

ATTACHMENTS TO THE PRESS RELEASE

TIM Group - Key operating and Financial Data	2
TIM S.p.A. - Key operating and Financial Data	2
TIM Group - Information by Operating Segments	3
<i>Domestic</i>	3
<i>Brazil</i>	3
Alternative Performance Measures	4

February 14, 2023

*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 - KEY OPERATING AND FINANCIAL DATA

(million euros)	4th Quarter 2023 Preliminary	4th Quarter 2022	% Changes		2023 Preliminary	2022	% Changes	
			Reported	Organic excluding non-recurring			Reported	Organic excluding non-recurring
Revenues	4,343	4,259	2.0	1.9	16,296	15,788	3.2	3.1
EBITDA	1,493	1,402	6.5	6.8	5,710	5,347	6.8	5.7
EBITDA Margin	34.4 %	32.9 %	1.5pp		35.0 %	33.9 %	1.1pp	
Organic EBITDA Margin ⁽¹⁾	36.7 %	35.1 %		1.6pp	39.2 %	38.2 %		1.0pp
			Changes				Changes	
			absolute	%			absolute	%
Capital Expenditures	1,337	1,315	22	1.7	3,982	4,077	(95)	(2.3)
Adjusted Net Financial Debt					25,656	25,364	292	1.2
Headcount at period end (number)					47,180	50,392	(3,212)	

⁽¹⁾ The organic results exclude non-recurring items and the comparable base is calculated net of the foreign currency translation and the change in the scope of consolidation.

TIM S.p.A. - KEY OPERATING AND FINANCIAL DATA

(million euros)	2022 Preliminary	2021	% Change	
			Reported	organic excluding non-recurring
Revenues	12,140	12,098	0.3	0.3
EBITDA	2,002	2,086	(4.0)	(2.4)
EBITDA Margin	16.5%	17.2%	(0.7)pp	
Organic EBITDA Margin ⁽¹⁾	21.8 %	22.4 %		(0.6) pp
			Change	
			absolute	%
Capital Expenditures	1,663	1,744	(81)	(4.6)
Adjusted Net Financial Debt	21,149	21,709	(560)	(2.6)
Headcount at year end (number)	32,951	35,524	(2,573)	

⁽¹⁾ The organic results exclude non-recurring items.

TIM GROUP - INFORMATION BY OPERATING SEGMENTS

Domestic

(million euros)	2023	2022	Changes (a-b)		
	Preliminary		absolute	%	% organic excluding non-recurring
	(a)	(b)			
Revenues	11,922	11,858	64	0.5	0.6
EBITDA	3,577	3,519	58	1.6	1.7
% of Revenues	30.0	29.7		0.3pp	0.4pp
Headcount at year end (number) (*)	37,901	40,984	(3,083)	(7.5)	

(*) Includes 31 agency contract workers at December 31, 2023 (15 at December 31, 2022).

(million euros)	4th Quarter 2023	4th Quarter 2022	Changes (a-b)		
	Preliminary		absolute	%	% organic excluding non-recurring
	(a)	(b)			
Revenues	3,177	3,185	(8)	(0.3)	(0.1)
EBITDA	909	878	31	3.5	5.5
% of Revenues	28.6	27.6		1.0pp	1.8pp



Brazil

	(million euros)		(million Brazilian reais)		Changes		
	2023 Preliminary	2022	2023 Preliminary	2022	absolute	%	% organic excluding non-recurring
	(a)	(b)	(c)	(d)			
Revenues	4,412	3,963	23,834	21,531	2,303	10.7	10.7
EBITDA	2,141	1,839	11,562	9,993	1,569	15.7	14.7
% of Revenues	48.5	46.4	48.5	46.4		2.1pp	1.7pp
Headcount at year end (number)			9,267	9,395	(128)	(1.4)	

	(million euros)		(million Brazilian reais)		Changes		
	4th Quarter 2023 Preliminary	4th Quarter 2022	4th Quarter 2023 Preliminary	4th Quarter 2022	absolute	%	% organic excluding non-recurring
	(a)	(b)	(c)	(d)			
Revenues	1,176	1,083	6,275	5,825	450	7.7	7.7
EBITDA	587	524	3,128	2,824	304	10.8	9.5
% of Revenues	49.8	48.5	49.8	48.5		1.3pp	0.8pp

ALTERNATIVE PERFORMANCE MEASURES

In addition to the conventional financial performance measures established by IFRS, 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 indicators 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 IFRS. As these measurements are not defined by the IFRSs, 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 indicator 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 ⁽¹⁾
+/-	Share of losses (profits) of associates and joint ventures accounted for using the equity method ⁽²⁾
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 before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets	

⁽¹⁾ Expenses (income) from investments for TIM S.p.A..

⁽²⁾ Line item in Group consolidated financial statements only.

- **Organic change and impact of the 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.