Q3 '23
DELIVERING & DELAYERING

09 NOVEMBER 2023

THE POWER OF CONNECTIONS

Disclaimer

This presentation contains statements that constitute **forward looking statements** regarding the intent, belief or current expectations of future growth in the different business lines and the global business, financial results and other aspects of the activities and situation relating to the TIM Group. Such forward looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those projected or implied in the forward-looking statements as a result of various factors.

The financial results of the TIM Group for Q3 ‘23 and 9M ‘23 has been prepared in **compliance with the accounting standards**, the recognition and measurement criteria and the consolidation methods and criteria adopted for the preparation of the Consolidated Financial Statements at December 31, 2022, to which reference can be made for a more extensive description, except for the amendments to the standards issued by IASB and adopted starting from 1 January 2023.

Please note that the financial results for Q3 ‘23 and 9M ‘23 of the TIM Group are unaudited.

Alternative Performance Measures

The TIM Group, in addition to the conventional financial performance measures established by IFRS, uses certain alternative performance measures for the purposes of enabling a better understanding of the performance of operations and the financial position of the TIM Group. In particular, such alternative performance measures include: EBITDA, EBIT, Organic change and impact of non-recurring items on revenue, EBITDA and EBIT; EBITDA margin and EBIT margin; net financial debt (carrying and adjusted amount), Equity Free Cash Flow, Operating Free Cash Flow (OFCF) and Operating Free Cash Flow (net of licences). Moreover, following the adoption of IFRS 16, the TIM Group uses the following additional alternative performance indicators: EBITDA After Lease ("EBITDA-AL"), Adjusted Net Financial Debt After Lease and Equity Free Cash Flow After Lease. Such alternative performance measures are unaudited.

#1 Operations update

#2 Financial and operating results

#3 Delayering TIM

#4 Closing remarks

Group and Domestic results fully on track vs FY guidance

Organic data, YoY trend [1]

	Q3 '23	9M '23	Q4 '23	FY targets [2]
Service Revenues	**+1.7%**	**+2.1%**	Positive domestic drivers	LSD growth
o/w Domestic	-0.6%	-1.3%		broadly stable
EBITDA	**+6.5%**	**+5.3%**		MSD growth
o/w Domestic	+3.6%	+0.5%		flat to LSD growth
EBITDA AL	**+8.6%**	**+5.0%**		LMSD growth

Drivers	delivered	in progress
Activation fees drag	-	
Selective repricing	+	++
CB stabilization	+	+
'23 wholesale tariffs	+	+
Energy-Labour comps	+	+++

Highlights

9M Group and Domestic results fully support FY targets

Positive drivers expected also in Q4

FY guidance confirmed

(1) Excluding exchange rate fluctuations, non-recurring items and change in consolidation. Group figures @ average exchange-rate 5.43 R$/€
(2) LSD = Low-Single Digit MSD = Mid-Single Digit LMSD = Low-to-Mid Single Digit

Domestic growth trajectory confirmed on all metrics

Organic data, YoY trend (1)

	Q3 '22	Q4 '22	Q1 '23	Q2	Q3	Q3 trend
Revenues	-5.3%	-1.6%	-0.2%	0.6%	**2.2%**	+7.5pp YoY ↑ +1.5pp QoQ ↑
Service Revenues	-3.5%	-1.5%	-2.4%	-0.9%	**-0.6%**	+2.9pp YoY ↑ +0.4pp QoQ ↑
EBITDA	-16.2%	-4.2%	-2.8%	0.5%	**3.6%**	+19.8pp YoY ↑ +3.1pp QoQ ↑
EBITDA After Lease	-18.0%	-5.2%	-3.5%	0.1%	**3.4%**	+21.5pp YoY ↑ +3.3pp QoQ ↑

Highlights

2nd consecutive quarter of Revenues growth

Service revenues trending towards stabilization

2nd consecutive quarter of EBITDA growth

EBITDA trend YoY accelerating, further improvement expected in Q4

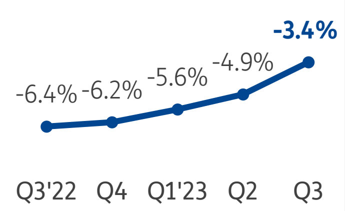
(1) Excluding exchange rate fluctuations, non-recurring items and change in consolidation area

TIM Entities delivering results (1/3)

TIM Consumer
(CO+SMB)

Revenues	Services
-3.8% YoY	**-3.4%** YoY

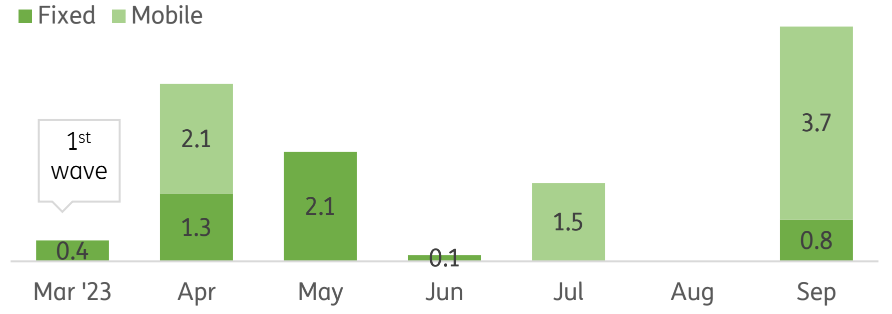
Services trend on improving path



Q3 achievements

Price ups delivering strong results:

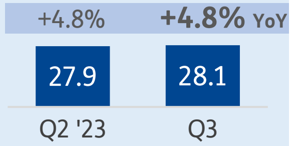
- Targeted **~50%** of CO Mobile CB and **~70%** of CO Fixed CB (1)
- **ARPU growth** both in fixed and mobile
- **Limited impact on churn** so far
- Incremental revenues of **~€ 75m** in '23 and **~€ 120m** in '24(2)



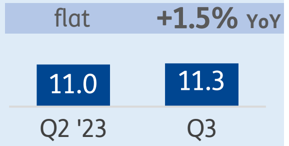
- **FTTH leadership**: TIM 1st in market share in the last 5 quarters

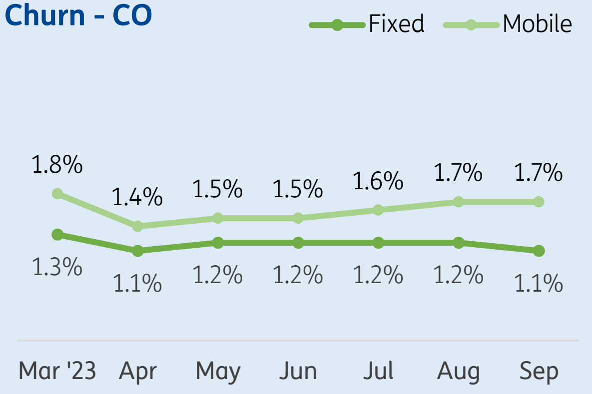
Main KPIs

Fixed ARPU – CO
net of activation fees
€/month

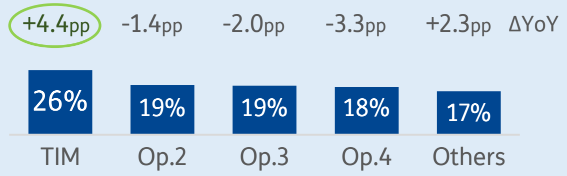


Mobile ARPU – CO
human calling, net of MTR
€/month





FTTH market share (3)



(1) Targeted 7.3m CO mobile lines and 4.7m CO fixed lines (2) Of which ~€ 7m in '23 and ~€ 11m in '24 from SMB (price ups on 0.4m fixed lines and 0.3m mobile lines launched/announced in '23) (3) Source: AGCOM, data as of Jun. '23

TIM Entities delivering results (2/3)

	Revenues	Services	Q3 achievements	Main KPIs

TIM Enterprise

Revenues: +4.8% YoY
Services: +4.2% YoY

Q3 achievements

- **Positive revenue growth**, faster pace vs. Q2 driven by fixed monthly fees and mobile services. **Cloud revenues** +24% YoY YTD net of SPC Cloud phase out
- **~€ 1.8bn worth of pipeline**
- **National Strategic Hub beyond expectations**
  - The first 10 contracts signed generate ~80% of 1st year marketed NSH services
  - Total value NSH negotiations equal to € 0.4bn, of which 80% concentrated on 41 Customers

Main KPIs

9M '23 Service Revenues

	Δ YoY	Revenue mix weight	Revenue mix Δ YoY
Connectivity	-3%	42%	-2.6pp
Cloud	+8%	30%	+1.3pp
IoT	-3%	2%	-0.1pp
Security	+9%	3%	+0.2pp
Other IT	+9%	23%	+1.2pp

NetCo

Revenues: +5.8% YoY
Services: -1.1% YoY

Q3 achievements

- **NRRP**: 30% grant advance payment unlocked, € 0.7bn cash-in confirmed by YE
- **Service revenues trend YoY** broadly stable
- **FTTH coverage**: 8.7m technical units connected (36% of tot.)

Italia 1 Giga	5G Backhauling	5G Coverage
Progressive acceleration excluding Sardinia (2)	Expected to **achieve YE target** (2)	Expected to **achieve YE target** (2)

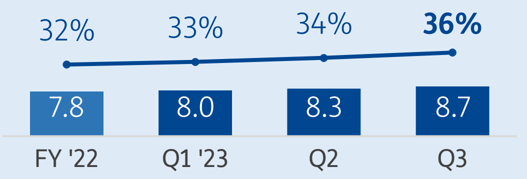
No risk of penalties

Main KPIs

Market share
79%
15.6m accesses (1)
>70% FTTx

FTTx coverage
95% of active lines
~61% >100Mbps

FTTH coverage (technical units, million) (3)



(1) Fixed accesses including FiberCop **(2)** NRRP milestones for YE '23: 25% of street numbers covered with fiber ("*Italia 1 Giga*"), 35% of mobile sites connected ("*5G Backhauling*"), 10% of areas covered with 5G ("*5G Coverage*") **(3)** Overall FTTH coverage, including NRRP and "Eurosud"

TIM Entities delivering results (3/3)

TIM Brasil

	Revenues	Services
TIM Brasil	**+7.9%** YoY	**+7.5%** YoY o/w Mobile +7.7% o/w Fixed +4.6%

EBITDA AL	CAPEX
+21.4% YoY (1)	**+2.1%** YoY

EBITDA AL - CAPEX

21.3% on revenues **+5.2pp** YoY

Q3 achievements

- **Robust revenue growth** from strong operational performance:
  - **MSR** up YoY mainly driven by postpaid, **ARPU** to the highest level ever both on pre/postpaid
  - **TIM UltraFibra** keeping a strong growth pace thanks to continued CB expansion driven by FTTH migration
- **EBITDA double-digit growth** (2): consistent revenues performance + M&A synergies + cost efficiencies. **OPEX** growth below inflation rate (3)
- **EBITDA AL** trend YoY benefitting from site decommissioning. EBITDA AL **margin +4.2pp YoY to 37.9%**
- **Solid cash flow performance**
- Significant enhancement of mobile infrastructure, **already Brazil's largest and best 5G network**

Shareholder remuneration

- Expanding shareholder remuneration to a new level, from R$ 2.0bn in '22 to **R$ >2.9bn in '23** (4)
- **~8% dividend yield** (5)

Main KPIs

Mobile

CB	ARPU
61.2m lines (6) **+5k** net adds	30.2 R$/month **+21.1%** YoY
postpaid 27.2m lines **+0.6m** net adds	43.7 R$/month **+21.1%** YoY
prepaid 34.1m lines **-0.6m** net adds	15.0 R$/month **+17.6%** YoY

Fixed - TIM UltraFibra

CB	ARPU
791k lines **+30k** net adds **o/w FTTH** **87%** on tot. +15pp YoY	96.0 R$/month **-1.0%** YoY

(1) Net Non-Recurring Items (NRI) (2) EBITDA net of NRI +12.1% YoY (3) OPEX +3.7% YoY in Q3 '23 vs +5.2% IPCA LTM (source: IBGE, 30th Sep. 2023) (4) Subject to BoD approval and 2024 AGM ratification (5) Based on stock price as of Oct. 23th, 2023 (6) Only market lines (excluding Company lines)

Transformation plan - ~€ 0.2bn additional savings achieved, >3/4 of FY target reached

	2022	2023	2024
TARGET SAVINGS (€bn) (1)	**0.3** ✓	**1.1**	**1.5**
o/w OPEX savings (2)	0.3	0.7	1.0
o/w cash cost / CAPEX extra-savings	-	0.4	0.5

~€ 0.2bn additional savings in Q3 '23
€ 0.1bn OPEX savings
€ 0.1bn cash cost /CAPEX extra savings
77% of incremental FY target reached

Q3 highlights

Digital break-through

- **New digital CX**, activation process based on client digital ID
- **eSIM**, enhanced activation process
- **Certified email and digitization:**
  - 58% customer paper mails shifted to digital (3)
  - >1 million digital invoices in Q3

Customer care

- **Customer Care**, on track to achieve **10% cost reduction YoY** thanks to lower human volumes, make vs buy and digitalization
- **Generative AI & Voicebot**, set-up of future-proof platform, go-live in Q1 '24 (4)

9M key contributors

Real Estate

- **Closure of 200k sqm** by leveraging '*work from home*'

Energy

- **Efficiencies**, ~10% lower consumption

Rightsizing & talents' uplift

- **Hourly reduction**, average impact equivalent to 4.2k FTEs
- **Voluntary exits**, ~0.4k HCs (~80% of target achieved)
- **Early retirements**, ~1.4k HCs
- **Insourcing**, ~0.6k HCs already re-skilled
- **Hirings**, ~0.4k HCs already recruited

Decommissioning update

- **Public Payphones**, on track with plan
  - ~7.5K already dismantled (~50% of YE target)
  - ~2.5K to be converted into Digital Booths
- **Copper legacy**, on track with plan (5)
  - Approval received by AGCOM to shut down 1.3k COs by '25

(1) Cumulated savings vs. inertial plan (2) On 2021 restated cost baseline (€ 4.8bn) (3) For defaulting customers (4) Generative AI use cases to be made available in H1 '24 (5) 6.7k exchanges shutdown + legacy technology switch off in 10.5k exchanges by '28

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OPEX – Slight YoY increase mainly attributable to revenue-driven costs, tailwinds from labour and energy

Domestic OPEX
Organic data, IFRS 16, € m

	Q3 '23	YoY trend	Weight on OPEX trend
TOT. OPEX	**1,855**	**+24 (+1.3%)**	
(cash view)		+11 (+0.6%)	
Interconnection	280	-3%	-0.5pp ↓
Equipment	157	-13%	-1.3pp ↓
Other CoGS	275	+24%	+2.9pp ↑
Commercial	317	+9%	+1.4pp ↑
Industrial	314	-4%	-0.7pp ↓
G&A and IT	91	-8%	-0.4pp ↓
Labour (1)	406	-5%	-1.2pp ↓
Other (2)	15	n.m.	+1.1pp ↑

- **Variable costs** +5% YoY in Q3
  - **Interconnection** down YoY for lower volumes and cost rationalization
  - **Equipment** reduction due to lower volumes sold
  - **Other CoGS** increase related to ICT revenue dynamic and other goods sold
- **Commercial costs** +9% YoY mainly driven by higher Content & Vas (related to higher multimedia revenues) and Commissioning (only for accounting effects, down in cash terms)
- **Industrial costs** -4% YoY, with lower network maintenance costs. **Energy costs** -9% YoY due to lower energy prices and volume efficiencies despite no fiscal benefits in Q3 '23
- **G&A and IT** -8% YoY for lower IT costs (mainly for lower managed services revenues) and professional services
- **Labour** -5% YoY driven by solidarity and lower FTEs

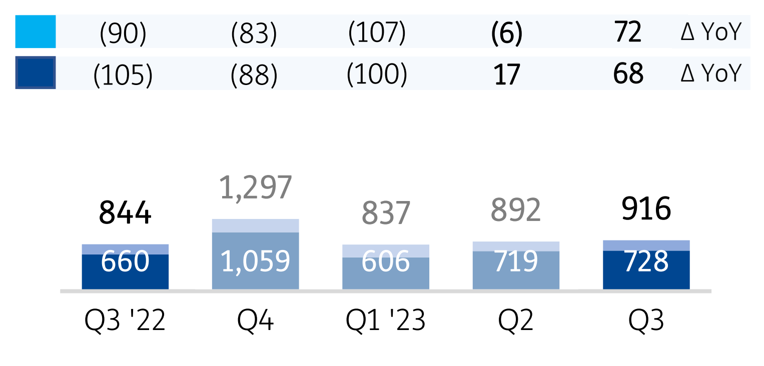
(1) Net of capitalized costs **(2)** Includes other costs/provision and other income

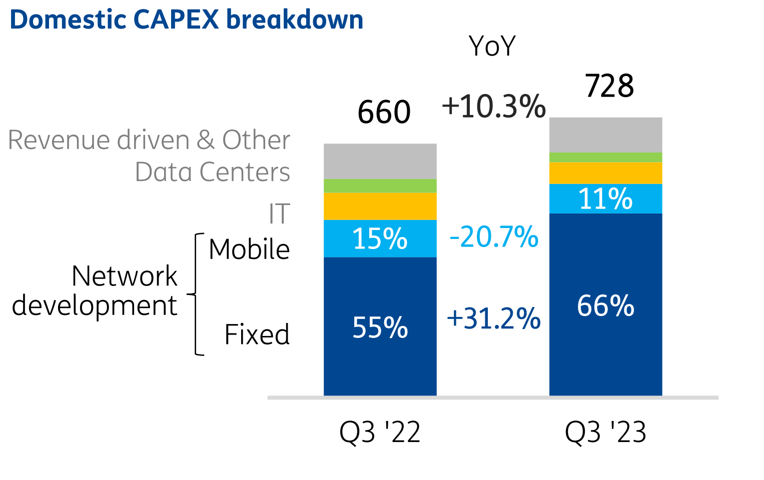
Domestic CAPEX in line with plan. **Net Debt** increase due to negative EqFCF

Organic figures[1], IFRS 16 and After Lease, €m

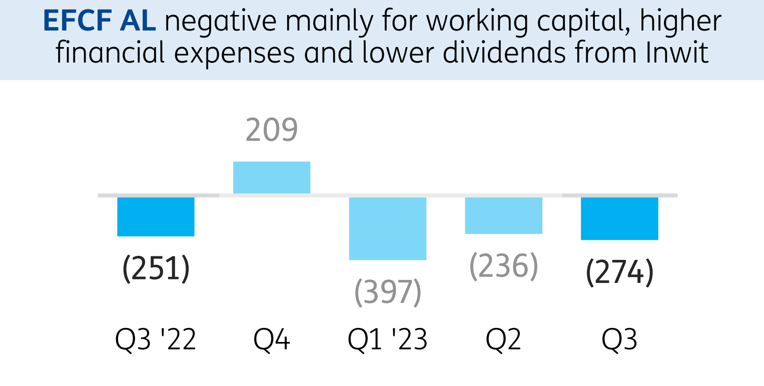
Group | Domestic | Brazil

CAPEX
net of licenses

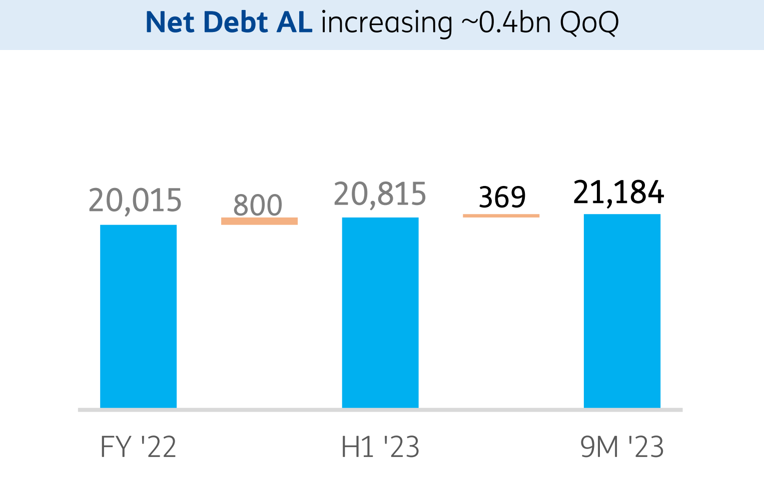




EFCF
After Lease



Adjusted Net Debt
After Lease



(1) Group CAPEX net of exchange rate fluctuations (average exchange-rate 5.43 R$/€); comparable base for Q3 '22

Refinancing activity – Completed for 2023, € 4.1bn raised in 9M o/w € 2.5bn in Q3

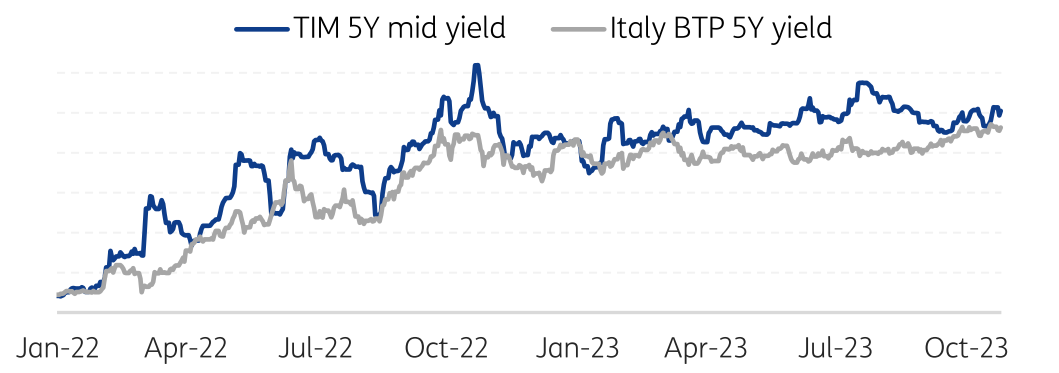
2023 refinancing initiatives

TIM largest EUR High Yield issuer YTD

Jan. '23	**€0.85**bn	**Bond**
Apr.	**€0.40**bn	**Tap**
May	**€0.36**bn	**EIB financing**
Jul.	**€0.75**bn	**Bond**
	€0.95bn	**Braz. Debenture**
Sep.	**€0.75**bn	**Tap**

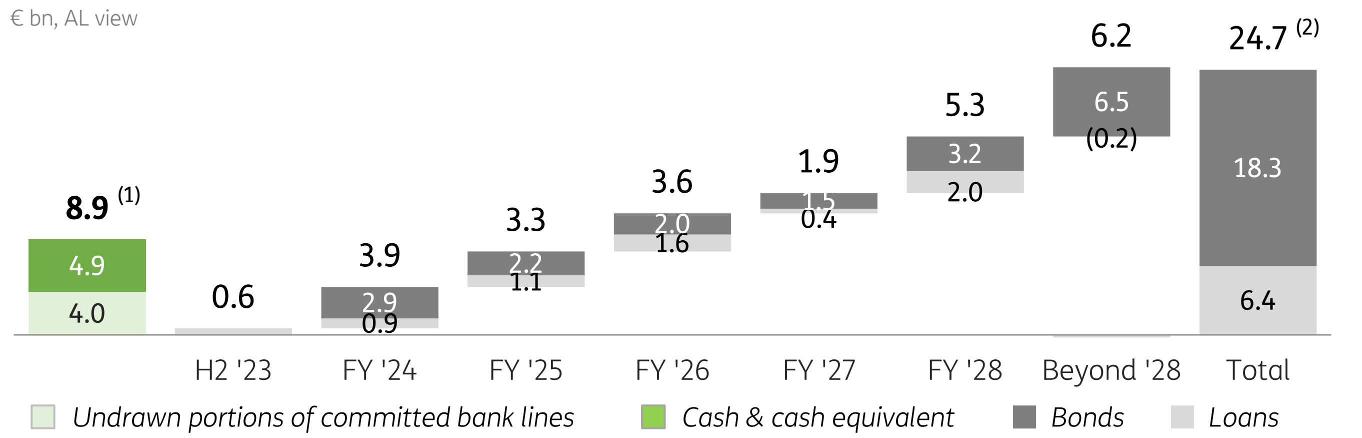
✓ **Improvement on original issuance** (1)
✓ **Largest Private Tap** ever priced for an EU Corp.

Increase in TIM yield broadly aligned to Italy's BTP



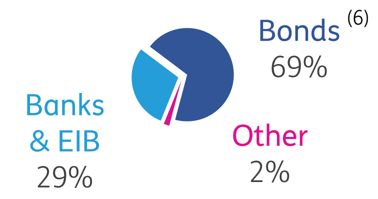
Liquidity margin covering debt maturities until '25

Liquidity margin | Debt maturities (M/L term)



Cost of debt ~4.6% (3)
+0.2pp QoQ, +0.9pp YoY
~66% M/L term debt at fixed rate (4)

Gross debt (5)



(1) Includes € 0.7bn repurchase agreements (nominal amount) due in the following 9 months (2) € 24.7bn is the nominal amount of outstanding M/L term debt. By adding the balance of IAS adjustments and reverse fair value valuations (€ 1.1bn) and current financial liabilities (€ 1.2bn), gross debt figure of € 27.0bn is reconciled with reported number (3) After Lease view (4) Avg. M-L term maturity 5.3y (bonds 6.3y) (5) Gross debt adjusted (6) ~28% of outstanding bonds (nominal amount) denominated in USD and GBP and fully hedged

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#3 **Delayering TIM**

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Delayering Plan - Key process milestones

Delayering Plan envisaging two separate and independent streams

NetCo disposal process

Milestone	Date
Binding Offer	Oct 16th
BoD's approval	Nov 5th
Signing	Nov 6th
Closing	Summer '24

Sparkle disposal process

Milestone	Date
Non Binding Offer	Oct 16th
NBO deemed unsatisfactory by BoD CEO mandated to negotiate	Nov 5th
Deadline for Binding Offer	Dec. 5th

Competitive process

Evolution of KKR offers	Feb. 1st 2023 **Initial NBO**	Apr. 18th **Revised NBO**	Jun. 9th **Final NBO**	Oct. 15th **BO**
NetCo Base EV (1)	**€ 15.8**bn	**€ 17.0**bn	**€ 17.9**bn	**€ 18.8**bn

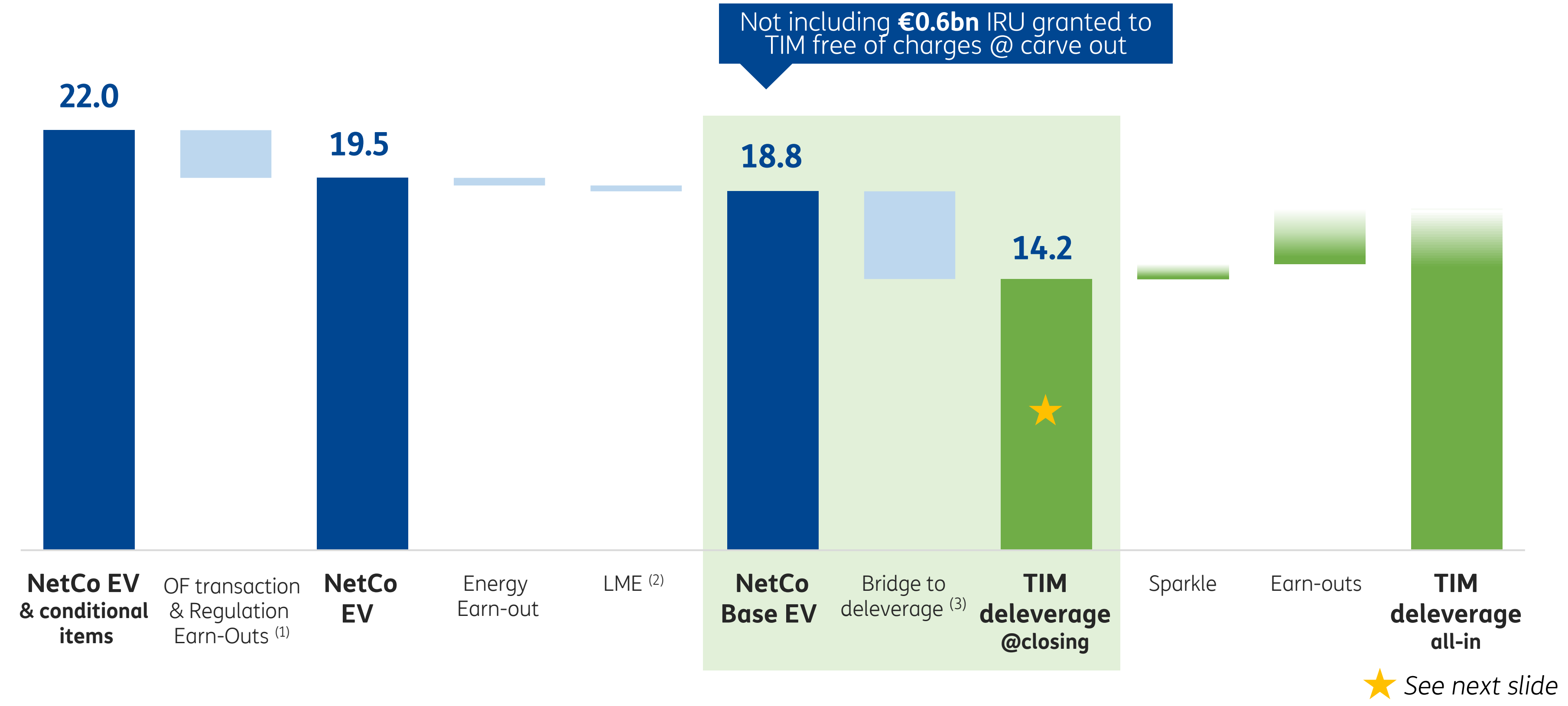
(1) Excluding Sparkle and conditional items

NetCo Disposal - Summary of financial terms

Over € 14bn deleverage, better vs. CMD target on a like-for-like basis, despite worsened macro conditions

NetCo valuation (excl. Sparkle)

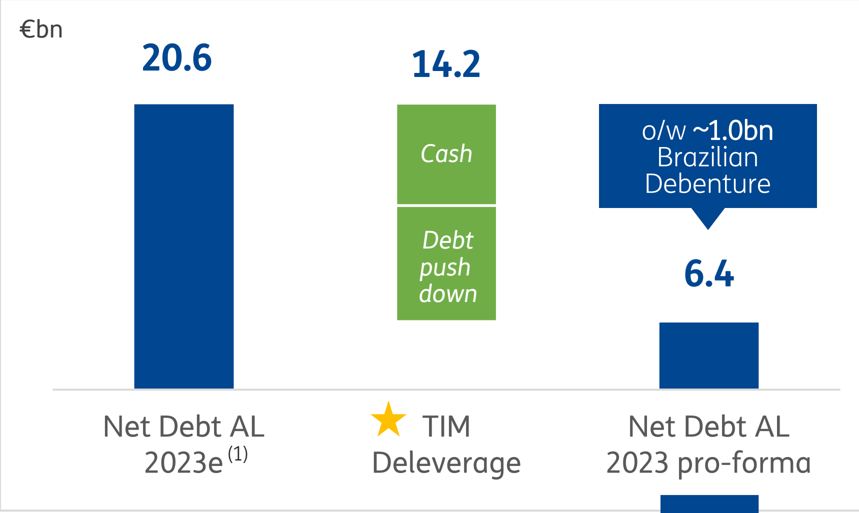
Valuation breakdown (€bn)



(1) Up to € 2.5bn Earn-Out within 30 months from closing subject to Open Fiber transaction and regulatory relief on prices
(2) Benefit of Liability Management Exercise (3) Including FiberCop minorities (€ 4.1bn), debt-like items and benefit of Liability Management Exercise

ServiceCo - A financially sustainable business

Deleverage ServiceCo
(Domestic+Brazil)

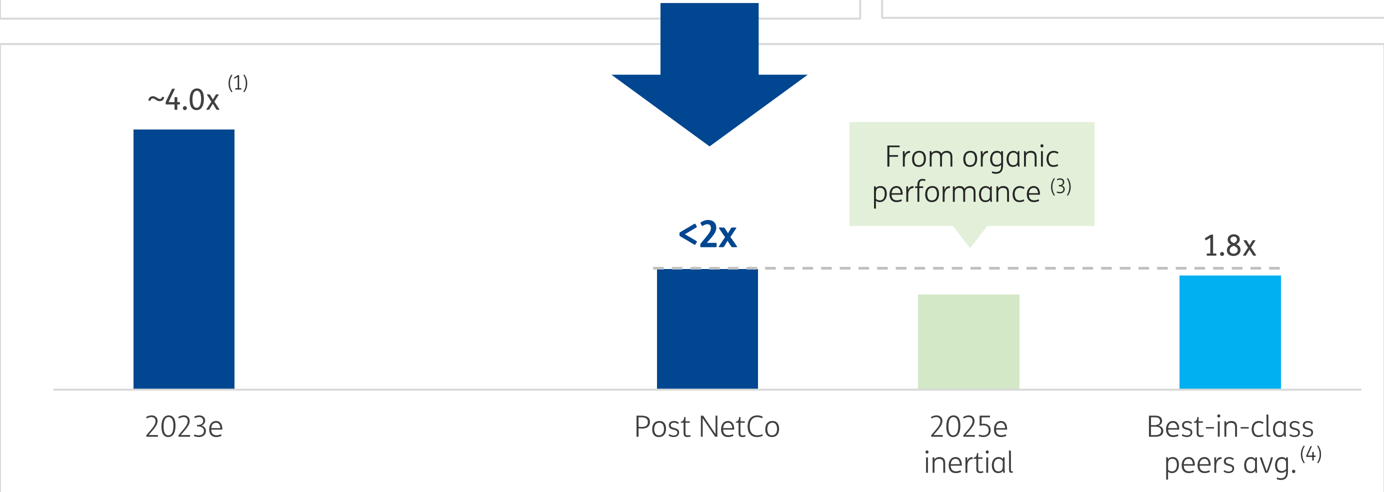


ServiceCo with sufficient liquidity to cover upcoming maturities until '29

Liability management

- Up to **€ 8.5bn debt push-down** o/w € 1.5bn FiberCop
- Potential **exchange offer** on outstanding TIM's notes
  - On **bond due in 2026 and onwards**
  - Both **EUR** and **USD** notes
  - Timing **before closing**

Leverage (2)



Leverage aligned to best-in-class peer average
after NetCo disposal

Strong deleverage trajectory

Clear rating upside potential
- Better access to capital markets
- Lower cost of debt

(1) Consensus (2) Net Debt / Organic EBITDA (After Lease) (3) Before any potential dividend policy (4) Peers: A1, BT, Elisa, Orange, KPN, Swisscom, Telenor, Telia, T-Mobile, Vodafone

ServiceCo/NetCo - Master Service Agreement

MSA - Expected positive impact vs CMD plan, minimum guarantees in terms of fees or volumes not contemplated (1)

MSA general conditions

Most favoured client on non-discriminatory basis (2)
- Applicable for the **benefit of TIM** in respect of all services rendered by NetCo
- Applicable for the **benefit of NetCo** in respect of Data Center and IT Mobile services rendered by TIM

Exclusivity
- **Different exclusivity terms and duration** for each service
- Preferred Supplier regime applied for **B2B Services** (instead of exclusivity)

Business model
- **NetCo** as a "**wholesale-only**" operator, selling Access and B2B(3) services only to OAOs
- **TIM** as a "**retail**" operator, reselling services purchased from NetCo only to Retail customers. No commitments on FTTC to FTTH migration

Duration
- **15y + 15y**, unless otherwise provided for specific services in the MSA

MSA structure

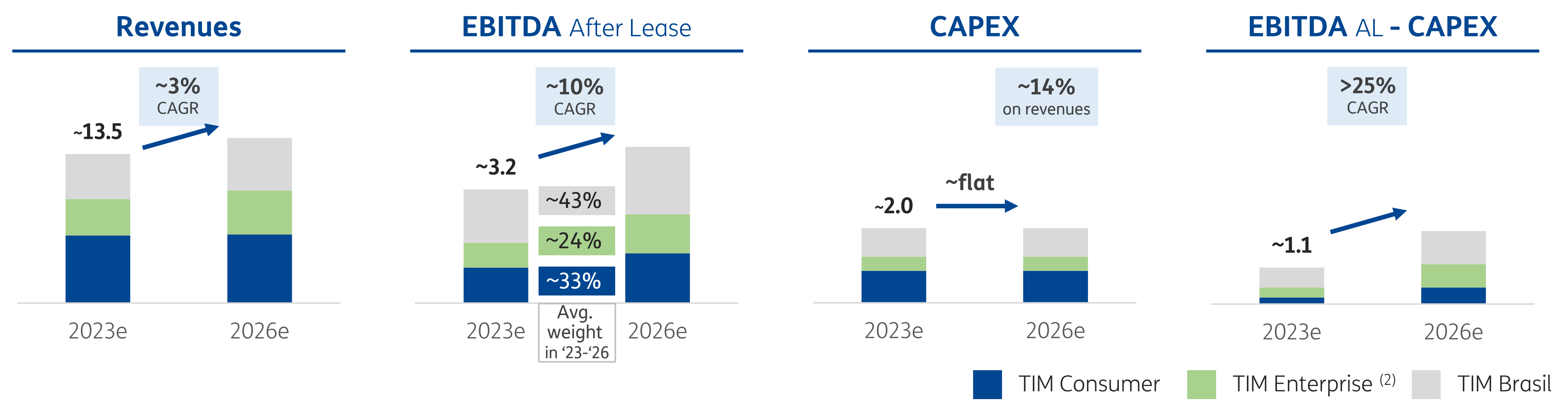
NetCo to TIM	**ACCESS** services	**B2B** services: P2P; Colocation; Legacy bandwidth & interconnection		SLA/KPI & penalties (4)
	NETWORK services	Engineering	Delivery; Assurance	
	REAL ESTATE services	**ENERGY** services		
TIM to NetCo	**TIM** services	Data Center; IT Mobile; IT Corporate Network	IT BSS; IP Bandwidth	SLA/KPI & penalties (4)

(1) TIM only grants the acquisition of a minimum quantity of certain engineering services. However, based on the Business Plan such minimum quantity is sustainable and consistent or below ServiceCo business plan (2) Guarantee of best possible price on products and services on a non-discrimination basis (3) B2B Services include P2P, Interconnection, Colocation and Legacy Bandwidth (4) Applied to all services

ServiceCo - Financials

Preliminary financials, € billion

ServiceCo (1)



Sparkle Financials for 2023e	Revenues	EBITDA After Lease	CAPEX	EBITDA AL - CAPEX
	~1bn	>0.1bn	~0.1bn	~4% on revenues

(1) Sparkle not included. '23 financials based on '23-'25 plan, not considering 9M '23 actual results. Forward looking projections do not constitute guidance. ServiceCo '24-'26 guidance to be provided at Investor Day in March '24 (2) Including TIM Olivetti Retail

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Closing remarks

Delivering

- **Domestic growth trajectory confirmed**, 2nd consecutive quarter of positive Revenues and EBITDA
- **Transformation Plan execution on track** with FY target
- **9M performance + positive drivers expected in Q4 → FY GUIDANCE CONFIRMED**
- **€ 0.7bn partial anticipation of NRRP** funds to be **cashed-in by YE, refinancing activities completed for '23**
- **Neutral Equity FCF in FY**, including NRRP anticipation

Delayering

- **Closing** in **summer '24**
- **ServiceCo Investor Day in March '24**
- **Over € 14 billion deleverage, better vs. '22 CMD target** on a like-for-like basis, **despite worsened macro conditions**
- **Expected positive impact from MSA vs CMD plan, minimum guarantees** in terms of fees or volumes **not contemplated**
- **ServiceCo with sufficient liquidity to cover upcoming maturities until '29**
- **ServiceCo fully sustainable** with potential rating upside from day one, **EBITDA-Capex to improve** over the next few years on the back of improved EBITDA and lower Capex

Q&A

Annex

TIM Group

Key financials

Organic data [1], IFRS 16 and After Lease (AL), €m and YoY trend

	Q3 '23	YoY trend	vs. Q2 '23	vs. Q3 '22
Revenues	**4,107**	**+3.7%**	+0.9pp ↑	+2.6pp ↑
o/w Domestic	2,978	+2.2%	+1.5pp ↑	+7.5pp ↑
Service Revenues	**3,771**	**+1.7%**	-0.1pp ↓	-1.3pp ↓
o/w Domestic	2,675	-0.6%	+0.4pp ↑	+2.9pp ↑
EBITDA	**1,687**	**+6.5%**	+0.9pp ↑	+13.0pp ↑
o/w Domestic	1,123	+3.6%	+3.1pp ↑	+19.8pp ↑
EBITDA AL	**1,420**	**+8.6%**	+3.1pp ↑	+19.8pp ↑
CAPEX [2]	**916**	**+8.5%**		
o/w Domestic	728	+10.3%		
EFCF AL	**-274**	-23		
Net Debt AL [3]	**21,184** (+369 in Q3)			

Q3 highlights

Continued growth at Group level both on Revenues and EBITDA

Domestic: 2nd consecutive quarter of Revenues and EBITDA growth

Domestic services YoY trend improved vs Q2, on track towards stabilization

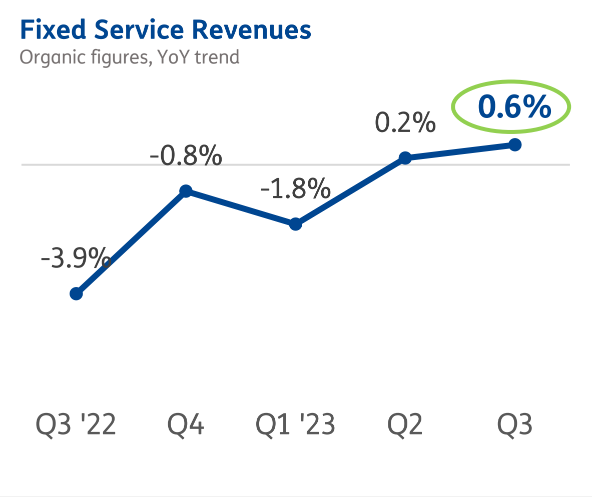
Accelerated EBITDA growth YoY both at Group and Domestic level

CAPEX in line with plan. Group +72m YoY, o/w +68m Domestic driven by a push on FTTH

EFCF AL negative mainly for working capital, higher financial expenses & lower dividends from Inwit. **Net Debt AL** increasing 0.4bn QoQ

(1) Excluding exchange rate fluctuations, non-recurring items and change in consolidation area. Group figures @ average exchange-rate 5.43 R$/€
(2) Net of licences **(3)** Adjusted Net Debt

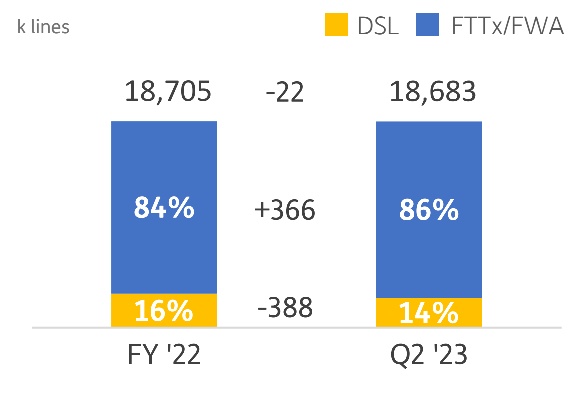
Fixed - 2nd consecutive quarter of FSR growth YoY, higher ARPU, churn contained



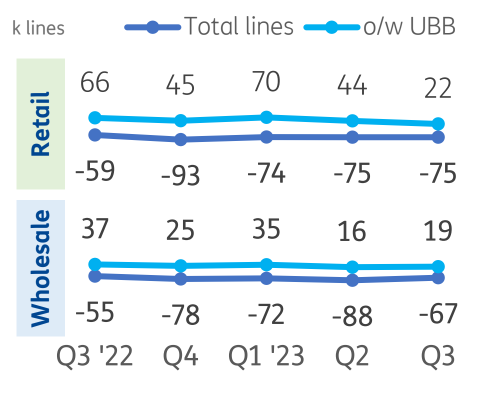
Organic figures

		YoY trend	vs. Q2 '23	Highlights
Fixed revenues	**2,242**	**+5.4%**	**+1.5pp ↑**	
Equipment	214	+91.5%	+21.3pp ↑	~½ of growth YoY from wholesale deal with OF
Services	**2,028**	**+0.6%**	**+0.3pp ↑**	activation fees drag -2.0pp YoY
o/w retail (1)	1,275	-1.0%	+1.8pp ↑	lower CB, higher ARPU
o/w Nat. wholesale (2)	505	+2.4%	-2.7pp ↓	change in regulated prices more than offsetting lower customer volumes
o/w Int. wholesale	242	+3.4%	+0.1pp ↑	higher data connectivity YoY

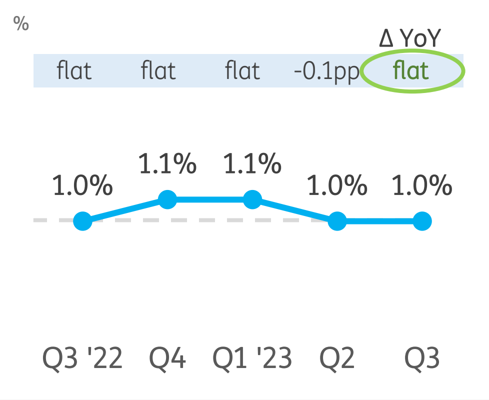
Broadband market (3)



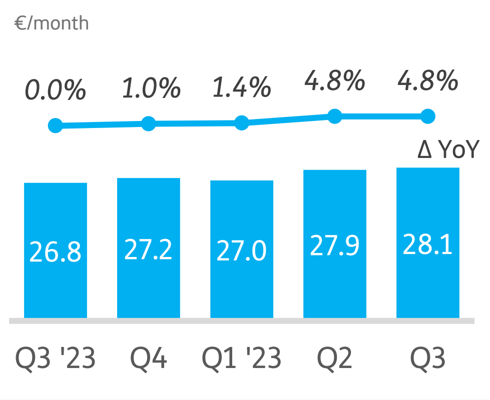
Net adds



Churn



ARPU Consumer net of activation fees discontinuity



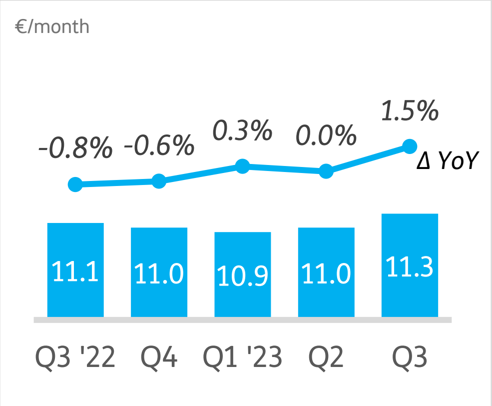
(1) Including ICT revenues generated by TIM Digital Companies (2) Including FiberCop revenues (3) Source: AGCOM

Mobile - MSR trend improved despite still affected by MTR reduction and lower CB YoY MNPs under control, higher ARPU, churn contained

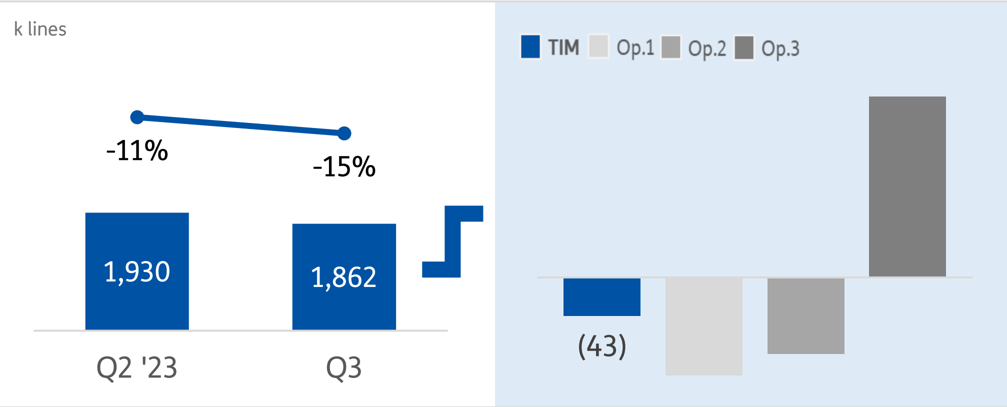
Organic figures

		YoY trend	vs. Q2 '23	Highlights
Mobile revenues	**872**	**-4.5%**	**+3.2pp ↑**	
Equipment	91	-17.9%	+10.8pp ↑	lower consumer volumes YoY
Services	**781**	**-2.6%**	**+1.6pp ↑**	MTR drag -1.5pp YoY
o/w retail	630	-2.2%	+2.1pp ↑	lower CB, ARPU affected by MTR drag
o/w wholesale & other	151	-4.3%	-0.9pp ↓	higher VISE, lower wholesale & other (incl. MVNO)

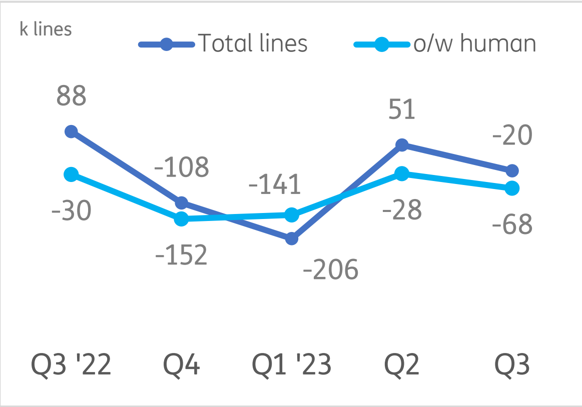
ARPU Consumer - Human Calling net of MTR discontinuity



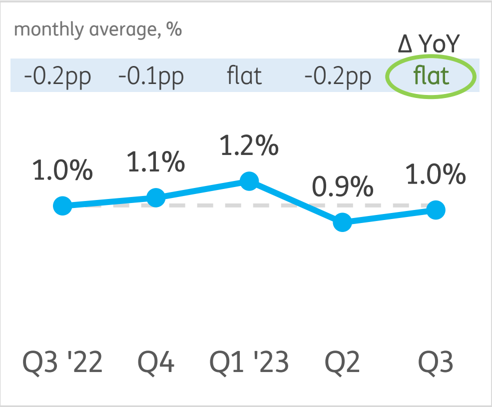
Market MNP reduced, **TIM best performer among MNOs**



Net adds

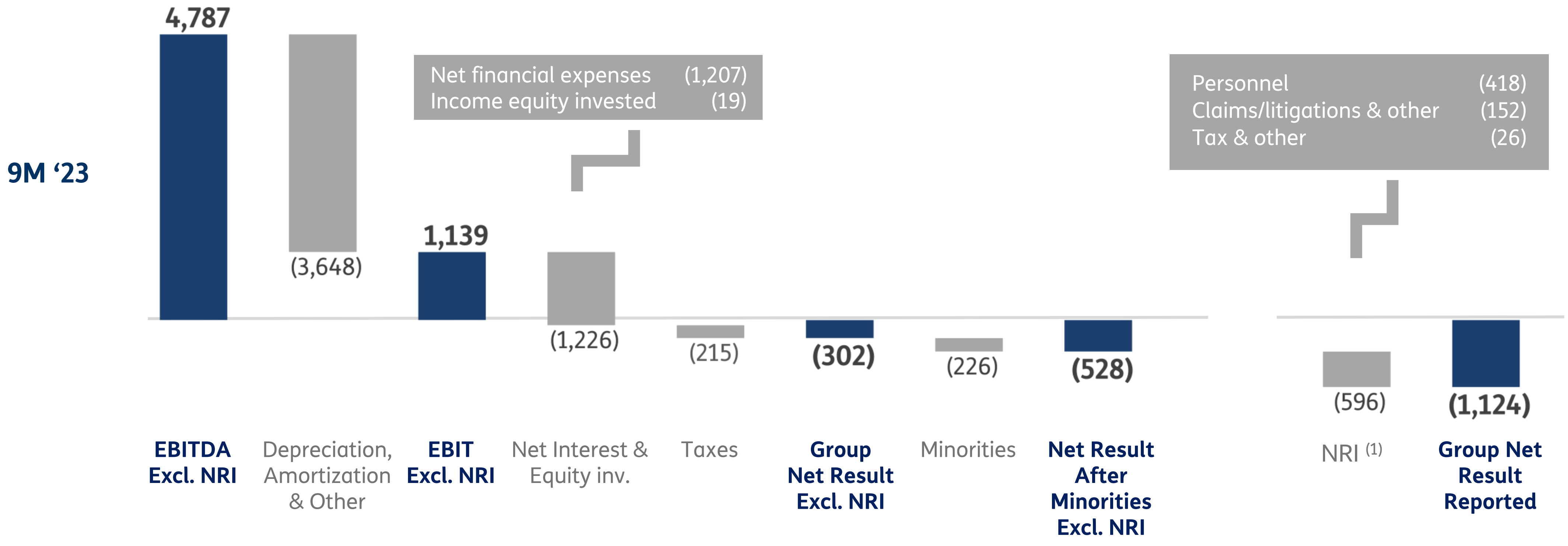


Churn



P&L - From EBITDA to Net Income

Reported data, €m



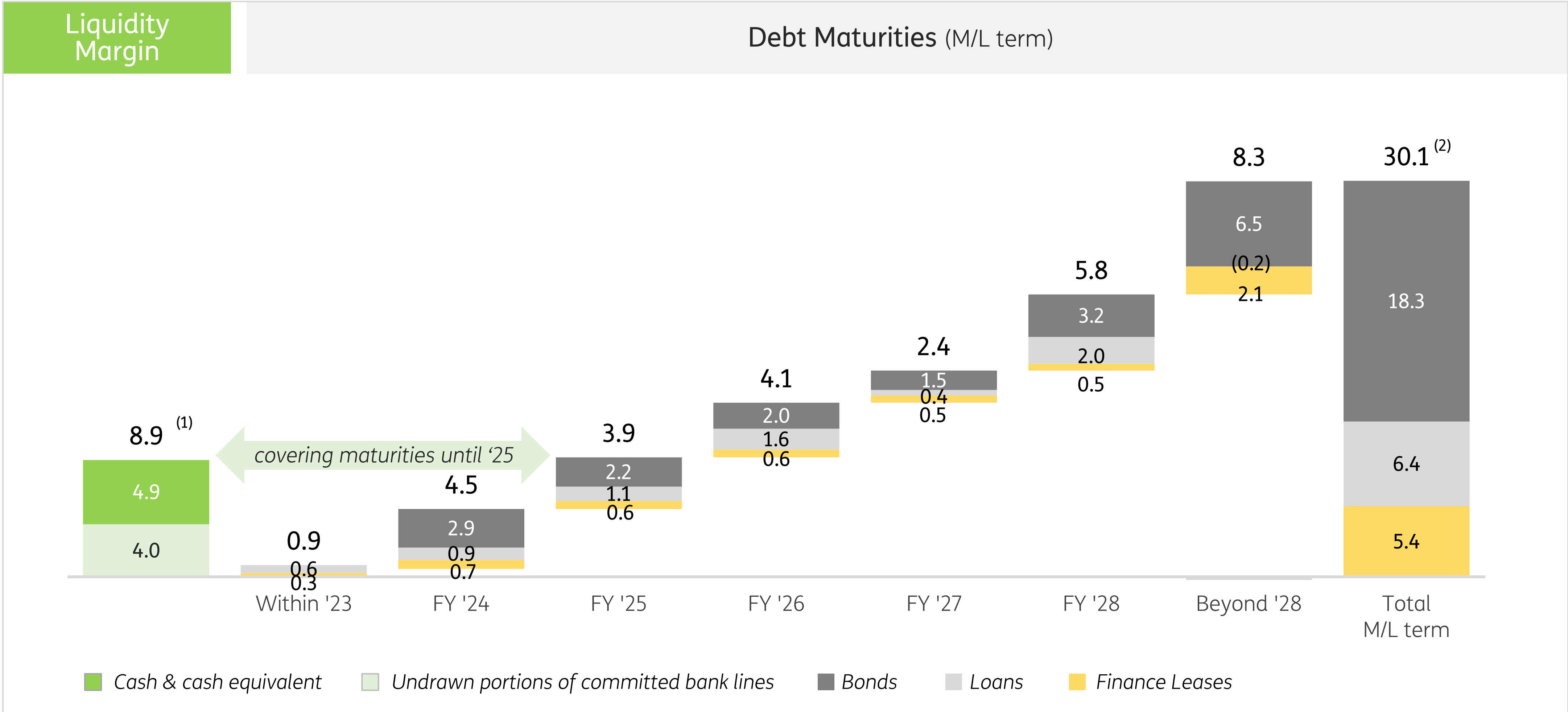
	EBITDA Excl. NRI	Depreciation, Amortization & Other	EBIT Excl. NRI	Net Interest & Equity inv.	Taxes	Group Net Result Excl. NRI	Minorities	Net Result After Minorities Excl. NRI	NRI (1)	Group Net Result Reported
9M '22	**4,539**	(3,507)	**1,032**	(1,041)	(163)	**(172)**	(189)	**(361)**	(2,367)	**(2,728)**
Δ YoY	248	(141)	107	(185)	(52)	(130)	(37)	(167)	1,771	1,604

(1) Non-Recurring Items include provisions for personnel (2021-26 layoffs ex art.4 "*Fornero*" law), claims and litigation

Liquidity margin - IFRS 16 view

Cost of debt ~5.1%*, +0.2pp QoQ and +0.9pp YoY

** Including cost of all leases*



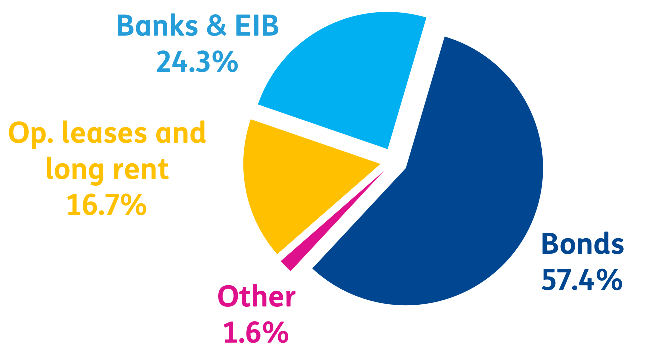
(1) Includes €0.7bn repurchase agreements (nominal amount) due in the following 9 months **(2)** € 30.1bn is the nominal amount of outstanding medium-long term debt. By adding the balance of IAS adjustments and reverse fair value valuations (€ 1.2bn) and current financial liabilities (€ 1.2bn), gross debt figure of € 32.5bn is reconciled with reported number

Gross Debt - IFRS 16 view

Well diversified and hedged debt

	NFP adjusted	Fair value	NFP accounting
GROSS DEBT			
Bonds	18,620	149	18,769
Banks & EIB	7,881		7,881
Derivatives	-12	310	298
Leases and long rent	5,421		5,421
Other (1)	541		541
TOTAL	**32,451**	**459**	**32,910**
FINANCIAL ASSETS			
Liquidity position	4,869		4,869
Other	1,244	326	1,570
o/w derivatives	902	326	1,228
o/w active leases	267		267
o/w other Credit	75		75
TOTAL	**6,113**	**326**	**6,439**
NET FINANCIAL DEBT	**26,338**	**133**	**26,471**

Gross Debt (2)



Average m/l term maturity: 6.7 years (bonds 6.3 years)

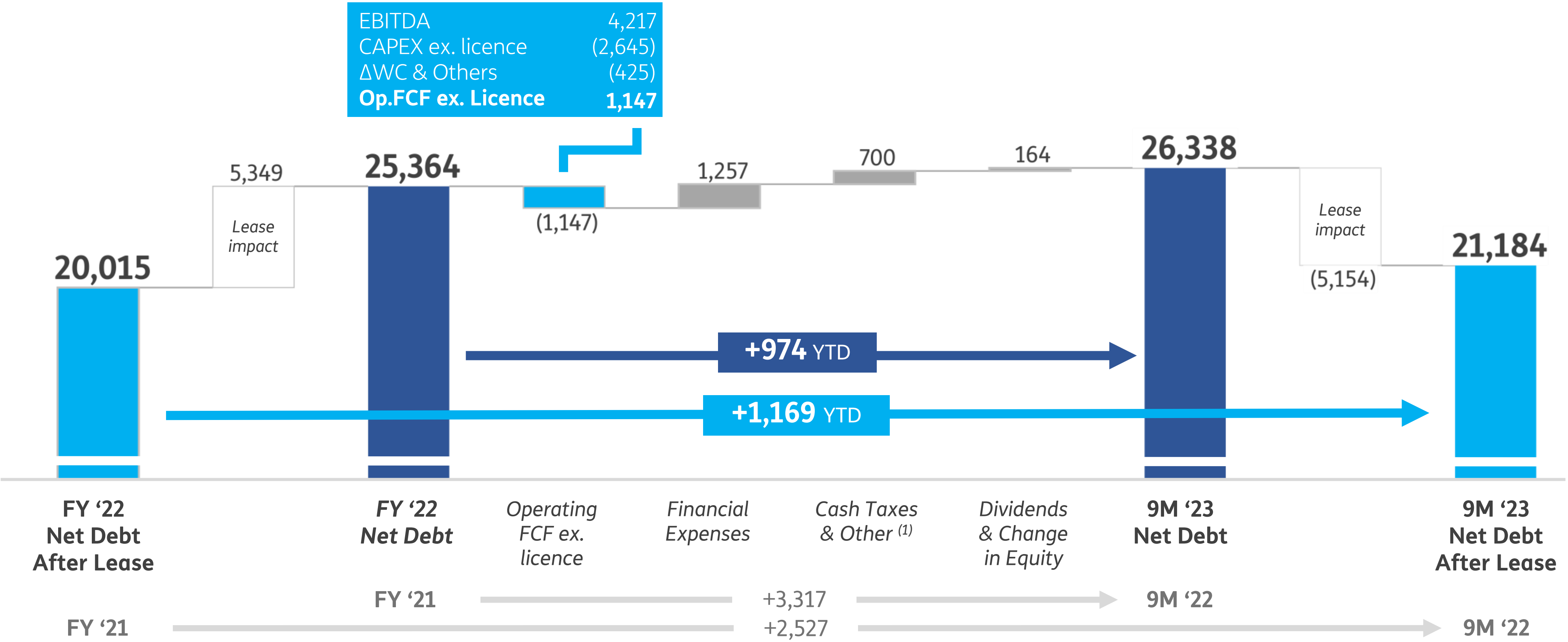
Fixed rate portion on M/L term debt **~72%**

~28% of outstanding bonds (nominal amount) denominated in **USD and GBP and fully hedged**

(1) Includes debts due to other lenders related to: Factor (€ 190m), Aflac (€ 129m), Brazil 5G (€ 185m) and other (€ 37m) (2) Gross debt adjusted

Net debt - Adjusted

€ m; (-) = Cash generated, (+) = Cash absorbed, excluding call-outs



17,573	4,614	**22,187**	(1,089)	1,028	3,334	44	**25,504**	(5,404)	**20,100**	**2022**
+2,442	+735	**+3,177**	(58)	+229	(2,634)	+120	**+834**	+250	**+1,084**	**Δ YoY**

(1) **9M '23:** financial investments +74m, 5G Brazil +24m, IFRS 16 +474m, cash taxes and other +128m. **9M '22:** Daphne 3 disposal -1,184m, Oi acquisition +1,741m, other financial investments +32m, licences +2,217m (o/w Domestic +1,805m and 5G Brazil 412m) , IFRS 16 +728m, cash taxes and other -200m

ESG - Q3 findings

E — Environment

- Launch of "**digital telephone booths**" project to reduce the environmental impact of telephone booths

S — Social

- **1st remote corneal surgery at international level** enabled by **TIM's 5G network** (Bari hospital)
- Launch of "**TIM AI Challenge**" to enrich TIM Enterprise portfolio with new Artificial Intelligence services
- Welfare initiatives: "**TIM Summer**" holidays for >2.6k employees' children, discounted **childcare facilities** in main corporate offices (Milan, Turin and Rome)

G — Governance

- **Refinitiv Diversity and Inclusion Index**: TIM confirmed among the world's leaders, ranking in the Top 25 most virtuous companies as the world's 1st telco
- **Institutional Investor Awards 2023**, TIM awarded for the "*Best ESG Program 2023*" in the "*Mid Cap*" category
- New **HR and Equal Opportunities Policy** published, emphasis on D&I and Gender Equality
- **Certification for Gender Equality** obtained (UNI/PdR125:2022)
- **Adherence to new Code of Conduct** on tele-selling

2023- '25 Plan

Group targets

E Net Zero (Scope 1+2+3)	2040	
E Carbon Neutrality (Scope 1+2)	2030	
E Scope 3 Reduction (1)	-47%	2030
E Renewable energy on total energy	100%	2025
G Women in leadership position (2)	≥29%	2025

Scope 1: emissions from production (heating, cogeneration, company fleet)
Scope 2: electricity purchase emissions
Scope 3: emissions from upstream and downstream activities of the production chain (cat.1-purchase of goods; cat.2; capital goods; cat 11-use of goods sold)

Domestic targets

E Green Products & Smartphones (3)	≥70%	2025
E Circular Economy ratio (4)	2€/kg	2025
S Cloud, IoT & Security service revenues (5)	**+21%** CAGR 23-25	2025
S Digital Identity Services (6)	**+30%** CAGR 23-25	2025
S People trained on ESG skills	≥90%	2025
S Young Employees Engagement	≥ 78%	2025
S FTTH Coverage (% of technical units)	48%	2025

(1) Scope 3 cat.1, 2 and 11, 2019 baseline **(2)** Women managers, weighted average between Domestic and Brazil targets (≥27% and ≥35% respectively for '23-'25) **(3)** Baseline 2021 **(4)** Average revenues from the resale of used materials and assets plus waste recycling per kg of waste produced **(5)** Old target excluding cloud service revenues **(6)** PEC, SPID, Digital Signature (active services)

The new TIM - Domestic perimeter

		ServiceCo		Sparkle	NetCo
		TIM Consumer	TIM Enterprise	Wholesale	Wholesale
Commercial & Legal	Brands and legal entities	TIM Kena TV TIMVISION	TIM ENTERPRISE	SPARKLE	FiberCop
	Target markets	Consumer + SMB	Large Corp. & PA	International	National
Access Network	Secondary & Cabinets		Selected fibers IRU (2)		Ducts / mini-ducts and fibers
	Primary	Selected fibers IRU (1)			
	Access Electronics & Central Office HW				Distr. Frame/ DSLAMs / OLT
	Central Offices spaces & Ancillary systems		Data Centers		
	Real Estate	Selected offices & shops			Offices
Backbone	Junction and Backbone Fibers	Selected fibers IRU (3)	Selected fibers IRU (3)		
	Backbone/Transport HW & Platforms			Terrestrial and submarine systems	
DC / Platforms	Service Platforms	Consumer Platforms	Enterprise Platforms		Wholesale Platforms
	Data Centers			Colocation/Landing Platforms	
Mobile	Mobile Network (4)		Full MVNO-like services		
	Mobile Service Platforms (4)				
	Frequencies				28 GHz

(1) For mobile backhauling (2) Preserve ServiceCo offering differentiation/ competitiveness for enterprise segments (3) May guarantee ServiceCo competitiveness (4) Minimum fiber backbone required to offer Enterprise most important products/services with autonomy

TIM Group

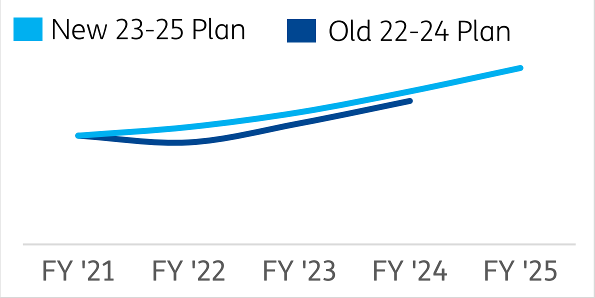
Guidance 2023-'25

Organic figures, IFRS 16 / After Lease, growth rates and €bn figures [1]

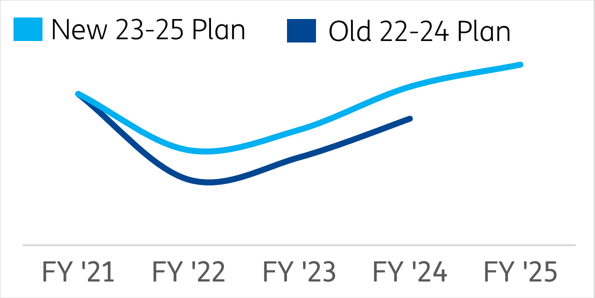
Over-delivery in 2022, positive acceleration also in '23-'25 despite worsening macro scenario

Group	2022A	2023	2022-'25
Service revenues	+1.3%	**LSD growth** o/w broadly stable Domestic	**LSD growth CAGR**
EBITDA	-6.7% -14.3% Domestic	**MSD growth** o/w flat to LSD growth Domestic	**MSD growth CAGR**
EBITDA After Lease	-10.6%	**LMSD growth**	**MSD growth CAGR**
CAPEX net of licences	4bn o/w 3.1bn Domestic	**4bn** o/w 3.1bn Domestic	**4bn/year on avg.** o/w 3.1bn Domestic
EFCF After Lease	0	**cumulative '23-'25 slightly positive**	

Service Revenues



EBITDA AL



LSD = Low-Single Digit MSD = Mid-Single Digit LMSD =Low-Mid Single Digit

(1) Excluding exchange rate fluctuations, non-recurring items and change in consolidation area. Group figures @ average exchange-rate 5.44 R$/€

Further questions

please contact the IR team

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15 Feb
2024

Upcoming financial event

FY '23 Preliminary Results

Your feedback is important to us

It will be carefully reviewed and used to enhance our communication and relationship with you

Website
Gruppotim.it