Q2 '23 RESULTS

03 AUGUST 2023

TIM

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 Q2 ‘23 and H1 ‘23 financial and operating data have been extracted or derived, with the exception of some data, from the Half-year Condensed Consolidated Financial Statements at 30 June 2023 of the TIM Group, which has been prepared in **accordance with International Financial Reporting Standards** issued by the International Accounting Standards Board and endorsed by the EU (designated as “IFRS”).

The **accounting policies and consolidation principles** adopted in the preparation of the financial results for Q2 ‘23 and H1 ‘23 of the TIM Group are the same as those adopted in the TIM Group Annual Audited Consolidated Financial Statements as of 31 December 2022, to which reference can be made, except for the amendments to the standards issued by IASB and adopted starting from 1 January 2023.

Please note that the **limited review by the external auditors** (E&Y) on the TIM Group Half-year Condensed Consolidated Financial Statements at 30 June 2023 has not yet been completed.

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 Closing remarks

Q2 '23 Highlights

1

Group results
fully in line with FY guidance

H1 service revenues and EBITDA fully support FY targets

2

Domestic
delivering steady improvement

Revenues back to growth, EBITDA stabilized

3

TIM Entities
delivering results

- TIM Consumer
- TIM Enterprise
- NetCo
- TIM Brasil

4

Transformation Plan
execution fully on track

~€ 0.2bn additional OPEX savings achieved in Q2, ~50% of target for '23 reached (1)

5

Delayering plan
ongoing

Binding offer by Sep. 30th, activities in line with timeline

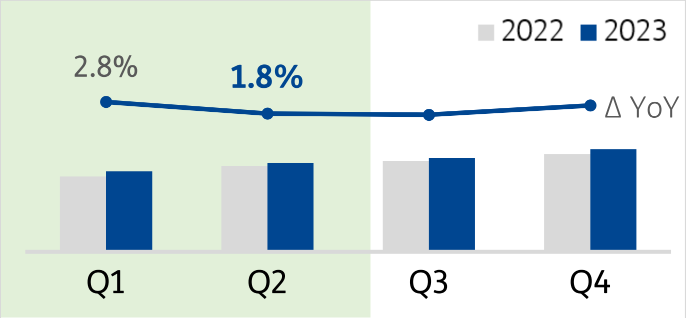
(1) € 0.8bn incremental target for FY '23 (including OPEX savings and cash costs / CAPEX extra-savings)

Group results fully in line with FY guidance

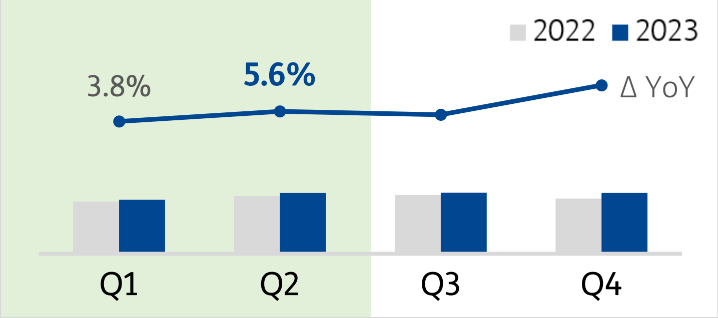
Organic data [1]

	Delivered		In progress	
Domestic ★	Q1	Q2	Q3	Q4
Activation fees drag	- -	- -	-	
Selective repricing		+	+	++
CB stabilization		+	+	
'23 wholesale tariffs		++	+	
Energy-Labour comps			+	+++
Brazil - Oi integration	+++	+		

Service revenues +2.3% YoY in H1,
in line with FY target (LSD growth) [2]



EBITDA +4.7% YoY in H1,
in line with FY target (MSD growth) [2]



Highlights

Delivered on Q2 positive drivers, that will support further improvement in H2

H1 service revenues and EBITDA fully support FY targets

(1) Excluding exchange rate fluctuations, non-recurring items and change in consolidation. Group figures @ average exchange-rate 5.48 R$/€
(2) LSD = Low-Single Digit MSD = Mid-Single Digit

★ See next slide

Domestic delivering steady improvement, paving the way to growth

Organic data [1], YoY trend

	Q2 '22	Q3	Q4	Q1 '23	Q2	Q2 trend YoY
Revenues	-7.4%	-5.3%	-1.6%	-0.2%	**0.6%**	+8.0pp YoY ↑ +0.8pp QoQ ↑
Service Revenues	-4.8%	-3.5%	-1.5%	-2.4%	**-0.9%**	+3.9pp YoY ↑ +1.5pp QoQ ↑
EBITDA	-16.3%	-16.2%	-4.2%	-2.8%	**0.5%**	+16.8pp YoY ↑ +3.3pp QoQ ↑
EBITDA After Lease	-18.0%	-18.0%	-5.2%	-3.5%	**0.1%**	+18.1pp YoY ↑ +3.6pp QoQ ↑

H1	H2	FY guidance
-1.7% YoY	★ **Positive domestic drivers**	broadly stable
-1.1% YoY		flat to LSD growth [2]

Positive Domestic drivers in H2 supporting FY guidance achievement

Q2 highlights

Revenues back to growth after 20 quarters

Service Revenues on track towards stabilization, FSR already stabilized (+0.2% YoY)

EBITDA stabilized after 21 quarters, back to positive territory earlier than planned

(1) Excluding exchange rate fluctuations, non-recurring items and change in consolidation area
(2) LSD = Low-Single Digit

TIM Entities delivering results (1/4)

TIM Consumer (CO+SMB)

Revenues	Services
-5.6% YoY	-4.9% YoY

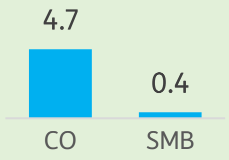
Repositioning ongoing

Q2 achievements

- **Strong recovery on mobile KPIs**: line losses reduced to 1/4 vs. Q1 thanks to higher gross adds and significantly lower deactivations
- **Fixed line balance improved YoY**, lower gross adds vs. Q1 partly compensated by lower churn thanks to market cooling down
- **FTTH market share leadership**, >1m FTTH lines in Q2
- **Bad debt**: cost of credit significantly reduced vs. main peers
- **"Customer as a platform" strategy**: building a portfolio of "beyond-core" services to increase CB stickiness and generate new revenue streams

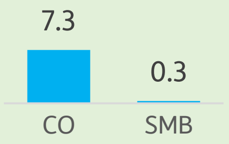
- **~€ 70m from '23 selective price ups** announced so far, ARPU stable/increased, churn contained

Fixed repricing
m clients



~€ 40m in 2023

Mobile repricing
m clients

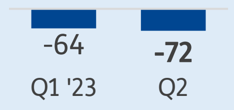


~€ 30m in 2023

Main KPIs

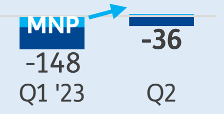
Fixed net adds
k lines

+18 YoY



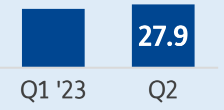
Mobile net adds
k lines, human

+146 YoY



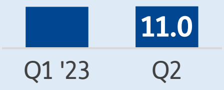
Fixed ARPU – CO
net of activation fees
€/month

+4.8% YoY

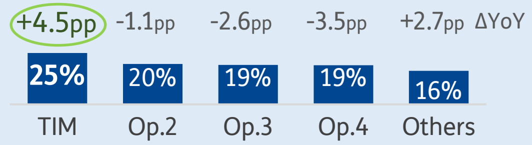


Mobile ARPU – CO
human calling, net of MTR
€/month

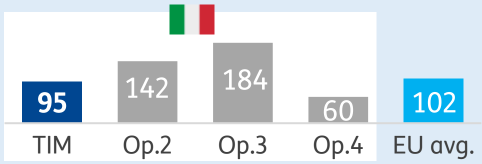
flat YoY



FTTH market share (1)



Cost of credit, TLC operators (2)
2022, bps



(1) Source: "*Communication markets monitoring system N. 2/2023*" Agcom - data as of Mar. '23 (2) Source: Corporate publications

TIM Entities delivering results (2/4)

TIM Enterprise

Revenues	Services
+1.1% YoY	+2.3% YoY

Q2 achievements

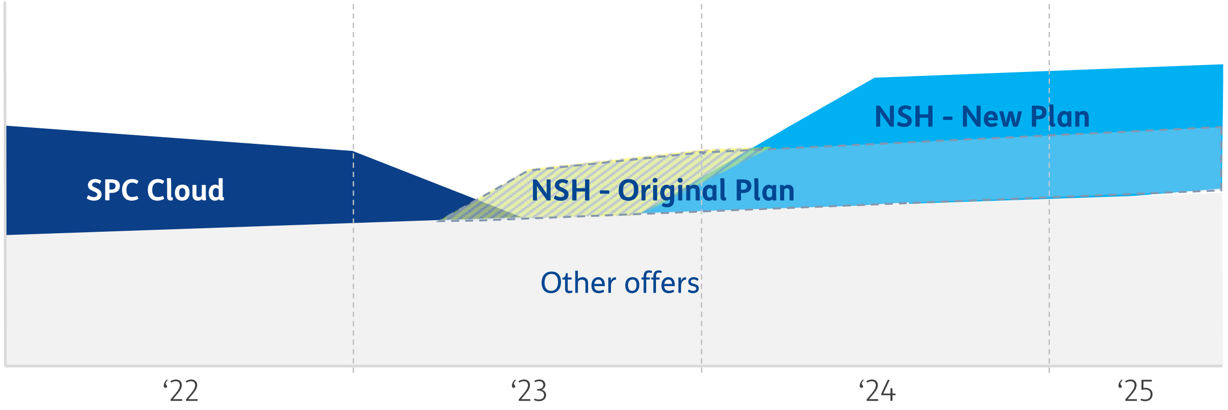
- **Positive revenue growth**, lower pace vs. Q1 mainly due to contraction of connectivity volumes (fixed voice). LTM(1) Service revenues +7.3% YoY
- **Strong pipeline**: ~€ 0.15bn from contracts signed in Q2 (1/2 of which attributable to year 1) and ~€ 1bn from ongoing negotiations including pipeline from NSH(2), beyond expectations
- **~3 years average duration** of contracts

Main KPIs

H1 '23 Service Revenues

	Δ YoY	Revenue mix weight	Revenue mix Δ YoY
Connectivity	-6%	42%	-3.8pp
Cloud	+13%	30%	+2.7pp
IoT	-4%	2%	-0.1pp
Security	+5%	3%	+0.1pp
Other IT	+8%	23%	+1.1pp

Cloud revenue dynamics



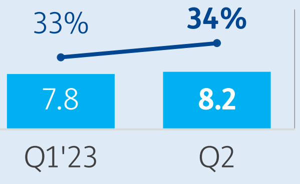
Revenues from NSH in '23-'25

~€ 0.2bn Original Plan ❯ **€ 0.3-0.4bn** New Plan

(1) Last twelve months **(2)** National Strategic Hub

TIM Entities delivering results (3/4)

	Revenues	Services	Q2 achievements	Main KPIs
NetCo	**+7.8%** YoY	**+2.2%** YoY	▪ **Positive revenues trend** thanks to new regulated prices for '23 and improved technology mix (from copper to fiber) ▪ **FTTH roll-out** in line with plan, targeting 48% coverage by '25 ▪ Continued growth of **high value connectivity CB** (+16% YoY) (1) ▪ **Sparkle**: strong Q2 performance with positive revenue and EBITDA growth YoY. Sparkle recognized as "Best Data/Capacity Provider" for the 2nd year in a row (2)	**79%** market share **~15.8m** fixed accesses(3), o/w >70% FTTx **~95%** FTTx coverage on active lines o/w **~61%** >100Mbps **FTTH coverage** million technical units



NRRP update

Italia 1 Giga	5G Backhauling	5G Coverage
~95k households connected ~50% of H1 target delivered	**~1.0k sites connected** (0.4k passed) 95% of H1 target delivered	**46 covered areas** 63% of H1 target delivered
▪ **Walk-in plan completed**, net target adjusted (~54% non-existent civic buildings on tot.) ▪ **Tender values confirmed** ▪ **Main issues**: time required for start-up phase and structural lack of specialized workforce in Sardinia (~25% of plan's target) ▪ **Delay expected to be recovered** in coming quarters	▪ **Execution substantially on track**, acceleration expected in coming months ▪ **Inspection activities substantially completed** (>11k sites of which 550 already certified as non-existent/not applicable), net target adjusted accordingly	▪ **Main issue**: delays on permits by municipalities related to ~50% of areas notwithstanding 95 permits presented out of 73 areas in 1st milestone ▪ **Delay expected to be recovered** almost entirely by Sep. '23

(1) Gea, Giganet, Gigawave, FTTO services **(2)** Recognition awarded at the "Carrier Community Global Awards 2023" **(3)** Including FiberCop accesses

TIM Entities delivering results (4/4)

TIM Brasil

Revenues	Services
+9.2% YoY	**+9.5%** YoY o/w Mobile +9.7% o/w Fixed +6.2%

EBITDA(1)	CAPEX
+17.3% YoY	**-11.9%** YoY

EBITDA - CAPEX

33.7% on revenues
+6.9pp YoY

Q2 achievements

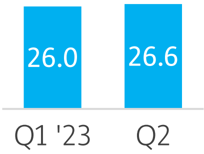
- **Over-delivering on growth targets** thanks to mobile performance and higher than expected synergies from Oi integration
- **EBITDA AL margin** growing 3.6pp YoY
- **Improved value proposition and customer experience**:
  - best offer with **innovation as a core differentiator**
  - best service with outstanding results in CEX metrics (2)
  - **best quality on Brazil's largest mobile network** (3)
- **Robust cash generation** leading to a solid financial position
- **ESG at the core** of the business:
  - Bringing connectivity to all, also in rural areas (90k properties covered, 221 schools, 65 basic health units)
  - Great Place to Work for the 2nd year in a row, only telco recognized by the Human Rights Campaign Foundation for ensuring diversity & inclusion

Main KPIs

Mobile

Postpaid CB
m lines

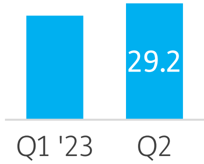
+518k net adds



Postpaid churn
the lowest of last 3 years

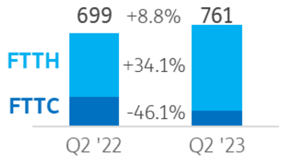
ARPU
R$/month

+13.1% YoY



ARPU
the highest ever both in prepaid and postpaid

Fixed
TIM UltraFibra CB
k lines



(1) Net non-recurring items (2) PROCON-SP, Reclame Aqui and Anatel (3) "Best mobile network quality" award by Open Signal (Jul. '23) and with 2x more 5G sites than competitors

Transformation plan - ~€ 0.2bn additional savings achieved in Q2

4

	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 Q2 '23

€ 0.14bn OPEX savings

€ 0.05bn cash cost /CAPEX extra savings

50% of incremental FY target reached

Q2 update

Decommissioning

- ✓ **Launch of accelerated plans** targeting:
  - **Copper legacy technologies**
    - Complete shutdown of **6.7k exchanges (64% of tot.)** by '28 [3]
    - **450 GWh/year** energy consumption reduction at steady state
  - **Public payphones**
    - Complete shut down of **15k public phone booths** anticipated to '23 from '26

Energy

- ✓ **Secured ~10% of energy consumption saving** through efficiencies (160 GWh/year in FY)
- ✓ Signed **9-year PPA**[4] **extension** for additional ~200 GWh/year supply of green energy
- ✓ **Hedged ~40% of '24 needs** through PPA, purchase on the market and increased self-production

Real Estate

- ✓ **New maintenance contract** yielding 25% savings vs. initial plan
- ✓ **Closure of office premises** (200k sqm by '23) by leveraging *work from home*
- ✓ **Tax benefit** from optimization of buildings' cadastral destination (>1.5k requests by '23)

(1) Cumulated savings vs. inertial plan **(2)** On 2021 restated cost baseline (€ 4.8bn) **(3)** Acceleration dependent on regulatory approval of TIM's proposed review of current decommissioning guidelines **(4)** Power Purchase Agreement

Delayering Plan - Execution ongoing, commitment to a successful outcome

NetCo process expected timeline

Exclusivity to KKR granted — Jun. 22nd

Deadline for **binding offer** submittal — Sep. 30th

- TSA negotiation
- MSA negotiation
- Due Diligence
- Rating assessment/evaluation (RES/RAS)
- Audit of NetCo/ServiceCo pro-forma financial statements
- Indipendent Business Plans Review

Corporate & regulatory approvals (~9-12 months)

ServiceCo a sustainable business

TIM Brasil	**Next generation TelCo with best-in-class profitability** ✓ broadest mobile coverage in Brazil ✓ improved scale and revenue opportunities from Oi integration	**~43%** of ServiceCo EBITDA AL (1)	
TIM Enterprise	**Further growth ahead** ✓ sole network infrastructure ICT player in Italy ✓ integrated e2e ICT offering	**~24%** of ServiceCo EBITDA AL (1)	
TIM Consumer	**A turnaround story** ✓ #1 fixed and mobile player ✓ top-brand, best-in-class technologies & know-how	**~33%** of ServiceCo EBITDA AL (1)	

Improved cash generation higher EBITDA, lower CAPEX

Post NetCo target leverage 1.5-2.0x (2)

(1) 2023-'25 EBITDA AL average weight on ServiceCo 2023-'25 EBITDA AL **(2)** FY '23 pro-forma Net Debt AL / Organic EBITDA AL

#1 Operations update

#2 Financial and operating results

#3 Closing remarks

Key financials

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

	Q2 '23	YoY trend	vs. Q1 '23	vs. Q2 '22
Revenues	**3,999**	**+2.8%**	-1.5pp ↓	+4.1pp ↑
o/w Domestic	2,924	+0.6%	+0.8pp ↑	+8.0pp ↑
Service Revenues	**3,687**	**+1.8%**	-1.0pp ↓	+0.7pp ↑
o/w Domestic	2,644	-0.9%	+1.5pp ↑	+3.9pp ↑
EBITDA	**1,641**	**+5.6%**	+1.8pp ↑	+14.1pp ↑
o/w Domestic	1,107	+0.5%	+3.4pp ↑	+16.9pp ↑
EBITDA AL	**1,368**	**+5.5%**	+5.0pp ↑	+17.8pp ↑
CAPEX [(2)]	**892**	**-0.7%**		
o/w Domestic	719	+2.4%		
EFCF AL	**-236**	-129		
Net Debt AL [(3)]	**20,815** (+360 in Q2)			

Q2 highlights

Steady growth at Group level both on revenues and EBITDA

Group revenues and service revenues growth lower vs. Q1 due to lapping of Oi integration (May '22)

Group EBITDA margin up 1.0 pp YoY

Domestic revenues back to growth, EBITDA stabilized with improved trend vs. Q1 despite slightly higher activation fees drag

Domestic CAPEX up slightly YoY in Q2

Lower CAPEX in Brazil YoY (Q2 '22 CAPEX higher for Oi integration)

EFCF AL negative mainly for working capital, higher financial expenses YoY and FX

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 5.48 R$/€
(2) Net of licences (3) Adjusted Net Debt

OPEX - Slight increase YoY mainly attributable to higher COGs

Domestic OPEX
Organic data, IFRS 16, € m

	Q2 '23	YoY trend	Weight on OPEX trend
TOT. OPEX	**1,817**	**+12 (+0.6%)**	
(cash view)		-4 (-0.2%)	
Interconnection	246	-6%	-0.8pp ↓
Equipment	151	-20%	-2.1pp ↓
Other CoGS	292	+30%	+3.7pp ↑
Commercial	302	+2%	+0.3pp ↑
Industrial	293	+13%	+1.8pp ↑
G&A and IT	108	-2%	-0.1pp ↑
Labour (1)	438	-1%	-0.3pp ↓
Other (2)	-14	n.m.	-1.8pp ↓

- **Variable costs** +2% YoY in Q2, with Other CoGS increase related to ICT revenue growth (+8% YoY) and different OPEX/CAPEX mix driven by opportunities on specific deals in Enterprise, not offsetting lower interconnection (rationalization of low-margin international voice revenues) and equipment sold
- **Commercial costs** +2% YoY mainly driven by higher Commissioning (due to reversal of deferred costs in previous years, reducing YoY on a cash view), IDC management and Content & Vas (related to higher multimedia revenues). Bad debt reduced 12% YoY
- **Industrial costs** +13% YoY, with more than ½ of the increase related to higher energy costs (+19m for lower fiscal benefits YoY)(3) but lower than internal projections; the remaining attributable to higher network and industrial space costs
- **G&A and IT** -2% YoY with lower G&A offsetting higher IT costs
- **Labour** -1% YoY driven by solidarity and lower FTEs

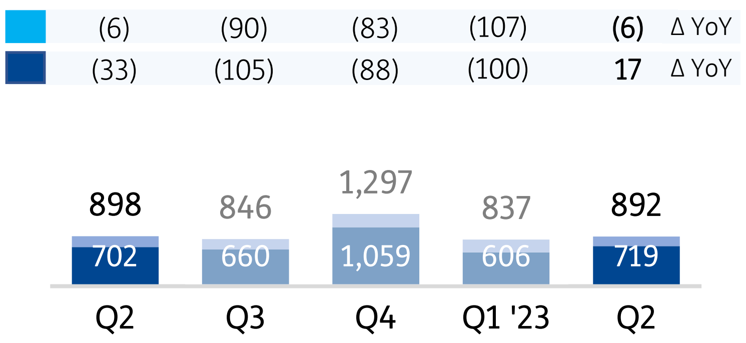
(1) Net of capitalized costs (transport charges) in Q2 '22 **(2)** Includes other costs/provision and other income **(3)** 10% tax credit in Q2 '23 (vs. 15% in previous year), no system charges

Domestic CAPEX up YoY but lower vs. internal projections. **Net Debt** increase due to negative EqFCF

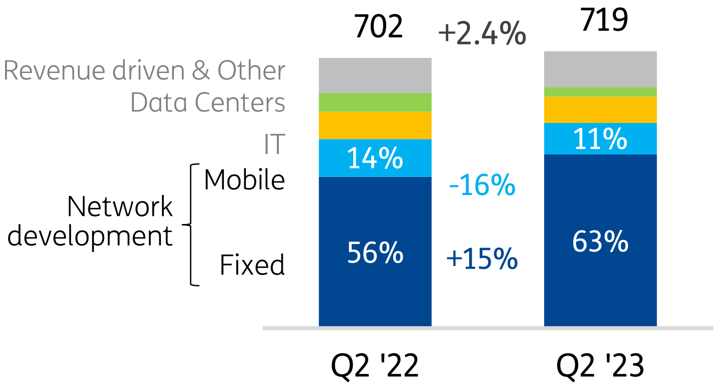
Organic figures[1], IFRS 16 and After Lease, €m

Group *Domestic* *Brazil*

CAPEX
net of licenses

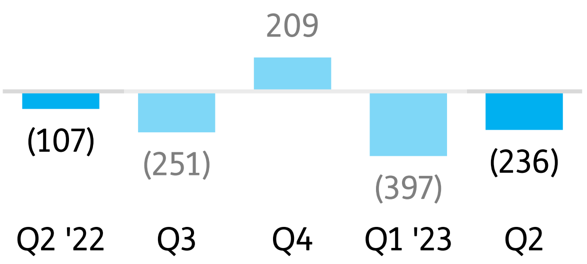


Domestic CAPEX breakdown



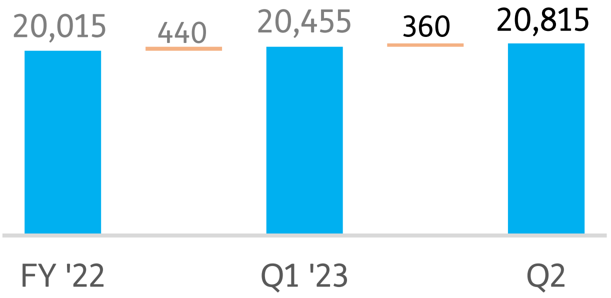
EFCF
After Lease

EFCF AL negative mainly for working capital, higher financial expenses YoY and FX



Adjusted Net Debt
After Lease

Q2 better than internal projections.
Lower Net Debt targeted in FY



(1) Group CAPEX net of exchange rate fluctuations (average exchange-rate 5.48 R$/€); comparable base for Q2 '22

Refinancing activity - Strong execution in tough market conditions

Refinancing initiatives
successfully executed in unprecedented market conditions

€ 3.3bn raised since the beginning of the year
Refinancing activities for '23 completed, already proactively managing '24 maturities

→ **Overall volume** in line with internal expectation

→ **Average blended cost** below budget (6.9%)

Bond issuance
5y unsecured fixed-rate, 6.875% yield
Jan. '23
€0.85bn

Tap issuance
6.69% yield
Apr.
€0.4bn

EIB financing
for 5G development
May
€0.3bn

1 **Bond issuance**
5y unsecured fixed-rate, 7.875% yield
Jul.
€0.75bn

2 **Brazilian Debenture issuance**
R$ 5bn non-convertible bond
€0.95bn

1

Proactive management of upcoming debt maturities

Completed partial repurchase offers on '24 Euro bonds

€ 0.75bn 3.625% due Jan. 19th → **€0.3bn** repurchased

€ 1.25bn 4.0% due Apr. 11th → **€0.3bn** repurchased

2

Attractive cost of CDI + 2.30% in R$,
equivalent to a theoretical ~6.50% in € (1)

Access a source of funding to refinance TIM expiring debt **at a better cost, without impacting borrowing capacity** of TIM on its reference market

Structure a natural partial Net Investment Hedge of TIM's assets in Brazil **taking advantage of a good FX level**

(1) Cost of swap on July 28th

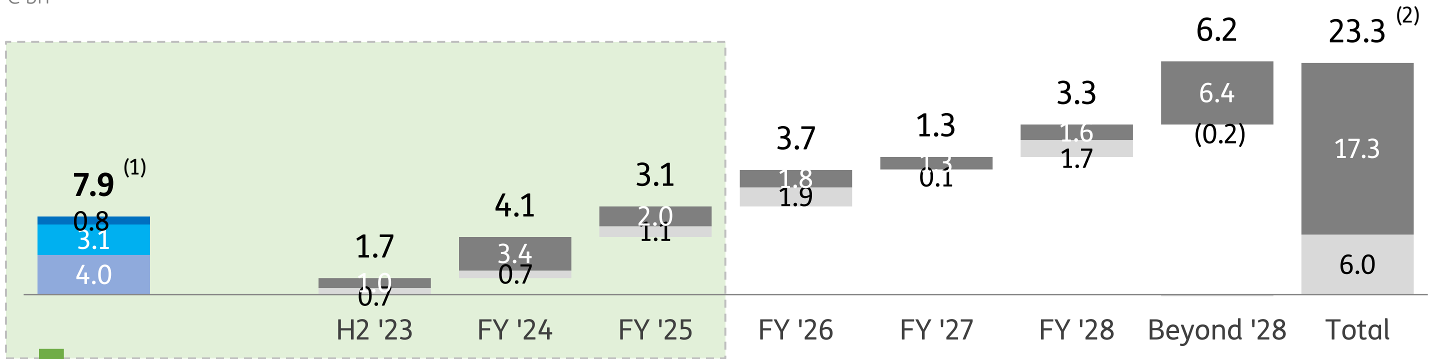
Liquidity margin - Strengthened by successful refinancing initiatives

After Lease view

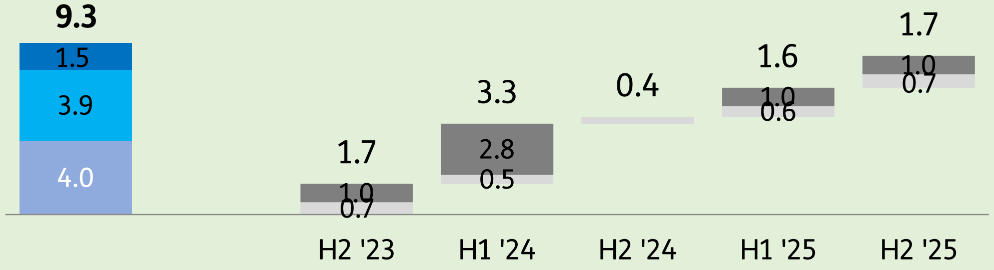
Liquidity covering debt maturities until '24 (until '25 on a pro-forma view as of 31 Jul. '23)

Liquidity margin | **Debt maturities** (M/L term)

€ bn



Pro-forma @ 31 Jul. '23 *



* *Liquidity margin and maturities as of 30 Jun. '23 adjusted with bond issued on 20 Jul. '23 (€ 750m due '28), bonds buyback due Jan. '24 and Apr. '24 (€ 600m), EIB loan (€ 360m due '27) and Brazilian debenture (R$ 5bn/€ 950m, amortizing between '24 and '28)*

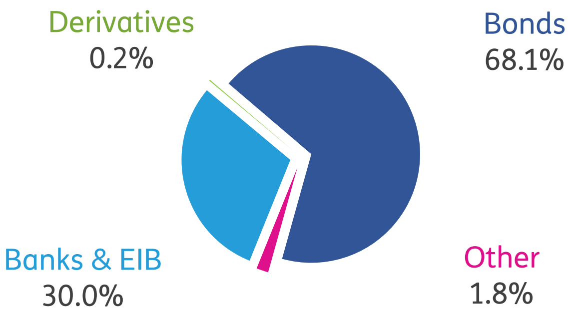
Repurchase agreements | *Undrawn portions of committed bank lines* | *Cash & cash equivalent* | *Bonds* | *Loans*

Cost of debt ~4.4% AL view
+0.1pp QoQ and +0.9pp YoY

~66% M/L term debt at fixed rate

Avg. M-L term maturity
5.3y (bonds 6.2y)

Gross debt



~29% of outstanding bonds (nominal amount) denominated in USD and GBP and fully hedged

(1) Includes € 801m repurchase agreements (nominal amount) due in the following 12 months (2) € 23,342m is the nominal amount of outstanding medium-long term debt. By adding the balance of IAS adjustments and reverse fair value valuations (€ 1,145m) and current financial liabilities (€ 1,261m), gross debt figure of € 25,748m is reconciled with reported number

#1 Operations update

#2 Financial and operating results

#3 Closing remarks

Closing remarks

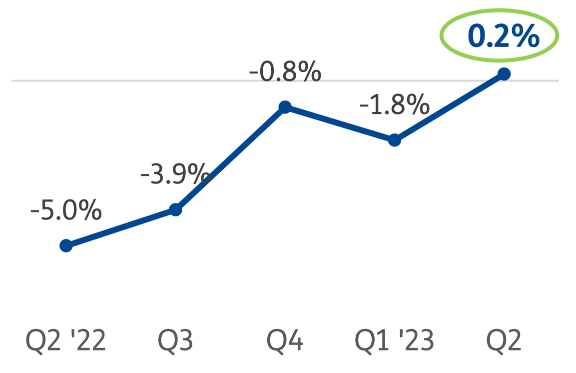
- **Domestic stabilized and expected to improve further** in coming quarters on the back of positive drivers
- **Transformation Plan execution on track** with FY target
- **Refinancing activities successfully implemented** notwithstanding tough market conditions
- **Delayering plan ongoing**:
  - ➢ **Update on Netco process** by September, activities in line with timeline
  - ➢ **2023e ServiceCo EBITDA AL € >3bn, EBITDA AL-CAPEX € >1bn. L-T sustainability after NetCo transaction** ensured by improved cash generation and strong deleverage trajectory
- **FY guidance reiterated**, H1 results fully in line
- **Equity FCF** to be flat in H2 and positive considering the partial anticipation of the NRRP funds

Q&A

Annex

Fixed - Service revenues stabilized, higher ARPU, churn reduced

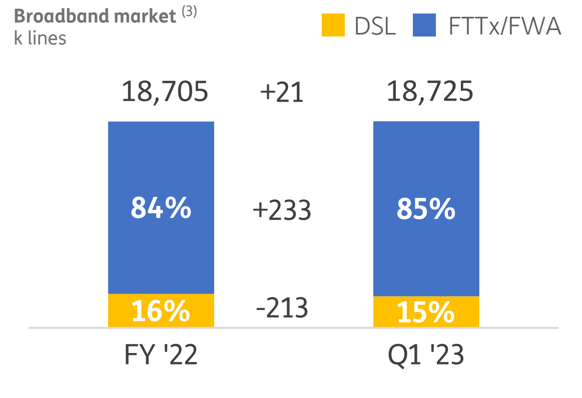
Fixed Service Revenues
Organic figures, YoY trend



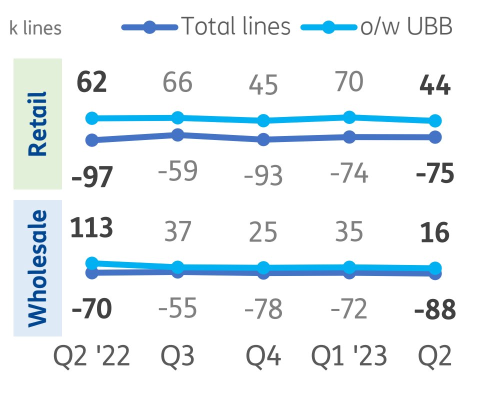
Organic figures

		YoY trend	vs. Q1 '23	Highlights
Fixed revenues	**2,251**	**+3.9%**	**+2.2pp ↑**	
Equipment	192	+70.2%	+5.7pp ↑	~2/3 of growth YoY from wholesale deal with OF
Services	**2,059**	**+0.2%**	**+2.1pp ↑**	activation fees drag (-2.7pp YoY)
o/w retail [1]	1,285	-2.8%	+0.3pp ↑	lower CB, higher ARPU
o/w Nat. wholesale [2]	517	+5.1%	+4.1pp ↑	change in regulated prices (+1.4pp YoY on FSR)
o/w Int. wholesale	248	+3.3%	+5.9pp ↑	higher data connectivity

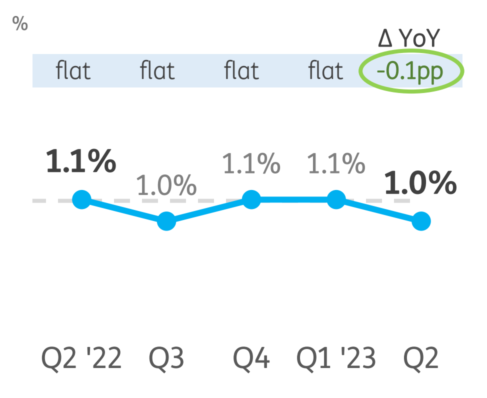
Market back to growth due to migration towards UBB



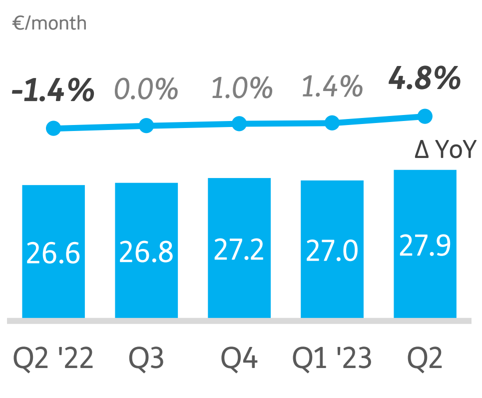
Net adds UBB at a lower pace



Churn down both YoY and QoQ



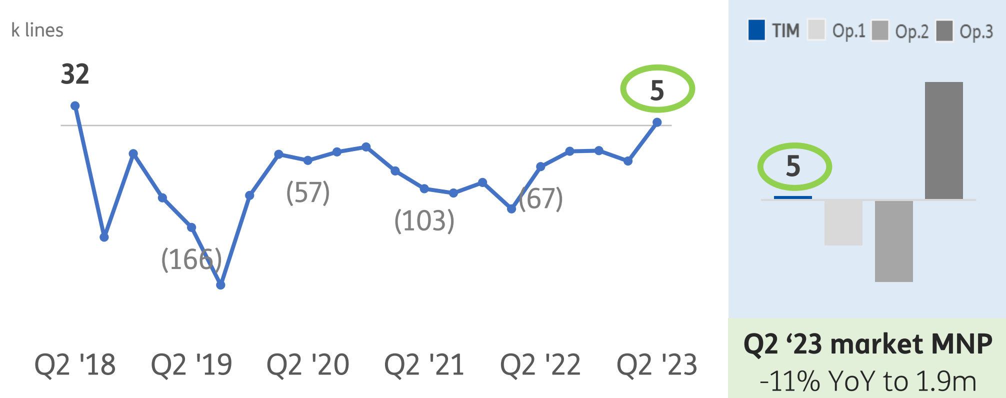
ARPU Consumer net of activation fees discontinuity



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

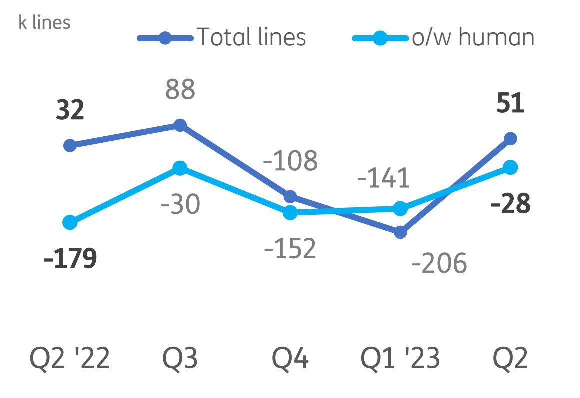
Mobile - MNPs back to positive, better net adds trend, lower churn, stable ARPU. Service revenues still affected by MTR reduction and lower CB YoY

TIM back to positive MNPs after 5 years

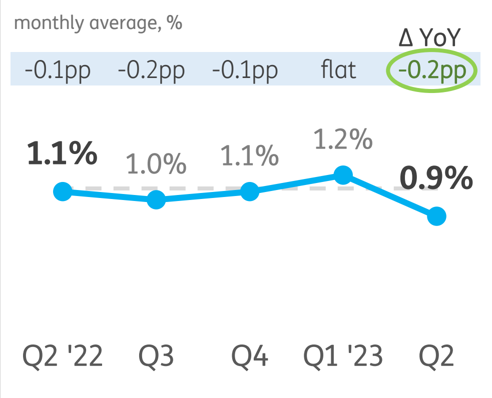


Q2 '23 market MNP
-11% YoY to 1.9m

Net adds trend improved



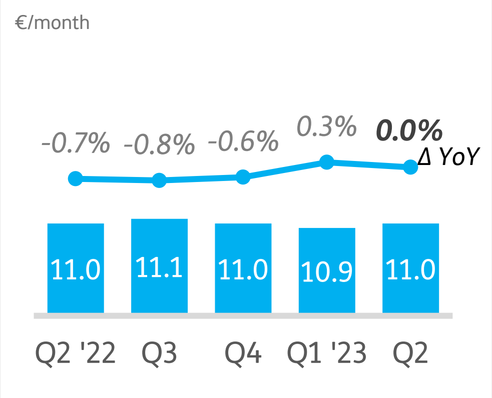
Churn lower YoY



Organic figures

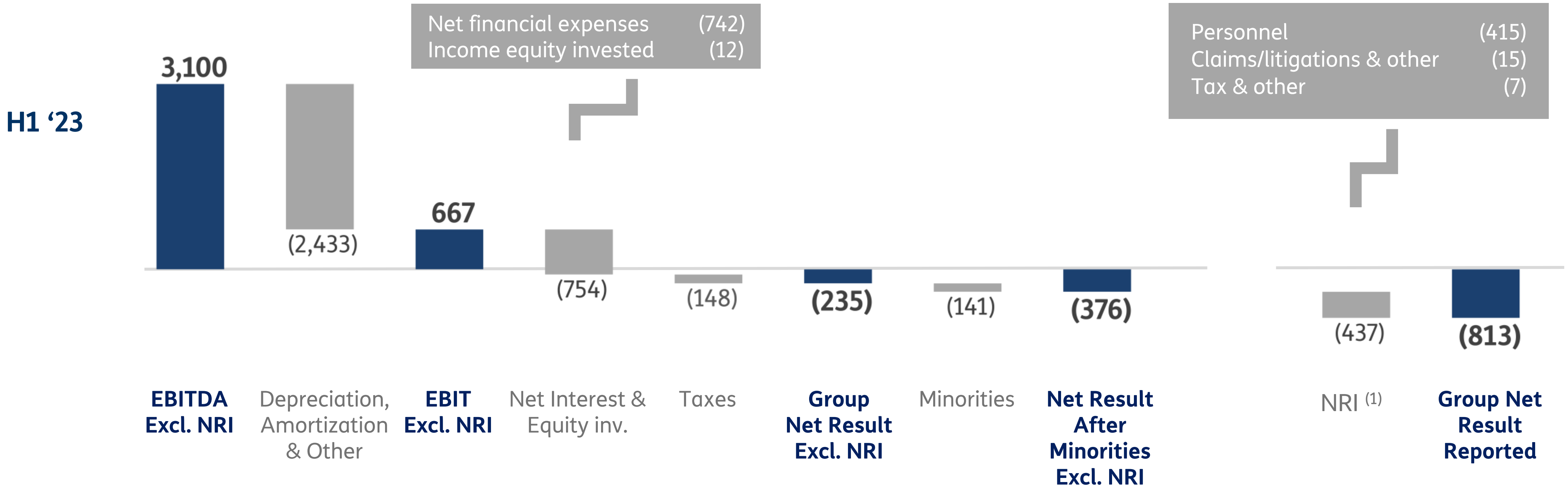
		YoY trend	vs. Q1 '23	Highlights
Mobile revenues	**807**	**-7.7%**	**-2.6pp** ↓	
Equipment	88	-28.7%	-16 pp ↓	mainly lower consumer volumes sold
Services	**719**	**-4.2%**	**-0.5pp** ↓	affected by MTR price reduction (-1.2pp YoY)
o/w retail	615	-4.4%	+0.4pp ↑	lower CB YoY (better trend vs. Q1), lower ARPU on B2B
o/w wholesale & other	104	-3.5%	-7.1pp ↓	

ARPU Consumer - Human Calling net of MTR discontinuity



P&L - From EBITDA to Net Income

Reported data, €m



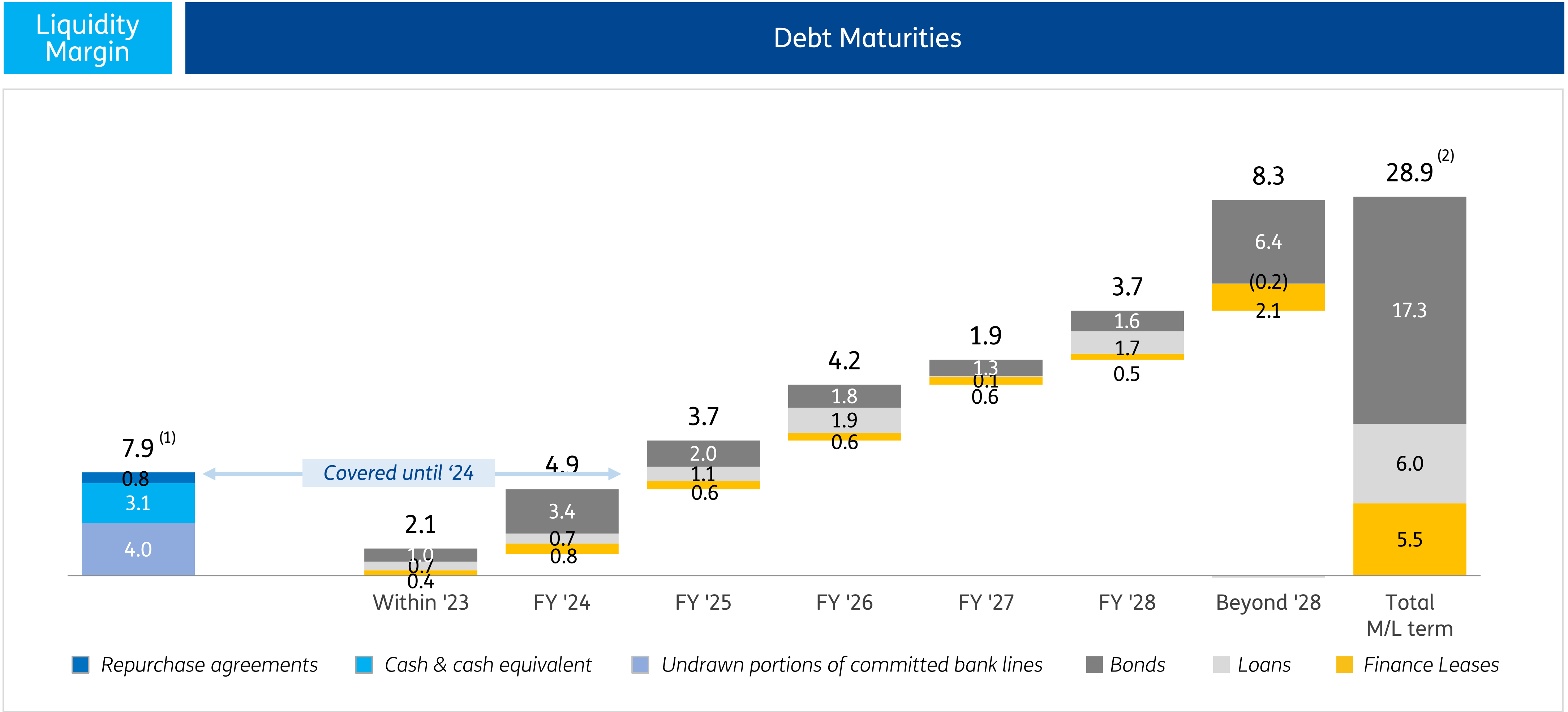
	EBITDA Excl. NRI	Depreciation, Amortization & Other	EBIT Excl. NRI	Net Interest & Equity inv.	Taxes	Group Net Result Excl. NRI	Minorities	Net Result After Minorities Excl. NRI	NRI (1)	Group Net Result Reported
H1 '22	**2,950**	(2,261)	**689**	(652)	(108)	**(71)**	(125)	**(196)**	(287)	**(483)**
Δ YoY	+150	(172)	(22)	(102)	(40)	(164)	(16)	(180)	(150)	(330)

(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 ~4.9%*, +0.1pp QoQ and +0.9pp YoY

** Including cost of all leases*



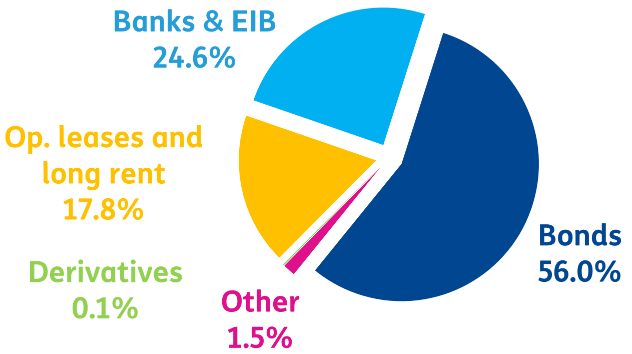
(1) Includes € 801m repurchase agreements (nominal amount) due in the following 12 months **(2)** € 28,858m is the nominal amount of outstanding medium-long term debt. By adding the balance of IAS adjustments and reverse fair value valuations (€ 1,212m) and current financial liabilities (€ 1,261m), gross debt figure of € 31,331m is reconciled with reported number

Gross Debt - IFRS 16 view

Well diversified and hedged debt

	NFP adjusted	Fair value	NFP accounting
GROSS DEBT			
Bonds	17,531	158	17,689
Banks & EIB	7,715	-	7,715
Derivatives	44	397	441
Leases and long rent	5,583	-	5,583
Other (1)	458	-	458
TOTAL	**31,331**	**555**	**31,886**
FINANCIAL ASSETS			
Liquidity position	3,863	-	3,863
Other	1,305	508	1,813
o/w derivatives	*989*	*508*	*1,497*
o/w active leases	*235*	*-*	*235*
o/w other credit	*81*	*-*	*81*
TOTAL	**5,168**	**508**	**5,676**
NET FINANCIAL DEBT	**26,163**	**47**	**26,210**

Gross Debt



Average m/l term maturity:
6.9 years (bonds 6.2 years)

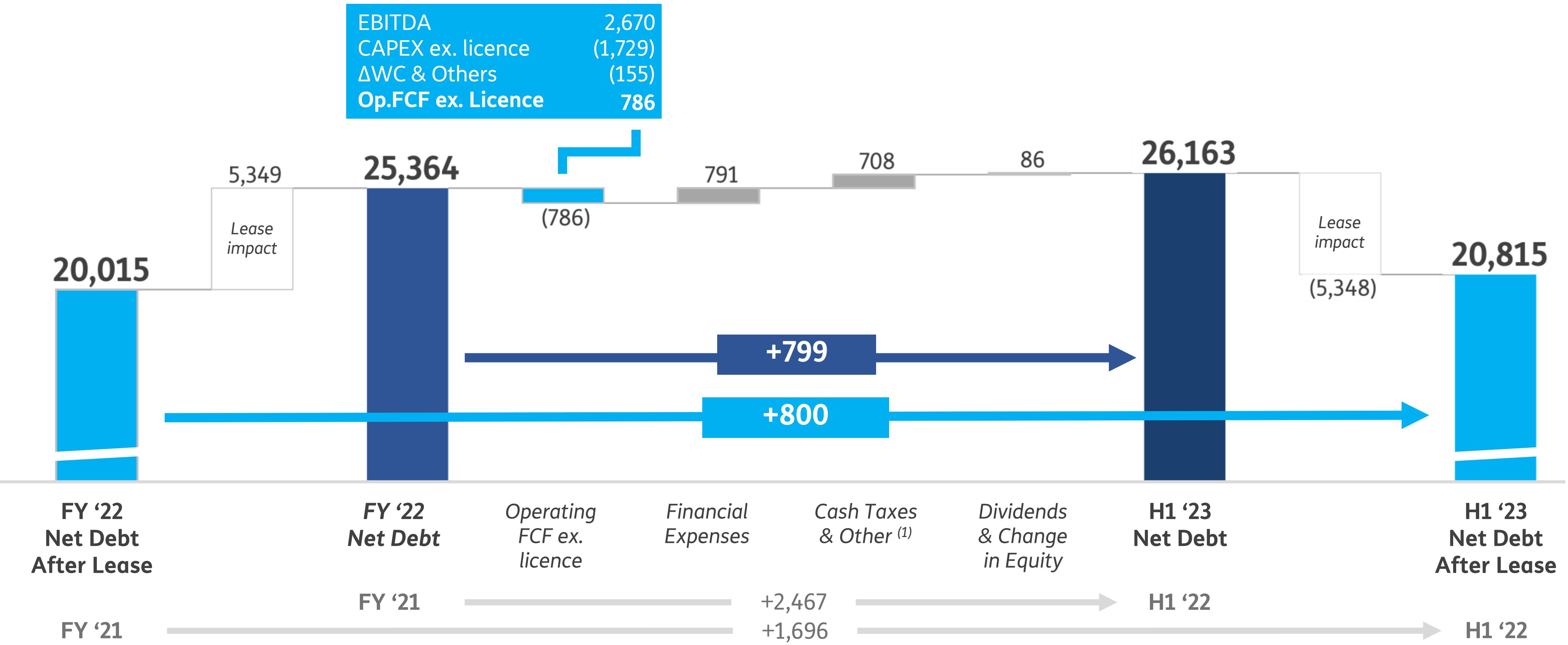
Fixed rate portion on M/L term debt **~73%**

~29% of outstanding bonds (nominal amount) denominated in **USD and GBP and fully hedged**

(1) Includes debts due to other lenders related to: Factor (€ 123m), Aflac (€ 127m), Brazil 5G (€ 182m) and other (€ 26m)

Net debt - Adjusted

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



17,573	4,614	**22,187**	(822)	660	2,599	30	**24,654**	(5,385)	**19,269**	2022
+2,442	+735	**+3,177**	+36	+131	(1,891)	+56	**+1,509**	+37	**+1,546**	Δ YoY

(1) **H1 '23:** financial investments +57m, licence +24m (5G Brazil), IFRS 16 +465m, cash taxes and other +162m. **H1 '22:** Oi acquisition +1,741m, other financial investments +30m, licences +469m (o/w 5G Brazil +412m), IFRS 16 +535m, cash taxes and other -176m

ESG - Q2 findings

E — Environment

- Started **decommissioning of ~15k public phone booths**
- Signed **PPA extension with ERG** for ~200 GWh/year green energy supply in 2023-‘31
- Incentivized the **regeneration and sustainable disposal of old modems** ("ADSL scrapping program“)
- **TIM and Fondazione Olivetti**: donation to FAI of an historical heritage in Ivrea to create a cultural and recreational center

S — Social

- Expanded **Sparkle’s network capacity** in Europe, Middle East and South America
- Signed **agreement with CNR** for joint research aimed at developing Urban Intelligence & Smart City services
- Launched **“TIM Growth Platform”** and **“TIM Cybersecurity Made in Italy Challenge”** for the scouting of companies and innovative solutions in the Cybersecurity sector
- Established **Steering Committee Gender Equality** to ensure the implementation of gender equality targets and projects
- **“Apprendo Training”**: >170 training courses for employees, planning phase completed

G — Governance

- Approved new **whistleblowing procedure**

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)

TIM Group

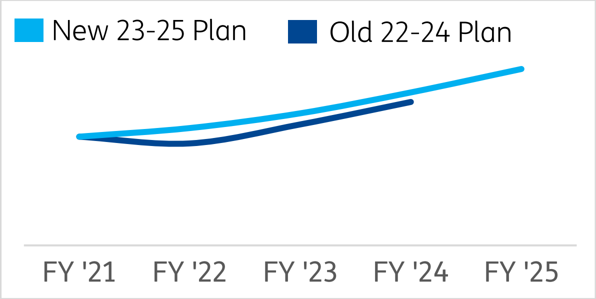
Guidance 2023-'25

Organic figures, IFRS 16 / After Lease, growth rates and €bn figures (1)

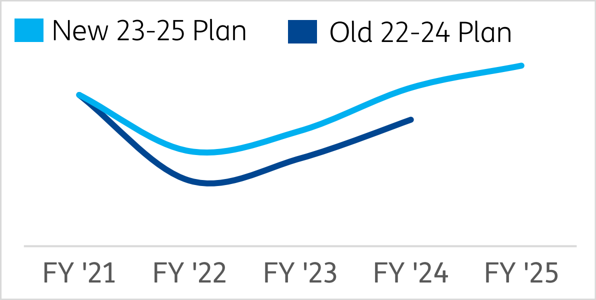
Over-delivery in 2022, positive acceleration also in '23-'25 despite worsening macro scenario

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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09 Nov
2023

Upcoming event

Q3 '23 Results

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