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September 26, 2024

*This document has been translated into English for the convenience of the readers.
In the event of discrepancy, the Italian language version prevails.*

TIM GROUP – STATEMENTS

The Separate Consolidated Income Statements, Consolidated Statements of Comprehensive Income, Consolidated Statements of Financial Position and the Consolidated Statements of Cash Flows, as well as the Consolidated Net Financial Debt of the TIM Group, herewith presented, are the same as those included in the Interim Management Report of the Half-year Financial Report at June 30, 2024 and are unaudited.

Such statements, as well as the Consolidated Net Financial Debt, are however consistent with those included in the TIM Group Half-year Condensed Consolidated Financial Statements at June 30, 2024.

The accounting policies and consolidation principles adopted are consistent with those applied for the TIM Group Consolidated Financial Statements at December 31, 2023, to which reference can be made, except for the amendments to the standards issued by IASB and adopted starting from January 1, 2024.

Furthermore, please note that the limited review work by our independent auditors on the TIM Group Half-Year Condensed Consolidated Financial Statements at June 30, 2024 has not yet been completed.

TIM GROUP - SEPARATE CONSOLIDATED INCOME STATEMENTS

(million euros)

	1st Half 2024	1st Half 2023	Changes	
	(a)	(b)	(a-b) absolute	%
Revenues	7,061	6,853	208	3.0
Other income	49	69	(20)	(29.0)
Total operating revenues and other income	7,110	6,922	188	2.7
Acquisition of goods and services	(3,570)	(3,588)	18	0.5
Employee benefits expenses	(771)	(1,131)	360	31.8
Other operating expenses	(314)	(290)	(24)	(8.3)
Change in inventories	12	57	(45)	(78.9)
Internally generated assets	173	167	6	3.6
Operating profit (loss) before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)	2,640	2,137	503	23.5
Depreciation and amortization	(1,633)	(1,650)	17	1.0
Gains (losses) on disposals of non-current assets	—	(2)	2	—
Impairment reversals (losses) on non-current assets	(14)	—	(14)	—
Operating profit (loss) (EBIT)	993	485	508	—
Share of profits (losses) of associates and joint ventures accounted for using the equity method	(13)	(15)	2	13.3
Other income (expenses) from investments	2	3	(1)	(33.3)
Finance income	687	655	32	4.9
Finance expenses	(1,499)	(1,262)	(237)	(18.8)
Profit (loss) before tax from continuing operations	170	(134)	304	—
Income tax expense	(33)	(30)	(3)	(10.0)
Profit (loss) from continuing operations	137	(164)	301	—
Profit (loss) from Discontinued operations/Non-current assets held for sale	(640)	(509)	(131)	(25.7)
Profit (loss) for the period	(503)	(673)	170	25.3
Attributable to:				
Owners of the Parent	(646)	(813)	167	20.5
Non-controlling interests	143	140	3	2.1

TIM GROUP - CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Pursuant to IAS 1 (Presentation of Financial Statements), the Consolidated Statements of Comprehensive Income set out below include, in addition to the Profit/(Loss) for the period, as presented in the Separate Consolidated Income Statements, and other changes in Equity other than transactions with Shareholders.

(million euros)

		1st Half 2024	1st Half 2023
Profit (loss) for the period	(a)	(503)	(673)
Other components of the Consolidated Statement of Comprehensive Income			
Other components that will not be reclassified subsequently to Separate Consolidated Income Statement			
Financial assets measured at fair value through other comprehensive income:			
Profit (loss) from fair value adjustments		8	3
Income tax effect		—	—
	(b)	8	3
Remeasurements of employee defined benefit plans (IAS 19):			
Actuarial gains (losses)		17	3
Income tax effect		—	(1)
	(c)	17	2
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method:			
Profit (loss)		—	—
Income tax effect		—	—
	(d)	—	—
Total other components that will not be reclassified subsequently to Separate Consolidated Income Statement	(e=b+c+d)	25	5
Other components that will be reclassified subsequently to Separate Consolidated Income Statement			
Financial assets measured at fair value through other comprehensive income:			
Profit (loss) from fair value adjustments		(12)	13
Loss (profit) transferred to Separate Consolidated Income Statement		5	(5)
Income tax effect		—	—
	(f)	(7)	8
Hedging instruments:			
Profit (loss) from fair value adjustments		140	(170)
Loss (profit) transferred to Separate Consolidated Income Statement		(132)	101
Income tax effect		(1)	17
	(g)	7	(52)
Exchange differences on translating foreign operations:			
Profit (loss) on translating foreign operations		(446)	310
Loss (profit) on translating foreign operations transferred to Separate Consolidated Income Statement		—	—
Income tax effect		—	—
	(h)	(446)	310
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method:			
Profit (loss)		—	—
Loss (profit) transferred to Separate Consolidated Income Statement		—	—
Income tax effect		—	—
	(i)	—	—
Total other components that will be reclassified subsequently to Separate Consolidated Income Statement	(k=f+g+h+i)	(446)	266
Total other components of the Consolidated Statement of Comprehensive Income	(m=e+k)	(421)	271
Total comprehensive income (loss) for the period	(a+m)	(924)	(402)
Attributable to:			
Owners of the Parent		(905)	(639)
Non-controlling interests		(19)	237

TIM GROUP - CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(million euros)	6/30/2024 (a)	12/31/2023 (b)	Changes (a-b)
Assets			
Non-current assets			
Intangible assets			
Goodwill	11,147	19,170	(8,023)
Intangible assets with a finite useful life	6,391	7,122	(731)
	17,538	26,292	(8,754)
Tangible assets			
Property, plant and equipment owned	4,674	14,692	(10,018)
Rights of use assets	2,804	5,515	(2,711)
Other non-current assets			
Investments in associates and joint ventures accounted for using the equity method	490	537	(47)
Other investments	155	140	15
Non-current financial receivables arising from lease contracts	45	112	(67)
Other non-current financial assets	2,909	1,103	1,806
Miscellaneous receivables and other non-current assets	1,598	2,187	(589)
Deferred tax assets	580	701	(121)
	5,777	4,780	997
Total Non-current assets (a)	30,793	51,279	(20,486)
Current assets			
Inventories	309	345	(36)
Trade and miscellaneous receivables and other current assets	4,465	4,699	(234)
Current income tax receivables	150	191	(41)
Current financial assets			
Current financial receivables arising from lease contracts	54	162	(108)
Securities other than investments, other financial receivables and other current financial assets	2,097	2,571	(474)
Cash and cash equivalents	556	2,912	(2,356)
	2,707	5,645	(2,938)
Current assets sub-total	7,631	10,880	(3,249)
Discontinued operations /Non-current assets held for sale			
of a financial nature	304	—	304
of a non-financial nature	22,333	—	22,333
	22,637	—	22,637
Total Current assets (b)	30,268	10,880	19,388
Total Assets (a+b)	61,061	62,159	(1,098)

(million euros)	6/30/2024 (a)	12/31/2023 (b)	Changes (a-b)
Equity and Liabilities			
Equity			
Equity attributable to owners of the Parent	12,742	13,646	(904)
Non-controlling interests	3,744	3,867	(123)
Total Equity (c)	16,486	17,513	(1,027)
Non-current liabilities			
Non-current financial liabilities for financing contracts and others	10,591	21,284	(10,693)
Non-current financial liabilities for lease contracts	2,561	4,743	(2,182)
Employee benefits	200	511	(311)
Deferred tax liabilities	40	83	(43)
Provisions	451	679	(228)
Miscellaneous payables and other non-current liabilities	786	1,326	(540)
Total Non-current liabilities (d)	14,629	28,626	(13,997)
Current liabilities			
Current financial liabilities for financing contracts and others	12,930	5,771	7,159
Current financial liabilities for lease contracts	559	838	(279)
Trade and miscellaneous payables and other current liabilities	6,976	9,384	(2,408)
Income tax payables	17	27	(10)
Current liabilities sub-total	20,482	16,020	4,462
Liabilities directly associated with Discontinued operations/Non-current assets held for sale			
of a financial nature	5,913	—	5,913
of a non-financial nature	3,551	—	3,551
	9,464	—	9,464
Total Current Liabilities (e)	29,946	16,020	13,926
Total Liabilities (f=d+e)	44,575	44,646	(71)
Total Equity and Liabilities (c+f)	61,061	62,159	(1,098)

TIM GROUP - CONSOLIDATED STATEMENTS OF CASH FLOWS

(million euros)	1st Half 2024	1st Half 2023
Cash flows from operating activities:		
Profit (loss) from continuing operations	137	(164)
Adjustments for:		
Depreciation and amortization	1,633	1,650
Impairment losses (reversals) on non-current assets (including investments)	14	(6)
Net change in deferred tax assets and liabilities	11	14
Losses (gains) realized on disposals of non-current assets (including investments)	(3)	2
Share of losses (profits) of associates and joint ventures accounted for using the equity method	13	15
Change in employee benefits	17	225
Change in inventories	(32)	(44)
Change in trade receivables and other net receivables	50	106
Change in trade payables	(462)	(117)
Net change in income tax receivables/payables	22	(36)
Net change in miscellaneous receivables/payables and other assets/liabilities	467	(114)
Cash flows from (used in) operating activities	(a) 1,867	1,531
Cash flows from investing activities:		
Purchases of intangible, tangible and rights of use assets on a cash basis	(1,177)	(1,214)
Contributions for plants received	8	—
Acquisition of control of companies or other businesses, net of cash acquired	(2)	(24)
Acquisitions/disposals of other investments	(23)	(35)
Change in financial receivables and other financial assets (excluding hedging and non-hedging derivatives under financial assets)	(1) 417	(407)
Proceeds from sale that result in a loss of control of subsidiaries or other businesses, net of cash disposed of	—	—
Proceeds from sale/repayments of intangible, tangible and other non-current assets	(23)	6
Cash flows from (used in) investing activities	(b) (800)	(1,674)
Cash flows from financing activities:		
Change in current financial liabilities and other	(150)	143
Proceeds from non-current financial liabilities (including current portion)	1,870	1,250
Repayments of non-current financial liabilities (including current portion)	(3,777)	(1,833)
Changes in hedging and non-hedging derivatives	(10)	(124)
Share capital proceeds/reimbursements (including subsidiaries)	—	—
Dividends paid	(76)	(86)
Changes in ownership interests in consolidated subsidiaries	(8)	—
Cash flows from (used in) financing activities	(c) (2,151)	(650)
Cash flows from (used in) Discontinued operations/Non-current assets held for sale	(d) (1,188)	(410)
Aggregate cash flows	(e=a+b+c+d) (2,272)	(1,203)
Net cash and cash equivalents at beginning of the period	(f) 2,912	3,555
Net foreign exchange differences on net cash and cash equivalents	(g) (44)	33
Net cash and cash equivalents at end of the period	(h=e+f+g) 596	2,385

(1) This item includes investments in marketable securities of 1,234 million euros in the first half of 2024 (1,288 million euros in the first half of 2023) and redemptions of marketable securities of 1,598 million euros in the first half of 2024 (1,274 million euros in the first half of 2023), relating to TIM S.A. and Telecom Italia Finance S.A..

Purchases of intangible, tangible and rights of use assets

(million euros)	1st Half 2024	1st Half 2023
Purchase of intangible assets	(398)	(412)
Purchase of tangible assets	(565)	(575)
Purchase of rights of use assets	(387)	(476)
Total purchases of intangible, tangible and rights of use assets on an accrual basis	(1,350)	(1,463)
Change in payables arising from purchase of intangible, tangible and rights of use assets	173	250
Total purchases of intangible, tangible and rights of use assets on a cash basis	(1,177)	(1,214)

Additional Cash Flow information

(million euros)	1st Half 2024	1st Half 2023
Income taxes (paid) received	(18)	(51)
Interest expense paid	(1,273)	(1,017)
Interest income received	294	352
Dividends received	1	7

Analysis of Net Cash and Cash Equivalents

(million euros)	1st Half 2024	1st Half 2023
Net cash and cash equivalents at beginning of the period:		
Cash and cash equivalents	2,773	3,555
Bank overdrafts repayable on demand	(1)	(5)
	2,772	3,550
Net cash and cash equivalents at end of the period:		
Cash and cash equivalents	661	2,409
Bank overdrafts repayable on demand	(65)	(24)
	596	2,385

TIM GROUP - NET FINANCIAL DEBT

(million euros)

	6/30/2024 (a)	12/31/2023 (b)	Change (a-b)
Non-current financial liabilities			
Bonds	8,640	15,297	(6,657)
Amounts due to banks, other financial payables and liabilities	1,951	5,987	(4,036)
Non-current financial liabilities for lease contracts	2,561	4,743	(2,182)
	13,152	26,027	(12,875)
Current financial liabilities (*)			
Bonds	6,956	3,266	3,690
Amounts due to banks, other financial payables and liabilities	5,974	2,505	3,469
Current financial liabilities for lease contracts	559	838	(279)
	13,489	6,609	6,880
Financial liabilities directly associated with Discontinued operations/ Non-current assets held for sale	5,913	—	5,913
Total Gross financial debt	32,554	32,636	(82)
Non-current financial assets			
Securities other than investments	—	—	—
Non-current financial receivables arising from lease contracts	(45)	(112)	67
Financial receivables and other non-current financial assets	(2,909)	(1,103)	(1,806)
	(2,954)	(1,215)	(1,739)
Current financial assets			
Securities other than investments	(1,547)	(1,882)	335
Current financial receivables arising from lease contracts	(54)	(162)	108
Financial receivables and other current financial assets	(550)	(689)	139
Cash and cash equivalents	(556)	(2,912)	2,356
	(2,707)	(5,645)	2,938
Financial assets relating to Discontinued operations/Non-current assets held for sale	(304)	—	(304)
Total financial assets	(5,965)	(6,860)	895
Net financial debt carrying amount	26,589	25,776	813
<i>Reversal of fair value measurement of derivatives and related financial liabilities/assets</i>	<i>(101)</i>	<i>(120)</i>	<i>19</i>
Adjusted Net Financial Debt	26,488	25,656	832
<i>Breakdown as follows:</i>			
Total adjusted gross financial debt	32,067	32,001	66
Total adjusted financial assets	(5,579)	(6,345)	766
<i>(*) of which current portion of medium/long-term debt:</i>			
Bonds	6,956	3,266	3,690
Amounts due to banks, other financial payables and liabilities	4,719	1,166	3,553
Current financial liabilities for lease contracts	485	786	(301)

TIM GROUP - CHANGE IN ADJUSTED NET FINANCIAL DEBT

(million euros)

	1st Half 2024 (a)	1st Half 2023 (b)	Change (a-b)
EBITDA	2,640	2,137	503
Capital expenditures on an accrual basis	(1,001)	(1,006)	5
Change in net operating working capital:	(242)	(158)	(84)
<i>Change in inventories</i>	(32)	(44)	12
<i>Change in trade receivables and other net receivables</i>	50	106	(56)
<i>Change in trade payables</i>	(615)	(300)	(315)
<i>Change in payables for mobile telephone licenses / spectrum</i>	(24)	(24)	—
<i>Other changes in operating receivables/payables</i>	379	104	275
Change in employee benefits	17	225	(208)
Change in operating provisions and Other changes	(109)	(152)	43
Net Operating Free Cash Flow	1,305	1,046	259
<i>% of Revenues</i>	<i>18.5</i>	<i>15.3</i>	<i>3.2pp</i>
Sale of investments and other disposals flow	(23)	6	(29)
Share capital increases/reimbursements, including incidental expenses	—	—	—
Financial investments	(34)	(56)	22
Dividends payment	(76)	(86)	10
Increases in lease contracts	(349)	(457)	108
Finance expenses, income taxes and other net non-operating requirements flow	(1,565)	(1,134)	(431)
Reduction/(Increase) in adjusted net financial debt from continuing operations	(742)	(681)	(61)
Reduction/(Increase) in net financial debt from Discontinued operations/Non-current assets held for sale	(90)	(118)	28
Reduction/(Increase) in adjusted net financial debt	(832)	(799)	(33)

Equity Free Cash Flow

(million euros)

	1st Half 2024	1st Half 2023	Change
Reduction/(Increase) in adjusted net financial debt	(832)	(799)	(33)
Impact for finance leases (new lease operations and/or renewals and/or extensions (-)/any terminations/early extinguishing of leases (+))	21	465	(444)
Payment of TLC licenses and for the use of frequencies	24	24	—
Financial impact of acquisitions and/or disposals of investments	30	57	(27)
Dividend payment and Changes in Equity	76	86	(10)
Equity Free Cash Flow	(681)	(167)	(514)

TIM GROUP - INFORMATION BY OPERATING SEGMENT

Domestic

(million euros)	1st Half 2024	1st Half 2023	Changes (a-b)	
	(a)	(b)	absolute	%
Revenues	4,822	4,774	48	1.0
EBITDA	1,547	1,149	398	34.6
% of Revenues	32.1	24.1		8.0 pp
EBIT	534	150	384	—
% of Revenues	11.1	3.1		8.0 pp
Headcount at period end (number) (*)	17,965	(*)37,901	(19,936)	(52.6)

(*) Includes 1 agency contract workers at June 30, 2024 (31 at December 31, 2023).

(*) The headcount is current as of December 31, 2023.

TIM Consumer "Key Performance Indicators"

	6/30/2024	12/31/2023	6/30/2023
Total Fixed accesses (thousands)	7,323	7,499	7,662
of which active ultra-broadband accesses (thousands)	5,448	5,404	5,371
Consumer Fixed ARPU (€/month) ⁽¹⁾	29.8	28.2	27.7
Mobile lines at period end (thousands)	16,170	16,397	16,623
of which Human calling (thousands)	13,451	13,578	13,842
Mobile Churn rate (%) ⁽²⁾	9.7	19.2	9.2
Consumer Mobile Human calling ARPU (€/month) ⁽³⁾	10.6	10.8	10.7

(1) Organic Consumer service revenues in proportion to the average number of Consumer accesses.

(2) Percentage of human lines discontinued in the period compared to the average human lines.

(3) Organic consumer service revenues (excluding visitors and MVNOs) in proportion to average human calling lines.

Brazil

	(million euros)		(million Brazilian reais)		Changes	
	1st Half 2024	1st Half 2023	1st Half 2024	1st Half 2023	absolute	%
	(a)	(b)	(c)	(d)	(c-d)	(c-d)/d
Revenues	2,257	2,098	12,398	11,503	895	7.8
EBITDA	1,095	993	6,016	5,442	574	10.5
% of Revenues	48.5	47.3	48.5	47.3		1.2pp
EBIT	461	339	2,532	1,857	675	36.3
% of Revenues	20.4	16.1	20.4	16.1		4.3pp
Headcount at period end (number)			9,089	(*)9,267	(178)	(1.9)

(*) The headcount is current as of December 31, 2023.

TIM GROUP - HEADCOUNT

Average salaried workforce

(equivalent number)	1st Half 2024 (a)	1st Half 2023 (c)	Change (a-c)
Average salaried workforce – Italy	14,861	15,579	(718)
Average salaried workforce – Outside Italy	9,047	9,196	(149)
Total average salaried workforce ⁽¹⁾	23,908	24,775	(867)
Discontinued Operations - NetCo	18,179	19,068	(889)
Total average salaried workforce - including Discontinued Operations	42,087	43,843	(1,756)

(1) Includes personnel on temporary employment contracts: 2 average salaried staff in Italy in the first half of 2024; 31 average salaried staff in Italy in the first half of 2023.

Headcount at period end

(number)	6/30/2024 (a)	12/31/2023 (b)	Change (a-b)
Headcount – Italy	17,737	37,670	(19,933)
Headcount – Outside Italy	9,330	9,510	(180)
Total headcount at period end ⁽¹⁾	27,067	47,180	(20,113)
Discontinued Operations - NetCo	19,864	—	19,864
Total - including Discontinued Operations	46,931	47,180	(249)

(1) Includes personnel on temporary employment contracts: 1 in Italy as of June 30, 2024; 31 in Italy as of December 31, 2023.

Headcount at period end – Breakdown by Business Unit

(number)	6/30/2024 (a)	12/31/2023 (b)	Change (a-b)
Domestic	17,965	37,901	(19,936)
Brazil	9,089	9,267	(178)
Other Operations	13	12	1
Total	27,067	47,180	(20,113)

TIM GROUP - EFFECTS OF NON-RECURRING EVENTS AND TRANSACTIONS ON EACH ITEM OF THE SEPARATE CONSOLIDATED INCOME STATEMENTS

In accordance with Consob Communication No. DME/RM/9081707 of September 16, 2009, the following information is provided about the impact of non-recurring events and transactions on the individual items of the Separate Consolidated Income Statements:

(million euros)	1st Half 2024	1st Half 2023
Acquisition of goods and services, Change in inventories:		
Acquisition of goods and services - Charges related to agreements and the development of non-recurring projects and other charges	(7)	(13)
Employee benefits expenses:		
Charges connected to corporate reorganization/restructuring and other costs	(65)	(413)
Other operating expenses:		
Expenses related to disputes and regulatory penalties and liabilities related to those expenses, other provisions and charges	(11)	(1)
Impact on Operating profit (loss) before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)	(83)	(427)
Impairment reversals (losses) on non-current assets:		
Net capital gain on corporate transactions	3	2
Impact on Operating profit (loss) (EBIT)	(80)	(425)
Other income (expenses) from investments:		
Other (expenses)/income from corporate transactions	2	—
Finance income:		
Other finance income	(2)	—
Finance expenses:		
Other finance expenses	(21)	(15)
Impact on profit (loss) before tax from continuing operations	(101)	(440)
Income tax expense on non-recurring items	1	5
Profit/(Losses) related to Discontinued operations	(28)	(3)
Impact on profit (loss) for the period	(128)	(438)

TIM GROUP - DEBT STRUCTURE, BOND ISSUES AND MATURING BONDS

Revolving Credit Facility

The table below shows the committed^(*) credit lines available as of June 30, 2024:

(billion euros)	6/30/2024		12/31/2023	
	Agreed	Drawn down	Agreed	Drawn down
Sustainability-linked RCF – May 2026	4.0	—	4.0	—
Total	4.0	—	4.0	—

^(*) In accordance with the contract signed, the Banks have committed to make the funds available on demand (with at least 3 days' notice). As this is a "Committed" line, the banks have no mechanisms in place not to honor the request for funds made by the Company, without prejudice to the market standard early mandatory cancellation clauses (Natural contract expiry, Change in control, Borrower illegality, Events of default each as defined in the contract).

On April 4, 2024, TIM signed a bridge loan agreement for 1.5 billion euros, on May 15, 2024, this was increased by an additional 300 million euros, with a maturity of up to 18 months. The loan, which was aimed at covering the refinancing needs up to the date of closing of the NetCo sale, with conditions in line with market benchmarks, was repaid in its entirety on July 4, 2024.

Bonds

The change in bonds in the first half of 2024 was as follows:

(millions in original currency)	Currency	Amount	Repayment date
Repayments			
Telecom Italia S.p.A. 450 million euros 3.625%	Euro	450	1/19/2024
Telecom Italia S.p.A. 950 million euros 4.000%	Euro	950	4/11/2024
Telecom Italia S.p.A. 1,500 million USD 5.303%	USD	1,500	5/30/2024

In April 2024, TIM S.p.A., Telecom Italia Finance S.A. and Telecom Italia Capital S.A. made an Offer to Exchange Existing Notes for New Notes to Bondholders in preparation for the Netco transaction.

In May 2024, the EUR and USD exchange transactions placed for some TIM Group Bonds were concluded.

The new Bonds have substantially the same terms as the corresponding series of original Bonds, including in terms of their maturity, interest rate, interest payment dates and restrictive covenants, with the exception of the clause for the exchange of new Bonds to Optics BidCo S.p.A. ("Optics") on the date of the completion of the Netco transaction.

As of June 30, 2024, the Bonds transferred to Optics, along with their respective hedging derivatives, were reclassified under medium/long-term payables (current portion).

The table below summarizes the Notes still with the TIM Group and those subsequently transferred to Optics on July 1, 2024:

Currency	Nominal value	Coupon	Maturity date	Original notes TIM Group (nominal value)	New Notes transferred to Optics (nominal value)
Bonds issued by TIM S.p.A.					
Euro	750,000,000	2,875%	1/28/26	375,000,000	375,000,000
Euro	1,000,000,000	3,625%	5/25/26	677,997,000	322,003,000
Euro	1,250,000,000	2,375%	10/12/27	742,285,000	507,715,000
Euro	1,250,000,000	6,875%	2/15/28	625,000,000	625,000,000
Euro	1,250,000,000	7,875%	7/31/28	750,000,000	750,000,000
Euro	1,000,000,000	1,625%	1/18/29	499,180,000	500,820,000
Euro	670,000,000	5,250%	3/17/55	440,000,000	230,000,000
Bonds issued by Telecom Italia Finance S.A.					
Euro	1,015,000,000	7,750%	1/24/33	655,858,000	359,142,000
Bonds issued by Telecom Italia Capital S.A.					
USD	1,000,000,000	6,375%	11/15/33	499,994,000	500,006,000
USD	1,000,000,000	6,000%	9/30/34	499,999,000	500,001,000
USD	1,000,000,000	7,200%	7/18/36	500,000,000	500,000,000
USD	1,000,000,000	7,721%	6/4/38	499,996,000	500,004,000

In addition, as of June 30, 2024, a number of bank loans earmarked for early repayment were reclassified to medium/long-term payables (current portion). Specifically these were: the 1.8 billion euro Bridge Loan (repaid in full on July 4, 2024) and the 2 billion euro Facility subscribed on July 6, 2022, which benefited from the "Italian Guarantee" (repaid in full on July 10, 2024).

The nominal repayment amount, net of treasury security buybacks, of the bonds maturing in the 18 months following June 30, 2024 and issued by TIM S.p.A., Telecom Italia Finance S.A. and Telecom Italia Capital S.A. (fully and unconditionally guaranteed by TIM S.p.A.) is 2 billion euros, as detailed below:

- 1,000 million euros, maturing on April 15, 2025;
- 1,000 million euros, maturing on September 30, 2025.

The bonds issued by TIM S.p.A., Telecom Italia Finance S.A. and Telecom Italia Capital S.A. do not contain financial covenants of any kind (e.g. Debt/EBITDA ratio, EBITDA/Interest, etc.) or clauses that would entail the automatic early repayment of loans in the event of non-insolvency events of the TIM Group; moreover, the repayment of bonds and the payment of interest are not backed by specific guarantees, nor are there any commitments to issue future guarantees, with the exception of the full and unconditional guarantees granted by TIM S.p.A. for bonds issued by Telecom Italia Finance S.A. and Telecom Italia Capital S.A..

Since these are mainly transactions placed with institutional investors on the main global capital markets (Euromarket and USA), the terms governing the loans are in line with the market practice for similar transactions carried out on the same markets.

With reference to the loans taken out by TIM with the European Investment Bank ("EIB"), on May 19, 2021, TIM took out a loan for 230 million euro to support projects to promote digitalization in the country. In addition, on the same date, it expanded the financing taken out in 2019 (for an initial 350 million euros) by an additional 120 million euros. At present, these loans are partially secured.

In addition, on May 5, 2023, TIM took out a new loan with the EIB for 360 million euros, partially guaranteed by SACE.

Therefore, at June 30, 2024 the nominal total of outstanding loans with the EIB was 1,060 million euros.

Loans taken out with the EIB contain the following covenants and commitments, among others:

- if the Company is subject to a merger, demerger or transfer of a business unit outside the TIM Group, or disposes of, divests or transfers assets or business units (with the exception of certain disposals expressly permitted), it must immediately notify the EIB, which will have the right to request the provision of guarantees or the amendment of the loan agreement, or, only for certain contracts, the early repayment of the loan (if a merger and demerger transaction outside the TIM Group jeopardizes the execution or operation of the Project or is detrimental to the EIB in its capacity as creditor);
- TIM has undertaken to ensure that, for the entire duration of the loan, the total financial debt of the companies belonging to the TIM Group other than TIM, and except where such debt is fully and irrevocably guaranteed by TIM, this will be less than 35% (thirty-five per cent) of the total financial debt of the TIM Group;
- "Clause for inclusion", where, if TIM undertakes to maintain financial parameters in other loan agreements (and also certain more stringent clauses, such as cross defaults and commitments to limit the sale of assets) that are not present or are more stringent than those granted to the EIB, the latter will have the right to request, if it considers in its reasonable opinion that such changes may have negative consequences on TIM's financial capacity, the provision of guarantees or the amendment of the loan agreement to provide for an equivalent provision in favour of the EIB;
- "Network Event", under which, in the event of the disposal of the entire fixed network or of a substantial part of it (in any case, more than half in quantitative terms) to third parties not controlled by the Company, or in the event of disposal of the controlling interest in the company in which the network or a substantial part of it has previously been transferred, TIM must immediately inform the EIB, which may then opt to demand collateral or an amendment of the loan agreement or choose an alternative solution. In anticipation of the closure of the sale of NetCo to Kohlberg Kravis Roberts & Co. L.P. ("KKR"), TIM informed the EIB and simultaneously entered into a dialogue to agree how to manage the existing contracts.

Some TIM loan agreements outstanding at June 30, 2024 contain financial covenants (e.g. Debt/EBITDA, EBITDA/interest ratios, etc.), failure to comply with which would entail an obligation to repay the loan. These include the loan signed on July 6, 2022, which is backed by the "Italy Guarantee" (in accordance with art. 1, subsection 1 of Decree-Law no. 23 of April 8, 2020, as subsequently amended and supplemented); this was entirely repaid, voluntarily, on July 10, 2024.

The loan agreements contain the usual other types of covenants, including the commitment not to pledge the Company's assets as collateral for loans (negative pledge) and the commitment not to change the business purpose or sell the assets of the Company unless specific conditions exist (e.g. the sale takes place at fair market value). Covenants with basically the same content can be found in the export credit loan agreement.

In the loan agreements, TIM is required to provide notification of change of control. Events constituting a change of control and the applicable consequences – including, at the discretion of the investors, the establishment of guarantees or the early repayment of the amount paid in cash and the cancellation of the commitment in the absence of agreements to the contrary – are specifically identified in each agreement.

In addition, the outstanding loans generally contain a commitment by TIM, any breach of which constitutes an Event of Default, not to implement mergers, demergers or transfers of business, involving entities outside the Group, except where certain conditions exist. Such an Event of Default may entail, upon request of the Lender, the early repayment of the drawn amounts and/or the annulment of the undrawn commitment.

The documentation of the loans granted to certain companies of the TIM Group generally contain obligations to comply with certain financial ratios, as well as the usual other covenants, under penalty of a request for the early repayment of the loan.

Finally, as at June 30, 2024, no covenant, negative pledge or other clause relating to the aforementioned debt position had in any way been breached or violated.

ALTERNATIVE PERFORMANCE MEASURES

In addition to the conventional financial performance measures established by the IFRS Accounting Standards, the TIM Group uses certain alternative performance measures in its internal presentations (business plan) and in external presentations (to analysts and investors) for the purposes of enabling a better understanding of the performance of its operations and its financial position. These measures in fact represent a useful unit of measurement for assessing the operating performance of the Group (as a whole and at Business Unit level).

Such measures, which are presented in the periodical financial reports (annual and interim), should, however, not be considered as a substitute for those required by the IFRS Accounting Standards. As these measurements are not defined by the IFRS Accounting Standards, their calculation may differ from the alternative indicators published by other companies. This is why comparability between companies may be limited.

The alternative performance measures normally used are described below:

- **EBITDA:** this measure is used by TIM as the financial target, in addition to the **EBIT**. These measures are calculated as follows:

Profit (loss) before tax from continuing operations
+ Finance expenses
- Finance income
+/- Other expenses (income) from investments
+/- Share of losses (profits) of associates and joint ventures accounted for using the equity method
EBIT – Operating profit (loss)
+/- Impairment losses (reversals) on non-current assets
+/- Losses (gains) on disposals of non-current assets
+ Depreciation and amortization
EBITDA – Operating profit (loss) before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets

- **Organic change and impact of non-recurring items on revenues, EBITDA and EBIT:** these measures express changes (amount and/or percentage) in Revenues, EBITDA and EBIT, excluding, where applicable, the effects of the change in the scope of consolidation, the exchange differences and the non-recurring events and transactions. The TIM Group presents a reconciliation between the “accounting or reported” figures and the “organic excluding the non-recurring items”.
- **EBITDA margin and EBIT margin:** TIM believes that these margins represent useful indicator of the ability of the Group (as a whole and at Business Unit level) to generate profits from its revenues. In fact, EBITDA margin and EBIT margin measure the operating performance of an entity by analyzing the percentage of revenues that are converted into EBITDA and EBIT, respectively.
- **Net Financial Debt:** TIM believes that the Net Financial Debt represents an accurate indicator of its ability to meet its financial obligations. It is represented by Gross Financial Debt less Cash and Cash Equivalents and other Financial Assets. The TIM Group presents a table showing the amounts taken from the statements of financial position and used to calculate the Net Financial Debt of the Group.

To provide a better representation of the true performance of Net Financial Debt, in addition to the usual indicator (renamed “Net financial debt carrying amount”), the TIM Group reports a measure called “Adjusted net financial debt”, which neutralizes the effects caused by the volatility of financial markets. Given that some components of the fair value measurement of derivatives (contracts for setting the exchange and interest rate for contractual flows) and of derivatives embedded in other financial instruments do not result in actual monetary settlement, the Adjusted net financial debt excludes these purely accounting and non-monetary effects (including the effects of IFRS 13 – Fair Value Measurement) from the measurement of derivatives and related financial assets/liabilities.

Net financial debt is calculated as follows:

+	Non-current financial liabilities
+	Current financial liabilities
+	Financial liabilities directly associated with Discontinued operations/Non-current assets held for sale
A)	Gross financial debt
+	Non-current financial assets
+	Current financial assets
+	Financial assets relating to Discontinued operations/Non-current assets held for sale
B)	Financial assets
C=(A - B)	Net financial debt carrying amount
D)	Reversal of fair value measurement of derivatives and related financial liabilities/assets
E=(C + D)	Adjusted Net Financial Debt

- **Equity Free Cash Flow (EFCF):** this financial measure represents the free cash flow available for the remuneration of own capital, to repay debt and to cover any financial investments and payments of licenses and frequencies. In particular, the indicator highlights the change in adjusted net financial debt without considering the impacts of payment of dividends, changes in equity, acquisitions/disposals of equity investments, outlay for the purchase of licenses and frequencies, increases/decreases of finance lease liabilities payable (new lease operations, renewals and/or extensions, cancellations/early extinguishing of leases).

The Equity Free Cash Flow measure is calculated as follows:

Reduction/(Increase) in adjusted net financial debt from continuing operations	
+/-	Impact for finance leases (new lease operations and/or renewals and/or extensions (-)/any terminations/early extinguishing of leases (+))
-	Payment of TLC licenses and for the use of frequencies
+/-	Financial impact of acquisitions and/or disposals of investments
-	Dividend payment and Change in Equity
Equity Free Cash Flow	

- **Capital expenditures (net of TLC licenses):** this financial measure represents the capital expenditures made net of investments for competence relating to TLC licenses for the use of frequencies.
- **Operating Free Cash Flow (OFCF) and Operating Free Cash Flow (net of licenses):** these financial measures represent the cash flow available to repay the debt (including lease payables) and cover any financial investments and, in the case of OFCF, payments of licenses and frequencies.

Operating Free Cash Flow and Operating Free Cash Flow (net of licenses) are calculated as follows:

EBITDA	
-	Capital expenditures on an accrual basis
+/-	Change in net operating working capital (Change in inventories, Change in trade receivables and other net receivables, Change in trade payables, Change in payables for mobile telephone licenses/spectrum, Other changes in operating receivables/payables, Change in employee benefits, Change in operating provisions and other changes)
Operating Free Cash Flow	
-	Payment of TLC licenses and for the use of frequencies
Operating Free Cash Flow (net of licenses)	

Alternative performance measures after lease

Following the adoption of IFRS 16, the TIM Group presents the following additional alternative performance measures:

- **EBITDA After Lease ("EBITDA-AL"),** calculated by adjusting the Organic EBITDA, net of the non-recurring items, from the amounts connected with the accounting treatment of the lease contracts;
- **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. TIM believes that the Adjusted net financial debt After Lease represents an indicator of the ability to meet its financial obligations;
- **Equity Free Cash Flow After Lease,** calculated by excluding from the Equity Free Cash Flow the amounts related to lease payments. In particular, this measure is calculated as follows:

+	Equity Free Cash Flow
-	Principal share of lease payments

This measure is a useful indicator of the ability to generate Free Cash Flow.

Like-for-like alternative performance measures

In order to provide a better understanding of the business's performance, organic economic and financial information is presented relating to the operating performance in the first half of 2024 and the first half of 2023 of the business in the "TIM ServCo" perimeter, restated based on operating data. Such organic like-for-like information is prepared by simulating the separation operation of the fixed network, with the creation of the NetCo component and the consequent definition of the TIM ServCo perimeter, as the it had occurred at the start of the reference period (January 1).