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### Management Board

TIM S.A.  
Jaworska 13 St.  
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***Translation of the original version of this document that was prepared in Polish language. In the event of any discrepancies between the two versions, the Polish version prevails.***

28 April 2023

Dear Sirs,

### **Re: Fairness Opinion on the proposed financial terms of the tender offer for the shares of TIM S.A. announced on 20 April 2023**

Pursuant to the terms and conditions of the engagement letter dated 12 April 2023 (the "Engagement Letter"), entered into between TIM S.A. (the "Company") and KPMG Advisory Spółka z ograniczoną odpowiedzialnością sp. k. ("KPMG"), KPMG has been requested by the Management Board of the Company to prepare a Fairness Opinion (the "Opinion") on the proposed financial terms of the public tender offer for the shares of the Company (the "Tender Offer" or the "Transaction"), announced on 20 April 2023 (the "Tender Offer Date") by FEGA & Schmitt Elektrogroßhandel GmbH (the "Offeror").

### **Summary of the current status of the Tender Offer**

On 20 April 2023, the Offeror announced a public tender offer for the sale of 22,199,200 ordinary bearer shares issued by the Company with a nominal value of PLN 1.00 each, traded on the regulated market operated by the Warsaw Stock Exchange ("WSE"). Each share entitles to exercise one vote at the General Meeting of the Company's Shareholders (the "SGM").

As a result of the Tender Offer, the Offeror intends to acquire 22,199,200 ordinary bearer shares, constituting 100% of the total number of shares of the Company and votes at the SGM.

As at the Tender Offer Date, the Offeror did not hold any shares in the Company. Moreover, neither the Offeror's parent entities nor subsidiaries hold any shares in the Company.

The Offeror is not a party to the agreement referred to in Art. 87 par. 2 pt. 5 or 6 of the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies (consolidated text Journal of Laws of 2022, item 2554) (the "Public Offering Act") in relation to the Company's shares.



All shares subject to the Tender Offer are dematerialized and are shares of the same class and with the identical rights (each share entitles to one vote at the SGM).

The Tender Offer has been announced pursuant to Art. 72a par. 1 of the Public Offering Act and in accordance with the Regulation of the Minister of Finance of 23 May 2022 on model forms of tender offer and exchange offers for a public company's shares, manner of, and procedure for, submitting and receiving tender forms and permissible types of collateral (Journal of Laws of 2022, item 1134).

**The price at which the Offeror intends to acquire shares of the Company within the Tender Offer is PLN 50.69 (say: fifty Polish zloty and 69/100) per each share.**

Pursuant to the provision of the Tender Offer, the price proposed in the Tender Offer is not lower than:

- the arithmetic average of the daily volume-weighted average price of the shares on the WSE main market over the last 3 months preceding the delivery of the notification referred to in Art. 77a par. 1 of the Public Offering Act (the "Notification") which is, after rounding up, equal to PLN 33.41 and
- the arithmetic average of the daily volume-weighted average price of the shares on the WSE main market over the last 6 months preceding the delivery of the Notification which is, after rounding up, equal to PLN 30.36.

During the 12 months preceding the Notification, neither the Offeror nor the entities referred to in Art. 79 par. 2 pt. 1 of the Public Offering Act acquired the Company shares indirectly.

Due to the fact that: (i) over the period of 3 months preceding the delivery of the Notification, the Company's shares have been traded at more than one-third of the sessions and (ii) the volume of trading in the Company's shares in the 6 months preceding the delivery of the Notification represented more than 1% of the total shares admitted to trading on a regulated market, the obligation to determine the fair value of the shares by an auditor appointed by the Offeror referred to in Art. 79 par. 3a of the Public Offering Act does not apply.

Pursuant to the provision of the Tender Offer, on 24 March 2023 the Offeror has entered with the Company's shareholders - Krzysztof Folta, Piotr Nosal, Maciej Posadzy, Piotr Tokarczuk, Ewa Folta and Krzysztof Wieczorkowski (the "Shareholders") in the investment agreement for the Offeror's announcement of the Tender Offer and obligating the Shareholders to sell all of the Company's shares held by the Shareholders in response to the Tender Offer (the "Investment Agreement"). According to the Investment Agreement, the price of the Company's shares in the Tender Offer will be PLN 50.69 per one Company share.

The start date of the subscription period for the sale of the Company's shares, the end date of the subscription period for the sale of the Company's shares, the expected date of the acquisition of the shares in the Tender Offer and the expected settlement of the Transaction by the National Depository of Securities, are respectively: 26 April 2023, 4 July 2023, 7 July 2023 and 12 July 2023.



### **Fair Value Definition**

For the purpose of issuing this Opinion, KPMG conducted analyses in order to estimate the fair value range (the "Fair Value") of the shares of the Company.

Fair Value was defined according to the Art. 28 par. 6 of the Accounting Act dated 29 September 1994, which reads as follows:

*Fair value is an amount for which an asset could be sold, or a liability settled, in arm's length transaction between interested, well informed and unrelated parties.*

It has been assumed that Fair Value, as defined above, is not necessarily representative of the price, which could actually be achieved on a share sale transaction between a specific buyer and seller. In transaction practice each of potential buyers and sellers may be in a different negotiating position, which may result in some buyers being willing to pay a purchase premium or offer a discount.

Pursuant to the provision of the Tender Offer, as of the date of this Opinion (the "Opinion Date"), the Offeror did not hold any shares in the Company and, as a result of the Tender Offer, intends to acquire 22,199,200 ordinary bearer shares, representing 100% of the total number of shares of the Company and the total number of votes at the SGM. Therefore, this Opinion reflects the value level from the point of view of the majority shareholder (i.e. having control).

### **Restrictions and qualifications**

Pursuant to the provisions of the Engagement Letter, this Opinion has been prepared under the assumption that it is addressed solely to the Management Board of the Company, however, in accordance with the Art. 80 par. 3 of the Public Offering Act, while announcing its own statement on the Offer, the Management Board of the Company will be allowed to publish the complete content of this Opinion.

Except as indicated above, the content of this Opinion may not be quoted or referred to, in part or in entirety, without prior consent of KPMG.

This Opinion is not addressed to any third parties (including the Company's shareholders) and does not trigger any obligations of KPMG towards any third parties. Therefore, KPMG is not liable towards any third party.

This Opinion is an expert opinion and not a statement of facts and does not constitute a formal report on the valuation of the shares of the Company, investment advice nor is it a recommendation regarding the execution of the Transaction (e.g. from the point of view of the decision to execute the Transaction, whether it is optimal for the Company or its shareholders, the timing or any other aspect of the Transaction).

This Opinion considers only financial terms and conditions of the Tender Offer and mentioned above and does not consider any non-financial terms of the Transaction.



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This Opinion refers to the terms and conditions of the Tender Offer indicated in the "Summary of the current status of the Tender Offer" section and assumes that they will be fully maintained and not subject to change. Moreover, this Opinion is based on the assumption that, apart from the conditions of the Tender Offer indicated above, no other contracts or agreements affecting the financial terms of the Transaction exist.

KPMG has prepared this Opinion based on the analyses of documents and discussions with the representatives of the Company. During the course of work, KPMG assumed that all information received from the Company, provided to KPMG according to the agreed list of documents, as well as all the information provided to KPMG during the discussions with Company's representatives, represent the current status and prospects for the development of the Company and its capital group according to the best knowledge of the Management of the Company, therefore, KPMG did not attempt to independently verify, audit or confirm any received information. The information provided to KPMG by the Company has been, on the request of KPMG, confirmed by the Management Board of the Company in writing. KPMG has also used information publicly available in sources generally and by KPMG recognised as reliable.

The work of KPMG related to issuing this Opinion included neither any analyses of the financial or legal-tax status of the Company (due diligence), nor any potential impact of financial-accounting-tax or legal issues, which may be relevant for the execution of the Transaction. KPMG assumed that there are no proceedings pending concerning the Company or its properties and that the Company's rights to its properties are valid and transferable.

For the purposes of the estimation of the Fair Value of the Company's shares and issuing the Opinion, KPMG has not made any independent evaluation or appraisal of the assets and liabilities of the Company. KPMG also did not conduct any independent audit of the financial statements of the Company.

The remuneration received by KPMG for preparation of this Opinion and analyses on which it is based is not contingent on the content of this Opinion or the execution of the Transaction.

KPMG as well as other member firms affiliated with KPMG International Limited, a private English company limited by guarantee, may provide other services to the Company, the Offeror and their capital groups, as well as other shareholders of the Company (and their capital groups). Should that be the case, the appropriate procedures are established allowing to avoid any potential conflict of interest or disclosure of confidential information which might result in violation of interest of any of interested parties.

KPMG did not participate in any discussions between the shareholders of the Company and the Offeror and did not take steps to determine the level of interest to buy the shares of the Company by any third parties. KPMG does not state any opinion whether any alternative transaction would be more beneficial for the Company and/or its shareholders.

The purpose of this Opinion is solely to determine whether the price proposed in the Tender Offer is fair from the financial point of view. Therefore, it does not refer in any way to: (i) the reasonability of the Tender Offer, (ii) other than financial terms of the Tender Offer or (iii) rational premises for responding to the Tender Offer, or lack of response.



KPMG will not be held responsible for any actions of the parties involved in the Tender Offer.

KPMG will not be held responsible for the change in share price of the Company associated with the publication of this Opinion.

KPMG expresses no opinion on the Company's share price in the future, should the Tender Offer be successful or not.

The Opinion is based on the facts that were known and made available to KPMG as of the date of this Opinion, including, but not limited to the financial position of the Company in the future as forecast by the Management Board of the Company, market conditions and regulatory environment. Any changes of the aforementioned facts or information or disclosure of any additional information may impact on the conclusion presented in this Opinion. KPMG is not required to update the Opinion after the date of issuance.

Issuing this Opinion, KPMG is not aware of any agreements between the Company's shareholders that could have any impact on the control held by the shareholders or their capital groups.

#### **Summary of analyses conducted by KPMG**

Pursuant to Art. 80 par. 2 of the Public Offering Act, in case of analysing the terms and conditions of tender offers, historic price quotations cannot be considered as the sole indication of the Fair Value.

Given that the Company conducts business activities on a competitive market, is in a stable financial condition, it is possible to estimate its future cash flows and there are available comparable publicly quoted companies, two approaches to the estimation of the Fair Value were applied:

- income approach (discounted cash flows method) and
- market approach (guideline public company method).

The conducted analyses considered the information available in the latest financial statements of the Company issued before the Opinion Date, i.e. audited financial statements as of 31 December 2022, as well as the published financial statements of the Company for other historical periods.

Based upon the statement of the Management Board of the Company it was assumed that between 31 December 2022 and the Opinion Date no events occurred that were not included in the assumptions for the Company's development in the coming years provided to KPMG by the Management Board and indicated in this Opinion, which could have had a material impact on the Fair Value of the Company's shares.

Additionally, for the purpose of preparation of this Opinion, KPMG:

- analysed the published version of the Tender Offer document;



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- analysed the price of the Company's shares on the WSE in the period preceding the Tender Offer and the shareholding structure;
- held discussion with the representatives of the Management of the Company regarding the past and current business operations of the Company, its financial condition as well as assumptions regarding the Company's future operations;
- analysed historical financial results of the Company;
- analysed key macroeconomic parameters and the relevant information related to the comparable listed companies, available as of the Tender Offer Date;
- conducted other analyses, considered other information and market data deemed appropriate for the purpose of issuing this Opinion.

### **Opinion**

Taking into account the circumstances of the Transaction as presented in this Opinion, analyses conducted by KPMG as well as restrictions and qualifications, the price for the shares of the Company, proposed in the Tender Offer at the level of PLN 50.69 each is at the upper end of the Fair Value range of 100% shares of the Company (on a per share basis), as estimated by KPMG as of the date of the issuance of this Opinion.

This Opinion does not constitute a recommendation for the shareholders of the Company regarding the response to the Tender Offer and the execution of the Transaction.

This Opinion has been issued based on the status of knowledge as of the date hereof and is subject to Polish law.

Yours faithfully,

Tomasz Wiśniewski  
*Partner*  
*Deal Advisory*  
*Proxy*  
KPMG Advisory  
Spółka z ograniczoną  
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