

## Press Release

### **TIM: BOARD OF DIRECTORS APPROVES FINANCIAL REPORT AT DECEMBER 31, 2023**

#### **PRELIMINARY RESULTS EXAMINED BY THE BOD LAST FEBRUARY 14 CONFIRMED**

#### **SHAREHOLDERS' MEETING CONVENED FOR APRIL 23**

*Rome, March 6, 2024*

TIM's Board of Directors, which met today under the chairmanship of Salvatore Rossi, approved the Consolidated Financial Statements of the TIM Group, the draft Separate Financial Statements of TIM S.p.A. and Sustainability Report at December 31, 2023.

The fourth quarter results, which confirmed the improved trend of the domestic business and the strong growth of TIM Brasil, made it possible to reach or exceed the targets set for the 2023 financial year, making this the first time since 2010 in which all guidance was respected for a second consecutive year.

In line with the targets set in the 2023-2025 Business Plan for 2023, ESG activities concerned: reducing emissions, digital growth, employee engagement and development, as well as strengthening governance.

The Board of Directors also resolved to convene the Shareholders' Meeting for April 23, 2024 (single call), at the Company's registered office, by virtue of the regulations contained in Decree Law no. 18 of March 17, 2020, as amended, providing that attendance at the proceedings by shareholders shall be conducted exclusively through the Company's designated representative. Full details regarding the exercise of shareholders' rights will be set out in the call notice, which will be published in accordance with the law.

The Shareholders' Meeting will be called to resolve on the following items:

- **Financial statements as at December 31, 2023 - Coverage of the loss for the year**

A proposal will be made to the Shareholders' Meeting, with the approval of the financial statements as of December 31, 2023, to cover the loss for the year through the use of reserves.

- **Report on the remuneration policy and compensation paid**

The Shareholders' Meeting will be called to approve the Report on the remuneration policy in its two sections: with a binding vote on the first section dedicated to the remuneration policy for the year 2024, and with a non-binding vote on the second section which illustrates the compensation paid in the 2023 financial year. The document will be made available to the public within the terms of the law, as will the Report on corporate governance and ownership structures, also approved by the Board of Directors on today's date.

- **Appointment of the Board of Directors and the Board of Statutory Auditors**

The Shareholders' Meeting will be called upon to determine the number of members of the Board of Directors and their term of office, to appoint the Directors and determine the Board's compensation, as well as to appoint the Standing Auditors and Alternate Auditors, the Chairman of the Board of Statutory Auditors, and to determine the remuneration of the supervisory board.

- **Adoption of amendments to the 2022-2024 Stock Options Plan - Related and consequent resolutions**

With a view to continuous improvement and to listening to the suggestions that have emerged from the dialog with stakeholders, the Shareholders' Meeting will be asked to consider the proposed amendment to the Stock Option Plan, which aims to reduce the maximum payout that beneficiaries can achieve and to eliminate the possibility for the Board of Directors to consider accelerating the vesting of target options in the event of a takeover bid.

- **Use of part of the legal reserve to cover the loss - Exclusion of the obligation to reinstate it in view of the rules on the tax suspension restriction**

Following the resolution to cover the loss for the year by using part of the legal reserve, which is subject to a tax suspension restriction, the exclusion of the obligation to replenish it will be submitted to the Extraordinary Shareholders' Meeting in accordance with the rules applicable to the aforementioned restriction.

The full text of the proposed resolutions and the reports of the Board of Directors on the items on the agenda, together with the relevant documents, will be made available, within the terms and in the manner prescribed by law, at TIM's registered office, on the "1INFO" storage mechanism ([www.1info.it](http://www.1info.it)) and on the Company's website at [www.gruppotim.it/assemblea](http://www.gruppotim.it/assemblea).

As part of the activities aimed at the closing of the transaction for the sale of fixed network assets ("NetCo") to Kohlberg Kravis Roberts & Co. L.P. ("KKR"), scheduled for the summer of 2024, as communicated on November 5 and 6, 2023, following the signing of the transaction agreement with Optics BidCo (a subsidiary of KKR) - pursuant to which the consideration for the sale of the equity investment may also be partially paid through the transfer of part of the TIM Group's debt at the same time as the closing of the NetCo transaction (so-called liability management) - the Board of Directors of TIM resolved to mandate the Chief Executive Officer to provide for the implementation, assuming the prerequisites are met, of the activities functional to the implementation of the debt transfer transaction through a set of exchange offers concerning certain series of bonds issued by the TIM Group and maturing from 2026. Therefore, activities under the agreements with KKR aimed at the closing of the transaction (including the liability management transaction) are continuing as agreed between the parties and as announced to the market.

The Board of Directors also approved the renewal of corporate offices in some of the strategic subsidiaries; in particular, Massimo Mancini was designated as CEO of the subsidiary Noovle, simultaneously superseding his qualification as key manager of TIM.

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## Financial highlights

(million euros) - reported data	2023	2022	% Change
	(a)	(b)	(a-b)
Revenues	16,296	15,788	3.2
EBITDA	5,710	5,347	6.8
<i>EBITDA Margin</i>	35.0%	33.9%	1.1pp
EBIT	836	606	38.0
<i>EBIT Margin</i>	5.1%	3.8%	1.3pp
Profit (loss) for the period attributable to owners of the Parent	(1,441)	(2,925)	50.7
Capital Expenditures & spectrum	3,982	4,077	(2.3)
	12.31.2023	12.31.2022	Change Amount
	(a)	(b)	(a-b)
Adjusted Net Financial Debt	25,656	25,364	292

## Organic results <sup>(1)</sup>

(million euros) - organic data	2023	2022	% Change
	(a)	(b)	
<b>TOTAL REVENUES</b>	<b>16,296</b>	<b>15,804</b>	<b>3.1</b>
Domestic	11,922	11,851	0.6
Brazil	4,412	3,986	10.7
Other operations, adjustments and eliminations	(38)	(33)	—
<b>SERVICE REVENUES</b>	<b>14,953</b>	<b>14,615</b>	<b>2.3</b>
Domestic	10,721	10,792	(0.7)
<i>of which Fixed</i>	8,313	8,269	0.5
<i>of which Mobile</i>	2,942	3,060	(3.9)
Brazil	4,271	3,856	10.8
Other operations, adjustments and eliminations	(39)	(33)	—
<b>EBITDA</b>	<b>6,383</b>	<b>6,039</b>	<b>5.7</b>
Domestic	4,242	4,173	1.7
Brazil	2,149	1,874	14.7
Other operations, adjustments and eliminations	(8)	(8)	—
<b>EBITDA After Lease</b>	<b>5,304</b>	<b>5,001</b>	<b>6.1</b>
Domestic	3,707	3,661	1.3
Brazil	1,605	1,348	18.8
Other operations, adjustments and eliminations	(8)	(8)	—
<b>CAPEX (net of telecommunications licenses)</b>	<b>3,982</b>	<b>3,985</b>	<b>(0.1)</b>
Domestic	3,148	3,127	0.7
Brazil	834	858	(2.7)

<sup>(1)</sup> The organic results exclude non-recurring items and the comparable base is calculated net of the foreign currency translation and the change in the scope of consolidation.

(million euros) - reported data	2023	2022	% Change
	(a)	(b)	
<b>Equity Free Cash Flow</b>	<b>763</b>	<b>624</b>	<b>22.3</b>
<b>Equity Free Cash Flow After Lease</b>	<b>(64)</b>	<b>(26)</b>	<b>—</b>
<b>Adjusted Net Financial Debt <sup>(2)</sup></b>	<b>25,656</b>	<b>25,364</b>	<b>1.2</b>
<b>Net Financial Debt After Lease<sup>(2)</sup></b>	<b>20,349</b>	<b>20,015</b>	<b>1.7</b>

<sup>(2)</sup> Adjusted Net Financial Debt. The change in the fair value of derivatives and related financial liabilities/assets is adjusted by the booked Net Financial Debt with no monetary effect.

# The Group's ESG performance

The information released on February 14, 2024 is confirmed.



## Introduction

The TIM Group and TIM S.p.A. Consolidated Financial Statements for the year 2023 and the comparative figures for the previous year have been prepared in compliance with IFRS issued by the International Accounting Standards Board and endorsed by the European Union ("IFRS").

The accounting policies and consolidation principles adopted are consistent with those applied for the TIM Group Consolidated Financial Statements and the TIM S.p.A. Separate Financial Statements at December 31, 2022, except for the amendments to the standards issued by IASB and adopted starting from January 1, 2023.

TIM Group, in addition to the conventional financial performance measures established by the IFRS, uses certain alternative performance measures in order to present a better understanding of the trend of operations and financial condition.

Specifically, these alternative performance measures refer to: EBITDA; EBIT; organic change and impact of non-recurring items on revenues, EBITDA and EBIT; EBITDA margin and EBIT margin; Net financial debt carrying amount and adjusted net financial debt; Equity free cash flow; Cash flow from operations; Cash flow from operations (net of licenses). Following the adoption of IFRS 16, the TIM Group also presents the following additional alternative performance measures: EBITDA After Lease ("EBITDA-AL"), Adjusted net financial debt After Lease, Equity Free Cash Flow After Lease.

In line with the ESMA guidance on alternative performance measures (Guidelines ESMA/2015/1415), the meaning and contents of such are explained in the section on "Alternative performance measures" and the analytical detail of the amounts of the reclassifications introduced and of the methods for determining indicators is provided.

Finally, it should be noted that the audit of the TIM consolidated and separate Financial Statements at December 31, 2023 has not yet been completed.



## Main changes in the scope of consolidation of the TIM Group

The main changes in the scope of consolidation that occurred in 2023 were the following:

- *TS-Way S.r.l. (which joined the Domestic Business Unit scope):* on April 20, 2023 Telsy S.p.A. acquired 100% of the company's share capital. TS-Way is active in the field of Information Technology security;
- *TIM Servizi Digitali S.p.A. (which left the scope of the Domestic Business Unit):* on August 4, 2023 TIM S.p.A. sold 100% of the company's share capital.

Furthermore, in November 2023 the TIM Group, through Olivetti S.p.A., sold the Olivetti business unit dedicated to cash systems for the retail sector to Buffetti (Dylog group).

During 2022, the main corporate transactions were as follows:

- *Cozani RJ Infraestrutura e Rede de Telecomunicações S.A. (Brazil Business Unit):* on April 20, 2022, TIM SA acquired 100% of the company's share capital. The business unit relating to part of the mobile telephony activities, rights and obligations of Oi Móvel - Em Recuperação Judicial was merged into Cozani. The incorporation of the company into TIM SA is effective from April 1, 2023;
- *Mindicity S.r.l. (Domestic Business Unit):* Olivetti S.p.A. acquired 70% share capital of the company on May 30, 2022. Mindicity manages a software platform and business under the scope of smart cities;
- *Movenda S.p.A. (Domestic Business Unit):* TIM S.p.A. acquired 100% share capital of the company in July 2022. Movenda offered Digital Identity solutions. During 2022 Movenda S.p.A. was merged by incorporation into TIM S.p.A. with accounting and tax effects starting from July 1, 2022;
- *Daphne 3 S.p.A. (Domestic Business Unit):* on August 4, 2022 TIM S.p.A. sold 41% of the share capital of the Daphne 3 holding company. The company holds a 29.9% stake in Infrastrutture Wireless Italiane ("INWIT").

Furthermore, on August 4, 2022 the company Polo Strategico Nazionale S.p.A. was established, of which TIM S.p.A. holds 45% of the share capital. The company deals with the design, preparation, fitting out and management of infrastructure for the supply of cloud services and solutions for the public administration.



## TIM Group results for the 2023 financial year

The economic-financial results set forth below confirm the preliminary results of FY 2023 reported on February 14, 2024; reference is made to the information provided on such date for more in-depth analysis.

**Total TIM Group revenues** for the year 2023, amounted to **16,296 million euros**, +3.2% compared to 2022 (15,788 million euros).

The breakdown of total revenues for the year 2023 by operating segment in comparison with 2022 is as follows:

(million euros)	2023		2022		Variations		
		% weight		% weight	absolute	%	% organic excluding non-recurring
Domestic	11,922	73.2	11,858	75.1	64	0.5	0.6
Brazil	4,412	27.1	3,963	25.1	449	11.3	10.7
Other Operations	—	—	—	—	—	—	—
Adjustments and eliminations	(38)	(0.3)	(33)	(0.2)	(5)	—	—
<b>Consolidated Total</b>	<b>16,296</b>	<b>100.0</b>	<b>15,788</b>	<b>100.0</b>	<b>508</b>	<b>3.2</b>	<b>3.1</b>

The organic change in consolidated Group revenues is calculated by excluding the effect of changes in exchange rates<sup>1</sup>.

**TIM Group EBITDA** for the year 2023 came to **5,710 million euros** (5,347 million euros in the year 2022, +6.8% in reported terms; +5.7% in organic terms).

The breakdown of EBITDA and the EBITDA margin broken down by operating segment for 2023 compared with 2022, are as follows:

(million euros)	2023		2022		Variations		
		% weight		% weight	absolute	%	% organic excluding non-recurring
Domestic	3,577	62.6	3,519	65.8	58	1.6	1.7
% of Revenues	30	—	29.7	—	0.3pp	—	0.4pp
Brazil	2,141	37.5	1,839	34.4	302	16.4	14.7
% of Revenues	48.5	—	46.4	—	2.1pp	—	1.7pp
Other Operations	(8)	(0.1)	(12)	(0.2)	4	—	—
Adjustments and eliminations	—	—	1	—	(1)	—	—
<b>Consolidated Total</b>	<b>5,710</b>	<b>100.0</b>	<b>5,347</b>	<b>100.0</b>	<b>363</b>	<b>6.8</b>	<b>5.7</b>

EBITDA for the 2023 financial year includes net non-recurring charges totaling 673 million euros (682 million euros in the 2022 financial year).

**Organic EBITDA - net of the non-recurring items** amounted to **6,383 million euros**; the EBITDA margin was 39.2% (6,039 million euros in 2022, with an EBITDA margin of 38.2%).

**Organic EBITDA – excluding the use of the risk provision to cover onerous contracts – in 2023** is equal to 6,285 million euros (5,693 million euros in 2022).

**TIM Group EBIT** for 2023 came to **836 million euros** (606 million euros in 2022).

**Organic EBIT, net of the non-recurring items**, amounted to **1,512 million euros** (1,294 million euros in 2022), with an EBIT margin of 9.3% (8.2% in 2022).

Organic EBIT, net of the non-recurring items, was calculated as follows:

<sup>1</sup> The average exchange rates used for the translation into euro (expressed in terms of units of local currency per 1 euro) were 5.40158 in 2023 and 5.43993 in 2022 for the Brazilian real. For the US dollar, the average exchange rates used were 1.08157 in 2023 and 1.05335 in 2022. The effect of the change in exchange rates is calculated by applying the foreign currency translation rates used for the current period to the period under comparison.

(million euros)	2023	2022	Variations	
			absolute	%
<b>EBIT</b>	<b>836</b>	<b>606</b>	<b>230</b>	<b>38.0</b>
Foreign currency financial statements translation effect		6	(6)	
Non-recurring expenses (income)	676	682	(6)	
Effect of translating non-recurring expenses (income) in		—	—	
<b>ORGANIC EBIT - excluding non-recurring items</b>	<b>1,512</b>	<b>1,294</b>	<b>218</b>	<b>16.8</b>

**Net impairment losses on non-current assets** were nil in both 2023 and 2022.

In accordance with IAS 36, goodwill is not subject to amortization, but is tested for impairment on an annual basis, when preparing the company's separate and consolidated financial statements.

In preparing the Annual Report for 2023, the TIM Group carried out an impairment test on goodwill. The results of that testing, carried out in accordance with the specific procedure adopted by the Group, confirmed the amounts of Goodwill allocated to the Group's individual Cash Generating Units.

The **Net loss attributable to Owners of the Parent** for 2023, was 1,441 million euros (-2,925 million euros in 2022), suffering the negative impact of net non-recurring expenses for 680 million euros (2,431 million euros in 2022).

The TIM Group **headcount** at December 31, 2023 was **47,180**, including 37,670 in Italy (50,392 at December 31, 2022, including 40,752 in Italy).

**Capital expenditures and expenses for mobile telephone licenses/spectrum** for 2023 were 3,982 million euros (4,077 million euros in 2022).

Capex is broken down as follows by operating segment:

(million euros)	2023		2022	Change
		% weight	% weight	
Domestic	3,148	79.1	3,207	78.7 (59)
Brazil	834	20.9	870	21.3 (36)
Other Operations	—	—	—	—
Adjustments and eliminations	—	—	—	—
<b>Consolidated Total</b>	<b>3,982</b>	<b>100.0</b>	<b>4,077</b>	<b>100.0 (95)</b>
% of Revenues	24.4		25.8	(1.4)pp

Specifically:

- the **Domestic Business Unit** made industrial investments of 3,148 million euros, with a significant portion aimed at the development of FTTC/FTTH networks. The reduction of 59 million euros compared to 2022 was mainly connected to Noovle's completion of the regions connected to the partnership with Google during 2022;
- the **Brazil Business Unit** posted capital expenditures in 2023 of 834 million euros (870 million euros for 2022). Excluding the impact of changes in exchange rates (+6 million euros), capex decreased by 42 million euros on 2022. The decrease is due to the reduced investments relating to the integration of Oi Group activities and the 4G network, which was partially offset by the acceleration of investments in 5G technology and the continuous expansion of FTTH-UltraFibra technology.

**Adjusted net financial debt** amounted to 25,656 million euros at December 31, 2023, an increase of 292 million euros compared to December 31, 2022 (25,364 million euros); this was a net consequence of:

- positive operational dynamics, including receipt of 758 million euros for the advance of funds under the National Recovery and Resilience Plan (NRRP) in relation to three infrastructure tenders (of which 488 million euros financial receivables received on January 2, 2024);
- financial and tax management needs, leasing debts and the payment of dividends in Brazil.

The Group's **Operating Free Cash Flow** for 2023 was +2,601 million euros (-625 million euros in 2022, impacted by payments for the acquisition of rights to use frequencies for telecommunications services in Italy and Brazil, among other things).

The **Equity Free Cash Flow** for 2023 amounted to 763 million euros (624 million euros in 2022). This financial measure represents the free cash flow available for the remuneration of own capital, to repay debt and to cover any financial investments and payments of licenses and frequencies.

For a better understanding of the information, the table below shows the various ways by which the Net Financial Debt can be shown:

(million euros)	12.31.2023 (a)	12.31.2022 (b)	Change (a-b)
<b>Net financial debt carrying amount</b>	<b>25,776</b>	<b>25,370</b>	<b>406</b>
<i>Reversal of fair value measurement of derivatives and related financial liabilities/assets</i>	<i>(120)</i>	<i>(6)</i>	<i>(114)</i>
<b>Adjusted Net Financial Debt</b>	<b>25,656</b>	<b>25,364</b>	<b>292</b>
<i>Leases</i>	<i>(5,307)</i>	<i>(5,349)</i>	<i>42</i>
<b>Adjusted Net Financial Debt - After Lease</b>	<b>20,349</b>	<b>20,015</b>	<b>334</b>

**Net financial debt carrying amount** amounted to 25,776 million euros at December 31, 2023, an increase of 406 million euros compared to December 31, 2022 (25,370 million euros). The reversal of the fair value measurement of derivatives and related financial liabilities/assets records an annual change of 114 million euros due to the dynamics of the interest rate markets; this change is adjusted by the booked Net Financial Debt with no monetary effect.

**Adjusted Net Financial Debt - After Lease** (net of leases) at December 31, 2023 amounted to 20,349 million euros, an increase of 334 million euros compared to December 31, 2022 (20,015 million euros), as a result net of the positive operational dynamics which were counteracted by the needs of financial and fiscal management and the payment of dividends in Brazil.

In the fourth quarter of 2023, adjusted net financial debt decreased by 682 million euros compared to September 30, 2023 (26,338 million euros), as a net effect of the positive operating dynamics (including the above-mentioned receipt of advances of funds under the National Recovery and Resilience Plan in relation to the award of 3 infrastructural tenders for a total of 758 million euros), which were counteracted by the needs of financial management and leasing debts.

(million euros)	12.31.2023 (a)	30.9.2023 (b)	Change (a-b)
<b>Net financial debt carrying amount</b>	<b>25,776</b>	<b>26,471</b>	<b>(695)</b>
<i>Reversal of fair value measurement of derivatives and related financial liabilities/assets</i>	<i>(120)</i>	<i>(133)</i>	<i>13</i>
<b>Adjusted Net Financial Debt</b>	<b>25,656</b>	<b>26,338</b>	<b>(682)</b>
<i>Breakdown as follows:</i>			
<b>Total adjusted gross financial debt</b>	<b>32,001</b>	<b>32,451</b>	<b>(450)</b>
<b>Total adjusted financial assets</b>	<b>(6,345)</b>	<b>(6,113)</b>	<b>(232)</b>

As of December 31, 2023, the TIM Group's available **liquidity margin** was equal to 8,695 million euros and calculated considering:

- "Cash and cash equivalents" and "Current securities other than investments" for a total of 4,695 million euros (5,001 million euros at December 31, 2022), also including 847 million euros (nominal value) in repurchase agreements expiring by June 2024;
- Sustainability-linked Revolving Credit Facility amounting to 4,000 million euros, totally available.

This margin is sufficient to cover Group financial liabilities (current and otherwise) falling due over the next 24 months.



## Results of the Business Units

The economic-financial information reported on February 14, 2024 is confirmed; reference is made to the communication given on that date for more in-depth analysis.

### Domestic

(million euros)	2023	2022	Changes (a-h)		
	(a)	(b)	absolute	%	% organic excluding non- recurring
Revenues	11,922	11,858	64	0.5	0.6
EBITDA	3,577	3,519	58	1.6	1.7
% of Revenues	30.0	29.7		0.3pp	0.4pp
EBIT	10	24	(14)	(58.3)	(0.1)
% of Revenues	0.1	0.2		(0.1)pp	0.0pp
Headcount at year end (number) (*)	37,901	40,984	(3,083)	(7.5)	

(\*) Includes 31 agency contract workers at December 31, 2023 (15 at December 31, 2022).

### Brazil

	(million euros)		(million Brazilian reais)		Variations		
	2023	2022	2023	2022	absolute	%	% organic excluding non- non-
	(a)	(b)	(c)	(d)	(c-d)	(c-d)/d	
Revenues	4,412	3,963	23,834	21,531	2,303	10.7	10.7
EBITDA	2,141	1,839	11,562	9,993	1,569	15.7	14.7
% of Revenues	48.5	46.4	48.5	46.4		2.1pp	1.7pp
EBIT	833	593	4,501	3,236	1,265	39.1	35.0
% of Revenues	18.9	15.0	18.9	15.0		3.9pp	3.5pp
Headcount at year end (number)			9,267	9,395	(128)	(1.4)	

The average exchange rates used for the translation into euro (expressed in terms of units of Real per 1 euro) were 5.40158 for 2023 and 5.43993 for 2022.

## TIM S.p.A. results

2023 revenues came to 12,140 million euros (12,098 million euros in 2022), with an increase of 42 million euros or +0.3%.

**Revenues from stand-alone services** amounted to 10,324 million euros (-62 million euros compared to 2022, -0.6%) and reflect the impacts of the competitive context on the customer base as well as the effects deriving from the new marketing model which entailed, starting from the fourth quarter of 2022, the elimination of the so-called "activation fee";

In detail:

- **revenues from stand-alone services in the Fixed market** amounted to 7,823 million euros, with a positive change of 42 million euros compared to 2022 (+0.5%), thanks mainly to the growth in revenues from ICT solutions and multimedia revenues partially offset by the decrease in accesses and the negative change in the aforementioned activation fees;
- **revenues from stand-alone Mobile market services** came to 2,939 million euros, down by 119 million euros compared to 2022 (-3.9%), mainly due to the reduction in the customer base connected with Human lines and ARPU levels.

**Handset and Bundle & Handset revenues**, including the change in work in progress, amounted to 1,815 million euros in 2023, an increase of 104 million euros compared to 2022, mainly due to the sale of infrastructure to FiberCop and the sale of spectrum/fiber in the Wholesale segment.

**EBITDA** in 2023 was 2,002 million euros (2,086 million euros in 2022), with an EBITDA margin of 16.5%, down (0.7) percentage points on 2022 (17.2%).

**Organic EBITDA – net of the non-recurring items** – amounted to 2,641 million euros; the EBITDA margin was 21.8% (22.4% in 2022) and records a reduction of 65 million euros compared to 2022. In 2023 TIM S.p.A. recorded non-recurring net charges of 639 million euros in total, (620 million euros in 2022).

Non-recurring charges include, among others, charges connected to corporate reorganization/restructuring, provisions for onerous contracts, regulatory sanctions, charges connected to credit management, consultancy and professional services relating to corporate operations and the management of regulatory disputes.

**Organic EBITDA excluding the effect of the use of provisions for onerous contracts** for 2023 was equal to 2,543 million euros.

**EBIT** for the year 2023 was negative in the amount of 758 million euros (negative in the amount of 649 million euros in 2022) and was negatively affected by non-recurring net charges of 637 million euros (620 million euros in 2022).

**Organic EBIT, net of the non-recurring items**, was negative for 121 million euros (negative for 29 million euros in 2022).

The profit (loss) for the year 2023 was negative in the amount of 995 million euros (negative in the amount of 3,077 million euros in 2022) and was negatively affected by non-recurring net charges of 673 million euros (2,281 million euros in 2022).

## After Lease indicators

TIM Group, in addition to the conventional financial performance measures established by the IFRS, uses certain alternative performance measures in order to present a better understanding of the trend of operations and financial condition. Specifically, following the adoption of IFRS 16, the TIM Group presents the following additional alternative performance measures:

### EBITDA AFTER LEASE - TIM GROUP

(million euros)	2023	2022	Variations	
			absolute	%
<b>ORGANIC EBITDA excluding non-recurring items</b>	<b>6,383</b>	<b>6,039</b>	<b>344</b>	<b>5.7</b>
Lease payments	(1,079)	(1,038)	(41)	(3.9)
<b>EBITDA After Lease (EBITDA-AL)</b>	<b>5,304</b>	<b>5,001</b>	<b>303</b>	<b>6.1</b>

### EBITDA AFTER LEASE - DOMESTIC

(million euros)	2023	2022	Variations	
			absolute	%
<b>ORGANIC EBITDA excluding non-recurring items</b>	<b>4,242</b>	<b>4,173</b>	<b>69</b>	<b>1.7</b>
Lease payments	(535)	(512)	(23)	(4.5)
<b>EBITDA After Lease (EBITDA-AL)</b>	<b>3,707</b>	<b>3,661</b>	<b>46</b>	<b>1.3</b>

### EBITDA AFTER LEASE - BRAZIL

(million euros)	2023	2022	Variations	
			absolute	%
<b>ORGANIC EBITDA excluding non-recurring items</b>	<b>2,149</b>	<b>1,874</b>	<b>275</b>	<b>14.7</b>
Lease payments (*)	(544)	(526)	(18)	(3.4)
<b>EBITDA After Lease (EBITDA-AL)</b>	<b>1,605</b>	<b>1,348</b>	<b>257</b>	<b>18.8</b>

### ADJUSTED NET FINANCIAL DEBT AFTER LEASE - TIM GROUP

(million euros)	12.31.2023	12.31.2022	Change
<b>Adjusted Net Financial Debt</b>	<b>25,656</b>	<b>25,364</b>	<b>292</b>
Leases	(5,307)	(5,349)	42
<b>Adjusted Net Financial Debt - After Lease</b>	<b>20,349</b>	<b>20,015</b>	<b>334</b>

### EQUITY FREE CASH FLOW AFTER LEASE - TIM GROUP

(million euros)	2023	2022	Change
<b>Equity Free Cash Flow</b>	<b>763</b>	<b>624</b>	<b>139</b>
Change in lease contracts (principal share)	(827)	(650)	(177)
<b>Equity Free Cash Flow After Lease</b>	<b>(64)</b>	<b>(26)</b>	<b>(38)</b>

### EBITDA ADJUSTED AFTER LEASE TIM S.p.A.

(million euros)	2023	2022	Variations	
			absolute	%
<b>ORGANIC EBITDA - excluding Non-recurring items</b>	2,641	2,706	(65)	(2.4)
Lease payments	(518)	(495)	(23)	4.6
<b>EBITDA adjusted After Lease (EBITDA-AL)</b>	<b>2,123</b>	<b>2,211</b>	<b>(88)</b>	<b>(4.0)</b>

### ADJUSTED NET FINANCIAL DEBT AFTER LEASE TIM S.p.A.

(million euros)	12.31.2023	12.31.2022	Change
<b>Adjusted Net Financial Debt</b>	<b>21,149</b>	<b>21,709</b>	<b>(560)</b>
Leases	(3,103)	(3,006)	(97)
<b>Adjusted Net Financial Debt - After Lease</b>	<b>18,046</b>	<b>18,703</b>	<b>(657)</b>

### EQUITY FREE CASH FLOW AFTER LEASE TIM S.p.A.

(million euros)	2023	2022	Change
<b>EQUITY FREE CASH FLOW</b>	<b>1,064</b>	<b>(262)</b>	<b>1,326</b>
Change in lease contracts (principal share)	(375)	(381)	6
<b>EQUITY FREE CASH FLOW AFTER LEASE</b>	<b>689</b>	<b>(643)</b>	<b>1,332</b>

# BUSINESS OUTLOOK FOR THE YEAR 2024

Please refer to the press release on the 2024-2026 Strategic Plan, issued on March 6, 2024.

## EVENTS AFTER DECEMBER 31, 2023

**TIM: received an offer from the Ministry of Economy and Finance for the purchase of Sparkle**

See the press releases issued on January 31 and February 7, 2024.

**TIM: clarifications on the Milan Public Prosecutor's office confiscation**

See the press release issued on February 28, 2024.



*The Executive responsible for preparing the corporate financial reports, Adrian Calaza Noia, hereby declares, pursuant to subsection 2, Art. 154 bis of Italy's Consolidated Law on Finance, that the accounting information contained herein corresponds to the company's documentation, accounting books and records.*