TIM GROUP

Q1 '21 RESULTS

A better Company in an improving Country outlook

20 May 2021

Disclaimer

This presentation contains statements that constitute forward looking statements regarding the intent, belief or current expectations of future growth in the different business lines and the global business, financial results and other aspects of the activities and situation relating to the TIM Group. Such forward looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those projected or implied in the forward looking statements as a result of various factors.
The financial results of the TIM Group are prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and endorsed by the EU (designated as “IFRS”).
The accounting policies and consolidation principles adopted in the preparation of the financial results for Q1’21 of the TIM Group are the same as those adopted in the TIM Group Annual Audited Consolidated Financial Statements as of 31 December 2020, to which reference can be made, except for the amendments to the standards issued by IASB and adopted starting from January 1, 2021.
The financial results for Q1’21 of the TIM Group are unaudited.

Alternative Performance Measures
The TIM Group, in addition to the conventional financial performance measures established by IFRS, uses certain alternative performance measures for the purposes of enabling a better understanding of the performance of operations and the financial position of the TIM Group. In particular, such alternative performance measures include: EBITDA, EBIT, Organic change and impact of non-recurring items on revenue, EBITDA and EBIT; EBITDA margin and EBIT margin; net financial debt (carrying and adjusted amount) and Equity Free Cash Flow. Moreover, following the adoption of IFRS 16, the TIM Group uses the following additional alternative performance indicators:
* EBITDA adjusted After Lease ("EBITDA-AL"), calculated by adjusting the Organic EBITDA, net of non-recurring items, of the amounts related to the accounting treatment of lease contracts according to IFRS 16;
* 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 according to IFRS 16;
* Equity Free Cash Flow After Lease, calculated by excluding from the Equity Free Cash Flow the amounts related to lease payments.
Such alternative performance measures are unaudited.

OPERATIONS UPDATE

Beyond connectivity plan update. Revenues flat YoY in Q1

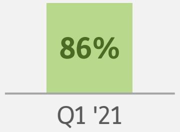
	What happened in Q1	KPIs
ESG	▪ **CSI** and **NPS** keep improving ▪ New "**Expansion Contract**" signed and active from May ▪ Inaugural sustainability bond	CSI **+1% QoQ**, NPS **+2 QoQ** (1) **~1,300** exits in H1 Lowest coupon ever **1.625%**
Domestic	▪ **FSR and fixed lines stable, UBB net adds strong,** distribution of Serie A matches to push growth further ▪ Growth engines **(TIM's Factories) on track to deliver on targets** ▪ Lowest **mobile churn** in the last 14 years	Retail UBB net adds +119% YoY ICT revenues **+30%** YoY Mobile churn **3.8%** in Q1
Brazil	▪ **Reshape of revenue profile** with customer transition to value ▪ **ARPU growth** in all segments and **NPS improvement** ▪ Acceleration of **EBITDA growth**	Service revenues **+3.3%** YoY ARPU **+6.6%** YoY EBITDA **+4.8%** YoY
Cash generation	▪ Organic **debt reduction** ongoing and €1.8bn proceeds from KKR ▪ EFCF solid performance ▪ FY 2021 guidance already neared in Q1	Net Debt AL **-€ 2.0bn** QoQ, **-€ 5.1bn** YoY EFCF AL **€ 307m** in Q1, +57% YoY Leverage **2.7x** EBITDA AL LTM(2)

(1) Customer Satisfaction Index and Net Promoter Score Q1 '21 vs. Q4 '20
(2) Adjusted debt AL / organic EBITDA AL LTM

"Fix the fixed" continues to deliver results with FSR stabilized and mobile churn helped by convergence

widest **coverage**

FTTx
technical units

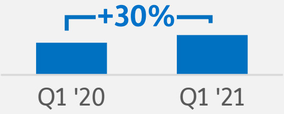


92% of
active lines

growing **digital**

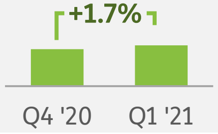
Cloud business revenues +18% YoY

ICT revenues

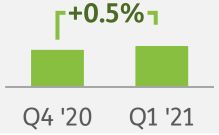


better **quality**

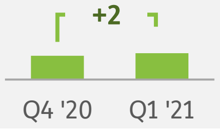
CSI fixed



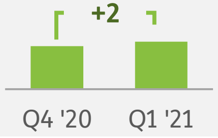
CSI mobile



NPS fixed

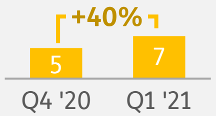


NPS mobile



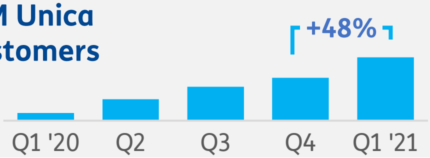
enriched **convergence**

TIM VISION
price (€/month)



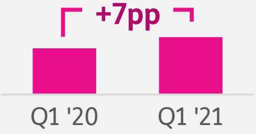
Discovery+ fully integrated

TIM Unica customers

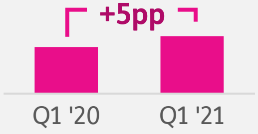


push on **direct payments**

% on fixed CB



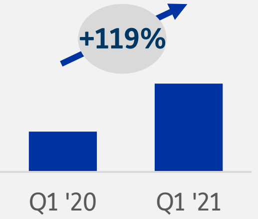
% on mobile CB(1)



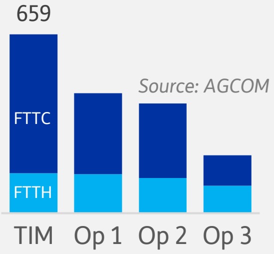
c. 2/3 of fixed clients on direct payments benefiting churn and credit collection

higher **UBB penetration**

UBB retail net adds

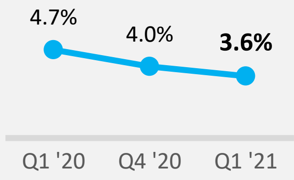


FY '20 FTTx net adds
k lines

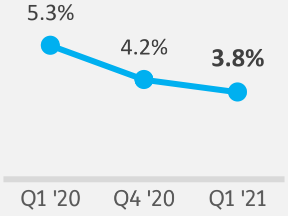


lower **churn**

Fixed churn

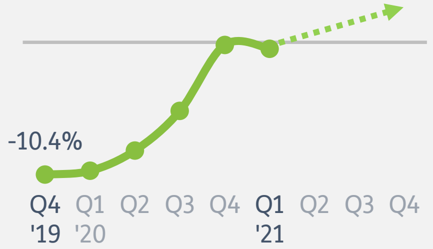


Mobile churn



Fixed Service Revenues towards growth

Organic – YoY change %

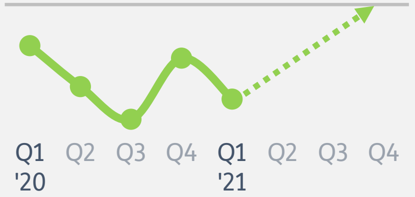


Public funding and football to further stimulate UBB penetration and support top line improvement

Mobile Service Revenues towards stabilization

Organic – YoY change %

One offs affecting Q1 to progressively reduce in next quarters



(1) Data only lines excluded

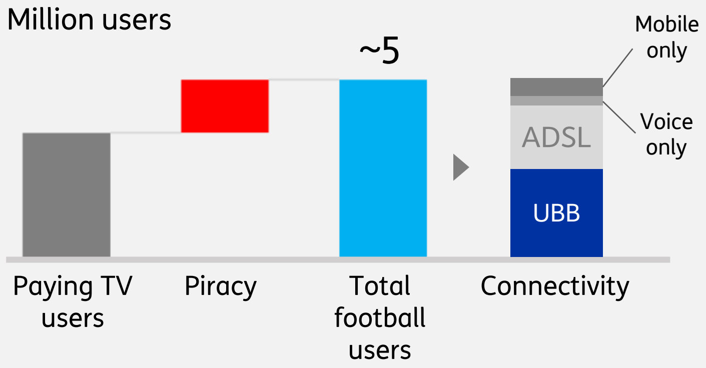
Italian football goes on fiber. TIM becoming "THE" telco distributor

Satellite as core platform	**Internet** as core platform
Until June 2021	**From July 2021**
SKY main exclusive rights owner	DAZN main exclusive rights owner → **TIM football offer kick off**
SKY / DAZN	DAZN / SKY
7/10 exclusive matches (all platforms)	**10**/10 **matches in one subscription and one platform**, o/w: 7/10 exclusive (all platforms), 3/10 non-exclusive (Internet)
3/10 matches (all platforms)	**3**/10 non-exclusive matches (all platforms)
+3/10 DAZN matches through the satellite SKY - DAZN1 channel	
Telco distributors: TIM, Vodafone, Fastweb, Eolo	**TIM chosen by DAZN as strategic partner /distributor**: TIM

Benefits for TIM: 1) New revenue stream, 2) Stronger UBB demand, 3) Additional push on convergence (TIM Unica)

Football presently distributed mainly through SKY's satellite
Move to Internet will push migration from mobile-only and DSL to fiber

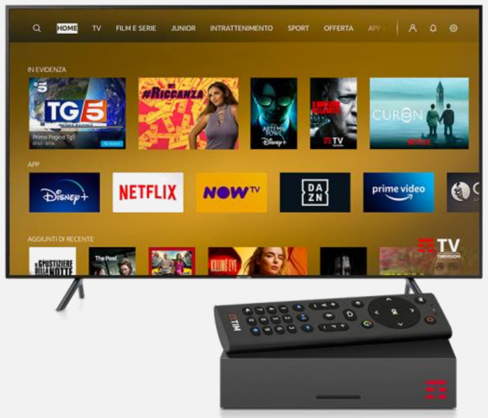
Italian football market (1)



>50% of football viewers still with no UBB

- Satellite is the main distribution platform (share on paying football CB >80%)
- Further opportunity from piracy prevention through stronger law enforcement and new technology: the police stopped illegal streaming for 1.5m last weekend

makes TIMVISION "THE" choice



Widest and unique offer in the market with all the main contents in one place

- **Entertainment:** Disney+ (bundle exclusivity), Discovery+, Netflix, Amazon Prime Video, Mediaset, Turner, Viacom/Paramount, Chili, Youtube
- **Sport:** DAZN, Eurosport, Now TV

opening new opportunities

FTTF
Fiber to the Football

+

Italian public funds and **Next Generation EU**

to provide a **boost to UBB take-up**

Kick off of Dazn partnership

~€70m set-up capex expected in FY '21

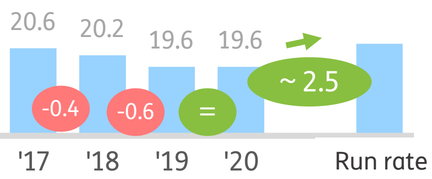
(1) Source: TIM analysis on ItMedia Consulting and other sources

4 key growth drivers for Italian telecoms from demand evolution: 1) Football on Fibre, 2) "mobile only" to fixed BB, 3) beyond connectivity, 4) public funds

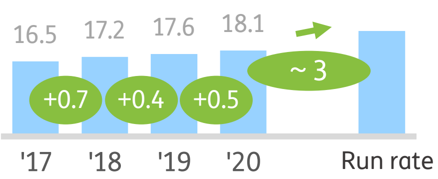
Market growth drivers	TIM's actions to capture them

Fixed-mobile substitution trend reversed

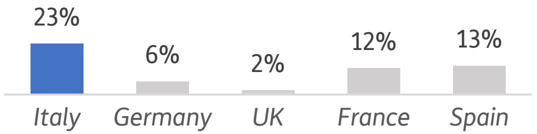
Italian Fixed lines[1]



Broadband lines [1]



Mobile only customers [2]



TIM contributing to expand market opportunities through DAZN agreement and FTTH roll out

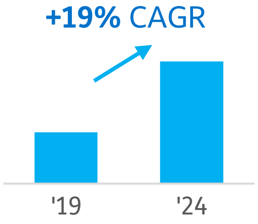
TIM FiberCop DAZN

FTTH in 76% black+grey areas by 2025

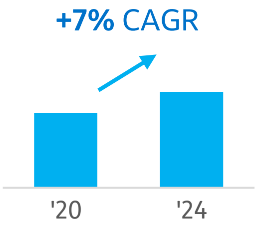
Beyond connectivity

Market revenues

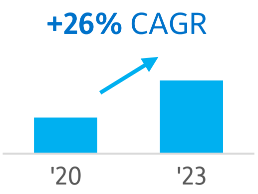
Cloud



IoT



Smart Home



TIM's factories targeted to double sales by 2023[3]

noovle	Telsy	olivetti	SPARKLE
Cloud & data center	Cyber security	IoT	International services

Smart District Project launched in Q1 in Italy's 140 industrial districts (25% of Italy's production): TIM offering connectivity in combination with Cloud and edge computing through Noovle, Cyber-security through Telsy, IoT through Olivetti and International services through Sparkle

TIM

(1) Million lines, source AGCOM and internal elaborations on Analysis Mason's estimates
(2) Families with mobile broadband only, source Eurostat, 2019
(3) Excluding Sparkle

Public funding: a total of €235bn will boosts Italian GDP outlook ~27% of Italian Recovery & Resiliency Facility allocated to digital/telecoms

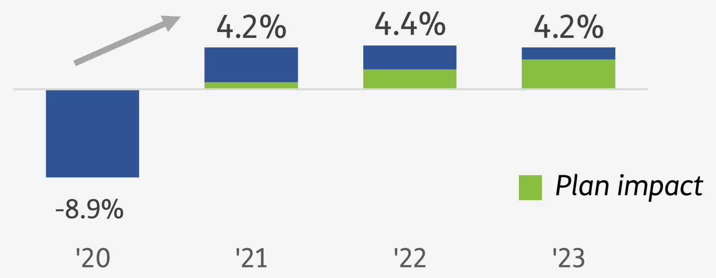
Recovery fund	€235.1bn[1]
Digitalization	€46.3 → 49.9bn[2]
Green revolution	€69.9bn
Infrastructure	€31.5bn
Education	€33.8bn
Social	€29.8bn
Health	€20.2bn

- Recovery and Resiliency Plan submitted to the EU Commission.
- Funds increased 10% for digital

o/w Recovery & Resiliency Facility

Public Administration	€ 9.8bn
Businesses	€ 23.9bn
o/w Transition 4.0	€ 13.4bn
o/w UBB & 5G	€ 6.7bn
Tourism & Culture 4.0	€ 6.7bn

Italy's GDP growth



Recovery & Resiliency Plan expected impact on Italy's GDP 16pp growth in 2021-'26 [3]

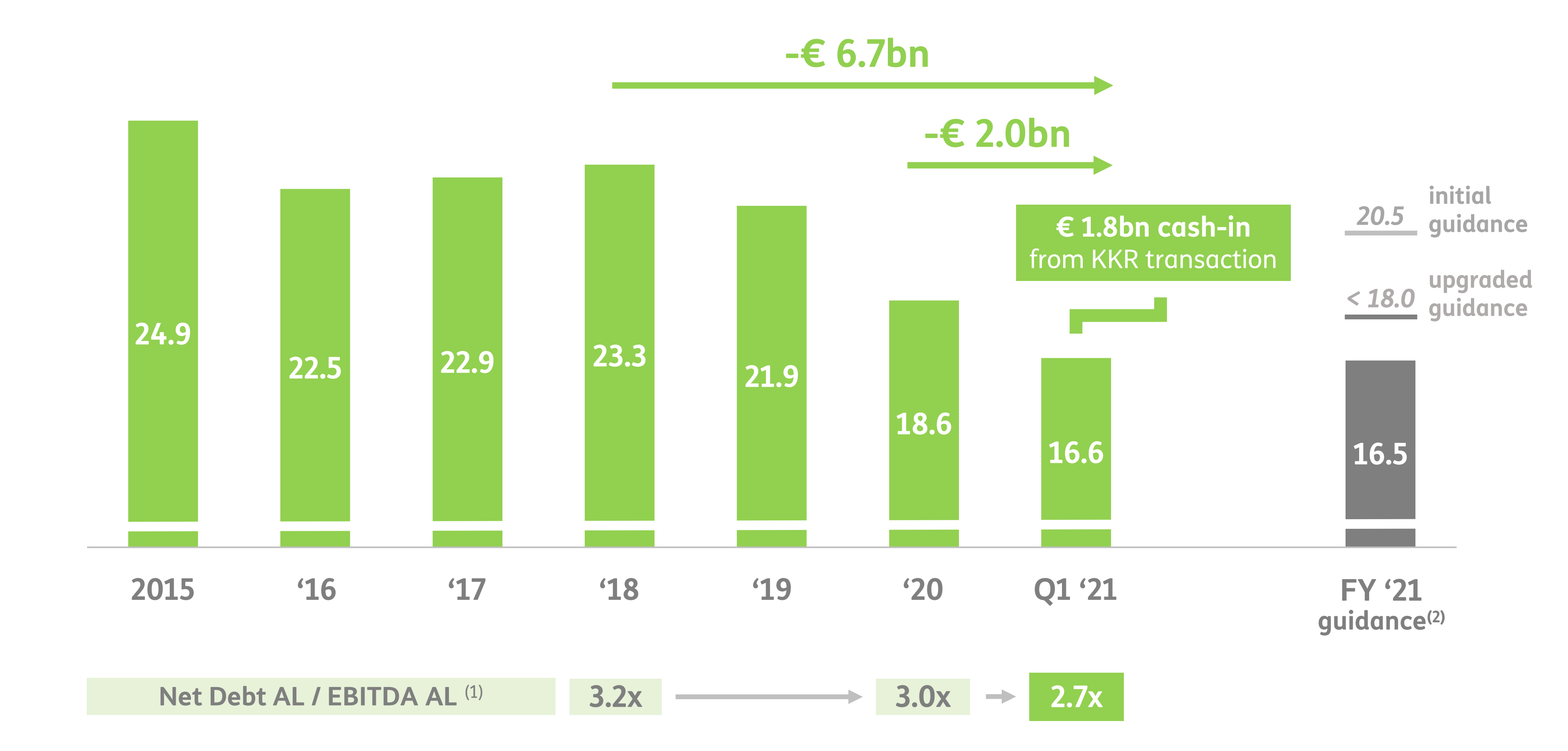
TIM and its factories best positioned to benefit from funds allocated to telecoms and to Italy's digitalization

Vouchers	€0.2bn (phase 1)	Ongoing, >60% still available	**TIM most active provider so far:** 76%[4] of vouchers volumes
	€0.9bn (phase 2)	To be launched by the summer	
Schools	€0.4bn	68% already assigned in public tender	Revenues for TIM expected from Q3
"Italia a 1 Giga" plan	€1.1bn → €3.9bn	Consultation ongoing for roll out in grey areas	Funds for grey areas 3.5x higher vs. draft. TIM's fiber at the cabinet ubiquitously in grey areas
"Italia 5G" plan	€2.0bn	Infrastructure mapping in Q2, tender in Q1 '22	Details yet to be disclosed

(1) ~27% of Recovery and Resiliency Facility (~€ 52bn out of €191.5bn RRF) is specifically allocated to digital investments. React EU and Complementary fund to further enlarge the bucket
(2) Increase versus draft edition of Recovery and Resiliency plan
(3) Source: Ministry of Economy and Finance, Banca d'Italia
(4) Source: Italian Government Parliamentary audition on 13 April 2021

Net Debt AL: € 6.7bn debt cut from 2018, -€ 2.0bn in Q1 ’21 Leverage at 2.7x EBITDA AL

Group Net Debt AL
Adjusted, € bn



(1) Adjusted debt AL / organic EBITDA AL
(2) 2021-’23 improved guidance (excluding OI Mobile acquisition debt)

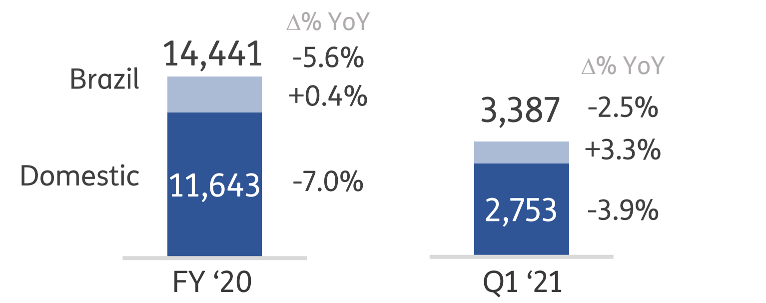
Q1 ‘21 FINANCIAL
& OPERATING RESULTS

Cash generation and debt reduction accelerate. Revenues stable YoY

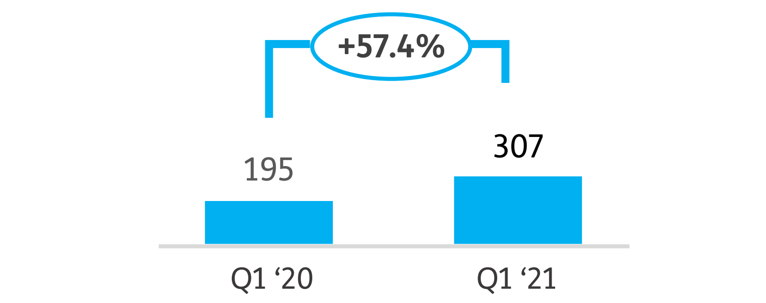
Organic data [1], IFRS 16, € m

Service revenues

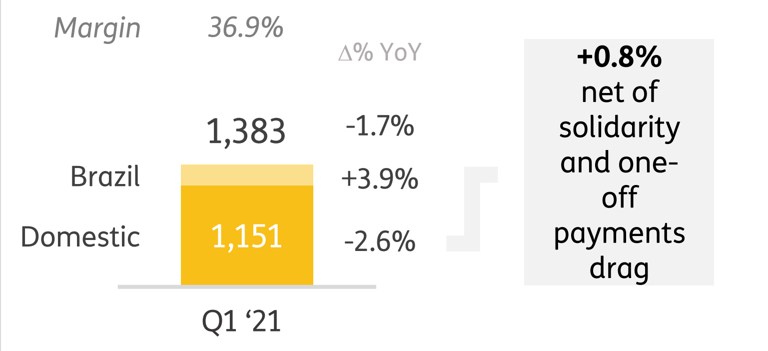
Total revenues Q1 flat YoY Group, -0.6% YoY Domestic



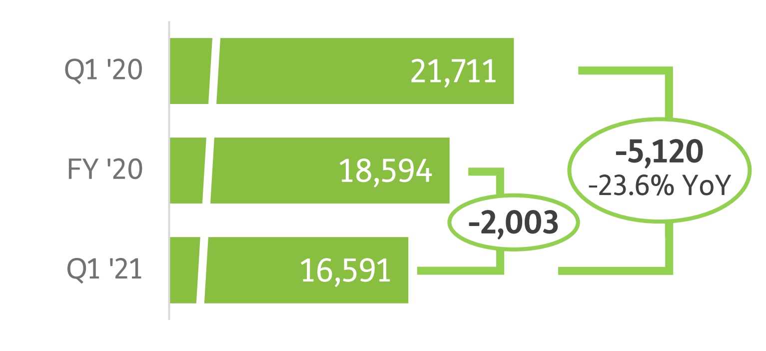
Equity free cash flow after lease



EBITDA after lease



Net debt after lease [2]



Q1 revenues trend improved +2.1pp QoQ (+2.4pp Domestic)

Domestic EBITDA AL +0.8% YoY like for like:

- No solidarity in Q1 '21 (vs. 3 days in Q1 '20) implies 1.6pp YoY drag [3]
- Telecoms sector contract renewal through one-off payments rather than salary increases implies 1.8pp YoY drag

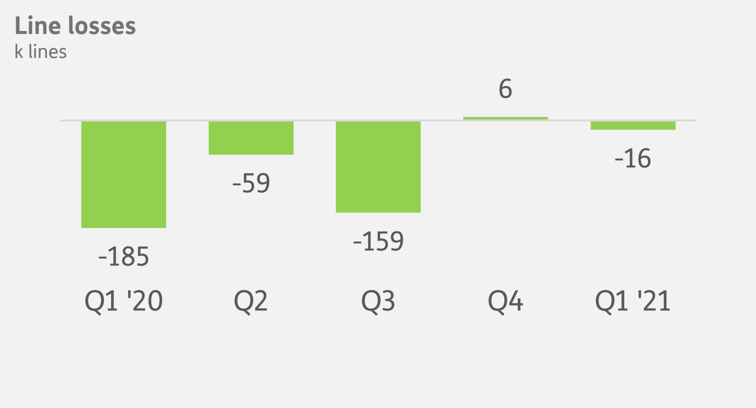
Equity free cash flow AL € 307m (**+57% YoY**)

Net Debt AL reduced € 2.0bn QoQ vs. -€ 182m in Q1 '20 (-€ 5.1bn YoY vs. -€ 1.4bn in Q1 '20)

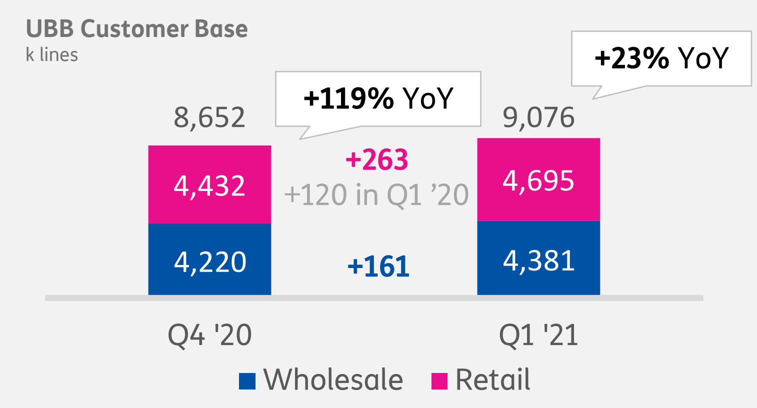
(1) Excluding exchange rate fluctuations, non-recurring items and change in consolidation area
(2) Adjusted Net Debt
(3) Drag reverts from H2

Fixed KPIs remain strong despite seasonality

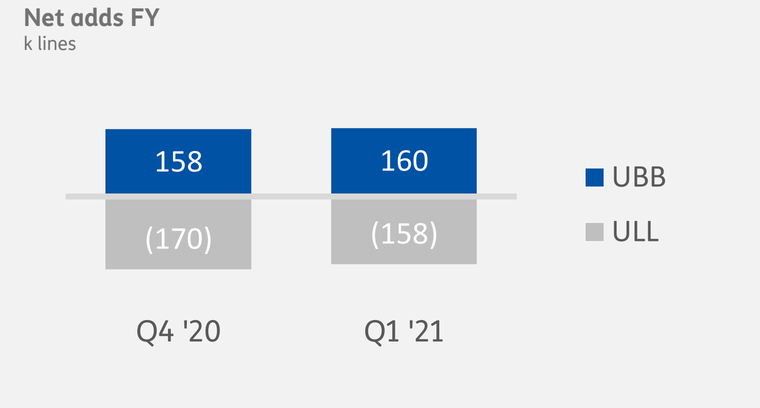
Retail net adds stable QoQ



Retail UBB net adds peaking despite seasonality



Wholesale trend improved QoQ
VULA continues offsetting ULL losses



Retail fixed lines stable

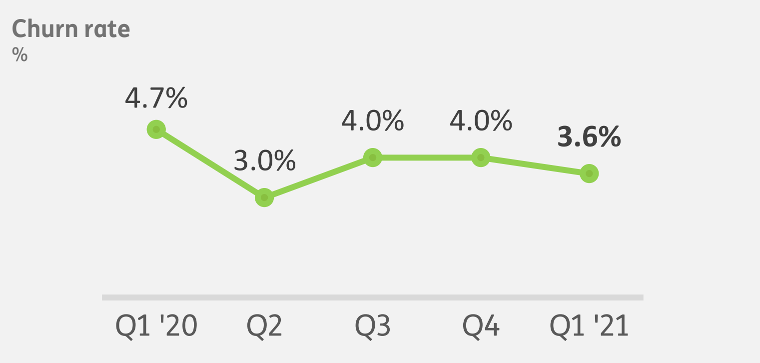
Retail ultrabroadband net adds more than double YoY

Structural improvement thanks to "Fix the Fixed" plan plus help from **vouchers** (>60% of first €200m tranche still available)

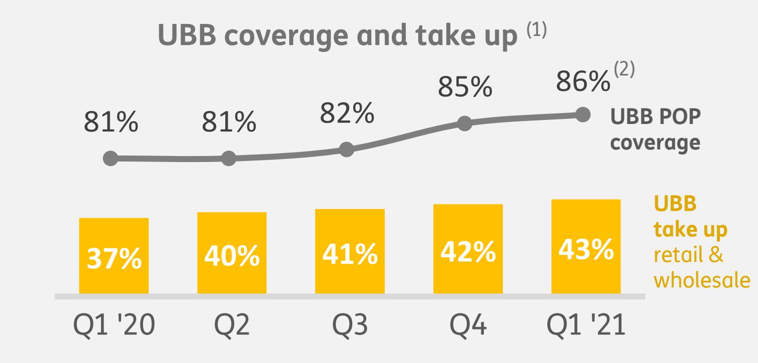
CSI +1.7% QoQ in Q1, **NPS** +2.0 QoQ

Churn benefitting from convergence and increased direct payments (+6.9pp YoY)

Churn improved thanks to convergence and direct payments



UBB coverage and take up continuous growth



(1) UBB take up calculated on technical HHs covered by UBB
(2) Equivalent to 92% of families with a fixed line

Fixed revenues back to YoY growth. FSR stabilized

Total Fixed Revenues +3.0% YoY in Q1 (vs. -0.3% in Q4)

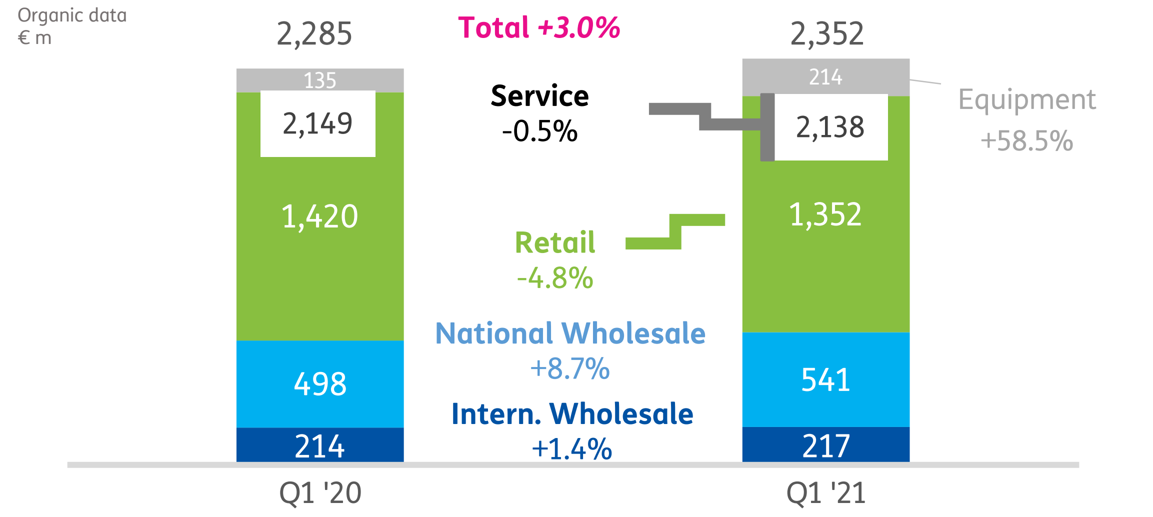
Fixed Service Revenues -0.5% YoY (vs. -0.2% in Q4: 0.3pp delta explained by lower weight of ICT in Q1 vs. Q4)

- **National Wholesale** +8.7%: better mix in revenues (VULA vs ULL)
- **International Wholesale** +1.4%: improved voice & data service volumes
- **Retail** YoY trend -4.8% YoY helped by:
  - **customer base** stabilization(1) -0.5pp YoY vs -5.6pp in Q4
  - **ICT revenues growing +30%** YoY

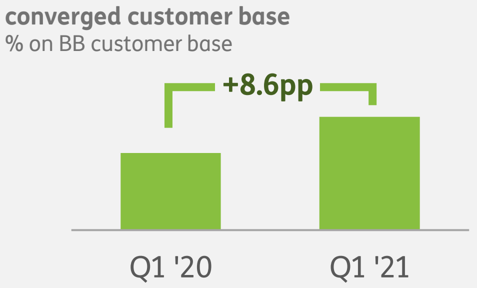
ARPU is set to improve YoY performance in H2 even before considering help from football

Equipment resumed strong growth (+58.5% in Q1 vs. -1.4% in Q4) benefiting from ICT growth, higher UBB net adds and vouchers

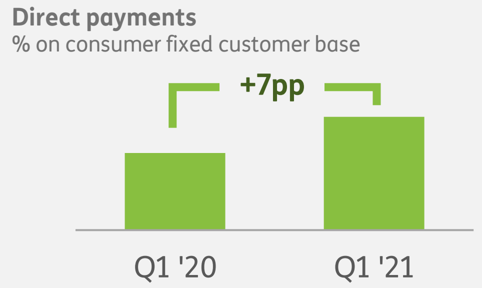
Fixed Revenues



Convergence grew with larger adoption of TIM Unica



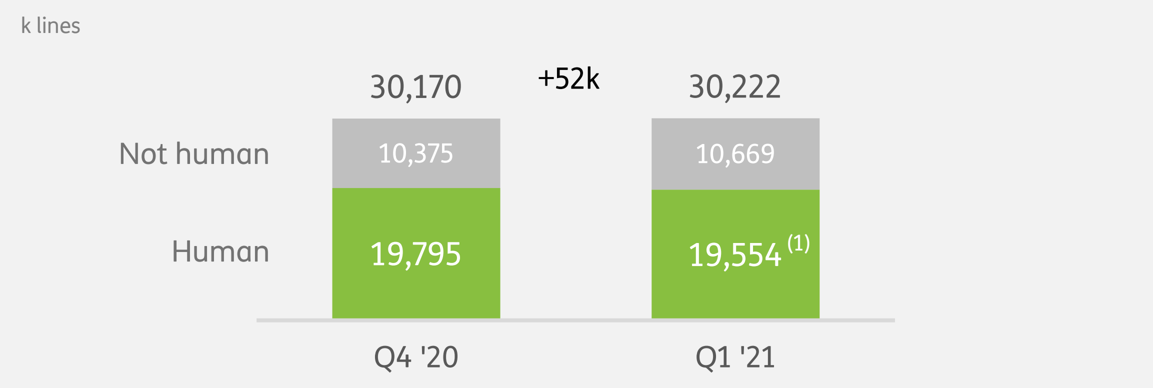
Direct payments increased, with benefits on churn



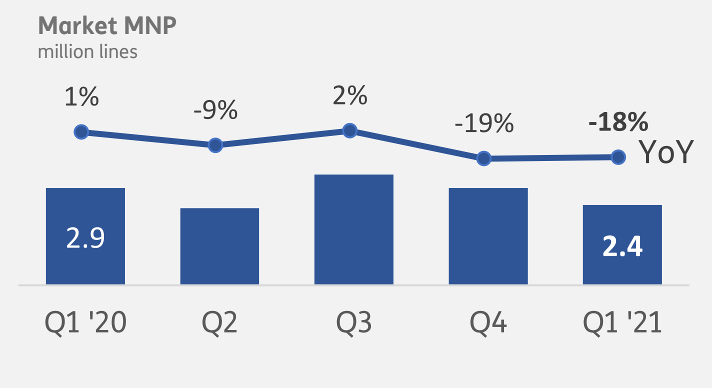
(1) Including Enterprise

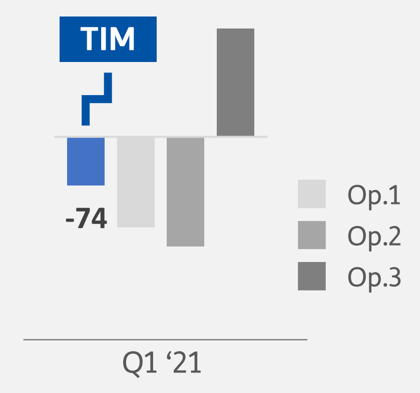
Mobile KPIs similar to Q4. Churn the lowest of the last 14 years

Mobile Customer Base

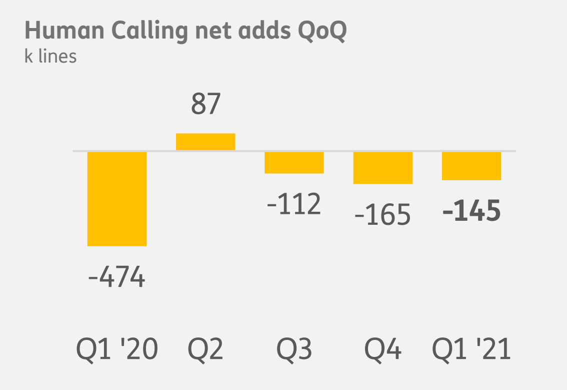


Market MNP down YoY, TIM still the best among MNOs

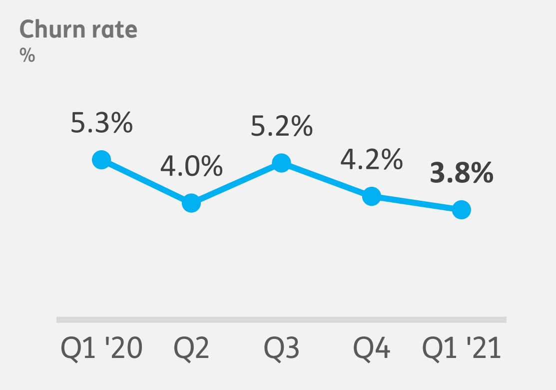




Calling human net adds reduced to approx. 1/3 YoY



Churn further improved



Impact on MSR from CB reduction ~ +1pp better QoQ (after ~ +1pp in Q4 and +2pp in Q3)

Churn reduced 0.4pp QoQ and 1.5pp YoY

CSI +0.5% QoQ in Q1, after +3.2% in Q4

NPS improving further QoQ and still well above large operators'

(1) QoQ trend affected by phasing in silent lines cancellation in Q4

Mobile service revenues affected by one offs. Improvement expected from Q2

Total Mobile Revenues -8.6% YoY, in line with Q4 (-8.9%)

MSR trend YoY (-11.3%) is mainly explained by:

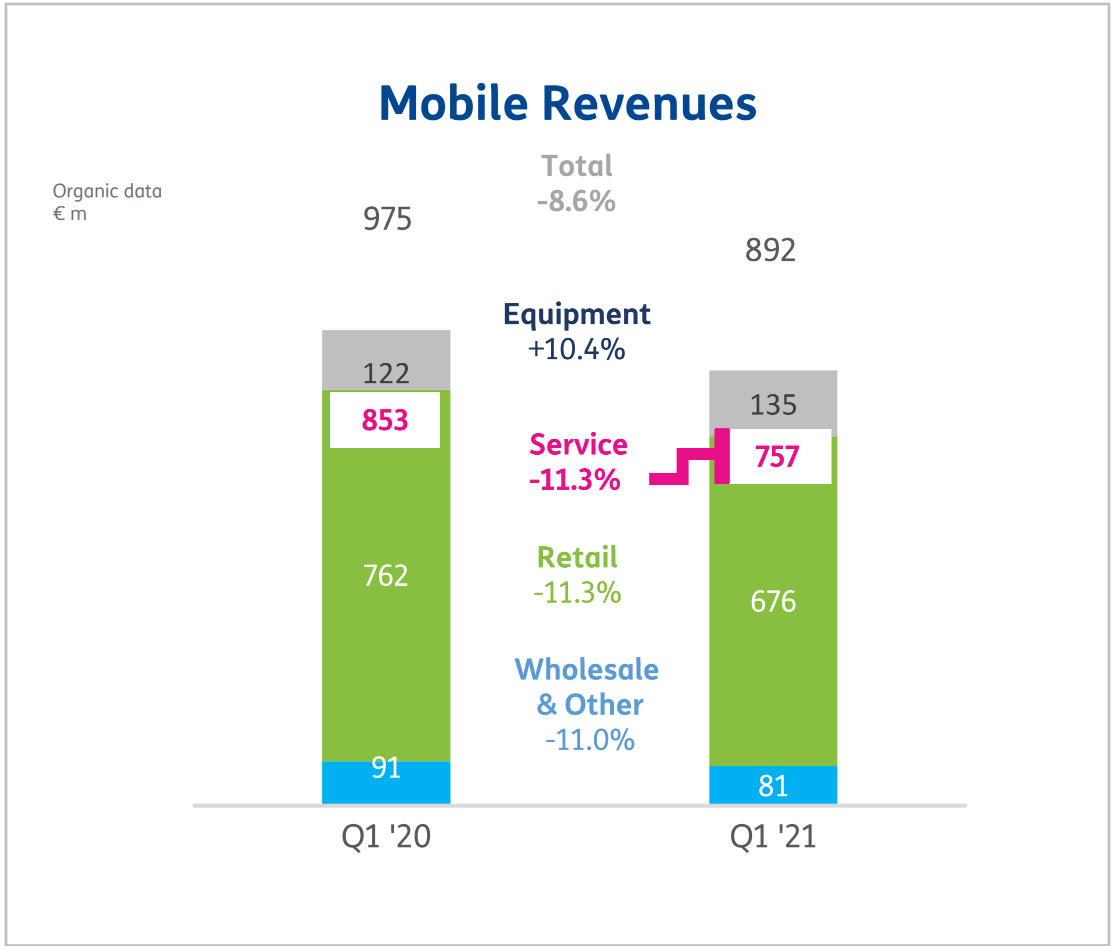
- ~ -5pp of one-off drags[1] set to fade off during the year (expected ~ -1pp in FY 2021)
- ~ -2pp accounting impact[2] affecting organic revenues, not reported (no impact from Q3, ~ -1pp in FY '21)
- ~ -1pp related to lapping of past price moves (expected ~ -0.5pp in FY 2021)

~ -1pp one-off drags in FY 2021 confirmed

- ~ -2pp related to customer base trend (vs. ~ -3pp in Q4)
- ~ -0.5pp price dynamics also related to convergence push, with strong benefits on churn (>50% lower)

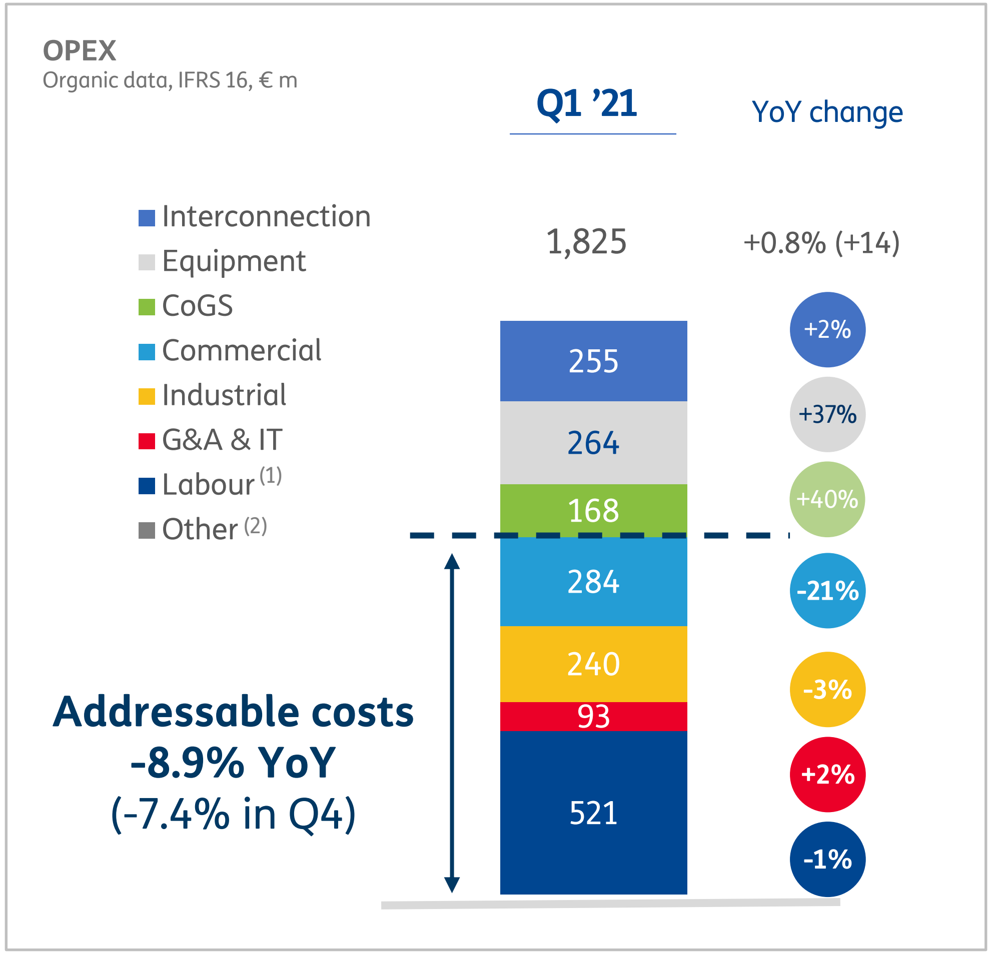
MTR price reduction explains -0.8pp drag

Handset sales back to growth: +10.4% YoY



(1) Including roaming, CSP cleaning, Consip contract renegotiated at lower prices, COVID related retail & wholesale out-of-bundle
(2) Accounting impact of Q1 '20 Covid-related Giga free monetized in Q1 '20 organic revenues

Further acceleration in addressable cost base cut: -8.9% YoY in Q1 (-7.4% in Q4)



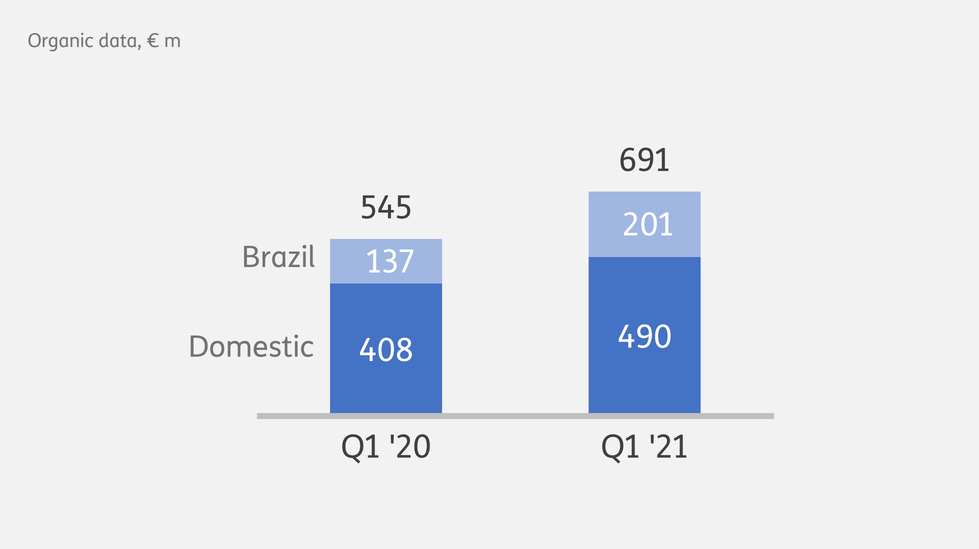
- **Labour** -1% YoY for FTE reduction (-1.9k YoY). Fall would be -9% net of drag from Telecoms sector contract renewal through one-off payments rather than salary increases and drag due to no solidarity in Q1 '21 (vs. 3 days of solidarity in Q1 '20)

  Solidarity starts in May for 16 months. No solidarity in H2 2020
- **Industrial:** lower energy costs (-15% YoY) thanks to lower consumption and better prices
- **Commercial** -21% mainly for lower bad debt (€61m, -62% YoY)
- **CoGS** increase related to ICT revenue growth
- **Equipment** back to growth albeit a bit less than sales growth
- **Interconnection** slight increase for higher traffic volumes

(1) Net of capitalized costs
(2) Includes other costs/provision and other income

CAPEX focused on growth, NWC improved further

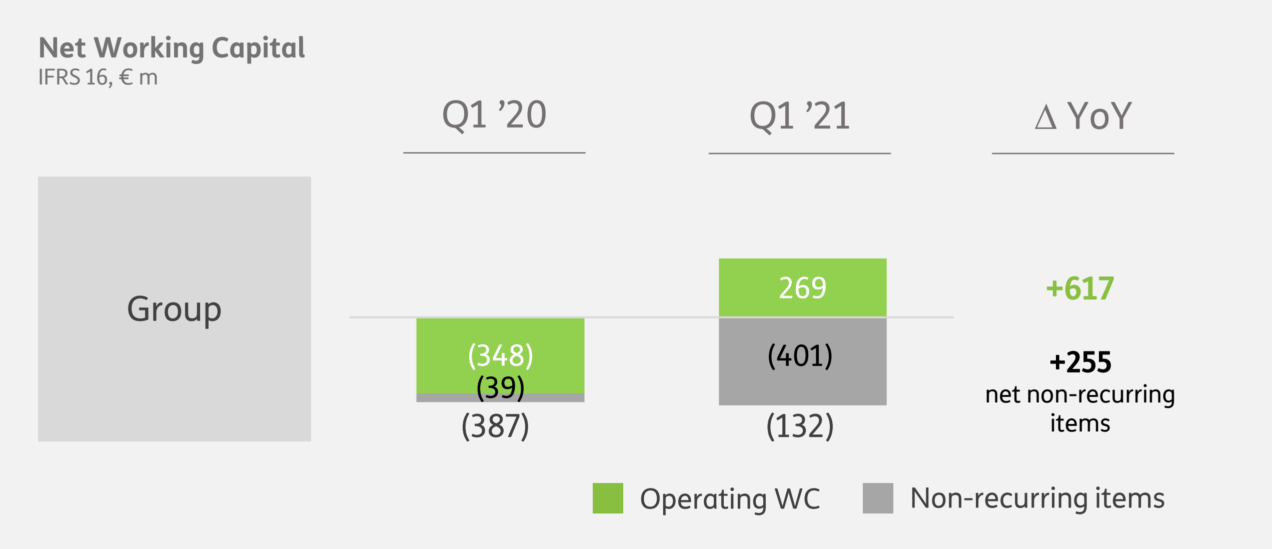
CAPEX focused on growth



Group **CAPEX** up YoY due to:

- more evenly split CAPEX during the year (COVID affected Q1 '20)
- push on growth CAPEX (+42% YoY) for FTTx roll out, kick off of Dazn partnership, Google Cloud partnership and Data Centers
- reduction in maintenance CAPEX (-2% YoY)

Group Operating WC improving **€ 617m** YoY



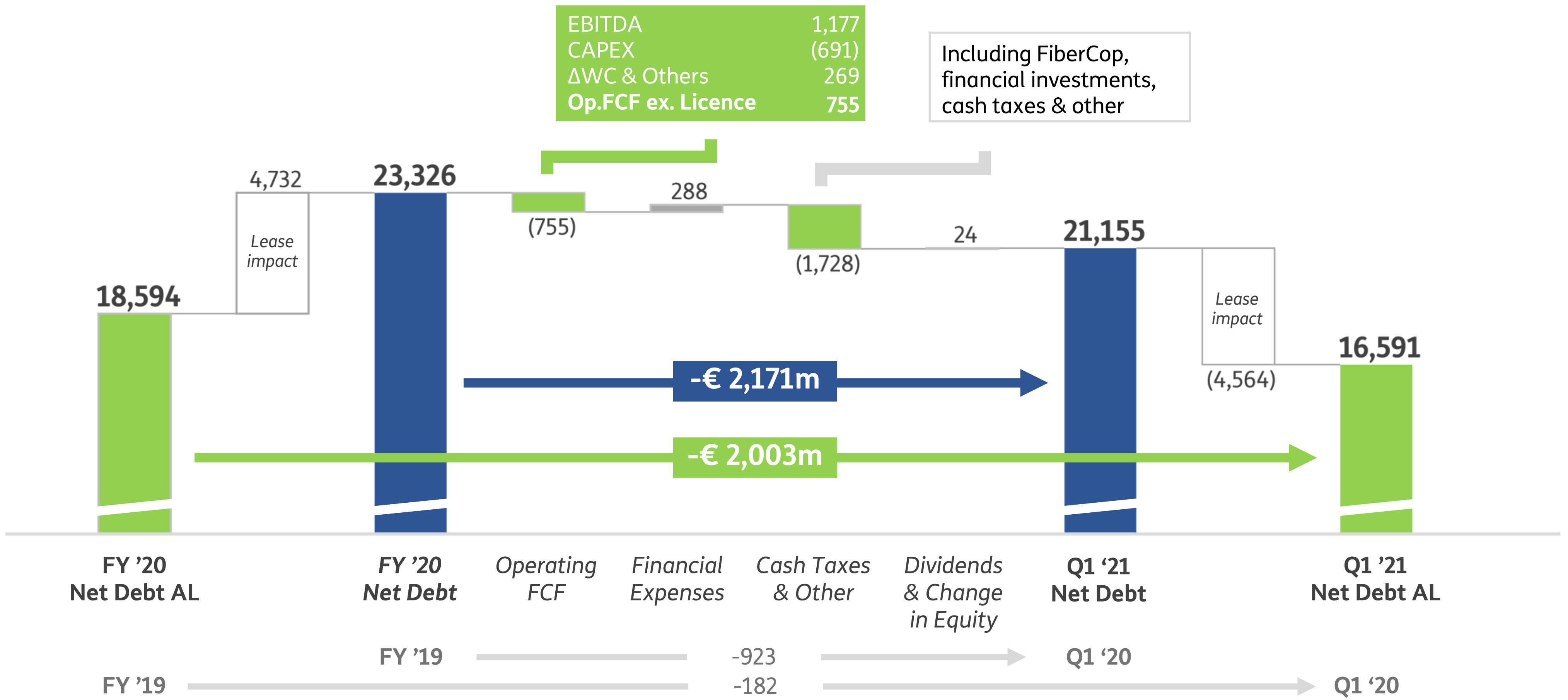
Group Operating Working Capital outflow improving €617m YoY

€255m YoY improvement excluding YoY swing in non-recurring items, benefiting from:

- effective working capital management domestically
- higher trade payables in Brazil

Deleverage: € 2.2bn debt cut in Q1 (-€ 2.0bn After Lease view)

€ m; (-) = Cash generated, (+) = Cash absorbed, excluding call-outs

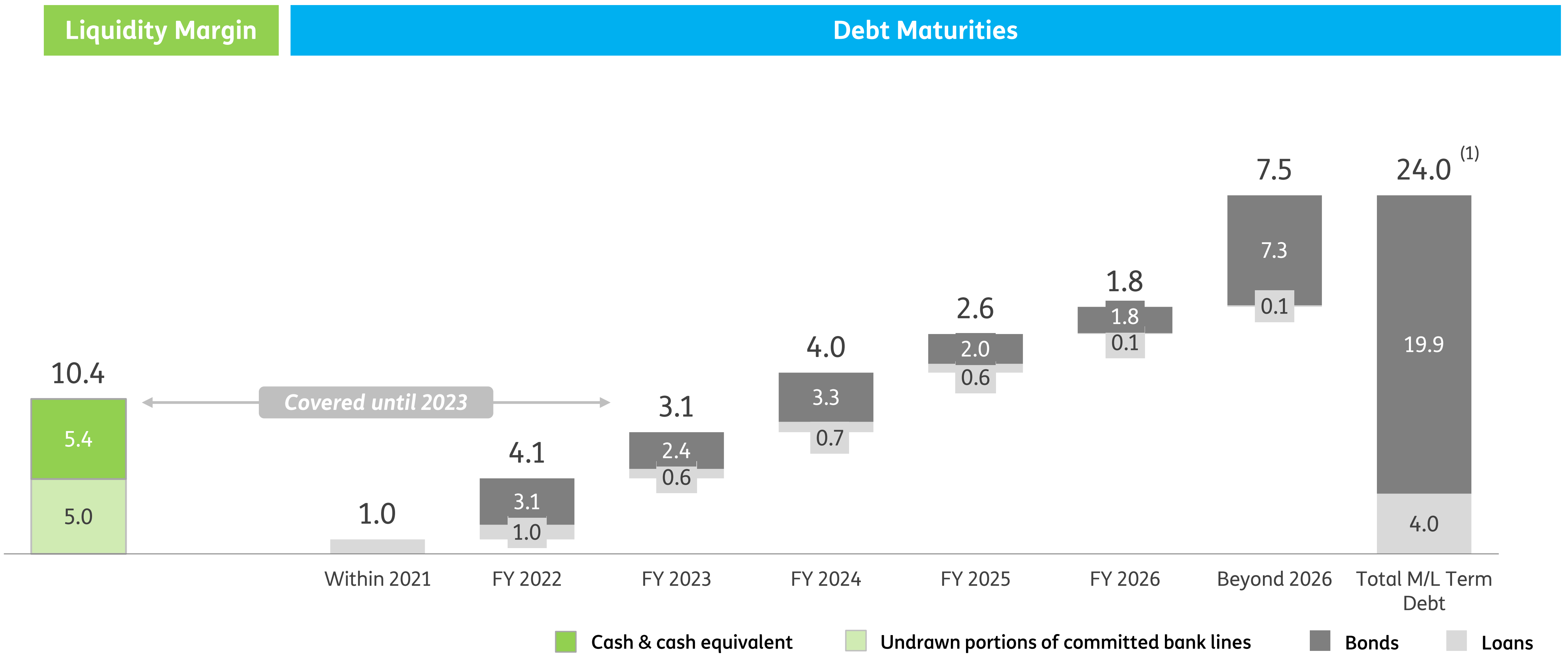


2020	**21,893**	5,775	**27,668**	(788)	295	(470)[1]	40	**26,745**	5,034	**21,711**
Δ vs. 2020	**(3,299)**	(1,043)	**(4,342)**	33	(7)	(1,258)	(16)	**(5,590)**	470	**(3,363)**

(1) Includes Inwit deconsolidation

Liquidity margin - After Lease view

Cost of debt ~3.3%, -0.1p.p. QoQ, -0.1p.p. YoY

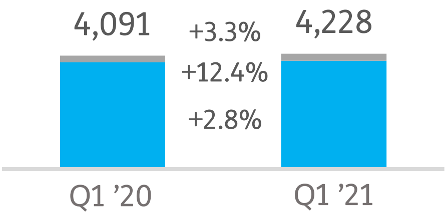


(1) € 23,953m is the nominal amount of outstanding medium-long term debt. By adding the balance of IAS adjustments and reverse fair value valuations (€ 480m) and current financial liabilities (€ 333m), the gross debt figure of € 24,766m is reached

TIM Brasil. Value strategy works: growth rates accelerate

Reported data, R$m

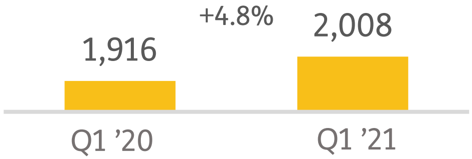
Service Revenues accelerating growth trend thanks to positive contribution from both mobile postpaid and fixed



MSR +2.8% YoY (vs. +1.5% in Q4), Postpaid +3.9% (vs. +3.6% in Q4)

FSR +12.4% YoY driven by TIM Live

EBITDA growth supported by revenues performance and cost control efficiency



EBITDA margin: **46.3%, +0.8pp YoY**

Mobile

ARPU +6.6% YoY
to 25.5 R$/month

Prepaid ARPU +3.9% YoY
Postpaid ARPU +1.9% YoY(1)

TIM Live

Revenues +20.3% YoY

CB +13.3% YoY to 662k

ARPU +6.1% YoY to 89.6 R$

ARPU growth in all segments

Reshape of revenue profile, customer transition to value

ESG

1st telco to migrate 100% of Data Centers to cloud

122 sky sites to provide coverage in remote areas

Infrastructure Development

FTTH coverage **+40% YoY**
3.5m HHs covered

Leadership in 4G confirmed
96% urban pop. coverage in >4k cities

Massive MIMO
+477 sites

Network Sharing Agreement
coverage expansion in 348 cities each

Special Projects

Fiber Co

Signing with IHS to accelerate FTTH rollout (8.9m HHs in 4-year plan)

Deal highlights:
- 21x EV/EBITDA(2)
- ~R$ 0.6bn primary (EV R$ 2.6bn)
- ~R$ 1bn secondary to be paid at closing

Customer experience

New agreement with Oracle and Microsoft

Partnerships for IoT

Adecoagro (agri solutions), Anglo American and Lundin Mining (industry 4.0), Stellantis (connected car)

Financial services

TIM+C6: ~R$11m revenues in Q1 '21

(1) Excluding M2M
(2) Pro-forma 2020

STRATEGIC INITIATIVES UPDATE

Strategic initiatives update

FiberCop

- **Closing** of KKR's purchase of a 37.5% stake **last March**. €1.8bn cash-in for TIM
- **Co-investment scheme published** and open to all operators
- 2021 revenues €1.2-1.3bn, EBITDA c. €0.9bn, debt/EBITDA 3.4x
- EBITDA–CAPEX positive from 2025; CAPEX/sales <10% at regime

AccessCo

- **Enel announced disposal** of 40% of OF to Macquarie and 10% to CDP
- **CDP will end up with 60% of OF** and will appoint CEO
- Single controlling shareholder simplifies ongoing dialogue

Develop TIM Brasil

- Oi's mobile assets integration: ~14.5m customers, ~7.2k mobile sites, ~49 MHz freq.
- CADE formal notification in Feb-21, analysis process initiated in Mar-21. **Closing by Q4**
- FiberCo NEWCO 51% owned by IHS[1] 49% by TIM (with prerogative on roll-out decisions)
- **FiberCo EV R$2.6 bn (21x EBITDA)**. Closing expected in 2H 2021

Data centers carve out

- Carve out of Noovle completed
- €0.5bn revenues and €0.2bn EBITDA generated in 2020
- **€1bn revenues and €0.4bn EBITDA targeted for 2024 confirmed**

(1) IHS Fibre Brazil is an industrial player with expertise to help accelerate the FTTH rollout

CLOSING REMARKS

2021-'23 guidance

YoY growth rates, IFRS 16 / After Lease	Group		Domestic		Brazil [1]	
	2021	2022-23	2021	2022-23	2021	2022-23
Organic Service revenues	Stable to Low single digit growth	Low single digit growth	Stable	Stable to Low single digit growth	Mid single digit growth	Mid single digit growth High single digit growth (CAGR '20-'23) with Oi
Organic EBITDA AL	Stable to Low single digit growth	Low to Mid single digit growth	Stable	Low single digit growth	Mid single digit growth	Mid single digit growth Double digit growth (CAGR '20-'23) with Oi
CAPEX	~€ 2.9 bn per year				~R$ 13.0 bn ~R$ 13.5 bn with Oi	
Eq FCF AL	**Cumulated ~€ 4.0 bn** *Net of ~€0.7bn tax realignment cost*					
Adjusted Net Debt AL	**~€ 16.5 bn** excluding Oi [2]	**2.6x** Net Debt AL / EBITDA AL [3] by 2023				
Dividend	*ordinary*: **floor of € 1 cent per share**, aim to distribute 20-25% of yearly Equity FCF subject to deleverage execution *savings*: €2.75 cents per share throughout 2021-23					

(1) Guidance based on IFRS 16 for EBITDA in Brazil
(2) Including anticipation of 2100 MHz spectrum prepayment (~€0.3bn) and excluding Oi's mobile acquisition
(3) Based on Organic EBITDA AL; 2.7x based on Reported EBITDA AL
P/L figures @ average exchange-rate actual 5,9 REAIS/EUR

ESG guidance

Targets[1]

Eco-efficiency	+50%	2025
Renewable energy on total energy (%)	+5pp/yr	2025
Indirect emissions[2]	-70%	2025
Carbon Neutrality[3]		2030
Employees engagement	+19pp	2023
Hours of training for reskilling and upskilling	6.4m hrs	2023
Churn of young employees	<15%	2023
New VC fund size	€ 60m	2023
IoT and Security service revenues (CAGR)	+20%	2023
Green Smartphone	>15%	2024

(1) "Beyond Connectivity" plan targets were upgraded vs. previous plan, baseline 2019. Domestic, except for indirect emissions and carbon neutrality (Group)
(2) Scope 2, TIM Group
(3) TIM Group

Closing remarks

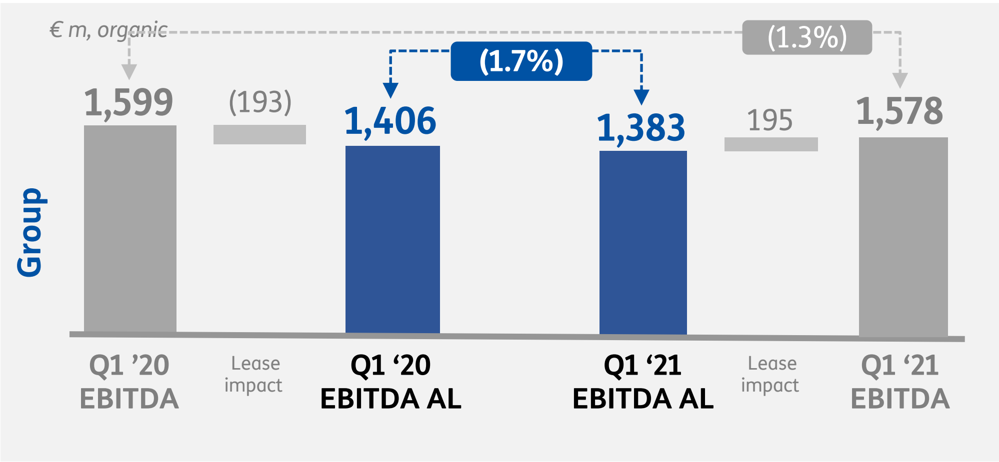
- **Group revenues stable YoY and now more sustainable**
- **Domestic FSR and fixed lines stable, UBB growth defeating seasonality**
- **Convergence bringing mobile churn at lowest level in 14 years**
- **Setting the scene for domestic growth through football, FiberCop and “beyond connectivity” plan**
- **Public funding and macro forecasts further improved post new release of Recovery plan**
- **Cost cutting accelerated, Equity Free Cash flow generation growing**
- **Q1 net debt close to YE 2021 target**

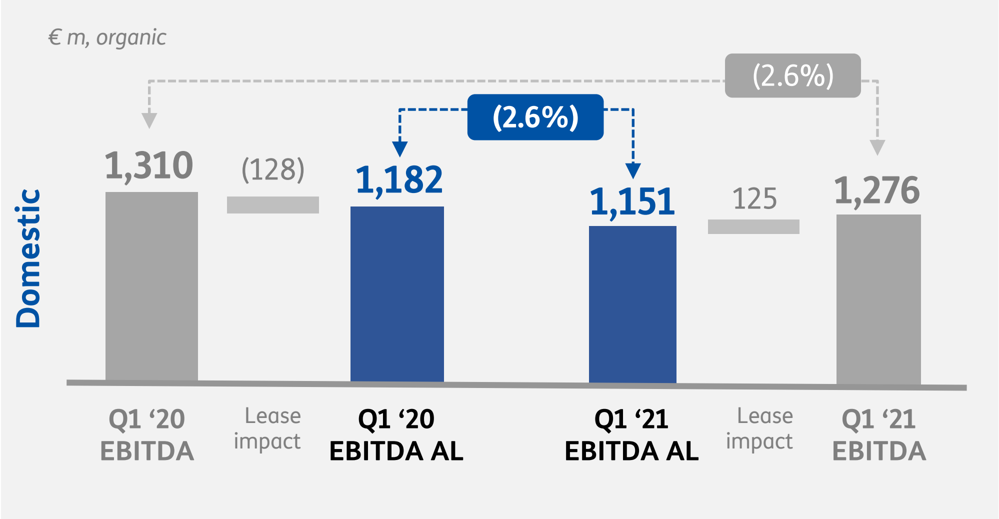
Q&A

ANNEX

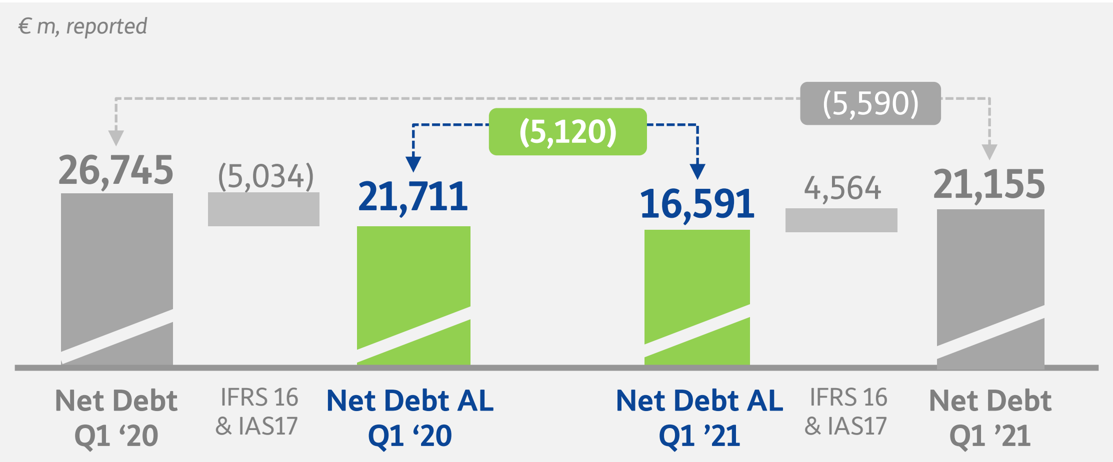
IFRS 16 and IFRS 16 After Lease view

EBITDA After Lease

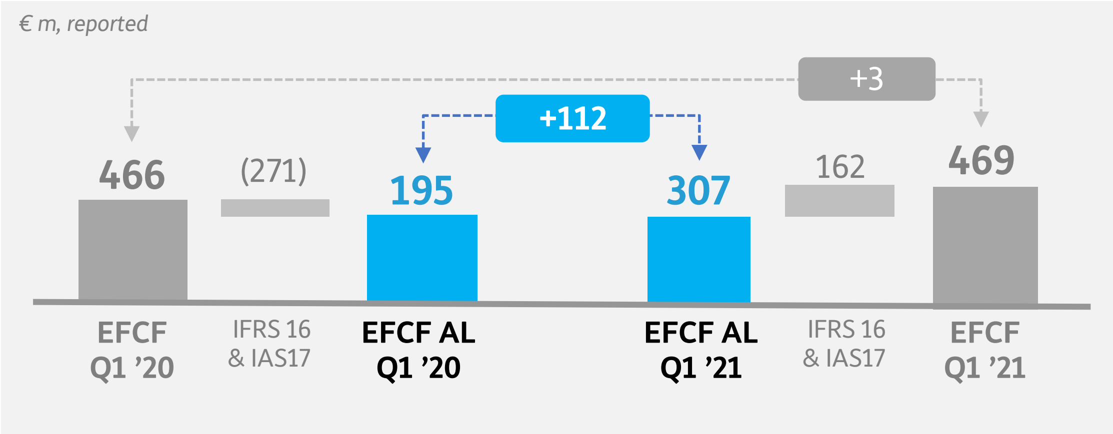




Net Debt After Lease



Equity Free Cash Flow After Lease

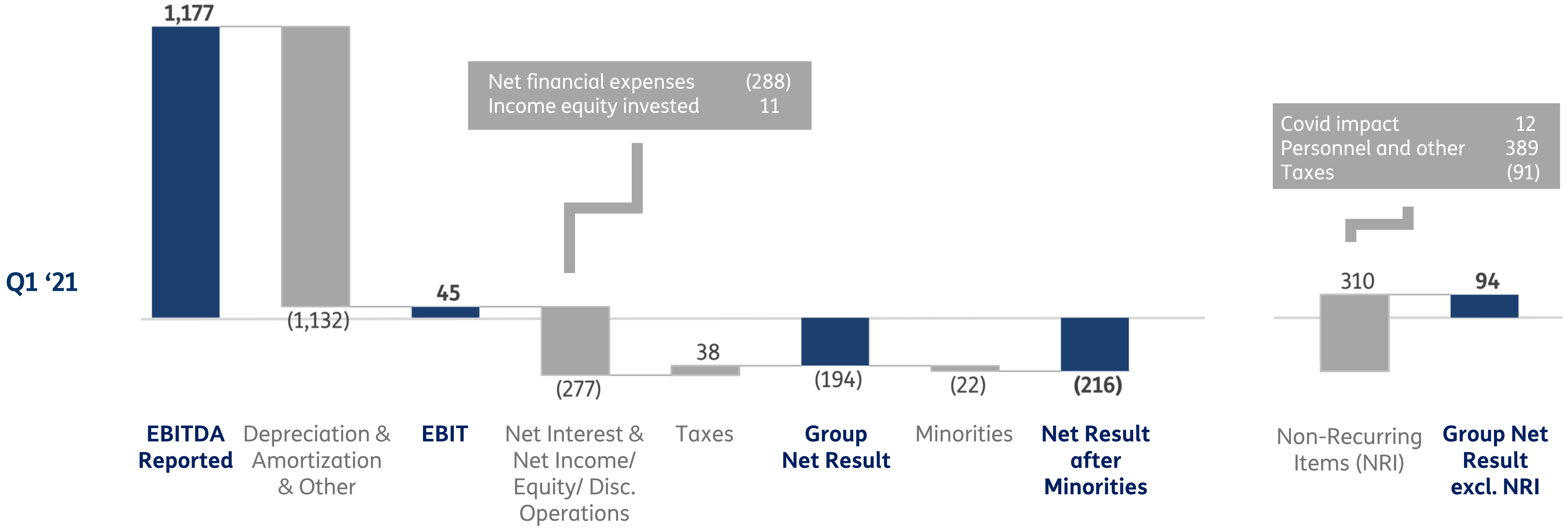


Realignment of intangible asset tax value

Realignment of the tax value	▪ **Decree-Law** 104/2020 allows for realignment of intangible asset tax value to the book value ▪ 3% **substitute tax** to be paid on the amount redeemed ▪ **Future income taxes** will benefit from intangible asset tax amortization
TIM SpA intangible assets redeemed	▪ Overall **tax benefit**: **€ 5.9bn** (28.5% of tax basis) net of substitute tax ▪ Benefit will occur over 18 years
Substitute tax (3%): € 0.7bn	▪ To be paid in 3 annual instalments (€ 0.2bn per year), from June 2021

Net Income

Reported data, € m, Rounded numbers



	EBITDA Reported	Depreciation & Amortization & Other	EBIT	Net Interest & Net Income/ Equity/ Disc. Operations	Taxes	Group Net Result	Minorities	Net Result after Minorities	Non-Recurring Items (NRI)	Group Net Result excl. NRI
Q1 '20	**1,735**	(1,202)	**533**	140	(82)	**591**	(31)	**560**	(415)	**145**
Δ vs. Q1 '20	(558)	70	(488)	(417)(1)	120	(785)	9	(776)	725	(51)

o/w NRI on Personnel Q1 '21 €311m

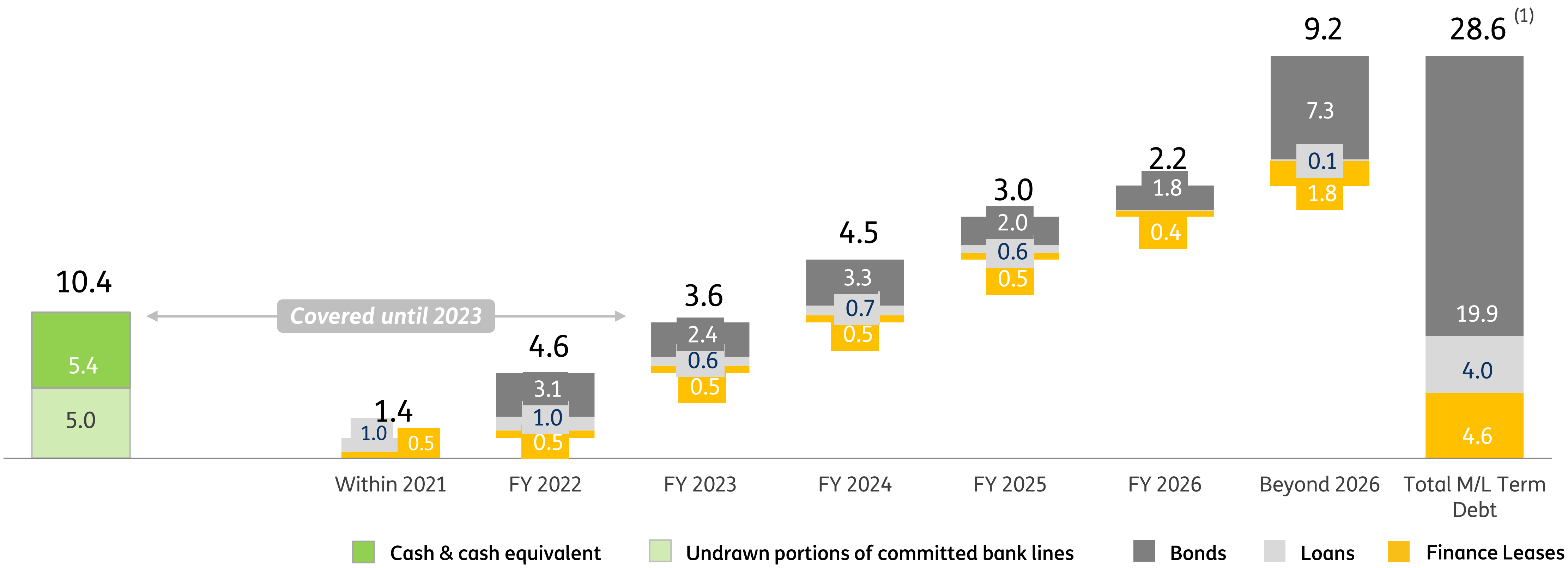
(1) Of which Inwit gain on disposal 441m

Liquidity margin - IFRS 16 view

Cost of debt ~3.6%*, -0.1p.p. QoQ, -0.3p.p. YoY

* *Including cost of all leases*

Liquidity Margin | **Debt Maturities**

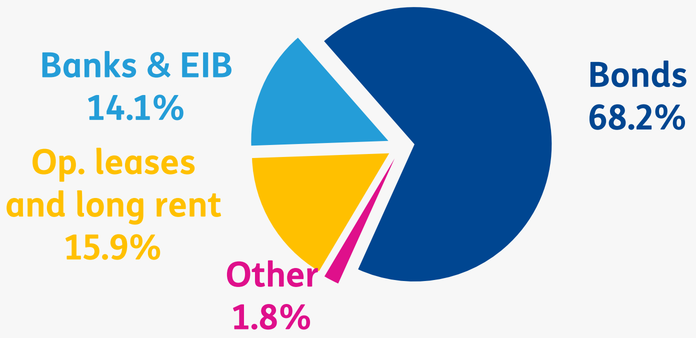


(1) € 28,600m is the nominal amount of outstanding medium-long term debt. By adding the balance of IAS adjustments and reverse fair value valuations (€ 509m) and current financial liabilities (€ 333m), the gross debt figure of € 29,442m is reached

Well diversified and hedged debt

	NFP adjusted	Fair value	NFP accounting
GROSS DEBT			
Bonds	20,078	267	20,345
Banks & EIB	4,146	-	4,146
Derivatives	197	1,451	1,648
Op. leases and long rent	4,676	-	4,676
Other	345	-	345
TOTAL	**29,442**	**1,718**	**31,160**
FINANCIAL ASSETS			
Liquidity position	5,356	-	5,356
Other (1)	2,931	1,201	4,132
TOTAL	**8,287**	**1,201**	**9,488**
NET FINANCIAL DEBT	**21,155**	**517**	**21,672**

Gross Debt



Average m/l term maturity:
7.0 years (bond 6.8 years only)

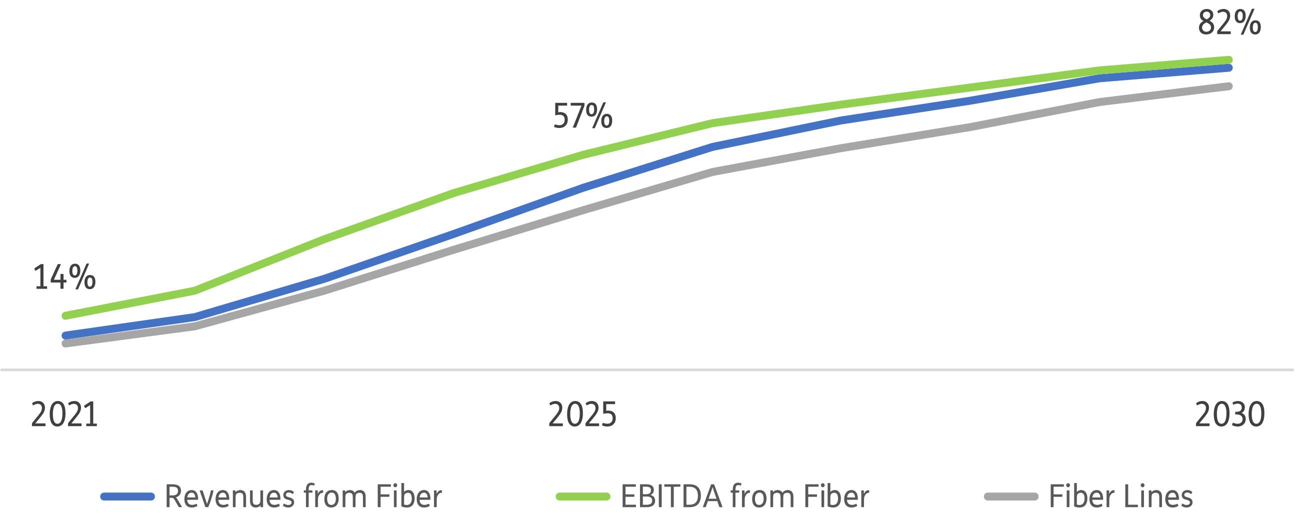
Fixed rate portion on medium-long term debt ~**72%**

Around **26% of outstanding bonds** (nominal amount) denominated in **USD and GBP and fully hedged**

(1) Refers to positive MTM derivatives (accrued interests and exchange rate) for € 791m, financial receivables for lease for € 112m and other credits for € 2,028m

FiberCop Financials in a nutshell[(1)]

EBITDA to evolve to FTTH in time…



FiberCop Financials	
Revenues 2021	€ 1.2 – 1.3bn
EBITDA 2021	~€ 0.9bn
Net Debt / EBITDA 2021	3.4x
EBITDA - CAPEX	Positive from 2025
CAPEX / Sales at regime	<10%

FiberCop value to grow over time
thanks to switch in the mix from copper towards fiber

(1) More details in August 31st 2020 presentation

For further questions please contact the IR team

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