ATTACHMENTS TO THE PRESS RELEASE

October 27, 2021

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

TIM GROUP – RECLASSIFIED STATEMENTS

The reclassified 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 as well as the Consolidated Net Financial Debt of the TIM Group, herewith presented, are consistent with the consolidated financial statements included in the Annual Financial Report and in the Half-Year Financial Report. Such statements were not audited by the audit firm.

The accounting policies and consolidation principles adopted are consistent with those applied for the TIM Group Consolidated Financial Statements at December 31, 2020, to which reference should be made, except for the amendments to the standards issued by the IASB and adopted starting from January 1, 2021.

TIM GROUP - SEPARATE CONSOLIDATED INCOME STATEMENTS

(million euros)	3rd Quarter 2021	3rd Quarter 2020	9 months to 9/30/2021 (a)	9 months to 9/30/2020 (b)	Changes (a-b) absolute	%
Revenues	**3,836**	**3,898**	**11,403**	**11,657**	**(254)**	**(2.2)**
Other income	42	31	211	121	90	74.4
Total operating revenues and other income	**3,878**	**3,929**	**11,614**	**11,778**	**(164)**	**(1.4)**
Acquisition of goods and services	(1,642)	(1,593)	(4,762)	(4,433)	(329)	(7.4)
Employee benefits expenses	(526)	(574)	(2,241)	(1,946)	(295)	(15.2)
Other operating expenses	(201)	(179)	(625)	(681)	56	8.2
Change in inventories	2	18	51	24	27	—
Internally generated assets	113	119	357	376	(19)	(5.1)
Operating profit (loss) before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)	**1,624**	**1,720**	**4,394**	**5,118**	**(724)**	**(14.1)**
Depreciation and amortization	(1,143)	(1,134)	(3,411)	(3,482)	71	2.0
Gains (losses) on disposals of non-current assets	3	(1)	2	(9)	11	—
Impairment reversals (losses) on non-current assets	—	—	—	—	—	—
Operating profit (loss) (EBIT)	**484**	**585**	**985**	**1,627**	**(642)**	**(39.5)**
Share of profits (losses) of associates and joint ventures accounted for using the equity method	10	10	32	12	20	—
Other income (expenses) from investments	—	—	12	448	(436)	(97.3)
Finance income	413	342	959	843	116	13.8
Finance expenses	(693)	(648)	(1,821)	(1,752)	(69)	(3.9)
Profit (loss) before tax from continuing operations	**214**	**289**	**167**	**1,178**	**(1,011)**	**(85.8)**
Income tax expense	28	232	30	66	(36)	(54.5)
Profit (loss) from continuing operations	**242**	**521**	**197**	**1,244**	**(1,047)**	**(84.2)**
Profit (loss) from Discontinued operations/Non-current assets held for sale	—	—	—	—	—	—
Profit (loss) for the period	**242**	**521**	**197**	**1,244**	**(1,047)**	**(84.2)**
Attributable to:						
Owners of the Parent	**159**	**500**	**22**	**1,178**	**(1,156)**	**(98.1)**
Non-controlling interests	83	21	175	66	109	—

TIM GROUP - CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

In accordance with IAS 1 (Presentation of Financial Statements) here below are presented the Consolidated Statements of Comprehensive Income, including the Profit (loss) for the period, as shown in the Separate Consolidated Income Statements, and all non-owner changes in equity.

(million euros)		3rd Quarter 2021	3rd Quarter 2020	9 months to 9/30/2021	9 months to 9/30/2020
Profit (loss) for the period	(a)	242	521	197	1,244
Other components of the Consolidated Statement of Comprehensive Income					
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		1	—	6	(7)
Income tax effect		—	—	—	—
	(b)	1	—	6	(7)
Remeasurements of employee defined benefit plans (IAS19):					
Actuarial gains (losses)		—	—	22	(3)
Income tax effect		—	—	(5)	1
	(c)	—	—	17	(2)
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)	1	—	23	(9)
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		18	6	6	3
Loss (profit) transferred to Separate Consolidated Income Statement		(3)	—	(6)	—
Income tax effect		—	—	1	(1)
	(f)	15	6	1	2
Hedging instruments:					
Profit (loss) from fair value adjustments		(140)	(397)	425	213
Loss (profit) transferred to Separate Consolidated Income Statement		175	202	(252)	173
Income tax effect		(9)	48	(42)	(94)
	(g)	26	(147)	131	292
Exchange differences on translating foreign operations:					
Profit (loss) on translating foreign operations		(244)	(307)	63	(1,750)
Loss (profit) on translating foreign operations transferred to Separate Consolidated Income Statement		—	—	—	—
Income tax effect		—	—	—	—
	(h)	(244)	(307)	63	(1,750)
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)	(203)	(448)	195	(1,456)
Total other components of the Consolidated Statement of Comprehensive Income	(m=e+k)	(202)	(448)	218	(1,465)
Total comprehensive income (loss) for the period	(a+m)	40	73	415	(221)
Attributable to:					
Owners of the Parent		36	145	223	249
Non-controlling interests		4	(72)	192	(470)

TIM GROUP - CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(million euros)		9/30/2021 (a)	12/31/2020 (b)	Changes (a-b)
Assets				
Non-current assets				
Intangible assets				
Goodwill		22,689	22,847	(158)
Intangible assets with a finite useful life		6,484	6,740	(256)
		29,173	**29,587**	**(414)**
Tangible assets				
Property, plant and equipment owned		**13,009**	**13,141**	**(132)**
Rights of use assets		**4,783**	**4,992**	**(209)**
Other non-current assets				
Investments in associates and joint ventures accounted for using the equity method		2,710	2,728	(18)
Other investments		120	54	66
Non-current financial receivables arising from lease contracts		46	43	3
Other non-current financial assets		2,174	2,267	(93)
Miscellaneous receivables and other non-current assets		2,307	2,114	193
Deferred tax assets		7,594	7,496	98
		14,951	**14,702**	**249**
Total Non-current assets	(a)	**61,916**	**62,422**	**(506)**
Current assets				
Inventories		358	287	71
Trade and miscellaneous receivables and other current assets		4,301	4,280	21
Current income tax receivables		40	86	(46)
Current financial assets				
Current financial receivables arising from lease contracts		*42*	*55*	*(13)*
Securities other than investments, other financial receivables and other current financial assets		*1,526*	*1,254*	*272*
Cash and cash equivalents		*4,443*	*4,829*	*(386)*
		6,011	**6,138**	**(127)**
Current assets sub-total		**10,710**	**10,791**	**(81)**
Discontinued operations /Non-current assets held for sale				
of a financial nature		—	—	—
of a non-financial nature		355	—	355
		355	**—**	**355**
Total Current assets	(b)	**11,065**	**10,791**	**274**
Total Assets	(a+b)	**72,981**	**73,213**	**(232)**

The company has not found any evidence that the value of assets with an indefinite life is likely to be impaired in the long term compared to the value measured for the purposes of the 2020 financial statements.

(million euros)		9/30/2021 (a)	12/31/2020 (b)	Changes (a-b)
Equity and Liabilities				
Equity				
Equity attributable to owners of the Parent		26,042	26,215	(173)
Non-controlling interests		4,598	2,625	1,973
Total Equity	(c)	**30,640**	**28,840**	**1,800**
Non-current liabilities				
Non-current financial liabilities for financing contracts and others		21,679	23,655	(1,976)
Non-current financial liabilities for lease contracts		3,990	4,199	(209)
Employee benefits		710	724	(14)
Deferred tax liabilities		354	277	77
Provisions		668	770	(102)
Miscellaneous payables and other non-current liabilities		1,469	3,602	(2,133)
Total Non-current liabilities	(d)	**28,870**	**33,227**	**(4,357)**
Current liabilities				
Current financial liabilities for financing contracts and others		4,405	3,677	728
Current financial liabilities for lease contracts		649	631	18
Trade and miscellaneous payables and other current liabilities		8,116	6,567	1,549
Current income tax payables		243	271	(28)
Current liabilities sub-total		**13,413**	**11,146**	**2,267**
Liabilities directly associated with Discontinued operations/Non-current assets held for sale				
of a financial nature		—	—	—
of a non-financial nature		58	—	58
		58	**—**	**58**
Total Current Liabilities	(e)	**13,471**	**11,146**	**2,325**
Total Liabilities	(f=d+e)	**42,341**	**44,373**	**(2,032)**
Total Equity and Liabilities	(c+f)	**72,981**	**73,213**	**(232)**

TIM GROUP - CONSOLIDATED STATEMENTS OF CASH FLOWS

(million euros)		9 months to 9/30/2021	9 months to 9/30/2020
Cash flows from operating activities:			
Profit (loss) from continuing operations		197	1,244
Adjustments for:			
Depreciation and amortization		3,412	3,482
Impairment losses (reversals) on non-current assets (including investments)		(10)	23
Net change in deferred tax assets and liabilities		(12)	(138)
Losses (gains) realized on disposals of non-current assets (including investments)		(2)	(439)
Share of losses (profits) of associates and joint ventures accounted for using the equity method		(32)	(12)
Change in employee benefits		10	(534)
Change in inventories		(74)	1
Change in trade receivables		88	390
Change in trade payables		(263)	(580)
Net change in income tax receivables/payables		(325)	87
Net change in miscellaneous receivables/payables and other assets/liabilities		(26)	2,023
Cash flows from (used in) operating activities	**(a)**	**2,963**	**5,547**
Cash flows from investing activities:			
Purchases of intangible, tangible and rights of use assets on a cash basis		(2,933)	(2,769)
Capital grants received		—	23
Acquisition of control of companies or other businesses, net of cash acquired		—	(7)
Acquisitions/disposals of other investments		(86)	(8)
Change in financial receivables and other financial assets (excluding hedging and non-hedging derivatives under financial assets)		(290)	(186)
Proceeds from sale that result in a loss of control of subsidiaries or other businesses, net of cash disposed of		—	(33)
Proceeds from sale/repayments of intangible, tangible and other non-current assets		6	406
Cash flows from (used in) investing activities	**(b)**	**(3,303)**	**(2,574)**
Cash flows from financing activities:			
Change in current financial liabilities and other		(58)	(1,590)
Proceeds from non-current financial liabilities (including current portion)		1,920	1,270
Repayments of non-current financial liabilities (including current portion)		(2,885)	(2,410)
Changes in hedging and non-hedging derivatives		(79)	(233)
Share capital proceeds/reimbursements (including subsidiaries)		(42)	12
Dividends paid		(354)	(356)
Changes in ownership interests in consolidated subsidiaries		1,757	(1)
Cash flows from (used in) financing activities	**(c)**	**259**	**(3,308)**
Cash flows from (used in) Discontinued operations/Non-current assets held for sale	**(d)**	**—**	**—**
Aggregate cash flows	**(e=a+b+c+d)**	**(81)**	**(335)**
Net cash and cash equivalents at beginning of the period	**(f)**	**4,508**	**3,202**
Net foreign exchange differences on net cash and cash equivalents	(g)	13	(159)
Net cash and cash equivalents at end of the period	**(h=e+f+g)**	**4,440**	**2,708**

Purchases of intangible, tangible and rights of use assets

(million euros)	9 months to 9/30/2021	9 months to 9/30/2020
Purchase of intangible assets	(932)	(720)
Purchase of tangible assets	(1,740)	(1,256)
Purchase of rights of use assets	(445)	(1,029)
Total purchase of intangible, tangible and rights of use assets on an accrual basis	(3,117)	(3,005)
Change in payables arising from purchase of intangible, tangible and rights of use assets	184	236
Total purchases of intangible, tangible and rights of use assets on a cash basis	(2,933)	(2,769)

Additional Cash Flow information

(million euros)	9 months to 9/30/2021	9 months to 9/30/2020
Income taxes (paid) received	(262)	93
Interest expense paid	(1,140)	(1,240)
Interest income received	305	302
Dividends received	88	256

Analysis of Net Cash and Cash Equivalents

(million euros)	9 months to 9/30/2021	9 months to 9/30/2020
Net cash and cash equivalents at beginning of the period:		
Cash and cash equivalents - from continuing operations	4,829	3,138
Bank overdrafts repayable on demand – from continuing operations	(321)	(1)
Cash and cash equivalents - from Discontinued operations/Non-current assets held for sale	—	65
Bank overdrafts repayable on demand – from Discontinued operations/Non-current assets held for sale	—	—
	4,508	**3,202**
Net cash and cash equivalents at end of the period:		
Cash and cash equivalents - from continuing operations	4,443	2,858
Bank overdrafts repayable on demand – from continuing operations	(3)	(150)
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	—	—
	4,440	**2,708**

TIM GROUP - CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Changes in equity from January 1, 2020 to September 30, 2020

(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, 2019	**11,587**	**2,094**	**19**	**(440)**	**(1,417)**	**(124)**	**—**	**8,561**	**20,280**	**2,346**	**22,626**
Changes in equity during the period:											
Dividends approved	—	—	—	—	—	—	—	(316)	**(316)**	—	**(316)**
Total comprehensive income (loss) for the period	—	—	(5)	292	(1,214)	(2)	—	1,178	**249**	(470)	**(221)**
Issue of equity instruments	—	—	—	—	—	—	—	(5)	**(5)**	—	**(5)**
INWIT - deconsolidation	—	—	—	—	—	—	—	—	**—**	(644)	**(644)**
Other changes	1	—	—	—	—	—	—	18	**19**	14	**33**
Balance at September 30, 2020	**11,588**	**2,094**	**14**	**(148)**	**(2,631)**	**(126)**	**—**	**9,436**	**20,227**	**1,246**	**21,473**

Changes in equity from January 1, 2021 to September 30, 2021

(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, 2020	**11,588**	**2,133**	**20**	**(350)**	**(2,538)**	**(119)**	**—**	**15,481**	**26,215**	**2,625**	**28,840**
Changes in equity during the period:											
Dividends approved	—	—	—	—	—	—	—	(318)	**(318)**	(26)	**(344)**
Total comprehensive income (loss) for the period	—	—	7	131	46	17	—	22	**223**	192	**415**
Issue of equity instruments	4	—	—	—	—	—	—	18	**22**	—	**22**
FiberCop - capital increase	—	—	—	—	—	—	—	(98)	**(98)**	1,848	**1,750**
Daphne 3 - distribution of additional paid-in capital	—	—	—	—	—	—	—	—	—	(42)	**(42)**
Other changes	—	—	—	—	—	—	—	(2)	**(2)**	1	**(1)**
Balance at September 30, 2021	**11,592**	**2,133**	**27**	**(219)**	**(2,492)**	**(102)**	**—**	**15,103**	**26,042**	**4,598**	**30,640**

TIM GROUP - NET FINANCIAL DEBT

(million euros)	9/30/2021 (a)	12/31/2020 (b)	Change (a-b)
Non-current financial liabilities			
Bonds	17,265	18,856	(1,591)
Amounts due to banks, other financial payables and liabilities	4,414	4,799	(385)
Non-current financial liabilities for lease contracts	3,990	4,199	(209)
	25,669	**27,854**	**(2,185)**
Current financial liabilities (*)			
Bonds	3,439	988	2,451
Amounts due to banks, other financial payables and liabilities	966	2,689	(1,723)
Current financial liabilities for lease contracts	649	631	18
	5,054	**4,308**	**746**
Financial liabilities directly associated with Discontinued operations/Non-current assets held for sale	—	—	—
Total Gross financial debt	**30,723**	**32,162**	**(1,439)**
Non-current financial assets			
Securities other than investments	—	—	—
Non-current financial receivables arising from lease contracts	(46)	(43)	(3)
Financial receivables and other non-current financial assets	(2,174)	(2,267)	93
	(2,220)	**(2,310)**	**90**
Current financial assets			
Securities other than investments	(1,377)	(1,092)	(285)
Current financial receivables arising from lease contracts	(42)	(55)	13
Financial receivables and other current financial assets	(149)	(162)	13
Cash and cash equivalents	(4,443)	(4,829)	386
	(6,011)	**(6,138)**	**127**
Financial assets relating to Discontinued operations/Non-current assets held for sale	—	—	—
Total financial assets	**(8,231)**	**(8,448)**	**217**
Net financial debt carrying amount	**22,492**	**23,714**	**(1,222)**
Reversal of fair value measurement of derivatives and related financial liabilities/assets	*(328)*	*(388)*	*60*
Adjusted Net Financial Debt	**22,164**	**23,326**	**(1,162)**
Breakdown as follows:			
Total adjusted gross financial debt	**29,107**	**30,193**	**(1,086)**
Total adjusted financial assets	**(6,943)**	**(6,867)**	**(76)**
(*) of which current portion of medium/long-term debt:			
Bonds	*3,439*	*988*	*2,451*
Amounts due to banks, other financial payables and liabilities	*380*	*1,541*	*(1,161)*
Current financial liabilities for lease contracts	*646*	*628*	*18*

TIM GROUP - CHANGE IN ADJUSTED NET FINANCIAL DEBT

(million euros)	9 months to 9/30/2021 (a)	9 months to 9/30/2020 (b)	Change (a-b)
EBITDA	4,394	5,118	(724)
Capital expenditures on an accrual basis	(2,720)	(2,006)	(714)
Change in net operating working capital:	(303)	(60)	(243)
Change in inventories	*(74)*	*1*	*(75)*
Change in trade receivables	*88*	*390*	*(302)*
Change in trade payables	*(422)*	*(1,234)*	*812*
Change in payables for mobile telephone licenses / spectrum	*(55)*	*(110)*	*55*
Other changes in operating receivables/payables	*160*	*893*	*(733)*
Change in employee benefits	10	(534)	544
Change in operating provisions and Other changes	(298)	(144)	(154)
Net operating free cash flow	**1,083**	**2,374**	**(1,291)**
Of which operating free cash flow connected to the purchase of mobile telephone licenses / spectrum	*(55)*	*(110)*	*55*
% of Revenues	*9.5*	*20.4*	*(10.9)pp*
Sale of investments and other disposals flow	1,765	1,022	743
Share capital increases/reimbursements, including incidental expenses	(42)	12	(54)
Financial investments	(88)	(22)	(66)
Dividends payment	(354)	(356)	2
Increases in lease contracts	(397)	(999)	602
Finance expenses, income taxes and other net non-operating requirements flow	(805)	168	(973)
Reduction/(Increase) in adjusted net financial debt from continuing operations	**1,162**	**2,199**	**(1,037)**
Reduction/(Increase) in net financial debt from Discontinued operations/Non-current assets held for sale	—	—	—
Reduction/(Increase) in adjusted net financial debt	**1,162**	**2,199**	**(1,037)**

Equity Free Cash Flow

(million euros)	9 months to 9/30/2021	9 months to 9/30/2020	Change
Net Operating Free Cash Flow	**1,083**	**2,374**	**(1,291)**
Mobile telephone licenses / spectrum	295	110	185
Financial management	(757)	(904)	147
Income taxes and other	(161)	86	(247)
Equity Free Cash Flow	**460**	**1,666**	**(1,206)**

TIM GROUP - INFORMATION BY OPERATING SEGMENTS

Domestic

(million euros)	9 months to 9/30/2021 (a)	9 months to 9/30/2020 (b)	Changes (a-b) absolute	%	% organic excluding non-recurring
Revenues	9,344	9,472	(128)	(1.4)	(1.6)
EBITDA	3,424	4,081	(657)	(16.1)	(6.5)
% of Revenues	*36.6*	*43.1*		*(6.5)pp*	*(2.2)pp*
EBIT	676	1,312	(636)	(48.5)	(17.7)
% of Revenues	*7.2*	*13.9*		*(6.7)pp*	*(2.4)pp*
Headcount at period-end (number) (°)	42,811	(*) 42,925	(114)	(0.3)	

(°) Includes employees with temp work contracts: 13 employees at September 30, 2021 (14 employees at December 31, 2020).
(*) Headcount at December 31, 2020

(million euros)	3rd Quarter 2021 (a)	3rd Quarter 2020 (b)	Changes (a-b) absolute	%	% organic excluding non-recurring
Revenues	3,111	3,213	(102)	(3.2)	(3.2)
EBITDA	1,278	1,397	(119)	(8.5)	(8.3)
% of Revenues	*41.1*	*43.5*		*(2.4)pp*	*(2.3)pp*
EBIT	363	479	(116)	(24.2)	(22.2)
% of Revenues	*11.7*	*14.9*		*(3.2)pp*	(3.2)pp

Fixed

	9/30/2021	12/31/2020	9/30/2020
Total TIM Retail accesses (thousands)	8,729	8,791	8,784
of which NGN (1)	5,084	4,432	4,151
Total TIM Wholesale accesses (thousands)	7,734	7,974	8,053
of which NGN	4,619	4,220	4,063
Active Broadband accesses of TIM Retail (thousands)	7,811	7,635	7,519
Consumer ARPU (€/month) (2)	30.6	33.0	33.0
Broadband ARPU (€/month) (3)	32.5	31.3	30.4

(1) UltraBroadband access in FTTx and FWA mode, also including “data only” lines and GBE (Gigabit Ethernet).
(2) Revenues from organic Consumer retail services in proportion to the average Consumer accesses.
(3) Revenues from organic broadband and ICT services in proportion to the average TIM retail accesses.

Mobile

	9/30/2021	12/31/2020	9/30/2020
Lines at period end (thousands)	30,473	30,170	30,165
of which Human	*19,172*	*19,795*	*19,894*
Churn rate (%) (4)	11.1	18.6	14.4
Broadband users (thousands) (5)	12,863	12,818	12,920
Retail ARPU (€/month) (6)	7.5	8.0	8.1
Human ARPU (€/month) (7)	11.6	12.1	12.1

(4) Percentage of total lines that ceased in the period compared to the average number of total lines.
(5) Mobile lines using data services.
(6) Revenues from organic retail services (visitors and MVNO not included) compared to the total average number of lines.
(7) Revenues from organic retail services (visitors and MVNO not included) compared to the average number of human lines.

Details of revenues for the first nine months of 2021 for the Domestic Business Unit are presented in the following table, broken down by customer/business segment and compared to the first nine months of 2020.

(million euros)	3rd Quarter 2021	3rd Quarter 2020	9 months to 9/30/2021	9 months to 9/30/2020	% Change			
	(a)	(b)	(c)	(d)	(a/b)	(c/d)	organic excluding non-recurring (a/b)	organic excluding non-recurring (c/d)
Revenues	**3,111**	**3,213**	**9,344**	**9,472**	**(3.2)**	**(1.4)**	**(3.2)**	**(1.6)**
Consumer	1,420	1,468	4,156	4,372	(3.2)	(5.0)	(3.2)	(5.2)
Business	982	1,002	2,981	2,982	(2.0)	—	(2.1)	(1.0)
Wholesale National Market	456	465	1,484	1,396	(2.1)	6.3	(2.1)	6.3
Wholesale International Market	251	259	719	704	(3.1)	2.1	(3.1)	3.5
Other	2	19	4	18				

Brazil

	(million euros)		(million Brazilian reais)		Changes		
	9 months to 9/30/2021	9 months to 9/30/2020	9 months to 9/30/2021	9 months to 9/30/2020	absolute	%	% organic excluding non-recurring
	(a)	(b)	(c)	(d)	(c-d)	(c-d)/d	
Revenues	2,079	2,208	13,259	12,590	669	5.3	5.3
EBITDA	977	1,043	6,232	5,946	286	4.8	5.2
% of Revenues	*47.0*	*47.2*	*47.0*	*47.2*		*(0.2)pp*	*0.0pp*
EBIT	315	320	2,011	1,827	184	10.1	11.2
% of Revenues	*15.2*	*14.5*	*15.2*	*14.5*		*0.7pp*	*0.8pp*
Headcount at period-end (number)			9,366	(*)9,409	(43)	(0.5)	

(*) Headcount at December 31, 2020.

	(million euros)		(million Brazilian reais)		Changes		
	3rd Quarter 2021	3rd Quarter 2020	3rd Quarter 2021	3rd Quarter 2020	absolute	%	% organic excluding non-recurring
	(a)	(b)	(c)	(d)	(c-d)	(c-d)/d	
Revenues	731	691	4,512	4,388	124	2.8	2.8
EBITDA	347	325	2,146	2,063	83	4.0	4.4
% of Revenues	*47.6*	*47.0*	*47.6*	*47.0*		*0.6pp*	*0.7pp*
EBIT	121	108	755	683	72	10.5	11.6
% of Revenues	*16.7*	*15.6*	*16.7*	*15.6*		*1.1pp*	*1.3pp*

TIM GROUP - HEADCOUNT

Average salaried workforce

(equivalent number)	9 months to 9/30/2021 (a)	FY 2020 (b)	9 months to 9/30/2020 (c)	Change (a-c)
Average salaried workforce – Italy	39,163	40,140	39,917	(754)
Average salaried workforce – Outside Italy	9,096	8,959	8,897	199
Total average salaried workforce [1]	**48,259**	**49,099**	**48,814**	**(555)**

(1) Includes agency contract workers: 12 average employees in Italy in the first nine months of 2021; 9 average employees in Italy in 2020; 7 average employees in Italy in the first nine months of 2020.

Headcount at period end

(number)	9/30/2021 (a)	12/31/2020 (b)	9/30/2020 (c)	Change (a-b)
Headcount – Italy	42,565	42,680	42,827	(115)
Headcount – Outside Italy	9,625	9,667	9,653	(42)
Total headcount at period end [1]	**52,190**	**52,347**	**52,480**	**(157)**

(1) Includes agency contract workers: 13 employees in Italy at 9/30/2021; 14 employees in Italy at 12/31/2020; 16 employees in Italy at 9/30/2020.

Headcount at period end – Breakdown by Business Unit

(number)	9/30/2021 (a)	12/31/2020 (b)	9/30/2020 (c)	Change (a-b)
Domestic	42,811	42,925	43,069	(114)
Brazil	9,366	9,409	9,397	(43)
Other Operations	13	13	14	—
Total	**52,190**	**52,347**	**52,480**	**(157)**

TIM GROUP - EFFECTS OF NON-RECURRING EVENTS AND TRANSACTIONS ON EACH ITEM OF THE SEPARATE CONSOLIDATED INCOME STATEMENTS

The effects of non-recurring events and transactions on the separate consolidated income statements line items are set out below in accordance with Consob communication DME/RM/9081707 dated September 16, 2009:

(million euros)	9 months to 9/30/2021	9 months to 9/30/2020
Revenues:		
Revenue adjustments	—	(38)
Other income:		
Recovery of operating expenses	12	—
Other operating provisions absorption	—	1
Acquisition of goods and services, Change in inventories:		
Professional expenses, consulting services and other costs	(39)	(37)
Employee benefits expenses:		
Charges connected to corporate reorganization/restructuring and other costs	(344)	(41)
Other operating expenses:		
Other expenses and provisions	(121)	(66)
Impact on Operating profit (loss) before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)	**(492)**	**(181)**
Impact on EBIT - Operating profit (loss)	**(492)**	**(181)**
Other income (expenses) from investments:		
Net gain INWIT transactions	—	448
Finance income:		
Other finance income	1	—
Finance expenses:		
Other finance expenses	(1)	(4)
Impact on profit (loss) before tax from continuing operations	**(492)**	**263**
Income taxes on non-recurring items	199	43
Impact on profit (loss) for the period	**(293)**	**306**

During the first nine months of 2021, the COVID-19 emergency meant that the TIM Group incurred non-recurring charges, gross of tax effects, for approximately 20 million euros, of which 16 million euros connected with credit management of some customers. In addition to this, the figures stated mainly include both non-recurring charges connected with corporate reorganization/restructuring processes and provisions for disputes, transactions, regulatory sanctions and potential liabilities and expenses connected with agreements and the development of non-recurring projects. At September 30, 2021, non-recurring income was also recorded for approximately 80 million euros in connection with tax benefits of the Brazil Business Unit. During the first nine months of 2020, the COVID-19 emergency had incurred non-recurring charges, gross of tax effects, for a total of 89 million euros, connected both with adjustments to revenues (-38 million euros), following the commercial initiatives of TIM S.p.A. to support customers to fight the emergency and with operating costs mainly relating to procurement and provisions and expenses connected with credit management brought about by the deterioration of the macroeconomic context.

TIM GROUP - DEBT STRUCTURE, BOND ISSUES AND EXPIRING BONDS

Revolving Credit Facility and Term Loan

The following table shows committed credit lines available at September 30, 2021:

(billion euros)	9/30/2021		12/31/2020	
	Agreed	Drawn down	Agreed	Drawn down
Sustainability-linked RCF – maturing May 2026	4.0	—	—	—
Revolving Credit Facility – maturing January 2023	—	—	5.0	—
Bridge to Bond Facility – maturing May 2021	—	—	1.7	—
Total	**4.0**	**—**	**6.7**	**—**

At September 30, 2021, TIM had bilateral Term Loans for 600 million euros with various banking counterparties.

On January 19, 2021, TIM entirely canceled the credit line for 1.7 billion euros, which was not used, stipulated on May 18, 2020 as bridge to bond for subsequent issues on the bond market and an initial maturity of 12 months with an option of extension for another 12 months.

On May 13, 2021, TIM extended the Revolving Credit Facility by 5 years, reducing the amount to 4 billion euros and making it the Group's first ever ESG-linked credit facility.

Bonds

The change in bonds in the first nine months of 2021 was as follows:

(millions of original currency)	Currency	Amount	Issue date
New issues			
Telecom Italia S.p.A. 1,000 million euros 1.625%	Euro	1,000	1/18/2021
TIM S.A. 1,600 million BRL IPCA+4.1682%	BRL	1,600	6/15/2021

On January 18, 2021, TIM issued its first 8-year Sustainability Bond for an amount of 1 billion euros, coupon 1.625%.

(millions of original currency)	Currency	Amount	Repayment date
Repayments			
Telecom Italia S.p.A. 564 million euros 4.500% (1)	Euro	564	1/25/2021

(1) Net of buy-backs totaling 436 million euros made by the company in 2015.

With reference to Telecom Italia S.p.A. 2002–2022 bonds, reserved for subscription by employees of the Group, the nominal amount at September 30, 2021 was 224 million euros, up by 7 million euros compared to December 31, 2020 (217 million euros).

The nominal amount of repayment, net of the Group's bonds buyback, related to the bonds expiring in the following 18 months as of September 30, 2021 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.) totals 4,108 million euros. With the following detail:

- 224 million euros, due January 1, 2022;
- 884 million euros, due February 10, 2022;
- 2,000 million euros, due March 26, 2022;
- 1,000 million euros, due January 16, 2023.

Bonds issued by the TIM Group do not contain financial covenants (e.g. ratios such as Debt/EBITDA, EBITDA/Interest, etc.) or clauses that result in the automatic early redemption of the bonds in relation to events other than the insolvency of the TIM Group[1]; furthermore, the repayment of the bonds and the payment of interest are not covered by specific guarantees nor are there commitments provided relative to the assumption of future guarantees, except for the full and unconditional guarantees provided by TIM S.p.A. for the bonds issued by Telecom Italia Finance S.A. and Telecom Italia Capital S.A..

Since the bonds were placed principally with institutional investors in major world capital markets (Euromarket and the U.S.A.), the terms which regulate the bonds are in line with market practice for similar transactions

1 A change of control event can result in the early repayment of the convertible bond of TIM S.p.A., as further detailed below.

effected on these same markets. Consequently, they carry negative pledges, such as, for example, the commitment not to pledge the company's assets as collateral for loans.

Regarding loans taken out by TIM S.p.A. from the European Investment Bank (EIB), on May 19, 2021, TIM entered into a new loan for an amount of 230 million euros, in support of projects to digitize the country. In addition, it has extended the loan signed in 2019 for an amount of 120 million euros. Therefore, at September 30, 2021 the nominal total of outstanding loans with the EIB was 1,200 million euros, of which 850 million drawn down, none of it backed by a bank guarantee.

The three EIB loans signed on December 14, 2015, November 25, 2019 and May 19, 2021 contain the following covenants:

- in the event the company becomes the target of a merger, demerger or contribution of a business segment outside the Group, or sells, disposes of or transfers assets or business segments (except in certain cases, expressly provided for), it shall immediately inform the EIB which shall have the right to ask for guarantees to be provided or changes to be made to the loan contract, or, only for certain loan contracts, the EIB shall have the option to demand the immediate repayment of the loan (should the merger, demerger or contribution of a business segment outside the Group compromise the Project execution or cause a prejudice to EIB in its capacity as creditor);
- TIM undertook to ensure that, for the entire duration of the loan, the total financial debt of the Group companies other than TIM S.p.A. – except for the cases when that debt is fully and irrevocably secured by TIM S.p.A. – is lower than 35% (thirty-five percent) of the Group's total financial debt;
- "Inclusion clause", under which, in the event TIM commits to uphold financial covenants in other loan contracts (and even more restrictive clauses, including, for instance, cross default clauses and commitments restricting the sale of goods) that are not present in or are stricter than those granted to the EIB, the EIB will have the right – if, in its reasonable opinion, it considers that such changes may have a negative impact on TIM's financial capacity – to request the provision of guarantees or an amendment of the loan contract in order to establish an equivalent provision in favor 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 contract or choose an alternative solution.

The loan agreements of TIM S.p.A. do not contain financial covenants (e.g. ratios such as Debt/EBITDA, EBITDA/Interests, etc.) which would oblige the Company to repay the outstanding loan if the covenants are not observed.

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 and the Bonds, TIM is required to provide notification of change of control. Identification of the occurrence of 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 or as shares and the cancellation of the commitment in the absence of agreements to the contrary – are specifically covered in the individual agreements.

In addition, the outstanding loans generally contain a commitment by TIM, whose breach is an Event of Default, not to implement mergers, demergers or transfers of business, involving entities outside the Group. Such an Event of Default may entail, upon request of the Lender, the early redemption of the drawn amounts and/or the annulment of the undrawn commitment.

The documentation of the loans granted to certain companies of the TIM Brasil group contain general obligations to comply with certain financial ratios (e.g. capitalization ratios, debt servicing ratios and debt ratios), as well as the usual other covenants, under penalty of a request for the early repayment of the loan.

Finally, as at September 30, 2021, 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

The most significant arbitration cases and legal and fiscal disputes TIM Group companies are involved in as of September 30, 2021, including those closed during the period, are described below.

The TIM Group has posted liabilities totaling 259 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 the Financial Information at September 30, 2021, 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 on a dispute could seriously jeopardize the position of TIM or its subsidiaries, only the general nature of the dispute is described.

Lastly, as regards proceedings with the Antitrust Authority, please note that based on Article 15, paragraph 1 of 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

No significant events occurred for the following disputes and legal actions compared to what was published in the 2020 Annual Financial Report:

- Administrative offense charge pursuant to Legislative Decree 231/2001 for the so-called TIM Security Affair;
- Italian Competition Authority (AGCM) Case A428;
- Colt Technology Services, Eutelia and Clouditalia Telecomunicazioni disputes (connected with the Antitrust Case A428);
- Open Fiber disputes (connected with case A514);
- Eutelia and Voiceplus;
- Poste;
- Elinet S.p.A. Bankruptcy.

International tax and regulatory disputes

As of September 30, 2021, the companies forming the Brazil Business Unit were involved in tax or regulatory disputes, the outcome of which is estimated as a possible loss totaling around 16.1 billion reais (16.6 billion reais at December 31, 2020). 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 (4.3 billion reais at December 31, 2020).

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 the TIM Cellular 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 tangible assets, 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 acting as a withholding agent, 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 9.0 billion reais (8.6 billion reais at December 31, 2020).

Municipal taxes

Among disputes classified with a "possible" degree of risk, there are some relating to municipal taxes for a total amounting to around 0.8 billion reais (around 0.7 billion reais at December 31, 2020).

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 3.2 billion reais (3 billion reais at December 31, 2020).

Golden Power Case

In August 2017 the Prime Minister's office brought proceedings against TIM (as well as Vivendi) in order to verify the fact that TIM has an obligation to notify, pursuant to the “Golden Power” law, Vivendi’s acquisition of corporate control of TIM and the strategic assets it holds. In September 2017, the proceedings in question concluded by affirming that this obligation did exist for TIM with effect from May 4, 2017 (the date of the Shareholders’ Meeting that renewed TIM’s corporate boards).

As a result of this decision by the Presidency of the Council of Ministers, new and separate administrative proceedings started for the imposition on TIM of the financial penalty laid down by the Golden Power law for non-compliance with the aforementioned obligation to notify. These proceedings ended on May 8, 2018 with the imposition of a financial penalty of 74.3 million euros.

The Company, is convinced that it has the legal arguments to demonstrate that it was under no obligation to notify the control exercised over it by Vivendi, filed separate extraordinary appeals to the President of the Republic to request the abrogation of the order of September 2017 and before the Lazio Regional Administrative Court (TAR) against the aforementioned order of May 8, 2018, which imposed a financial penalty, requesting its precautionary suspension. As regards the appeal to the Lazio Regional Administrative Court (TAR) against the provision of May 8, 2018, which imposed the financial penalty, the TAR, in upholding in July 2018 the interim petition lodged by the Company, has suspended payment of the penalty. Subsequently, with a non-definitive ruling in May 2019, the Lazio Regional Administrative Court (TAR)R: (i) accepted TIM's request for provisional measures to suspend the fine conditional on the offer of the guarantee; (ii) granted the suspension of the procedure to wait for the final judgment in the (injurious) case pending before the President of the Republic regarding the notification obligation, pursuant to the Golden Power provisions; (iii) rejected the procedural objections raised by the defendant administrations.

It should also be noted that in May 2018 a guarantee bond for 74.3 million euros was issued in favor of the Presidency of the Council. TIM had been requested to submit such a bond for its application to Lazio TAR for precautionary suspension of the collection of the fine imposed for alleged breach of Art. 2 of Decree Law 21 of March 15, 2012 (the “Golden Power” law). This surety was renewed in May 2021.

Furthermore, TIM appealed before the Lazio TAR and then appealed before the Council of State against the provision with which Consob, on September 13, 2017, affirmed Vivendi's control over TIM. In December 2020, the Council of State issued a final judgment upholding TIM’s appeal and canceling the provision by Consob, a significant premise to the entire subsequent proceedings of the Presidency of the Council in relation to the obligation to Golden Power notification as described above. On June 14, 2021, Consob submitted an extraordinary appeal to the Court of Cassation on grounds of jurisdiction; TIM will file an appearance, objecting that the appeal is unlawful and inadmissible.

On the other hand, the Presidency of the Council of Ministers exercised the special powers prescribed in the Golden Power law through two specific rulings in October and November 2017 with which it imposed specific prescriptions and conditions on TIM and on the companies of the Telecom Italia Sparkle group and Telsy Elettronica e Telecomunicazioni (now Telsy S.p.A.).

The prescriptions, according to the Administrative Authority, are essentially connected to the circumstance that these companies, in part, perform activities that are relevant for national security and as far as TIM is concerned to the circumstance that it also owns the infrastructure and the systems used to provide access to end-users of services covered by the universal service obligation.

Any failure on the part of the recipients of the measures to execute said conditions and prescriptions is penalized in the same way as failure to notify significant deeds for the purpose of the application of the so-called Golden Power.

The companies subject to the prescriptions are required to send periodic reports to a special Monitoring Committee established at the office of the Prime Minister in order to verify compliance with the aforementioned prescriptions.

In December 2017 the Group sent to the Presidency of the Council of Ministers the first compliance report outlining all the proposals and activities put in place to carry out the prescriptions. This report is then followed by half yearly reports, as required by current legislation.

Nevertheless, also for this case TIM has already filed two extraordinary appeals to the President of the Republic to request the cancellation (i) of the imposition of the measures pursuant to Art. 1 D.L. 21/2012 and (ii) the imposition of measures pursuant to Art. 2 D.L. 21/2012.

As stated, the premise for exercising special powers was (erroneously, according to the Company) referred to the de facto control resulting from the outcome of the shareholders' meeting of May 4, 2017 and to the direction and coordination of TIM by Vivendi. Both these circumstances no longer apply, since: at the Shareholders' Meeting of May 4, 2018, the slate presented by the shareholders Elliott International LP, Elliott Associates LP and The Liverpool Limited Partnership received the majority vote; the Board of Directors was re-appointed with 13 independent directors out of a total of 15, with only 5 from the slate presented by Vivendi; thus, Vivendi no longer has direction and coordination, nor is there de facto control.

In consequence, the Company has asked the Presidency of the Council of Ministers to repeal the two Decrees, while, in the alternative, expressing its willingness to collaborate in the redrafting of the prescriptions applied to TIM, to take account of the changed situation.

The Presidency of the Council of Ministers, in decrees issued on July 6, 2018, deemed that it could not further exercise its special powers, reaffirming the validity of the two Decrees it had previously issued, and rejected the application for their repeal.

The justification for this refusal is the purported circumstance that the new governance arrangements of the Company are alleged to be currently characterized by extreme variability; this, it is argued, means that the measures through which the special powers have been exercised cannot be surmounted, given the need to protect the public interest in the security and operation of the networks.

The Company has lodged an appeal, with additional reasons and as part of the appeals already lodged, against the Prime Minister's decrees of October 16 and November 2, 2017, and against the Prime Minister's resolution of July 6, 2018, rejecting the appeal for revocation presented by the company, on the outcome of the changed situation in corporate governance.

Vodafone (A428)

In August 2013, Vodafone, as incorporating company of operator Teletu, submitted to the Milan Court a huge claim for damages for presumed abusive and anticompetitive behavior (founded principally on AGCM case A428) which TIM allegedly implemented in the period 2008 - 2013. The pecuniary claim was quantified by Vodafone as an estimated sum of between 876 million euros and 1,029 million euros.

In particular, Vodafone alleged technical boycotting activities, with refusal to activate lines requested for Teletu customers (in the period from 2008 to the month of June 2013), together with the adoption of allegedly abusive price policies for wholesale network access services (period from 2008 to the month of June 2013). Furthermore, the other party complained of the presumed application of discounts to business customers greater than those envisaged ("margin squeezing") and the carrying out of presumed illegal and anticompetitive win-back practices (in the period from the second half of 2012 to the month of June 2013).

TIM filed an appearance, challenging the claims made by the other party regarding the merits and the amount and making a counterclaim. Following the August 2016 decision by the Court of Cassation which confirmed that the Milan Court had jurisdiction to decide the dispute, the merits of the case will be decided at the hearing in December 2016.

With writ of summons before the Milan Court served in May 28, 2015, Vodafone filed additional damages claims, all based on the same AGCM A428 decision and referring to alleged damages suffered between July 2013 and December 2014 (and hence over a period subsequent to that of the damages claim reported above), for a total amount of around 568.5 million euros.

The case also contains a reservation of further damages to be quantified, during the proceedings, for the following periods, the claimant alleging that the presumed abusive conduct of TIM continued. TIM filed an appearance, challenging the claims made by the other party regarding the merits and the amount and making a counterclaim.

By order of October 6, 2016, the judge received Vodafone's application for the two A428 lawsuits brought by it to be joined. At the end of the reinstatement proceedings of December 21, the terms were established for the preliminary briefs and a hearing was fixed for July 11, 2017 for the admission of evidence. When the first preliminary brief was filed, following the favorable outcome for TIM of proceedings A428C (which confirmed the absence of improper conduct by the Company under A428 after 2011), Vodafone decided nonetheless to file further claims for 2015-2016, thus restating its total claim to be 1,812 million euros, which was also disputed and rebutted by TIM.

The case was settled as part of a global settlement with Vodafone.

COMM 3000 S.p.A. (formerly KPNQWest Italia S.p.A.)

With writ of summons before the Rome Court, COMM 3000 S.p.A.(formerly KPNQWest Italia S.p.A.) filed a damages claim for a total of 37 million euros in compensation for alleged anticompetitive and abusive conduct over the period 2009–2011, in the form of technical boycotting (refusals to activate wholesale services – KOs); the claim was based on the contents of the decision of AGCM (the Italian Competition Authority) that settled the A428 case. TIM filed an appearance, contesting all of the plaintiff's allegations. In the judgment with ruling in April 2019, the Court of Rome partially received the petitions of COMM 3000 S.p.A. (formerly KPNQWest Italia S.p.A.), sentencing TIM to pay an amount significantly lower than the amount in the counterparty's damages claim. In June 2019, TIM appealed against the judgment. In the judgment given in April 2021, the

Court of Appeal of Rome partly upheld TIM's appeal, reducing the amount of the compensation due to COMM 3000, which was in any case entirely covered by the relevant provision.

Teleunit

With a writ of summons issued in October 2009 before the Milan Appeal Court, Teleunit asked that TIM alleged acts of abuse of its dominant position in the premium services market be ascertained. The plaintiff quantified its damages at a total of approximately 362 million euros. TIM filed an appearance, contesting the claims of the other party.

After the ruling of January 2014 with which the Court of Appeal declared that it was not competent in this matter and referred the case to the Court, Teleunit reinstated the case before the Milan Court the following April. TIM filed an appearance in the reinstated proceedings challenging the plaintiff's claims.

In its judgement of May 2017, the Milan Court rejected Teleunit's claim in its entirety, and ordered the company to pay the legal costs of the case. This judgement was appealed by Teleunit, in June 2017, before the Milan Court of Appeal. TIM filed an appeal challenging the arguments presented by the other party and asking that the judgement in the first instance be fully confirmed. With an order in March 2018 the Milan Court of Appeal declared Teleunit's appeal pursuant to art. 348-bis of the Italian Code of Civil Procedure to be manifestly without foundation, and hence inadmissible. In May 2018 Teleunit appealed the judgement of the Court of Appeal to the Court of Cassation. TIM lodged a counter-appeal seeking confirmation in full of the order being appealed (and thus of the judgment at first instance).

MC-Link

With writ of summons before the Rome Court, MC-Link filed a damages claim for a total of 51 million euros in compensation for alleged anticompetitive and abusive conduct over the period 2009–2012, in the form of technical boycotting (refusals to activate wholesale services – KOs). The claim was based on the contents of the decision of AGCM (the Italian Competition Authority) that settled the A428 case. TIM filed an appearance, contesting all of the plaintiff's allegations. In August 2021, the case was settled as part of a global settlement with the opposing party.

Antitrust Case I761

With a ruling issued on July 10, 2013, AGCM (the Italian Competition Authority) extended to TIM the investigation started in March of the same year into some firms active in the fixed network maintenance sector. The investigation aims to establish if an agreement exists that is prohibited under article 101 of the Treaty on the Functioning of the European Union. The proceedings were initiated after Wind filed two complaints in which AGCM (the Italian Competition Authority) was informed that, based on an invitation to bid for the assignment of network corrective maintenance services, it had encountered substantial uniformity of prices offered by the aforementioned enterprises and a significant difference from the offers submitted subsequently by other and different companies.

AGCM (the Italian Competition Authority) alleged that TIM carried out a role of coordinating the other parts of the procedure, both during the formulation of the offers requested by Wind and in relation to the positions represented to communications regulator AGCom.

TIM challenged these proceedings before the Administrative Court (TAR), sustaining that the ICA does not have competence in this matter.

On July 7, 2014, AGCM (the Italian Competition Authority) notified the objective extension of the proceedings to check if the Company, abusing its dominant position, put in place initiatives that might influence the conditions of the offer of accessory technical services when the offers of the maintenance businesses to Wind and Fastweb were being formulated. With the extension decision, the Authority also extended the closing date of the investigation, originally set for July 31, 2014, to July 31, 2015. This extension was also challenged before the Lazio Administrative Court (TAR) sustaining that the Italian Competition Authority does not have competence in this matter.

In November 2014, for reasons of procedural economy and also convinced that it was acting legitimately, TIM presented to the Authority a proposal of undertakings in order to resolve the competition concerns subject of the investigation. On December 19, 2014, AGCM (the Italian Competition Authority) issued its decision finding that the undertakings were not clearly unfounded and subsequently ordered their publication for market testing.

On March 25, 2015, AGCM (the Italian Competition Authority) definitively rejected the aforesaid undertakings, considering them not suitable for removing the anticompetitive aspects investigated.

On July 21, 2015 the Communication of the Results of the Investigation was served on the parties to the proceedings, in which the Offices of AGCM (the Italian Competition Authority) expressed their position in the sense of (i) archiving the complaints regarding the abuse of dominant position and (ii) confirming, instead, that there exists between TIM and the maintenance firms an agreement to coordinate the economic offers drawn up for Wind and Fastweb, and to prevent the unbundled supply of the ancillary technical services.

On December 16, 2015, the final order was issued, confirming the conclusions of the Communication of the Results of the Investigation, sustaining that, between 2012 and 2013, there existed an agreement that restricted competition, and as a result imposed a fine of 21.5 million euros on the Company, paid in March 2016. The relevant market is the corrective maintenance (assurance) market and, more precisely, the market for troubleshooting the TIM LLU lines. The purpose of the conduct maintained by the Company and the network firms would have been to limit competition and prevent the evolution of forms of unbundled supply of ancillary technical services.

TIM appealed the order before the Lazio Regional Administrative Court. In judgement no. 09554/2016 issued in September 2016, the appeal was dismissed, and the Company appealed this decision to the Council of State. On the outcome of the proceedings, with the ruling of December 2019, the Council of State, deciding in favor of TIM, annulled the AGCM I761 provision and referred the task of conducting a new investigation to AGCM (the

Italian Competition Authority), within the limits that decided by the Council of State itself. In 2020, TIM obtained the return of amounts paid by way of sanction.

Following analysis, in a letter dated April 2, 2021, AGCM (the Italian Competition Authority) reported that it had archived case I761.

Vodafone (I761)

With a writ of summons before the Milan Court, Vodafone has sued TIM and some network companies, bringing claims for compensation from the Company for around 193 million euros for damages arising from alleged anti-competitive conduct censured in the known AGCM case I-761 (on corrective maintenance) referring to the period from 2011 to 2017.

Vodafone contests the alleged breach of the competition rules carried out by TIM, in the wholesale markets giving access to its fixed network (LLU lines; Bitstream; WLR), through the abuse of a dominant market position and an unlawful agreement with the maintenance companies to maintain the monopoly on the offer of corrective maintenance services on its network. Specifically, the restrictive agreement allegedly concerned the coordination, by the Company, of the economic terms and conditions contained in the bids for maintenance services prepared by the aforementioned companies for OAOs, with artificially high prices with respect to the cost of the maintenance included in the regulated access fee, with a view to discouraging the disaggregation of the service itself. The Company filed an appearance, contesting all of the other party's requests. The case was settled as part of a global settlement with Vodafone.

Antitrust Case A514

In June 2017 the Italian Competition Authority (AGCM) 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 ultra-broadband fixed network. In particular, 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) preemptively securing customers on the retail market for ultra-broadband 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 defense 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 ultra-broadband, 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 offense 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 defense to September 20, 2019 and set the final hearing for September 25, 2019.

On September 18, 2019, AGCM (the Italian Competition Authority) resolved to extend the deadline for conclusion of the proceedings until 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 anti-competitive strategy designed to hinder the competitive development of investment in UltraBroadBand network infrastructure.

The fine imposed on TIM for the anti-competitive offense is 116,099,937.60 euros. TIM appealed the aforementioned fine before the Lazio Regional Administrative Court (TAR), contesting both the merits of the accusations and the amount of the imposed fine.

On June 25, 2020 TIM sent AGCM (the Italian Competition Authority) the so-called compliance report as ordered in the final provision. The Lazio Regional Administrative Court (TAR) has scheduled a hearing for oral discussion for November 3, 2021.

In May 2021, the Company paid the fine.

Vodafone

In January 2021, Vodafone Italia S.p.A. summonsed TIM to the Court of Milan, making a claim for damages of approximately 100 million euros for damages allegedly suffered as a consequence of the unlawful conduct of TIM, as sanctioned by the AGCM (the Italian Competition Authority), with the provision that concluded case A514.

The conduct of TIM sanctioned by the Authority allegedly resulted in a slowing of the penetration of UBB infrastructures on the market of white areas and, consequently, the delayed or failed acquisition of new customers by Vodafone, as well as a hindrance to acquiring additional customers as a result of the alleged binding practices over the whole of national territory. TIM will file an appearance with a series of solid legal arguments for its own protection. The case was settled as part of a global settlement with Vodafone.

Fastweb

In February 2021, Fastweb S.p.A. summonsed TIM to the Court of Milan, making a claim for damages of approximately 996 million euros for damages allegedly suffered as a consequence of the unlawful conduct of TIM, as sanctioned by AGCM (the Italian Competition Authority), with the provision that concluded case A514, as well as allegedly opportunistic suspensions of activation orders sent by Fastweb.

Fastweb complains that TIM allegedly delayed the wholesale offer of ultrabroadband services by Open Fiber in the white areas, consequently slowing the offer of said services by Fastweb to its end customers in these areas; binding practices were implemented in relations with the end customer, hindering access to the market by alternative operators (including Fastweb). In addition, TIM allegedly instrumentally managed the supply process of wholesale access services to its fixed broadband and ultrabroadband network, opportunistically suspending the activation orders submitted by Fastweb and thereby hindering its activation of new customers. TIM filed an appearance laying out solid arguments refuting Fastweb’s claims. In August 2021, the case was settled as part of a settlement with Fastweb.

Antitrust Case I799

At its meeting on February 1, 2017, AGCM (the Italian Competition Authority) initiated an investigation for possible breach of Article 101 of the TFEU (prohibition of agreements that restrict competition) against TIM S.p.A. and Fastweb S.p.A., following the signing of an agreement aimed at setting up a cooperative joint venture called Flash Fiber S.r.l.. TIM, in agreement with Fastweb, submitted to AGCM (the Italian Competition Authority) some amendments to the agreements signed, in the form of proposed undertakings, aimed at closing the investigation without any breach being ascertained and, therefore, without any fine.

On March 28, 2018, AGCM (the Italian Competition Authority) resolved to approve the undertakings, making them binding on the Parties, and closed the case without imposing any fine.

On January 30, 2019, TIM sent the planned annual report on the provided coverage to AGCM (the Italian Competition Authority), supplemented by a subsequent communication dated March 29, 2019. TIM transmitted further details to AGCM (the Italian Competition Authority) in July and AGCM acknowledged it on October 15, 2019. On January 31, 2020 TIM sent AGCM (the Italian Competition Authority) the third report on the implementation of the undertakings given. Finally, on January 29, 2021 TIM sent AGCM (the Italian Competition Authority) the fourth and final report on the implementation of the undertakings given.

On June 11, 2018 Open Fiber S.p.A. and Wind Tre S.p.A. filed separate appeals to the Lazio Regional Administrative Court (TAR) against the order closing case I799 with the acceptance of the undertakings. They allege that this order has a series of procedural and substantial defects.

Open Fiber S.p.A. also asked for the precautionary suspension of the order.

In a ruling of March 2020, the Regional Administrative Court rejected in full the appeal by Open Fiber. A hearing on the merits has not yet been scheduled for Wind Tre's appeal.

Vodafone

In June 2015 Vodafone issued proceedings for damages in the Milan Court for alleged abuse of a dominant position by TIM in the bitstream “NGA” and “VULA” fibre access services market, initially claiming around 4.4 million euros, increased to a figure ranging from 30 to 48.9 million euros.

The plaintiff complained that TIM allegedly had engaged in abusive conduct by way of aggressive price offers to win customers and by hindering Vodafone’s access to the fiber network to make it more difficult for the party to provide ultra-broadband services to its customers.

TIM has filed an appearance, challenging the claims of the plaintiff in full and, subsequently, the revised estimate of damages made in 2016 during the case. The case was settled as part of a global settlement with Vodafone.

28-day billing

AGCom resolution 121/17/CONS introduced instructions on billing intervals for telephony, prescribing, for fixed telephony, that the interval should be monthly, or multiples thereof, and, for mobile telephony, that it should be at least four-weekly. TIM appealed Resolution 121/17/CONS to the Regional Administrative Court. The judgment rejecting the appeal was published in February 2018. TIM appealed this judgment to the Council of State in June 2018. On September 23, 2020, the non-definitive ruling was published whereby the Council of State joined the appeals submitted by TIM, Vodafone, Fastweb and Wind Tre and ordered the prejudicial deferral to the European Union Court of Justice (EUCJ) on whether or not the Authority had the power to regulate the frequency of renewal of the commercial offers and invoicing periods, at the same time rejecting the other grounds of appeal submitted by the operators and suspending proceedings. In February 2021, TIM deposited the written observations on the requests for prejudicial judgment with the EUCJ.

With its Resolution 499/17/CONS, having confirmed the breach of Resolution 121/17/CONS, AGCom fined TIM 1,160,000 euros, ordering it to make provision – when the billing cycle was restored to monthly intervals or multiples thereof – to return the amounts corresponding to the fee for the number of days that, from June 23, 2017, had not been used by the users in terms of the supply of service due to the misalignment of the four-weekly and monthly billing cycles. TIM also appealed this second resolution to the Regional Administrative Court of Lazio, asking for its precautionary suspension which, on February 22, 2018, was accepted by the Regional Administrative Court of Lazio limited to the part relating to the reimbursement orders.

Subsequently, Law no 172 of December 4, 2017 decreed that contracts for the supply of electronic communications services should obligatorily prescribe that the renewal of offers and the billing of services be based on a month, or multiples thereof. TIM adapted to this order within the period of time prescribed by law, namely within 120 days of the date it came into force (April 5, 2018).

In March 2018, with Decision 112/18/CONS AGCom (i) cautioned TIM, with regard to fixed-line voice services only, against postponing the starting date of invoices issued after the return to monthly invoicing by the same number of days as those presumably deducted starting from June 23, 2017 with the four-weekly invoicing cycle; and (ii) revoked the preceding resolution 499/17/CONS in the part in which TIM was ordered to repay the amounts presumably lost from June 23, 2017 onwards, with the four-weekly billing cycle. This resolution was also challenged by with an additional submission triggered as part of the appeal against resolution 499/17/CONS, with a request for single precautionary measures, which was provisionally granted until the hearing before the Council on April 11, 2018 with a Presidential Decree published on March 26, 2017.

Under Presidential Decree 9/18/PRES, AGCom amended the provisions of Decision 112/18/CONS requiring the deferment of billing once the billing cycle was restored to monthly intervals, or multiples thereof, while also ordering that the timescales for complying with the order would be identified after hearings with the operators and the main consumer protection associations. TIM and the other operators affected by the presidential decree waived the precautionary petition against Resolution 112/18/CONS. In May 2018, TIM therefore appealed AGCom Presidential Decree 9/18/PRES and Resolution 187/18/CONS which ratified this decree.

In July 2018, AGCom issued resolution 269/18/CONS, with which it set December 31, 2018 as the date by which the operators must return to their fixed network customers a number of days of service equal to those eroded as an effect of 28-day billing, or propose to the affected customers any alternative compensatory measures, after having notified them to AGCom. TIM, in keeping with actions taken and arguments made, intends to appeal this resolution.

In September 2018, TIM appealed Resolution 297/18/CONS in which AGCom imposed a fine of 696,000 euros for having continued to adopt – in violation of AGCom resolution 121/17/CONS – four-weekly billing and renewal of consumer offers as from February 16, 2018 (and until March 31, 2018).

With the judgment published in November 2018, the TAR canceled the pecuniary administrative sanction of 1.16 million euros imposed with Resolution 499/17/CONS, and confirmed the obligation of restitutio in integrum to the fixed-line customers by December 31, 2018. TIM submitted its preventive appeal before the Council of State to interrupt execution of said decision and, with its ruling of December 20, 2018, the Council of State, in upholding TIM's appeal, interrupted the effectiveness of the aforesaid decision for the reversal order only, until March 31, 2019.

In November, 2018, AGCom published resolution 521/18/CONS with which it imposed a sanction of 1,044,000 euros on TIM. The sanction was imposed for breach of the transparency rules and rights to withdraw in amending the contractual terms and conditions of the mobile offers applied to customers starting from April 8, 2018 following restoration of monthly billing. TIM appealed this resolution as well to the Regional Administrative Court in January 2019. Following a new application submitted by TIM, the Council of State, with its ruling published on March 20, 2019, extended the precautionary measure to suspend the effectiveness of the decision until May 21, 2019 while awaiting publication of the grounds for the judgment.

Having acknowledged the publication of the grounds of the ruling handed down on May 10, 2019, the Council on May 21, 2019 ordered postponement of discussion of the application for precautionary measures to the Council meeting of July 4, 2019 in order to allow TIM to finalize its additional grounds with a new application for precautionary measures. Following this hearing, the Council of State rejected TIM's application to suspend execution of the ruling of the Regional Administrative Court with its ruling published on July 5, 2019, so it is operational starting from May 21, 2019. The hearing to discuss the introductory appeal and additional grounds submitted by TIM in the meantime is still, as of writing, to be set. On July 12, 2019 the ruling mechanisms with which the Council of State rejected the similar appeals made by Vodafone, Wind Tre and Fastweb were published and in February 2020 the judgments containing the grounds were published.

In September 2019, TIM also challenged resolution 221/19/CONS, before the Regional Administrative Court (TAR), with which the sanction pursuant to Resolution 499/17/CONS, canceled by the Regional Administrative Court of Lazio, was recalculated to the amount of 580,000.00 euros, with the maximum fine provided for by Art. 98, paragraph 16 of the CCE in force at the time of the events applied.

In August 2019, AGCom initiated new proceedings (CONT 12/19/DTC) for failure to comply with the order to refund the days eroded by billing every 28 days for fixed network and convergent customers, according to the procedures established with resolutions nos. 112/18/CONS and 269/18/CONS. On conclusion of these proceedings, by means of Resolution 75/20/CONS, the Authority found that TIM did not comply with the above resolutions, imposing a fine of 3 million euros. The measure was challenged by TIM before the TAR in July 2020.

In June 2019, TIM had in any case decided to offer its fixed network customers, active prior to the March 31, 2018 and subjected to billing every 28 days, the possibility of accepting a compensatory solution, an alternative to refunding the eroded days pursuant to AGCom resolution no. 269/18/CONS. Subsequently, from September 2019, TIM decided to also accept requests for the refund of the eroded days. In both cases, TIM informed customers with several messages in the bill, on the web in the main newspapers. The initiatives just described were communicated to AGCom as part of the aforementioned penalty proceedings.

In the civil proceedings, by judgment published on October 14, 2021 the Court of Milan, under the scope of the case on the merits brought by Associazione Movimento dei Consumatori in 2018 regarding the pricing and 28-day renewal for fixed line and converging offers, confirmed the order given on 6/4/2018 by the same Court upon closure of the complaint brought by TIM pursuant to Art. 669 terdecies of the Italian Code of Civil Procedure and the measures set out therein, ordering TIM to fulfill the requests for repayment of prices paid as a result of customer maneuvers - including discontinued, as indeed TIM had already been doing since 2018, at the same time also extending the period relevant to the recognition of the reimbursement through to April 1, 2017 and therefore earlier than June 23, 2017, the date on which the operators will need to comply with Resolution no. 121/17/CONS. TIM intends to challenge the judgment, which it believes to be flawed in various aspects.

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 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. With 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.

In its session on June 27, 2018, AGCM (the Italian Competition Authority) took note of the brief submitted by TIM regarding compliance with the precautionary measure.

On July 17, 2019, AGCM (the Italian Competition Authority) resolved to extend the deadline for conclusion of the proceedings until January 31, 2020.

In the findings of the preliminary inquiry (CRI) communicated by AGCM (the Italian Competition Authority) to TIM, the Offices confirm the existence of a unique, complex and continuous agreement restricting competition between Telecom, Vodafone, Fastweb, Wind Tre, with the facilitation of the Asstel category association.

On October 10, TIM filed its final brief, and the final hearing was held on October 15 at AGCM (the Italian Competition Authority).

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 Telecom, Vodafone, Fastweb, WindTre, but excluding Asstel from participation in the agreement. The fine imposed on TIM for participation in the anti-competitive agreement was 114,398,325 euros. In April 2020, TIM also challenged the sanction order. Following the hearing for discussion held on May 26, 2021, on July 12, 2021 the judgment was published whereby the Regional Administrative Court of Lazio upheld the petition and the grounds added and submitted by TIM, canceling the measures taken by AGCM (the Italian Competition Authority), including that relative to the existence of the agreement and application of the sanction.

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.

Antitrust Case I850

By decision given on December 15, 2020, the Italian Competition Authority (AGCM) started an investigation in regard to the company Telecom Italia S.p.A., Fastweb S.p.A., Teemo Bidco S.r.l., FiberCop S.p.A., Tiscali Italia S.p.A. and KKR & Co. Inc., to ascertain the existence of any breaches of article 101 of the TFEU.

More specifically, the investigation regards the contracts governing the establishment and operation of FiberCop and the supply agreements with Fastweb and Tiscali. AGCM (the Italian Competition Authority) intends to verify that such agreements do not hinder competition between operators in the medium and long-term and assure the rapid modernization of the country's fixed telecommunications infrastructures.

On August 6, 2021, TIM submitted a proposal of undertakings to AGCM (the Italian Competition Authority) in order to resolve the competition concerns subject of the investigation and close the proceedings without any sanction being applied.

On September 7, 2021, AGCM (the Italian Competition Authority) judged these commitments to not be clearly unfounded and ruled publication on the Authority's website from September 13, 2021; thus market testing began and was completed by October 13, 2021, the date by which all subjects so wishing submitted their observations to AGCM in respect of the relevant commitments.

Save for any extensions that may be ordered by AGCM (the Italian Competition Authority), the proceedings should draw to a close by December 31, 2021.

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.

The proceedings are expected to end by June 30, 2022.

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 contents transmitted.

At present, under the scope of the main proceedings, although convinced of having acted lawfully, it is considering the possibility of submitting a proposal of undertakings in order to resolve the competition concerns subject of the investigation and to close the proceedings without any infraction being recorded and therefore without sanctions being applied.

Antitrust Case PS10888 “TIM Passepartout”

On June 15, 2021, AGCM (the Italian Competition Authority) started proceedings for unfair commercial practice concerning the lack of transparency on the platform for the management of TIM Passepartout installments and alleged activations of services not requested. The proceedings have been initiated on the basis of reports made by individual consumers and should draw to a close by end November. On July 29, 2021, commitments were submitted that, if accepted, will allow the proceedings to close without any findings of infringement and, therefore, without any application of sanctions. The commitments consist of improving information aspects of the TIM Passepartout platform (only operative for old installments) and in implementing a communication campaign aimed at making contact with those who do not acknowledge the TIM Passepartout charges to see if conditions are met for refund.

Vodafone Dispute – Universal Service

In a decision published in July 2015, the Council of State rejected the appeal lodged by AGCom and TIM against the judgment of the Lazio Administrative Court (TAR) on the financing of the universal service obligations for the period 1999–2003. With this judgement the judge had granted the appeals by Vodafone, annulling AGCom decisions 106, 107, 109/11/CONS on the renewal of the related proceedings, which included Vodafone among the subjects required to contribute, for a sum of approximately 38 million euros. Essentially, the judgement confirms that the Authority has not demonstrated the particular degree of "replaceability" between fixed and mobile telephony for mobile operators to be included among the subjects required to repay the cost of the universal service, which means that AGCom needs to issue a new ruling.

TIM has filed an application with AGCom to renew the proceedings, and an appeal against the judgement of the Court of Appeal to the Court of Cassation (which subsequently ruled that the appeal was inadmissible).

In April 2016 Vodafone appealed against the Ministry of Economic Development (MISE) and TIM to the Council of State, for non-compliance with the judgment of the Council of State. This appeal referred to AGCom decision 109/11/CONS (2003 yearly payment, on the basis of which Vodafone had paid the sum of approximately 9 million euros as contribution, restitution of which was requested).

In its judgment of November 2016, the Council of State rejected the appeal, referring to the Regional Administrative Court (TAR) the decision on the methods of compliance. In February 2017, Vodafone presented the Lazio Regional Administrative Court with four new appeals against the Ministry of Economic Development and TIM regarding observance of the ruling, upheld on appeal, countermanding the resolutions for the years 1999–2003 and repayment of the aforesaid amounts of around 38 million euros already paid to the Ministry of Economic Development as a contribution.

With a judgment issued in June 2018, the TAR rejected all of Vodafone's appeals for observance, and, as requested by TIM, expressly affirmed that AGCom must renew the proceedings, particularly with regard to the determination of the degree of replaceability between fixed and mobile telephony. Vodafone challenged the four judgments before the Council of State, which, with a decision of October 2019, upheld Vodafone's appeal and confirmed the restitutory obligation of the sums in question applicable to TIM.

With resolution no. 263/20/CIR, AGCom started proceedings to renew the investigation into the iniquity of the net cost of the universal service for 1999-2009. Vodafone has challenged this resolution before the Regional Administrative Court. The renewal proceedings concluded with resolution 18/21/CIR, which substantively confirmed the draft order. This resolution has only been challenged by TIM for the years 1999 and 2000, while Vodafone, Wind and Fastweb have challenged the resolution for all years concerned.

Dispute relative to "Adjustments on license fees" for the years 1994-1998

With regard to the judgements sought in previous years concerning the Ministry of Communications' request for payment of the balance of the amounts paid in concession charges for the years 1994-1998 (for a total of 113 million euros), the Administrative Court (TAR) for Lazio rejected the Company’s appeal against the request for adjustment of the license fee for 1994 in the amount of approximately 11 million euros, 9 million euros of which against turnover not received due to bad debts. TIM lodged an appeal. On the outcome of proceedings, with the ruling of December 2019, the Council of State partially accepted TIM's position, establishing the principle, according to which, the receivables referring to 1994 not collected for reasons not attributable to the operator, could have been deducted from the tax base for calculating the concession fee.

With two further judgements the Administrative Court (TAR) for Lazio, reiterating the reasons expressed previously, also rejected the appeals in which the Company challenged the requests for payment of outstanding balances of license fees for the years 1995 and 1996-1997-1998, in the amount of approximately 46 million euros. TIM has appealed before the Council of State also against these judgements.

With reference to the 1998 fee adjustment (equal to about 41 million), the Lazio TAR, by TAR order of December 2018, suspended the judgment, raising preliminary questions with the EU Court of Justice on the correct scope of EC Directive no. 97/13 (in the matter of general authorizations and individual licenses in the field of telecommunications services on the basis of the currently pending litigation on the 1998 license fee, currently pending before the Rome Court of Appeal and illustrated in a subsequent paragraph).

The referred questions were based, inter alia, on the question posed to the Court of Justice on the possible conflict between the aforementioned EC Directive 97/13 and national law, which extended the obligation for telecommunications license-holders to pay the license fee for 1998 (commensurate with a portion of turnover), despite the liberalization process underway. In its judgment of March 2020, the EU Court of Justice held that the EU regulatory system must be interpreted as not allowing national legislation to extend to 1998 the obligation imposed on a telecommunications undertaking that was previously the concession holder (such as TIM) to pay a fee calculated on the basis of turnover and not only the administrative costs connected with the granting, management, control and implementation of the general authorizations and individual licenses scheme. The Court held, inter alia, that the Council of State – having held in its judgment 7506/2009 that the fee imposed for 1998 on TIM, the holder of an authorization existing on the date of entry into force of Directive 97/13, was due – interpreted national law in a way that was incompatible with EU law, as interpreted by the Court in its judgment of February 21, 2008. Following the judgment of the EU Court of Justice, the opinion on the final calculation of the 1998 charges was summarized before the Lazio Regional Administrative Court, which, in a judgment given last February, declared TIM's appeal as unacceptable for procedural reasons, namely due to the prevalence of the formal ruling consisting of judgment no. 7506/09; in substantive terms, on the other hand, the judgment of the EU Court of Justice once again ascertained the European Community unlawful nature of the credit claim by the PA to obtain payment of the 1998 charges and, consequently, the final balance. The company has challenged the judgment of the Lazio Regional Administrative Court.

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.

Iliad

By 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 compensation for damages. In the first preliminary brief, Iliad updated its claim for damages, taking it to 242.8 million euros. Upon lifting the reservation on the preliminary motions, the Court adjourned the hearing to May 4, 2022 for the closing arguments.

Iliad

By writ of summons notified in September 2021, Iliad Italia S.p.A. summonsed TIM before the Court of Milan for the alleged application to customers of unlawful contractual conditions in terms of time limits and economic costs for withdrawal with reference to mobile and fixed telephone offers, with a consequent petition to order TIM to compensate damages, currently quantified as 120.4 million euros. The first hearing has been scheduled for February 1, 2022.

b) other information

With reference to the cases listed below no significant facts have emerged with respect to that published in the 2020 Annual Financial Report:

- Mobile telephony - criminal proceedings;
- Dispute concerning the license fees for 1998;

Vodafone (previously TELETU)

By writ of summons of February 2012, TIM summonsed the operator TeleTu (today incorporated into Vodafone) to the Court of Rome for having unduly impeded customers intending to return to TIM. The damages claim has been quantified for approximately 93 million euros. By judgment of December 2020, the Court ascertained that from July 2008 to October 2011, TELETU pursued illegal competition pursuant to art. 2598 of the Italian Civil Code in connection with requests for migration to TIM, ordering it to compensate TIM for the amount of 1,378,000 euros plus interest and revaluation, which was paid by Vodafone. As part of a global settlement with Vodafone, the parties have agreed to abstain from challenging this judgment.

ALTERNATIVE PERFORMANCE MEASURES

In addition to the conventional financial performance measures established by IFRS, the TIM Group also presents certain alternative performance measures for the purposes of enabling a better understanding of the performance of its operations and its financial position. Such measures, which are presented in the periodical financial reports (annual and interim), should, however, not be considered as a substitute for those required by IFRS.

Specifically, following the adoption of IFRS 16, the TIM Group presents the following alternative performance measures:

- **EBITDA adjusted 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 according to IFRS 16. This financial measure is used by TIM as the financial target in internal presentations (business plans) and in external presentations (to analysts and investors). It represents a useful unit of measurement for the evaluation of the operating performance of the Group (as a whole and at the Business Unit level), in addition to EBIT;
- **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. 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 financial measure is used by TIM as the financial target in internal presentations (business plans) and in external presentations (to analysts and investors) and is a useful indicator of the ability to generate Free Cash Flow.

The other alternative performance measures used are described below:

- **EBITDA**: This financial measure is used by TIM as the financial target in internal presentations (business plans) and in external presentations (to analysts and investors). It represents a useful unit of measurement for the evaluation of the operating performance of the Group (as a whole and at the Business Unit level), in addition to 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 profits (losses) 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 the non-recurring items on revenues, EBITDA and EBIT**: these measures express changes (amount and/or percentage) in Revenues, EBITDA and EBIT, excluding, where applicable, the effects of the change in the scope of consolidation, the exchange differences and the non-recurring events and transactions. TIM believes that this method of presentation provides a more complete and effective interpretation of the Group's operating performance (as a whole and with reference to the Business Units); it is therefore also used in the presentations to analysts and investors. The TIM Group presents a reconciliation between the "accounting or reported" figures and the "organic excluding the non-recurring component".
- **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. Such indicators are used by TIM in internal presentations (business plans) and in external presentations (to analysts and investors) in order to illustrate the results from operations also through the comparison of the operating results of the reporting period with those of the previous periods.
- **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 is used by TIM as the financial target in internal presentations (business plans) and external presentations (to analysts and investors), shows cash generation and is intended as the net cash flow before payments relating to dividend and investments in frequencies. Therefore, it represents the Free Cash Flow available for dividend payments, debt repayment, impacts of leasing transactions and investment in frequencies. This measure excludes the financial impact of any acquisition and/or disposal of equity investments.

The Equity Free Cash Flow measure is calculated as follows:

+	Operating Net Free Cash Flow
-	Impact for leasing
-	Payment of licenses
-	Financial impact of acquisitions and/or disposals of shareholdings
-	Dividend payment and Change in Equity