

Capital Market Day
07 March 2024



FREE TO RUN

Agenda

- 01 Driving the Telco Evolution
- 02 TIM Consumer
- 03 TIM Enterprise
- 04 Technology & Network Strategy
- 05 Transformation and Cost Efficiency
- 06 TIM Brasil
- 07 ESG
- 08 Execution Plan, New Reporting, Financial Policy
- 09 Closing Remarks

01 Driving the Telco Evolution

Pietro Labriola – CEO

Delivering the transformation announced in 2022...



Delaying



Overcome vertically integrated business model
(NetCo disposal)



Maintain strategic flexibility to accelerate growth initiatives & capture market opportunities



Deleveraging



Unprecedented leverage
leverage aligned to best-in-class peers



Restores **full financial flexibility**



Delivering organic plan execution



Strong performance
both on Domestic and Brazil



Guidance achieved
in 2022 and '23

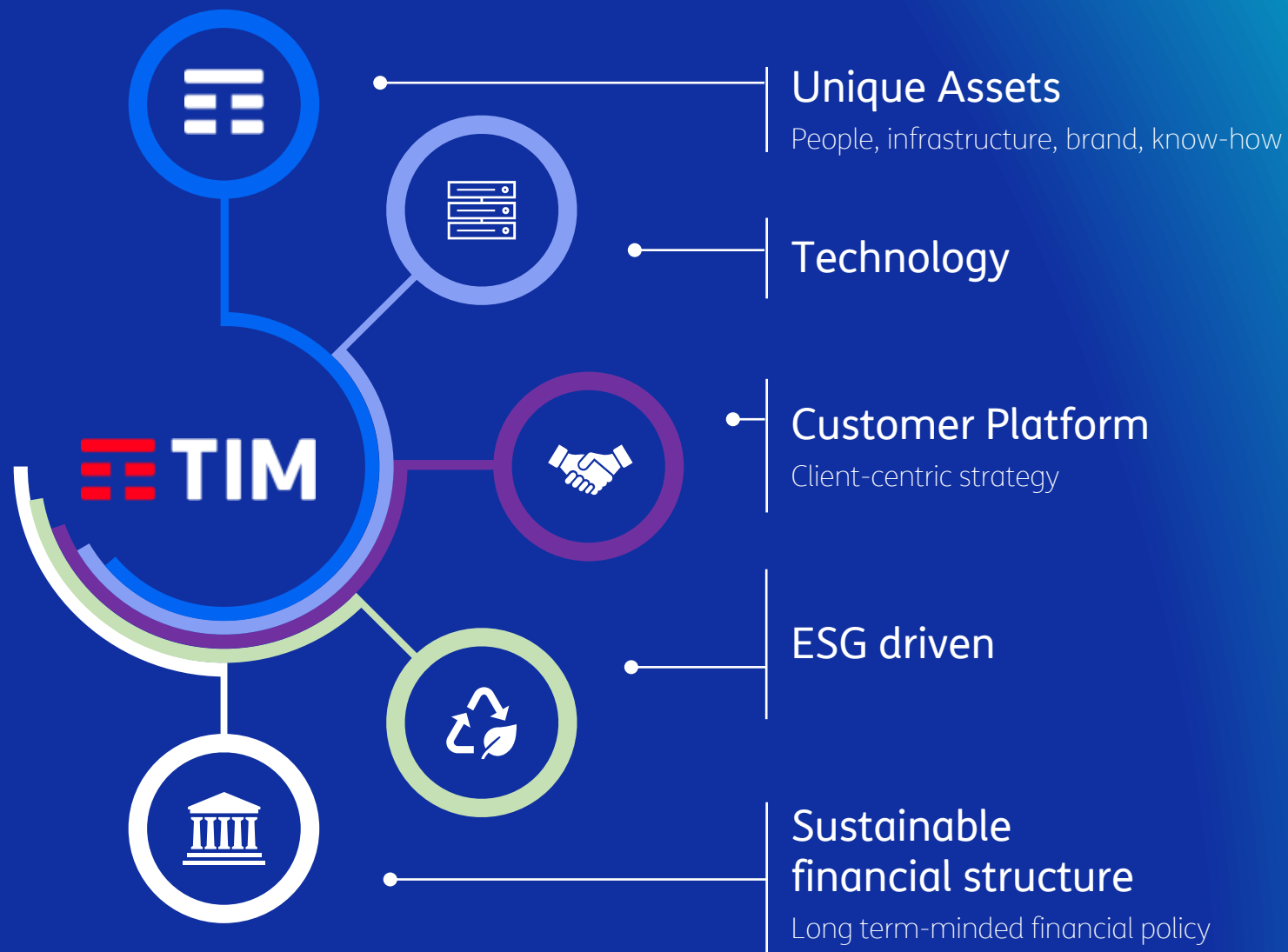


Solid foundations
to accelerate growth and unlock hidden value

... and now presenting an **unprecedented opportunity to unlock value** for all stakeholders

Free to Run	Fit to Win	<ul style="list-style-type: none"> ▪ Less regulated - pricing autonomy, faster time to-market ▪ Flexibility to shape commercial offering ▪ Focused strategy - implement TIM entities distinct roadmaps 	 TIM CONSUMER
	Technologically addicted	<ul style="list-style-type: none"> ▪ Drive digitalization both in Italy and Brazil ▪ Technology as engine to increase cost/capex efficiency 	 TIM ENTERPRISE
	Financially disciplined	<ul style="list-style-type: none"> ▪ Prudent capital structure ▪ Strong focus on cash flow generation 	 TIM BRASIL
	Strategically flexible	<ul style="list-style-type: none"> ▪ Financial flexibility ▪ Accelerate growth both organically and inorganically ▪ Capture market opportunities 	<p>The most distinctive digital and telco infrastructure in Italy</p> <p>Positive EFCF AL both in Italy and Brazil in plan horizon</p> <p>≤2x target leverage YE 2024 ⁽¹⁾</p>

The heart of TIM strategy...



...bolted in each Entity

TIM CONSUMER

Turnaround completion of core business
Evolution from "Pure Telco" towards a
"Customer Platform" strategy

TIM ENTERPRISE

Sustainable growth fueled by ICT
Operating model evolution
with a shift from buy vs. make

TIM BRASIL

Capturing upsides from beyond connectivity
Core business growth
leveraging leading network positioning



Innovation

Open Innovation and data monetization to drive Company's innovative journey



Technology

Leveraging on 5G and full-fledged path to cloud to enhance quality and enable a new operating model
Differentiation to run away from commoditization risk



HR

Increase in organizational efficiency (TIM Consumer)
Resource insourcing through hiring and reskilling (TIM Enterprise)




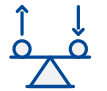


Transformation

Digital capabilities enhancement, cost structure simplification, operating model optimization

A stronger company, committed to growth

Organic data⁽¹⁾, € bn, including Sparkle⁽²⁾

		2023 pro-forma ⁽³⁾	2026 targets
	Revenues	14.4	~15.7
	EBITDA After Lease	3.5	~4.4
	EBITDA AL minus CAPEX	1.3	~2.2
	Leverage	3.8x ⁽⁴⁾ as is	1.6-1.7x ⁽⁵⁾ @ target
			Opportunity for shareholder remuneration

02 TIM Consumer

Andrea Rossini – Chief Consumer, Small & Medium Markets Officer

From turnaround to growth

2022-23



“Turnaround” strategy
focused on fixing the core

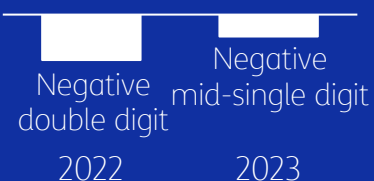
Top-line trend recovery

YoY trend

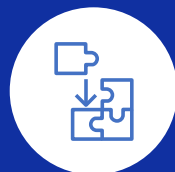


Margin trend improvement

YoY trend

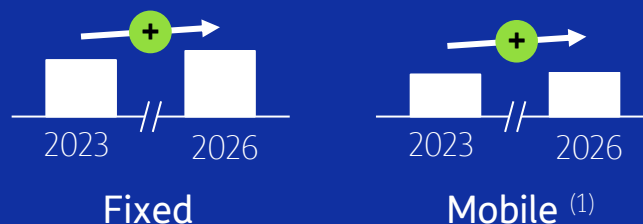


2024-26

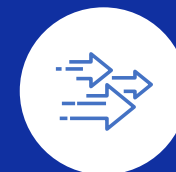


Revenue stabilization while
further **addressing cost structure**

ARPU Consumer

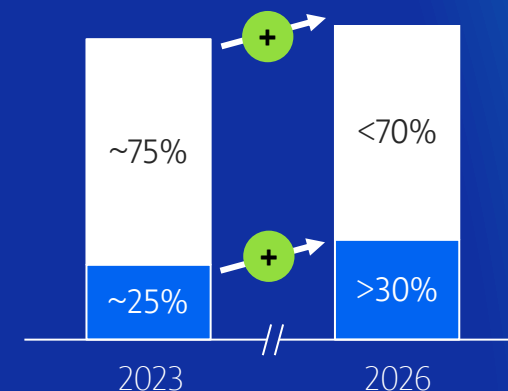


Net balance (2)



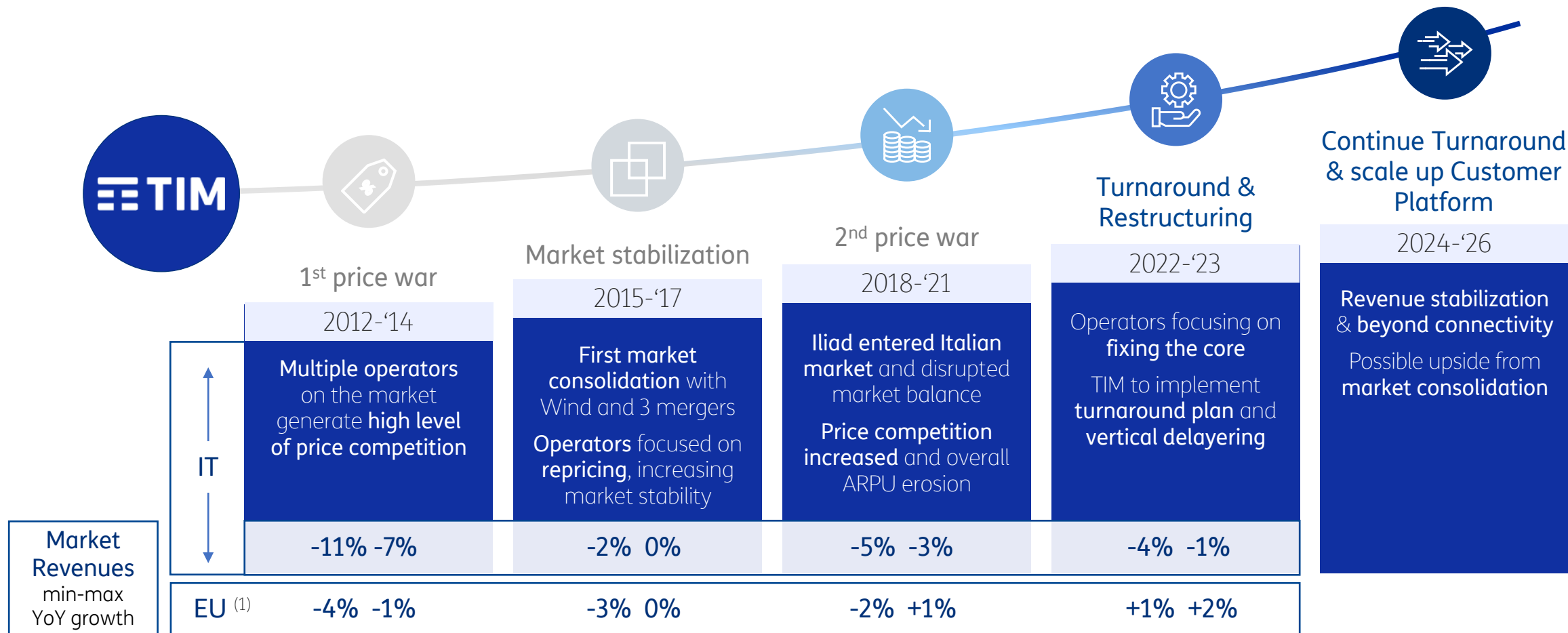
Evolution towards
“Customer Platform” model

Annualized sales



■ Connectivity ■ Beyond connectivity

Completing the turnaround while setting the foundations for the "Customer Platform"



Turnaround strategy showing steady results

Organic figures

From double digit negative growth...

... to low-single digit negative growth

Service
revenues
YoY growth %

Negative
double digit

Q1

Q2

Q3

Q4

2022

Negative
low-single digit

Q1

Q2

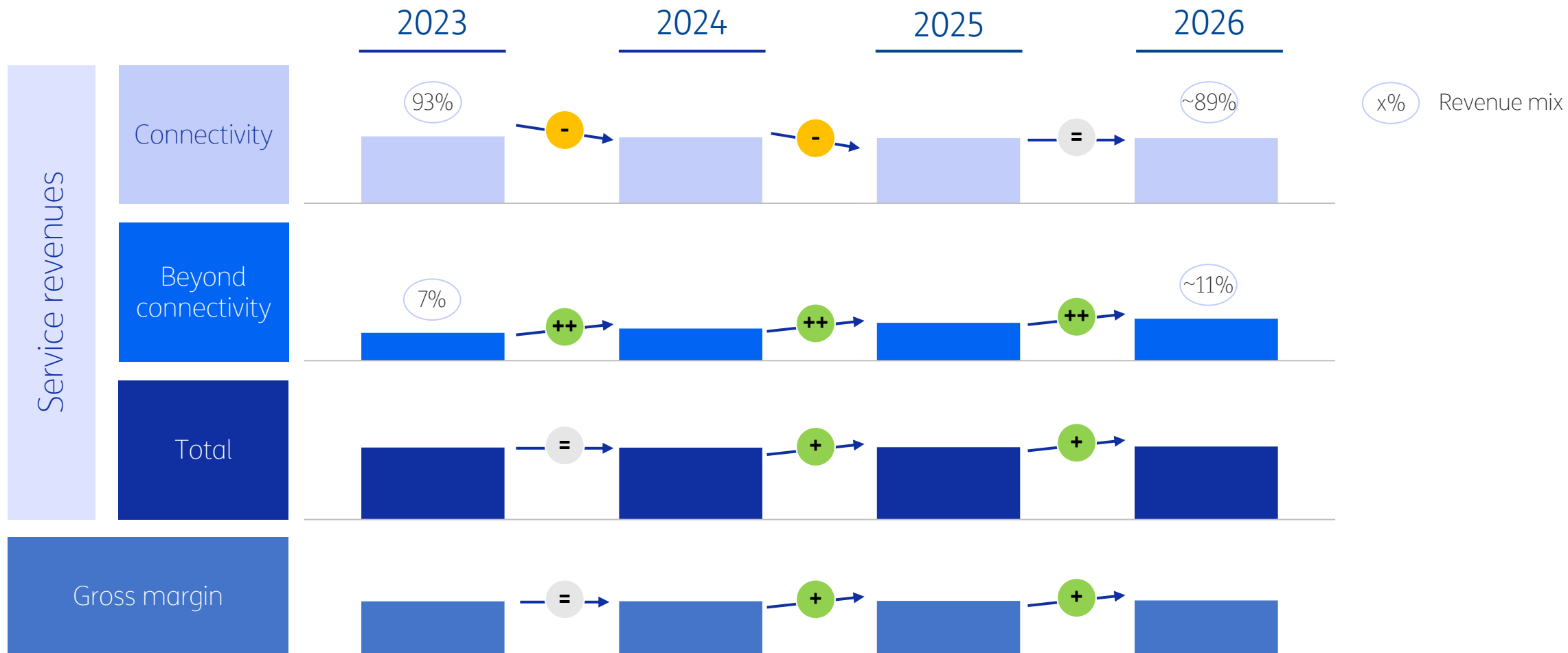
Q3

Q4

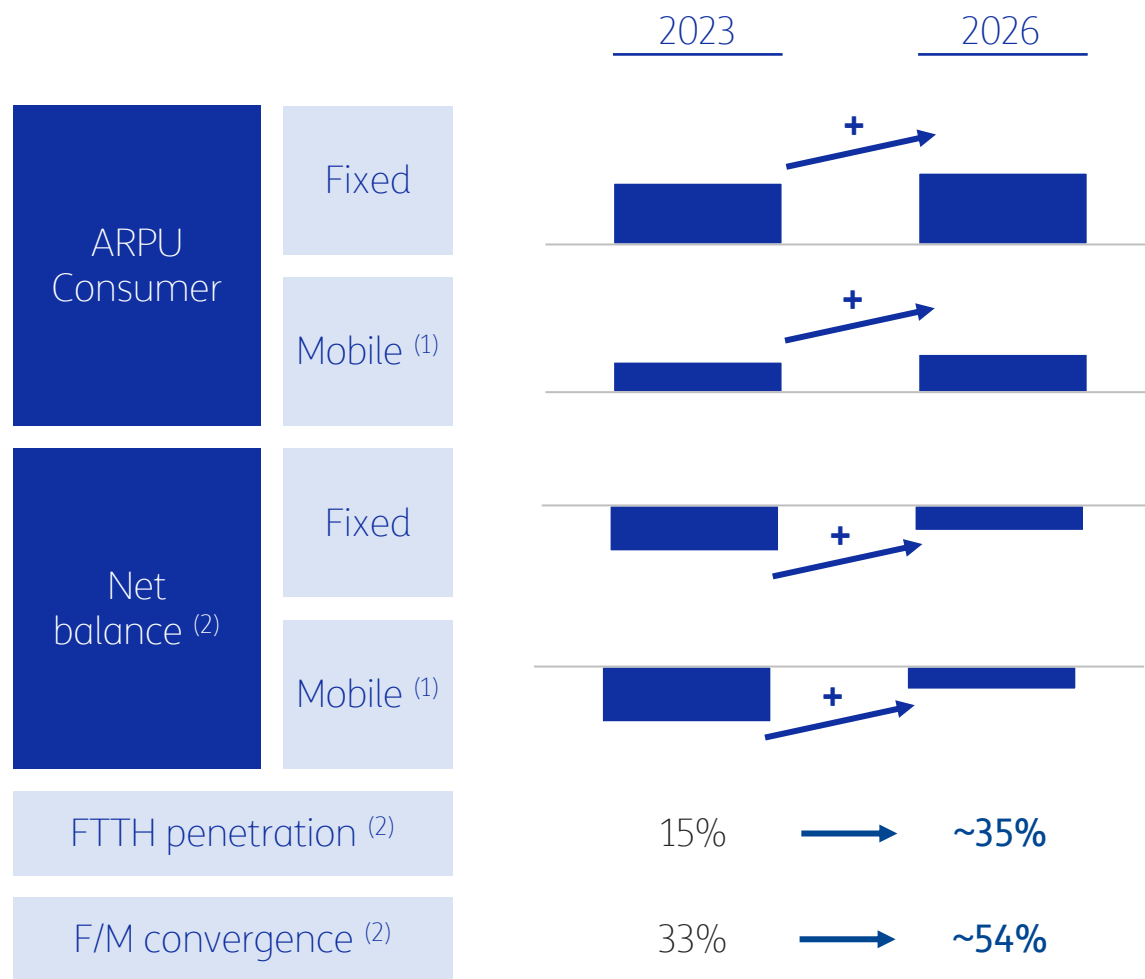
2023

Stabilizing the core while focusing on “Customer Platform”

Organic figures



TIM will continue to pursue CB valorization and stabilization also through the “Customer Platform” strategy

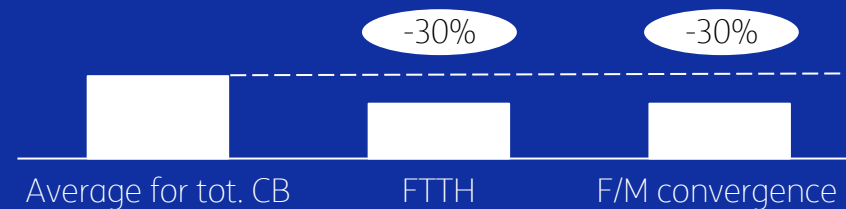


CB valorization in continuity through **repricing** and **up-selling**



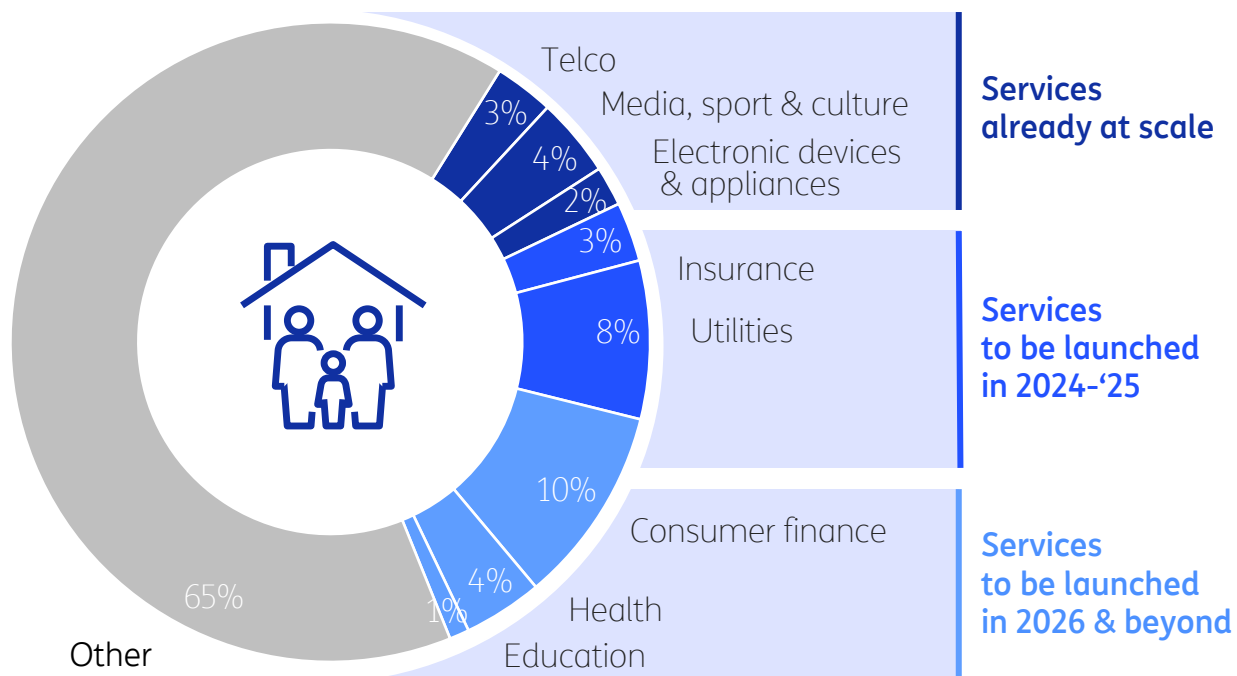
Customer Base stabilization leveraging **convergence** and **FTTH migration**

Monthly churn (segment vs. avg.), 2023 (3)

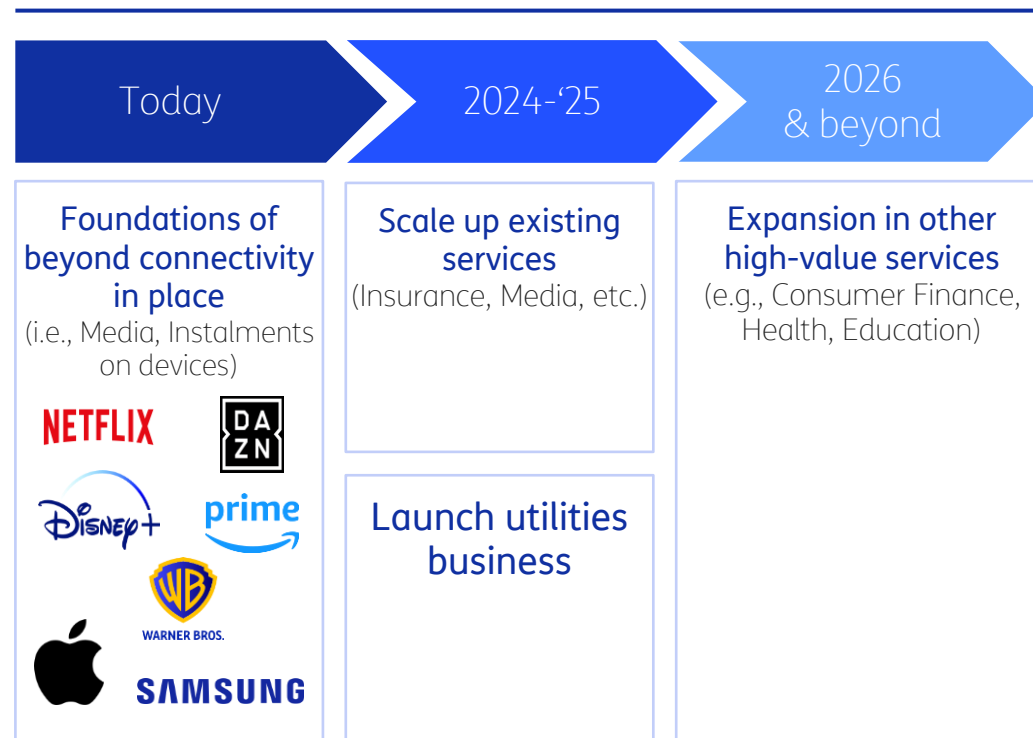


TIM aims to increase its offering covering high potential market segments

Split of households' spending



Roadmap for services launch

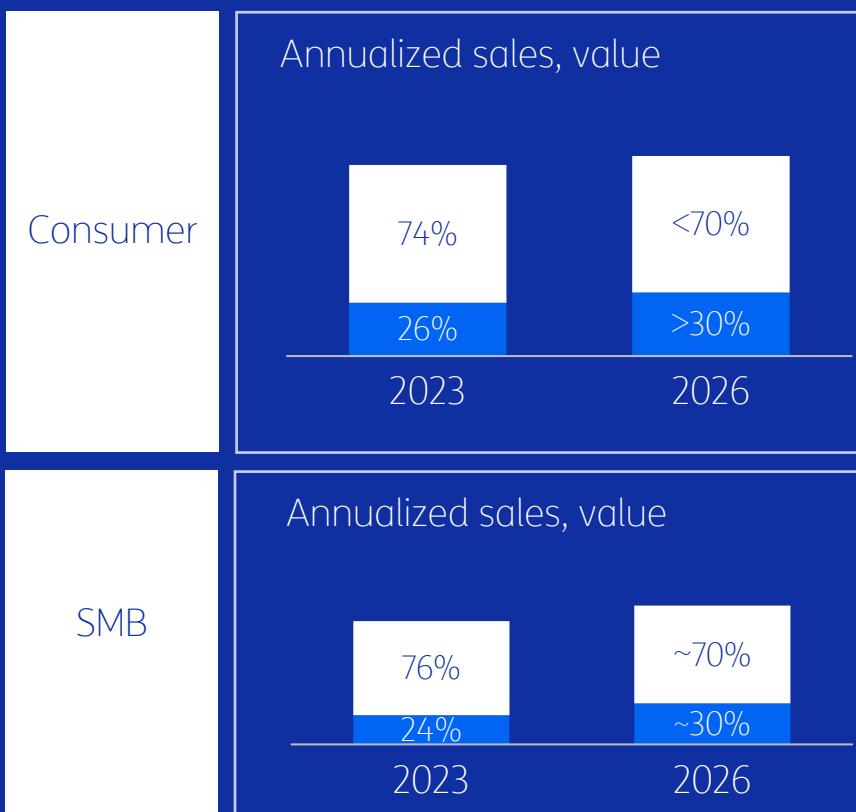


In the Plan horizon, TIM will transition from a “Pure Telco” towards a “Customer Platform” strategy

TIM owns distinctive assets...



...which will allow beyond connectivity to scale up



 **Increase customer loyalty**, reducing churn

 Build a positive and sustainable **growth trend**

 **Create value from customer data**

03 TIM Enterprise

Elio Schiavo – Chief Enterprise and Innovative Solutions Officer

Consistent journey of sustainable growth

2022-'23



Overperformance vs. market
consolidating leading position

+6% vs. +5%

TIM Enterprise performance
vs. Italian market CAGR '21-'23

Leading player in the **PA** space

2x duration of new Cloud contracts ⁽¹⁾

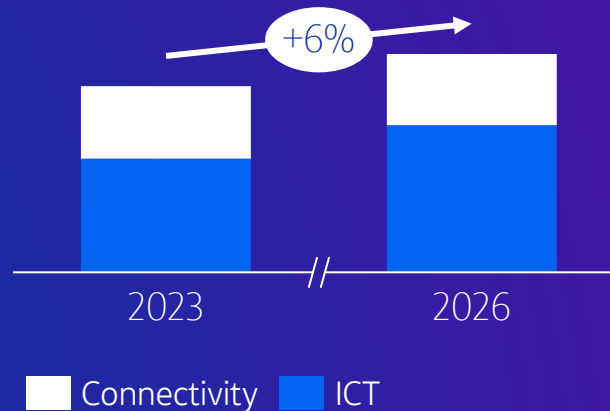
Capabilities insourcing for all factories

2024-'26



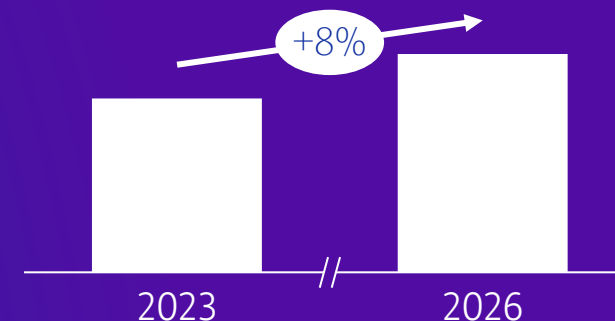
Sustainable growth
fueled by ICT revenues

Service revenues
CAGR '23-'26

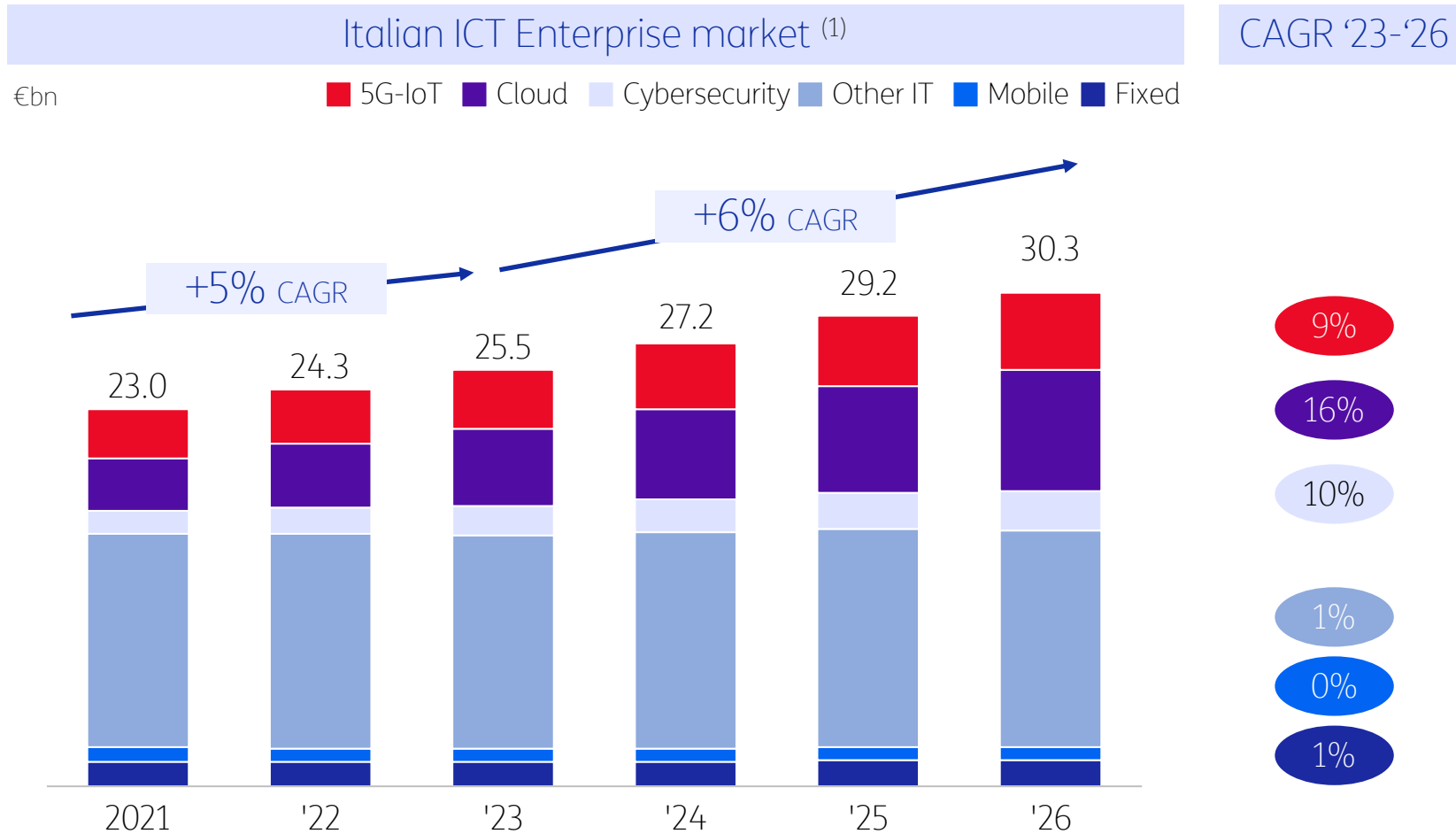


Operating model evolution
and key assets optimization

Gross Margin
CAGR '23-'26



Italian ICT B2B: a sizable and growing market



Market dynamics



IoT-5G

Keep a constant growth of ~10% YoY in the timeframe



Cloud

Keep a constant growth of 15-20% YoY in the timeframe



Cybersecurity

Keep a constant growth of ~10% YoY in the timeframe



Other IT

Include services of network management and device, ICT products and application services

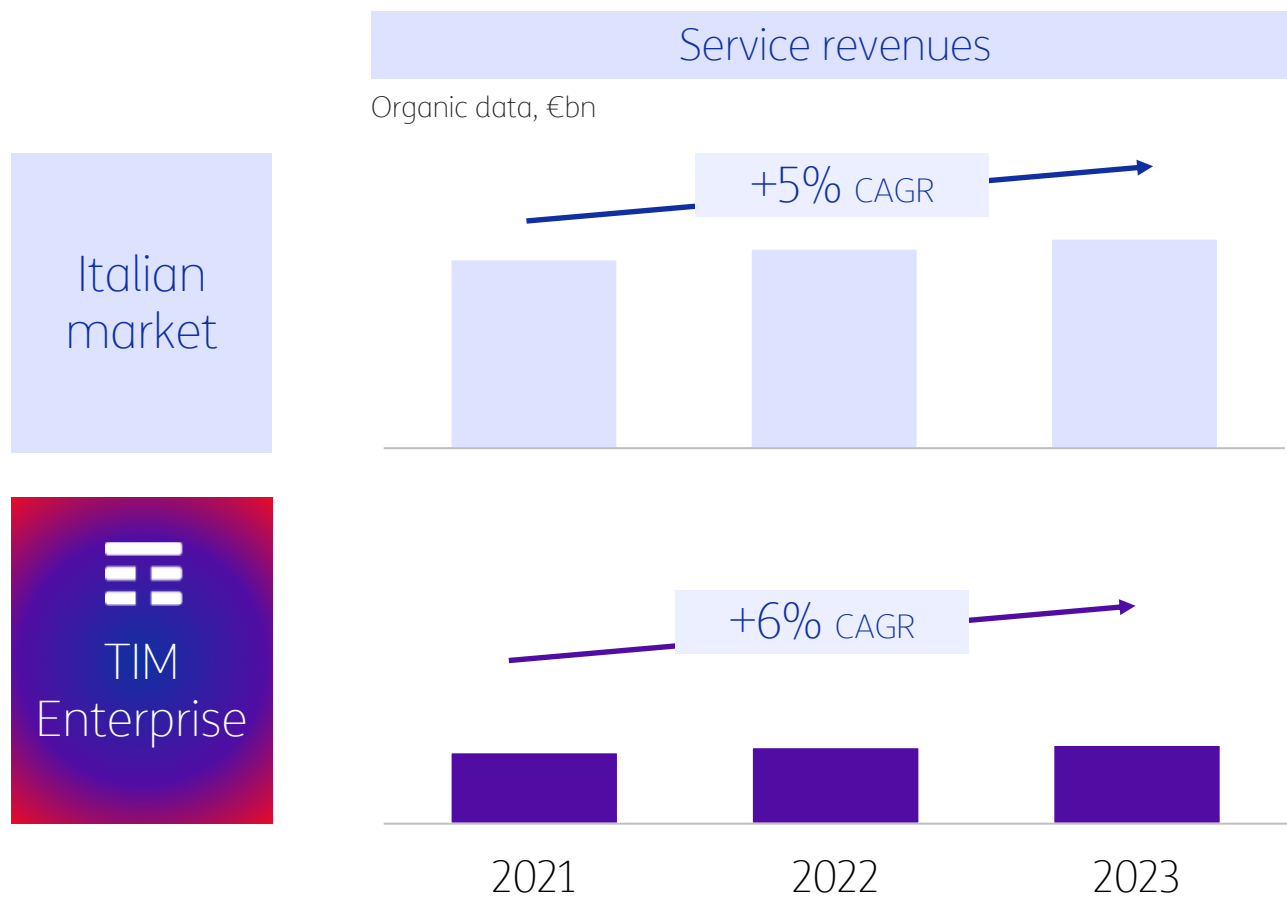


Connectivity

Zero growth considering both mobile and fixed

Higher performance vs. market average

since 2022, when the journey started



Outperformed the market
in both revenues and profitability,
consolidating a leading position

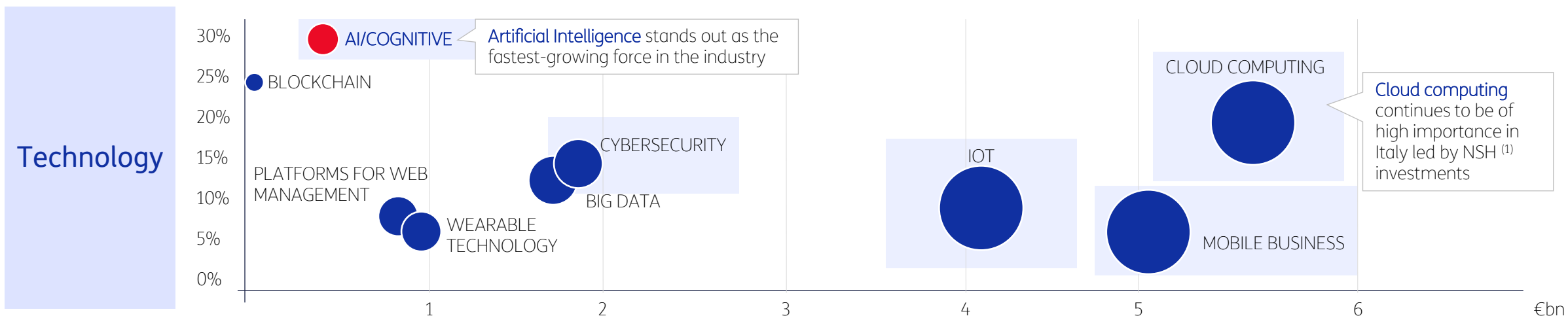
Strengthened recurring
revenues streams (+6.4% YoY in '23)

Unified go-to-market model
increasing share of revenues from
services developed by TIM factories
(from 11% in '23 to 21% in '26)

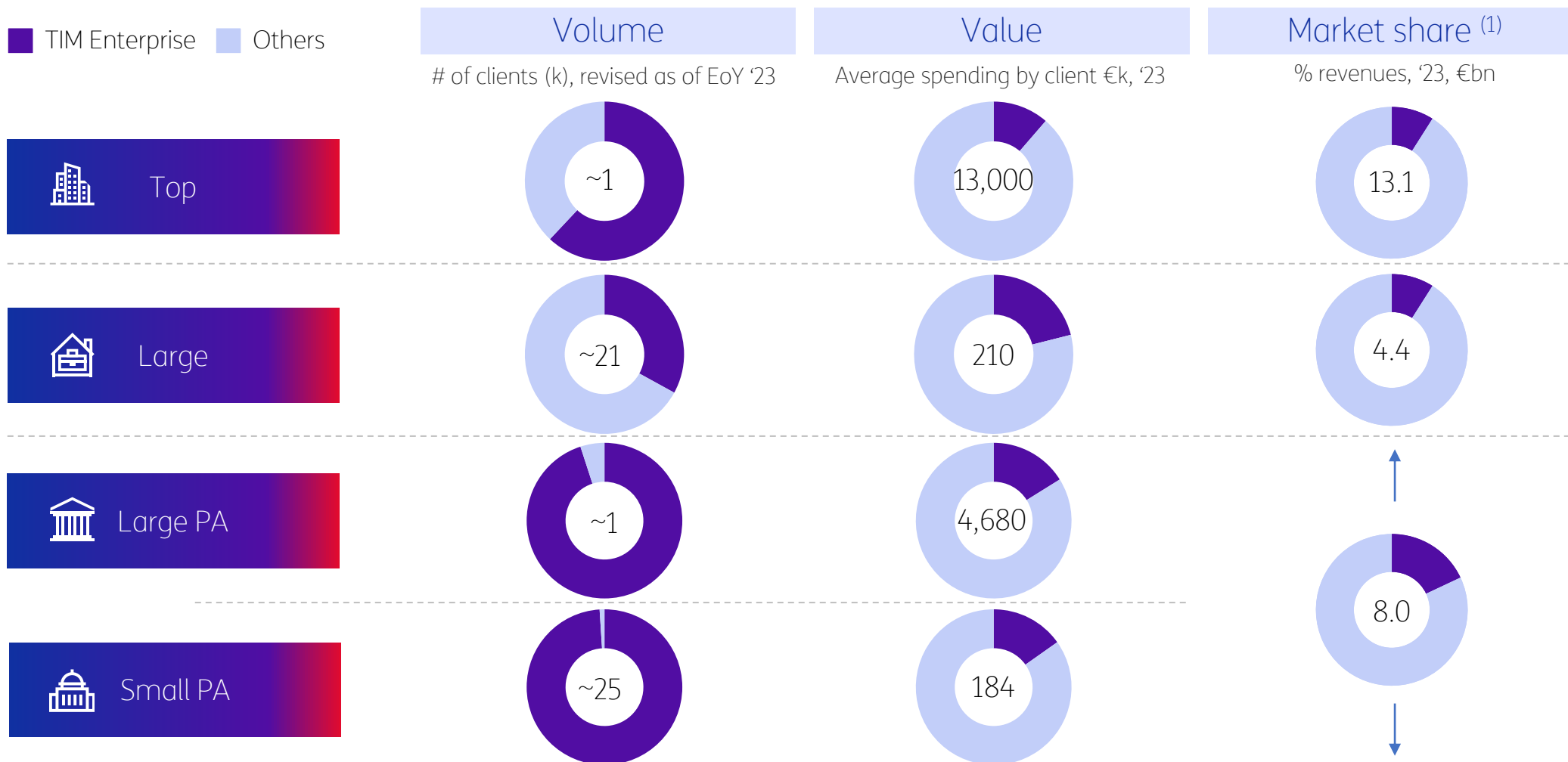
Switch to National Strategic
Hub to provide infrastructure for
cloud-based management of PA

We are on the right side of the story

2023e market value (€bn) & '23-'26 growth (%)



Leading the market and capitalizing on untapped opportunities



In continuity with the past, we will double down on our strategic priorities to boost growth

Sustainable growth

Topline acceleration
by further expansion into the ICT market

- **Increase penetration of ICT solutions** (~30% of clients have only E2E offering)
- **Leverage 5G** to develop and strengthen mission-critical communication and infrastructure monitoring
- **Strengthen agreements with PA** (acceleration of NSH ⁽¹⁾ for national PA digitalization)

Operating model evolution

Shift from “buy” to “make”,
insourcing external capabilities

- **Hirings and capability-building** at scale in the tech field
- **Strategic partnership** to accelerate professional services growth in high-potential markets and enrich the product portfolio increasing the available solutions
- **M&As** to strengthen proposition in the emerging tech area and expand the professional services business

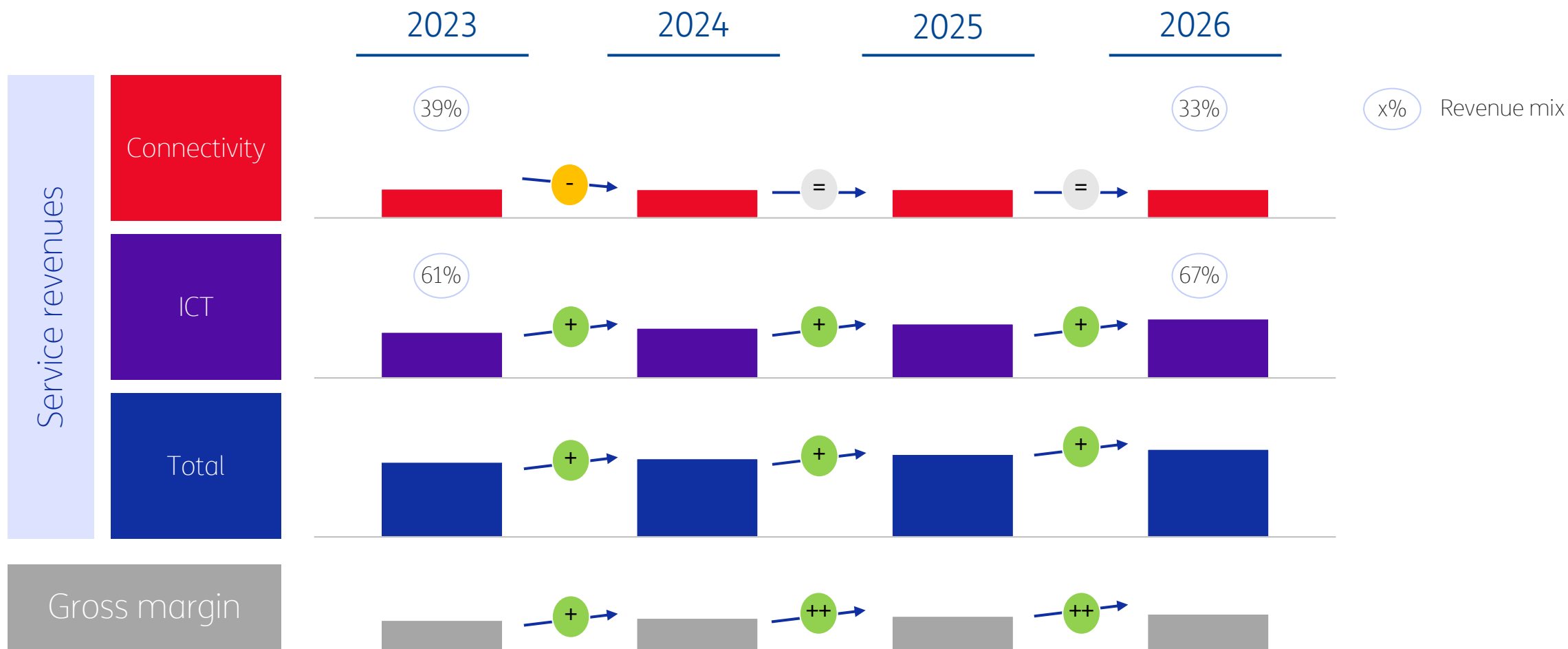
Key assets optimization

More efficient operations

- **Strengthening its position** as the leading infrastructure provider in the local market through the optimization of Data Center estate
- **Leveraging AI and GenAI** to optimize caring costs and consolidate leading position on Smart City and digitization of cultural heritage

Ambition to consolidate the ICT leadership in the country

Organic figures



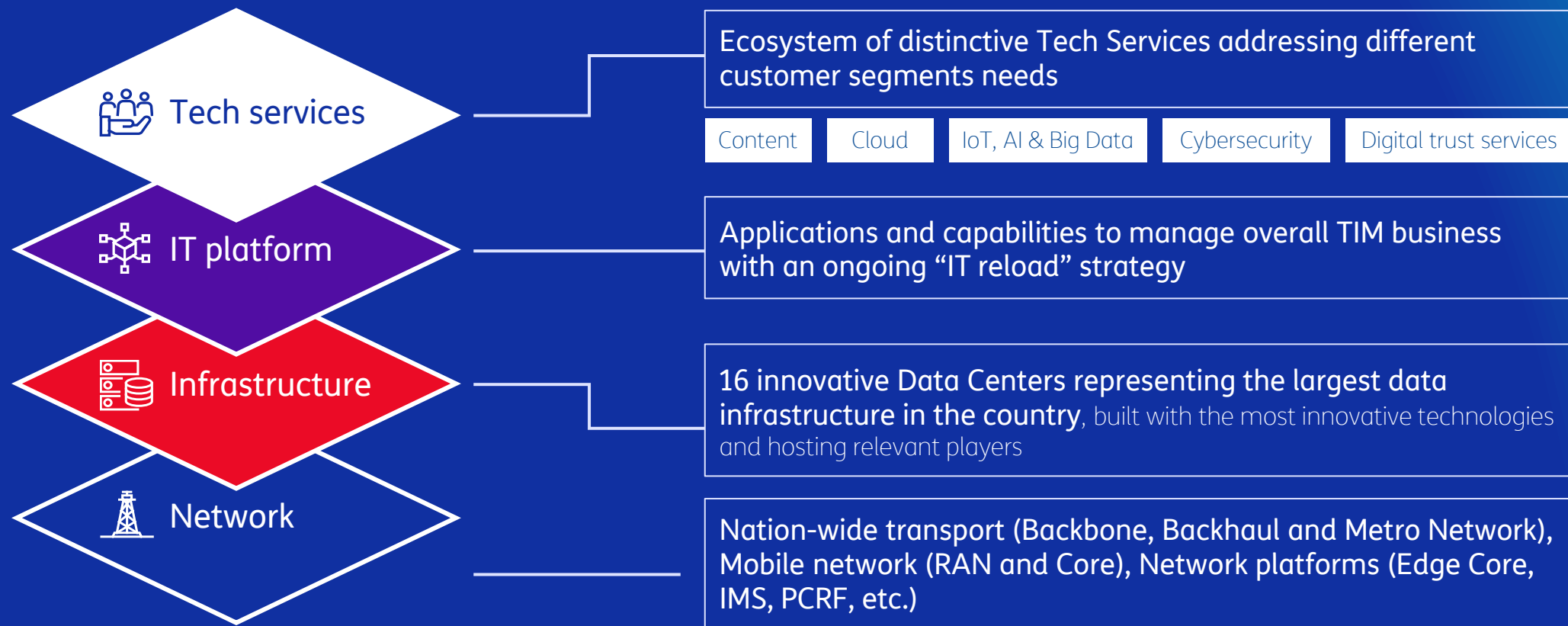
The recipe for sustainable growth



04 Technology & Network Strategy

Leonardo Capdeville – Chief Technology & Innovation Officer

Maintaining distinctive technology assets post delayering



Leveraging **unique network-related resources** to offer distinctive services to its clients



Mobile network

**Broader 5G+ spectrum
for enhanced connectivity**

100 MHz C-Band vs. competitors' <80 MHz



Transport Network

**Greatest nation-wide
transport network**

27 ExaByte in 2023 and 70% mobile sites covered by fiber (will be ~85% after NRRP)



People

Highly skilled workforce

Strong TLC-ICT skills



CDN Platform

**High quality Video Live CDN platform
for content distribution**

Present in 30 cities with the most advanced technology (Multicast ABR) ensuring differentiated quality and optimizing network usage



ICT Lab

**Wide network of ICT labs
for innovation**

Connected to the EU and national research ecosystem to develop, test and adopt new solutions (>2.7k patents in portfolio)



Cloud

Extensive cloud infrastructure

Enabler of flexibility and scalability

Established agreements with NetCo for the use of fixed network



Competitive access tariffs

Tariffs aligned with the best price
offered to other market competitors



Lack of commitment constraints

Absence of constraints on volumes or on migration
from legacy services to fiber ⁽¹⁾



Guarantee on NetCo performance

Definition of **SLAs/KPIs** and relative penalties,
aligned with regulatory and/or market conditions


















Maximum geographic FTTH availability

Usage of **NetCo infrastructure** where present
and possibility to access **other players' infrastructure**
if NetCo is not available

Ecosystem of distinctive Tech Services addressing different customer segments needs

 Consumer  Enterprise  Public Administration

Content	<ul style="list-style-type: none">▪ Wide range of movies, TV series, Football and Sport in just one subscription▪ Platform working both with a set-of-box and with a boxless set-up	  
Cloud	<ul style="list-style-type: none">▪ Offers fast, agile, and scalable solutions along the entire cloud chain▪ Provides products, services and tailored made solutions in a secure cloud space	  
IoT and automation	<ul style="list-style-type: none">▪ Offers expertise in IoT, AI and Big Data, with a focus on Smart City and Smart Industry verticals▪ Drives business through digital innovation, leveraging on 5G technology	  
Cyber	<ul style="list-style-type: none">▪ Combines Intelligence services, Managed Security Services and Cyber Professional Services▪ Enhances national defense and business security protecting sensitive data and communications	  
Digital trust services	<ul style="list-style-type: none">▪ Focuses on identity and digital validation solutions▪ Ensures compliance with EU regulations for data/ document lifecycle management	  

Ambition to leveraging on 5G deployment

in 2024-'26

Improving quality and customer experience


Higher service quality for both 5G and 4G customers through **reduced load on the network**

18pp increase
% of success
in quality tests

Increasing efficiency in CAPEX allocation

5G spectrum efficiency allows to offer **better services at a lower cost** in respect to 4G infrastructure

Cost per GB



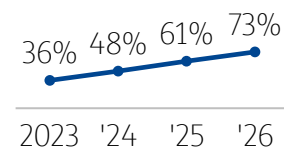
Technology	Cost per GB
4G	High
5G	~40-50%

Enabling 5G traffic

Ubiquitous high-capacity and low-latency indispensable for individual and business to benefit from the use of emerging technologies

95% Pop. coverage
(outdoor)

5G device penetration



Significant deployment of network layers within plan horizon:

- Investing on both 4G and 5G in '24 to improve mobile network quality
- Focusing investments on 5G in '25-'26, deploying 4G only to respect contractual obligations

Already using TIM unique assets for relevant projects

Public safety services by TIM: paving the way for a secure future



Comprehensive
5G coverage

- Main target: **coverage 5G@3.7GHz public frequencies in 11 provinces** (85% of urban areas)



Pioneering
innovative public
safety solutions

- TIM's exclusive services for **National Security** including **Mission Critical Push-to-Talk and Video Surveillance**, ensuring specialized and secure communication



Innovation
for a secure
future

- TIM **commitment to innovation and excellence** sets the stage for a new era, dedicated to **advancing safety and connectivity**, shaping a future where public safety is paramount

TIM Vision and CDN+ services by TIM - catalyst for evolution



Strategic Partnerships

- The cornerstone of TIM Vision unique identity, offering customers a centralized access point for Italy's top video services
- Notable collaborations include Amazon for football Champions League, DAZN for Serie A TIM, and a partnership with Netflix and Disney+

Network Infrastructure Highlights

- TIM CDN has a capillary distribution to be closer to the customer, for superior customer experience and robust content security with tokenization and watermarking, for video services



This is just the beginning of a new era in TIM

05 Transformation & Cost Efficiency

Alessandra Michelini – Head of Transformation

2022-'23 targets achieved, launching 2nd wave of Transformation in 2024-'26

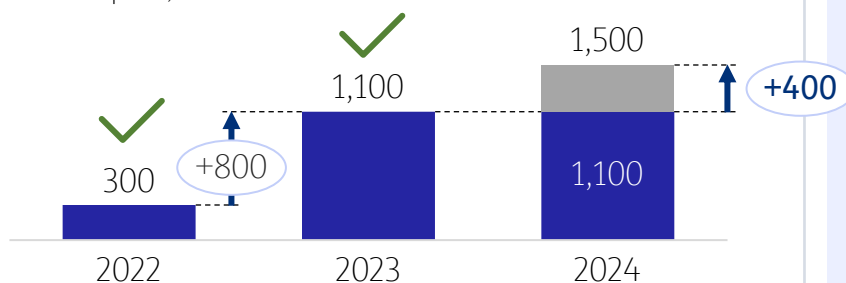


As of today

Successfully achieved 2022-'23 targets, addressing '24 objectives

Transformation targets (2022-'24 plan)

OPEX and CAPEX/cash costs savings vs. inertial plan, €m



The Transformation program needs to evolve, considering the new addressable baseline



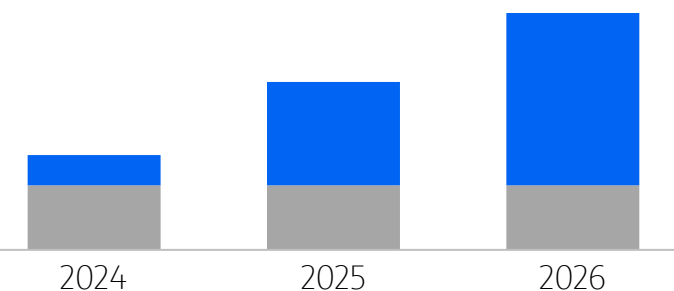
In the next 3 years

Ever-evolving market context requires TIM to launch **a new Transformation**, taking on an **extra challenge**

■ Of which TIM
■ Of which NetCo

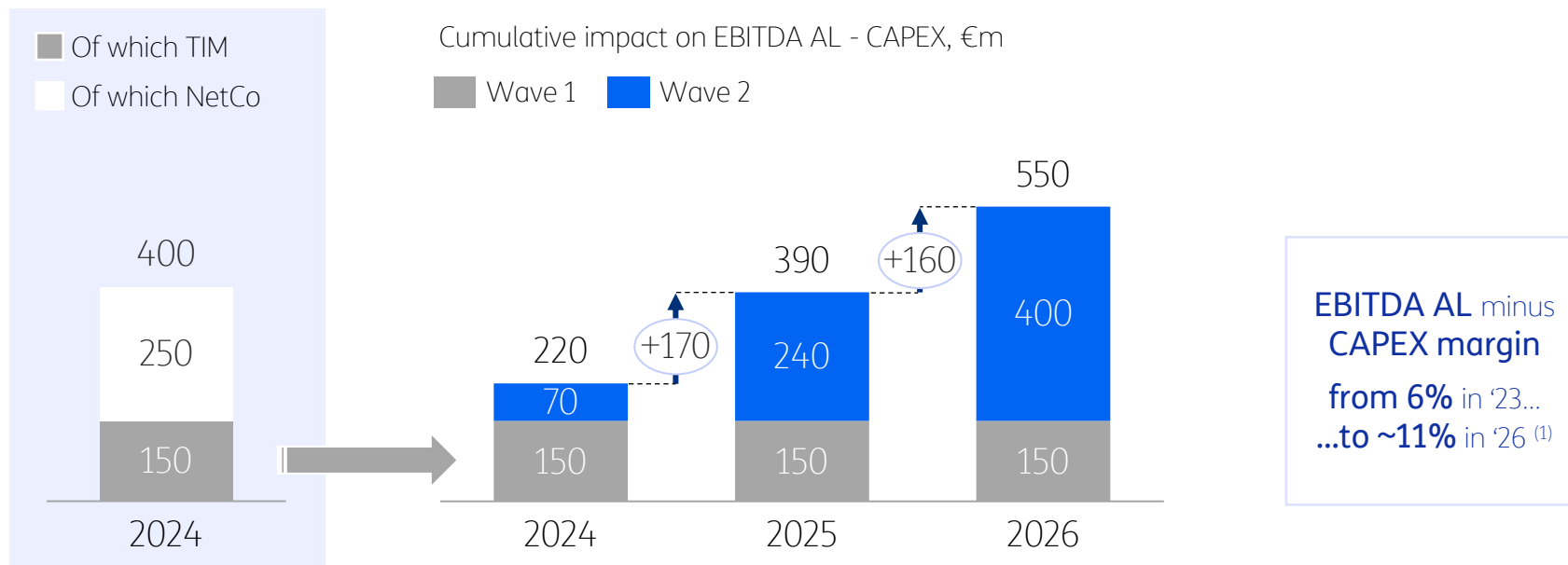


■ Wave 1 ■ Wave 2



New wave with additional impact of €~400m by '26,
EBITDA AL – CAPEX margin to increase ~5pp

Objective of Transformation program



Goal is to mitigate total cash cost increase due to the revenue mix shift

Transformation Pillars



Streamline the cost

baseline by simplifying and right-sizing the cost structures, with a clearer full cost accountability

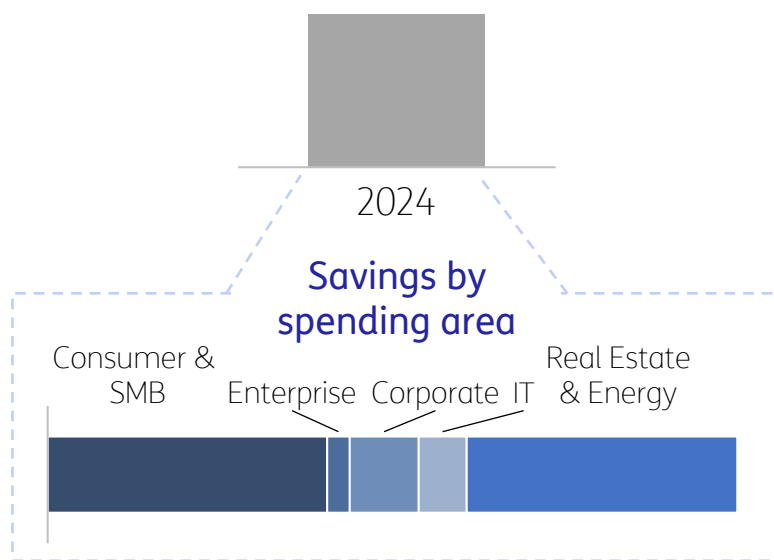


Operating model review

by evolving TIM digital capabilities, processes and operating model

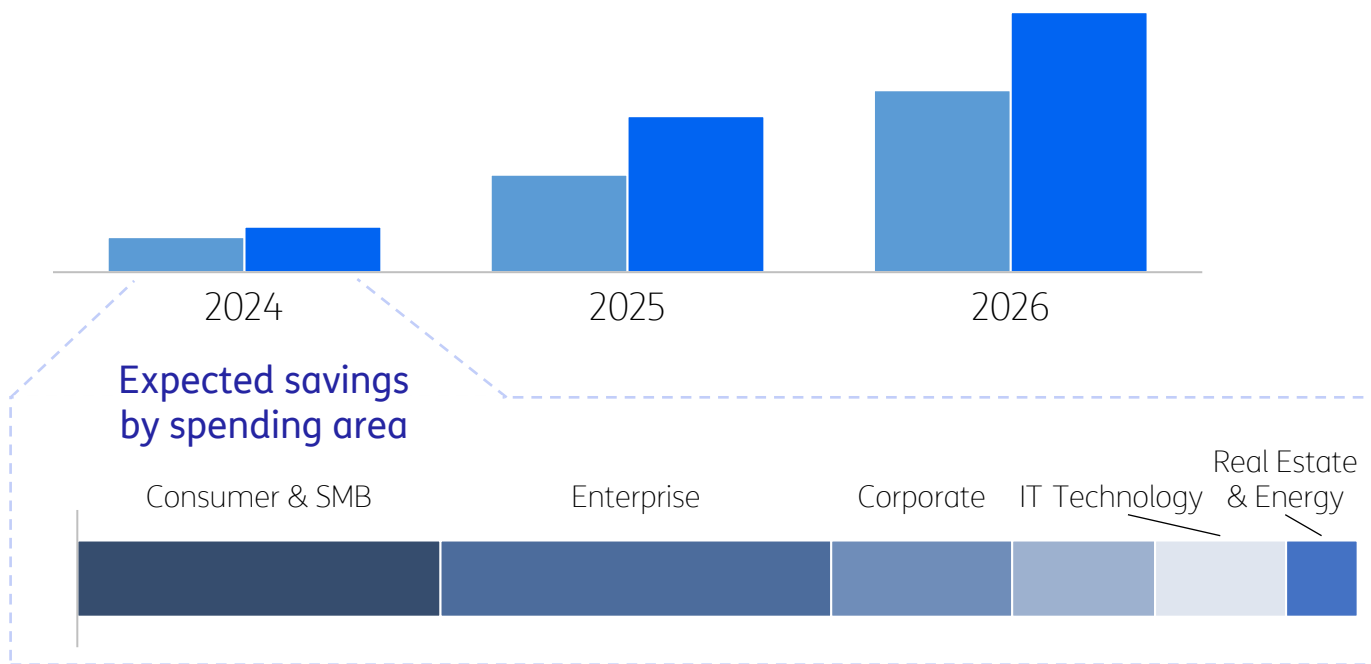
Transformation will continue to deliver and steer the 1st wave and is already working on a new pipeline of initiatives

“Running” Benefits from Wave 1
of 2022-'24 Transformation program

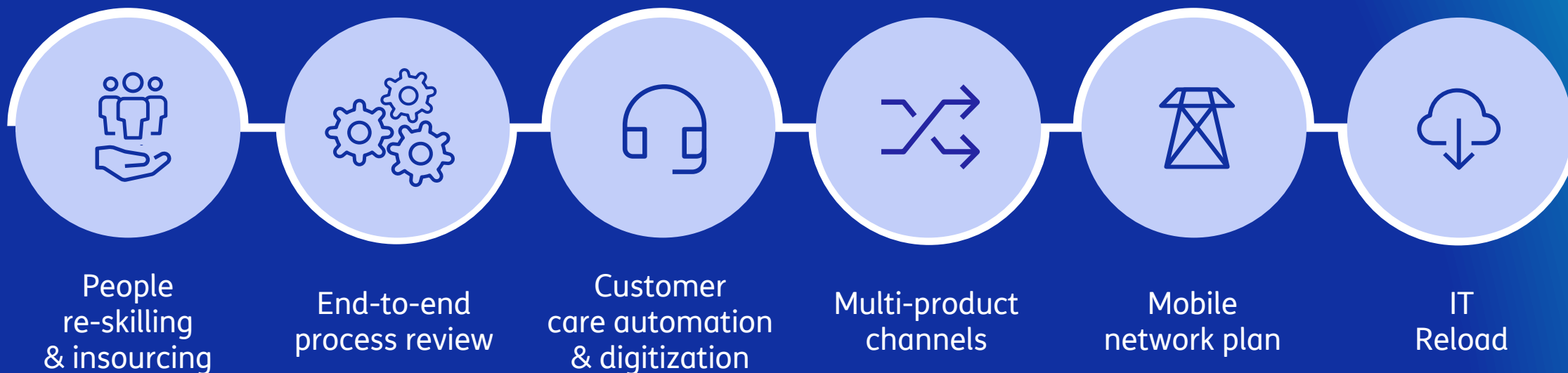


Additional benefits expected from Wave 2
of 2024-'26 Transformation program vs. Target

■ Benefits from initiatives already identified ■ New Transformation Targets (Wave 2)



2nd wave of Transformation will focus on six “big bets” to transform the operating model



06 TIM Brasil

Alberto Griselli – CEO TIM Brasil

Improvement of macroeconomic conditions supports industry growth

Brazil's encouraging macro-outlook reduces risks and supports sector's positive momentum

Market outlook (1)

GDP



Modest but steady growth for the next 3 years (+2% p.y. on average)

Inflation



Downward trend towards central bank target at 3.5% p.y.

Interest Rate



Cuts totaling 325 bps until '26 to reach 8.5% p.y.

FX Rate



Below 5 BRL in '24, around 5 BRL in '25 and '26

Brazil's telecom sector offers great opportunities for an agile player like TIM Brasil

5 → 3 players

market with a much more balanced competitive stance

5G

rollout started with market offering opportunities for data monetization

Mobile



Fragmented market with regional players increased competition levels



Migration to FTTH is still underway offering opportunities

Broadband








A new market that needs to be shaped offer huge opportunities as we close Brazil's infrastructure gap

B2B IoT

Telecom market

TIM Brasil is enjoying the new environment, over-delivering the promises made to the market and outperforming LatAm peers

	SHORT-TERM TARGETS (2023)	2023 RESULTS (ACHIEVED)
Service Revenue ⁽¹⁾	High single-digit growth YoY	+10.7% YoY 
EBITDA ⁽¹⁾	Low double-digit growth YoY	+14.2% YoY 
CAPEX ⁽¹⁾	< 20% on net revenue	18.9% 
OpFCF ^(1,2)	Double-digit growth YoY	+58.2% YoY 
Shareholder Remuneration	>R\$ 2.9bn	R\$ 1.6bn as IoC R\$ 1.3bn as Dividends 

Outperforming peers all around ⁽³⁾

- ✓ Fastest top line and service revenues growth
- ✓ Fastest EBITDA annual growth and highest margin
- ✓ Highest annual growth for OpFCF
- ✓ #Among LatAm Top Dividend Yield players

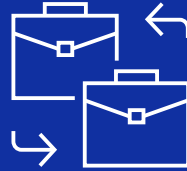
Crafting the next generation TIM with a well-defined strategy



MOBILE

Most preferred operator

Cash cow with
increasing returns



B2B

Shaping a new market

Exponential growth
opportunity



BROADBAND

Profitable growth

Selective approach,
keeping our options open



EFFICIENCY

Intrinsic for the business

Strict discipline in capital
allocation and expenditure



PEOPLE, SOCIETY AND ENVIRONMENT

We develop our business, driven by People, Society and Environment

Brazilian mobile market is healthier than ever before supporting a more for more strategy

New market dynamics

Valued-based competition increasingly more relevant than volume-based

One of the few large markets with **5 to 3 consolidation**

Market rationality with valued-based competition

Quality perception is the # 1 attribute ⁽¹⁾ used to choose a mobile operator

Service essentiality

High penetration with enrooted impact in daily lives

97% of internet users access it via a mobile device

79% of banking transactions done through mobile ⁽²⁾

Usage opportunity

Low data usage compared to other countries

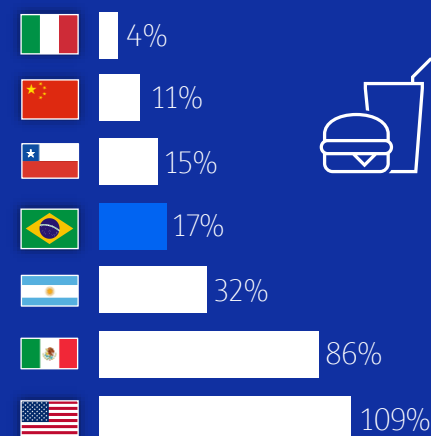
GB/month per connection, 2023 ⁽³⁾



Price affordability

Local cost of 1GB mobile data vs. 1 Big Mac (2022)

Percentage of 1GB of mobile data per 1 Big Mac in local currency ^(4,5)



Uniquely positioned to become the most preferred operator



The **best value proposition** in a value driven market



Best Service

providing the best customer experience

+8.1pp

Improving clients **Digital Interactions** ⁽¹⁾ YoY in 2023

Best in class in all resolution rankings

(PROCON-SP, Reclame Aqui and Anatel) ⁽²⁾

+43%

Improvement of **Human Interaction NPS** in Call Center YoY in Q4 '23



Best Network

from structural gap to competitive advantage

1st

Operator to cover all 5,570 cities in Brazil with 4G



The MOST awarded ⁽³⁾ network:

1. Network Consistency Quality Index (ECQ)
2. 1st place in 7 of the 13 items evaluated



The BEST 5G Coverage

#1 in 5G ⁽⁴⁾: 7.8k sites in 209 cities covered (Dec. '23)



Best Offer

innovative offerings and partnerships

Apple One

First and only operator in Brazil to embed **Apple One** on its plans



1st in LatAm to launch a trial offer, encouraging the usage of the best 5G network



Strategic partnership where **recharges gives cashback** to be used in "Zé Delivery" app

Cartão de Todos

Offering health services through "Cartão de Todos" partnership

Shaping a new B2B market, leveraging our pioneer stance enabling the next wave of productivity for key industries

Brazil's infrastructure gap offers a compelling business opportunity

<20%

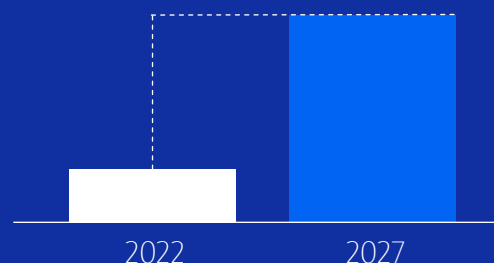
of the territory with network coverage ⁽¹⁾

>90%

of population covered ⁽¹⁾

Our B2B strategy focuses on IoT, while upholding traditional services

IoT
Connectivity Solutions
(HW, SW and services)



4x IoT revenue growth in the next five years ⁽²⁾

Examples of mapped use-cases



On-going

1. IoT Connectivity

Mobile Coverage Private Network



Starting

2A. IoT Solutions beyond Connectivity

Smart lighting Precision agriculture Herd management



Under Construction

2B. IoT Solutions beyond Connectivity (5G based)

Autonomous Operations Video surveillance & Analytics

Our expansion is being fueled by the significant market growth potential to be unlocked across key verticals



Agribusiness

Our achievements

16.6m ha

Current planted area with TIM connectivity

Market potential to explore

350m ha

Total planted and farming area ⁽¹⁾



Logistics

>4.7k km

Roads under concession with TIM connectivity

55k km

Highways being auctioned for mandatory connectivity in a total of 1.7m km of roads



Utilities

150K

Installed smart light poles from TIM

>15m

poles in PPP⁽²⁾ for street lighting until 2026

B2B contracted revenues

~R\$ 425m

Accumulated over the last 2 years

As pioneers, we have compelling reasons to persist in this direction, **molding this emerging market**

...generating growth with **incremental OpFCF margin** and positive social impact to the countryside of Brazil

Projects' social impacts:
Coverage of 349 public schools, 101 health units, 1.3m rural residents

There is a noteworthy potential for broadband expansion,
with TIM having the best value proposition

Market opportunity



~2% share ⁽¹⁾ of ~R\$ 40bn market



~2% share ⁽²⁾ of ~47m clients' market



~11% CAGR ⁽³⁾ Growing at the same
pace of other large Telcos

TIM Brasil has **ROOM** to accelerate
growth if the conditions are right

Best value proposition



Best offer with the highest speed and
best streaming content



Best service with NPS leadership ⁽⁴⁾ and
#1 in OpenSignal consistent quality index



Distinct positioning
driving to the highest ARPU ⁽⁵⁾

TIM Brasil is **READY** to accelerate
at the right moment

Broadband market still fragmented and competitive with convergence never becoming a killer application

Fragmented market with formal regional players

8k



Incentives for regional players results in over 26 different market share leaders in Brazilian area codes...⁽¹⁾

...triggering strong pressure on price per Mbps and driving a declining trend for FTTH ARPU ⁽²⁾

Broadband market share:

Non-integrated players: 63%



Integrated players: 37%

3-play offer cost:

Broadband



+

Mobile



+

TV



=

R\$ 270

Average Income representation of the convergent offer price (%) ⁽³⁾



16.6% share of income ⁽³⁾

Convergence helps churn, but so does content add-ons

Our efficiency leadership is helping to finance our best value proposition to clients and drive value to shareholders



OPEX

Continuous cost efficiency initiatives

Digitalization initiatives

Next generation with AI and GenAI

~14%

% of cost being benefited by traditional digital initiatives

Digital initiatives to improve customer experience while reducing operating costs



LEASE

Decommissioning

Network sharing agreement

100%

Decommissioned sites in 2024

~85% of sites had their contracts cancelled

Financial effects of the remaining 15% will occur in '24



CAPEX

5G Technology

Spectrum Portfolio

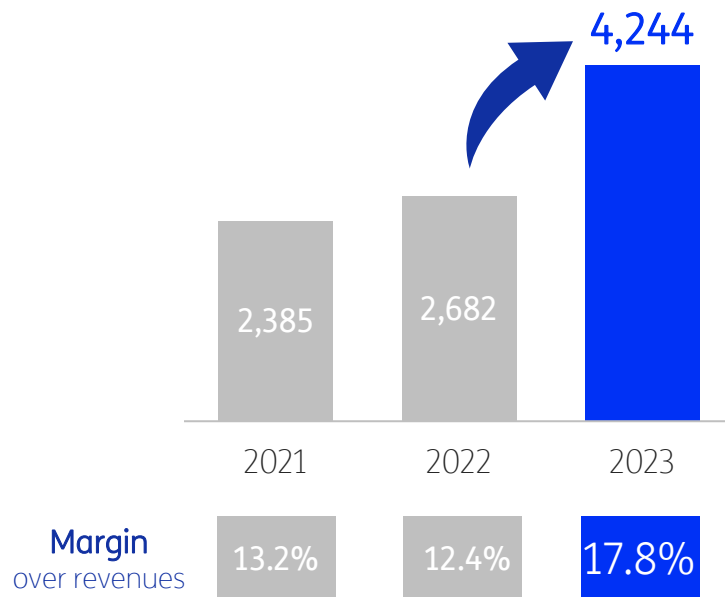
4.6MHz

MHz per client ⁽¹⁾

Highest MHz/client among competitors, keeping CAPEX at sustainable levels

A strong cash generation, reinforcing our financial health and cost control, enabling **higher returns to shareholders** and **paving the way for new possibilities**

EBITDA AL - CAPEX evolution ⁽¹⁾ (R\$ m)



Building the best value proposition to investors in LatAm

Revenue growth above inflation

MOBILE

More for More strategy
Best value proposition
Customer platform acceleration opportunity

B2B

High growth long-term revenue opportunity

BROADBAND

Focus on healthy business approach

Discipline on cash costs

OPEX

Ordinary cost control initiatives
Digitalization efficiencies
Long-term AI opportunity

LEASES

New approach to tower portfolio management

CAPEX

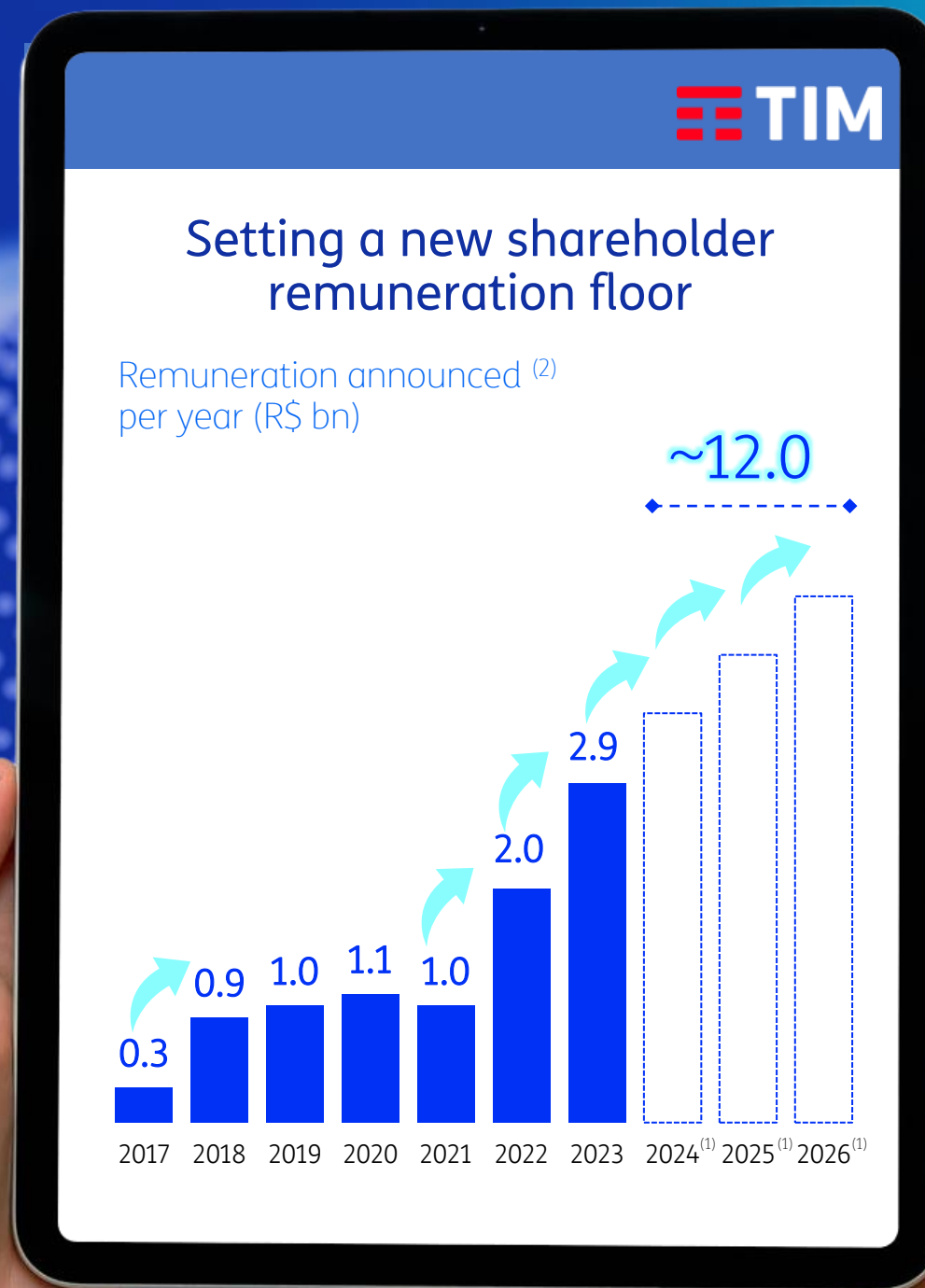
Benefiting from spectrum portfolio advantage
5G intrinsic efficiency

OpFCF ⁽²⁾ margin expansion is driving our ROIC improvement overtime






Another step in the continuous evolution of our shareholders remuneration ⁽¹⁾ leading to a distribution of **~R\$ 12bn ⁽²⁾ in the next 3 years**

(1) Includes IoC, dividends, shares buyback or other applicable instruments. This guidance is subject to the performance of the business and the deliberation of the Board of Directors

(2) All figures refer to TIM S.A.



Driving new possibilities - Updated plan (2024-'26)

GOALS		SHORT-TERM TARGETS ⁽⁴⁾ (2024)		MID-TERM TARGETS ⁽⁴⁾ (Until 2026)		
	Revenue ⁽¹⁾		Service revenue growth: 5% - 7% YoY		Service revenue growth (CAGR '23-'26): 5% - 6%	Accelerating growth pace as market conditions improve and best value proposition is recognized
	EBITDA ⁽¹⁾		EBITDA growth: 7% - 9% YoY		EBITDA growth (CAGR '23- '26): 6% - 8%	Solid growth pace confirmed with positive margin contribution
	Investments (CAPEX) ⁽²⁾		Nominal CAPEX: R\$ 4.4bn – 4.6bn		Nominal CAPEX: R\$ 4.4bn – 4.6bn (per year)	Stable CAPEX maintained with a clear path of infrastructure development
	Operating Free Cash Flow ⁽¹⁾		EBITDA-AL minus CAPEX growth: Double-digit YoY		EBITDA-AL minus CAPEX growth (CAGR '23-'26): Double-digit	Fast growth pace confirmed with relevant margin expansion
	Shareholders Remuneration ⁽³⁾	Remuneration sum (2024-'26): R\$ 11.8bn – 12.2bn				Continuous evolution of cash distribution to investors confirmed

07

ESG

Enrica Danese – Head of Corporate Communication & Sustainability

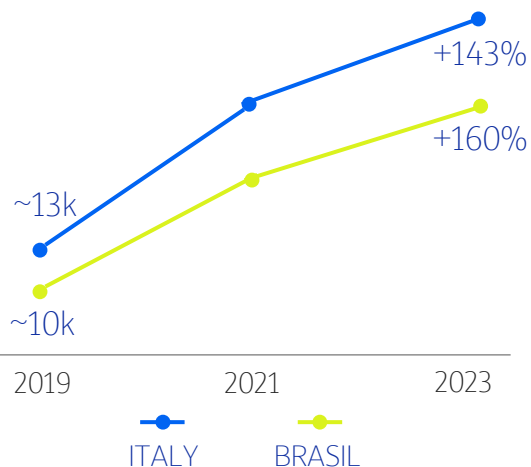
A powerful «ESG engine» to ensure significant progress



Our actions have material impacts

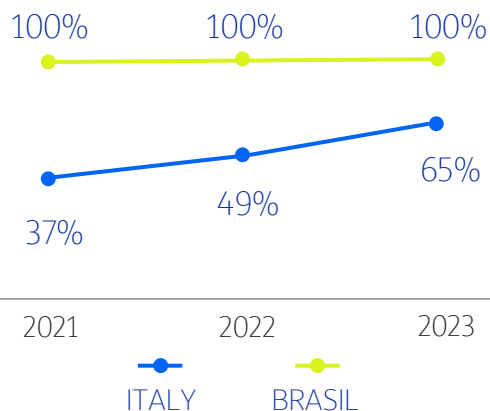
E Eco-efficiency

Fixed/mobile voice and data traffic over energy consumption (bit/joule)



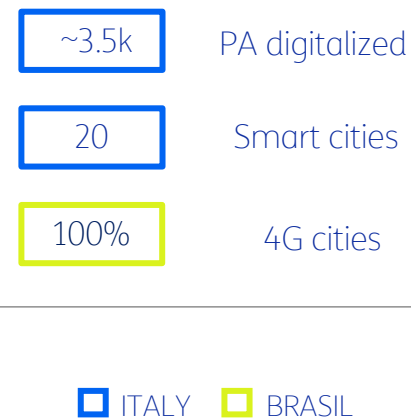
E Renewable energy

Green energy over total energy purchased (%)



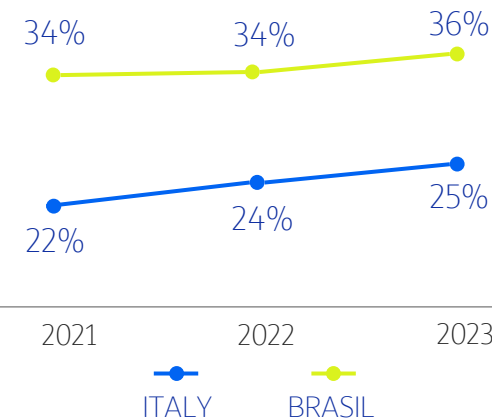
S Digital growth

Digital impact on society



S Gender gap

Women in leadership position (%)



At the top of ESG ratings



Included in S&P's Sustainability Yearbook 2024 with top 10% S&P ESG score



Platinum Medal as part of the top 1% of the best companies for ESG performance



Worldwide leading telco Group for diversity and inclusion policies (TIM Brasil #1)



In the "Top 10 of the Diversity Brand Index" among the best companies for commitment to D&I



Leader telco Group in corporate transparency and climate change performance

2024-'26 targets

	KPIs	Targets	Timing
E Climate strategy	Renewable energy	100%	2025
	Emissions from operational and energy (Scope 1 and 2)	Carbon Neutrality	2030
	Emissions from the value chain (Scope 3)	-42%	2030
	Total emissions (Scope 1, 2, 3)	Net zero	2040
	TIM brand products with carbon footprint ⁽¹⁾	100%	2026
	Eco-efficiency in data traffic (bit/Joule)	+110%	2025
S Social strategy	Gender gap: women managers in leadership position	≥33%	2026
	Cloud, IOT & Security services Revenues	+19% CAGR '24-'26	2026
	Digital Identity services	+30% CAGR '23-'25	2025
	Black people in leadership positions	≥25%	2025

Highlights

- Targets essentially confirmed in order to carry out our challenging roadmap
- # of targets reduced just to be focalized on TIM (from 12 to 8)
- Scope 3 redefined to be aligned with new perimeter

Main drivers

- Dismissions + new technologies driven by transformation
- Service innovation designed by ESG vision
- Energy management
- Renewable energy self-production in Brazil
- Supply chain controlled by ESG KPIs
- Extended actions on gender gap
- Strengthened internal engagement on ESG

Our vision shapes our positioning

- Cultural evolution towards a more diverse and inclusive society
- Tackling racism, violence, harassment and bullying
- Increase women employability
- Accelerate women career development
- Family programs to balance male and female effort



Main Partner **TIM**





08 Execution Plan, New Reporting, Financial Policy

Adrian Calaza – CFO

NetCo disposal - Solid capital structure thanks to unprecedented deleverage from transaction

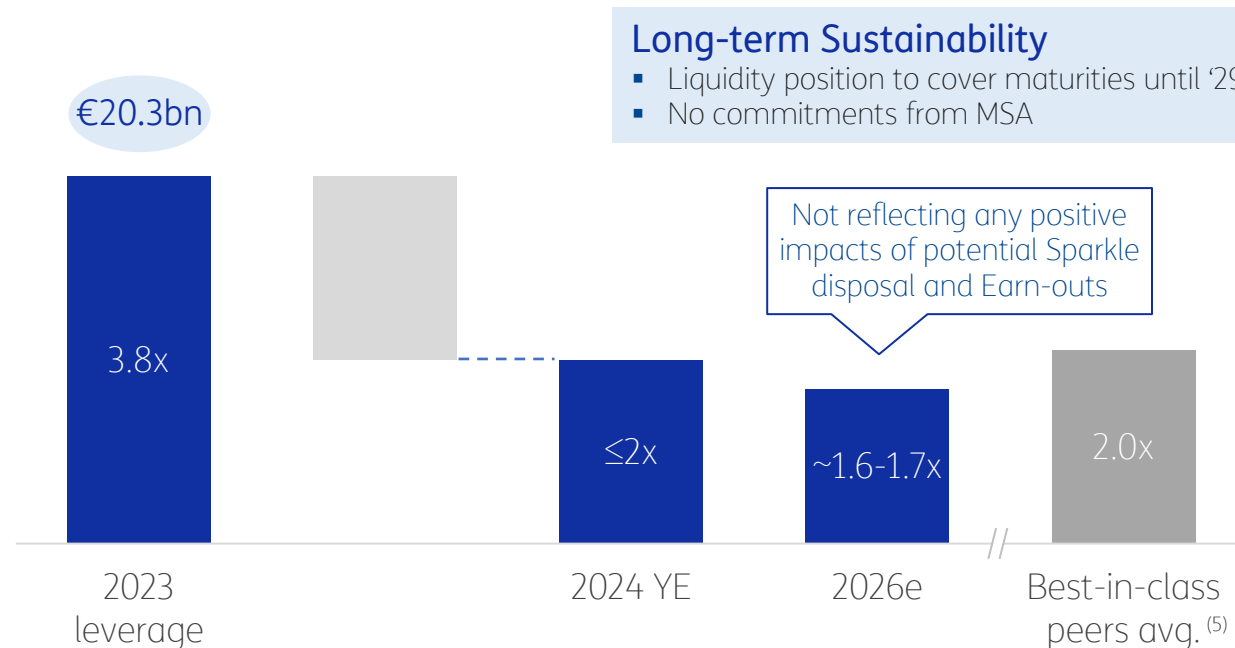
KEY TERMS OF NETCO TRANSACTION

NetCo EV (incl. conditional items)	€22bn
	-
OF transaction & Regulation Earn-Outs ⁽¹⁾	€2.5bn
	-
Energy Earn-Out & benefit of LME	€0.6bn
	=
NetCo Base EV	€18.8bn
	-
Bridge to deleverage ⁽²⁾	€4.6bn
	=
Expected TIM deleverage @ closing ⁽³⁾	€14.2bn

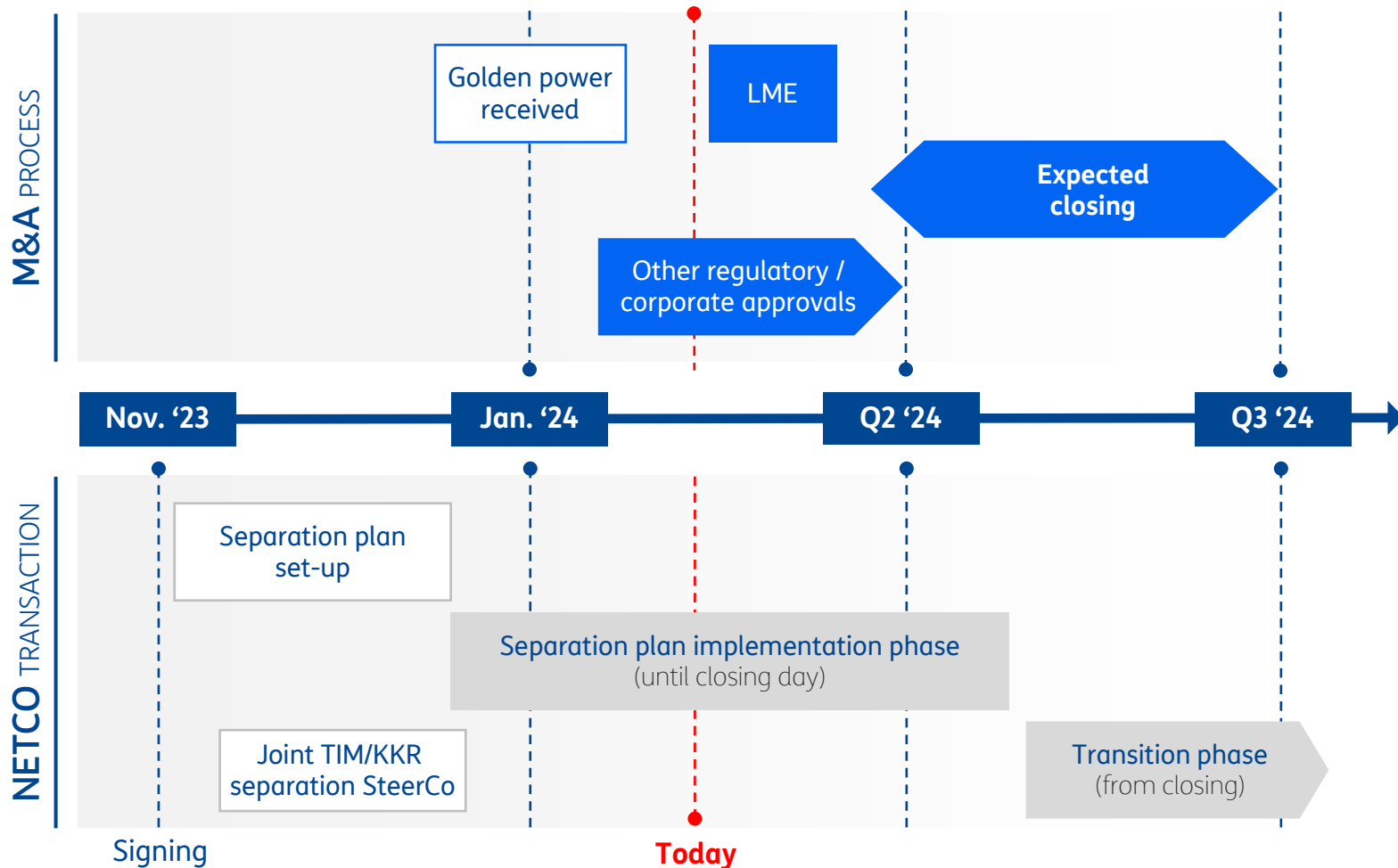
Not including
€0.6bn IRU
granted to TIM
@ carve out

Unprecedented deleverage aligning leverage to best-in-class peers

Net Debt After Lease and leverage ratio ⁽⁴⁾



NetCo disposal - Closing expected by summer



DISCLOSURE TIMELINE

LME - April / May

LME Offering Memorandum
Pro-forma audited figures

Q1 '24 results - End of May

Press release only

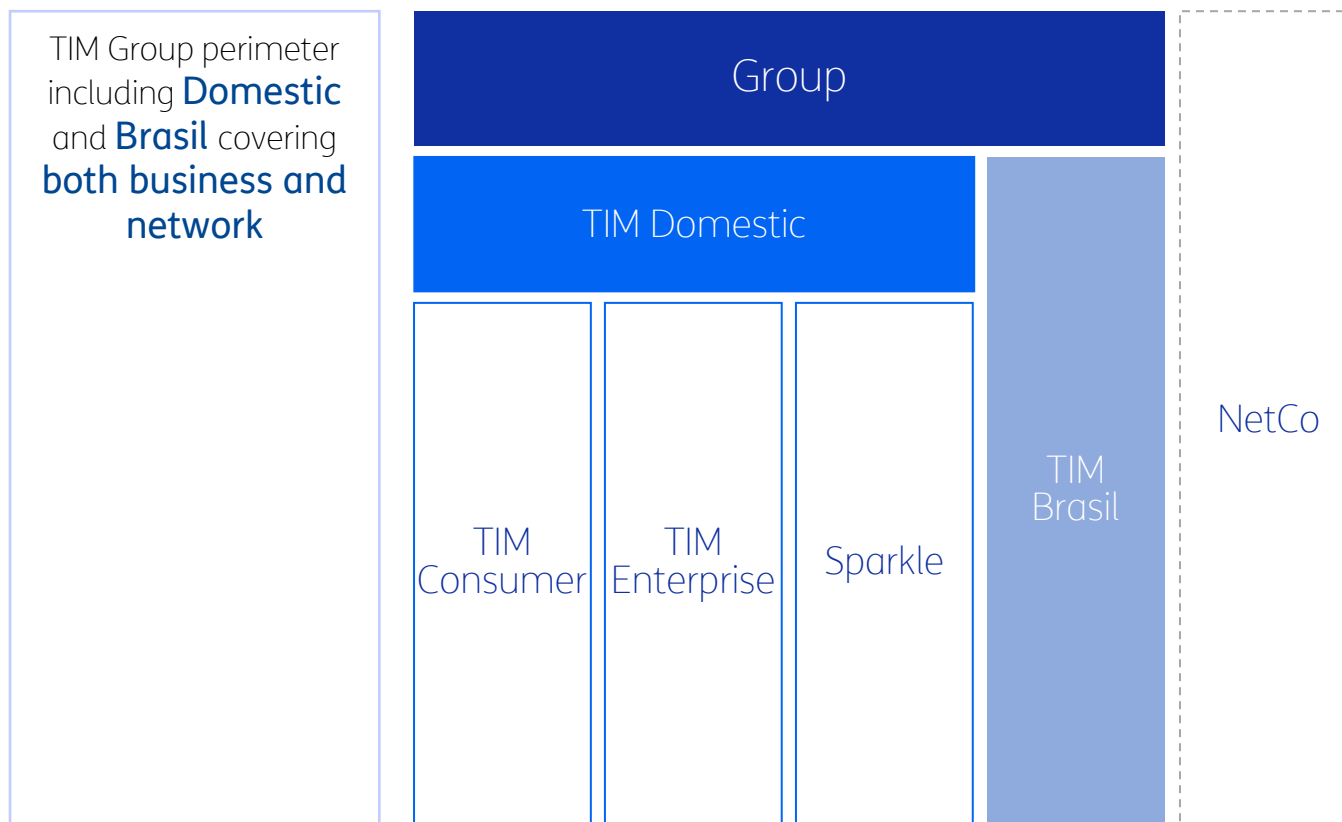
Q2 '24 results - End of July

Full set of results

TIM perimeter as of today

From...

...to new view



Disclaimer

The 2024-'26 plan is based on the following assumptions:

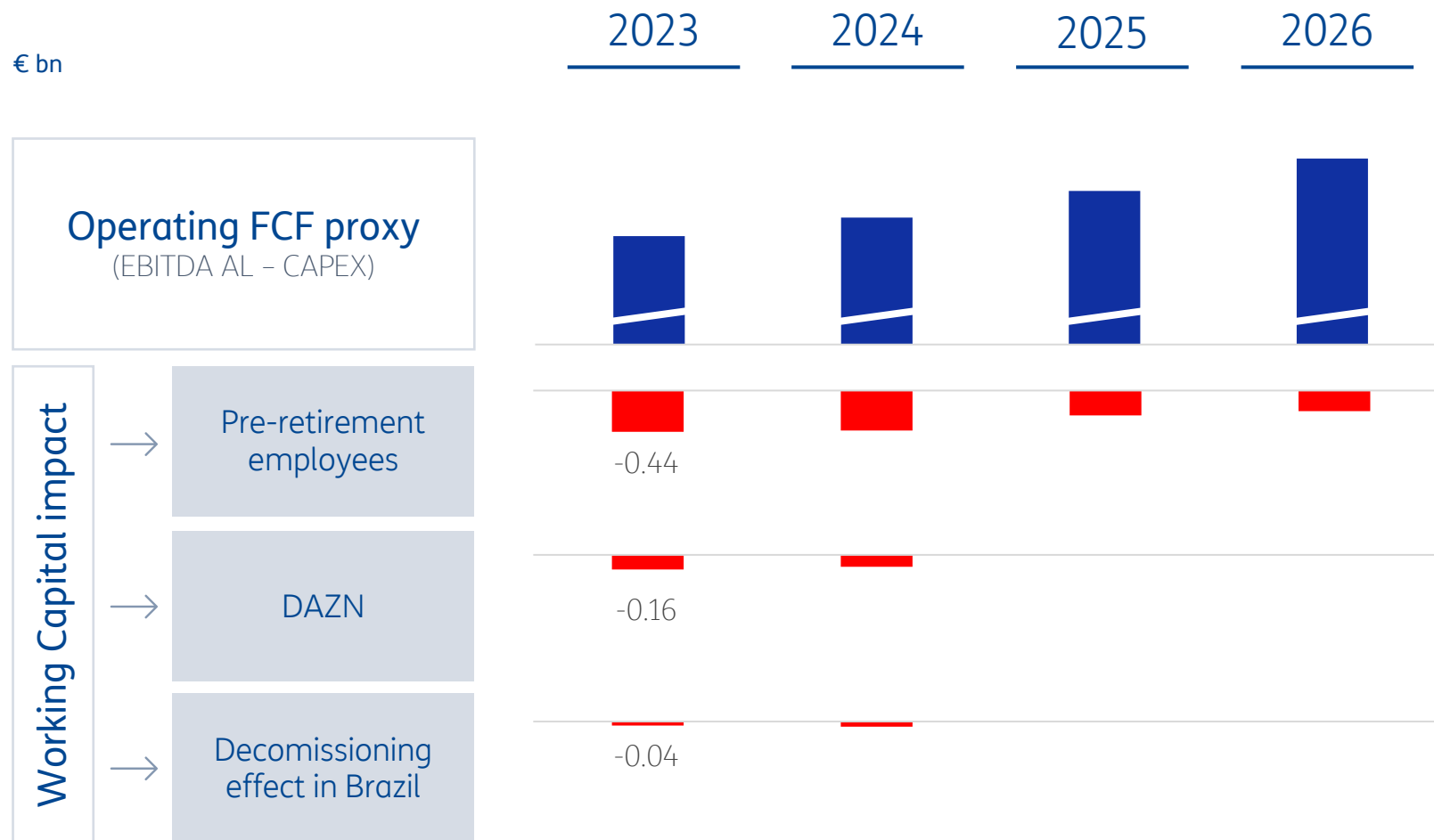
- Figures are based on **“pro-forma” estimate of revenues, OPEX and CAPEX division between TIM and NetCo** components, considering the current understanding of perimeter division
- Relationship between TIM and NetCo** (as MSA Agreement), based on the status of the understanding as of today:
 - Simulates the effect as the transactions occurred in Jan. 2023 (to guarantee a “like-for-like” comparison YoY)
- Temporary relationship** between TIM and NetCo (as per TSA Agreement) are **not considered** in the plan figures
- Relationship between TIM Consumer and TIM Enterprise** should be considered as **preliminary** ⁽¹⁾
- TI Sparkle** is currently considered **into TIM Domestic perimeter**

Reconciling old vs. new Group figures – FY '23 preliminary pro-forma figures

Unaudited figures, organic, € bn ⁽¹⁾

	Reconciling old Group...			..with new Group view									
	Group	TIM Domestic	TIM Brasil	Group	TIM Domestic	TIM Consumer	TIM Enterprise	Sparkle	TIM Brasil	NetCo	MSA eliminations ⁽²⁾		
Revenues	16.3	11.9	4.4	14.4	10.0 ⁽³⁾	6.2	3.4	1.0	4.4	4.2	-2.2		
EBITDA After Lease	5.3	3.7	1.6	3.5	1.9	1.1	0.7	0.1	1.6	1.9	-0.1		
CAPEX net of licences	4.0	3.1	0.8	2.1	1.3	0.9	0.3	0.1	0.8	1.9			
EBITDA AL minus Capex	1.3	0.6	0.8	1.3	0.6	0.2	0.4	-	0.8	0.1			
Provided at year end only													

Working Capital dynamics impacted by extraordinary items



OFCF expected to grow overtime

thanks to the positive contribution from Domestic and Brazil EBITDA growth, with CAPEX remaining flat

Cash out related to pre-retirements to continue, but with lower intensity

(~18k employees @ domestic level post NetCo disposal vs. ~40k as of today)

DAZN payments phasing out from 2025

Cash out impact at TIM Brasil due to the accelerated decommissioning ending in 2024

Assuming NetCo disposal effective by June 30th 2024, reported EFCF will include six months of TIM old view as integrated company and six months as TIM new view. Working Capital absorption in the first six months of the year usually higher due to CAPEX rollout/payment

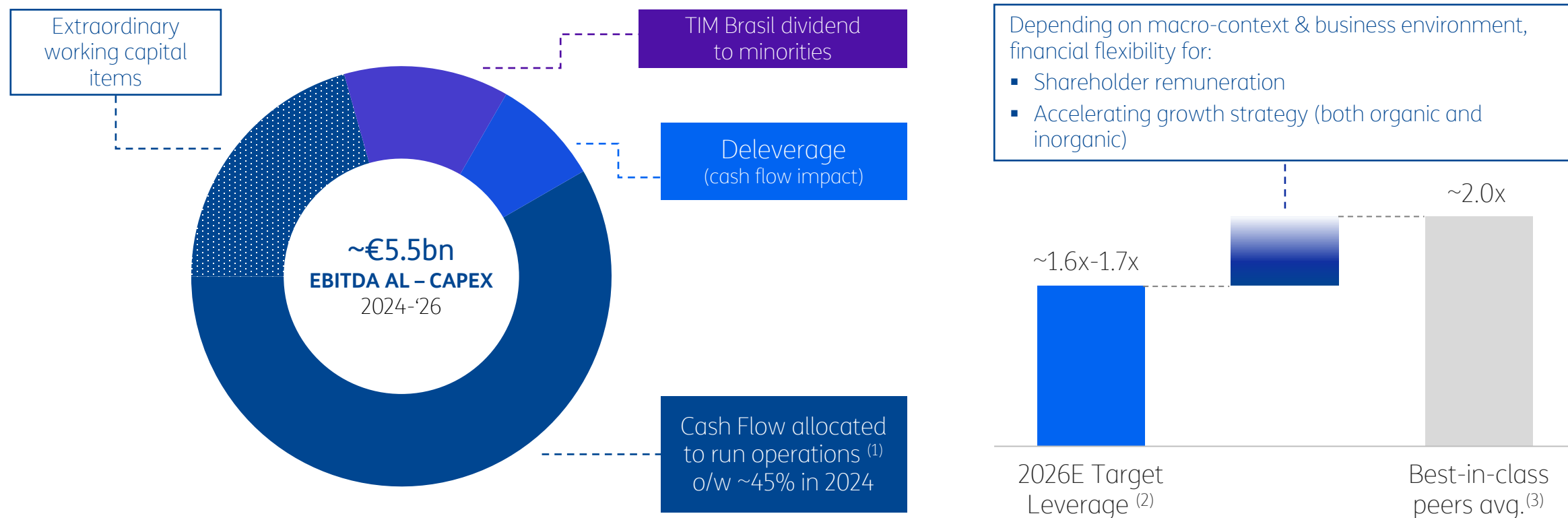
Guidance 2024-‘26

Organic data ⁽¹⁾, € bn, including Sparkle ⁽²⁾

		TIM Group			o/w TIM Domestic		
		2023 pro-forma ⁽³⁾	2024	2026	2023 pro-forma ⁽³⁾	2024	2026
	Revenues	14.4	3-4% growth	~3% '23-'26 CAGR	10.0	2-3% growth	~2% '23-'26 CAGR
	EBITDA After Lease	3.5	8-9% growth	~8% '23-'26 CAGR	1.9	9-10% growth	9-10% '23-'26 CAGR
	CAPEX net of licences	2.1	~15% on revenues	~14% on revenues	1.3	~14% on revenues	~13% on revenues
	EBITDA AL minus Capex	1.3	15-17% growth	~2.2	0.6	11-12% growth	~1.1
	Leverage	3.8x ⁽⁴⁾ as is		1.6-1.7x ⁽⁵⁾ @ target	excl. shareholders remuneration		

Full financial flexibility – Solid balance sheet with flexibility to navigate unexpected complexities and for potential shareholder remuneration

Capital allocation priorities and leverage in context



09 Closing Remarks

Pietro Labriola – CEO

Closing remarks

- 01 **‘Free to run’**, with an unprecedented opportunity to unlock value for all stakeholders
- 02 **Fit to win**, with regulatory relief, the most distinctive digital and telco infrastructure in Italy and Brazil and a focused strategy for each Entity to capture market opportunities
- 03 Strong focus on **cash flow generation**, expected positive EFCF AL both in Italy and Brazil in the plan horizon
- 04 **Financial flexibility**, with 1.6-1.7x 2026 target leverage, not reflecting any positive impacts of potential Sparkle disposal and Earn-outs
- 05 Opportunity to return to **shareholder remuneration**

Q&A

Further questions

please contact the IR team



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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.

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 FY '23, Q4 '23 and for 2024-'26 Plan of the TIM Group are the same as those adopted in the TIM Group Annual Audited Consolidated Financial Statements as of 31 December 2022, to which reference can be made, except for the amendments to the standards issued by IASB and adopted starting from 1 January, 2023.

Please note that as of today, the **audit** work by our independent auditors (E&Y) on the FY '23 results have 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), 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.