FY 2022 PRELIMINARY RESULTS AND 2023-'25 PLAN

15 FEBRUARY 2023

TIM
THE STRENGTH OF CONNECTIONS

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The 2022 preliminary financial results of the TIM Group were drafted 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 2022 preliminary financial results of the TIM Group are the same as those adopted in the TIM Group Annual Audited Consolidated Financial Statements as of 31 December 2021, to which reference can be made, except for the amendments to the standards issued by IASB and adopted starting from 1 January, 2022. Please note that the 2022 preliminary financial results of the TIM Group are unaudited.

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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.

As described in the 2021 TIM Group Consolidated Financial Statements, during the fourth quarter of 2021, TIM refined some aspects of the booking of certain commercial agreements concerning the sale of goods with deferred delivery. This refinement entailed, for the first, second and third quarters of 2021, the redetermination of the distribution over time of revenues and purchases of materials and services. In connection with the foregoing, the economic data of the first nine months and of the third quarter of 2021, has been recalculated.

#1 **Operations update**

#2 Q4 and FY ‘22 Preliminary Results

#3 2023-‘25 Group Strategic Plan

FY ‘22 - A year of solid execution despite unprecedented headwinds

TIM Group milestones

- **Jan. ‘22** – **Labriola appointed CEO**
- **Mar.** – **2022-‘24 Plan** approved
- **Apr.** – **Oi mobile assets acquisition**
- **May** – **New management team**; **OF commercial agreement** (1); **‘Italia 1 *Giga*’** 7 lots awarded; **MoU on single network**
- **Jun.** – **New communication campaign**; **‘5G Backhauling’** all lots awarded
- **Jul.** – **Capital Market Day 2022**; **SACE loan** € 2bn cashed-in
- **Aug.** – **FY ‘22 guidance upgrade**; **Inwit stake disposal**; **New DAZN agreement**; **2022-‘24 labour agreement** signed; **NSH** awarded (2)
- **Oct.** – **10 Gbps service** launched in CO market; **Public consultation** on ‘23 wholesale tariffs
- **Nov.** – **TIM Enterprise legal entity** set-up process approved
- **Jan. ‘23** – **€ 850m 5y bond** placed; **EIB financing greenlighted** by the EC
- **Feb.** – **Non-binding offer** on Netco from KKR

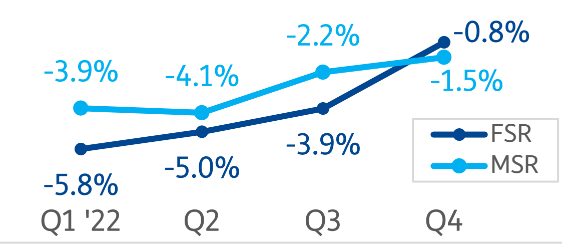
External headwinds

- Inflation, energy crisis and increased interest rates
- Italian political uncertainty
- Debt Capital Markets virtually shut for high yields

Above guidance on all targets

	FY ‘22 guidance	Achievements
Service revenues	Low single digit decrease	+1.3% YoY
EBITDA	Upgraded in Aug ‘22 – High single digit decrease Low teens decrease (After Lease)	-6.7% YoY -10.6% YoY After Lease
CAPEX	€ 4.1bn Group (3) € 3.2bn Domestic	€ 4bn Group €3.1bn Domestic

Domestic YoY trend stabilizing



(1) Open Fiber **(2)** National Strategic Hub **(3)** € 4.0bn @ average exchange-ratio 6.36 R$/€ in Mar. ‘22 , € 4.1bn @ 5.44 R$/€ FY ‘22 actual

Building on 5 strategic pillars

Ambitions	Back to growth: operational turnaround	Sound financial structure	Stability & credibility driven by consistency	Be the driver for the Country's digitalization	Leadership in ESG dimensions

Strategic pillars

Capture new growth opportunities
- **Beat market growth in ICT sector** with TIM Enterprise at the forefront
- **Develop innovative services and alternative business models** at zero cost

Revamp TIM's role in the industry
- **Regain leadership** in driving back value
- Promote an updated **regulatory equilibrium**
- New "**Tone from the Top**"

Transform processes to drive efficiency & productivity
- Broad **end-to-end approach**
- Clear and measurable **efficiency targets**
- Organization **simplification & productivity**

Refocus priorities for each business line
- **Consumer**: reposition and re-calibrate
- **Enterprise**: integrated operating model
- **Infrastructure**: efficient technology upgrade
- **Brazil**: continue the growth story to next-generation telco

Develop a path to structurally deleverage
- **Delayering plan**: create options
- **Sound and disciplined financial management**
- **Be prepared** for potential industry consolidation

Refocusing priorities for each business line

	Strategic guidelines		**2022 achievements**: progressing on all priorities
TIM Consumer	Reposition towards **premium/ high reliability operator** **Restructure operating model**	**Transformation plan**	▪ **Cool the market, stabilize ARPU, reduce churn** ▪ **"Volume to value"** ongoing: premium positioning and "*more for more*" products ▪ **Content strategy** revised, deal renegotiated, new partnership signed ▪ **Leadership on FTTH:** TIM 1st operator in market share with 23.1% in Q3 (+3.2pp YoY)
TIM Enterprise	**New integrated model** **Leveraging leadership to accelerate growth**	**Transformation plan**	▪ **Service revenues growth >2x vs. market** ▪ Shift from traditional to **advanced connectivity** ongoing ▪ Pushed on **innovative ICT Services**, with overperformance on **cloud** (+50% YoY) ▪ Prioritized **focus on large corporates and PA**
NetCo	**Efficient UBB infrastructure development** **Premium connectivity**	**Transformation plan**	▪ **FTTH roll-out** on track, coverage reached 32% of technical units[(1)] ▪ **Fiber migration and technology upgrade** ongoing ▪ **Delivered on NRRP roll-out milestones**: achieved 104% and 148% of "*Italia 1Giga*" and "*5G backhauling*" target for 2022 [(2)], respectively
TIM Brasil	**Over-delivering on growth targets**, benefiting from market consolidation		▪ **Strong service revenues growth**, with +19.8% YoY in Mobile and +7.7% YoY in Fixed ▪ **Oi integration on track**: ~9m clients migrated until Jan, 74% of full network integrated, >500 sites decommissioned ▪ **Network leadership**: largest mobile coverage in Brazil, 1st to cover 100% of cities ▪ **Steady FTTH migration** and launch of "*TIM UltraFibra*" new premium identity

(1) Equal to 7.7 million technical units (from ~6 million in previous year) **(2)** "*Italia 1Giga*" net target excl. non-valid street numbers (>50% on ~190k walk-ins)

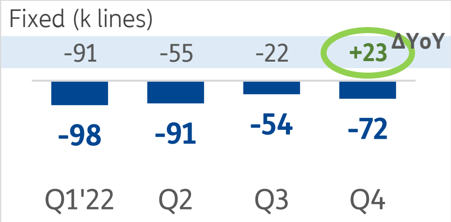
12 months of TIM Entities in a nutshell (1/2)

Preliminary pro-forma figures

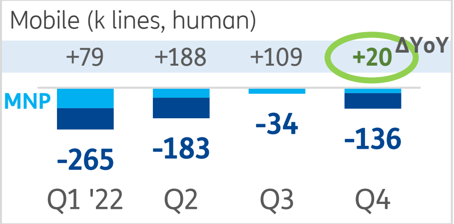
		FY '22
TIM Consumer	**Revenues**	-9% YoY
	o/w Services	-7% YoY
TIM Enterprise	**Revenues**	+8% YoY
	o/w Services	+11% YoY

Main KPIs

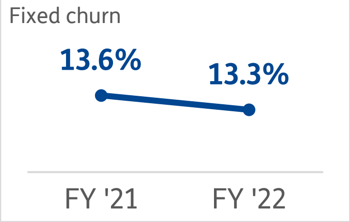
Fixed net adds improved YoY

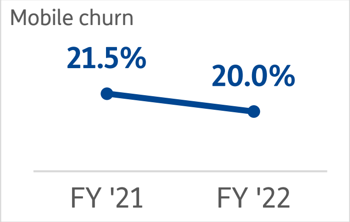


Mobile line losses contained



Fixed & mobile churn reduced notwithstanding price ups in '22





FY '22 Revenues	Δ YoY	Market trend	Change in revenue mix: % weight	Change in revenue mix: Δ YoY
Connectivity	-2%	-4%	42%	-2pp
Cloud	+54%	+23%	26%	+7pp
IoT	+11%	+9%	2%	-
Security	+41%	+14%	3%	+1pp
Other IT	-11%	-4%	27%	-5pp
Total revenues	**+8%**	**+5%**		

Increased value of contracts signed Services +13% YoY (1)	Contracts activated in '22 ~€ 0.7bn potential value	Active CONSIP contracts ~€ 2.0bn potential value

(1) 12 months value of contracts signed

12 months of TIM Entities in a nutshell (2/2)

	Preliminary pro-forma figures	FY '22
NetCo	**Revenues**	-4% YoY
	o/w Services	-4% YoY
TIM Brasil	**Revenues**	+19% YoY
	o/w Services	+19% YoY

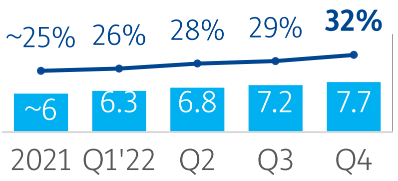
Main KPIs

NetCo

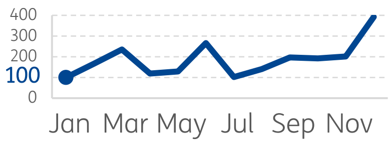
Continued expansion of FTTH, in line with plan

All FY roll-out targets achieved

FiberCop coverage
FTTH technical units



Incremental FTTH units rebased



NRRP targets achieved

"Italia 1Giga"
>14k tech.units covered

"5G backhauling"
169 sites covered

81%
market share

16m
fixed accesses, o/w >72% FTTx

>94% FTTx coverage(1), o/w >59% >100Mbps

TIM Brasil

Key strategic initiatives on track

Strengthening the core	Mobile	▪ **Leadership in 5G launch** ▪ **Integration of Oi mobile assets** on track
	Broadband	▪ **Carve-out of fiber assets**, **asset light model** to accelerate footprint growth
Accelerating beyond connectivity	B2B/IoT	▪ Consolidated Agriculture and Logistics verticals
	Consumer platform	▪ New partnership for digital services ▪ Achieved 5.5% equity in C6 Bank

(1) On active lines

Transforming processes to drive efficiency and productivity

	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

€0.3bn savings in '22
achieved through labor and external OPEX savings
112% of target

Committing on big / key initiatives addressing >50% of tot. cash cost baseline

Simplify cost structure

- **Sourcing optimization** through fixed operating model review, request for quotation and renegotiation of contracts
- **Energy spend reduction** and **valorization of real estate assets**

Rightsize & talents' uplift

- **Labour**: hourly reduction, early retirements & voluntary exits
- **Insourcing**: re-skilling ~650 resources to avoid extra external costs
- **Shared Service Center**: centralization of shared service activities

Enhanced cost optimization

- **Customer care cost optimization** through lower human volumes, increased productivity, make vs buy mix review & near-shoring
- **Increase efficiency of sales channel mix**

Digital break-through

2022 achievements

✓ **Labour target achieved**

- >1.3k early retirements from September to YE
- Reduction of total worked hours for >70% of FTEs
- ~0.8k voluntary exits, 60% more than target

✓ **Target on other OpEx achieved**

- Procurement: re-negotiation campaigns, improvement of demand management, proactive costs streamlining
- Real Estate utilities optimization and space reduction
- Interconnection costs optimization through improved fraud detection practices
- Other OPEX, in terms of spending review of:

IT Costs & other COGS
Billing & Collection
Marketing
Customer Care
Logistics
Indirect personnel

(1) Cumulated savings vs. inertial plan (2) On 2021 restated cost baseline (€ 4.8bn)

Revamping TIM's role in the industry while capturing new growth opportunities

			Timeframe Short Medium Long
Potential upside from key value drivers	Pricing	▪ Revision of **copper / fiber prices** ▪ Creation of **links to inflation** in wholesale co-investment offer ▪ Progressive introduction of **inflation related adjustments** in retail prices	
	Value added tax	▪ **Reducing VAT** following EU Directive 2022/542, down from 22%	
	Energy	▪ Qualification as **energy-intensive**, with fiscal benefits extended to TLC operators ▪ Move energy prices to a **direct link with PUN** (1) ▪ Simplification / incentives to **renewable energy self-production**	
	Electromagnetic limits	▪ Release of what are today the tightest **limitations on emissions** (direct impact on future mobile coverage CAPEX)	
	Fair share	▪ Introduction of measures to obtain a **fairer redistribution of costs and financial resources** needed to address the ever-increasing data traffic and market unbalances	
New growth opportunities	TIM Consumer	▪ Enhance **differentiation of entertainment services** ▪ Enrich **5G & ICT portfolio** and further develop **data driven strategy**	
	TIM Enterprise	▪ Further **enrich service portfolio**, also through **key "beyond core" services** (selected verticals) ▪ Engage in **value creating partnerships** and **professional services insourcing**	

(1) "*Prezzo Unico Nazionale*", wholesale reference price of electricity that is purchased on the Italian Power Exchange market

Progressing on the path to unlock value

			Achievements
Financial discipline	**Tight cost control** and **ROIC based capital allocation**, along with **efficiency & transformation programs** Strong commitment to **reduce leverage & maintain a sustainable capital structure** despite recent rating actions		✓ **€ 2bn bank syndicated loan** backed by SACE guarantee (Jul '22) ✓ **€ 0.85bn 5 years new bond issue** (Jan '23) ✓ EIB financing greenlighted by European Commission (Jan '23)
Transformation & turnaround	TIM Consumer	**Execute transformation & turnaround initiatives to secure a sustainable growth**	✓ **Brand & market positioning** revamped, content strategy revised ✓ **New organizational structure** in place ✓ **CAPEX and IT demand** optimized
Delayering	TIM Enterprise	**Create optionality and opportunities for M&A operations and deleverage**	✓ **Carve-out roadmap & corporate structure** defined ✓ **Perimeter & execution roadmap** confirmed ✓ **Target operating model** updated, **execution phase** ongoing
	TIM Brasil		✓ **TIM Brasil currently undervalued** – significant upside exist (TP at >40% vs. share price) (1)
	NetCo	**Vertical dis-integration**: separating fixed network from services	✓ **Concrete steps forward** to raise interest by international funds and Italian institutions ✓ **Non-binding offer received** from KKR on Feb. 1st, 2023 ✓ **Technical table set up** by Government, **discussion still ongoing**

(1) Consensus TIM Brasil 17.5 R$ @ 27 Jan 2023. Upside on avg. price last 3 months (12.13R$ as of 10 Feb 2023)

ESG - 2022 main achievements

NetCo	TIM Consumer	TIM Enterprise	TIM Brasil
Low CO_2 impact infrastructures & operations **Digital society** transformation	**Renewed commercial identity** closer to green & inclusion values **Quality leadership**	**Main digital transformation partner** toward sustainability	**Resource management and stakeholders' interest** as drivers of business value
▪ **Green energy**: 46% of total energy from renewables in '22 ▪ Successfully managed higher energy consumption through **efficiency interventions** ▪ **Energy efficiency certificates** for € 3.8m revenues ▪ **Resale of goods and materials** for ~€2.4m revenues ▪ **4G coverage expanded** to >99% of population	▪ **Green products and smartphones**: 60% of total products ▪ **Decarbonized emissions** for TIM Group websites ▪ **Launched 1st ever top quality 10Gbps offer** available in the Italian market	▪ **Innovative ICT**: – Digital services (PEC, SPID, digital signature) +31% YoY growth on active clients – IoT & Security services with revenues at +20% CAGR 19-22 ▪ **National Strategic Hub** awarded together with Leonardo, CDP and SOGEI to boost to the digitization of Italian Public Administrations	▪ **100% renewable energy**, ~50% self-generated ▪ **+127% of data traffic energy efficiency** ▪ **Inclusion**: 1st mobile operator covering 100% of municipalities ▪ **Governance**: **Cyber-Security** management best practice (ISO 27001) and **Pro-Ethics** company recognition (by CGU - 1st Telco)

- **Awarded NRRP tenders for UBB** coverage expansion and take-up

People – A sustainable workplace

- **43% of women in TIM Boards**
- **Women in leadership position**: 24.0% Domestic and 34.4% Brazil
- **Diversity & Inclusion**: TIM and TIM Brasil confirmed in Refinitiv and Bloomberg GEI

#1 Operations update

#2 Q4 and FY ‘22 Preliminary Results

#3 2023-‘25 Group Strategic Plan

Key financials: improving trends, FY targets achieved/beaten

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

✓ *FY guidance achieved/beaten*

	QoQ comparison		YoY comparison	
	Q3 '22	Q4 '22	FY '21	FY '22
Revenues	+1.1%	**+3.3%**	-1.9%	**-0.3%**
o/w Services	+3.0%	+3.6%	-2.1%	+1.3% ✓
EBITDA	-6.5%	**+2.7%**	-9.6%	**-6.7%** ✓
EBITDA After Lease	-11.2%	**-1.3%**	-11.6%	**-10.6%** ✓
CAPEX net of licences	846	**1,297**	3,942	**3,979** ✓
o/w Domestic	660	1,059	3,137	3,127 ✓
EFCF After Lease	-0.3bn	**0.2bn**	0.1bn	**0bn**
Net Debt After Lease [2]	20.1bn		17.6bn	**20.0bn**

FY revenues broadly stable YoY, services back to growth

FY EBITDA YoY affected by 2021 non-repeatable items [3]
(~7pp YoY on Group EBITDA AL)

FY EFCF affected by DAZN one-off payment
(€ 0.3bn)

FY Net Debt AL affected by extraordinary payments
(€ 2.4bn net of € 1.2bn cash-in)

(1) Excluding exchange rate fluctuations, non-recurring items and change in consolidation area. Group figures @ average exchange-rate 5.44 R$/€
(2) Adjusted Net Debt After Lease **(3)** Domestic 2021 non-repeatable items such as deferred costs related to the extension of useful life on CB fixed/mobile, Nat. Wholesale non-recurring items, one-off bonuses accrual write-off. Please refer to "*FY '21 Results and 2022-'24 Plan*" presentation

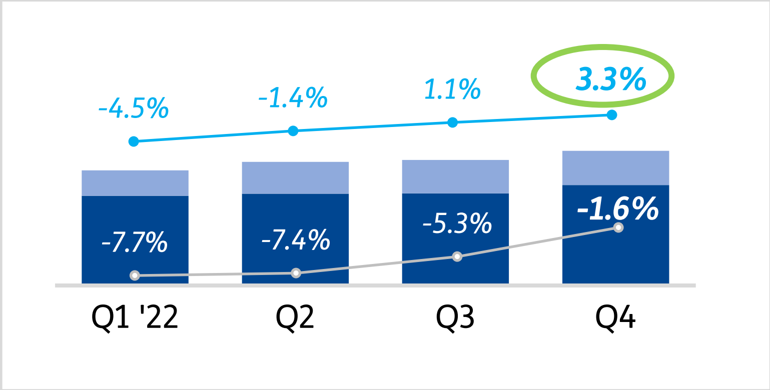
Positive YoY growth both on Revenues and EBITDA in Q4

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

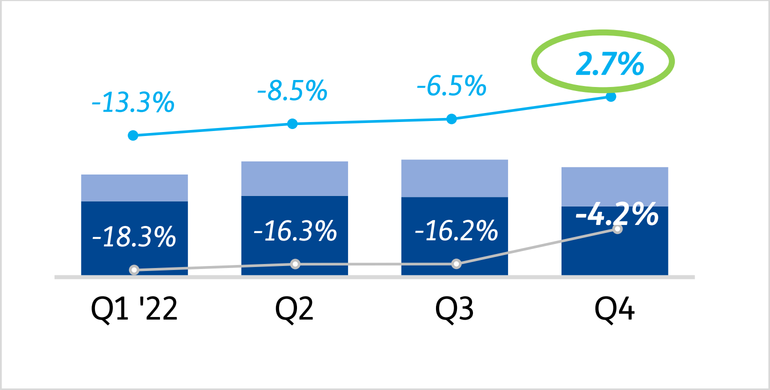
Group | Domestic | Brazil

Strong improvement of domestic trends, accelerated growth in Brazil

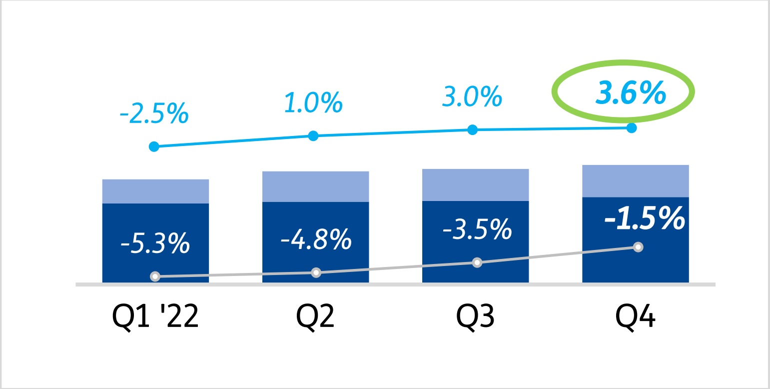
Total revenues



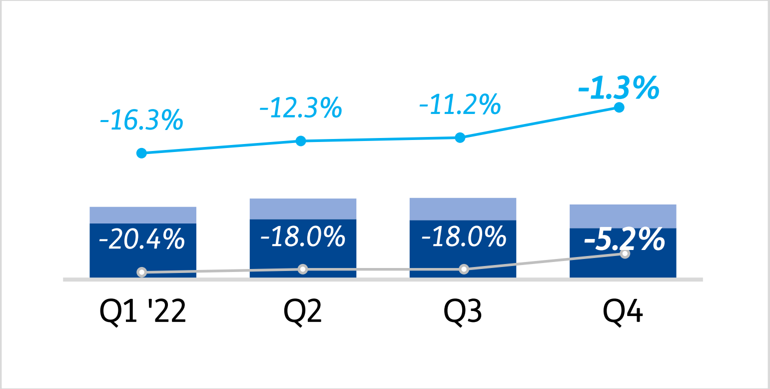
EBITDA



Service revenues



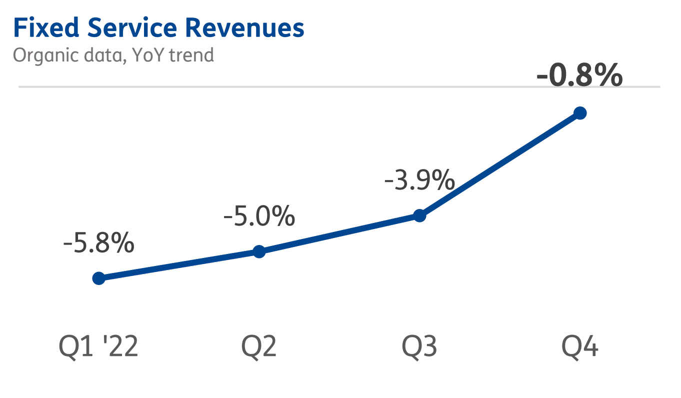
EBITDA
After Lease



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

Fixed - Service revenues stabilizing, ARPU BB+ICT improving

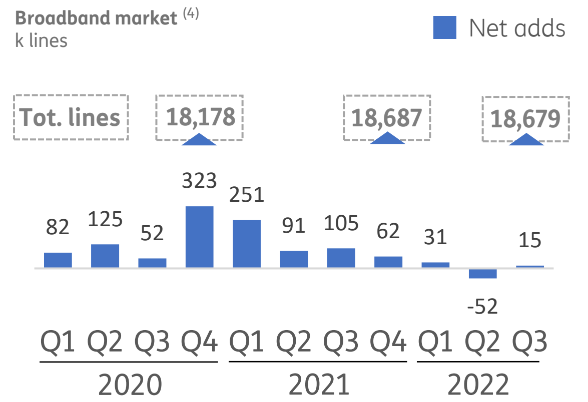
FSR trend improved further



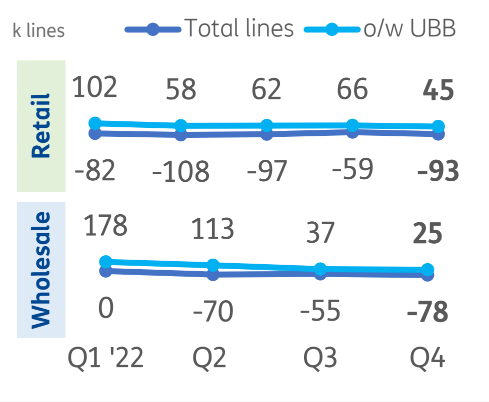
Organic data
€m

	Q4 '22	YoY trend	
Fixed revenues	**2,389**	**-0.3%**	
Equipment	209	4.5%	wholesale deal with OF
Services	**2,180**	**-0.8%**	higher retail contribution (+1.3pp YoY,+3.6pp QoQ)
o/w retail [1]	1,429	+2.0%	higher ARPU stemming from IT revenues
o/w Nat. wholesale [2]	490	-4.3%	2021 NRI & change in regulated price drag [3]
o/w Int. wholesale	260	-8.5%	lower voice revenues with low marginality

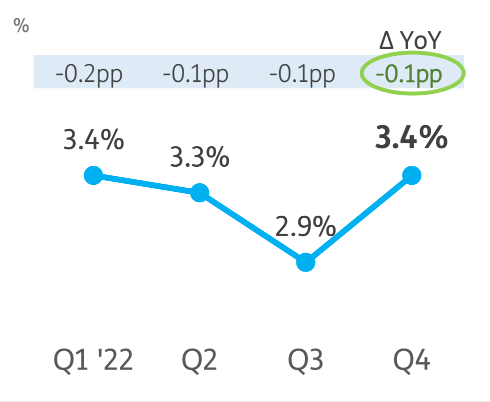
Market broadly stable



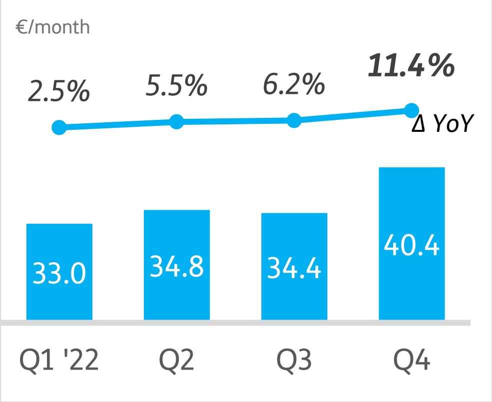
Net adds affected by price-up



Churn contained



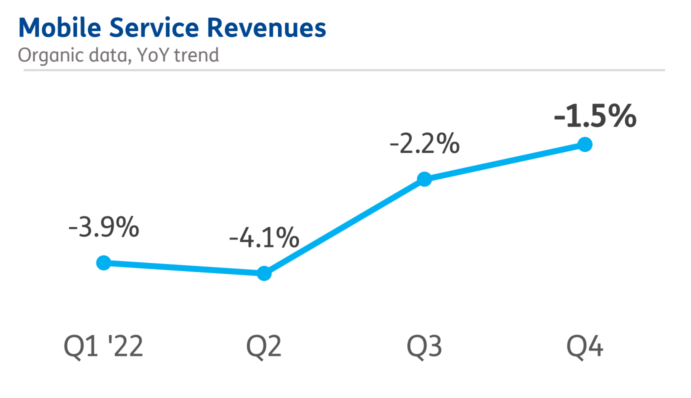
ARPU BB+ICT



(1) Including ICT revenues generated by TIM Digital Companies **(2)** Including FiberCop revenues **(3)** 3.3pp drag on National Wholesale trend YoY from non-recurring items and change in regulated price **(4)** Source: AGCOM

Mobile - service revenues improving, “volume to value” ongoing

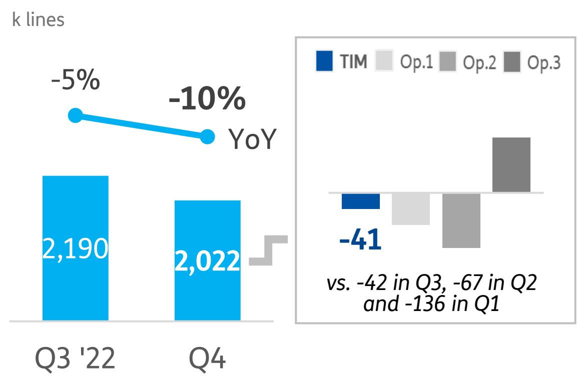
MSR trend improved further



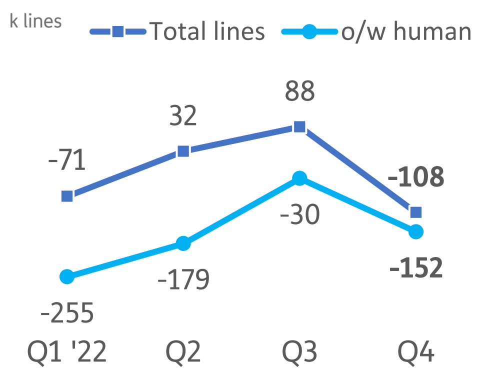
Organic data
€m

	Q4 ‘22	YoY trend	
Mobile revenues	**934**	**-3.2%**	
Equipment	155	-11.1%	lower volumes sold
Services	**779**	**-1.5%**	1.2pp drag YoY from MTR price reduction
o/w retail	649	-4.2%	lower CB and ARPU
o/w wholesale & other	130	+14.6%	higher roamers and MVNO contribution

Market MNP reduced



Net adds affected by price-up



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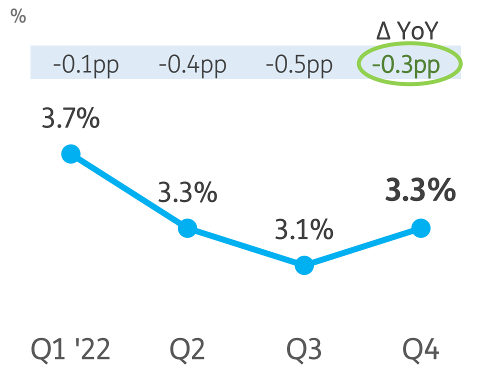
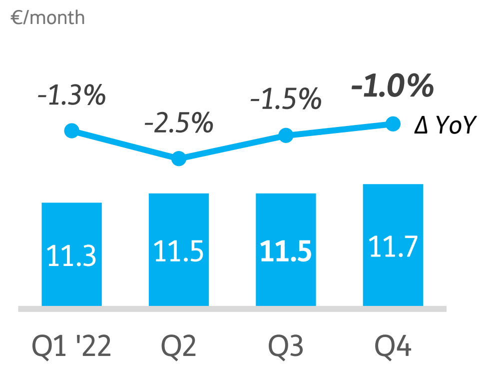


ARPU Human improving



FY Domestic OPEX broadly stable YoY, -0.4% YoY in Q4

OPEX
Organic data, IFRS 16, € m

	Q4 '22	YoY trend	FY '22	YoY trend	Contribution on FY tot.OPEX
TOT. OPEX	**2,226**	**-10 (-0.4%)**	**7,684**	**+13 (+0.2%)**	
(cash view)		-35 (-1.5%)		-161 (-2%)	
Interconnection	276	-15%	1,086	-10%	-1.6pp
Equipment	281	-6%	842	-17%	-2.2pp
CoGS	352	+44%	1,004	+29%	2.9pp
Commercial	355	-7%	1,227	+1%	0.1pp
Industrial	291	+7%	1,114	+7%	1.0pp
G&A and IT	126	+3%	467	+8%	0.5pp
Labour (1)	517	-3%	1,884	-1%	-0.4pp
Other (2)	28	-52%	59	-19%	-0.2pp

- **Variable costs** -2% YoY in FY, with lower interconnection (rationalization of low-margin international voice revenues) and equipment sold more than offsetting higher CoGS related to ICT revenue growth (+23% YoY in '22, +30% in Q4)
- **Commercial costs** +1% YoY in FY. Higher IDC management (Cloud revenue growth), Content & Vas (Football revenues growth) and Commissioning (one-off positive impact in '21) compensated by lower Bad debt and Customer management (more than compensated in Q4, resulting in an overall reduction of commercial costs at -7% YoY)
- **Industrial costs** +7% YoY (+7% in Q4) due to higher energy and provisioning costs
- **G&A and IT** +8% YoY (+3% in Q4) for higher office space costs due to re-openings after lockdown in '21 and higher **IT** costs related to ICT revenues growth
- **Labour** -1% YoY (-3% in Q4) driven by solidarity and lower FTEs offsetting one-off bonuses

- **Energy** costs under control and in line with expectation, despite the adverse macro scenario

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

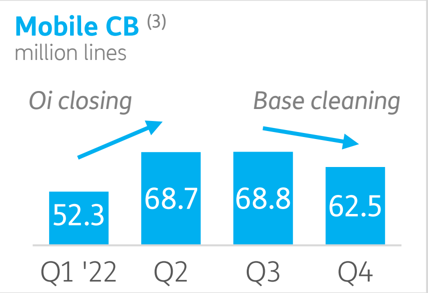
TIM Brasil - A year of strong achievements with all targets delivered

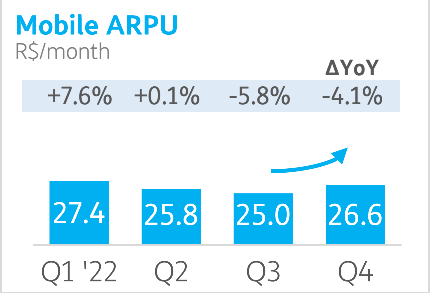
Reported figures, R$ bn and YoY change

✓ *Targets delivered*

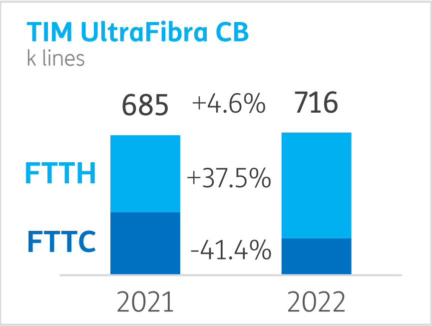
	Q4 '22	FY '22	2022 targets
Service revenues	**+20.8%**	**+19.0%** ✓	double digit growth
o/w Mobile	+21.6%	+19.8%	
o/w Fixed	+9.0%	+7.7%	
EBITDA net of NRI (1)	**+16.9%**	**+16.4%** ✓	double digit growth
CAPEX		**4.7bn** ✓	~4.8bn
EBITDA-CAPEX on revenues		**25.5%** (+1.6pp YoY) ✓	>24%
Leverage (Net Debt/EBITDA)		**1.35x** (0.15x ex. leases) ✓	~2x
Shareholders remuneration		**1.4bn** IoC (2) **0.6bn** dividends ✓	2.0 bn

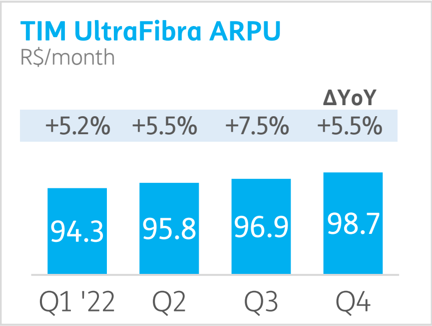
Mobile KPIs temporarily affected by Oi acquisition





Fixed growth sustained by steady FTTH migration





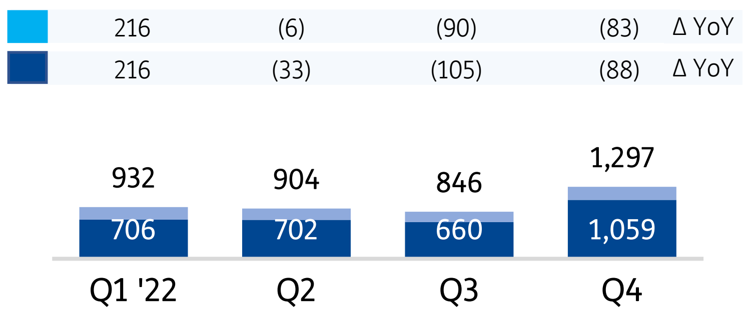
(1) Non-recurring items **(2)** Interest on Capital **(3)** Includes corporate lines

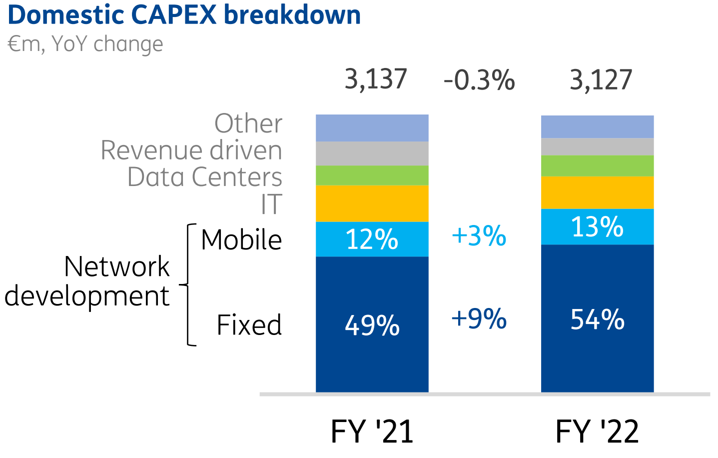
CAPEX on track, EFCF and Net Debt affected by extraordinary items

Organic figures(1), IFRS 16 and After Lease, €m

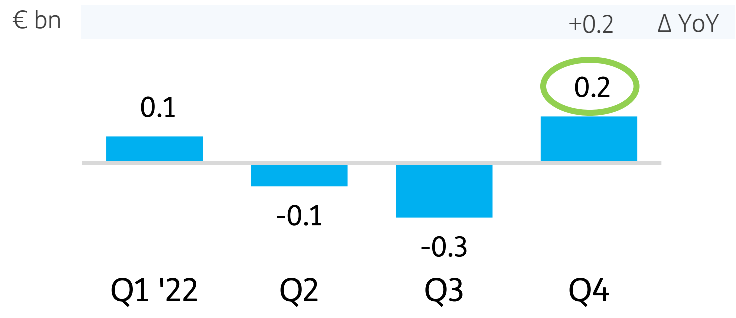
Group | Domestic | Brazil

CAPEX
net of licenses





EFCF
After Lease

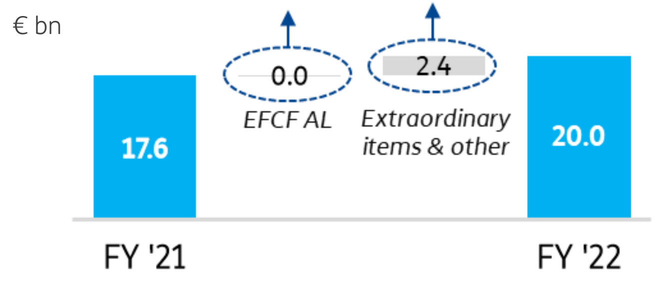


Adjusted Net Debt
After Lease

FY '22 extraordinary items

- DAZN one-off payment (+0.3bn)

- Licences (+2.2bn)
- Oi acquisition (+1.2bn)
- Daphne 3 disposal (-1.2bn)

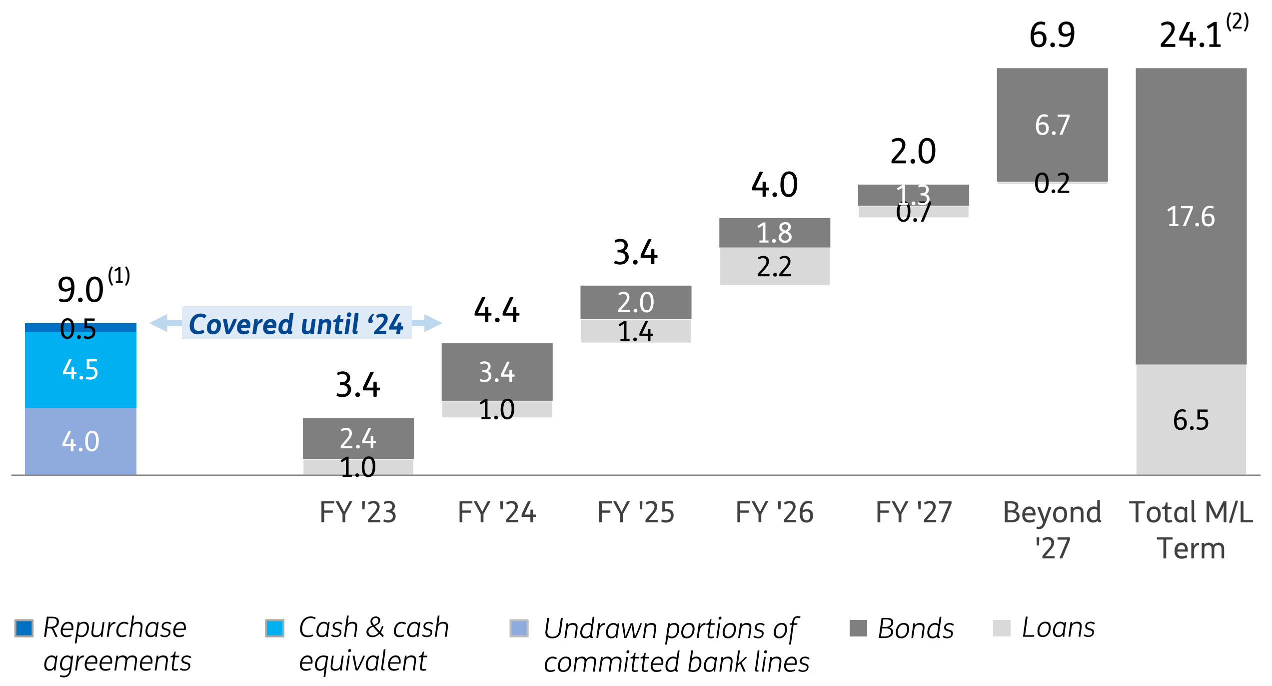


(1) Group CAPEX net of exchange rate fluctuations (average exchange-rate 5.44 R$/€)

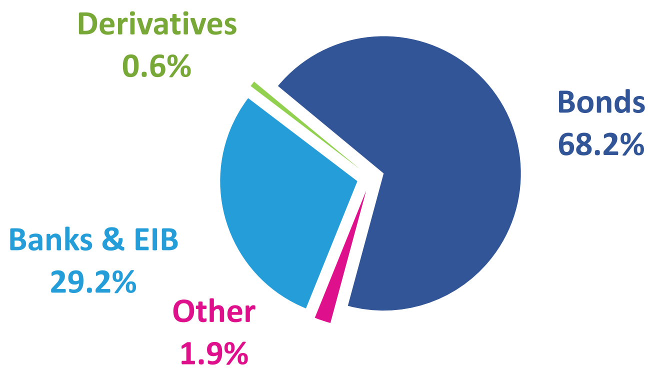
Liquidity strengthened in Jan. '23 following €850m 5y bond issue

After Lease view - Cost of debt ~3.9%, +0.2pp QoQ, +0.5pp YoY

Liquidity Margin | Debt Maturities



Gross Debt



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

Fixed rate portion on M/L term debt **~65%**

~32% of outstanding bonds (nominal amount) denominated in **USD and GBP and fully hedged**

(1) Includes € 494m repurchase agreements (nominal amount) of which: € 350m will expire in February and € 144m will expire in April 2023
(2) € 24,100m is the nominal amount of outstanding medium-long term debt. By adding the balance of IAS adjustments and reverse fair value valuations (€ 998m) and current financial liabilities (€ 1,117m), the gross debt figure of € 26,215m is reconciled with reported number

#1 Operations update

#2 Q4 and FY ‘22 Preliminary Results

#3 2023-‘25 Group Strategic Plan

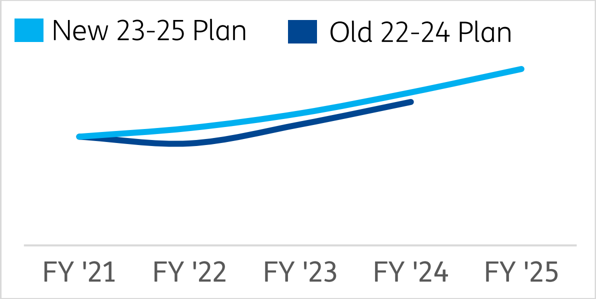
Guidance 2023-'25

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

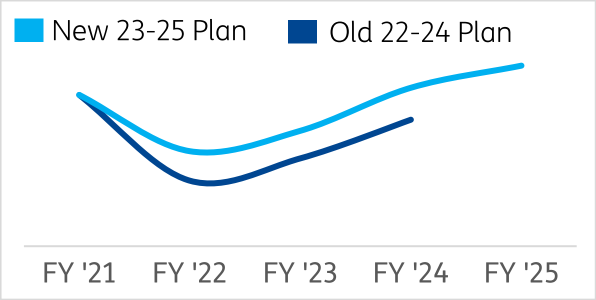
Over-delivery in 2022, positive acceleration also in '23-'25 despite worsening macro scenario

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$/€

TIM Entities - Value drivers towards 2025

	Drivers
TIM Consumer *Value turnaround to growth*	▪ **Turnaround of ARPU trend** through enhanced CVM, upselling campaigns and price indexation to inflation ▪ **Focus on CB stabilization**, also through convergence and premium customer experience ▪ **Restructuring of content service business model** ▪ **Transformation of commercial & caring operating model** through improved efficiency/productivity and digitalization scale up
TIM Enterprise *Fuel innovation and strive for excellence*	**Growth above market and margin improvement** ▪ Professional services on licensing ▪ Standardized large offerings to push market penetration ▪ Transformation actions (insourcing, vendor consolidation) & commercial partnerships ▪ Inflation recovery and repricing
NetCo *A long-term value story*	**Push on FTTH: 48% coverage by '25** ▪ New FiberCop plan reviewed coherently with NRPP ▪ Leverage new FTTH VULA price and co-investment offers ▪ Evolve high-speed offerings, increase focus on regional market segments ▪ Simplify offer portfolio, reduce backlog, improve delivery and assurance **Push on 5G & leverage on passive sharing: 90% coverage by '25**

TIM Brasil - The "Next Generation TIM"

TIM S.A., R$ bn

2023-'25 guidance updated

	2023	2025	Drivers
Service Revenues	HSD growth	MSD growth CAGR 22-25 (above inflation)	▪ Maintain focus on value, better CB trend, churn normalization ▪ Rational competitive environment ▪ Broadband and new initiatives as complements
EBITDA	LDD growth	HSD growth CAGR 22-25	▪ Manage inflationary pressure with traditional cost control ▪ Contribution margin from Oi's former clients ▪ Digital transformation
CAPEX	<20% on revenues	**13.3** cum. 23-25	▪ Synergies from acquired spectrum ▪ 4G Traffic offload following 5G fast-paced roll-out ▪ Asset-light approach on FTTH expansion
EBITDA AL-CAPEX	double-digit growth	double-digit CAGR 22-25	▪ EBITDA contribution as business dynamics evolves ▪ CAPEX allocation: "do more with less" in infrastructure ▪ Sites decommissioning
Shareholder remuneration	~2.3	continuous evolution	▪ Cash generation ▪ Net Income is NOT the limit (distributable reserves ~R$ 7.5bn)

HSD = High-Single Digit   *MSD = Mid-Single Digit*   *LDD = Low-Double Digit*

Note: guidance does not consider tax reforms, regulatory changes and new spectrum auctions

ESG - Guidance update

	NetCo	TIM Consumer	TIM Enterprise	TIM Brasil
ESG objectives	**Low $C0_2$ impact** infrastructures & operations **Digital society** transformation	**Renewed commercial identity** closer to green & inclusion values **Quality leadership**	**Main digital transformation partner** toward sustainability	**Resource management and stakeholders' interest** as drivers of business value
	People – A sustainable workplace			

Old targets → **Updated targets**

	Target	Old targets	Old year	Updated targets	Updated year
Group targets	**E** Net Zero (Scope 1+2+3)	2040		2040	
	E Carbon Neutrality (Scope 1+2)	2030		2030	
	E Scope 3 Reduction [1]	-47%	2030	-47%	2030
	E Renewable energy on total energy	100%	2025	100%	2025
	G Women in leadership position	29%	2024	≥29%	2025
Domestic targets	**E** Green Products & Smartphones [2]	≥50%	2024	≥70%	2025
	E Circular Economy ratio [3]	+11% from 0.044€/kg[2]	2024	2€/kg	2025
	S Cloud, IoT & Security service revenues [4]	+20% CAGR 20-24	2024	+21% CAGR 23-25	2025
	S Digital Identity Services	+15% CAGR 22-24	2024	+30% CAGR 22-25	2025
	S People trained on ESG skills	90%	2024	≥90%	2025
	S Young Employees Engagement	≥ 78%	2024	≥ 78%	2025
	S FTTH Coverage (% of technical units)	~60%	2026	48%	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)

(1) Scope 3 cat.1, 2 and 11, 2019 baseline **(2)** Baseline 2021 **(3)** Average revenues from the resale of used materials and assets plus waste recycling per kg of waste produced **(4)** Old target excluding cloud service revenues

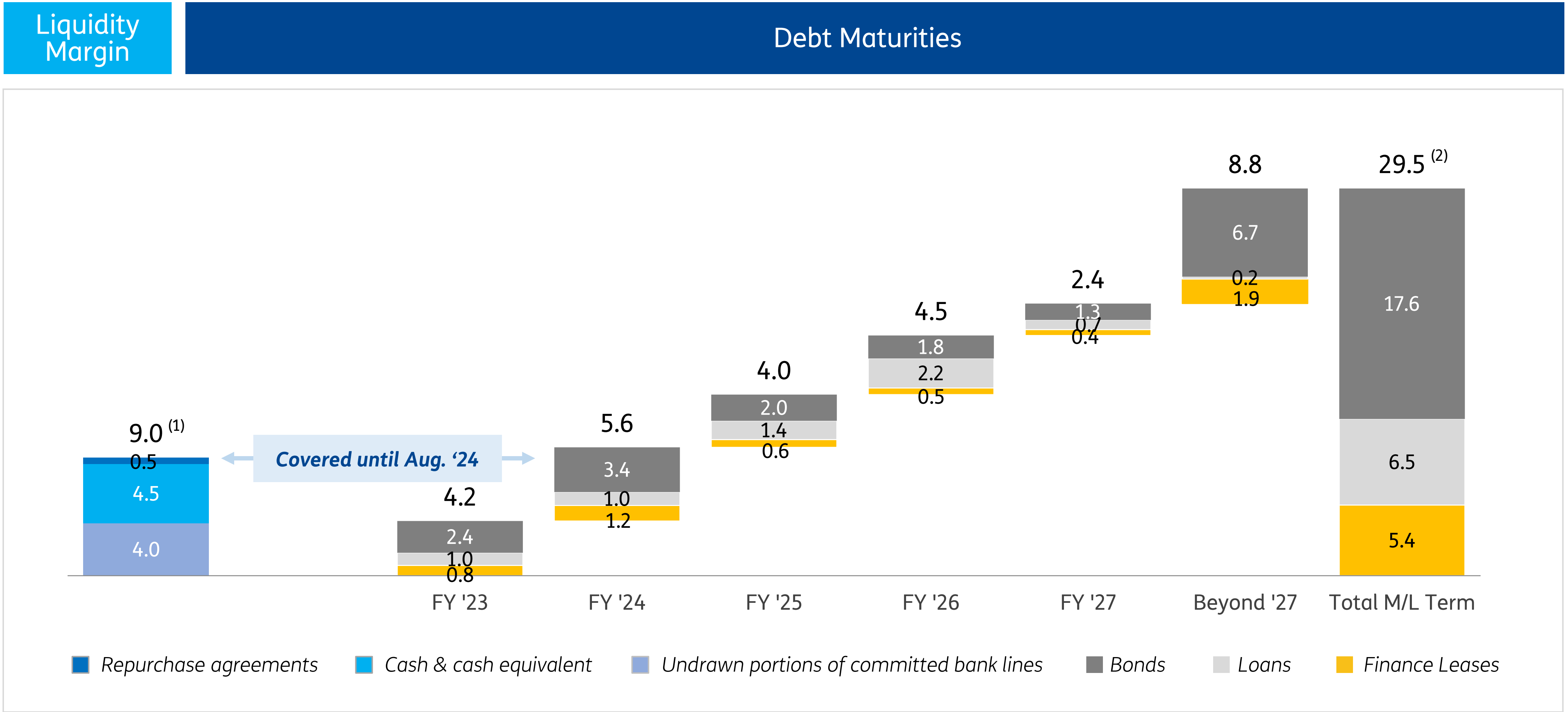
Q&A

Annex

Liquidity margin, IFRS 16 view

Cost of debt ~4.4%*, +0.2pp QoQ and +0.7pp YoY

** Including cost of all leases*

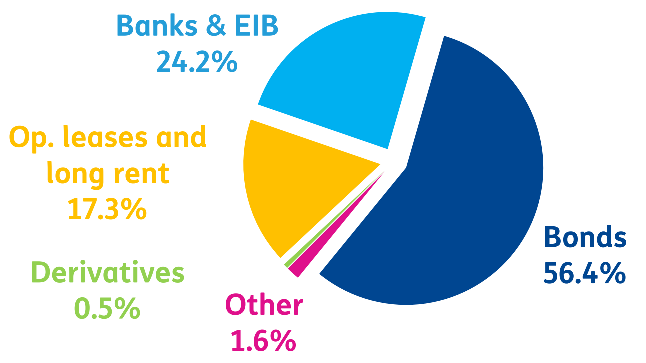


(1) Includes € 494m repurchase agreements (nominal amount) of which: €350m will expire in February and € 144m will expire in April 2023
(2) € 29,482m is the nominal amount of outstanding medium-long term debt. By adding the balance of IAS adjustments and reverse fair value valuations (€ 1,083m) and current financial liabilities (€ 1,117m), the gross debt figure of € 31,682m is reconciled with reported number

Well diversified and hedged debt, IFRS 16 view

€ m	NFP adjusted	Fair value	NFP accounting
GROSS DEBT			
Bonds	17,881	177	18,058
Banks & EIB	7,664	-	7,664
Derivatives	170	386	556
Leases and long rent	5,467	-	5,467
Other (1)	500	-	500
TOTAL	**31,682**	**563**	**32,245**
FINANCIAL ASSETS			
Liquidity position	5,001	-	5,001
Other	1,317	557	1,874
o/w derivatives	*1,128*	*557*	*1,685*
o/w active leases	*118*	*-*	*118*
o/w other credit	*71*	*-*	*71*
TOTAL	**6,318**	**557**	**6,875**
NET FINANCIAL DEBT	**25,364**	**6**	**25,370**

Gross Debt



Average m/l term maturity: 6.5 years (bonds 6.3 years)

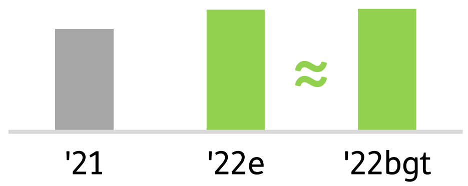
Fixed rate portion on M/L term debt **~71%**

~32% of outstanding bonds (nominal amount) denominated in **USD and GBP and fully hedged**

(1) Includes debts due to other lenders related to: Factor (€ 174m), Aflac (€ 142m), Brazil 5G (€ 161m), Brixia (€ 5m) and other (€ 18m)

Energy - 2022 costs almost all hedged, many efficiency initiatives ongoing

Net Energy OPEX



Energy supply

- **Energy costs for 2022 are almost all hedged**
- **Energy costs for '23 hedged at ~75%** including pass-through on colocation
- **Guarantees of Origin** purchase increased, targeting 100% renewables by '25
- Expected new **Corporate Power Purchase Agreements**, targeting +200 GWh in '23-'25 plan
- **Photovoltaic plants**: 6 GWh/year self-generated in '22, further expanding in following years

~75% hedged in 2023 *including pass-through on colocation*

Fixed network

- **Decommissioning** plan under execution
- **Lower energy absorption** from FTTx vs copper and improved heat management processes
- **AI, IoT sensors and near-real-time monitoring** in exchange spaces

Mobile network

- **Real-time switch-off of unused frequencies** introduced in '22 in first two regions
- **3G switch-off** ongoing (18k sites) and **modernization of base transceiver stations** (5k sites)
- **Distributed energy production plan** being defined to serve base radio stations

Data Centers

- **Green Data Centers with low environmental impact** being developed
- **DC modernization program** ongoing, targeting a better PUE[1] vs. sector average
- **Certification programs** ongoing[2]

Office spaces

- **Office spaces rationalization, large scale adoption of *working from home***
- **Fixed *working from home* days** with savings from closure of offices
- **Reduction of waste** through sustainable behaviors and temperature & light sensors

2023 consumption flat YoY thanks to **~6-7%** GWh savings compensating for growing DC infrastructure and network expansion

(1) Power Usage Effectiveness **(2)** Certifications: "LEED Gold", "ISO 50001", "EU Code of Conduct" for eco-efficiency

TIM Group

Goodwill Tax Realignment Revocation

Positive cash impact (€ 0.7bn) in 2022-'23

	Impact on 2020 Financial Statements (benefit: 18 years)	Impact on 2021 Financial Statements (benefit: 50 years)	Impact from revocation
Realignment of the tax value	+€ 5.9bn *P&L – Positive item in income tax expenses*	-€ 3.8bn *P&L – Negative item in income tax expenses*	-€ 2.0bn(1) (=2.7-0.7) *P&L – Negative item in income tax expenses*
TIM SpA intangible assets redeemed € 23.1bn	€ 6.6bn *Balance Sheet – DTA*	€ 2.7bn *Balance Sheet – DTA*	- *Balance Sheet – DTA*
Substitute tax (3%)	€ 0.7bn *Balance Sheet – Income tax payables*	€ 0.4bn *Balance Sheet – Income tax payables*	€ 0.4bn *Balance Sheet – Income tax payables write-off*
Cash out/in for substitute tax	- *Balance Sheet – Cash out*	€ 0.3bn *Balance Sheet – Cash out*	€ 0.3bn *Balance Sheet – Cash in*
Net equity suspended for tax purposes	€ 22.4bn *Balance Sheet – Net Equity suspended*	€ 22.4bn(2) *Balance Sheet – Net Equity suspended*	- *Balance Sheet – Net Equity suspended*

What is new

- **Legislation changes** have materially worsened the «investment» profitability
- **New round of revocation analysis** conducted given the significant increase in interest rates
- **New Decree ruling on revocation** (Sep.29th, 2022):
  - Revocation as if election for realignment had never been made (hence no penalties for omitted substitute tax payments)
  - Full offsetting of the substitute tax paid against other tax debts (i.e. no cap limits)

(1) € 0.1bn already amortized in 2021

(2) Net equity suspended reduced in April 2022 to € 14.1bn consequent to 2021 loss coverage (€ 8.3bn)

For further questions please contact the IR team

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