FINANCIAL INFORMATION AT MARCH 31, 2024

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

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TIM S.p.A.

Registered Office in Milan at Via Gaetano Negri 1
General Administration and Secondary Office in Rome at Corso d'Italia 41
Certified email address (PEC): telecomitalia@pec.telecomitalia.it
Share capital 11,677,002,855.10 euros fully paid up
Tax code/VAT Registration Number and Milan-Monza Brianza-Lodi Companies Register number 00488410010

The TIM Board of Directors, meeting on May 29, 2024 under the chairmanship of Alberta Figari, unanimously approved the Financial information at March 31, 2024.

INTRODUCTION

TIM voluntarily prepares and publishes periodic financial information for the first and third quarters of each financial year as part of the Company's policy to regular report its financial and operating performance to the market and investors in line with best market practices.

The presentation of this Financial Report at March 31, 2024 is unchanged from the 2023 Annual Financial Report, since all necessary authorizations to complete the sale of TIM's fixed network activities ("NetCo") have not been obtained as of the reporting date. Therefore, the results of the TIM Group and the Domestic Business Unit include the income statement, statement of financial position and statement of cash flow results both of the business components associated with "ServiceCo" and the fixed network components designated for future sale ("NetCo").

In order to provide a better understanding of the performance of the business, a section has been included in the Annexes containing organic economic and financial information reworked on the basis of management information ("like-for-like information") relating to the operating performance in the first quarter of 2024 and the first quarter of 2023 for the scope of "ServiceCo".

The consolidated data included in the TIM Group's periodic financial information as at March 31, 2024 have been prepared in accordance with the accounting standards, the recognition and measurement criteria, and the consolidation criteria and methods adopted for the preparation of the Consolidated Financial Statements for the year ended December 31, 2023 (to which reference should be made for a more extensive discussion), except as regards the amendments to accounting standards issued by the IASB and effective from January 1, 2024. These figures have not been audited.

TIM Group, in addition to the conventional financial performance measures established by the IFRS Accounting Standards, uses certain alternative performance measures in order to present a better understanding of the trend of operations and financial condition.

Specifically, these alternative performance measures refer to: EBITDA; EBIT; organic change and impact of non-recurring items on revenues, EBITDA and EBIT; EBITDA margin and EBIT margin; Net financial debt carrying amount and adjusted net financial debt; Equity Free Cash Flow, Cash flow from operations; Cash flow from operations (net of licenses). Following the adoption of IFRS 16, the TIM Group also presents the following additional alternative performance measures: EBITDA After Lease ("EBITDA-AL"), Adjusted net financial debt After Lease, Equity Free Cash Flow After Lease.

In line with the ESMA guidance on alternative performance measures (Guidelines ESMA/2015/1415), the meaning and contents of such are explained in the annexes and the analytical detail of the amounts of the reclassifications introduced and of the methods for determining indicators is also provided.

Finally, it should be noted that the section "Business Outlook for the year 2024" contains forward-looking statements regarding the Group's intentions, beliefs and current expectations in relation to the Group's financial results and other aspects of the Group's activities and strategies. Readers of this publication should not place undue reliance on such forward-looking statements, as the actual results could differ materially from those contained in the forecasts as a result of risks and uncertainties arising from a variety of factors, most of which are beyond the Group's control. For further details, please refer to the "Main risks and uncertainties" chapter, as well as to the Annual Financial Report for the year ended December 31, 2023, which details the main risks relating to the TIM Group's business activities which could affect, including considerably, the ability to achieve the objectives set.

HIGHLIGHTS

As announced at the Capital Market Day on 7 March 2024, TIM continues the transformation process started in the previous two years and, through the upcoming sale of NetCo, is adopting a new business model that will allow the Group to compete more effectively on the market, thanks to a greater focus on industrial components and the reduction of financial debt.

TIM GROUP – RESULTS FOR THE FIRST QUARTER:

- **Total revenues** amounted to 3.9 billion euros, up 1.2% year-on-year (Domestic -1.3% to 2.8 billion euros, Brazil +8.1% to 1.1 billion euros);
- **Service revenues** amounted to 3.7 billion euros, with a significant contribution from Brazil (+8.1% to 1.1 billion euros) and from the domestic market, which recorded its second consecutive quarter of growth (+1.3% to 2.6 billion euros);
- **EBITDA** was up for the sixth consecutive quarter, amounting to 1.5 billion euros (+1.6% year-on-year), with the trend influenced by a decline in the domestic market (-3.4% compared to 2023 first quarter which benefited c. 60 million euros from the commercial deal with Open Fiber in white areas) and a good performance in Brazil (+11.8%);
- **EBITDA After Lease** grew for the fifth consecutive quarter, reaching 1.2 billion euros (+3.0% year-on-year at Group level; -4.6% in the domestic market, +22.7% in Brazil).

On a vertically integrated basis, the Group's Adjusted Net Financial Debt After Lease at 31 March 2024 amounted to 21.4 billion euros, with an increase of 1 billion euros compared to 31 December 2023. Debt was affected by some non-recurring effects, the main one being in particular those resulting from the preventive seizure order issued by the investigating judge of the Court of Milan on 28 February 2024, in the amount of 249 million euros, for which refund to the Company was ordered on 24 April 2024, after the closing of the first quarter. Net of the aforementioned non-recurring effects, the underlying trend in Group's debt, which was affected by higher financial and operational needs, payment of dividends by TIM Brazil and some seasonal dynamics, is in line with 2024 guidance.

SERVCO – LIKE-FOR-LIKE RESULTS FOR THE FIRST QUARTER:

In order to provide an indication on ServCo's business performance, below is presented operating and financial information which simulates the effects of the disposal of NetCo as of 1 January 2022. The information also considers the effects arising from the business relationship with NetCo, which will result from the Master Service Agreement (MSA) to be signed with NetCo and from the simultaneous reorganization of domestic activities in TIM Consumer and TIM Enterprise.

- **Total revenues** amounted to 3.5 billion euros, up 2.8% year-on-year (Domestic +0.5% to 2.4 billion euros, Brazil +8.1% to 1.1 billion euros); service revenues grew by 3.4% year-on-year to 3.3 billion euros (Domestic +1.3% to 2.2 billion euros, Brazil +8.1% to 1.1 billion euros);
- **EBITDA** grew strongly, increasing by 11.6% year-on-year to 1 billion euros (Domestic +11.3% to 0.5 billion euros, Brazil +11.8% to 0.5 billion euros);
- **EBITDA After Lease** grew strongly, increasing by 16.6% year-on-year to 0.8 billion euros (Domestic +11.4% to 0.4 billion euros, Brazil +22.7% to 0.4 billion euros);
- **TIM Consumer**[1] reported substantially stable total revenues at 1.5 billion euros and service revenues at 1.4 billion euros (+0.8% year-on-year). The trend was supported by factors including ARPU growth in the fixed segment and substantially stable ARPU in the mobile segment, also driven by the repricing activities carried out in the quarter, which involved a total of 3.5 million lines and will continue during the year;
- **TIM Enterprise**[1] recorded total revenues at 0.7 billion euros (+2.4% year-on-year) and service revenues at 0.7 billion euros (+4.3% year-on-year), thanks to the defensive strategy on the connectivity business and the growth in ICT revenues. In particular, the strong performance continues in the Cloud (+17.5% year-on-year), IoT (+79% year-on-year) and Security (+79% year-on-year);
- **TIM Brasil** recorded revenues at 1.1 billion euros (+8.1% year-on-year) and at 0.5 billion euros (+11.8% year-on-year), continuing the growth trajectory of the last two years, which is also reflected in the EBITDA-CapEx trend, which saw a 18.6% rise year-on-year.

On the basis of the results as at 31 March 2024, TIM confirms all the guidance provided to the market for the current year.

[1] TIM Consumer and TIM Enterprise revenues and their growth percentages are shown net of revenues between the two areas.

Financial highlights

(million euros) - reported data		1st Quarter 2024 (a)	1st Quarter 2023 (b)	% Change (a-b)
Revenues		3,930	3,847	2.2
EBITDA	(1)	1,420	1,039	36.7
EBITDA Margin	(1)	*36.1%*	*27.0%*	*9.1pp*
EBIT	(1)	207	(162)	—
EBIT Margin	(1)	*5.3%*	*(4.2%)*	*9.5pp*
Profit (loss) for the period attributable to owners of the Parent		(400)	(689)	41.9
Capital Expenditures & spectrum		940	837	12.3
		3.31.2024 (a)	12.31.2023 (b)	Change Amount (a-b)
Adjusted Net Financial Debt	(1)	26,644	25,656	988

(1) For details, please refer to the "Alternative performance measures" chapter.

Organic results [1]

(million euros) - organic data	1st Quarter 2024 (a)	1st Quarter 2023 (b)	% Change (a-b)
TOTAL REVENUES	**3,930**	**3,883**	**1.2**
Domestic	2,806	2,842	(1.3)
Brazil	1,134	1,049	8.1
Other operations, adjustments and eliminations	(10)	(8)	—
SERVICE REVENUES	**3,673**	**3,559**	**3.2**
Domestic	2,584	2,550	1.3
of which Fixed	*1,923*	*1,896*	*1.4*
of which Mobile	*682*	*680*	*0.4*
Brazil	1,099	1,017	8.1
Other operations, adjustments and eliminations	(10)	(8)	—
EBITDA	**1,500**	**1,476**	**1.6**
Domestic	966	1,000	(3.4)
Brazil	535	478	11.8
Other operations, adjustments and eliminations	(1)	(2)	—
EBITDA After Lease	**1,237**	**1,201**	**3.0**
Domestic	832	872	(4.6)
Brazil	406	331	22.7
Other operations, adjustments and eliminations	(1)	(2)	—
CAPEX (net of telecommunications licenses)	**933**	**846**	**10.3**
Domestic	681	606	12.4
Brazil	252	240	5.1

(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.

(million euros) - reported data	1st Quarter 2024 (a)	1st Quarter 2023 (b)	% Change (a-b)
Equity Free Cash Flow	(790)	(117)	—
Equity Free Cash Flow After Lease	(973)	(397)	—
Adjusted Net Financial Debt [2]	26,644	25,820	3.2
Net Financial Debt After Lease[2]	21,370	20,455	4.5

(2) Adjusted Net Financial Debt. The change in the fair value of derivatives and related financial liabilities/assets is adjusted by the booked Net Financial Debt with no monetary effect.

THE GROUP'S ESG PERFORMANCE

ENVIRONMENT

- Decommissioning and efficiency activities continued at our industrial sites to reduce energy consumption. In particular, the **switch-off of 61 copper exchanges** was announced in March. The switch-off will take place from 25 May and will affect 7 power plants in Sicily, 10 in Calabria, 3 in Basilicata, 15 in Campania, 4 in Puglia, 1 in Molise, 15 in Lazio, 1 in Tuscany, 1 in Emilia-Romagna, 1 in Lombardy and 3 in Veneto. Before then, TIM customers will have new ultra-broadband digital connections switched in free of charge, with a modem delivered to their homes and the home system checked by the Company's technicians.

SOCIAL - DIGITAL GROWTH

NETWORK INFRASTRUCTURE UPGRADE

- **FTTH fibre cabling** has been rolled out in the towns of Vigone (Piedmont) and Collinas (Sardinia) as part of the implementation of the **1 Giga Italy Plan**. The "**Ultra-fast networks in Sardinia - 1 Giga NRRP Italy**" Forum was also held, organized by TIM to provide local administrators in the Sardinian region with all the information they need to implement the projects. The "1 Giga Italy Plan" is 70% financed through the NRRP (National Recovery and Resilience Plan) and 30% through investments by the TIM Group with the aim of guaranteeing a download speed of at least 1 Gigabit/s and an upload speed of 200 Megabit/s by 2026). TIM and FiberCop have been awarded 7 of the 15 lots put out to tender.
- Sparkle has extended its Internet backbone in **Iraq** with a Point of Presence in Erbil, the first in the country, thus consolidating its leadership as a global Tier-1 operator. It has also entered into an agreement with the Brazilian operator Algar Telecom, acquiring the right to use optical fibre on the Monet submarine cable connecting **Brazil and the United States** and becoming its long-term supplier for international connectivity and IP transit.

DIGITAL SERVICES FOR BUSINESSES AND PUBLIC ADMINISTRATION

- To enhance the cloud offering, a collaboration agreement was signed with Broadcom which made TIM the first ***VMware Cloud Service Provider*** in Italy at ***Pinnacle* level**, the highest in the VMware cloud hierarchy. Thanks to this new partnership, TIM Enterprise will offer a catalogue of cloud solutions based on the new VMware Cloud Foundation, which can be integrated with management and professional services to provide customers with a scalable architecture that adapts to different business needs.
- In order to promote the digitalization of local public administrations, a new stage of the TIM Enterprise and ANCI initiative entitled "**The Italy of Smart and Sustainable Cities**" has been created. In February, TIM's technological solutions were presented in Rome to the administrators of the Lazio region to make urban environments more liveable, sustainable and safe and to enhance Lazio's rich cultural and artistic heritage.

SOCIAL – PEOPLE

- As part of TIM's people well-being initiatives, the **Psychological Listening Desk** service has resumed and from this year will also be available to family members of TIM employees. Also inaugurated was a new chapter of the "**Connect to Neurodiversity**" scheme launched in 2021, which aims to provide support to employees affected by neurological changes such as ADHD, dyslexia, Asperger's syndrome and autism.
- In the social sphere, but outside the Company itself, a secondary schools project has been launched in collaboration with ERG Academy: "**Mission Environment - Generations at sustainability school**". The initiative aims to raise awareness of environmental sustainability issues among students in ten Italian cities (Benevento, Foggia, Catania, Catanzaro, Cagliari, Arezzo, Modena, Ascoli Piceno, Genoa, Venice). The **Junior TIM Cup | Keep Racism Out** also resumed. This 7-a-side football tournament features under-14 parish football teams from the cities hosting Serie A TIM matches. The initiative, launched in collaboration with Lega Serie A and Centro Sportivo Italiano, is part of the "Keep Racism Out" campaign and involves children from parish organizations in educational activities with the aim of conveying the values of integration and inclusion.

MAIN CHANGES IN THE SCOPE OF CONSOLIDATION OF THE TIM GROUP

During the first quarter of 2024 and the first quarter of 2023, there were no significant changes to the scope of consolidation.

TIM GROUP RESULTS FOR THE FIRST QUARTER OF 2024

Total TIM Group revenues for the first quarter of 2024 amounted to **3,930 million euros**, +2.2% compared to the first quarter of 2023 (3,847 million euros).

The breakdown of total revenues for the first quarter of 2024 by operating segment in comparison with the first quarter of 2023 is as follows:

(million euros)	1st Quarter 2024		1st Quarter 2023		Changes		
		% weight		% weight	absolute	%	% organic excluding non-recurring
Domestic	2,806	71.4	2,843	73.9	(37)	(1.3)	(1.3)
Brazil	1,134	28.9	1,012	26.3	122	12.1	8.1
Other Operations	—	—	—	—	—		
Adjustments and eliminations	*(10)*	*(0.3)*	*(8)*	*(0.2)*	*(2)*		
Consolidated Total	**3,930**	**100.0**	**3,847**	**100.0**	**83**	**2.2**	**1.2**

The organic change in consolidated Group revenues is calculated by excluding the effect of changes in exchange rates[2] (+ 36 million euros) and changes in the scope of consolidation.

TIM Group EBITDA for the first quarter of 2024 came to **1,420 million euros** (1,039 million euros in the first quarter of 2023, +36.7% in reported terms; +1.6% in organic terms).

The breakdown of EBITDA and the EBITDA margin broken down by operating segment for the first quarter of 2024 compared with the first quarter of 2023, are as follows:

(million euros)	1st Quarter 2024		1st Quarter 2023		Changes		
		% weight		% weight	absolute	%	% organic excluding non-recurring
Domestic	886	62.4	582	56.0	304	52.2	(3.4)
% of Revenues	*31.6*		*20.5*			*11.1pp*	*(0.8)pp*
Brazil	535	37.7	459	44.2	76	16.6	11.8
% of Revenues	*47.2*		*45.4*			*1.8pp*	*1.6pp*
Other Operations	(2)	(0.1)	(2)	(0.2)	—		
Adjustments and eliminations	*1*	—	—	—	*1*		
Consolidated Total	**1,420**	**100.0**	**1,039**	**100.0**	**381**	**36.7**	**1.6**

Organic EBITDA - net of the non-recurring items amounted to **1,500 million euros**; the EBITDA margin was 38.2% (1,476 million euros in the first quarter of 2023, with an EBITDA margin of 38.0%).

EBITDA for the first quarter of 2024 was affected by non-recurring charges totalling 80 million euros, mainly relating to provisions and charges for wage subsidies and individual redundancy plans, as provided for in the trade union agreement signed by the Parent Company TIM S.p.A. with the Trade Unions on March 29, 2024. This performance was also down to provisions for regulatory disputes and potential liabilities related to them, and to the development of non-recurring projects.

EBITDA for the first quarter of 2023 was affected by non-recurring charges for a total of 420 million euros, mainly relating to personnel costs and personnel provisions, relating also to the application of Art. 4 of Law No. 92 of June 28, 2012.

[2]The average exchange rates used for the translation into euro (expressed in terms of units of local currency per 1 euro) were 5.37650 in the first quarter of 2024 and 5.57246 in the first quarter of 2023 for the Brazilian real; for the U.S. dollar, the rates were 1.08601 for the first quarter of 2024 and 1.07301 for the first quarter of 2023. The effect of the change in exchange rates is calculated by applying the foreign currency translation rates used for the current period to the period under comparison.

Organic EBITDA, net of the non-recurring items, is calculated as follows:

(million euros)	1st Quarter 2024	1st Quarter 2023	Changes	
			absolute	%
EBITDA	1,420	1,039	381	36.7
Foreign currency financial statements translation effect		17	(17)	
Non-recurring expenses (income)	80	420	(340)	
ORGANIC EBITDA - excluding non-recurring items	1,500	1,476	24	1.6
% of Revenues	*38.2*	*38.0*	*0.2pp*	

Exchange rate fluctuations mainly related to the Brazil Business Unit.

TIM Group EBIT for the first quarter of 2024 came to **207 million euros** (-162 million euros in the first quarter of 2023).

Organic EBIT - net of the non-recurring items amounted to **287 million euros** (263 million euros in the first quarter of 2023), with an EBITDA margin of 7.3% (6.8% in the first quarter of 2023).

Organic EBIT, net of the non-recurring items, was calculated as follows:

(million euros)	1st Quarter 2024	1st Quarter 2023	Changes	
			absolute	%
EBIT	207	(162)	369	—
Foreign currency financial statements translation effect		5	(5)	
Non-recurring expenses (income)	80	420	(340)	
ORGANIC EBIT - excluding non-recurring items	287	263	24	9.1

The **Net loss attributable to Owners of the Parent** for the first quarter of 2024, was 400 million euros (-689 million euros in the first quarter of 2023), suffering the negative impact of net non-recurring expenses for 93 million euros (427 million euros in the first quarter of 2023).

The TIM Group **headcount** at March 31, 2024 was **47,168**, including 37,658 in Italy (47,180 at December 31, 2023, including 37,670 in Italy).

Capital expenditures and expenses for mobile telephone licenses/spectrum for the first quarter of 2024 were 940 million euros (837 million euros in the first quarter of 2023).

Capex is broken down as follows by operating segment:

(million euros)	1st Quarter 2024		1st Quarter 2023		Change
		% weight		% weight	
Domestic	688	73.2	606	72.4	82
Brazil	252	26.8	231	27.6	21
Other Operations	—	—	—	—	—
Adjustments and eliminations	—	—	—	—	—
Consolidated Total	940	100.0	837	100.0	103
% of Revenues	*23.9*		*21.8*		*2.1pp*

Specifically:

- the **Domestic Business Unit** made industrial investments of 688 million euros, with a significant portion aimed at the development of FTTC/FTTH networks. The increase of 82 million euros compared to the first quarter of 2023 is mainly due to the FiberCop's higher capital expenditure in FTTH and NRRP-related projects;
- the **Brazil Business Unit** recorded capital expenditure of 252 million euros in the first quarter of 2024 (231 million euros in the first quarter of 2023). Excluding the impact of changes in exchange rates (+9 million euros), capex increased slightly compared to the first quarter of 2023 (+12 million euros). The slight increase is due to the acceleration of investments in 5G technology and Cyber Security, partially offset by the completion of investments relating to the integration of the Oi Group's activities and the reduction in the development of the 4G network.

Adjusted Net Financial Debt amounted to 26,644 million euros at March 31, 2024, an increase of 988 million euros compared to December 31, 2023 (25,656 million euros). This came as a net effect of operating and financial requirements related in part to the management of lease debts and the payment of dividends in Brazil, and was also impacted to the tune of 249 million euros by the seizure of liquid assets held by TIM S.p.A. ordered by the investigating judge of the Court of Milan on February 8, 2024 as part of an alleged fraud in extra paid services; the full return of the seized assets was ordered at the end of April 2024.

The Group's **Operating Free Cash Flow** for the first quarter of 2024 was essentially nil (+298 million euros in the first quarter of 2023).

Equity Free Cash Flow for the first quarter of 2024 came to -790 million euros (-117 million euros in the first quarter of 2023). 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.

For a better understanding of the information, the table below shows the various ways by which the Net Financial Debt can be shown:

(million euros)	3.31.2024 (a)	12.31.2023 (b)	Change (a-b)
Net financial debt carrying amount	**26,810**	**25,776**	**1,034**
Reversal of fair value measurement of derivatives and related financial liabilities/assets	*(166)*	*(120)*	*(46)*
Adjusted Net Financial Debt	**26,644**	**25,656**	**988**
Leases	*(5,274)*	*(5,307)*	*33*
Adjusted Net Financial Debt - After Lease	**21,370**	**20,349**	**1,021**

Net financial debt carrying amount amounted to 26,810 million euros at March 31, 2024, an increase of 1,034 million euros compared to December 31, 2023 (25,776 million euros). The reversal of the fair value measurement of derivatives and related financial liabilities/assets records an annual change of negative 46 million euros due to the dynamics of the interest rate markets; this valuation adjusts the booked Net Financial Debt with no monetary effect.

Adjusted Net Financial Debt – After Lease (net of lease contracts) was equal to 21,370 million euros at March 31, 2024, up by 1,021 million euros compared to December 31, 2023 (20,349 million euros).

As of March 31, 2024, the TIM Group's available **liquidity margin** was equal to 6,974 million euros and calculated considering:

- "Cash and cash equivalents" and "Current securities other than investments" for a total of 2,974 million euros (4,695 million euros at December 31, 2023), also including 738 million euros (nominal value) in repurchase agreements expiring by July 2024;
- Sustainability-linked Revolving Credit Facility amounting to 4,000 million euros, totally available.

This margin is sufficient until 31 March, 2024 to cover Group financial liabilities (current and otherwise) falling due over the next 20 months. The amount of the margin was affected by the aforementioned seizure of liquid assets totaling 249 million euros, which were ordered to be returned in full at the end of April 2024.

It should be noted that the sale of non-recourse trade receivables to factoring companies completed in the first quarter of 2024 had a positive effect of 838 million euros on net financial debt at March 31, 2024 (1,135 million euros at December 31, 2023).

RESULTS OF THE BUSINESS UNITS

Domestic

Revenues

Domestic Business Unit revenues amounted to 2,806 million euros, down 37 million euros compared to the first quarter of 2023 (-1.3%). In organic terms, these were down by 36 million euros (-1.3% on the first quarter of 2023).

Revenues from stand-alone services amounted to 2,584 million euros (+33 million euros compared to the first quarter of 2023, +1.3%), thanks to the growth in ICT and Multimedia revenues despite the impact of a competitive market on the customer base; in organic terms, these were up by 34 million euros compared to the first quarter of 2023 (+1.3%).

In detail:

- **Revenues from stand-alone services in the Fixed market** amounted to 1,923 million euros, up on the first quarter of 2023 (+1.4% in organic terms) mainly due to the growth in revenues from ICT solutions (+26 million euros compared to the first quarter of 2023, +7.0%) and in Multimedia revenues; these were partially offset by a decrease in accesses;
- **Revenues from stand-alone services in the Mobile market** amounted to 682 million euros (+3 million euros compared to the first quarter of 2023, +0.4% in organic terms), mainly thanks to ARPU figures remaining stable.

Handset and Bundle & Handset revenues, including the change in work in progress, amounted to 222 million euros in the first quarter of 2024, down by 70 million euros compared to the same period of the previous year, mainly due to the benefit during the first quarter of 2023 of the commercial agreement entered into between TIM and FiberCop (on the one hand) and Open Fiber (on the other) concerning "white areas" (areas with low population density with no prospect of private investment in ultra-broadband). This agreement provided that Open Fiber would purchase from FiberCop the right of use (IRU) for overhead infrastructure and access links to the customer's home.

Below, revenues are broken down by: Consumer and Small Medium Business, Enterprise, Wholesale National Market, Wholesale International Market, Other; complete with an analytical description of the scope of reference, in line with the representation of previous periods. Following the completion of the delayering operation, with the subsequent sale of NetCo, this representation will be modified and integrated with the reorganization of domestic activities in the TIM Consumer and TIM Enterprise areas.

- **Consumer and Small Medium Business (SMB).** *The segment consists of all Fixed and Mobile voice and Internet services and products managed and developed for individuals and families (of public telephony, caring and the administrative management of customers) and for and for customers of SMEs (small and medium-sized enterprises) and SOHO (small office home office);* **; it includes the company TIM Retail, which coordinates the activities of its stores).**

(million euros)	1st Quarter 2024	1st Quarter 2023	Changes (a-b)		
	(a)	(b)	absolute	%	organic excluding non-recurring
Consumer and Small Medium Business	**1,369**	**1,379**	**(10)**	**(0.8)**	**(0.8)**
Service revenues	1,244	1,247	(3)	(0.3)	(0.3)
Handset and Bundle & Handset revenues	125	132	(7)	(5.2)	(5.2)

in organic terms, the revenues of the Consumer and SMB segment totalled 1,369 million euros (-10 million euros compared to the first quarter of 2023, -0.8%) and show a trend affected by the challenging competition. The trend seen in total revenues also applied, albeit less pronounced, to revenues from services, which amounted to 1,244 million euros, down by 3 million euros compared to the first quarter of 2023 (-0.3%).

In addition:

- **Revenues from stand-alone services in the Mobile market** amounted to 497 million euros in organic terms (-16 million euros, -3.2% compared to the first quarter of 2023). The impact of the competitive dynamic remains, reflected in the reduction of the customer base calling; revenues from traffic are down due to the progressive reduction of interconnection tariffs;
- **Revenues from stand-alone services in the Fixed market** amounted to 747 million euros in organic terms (+13 million euros, +1.8% compared to the first quarter of 2023), mainly due to the growth in Lease ARPU, which more than offset the reduction in the customer base; higher revenues from Multimedia partnerships (+12.7%); and higher revenues from ICT solutions (+5%).

Handset and Bundle & Handset revenues in the Consumer and SMB segment amounted to 125 millions of euros, -7 million euros compared to the first quarter of 2023: The change is mainly related to the gradual slowdown in the mobile handset business.

- **Enterprise.** *This segment comprises the connectivity services and products and the ICT solutions managed and developed for Top, Public Sector and Large Account customers. The following companies are included: Olivetti, TI Trust Technologies, Telsy and Noovle.*
in organic terms, revenues for the segment amounted to 709 million euros, up by 17 million euros compared to the first quarter of 2023 (+2.4%), mainly thanks to the revenues from the stand-alone services component (+4.4%).

(million euros)	1st Quarter 2024 (a)	1st Quarter 2023 (b)	Changes (a-b) absolute	%	organic excluding non-recurring
Enterprise revenues	**709**	**692**	**17**	**2.4**	**2.4**
Service revenues	645	618	27	4.4	4.4
Handset and Bundle & Handset revenues	64	74	(10)	(14.1)	(14.1)

Specifically:

- **Revenues from stand-alone services in the Mobile market** were up on the first quarter of 2023 (+7 million euros);
- **Revenues from stand-alone services in the Fixed market** showed a change of +25 million euros compared to the first quarter of 2023 (+5.1%), mainly due to the increase in revenues from ICT services.

- **Wholesale National Market.** *The segment consists of the management and development of the portfolio of regulated and unregulated wholesale services for Fixed-line and Mobile telecommunications operators in the domestic market and MVNOs. The following companies are included: TI San Marino and Telefonia Mobile Sammarinese).*

  In the first quarter of 2024, the Wholesale National Market segment reported revenues of 507 million euros, an increase of 13 million euros (+2.6%) compared to the first quarter of 2023, thanks also to the positive impact of regulatory price dynamics.

- **Wholesale International Market.** *Includes the activities of the Telecom Italia Sparkle group, which operates in the market for international voice, data and Internet services for fixed and mobile telecommunications operators, ISPs/ASPs (Wholesale market) and multinational companies through its own networks in the European, Mediterranean and South American markets.*

  Revenues in the Wholesale International Market segment in the first quarter of 2024 amounted to 215 million euros, down on the first quarter of 2023 (-12 million euros, -5.5%) due to the reduction and rationalization of traditional voice revenues, which was partially offset by the revenue growth from solutions for mobile operators and co-location services.

- **Other.** *Includes:*
  - ***Other Operations structures****: oversight of technological innovation and the processes for the development, engineering, construction and operation of network, IT, plant and real estate infrastructure within its remit;*
  - ***Staff & Other****: services carried out by staff and other support activities carried out by smaller companies.*

  Revenues for the first quarter of 2024 were 54 million euros, a decrease of 49 million euros compared to the first quarter of 2023. It bears noting that revenues in the first quarter of 2023 benefited from approximately 60 million euros due to the abovementioned commercial agreement entered into between TIM and FiberCop (on the one hand) and Open Fiber (on the other) concerning "white areas".

- **Eliminations**: in the first quarter of 2024, these amounted to 48 million euros (53 million euros in the first quarter of 2023).

EBITDA

Domestic Business Unit EBITDA for the first quarter of 2024 totalled 886 million euros (+304 million euros compared to the first quarter of 2023, +52.2%), with an EBITDA margin of 31.6% (+11.1 percentage points compared to the first quarter of 2023).

Organic EBITDA, net of the non-recurring items, amounted to 966 million euros (-34 million euros compared to the first quarter of 2023, -3.4%). In particular, EBITDA for the first quarter of 2024 was impacted by non-recurring items in the amount of 80 million euros, whilst the first quarter of 2023 reflected a total impact of 418 million euros referring to non-recurring items.

Organic EBIT, net of non-recurring items, was calculated as follows:

(million euros)	1st Quarter 2024	1st Quarter 2023	Changes	
			absolute	%
EBITDA	**886**	**582**	**304**	**52.2**
Non-recurring expenses (income)	80	418	(338)	
ORGANIC EBITDA - excluding non-recurring items	**966**	**1,000**	**(34)**	**(3.4)**

EBIT

Domestic Business Unit EBIT for the first quarter of 2024 totalled -2 million euros (+301 million euros compared to the first quarter of 2023), with an EBIT margin of -0.1% (+10.6 percentage points compared to the first quarter of 2023).

Organic EBIT - net of the non-recurring items amounted to 78 million euros (-37 million euros compared to the first quarter of 2023 -32.2%), with an EBIT margin of 2.8% (-1.2 percentage points compared to the first quarter of 2023).

Organic EBIT, net of the non-recurring items, was calculated as follows:

(million euros)	1st Quarter 2024	1st Quarter 2023	Changes	
			absolute	%
EBIT	**(2)**	**(303)**	**301**	**99.3**
Non-recurring expenses (income)	80	418	(338)	
ORGANIC EBIT - excluding non-recurring items	**78**	**115**	**(37)**	**(32.2)**

Headcount at March 31, 2024 stood at 37,888 (37,901 at December 31, 2023).

Brazil (average real/euro exchange rate 5.37650)

Revenues of the **Brazil Business Unit (TIM Brasil group)** in the first quarter of 2024 were 6,096 million reais (5,640 million reais in the first quarter of 2023, +8.1%).

The acceleration has been determined by **service revenues** (5,910 million reais vs 5,467 million reais in the first quarter of 2023, +8.1%) with mobile service revenues growing 8.2% on the first quarter of 2023. This performance is mainly attributable to the continuous improvement of the post-paid segment. Revenues from fixed services grew by 5.6% compared to the first quarter of 2023, driven above all by the growth rate of Ultrafibre.

Revenues from product sales totaled 186 million reais (173 million reais in the first quarter of 2023).

Mobile ARPU in the first quarter of 2024 totaled 30.4 reais (27.7 reais in the first quarter of 2023).

Total mobile lines at March 31, 2024 amounted to 61.4 million, +0.2 million lines compared to December 31, 2023 (61.2 million lines). Within this change, +0.5 million is attributable to the post-paid segment and -0.3 million to the pre-paid segment. Post-paid customers represented 45.7% of the customer base as of March 31, 2024 (45.1% as of December 31, 2023).

Broadband ARPU in the first quarter of 2024 totaled 95.8 reais (97.8 reais in the first quarter of 2023).

EBITDA in the first quarter of 2024 was 2,876 million reais (2,559 million reais in the first quarter of 2023, 12.4%) and the margin on revenues amounted to 47.2% (45.4% in the first quarter of 2023).

Organic EBITDA, net of the non-recurring items, increased by 11.8% and was calculated as follows:

(million Brazilian reais)	1st Quarter 2024	1st Quarter 2023	Changes	
			absolute	%
EBITDA	**2,876**	**2,559**	**317**	**12.4**
Non-recurring expenses (income)	—	13	(13)	
ORGANIC EBITDA - excluding non-recurring items	**2,876**	**2,572**	**304**	**11.8**

The growth in EBITDA can mainly be attributed to the positive performance of revenues from services.

The relative margin on revenues, in organic terms, comes to 47.2% (45.6% in the first quarter of 2023).

EBIT for the first quarter of 2024 came to 1,135 million reais (796 million reais in the first quarter of 2023, +42.6%).

Organic EBIT - net of the non-recurring items in the first quarter of 2024 amounted to 1,135 million reais (809 million euros in the first quarter of 2023), with an EBITDA margin of 18.6% (14.3% in the first quarter of 2023).

Organic EBIT, net of the non-recurring items, was calculated as follows:

(million Brazilian reais)	1st Quarter 2024	1st Quarter 2023	Changes	
			absolute	%
EBIT	1,135	796	339	42.6
Non-recurring expenses (income)		13	(13)	
ORGANIC EBIT - excluding non-recurring items	1,135	809	326	40.3

Headcount at March 31, 2024 stood at 9,267 (9,267 at December 31, 2023).

AFTER LEASE INDICATORS

TIM Group, in addition to the conventional financial performance measures established by the IFRS Accounting Standards, uses certain alternative performance measures in order to present a better understanding of the trend of operations and financial condition. Specifically, following the adoption of IFRS 16, the TIM Group presents the following additional alternative performance measures:

EBITDA AFTER LEASE - TIM GROUP

(million euros)	1st Quarter 2024	1st Quarter 2023	Changes	
			absolute	%
ORGANIC EBITDA excluding non-recurring items	**1,500**	**1,476**	**24**	**1.6**
Lease payments	(263)	(275)	12	4.4
EBITDA After Lease (EBITDA-AL)	**1,237**	**1,201**	**36**	**3.0**

EBITDA AFTER LEASE - DOMESTIC

(million euros)	1st Quarter 2024	1st Quarter 2023	Changes	
			absolute	%
ORGANIC EBITDA excluding non-recurring items	**966**	**1,000**	**(34)**	**(3.4)**
Lease payments	(134)	(128)	(6)	(4.7)
EBITDA After Lease (EBITDA-AL)	**832**	**872**	**(40)**	**(4.6)**

EBITDA AFTER LEASE - BRAZIL

(million euros)	1st Quarter 2024	1st Quarter 2023	Changes	
			absolute	%
ORGANIC EBITDA excluding non-recurring items	**535**	**478**	**57**	**11.8**
Lease payments (*)	(129)	(147)	18	12.2
EBITDA After Lease (EBITDA-AL)	**406**	**331**	**75**	**22.7**

(*) results for the first quarter of 2024 do not include penalties (approximately 27 million reais; approximately 5 million euros) associated with the decommissioning plan following the acquisition of the Oi Group's movable assets.

ADJUSTED NET FINANCIAL DEBT AFTER LEASE - TIM GROUP

(million euros)	3.31.2024	12.31.2023	Change
Adjusted Net Financial Debt	**26,644**	**25,656**	**988**
Leases	(5,274)	(5,307)	33
Adjusted Net Financial Debt - After Lease	**21,370**	**20,349**	**1,021**

EQUITY FREE CASH FLOW AFTER LEASE - TIM GROUP

(million euros)	1st Quarter 2024	1st Quarter 2023	Change
Equity Free Cash Flow	**(790)**	**(117)**	**(673)**
Change in lease contracts (principal share)	(183)	(280)	97
Equity Free Cash Flow After Lease	**(973)**	**(397)**	**(576)**

BUSINESS OUTLOOK FOR THE YEAR 2024

In light of the performance of the main business segments of the ServiceCo perimeter in the first three months of 2024. The guidance previously communicated with the approval of the TIM 2024-2026 "Free to Run" Business Plan is confirmed.

EVENTS AFTER MARCH 31, 2024

TIM: Exchange Offers on outstanding bonds in view of the ongoing NetCo transaction

See the press releases issued on April 18, 2024, May 2, 2024 and May 17, 2024.

TIM: KKR confirms that it has notified the NetCo transaction to DG Comp of the European Commission

See the press release issued on April 19, 2024.

TIM: Shareholders' Meeting of April 23, 2024

TIM's Ordinary Shareholders' Meeting of April 23, 2024 appointed a 9-member Board of Directors and a new Board of Statutory Auditors for the three-year period 2024-2026 (until the approval of the financial statements for the year ending December 31, 2026).

The following Directors were appointed to the Board of Directors:

Alberta Figari (as Chair), Pietro Labriola (as Chief Executive Officer), Giovanni Gorno Tempini, Paola Camagni, Federico Ferro Luzzi, Domitilla Benigni, Umberto Paolucci, Stefano Siragusa, Paola Giannotti De Ponti.

The following were appointed to the Board of Statutory Auditors:

- Standing Auditors: Francesco Fallacara (Chair), Anna Doro, Massimo Gambini, Francesco Schiavone Panni, Mara Vanzetta;
- Alternate Auditors: Massimiliano Di Maria, Laura Fiordelisi, Paolo Prandi, Carlotta Veneziani.

MAIN RISKS AND UNCERTAINTIES

Risk governance is a strategic tool for value creation.

The TIM Group has adopted an Enterprise Risk Management model, which is continuously being improved and aligned with international regulations and standards and enables risks to be identified, assessed and managed in a homogenous way within the Group, highlighting potential synergies between the players involved in the assessment of the Internal Control and Risk Management System. The Enterprise Risk Management process is integrated with strategic and operational planning processes and is designed to identify potential events that may affect the company's business so that these risks can be managed within acceptable limits and reasonable assurance provided about the achievement of its business objectives.

The Enterprise Risk Management model adopted by the TIM Group:

- identifies and updates, in collaboration with the risk owners, the overall portfolio of risks to which the Group is exposed by analysing the Business Plan and the most significant investment projects, monitoring the reference context (e.g. macroeconomic and regulatory), specifically analysing the risks to which assets may be exposed, and continuously monitoring and analysing the risk profile, in order to detect any changes and/or new risk scenarios;
- quantitatively assesses risks both individually and from a portfolio perspective, taking correlations into account;
- supports management in defining and monitoring risk mitigation plans;
- manages the information flow to top management and the bodies responsible for assessing the Internal Control and Risk Management System (ICRMS) by producing the relevant supporting reports.

In this context, it is worth highlighting the continuing Russia-Ukraine, the conflict in the Middle East between Israel and Palestine and the potential for inflation-related increases in costs. Other factors include: market developments, the entry of new potential competitors in the fixed and mobile sector, proceedings initiated by the Authorities and the consequent delays in implementing new strategies, problems related to new networks and infrastructures, and the fulfilment of obligations concerning the “Golden Powers” exercised by the Government, the effects of which are to be assessed in terms of the strategic choices and temporal deployment of the Plan objectives.

Risks related to macroeconomic factors

The TIM Group’s economic and financial situation, including its ability to sustain the expected level of cash flows and margins, is influenced by multiple macroeconomic factors such as economic growth, consumer confidence, interest rates, increased inflation rate and the exchange rates in the markets in which it operates.

Added to these factors is the uncertainty around developments of the war in Ukraine, the recently emerged Israeli-Palestinian conflict and the structural transformation of energy markets.

In 2023, Italy's GDP grew by 0.9%, compared to growth of 3.7% the previous year. Also for the current year, growth expectations – which are similar to those recorded last year – are dependent on (i) the actual materialization of the expected reduction in inflation (and the consequent reduction in interest rates), (ii) a partial recovery in wages, and (iii) the absence of a further deterioration in the international geopolitical situation.

The volatility of energy prices is affecting European industry, especially the most energy-intensive sectors. The energy supply shock in 2022 highlighted European countries' dependence on fossil fuels. The greatest uncertainties are related to the growth of the other major global economies, possible developments in the war in Ukraine and its possible repercussions both in terms of sanctions and impacts on the energy market. In addition, the recently emerged Israeli-Palestinian conflict could produce further imbalances, bringing with them energy problems given the importance of the region, which is home to the main oil producers and the main sea routes through the Gulf of Suez.

As regards energy costs, it should be noted that the TIM Group has implemented a hedging and savings programme which, domestically, made it possible to cover in advance most of the 2023 needs, almost all of 2024 and part of 2025.

One area that merits particular attention is the impact that the current geopolitical context could have on supply chains. In particular, inflation of energy costs could affect transport costs and raw material costs. In addition, heightened geopolitical risk and stress within global supply chains following the Covid-19 pandemic and the Russia-Ukraine conflict are contributing to fears of slower growth in global trade. A series of targeted interventionist policies by the West towards countries that depend on imports of advanced technologies, and rising tensions between the United States and China, could exacerbate an already tense situation.

In Brazil, GDP grew by 2.9% in 2023, which was close to the 3% recorded a year earlier. The results achieved for 2023 are due to better-than-expected performance in agricultural production (+15%), private consumption and exports. For 2024, on the other hand, the Central Bank of Brazil and the World Bank expect GDP growth of around 1.5% to 1.6%, which should also follow a more moderate performance of agricultural activities.

Geopolitical uncertainty

As regards the Russia-Ukraine conflict, at present, the impact of the geopolitical situation on the TIM Group's business is indirect, mainly linked to the increase in costs for energy, materials and transport.

If military, economic and political tensions should continue to grow, the situation could have major consequences globally, causing a serious threat to global security that could increase and intensify risks for the TIM Group. Such risks include the security and protection of the TIM Group workforce, the possibility that cyber attacks may strike the networks and data of the TIM Group or its customers, an increased probability of a shock of the supply chain that would entail higher inflation in the short and medium term.

In particular, for companies in the TIM Sparkle group (part of the TIM Group) operating in the areas impacted by the Russia-Ukraine conflict, there were no significant repercussions on commercial relations, on the demand for international services from the areas affected by the conflict and on the substantially regular collection of trade receivables. The TIM Group does not have significant assets in the countries concerned. The Russia-Ukraine conflict has also indirectly led to a general increase in energy prices, and in the third quarter of 2023 some TIM Sparkle group companies incurred higher energy costs than in previous periods. The increase in energy prices has also led to an increase in inflation and, ultimately, in the cost of financing. TIM Sparkle group companies are taking measures to reduce fluctuations in energy costs in around 40 countries around the world. In Italy, the steps taken by TIM Sparkle group companies are aligned with the TIM Group's strategies to deal with inflation. In addition, the Russia-Ukraine conflict could entail cyber attacks against the countries supporting economic sanctions against Russia. TIM Sparkle group companies, in coordination with the National Cybersecurity Agency (“ACN”), have raised the alert level of ICT monitoring for IT security risks, in line with the other TIM Group entities that have implemented ACN’s technical indications.

With regard to the conflict in the Middle East between Israel and Palestine, which arose at the beginning of October 2023, and the related turmoil in the Red Sea area, the implications for the Group are still uncertain and should become clearer over time. However, at first glance, there could be impacts both in terms of cost volatility (e.g.: energy) and in international trade relations.

The Executive responsible for preparing the corporate financial reports, Adrian Calaza Noia, hereby declares, pursuant to subsection 2, Art. 154 bis of Italy's Consolidated Law on Finance, that the accounting information contained herein corresponds to the company's documentation, accounting books and records.

ATTACHMENTS TO THE PRESS RELEASE

May 29, 2024

TIM GROUP – STATEMENTS

The Separate Consolidated Income Statements, Consolidated Statements of Comprehensive Income, Consolidated Statements of Financial Position, Consolidated Statements of Cash Flows, Consolidated Statements of Changes in Equity, and Consolidated Net Financial Debt of the TIM Group, presented below, are consistent with the consolidated financial statements included in the Annual Report and the Interim Financial Report (Half-Yearly). These statements have not been audited by the independent auditors.

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 should be made, except for the amendments to the standards issued by IASB and adopted starting from January 1, 2024.

TIM GROUP - SEPARATE CONSOLIDATED INCOME STATEMENTS

(million euros)	1st Quarter 2024 (a)	1st Quarter 2023 (b)	Changes (a-b)	
			absolute	%
Revenues	**3,930**	**3,847**	**83**	**2.2**
Other income	34	37	(3)	(8.1)
Total operating revenues and other income	**3,964**	**3,884**	**80**	**2.1**
Acquisition of goods and services	(1,816)	(1,756)	(60)	(3.4)
Employee benefits expenses	(711)	(1,089)	378	34.7
Other operating expenses	(194)	(181)	(13)	(7.2)
Change in inventories	27	41	(14)	(34.1)
Internally generated assets	150	140	10	7.1
Operating profit (loss) before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)	**1,420**	**1,039**	**381**	**36.7**
Depreciation and amortization	(1,204)	(1,201)	(3)	(0.2)
Gains (losses) on disposals of non-current assets	(1)	—	(1)	—
Impairment reversals (losses) on non-current assets	(8)	—	(8)	—
Operating profit (loss) (EBIT)	**207**	**(162)**	**369**	**—**
Share of profits (losses) of associates and joint ventures accounted for using the equity method	(5)	(4)	(1)	(25.0)
Other income (expenses) from investments	—	—	—	—
Finance income	299	322	(23)	(7.1)
Finance expenses	(801)	(693)	(108)	(15.6)
Profit (loss) before tax from continuing operations	**(300)**	**(537)**	**237**	**44.1**
Income tax expense	(42)	(85)	43	50.6
Profit (loss) from continuing operations	**(342)**	**(622)**	**280**	**45.0**
Profit (loss) from Discontinued operations/Non-current assets held for sale	—	—	—	—
Profit (loss) for the period	**(342)**	**(622)**	**280**	**45.0**
Attributable to:				
Owners of the Parent	**(400)**	**(689)**	**289**	**41.9**
Non-controlling interests	58	67	(9)	(13.4)

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 Quarter 2024	1st Quarter 2023
Profit (loss) for the period	(a)	**(342)**	**(622)**
Other components of the Consolidated Statement of Comprehensive			
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	1
Income tax effect		—	—
	(b)	**8**	**1**
Remeasurements of employee defined benefit plans (IAS 19):			
Actuarial gains (losses)		—	—
Income tax effect		—	—
	(c)	**—**	**—**
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)	**8**	**1**
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		(3)	1
Loss (profit) transferred to Separate Consolidated Income Statement		10	2
Income tax effect		—	—
	(f)	**7**	**3**
Hedging instruments:			
Profit (loss) from fair value adjustments		56	(18)
Loss (profit) transferred to Separate Consolidated Income Statement		(110)	105
Income tax effect		14	(22)
	(g)	**(40)**	**65**
Exchange differences on translating foreign operations:			
Profit (loss) on translating foreign operations		(39)	31
Loss (profit) on translating foreign operations transferred to Separate Consolidated Income Statement		—	—
Income tax effect		—	—
	(h)	**(39)**	**31**
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)	**(72)**	**99**
Total other components of the Consolidated Statement of Comprehensive Income	(m=e+k)	**(64)**	**100**
Total comprehensive income (loss) for the period	(a+m)	**(406)**	**(522)**
Attributable to:			
Owners of the Parent		**(449)**	**(599)**
Non-controlling interests		43	77

TIM GROUP - CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(million euros)		3.31.2024	12.31.2023	Changes
		(a)	(b)	(a-b)
Assets				
Non-current assets				
Intangible assets				
Goodwill		19,160	19,170	(10)
Intangible assets with a finite useful life		6,963	7,122	(159)
		26,123	**26,292**	**(169)**
Tangible assets				
Property, plant and equipment owned		**14,743**	**14,692**	**51**
Rights of use assets		**5,419**	**5,515**	**(96)**
Other non-current assets				
Investments in associates and joint ventures accounted for using the equity method		536	537	(1)
Other investments		150	140	10
Non-current financial receivables arising from lease contracts		111	112	(1)
Other non-current financial assets		1,067	1,103	(36)
Miscellaneous receivables and other non-current assets		2,195	2,187	8
Deferred tax assets		700	701	(1)
		4,759	**4,780**	**(21)**
Total Non-current assets	(a)	**51,044**	**51,279**	**(235)**
Current assets				
Inventories		388	345	43
Trade and miscellaneous receivables and other current assets		5,134	4,699	435
Current income tax receivables		154	191	(37)
Current financial assets				
Current financial receivables arising from lease contracts		*138*	*162*	*(24)*
Securities other than investments, other financial receivables and other current financial assets		*2,024*	*2,571*	*(547)*
Cash and cash equivalents		*1,285*	*2,912*	*(1,627)*
		3,447	5,645	(2,198)
Current assets sub-total		**9,123**	**10,880**	**(1,757)**
Discontinued operations /Non-current assets held for sale				
of a financial nature		—	—	—
of a non-financial nature		—	—	—
		—	**—**	**—**
Total Current assets	(b)	**9,123**	**10,880**	**(1,757)**
Total Assets	(a+b)	**60,167**	**62,159**	**(1,992)**

(million euros)		3.31.2024 (a)	12.31.2023 (b)	Changes (a-b)
Equity and Liabilities				
Equity				
Equity attributable to owners of the Parent		13,197	13,646	(449)
Non-controlling interests		3,810	3,867	(57)
Total Equity	(c)	**17,007**	**17,513**	**(506)**
Non-current liabilities				
Non-current financial liabilities for financing contracts and others		21,285	21,284	1
Non-current financial liabilities for lease contracts		4,666	4,743	(77)
Employee benefits		514	511	3
Deferred tax liabilities		97	83	14
Provisions		693	679	14
Miscellaneous payables and other non-current		1,345	1,326	19
Total Non-current liabilities	(d)	**28,600**	**28,626**	**(26)**
Current liabilities				
Current financial liabilities for financing contracts and others		4,627	5,771	(1,144)
Current financial liabilities for lease contracts		857	838	19
Trade and miscellaneous payables and other current liabilities		9,053	9,384	(331)
Income tax payables		23	27	(4)
Current liabilities sub-total		**14,560**	**16,020**	**(1,460)**
Liabilities directly associated with Discontinued operations/Non-current assets held for sale				
of a financial nature		—	—	—
of a non-financial nature		—	—	—
		—	**—**	**—**
Total Current Liabilities	(e)	**14,560**	**16,020**	**(1,460)**
Total Liabilities	(f=d+e)	**43,160**	**44,646**	**(1,486)**
Total Equity and Liabilities	(c+f)	**60,167**	**62,159**	**(1,992)**

TIM GROUP - CONSOLIDATED STATEMENTS OF CASH FLOW

(million euros)		1st Quarter 2024	1st Quarter 2023
Cash flows from operating activities:			
Profit (loss) from continuing operations		(342)	(622)
Adjustments for:			
Depreciation and amortization		1,204	1,201
Impairment losses (reversals) on non-current assets (including investments)		7	1
Net change in deferred tax assets and liabilities		28	60
Losses (gains) realized on disposals of non-current assets (including investments)		1	—
Share of losses (profits) of associates and joint ventures accounted for using the equity method		5	4
Change in employee benefits		24	243
Change in inventories		(44)	(41)
Change in trade receivables and other net receivables		148	164
Change in trade payables		(560)	(504)
Net change in income tax receivables/payables		33	8
Net change in miscellaneous receivables/payables and other assets/liabilities		(119)	337
Cash flows from (used in) operating activities	(a)	**385**	**851**
Cash flows from investing activities:			
Purchases of intangible, tangible and rights of use assets on a cash basis		(1,076)	(1,054)
Contributions for plants received		—	—
Acquisition of control of companies or other businesses, net of cash acquired		—	—
Acquisitions/disposals of other investments		(8)	(5)
Change in financial receivables and other financial assets (excluding hedging and non-hedging derivatives under financial assets)	(1)	429	(98)
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		2	2
Cash flows from (used in) investing activities	(b)	**(653)**	**(1,155)**
Cash flows from financing activities:			
Change in current financial liabilities and other		(18)	(82)
Proceeds from non-current financial liabilities (including current portion)		—	850
Repayments of non-current financial liabilities (including current portion)		(1,298)	(1,323)
Changes in hedging and non-hedging derivatives		1	(3)
Share capital proceeds/reimbursements (including subsidiaries)		—	—
Dividends paid		(39)	(38)
Changes in ownership interests in consolidated subsidiaries		(1)	—
Cash flows from (used in) financing activities	(c)	**(1,355)**	**(596)**
Cash flows from (used in) Discontinued operations/Non-current assets held for sale	(d)	**—**	**—**
Aggregate cash flows	(e=a+b+c+d)	**(1,623)**	**(900)**
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)	(4)	4
Net cash and cash equivalents at end of the period	(h=e+f+g)	**1,285**	**2,659**

(1) This item includes investments in marketable securities of 610 million euros in the first quarter of 2024 (680 million euros in the first quarter of 2023) and redemptions of marketable securities of 748 million euros in the first quarter of 2024 (637 million euros in the first quarter 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 Quarter 2024	1st Quarter 2023
Purchase of intangible assets	(253)	(241)
Purchase of tangible assets	(677)	(571)
Purchase of rights of use assets	(246)	(335)
Total purchases of intangible, tangible and rights of use assets on an accrual basis	(1,176)	(1,147)
Change in payables arising from purchase of intangible, tangible and rights of use assets	100	93
Total purchases of intangible, tangible and rights of use assets on a cash basis	(1,076)	(1,054)

Additional Cash Flow information

(million euros)	1st Quarter 2024	1st Quarter 2023
Income taxes (paid) received	(8)	(28)
Interest expense paid	(626)	(510)
Interest income received	122	113
Dividends received	—	—

Analysis of Net Cash and Cash Equivalents

(million euros)	1st Quarter 2024	1st Quarter 2023
Net cash and cash equivalents at beginning of the period:		
Cash and cash equivalents - from continuing operations	2,912	3,555
Bank overdrafts repayable on demand – from continuing operations	—	—
Cash and cash equivalents - from Discontinued operations/Non-current assets held for sale	—	—
Bank overdrafts repayable on demand – from Discontinued operations/Non-current assets held for sale	—	—
	2,912	**3,555**
Net cash and cash equivalents at end of the period:		
Cash and cash equivalents - from continuing operations	1,285	2,660
Bank overdrafts repayable on demand – from continuing operations	—	(1)
Cash and cash equivalents - from Discontinued operations/Non-current assets held for sale	—	—
Bank overdrafts repayable on demand – from Discontinued operations/Non-current assets held for sale	—	—
	1,285	**2,659**

TIM GROUP - CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Changes from January 1, 2023 to March 31, 2023

(million euros)	Equity attributable to owners of the Parent										
	Share capital	Additional paid-in capital	Reserve for financial assets measured at fair value through other comprehensive income	Reserve for hedging instruments	Reserve for exchange differences on translating foreign operations	Reserve for remeasurements of employee defined benefit plans (IAS 19)	Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	Other reserves and retained earnings (accumulated losses), including profit (loss) for the period	**Total**	**Non-controlling interests**	**Total Equity**
Balance at December 31, 2022	**11,614**	**2,133**	**(58)**	**65**	**(2,085)**	**(71)**	**—**	**3,463**	**15,061**	**3,664**	**18,725**
Changes in equity during the period:											
Dividends approved	—	—	—	—	—	—	—	—	**—**	(36)	**(36)**
Total comprehensive income (loss) for the period	—	—	4	65	21	—	—	(689)	**(599)**	77	**(522)**
LTI granting of treasury shares	6	—	—	—	—	—	—	(6)	**—**	—	**—**
Other changes	—	—	—	—	—	—	—	1	**1**	1	**2**
Balance at March 31, 2023	**11,620**	**2,133**	**(54)**	**130**	**(2,064)**	**(71)**	**—**	**2,769**	**14,463**	**3,706**	**18,169**

Changes from January 1, 2024 to March 31, 2024

(million euros)	Equity attributable to owners of the Parent										
	Share capital	Additional paid-in capital	Reserve for financial assets measured at fair value through other comprehensive income	Reserve for hedging instruments	Reserve for exchange differences on translating foreign operations	Reserve for remeasurements of employee defined benefit plans (IAS 19)	Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	Other reserves and retained earnings (accumulated losses), including profit (loss) for the period	**Total**	**Non-controlling interests**	**Total Equity**
Balance at December 31, 2023	**11,620**	**575**	**(22)**	**(80)**	**(1,959)**	**(79)**	**—**	**3,591**	**13,646**	**3,867**	**17,513**
Changes in equity during the period:											
Dividends	—	—	—	—	—	—	—	—	**—**	(94)	**(94)**
Total comprehensive income (loss) for the period	—	—	15	(40)	(24)	—	—	(400)	**(449)**	43	**(406)**
LTI granting of treasury shares	4	—	—	—	—	—	—	(4)	**—**	—	**—**
Other changes	—	—	—	—	—	—	—	—	**—**	(6)	**(6)**
Balance at March 31, 2024	11,624	575	(7)	(120)	(1,983)	(79)	—	3,187	13,197	3,810	17,007

TIM GROUP - NET FINANCIAL DEBT

(million euros)	3.31.2024 (a)	12.31.2023 (b)	Change (a-b)
Non-current financial liabilities			
Bonds	15,310	15,297	13
Amounts due to banks, other financial payables and liabilities	5,975	5,987	(12)
Non-current financial liabilities for lease contracts	4,666	4,743	(77)
	25,951	**26,027**	**(76)**
Current financial liabilities (*)			
Bonds	2,810	3,266	(456)
Amounts due to banks, other financial payables and liabilities	1,817	2,505	(688)
Current financial liabilities for lease contracts	857	838	19
	5,484	**6,609**	**(1,125)**
Financial liabilities directly associated with Discontinued operations/Non-current assets held for sale	—	—	—
Total Gross financial debt	**31,435**	**32,636**	**(1,201)**
Non-current financial assets			
Securities other than investments	—	—	—
Non-current financial receivables arising from lease contracts	(111)	(112)	1
Financial receivables and other non-current financial assets	(1,067)	(1,103)	36
	(1,178)	**(1,215)**	**37**
Current financial assets			
Securities other than investments	(1,788)	(1,882)	94
Current financial receivables arising from lease contracts	(138)	(162)	24
Financial receivables and other current financial assets	(236)	(689)	453
Cash and cash equivalents	(1,285)	(2,912)	1,627
	(3,447)	**(5,645)**	**2,198**
Financial assets relating to Discontinued operations/Non-current assets held for sale	—	—	—
Total financial assets	**(4,625)**	**(6,860)**	**2,235**
Net financial debt carrying amount	**26,810**	**25,776**	**1,034**
Reversal of fair value measurement of derivatives and related financial liabilities/assets	*(166)*	*(120)*	*(46)*
Adjusted Net Financial Debt	**26,644**	**25,656**	**988**
Breakdown as follows:			
Total adjusted gross financial debt	**30,845**	**32,001**	**(1,156)**
Total adjusted financial assets	**(4,201)**	**(6,345)**	**2,144**
(*) of which current portion of medium/long-term debt:			
Bonds	*2,810*	*3,266*	*(456)*
Amounts due to banks, other financial payables and liabilities	*598*	*1,166*	*(568)*
Current financial liabilities for lease contracts	*799*	*786*	*13*

TIM GROUP - CHANGE IN ADJUSTED NET FINANCIAL DEBT

(million euros)	1st Quarter 2024 (a)	1st Quarter 2023 (b)	Change (a-b)
EBITDA	1,420	1,039	381
Capital expenditures on an accrual basis	(940)	(837)	(103)
Change in net operating working capital:	(553)	(157)	(396)
Change in inventories	*(44)*	*(41)*	*(3)*
Change in trade receivables and other net receivables	*148*	*164*	*(16)*
Change in trade payables	*(696)*	*(722)*	*26*
Change in payables for mobile telephone licenses/spectrum	—	—	—
Other changes in operating receivables/payables	*39*	*442*	*(403)*
Change in employee benefits	24	243	(219)
Advance received on NRRP contributions	—	—	—
Change in operating provisions and Other changes	47	10	37
Net Operating Free Cash Flow	**(2)**	**298**	**(300)**
% of Revenues	*(0.1)*	*7.7*	*(7.8)pp*
Sale of investments and other disposals flow	2	2	—
Share capital increases/reimbursements including incidental	—	—	—
Financial investments	(9)	(5)	(4)
Dividends payment	(39)	(38)	(1)
Increases in lease contracts	(236)	(310)	74
Finance expenses, income taxes and other net non-operating requirements flow	(704)	(403)	(301)
Reduction/(Increase) in adjusted net financial debt from continuing operations	**(988)**	**(456)**	**(532)**
Reduction/(Increase) in net financial debt from Discontinued operations/Non-current assets held for sale	—	—	—
Reduction/(Increase) in adjusted net financial debt	**(988)**	**(456)**	**(532)**

Equity Free Cash Flow

(million euros)	1st Quarter 2024	1st Quarter 2023	Change
Reduction/(Increase) in adjusted net financial debt from continuing operations	**(988)**	**(456)**	**(532)**
Impact for finance leases (new lease operations and/or renewals and/or extensions (-)/any terminations/early extinguishing of leases (+))	150	296	(146)
Payment of TLC licenses and for the use of frequencies	—	—	—
Financial impact of acquisitions and/or disposals of investments	9	5	4
Dividend payment and Changes in Equity	39	38	1
Equity Free Cash Flow	**(790)**	**(117)**	**(673)**

TIM GROUP - COMPLEX CONTRACTS

As part of a process to identify and define initiatives to develop the Company's internal risk management system, in 2022 the TIM Group set up a Technical Committee to supervise complex contracts (the "Technical Committee").

The Technical Committee has defined:

- the objective criteria according to which a contract can be classified as “complex”;
- a process for evaluating and authorizing complex contracts involving multiple players and expertise capable of assessing the various risk profiles (collective decision-making process);
- an update to the policy governing the formalization process of contracts within the Group by providing for a clear identification and formalization of the rationale underlying the decision-making process for awarding complex contracts, as well as the related escalation mechanisms, thus strengthening the process of identifying and reconstructing the sources, information elements and controls performed.

Since 2021, some multi-year contracts for the offer of multimedia content and a connectivity agreement have showed an overall negative margin over the entire contract term, with provisions having to be made for contractual risks for onerous contracts for the residual durations of the agreements. The residual value of the provision and the forecasts of the total contractual margin are periodically revised in order to confirm or update the initial estimates and the residual amount of the provision itself.

The utilization of the contractual risks provision for onerous contracts makes it possible to offset the negative EBITDA component (referring both to business operating performance and the commitments in terms of fees that TIM is contractually obliged to pay to counterparties) by recognizing a zero (organic) operating margin over the duration of the contract.

At March 31, 2024, the provision for contractual risks for onerous contracts totalled 208 million euros, which is sufficient to compensate the negative margins over the entire duration of the contract.

From a financial point of view, the negative margin covered by the provision impacts the net financial position and cash flows equally.

With reference to multi-year contracts which, in some cases, require TIM to pay the counterparty fees by way of a guaranteed minimum, it should be noted that the valuation of such contracts and the estimation of the costs associated with them is subject to numerous uncertainties, including market dynamics, pronouncements of market regulatory authorities and the development of new technologies to support the service. These estimates are periodically revised on the basis of the final data to ensure that the forecast figure remains within reasonably foreseeable ranges. Not all factors mentioned are under the Company's control and could, therefore, have a significant impact on future forecasts about the performance of the contracts themselves, the estimated margins (positive or negative), and the cash flows that will be generated.

TIM GROUP - INFORMATION BY OPERATING SEGMENT

Domestic

(million euros)	1st Quarter 2024 (a)	1st Quarter 2023 (b)	Changes (a-b) absolute	%	% organic excluding non-recurring
Revenues	2,806	2,843	(37)	(1.3)	(1.3)
EBITDA	886	582	304	52.2	(3.4)
% of Revenues	*31.6*	*20.5*		*11.1 pp*	*(0.8) pp*
EBIT	(2)	(303)	301	(99.3)	(32.2)
% of Revenues	*(0.1)*	*(10.7)*		*10.6 pp*	*(1.2) pp*
Headcount at period end (number) (°)	37,888	(*) 37,901	(13)	—	

(°) Includes 7 agency contract workers at March 31, 2024 (31 at December 31, 2023).
(*) The headcount is current as of December 31, 2023.

Fixed

	3.31.2024	12.31.2023	3.31.2023
Total TIM Retail accesses (thousands)	7,881	7,975	8,216
of which NGN [(1)]	*5,616*	*5,580*	*5,487*
Total TIM Wholesale accesses (thousands)	7,266	7,247	7,453
of which NGN	*5,328*	*5,280*	*5,206*
Active TIM Retail Broadband accesses (thousands)	7,130	7,196	7,379
Consumer ARPU (€/month) [(2)]	29.2	28.1	27.3
Broadband ARPU (€/month) [(3)]	38.0	38.1	34.5

(1) UltraBroadband access in FTTx and FWA mode, including "data only" and GBE (Gigabit Ethernet) lines.
(2) Organic Consumer retail service revenues in proportion to the average number of Consumer accesses.
(3) Organic broadband service revenues in proportion to the average number of active TIM retail broadband accesses.

Mobile

	3.31.2024	12.31.2023	3.31.2023
Lines at period end (thousands)	29,995	30,128	30,201
of which Human	*17,908*	*18,071*	*18,297*
Churn rate (%) [(4)]	3.3	12.8	3.7
Broadband users (thousands) [(5)]	12,703	12,592	12,584
Retail ARPU (€/month) [(6)]	6.5	6.7 (*)	6.5 (*)
Human ARPU (€/month) [(7)]	10.8	11.1 (*)	10.7 (*)

(4) Percentage of total lines discontinued in the period compared to the average total.
(5) Mobile lines using data services.
(6) Organic retail service revenues (excluding *visitors* and MVNOs) in proportion to average lines.
(7) Organic retail service revenues (excluding *visitors* and MVNOs) in proportion to average human lines.
(*) The figures for the Retail and Human ARPU at December 31, 2023 and March 31, 2023 have been adjusted following the revision of internal contracts for the provision of services to TIM S.p.A. employees commencing the 2024 financial year.

Brazil

	(million euros)		(million Brazilian reais)		Changes		
	1st Quarter 2024 (a)	1st Quarter 2023 (b)	1st Quarter 2024 (c)	1st Quarter 2023 (d)	absolute (c-d)	% (c-d)/d	% organic excluding non-
Revenues	1,134	1,012	6,096	5,640	456	8.1	8.1
EBITDA	535	459	2,876	2,559	317	12.4	11.8
% of Revenues	*47.2*	45.4	*47.2*	45.4		*1.8pp*	*1.6pp*
EBIT	211	143	1,135	796	339	42.6	40.3
% of Revenues	*18.6*	*14.1*	*18.6*	*14.1*		*4.5pp*	*4.3pp*
Headcount at period end (number)			9,267	(°)9,267	—	—	

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

TIM GROUP - TOWARDS THE NEW COMPANY

Introduction

In order to provide a better understanding of the business's performance, organic economic and financial information relating to the operating performance in the first quarter of 2024 and the first quarter of 2023 of the business in the "ServiceCo" perimeter is presented below. 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 ServiceCo perimeter, effective January 1, 2022. These figures should not be considered as a substitute for the economic and financial information of which they provide a different detail, are unaudited, are produced for explanatory purposes only, and may differ substantially from those that will be published in financial statements prepared in accordance with the IFRS Accounting Standards.

At its meeting of July 6, 2022, TIM's Board of Directors approved the strategic objective of reorganizing the Company with the aim of leaving behind the Company's vertical integration.

In November 2023, the Board of Directors of TIM S.p.A., following an extensive and in-depth examination, conducted with the assistance of leading financial and legal advisors, examined and then accepted the binding offer submitted on October 16, 2023 by Kohlberg Kravis Roberts & Co. L.P. ("KKR") for the purchase of TIM's fixed network assets and the shareholdings held in FiberCop S.p.A. and Telenergia S.r.l. ("NetCo"), by Optics BidCo S.p.A. (a subsidiary of KKR).

In execution of the resolutions adopted, TIM S.p.A. has signed a transaction agreement with Optics BidCo that governs:

- the transfer by TIM S.p.A. of a business unit – consisting of the activities relating to the primary network, the wholesale business and the entire shareholding in the subsidiary Telenergia S.r.l. – to FiberCop S.p.A., a company that already manages the activities relating to the secondary fibre and copper network; and
- the simultaneous purchase by Optics Bidco of the entire shareholding held by TIM S.p.A. in FiberCop S.p.A., as a result of the aforementioned contribution (the "Acquisition").

The transaction agreement provides that on the closing date, the master services agreements will be signed that will govern the terms and conditions of the services to be performed between NetCo and TIM S.p.A. following the completion of the Transaction.

The transaction agreement also provides that the consideration for the sale of the Shareholding could also be partially paid through the transfer of part of the TIM Group's debt on the closing of the NetCo transaction (so-called liability management).

In particular, the three "Exchange Offers" for the bonds issued by TIM S.p.A., Telecom Italia Finance S.A. and Telecom Italia Capital S.A., launched on April 18, 2024, were completed on May 21, 2024 for a nominal value of 3,669,680,000 euros for the bonds issued by TIM S.p.A. and Telecom Italia Finance S.A., and for a nominal value of USD 2,000,011,000 for the bonds issued by Telecom Italia Capital S.A.. The new notes issued by the three companies will have substantially the same terms as the corresponding series of Original Notes, including insofar as their maturities, interest rates, interest payment dates and restrictive covenants. The exception will be in their Acquisition Exchange provisions and their minimum denomination provisions, where applicable. These will be traded on the Closing date by means of a mandatory automatic exchange of debt from the TIM Group to the counterparty, which will become the bond holder. For more details, see the press releases issued on April 18, 2024, May 2, 2024 and May 17, 2024.

The preparatory activities and conditions precedent that must be met for closing to occur include the completion of the contribution of the primary network, antitrust authorization (KKR notified the transaction to the Directorate-General for Competition of the European Commission on April 19, 2024), authorization surrounding distortive foreign subsidies and authorization under the Golden Power regulations (the latter was obtained in January 2024).

When the aforementioned assets are completed and the related conditions precedent are met, NetCo will be classified as an available-for-sale asset pursuant to IFRS 5.

ServiceCo - like for like view

(million euros) - organic data (*)	1st Quarter 2024	1st Quarter 2023	% Change
Revenues	**3,503**	**3,408**	**2.8**
TIM Domestic	2,379	2,367	0.5
of which TIM Consumer	*1,481*	*1,478*	*0.2*
of which TIM Enterprise	*729*	*712*	*2.4*
of which Sparkle	*215*	*227*	*(5.3)*
TIM Brasil	1,134	1,049	8.1
Service revenues	**3,277**	**3,168**	**3.4**
TIM Domestic	2,188	2,159	1.3
of which TIM Consumer	*1,356*	*1,346*	*0.8*
of which TIM Enterprise	*665*	*638*	*4.3*
of which Sparkle	*213*	*225*	*(5.3)*
TIM Brasil	1,099	1,017	8.1
EBITDA	**1,016**	**910**	**11.6**
TIM Domestic	483	434	11.3
TIM Brasil	535	478	11.8
EBITDA AL	**845**	**725**	**16.6**
TIM Domestic	441	396	11.4
TIM Brasil	406	331	22.7
CAPEX (net of telecommunications licenses)	**543**	**527**	**3.0**
TIM Domestic	291	287	1.4
TIM Brasil	252	240	5.1
EBITDA AL - CAPEX (net of telecommunications licenses)	**302**	**198**	**52.5**
TIM Domestic	150	109	37.6
TIM Brasil	154	91	69.2

(*) 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.

Some accounting amounts/treatments are based on the current state of the discussions with the counterparty and are subject to change on the closing date.

TIM GROUP - HEADCOUNT

Average salaried workforce

(equivalent number)	1st Quarter 2024 (a)	Year 2023 (b)	1st Quarter 2023 (c)	Change (a-c)
Average salaried workforce – Italy	33,702	33,983	34,746	(1,044)
Average salaried workforce – Outside Italy	9,113	9,162	9,243	(130)
Total average salaried workforce [1]	**42,815**	**43,145**	**43,989**	**(1,174)**

[1] Includes personnel on temporary employment contracts: 4 average salaried staff in Italy in the first quarter of 2024; 31 average salaried staff in Italy in the year 2023; 30 average salaried staff in Italy in the first quarter of 2023.

Headcount at period end

(number)	3.31.2024 (a)	12.31.2023 (b)	3.31.2023 (c)	Change (a-b)
Headcount – Italy	37,658	37,670	40,671	(12)
Headcount – Outside Italy	9,510	9,510	9,672	—
Total headcount at period end [1]	**47,168**	**47,180**	**50,343**	**(12)**

[1] Includes personnel on temporary employment contracts: 7 in Italy as of December 31, 2024; 31 in Italy as of December 31, 2023; 38 in Italy as of March 31, 2023. .

Headcount at period end - Breakdown by Business Unit

(number)	3.31.2024 (a)	12.31.2023 (b)	3.31.2023 (c)	Change (a-b)
Domestic	37,888	37,901	40,906	(13)
Brazil	9,267	9,267	9,424	—
Other Operations	13	12	13	1
Total	**47,168**	**47,180**	**50,343**	**(12)**

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 Quarter 2024	1st Quarter 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	(15)	(4)
Employee benefits expenses:		
Charges connected to corporate reorganization/restructuring and other costs	(53)	(416)
Other operating expenses:		
Expenses related to disputes and regulatory penalties and liabilities related to those expenses, other provisions and charges	(12)	—
Impact on Operating profit (loss) before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)	**(80)**	**(420)**
Impact on Operating profit (loss) (EBIT)	**(80)**	**(420)**
Finance income:		
Other finance income	(2)	—
Finance expenses:		
Other finance expenses	(11)	(9)
Impact on profit (loss) before tax from continuing operations	**(93)**	**(429)**
Income tax expense on non-recurring items	—	2
Impact on profit (loss) for the period	**(93)**	**(427)**

TIM GROUP - DEBT STRUCTURE, BOND ISSUES AND MATURING BONDS

Revolving Credit Facility

The table below shows the committed(*) credit lines available as of March 31, 2024:

(billion euros)	3.31.2024		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, with a maturity of up to 18 months. The transaction is aimed at covering the refinancing needs up to the date of closing of the NetCo sale, and its conditions are in line with market benchmarks.

Bonds

During the first quarter of 2024, bonds performed 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

The nominal repayment amount, net of treasury security buybacks, of the bonds maturing in the 18 months following March 31, 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 4,337 million euros, as detailed below:

- 950 million euros, maturing on April 11, 2024;
- 1,387 million euros (equivalent value of 1,500 million US dollars), maturing on May 30, 2024;
- 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.

As a result, as of March 31, 2024, the nominal outstanding loans taken out with the EIB totalled 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.

Some TIM loan agreements contain financial covenants (e.g. Debt/EBITDA, EBITDA/interest ratios, etc.), failure to comply with which would entail an obligation to repay the outstanding 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).

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 March 31, 2024, no covenant, negative pledge or other clause relating to the aforementioned debt position had in any way been breached or violated.

TIM GROUP - DISPUTES AND PENDING LEGAL ACTIONS

An overview of the most significant judicial, arbitration and tax disputes in which TIM Group companies are involved at March 31, 2024, as well as those that came to an end during the period is given below.

The TIM Group has posted liabilities totalling 379 million euros for those disputes described below where the risk of losing the case has been considered probable.

It should be noted that for some disputes described below, on the basis of the information available at the closing date of this Financial Disclosure and with particular reference to the complexity of the proceedings, to their progress, and to elements of uncertainty of a technical-trial nature, it was not possible to make a reliable estimate of the size and/or times of possible payments, if any. Moreover, in those cases in which disclosure of information about a dispute could seriously jeopardize the position of TIM or its subsidiaries, only the general nature of the dispute is described.

Lastly, as regards the proceedings with the Antitrust Authority, please note that based on Article 15, subsection 1 of Italian Law 287/1990 ("Antitrust Regulations"), the Authority has the right to impose an administrative sanction calculated on the turnover of the Group in cases of breaches considered serious.

(a) Significant disputes and pending legal actions

With regard to the following disputes and legal actions, there were no significant events beyond those disclosed in the 2023 Annual Report:

- Golden Power case;
- Antitrust case A428;
- Colt Technology Services, COMM 3000, Eutelia and Clouditalia Telecomunicazioni (connected to the Antitrust case A428);
- Irideos;
- 28-day billing;
- Antitrust case I850;
- Universal Service;
- Dispute relating to "Adjustments on license fees" for the years 1994-1998;
- Iliad (restrictions on duration and termination costs);
- Fastweb (Ethernet ATM migration).

International tax and regulatory disputes

At March 31, 2024, companies belonging to the Brazil Business Unit were involved in tax or regulatory disputes, the outcome of which is estimated as a possible loss totalling around 19.4 billion reais (19.2 billion reais at December 31, 2023), corresponding to approximately 3.6 billion euros at March 31, 2024. The main types of litigation are listed below, classified according to the tax to which they refer.

Federal taxes

In relation to the federal level of taxation, the following disputes should be noted:

- disallowance of the tax effects of the merger between the companies of the TIM Brasil Group;
- denial of the SUDENE regional tax benefit, due to alleged irregularities in the management and reporting of the benefit itself;
- challenges regarding offsetting against previous tax losses;
- further challenges regarding the tax deductibility of the amortization of goodwill;
- imposition of income tax on certain types of exchange rate differences;
- imposition of withholding taxes on certain types of payments to foreign entities (for example, payments for international roaming);
- further challenges regarding offsets made between taxes payable and group company credit positions.

Overall, the risk for these cases, considered to be possible, amounts to 3.1 billion reais (3.1 billion reais at December 31, 2023).

State taxes

Within the scope of the state levy, there are numerous challenges regarding ICMS, and in particular:

- challenges concerning the reduction of the tax base due to discounts granted to customers, as well as challenges regarding the use of tax credits declared by group companies, with respect to the return of loaned telephone handsets, and following the detection of contract frauds to the detriment of the companies;
- subjection of some fees owed to group companies and classified by them as fees for services other than telecommunications to ICMS;
- challenges over the use of the "PRO-DF" tax benefit originally granted by some states, and subsequently declared unconstitutional (the challenge refers to the actual credit due to ICMS, declared by TIM Cellular, now incorporated into TIM S.A., on the basis of the aforementioned tax benefits);
- challenges relating to the use of ICMS credits claimed by Group companies as a result of the acquisition of property, plant and equipment, and in relation to the supply of electricity to the companies, as well as in application of the provisions on acting as a withholding agent;
- fines imposed on group companies for irregularities in tax return compliance;
- challenges of ICMS credits in relation to the tax substitution procedure applicable when equipment is bought and distributed in different states;
- challenges of ICMS credits deriving from the “special credit” recognized by the company to its prepaid customers, against subsequent top-ups.

Overall, the risk for these cases, considered to be possible, amounts to 10.6 billion reais (10.4 billion reais at December 31, 2023).

Municipal taxes

Among disputes classified with a "possible" degree of risk, there are some relating to municipal taxes for a total amounting to around 1.7 billion reais (around 1.7 billion reais at December 31, 2023).

FUST and FUNTTEL

The main challenges about contributions to the regulatory body (Anatel), and in particular in terms of FUST and FUNTTEL, concern whether or not interconnection revenues should be subject to these contributions.

Overall, the risk for these cases, considered to be possible, amounts to 4.0 billion reais (4.0 billion reais at December 31, 2023).

Antitrust case A514

In June 2017 AGCM (the Italian Competition Authority) started proceedings A514 against TIM, to ascertain a possible abuse of its dominant market position in breach of article 102 of the “Treaty on the Functioning of the European Union”. The proceedings were started based on some complaints filed in May and June 2017, by Infratel, Enel, Open Fiber, Vodafone and Wind Tre, and concerns a presumed abuse of TIM's dominant position in the market for wholesale access services and for retail services using the Broadband and Ultrabroadband fixed network. In particular, the AGCM (the Italian Competition Authority) hypothesized that TIM had adopted conduct aimed at: (i) slowing and hindering the course of the Infratel tender processes so as to delay, or render less remunerative the entry of another operator in the wholesale market; (ii) pre-emptively securing customers on the retail market for Ultrabroadband services by means of commercial policies designed to restrict the space of customer contendibility remaining for the competitor operators.

After the start of the proceedings, the Authority's officials carried out an inspection at some of TIM’s offices in the month of July 2017. On November 2, 2017, TIM filed a defence brief in which, in support of the correctness of its actions, it challenged all the arguments that the conduct it had allegedly engaged in, and which was the subject of the case, was unlawful.

On February 14, 2018, AGCM (the Italian Competition Authority) resolved to extend the scope of the case to investigate further behavior concerning TIM's wholesale pricing strategy on the market for wholesale access to Broadband and Ultrabroadband, and the use of the confidential information of customers of the alternative operators.

On July 5, 2018 TIM filed proposed undertakings which, if accepted by the Authority, would close the investigation without any offence being established or sanction being administered. The undertakings were considered as admissible by the Authority, that market tested them in August and September.

On October 30, 2018, TIM replied to observations made by third parties and modified its proposed undertakings. With its decision notified on December 4, 2018, AGCM (the Italian Competition Authority) once and for all rejected the proposed series of undertakings as it considered them unsuitable in light of the objections raised.

On March 4, 2019, TIM requested AGCM (the Italian Competition Authority) for an extension of the deadline for closing the proceedings (initially set for May 31, 2019).

On April 10, 2019, AGCM (the Italian Competition Authority) resolved to extend the deadline for conclusion of the proceedings until September 30, 2019. On May 17, 2019, AGCM (the Italian Competition Authority) notified TIM of the results of the investigation (CRI). In the CRI, AGCM (the Italian Competition Authority) essentially confirmed the case for the prosecution outlined in the start-up and extension of the proceedings orders.

On June 12, 2019 AGCM (the Italian Competition Authority) extended the deadline for deposit of TIM's final defence to September 20, 2019 and set the final hearing for September 25, 2019.

On September 18, 2019, AGCM (the Italian Competition Authority) resolved to further extend the deadline for conclusion of the proceedings, which were scheduled for February 28, 2020.

On March 6, 2020, TIM was notified of the decision to close the investigation: AGCM (the Italian Competition Authority) ruled that TIM had abused its dominant position, finding that TIM had put in place an anticompetitive strategy designed to hinder the competitive development of investment in Ultrabroadband network infrastructure. The fine imposed on TIM for the anti-competitive offence is 116,099,937.60 euros.

On June 25, 2020 TIM sent AGCM (the Italian Competition Authority) the so-called compliance report as ordered in the final provision.

In May 2021, the Company in any case paid the fine.

TIM appealed the aforementioned fine before the Lazio Regional Administrative Court (TAR). By judgment 1963/2022 of February 28, 2022, TIM's appeal was rejected; TIM has appealed to the Council of State against the decision of the regional administrative court.

In August 2022, Irideos notified a deed of intervention *ad opponendum* with respect to TIM's principal appeal.

The related hearing for oral discussion was scheduled for May 25, 2023. At the end of the hearing, the Council of State ordered a report from a court-appointed expert on three issues regarding the profitability of the investment in "white areas" with low population density. On October 11, 2023, the court-appointed experts were sworn-in in the Council of State and requested an extension to the completion deadlines. Under the new deadlines granted by the Council of State, the expert report should be filed by May 2024.

The case is set for a public hearing on October 10, 2024.

Open Fiber

In March 2020, Open Fiber (OF) sued TIM before the Court of Milan, claiming damages of 1.5 billion euros for alleged abuse of an exclusive and dominant position in relation to OF. The alleged actions consist of: (i) preemptive investments in FTTC networks in white areas; (ii) initiating specious legal action to obstruct Infratel tenders; (iii) spurious repricing of certain wholesale services; (iv) commercial lock-in offers on the retail market; (v) false disclosure to AGCOM in connection with the approval of a wholesale offer and spreading rumors about TIM being interested in acquiring OF; (vi) discriminatory access conditions to TIM passive infrastructure. TIM filed an appearance, contesting the arguments of OF. Enel S.p.A. intervened in the proceedings, asking that TIM be ordered to compensate all damages suffered and being suffered by Enel and OF, without, however, quantifying such. During the course of proceedings, Open Fiber redetermined the damage allegedly suffered, taking it to 2.6 billion euros plus interest and monetary revaluation. Open Fiber has also clarified that it believes such damages are still to be suffered. Enel then quantified the damages allegedly suffered as approximately 228 million euros, plus interest. On October 19, 2022, the hearing was held for admission of the evidence, after which the judge reserved the right to deliberate. By order of July 17, 2023, the Court of Milan lifted the reservation and deferred the hearing for delivery of the verdict until April 3, 2024. At the hearing of April 3, the judge ordered that Court obtain the expert witness report rendered in the appeal proceedings brought by TIM before the Council of State against the unfavourable ruling of the Regional Administrative Court relating to fines imposed in relation to case A514. The case was then adjourned to be heard on June 12, 2024.

Eutelia and Voiceplus

In June 2009, Eutelia and Voiceplus asked that alleged acts of abuse by TIM of its dominant position in the premium services market (based on the public offer of services provided through so-called Non Geographic Numbers) be investigated. The complainants quantified the total damages at approximately 730 million euros.

The case follows a precautionary procedure in which the Milan Appeal Court prohibited certain behaviours of the Company relating to the management of some financial relations with Eutelia and Voiceplus concerning the Non Geographic Numbers, for which TIM managed the payments from the end customers, on behalf of such OLOs and in the light of regulatory requirements. After the ruling of the Milan Court of Appeal accepting TIM's objections, declaring that it was not competent in this matter and referring the case to the Civil Court, Eutelia (in extraordinary administration) and Voiceplus (in liquidation) resubmitted the matter to the Court of Milan. The first hearing took place in March 2014. TIM filed an appearance challenging the claims of the other parties. After the collapse of Voiceplus, the Court of Milan declared the case suspended in an order in September 2015. The case was later resumed by Voiceplus.

In its judgment issued in February 2018, the Court of Milan accepted TIM's defence and rejected the plaintiffs' claim for compensation, ordering them, jointly and severally, to pay the legal costs. In March 2018, Eutelia and Voiceplus lodged an appeal against the judgment in the first instance.

TIM appealed against the claim, requesting confirmation in full of the judgment in the first instance. The appeal of Eutelia and Voiceplus was fully rejected with the judgment of August 5, 2019. In December 2019 Eutelia and Voiceplus appealed to the Court of Cassation against the judgment of the Court of Appeal. TIM notified a counterclaim asking confirmation of the ruling appealed against. The hearing in chambers was scheduled for February 16, 2023. At the hearing on February 16, 2023, at the request of the applicants, it was ordered that the case be heard in open court, with a hearing scheduled for June 12, 2024.

Antitrust case I820

On February 19, 2018, AGCM (the Italian Competition Authority) initiated a I820 preliminary proceeding against the companies TIM, Vodafone, Fastweb, Wind Tre and the industry association ASSTEL to investigate the alleged existence of an agreement among the major fixed-line and mobile telephone operators to restrict competition by coordinating their respective commercial strategies, in breach of Art. 101 of the TFUE.

The presumed coordination, according to the opening provision of the proceedings by AGCM (the Italian Competition Authority), would take the form of the implementation of the obligation introduced by Article 19-

quinquiesdecies of Legislative Decree 148/2017 (converted by Law 172/2017) which requires operators of electronic communication services to send out monthly (or monthly multiples) bills and renewed offers for fixed and mobile services.

On March 21, 2018, AGCM (the Italian Competition Authority) issued a provisional precautionary measure against all the operators involved in the proceedings with which it ordered the suspension, pending the proceedings, of the implementation of the agreement concerning the determination of repricing communicated to users at the time of reformulating the billing cycle in compliance with Law 172/17 and to independently redetermine its commercial strategy. In its decision No. 27112 of April 11, 2018, AGCM (the Italian Competition Authority) confirmed the precautionary measure.

On June 12, 2018, TIM filed an appeal with the TAR for the quashing of said measure.

On January 31, 2020, TIM was notified of the decision to close the investigation, in which AGCM (the Italian Competition Authority) confirmed the existence of the agreement between TIM, Vodafone, Fastweb, Wind Tre, but excluding Asstel from participation in the agreement. The fine imposed on TIM for participation in the anticompetitive agreement was 114,398,325 euros. In April 2020, TIM also challenged the fine order.

In a ruling published on July 12, 2021, the Lazio Regional Administrative Court upheld the petition and the grounds added and submitted by TIM, canceling the measures taken by AGCM (the Italian Competition Authority), including that relating to the existence of the agreement and application of the fine.

On September 11, 2021, AGCM (the Italian Competition Authority) presented a petition to the Council of State, requesting the cancellation of the judgment given by the regional administrative court.

On July 25, 2023, the Council of State reformed the decision of the Lazio Regional Administrative Court, upholding the validity of AGCM's (the Italian Competition Authority) measure in Case I820 and referring to the Authority to redetermine the fine in view of the reduced duration of the infringement.

In view of the rulings of the Council of State on the quantum of the sanction, TIM – in a petition dated August 28, 2023 – asked the AGCM (the Italian Competition Authority) for the redetermination of the sanction to take place in full adversarial proceedings between the parties as part of a special investigation procedure.

In its order of September 26, 2023, served on the Company on October 3, 2023, the AGCM (the Italian Competition Authority) informed TIM that it had quantified the fine at 100,670,526.00 euros, holding that it had no margins for discretion in executing the judgment of the Council of State. On October 12, 2023, TIM filed an appeal to overturn the judgment of the Council of State and, on October 13, 2023, filed an appeal before the Lazio Regional Administrative Court to annul the measure redetermining the sanction; TIM also requested the precautionary suspension of the measure, but this was rejected by order of November 9, 2023. For both judgments a hearing on the merits has yet to be set.

In a communication dated December 6, 2023, the Authority urged TIM to pay the penalty of 100,670,526.00 euros plus legal interest accrued from November 3, 2023 until the day of actual payment amounting to 5,535,913.60 euros.

In a communication dated December 12, 2023, TIM contested the dueness of such interest due to the absence of the prerequisites of liquidity and collectability required by Article 1282 of the Italian Civil Code, as well as an error in identifying the start date for the calculation.

The Authority's Budget Office responded on February 2, 2024, acknowledging an error in the calculation of legal interest, which was therefore restated to the amount of 4,121,837.47 euros, but reiterating that the same is due.

On March 29, 2024, TIM lodged an appeal with the Lazio Regional Administrative Court against the communication from the Budget Office, contesting both the error in the calculation of the interest due and a defect in the competence of the Budget Office.

Antitrust case I857

On July 6, 2021, AGCM (the Italian Competition Authority) started an investigation in regard to TIM and DAZN for a possible understanding reached with a view to restricting competition in connection with the agreement for the distribution and technological support for TV rights for Serie A football in the 2021-2024 period.

The investigation also aims to verify the restrictive nature of the understanding with reference to additional elements regarding the possible adoption by TIM of technical solutions not available for competitor telecommunications operators and which may effectively hinder the adoption of their own technological solutions.

At the same time, the Authority has also initiated proceedings for the potential adoption of protective measures.

By resolution passed on July 27, 2021, AGCM (the Italian Competition Authority) closed the interim proceedings, considering that the initiatives and amendments to the agreement proposed by TIM and DAZN in the meantime are presently able to prevent any serious and irreparable damage to competitors while investigations are completed.

Indeed, said measures aim, as a whole, to avoid possible discrimination in the use of the DAZN service, due to its activation by users using Internet connection services other than those offered by TIM. In addition, the agreement between TIM and DAZN has been amended to guarantee DAZN complete freedom in applying discounts and promotions. TIM has also undertaken to provide DAZN with a sufficient number of white label set-top-boxes to also guarantee DAZN customers the viewing of matches over digital terrestrial TV, in the event of connection problems.

Finally, TIM has undertaken to supply wholesale services to OAOs interested therein to manage traffic peaks deriving from live data transmissions, regardless of the type of content transmitted.

On October 29, 2021 TIM submitted a proposal for undertakings to AGCM (the Italian Competition Authority) with a view to resolving the competitive concerns that were the subject of the investigation and closing the proceedings without the finding of any infringement and therefore without any sanction being applied.

On December 14, 2021, AGCM (the Italian Competition Authority) approved the publication of the aforementioned proposal for undertakings on the Authority's website, as these undertakings, taken as a whole, do not appear to be manifestly unfounded and are capable of removing the restrictions to competition hypothesized in the measure initiating the investigation in question.

On January 5, 2022, with the publication on the AGCM (the Italian Competition Authority) website, market testing began.

The deadline for rebuttal arguments and proposing any accessory amendments to the commitments presented by TIM and DAZN is scheduled for March 7, 2022.

On February 23, 2022, TIM and DAZN were convened separately to the AGCM (the Italian Competition Authority) offices. During the hearing, the Offices informed TIM – and thereafter confirmed this in the hearing meetings – that in a hearing held on February 15, the Board deemed it necessary to make certain “accessory” changes in order to approve the commitments submitted.

On March 4, 2022, TIM and DAZN requested an extension of the deadline for the submission of observations, also in view of the new aspects that had emerged on February 23. The new deadline was set as March 23, 2022.

On March 22, 2022, TIM informed the Authority that the additional changes considered necessary by the Board to approve the commitments would have entailed a complete overhaul of the contents and economic balance of the agreements signed by TIM and DAZN, such as to make it no longer possible to pursue the hypothesized business model. At the same time, TIM informed the Authority of the start of negotiations with DAZN possibly concerning the revision of the distribution exclusivity clause, which was the main object of the Authority's investigation. Considering the complexity of negotiations, TIM requested an extension of another 30 days for submission of observations. The extension was authorized and the new deadline set as April 23, 2022.

On April 20, 2022, in consideration of the extension of negotiations, also due to the complexity and economic relevance of that being negotiated, DAZN and TIM requested an additional extension. The new deadline was set as May 9, 2022.

On May 9, 2022, TIM informed the Authority that it had declared willing to DAZN to waive the exclusivity of the distribution of Serie A football rights, as currently regulated by the Deal Memo, with DAZN consequently having the faculty to distribute such rights also through third party operators and that, in exchange for the willingness to waive this right, the Parties had begun negotiations for a review of the contracted economic commitment envisaged by TIM.

On June 7, 2022, the Authority ruled on the rejection of the commitments submitted, which “would appear, both where considered comprehensively and individually, to be unable to eliminate the anticompetitive aspects identified in the resolution that started the proceedings, insofar as they do not resolve the competition concerns highlighted in the initial proceedings, where not translated into shared contractual amendments such as to eliminate the critical competition issues” highlighted by the Authority.

Again on June 7, 2022, the Authority ruled on the deferral of the deadline for the conclusion of proceedings to March 31, 2023.

On August 2, 2022, TIM informed the Antitrust Authority that it had reached a new agreement with DAZN, under which the latter has the faculty to distribute football rights through any third party, surpassing the previous system of exclusivity in TIM's favor.

On January 20, 2023, notification was given of the investigation results (CRI).

AGCM (the Italian Competition Authority) believes that the agreement reached on January 27, 2021 (the “Deal Memo”) had contents and resulted in effects that reduced competition for its entire duration (and therefore until stipulation of the new agreement on August 3, 2022).

On January 31, 2023, AGCM (the Italian Competition Authority) resolved to extend the deadline for conclusion of the proceedings until May 31, 2023.

TIM filed its statement of defence March 28, 2023, and the final hearing with the Authority was held on April 4, 2023.

On April 18, 2023, AGCM (the Italian Competition Authority) decided to again extend the deadline for the conclusion of the proceedings to June 30, 2023, due to the complexity of the defence put forward by the Parties in their pleadings.

On June 28, 2023, AGCM (the Italian Competition Authority) ruled that the conduct of TIM and DAZN constitutes an agreement restricting competition in breach of Article 101 TFEU (the “AGCM Measure”).

Yet the arrangement – in particular regarding exclusivity – only lasted for approximately one month and its potentially restrictive effects on competition were neutralized by the Authority's timely initiation of the investigation procedure on July 6, 2021.

Indeed, the precautionary sub-proceedings instigated at the start of the first football season of the three-year period 2021-2024 actually prevented the effects of the arrangement from occurring, as at the beginning of August 2021 TIM and DAZN discontinued the application of the disputed contractual clauses through their own voluntary action. The original agreement was then replaced by a new contract, entered into in August 2022, in which any exclusivity was completely eliminated, thus rooting out the antitrust concerns about exclusivity of distribution.

Consequently, and in light of the mitigating circumstances recognized, AGCM (the Italian Competition Authority) imposed a fine of 760,776.82 euros on TIM and a fine of 7,240,250.84 euros on DAZN.

On September 20, 2023, TIM paid the fine with reservations in view of the appeal brought by the Company with the Lazio Regional Administrative Court against the decision against it.

On May 11, 2024, the Lazio Regional Administrative Court threw out the appeals of TIM and DAZN for the annulment of the AGCM Measure and, without annulling the AGCM Measure (which will therefore continue in effect until any amendment by the AGCM itself), declared that the AGCM (the Italian Competition Authority) has a duty to resume the measure in accordance with the Lazio Regional Administrative Court's ruling.

In a nutshell, the Lazio Regional Administrative Court has valued the following reason, which is common to the appeals of both Sky and Fastweb: According to the CRI, the prohibited agreement had market effects from January 27, 2021 to August 4, 2022, whereas the AGCM Measure reduced the duration of the violation from July 1, 2021 – when the marketing of the rights under Deal Memo commenced – up to the implementation of voluntary measures adopted by TIM and DAZN as part of the precautionary sub-proceedings at the beginning of August 2021. Therefore, the AGCM Measure appeared to contradict the investigation results (CRI), with the Board having failed to adequately justified its decision to depart from the preliminary findings. At this point, AGCM (the Italian Competition Authority) could reopen the investigation or appeal against the ruling of the Lazio Regional Administrative Court. The TIM are considering its options for taking action against the ruling of the Lazio Regional Administrative Court, which could include an appeal.

Wind Tre S.p.A. – I857

By writ of summons brought before the Court of Milan and served in January 2024, operator Wind Tre S.p.A. requested that TIM S.p.A. and DAZN limited be ordered to compensate, jointly and severally, Wind Tre S.p.A. for the damage allegedly suffered by it as a result of the defendants' alleged violation of art. 102 of the TFEU (abuse of a dominant position) due to having signed a mutual agreement in January 2021 (the “Deal Memo”) which – in the claimant's opinion – would result in damage quantifiable in 69,803,012.00 euros.

In addition, Wind Tre S.p.A. is requesting that TIM S.p.A. be ordered to pay 10,266,377.00 euros in compensation for the damage allegedly resulting from advertising campaigns which were intended, according to the claimant, to suggest to customers that subscribing to TIM's FTTH service, or subscribing to TIMVISION's offer, was the only way to access DAZN service content.

On April 29, 2024, TIM entered an appearance and counterclaim in which it called for Wind's claims to be thrown out and for the proceedings to be suspended pending the Lazio Regional Administrative Court’s ruling on TIM and DAZN’s application to annul the measure adopted by AGCM (the Italian Antitrust Authority) on June 28, 2023 (in which AGCM resolved that the conduct of TIM and DAZN in signing the Deal Memo constituted an agreement restricting competition). The first hearing has been set for July 8, 2024.

Brazil - Opportunity arbitration;

In May 2012, TIM and Telecom Italia International N.V. (now merged in Telecom Italia Finance) were served with a notice of arbitration proceedings brought by the Opportunity group, claiming compensation for damages allegedly suffered for presumed breach of a settlement agreement signed in 2005. Based on the claimant’s allegations, the damages relate to circumstances that emerged in the criminal proceedings pending before the Milan Court regarding, inter alia, unlawful activities engaged in by former employees of TIM.

The investigatory phase having been completed, the hearing for oral discussion took place in November 2014, after which the parties filed their concluding arguments in preparation for the decision on the case.

In September 2015, the Board of Arbitration declared the proceedings closed, as the award was going to be filed.

In September 2016 the ICC Court notified the parties of its judgment, based on which the Court of Arbitration rejected all the claims made by the Opportunity group and decided that the legal costs, administrative costs and costs for expert witnesses should be split between the parties (the “2016 Arbitration Award”).

In April 2017 the Opportunity group filed an appeal against the 2016 Arbitration Award before the Paris Court of Appeal.

In November 2017, TIM and Telecom Italia Finance received from the Secretariat of the ICC’s International Court of Arbitration notice of a Request for Revision of the 2016 Arbitration Award, filed by the Opportunity group, asking for a new award. A Board of Arbitration was subsequently established.

In October 2018, TIM and Telecom Italia Finance requested proceedings with the Paris Court of Appeal to be suspended, in the light of proceedings pending with the Court of Arbitration of the International Chamber of Commerce to review the same 2016 Arbitration Award. In November 2018, the Paris Court of Appeal suspended the proceedings until the decision is taken by the Court of Arbitration in the review proceedings.

As regards the proceedings to review the 2016 Arbitration Award, in October 2019 the ICC held the discussion hearing in Paris. In August 2020, the Arbitration Court issued the award rejecting the Request for Revision presented by the Opportunity Group (the “2020 Arbitration Award”).

In December 2020, the Opportunity group filed an appeal against the 2020 Arbitration Award before the Paris Court of Appeal. In May 2021 the Opportunity group asked the Paris Court of Appeal to summarize the proceedings brought against the 2016 Arbitration Award. Thereafter, the Opportunity Group, TIM and Telecom Italia Finance filed their briefs in the two proceedings pending before the Paris Court of Appeal, respectively against the 2016 Arbitration Award and the 2020 Arbitration Award. The appeal proceedings were heard on January 8, 2024. In its decision of May 2, 2024, the Paris Court of Appeal quashed the 2016 Arbitration Award on the grounds that the Court considered one of the members sitting on the arbitration panel to be affected by a conflict of interest. In a separate decision issued on the same date, the Court invited the parties to submit observations, by June 24, 2024 at the latest, on the consequences that the quashing of the 2016 Arbitration Award may have in relation to the appeal against the 2020 Arbitration Award. Proceedings are still pending.

Iliad (winback)

By writ of summons served during the first quarter of 2020, Iliad Italia S.p.A. sued TIM before the Court of Milan for alleged anti-competitive conduct, including through the Kena Mobile brand, which was allegedly aimed at hindering its entry to and consolidation in the mobile phone market in Italy, seeking damages of at least 71.4 million euros.

TIM filed an appearance, fully disputing the requests of Iliad Italia S.p.A.; and, in turn, submitting a counterclaim in accordance with Art. 2598 of the Italian Civil Code, with reference to the denigration implemented by Iliad Italia S.p.A. in regard to TIM and formulating a symmetrical claim for damages. In the first preliminary brief, Iliad updated its claim for damages, taking it to 242.8 million euros, and later to 292.8 million euros.

The proceedings ended in a judgment of September 25, 2023, which did not award Iliad any damages; TIM's counterclaim was declared inadmissible.

In its notice of appeal served on December 15, 2023, Iliad requested that the first-instance judgment be partially overturned, requesting, among other things, that TIM be ordered to pay full compensation of not less than 292.8 million euros for the pecuniary and non-pecuniary damage suffered by Iliad.

On April 17, 2024, TIM entered an appearance in court and lodged a counterappeal. At the hearing of May 8, 2024, the Judge reserved the right to decide on the preliminary requests.

Iliad (INWIT)

By writ of summons served in July 2022, Iliad Italia S.p.A. summonsed Telecom, Vodafone and Infrastrutture Wireless Italiane S.p.A. (“INWIT”) before the Court of Milan to assess the alleged unlawful conduct of INWIT, Telecom and Vodafone, consisting of refusal to allow Iliad to upgrade its mobile telephone transmission systems installed on INWIT-owned infrastructures. As a result of this conduct, Iliad has asked that Telecom be ordered, together with INWIT and Vodafone, to compensate the damages allegedly suffered, which it has reserved the right to quantify during the course of proceedings. The initial hearing took place on April 5, 2023, with the Judge reserving judgment on the objection as to the invalidity of the writ of summons brought by TIM. The initial hearing was deferred to October 11, 2023, following the admittance of the objection as to the invalidity of the writ of summons brought by TIM. At the hearing, the Judge set three dates for the exchange of pleadings between the parties: November 10, 2023, December 11, 2023, and January 2, 2024. The hearing for admission of evidence was scheduled for September 24, 2024.

VAS (Value Added Services) - Seizure by the Public Prosecutor's Office of Milan

On April 24, 2024, the hearing was heard before the Court of Review of Milan. The Court of Review was called upon to rule on the appeal lodged by TIM S.p.A. against the seizure order made against it by the investigating judge of the Court of Milan.

After hearing the case, the Court of Review upheld the appeal, entering a decision on April 26, 2024 which:

- ordered the seizure order for 248,941,282.30 euros against TIM S.p.A. to be quashed; and
- ordered everything previously seized from TIM S.p.A. to be returned.

The reasoning for the decision will be announced in the next 30 days.

In particular, the events that led to the seizure by the Milan Public Prosecutor's Office are summarized below.

On February 29, 2024, TIM S.p.A. had been notified of a seizure order issued on February 8, 2024 by the Judge for Preliminary Investigations of Milan, which had ordered the preventive seizure of the sums held in the current accounts in the Company's name, for a total amount of 248,941,282.30 euros.

The measure concerned an alleged computer fraud (Article 640-ter of the Criminal Code) in the field of the so-called "VAS" (i.e. Value Added Services) provided by third-party companies called CSPs (i.e. “Content Service Provider”).

TIM S.p.A. is not under investigation in the proceedings in question, and that the offence in dispute is not among those that, pursuant to Legislative Decree no. No. 231 of 2001, could theoretically constitute a prerequisite for administrative offences, attributable to the Company.

With specific reference to TIM S.p.A., evidence of a possible fraudulent phenomenon in the sector emerged only in 2019, due to the significant number of disavowals of VAS services recorded in that year.

During that period, the Company reported these events to the Public Prosecutor's Office of Rome, in whose proceedings, currently being dismissed, the Company's role as a victim of the crime was confirmed.

In addition, the Company promptly carried out all the necessary actions aimed at neutralizing the phenomenon of illicit activations of VAS services.

(b) Other information

With regard to "Arbitration case No. 28/2021/SEC8 - TIM S.A.", the following disputes and legal actions, there were no significant events beyond those disclosed in the 2023 Annual Report.

Vivendi S.E.

On December 15, 2023, TIM S.p.A. was served an ordinary writ of summons from the shareholder Vivendi, contesting the legitimacy of the board resolution of November 5, 2023 approving the sale of TIM's fixed network assets and the investments held in FiberCop S.p.A. and Telenergia S.r.l. ("NetCo") by Optics BidCo S.p.A. (a subsidiary of KKR). Vivendi did not make any application for precautionary injunction, nor did it request an urgent halt to executing the resolution and the consequent negotiations. The Company appeared in the proceedings to contest the merits of the arguments and requests made by Vivendi, confirming the legitimacy of the resolutions adopted by the Board of Directors and the agreements signed with Optics BidCo for the transaction, which will be carried out on time and in the manner envisaged.

At the first hearing held on May 21, 2024, after having made attempts at conciliation and proceeded with the oral discussion, the judge reserved the right to deliberate.

Dispute concerning the license fees for 1998

TIM has summoned the Prime Minister's Office to appear in a civil suit for compensation for damages caused by the Italian State through appeal ruling 7506/09, handed down by the Council of State in breach, in the view of the Company, of Community law.

The main claim which the proceedings are founded on is based on community jurisprudence that recognizes the right to assert the responsibility of the State in relation to violation of rights recognized in community law and injured by a judgment that has become definitive, in respect of which no other remedy may be applied. The judgment of the Council of State definitively denied TIM the right to obtain restitution of the concession charge for 1998 (totalling 386 million euros for Telecom Italia and 143 million euros for the former TIM Company, plus interest), already denied by the Lazio regional administrative court despite the favourable and binding opinion of the European Court of Justice in February 2008. This judgment concerned the conflict between EC Directive 97/13 on general authorizations and individual licenses in the telecommunications services industry, and the national regulations that had deferred, for 1998, the obligation to pay the fee payable by telecommunications concession holders, despite the intervening deregulation process. The Company then proposed an alternative compensation claim, within the sphere of the same proceedings, for tort pursuant to art. 2043 of the Italian Civil Code. The compensation claimed has been quantified as approximately 529 million euros, plus legal interest and revaluation. The Avvocatura di Stato filed an appearance and submitted a counterclaim for the same sum. The case is subject to eligibility analysis by the Court, which declared the inadmissibility of TIM's main claim (case for damages for manifest breach of community law pursuant to law 117/88). However, this decision was amended in favor of the Company on appeal. In March 2015 the Rome Court issued its judgment in the first instance, declaring the Company's application inadmissible.

In 2015, TIM has appealed the decision, and the case is now pending the hearing specifying the nature of the forms of order sought. The Court of Appeal has scheduled the hearing for closing arguments for April 2, 2019. Thereafter, without any new procedural activities having taken place, the Court of Appeal incontrovertibly deferred the hearing for closing arguments first to 2020 and then to 2021 (from when the terms for conclusion and replies shall run, which will be followed shortly thereafter by the issue of the judgment). These deferrals were followed by the latest, of January 15, 2021, scheduling the new hearing for January 25, 2022.

On the matters underlying the case, the following must be noted:

- on the considered lack of jurisdiction of the Court of Rome (concerned by the judgment of the Court of Rome appealed by TIM) to judge the liability of the Italian government for the work of senior magistrates (in the case in point, the Council of State), which would have led to the declared inadmissibility of the claim in accordance with Art. 5, law no. 117/1978 (old text) - the United Chambers of the Court of Cassation ruled with judgment no. 14842 on June 7, 2018, confirming the jurisdiction of the Court of Rome and, therefore, the correctness of TIM's choice to base its lawsuit in the Court of Rome;
- on the unlawful nature of the conduct of the Italian government – and, therefore, on the liability of the State-Court in accordance with Law no. 117/1998 – once again, the EU Court of Justice has ruled, deciding on the prejudicial matter raised by the Lazio TAR in other, connected proceedings, in its judgment given on March 4, 2020 in C-34/19, stressing that TIM was not required to pay the charges demanded by the State for 1998 and, therefore, confirming the clear violation by the Council of State of European Community law (also because in clear conflict with the decision already given by the EU Court of Justice on February 21, 2008 in C-296/06, as, moreover, already ruled by the Court of Appeal of Rome, Chambers I, in Decree of January 31, 2012, which sanctioned the procedural admissibility of TIM's lawsuit);
- on the matter of the right to repeat the charges paid for 1998 - the Court of Cassation ruled in its judgment no. 18603 given on September 7, 2020, rejecting the appeal brought by the Presidency of the Council against the judgment whereby the Court of Appeal of Rome had upheld the claim for compensation made by Vodafone (payment of charges for 1998) for the same title in separate proceedings.

In short, the company paid the charges disputed in 1998; it promptly challenged the administrative provision that had unfairly required said payment, before the administrative court; the administrative proceedings before the Council of State concluded negatively in 2009 (despite the recalled opposite judgment of the European Court of Justice); the civil proceedings of first instance concluded in March 2015 with a judgment of rejection for grounds of admissibility (then solved in the sense indicated by the company with the referenced judgment of Cassation in United Chambers no. 14842/18) and more than 6 years after the first instance judgment – going from deferral to deferral – the appeal judgment (that could only uphold the mentioned judgments of the Court of Justice and the Court of Cassation) has not yet been issued (nor, on the basis of these repeated deferrals, can the company forecast when it will be given).

The company is examining the various scenarios and legal claims (national, European Community, etc.) that may contribute towards defining the appeal dispute. It is considered, in fact, that the principles of the reasonable duration of the trial, in accordance with subsection 2 of article 111 of the Constitution and in accordance with article 6 of the European Convention on Human Rights, are violated by these events, considering: (i) the year in which payment was made of the undue charges is 1998; (ii) the value of these charges is approximately 529 million euros plus interest from that date; (iii) the extremely long procedural process has not even led to an appeal judgment (started in 2015 and with an unpredictable conclusion, given the continuous deferrals); (iv) the circumstance that the legal matter appears to be readily able to be settled, as not one but two judgments have already been given by the EU Court of Justice declaring payment of the charges to be incompatible with European Community legislation (judgments that have currently been ignored by the national court).

As part of these analyses aimed at deciding the appeal, on January 25, 2021 the company filed a request with the Court of Appeal in Rome to bring forward the hearing (postponed as mentioned to January 25, 2022). This is to avoid the umpteenth adjournment of the case, which concerns the failure to comply with two inter-partes decisions rendered in the matter by the EU Court of Justice for a manifest violation of European law by the State-Judge. With a ruling on February 8, 2021, the Rome Court of Appeal (second section specializing in corporate matters) deemed it could grant the request for an advance ruling, setting the hearing for November 30, 2021. On that date the case was taken to decision with the assignment of the legal terms for closing statements and replies. By order of February 22, 2022, having acknowledged that one of its members had chosen to abstain, the Board re-submitted the case, arranging for the deeds to be sent onto the President of the Court of Appeal. On March 4, 2022, the case was reassigned to another judge. By judgment of March 31, 2022, the Board scheduled the hearing for December 1, 2022 for closing arguments. The Board deferred the case to the hearing of January 19, 2023 for verbal discussion. Following the request made by the State advocacy, the case was again deferred until March 9, 2023. At the hearing on December 13, 2023, the Board granted the parties time to submit their closing statements and replies.

In its judgment No. 2320/2024 entered on April 3, 2024, the Court of Appeal of Rome upheld the claim brought by the Company, thus overturning the judgment against TIM and ordering the Presidency of the Council of Ministers to pay 528,711,476 euros, adjusted for inflation and plus the statutory interest accrued since the date the appeal was files, with costs awarded to the Company in the amount of 550,000.00 euros plus ancillary charges.

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 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.