiberCop S.p.A.

ensures non-discriminatory access conditions for all other licensed operators (“OLOs”). Consequently, the Company faces the risk that any change or slowdown in the OLOs’ acquisition strategies could result in a lower or slower-than-expected utilization of its network (the so-called “Take-Up”) and the associated revenues. This risk is mitigated through the establishment of strong commercial relationships with OLOs, which also include the signing of commercial agreements with incentive mechanisms, thus encouraging partners to achieve specific targets on the Company’s network.

### New ultrabroadband fixed line network

One of FiberCop’s key goals is to accelerate the roll-out of a new telecommunications network that delivers ultrabroadband connections, partly supported by government subsidies and NRRP funds (Italia 1G and 5G Backhaul) in regions where it has won tenders. Provided that the Company is properly structured to achieve its objectives, failure to meet ultrabroadband roll-out targets on time, or at all, could significantly harm FiberCop’s business, financial performance, and operations. Among the most significant risks to network deployment are potential production capacity constraints within the network enterprise ecosystem.

Additionally, delays in NRRP projects could carry penalties, including fixed charges per unconnected address that increase with delays. However, as of today, no significant issues are detected in this regard

### Technological risks

The telecommunications market is shaped by competitive dynamics driven by technological progress, which may influence customers’ consumption habits. In particular, the fixed infrastructure sector may continue to be impacted by FWA technology, especially with the expansion of 5G mobile technology, which is expected to become widely available in the medium term. Furthermore, an emerging risk comes from low - earth orbit (‘LEO’) satellite technology, which could be a viable alternative in sparsely populated areas where fiber is not yet available and mobile coverage is often limited. In order to address the impact of FWA and LEO technologies, it is crucial to accelerate the expansion of the fiber network. In particular, the acceleration of FTTH coverage plans will be driven by analyses of the potential market. Furthermore, exploiting synergies with fiber rollout plans, the FTTC network will also be strengthened to cover areas currently lacking any ultrabroadband service.

### Cybersecurity Risks

The Company’s activities, as an infrastructure communication provider, are significantly dependent on the proper functioning of its network and information systems. Cyber-attacks can affect the services provided to the network operators that use the infrastructure provided (i.e. fiber, copper) and compromise data, putting the Company’s reputation as a supplier of critical national infrastructures at risk, as well as resulting in financial losses and regulatory sanctions. Given these factors, significant focus has been placed on securing networks against major threats, such as viruses, malware, hacking, and data theft. The Company takes action to secure its own infrastructure, considered as a critical asset for the national system. In particular, in order to maintain a structured and continuous risk analysis process, cybersecurity policies are in place that include organizational and technical controls such as: cyber risk management, security by design, access control, continuous monitoring, incident detection and response, staff training and data encryption - in order to protect the personal data of customers and employees from cyber threats. In addition, FiberCop has taken out a specific cyber insurance policy, which further strengthens the overall risk management strategy.

Despite the adoption of robust security measures and their continuous updating, the global cyber threat

landscape is constantly evolving, with new vulnerabilities and attack techniques constantly emerging. In this context, any issues with the operation of the network and information systems could affect the Company's ability to deliver services at expected quality levels, potentially impacting its reputation and operational performance.

### Commodity price risk

The Company is exposed to commodity risk due to its energy consumption and correlated cost exposure to the Italian energy market price volatility. To manage this risk, the Company's policy requires hedging expected energy consumption exposure through long-term power purchase contracts that are valid beyond the current year. In general, while these hedges are designed to mitigate commodity risk, they may not completely shield the Company from all unfavorable energy price fluctuations. To further mitigate these risks, the Company will benefit from the activities carried out by other FiberCop's group companies in the areas of energy efficiency and self-generation of energy.

### Risks related to agreements with suppliers

FiberCop maintains significant relationships with various suppliers of hardware, software licenses and services that it relies on for the operation of its network and systems, as well as for customer support. One or more of FiberCop's suppliers may not be able to provide such products and/or services in a timely manner, under competitive conditions and in adequate quantities. This could affect FiberCop's ability to fully control its networks, provide high quality services and run its operations. It could also cause technical problems, additional costs, reputational damage, loss of customers and a material adverse impact on the Company's business, financial condition and operating results. During 2024, where expressly provided for in the respective contracts, the Company's suppliers used subcontractors to install and maintain its network. Although FiberCop operates with a carefully monitored number of subcontractors in compliance with applicable regulations, it cannot be entirely excluded that their assignments may not be performed properly or fully in accordance with the required quality and safety standards or that contracts may not be further assigned to additional third-party contractors. However, it should be emphasized that such misconduct would also be contractually unlawful, resulting in the contractor's primary liability.

### Fraud risk

FiberCop is exposed to the risk arising from intentional unlawful acts, committed by people inside or outside the organization, aimed at obtaining an unfair advantage for themselves or others, with consequent - or potential - damage to the Company, even of a non-pecuniary nature. To this end, FiberCop has set up an organizational structure dedicated to anti-fraud issues with the responsibility of ensuring activities relating to the analysis of fraud phenomena, the definition of instructions (anti-fraud rules, thresholds, blacklists) and the management of external and internal fraud.

### Conflicts and geopolitical tensions

Global economic conditions and political events may adversely impact FiberCop's business, primarily through rising costs of energy, raw materials, and transportation. Currently, the geopolitical situation could affect FiberCop indirectly by driving up these costs. The ongoing conflicts have already contributed to a general increase in energy prices, and any potential escalation or strategic shifts in the conflict could further exacerbate this trend, posing additional risks to energy markets and cost stability. To mitigate these challenges, FiberCop has implemented several proactive measures to reduce its exposure to rising costs and enhance resilience, such as: (i) increasing its reliance on renewable energy sources and exploring alternative energy procurement strategies to limit vulnerability to price fluctuations; and (ii) continuously monitoring geopolitical developments and

conducting scenario analyses to anticipate potential impacts on costs and supply chains, allowing for agile decision-making.

### Health and safety

FiberCop ensures compliance with legislative provisions regarding health and safety in the workplace, aimed at preventing possible accidents and damage to health in any way connected to the performance of work. To this end, the Company assesses the risks to the safety and health of workers with the aim of progressively reducing them to a minimum and preparing the relevant risk assessment documentation, by adopting the principles, standards and solutions in order to achieve "zero accidents at work", implementing appropriate preventive measures and verifying their adequacy and effectiveness. Raising awareness and involvement on health and safety policies and objectives relating to internal control systems, as well as training and information on the risks and control measures adopted, are considered fundamental tools for achieving the expected results. To enhance internal management and control while improving workplace quality and employee well-being, FiberCop is ISO 45001 certified. This certification covers all processes related to the management of office and mixed-use real estate assets.

### Risks also related to sustainability issues

The company currently operates exclusively in the Italian telecommunications market and its success is therefore closely linked to general economic, legal and political developments in Italy and cannot be offset by developments in other markets.

Growth prospects are strongly linked to political volatility and economic uncertainty in Italy, depending closely on employment growth in Italy, slowing expansion and a partial increase in wages. The Italian economy faces significant risks from an energy price shock and high inflation. Stagnating gross domestic product, unemployment, and generally unfavorable conditions in the Italian financial market could reduce consumer confidence and investment, and could cause a reduction in government spending, which in turn could reduce demand for our services and negatively impact our sales and profit levels. These factors are affecting the spending capacity of our direct customers and end consumers. As we provide related services exclusively on a wholesale basis to telecommunications operators, as a result, we may be exposed to the financial instability of our customers, thereby increasing our bad debts and reducing our revenue streams, which could in turn have a material adverse impact on our operating results and financial stability.

**Climate.** The Company's operations are strategically located throughout Italy, inherently exposing it to potential risks from natural disasters and other extreme environmental events. These risks are increasingly exacerbated by the growing impacts of global climate change - both physical risks, such as extreme weather conditions or rising sea levels, and transitional risks, such as regulatory or technological changes, which are expected to be widespread and unpredictable. Natural disasters and other extreme environmental events are becoming more frequent and violent and could lead to substantial operational disruptions, damage to physical infrastructure and increased expenses related to repairs, maintenance or insurance coverage. The full extent of the impact of climate change on our operations is difficult to predict and there can be no guarantee that climate change will not have a significant negative impact on our properties, operations or business.

In addition, FiberCop's operations and value chain have negative environmental impacts, particularly in terms of **greenhouse gas ("GHG")** emissions. Globally, there is a growing trend of regulatory and self-regulatory measures that focus on improving energy efficiency in the transition to a fiber-based network infrastructure and reducing CO<sub>2</sub>. Most of FiberCop's greenhouse gas emissions are generated by operations and maintenance

activities. As a newly established company, FiberCop is committed to achieving net zero emissions by leveraging significant investments in expanding solar power generation for self-consumption - reducing reliance on fossil fuels and improving energy resilience - and in upgrading assets to ensure that infrastructure upgrades contribute to long-term environmental benefits, paving the way for a more sustainable and technologically advanced future.

**Social inclusion.** The deployment of fiber optic networks offering ultra- broadband connections plays a crucial role in reducing the digital divide in Italy by providing high-speed Internet access in underserved areas. Many geographical areas continue to struggle with slow or unreliable connections, which place limits on opportunities for education, remote working and digital services. By expanding its fiber infrastructure, FiberCop can bridge this gap, ensuring equitable access to digital resources, stimulating economic growth and promoting social inclusion. A more connected country means greater innovation, competitiveness and improved quality of life for all citizens. Failure to implement the digital inclusion strategy, besides causing a loss of revenue, could also damage the company's reputation.

**Employee Engagement.** The ability to attract and retain qualified, specialized and motivated personnel is a key factor for the successful achievement of strategic goals. The demand and competition for highly qualified personnel in the telecommunications sector, such as electrical engineers, telecommunications engineers and talent in general, is becoming increasingly challenging. To secure suitable talent, FiberCop needs to recruit, develop and retain highly qualified employees. Failure to implement these objectives may affect the Company's ability to effectively implement its business strategies.

#### Risks associated with litigation

The Company may face litigation and, should such litigation prove unfavorable, the impact on the Company's reputation and operating results - resulting from court rulings - may not be immediately assessable.

The Company, for disputes where a loss is considered probable, recognizes a specific provision for risks. See Note 23 – *Provisions for current and non-current risks and charges for further information*.

#### Regulatory/regulatory risks

The Company operates in a highly regulated telecommunications industry and unfavorable changes in regulations or laws could affect its expected results. New decisions by AGCOM could alter the regulatory framework, affecting the Company's expected results and market outlook. Key uncertainties include:

- AGCOM's decisions on fixed network wholesale prices, which could affect profit margins for end-user services;
- AGCOM decisions affecting technology choices, with possible impacts on the timing of returns on infrastructure investments; and
- AGCOM or AGCM regulations and/or decisions that may limit pricing strategies.

#### Risks related to licenses and authorizations

The Company operates on the basis of licenses and authorizations that are subject to renewal, modification, suspension or revocation by the competent authorities. Should such licenses or authorizations not be renewed or be suspended or revoked, the Company's operations could be restricted, potentially impacting its economic and financial prospects.

#### Golden power

## FiberCop S.p.A.

The Italian legislation on golden power, with particular reference to Decree-Law No. 21/2012, grants the government special powers over companies operating in sectors of strategic importance for defense and national security and/or holders of assets and relationships of strategic importance for the national interest in the communications sector.

Failure to comply with the obligations to notify the government will result in specific sanctions, including administrative fines of up to twice the value of the transaction and, in any case, not less than 1% of the Company's turnover or the combined turnover of the companies involved in the last financial year for which the financial statements were approved. Failure to comply with any veto, conditions or requirements imposed by the government will result in the nullity of the transaction, act or resolution, and the parties involved will be subject to the penalties mentioned above.

The government may also order the Company and any counterparty to restore the previous situation at its own expense. With the Prime Ministerial Decree ('DPCM') of 16 January 2024, the government exercised the special powers provided for in Article 1 of Decree-Law No. 21/2012 by imposing specific requirements and conditions on FiberCop. In order to protect assets deemed strategic to national interests, particularly in the defense, national security and communications sectors, the government made the separation between TIM and FiberCop conditional on compliance with the requirements set out in the Decree. These measures mainly concern corporate governance and organizational structure.

### National cybersecurity perimeter

As part of the national security regulations, the golden power legislation is complemented by the National Cybersecurity Perimeter ("PSNC"), established by Law No. 133/2019. This legislation aims to ensure a high level of security for the networks, information systems and IT services of public administrations, public and private entities and operators based in the national territory, whose activities are essential for the country or provide critical services necessary to maintain civil, social or economic functions critical to national interests. Any malfunctioning, interruption (even partial) or misuse of these systems could constitute a risk to national security. The Company is required to comply with PSNC regulations and failure to do so may result in administrative penalties that vary depending on the violation, with fines of up to Euro 1.8 million. In addition, the use of products and services without the necessary notifications to the competent authorities, failure to pass security tests, or violation of conditions may lead to a further administrative sanction, including a three-year ban from holding executive, administrative or control positions in legal entities and companies. Finally, anyone who provides false information, data or facts to hinder or influence regulatory proceedings or inspections may be subject to a prison sentence of one to three years.

## Results of operations

The following table provides results of operation for the first half of 2025, as compared to the same period in 2024.

<i>(in € million)</i>	for the six-month ended June 30	
	2025	2024
Revenues	1,861	634
Costs of good and services	(417)	(93)
Personnel costs	(418)	(4)
Other operating income/(expenses)	(13)	(4)
<b>Organic EBITDA</b>	<b>1,013</b>	<b>533</b>
Restructuring and non-recurring items	(40)	-
<b>EBITDA</b>	<b>973</b>	<b>533</b>
Amortization and (losses)/gains on disposal	(722)	(254)
<b>Operating profit/(loss)</b>	<b>251</b>	<b>279</b>
Net financial expenses and foreign exchange losses	(370)	(120)
<b>(Loss)/Profit before tax</b>	<b>(119)</b>	<b>159</b>
Income Taxes	53	(48)
<b>(Loss)/profit</b>	<b>(66)</b>	<b>111</b>

### Organic EBITDA

The financial results, including EBITDA and Organic EBITDA, are not directly comparable with those of 2024, mainly due to the corporate reorganization and changes to the Company's business model as a result of the Business Combination. This business reorganization had a significant impact on both revenue generation and cost structure, making non-comparable figures year-on-year.

### Operating Result

Restructuring and non-recurring items for the first half of 2025 amount to Euro 40 million and mainly refer to: i) "people exit incentives," primarily consisting of costs related to face-to-face severance agreements reached with certain employees during the first half of 2025; ii) "separation-related costs," concerning external services incurred in connection with the completion of procedures for separation from TIM; and iii) "IT costs," related to IT Transformation expenses and the "TSA Exit" project.

Depreciation and amortization reflects the higher value assigned to certain assets and the recognition of specific intangible assets as a result of the Business Combination, showing an increase of Euro 468 million compared to the first half of 2024, of which: i) Euro 81 million related to customer relationships, ii) Euro 34 million related to amortization of intangibles contributed as a part of the Business Combination, iii) Euro 160 million related to depreciation of tangible fixed assets, and iv) Euro 193 million related to amortization of right-of-use assets.

### (Loss)/Profit Before Taxes

Net financial expenses mainly include interest expenses on bank loans, bonds, and bond borrowings, lease liabilities, as well as hedging and derivative costs. In 2025, net financial expenses increased by Euro 250 million compared to the corresponding period in 2024, mainly due to the effects arising from the changes in the financial structure following the Business Combination.

## Balance Sheet and Financial Performance

This section sets out the financial position of the Company. The Company's main financial liabilities include bonds and notes, bank loans, lease liabilities, trade payables and other liabilities. The main purpose of these liabilities is to finance the Company's operating activities and investment development plan. In addition, the Company holds other assets, trade receivables and non-trade and cash assets, which originate directly from its operating activities.

### Investments

Capital expenditure for the first half of 2025 amounted to Euro 1,155 million.

In 2025, the roll-out of the Company's primary and secondary FTTH network is structured on two parallel work plans:

- the deployment of the secondary FTTH network in both 'black' and 'grey' areas, reaching an estimated 11.79 million *user interface of environmental systems research institute* ('ESRI UI'); and
- the activity related to the NRRP 'Italy 1 Giga' for 7 of the 15 lots in the tender.

For the six months ended 30 June 2025, the total coverage resulting from the two development plans reached approximately 13.2 million estimated ESRI UIs, covering a total of 2,830 municipalities available for commercialization.

### Reclassified Balance Sheet

<i>(in € millions)</i>	30/06/2025	31/12/2024
Intangible Assets	12,105	12,125
Tangible Assets	11,227	10,615
Rights of use on third-party assets	2,558	2,689
<b>Total Fixed Assets</b>	<b>25,890</b>	<b>25,429</b>
Inventories	35	33
Trade receivables	898	886
Trade payables	(2,041)	(2,139)
<b>Total Working Capital</b>	<b>(1,108)</b>	<b>(1,220)</b>
Other current and non-current assets	952	650
Other current and non-current liabilities	(2,725)	(2,175)
<b>Net Working Capital</b>	<b>(2,881)</b>	<b>(2,745)</b>
Provisions for current and non-current liabilities and charges	(758)	(943)
Employee benefits	(272)	(309)
Deferred tax assets/(liabilities)	(1,314)	(1,384)
<b>Net Invested Capital</b>	<b>20,665</b>	<b>20,048</b>
Shareholders' Equity	<b>(8,879)</b>	<b>(8,901)</b>
<i>of which Share Capital</i>	(18)	(18)
<i>of which Reserves</i>	(8,861)	(8,883)
Net Debt	<b>(11,786)</b>	<b>(11,147)</b>
<i>of which liabilities for IFRS 16 leases</i>	(1,835)	(1,963)
<i>Net Debt AL</i>	(9,951)	(9,184)
<b>Total Sources</b>	<b>(20,665)</b>	<b>(20,048)</b>

## Net Debt

The following table shows the calculation of Net Financial Indebtedness as of 30 June 2025 and 31 December 2024:

<i>(in € millions)</i>	30/06/2025	31/12/2024
Cash and cash equivalents	3,548	997
Current financial assets	128	143
<b>Cash and cash equivalents and current financial assets</b>	<b>3,676</b>	<b>1,140</b>
Current debt	(1,090)	(408)
Non-current debt	(14,372)	(11,879)
<b>Total debt</b>	<b>(15,462)</b>	<b>(12,287)</b>
<b>Net debt</b>	<b>(11,786)</b>	<b>(11,147)</b>

The main change in the composition of financial liabilities concerned to the bond issue finalized on 27 June 2025, for Euro 2,800 million, together with the increase of the *Senior Facility Agreement* for Euro 730 million realized in 2 *tranches* (Euro 380 million in January 2025 and Euro 350 million in May 2025).

As of 30 June 2025, the Company's Net Financial Indebtedness has a weighted average maturity of approximately 5.4 years. Taking into account the impact of hedging derivatives, a significant portion of the financial liabilities is at a fixed rate, with an overall effective interest rate of about 5.17%. For more information, see Notes 20 and 21 to the interim condensed financial statements.

## Rating

Following the Business Combination and recent financing activities, the three rating agencies - Standard & Poor's, Moody's and Fitch Ratings - have rated the Company as follows:

	Rating	Outlook
STANDARD & POOR'S	BB+	Negative
MOODY'S	Ba1	Negative
FITCH RATINGS	BB+ (Issue) / BB (Corporate)	Stable

## Related parties' transactions

During the first half of 2025, there were no transactions with related parties that had a significant impact on the Company's financial position or results. Related party transactions, when not dictated by specific laws, were conducted at market conditions, in accordance with the internal procedure, which establishes rules formulated to ensure the transparency and fairness of transactions in compliance with Consob Regulation No. 17221/2010.

For more information, please see Note 28 – *Transactions with related parties* of the interim condensed financial statements.

## Business outlook

From a forward-looking perspective, FiberCop maintains strong confidence in the opportunities and challenges shaping the fixed network sector in Italy. In the short term, our network investments will enable an

## **FiberCop S.p.A.**

enhancement of the service portfolio, preparing our fiber optic infrastructure to meet future market demands and support the generation of higher margins. As a leader in the industry, FiberCop is committed to deploying the latest network technologies aimed at expanding and modernizing the infrastructure, including the development of a new backbone network, and to optimizing operational efficiency to reinforce overall system performance.

### **Own shares and shares of parent company**

At June 30, 2025, FiberCop does not hold any of its own shares or shares in its parent company, either directly or through trust companies or intermediaries. In addition, during the same financial year, the Company did not buy or sell any of its own shares or shares in the parent company, either directly or through trust companies or intermediaries.

Rome, July 29, 2025



# **FiberCop**

**INTERIM CONDENSED FINANCIAL  
STATEMENTS**  
June 30, 2025

---

## INCOME STATEMENT

<i>(in € thousands)</i>	Note	For the six months ended June 30	
		2025	2024
Revenues	5	1,861,126	634,329
Costs of goods and services	6	(416,489)	(92,832)
Personnel costs	7	(417,733)	(4,199)
Other operating (expenses)/income	8	(13,450)	(4,281)
Restructuring and non-recurring items	9	(40,276)	-
Depreciation and amortization	10	(723,126)	(254,013)
Gains/(losses) on disposals		690	(9)
<b>Operating income /(loss)</b>		<b>250,742</b>	<b>278,995</b>
Financial income	11	11,259	2,743
Financial expenses	11	(381,602)	(123,145)
Exchange gains/(losses)	11	89	-
<b>(Loss)/Profit before taxes</b>		<b>(119,512)</b>	<b>158,593</b>
Income taxes	12	53,186	(47,462)
<b>(Loss)/Profit for the period</b>		<b>(66,326)</b>	<b>111,131</b>

The accompanying explanatory notes form an integral part of this interim condensed financial statement.

**STATEMENT OF COMPREHENSIVE INCOME/(LOSS)**

<i>(in € thousands)</i>	Note	For the six months ended June 30	
		2025	2024
<b>(Loss)/Profit for the period</b>		<b>(66,326)</b>	<b>111,131</b>
<b>Other comprehensive income/(loss):</b>			
<b>Items that will be subsequently reclassified to the income statement:</b>			
Net gain from cash flow hedges		64,010	-
Income taxes relating to these items	12	(15,331)	-
<b>Items that will not be subsequently reclassified to the income statement:</b>			
Actuarial gain from defined benefit plans	22	3,716	24
Income taxes	12	(892)	(6)
<b>Total other comprehensive loss, net of taxes</b>		<b>51,503</b>	<b>18</b>
<b>Total comprehensive (loss)/income</b>		<b>(14,823)</b>	<b>111,149</b>

The accompanying explanatory notes form an integral part of this interim condensed financial statement.

## STATEMENT OF FINANCIAL POSITION

<i>(in € thousands)</i>	Note	June 30, 2025	December 31, 2024
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	13	12,104,810	12,124,723
Property, plant and equipment	14	11,227,458	10,614,535
Rights of use assets	15	2,558,432	2,689,364
Investments in subsidiaries		10	-
Non-current financial assets	16	40,960	132,501
Other non-current assets	18	123,021	217,875
<b>Total non-current assets</b>		<b>26,054,691</b>	<b>25,778,998</b>
<b>Current assets</b>			
Trade receivables	17	898,020	885,799
Inventories		34,612	33,141
Current financial assets	16	127,588	143,241
Income tax receivables		43,632	53,530
Other current assets	18	744,138	247,166
Cash and cash equivalents		3,547,868	996,960
<b>Total current assets</b>		<b>5,395,858</b>	<b>2,359,837</b>
<b>Total assets</b>		<b>31,450,549</b>	<b>28,138,835</b>
<b>Liabilities and equity</b>			
<b>Total equity</b>			
	19	8,878,722	8,901,104
<b>Non-current liabilities</b>			
Non-current financial debt	20	14,371,466	11,879,410
Derivative financial instruments	21	275,959	116,434
Employee benefits	22	271,588	308,597
Non-current provisions	23	697,443	886,853
Deferred tax liabilities		1,314,319	1,384,021
Other non-current liabilities	25	1,729,004	1,549,755
<b>Total non-current liabilities</b>		<b>18,659,779</b>	<b>16,125,070</b>
<b>Current liabilities</b>			
Current financial debt	20	1,090,268	408,496
Current Provisions	23	60,795	56,640
Trade payables	24	2,040,593	2,138,902
Income tax payables	12	2,465	-
Other current liabilities	25	717,927	508,623
<b>Total current liabilities</b>		<b>3,912,048</b>	<b>3,112,661</b>
<b>Total equity and liabilities</b>		<b>31,450,549</b>	<b>28,138,835</b>

The accompanying explanatory notes form an integral part of this interim condensed financial statement.

## CASH FLOW STATEMENT

<i>(in € thousands)</i>	Note	For the six months ended June 30	
		2025	2024
<b>Operating activities</b>			
(Loss)/Profit for the period		(66,326)	111,131
Income taxes	12	(53,186)	47,462
Depreciation and amortization	10	723,126	254,013
Financial income, financial expenses and exchange losses/(gains)	11	370,254	120,402
Write-downs and other provisions		18,569	-
Other non-cash expenses/(income), net		(89,820)	30,263
Change in trade receivables		(57,629)	10,300
Change in trade payables		(117,227)	32,627
Change in inventories		(1,471)	-
Collections from financial receivables	16	82,133	17,935
Payments for guarantee deposits	16	92,575	-
Change in current and non-current provisions	23	(5,729)	(1,373)
Change in employee benefits	22	(37,829)	(24)
Change in other operating assets and liabilities		(34,621)	(66,316)
Income taxes paid		(156,101)	(164,881)
<b>Net cash flow generated from operating activities</b>		<b>666,718</b>	<b>391,539</b>
<b>Investment activities</b>			
Investments in tangible assets	14	(1,039,444)	(515,045)
Investments in intangible assets	13	(82,905)	(971)
Investments in right-of-use assets	15	(32,457)	-
Investments in subsidiaries		(10)	-
Disposals of tangible assets, intangible assets and right-of-use assets		10,970	-
Net proceeds from loans to employees	16	959	-
Interest received		9,861	295
<b>Net cash flow used in investing activities</b>		<b>(1,133,026)</b>	<b>(515,721)</b>
<b>Financing activities</b>			
Providing financing from third parties		-	195,000
Proceeds from bank loans	20	730,000	-
Proceeds from bonds	20	2,800,000	-
Provision of financing from third parties		(31,388)	-
Other financial changes		1,520	-
Repayment of lease liabilities	20	(187,406)	(6,511)
Interests paid		(287,951)	(111,598)
Dividends paid		(7,559)	-
<b>Net cash flow provided by financing activities</b>		<b>3,017,216</b>	<b>76,891</b>
<b>Net cash flow from cash and cash equivalents</b>		<b>2,550,908</b>	<b>(47,291)</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>996,960</b>	<b>151,905</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>3,547,868</b>	<b>104,614</b>

The accompanying explanatory notes form an integral part of this interim condensed financial statement.

**STATEMENT OF CHANGES IN EQUITY**

<i>(in € thousands)</i>	Share Capital	Share premium reserve	Cash flow hedge reserve	Other reserves	Retained earnings	Total Equity
<b>At January 1, 2024</b>	<b>10,000</b>	<b>4,841,050</b>	-	<b>(167,681)</b>	<b>1,106,757</b>	<b>5,790,126</b>
(Loss)/Profit for the period	-	-	-	-	111,131	111,131
Net actuarial loss on defined benefit plans	-	-	-	18	-	18
<b>Total comprehensive income/(loss)</b>	-	-	-	<b>18</b>	<b>111,131</b>	<b>111,149</b>
Other changes	-	-	-	18	-	18
<b>At June 30, 2024</b>	<b>10,000</b>	<b>4,841,050</b>	-	<b>(167,645)</b>	<b>1,217,888</b>	<b>5,901,293</b>

<i>(in € thousands)</i>	Share Capital	Share premium reserve	Cash flow hedge reserve	Other reserves	Retained earnings	Total Equity
<b>At January 1, 2025</b>	<b>17,836</b>	<b>8,294,724</b>	<b>(152,048)</b>	<b>(111,633)</b>	<b>852,225</b>	<b>8,901,104</b>
(Loss)/Profit for the period	-	-	-	-	(66,326)	(66,326)
(Loss)/on cash flow hedges	-	-	48,679	-	-	48,679
Net actuarial loss on defined benefit plans	-	-	-	2,824	-	2,824
<b>Total comprehensive income/(loss)</b>	-	-	<b>48,679</b>	<b>2,824</b>	<b>(66,326)</b>	<b>(14,823)</b>
Dividends distribution	-	-	-	-	(7,559)	(7,559)
Other changes	-	-	-	1,567	(1,567)	-
<b>At June 30, 2025</b>	<b>17,836</b>	<b>8,294,724</b>	<b>(103,369)</b>	<b>(107,242)</b>	<b>776,773</b>	<b>8,878,722</b>

The accompanying explanatory notes form an integral part of this interim condensed financial statement.

## EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

### 1. General information

FiberCop SpA (hereinafter “**FiberCop**” or the “**Company**”) is a company established in November 2020 and domiciled in Italy, with registered office in Milan, Via Marco Aurelio 24, and organized according to the Italian law.

FiberCop is the country’s most advanced, extensive and integrated digital network infrastructure operator in the country. With ultra-broadband coverage that exceeds 96% of active lines, it reaches approximately the 40% of national residential units with Fiber To The Home (“**FTTH**”) technology.

FiberCop is a unique case within the European Union, as the first instance of ownership from the incumbent national Telecom operator.

The Company had over 14.1 million active access to its network, providing operators with a comprehensive and integrated full range of integrated reliable and innovative solutions, all supported by a constantly cutting-edge technology in constant evolution. The Company’s activities – which include infrastructure of access, high-capacity networks, transport infrastructures, as well as monitoring, diagnostics and support services for installation and maintenance – meet the growing needs of the market And, in the research from the solutions best suited to individual customers, guaranteeing the highest levels of quality, safety, reliability and stability.

### 2. Basis of preparation

#### *Statement of compliance with IFRS*

This interim condensed financial statements for to the six-month period ended 30 June 2025, have been prepared in accordance to the international accounting principles IFRS Accounting Standards, meaning the International Accounting Standards (“**IAS**”) and International Financial Reporting Standards (“**IFRS**”) issued by the International Accounting Standards Board (“**IASB**”), And to the interpretations issued by the IFRS Interpretations Committee (“**IFRIC**”) and the Standing Interpretations Committee (“**SIC**”), adopted by the European Union pursuant to Regulation (“**CE**”) n. 1606/2002 and in force at the closure of the period.

Specifically, this interim condensed financial statement has been prepared in accordance with the provisions of IAS 34 – *Interim financial reporting*.

IAS 34 establishes that interim financial reports are not required to include the same level of detail and disclosure as annual financial statements and should be read in conjunction with them. For this reason, the following chapters will refer, where necessary, to the annual financial report for the fiscal year ended December 31, 2024.

#### *Contents and structure of the Financial Statements*

The interim condensed financial statements include the income statement, the statement of comprehensive income/(loss), the statement of financial position, the cash flow statement, the statement of changes in equity and the accompanying explanatory notes (collectively referred to as the “**Financial Statements**”).

The financial reporting formats presented by the Company have the following characteristics:

- the income statement has been prepared by nature, in line with internal reporting processes and business operations;

## FiberCop S.p.A.

- the statement of comprehensive income/(loss) is presented as a separate statement and, in addition to presenting the components of profit and loss recognized directly in the income statement during the period, presents the components of profit and loss not recognized in the income statement as required or permitted by IFRS;
- the statement of financial position presents assets and liabilities by current and non-current items. Current items are those expected to be realized within 12 months from the reporting date or to be sold or consumed in the normal operating cycle of the Company;
- the cash flow statement has been prepared using the “indirect method,” as permitted by IAS 7 - *Statement of cash flows*, and presents cash flows by operating, investing and financing activities;
- the statement of changes in equity presents the movements in shareholder’s equity;
- the notes to the Financial Statements comprise a summary of the material accounting policies and other explanatory information

The interim condensed financial statements are presented in Euro (“€”), which is the functional and presentation currency of the Company. All amounts are stated in thousands of Euro in the primary Financial Statements and in the accompanying notes, unless otherwise indicated.

The interim condensed financial statements have been prepared on a going concern basis and applying the historical cost method, modified as required for certain financial assets and liabilities (including derivative instruments), which are measured at fair value. Income and expenses are accounted for on an accrual basis.

These interim condensed financial statements were approved and authorized for issuance on July 29, 2025.

### *Other information*

The table below shows the exchange rate applied by the Company to convert foreign currency items in Euro.

	Average for the six-month period ended June 30, 2025	At June 30, 2025
USD	1.0927	1.172

### **3. Accounting principles and estimates**

The accounting principles and criteria adopted for the preparation of the half-yearly financial report as of 30 June 2025 are the same as those considered when preparing the annual financial report as of 31 December 2024, to which reference is made.

The preparation of a financial report, including the interim financial statements, requires accounting estimates and that are based on professional judgement, past experiences as well as assumptions considered reasonable and realistic. The underlying estimates and assumptions are subject to periodic review by the Company or whenever circumstances so require. The effects of any variations in the estimates are recognized in the income statement in the period in which the adjustment is made. Please refer to Note 4 – *Significant estimates and assumptions* of the 2024 annual report for further information.

### *New standards and amendments effective from the 1<sup>st</sup> of January 2025*

The following new standards and amendments, effective 1<sup>st</sup> January 2025, were adopted by the Company.

## FiberCop S.p.A.

In August 2023, the IASB issued amendments to IAS 21 - *The effects of changes in foreign exchange rates: lack of convertibility*, to clarify how an entity has to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determine the exchange rate to use and the disclosures to provide. The adoption of these changes had no impact on the interim condensed financial statements.

### *New standards, amendments and interpretations not yet effective*

The standards, amendments and interpretations issued by the IASB that will have mandatory application in 2026, or subsequent years are listed below:

In April 2024, the IASB issued IFRS 18 - *Presentation and disclosure in financial statements*, which introduces new concepts relating to: (i) the structure of the statement of profit or loss, (ii) required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (management-defined performance measures), and (iii) enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. The standard is effective on or after January 1, 2027. The Company is evaluating the potential impact from the adoption of this standard.

In May 2024, the IASB issued IFRS 19 - *Subsidiaries without public accountability*: disclosures, which permits eligible subsidiaries to use IFRS accounting standards with reduced disclosures better suited to the needs of the users of their financial statements, as well as keeping only one set of accounting records to meet the needs of both their parent company and the users of their financial statements. The standard is effective on or after January 1, 2027, and earlier application is permitted. The Company is evaluating the potential impact from the adoption of this standard.

In May 2024, the IASB issued amendments to the Classification and Measurement of Financial Instruments which amended IFRS 9 - *Financial Instruments* and IFRS 7 - *Financial instruments: Disclosures*, with the aim of addressing diversity in practice by making the requirements more understandable and consistent. The amendments: (a) clarify the date of recognition and derecognition of certain financial assets and liabilities, with a new exception for certain financial liabilities settled through an electronic cash transfer system to be derecognized before the settlement date if certain criteria are met; (b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest ("SPPI") criterion; (c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as certain instruments with features linked to the achievement of environment, social and governance ("ESG") targets); and (d) update the disclosures for equity instruments designated at fair value through other comprehensive income ("FVOCI"). The amendments are effective on or after January 1, 2026, and earlier application is permitted. The Company is evaluating the potential impact from the adoption of these amendments.

In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards — Volume 11 which contains amendments to five standards as result of the IASB's annual improvements project. The IASB uses the annual improvements process to make necessary, but non-urgent, amendments to IFRSs that will not be included as part of another major project. The amended standards are: IFRS 1 – *First-time adoption of international financial reporting standards*, IFRS 7 - *Financial instruments: disclosures and its accompanying guidance on implementing IFRS 7*; IFRS 9 – *Financial instruments*; IFRS 10 – *Consolidated financial statements*; and IAS 7 – *Statement of cash flow*. The amendments are effective on or after January 1, 2026, and earlier application is permitted. The Company is evaluating the potential impact from the adoption of these amendments.

In December 2024, IASB issued amendments for nature-dependent electricity contracts which amended

IFRS 9 – *Financial instruments* and IFRS 7 – *Financial instruments*: disclosures to help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (“PPAs”), in the light of the increased use of these contracts. The amendments are effective on or after January 1, 2026, and earlier application is permitted. The Company is evaluating the potential impact from the adoption of these amendments.

#### **4. Business combination and reverse merger**

The Business Combination described in the Introduction to this half-yearly condensed financial report and further commented in the 2024 annual report, has been accounted for as a corporate reorganization in compliance with the guidelines established in OPI 2 – *Accounting treatment of mergers in the financial statements*. In the balance sheet of FiberCop, the assets and liabilities of the merged entity have been recognized on a going concern basis, with the costs and revenues of the merged entity included from 1<sup>st</sup> July 2024.

Therefore, following from the Reverse Merger of Optics BidCo into FiberCop, the financial statements reflect:

- the assets and liabilities of Optics BidCo at their book value prior to the Reverse Merger, including certain Euro and USD existing notes issued by TIM, which have been exchanged by the issue of certain Euro and USD bonds by Optics Bidco in connection with the Business Combination;
- the assets and liabilities of FiberCop measured at their fair value at the acquisition date using the acquisition method of accounting in accordance with IFRS 3, which applies the fair value concepts requiring to recognize the assets acquired and the liabilities assumed at their fair values at the acquisition date of 1<sup>st</sup> July 2024 (with certain exceptions).

In the 2024 annual report, to which reference should be made for further details on the methods and valuations applied, the values deriving from the Business Combination were recorded on a provisional basis, pending completion of the analyses necessary to identify and value the assets acquired and liabilities assumed.

The finalization of the purchase price allocation and the consequent definitive determination of the fair value of the assets acquired and liabilities assumed did not result in any material changes to the preliminary values recorded in the financial statements for the year ended December 31, 2024. Goodwill as at June 30, 2025, amounts to Euro 6,027,592 thousand, increasing by Euro 15,513 thousand compared to December 31, 2024, due to the definitive recognition of the fair value of tangible assets.

In addition to the above, in relation to the Business Combination, it should be noted that the Board of Directors held on June 24, 2025, approved the merger of Optics PrepCo S.r.l., a company controlled by the parent company Optics HoldCo, into FiberCop S.p.A.. The merger will have accounting and tax effects as of January 1, 2025, and will be effective during the second half of 2025.

## 5. Revenues

The following table provides a breakdown for revenues:

<i>(in € thousands)</i>	For the six months ended June 30	
	2025	2024
Revenues from services	1,784,025	619,942
Revenue from sales	77,101	14,387
<b>Total revenue</b>	<b>1,861,126</b>	<b>634,329</b>

Revenues primarily consist of the sales of services and goods to wholesale customers as part of the Company's ordinary business activities. In particular, the Company generates revenues from TIM, other licensed operators ("OLOs") and public administrators as hereinafter described:

- access and connectivity services for pay-per-use approach on access services to the proprietary network for both traditional and advanced connectivity, including delivery and activation services as well as repair and maintenance of network;
- industrial colocation services in connection with eligible spaces within technical offices suitable for hosting wholesale customers' network elements and equipment, network engineering and energy revenues;
- sale of IRU on the secondary network as well as other minor equipment.

## 6. Costs of goods and services

The following table provides a breakdown of costs of goods and services:

<i>(in € thousands)</i>	For the six months ended June 30	
	2025	2024
Electricity and other utilities	(180,154)	(528)
Operation and Maintenance	(57,195)	(85,361)
IT Services	(55,522)	(43)
Access cost	(39,737)	-
External professional services	(17,537)	(1,513)
Insurance	(8,802)	(2,479)
Purchases of raw materials and goods	(10,022)	(840)
Other service costs	(47,520)	(2,068)
<b>Total costs of goods and services</b>	<b>(416,489)</b>	<b>(92,832)</b>

For the year ended December 31, 2024, operation and maintenance included: (i) activity of maintenance necessary and appropriate to ensure the proper provision of secondary network services and (ii) IT system administration and maintenance services and (iii) facilities.

In 2025, the definition of supply relationships in accordance with new service contracts, solely through the establishment of a direct energy purchase relationship with Telenergia, has enabled a segregation of these costs by nature.

Other service costs mainly include costs for transportation, tolls, company employees' vouchers and miscellaneous cost.

## 7. Personnel costs

The following table provides a breakdown for personnel costs:

<i>(in € thousands)</i>	For the six months ended June 30	
	2025	2024
Wages and salaries	(400,789)	(3,077)
Social contributions, pension plans, and severance indemnities	(148,912)	(1,141)
Personal benefits	(2,148)	(75)
Other payroll expenses	(9,546)	(171)
<b>Total</b>	<b>(561,395)</b>	<b>(4,464)</b>
Amount capitalized	143,662	265
<b>Total personnel costs</b>	<b>(417,733)</b>	<b>(4,199)</b>

Personnel costs include expenses related to wages and salaries, social and pension contributions, TFR benefits and other payroll expenses.

Other payroll expenses are mainly related to miscellaneous personnel administration expenses and contributions to healthcare funds for the employees.

The number of employees as of June 30, 2025, divided into the category is as follows:

<i>(in units)</i>	June 30, 2025	June 30, 2024
Executive	154	10
Middle managers	1,105	33
White collars	17,102	37
<b>Total</b>	<b>18,361</b>	<b>80</b>

## 8. Other operating income/ (expense)

The following table provides a breakdown for other operating income/(expense):

<i>(in € thousands)</i>	For the six months ended June 30	
	2025	2024
Government grants	20,470	1,848
Indirect taxes	(22,598)	(3,854)
Provisions for risks	(10,088)	(1,412)
Contractual penalties and administrative fines	(4,797)	(4,507)
Contributions for telecommunications activities	(2,353)	(999)
Others	5,916	4,643
<b>Total net other operating income/(expenses)</b>	<b>(13,450)</b>	<b>(4,281)</b>

Other income/(expenses) mainly include tax-related charges, indirect taxes, accruals for legal and fiscal provisions and contributions for telecommunications activities.

“Others” mainly include income from compensation for damage caused by third parties, reimbursement of personnel expenses partially offset by other miscellaneous expenses.

## 9. Restructuring and non-recurring items

The restructuring and non-recurring items for the first half of 2025 amount to Euro 40 million and mainly relate to:

- "people exit incentives" related to face-to-face agreements reached with certain employees during the first half of the year.
- costs related to the separation, mainly referring to external services incurred in connection with the completion of the separation procedures from TIM.
- IT costs related to IT Transformation and the "TSA Exit" project.

## 10. Depreciation and amortization

The following table provides a breakdown for depreciation and amortization:

<i>(in € thousands)</i>	For the six months ended June 30	
	2025	2024
Depreciation of property, plant and equipment	(405,881)	(245,758)
Amortization of rights of use	(199,209)	(5,985)
Amortization of intangible assets	(118,036)	(2,270)
<b>Total depreciation</b>	<b>(723,126)</b>	<b>(254,013)</b>

## 11. Financial income, financial expenses and foreign exchange gains/(losses)

The following table provides a breakdown for financial income, financial expenses and foreign exchange gains/(losses):

<i>(in € thousands)</i>	For the six months ended June 30	
	2025	2024
<b>Financial income</b>		
Interests income	10,873	2,743
Other financial income	386	-
<b>Total financial income</b>	<b>11,259</b>	<b>2,743</b>
<b>Financial charges</b>		
Interest expenses on bank borrowings	(155,054)	(39,015)
Interest expense on bonds and notes	(142,472)	-
Interest expense on lease liabilities	(43,489)	(57)
Interest expense and other financial charges	(15,443)	(83,379)
Discounting charges	(25,144)	(694)
<b>Total financial expenses</b>	<b>(381,602)</b>	<b>(123,145)</b>
<b>Exchange gains</b>	<b>89</b>	<b>-</b>
<b>Total net financial expenses</b>	<b>(370,254)</b>	<b>(120,402)</b>

The following table provides a breakdown for hedging operations:

<i>(in € thousands)</i>	For the six months ended June 30	
	2025	2024
Release of the cash flow hedge reserve - cross currency interest rate swaps	9,419	-
Release of the cash flow hedge reserve - Interest rate swaps	(4,271)	-
Gain on interest rate swaps	557	-
<b>Hedging transactions</b>	<b>5,705</b>	<b>-</b>

## FiberCop S.p.A.

The following table provides a breakdown for the net gain on interest rate swaps

<i>(in € thousands)</i>	For the six months ended June 30	
	2025	2024
Transfer to the initial value of the hedged item	(1,591)	-
<b>Gains/(Losses) on interest rate swaps</b>	<b>(1,591)</b>	<b>-</b>

The following table provides a breakdown for the foreign exchange gains:

<i>(in € thousands)</i>	For the six months ended June 30	
	2025	2024
Release of cash flow hedge reserve - Cross currency interest rate swaps	(218,600)	-
Change in nominal value of USD Bond	218,600	-
Foreign exchange gains	89	-
<b>Exchange gains/(losses)</b>	<b>89</b>	<b>-</b>

Foreign exchange gains mainly include the effect from translating US Dollar-denominated notes into Euro at the reporting date and the release of the cash flow hedge reserve related to cross-currency interest rate swaps.

## 12. Income taxes

The company calculates the tax expense for the period using the effective tax rate applicable to the expected annual result. The following table provides the details:

<i>(in € thousands)</i>	For the six months ended June 30	
	2025	2024
Current taxes	(32,738)	(117)
Deferred taxes	85,924	(47,345)
<b>Total income taxes</b>	<b>53,186</b>	<b>(47,462)</b>

The recognized deferred taxes primarily relate to temporary differences in intangible assets, property plant and equipment, provisions and accruals as well as other deductible temporary differences expected to be reversed in future periods. The Company recognized deferred tax assets only to the extent of available deferred tax liabilities, while deferred tax assets on tax losses were not recognized.

In 2025, current taxes include taxes relating to prior years amounting to Euro 30,274 thousand. These additional taxes, related to the extension of the useful lives of assets carried out during the purchase price allocation, are fully offset by the release of the related deferred tax liabilities recognized in the 2024 annual report.

### 13. Intangible assets

The following table provides a breakdown for intangible assets:

<i>(in € thousands)</i>	Goodwill	Customer relationship	Licenses, trademarks and patents	Intangible in progress	Total
<b>Balance as of January 1, 2025</b>	<b>6,012,079</b>	<b>5,891,495</b>	<b>149,300</b>	<b>71,849</b>	<b>12,124,723</b>
<i>Of which:</i>					
<i>Historical cost</i>	<i>6,012,079</i>	<i>5,972,201</i>	<i>581,722</i>	<i>71,849</i>	<i>12,637,851</i>
<i>Accumulated depreciation</i>	-	<i>(80,706)</i>	<i>(432,422)</i>	-	<i>(513,128)</i>
Additions	-	-	15,912	66,993	82,905
Divestments	-	-	-	(10)	(10)
Depreciation	-	(80,705)	(37,331)	-	(118,036)
Reclassifications	-	-	39,966	(39,966)	-
Other movements	15,513	-	-	(285)	15,228
<b>Balance as of June 30, 2025</b>	<b>6,027,592</b>	<b>5,810,790</b>	<b>167,847</b>	<b>98,581</b>	<b>12,104,810</b>
<i>Of which:</i>					
<i>Historical cost</i>	<i>6,027,592</i>	<i>5,972,201</i>	<i>637,600</i>	<i>98,581</i>	<i>12,735,974</i>
<i>Accumulated depreciation</i>	-	<i>(161,411)</i>	<i>(469,753)</i>	-	<i>(631,164)</i>

In accordance with IAS 36, the Company tests goodwill for impairment on an annual basis, or more frequently if facts or circumstances indicate that the assets may be impaired.

As of June 30, 2025, the Company's *management* assessed the possible presence of external or internal indicators of *impairment*, in line with the requirements as defined by paragraph 12 of IAS 36. Based on the analyses carried out, no significant elements have been identified that indicate a possible reduction in the recoverable amount of the aforementioned assets, and therefore of goodwill, taking into account:

- the Company's economic and financial performance in the first six months of the year, in line with budget expectations;
- the absence of significant negative changes in the macroeconomic and market context;
- the stability of expected cash flows, also in light of the new business plan 2025-2040 approved on July 29, 2025, and of the main assumptions (i.e. WACC) used in the impairment test as at 31 December 2024.

Therefore, it was not necessary to perform a new impairment test for the purpose of these interim condensed financial statements. It is intended that the impairment test will be updated in the annual financial statements, in line with the timeframes and criteria established by international accounting standards.

## 14. Property, plant and equipment

The following table provides a breakdown for property, plant and equipment:

<i>(in € thousands)</i>	Land and buildings	Plants and machinery	Industrial and commercial equipment	Other tangible assets	Fixed assets in progress	Total
<b>At January 1, 2025</b>	<b>438,526</b>	<b>8,417,765</b>	<b>15,902</b>	<b>26,456</b>	<b>1,715,886</b>	<b>10,614,535</b>
<i>of which:</i>						
<i>Historical cost</i>	1,549,619	55,255,407	311,038	401,432	1,715,886	59,233,382
<i>Accumulated depreciation</i>	(1,111,093)	(46,837,642)	(295,136)	(374,976)	-	(48,618,847)
Additions	1,214	521,387	638	699	515,506	1,039,444
Divestments	(98)	(8,980)	(5)	-	-	(9,083)
Depreciation	(9,344)	(388,552)	(3,029)	(4,956)	-	(405,881)
Reclassifications	2,890	207,980	124	683	(211,677)	-
Other movements	8,340	7,729	-	-	(27,626)	(11,557)
<b>At June 30, 2025</b>	<b>441,528</b>	<b>8,757,329</b>	<b>13,630</b>	<b>22,882</b>	<b>1,992,089</b>	<b>11,227,458</b>
<i>of which:</i>						
<i>Historical cost</i>	1,591,124	55,828,618	311,663	402,477	1,992,089	60,252,186
<i>Accumulated depreciation</i>	(1,149,596)	(47,071,288)	(298,033)	(379,595)	-	(49,024,728)

Investments for the period amounted to Euro 1,039 million, mainly relating to the deployment of the fiber network, both under the NRRP and the autonomous plan, as well as extraordinary maintenance.

Please refer to the interim management's discussion for further details.

## 15. Right of use assets

The following table provides a breakdown for right-of-use assets:

<i>(in € thousands)</i>	Land and buildings	Plants and machinery	Other tangible assets	Tangible assets under construction	Total
<b>At January 1, 2025</b>	<b>2,362,926</b>	<b>271,489</b>	<b>34,836</b>	<b>20,113</b>	<b>2,689,364</b>
<i>of which:</i>					
<i>Historical cost</i>	3,060,936	480,497	46,404	20,113	3,607,950
<i>Accumulated Depreciation</i>	(698,010)	(209,008)	(11,568)	-	(918,586)
Additions	7,831	22,117	-	2,509	32,457
Leasing additions	69,650	-	1,824	-	71,474
Divestments	(841)	(2)	(1,034)	-	(1,877)
Leasing decreases	(50,687)	(14,219)	(858)	-	(65,764)
Depreciation	(172,470)	(13,796)	(12,943)	-	(199,209)
Reclassifications	517	20,430	14,219	(35,166)	-
Other movements	2,076	-	1,866	28,044	31,986
<b>At June 30, 2025</b>	<b>2,219,002</b>	<b>286,020</b>	<b>37,910</b>	<b>15,501</b>	<b>2,558,432</b>
<i>of which:</i>					
<i>Historical cost</i>	3,078,672	506,802	61,253	15,501	3,662,228
<i>Accumulated depreciation</i>	(859,671)	(220,782)	(23,343)	-	(1,103,796)

Right-of-use assets related to land and buildings refer to lease agreements for properties used for both office and industrial purposes (central offices). Right-of-use assets related to plant and machinery mainly consist of IRU (Indefeasible Right of Use) contracts with other operators for portions of the network. Right-of-use assets related to other assets include the corporate vehicle fleet and the space component of data centers.

## 16. Current and non-current financial assets

The following table provides a breakdown for current and non-current financial assets. For a breakdown of current and non-current financial assets by fair value level, please refer to Note 26 – *Fair value measurement*.

<i>(in € thousands)</i>	June 30, 2025			December 31, 2024		
	Non-current financial assets	Current financial assets	Total financial assets	Non-current financial assets	Current financial assets	Total financial assets
Financial receivables for IRUs	30,889	100,093	130,982	30,347	113,024	143,371
Loans to employees	9,694	3,001	12,695	11,031	1,971	13,002
Guarantee deposits	-	-	-	91,123	-	91,123
Other financial receivables	377	24,494	24,871	-	28,246	28,246
<b>Total</b>	<b>40,960</b>	<b>127,588</b>	<b>168,548</b>	<b>132,501</b>	<b>143,241</b>	<b>275,742</b>

Current and non-current financial assets mainly related to finance lease agreements for the transfer of IRU on infrastructure and secondary network fiber.

Other financial receivables mainly refer to the loan granted to Telenergia S.r.l.

The difference in the line "guarantee deposits" compared to December 31, 2024, amounting to Euro 91,123 thousand, is attributable to the issuance of bank guarantees, instead of the escrow account, issued to Infratel on advances of NRRP contributions to the Plans. "Italy 1 Giga", transferred from TIM to FiberCop as part of the Business Combination.

The following table provides the changes for current and non-current financial assets:

<i>(in € thousands)</i>	Financial credits for IRU	Guarantee deposits	Loans to employees	Other financial credits	Total
<b>At January 1, 2025</b>	<b>143,371</b>	<b>91,123</b>	<b>13,002</b>	<b>28,246</b>	<b>275,742</b>
Addition	69,993	-	1,743	-	71,736
Decreases	(82,133)	(91,123)	(2,702)	(569)	(176,527)
Other movements	(249)	-	652	(2,806)	(2,403)
<b>At June 30, 2025</b>	<b>130,982</b>	<b>-</b>	<b>12,695</b>	<b>24,871</b>	<b>168,548</b>
- of which current	100,093	-	3,001	24,494	127,588
- of which non-current	30,889	-	9,694	377	40,960

## 17. Trade receivables

The following table provides a breakdown for trade receivables:

<i>(in € thousands)</i>	June 30, 2025	December 31, 2024
Trade receivables	936,024	921,824
Allowance for doubtful accounts	(38,004)	(36,025)
<b>Total trade receivables</b>	<b>898,020</b>	<b>885,799</b>

The Company applies the simplified approach available under IFRS 9 to always measure the loss allowance for trade receivables at an amount equal to lifetime expected credit losses. The expected credit losses on trade receivables are estimated using a provision matrix by reference to the debtor creditworthiness and past default experience of, as well as an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of

both the current as well as the forecast direction of conditions at the reporting date.

## 18. Other currents and non-current assets

The following table provides a breakdown for other current and non-current assets.

<i>(in € thousands)</i>	June 30, 2025			December 31, 2024		
	Other current activities	Other non-current assets	Total	Other current activities	Other non-current assets	Total
Receivables from NRRP	417,065	113,777	530,842	-	207,543	207,543
VAT and other tax receivables	102,797	-	102,797	107,101	-	107,101
Recoverable VAT	108,241	-	108,241	-	-	-
Advances to suppliers	52,303	-	52,303	87,200	-	87,200
Deferred expenses	26,943	9,244	36,187	20,636	10,332	30,968
Works in progress	22,195	-	22,195	21,432	-	21,432
Other receivables	14,594	-	14,594	10,797	-	10,797
<b>Total</b>	<b>744,138</b>	<b>123,021</b>	<b>867,159</b>	<b>247,166</b>	<b>217,875</b>	<b>465,041</b>

The receivables from the NRRP relate to the portion of the contribution accrued for the Italia 1G and 5G Backhauling.

## 19. Equity

The following table provides a breakdown for equity:

<i>(in € thousands)</i>	June 30, 2025	December 31, 2024
Share capital	17,836	17,836
Share premium reserve	8,294,724	8,294,724
Legal reserve	3,567	2,000
Reserve for actuarial gains/(losses) from defined benefit plans	(5,089)	(7,913)
Cash flow hedge reserve	(103,369)	(152,048)
Other reserves	(105,720)	(105,720)
Retained earnings	843,099	1,042,779
(Loss)/Profit for the year	(66,326)	(190,554)
<b>Total Equity</b>	<b>8,878,722</b>	<b>8,901,104</b>

### *Share capital*

At June 30, 2025, the fully paid-up share capital from the Company was Euro 17,836 thousand, consisting of 178,359 shares, with no nominal value (unchanged compared to 31 December 2024).

A pledge over the Company's shares has been granted as part of the security package for FiberCop's bank borrowings and bonds, which also includes an undertaking to assign any potential intercompany loan receivables from Optics HoldCo to FiberCop.

### *Reserve Of cash flow hedge*

The cash flow hedge reserve reflects the cumulative gains and losses arising from hedging instruments designated to manage exposure to fluctuations in cash flows related to interest rates and foreign currency. At the reporting date, the cash flow hedge reserve shows a total negative balance of Euro 103,369 thousand (net of positive tax impact of Euro 32,685 thousand) indicating a net loss from the valuation of these hedging instruments. This reserve is partly attributable to the effective portion accrued on hedging transactions, which is negative by

## FiberCop S.p.A.

Euro 116,944 thousand (net of a positive tax impact of Euro 36,930 thousand), and partly to the basis spread component embedded in cross-currency interest rate swaps, which is positive by Euro 13,575 thousand (net of a negative tax impact of Euro 4,245 thousand).

### *Other reserves*

At June 30, 2025, and December 31, 2024, other reserves mainly included negative reserves related to the business combination completed in previous year.

## 20. Current and non-current financial debt

The following table provides a breakdown for current and non-current debt and changes occurred during the period:

<i>(in € thousands)</i>	Bond loans	Bank financing	Leasing liabilities	Total
<b>At January 1, 2025</b>	<b>5,762,795</b>	<b>4,562,129</b>	<b>1,962,982</b>	<b>12,287,906</b>
- of which current	112,021	2,799	293,676	408,496
- of which non-current	5,650,774	4,559,330	1,669,306	11,879,410
Increases	2,800,000	730,000	71,474	3,601,474
Refunds	-	-	(187,406)	(187,406)
Exchange rate difference	(218,630)	-	-	(218,630)
Other movements	(30,096)	20,407	(11,951)	(21,640)
<b>At June 30, 2025</b>	<b>8,314,099</b>	<b>5,312,536</b>	<b>1,835,099</b>	<b>15,461,734</b>
- of which current	794,757	5,873	289,638	1,090,268
- of which non-current	7,519,342	5,306,663	1,545,461	14,371,466

The “Other movements” reflects the impact of amortized cost adjustment, accrued interest and other non-cash items. All figures are presented before the effects of hedging.

Please refer to the following sections for additional information on bond and bank borrowings held by the Company.

The repayment schedule for current and non-current debt is summarized below:

<b>At June 30, 2025</b> <i>(in € thousands)</i>	Within 1 year	1-5 years	Over 5 years	Total
Bond loans	794,757	3,583,803	3,935,539	<b>8,314,099</b>
Bank borrowings	5,873	5,306,663	-	<b>5,312,536</b>
Lease liabilities	289,638	879,636	665,825	<b>1,835,099</b>
<b>Total liabilities</b>	<b>1,090,268</b>	<b>9,770,102</b>	<b>4,601,364</b>	<b>15,461,734</b>

## FiberCop S.p.A.

### Bond and Notes

The following table provides a breakdown for notes at June 30, 2025:

Description	Currency	Nominal amount (in local currency)	Nominal amount (Euro)	Interest rate (in bps)	Maturity date	At June 30, 2025	Of which current:
EUR Jan 2026	€	375,000	375,000	287	Jan 28, 2026	375,755	375,755
EUR May 2026	€	322,003	322,003	362	May 25, 2026	320,263	320,263
EUR Oct 2027	€	507,715	507,715	237	Oct. 12, 2027	494,725	12,025
EUR Feb 2028	€	625,000	625,000	687	Feb 15, 2028	669,840	16,024
EUR Jul 2028	€	750,000	750,000	787	Jul 31, 2028	832,636	24,473
EUR Jan 2029	€	500,820	500,820	162	Jan 18, 2029	452,136	3,634
EUR Jun 2030	€	1,200,000	1,200,000	475	Jun 30, 2030	1,190,984	468
EUR Jun 2031	€	700,000	700,000	Euribor 3M+ 300	Jun 30, 2031	694,818	288
EUR Jun 2032	€	900,000	900,000	513	Jun 30, 2032	893,346	379
EUR Jan 2033	€	359,142	359,142	775	Jan 24, 2033	428,390	11,972
EUR Mar 2055	€	230,000	230,000	525	Mar 17, 2055	224,804	3,474
USD Nov 2033	\$	500,006	466,032	637	Nov 15, 2033	421,169	3,400
USD Sep 2034	\$	500,001	466,028	600	Sep 30, 2034	416,270	6,399
USD Jul 2036	\$	500,000	466,027	720	Jul 18, 2036	444,906	13,823
USD Jun 2038	\$	500,004	466,030	772	Jun 4, 2038	454,056	2,379
<b>Total</b>			<b>8,333,797</b>			<b>8,314,099</b>	<b>794,757</b>

All notes are bullet, meaning the principal is repaid in full upon maturity, with no scheduled amortization of the principal during the life of the bond. The average residual maturity of these bonds is 6 years and the average interest rate across the portfolio is 546 basis points. All bonds are listed on the Official List of the Luxembourg Stock Exchange (“Euro MTF Market”) and are secured.

On June 16, 2025, the Company announced the launch of a bond offering, finalized on June 27, 2025, of three new notes for a total nominal amount of Euro 2.8 billion divided into: i) Euro 1,200,000,000 of 4.750% fixed rate senior secured notes due 2030, ii) Euro 900,000,000 of 5.125% fixed rate senior secured notes due 2032, and iii) Euro 700,000,000 of floating rate senior secured notes due 2031 and bearing interest calculated on the 3-month EURIBOR rate plus 3.00% per annum.

These funds will be used to fuel the Company's liquidity, which is instrumental to its business activities, including investments and the possible refinancing of existing debt.

The Company mitigates the risk of currency exchange fluctuations on 100% of its USD notes by using cross-currency interest rate swaps and the risk of interest rates fluctuations on 100% of its variable interest rate notes by using interest rate swaps. For additional information, please refer to Note 21 – *Derivative financial instruments*.

## FiberCop S.p.A.

### *Bank borrowings*

The following tables provide a breakdown for the six-month period ended June 30, 2025, and for the financial year ended December 31, 2024:

Description	Currency	Nominal amount (€ thousand)	Badger of interest (in bps)	Maturity date	At June 30, 2025	Of which current:
Term Loan Facility	€	5,372,095	Euribor 3M + (225-350)	June 27, 2029	5,263,092	5,855
	€	50,000	Euribor 3M + (225-350)	May 28, 2030	49,444	18
<b>Total</b>		<b>5,422,095</b>			<b>5,312,536</b>	<b>5,873</b>

  

Description	Currency	Nominal amount (€ thousands)	Badger of interest (in bps)	Maturity date	At December 31, 2024	Of which current:
Term Loan Facility	€	4,692,095	Euribor 3M + (225-350)	June 27, 2029	4,562,129	2,799
<b>Total</b>		<b>4,692,095</b>			<b>4,562,129</b>	<b>2,799</b>

Bank loans at June 30, 2025, include the Term Loan Facility pursuant to a Senior Facilities Agreement signed by Optics BidCo in June 2024 for a nominal amount of Euro 4,692,095 thousand, increased during 2025 by a nominal amount of Euro 730 thousand following two upsizes in January and May for nominal amounts of Euro 380 thousand and Euro 350 thousand, respectively.

The Term Loan Facility is bullet, meaning the principal is repaid in full upon maturity, with no scheduled amortization of the principal during the life of the borrowing. The Term Loan Facility accrues interest based on the 3-month Euribor, plus a variable spread that changes over time as follows: (i) Year 1: 225 bps, (ii) Year 2: 225 bps, (iii) Year 3: 275 bps, (iv) Year 4: 300 bps, and (v) Year 5: 350 bps. The Company mitigates the risk of fluctuations in interest rates on bank borrowings that bear floating rates of interest by using interest rate swaps. The use of interest rate swaps is exclusively to hedge interest rate risks associated with monetary flows and not for speculative purposes. The coverage ratio is a substantial part of its value. For additional information, please refer to *Note 21 – Derivative financial instruments*.

### *Debt covenant*

The Company's term loans and revolving credit facilities are subject to financial covenants requiring the Company to maintain a ratio equal or lower than 9x of total net debt to Adjusted Reported EBITDA (which both exclude the effects of lease accounting under IFRS 16) for each of the 12-month period ending on June 30 and December 31, as well as negative pledges, pari passu, cross-default and change of control clauses. The ratio can be adjusted to 10x if the Company attains a long-term credit rating of BBB- (or its equivalent) or higher from at least two credit rating agencies. The first measurement date was on June 30, 2025. Failure to comply with this covenant would have provided the lender with the option to ask the Company to fully repay the outstanding amounts, unless the Company takes corrective actions through contributions from shareholders or other parties within 20 business days after the due date for reporting the breach. At June 30, 2025, the Company is in compliance with debt covenants requirements.

### Lease Liabilities

The Company recognizes lease liabilities in relation to rights of use in accordance with IFRS 16 - Leases. As of June 30, 2025, and December 31, 2024, lease liabilities amounted to Euro 1,835,099 thousand and Euro 1,962,982 thousand, respectively.

### Net debt

The following table provides a breakdown of the Company's Net Deb ("Net Debt"):

<i>(in € thousands)</i>	June 30, 2025	December 31, 2024
Cash and cash equivalents	3,547,868	997,960
Current financial assets	127,588	143,241
<b>Cash and cash equivalents and current financial assets</b>	<b>3,675,456</b>	<b>1,140,201</b>
Current debt	(1,090,268)	(408,496)
Non-current debt	(14,371,466)	(11,879,410)
<b>Total Debt</b>	<b>(15,461,734)</b>	<b>(12,287,906)</b>
<b>Net Debt</b>	<b>(11,786,278)</b>	<b>(11,147,705)</b>

## 21. Derivative financial instruments

The Company enters into certain derivative contracts in the course of its risk management activities, primarily to hedge cash flows related to floating interest rates and currency exchange risks on its debt. The Company only enters into these contracts for hedging purposes as its financial management policy does not permit trading in financial instruments for speculative purposes. Derivative financial instruments meeting the hedge requirements of IFRS 9 are accounted for using hedge accounting. For further information, please refer to Note 22 – *Derivative financial instruments* of the notes to the 2024 annual report.

Derivatives are measured at fair value at each reporting date by taking as a reference the applicable foreign currency exchange rates or the interest rates and yield curves observable at commonly quoted intervals.

The following table sets forth a breakdown of derivatives fair value at June 30, 2025, along with the notional amount hedged:

<i>(in € thousands)</i>	As of June 30, 2025		
	Negative fair value	Hedged notional <i>(in €)</i>	Hedged notional <i>(in local currency)</i>
Cross-currency interest rate swaps	(184,902)	1,706,494	2,000,011
Interest rate swap	(91,057)	4,500,000	4,500,000
<b>Total</b>	<b>(275,959)</b>	<b>6,206,494</b>	<b>6,500,011</b>

## 22. Employee Benefits

The following table presents a breakdown of employee benefits.

<i>(in € thousands)</i>	June 30, 2025	December 31, 2024
Provision for employee termination indemnities (TFR)	271,588	308,597
<b>Total employee benefits</b>	<b>271,588</b>	<b>308,597</b>

## FiberCop S.p.A.

The following table shows the changes in defined benefit obligations:

<i>(in € thousands)</i>	2025
<b>At January 1<sup>st</sup></b>	<b>308,597</b>
Changes in the income statement	4,536
- of which: <i>Financial charges</i>	4,536
Changes through statement of comprehensive income and loss	(3,716)
Benefits paid	(37,829)
<b>Balance at the end of the period</b>	<b>271,588</b>

The following table summarizes the main financial assumptions used to determine the present value of the TFR.

<i>(in %)</i>	June 30, 2025		December 31, 2024	
	Executive	Non-Executive	Executive	Non-Executive
Discount rate	3.21%	3.21%	2.93%	2.93%
Inflation rate	2.00%	2.00%	2.00%	2.00%
Turnover rate	0.00%-2.00%	0.00%-1.00%	0.00%-2.00%	0.00%-1.00%

To determine the defined benefit obligations, the Company used the Italian National Institute of Statistics ("ISTAT") benchmark for the estimated mortality rates in Italy, broken down by age and gender.

The following table presents a quantitative sensitivity analysis for the main assumptions relating to the Company's employee benefit obligations:

<i>(in € thousands)</i>	June 30, 2025		December 31, 2024	
	+ 50 points	- 50 pb	+ 25 pb	- 25 pb
Discount rate	(9,366)	9,842	(6,954)	7,322
Inflation rate	7,344	(7,128)	5,449	(5,282)
Turnover rate	116	(119)	(9)	10

The average duration of the defined benefit obligation for the TFR in the first half of 2025 is 7.8 years (2024: 5.4 years).

## 23. Current and non-current provisions

The following table provides the changes for non-current and current provisions:

<i>(in € thousands)</i>	Asset retirement obligations	Employee provisions	Onerous contracts	Legal and tax risks	Other funds	Total
<b>At January 1, 2025</b>	<b>650,155</b>	<b>240,390</b>	<b>19,700</b>	<b>8,492</b>	<b>24,756</b>	<b>943,493</b>
Addition to the statement of financial position	4,329	-	-	-	-	4,329
Addition to income statement	-	7,507	-	1,583	7,500	16,590
Releases	-	-	-	(175)	-	(175)
Utilizations	(4,562)	-	-	(1,167)	-	(5,729)
Unwind of discounting	10,240	-	-	-	-	10,240
Other movements	-	(210,510)	-	-	-	(210,510)
<b>At June 30, 2025</b>	<b>660,162</b>	<b>37,387</b>	<b>19,700</b>	<b>8,733</b>	<b>32,256</b>	<b>758,238</b>
- of which current	27.646	26,136	-	1,938	5,075	60.795
- of which non-current	632.516	11,251	19,700	6,795	27,181	697.443

For the six-month period ended June 30, 2025, the Company recognized provisions amounting to Euro 16,590 thousand, mainly for *one-off* payments to personnel, disputes, and contractual penalties with operators.

The line “Other movements” refers to the reclassification to liabilities of the provision under Article 4 for employees who left in February 2025.

## 24. Trade payables

At June 30, 2025, and December 31, 2024, trade payables amount to Euro 2,040,593 thousand and Euro 2,138,902 thousand, respectively. Trade payables are interest-bearing, and they are normally settled by the Company within the agreed payment terms, including those covered by the Company’s *reverse factoring agreement*.

The Company has established supplier finance arrangements that are offered to some of the Company’s key suppliers. Participation in the arrangement is at the suppliers’ own discretion. Suppliers that participate in the supplier finance arrangement may receive early payment on invoices sent to the Company directly from the Company’s external finance provider. If suppliers choose to receive early payment, they pay a fee and a funding cost to the finance provider. The Company is not involved in the financial arrangements between the suppliers and the external financial providers, nor bears any cost. For further information on this topic, please refer to the Note 25 – *Trade Payables* of the 2024 annual report.

The following table provides a breakdown for trade payables that are part of a supplier finance arrangement:

<i>(in € thousands)</i>	<b>At June 30 2025</b>
Carrying amount of trade payables that are part of a supplier finance arrangement	113,315
<i>For which suppliers have received payment</i>	100,273

## 25. Other current and non-current liabilities

The following table provides a breakdown for other current and non-current liabilities:

<i>(in € thousands)</i>	June 30, 2025			December 31, 2024		
	Other current liabilities	Other non-current liabilities	Total	Other current liabilities	Other non-current liabilities	Total
Government grants	180,807	1,231,456	1,412,263	6,672	1,102,759	1,109,431
Advances payment	148,026	174,857	322,883	97,667	255,672	353,339
Deferred revenue	159,807	190,804	350,611	153,134	191,324	344,458
Social security institutions	32,394	-	32,394	45,834	-	45,834
Due to employees	116,999	131,887	248,886	38,447	-	38,447
Tax payables	74,741	-	74,741	28,405	-	28,405
Other payables	5,153	-	5,153	138,462	-	138,462
<b>Total</b>	<b>717,927</b>	<b>1,729,004</b>	<b>2,446,931</b>	<b>508,621</b>	<b>1,549,755</b>	<b>2,058,376</b>

The “Government grants” item includes, in addition to the deferral of grants recognized in the income statement over the duration of the related incentive period, an amount of Euro 705,860 thousand relating to the advance payment received from Infratel for the subsidies connected NRRP tenders awarded to FiberCop.

As of June 30, 2025, the “Other payables” item mainly refers to insurance coverage premiums and supplementary healthcare contributions. The variance is primarily attributable to the settlement of the tax consolidation liability recognized as of December 31, 2024, amounting to Euro 135,294 thousand.

## 26. Fair value measurement

The following table presents the Company’s financial asset and financial liabilities measured and recognized at fair value at June 30, 2025, on a recurring basis:

<i>(in € thousands)</i>	Level 1	Level 2	Level 3	Total
<b>Financial liabilities</b>				
Derivative financial instruments	-	(275,959)	-	<b>(275,959)</b>

The reported amounts of derivative instruments, whether assets or liabilities, reflect their fair value at the reporting date. The Company did not measure any other financial assets or financial liabilities at fair value on a non-recurring basis at June 30, 2025.

Categories of financial assets and liabilities according to IFRS 7

(in € thousands)	June 30, 2025			December 31, 2024		
	FVOCI	Amortized Cost	Total	FVOCI	Amortized Cost	Total
<b>Financial activities</b>						
Cash and cash equivalents	-	3,547,868	3,547,868	-	996,960	996,960
Trade credits	-	898,020	898,020	-	885,799	885,799
Current and non-current financial assets	-	168,548	168,548		275,742	275,742
Contractual assets	-	530,842	530,842	-	207,543	207,543
Other current and non-current assets	-	52,303	52,303	-	87,200	87,200
<b>Total financial assets</b>	-	<b>5,197,581</b>	<b>5,197,581</b>	-	<b>2,453,244</b>	<b>2,453,244</b>
<b>Financial liabilities</b>						
Current and non-current financial debt	-	15,461,734	15,461,734	-	12,287,906	12,287,906
Trade payables	-	2,040,593	2,040,593	-	2,138,902	2,138,902
Derivative financial liabilities	275,960	-	275,959	116,434	-	116,434
Government grants	-	1,412,263	1,412,263	-	1,109,431	1,109,431
<b>Total financial liabilities</b>	<b>275,960</b>	<b>18,914,590</b>	<b>19,190,549</b>	<b>116,434</b>	<b>15,536,239</b>	<b>15,652,673</b>

The carrying amounts of cash and cash equivalents, financial assets and trade receivables, as adjusted for impairment, where necessary and as required by IFRS 9, approximate their estimated realizable value and their fair value. Lease liabilities are initially recognized at their present value and subsequently measured at amortized cost, while all other financial liabilities are measured at amortized cost, which approximate their fair value.

## 27. Qualitative and quantitative information on financial risk

The Company is exposed to several financial risks connected with its operations:

- financial market risk, primarily related to foreign currency exchange rates and interest rates;
- liquidity risk relating to the availability of funds and access to credit, if required, and to financial instruments in general;
- credit risk relating to counterparties failing to repay amounts owed or meet contractual obligations.

These risks could significantly impact the Company's financial position, operating results and cash flows. To manage these exposures, the Company identifies and monitors these risks closely, aiming to detect potential adverse effects early and take appropriate mitigation steps. These efforts are primarily managed through the Company's operational and financing activities, and, when necessary, by entering into derivative financial instruments contracts.

### Foreign exchange risk

The Company is exposed to foreign exchange risk in relation to its USD-denominated bond obligations. To manage this risk, the Company's policy provides for the hedging of currency exposure associated with financial liabilities. Although such hedging strategies are designed to mitigate the impact of exchange rate fluctuations, it is not possible to entirely eliminate the potential for adverse effects resulting from unfavorable exchange rate movements. An appreciation or depreciation of the Euro against the currencies of certain countries in which the Company invests may positively or negatively affect the Company's operating results or overall financial position.

As of June 30, 2025, the Company has an original USD exposure on the principal and interest of USD-denominated bonds issued during the TIM bond exchange. For further details, please refer to the section “Liquidity and Capital Resources – Bond Loans.” This exposure has been fully hedged from inception, both in terms of principal and interest, through cross-currency interest rate swaps executed with leading international banking counterparties.

### *Interest Rate Risk*

The Company is exposed to interest rate risk on the portion of its debt indexed to variable rates. The decision to maintain a specific debt structure composed of fixed and variable rates aims to minimize the negative impact of interest payments and is partially implemented through interest rate swaps, which convert variable-rate liabilities into fixed-rate instruments. The use of interest rate swaps is solely intended to hedge interest rate risks associated with cash flows and is not for trading or speculative purposes.

As of June 30, 2025, the hedging ratio covers a significant and largely predominant portion of the exposure. Any changes in interest rates not adequately hedged through derivatives could affect the economic profile of the Company’s variable-rate financial liabilities, potentially impacting operating results and cash flows.

### *Credit Risk*

Credit risk is the risk that a counterparty fails to meet its obligations under a financial instrument or commercial contract, resulting in a financial loss. The Company is exposed to credit risk arising from its operating activities, primarily in relation to trade receivables and financial assets such as cash held in bank accounts or deposits with banks and financial institutions.

At each reporting date, an assessment is performed to determine the need for impairment of trade receivables in accordance with IFRS 9. The maximum exposure to credit risk at the reporting date corresponds to the carrying amount of trade receivables and other financial receivables.

Trade receivables and other financial receivables are significantly concentrated among a limited number of key customers, thereby increasing the potential impact of a default by any of these counterparties. As of June 30, 2025, the amount of financial assets considered to be of uncertain recoverability is not material and is covered by the allowance for doubtful accounts.

### *Liquidity Risk*

Liquidity risk is the risk that financial resources may not be sufficient to meet financial and commercial obligations as they fall due. The Company monitors this risk through specific planning activities aimed at maintaining a balance between funding requirements and their uses.

As of June 30, 2025, and December 31, 2024, to meet short-term obligations, the Company utilized cash and cash equivalents amounting to Euro 3,548 million and Euro 997 million, respectively.

To mitigate liquidity risk, the Company aims to maintain an adequate level of financial flexibility in terms of available cash and committed credit lines. Specifically, the Company has access to a Euro 2,000 million revolving credit facility maturing in June 2029, which was entirely undrawn as of December 31, 2024. In the first months of 2025, the revolving credit facility increased to Euro 2,020 million and, as of the current date, remains unused.

The following tables summarize the main Company’s financial liabilities into relevant maturity groupings based

## FiberCop S.p.A.

on their contractual maturities:

June 30, 2025 <i>(in € thousands)</i>	Within 1 year	1-5 years	Over 5 years	Total cash flow Contractual*	Balance sheet value
Bond and notes	1,086,562	5,072,408	5,112,231	11,271,201	8,314,099
Bank borrowings	234,533	6,260,184	-	6,494,717	5,312,536
Lease liabilities	365,750	1,071,068	740,739	2,177,557	1,835,099
Derivative financial instruments		92,083	183,876	275,959	275,959
Trade payables	2,040,593			2,040,593	2,040,593
<b>Total</b>	<b>3,727,438</b>	<b>12,495,743</b>	<b>6,036,846</b>	<b>22,260,027</b>	<b>17,778,286</b>

*(\*)Contractual cash flow includes interest on principal and excludes the effects of hedging.*

In order to mitigate the liquidity risk, the Company aims to maintain an adequate level of financial flexibility, in terms of cash and syndicated committed credit lines, enabling it to cover refinancing requirements at least for the next 12-18 months.

At June 30, 2025, and December 31, 2024, to meet its short-term obligation, the Company reported cash and cash equivalents amounting even to Euro 3.548 million and Euro 997 million.

Additionally, at June 30, 2025, and December 31, 2024, the Company had committed credit lines available as detailed below:

<i>(in € thousands)</i>	Currency	Expiration	June 30, 2025		December 31, 2024	
			Agreed	Picked up	Agreed	Picked up
Revolving Credit facility (RCF)	€	June 27, 2029	2,020,000	-	2,000,000	-
<b>Total</b>			<b>2,020,000</b>	<b>-</b>	<b>2,000,000</b>	<b>-</b>

The RCF accrues interest based on a base rate, which depends on the currency in which the loan is drawn, plus a variable spread that changes over time from 225bps to 350bps.

## 28. Related parties' disclosure

The related parties of the Company are all entities and individuals, including their close family members, capable of exercising control, joint control or significant influence over the Company. Related parties include the current Company's sole shareholder, Optics HoldCo, and its subsidiaries as well as Optics HoldCo shareholders and their respective subsidiaries. Related parties also include members of the BoD and executives with strategic responsibilities, as well as their families and entities controlled by them, to the extent capable of exercising control, joint control or significant influence over the Company.

The transactions with related parties were carried out on commercial terms that are normal in the respective markets, considering the characteristics of goods or services involved.

During the six-month period ended June 30, 2025, the Company incurred expenses of Euro 152 million towards Group companies, primarily related to energy purchases, and recorded income of Euro 7 million, mainly related to seconded personnel, cost recharges, and interest income on intercompany loans. In addition, the Company incurred capital expenditures for intangible assets totaling Euro 26 million.

### *Key Management*

The relationships with key management primarily relate to the remuneration of executives with strategic responsibilities and the compensation of the Board of Directors members. The remuneration of key management for the half years June 30, 2025, amount to Euro 7,564 thousand.

## **29. Other information**

### *Engagements And guarantees*

FiberCop's third-party guarantees amount to Euro 908 million, issued by financial institutions or insurance companies, to guarantee the proper fulfillment of contractual obligations. These guarantees are listed below:

- insurance guarantees, mainly relating to performance bonds provided by FiberCop in accordance with the provisions of the contracts with Public Administrations, for an amount of 468 million Euro;
- bank guarantees relating to real estate contracts, contracts with public administrations and for the purchase of energy, for an amount equal to Euro 359 million;
- The insurance and bank guarantees issued in favor of Infratel for the advances of contributions under the National Recovery and Resilience Plan (“**NRFP**”), which represented a total exposure of Euro 551 million for insurance guarantees relating to the “Italia 1 Giga” (lots 3, 4, 11, 14 and 15) and “Italia 5G Backhauling ” (lots 1, 2, 3, 4, 5 and 6) and a total exposure of Euro 300 million for bank guarantees relating to the “Italia 1 Giga” plans (lots 1 and 5)
- bank guarantees issued in favor of INPS (the Italian social security agency) to support the application of Article 4 of Law No. 92 of June 28, 2012, and Article 41, paragraph 5bis, of Legislative Decree No. 148/2015 for the early retirement of workers who meet the requirements, for an amount of Euro 249 million.

### *Litigation*

The Company has ongoing disputes, which are immaterial whether considered individually or collectively, relating to surface rights with reference to the network. Therefore, a special fund to cover disputes for which a loss is considered probable.

Regarding the investigation initiated by the Italian Competition Authority (ACGM) in December 2024 (procedure I874), the Authority initiated an investigation pursuant to Article 14 of Law No. 287/1990 against FiberCop and TIM to determine potential violations of Article 101 of the TFEU regarding the compatibility of the MSA with antitrust law. The MSA takes into account issues previously raised by the European Commission regarding its decision approving Optics Transaction, whose competitive issues are discussed in detail in the Management Report, to which reference is made. As of today, given the embryonic stage of the process, it has not been possible to make any forecasts.

With reference to the proceedings initiated by the European Commission on 24 July 2025 against the shareholder KKR & Co. Inc. for 'misleading information', the Company has not been the subject of any notification.

### **30. Subsequent events**

No events occurred that would require a change to the approved data between the reference date of these Interim Financial Statements and the date of their approval by the Board of Directors.

Rome, July 29, 2025

For the Board of Directors  
The Chairman and Chief Executive Officer