TIM GROUP

Q3 '21 RESULTS

Leading the Country's digitalization

28 October 2021

Disclaimer

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

The financial results of the TIM Group are 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 Q3'21 and 9M'21 of the TIM Group are the same as those adopted in the TIM Group Annual Audited Consolidated Financial Statements as of 31 December 2020, to which reference can be made, except for the amendments to the standards issued by IASB and adopted starting from 1 January, 2021.

Please note that the limited review by the external auditors (E&Y) on the TIM Group Consolidated Financial Statements at 30 September 2021 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) and Equity Free Cash Flow. Moreover, following the adoption of IFRS 16, the TIM Group uses the following additional alternative performance indicators:

* **EBITDA adjusted After Lease ("EBITDA-AL")**, calculated by adjusting the Organic EBITDA, net of non-recurring items, of the amounts related to the accounting treatment of lease contracts according to IFRS 16;

* **Adjusted Net Financial Debt After Lease**, calculated by excluding from the adjusted net financial debt the net liabilities related to the accounting treatment of lease contracts according to IFRS 16;

* **Equity Free Cash Flow After Lease**, calculated by excluding from the Equity Free Cash Flow the amounts related to lease payments.

Such alternative performance measures are unaudited.

OPERATIONS UPDATE

"Beyond connectivity" plan update

What happened in Q3

KPIs

ESG

- **Fixed CSI improved**, alongside **higher NPS**
- TIM included in new **MIB ESG index** (1)
- More **pre-retirements**; **hiring** in beyond connectivity businesses

CSI fixed **+1.6% QoQ**

NPS fixed **+1**

~1.2k exits YTD

Domestic

- Serie A + Champions league launch supporting **strong fiber net adds** and QoQ **churn reduction** despite seasonality
- **MSR materially improving**, churn at record low, Opensignal award as **fastest 5G mobile network in EU** (2)
- **Cloud** growth above expectations

9M retail **UBB net adds** 0.7m**, 1.8x 9M '19**

MSR YoY performance **+4.1pp** QoQ

Cloud revenues **+25%** YoY

Brazil

- Mobile postpaid and fixed fuel **Revenues** and **EBITDA** growth
- Outperforming competitors on **ARPU** growth
- Key events expected in Q4: Oi clearance, FiberCo acceleration

Service revenues **+4.2%** YoY

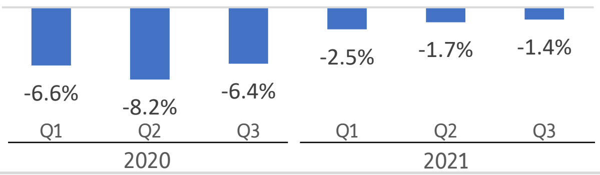
ARPU **+4.4%** YoY

EBITDA (3) **+4.4%** YoY

Group

- **Service revenues** trend improving QoQ
- Investing **for growth** ("good CAPEX and OPEX")
- **Net debt** AL **-€ 3.1bn** YoY, on track for '23 2.6x leverage target

Service revenues change YoY



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(1) In 2021 TIM was also reconfirmed in: FTSE4Good Index, Refinitiv Diversity and Inclusion Index, Euronext Vigeo Eiris Indexes (World 120, Eurozone 120, Europe 120), GEI and ISS ESG

(2) TIM awarded by OpenSignal for highest 5G mobile network download speed in Europe and placed in the world's top 30 for uplift between 4G and 5G networks in download/upload speeds and user experience in video and gaming

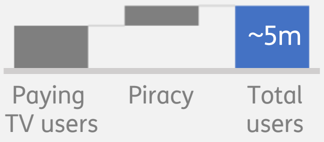
(3) Net non-recurring items

TIM’s key growth drivers progress

1 **Fiber to the Football (FTTF)**

Customers progressively **switching from satellite to fiber**

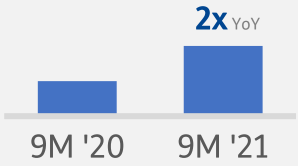
Football users market



2 **Mobile only returning to fixed BB**

Italy’s **fixed market grows**

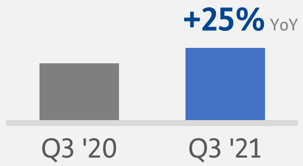
Market broadband net adds (1)



3 **Beyond connectivity**

Digital companies grow double-digit in Q3,
on-track to reach >2x in 3 years

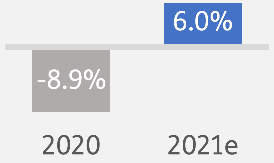
Cloud services growth



4 **Public Funds**

Macro context improving. NRRP(2) generating optimism

Updated GDP estimate



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(1) Source: Omdia
(2) National Recovery and Resilience Plan

TIM Domestic

1st growth driver: Fiber to the Football complementing “Fix the fixed” strategy

1 Fiber to the Footbal (FTTF)

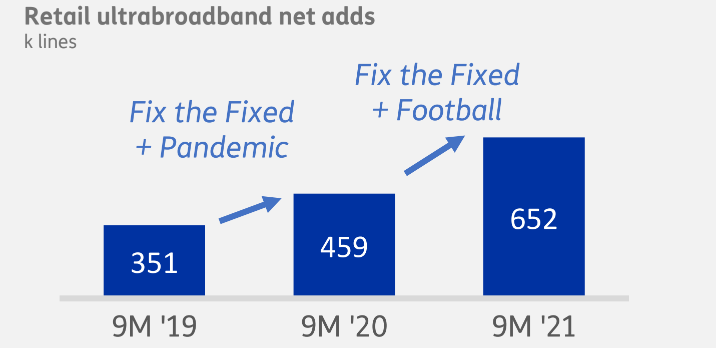
TV TIMVISION

“the home of football and entertainment”

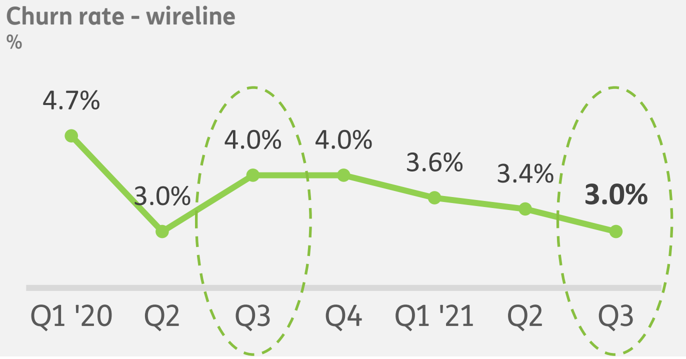
DAZN Disney+ infinity+ NETFLIX

Football offer
now **up and running**
and **supporting fixed KPIs**
improvement

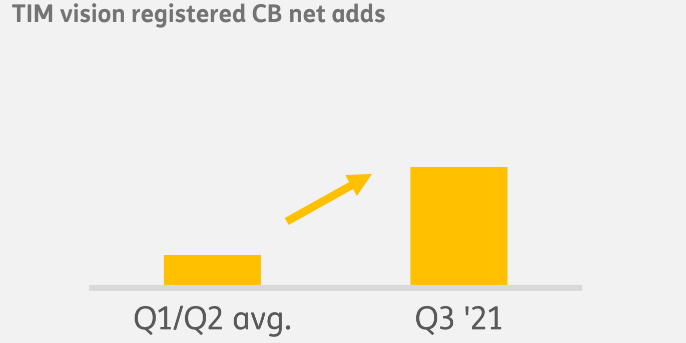
Boost in TIM UBB retail net adds


Retail ultrabroadband net adds
k lines

Churn down and reversing seasonality


Churn rate - wireline
%

Growth in TV customer base


TIM vision registered CB net adds

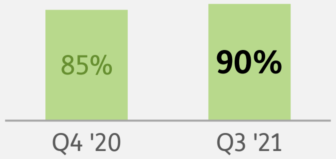
2nd growth driver: Fiber to the Football fueling Italy's fixed market growth alongside digital services for B2B and TIM's ubiquitous UBB coverage

2 Mobile only returning to fixed BB

TIM UBB **coverage**

FTTx

technical units



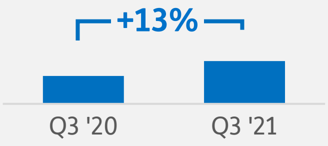
~94% of active lines

digital for business

TIM cloud business revenues

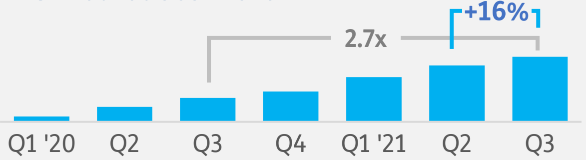
+25% YoY

ICT revenues



digital and **convergence** for consumer

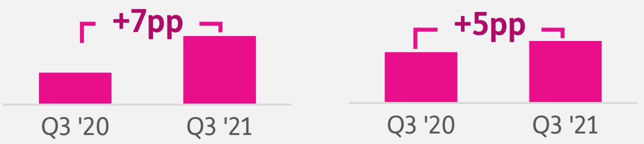
TIM Unica customers



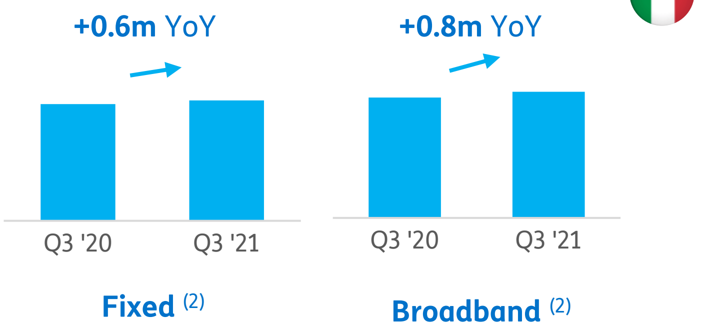
direct payments

% on fixed CB

% on mobile CB (1)



Italian fixed market growing…

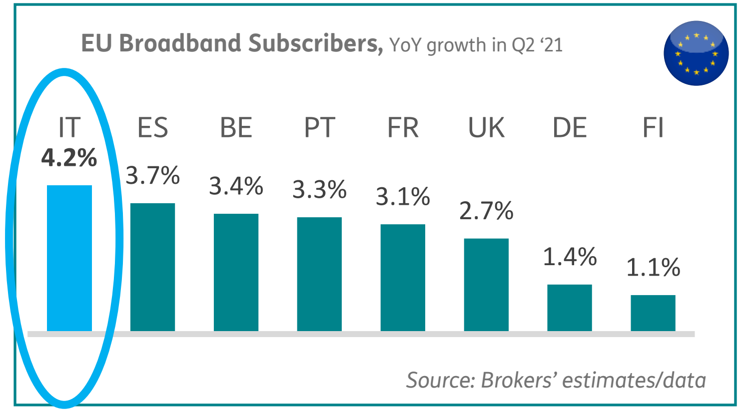


Fixed (2)

Broadband (2)

…and leading EU BB net adds

EU Broadband Subscribers, YoY growth in Q2 '21



Source: Brokers' estimates/data

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(1) Data only lines excluded
(2) Source: Omdia

3rd growth driver: TIM digital companies accelerating pace of growth

noovle

Leading cloud and infrastructure provider

Cloud Revenues
Q3 '21 - YoY
+25%

- Signed partnership with **Cisco** to foster **Cloud in P.A.**
- Agreed joint plan with **Oracle** for **multi-cloud orchestration**

Telsy

Leader in Cybersecurity for Enterprise and P.A.

Service Revenues
Q3 '21 - YoY
+28%

- Acquired stake in **QTI** (2) to strengthen quantum communication
- Launched "**Omnia**", a new platform enriching cyber services portfolio

olivetti

Integrated IOT Smart Services player

Service Revenues (1)
9M '21 - YoY
+11%

- Acquired a stake of **SECO** (9%) and signed industrial partnership for IoT innovation
- Acquisition of **Staer Sistemi** to accelerate in industrial IoT

SPARKLE

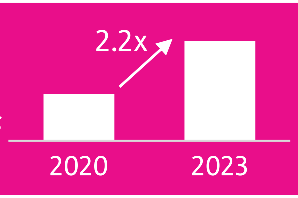
Leader in international wholesale market, scaling up in Enterprise

Service Revenues
Q3 '21 - YoY
+12%

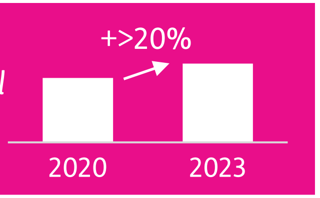
- **Blue Raman** submarine cable systems linking Milan with India (with Google)
- First public demonstration of **quantum cryptography** at G20 Trieste

Revenues '20-'23

Digital services



International wholesale



- Strong cross-synergies among digital companies and with TIM's core business, meeting increasing customer demand
- **Much higher market multiples than telcos: 10-20+x EV/EBITDA**

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(1) Olivetti and Trust Technologies ICT service revenues
(2) Quantum Telecommunications Italy

TIM transforming Italy through the widest cloud offering and latest technologies

noovle Telsy

Noovle Portfolio

re-designed to provide solutions along the entire cloud ecosystem

- **Cloud transformation**
- **Data Center Services**
- **Modern workplace**
- **Customer experience**
- **AI & Analytics**
- **Security** *with* Telsy

Noovle highlights

- **1,800+ contracts signed YTD**
- **Acceleration in Q3**: 700+ contracts including **Credit Agricole, Carabinieri, Generali, Azimut**
- Redesigned go-to-market approach; enhanced team & competences

olivetti noovle

Digital use-cases

TIM's technologies on-field to digitize the Country

Smart Cities

- **Venice** - Smart Control Room
- **Ivrea** - Smart City Platform
- **Milan** - Smart Cabinets

Workplace digitalization

Digital workstation, modular and easy to manage

Smart Agriculture

Agriculture 4.0 applications and farm management systems through drones & IoT

Tourism & Entertainment

5G connectivity to cover the Roman Amphitheater and part of the Archaeological Park of Pompeii

TIM approach to digital showcased at EXPO Dubai

TIM SPARKLE
Telsy noovle
olivetti INWIT

ITALIA
LA BELLEZZA UNISCE LE PERSONE
BEAUTY CONNECTS PEOPLE
الجمال يجمع الناس

3rd + 4th growth drivers: National Strategic Hub (NSH) for cloud services provision to the Public Administration

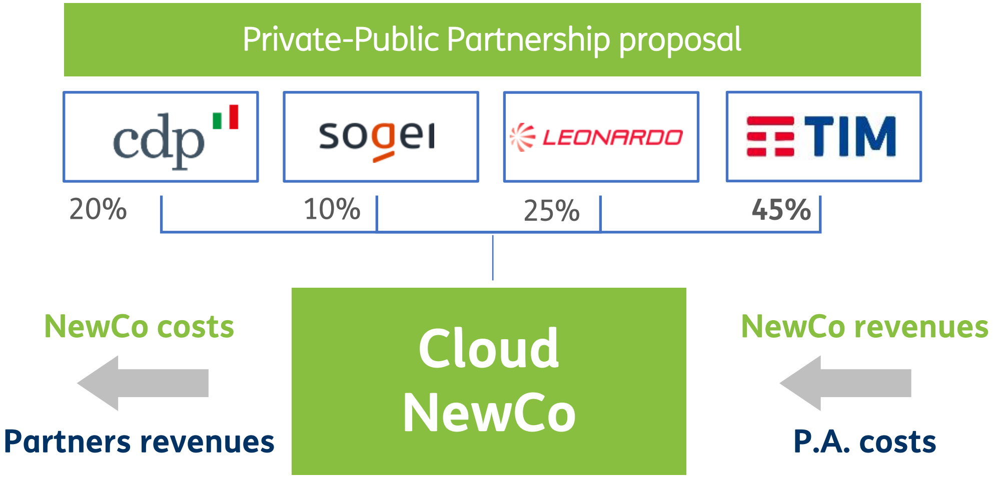
3 Beyond connectivity

4 Public Funds

Italian Government aim: National Cloud Hub to host and manage strategic P.A. data & services

TIM, CDP, Leonardo and Sogei proposed a public-private partnership pooling partners' best expertise and technologies

A Newco will be created with TIM at 45%



NewCo industrial partners

- **TIM**: *cloud infrastructure/services*
- **Leonardo**: *security services*
- **SOGEI**: *cloud culture & training*

Public Administration

- Central P.A. (~200 entities)
- Local health authorities (~80)
- Main local P.A.(2)

Timing

- **Call for tenders** by 2021
- **Cloud migration**: ≥75% of P.A. by 2025

NewCo business model

NewCo buys services and infrastructure mainly from industrial partners and sells to P.A.:

- **Cloud migration / set-up (supported by €1.9bn RRF)**
- **Infrastructure** and **services (recurring revenues)**

Public funds available

for P.A. cloud transformation (RRF)

€ 1bn cloud migration

€ 0.9bn set up of cloud infrastructure

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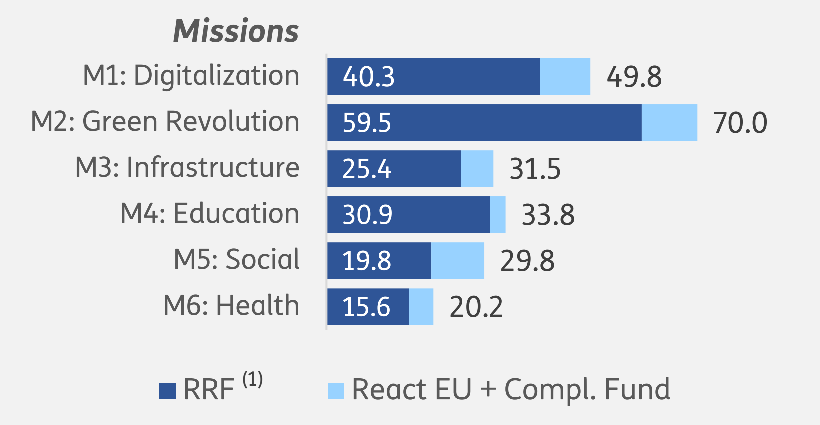
(1) Recovery and Resilience Facility

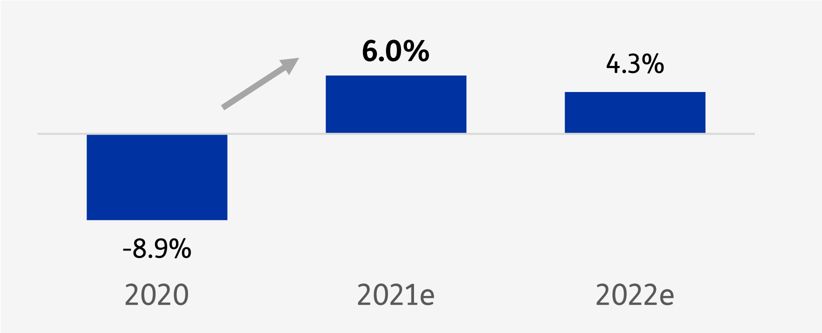
(2) Italian regions, municipalities with over 250k inhabitants and metropolitan areas

4th growth driver: National Recovery & Resilience Plan update FY ‘21 macro expectations upgraded

National Recovery and Resilience Plan € 235.1bn



Italy’s GDP growth projection - update (2)



preliminary short-list of projects with telco component

O	Vouchers *Phase 1*	0.2	*Ongoing*
O	Vouchers *Phase 2*	0.9	*SMB in approval*
O	Connected Schools Phase1	0.4	*Ongoing*
M1	Connected Schools Phase 2	0.3	
M1	**Italia 1 Giga**	3.9	*Pre-tender*
M1	**Italia 5G**	2.0	*Pre-tender*
M1	**NSH & P.A. cloud migration** (3)	1.9	*Pre-tender*
M1	INPS/INAIL digitalization	0.3	
M1	Connected health care	0.5	
M1	**Industry 4.0**	18.5	*Ongoing*
M1	Cyber Security	0.6	
M2	Agri-tech	0.5	
M3	Smart Roads	1.5	
M3	Green Ports	0.3	*Call for expression*
M4	Schools cabling	0.5	*Ongoing*
M4	**Open RAN** (4) **& Cloud Edge**	1.5	*Awaiting approval*
M5	**Smart City**	2.9	
M6	**Digital health care**	7.0	

Recognition of tax credit on 2021-’22 investments, tangible (4.0) and intangible

Projects’ description in Annex

€bn Public resources allocated

M1-6 NRRP (5) mission “O” = other funds

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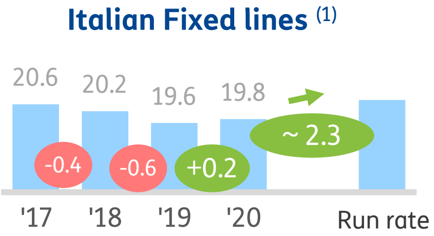
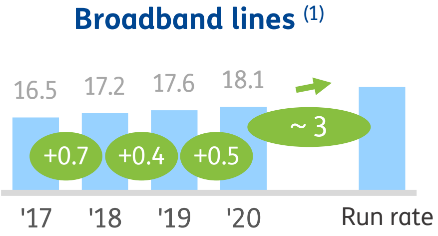
(1) Recovery and Resilience Facility
(2) Source: Economic Outlook Europe S&P, September 2021
(3) National Strategic Hub (NSH)
(4) Open Radio Access Network
(5) National Recovery and Resilience Plan

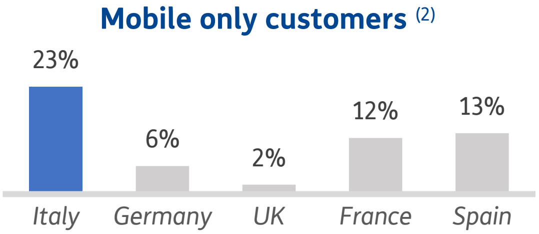
TIM enhanced service offering and leadership profile in a crowded telco market
It's now time for a step further

1

Italian fixed market is back to growth


Italian Fixed lines (1)


Broadband lines (1)


Mobile only customers (2)

2

with untapped potential thanks to highest EU "mobile only" customer base

3

TIM has enhanced its service offering…

Best convergent offer with **TIM vision**

Best B2B solutions with **TIM Digital Companies**

360° **fix-the-fixed** strategy

Leading to **increased UBB market-share**

TIM UBB market-share change YoY (3)

FTTH	FWA	FTTC
+4pp	**+5pp**	**~flat**

4

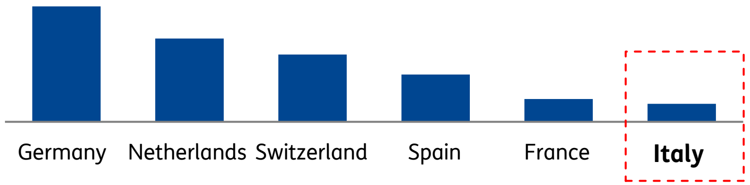
…and increased its leadership profile in an overcrowded telco market

5

I's time to move clients' focus from price to quality

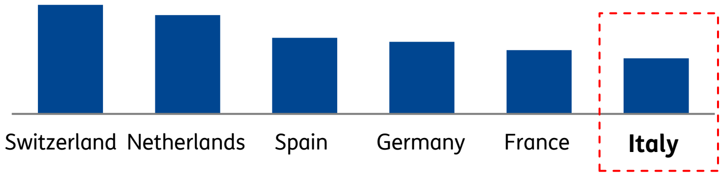
Mobile prices (4)

€ / GB, average, Sept '21



Fixed prices (4)

€ / month, average, Sept '21



6

It's time to change

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(1) Million lines, source AGCOM and internal elaborations on Analysis Mason's estimates
(2) Families with mobile broadband only, source Eurostat, 2019
(3) Source: AGCOM Q1 2021
(4) Source: Brokers' estimates/data and TIM internal analysis on Italy's fixed prices

Magnifica: TIM’s new tiered offering to shift market focus from prices to quality

	TOP SPEED	PERFORMANCE & SECURITY	CARING SERVICES
MAGNIFICA 49,90€	up to **10Gbps** / 2Gbps	**TIM TS+** ▪ Wifi 6 certified ▪ Safe Web plus ▪ Wifi plus	▪ TIM Quality Care ▪ TIM First Class
EXECUTIVE 34,90€	up to 2,5Gbps / 1 Gbps		▪ TIM Quality Care
PREMIUM 29,90€	up to 1Gbps / 300Mbps	**TIM TS+** ▪ WiFi 6	

introducing

MAGNIFICA

QUALITY CARE

Best caring services
Satisfied or refunded policy (1)

FIRST CLASS

Access priority
to customer care and to TIM shops

Dedicated assistance

SAFE WEB PLUS

Safe browsing service to protect against the main Web threats and Parental Control service

TIM HUB+ & WI-FI 6 CERTIFIED

The best network performance set up & certified by TIM technicians
Automatic Wi-Fi optimization for improved performance and stability

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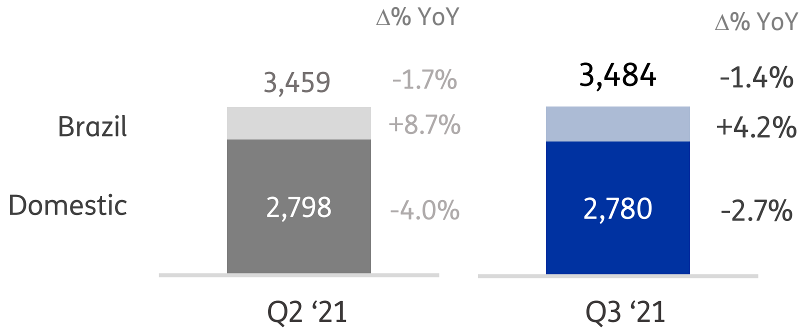
(1) Unsatisfied customers can claim a €5 bonus, once a month, for a maximum of 6 months a year

Q3 ‘21 FINANCIAL & OPERATING RESULTS

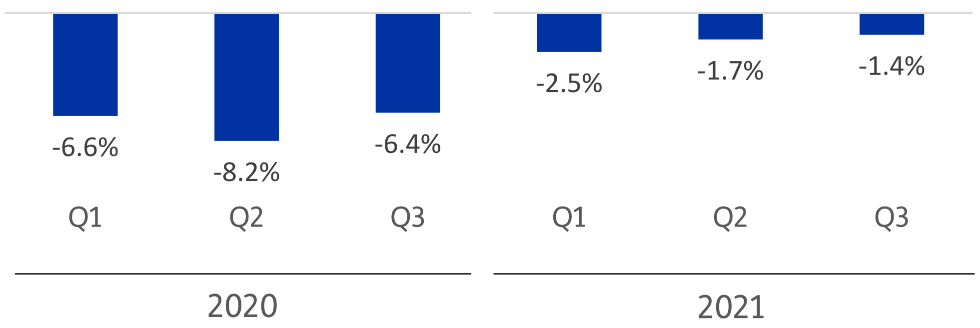
Domestic service revenues improving YoY performance +1.3pp QoQ, Group +0.4pp

Organic data (1), IFRS 16, € m

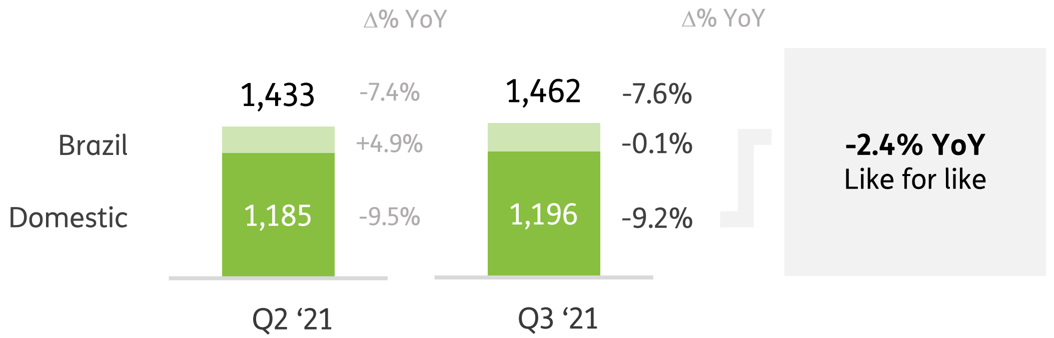
Service Revenues



Service revenues change YoY



EBITDA After Lease



-2.4% YoY
Like for like

Domestic service revenues YoY performance +1.3pp QoQ, Group +0.4pp

Lower equipment sales in Italy and Brazil for tough comps (strong rebound in Q3 2020 sales after Q2 lock down)

Domestic EBITDA AL like for like -2.4% YoY:

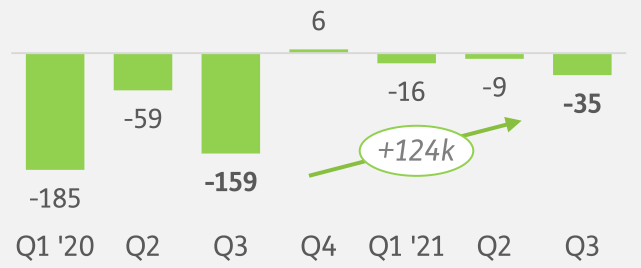
- ~4pp drag from: 1) rebound of COVID-related 2020 cost savings (e.g. indirect labour costs, real estate), 2) impact on EBITDA of lower equipment/handset sales with slightly lower margin mix
- ~3pp drag from football and digital companies' start up costs

(1) Excluding exchange rate fluctuations, non-recurring items and change in consolidation area. Group figures @ average exchange-rate actual 6.38 R$/€

Fixed lines stable for 4th consecutive quarter, churn much better QoQ despite seasonality, CSI further improved. 9-month UBB almost doubled vs. 2019

Retail net adds improved YoY

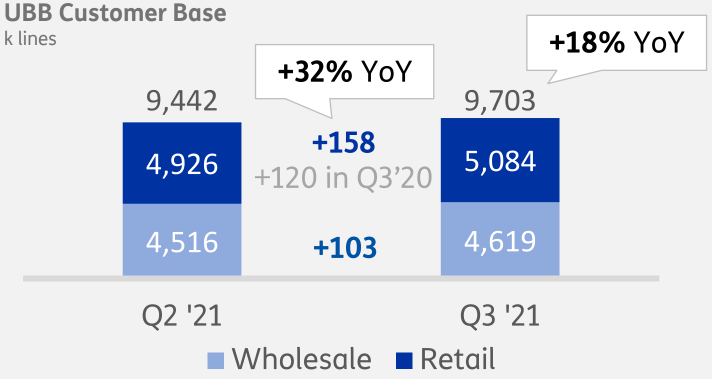
Line losses
k lines



No help from Phase 2 vouchers yet

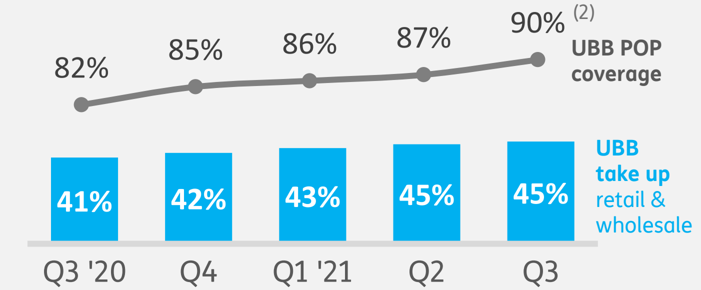
Overall UBB net adds grew YoY

UBB Customer Base
k lines



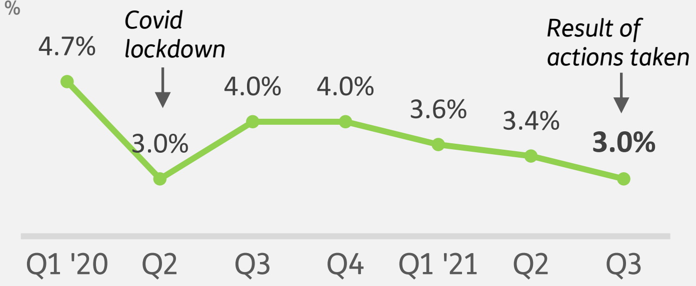
UBB coverage increased QoQ

UBB coverage and take up (1)



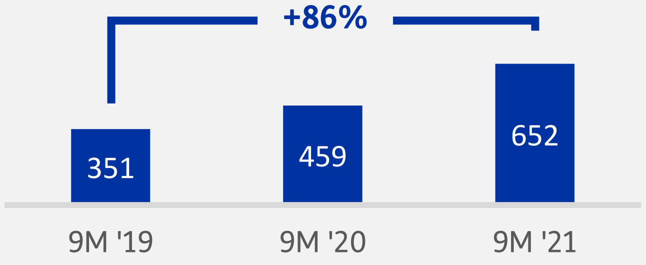
Churn improved reversing seasonality

Churn rate
%

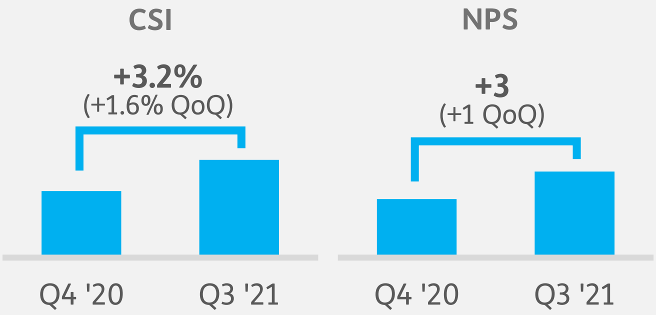


Retail UBB net adds: highest level in 3y

Retail UBB net adds
k lines



Quality improved, **CSI and NPS** higher



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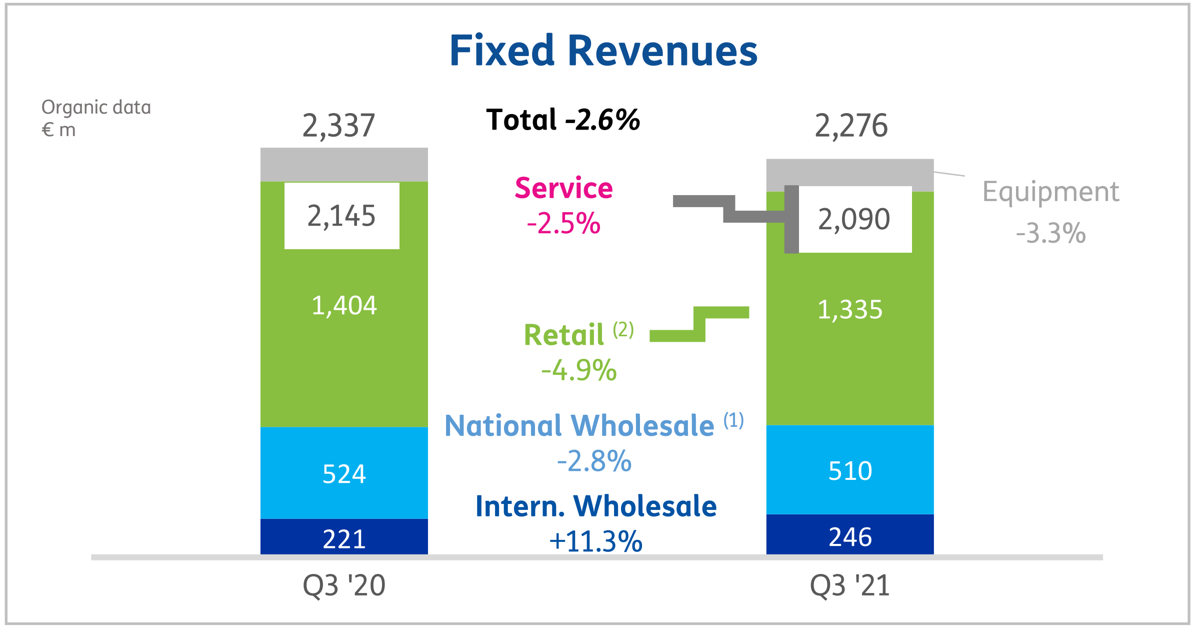
(1) UBB take up calculated on technical HHs covered by UBB
(2) Equivalent to ~94% of families with a fixed line

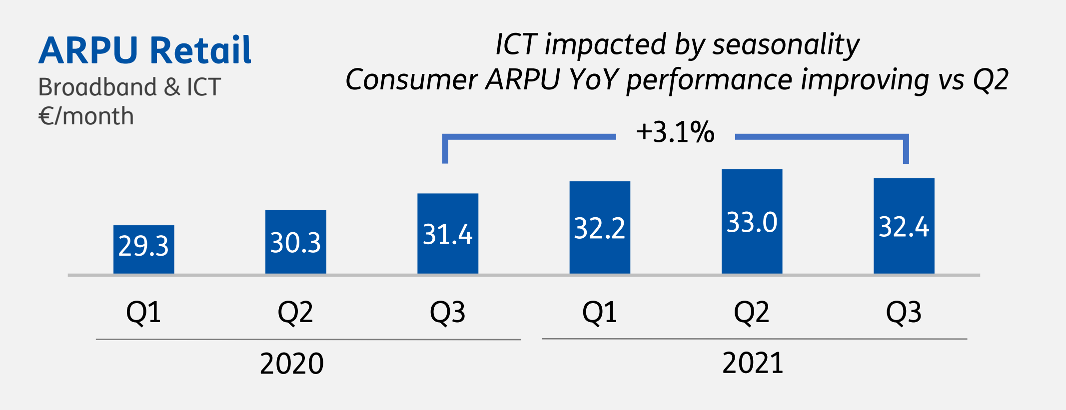
Fixed service revenues heading towards stabilization

Fixed Service Revenues improving YoY performance +1.2pp vs. Q2 net of 1.5pp QoQ swing in ICT contribution to growth

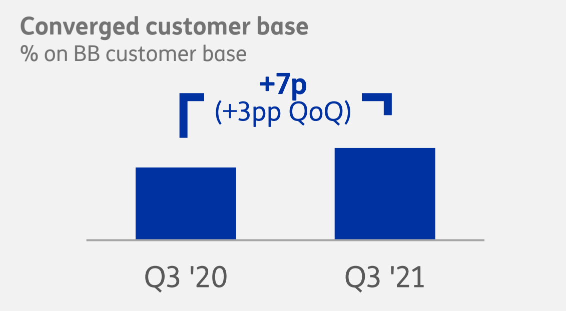
- **International Wholesale**: +11.3% YoY thanks to new repositioning (+12% Sparkle, including mobile)
- **National Wholesale** (1) -2.8% YoY vs -4.7% in Q2
- **Retail** (2) helped by:
  - **Customer base** stabilization –1.8pp drag YoY, 1.1pp better QoQ
  - **ICT revenues growth:** 1.7pp contribution to YoY performance, 1.5pp below Q2 due to seasonality and delay in a couple of contracts (+13% YoY growth vs +29% in Q2)

Equipment sales -3.3% YoY for tough comps (rebound in Q3 2020 after Q2 lock down)

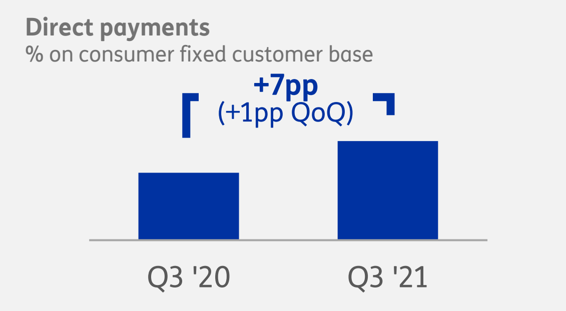




Convergence accelerating



Direct payments increased



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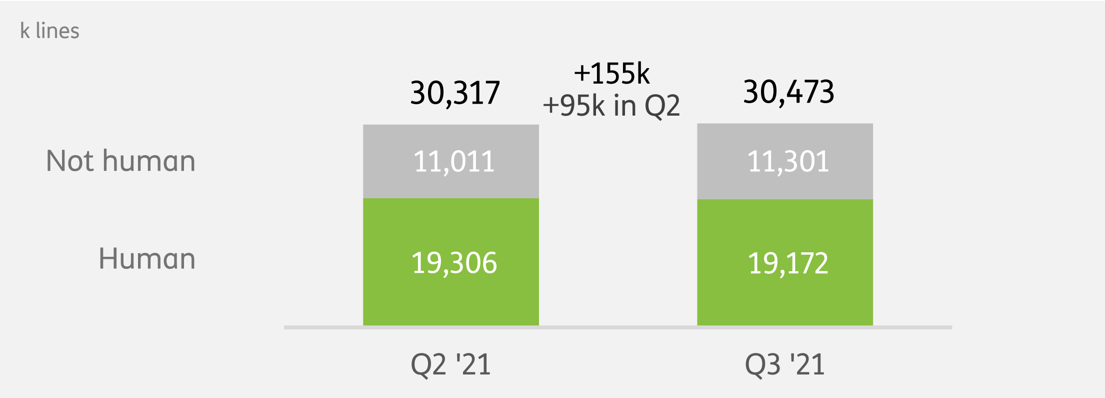
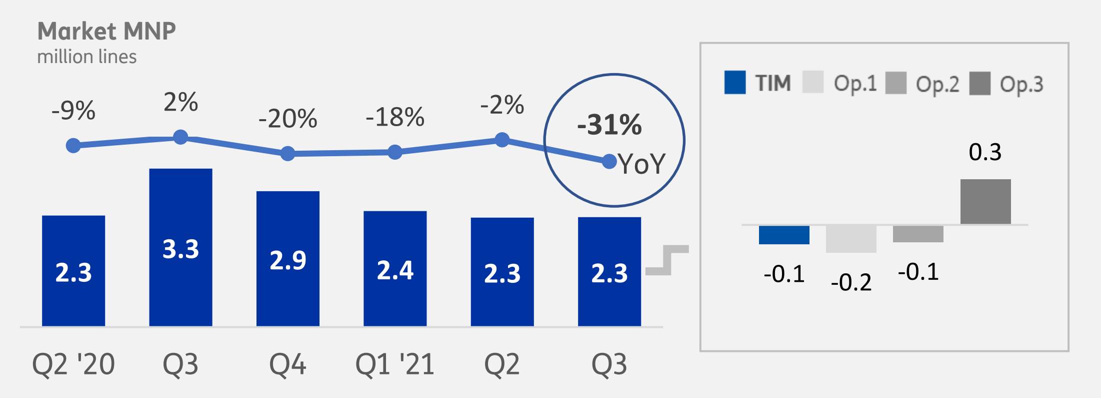
(1) Including FiberCop revenues
(2) Including ICT revenues generated by TIM Digital Companies

Mobile net adds improving QoQ, churn at new record low, best MNP market of the last 10 years thanks to TIM’s rational behaviour

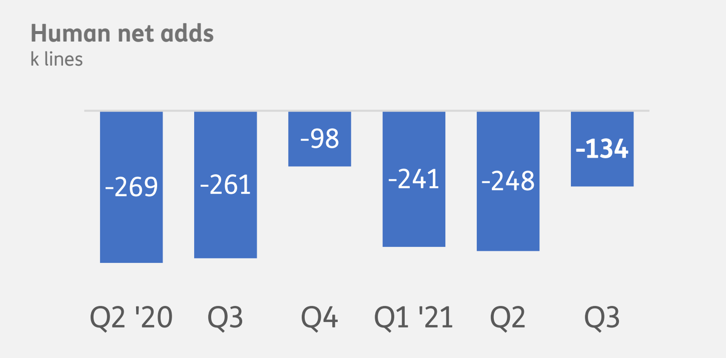
Mobile Customer Base



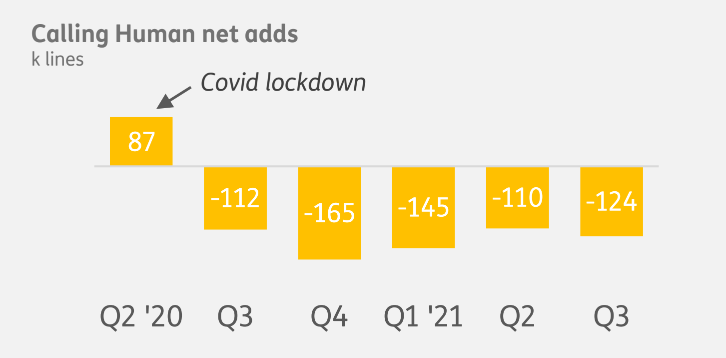
Market MNP improved significantly YoY



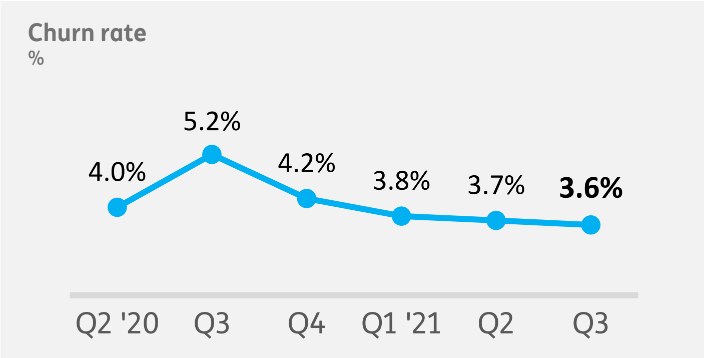
Human net adds strongly improved



Calling human net adds

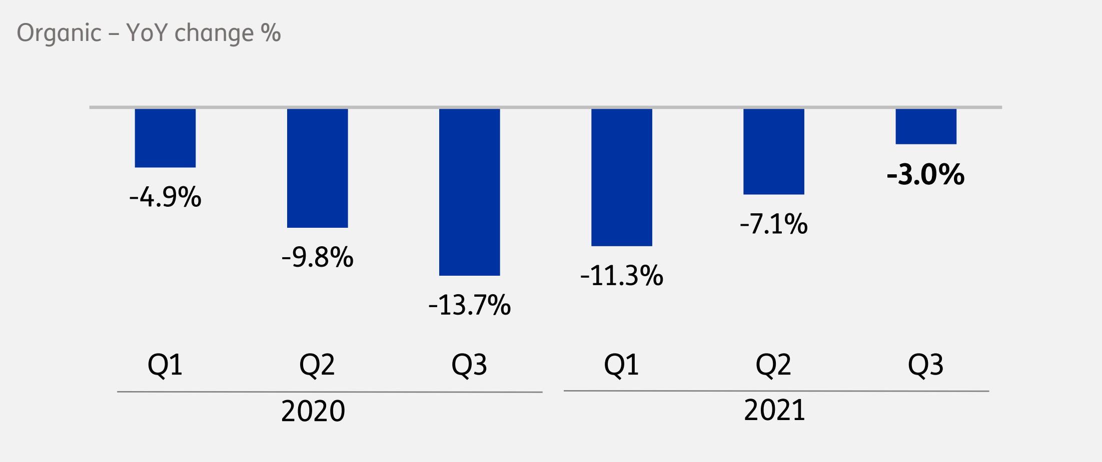


Churn reduced further



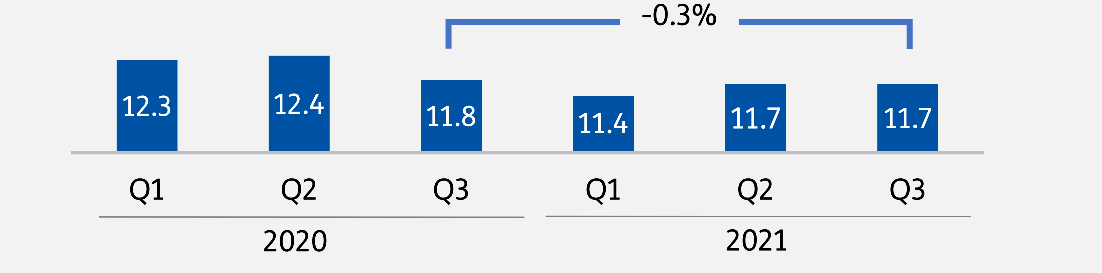
MSR trend on an improving path

Mobile Service Revenues towards stabilization



ARPU Human
€/month

Human ARPU broadly flat YoY
+0.9% YoY net of CSP cleaning

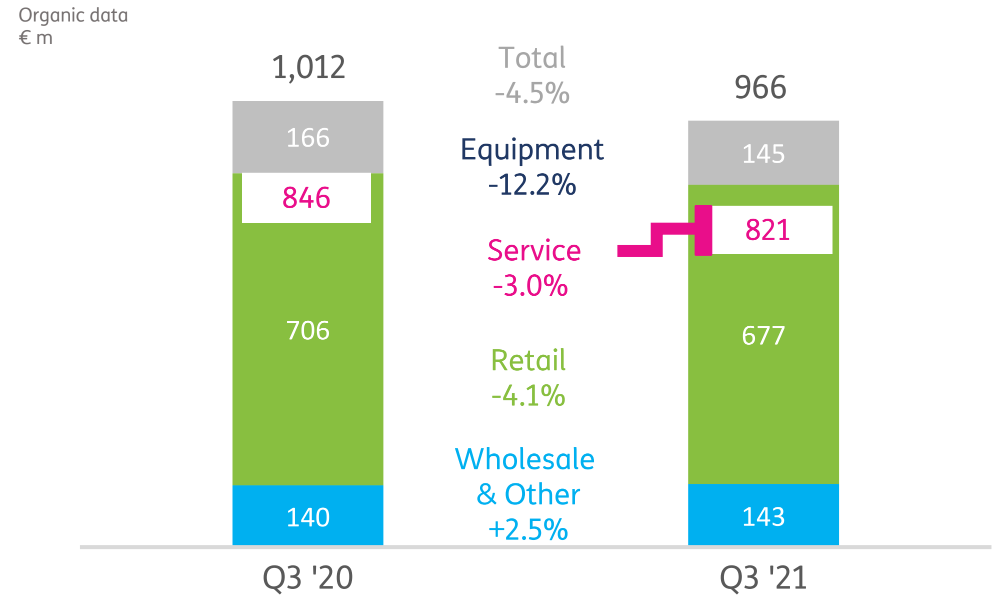


MSR trend improved 4.1pp QoQ to -3.0% YoY in Q3

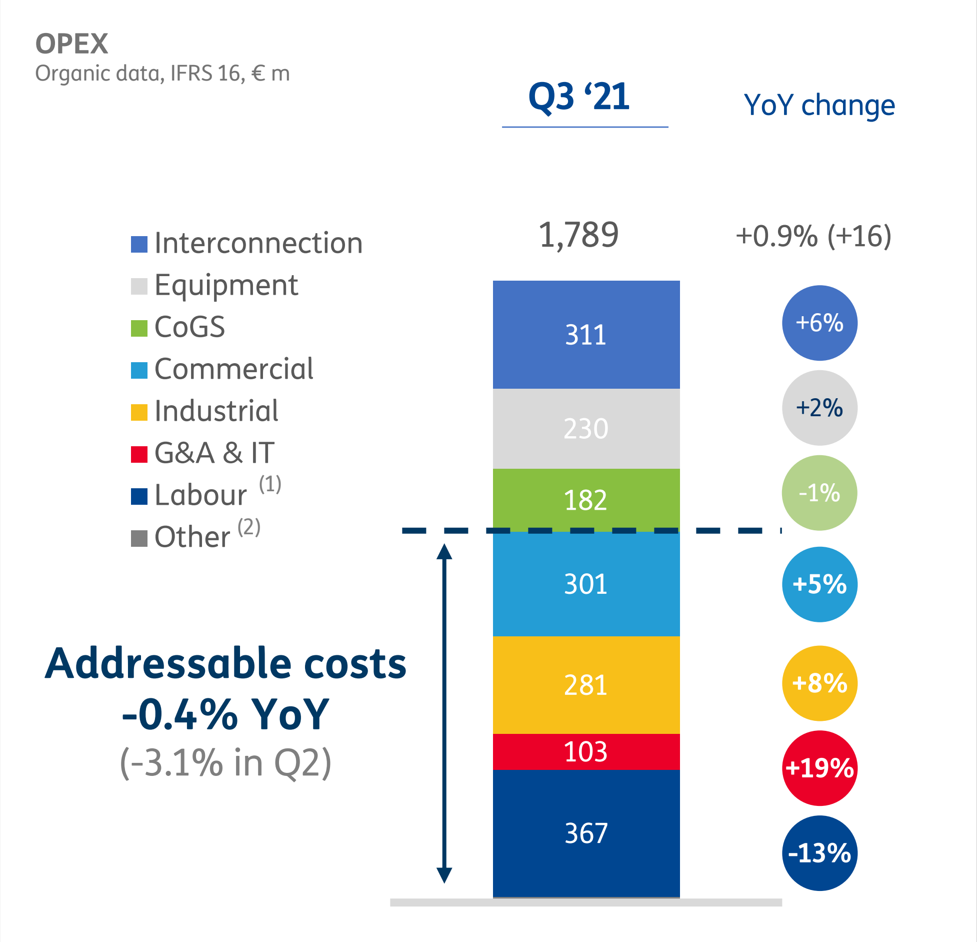
CSP cleaning offset by roaming / visitors partial rebound (high seasonality of roaming in Q3)

Total Mobile Revenues -4.5% YoY, due to lower equipment sales (-12.2% YoY vs. +29.8% in Q2) for tough comps (rebound in Q3 2020 after Q2 lock down)

Mobile Revenues



Football/digital companies start up costs and COVID-related cost savings rebound offset improvement on labour cost



OPEX increasing 0.9% YoY, with addressable base down 0.4% YoY mainly for:

- **Labour** -13.2% YoY benefiting from solidarity, lower holidays and continuous FTE reduction
- **Football and digital startup costs** (advertising, content, Digital Companies set-up costs)
- **COVID-related cost savings rebound** (indirect personnel costs, real estate, energy)
- **Interconnection** explaining ca. +1pp increase related to Sparkle sales growth
- **Equipment costs** up slightly as ICT-related component offsets lower equipment sales/costs related to rebound in Q3 2020 after Q2 lock down

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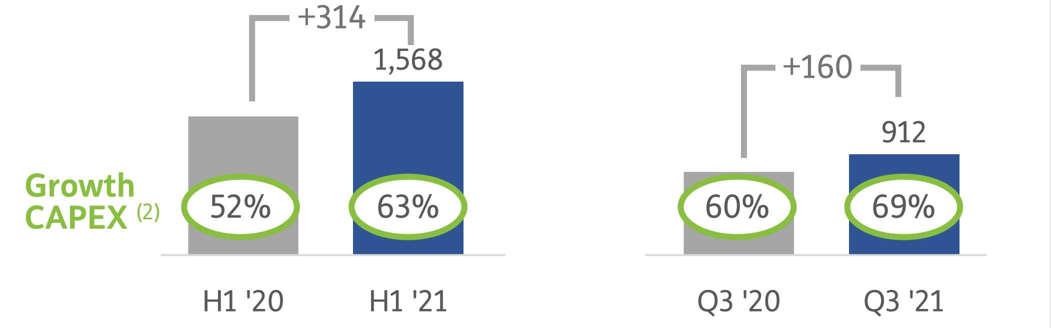
(1) Net of capitalized costs
(2) Includes other costs/provision and other income

Enhanced investments for growth (FTTH, digital companies and football) influence NWC

CAPEX

Group Capex net licence (1)
Reported data, € m



CAPEX YoY increase (+€160m in Q3 after +314m in H1) due to anticipation of Q4 investments and higher growth CAPEX: FTTH, Cloud, football

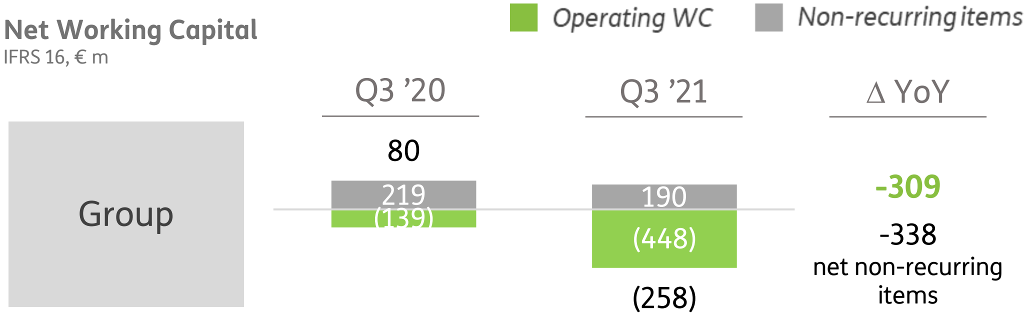
Working Capital swing YoY in Q3 '21 (-€309m or -€239m After Lease) mainly related to payments of H1 incremental CAPEX vs. historical average (normally skewed towards Q4)

EFCF swing YoY in Q3 '21 largely attributable to incremental CAPEX for growth:

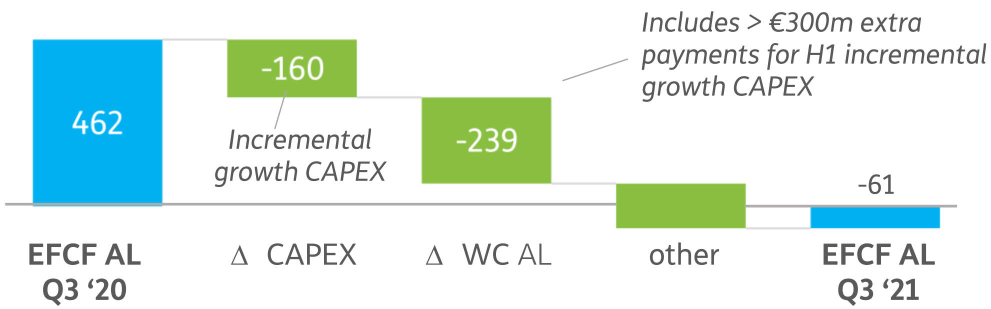
- In Q3 '21 for >€160m
- In H1 '21 for >€ 300m, impacting increased payments and NWC

Group Operating Working Capital

Net Working Capital
IFRS 16, € m



Equity free cash flow after lease



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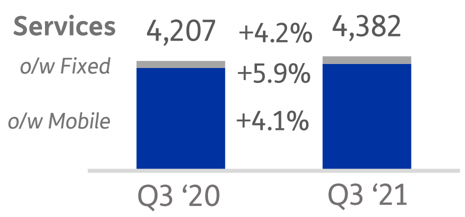
(1) € 240m licence in Q2 '21
(2) Domestic growth CAPEX as a percentage of domestic CAPEX net licence

TIM Brasil solid growth despite macro environment

Solid Revenues growth
thanks to mobile postpaid and fixed

Reported, R$m



Tot. revenues +2.8% YoY

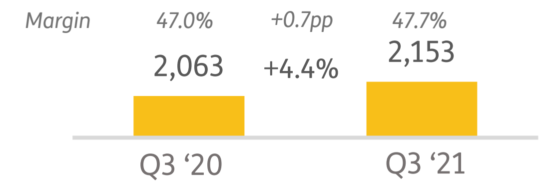
Services +4.2% YoY:

- **MSR** +4.1% YoY, with postpaid +5.3% YoY and prepaid -4.2% YoY
- **FSR** +5.9% YoY driven by TIM Live

Mobile	TIM Live
ARPU **+4.4% YoY** to 26.5 R$/month	ARPU **+0.9% YoY** to 90.1 R$
23rd consecutive quarterly growth	CB **+7.7% YoY** to 675k

Robust EBITDA growth
with margin expansion

EBITDA net non-recurring items, R$m



21st quarter of positive EBITDA growth

Technological transformation

1st operator to test 5G standalone with over 1.5 Gbps speed

4G: 4.4k cities covered, +25% YoY
4.5G: 1.6k cities covered, +25% YoY
M-MIMO: >0.4k new sites

CRM **migration to Cloud completed**

New Partnerships & ongoing projects

FiberCo
Closing expected on mid-November

IoT
Smart lightning project signed, tests on smart grid carried out. Highway coverage under negotiation

E-health
Final phase of partner selection, launch expected in Q1 '22

Financial & Education
R$26m revenues in Q3, +140% YTD

Mobile Ads & Data
R$11m revenues in Q3, +83% YTD

Sustainability

1st Brazilian company in Refinitiv Diversity & Inclusion Index 2021
among the top 20 telcos worldwide

Footprint expansion

1st operator to open a Mercado Livre official store for prepaid

68 new resale stores in Q3

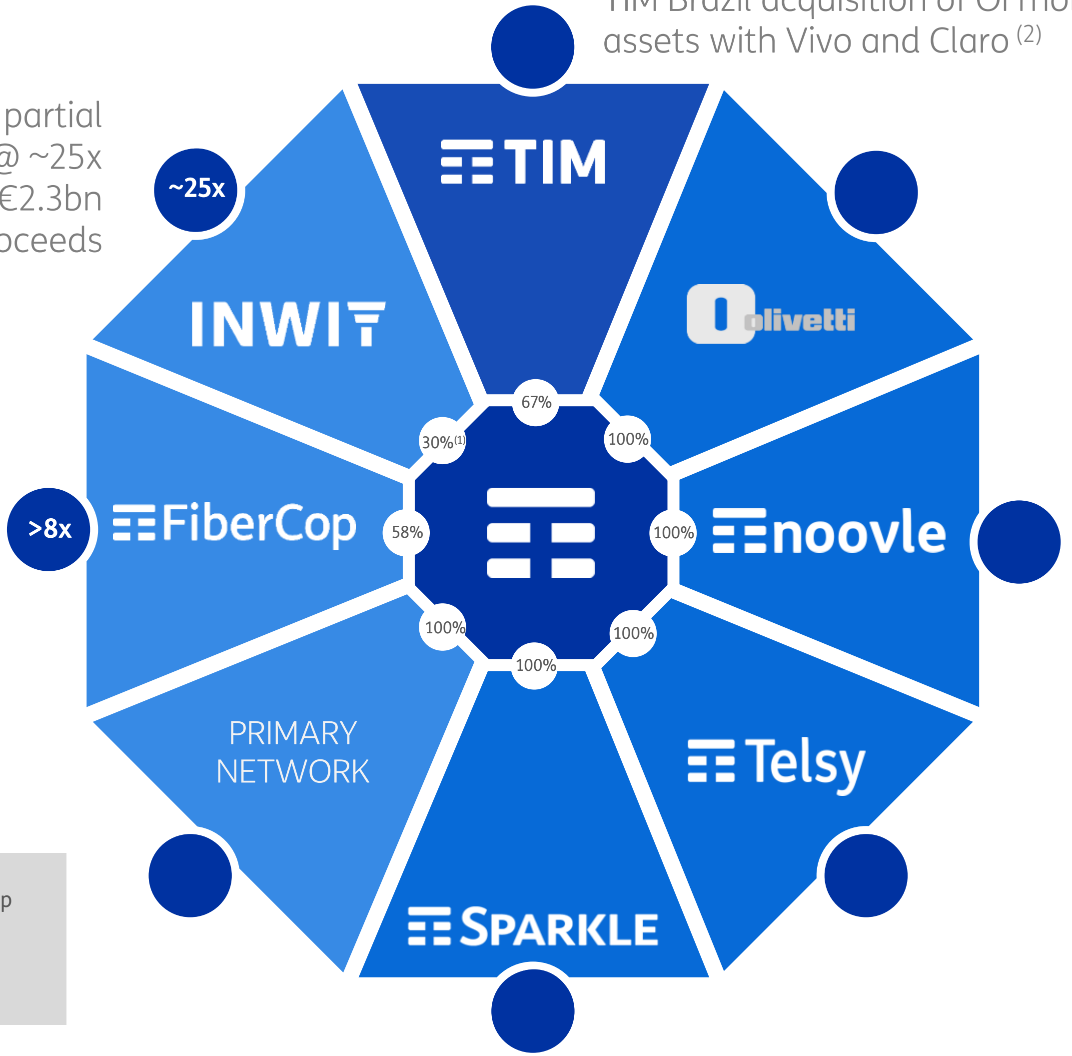
STRATEGIC INITIATIVES UPDATE

Strategic initiatives update: taking additional steps

TIM Brazil acquisition of Oi mobile assets with Vivo and Claro (2)

Towers (INWIT) partial monetization @ ~25x EBITDA with €2.3bn proceeds

Secondary part of access network (FiberCop) @ >8x with €1.8bn proceeds



○ TIM Group ownership

● EV/EBITDA multiple

TIM industrial transformation continues, with additional portfolio optimization on the way to exploit synergies as well as opportunities offered by the new digital businesses

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(1) 15% economic interest: 30.2% stake in the share capital of INWIT owned by Daphne 3, a holding company controlled by TIM with 51%

(2) Pending approval

CLOSING REMARKS

2021 guidance update reflects transformational start-up costs and market conditions

YoY growth rates, IFRS 16 / After Lease	Group		Domestic		Brazil (1)	
	2021	2022-‘23	2021	2022-‘23	2021	2022-‘23
Organic Service revenues	Low single digit decrease	Low to mid single digit growth	Low single digit decrease	Low to mid single digit growth	Mid single digit growth	Mid single digit growth High single digit growth (CAGR ‘20-’23) with Oi
Organic EBITDA AL	Mid single digit decrease	Mid single digit growth	High single digit decrease	Mid single digit growth	Mid single digit growth	Mid single digit growth Double digit growth (CAGR ‘20-’23) with Oi
CAPEX			~€ 3.0-3.1 bn according to football take-up	~€ 2.9 bn per year	~R$ 13.0 bn ~R$ 13.5 bn with Oi	
Eq FCF AL	**Cumulated ~€ 3.5 bn**					
Adjusted Net Debt AL	**~€ 17 bn** excluding Oi (2)	**2.6x** Net Debt AL / EBITDA AL (3) by 2023				
Dividend	*ordinary*: **floor of € 1 cent per share**, aim to distribute 20-25% of yearly Equity FCF subject to deleverage execution *savings*: €2.75 cents per share throughout 2021-23					

IFRS 16/After Lease – Group figures @ average exchange-rate actual 6.3 REAIS/€

(1) Guidance based on IFRS 16 for Brazil’s EBITDA

(2) Excluding Oi’s mobile acquisition

(3) Based on Organic EBITDA AL; 2.7x based on Reported EBITDA AL

Closing remarks

Stabilizing connectivity revenues in Italy and growing in Brazil

- Group service revenues almost stable
- Domestic fixed lines stable for fourth quarter in a row, UBB growing fast
- TIM repositioning its portfolio and segmenting on best technology and quality, rather than price

Investing in “beyond connectivity” to achieve growth and create optionality

- TIM and its digital companies best positioned to benefit from improving macro, NRRP and market opportunities
- Ready to take reorganization initiatives with the aim to enhance the value of the company’s assets and businesses

Q&A

ANNEX

ESG guidance upgraded: renewable energy target at 100% by 2025 and indirect emissions to fall -100%

Targets (1)

Eco-efficiency	**+50%**	2025
Renewable energy (2) on total energy (%)	**100%**	
Indirect emissions (3)	**-100%**	
Carbon Neutrality (4)		2030
Employees engagement	**+19pp**	2023
Hours of training for reskilling and upskilling	**6.4m** hrs	
Churn of young employees	**<15%**	
New VC fund size	**€ 60m**	
IoT and Security service revenues (CAGR)	**+20%**	
Green Smartphone	**>15%**	2024

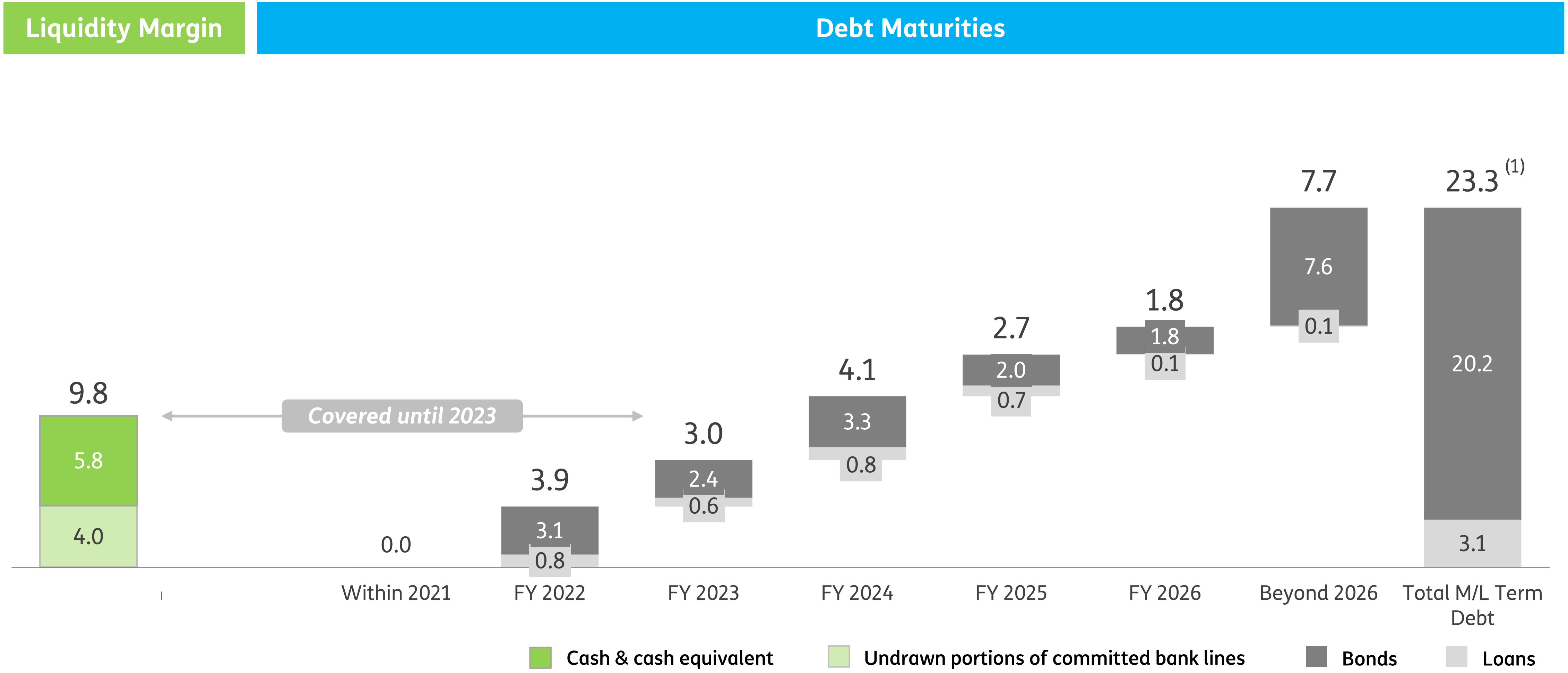
(1) "Beyond Connectivity" plan targets were upgraded vs. previous plan, baseline 2019. Domestic, except for indirect emissions and carbon neutrality (Group)
(2) Electricity
(3) Scope 2, TIM Group
(4) TIM Group

Realignment of intangible asset tax value

Realignment of the tax value	▪ **Decree-Law** 104/2020 allows for realignment of intangible asset tax value to the book value ▪ 3% **substitute tax** to be paid on the amount redeemed ▪ **Future income taxes** will benefit from intangible asset tax amortization
TIM SpA intangible assets redeemed	▪ Overall **tax benefit**: **€ 5.9bn** (28.5% of tax basis) net of substitute tax ▪ Benefit will occur over 18 years
Substitute tax (3%): € 0.7bn	▪ To be paid in 3 annual instalments (€ 0.2bn per year), from June 2021

Liquidity margin - After Lease view

Cost of debt ~3.3%, +0.1p.p. QoQ, -0.1p.p. YoY



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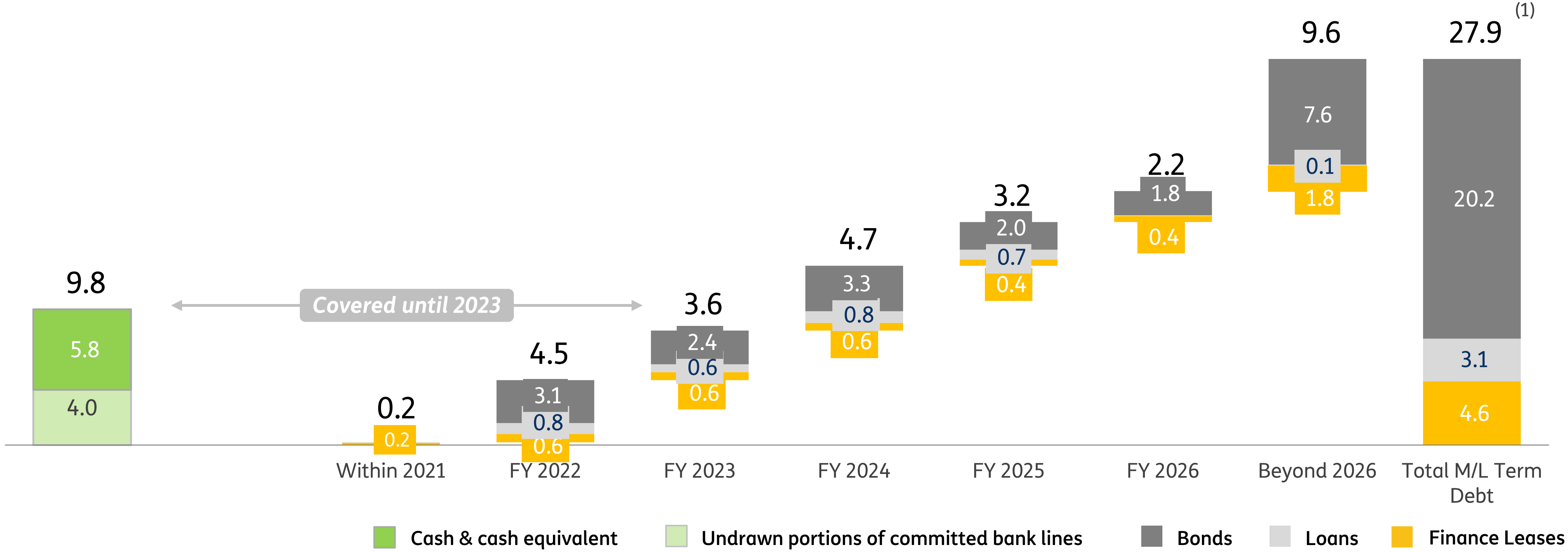
(1) € 23,324m is the nominal amount of outstanding medium-long term debt. By adding the balance of IAS adjustments and reverse fair value valuations (€ 555m) and current financial liabilities (€ 589m), the gross debt figure of € 24,468m is reached

Liquidity margin - IFRS 16 view

Cost of debt ~3.7%*, +0.1pp QoQ, flat YoY

* *Including cost of all leases*

Liquidity Margin **Debt Maturities**



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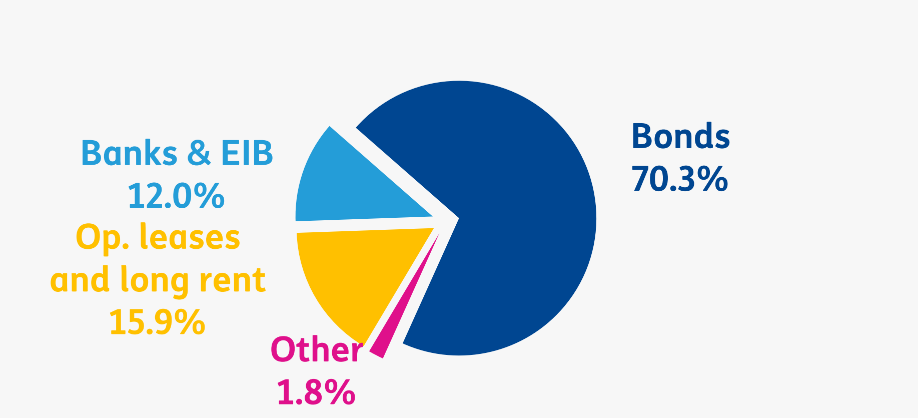
(1) € 27,933m is the nominal amount of outstanding medium-long term debt. By adding the balance of IAS adjustments and reverse fair value valuations (€ 586m) and current financial liabilities (€ 589m), the gross debt figure of € 29,107m is reached

Well diversified and hedged debt

	NFP adjusted	Fair value	NFP accounting
GROSS DEBT			
Bonds	20,467	237	20,704
Banks & EIB	3,491	-	3,491
Derivatives	173	1,379	1,552
Op. leases and long rent	4,639	-	4,639
Other	337	-	337
TOTAL	**29,107**	**1,616**	**30,723**
FINANCIAL ASSETS			
Liquidity position	5,820	-	5,820
Other (1)	1,123	1,288	2,411
TOTAL	**6,943**	**1,288**	**8,231**
NET FINANCIAL DEBT	**22,164**	**328**	**22,492**

Gross Debt



Average m/l term maturity:
6.6 years (bond 6.3 years only)

Fixed rate portion on medium-long term debt ~**81%**

Around **26% of outstanding bonds** (nominal amount) denominated in **USD and GBP and fully hedged**

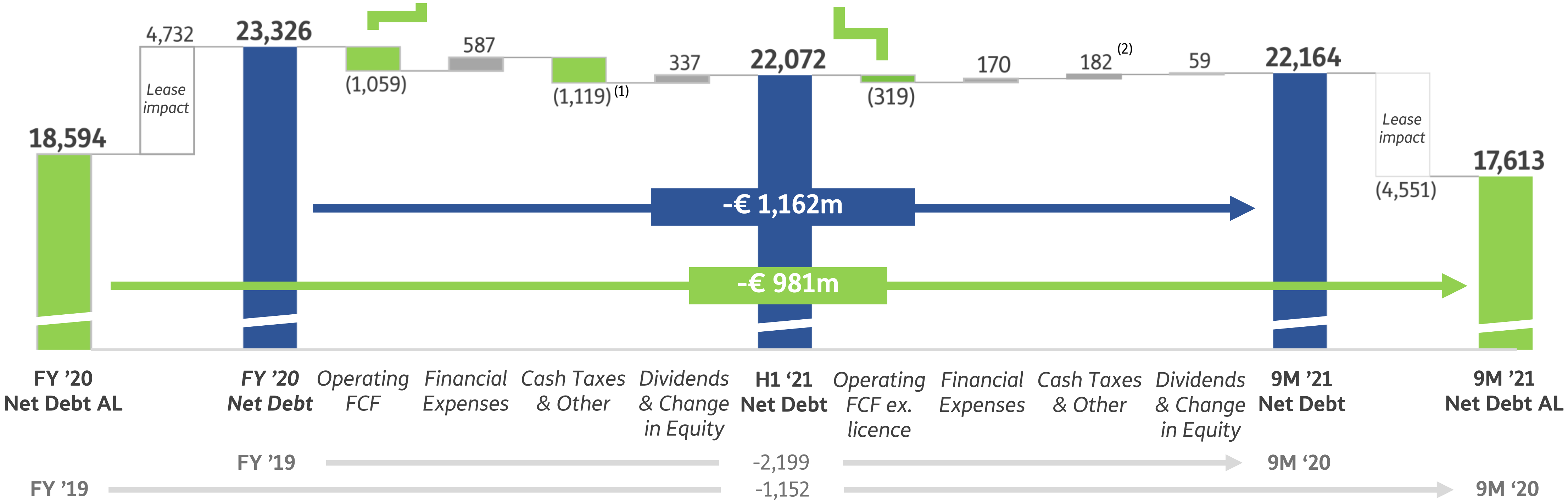
(1) Refers to positive MTM derivatives (accrued interests and exchange rate) for € 763m, financial receivables for lease for € 88m and other credits for € 272m

Deleverage: € 1.2bn debt cut in 9M (-€ 1.0bn After Lease view)

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

EBITDA	2,770
CAPEX	(1,568)
ΔWC & Others	(143)
Op.FCF ex. Licence	**1,059**

EBITDA	1,624
CAPEX ex.licence	(912)
ΔWC & Others	(393)
Op.FCF ex. Licence	**319**



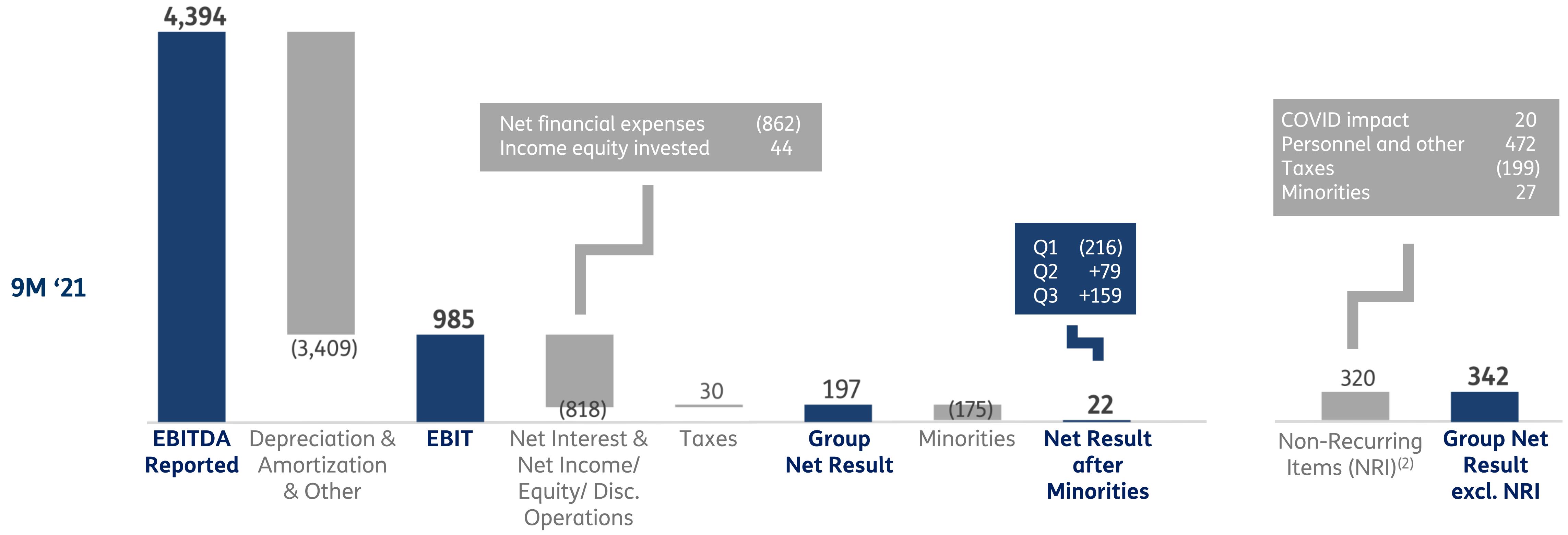
21,893	5,775	**27,668**	(1,545)	604	(1,104)(3)	348	**25,971**	(939)	300	141	(4)	**25,469**	(4,728)	**20,741**	2020
(3,299)	(1,043)	**(4,342)**	486	(17)	(15)	(11)	**(3,899)**	620	(130)	41	64	**(3,305)**	177	**(3,128)**	Δ vs. 2020

(1) Including FiberCop, financial investments, 2100 Mhz licence, cash taxes & other
(2) Including financial investments, 5G licence, cash taxes & other
(3) Includes Inwit deconsolidation

TIM Group

Net Income

Reported data, € m, Rounded numbers



9M '20	**5,118**	(3,491)	**1,627**	(449)	66	**1,244**	(66)	**1,178**	(308)	**870**
Δ vs. 9M '20	(724)	82	(642)	(369)(1)	(36)	(1,047)	(109)	(1,156)	628	(528)

o/w NRI on Personnel 9M '21 €344m

(1) Of which Inwit gain on disposal 448m in 9M '20

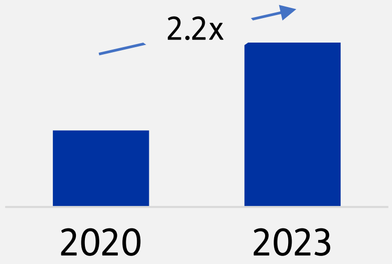
(2) Non-recurring items include personnel provisions (2021-26 layoffs ex art.4 Fornero Law), legal and COVID related costs

3rd growth driver ✓
"beyond connectivity" engine of growth, creating value and optionality

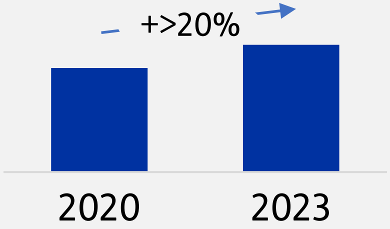
TIM Digital Companies respond to clients' needs increasing satisfaction

Revenues
2020-'23

Digital services



International wholesale



noovle – Cloud and data centers

olivetti – IoT

Telsy – Cyber security

SPARKLE – International services

- **Increasing customers' demand of digital services**
- **Strong cross-synergies among Digital Companies and with TIM's core business**
- **Much higher market multiples than TIM and the telco sector: 10-20+x EV/EBITDA**

Football ups stickiness

TV TIMVISION

Incremental revenue streams:

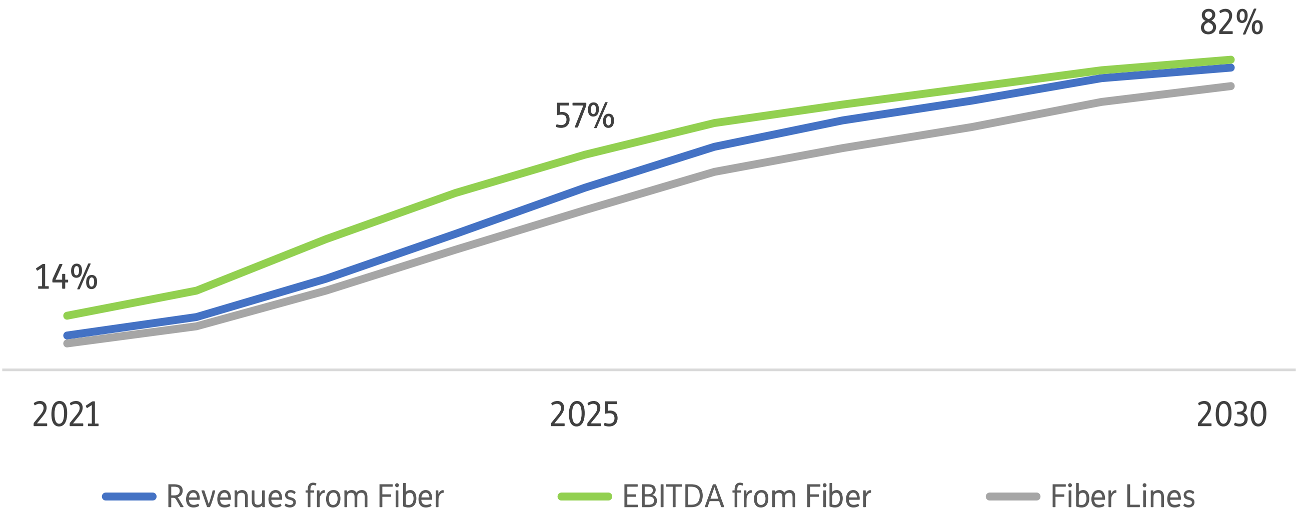
- Subscriptions & set-up fees
- Modem sales
- Connectivity (additional customers, lower churn)

Telsy and Olivetti re-engineered as startups to ride IoT and cybersecurity growth prospects

	olivetti		Telsy	
	Merchant Services	**IoT Smart Services**	**Cybersecurity**	**Crypto**
	Electronic cash registers and POS, **business management software** and **digital payments**	**Industrial IoT**: IoT services and sensors for prioritized verticals **Urban IOT:** city control platforms	**B2B managed security services offering** including specialized consulting and high growth/ margin products	**B2G** innovative systems capable of **securing** and **encrypting communications**
Addressable market	**~5 bn€** in 2024 4-5% CAGR	**~4.5 bn€** in 2024 10% CAGR	**~1.9 bn€** in 2024 7% CAGR	**~€20m** in 2024 20% CAGR
Margin	**25-30%**	**10-15%**	**25-30%**	**~€40-50%**
Market share ambition 2024	**5%**	**5%**	**12%**	**60-80%**

FiberCop Financials in a nutshell (1)

EBITDA to evolve to FTTH in time…



FiberCop Financials	
Revenues 2021	€ 1.2 – 1.3bn
EBITDA 2021	~€ 0.9bn
Net Debt / EBITDA 2021	3.4x
EBITDA - CAPEX	Positive from 2025
CAPEX / Sales at regime	<10%

FiberCop value to grow over time
thanks to switch in the mix from copper towards fiber

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(1) More details in August 31st 2020 presentation

Public funds initiatives: projects' description

Vouchers	€500 voucher (€200 for connectivity,€300 for devices) to families with <€ 20k ISEE
	€500 voucher for >30 Mbps to SMEs, €2k for >1 Gbps; €200 for >30Mbps to families with <€ 50k ISEE
Connected schools (phase1)	Up to 1Gbps connectivity in 35k schools
Connected schools (phase2)	1 Gbps connectivity in 9k schools
Schools cabling	Internal cabling of schools (LAN/WAN) + equipment
Italia 1 Giga	1 Gbps connectivity (200 Mbps upload) in Grey and Black NGA market failure areas (~6,2m HHs)
Italia 5G	150 Mbps connectivity (50 Mbps upload) through 5G corridors, 5G-ready extra urban roads and market failures 5G areas
NSH & cloud migration (1)	Infrastructure for cloud-based management of Public Administration's data and applications
INPS/INAIL digitalization	Back and front-end digitization
Connected health care	1 Gbps connectivity to ~12.3k public health care facilities
Digital health care	Proximity networks, facilities and telemedicine for territorial health care assistance
Smart City	Smart city urban plans
Smart Roads	Dynamic monitoring system for remote control of roads
Green Ports	Implementation of efficiency and energy reduction measures on ports' structures and activities
Industry 4.0	Tax credit on 2021-'23 investments, tangible and intangible (software and IT systems) for digital transformation and R&D
Cyber Security	Implementation of the National Cyber Security Perimeter (NCSP)
ORAN & Cloud Edge	Creation and development of an industrial supply chain on ORAN & Cloud technical solutions
Agri-tech	Innovation and mechanization of agriculture

(1) National Strategic Hub (NSH)

For further questions please contact the IR team

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