Press Release

TIM: THE BOARD OF DIRECTORS APPROVES THE RESULTS AT 31 MARCH 2024

Organic results:

RESULTS REPORTED FOR THE TIM GROUP, ALSO PROVIDING THE 'LIKE FOR LIKE' MANAGEMENT RESULTS OF SERVCO ON A POST NETWORK SEPARATION BASIS

TIM GROUP – RESULTS FOR THE FIRST QUARTER:

- **GROUP REVENUES AT €3.9 BLN (+1.2% YoY)**
- **GROUP SERVICE REVENUES AT €3.7 BLN (+3.2% YoY), GROWTH IN BOTH DOMESTIC AND BRAZIL**
- **GROUP EBITDA AT €1.5 BLN (+1.6% YoY), UP FOR THE SIXTH CONSECUTIVE QUARTER**
- **GROUP EBITDA AFTER LEASE AT €1.2 BLN (+3.0% YoY), UP FOR THE FIFTH CONSECUTIVE QUARTER**

SERVCO – LIKE-FOR-LIKE RESULTS[1] FOR THE FIRST QUARTER:

- **GROUP TOTAL REVENUES AT €3.5 BLN (+2.8% YoY); SERVICE REVENUES UP 3.4% YoY TO €3.3 BLN**
- **DOMESTIC TOTAL REVENUES AT €2.4 BLN (+0.5% YoY); SERVICE REVENUES UP 1.3% TO €2.2 BLN**
- **TIM CONSUMER SERVICE REVENUES +0.8% YoY TO €1.4 BLN AND TIM ENTERPRISE SERVICE REVENUES +4.3% YoY TO €0.7 BLN**
- **TIM BRASIL SERVICE REVENUES AT €1.1 BLN (+8.1% YoY)**
- **GROUP EBITDA UP 11.6% YoY TO €1 BLN (DOMESTIC +11.3% YoY, BRAZIL +11.8% YoY)**
- **GROUP EBITDA AFTER LEASE UP 16.6% YoY TO €0.8 BLN (DOMESTIC +11.4% YoY, BRAZIL +22.7% YoY)**
- **ALL GUIDANCE FOR 2024 CONFIRMED**

Rome, 29 May 2024

TIM's Board of Directors met today under the chairmanship of Alberta Figari and unanimously approved the additional interim financial report at 31 March 2024.

As announced at the Capital Market Day on 7 March, TIM continues the transformation process started in the previous two years and, through the upcoming sale of NetCo, is

[1] With reference to the results of ServCo – which includes TIM Consumer, TIM Enterprise, TIM Brasil, and Sparkle – the information is obtained by simulating the effects of the separation of NetCo as of January 1, 2022.

adopting a new business model that will allow the Group to compete more effectively on the market, thanks to a greater focus on industrial components and the reduction of financial debt.

TIM GROUP – RESULTS FOR THE FIRST QUARTER:

- **Total revenues** amounted to 3.9 billion euros, up 1.2% year-on-year (Domestic -1.3% to 2.8 billion euros, Brazil +8.1% to 1.1 billion euros);
- **Service revenues** amounted to 3.7 billion euros, with a significant contribution from Brazil (+8.1% to 1.1 billion euros) and from the domestic market, which recorded its second consecutive quarter of growth (+1.3% to 2.6 billion euros);
- **EBITDA** was up for the sixth consecutive quarter, amounting to 1.5 billion euros (+1.6% year-on-year), with the trend influenced by a decline in the domestic market (-3.4% compared to 2023 first quarter which benefited c. 60 million euros from the commercial deal with Open Fiber in white areas) and a good performance in Brazil (+11.8%);
- **EBITDA After Lease** grew for the fifth consecutive quarter, reaching 1.2 billion euros (+3.0% year-on-year at Group level; -4.6% in the domestic market, +22.7% in Brazil).

On a vertically integrated basis, the Group's Adjusted Net Financial Debt After Lease at 31 March 2024 amounted to 21.4 billion euros, with an increase of 1 billion euros compared to 31 December 2023. Debt was affected by some non-recurring effects, the main one being in particular those resulting from the preventive seizure order issued by the investigating judge of the Court of Milan on 28 February 2024, in the amount of 249 million euros, for which refund to the Company was ordered on 24 April 2024, after the closing of the first quarter. Net of the aforementioned non-recurring effects, the underlying trend in Group's debt, which was affected by higher financial and operational needs, payment of dividends by TIM Brazil and some seasonal dynamics, is in line with 2024 guidance.

SERVCO – LIKE-FOR-LIKE RESULTS FOR THE FIRST QUARTER:

In order to provide an indication on ServCo's business performance, below is presented operating and financial information which simulates the effects of the disposal of NetCo as of 1 January 2022. The information also considers the effects arising from the business relationship with NetCo, which will result from the Master Service Agreement (MSA) to be signed with NetCo and from the simultaneous reorganization of domestic activities in TIM Consumer and TIM Enterprise.

- **Total revenues** amounted to 3.5 billion euros, up 2.8% year-on-year (Domestic +0.5% to 2.4 billion euros, Brazil +8.1% to 1.1 billion euros); **service revenues** grew by 3.4% year-on-year to 3.3 billion euros (Domestic +1.3% to 2.2 billion euros, Brazil +8.1% to 1.1 billion euros);
- **EBITDA** grew strongly, increasing by 11.6% year-on-year to 1 billion euros (Domestic +11.3% to 0.5 billion euros, Brazil +11.8% to 0.5 billion euros);
- **EBITDA After Lease** grew strongly, increasing by 16.6% year-on-year to 0.8 billion euros (Domestic +11.4% to 0.4 billion euros, Brazil +22.7% to 0.4 billion euros);
- **TIM Consumer**[2] reported substantially stable total revenues at 1.5 billion euros and service revenues at 1.4 billion euros (+0.8% year-on-year). The trend was supported by factors including ARPU growth in the fixed segment and substantially stable ARPU in the mobile segment, also driven by the repricing activities carried out in the quarter, which involved a total of 3.5 million lines and will continue during the year;
- **TIM Enterprise**[2] recorded total revenues at 0.7 billion euros (+2.4% year-on-year) and service revenues at 0.7 billion euros (+4.3% year-on-year), thanks to the defensive strategy on the connectivity business and the growth in ICT revenues. In particular, the

[2] TIM Consumer and TIM Enterprise revenues and their growth percentages are shown net of revenues between the two areas.

strong performance continues in the Cloud (+17.5% year-on-year), IoT (+79% year-on-year) and Security (+79% year-on-year);

- TIM Brasil recorded revenues at 1.1 billion euros (+8.1% year-on-year) and at 0.5 billion euros (+11.8% year-on-year), continuing the growth trajectory of the last two years, which is also reflected in the EBITDA-CapEx trend, which saw a 18.6% rise year-on-year.

On the basis of the results as at 31 March 2024, TIM confirms all the guidance provided to the market for the current year.

The Board of Directors has also unanimously approved certain adjustments to TIM's Corporate Governance Principles, also considering the new composition of the Sustainability Committee (of which the CEO is also a member, confirming the Company's utmost commitment to ESG issues), as well as the recommendations on limits to the accumulation of offices formulated by the outgoing Board, in line with the most recent guidelines published by the proxy advisors. The updated version of the Corporate Governance Principles will be made available on the Company's website at www.gruppotim.it, in the Governance/Governance Tools section.

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INTRODUCTION

TIM voluntarily prepares and publishes periodic financial information for the first and third quarters of each financial year as part of the Company's policy to regular report its financial and operating performance to the market and investors in line with best market practices.

The presentation of this Financial Report at March 31, 2024 is unchanged from the 2023 Annual Financial Report, since all necessary authorizations to complete the sale of TIM's fixed network activities ("NetCo") have not been obtained as of the reporting date. Therefore, the results of the TIM Group and the Domestic Business Unit include the income statement, statement of financial position and statement of cash flow results both of the business components associated with "ServiceCo" and the fixed network components designated for future sale ("NetCo").

In order to provide a better understanding of the performance of the business, a section has been included in the Annexes containing organic economic and financial information reworked on the basis of management information ("like-for-like information") relating to the operating performance in the first quarter of 2024 and the first quarter of 2023 for the scope of "ServiceCo".

The consolidated data included in the TIM Group's periodic financial information as at March 31, 2024 have been prepared in accordance with the accounting standards, the recognition and measurement criteria, and the consolidation criteria and methods adopted for the preparation of the Consolidated Financial Statements for the year ended December 31, 2023 (to which reference should be made for a more extensive discussion), except as regards the amendments to accounting standards issued by the IASB and effective from January 1, 2024. These figures have not been audited.

TIM Group, in addition to the conventional financial performance measures established by the IFRS Accounting Standards, 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 annexes and the analytical detail of the amounts of the reclassifications introduced and of the methods for determining indicators is also provided.

Finally, it should be noted that the section "Business Outlook for the year 2024" contains forward-looking statements regarding the Group's intentions, beliefs and current expectations in relation to the Group's financial results and other aspects of the Group's activities and strategies. Readers of this publication should not place undue reliance on such forward-looking statements, as the actual results could differ materially from those contained in the forecasts as a result of risks and uncertainties arising from a variety of factors, most of which are beyond the Group's control. For further details, please refer to the "Main risks and uncertainties" chapter, as well as to the Annual Financial Report for the year ended December 31, 2023, which details the main risks relating to the TIM Group's business activities which could affect, including considerably, the ability to achieve the objectives set.

Financial highlights

(million euros) - reported data		1st Quarter 2024 (a)	1st Quarter 2023 (b)	% Change (a-b)
Revenues		3,930	3,847	2.2
EBITDA	(1)	1,420	1,039	36.7
EBITDA Margin	(1)	*36.1%*	*27.0%*	*9.1pp*
EBIT	(1)	207	(162)	—
EBIT Margin	(1)	*5.3%*	*(4.2%)*	*9.5pp*
Profit (loss) for the period attributable to owners of the Parent		(400)	(689)	41.9
Capital Expenditures & spectrum		940	837	12.3
		3/31/2024 (a)	12/31/2023 (b)	Change Amount (a-b)
Adjusted Net Financial Debt	(1)	26,644	25,656	988

(1) For details, please refer to the "Alternative performance indicators" chapter.

Organic results [(1)]

(million euros) - organic data	1st Quarter 2024 (a)	1st Quarter 2023 (b)	% Change (a-b)
TOTAL REVENUES	3,930	3,883	1.2
Domestic	2,806	2,842	(1.3)
Brazil	1,134	1,049	8.1
Other operations, adjustments and eliminations	(10)	(8)	—
SERVICE REVENUES	3,673	3,559	3.2
Domestic	2,584	2,550	1.3
of which Fixed	*1,923*	*1,896*	*1.4*
of which Mobile	*682*	*680*	*0.4*
Brazil	1,099	1,017	8.1
Other operations, adjustments and eliminations	(10)	(8)	—
EBITDA	1,500	1,476	1.6
Domestic	966	1,000	(3.4)
Brazil	535	478	11.8
Other operations, adjustments and eliminations	(1)	(2)	—
EBITDA After Lease	1,237	1,201	3.0
Domestic	832	872	(4.6)
Brazil	406	331	22.7
Other operations, adjustments and eliminations	(1)	(2)	—
CAPEX (net of telecommunications licenses)	933	846	10.3
Domestic	681	606	12.4
Brazil	252	240	5.1

(1) 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	1st Quarter 2024 (a)	1st Quarter 2023 (b)	% Change (a-b)
Equity Free Cash Flow	(790)	(117)	—
Equity Free Cash Flow After Lease	(973)	(397)	—
Adjusted Net Financial Debt [(2)]	26,644	25,820	3.2
Net Financial Debt After Lease[(2)]	21,370	20,455	4.5

(2) 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

ENVIRONMENT

- Decommissioning and efficiency activities continued at our industrial sites to reduce energy consumption. In particular, the **switch-off of 61 copper exchanges** was announced in March. The switch-off will take place from 25 May and will affect 7 power plants in Sicily, 10 in Calabria, 3 in Basilicata, 15 in Campania, 4 in Puglia, 1 in Molise, 15 in Lazio, 1 in Tuscany, 1 in Emilia-Romagna, 1 in Lombardy and 3 in Veneto. Before then, TIM customers will have new ultra-broadband digital connections switched in free of charge, with a modem delivered to their homes and the home system checked by the Company's technicians.

SOCIAL - DIGITAL GROWTH

NETWORK INFRASTRUCTURE UPGRADE

- **FTTH fibre cabling** has been rolled out in the towns of Vigone (Piedmont) and Collinas (Sardinia) as part of the implementation of the **1 Giga Italy Plan**. The "**Ultra-fast networks in Sardinia - 1 Giga NRRP Italy**" Forum was also held, organized by TIM to provide local administrators in the Sardinian region with all the information they need to implement the projects. The "1 Giga Italy Plan" is 70% financed through the NRRP (National Recovery and Resilience Plan) and 30% through investments by the TIM Group with the aim of guaranteeing a download speed of at least 1 Gigabit/s and an upload speed of 200 Megabit/s by 2026). TIM and FiberCop have been awarded 7 of the 15 lots put out to tender.
- Sparkle has extended its Internet backbone in **Iraq** with a Point of Presence in Erbil, the first in the country, thus consolidating its leadership as a global Tier-1 operator. It has also entered into an agreement with the Brazilian operator Algar Telecom, acquiring the right to use optical fibre on the Monet submarine cable connecting **Brazil and the United States** and becoming its long-term supplier for international connectivity and IP transit.

DIGITAL SERVICES FOR BUSINESSES AND PUBLIC ADMINISTRATION

- To enhance the cloud offering, a collaboration agreement was signed with Broadcom which made TIM the first ***VMware Cloud Service Provider*** in Italy at ***Pinnacle* level**, the highest in the VMware cloud hierarchy. Thanks to this new partnership, TIM Enterprise will offer a catalogue of cloud solutions based on the new VMware Cloud Foundation, which can be integrated with management and professional services to provide customers with a scalable architecture that adapts to different business needs.
- In order to promote the digitalization of local public administrations, a new stage of the TIM Enterprise and ANCI initiative entitled "**The Italy of Smart and Sustainable Cities**" has been created. In February, TIM's technological solutions were presented in Rome to the administrators of the Lazio region to make urban environments more liveable, sustainable and safe and to enhance Lazio's rich cultural and artistic heritage.

SOCIAL – PEOPLE

- As part of TIM's people well-being initiatives, the **Psychological Listening Desk** service has resumed and from this year will also be available to family members of TIM employees. Also inaugurated was a new chapter of the "**Connect to Neurodiversity**" scheme launched in 2021, which aims to provide support to employees affected by neurological changes such as ADHD, dyslexia, Asperger's syndrome and autism.
- In the social sphere, but outside the Company itself, a secondary schools project has been launched in collaboration with ERG Academy: "**Mission Environment - Generations at sustainability school**". The initiative aims to raise awareness of environmental sustainability issues among students in ten Italian cities (Benevento, Foggia, Catania, Catanzaro, Cagliari, Arezzo, Modena, Ascoli Piceno, Genoa, Venice). The **Junior TIM Cup | Keep Racism Out** also resumed. This 7-a-side football tournament features under-14 parish football teams from the cities hosting Serie A TIM matches. The initiative, launched in collaboration with Lega Serie A and Centro Sportivo Italiano, is part of the "Keep Racism Out" campaign and involves children from parish organizations in educational activities with the aim of conveying the values of integration and inclusion.

MAIN CHANGES IN THE SCOPE OF CONSOLIDATION OF THE TIM GROUP

During the first quarter of 2024 and the first quarter of 2023, there were no significant changes to the scope of consolidation.

TIM GROUP RESULTS FOR THE FIRST QUARTER OF 2024

Total TIM Group revenues for the first quarter of 2024 amounted to **3,930 million euros**, +2.2% compared to the first quarter of 2023 (3,847 million euros).

The breakdown of total revenues for the first quarter of 2024 by operating segment in comparison with the first quarter of 2023 is as follows:

(million euros)	1st Quarter 2024		1st Quarter 2023		Variations		
		% weight		% weight	absolute	%	% organic excluding non-recurring
Domestic	2,806	71.4	2,843	73.9	(37)	(1.3)	(1.3)
Brazil	1,134	28.9	1,012	26.3	122	12.1	8.1
Other Operations	—	—	—	—	—		
Adjustments and eliminations	*(10)*	*(0.3)*	*(8)*	*(0.2)*	*(2)*		
Consolidated Total	**3,930**	**100.0**	**3,847**	**100.0**	**83**	**2.2**	**1.2**

The organic change in consolidated Group revenues is calculated by excluding the effect of changes in exchange rates[3] (+ 36 million euros) and changes in the scope of consolidation.

TIM Group EBITDA for the first quarter of 2024 came to **1,420 million euros** (1,039 million euros in the first quarter of 2023, +36.7% in reported terms; +1.6% in organic terms).

The breakdown of EBITDA and the EBITDA margin broken down by operating segment for the first quarter of 2024 compared with the first quarter of 2023, are as follows:

(million euros)	1st Quarter 2024		1st Quarter 2023		Variations		
		% weight		% weight	absolute	%	% organic excluding non-recurring
Domestic	886	62.4	582	56.0	304	52.2	(3.4)
% of Revenues	*31.6*		*20.5*			*11.1pp*	*(0.8)pp*
Brazil	535	37.7	459	44.2	76	16.6	11.8
% of Revenues	*47.2*		*45.4*			*1.8pp*	*1.6pp*
Other Operations	(2)	(0.1)	(2)	(0.2)	—		
Adjustments and eliminations	*1*	—	—	—	*1*		
Consolidated Total	**1,420**	**100.0**	**1,039**	**100.0**	**381**	**36.7**	**1.6**

Organic EBITDA - net of the non-recurring items amounted to **1,500 million euros**; the EBITDA margin was 38.2% (1,476 million euros in the first quarter of 2023, with an EBITDA margin of 38.0%).

EBITDA for the first quarter of 2024 was affected by non-recurring charges totalling 80 million euros, mainly relating to provisions and charges for wage subsidies and individual redundancy plans, as provided for in the trade union agreement signed by the Parent Company TIM S.p.A. with the Trade Unions on March 29, 2024. This performance was also down to provisions for regulatory disputes and potential liabilities related to them, and to the development of non-recurring projects.

EBITDA for the first quarter of 2023 was affected by non-recurring charges for a total of 420 million euros, mainly relating to personnel costs and personnel provisions, relating also to the application of Art. 4 of Law No. 92 of June 28, 2012.

Organic EBITDA, net of the non-recurring items, is calculated as follows:

(million euros)	1st Quarter 2024	1st Quarter 2023	Variations	
			absolute	%
EBITDA	**1,420**	**1,039**	**381**	**36.7**
Foreign currency financial statements translation effect		17	(17)	
Non-recurring expenses (income)	80	420	(340)	
ORGANIC EBITDA - excluding non-recurring items	**1,500**	**1,476**	**24**	**1.6**
% of Revenues	*38.2*	*38.0*	*0.2pp*	

[3]The average exchange rates used for the translation into euro (expressed in terms of units of local currency per 1 euro) were 5.37650 in the first quarter of 2024 and 5.57246 in the first quarter of 2023 for the Brazilian real; for the U.S. dollar, the rates were 1.08601 for the first quarter of 2024 and 1.07301 for the first quarter of 2023. 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.

Exchange rate fluctuations mainly related to the Brazil Business Unit.

TIM Group EBIT for the first quarter of 2024 came to **207 million euros** (-162 million euros in the first quarter of 2023).

Organic EBIT - net of the non-recurring items amounted to **287 million euros** (263 million euros in the first quarter of 2023), with an EBITDA margin of 7.3% (6.8% in the first quarter of 2023).

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

(million euros)	1st Quarter 2024	1st Quarter 2023	Variations	
			absolute	%
EBIT	**207**	**(162)**	**369**	**—**
Foreign currency financial statements translation effect		5	(5)	
Non-recurring expenses (income)	80	420	(340)	
ORGANIC EBIT - excluding non-recurring items	**287**	**263**	**24**	**9.1**

The **Net loss attributable to Owners of the Parent** for the first quarter of 2024, was 400 million euros (-689 million euros in the first quarter of 2023), suffering the negative impact of net non-recurring expenses for 93 million euros (427 million euros in the first quarter of 2023).

The TIM Group **headcount** at March 31, 2024 was **47,168**, including 37,658 in Italy (47,180 at December 31, 2023, including 37,670 in Italy).

Capital expenditures and expenses for mobile telephone licenses/spectrum for the first quarter of 2024 were 940 million euros (837 million euros in the first quarter of 2023).

Capex is broken down as follows by operating segment:

(million euros)	1st Quarter 2024		1st Quarter 2023		Change
		% weight		% weight	
Domestic	688	73.2	606	72.4	82
Brazil	252	26.8	231	27.6	21
Other Operations	—	—	—	—	—
Adjustments and eliminations	—	—	—	—	—
Consolidated Total	**940**	**100.0**	**837**	**100.0**	**103**
% of Revenues	*23.9*		*21.8*		*2.1pp*

Specifically:

- the **Domestic Business Unit** made industrial investments of 688 million euros, with a significant portion aimed at the development of FTTC/FTTH networks. The increase of 82 million euros compared to the first quarter of 2023 is mainly due to the FiberCop's higher capital expenditure in FTTH and NRRP-related projects;
- the **Brazil Business Unit** recorded capital expenditure of 252 million euros in the first quarter of 2024 (231 million euros in the first quarter of 2023). Excluding the impact of changes in exchange rates (+9 million euros), capex increased slightly compared to the first quarter of 2023 (+12 million euros). The slight increase is due to the acceleration of investments in 5G technology and Cyber Security, partially offset by the completion of investments relating to the integration of the Oi Group's activities and the reduction in the development of the 4G network.

Adjusted Net Financial Debt amounted to 26,644 million euros at March 31, 2024, an increase of 988 million euros compared to December 31, 2023 (25,656 million euros). This came as a net effect of operating and financial requirements related in part to the management of lease debts and the payment of dividends in Brazil, and was also impacted to the tune of 249 million euros by the seizure of liquid assets held by TIM S.p.A. ordered by the investigating judge of the Court of Milan on February 8, 2024 as part of an alleged fraud in extra paid services; the full return of the seized assets was ordered at the end of April 2024.

The Group's **Operating Free Cash Flow** for the first quarter of 2024 was essentially zero (+298 million euros in the first quarter of 2023).

Equity Free Cash Flow for the first quarter of 2024 came to -790 million euros (-117 million euros in the first quarter of 2023). 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)	3/31/2024 (a)	12/31/2023 (b)	Change (a-b)
Net financial debt carrying amount	**26,810**	**25,776**	**1,034**
Reversal of fair value measurement of derivatives and related financial liabilities/assets	*(166)*	*(120)*	*(46)*
Adjusted Net Financial Debt	**26,644**	**25,656**	**988**
Leases	*(5,274)*	*(5,307)*	*33*
Adjusted Net Financial Debt - After Lease	**21,370**	**20,349**	**1,021**

Net financial debt carrying amount amounted to 26,810 million euros at March 31, 2024, an increase of 1,034 million euros compared to December 31, 2023 (25,776 million euros). The reversal of the fair value measurement of derivatives and related financial liabilities/assets records a change of negative 46 million euros due to the dynamics of the interest rate markets; this valuation adjusts the booked Net Financial Debt with no monetary effect.

Adjusted Net Financial Debt – After Lease (net of lease contracts) was equal to 21,370 million euros at March 31, 2024, up by 1,021 million euros compared to December 31, 2023 (20,349 million euros).

As of March 31, 2024, the TIM Group's available **liquidity margin** was equal to 6,974 million euros and calculated considering:

- "Cash and cash equivalents" and "Current securities other than investments" for a total of 2,974 million euros (4,695 million euros at December 31, 2023), also including 738 million euros (nominal value) in repurchase agreements expiring by July 2024;
- Sustainability-linked Revolving Credit Facility amounting to 4,000 million euros, totally available.

This margin is sufficient until 31 March, 2024 to cover Group financial liabilities (current and otherwise) falling due over the next 20 months. The amount of the margin was affected by the aforementioned seizure of liquid assets totaling 249 million euros, which were ordered to be returned in full at the end of April 2024.

It should be noted that the sale of non-recourse trade receivables to factoring companies completed in the first quarter of 2024 had a positive effect of 838 million euros on net financial debt at March 31, 2024 (1,135 million euros at December 31, 2023).

RESULTS OF THE BUSINESS UNITS

Domestic

Revenues

Domestic Business Unit revenues amounted to 2,806 million euros, down 37 million euros compared to the first quarter of 2023 (-1.3%). In organic terms, these were down by 36 million euros (-1.3% on the first quarter of 2023).

Revenues from stand-alone services amounted to 2,584 million euros (+33 million euros compared to the first quarter of 2023, +1.3%), thanks to the growth in ICT and Multimedia revenues despite the impact of a competitive market on the customer base; in organic terms, these were up by 34 million euros compared to the first quarter of 2023 (+1.3%).

In detail:

- **Revenues from stand-alone services in the Fixed market** amounted to 1,923 million euros, up on the first quarter of 2023 (+1.4% in organic terms) mainly due to the growth in revenues from ICT solutions (+26 million euros compared to the first quarter of 2023, +7.0%) and in Multimedia revenues; these were partially offset by a decrease in accesses;
- **Revenues from stand-alone services in the Mobile market** amounted to 682 million euros (+3 million euros compared to the first quarter of 2023, +0.4% in organic terms), mainly thanks to ARPU figures remaining stable.

Handset and Bundle & Handset revenues, including the change in work in progress, amounted to 222 million euros in the first quarter of 2024, down by 70 million euros compared to the same period of the previous year, mainly due to the benefit during the first quarter of 2023 of the commercial agreement entered into between TIM and FiberCop (on the one hand) and Open Fiber (on the other) concerning "white areas" (areas with low population density with no prospect of private investment in ultra-broadband). This agreement provided that Open Fiber would purchase from FiberCop the right of use (IRU) for overhead infrastructure and access links to the customer's home.

Below, revenues are broken down by: Consumer and Small Medium Business, Enterprise, Wholesale National Market, Wholesale International Market, Other; complete with an analytical description of the scope of reference, in line with the representation of previous periods. Following the completion of the delayering operation, with the subsequent sale of NetCo, this representation will be modified and integrated with the reorganization of domestic activities in the TIM Consumer and TIM Enterprise areas.

- **Consumer and Small Medium Business (SMB).** *The segment consists of all Fixed and Mobile voice and Internet services and products managed and developed for individuals and families (of public telephony, caring and the administrative management of customers) and for and for customers of SMEs (small and medium-sized enterprises) and SOHO (small office home office);; it includes the company TIM Retail, which coordinates the activities of its stores).*

(million euros)	1st Quarter 2024	1st Quarter 2023	Variations (a-b)		
	(a)	(b)	absolute	%	organic excluding non-recurring
Consumer and Small Medium Business	**1,369**	**1,379**	**(10)**	**(0.8)**	**(0.8)**
Service revenues	1,244	1,247	(3)	(0.3)	(0.3)
Handset and Bundle & Handset revenues	125	132	(7)	(5.2)	(5.2)

in organic terms, the revenues of the Consumer and SMB segment totalled 1,369 million euros (-10 million euros compared to the first quarter of 2023, -0.8%) and show a trend affected by the challenging competition. The trend seen in total revenues also applied, albeit less pronounced, to revenues from services, which amounted to 1,244 million euros, down by 3 million euros compared to the first quarter of 2023 (-0.3%).

In addition:

- **Revenues from stand-alone services in the Mobile market** amounted to 497 million euros in organic terms (-16 million euros, -3.2% compared to the first quarter of 2023). The impact of the competitive dynamic remains, reflected in the reduction of the customer base calling; revenues from traffic are down due to the progressive reduction of interconnection tariffs;
- **Revenues from stand-alone services in the Fixed market** amounted to 747 million euros in organic terms (+13 million euros, +1.8% compared to the first quarter of 2023), mainly due to the growth in Lease ARPU, which more than offset the reduction in the customer base; higher revenues from Multimedia partnerships (+12.7%); and higher revenues from ICT solutions (+5%).

Handset and Bundle & Handset revenues in the Consumer and SMB segment amounted to 125 millions of euros, -7 million euros compared to the first quarter of 2023: The change is mainly related to the gradual slowdown in the mobile handset business.

- **Enterprise.** *This segment comprises the connectivity services and products and the ICT solutions managed and developed for Top, Public Sector and Large Account customers. The following companies are included: Olivetti, TI Trust Technologies, Telsy and Noovle.*

  In organic terms, revenues for the segment amounted to 709 million euros, up by 17 million euros compared to the first quarter of 2023 (+2.4%), mainly thanks to the revenues from the stand-alone services component (+4.4%).

(million euros)	1st Quarter 2024 (a)	1st Quarter 2023 (b)	Variations (a-b) absolute	%	organic excluding non-recurring
Enterprise revenues	709	692	17	2.4	2.4
Service revenues	645	618	27	4.4	4.4
Handset and Bundle & Handset	64	74	(10)	(14.1)	(14.1)

  Specifically:

  - **Revenues from stand-alone services in the Mobile market** were up on the first quarter of 2023 (+7 million euros);
  - **Revenues from stand-alone services in the Fixed market** showed a change of +25 million euros compared to the first quarter of 2023 (+5.1%), mainly due to the increase in revenues from ICT services.

- **Wholesale National Market.** *The segment consists of the management and development of the portfolio of regulated and unregulated wholesale services for Fixed-line and Mobile telecommunications operators in the domestic market and MVNOs. The following companies are included: TI San Marino and Telefonia Mobile Sammarinese.*

  In the first quarter of 2024, the Wholesale National Market segment reported revenues of 507 million euros, an increase of 13 million euros (+2.6%) compared to the first quarter of 2023, thanks also to the positive impact of regulatory price dynamics.

- **Wholesale International Market.** *Includes the activities of the Telecom Italia Sparkle group, which operates in the market for international voice, data and Internet services for fixed and mobile telecommunications operators, ISPs/ASPs (Wholesale market) and multinational companies through its own networks in the European, Mediterranean and South American markets.*

  Revenues in the Wholesale International Market segment in the first quarter of 2024 amounted to 215 million euros, down on the first quarter of 2023 (-12 million euros, -5.5%) due to the reduction and rationalization of traditional voice revenues, which was partially offset by the revenue growth from solutions for mobile operators and co-location services.

- **Other.** *Includes:*

  - ***Other Operations structures****: oversight of technological innovation and the processes for the development, engineering, construction and operation of network, IT, plant and real estate infrastructure within its remit;*
  - ***Staff & Other****: services carried out by staff and other support activities carried out by smaller companies.*

  Revenues for the first quarter of 2024 were 54 million euros, a decrease of 49 million euros compared to the first quarter of 2023. It bears noting that revenues in the first quarter of 2023 benefited from approximately 60 million euros due to the abovementioned commercial agreement entered into between TIM and FiberCop (on the one hand) and Open Fiber (on the other) concerning "white areas".

- **Eliminations**: in the first quarter of 2024, these amounted to 48 million euros (53 million euros in the first quarter of 2023).

EBITDA

Domestic Business Unit EBITDA for the first quarter of 2024 totalled 886 million euros (+304 million euros compared to the first quarter of 2023, +52.2%), with an EBITDA margin of 31.6% (+11.1 percentage points compared to the first quarter of 2023).

Organic EBITDA, net of the non-recurring items, amounted to 966 million euros (-34 million euros compared to the first quarter of 2023, -3.4%). In particular, EBITDA for the first quarter of 2024 was impacted by non-recurring items in the amount of 80 million euros, whilst the first quarter of 2023 reflected a total impact of 418 million euros referring to non-recurring items.

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

(million euros)	1st Quarter 2024	1st Quarter 2023	Variations absolute	%
EBITDA	886	582	304	52.2
Non-recurring expenses (income)	80	418	(338)	
ORGANIC EBITDA - excluding non-recurring items	966	1,000	(34)	(3.4)

EBIT

Domestic Business Unit EBIT for the first quarter of 2024 totalled -2 million euros (+301 million euros compared to the first quarter of 2023), with an EBIT margin of -0.1% (+10.6 percentage points compared to the first quarter of 2023).

Organic EBIT - net of the non-recurring items amounted to 78 million euros (-37 million euros compared to the first quarter of 2023 -32.2%), with an EBIT margin of 2.8% (-1.2 percentage points compared to the first quarter of 2023).

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

(million euros)	1st Quarter 2024	1st Quarter 2023	Variations	
			absolute	%
EBIT	**(2)**	**(303)**	**301**	**99.3**
Non-recurring expenses (income)	80	418	(338)	
ORGANIC EBIT - excluding non-recurring items	**78**	**115**	**(37)**	**(32.2)**

Headcount at March 31, 2024 stood at 37,888 (37,901 at December 31, 2023).

Brazil (average real/euro exchange rate 5.37650)

Revenues of the **Brazil Business Unit (TIM Brasil group)** in the first quarter of 2024 were 6,096 million reais (5,640 million reais in the first quarter of 2023, +8.1%).

The acceleration has been determined by **service revenues** (5,910 million reais vs 5,467 million reais in the first quarter of 2023, +8.1%) with mobile service revenues growing 8.2% on the first quarter of 2023. This performance is mainly attributable to the continuous improvement of the post-paid segment. Revenues from fixed services grew by 5.6% compared to the first quarter of 2023, driven above all by the growth rate of Ultrafibre.

Revenues from product sales totaled 186 million reais (173 million reais in the first quarter of 2023).

Mobile ARPU in the first quarter of 2024 totaled 30.4 reais (27.7 reais in the first quarter of 2023).

Total mobile lines at March 31, 2024 amounted to 61.4 million, +0.2 million lines compared to December 31, 2023 (61.2 million lines). Within this change, +0.5 million is attributable to the post-paid segment and -0.3 million to the pre-paid segment. Post-paid customers represented 45.7% of the customer base as of March 31, 2024 (45.1% as of December 31, 2023).

Broadband ARPU in the first quarter of 2024 totaled 95.8 reais (97.8 reais in the first quarter of 2023).

EBITDA in the first quarter of 2024 was 2,876 million reais (2,559 million reais in the first quarter of 2023, 12.4%) and the margin on revenues amounted to 47.2% (45.4% in the first quarter of 2023).

Organic EBITDA, net of the non-recurring items, increased by 11.8% and was calculated as follows:

(million Brazilian reais)	1st Quarter 2024	1st Quarter 2023	Variations	
			absolute	%
EBITDA	**2,876**	**2,559**	**317**	**12.4**
Non-recurring expenses (income)	—	13	(13)	
ORGANIC EBITDA - excluding non-recurring items	**2,876**	**2,572**	**304**	**11.8**

The growth in EBITDA can mainly be attributed to the positive performance of revenues from services.

The relative margin on revenues, in organic terms, comes to 47.2% (45.6% in the first quarter of 2023).

EBIT for the first quarter of 2024 came to 1,135 million reais (796 million reais in the first quarter of 2023, +42.6%).

Organic EBIT - net of the non-recurring items in the first quarter of 2024 amounted to 1,135 million reais (809 million euros in the first quarter of 2023), with an EBITDA margin of 18.6% (14.3% in the first quarter of 2023).

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

(million Brazilian reais)	1st Quarter 2024	1st Quarter 2023	Variations	
			absolute	%
EBIT	**1,135**	**796**	**339**	**42.6**
Non-recurring expenses (income)		13	(13)	
ORGANIC EBIT - excluding non-recurring items	**1,135**	**809**	**326**	**40.3**

Headcount at March 31, 2024 stood at 9,267 (9,267 at December 31, 2023).

AFTER LEASE INDICATORS

TIM Group, in addition to the conventional financial performance measures established by the IFRS Accounting Standards, 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)	1st Quarter 2024	1st Quarter 2023	Variations	
			absolute	%
ORGANIC EBITDA excluding non-recurring items	**1,500**	**1,476**	**24**	**1.6**
Lease payments	(263)	(275)	12	4.4
EBITDA After Lease (EBITDA-AL)	**1,237**	**1,201**	**36**	**3.0**

EBITDA AFTER LEASE - DOMESTIC

(million euros)	1st Quarter 2024	1st Quarter 2023	Variations	
			absolute	%
ORGANIC EBITDA excluding non-recurring items	**966**	**1,000**	**(34)**	**(3.4)**
Lease payments	(134)	(128)	(6)	(4.7)
EBITDA After Lease (EBITDA-AL)	**832**	**872**	**(40)**	**(4.6)**

EBITDA AFTER LEASE - BRAZIL

(million euros)	1st Quarter 2024	1st Quarter 2023	Variations	
			absolute	%
ORGANIC EBITDA excluding non-recurring items	**535**	**478**	**57**	**11.8**
Lease payments (*)	(129)	(147)	18	12.2
EBITDA After Lease (EBITDA-AL)	**406**	**331**	**75**	**22.7**

(*) results for the first quarter of 2024 do not include penalties (approximately 27 million reais; approximately 5 million euros) associated with the decommissioning plan following the acquisition of the Oi Group's movable assets.

ADJUSTED NET FINANCIAL DEBT AFTER LEASE - TIM GROUP

(million euros)	3/31/2024	12/31/2023	Change
Adjusted Net Financial Debt	**26,644**	**25,656**	**988**
Leases	(5,274)	(5,307)	33
Adjusted Net Financial Debt - After Lease	**21,370**	**20,349**	**1,021**

EQUITY FREE CASH FLOW AFTER LEASE - TIM GROUP

(million euros)	1st Quarter 2024	1st Quarter 2023	Change
Equity Free Cash Flow	**(790)**	**(117)**	**(673)**
Change in lease contracts (principal share)	(183)	(280)	97
Equity Free Cash Flow After Lease	**(973)**	**(397)**	**(576)**

BUSINESS OUTLOOK FOR THE YEAR 2024

In light of the performance of the main business segments of the ServiceCo perimeter in the first three months of 2024. The guidance previously communicated with the approval of the TIM 2024-2026 "Free to Run" Business Plan is confirmed.

EVENTS AFTER MARCH 31, 2024

TIM: Exchange Offers on outstanding bonds in view of the ongoing NetCo transaction

See the press releases issued on April 18, 2024, May 2, 2024 and May 17, 2024.

TIM: KKR confirms that it has notified the NetCo transaction to DG Comp of the European Commission

See the press release issued on April 19, 2024.

TIM: Shareholders' Meeting of April 23, 2024

TIM's Ordinary Shareholders' Meeting of April 23, 2024 appointed a 9-member Board of Directors and a new Board of Statutory Auditors for the three-year period 2024-2026 (until the approval of the financial statements for the year ending December 31, 2026).

The following Directors were appointed to the Board of Directors:

Alberta Figari (as Chair), Pietro Labriola (as Chief Executive Officer), Giovanni Gorno Tempini, Paola Camagni, Federico Ferro Luzzi, Domitilla Benigni, Umberto Paolucci, Stefano Siragusa, Paola Giannotti De Ponti.

The following were appointed to the Board of Statutory Auditors:

- Standing Auditors: Francesco Fallacara (Chair), Anna Doro, Massimo Gambini, Francesco Schiavone Panni, Mara Vanzetta;
- Alternate Auditors: Massimiliano Di Maria, Laura Fiordelisi, Paolo Prandi, Carlotta Veneziani.

MAIN RISKS AND UNCERTAINTIES

Risk governance is a strategic tool for value creation.

The TIM Group has adopted an Enterprise Risk Management model, which is continuously being improved and aligned with international regulations and standards and enables risks to be identified, assessed and managed in a homogenous way within the Group, highlighting potential synergies between the players involved in the assessment of the Internal Control and Risk Management System. The Enterprise Risk Management process is integrated with strategic and operational planning processes and is designed to identify potential events that may affect the company's business so that these risks can be managed within acceptable limits and reasonable assurance provided about the achievement of its business objectives.

The Enterprise Risk Management model adopted by the TIM Group:

- identifies and updates, in collaboration with the risk owners, the overall portfolio of risks to which the Group is exposed by analysing the Business Plan and the most significant investment projects, monitoring the reference context (e.g. macroeconomic and regulatory), specifically analysing the risks to which assets may be exposed, and continuously monitoring and analysing the risk profile, in order to detect any changes and/or new risk scenarios;
- quantitatively assesses risks both individually and from a portfolio perspective, taking correlations into account;
- supports management in defining and monitoring risk mitigation plans;
- manages the information flow to top management and the bodies responsible for assessing the Internal Control and Risk Management System (ICRMS) by producing the relevant supporting reports.

In this context, it is worth highlighting the continuing Russia-Ukraine conflict, the conflict in the Middle East between Israel and Palestine and the potential for inflation-related increases in costs. Other factors include: market developments, the entry of new potential competitors in the fixed and mobile sector, proceedings initiated by the Authorities and the consequent delays in implementing new strategies, problems related to new networks and infrastructures, and the fulfillment of obligations concerning the “Golden Powers” exercised by the Government, the effects of which are to be assessed in terms of the strategic choices and temporal deployment of the Plan objectives.

Risks related to macroeconomic factors

The TIM Group’s economic and financial situation, including its ability to sustain the expected level of cash flows and margins, is influenced by multiple macroeconomic factors such as economic growth, consumer confidence, interest rates, increased inflation rate and the exchange rates in the markets in which it operates.

Added to these factors is the uncertainty around developments of the war in Ukraine, the recently emerged Israeli-Palestinian conflict and the structural transformation of energy markets.

In 2023, Italy's GDP grew by 0.9%, compared to growth of 3.7% the previous year. Also for the current year, growth expectations – which are similar to those recorded last year – are dependent on (i) the actual materialization of the expected reduction in inflation (and the consequent reduction in interest rates), (ii) a partial recovery in wages, and (iii) the absence of a further deterioration in the international geopolitical situation.

The volatility of energy prices is affecting European industry, especially the most energy-intensive sectors. The energy supply shock in 2022 highlighted European countries' dependence on fossil fuels. The greatest uncertainties are related to the growth of the other major global economies, possible developments in the war in Ukraine and its possible repercussions both in terms of sanctions and impacts on the energy market. In addition, the recently emerged Israeli-Palestinian conflict could produce further imbalances, bringing with them energy problems given the importance of the region, which is home to the main oil producers and the main sea routes through the Gulf of Suez.

As regards energy costs, it should be noted that the TIM Group has implemented a hedging and savings programme which, domestically, made it possible to cover in advance most of the 2023 needs, almost all of 2024 and part of 2025.

One area that merits particular attention is the impact that the current geopolitical context could have on supply chains. In particular, inflation of energy costs could affect transport costs and raw material costs. In addition, heightened geopolitical risk and stress within global supply chains following the Covid-19 pandemic and the Russia-Ukraine conflict are contributing to fears of slower growth in global trade. A series of targeted interventionist policies by the West towards countries that depend on imports of advanced technologies, and rising tensions between the United States and China, could exacerbate an already tense situation.

In Brazil, GDP grew by 2.9% in 2023, which was close to the 3% recorded a year earlier. The results achieved for 2023 are due to better-than-expected performance in agricultural production (+15%), private consumption and exports. For 2024, on the other hand, the Central Bank of Brazil and the World Bank expect GDP growth of around 1.5% to 1.6%, which should also follow a more moderate performance of agricultural activities.

Geopolitical uncertainty

As regards the Russia-Ukraine conflict, at present, the impact of the geopolitical situation on the TIM Group's business is indirect, mainly linked to the increase in costs for energy, materials and transport.

If military, economic and political tensions should continue to grow, the situation could have major consequences globally, causing a serious threat to global security that could increase and intensify risks for the TIM Group. Such risks include the security and protection of the TIM Group workforce, the possibility that cyber attacks may strike the networks and data of the TIM Group or its customers, an increased probability of a shock of the supply chain that would entail higher inflation in the short and medium term.

In particular, for companies in the Sparkle group (part of the TIM Group) operating in the areas impacted by the Russia-Ukraine conflict, there were no significant repercussions on commercial relations, on the demand for international services from the areas affected by the conflict and on the substantially regular collection of trade receivables. The TIM Group does not have significant assets in the countries concerned. The Russia-Ukraine conflict has also indirectly led to a general increase in energy prices, and in the third quarter of 2023 some Sparkle group companies incurred higher energy costs than in previous periods. The increase in energy prices has also led to an increase in inflation and, ultimately, in the cost of financing. Sparkle group companies are taking measures to reduce fluctuations in energy costs in around 40 countries around the world. In Italy, the steps taken by Sparkle group companies are aligned with the TIM Group's strategies to deal with inflation. In addition, the Russia-Ukraine conflict could entail cyber attacks against the countries supporting economic sanctions against Russia. Sparkle group companies, in coordination with the National Cybersecurity Agency ("ACN"), have raised the alert level of ICT monitoring for IT security risks, in line with the other TIM Group entities that have implemented ACN's technical indications.

With regard to the conflict in the Middle East between Israel and Palestine, which arose at the beginning of October 2023, and the related turmoil in the Red Sea area, the implications for the Group are still uncertain and should become clearer over time. However, at first glance, there could be impacts both in terms of cost volatility (e.g.: energy) and in international trade relations.

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.