

DISCLOSURE DOCUMENT ON TRANSACTIONS OF GREATER IMPORTANCE WITH RELATED PARTIES

drafted pursuant to Article 5 of Consob Regulation No. 17221 of 12 March 2010, as subsequently amended and supplemented, with reference to the awarding, following exercise of the pre-emption right, of the European tender, by open procedure, for the assignment of the construction and management of the National Strategic Hub by means of a public-private partnership contract

31 August 2022

Disclosure document made available to the public at the registered office of TIM S.p.A. in Milan, Via Gaetano Negri 1, on the TIM S.p.A. website (www.gruppotim.it), as well as on the authorised storage platform '1info', at www.1info.it

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DEFINITIONS

A list of the main definitions and terms used in this Disclosure Document are listed below. Unless otherwise specified, these definitions and terms have the meaning set out below. Terms defined in the singular shall include the plural, and vice versa, where required by the context.

Framework Agreement	As defined in the Introduction
Public Contract Code or PCC	Legislative Decree No. 50 of 18 April 2016, as subsequently amended and supplemented
Related Parties Committee or the Committee	The TIM Related Parties Committee, which undertakes the tasks and duties established by the company Procedure for performing transactions with related parties, is made up of the following independent directors: Paolo Boccardelli - Chairman, Maurizio Carli, Cristiana Falcone, Marella Moretti and Ilaria Romagnoli
Commercial Component	As defined in paragraph 2.1
Corporate Component	As defined in paragraph 2.1
Consultant	As defined in paragraph 2.3
Agreement	The agreement for the construction and management of a new IT infrastructure to serve the Public Administration referred to as the National Strategic Hub, as per paragraph 1 of Article 33-septies of Law Decree No. 179 of 2012
Disclosure Document	This disclosure document on related party transactions of greater importance, drawn up pursuant to Article 5 of the Consob Regulation
DDT	The Department for Digital Transformation of the Presidency of the Council of Ministers
Tender	As defined in the Introduction
NewCo or Special Purpose Vehicle	As defined in the Introduction
Transaction	As defined in the Introduction
Parties	As defined in the Introduction

FEP	As defined in paragraph 2.3
National Strategic Hub or NSH	As defined in the Introduction
RPT Procedure	The Procedure for performing transactions with related parties of TIM
Proposed Resolution	As defined in the Introduction
Issuers' Regulation	The regulation adopted by Consob with resolution No. 11971 of 14 May 1999, as subsequently amended and supplemented
Consob Regulation	The regulation adopted by Consob with resolution No. 17221 of 12 March 2010, as subsequently amended and supplemented
TAC	The Temporary Association of Companies formed by TIM - agent, CDP Equity S.p.A., Leonardo S.p.A. and Sogei S.p.A., as defined in the Introduction
TIM, Telecom Italia or the Company	TIM S.p.A. with registered office in Milan, Via Gaetano Negri, 1, Secondary Office and General Administration in Rome, Corso d'Italia, 41, Tax Code/VAT No. and registration with the Milan Business Register: 00488410010, Share capital 11,677,002,855.10 euros fully paid-up
CLF (Consolidated Law on Finance)	Legislative Decree No. 58 of 24 February 1998, as subsequently amended and supplemented

INTRODUCTION

This Disclosure Document has been prepared by TIM pursuant to and for the purposes of Article 5 of the Consob Regulation.

The Disclosure Document was drawn up following the awarding, as a result of exercise of the pre-emption right, to the Temporary Association of Companies made up of TIM, CDP Equity S.p.A., Leonardo S.p.A. and Sogei S.p.A. (the “**Parties**” or the “**TAC**”) of the European tender, by open procedure, for the assignment through a public-private partnership contract of the construction and management of the National Strategic Hub (the “**Tender**”), launched in January 2022 by Difesa Servizi S.p.A. as the Central Purchasing Body of the Contracting Authority Department for Digital Transformation of the Presidency of the Council of Ministers.

The contract was awarded as a result of:

- the signing on 27 September 2021 by TIM, CDP Equity S.p.A, Leonardo S.p.A. and Sogei S.p.A. of a Framework Agreement (the “**Framework Agreement**”) to govern (i) the submission of a public-private partnership proposal for the construction of the National Strategic Hub (infrastructure for the cloud management of data and applications of the Public Administration, which is part of the overall plan for speeding up the digital transformation to guarantee the security and national control of data, hereinafter, the “**National Strategic Hub**” or “**NSH**”), (ii) the establishment of a special purpose vehicle owned by members of the TAC (“**NewCo**” or the “**Special Purpose Vehicle**”), and (iii) the provision to NewCo by its industrial partners - either directly or through investee companies - of certain services in consideration of their respective roles and areas of operations (collectively, the “**Transaction**”);
- the presentation to the Minister for Technological Innovation and Digital Transition, on 28 September 2021, jointly by the members of the TAC being established, of the public-private partnership proposal for the construction of the National Strategic Hub (the “**Proposal**”); the Proposal was subsequently revised following requests, pursuant to Article 183 paragraph 15 of the PCC, made by the DDT and formalised in its final version on 24 December 2021;
- the declaration by the Department for Digital Transformation of the Presidency of the Council of Ministers, with decree no. 47/2021-NRRP of 27 December 2021, of the feasibility of the Proposal with the consequent appointment of members of the TAC being established as the "Promoter" pursuant to Article 183, paragraph 15 of the Public Contract Code;
- the announcement, on 28 January 2022, by Difesa Servizi S.p.A., as the Central Purchasing Body on behalf of the Department for Digital Transformation of the Presidency of the Council of Ministers, of the Tender through which the Proposal was competitively tendered;

- the participation in the Tender by the TAC (established in the meantime) and by a further temporary association of companies to be established between Aruba S.p.A. and Fastweb S.p.A. (the “**Fastweb TAC**”);
- the awarding of the Tender to the Fastweb TAC, on 22 June 2022, with effectiveness subject to verification of the requirements set forth in the Tender Rules and simultaneous communication to the TAC of the right to exercise the pre-emption right within 15 days;
- the exercise, on 7 July 2022, by the TAC of the pre-emption right it was entitled to as the Promoter pursuant to and for the purposes of Article 183, paragraph 15, of the Public Contract Code, with the consequent awarding of the Tender to the same TAC, announced by the Central Purchasing Body on 11 July 2022 (pursuant to Determination No. 15 adopted by the Central Purchasing Body).

On the occasion of the resolution regarding exercise of the pre-emption right by the TAC, TIM classified the Transaction as “of greater importance” pursuant to Article 4, paragraph 1, letter a) of the Consob Regulation and Article 7 of the RPT Procedure and, as a result, as provided for by Article 8, paragraph 1, letter c) of the Consob Regulation, it was approved by the Board of Directors of TIM on 6 July 2022, after having obtained the favourable opinion of the Related Parties Committee, issued on the same date.

The Transaction had already been submitted earlier (for a full description, see point 2.8 below) for examination by the Related Parties Committee, which had expressed a favourable opinion. Classification of the Transaction as of “greater importance” derives from the update of TIM’s consolidated net equity value as it changed in the months following the Committee’s initial involvement and most recently disclosed in the TIM Group’s financial disclosures as at 31 March 2022.

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1. WARNING: risks connected to potential conflicts of interest deriving from the Transaction

As better described in paragraph 2.2 below, the Transaction described in this Disclosure Document is a transaction between related parties within the meaning of the RPT Procedure, due to the presence among the underwriters of the Framework Agreement and among the shareholders of NewCo of CDP Equity S.p.A., a wholly-owned subsidiary of Cassa Depositi e Prestiti S.p.A., which qualifies as a related party of the Company within the meaning of the RPT Procedure.

The Transaction also represents a transaction (with related parties) “of greater importance” insofar as, in the assessment carried out at the time of the resolution on the exercise by the TAC of its pre-emption right, it exceeded the threshold of 5% with reference to the equivalent value ratio, meaning, pursuant to Annex 3 of the Consob Regulation, the ratio between the equivalent value of the transaction and the net equity recorded in the most recent consolidated balance sheet published by the company or, if greater, the capitalisation of the Company recorded at the close of the last trading day included in the reference period of the most recent periodic accounting document published.

Pursuant to the provisions of the RPT Procedure, the Company’s Related Parties Committee - made up exclusively of non-executive and independent directors, unrelated and not involved in the Transaction - was involved from the preliminary stage prior to the signing of the Framework Agreement and the presentation of the Proposal, although at that time the Transaction did not qualify as of greater importance. The Committee examined and monitored the development of the Transaction over the course of 7 meetings, at and in view of which it was provided with a complete and updated information flow and was able to ask for clarifications and make observations to the management responsible for the preliminary work of the Transaction.

Lastly, the Related Parties Committee, at its meeting on 6 July 2022, unanimously expressed a favourable opinion on the exercise of the pre-emption right to which the TAC is entitled as Proponent in the Tender, which was approved on the same date by the Company's Board of Directors.

In the Company’s opinion, also considering the strategic nature of the Transaction for all Parties involved, there are no particular risks linked to potential conflicts of interest other than those typically inherent in transactions with related parties, nor risks other than those typically linked to transactions of a similar nature.

2. INFORMATION ON THE TRANSACTION

2.1. Description of the features, methods, terms and conditions of the Transaction

On 27 September 2021, TIM, CDP Equity S.p.A., Leonardo S.p.A. and Sogei S.p.A. signed the Framework Agreement, first and foremost in order to submit a Proposal for the construction of the National Strategic Hub, infrastructure for the cloud management of data and applications of the Public Administration, which is part of the overall plan for speeding up the digital transformation to guarantee the security and national control of data.

The Proposal, which was submitted on 28 September 2021 to the Minister for Technological Innovation and Digital Transition (as per the press release issued by the Parties on the same date), gave rise to in-depth preliminary work which led the Department for Digital Transformation of the Presidency of the Council of Ministers to declare the feasibility, under Decree no. 47/2021-NRRP of 27 December 2021, of the most recent version of the Proposal submitted on 24 December 2021 (following requests made by DDT pursuant to Article 183, paragraph 15, of the PCC), with the consequent appointment as “Promoter” pursuant to Article 183, paragraph 15, of the Public Contract Code of the members of the TAC being established.

The Proposal was competitively tendered, as required by the above-mentioned Article 183, paragraph 15, of the PCC, by means of a call for tenders on 28 January 2022 by Difesa Servizi S.p.A., as the Central Purchasing Body on behalf of the Department for the Digital Transformation of the Presidency of the Council of Ministers.

In addition to the Promoter TAC, the Fastweb TAC also participated in the tender and on 22 June 2022 it was notified by the Central Contracting Authority that the tender had been awarded with effectiveness subject to verification of the requirements laid down in the specifications.

On 7 July 2022, the Promoter TAC, of which the Company is a member, exercised its pre-emption right pursuant to Article 183, paragraph 15 of the Public Contract Code, and was awarded the Tender (as per Determination No. 15 of the Central Purchasing Body of 11 July 2022).

On 4 August 2022, in execution of the commitments made when the Framework Agreement was signed, a Special Purpose Vehicle was established, 20% owned by CDP Equity S.p.A., 25% by Leonardo S.p.A., 10% by Sogei S.p.A. and 45% by TIM, which will be equipped with the industrial skills necessary to provide services to the Public Administration (also by acquiring them from its shareholders) and will make the investments required to build the technology infrastructure.

With a communication dated 5 August 2022 - acknowledging the notification pursuant to Article 2 of Decree-Law No. 21 of 2012 (golden power) by members of the TAC – the Presidency of the Council of Ministers stated that the proposed transaction (i.e. TAC established for the purpose of being awarded the tender to identify an economic operator to be entrusted with the construction and management of the National Strategic Hub and

the subsequent establishment of a special purpose vehicle to sign the relevant concession agreement) does not fall within the scope of applicability of the regulations set forth in Decree-Law No. 21 of 15 March 2012. Moreover, the Presidency of the Council of Ministers requested that TIM inform the latter of developments to TIM's transformation plan presented to the market on 7 July 2022, with respect to any changes in NewCo's shareholding structure.

Following a request made by the Department for Digital Transformation of the Presidency of the Council of Ministers on 24 August 2022, the Special Purpose Vehicle signed the Agreement with the latter.

Fastweb S.p.A. and Aruba S.p.A. brought an appeal before the Lazio-Rome Regional Administrative Court against the awarding of the contract to the Promoter TAC, asking for the annulment of the contested provisions and the contract to be declared ineffective, if entered into in the meantime, as well as for the Administration to order payment of damages in equivalent terms.

This appeal also included an application for the precautionary suspension of the contested provisions, which however was rejected by order of the Lazio Regional Administrative Court No. 4993 of 2 August 2022, which also set the public hearing to consider the merits of the appeal for 5 October 2022. Following that order, the applicants filed additional grounds to the main appeal, requesting further suspension of the contested provisions, also through the issuance of a presidential precautionary decree *inaudita alter parte*. The request for presidential precautionary measures was rejected by decree No. 5149 of 3 August 2022 of the President of the Regional Administrative Court of Lazio, with which the closed session for the collegial hearing of the precautionary application was set for 12 September 2022.

Fastweb S.p.A. and Aruba S.p.A. lodged a precautionary appeal against the Lazio Regional Administrative Court's collegial order of 2 August 2022 before the Council of State, which rejected it with order No. 4039 of 26 August 2022.

The Special Purpose Vehicle will be equipped, through its shareholders, with new generation (Tier IV) data centres with high levels of security and energy efficiency and, in line with global best practices, it will also provide infrastructure management services, with a specific focus on cloud solutions.

Specifically, as industrial partners: (i) TIM will provide infrastructure services and cloud platforms, (ii) Leonardo S.p.A. will provide security services, (iii) Sogei S.p.A. will provide business culture enablement and training services, fostering the growth and skills of the Public Administration, and (iv) CDP Equity S.p.A. will act as financial partner and institutional investor.

All together, the industrial partners will provide end-to-end migration services, as well as support public administrations with professional evolution services to ensure maximum efficiency and effectiveness when operating in cloud environments (re-platform and re-architect).

For the purposes of configuring the initiative as a transaction with related parties pursuant to the Company's RPT Procedure, the obligations inherent, on the one hand, in TIM's

participation as a shareholder in the Special Purpose Vehicle (the “**Corporate Component**”) and, on the other, in the service supply relationships that TIM will enter into with NewCo (the “**Commercial Component**”) are relevant.

As for the Corporate Component, in the Framework Agreement, the Parties have regulated:

- the extent of the stake (in the terms indicated above) that each of them was to have in the Special Purpose Vehicle, in the form of a joint-stock company, which was to take on the role of concession holder under the terms of the Agreement and which would be responsible for the construction of the infrastructures and management of all the services of the National Strategic Hub to be entrusted to it;
- the commitments to disburse financial resources (known as *equity commitments*) undertaken by each of the Parties with reference to the requirements of NewCo, defined in accordance with the financial and economic plan of the project and - in any event - in proportion to their respective stakes in the share capital, to be paid at the time of the incorporation of the Special Purpose Vehicle or, subsequently, in tranches consistent with and serving the progress of the initiative, in accordance with the terms and conditions to be agreed upon in good faith by the Parties. In particular, taking into account the size of the stake it will hold in the Special Purpose Vehicle (45%), TIM has committed to contribute up to 58.7 million euros;
- the corporate governance of NewCo, defining, in line with best practices, specific shareholders’ agreements governing, inter alia, the composition and functioning of the company bodies, as well as the regime for the circulation of shareholdings, which is subject to compliance with the rules set forth in Article 184 of the Public Contract Code and, in general, with the applicable regulations on public contracts and continuity of services rendered, as well as the Agreement.

With regard to the Commercial Component, the Framework Agreement provides that, for the purpose of implementing the provisions of the Agreement, the Parties shall provide - directly or through investee companies and in any case in compliance with the applicable law and the Agreement - services consistent with their respective roles and areas of operation.

In particular, TIM has undertaken, as an industrial operator, to provide NewCo with services mainly related to the area of infrastructure, such as the supply of (i) equipped Data Centre areas, inclusive of connectivity (including security services for protection against DDoS attacks) and electricity, (ii) production control services; first- and second-level help desk services and service management, as well as to provide, together with Leonardo S.p.A. and Sogei S.p.A. (which, like TIM, are industrial operators) re-architect, re-platform, migration and professional services.

Note that the services (net of electricity) that TIM has committed to providing NewCo with will represent 58% of the total cost that the Special Purpose Vehicle will incur to purchase services from TIM, Leonardo S.p.A. and Sogei S.p.A..

In addition to the services described above, TIM may also provide NewCo, on the basis of specific agreements, with the services of Cloud Service Providers such as Google and Oracle.

The Framework Agreement also establishes the common characteristics of the service provision contracts that TIM, Leonardo S.p.A. and Sogei S.p.A. will enter into with NewCo, which, inter alia, shall include competitive terms and conditions, taking into account the parameters of the reference market, also with respect to the fairness of the relevant fees and, in any case, terms and conditions that are not worse than those of the market.

2.2 Related parties involved in the Transaction, nature of the association and nature and extent of such parties' interests in the Transaction

Cassa Depositi e Prestiti S.p.A., which holds a 9.81% stake in Telecom Italia S.p.A.'s total ordinary shares, and the subsidiaries of Cassa Depositi e Prestiti S.p.A. fall within the scope of TIM's related parties.

Due to the fact that CDP Equity S.p.A., a wholly-owned subsidiary of Cassa Depositi e Prestiti S.p.A., is among the underwriters of the Framework Agreement and among the shareholders of NewCo, the Transaction referred to in this Disclosure Document is a transaction between related parties within the meaning of the RPT Procedure. This qualification applies to both the Corporate Component of the Transaction and the Commercial Component. With specific reference to the latter component, the shareholding ratio that will exist between CDP Equity S.p.A. and NewCo has been deemed - pursuant to the RPT Procedure - to be a *significant interest of another related party* which means it is not possible to apply the exclusion clause in the RPT Procedure for transactions with associated companies (the shareholding relationship that will exist between TIM and NewCo).

It should also be noted that Director Giovanni Gorno Tempini, also in his capacity as Chairman of the Board of Directors of Cassa Depositi e Prestiti S.p.A. and CDP Equity S.p.A., declared at the TIM Board of Directors meeting on 6 July 2022, that resolved on the Transaction, that he had a potential interest in the Transaction under Article 2391 of the Italian Civil Code and that, insofar as necessary and as a precautionary measure, he considered himself to be a director "involved in the Transaction", pursuant to Article 7, letter d-bis (referred to in Article 8) of the Consob Regulation, and consequently abstained from voting on the Transaction.

2.3. Economic reasons and expediency of the Transaction for the Company

The Transaction is expedient for the Company as it is deemed to be in line with the Company's interest and fully consistent with the evolution of TIM's technological and commercial offer. In particular, the initiative plays a significant role in the Company's strategic plan and aims to consolidate its leadership in the Italian market in the provision of cloud services to public entities.

The initiative, launched jointly with CDP Equity S.p.A., Leonardo S.p.A. and Sogei S.p.A, will make it possible to encourage and speed up technological innovation, as well as the security of Public Administration infrastructures, by involving leading economic operators in the field of technology and digital services, with the aim of pooling the best skills and the most advanced national and international technologies, also drawing on the collaboration of Cloud Service Providers and leading technology suppliers, which will be managed according to the principles of sovereignty provided for in applicable regulations.

In order to determine the expediency of the Proposal to which the Transaction refers, the TAC defined a Financial Economic Plan (“FEP”), setting out the forecast economic data relating to the initiative, developed over a 13-year period, which showed that the project’s profitability is 5.1% (IRR net of tax effects and inflation). Profitability was also substantially confirmed following updates to the FEP resulting from exercise of the pre-emption right, thus making the project’s rate of return consistent with similar initiatives of the same kind.

During the examination of the Proposal prior to its submission - when the Transaction did not qualify as of greater importance - the Related Parties Committee instructed Nolan, Norton Italia S.r.l. (a wholly-owned subsidiary of KPMG Advisory S.p.A., hereinafter referred to as the “**Consultant**”) to assess the expediency for TIM.

In particular, the activity mainly focused on an analysis of the assumptions and data used by the Company to define the reference values relating to the main services that TIM will offer to NewCo and, secondarily, on the financial aspects of the Transaction with respect to the position of NewCo's shareholders, taking into account the average market returns of comparable public-private partnership transactions.

More specifically, the analysis conducted on the revenues from services that TIM will provide to NewCo confirmed that the margins associated with the latter are within the range observable on the market for similar services (*i.e.* Consip conventions and agreements, similar initiatives of public and private entities).

The expected return for NewCo’s shareholders was also consistent with the returns associated with public-private partnership transactions, also taking into account in the analysis “Guidelines No. 9” prepared by ANAC in implementation of the Public Contract Code.

The continued expediency of the Transaction was also confirmed as a result of the analyses carried out by the Company when the TAC exercised its pre-emption right. The Proposal’s overall alignment with the terms offered by the Fastweb TAC has kept the fairness and performance conditions of the initial Proposal substantially unchanged.

Furthermore, it should be noted that, during both the evaluation of the initial proposal and the analysis of the exercise of the pre-emption right, the risk profile of the Transaction was analysed, which did not show significant changes over time, although slightly increasing compared to the initial values due to the changed context conditions, particularly following the increase in energy prices.

2.4. Economic conditions of the Transaction, method of determination and assessment of fairness

The economic terms of the Corporate Component of the Transaction were negotiated in good faith with all the Parties (only one of which qualifies as a related party) taking as a reference the economic and financial requirements of NewCo as defined in the FEP of the project.

The commitments to provide financial resources to NewCo (known as equity commitments) undertaken by each of the Parties were defined in proportion to the stakes to be held by each of them in the Special Purpose Vehicle. The total amount that TIM will be required to disburse (at the time of establishment and in tranches consistent with and serving the progress of the initiative, in the manner to be agreed in good faith by the Parties) is a maximum of 58.7 million euros.

The economic terms and conditions of the contracts for the supply of services to be provided by TIM to NewCo (which represent the Commercial Component of the Transaction), in line with the provisions of the Framework Agreement that are also applicable to the corresponding contractual relationships that will govern the supplies to be provided by Leonardo S.p.A. and Sogei S.p.A., have been defined in accordance with market benchmarks. In fact, the Framework Agreement establishes that the service contracts entered into between NewCo and the shareholders “*shall provide competitive terms and conditions taking into account the parameters of the reference market, also with reference to the fairness of the relevant fees, and in any case, terms and conditions that are not worse than those of the market*”.

For further considerations on the consistency of the economic conditions of the Transaction with those of the market and their fairness and expediency, reference is made to paragraph 2.3.

2.5. Economic, equity and financial effects of the Transaction

The equivalent value of the Transaction for TIM, calculated over the 13 years as the sum

- of the Corporate Component, corresponding to the sum of the commitments made by TIM to provide NewCo with financial resources, less the amounts of expected dividends and the portion of the liquidation of the Special Purpose Vehicle pertaining to TIM, and
- the Commercial Component, corresponding to the fees due to TIM for the provision of services to be rendered to NewCo

is 1,171 million euros.

In order to check whether the thresholds of greater importance under the RPT Procedure have been exceeded, reference was made to the indices provided in Annex 3 to the RPT Regulation and, in particular, to the equivalent value ratio, corresponding to the ratio between the equivalent value of the Transaction and the net equity recorded in the consolidated balance sheet published in the financial disclosures of the TIM Group as at 31

March 2022 (the higher value of TIM's capitalisation recorded at closing on 31 March 2022, the last market trading day included in the aforesaid accounting document).

- Equivalent value of the Transaction: 1,171 million euros
- Net equity recorded in the consolidated balance sheet published in the TIM Group's financial disclosures as at 31 March 2022: 22,735 million euros
- Equivalent value ratio: 5.15%

The overall performance of the Transaction covered by this Disclosure Document is in line with the profitability defined in the TIM Group's Business Plan.

2.6 Impact of the Transaction on the remuneration of members of the boards of directors of TIM and/or its subsidiaries

No changes to the remuneration of TIM directors are expected as a result of the Transaction.

2.7. Involvement as related parties in the Transaction of members of the management and control bodies, general managers and executives of the Company

The Transaction does not involve, as related parties, members of the Board of Directors, members of the Board of Statutory Auditors, general managers and executives of TIM, except as indicated in this Disclosure Document with reference to the position of Chairman of the Board of Directors of Cassa Depositi e Prestiti S.p.A. and CDP Equity S.p.A. held by Director Giovanni Gorno Tempini.

2.8. Bodies or directors that conducted or participated in the negotiations and/or investigated and/or approved the Transaction

In accordance with the provisions of the RPT Procedure, the Company's Related Parties Committee -

made up exclusively of non-executive and independent directors, unrelated and not involved in the Transaction - was involved from the preliminary stage prior to the signing of the Framework Agreement and the presentation of the Proposal, although at that time the Transaction did not qualify as of greater importance.

The Committee examined and monitored the development of the Transaction over the course of 7 meetings, at and in view of which it was provided with a complete and updated information flow and was able to ask for clarifications and make observations to the management responsible for the preliminary work of the Transaction.

In particular, at the meetings held on 13, 22 and 23 September 2021, the Committee was able to examine all the economic and negotiating terms of the Transaction, based on the scenario prior to the signing of the Framework Agreement and the presentation of the NSH

project to the Minister for Technological Innovation and Digital Transition, expressing a favourable opinion on TIM's interest in completing the Transaction, as well as on the expediency and substantial fairness of the related conditions (also in consideration of the results of the analyses entrusted by the Committee to the Consultant), assessing the same Transaction as being of lesser importance (based on application of the equivalent value criterion parametrized to the net equity of the consolidated balance sheet published in the financial disclosures of the TIM Group as at 30 June 2021).

Subsequently,

- on 9 December 2021, the Committee met to examine the Transaction in light of the amendments to be made to the Proposal submitted, on the basis of requests made to that effect by the Department for Digital Transformation of the Presidency of the Council of Ministers, and on that occasion it again expressed a favourable opinion, on the assumption that the strategic value of the initiative remained unchanged and - on the basis of the data reported - that the Transaction was confirmed as being of lesser importance;
- on 22 March 2022, the Committee was informed that the TAC had submitted its bid in the Tender.

Lastly, at its meetings on 4 and 6 July 2022, the Related Parties Committee examined (a) the new economic conditions of the Transaction (arising from the need - in order to exercise the pre-emption right pertaining to the TAC - to adjust its bid to that submitted by the association consisting of Aruba S.p.A. and Fastweb S.p.A.), also compared with the previous conditions on which the Committee expressed its opinion on 23 September and 9 December 2021 respectively and (b) the possible areas of intervention/solutions to be adopted to adjust the bid to that of the winning association. At the end of the examination, the Committee, on 6 July 2022, found that the Transaction qualified as a related-party transaction of greater importance and, having ascertained the Company's interest in the Transaction and the requirements of the expediency and substantial fairness of the terms and conditions of the Transaction, unanimously issued its opinion in favour of carrying out the Transaction and, therefore, of the Board of Directors of TIM resolving to exercise its pre-emption right.

The Board of Directors of the Company, at its meeting on 6 July 2022, having acknowledged the favourable opinion issued by the Related Parties Committee, approved the exercise of the pre-emption right pertaining to the Promoter TAC pursuant to Article 183, paragraph 15, of the Public Contract Code, in order to be awarded the Tender. The resolution was passed with the favourable vote of all the Directors present and the abstention of Mr Gorno Tempini who, as the Chairman of the Board of Directors of Cassa Depositi e Prestiti S.p.A. and CDP Equity S.p.A, declared that he has a potential interest in the Transaction pursuant to Article 2391 of the Italian Civil Code and that he considers himself, insofar as necessary and as a precautionary measure, to be a director "involved in the Transaction", pursuant to Article 7, letter d-bis (referred to in Article 8) of the Consob Regulation.

2.9. Importance of the Transaction arising from accumulation, pursuant to Article 5, paragraph 2, of Consob Regulation No. 17221 of 12 March 2010 and subsequent amendments and additions

The case described in the heading of this paragraph is not applicable to the Transaction.

* * * * *

The favourable opinion issued by the Committee on 6 July 2022 is attached pursuant to Article 5 of the Consob Regulation.

Milan, 31 August 2022

TIM S.p.A.

ANNEX
Opinion of the Related Parties Committee

**RELATED PARTY COMMITTEE
OF TIM S.p.A.**

Re: Related Party Transaction of greater importance - Exercise of the pre-emption right in relation to the National Strategic Hub Project.

The Related Parties Committee (hereinafter the “**RPT Committee**”) of TIM S.p.A. (hereinafter “**TIM**” or the “**Company**”) hereby issues this Reasoned Opinion on the related-party transaction described below, pursuant to Article 7 of the Procedure for transactions with related parties adopted by the Company (hereinafter the “**TIM RPT Procedure**”) in implementation of Regulation No. 17221 of 12 March 2010, as subsequently supplemented and amended (hereinafter the “**Consob RPT Regulation**”).

In particular, the RPT Committee is called upon to express its reasoned opinion on the Company’s interest in performing the Transaction (as defined below) and on the expediency and substantial correctness of the respective terms and conditions.

By virtue of the provisions of Article 7 of the TIM RPT Procedure, this Opinion is binding (subject to the provisions of Article 7.7 of the same Procedure).

The RPT Committee must give its opinion on a transaction that can be summarised in the following terms.

1. - The NSH Project

1.1 - As is known, in 2021 the Presidency of the Council of Ministers launched a process to streamline existing public administration data centres by divesting those that are energy inefficient, obsolete or insufficiently secure and reliable in order to benefit from strong economies of scale.

In this context, on 27 September 2021, TIM, CDP Equity S.p.A., Leonardo S.p.A, Sogei S.p.A. signed a framework agreement to govern their respective obligations and the main terms and conditions for participating in the implementation of a potential transaction (the “**NSH Transaction**” or the “**Transaction**”) to carry out a project (the “**Project**”), the aim of which is to establish a “national player”, in the form of a corporate and contractual joint venture, that would operate in the data centre sector and, in particular, in the sector of infrastructural and application services in the cloud to manage the sensitive data of private individuals and the public administration, acting as a “National Strategic Hub” (the “**NSH**”). In

particular, on the basis of the aforementioned agreement, the parties have established and agreed *(i)* to jointly submit (in the form of a temporary association of companies), as the promoter, to the Minister for Technological Innovation and Digital Transition, a public-private partnership proposal for the construction of the National Strategic Hub; *(ii)* in the event of a public tender called by the public administration and the awarding of the same to the promoter, to set up a NewCo with a 20% stake held by CDP Equity S.p.A, 25% by Leonardo S.p.A, 10% by Sogei S.p.A. and 45% by TIM; *(iii)* again following the awarding of the tender, to provide certain services to NewCo - either directly or through investee companies - in consideration of their respective roles and areas of operation; in particular, TIM, as an industrial operator, has committed to providing infrastructure services and cloud platforms; *(iv)* finally, if the tender is awarded to another bidder, to assess whether to exercise the pre-emption right due to the same parties as the proponent.

1.2 - Following the signing of the framework agreement, on 28 September 2021 the parties submitted their public-private partnership proposal for the creation of the National Strategic Hub, which was subsequently amended on the basis of the requests made by the Presidency of the Council of Ministers (the “**Proposal**”). On 27 December 2021, the relevant public administration examined the three proposals received, identifying the project submitted by TIM, CDP Equity S.p.A., Leonardo S.p.A. and Sogei S.p.A. as the one that fully and satisfactorily met the requirements.

On 28 January 2022, the relevant administration made a call for tenders by publishing the relevant notice and on 22 June 2022 the tender was awarded to the bid submitted by the association comprising Aruba S.p.A. and Fastweb S.p.A., which offered, for the financial part, an average discount of 39.19% on the price lists on which the tender was based, while the association also including TIM offered, for the financial part, an average discount of 23.36% on the price lists on which the tender was based.

Following the aforesaid awarding, based on the regulations in force, it therefore became necessary for TIM to assess, as part of the promoter association, whether to exercise its pre-emption right within fifteen days following the awarding of the tender (i.e. by 7 July 2022), consequently undertaking to fulfil its contractual obligations under the same conditions as those offered by the current winning

bidder.

2. - Description of the Transaction

As far as is most important here, the Transaction is essentially structured along two different lines: on the one hand, the parties have undertaken to set up NewCo and to provide it with adequate financial resources (the “corporate component”), while, on the other, TIM, Leonardo S.p.A. and Sogei S.p.A. will provide NewCo, each within their respective areas of expertise, with certain services related to the implementation of the Project (the “commercial component”).

More specifically, as regards the corporate component, the relevant economic terms and conditions have been negotiated between the parties to the Project, taking NewCo’s economic and financial requirements as a reference point; in this context, each party’s commitments to disburse financial resources are proportional to the stakes they will hold in NewCo, and the amount that TIM will be required to disburse overall (at the time of incorporation or in subsequent tranches consistent with and serving the progress of the initiative) amounts to maximum 58.7 million euros.

On the other hand, as regards the commercial component, it should be noted that the economic terms and conditions for the supply of the services to be provided by TIM to NewCo, similarly to those provided for the supplies rendered by Leonardo S.p.A. and Sogei S.p.A., must provide competitive terms and conditions taking into account the parameters of the reference market, also with regard to the fairness of the relevant fees, and in any case terms and conditions that are not worse than those of the market.

3. - Qualification of the Transaction

The Transaction is between related parties within the meaning of the TIM RPT Procedure and point 1 of the Appendix to the Consob RPT Regulation, since it is a transaction *(i)* between TIM and CDP Equity S.p.A, a wholly-owned subsidiary of Cassa Depositi e Prestiti S.p.A.: in fact, the latter, as an entity associated with TIM, must be considered a related party of the latter and, consequently, also of its subsidiaries, including CDP Equity S.p.A.; and *(ii)* between TIM and NewCo, a company over which TIM will exercise significant influence and which, therefore, as an entity associated with TIM, must also be considered a related party of the latter. With specific reference to the relationship between TIM and NewCo, it was deemed that the exclusion cause set forth in Article 9.1 of the TIM

RPT Procedure could not be applied since the shareholding relationship that will exist between CDP Equity S.p.A. and NewCo was considered a “*significant interest of another related party*” (as defined in the TIM RPT Procedure).

The Transaction is likely to constitute a “*transaction*” for the purposes of the TIM RPT Procedure as well as on the basis of point 1 of the Appendix to the Consob RPT Regulation, to the extent that it gives rise to a “*transfer of resources, services or obligations between related parties, regardless of whether a consideration has been agreed upon*”.

The Transaction is a transaction of greater importance within the meaning of the TIM RPT Procedure and the Consob RPT Regulation, in that the equivalent value ratio, applicable to the Transaction, is higher than the 5% threshold (see Article 2.1 of the TIM RPT Procedure and Annex 3, Article 1.1, letter a, of the Consob RPT Regulation).

In particular, the Transaction is a transaction of greater importance because:

- i)* the threshold of greater importance amounts to 1,137 million euros by applying the equivalent value ratio of the Transaction, to be determined as 5% of the net equity recorded in the consolidated balance sheet published in the TIM Group's financial disclosures as at 31 March 2022;
- ii)* the relevant equivalent value of the Transaction, of 1,171 million euros, has been calculated over a thirteen-year period (the same duration as the agreement between NewCo and the public administration) by adding together *(i)* the corporate component, equal to the differential between *(a)* the equity commitment and *(b)* the sum of the remuneration of the capital (dividend) and the amount to be repaid upon final settlement; and *(ii)* the commercial component, corresponding to the fees for the services provided by Tim and NewCo.

4. - Preliminary work phase

It should be noted, preliminarily, that the RPT Committee was able to examine the various phases of the Transaction from its inception.

In particular, after an initial presentation at the meeting on 13 September 2021, on 22 September 2021 the Committee was able to examine all the economic and negotiating terms of the Transaction, based on the scenario prior to the signing of

the framework agreement and the presentation of the NSH project to the Minister for Technological Innovation and Digital Transition, also based on the set of documents made available by the Company and the analyses carried out, at the Committee's request, by Nolan, Norton Italia S.r.l. (a company wholly owned by KPMG Advisory S.p.A. and part of its network). The following day, after an additional review of the criteria for determining the equivalent value of the Transaction¹, the RPT Committee expressed a favourable opinion on TIM's interest in carrying out the Transaction, as well as on the expediency and substantial fairness of the related terms and conditions, assessing the Transaction as of lesser importance.

Subsequently,

- on 9 December 2021, the RPT Committee met to examine the Transaction in light of the changes to be made to the submitted Project, based on requests to that effect made by the Department for Digital Transformation of the Presidency of the Council of Ministers (see above, paragraph 1.2), and on that occasion it once again expressed a favourable opinion, on the assumption that the strategic value of the initiative remained unchanged and - on the basis of the data reported - that the Transaction was confirmed as being of lesser importance, as was the case at the Board of Directors' meeting held on 23 December 2021;
- on 22 March 2022, the Committee was informed that the temporary JV set up between TIM, CDP Equity S.p.A., Leonardo S.p.A. and Sogei S.p.A. had submitted its bid in the tender that had been announced in the meantime by the Department for Digital Transformation of the Presidency of the Council of Ministers, in line with the risk profile of the initiative as presented to the Committee and the Company's Board of Directors in December 2021.

Finally, with a view to issuing this Opinion, the Committee was provided with a set of documents highlighting, inter alia *(i)* the new economic conditions of the Transaction (arising from the need - in order to exercise the pre-emption right pertaining to the association of which TIM is a party - to bring its bid into line with that submitted by the association consisting of Aruba S.p.A. and Fastweb

¹ Note that the criteria for determining the equivalent value of the Transaction for the purposes of this Opinion are identical to those used at the meeting of 23 September 2021 (see above, paragraph 3).

S.p.A.), also in comparison with the previous conditions on which the Committee had expressed its opinion on 23 September 2021 and 9 December 2021 respectively, and (ii) the possible areas of intervention/solutions to be adopted to bring the bid into line with that of the winning association.

In particular, in providing this Opinion, the Committee focused on the analysis of the following documents: (i) the presentation of the Transaction made by TIM's internal departments containing, specifically (a) a description of the pre-emption right and the related economic terms; (b) NewCo's 2022-2035 business plan revised in light of the new economic terms of the Transaction (c) the effect of the new economic terms of the Transaction on the TIM group's economic-financial data; (d) the risk profiles of the Transaction; (ii) a summary of the technical due diligence carried out by Accenture on the areas of intervention/solutions to be adopted to bring the bid into line with that of the winning association.

Without prejudice to the foregoing, note that the RPT Committee, despite having already expressed its opinion on the Transaction in the past, deemed it necessary to issue an opinion again for the following reasons. If, on the one hand, the potential exercise of the pre-emption right does not result in a change to the legal terms of the Transaction (nor the relationships between the parties to the agreement signed on 27 September 2021), on the other, it entails a significant change to the economic terms of the Project and consequently the terms and conditions of the Transaction as a whole. If this is true, as a strict corollary: (i) the Committee is once again required to assess the Company's continued interest in carrying out the Transaction, as well as the expediency and substantial fairness of the relevant terms and conditions; (ii) determinations as to whether the Transaction is of lesser or greater importance must be made on the basis of updated data.

For the reasons summarised above, the RPT Committee re-evaluated the classification of the Transaction based on TIM's updated consolidated balance sheet as at 31 March 2022 and the equivalent value of such Transaction, reaching the conclusion that the Transaction is of greater importance (see above, paragraph 3).

5. - Analysis of the Transaction

The evaluations made by the RPT Committee on whether TIM has an interest in carrying out the Transaction, as well as on the substantial correctness of the

terms and conditions and the expediency of the Transaction are set out below.

5.1 - TIM's interest in carrying out the Transaction

The RPT Committee has noted that TIM has an interest in carrying out the Transaction as it is consistent with the evolution of the Company's technological and commercial offering and plays a significant role in TIM's strategic plan to consolidate its leadership in the Italian market for the provision of cloud services to public entities. In particular, the initiative assumed will make it possible to encourage and speed up technological innovation, as well as the security of Public Administration infrastructures, by involving leading economic operators in the field of technology and digital services, with the aim of pooling the best skills and the most advanced national and international technologies, also drawing on the collaboration of Cloud Service Providers and leading technology suppliers, which will be managed according to the principles of sovereignty provided for in applicable regulations.

5.2 - Expediency of the Transaction and substantial fairness of its terms and conditions

In order to assess the expediency and substantial fairness of the terms and conditions of the Transaction, the RPT Committee used the documentation prepared by the Company and made available to the Committee.

Specifically, in relation to the evaluation of the Transaction's expediency, the Committee verified that the Transaction's profitability was essentially confirmed also following updates to NewCo's 2022-2035 business plan made in view of exercise of the pre-emption right, having compared it with that conducted during presentation of the Proposal, which contained forecast economic data relating to the Transaction developed over a 13-year period and which showed that the Transaction's profitability was 5.1% (IRR net of tax effects and inflation), and, therefore, consistent with similar initiatives of the same kind.

Moreover, the further analyses carried out by the Company (see above, paragraph 4) show how the overall alignment of the terms and conditions with those offered by the association made up of Aruba S.p.A. and Fastweb S.p.A has kept the fairness and performance conditions of the Proposal substantially unchanged,

which were the focus of the analysis carried out by Nolan, Norton Italia S.r.l.². The opinion in question deemed that: *(i)* with regard to revenues from the services provided by TIM to NewCo, the margins associated with the latter are within the range observable on the market for similar services (i.e., Consip conventions and agreements, similar initiatives of public and private entities); and *(ii)* the expected return for NewCo's shareholders is consistent with the returns associated with public-private partnership transactions, also taking into account in the analysis "Guidelines no. 9" prepared by ANAC in implementation of the Public Contract Code.

6. - Conclusions

On the basis of all the considerations and reasons give above, the RPT Committee:

- i)* having found that the Transaction qualifies as a related party transaction of greater importance;
- ii)* having verified that TIM has an interest in carrying out the Transaction;
- iii)* having also verified that the requirements of the expediency and substantial fairness of the terms and conditions of the Transaction have been met;

unanimously issued its opinion in favour of the completion of the Transaction and, therefore, of the resolution by the Board of Directors of TIM to exercise the pre-emption right.

6 July 2022

Signed on behalf of the Related Parties Committee by the Chairman Prof. Paolo Boccardelli

² These analyses mainly concerned the assumptions and data used by the Company to define the reference values relating to the main services that TIM will offer to NewCo, and the financial aspects of the Transaction with respect to the position of the latter's shareholders, taking into account the average market returns of comparable public-private partnership transactions.