

FY 2022 PRELIMINARY RESULTS AND 2023-'25 PLAN

15 FEBRUARY 2023



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.

Consequently, TIM makes no representation, whether expressed or implied, as to the conformity of the actual results with those projected in the forward-looking statements. Forward-looking information is based on certain key assumptions which we believe to be reasonable as of the date hereof, but forward-looking information by its nature involves risks and uncertainties, which are outside our control, and could significantly affect expected results.

Analysts and investors are cautioned not to place undue reliance on those forward-looking statements, which speak only as of the date of this presentation.

TIM undertakes no obligation to release publicly the results of any updates or revisions to these forward-looking statements which may be made to reflect events and circumstances after the date of this presentation, including, without limitation, changes in TIM business or acquisition strategy or planned capital expenditures or to reflect the occurrence of unanticipated events. The information contained in this presentation does not purport to be comprehensive.

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.

This presentation does not constitute a recommendation regarding the securities of TIM. This presentation does not contain an offer to sell or a solicitation of any offer to buy any securities issued by TIM S.p.A. or any of its subsidiaries.

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

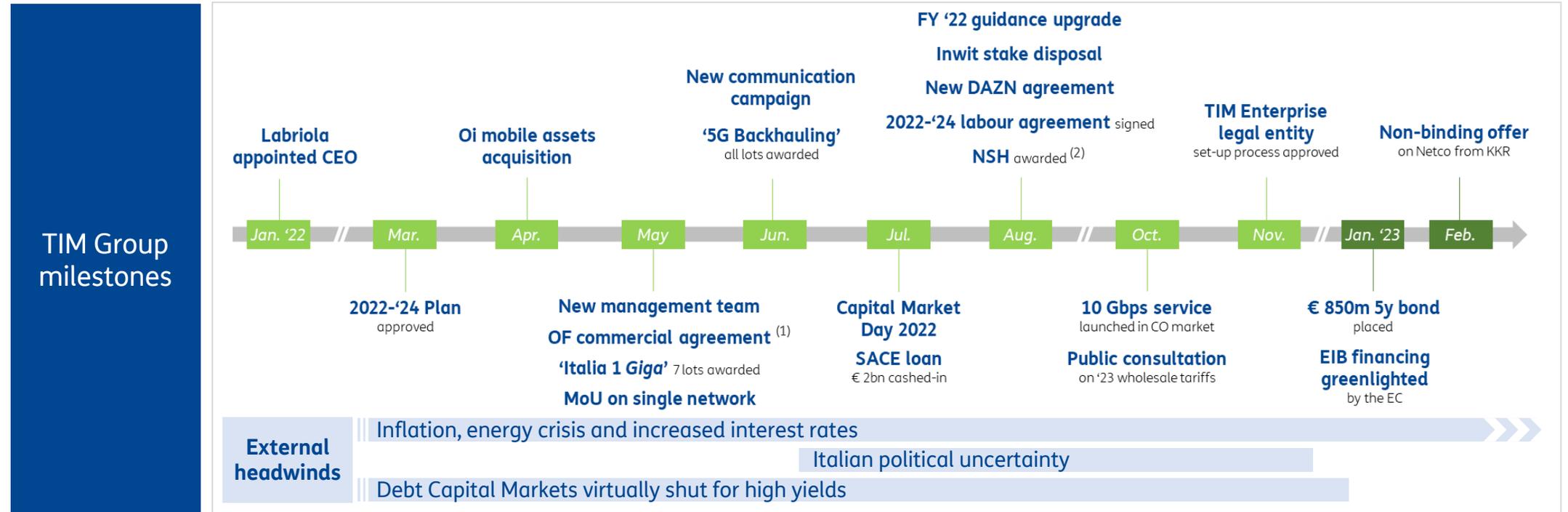
Q4 and FY '22 Preliminary Results

#3

2023-'25 Group Strategic Plan



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



	FY '22 guidance	Achievements	Domestic YoY trend stabilizing
Above guidance on all targets	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

(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



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	<ul style="list-style-type: none"> ▪ Cool the market, stabilize ARPU, reduce churn ▪ “Volume to value” ongoing: premium positioning and “<i>more for more</i>” 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		<ul style="list-style-type: none"> ▪ 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		<ul style="list-style-type: none"> ▪ 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 “<i>Italia 1Giga</i>” and “<i>5G backhauling</i>” target for 2022 ⁽²⁾, respectively
TIM Brasil	Over-delivering on growth targets, benefiting from market consolidation		<ul style="list-style-type: none"> ▪ 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 “<i>TIM UltraFibra</i>” new premium identity

(1) Equal to 7.7 million technical units (from ~6 million in previous year) ~190k walk-ins)

(2) “*Italia 1Giga*” net target excl. non-valid street numbers (>50% on

12 months of TIM Entities in a nutshell

TIM Consumer

Preliminary pro-forma figures

	FY '22
Revenues	-9% YoY
<i>o/w Services</i>	<i>-7% YoY</i>

TIM Enterprise

Revenues	+8% YoY
<i>o/w Services</i>	<i>+11% YoY</i>

Main KPIs

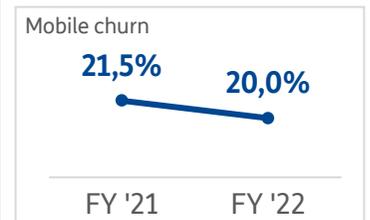
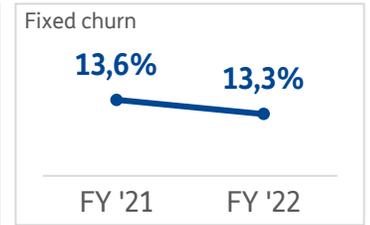
Fixed net adds improved YoY

Fixed (k lines)			
-91	-55	-22	+23 Δ YoY
-98	-91	-54	-72
Q1'22	Q2	Q3	Q4

Mobile line losses contained

Mobile (k lines, human)			
+79	+188	+109	+20 Δ YoY
-265	-183	-34	-136
Q1 '22	Q2	Q3	Q4

Fixed & mobile churn reduced notwithstanding price ups in '22



FY '22 Revenues		Change in revenue mix		
	Δ YoY	Market trend	% weight	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%	3%	+1pp
Total revenues	+8%	+5%	27%	-5pp

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)

NetCo

Preliminary pro-forma figures		FY '22
Revenues		-4% YoY
o/w Services		-4% YoY

TIM Brasil

Revenues		+19% YoY
o/w Services		+19% YoY

Main KPIs

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

81% market share

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

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

Key strategic initiatives on track

Strengthening the core	Mobile	<ul style="list-style-type: none"> Leadership in 5G launch Integration of Oi mobile assets on track
Accelerating beyond connectivity	Broadband	<ul style="list-style-type: none"> Carve-out of fiber assets, asset light model to accelerate footprint growth
	B2B/IoT	<ul style="list-style-type: none"> Consolidated Agriculture and Logistics verticals
	Consumer platform	<ul style="list-style-type: none"> 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

2022 achievements

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**

✓ **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

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

✓ **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:

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**

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

Digital break-through

(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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Reducing VAT following EU Directive 2022/542, down from 22% 			
	Energy	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Release of what are today the tightest limitations on emissions (direct impact on future mobile coverage CAPEX) 			
	Fair share	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Enhance differentiation of entertainment services Enrich 5G & ICT portfolio and further develop data driven strategy 			
	TIM Enterprise	<ul style="list-style-type: none"> 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	<p>Tight cost control and ROIC based capital allocation, along with efficiency & transformation programs</p> <p>Strong commitment to reduce leverage & maintain a sustainable capital structure despite recent rating actions</p>		<ul style="list-style-type: none"> ✓ € 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	<p>Execute transformation & turnaround initiatives to secure a sustainable growth</p>	<ul style="list-style-type: none"> ✓ Brand & market positioning revamped, content strategy revised ✓ New organizational structure in place ✓ CAPEX and IT demand optimized
Delaying	TIM Enterprise	<p>Create optionality and opportunities for M&A operations and deleverage</p>	<ul style="list-style-type: none"> ✓ Carve-out roadmap & corporate structure defined ✓ Perimeter & execution roadmap confirmed ✓ Target operating model updated, execution phase ongoing
	TIM Brasil		<ul style="list-style-type: none"> ✓ TIM Brasil currently undervalued – significant upside exist (TP at >40% vs. share price) ⁽¹⁾
	NetCo	<p>Vertical dis-integration: separating fixed network from services</p>	

(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
<p>Low CO₂ impact infrastructures & operations</p> <p>Digital society transformation</p>	<p>Renewed commercial identity closer to green & inclusion values</p> <p>Quality leadership</p>	<p>Main digital transformation partner toward sustainability</p>	<p>Resource management and stakeholders' interest as drivers of business value</p>
<ul style="list-style-type: none"> ▪ 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 	<ul style="list-style-type: none"> ▪ 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 	<ul style="list-style-type: none"> ▪ Innovative ICT: <ul style="list-style-type: none"> - 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 SOGEL to boost to the digitization of Italian Public Administrations 	<ul style="list-style-type: none"> ▪ 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)
<ul style="list-style-type: none"> ▪ Awarded NRRP tenders for UBB coverage expansion and take-up 			
<p>People – A sustainable workplace</p>			
<ul style="list-style-type: none"> ▪ 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

	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 guidance achieved/beaten

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



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

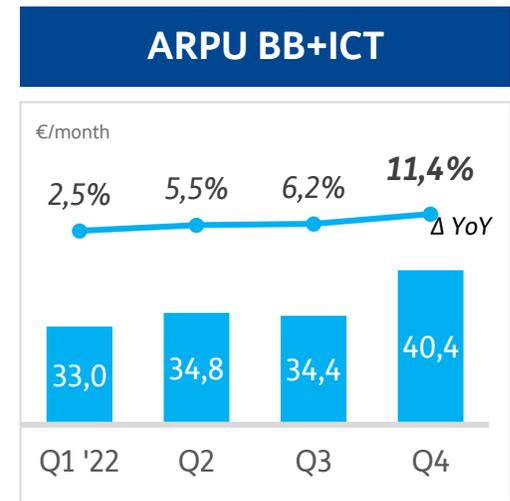
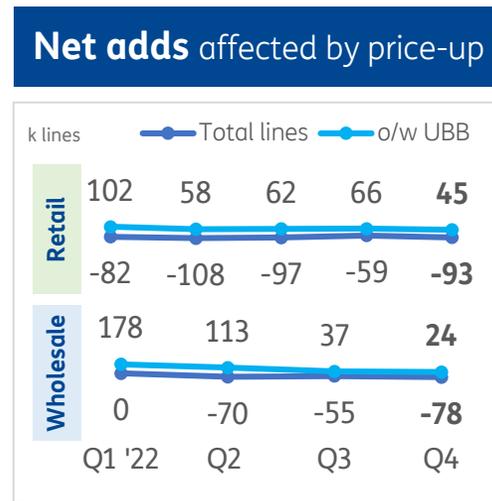
Fixed - Service revenues stabilizing, ARPU BB+ICT improving



Organic data
€m

	Q4 '22	YoY trend
Fixed revenues	2,389	-0.3%
Equipment	209	4.5%
Services	2,180	-0.8%
o/w retail ⁽¹⁾	1,429	+2.0%
o/w Nat. wholesale ⁽²⁾	490	-4.3%
o/w Int. wholesale	260	-8.5%

- wholesale deal with OF
- higher retail contribution (+1.3pp YoY,+3.6pp QoQ)
- higher ARPU stemming from IT revenues
- 2021 NRI & change in regulated price drag ⁽³⁾
- lower voice revenues with low marginality



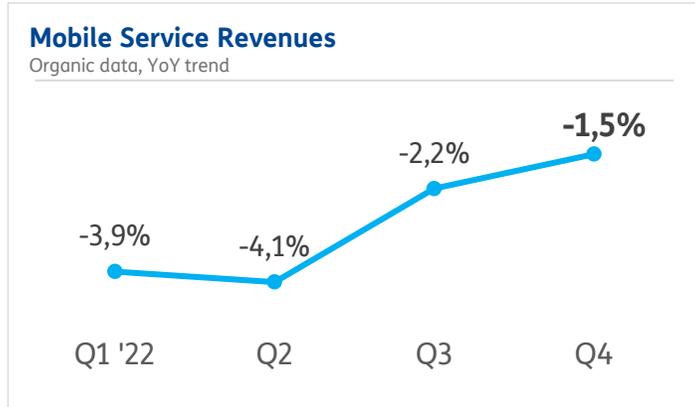
(1) Including ICT revenues generated by TIM Digital Companies trend YoY from non-recurring items and change in regulated price

(2) Including FiberCop revenues (4) Source: AGCOM

(3) 3.3pp drag on National Wholesale

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

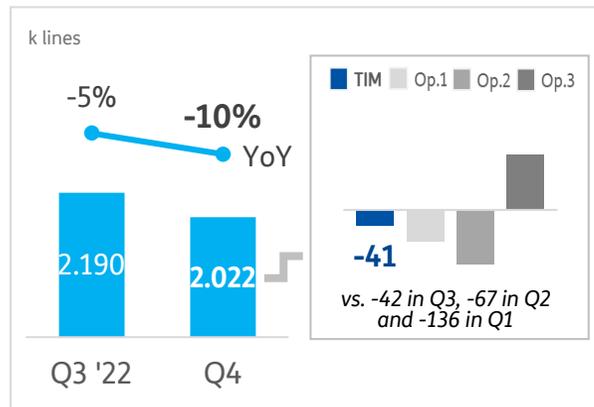
MSR trend improved further



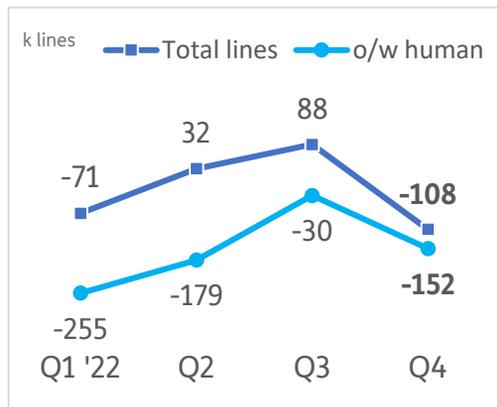
Organic data
€m

	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

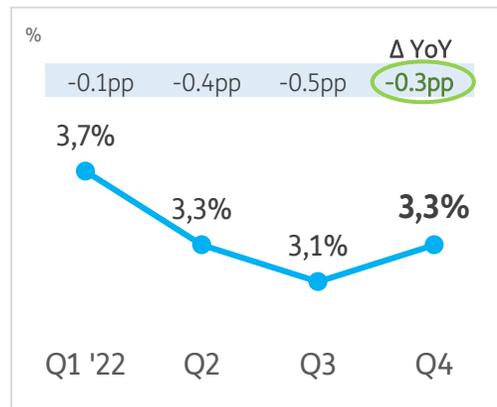
Market MNP reduced



Net adds affected by price-up



Churn contained



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

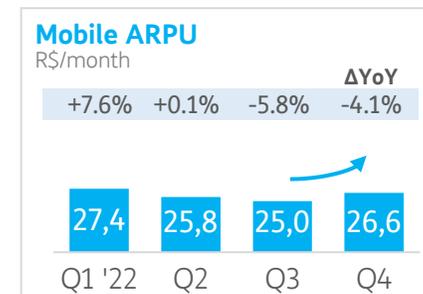
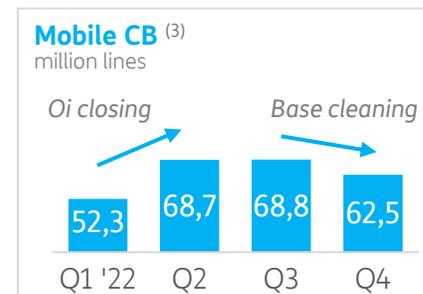
TIM Brasil - A year of strong achievements with all targets delivered

Reported figures, R\$ bn and YoY change

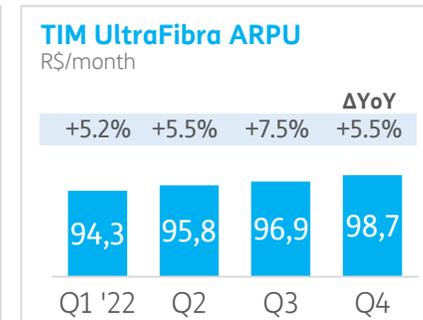
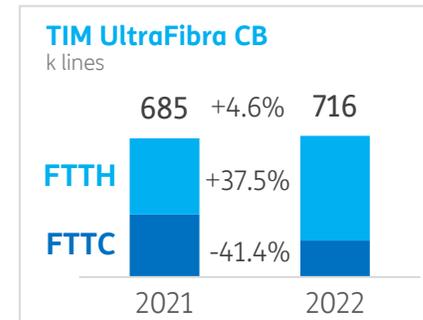
✓ Targets delivered

	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



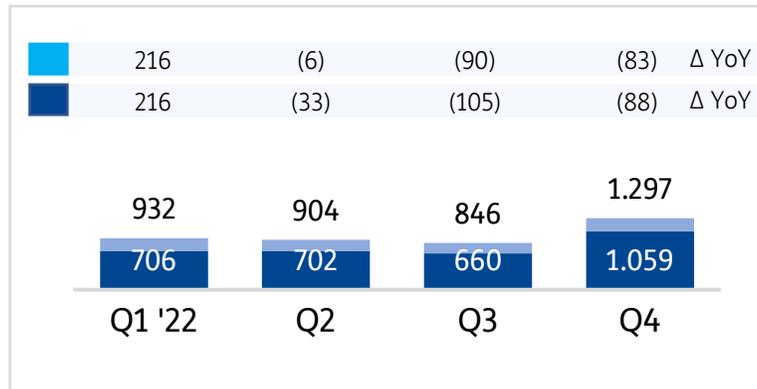
(1) Non-recurring items (2) Interest on Capital (3) Includes corporate lines

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

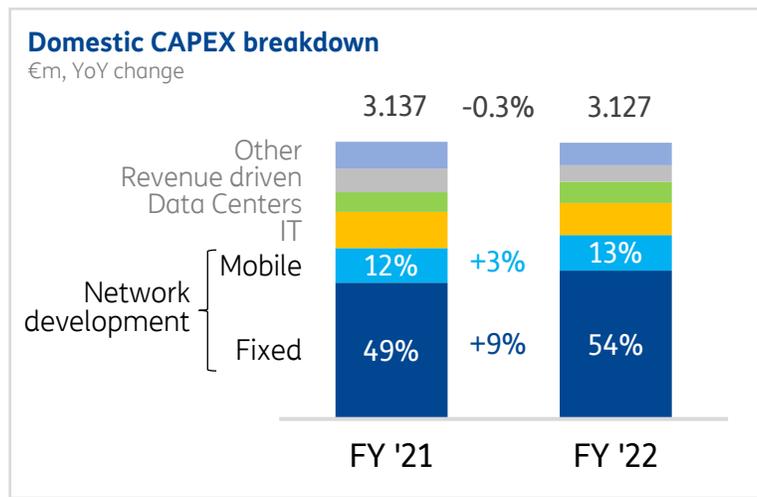
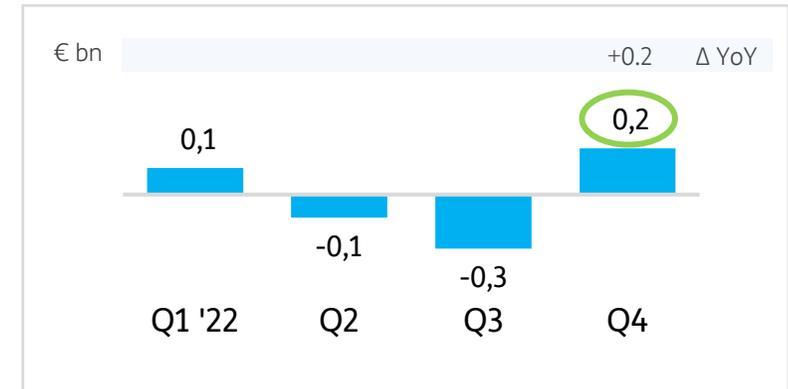
Organic figures⁽¹⁾, IFRS 16 and After Lease, €m

■ Group ■ Domestic ■ Brazil

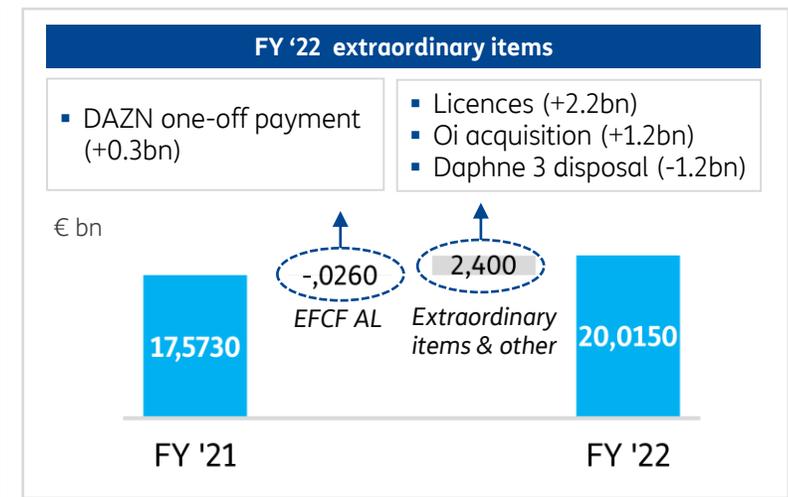
CAPEX
net of licenses



EFCF
After Lease



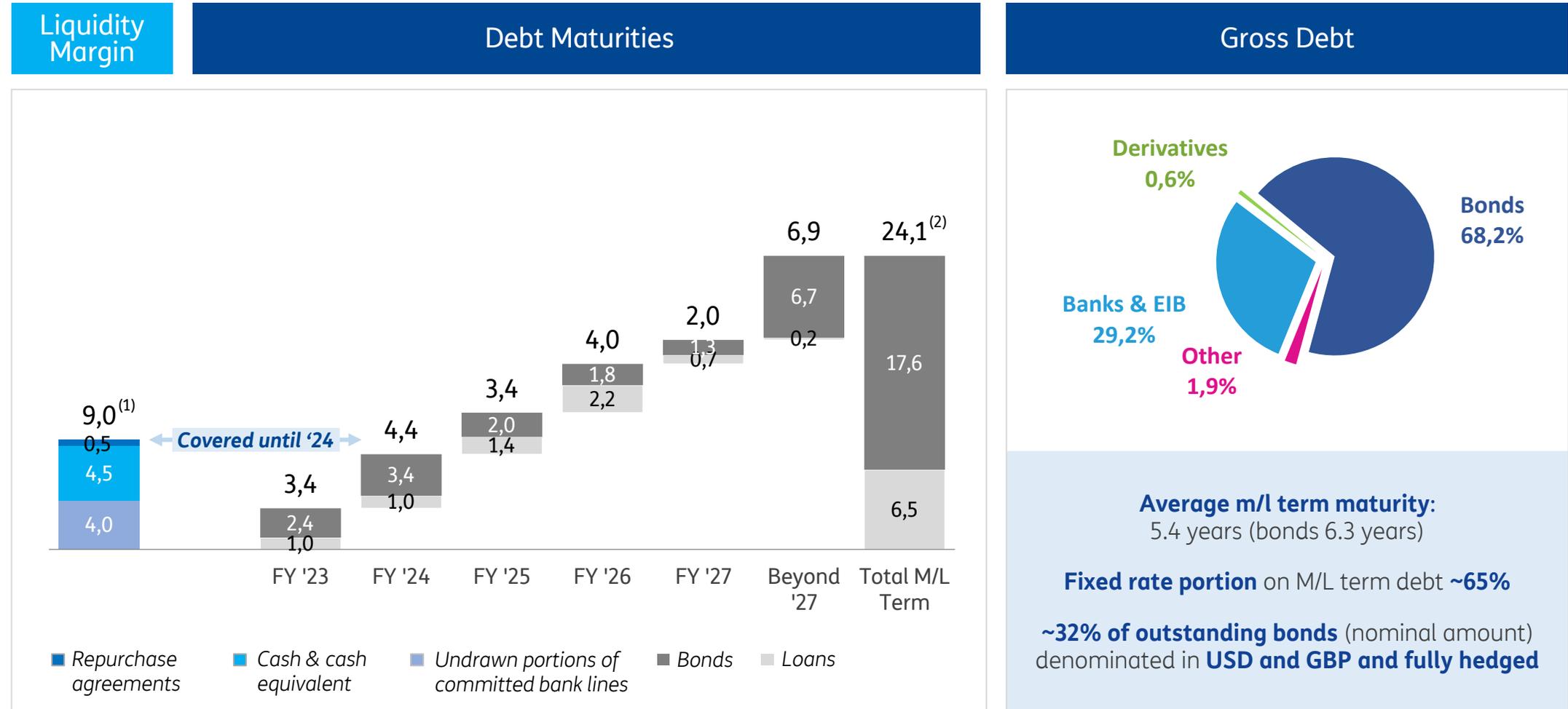
Adjusted Net Debt
After Lease



(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



(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

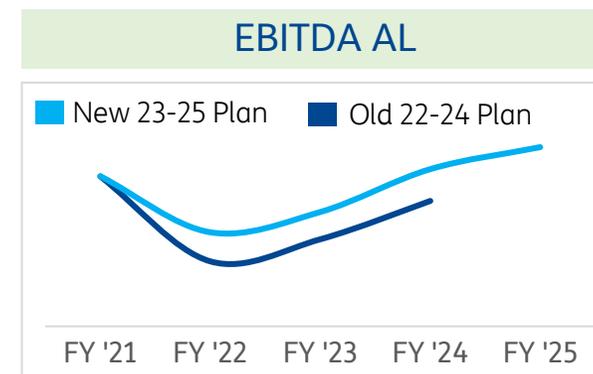


Guidance 2023-'25

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	



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)	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> EBITDA contribution as business dynamics evolves CAPEX allocation: “do more with less” in infrastructure Sites decommissioning
Shareholder remuneration	~2.3	continuous evolution	<ul style="list-style-type: none"> 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

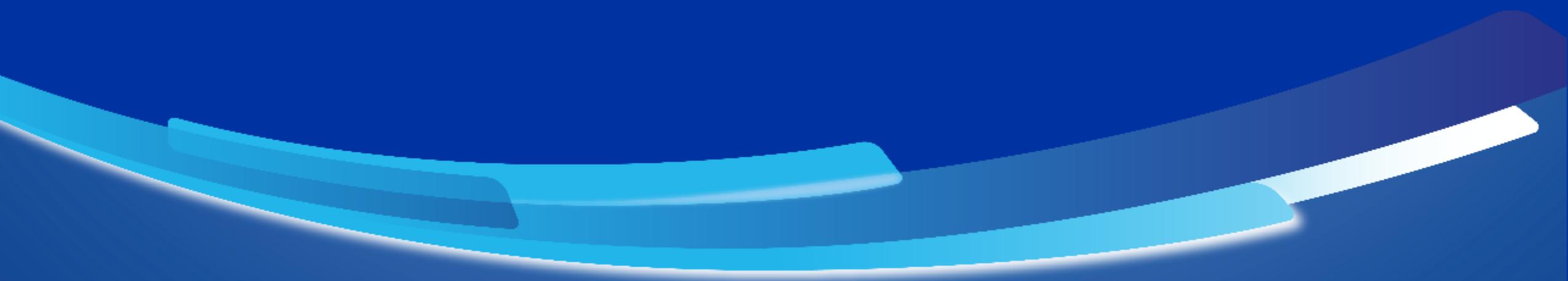
	NetCo	TIM Consumer	TIM Enterprise	TIM Brasil
ESG objectives	Low CO ₂ impact infrastructures & operations	Renewed commercial identity closer to green & inclusion values	Main digital transformation partner toward sustainability	Resource management and stakeholders' interest as drivers of business value
	Digital society transformation	Quality leadership		
People – A sustainable workplace				

		Old targets		Updated targets	
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%		
Domestic targets	E Green Products & Smartphones ⁽²⁾	≥50%	2024	≥70%	
	E Circular Economy ratio ⁽³⁾	+11% from 0.044€/kg ⁽²⁾		2€/kg	
	S Cloud, IoT & Security service revenues ⁽⁴⁾	+20% CAGR 20-24		+21% CAGR 23-25	
	S Digital Identity Services	+15% CAGR 22-24		+30% CAGR 22-25	
	S People trained on ESG skills	90%		≥90%	
	S Young Employees Engagement	≥ 78%		≥ 78%	
	S FTTH Coverage (% of technical units)	~60%		2026	48%

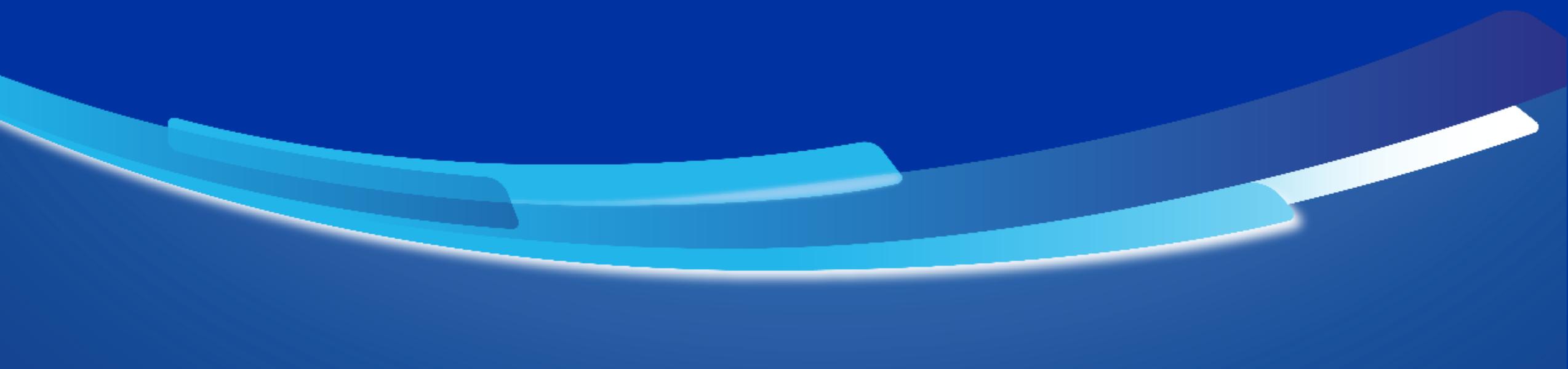
Scope 1: emissions from production (heating, cogeneration, company fleet)
Scope 2: electricity purchase emissions
Scope 3: emissions from upstream and downstream activities of the production chain (cat.1-purchase of goods; cat.2; capital goods; cat 11-use of goods sold)

(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



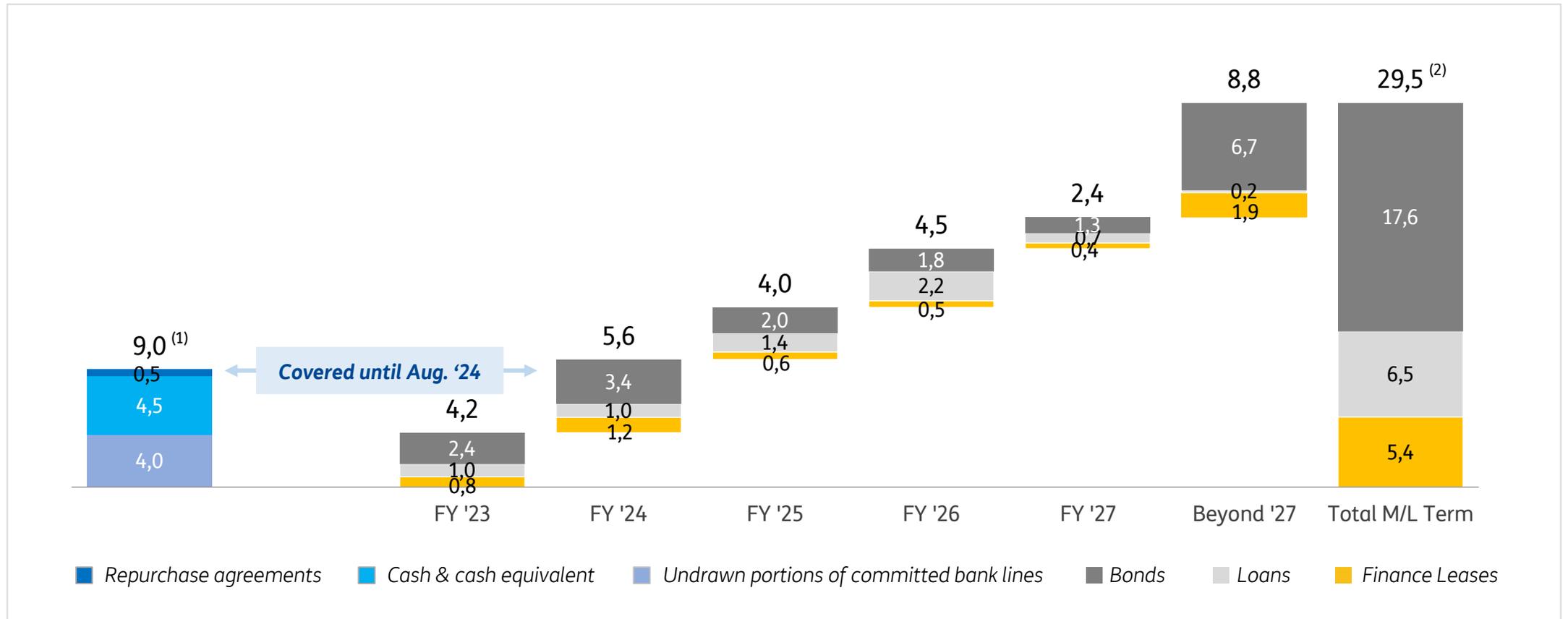
Liquidity margin, IFRS 16 view

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

* Including cost of all leases

Liquidity Margin

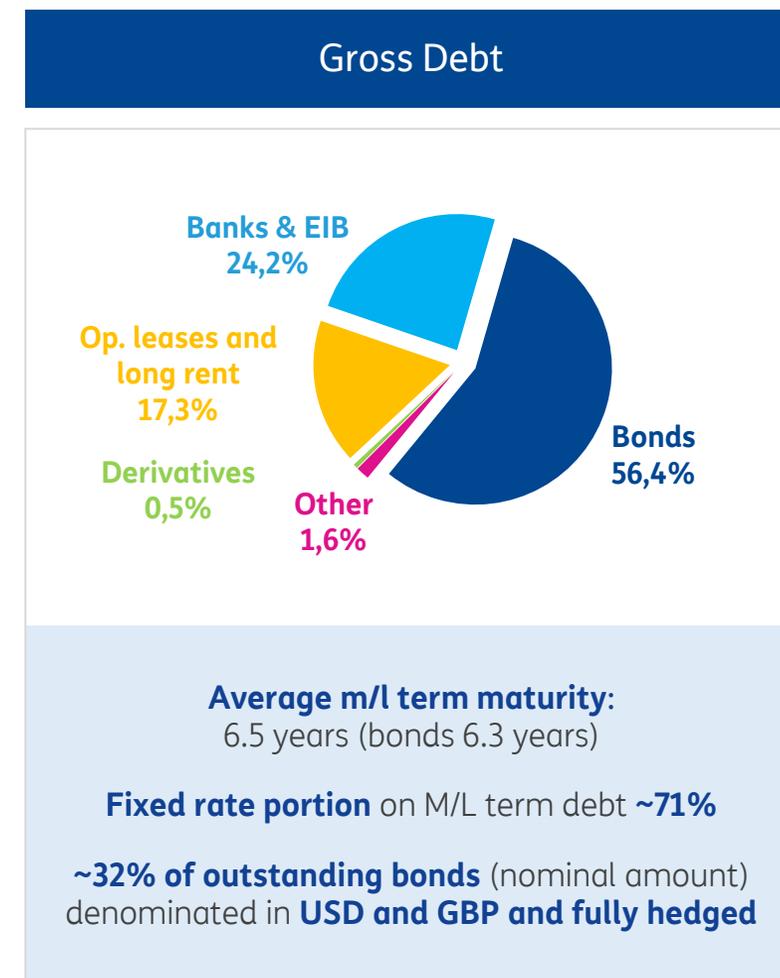
Debt Maturities



(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

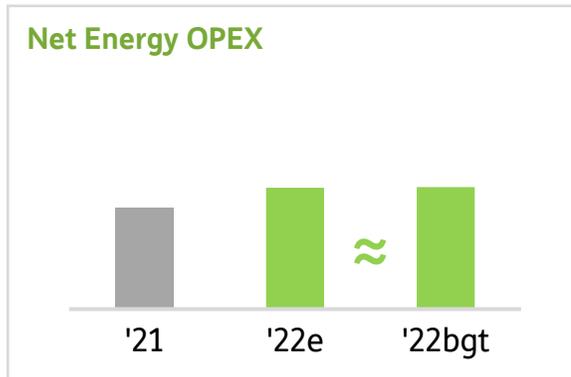
Well diversified and hedged debt, IFRS 16 view

€ 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



(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



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

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 <i>P&L – Positive item in income tax expenses</i>	-€ 3.8bn <i>P&L – Negative item in income tax expenses</i>	-€ 2.0bn ⁽¹⁾ (=2.7-0.7) <i>P&L – Negative item in income tax expenses</i>
TIM SpA intangible assets redeemed € 23.1bn	€ 6.6bn <i>Balance Sheet – DTA</i>	€ 2.7bn <i>Balance Sheet – DTA</i>	- <i>Balance Sheet – DTA</i>
Substitute tax (3%)	€ 0.7bn <i>Balance Sheet – Income tax payables</i>	€ 0.4bn <i>Balance Sheet – Income tax payables</i>	€ 0.4bn <i>Balance Sheet – Income tax payables write-off</i>
Cash out/in for substitute tax	- <i>Balance Sheet – Cash out</i>	€ 0.3bn <i>Balance Sheet – Cash out</i>	€ 0.3bn <i>Balance Sheet – Cash in</i>
Net equity suspended for tax purposes	€ 22.4bn <i>Balance Sheet – Net Equity suspended</i>	€ 22.4bn ⁽²⁾ <i>Balance Sheet – Net Equity suspended</i>	- <i>Balance Sheet – Net Equity suspended</i>

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



(+39) 06 3688 2500



Investor_relations@telecomitalia.it



www.gruppotim.it



www.twitter.com/TIMNewsroom



www.slideshare.net/telecomitaliacorporate

