

Press Release

TIM: ADDENDUM OF MARKET COMMUNICATIONS ON THE 2024-2026 BUSINESS PLAN, GUIDANCE 2024-2026 CONFIRMED

- **NET CASH FLOW 2026 EXPECTED TO BE APPROXIMATELY €500 MILLION, NORMALIZED AT €800 MILLION**

Rome, March 11 2024

TIM – in addition to the press release and the presentation of the 2024-2026 'Free to Run' Industrial Plan released on Capital Market Day on 7 March - provides the following additional information.

The pro-forma Net Debt after the expected deleverage from the NetCo transaction, amounting to approximately EUR 6.1 billion as of 31 December 2023, is expected to be approximately EUR 7.5 billion at the end of 2024.

This difference is mainly due to:

- Ordinary operations: i.e. EBITDA AL net of investments, financial expenses, Net Working Capital (NWC) performance, TIM Brasil minorities and the tax and other charges;
- Extraordinary operations: i.e. impacts related to the Netco transaction such as separation costs, potential price adjustment impacts and additional items related to Net working Capital (see page 64 of the CMD 2024 presentation).

With regard to 2025-2026 cash flows, the following should be noted:

- Net cash flow is expected to be around zero in 2025 and around EUR 0.5 billion in 2026;
- These net cash flow levels, when normalized by the effects described in the tables below, lead to a value of around EUR 0.4 billion in 2025 and EUR 0.8 billion in 2026. The cash flow normalisation factors are linked to extraordinary cash outflows at the working capital level mainly related to the effective severance of personnel subject to redundancy incentive initiatives already activated (see page 64 of the CMD presentation) and to the normalisation of debt costs due to the impact of the expected improvement in credit worthiness (the rating), which will allow the company to implement a more efficient management of the liquidity margin, and the decrease in charges related to extraordinary items.

TIM therefore confirms the 2024-2026 guidance presented to the market. It should also be noted that potential upside to guidance could result from earn-outs related to the Netco transaction and the potential disposal of Sparkle, the process of which is still ongoing.

Below the tables summarizing what has been outlined:

TIM S.p.A.

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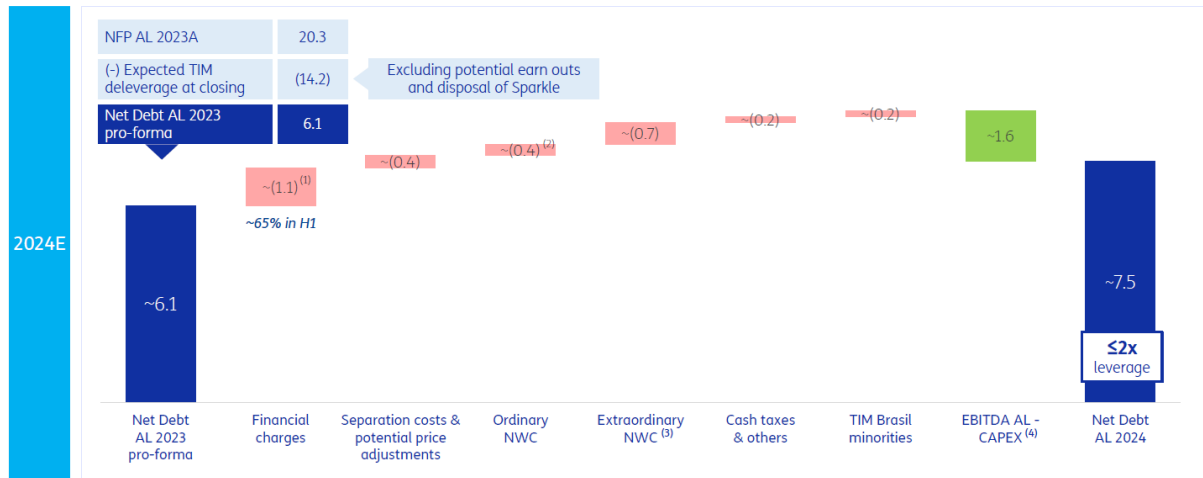
Tax Code/VAT no. and Milan Company Register no.: 00488410010 - Entry in the A.E.E. Register IT08020000000799

Share capital €11,677,002,855.10 fully paid up Certified email address (PEC): telecomitalia@pec.telecomitalia.it

Addendum to Capital Market Day 2024 presentation

(1/2)

€bn, After Lease view, including Sparkle, assuming closing of NetCo disposal by end of June 2024



(1) Of which ~20% for TIM Brasil Serviços and Participações S.A. (2) Includes FiberCop share of NRRP 2023 anticipation presentation (3) As communicated in slide #64 of the Capital Market Day 2024 (4) Organic EBITDA AL minus CAPEX net of licences

1

Addendum to Capital Market Day 2024 presentation

(2/2)

€bn, After Lease view, including Sparkle, assuming closing of NetCo disposal by end of June 2024

From EBITDA AL-CAPEX to Net Cash Flow			Net Cash Flow Normalization		
	2025E	2026E		2025E	2026E
EBITDA AL - CAPEX ⁽¹⁾	~1.8	~2.2	Net Cash Flow Target ⁽³⁾	Roughly break-even	~0.5
Delta Working Capital including extraordinary items	~(0.5)	~(0.3)	WC extraordinary items ⁽⁴⁾	~0.3	~0.2
Operating Cash Flow	~1.3	~1.9	Financial charges normalization	~0.05	~0.1
Financial charges ⁽²⁾	~(0.8)	~(0.8)	Normalized Net Cash Flow	~0.4	~0.8
Cash taxes & Others	~(0.3)	~(0.4)			
Dividends to TIM Brasil Minorities	~(0.2)	~(0.2)			
Net Cash Flow	~0.0	~0.5			

Excluding potential earn outs and disposal of Sparkle



(1) Organic EBITDA AL minus CAPEX net of licences (2) Of which ~27% in 2025 and ~20% in 2026 for TIM Brasil Serviços and Participações S.A. (3) Post dividends to Brazilian free float (4) As communicated in the CMD presentation dated 7th March 2024 (slide #64)

2

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Disclaimer

This press release contains statements¹ that constitute forward-looking statements regarding the intent, belief or current expectations of future growth in the different business lines and the global business, financial results and other aspects of the activities and situation relating to the TIM Group.

Such forward looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those projected or implied in the forward-looking statements as a result of various factors. Consequently, TIM makes no representation, whether expressed or implied, as to the conformity of the actual results with those projected in the forward-looking statements.

Forward looking information is based on certain key assumptions which we believe to be reasonable as of the date hereof, but forward-looking information by its nature involves risks and uncertainties, which are outside our control, and could significantly affect expected results.

The financial results of the TIM Group are prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and endorsed by the EU (designated as "IFRS").

The accounting policies and consolidation principles adopted in the preparation of the financial results for FY '23, Q4 '23 and for 2024-'26 Plan of the TIM Group are the same as those adopted in the TIM Group Annual Audited Consolidated Financial Statements as of 31 December 2022, to which reference can be made, except for the amendments to the standards issued by IASB and adopted starting from 1 January, 2023. Please note that as of today, the audit work by our independent auditors (E&Y) on the FY '23 results have not yet been completed.

¹ This press release do not constitute an additional guidance.