



TIM Group

Q3 '21

Financial and Operating Figures

IFRS 16 and After Lease view



TIM

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Disclaimer

The Q3 '21 and 9M '21 financial and operating data have been extracted or derived, with the exception of some data, from the Financial Information at 30 September 2021 of the TIM Group, which has been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and endorsed by the EU (designated as "IFRS").

The accounting policies and consolidation principles adopted in the preparation of the financial results for Q3 '21 and 9M '21 of the TIM Group are the same as those adopted in the TIM Group Annual Audited Consolidated Financial Statements as of 31 December 2020, to which reference can be made, except for the amendments to the standards issued by IASB and adopted starting from 1 January 2021.

The financial results for Q3 '21 and 9M '21 of the TIM Group are unaudited.

Alternative Performance Measures

The TIM Group, in addition to the conventional financial performance measures established by IFRS, uses certain alternative performance measures for the purposes of enabling a better understanding of the performance of operations and the financial position of the TIM Group. In particular, such alternative performance measures include: EBITDA, EBIT, Organic change and impact of non-recurring items on revenue, EBITDA and EBIT; EBITDA margin and EBIT margin; net financial debt (carrying and adjusted amount) and Equity Free Cash Flow. Moreover, following the adoption of IFRS 16, the TIM Group uses the following additional alternative performance indicators:

- **EBITDA adjusted After Lease ("EBITDA-AL")**, calculated by adjusting the Organic EBITDA, net of non-recurring items, of the amounts related to the accounting treatment of lease contracts according to IFRS 16;
- **Adjusted Net Financial Debt After Lease**, calculated by excluding from the adjusted net financial debt the net liabilities related to the accounting treatment of lease contracts according to IFRS 16;
- **Equity Free Cash Flow After Lease**, calculated by excluding from the Equity Free Cash Flow the amounts related to lease payments.

Such alternative performance measures are unaudited.

TIM Group Key Financials

€m, IFRS 16 & After Lease view

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Unaudited figures

	REPORTED						ORGANIC ⁽¹⁾										Change YoY %
	Q3 '20	Q4 '20	FY '20	Q1 '21	Q2 '21	Q3 '21	Q3 '20 comparable base	Q1 '20	Q2 '20	Q3 '20	Q4 '20	FY '20	Q1 '21	Q2 '21	Q3 '21		
REVENUES	3,898	4,148	15,805	3,752	3,815	3,836	3,918	3,979	3,817	3,899	4,149	15,844	3,752	3,815	3,836	(2.1)	
Domestic	3,213	3,433	12,905	3,101	3,132	3,111	3,214	3,128	3,168	3,214	3,434	12,944	3,101	3,132	3,111	(3.2)	
o/w Wireline	2,336	2,538	9,523	2,352	2,364	2,276	2,337	2,289	2,365	2,337	2,539	9,530	2,352	2,364	2,276	(2.6)	
o/w Mobile	1,012	1,029	3,938	892	909	966	1,012	990	939	1,012	1,029	3,971	892	909	966	(4.5)	
Brazil	691	725	2,933	658	690	731	710	859	658	691	725	2,933	658	690	731	2.8	
Other activities & Elim.	(6)	(10)	(33)	(7)	(7)	(6)	(6)	(8)	(9)	(6)	(10)	(33)	(7)	(7)	(6)		
SERVICE REVENUES	3,510	3,669	14,403	3,387	3,459	3,484	3,532	3,702	3,559	3,511	3,669	14,441	3,387	3,459	3,484	(1.4)	
Domestic	2,855	2,992	11,605	2,753	2,798	2,780	2,856	2,876	2,919	2,856	2,992	11,643	2,753	2,798	2,780	(2.7)	
o/w Wireline	2,144	2,273	8,779	2,138	2,157	2,090	2,145	2,153	2,213	2,145	2,274	8,785	2,138	2,157	2,090	(2.5)	
o/w Mobile	846	852	3,378	757	783	821	846	870	842	846	852	3,411	757	783	821	(3.0)	
Brazil	661	687	2,831	641	668	710	682	834	649	661	687	2,831	641	668	710	4.2	
Other activities & Elim.	(6)	(10)	(33)	(7)	(7)	(6)	(6)	(8)	(9)	(6)	(10)	(33)	(7)	(7)	(6)		
EBITDA	1,720	1,621	6,739	1,177	1,593	1,624	1,773	1,774	1,761	1,764	1,764	7,063	1,578	1,639	1,669	(5.9)	
Domestic	1,397	1,258	5,339	875	1,271	1,278	1,441	1,385	1,436	1,441	1,396	5,658	1,276	1,315	1,322	(8.3)	
Brazil	325	364	1,407	304	326	347	334	390	328	325	369	1,412	304	328	348	4.4	
Other activities & Elim.	(2)	(1)	(7)	(2)	(4)	(1)	(2)	(1)	(3)	(2)	(1)	(7)	(2)	(4)	(1)		
EBITDA After Lease	1,530	1,428	5,925	982	1,387	1,417	1,581	1,541	1,563	1,574	1,571	6,249	1,383	1,433	1,462	(7.6)	
Domestic	1,273	1,132	4,816	750	1,141	1,152	1,317	1,239	1,309	1,317	1,270	5,135	1,151	1,185	1,196	(9.2)	
Brazil	259	297	1,116	234	250	266	267	303	257	259	302	1,121	234	252	267	0.0	
Other activities & Elim.	(2)	(1)	(7)	(2)	(4)	(1)	(3)	(1)	(3)	(2)	(1)	(7)	(2)	(4)	(1)		
CAPEX	752	1,403	3,409	691	1,117	912	755	599	655	752	1,403	3,409	691	877	912	20.8	
Domestic	617	1,168	2,748	490	975	765	617	414	549	617	1,168	2,748	490	735	765	24.0	
Brazil	135	235	661	201	142	147	138	185	106	135	235	661	201	142	147	5.4	
EFCF	688	748	2,414	469	-106	97											
EFCF After Lease	462	622	1,615	307	-218	-61											
NET DEBT ⁽²⁾	25,469	23,326	23,326	21,155	22,072	22,164											
NET DEBT After Lease ⁽²⁾	20,741	18,594	18,594	16,591	17,415	17,613											

(1) Organic figures excluding non-recurring items and change in the scope of consolidation. Domestic CAPEX excluding licence (€ 240m spectrum pre-payment in Q2 '21)

(2) Adjusted

Q3 '21 Financial and Operating Figures
Investor Relations

TIM Group Profit & Loss

€m, IFRS 16

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Unaudited figures

	Q1 '20	H1 '20	9M '20	FY '20	Q1 '21	H1 '21	9M '21	Change YoY%
REVENUES	3,964	7,759	11,657	15,805	3,752	7,567	11,403	(2.2)
Other Income	40	90	121	211	109	169	211	74.4
TOTAL OPERATING REVENUES AND OTHER INCOME	4,004	7,849	11,778	16,016	3,861	7,736	11,614	(1.4)
Acquisition of goods and services	(1,454)	(2,840)	(4,433)	(6,173)	(1,575)	(3,120)	(4,762)	(7.4)
Employee benefits expenses	(715)	(1,372)	(1,946)	(2,639)	(1,038)	(1,715)	(2,241)	(15.2)
Other operating expenses	(272)	(502)	(681)	(961)	(239)	(424)	(625)	8.2
Internally generated assets and Others	172	263	400	496	168	293	408	2.0
EBITDA	1,735	3,398	5,118	6,739	1,177	2,770	4,394	(14.1)
EBITDA Margin	43.8%	43.8%	43.9%	42.6%	31.4%	36.6%	38.5%	(5.4 p.p.)
Depreciation and amortization	(1,201)	(2,348)	(3,482)	(4,616)	(1,130)	(2,268)	(3,411)	2.0
Gains (losses) on disposals of non-current assets	(1)	(8)	(9)	(11)	(2)	(1)	2	
Impairment reversals (losses) on non-current assets	-	-	-	(8)	-	-	-	
EBIT	533	1,042	1,627	2,104	45	501	985	(39.5)
EBIT Margin	13.4%	13.4%	14.0%	13.3%	1.2%	6.6%	8.6%	(5.4 p.p.)
Income (loss) equity invest. valued equity method ⁽¹⁾	441	450	460	472	11	34	44	(90.4)
Net Financial Income / (Expenses)	(301)	(603)	(909)	(1,179)	(288)	(582)	(862)	5.2
Profit (loss) before tax from continuing operations	673	889	1,178	1,397	(232)	(47)	167	(85.8)
Income tax expense	(82)	(166)	66	5,955	38	2	30	(54.5)
Profit (loss) from continuing operations	591	723	1,244	7,352	(194)	(45)	197	(84.2)
Discontinued operations/Non-current assets held for sale	-	-	-	-	-	-	-	
PROFIT (LOSS)	591	723	1,244	7,352	(194)	(45)	197	(84.2)
Parent Company	560	678	1,178	7,224	(216)	(137)	22	(98.1)
Minorities	31	45	66	128	22	92	175	
Non-recurring items ⁽²⁾	(413)	(340)	(306)		310	344	293	
PROFIT (LOSS) NET NON-RECURRING ITEMS	178	383	938		116	299	490	(47.8)

(1) Inwit equity share € 34m in 9M '21, Inwit gain following the merger € 448m in 9M '20

(2) Non-recurring items include personnel provisions (2021-26 layoffs ex art.4 Legge Fornero), legal and COVID related costs

Q3 '21 Financial and Operating Figures
Investor Relations

TIM Group Cash Flow & Net Debt

€m, IFRS 16 & After Lease view

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Unaudited figures

	Q1 '20	H1 '20	9M '20	FY '20	Q1 '21	H1 '21	9M '21
EBITDA	1,735	3,398	5,118	6,739	1,177	2,770	4,394
CAPEX	(599)	(1,254)	(2,006)	(3,409)	(691)	(1,808)	(2,720)
o/w spectrum	-	-	-	-	-	(240)	(240)
CHANGE IN WORKING CAPITAL ⁽¹⁾	(348)	(599)	(738)	(26)	269	(143)	(591)
Change in net operating working capital	(229)	(53)	(60)	772	281	(113)	(303)
Change in inventories	(23)	14	1	38	(46)	(52)	(74)
Change in trade receivables	259	321	390	466	66	108	88
Change in trade payables	(931)	(1,293)	(1,234)	(193)	(305)	(384)	(422)
Other changes in operating receivables/payables	466	905	783	461	566	215	105
Change in provisions for employee benefits	(8)	(435)	(534)	(628)	262	256	10
Change in operating provisions and other changes	(111)	(111)	(144)	(170)	(274)	(286)	(298)
OPERATING FREE CASH FLOW Reported	788	1,545	2,374	3,304	755	819	1,083
Licence	-	-	(110)	(110)	-	(240)	(295)
OPERATING FREE CASH FLOW net of Licence	788	1,545	2,484	3,414	755	1,059	1,378
Financial Expenses	(295)	(604)	(904)	(1,186)	(288)	(587)	(757)
Cash Taxes & Other	(27)	37	86	186	2	(109)	(161)
o/w Substitute Tax	-	-	-	-	-	(231)	(231)
Net Cash Flow from discontinued operations	-	-	-	-	-	-	-
EQUITY FREE CASH FLOW	466	978	1,666	2,414	469	363	460
Dividends and change in Equity ⁽²⁾	(40)	(348)	(344)	974	(24)	(337)	(396)
Disposal and Financial investements	613	1,212	1,213	1,483	1,721	1,668	1,645
Licence	-	-	(110)	(110)	-	(240)	(295)
IFRS & IAS	(116)	(145)	(226)	(419)	5	(200)	(252)
NET CASH FLOW	923	1,697	2,199	4,342	2,171	1,254	1,162
EQUITY FREE CASH FLOW	466	978	1,666	2,414	469	363	460
Lease Impact	(271)	(447)	(673)	(799)	(162)	(274)	(432)
EQUITY FREE CASH FLOW AFTER LEASE	195	531	993	1,615	307	89	28
NET DEBT	26,745	25,971	25,469	23,326	21,155	22,072	22,164
Lease Impact	(5,034)	(4,876)	(4,728)	(4,732)	(4,564)	(4,657)	(4,551)
NET DEBT After Lease	21,711	21,095	20,741	18,594	16,591	17,415	17,613

(1) See details in next slide

(2) FY '20 figure includes: € 1,345m change in Equity related to Inwit and -€ 390m Dividends

TIM Group Working Capital

€m, IFRS 16

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Unaudited figures

	TIM Group			Domestic			Brasil		
	9M '20	9M '21	Δ abs	9M '20	9M '21	Δ abs	9M '20	9M '21	Δ abs
Operating WC & Other	(738)	(591)	147	(780)	(717)	63	42	124	82
License	-	-	-	-	-	-	-	-	-
License paid in the year	110	55	(55)	110	55	(55)	-	-	-
Non recurring items (not paid)	(181)	(492)	(311)	(181)	(489)	(308)	-	(3)	(3)
Recurring Operating WC	(809)	(1,028)	(219)	(851)	(1,151)	(300)	42	121	79
Inventory				(13)	(76)	(63)			
Trade Receivables				134	37	(97)			
Trade Payables				(670)	(356)	314			
Other Operating Payables/Receivables & Funds				(302)	(756)	(454)			
- o/w Litigations & Settlements				(117)	(354)	(237)			
- o/w Payables vs. Personnel				16	15	(1)			
- o/w Personnel Exit (Fornero Law)				(319)	(368)	(49)			
- o/w VAT				451	394	(58)			
- o/w Billing ⁽¹⁾				(67)	(9)	57			
- o/w Net Debts vs INPS				(58)	(37)	20			
- o/w Deferred Costs & Revenues				(104)	(251)	(147)			

(1) From payments in advance to payments in arrears

TIM Group Balance Sheet

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Unaudited figures

	Q1 '20	H1 '20	9M '20	FY '20	Q1 '21	H1 '21	9M '21
CURRENT ASSETS	9,493	9,593	9,017	10,791	12,059	11,586	11,065
Trade and miscellaneous receivables and other current assets	4,803	4,564	4,506	4,280	4,298	4,349	4,301
Cash and cash equivalents	3,265	3,603	2,858	4,829	4,370	4,969	4,443
Discontinued operations/assets held for sale	-	24	-	-	-	365	355
<i>o/w of a financial nature</i>	-	-	-	-	-	-	-
<i>o/w of a non-financial nature</i>	-	24	-	-	-	365	355
Securities other than investments, other financial receivables and other current financial assets	985	1,007	1,246	1,254	2,963	1,461	1,526
Inventories	348	313	327	287	331	340	358
Current income tax receivables	49	46	46	86	30	42	40
Current financial receivables arising from lease contracts	43	36	34	55	67	60	42
Other investments	-	-	-	-	-	-	-
NON-CURRENT ASSETS	58,482	56,946	55,819	62,422	61,667	62,218	61,916
Intangible assets	30,027	29,737	29,452	29,587	29,297	29,395	29,173
Goodwill	22,908	22,870	22,825	22,847	22,820	22,710	22,689
Intangible assets with a finite useful life	7,119	6,867	6,627	6,740	6,477	6,685	6,484
Tangible assets	13,287	12,986	12,800	13,141	12,980	13,049	13,009
Property, plant and equipment owned	13,287	12,986	12,800	13,141	12,980	13,049	13,009
Right of Use assets	5,276	5,022	4,879	4,992	4,851	4,898	4,783
Other assets	9,892	9,201	8,688	14,702	14,539	14,876	14,951
Miscellaneous receivables and other non-current assets	2,387	2,309	2,050	2,114	2,072	2,260	2,307
Non-current financial assets	3,116	2,969	2,519	2,310	2,088	2,243	2,220
<i>o/w receivable for lease contracts</i>	51	47	42	43	45	49	46
<i>o/w other non-current financial assets</i>	3,065	2,922	2,477	2,267	2,043	2,194	2,174
Deferred tax assets	937	896	1,080	7,496	7,547	7,592	7,594
Other investments	44	51	52	54	57	82	120
Investments in associates and joint ventures accounted for using the equity method	3,408	2,976	2,987	2,728	2,775	2,699	2,710
TOTAL ASSETS	67,975	66,539	64,836	73,213	73,726	73,804	72,981

TIM Group Balance Sheet

€m, IFRS 16

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Unaudited figures

	Q1 '20	H1 '20	9M '20	FY '20	Q1 '21	H1 '21	9M '21
CURRENT LIABILITIES	10,798	10,516	10,361	11,146	13,028	12,361	13,471
Trade and miscellaneous payables and other current liabilities	6,553	6,090	5,889	6,567	7,031	6,803	8,116
Current financial liabilities	4,202	4,382	4,416	4,308	5,742	5,242	5,054
<i>o/w liabilities for financing contracts and others</i>	3,523	3,685	3,773	3,677	5,127	4,582	4,405
<i>o/w liabilities for lease contracts</i>	679	697	643	631	615	660	649
Liabilities directly associated with Discontinued operations/Non-current assets held for sale	-	-	-	-	-	68	58
<i>o/w of a financial nature</i>	-	-	-	-	-	-	-
<i>o/w of a non-financial nature</i>	-	-	-	-	-	68	58
Current income tax payables	43	44	56	271	255	248	243
NON-CURRENT LIABILITIES	35,166	34,629	33,002	33,227	30,876	30,845	28,870
Non-current financial liabilities	29,776	29,187	27,873	27,854	25,418	25,818	25,669
<i>o/w liabilities for financing contracts and others</i>	25,396	24,984	23,766	23,655	21,357	21,712	21,679
<i>o/w liabilities for lease contracts</i>	4,380	4,203	4,107	4,199	4,061	4,106	3,990
Miscellaneous payables and other non-current liabilities	3,104	3,363	3,226	3,602	3,526	3,157	1,469
Employee benefits	1,179	916	830	724	939	888	710
Provisions	688	753	750	770	769	689	668
Deferred tax liabilities	419	410	323	277	224	293	354
TOTAL LIABILITIES	45,964	45,145	43,363	44,373	43,904	43,206	42,341
EQUITY	22,011	21,394	21,473	28,840	29,822	30,598	30,640
Equity attributable to equity owners of the Parent	20,623	20,081	20,227	26,215	25,383	26,006	26,042
Equity attributable to Minority Interests	1,388	1,313	1,246	2,625	4,439	4,592	4,598
TOTAL LIABILITIES & EQUITY	67,975	66,539	64,836	73,213	73,726	73,804	72,981

Domestic Results

€m, IFRS 16 & After Lease view

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Unaudited figures

	REPORTED						ORGANIC ⁽¹⁾										Change YoY %
	Q3 '20	Q4 '20	FY '20	Q1 '21	Q2 '21	Q3 '21	Q3 '20 comparable base	Q1 '20	Q2 '20	Q3 '20	Q4 '20	FY '20	Q1 '21	Q2 '21	Q3 '21		
REVENUES	3,213	3,433	12,905	3,101	3,132	3,111	3,214	3,128	3,168	3,214	3,434	12,944	3,101	3,132	3,111	(3.2)	
Service Revenues	2,855	2,992	11,605	2,753	2,798	2,780	2,856	2,876	2,919	2,856	2,992	11,643	2,753	2,798	2,780	(2.7)	
Wireline Services	2,144	2,273	8,779	2,138	2,157	2,090	2,145	2,153	2,213	2,145	2,274	8,785	2,138	2,157	2,090	(2.5)	
Retail ⁽²⁾	1,403	1,467	5,716	1,368	1,362	1,335	1,404	1,430	1,421	1,404	1,467	5,722	1,368	1,362	1,335	(4.9)	
National Wholesale + FiberCop ⁽³⁾	527	565	2,167	556	542	510	524	503	571	527	565	2,167	556	542	510	(2.8)	
International Wholesale	221	249	912	217	248	246	221	218	224	221	249	912	217	248	246	11.3	
Other	(7)	(9)	(16)	(3)	5	(0)	(5)	2	(3)	(7)	(8)	(16)	(3)	5	(0)	0.0	
Mobile Services	846	852	3,378	757	783	821	846	870	842	846	852	3,411	757	783	821	(3.0)	
Retail	706	707	2,895	676	685	677	706	762	752	706	707	2,928	676	685	677	(4.1)	
Wholesale and Other	140	145	483	81	97	143	140	109	89	140	145	483	81	97	143	2.5	
Elimination & Other	(135)	(133)	(552)	(142)	(142)	(131)	(135)	(147)	(136)	(135)	(134)	(553)	(142)	(142)	(131)		
Handsets	358	441	1,300	348	334	331	358	252	249	358	442	1,301	348	334	331	(7.5)	
OPEX	1,816	2,175	7,566	2,226	1,861	1,833	1,773	1,743	1,732	1,773	2,038	7,286	1,825	1,817	1,789	0.9	
EBITDA	1,397	1,258	5,339	875	1,271	1,278	1,441	1,385	1,436	1,441	1,396	5,658	1,276	1,315	1,322	(8.3)	
EBITDA Margin	43.5%	36.6%	41.4%	28.2%	40.6%	41.1%	44.8%	44.3%	45.3%	44.8%	40.7%	43.7%	41.1%	42.0%	42.5%	(2.3 p.p.)	
EBITDA After Lease	1,273	1,132	4,816	750	1,141	1,152	1,317	1,239	1,309	1,317	1,270	5,135	1,151	1,185	1,196	(9.2)	
EBITDA AL Margin	39.6%	33.0%	37.3%	24.2%	36.4%	37.0%	41.0%	39.6%	41.3%	41.0%	37.0%	39.7%	37.1%	37.8%	38.4%	(2.5 p.p.)	
CAPEX	617	1,168	2,748	490	975	765	617	414	549	617	1,168	2,748	490	735	765	24.0	
% on revenues	19.2%	34.0%	21.3%	15.8%	31.1%	24.6%	19.2%	13.2%	17.3%	19.2%	34.0%	21.2%	15.8%	23.5%	24.6%	5.4 p.p.	
Headcount EoP	43,069	42,925	42,925	43,004	43,157	42,811											

Domestic Wireline

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Unaudited figures

	REPORTED								ORGANIC ⁽¹⁾									
	Q3 '20 pro-forma	Q3 '20	Q4 '20	FY '20	Q1 '21	Q2 '21	Q3 '21	Change YoY %	Q3 '20 comparable base	Q1 '20	Q2 '20	Q3 '20	Q4 '20	FY '20	Q1 '21	Q2 '21	Q3 '21	Change YoY %
WIRES REVENUES	2,336	2,336	2,538	9,523	2,352	2,364	2,276	(2.6)	2,337	2,289	2,365	2,337	2,539	9,530	2,352	2,364	2,276	(2.6)
Wireline Service Revenues	2,144	2,144	2,273	8,779	2,138	2,157	2,090	(2.5)	2,145	2,153	2,213	2,145	2,274	8,785	2,138	2,157	2,090	(2.5)
Retail Services ⁽²⁾	1,404	1,403	1,467	5,716	1,368	1,362	1,335	(4.9)	1,404	1,430	1,421	1,404	1,467	5,722	1,368	1,362	1,335	(4.9)
<i>o/w Broadband and content</i>	569	569	572	2,299	563	554	546	(3.9)	569	584	575	569	572	2,299	563	554	546	(3.9)
<i>o/w ICT Services ⁽²⁾</i>	267	266	332	1,056	285	311	303	13.3	267	217	241	266	332	1,056	285	311	303	13.3
National Wholesale + FiberCop ⁽³⁾	524	527	565	2,167	556	542	510	(2.8)	524	503	571	527	565	2,167	556	542	510	(2.8)
International Wholesale	221	221	249	912	217	248	246	11.3	221	218	224	221	249	912	217	248	246	11.3
Other	(5)	(7)	(9)	(16)	(3)	5	(0)		(5)	2	(3)	(7)	(8)	(16)	(3)	5	(0)	
Equipments	192	192	265	744	214	207	186	(3.3)	192	135	152	192	265	745	214	207	186	(3.3)
Retail lines ('000)									8,784	9,002	8,943	8,784	8,791	8,791	8,774	8,765	8,729	(0.6)
Churn rate %									4.0	4.7	3.0	4.0	4.0	15.6	3.6	3.4	3.0	(0.9 p.p.)
Broadband									7,519	7,567	7,523	7,519	7,635	7,635	7,746	7,783	7,811	3.9
Consumer									6,304	6,298	6,282	6,304	6,432	6,432	6,545	6,541	6,579	4.4
Business									1,214	1,269	1,241	1,214	1,203	1,203	1,202	1,243	1,232	1.5
UBB									4,151	3,812	4,031	4,151	4,432	4,432	4,695	4,926	5,084	22.5
Wholesale lines ('000)									8,053	8,003	8,083	8,053	7,974	7,974	7,908	7,822	7,734	(4.0)
Local Loop Unbundling									2,953	3,298	3,128	2,953	2,783	2,783	2,625	2,472	2,343	(20.6)
Wholesale Line Rental									192	203	198	192	184	184	180	172	165	(13.8)
Bitstream Naked									846	952	895	846	786	786	722	662	607	(28.3)
UBB									4,063	3,549	3,862	4,063	4,220	4,220	4,381	4,516	4,619	13.7
ARPU Retail (BB & ICT)									31.4	29.3	30.3	31.4	34.4	31.3	32.2	33.0	32.4	3.1

WIRELINE REVENUES	Total revenues of Domestic Wireline, including services and equipment
Wireline Service Revenues	Including retail, domestic wholesale, Sparkle (TIS Group), adjustments and eliminations
Retail Services <i>o/w Broadband and content</i> <i>o/w ICT Services</i>	Retail service revenues: consumer + business (including revenues generated by TIM Factories) Data services (xDSL, FTTx), TIM Vision and other contents, TIM Game
National Wholesale + FiberCop	Cloud, Security, IT and other B2B services. Including revenues generated by TIM Factories
International Wholesale	Revenues from OLOs, regulated and not regulated (organization view) and from FiberCop (consolidated by line from Q2)
Other	TIM Sparkle Group revenues Intercompany adjustment and elimination
Equipments	Equipment sold, including consumer (routers, set-top-box, etc) and B2B (IRU, IT hardware, local networks equipment, etc)
Retail lines ('000)	Fixed accesses, including both voice, broadband (xDSL, FTTx) and data only lines. Gigabit Ethernet (GBE) FTTH lines included
Churn rate %	Percentage of line lost on average nr of lines in the reported period
Broadband <i>Consumer</i> <i>Business</i> <i>UBB</i>	All active broadband lines, including xDSL and FTTx <i>Active broadband lines on Consumer customers</i> <i>Active broadband lines on Corporate and Small/Medium enterprises</i> <i>All active fiber line retail customers (FTTx and enterprise data lines) and Fixed Wireless Accesses (FWA). Gigabit Ethernet (GBE) FTTH lines included</i>
Wholesale lines ('000)	Total number of wholesale lines
Local Loop Unbundling	Nr. of wholesale accesses to the copper local access network (SULL, VULL and NGA included)
Wholesale Line Rental	Nr. of rented wholesale lines enabling OLOs to resell basic and advanced telephone and associated services
Bitstream Naked	Nr. of wholesale copper access lines with no RTG/ISDN/WLR voice service, used by OLOs for ADSL data service.
UBB	Nr. of FTTx accesses on TIM's fiber network
ARPU Retail (BB & ICT)	Total broadband & ICT revenues (Consumer+Business) divided by average active retail customers (€/line/month)

Domestic Mobile

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Unaudited figures

	REPORTED							ORGANIC ⁽¹⁾									
	Q3 '20	Q4 '20	FY '20	Q1 '21	Q2 '21	Q3 '21	Change YoY %	Q3 '20 comparable base	Q1 '20	Q2 '20	Q3 '20	Q4 '20	FY '20	Q1 '21	Q2 '21	Q3 '21	Change YoY %
MOBILE REVENUES	1,012	1,029	3,938	892	909	966	(4.5)	1,012	990	939	1,012	1,029	3,971	892	909	966	(4.5)
Mobile Service Revenues	846	852	3,378	757	783	821	(3.0)	846	870	842	846	852	3,411	757	783	821	(3.0)
Retail Services	706	707	2,895	676	685	677	(4.1)	706	762	752	706	707	2,928	676	685	677	(4.1)
<i>o/w Incoming</i>	61	68	271	58	56	57	(6.4)	61	66	75	61	68	271	58	56	57	(6.4)
Wholesale and Other	140	145	483	81	97	143	2.5	140	109	89	140	145	483	81	97	143	2.5
Handsets and Handsets Bundle	166	177	560	135	126	145	(12.2)	166	120	97	166	177	560	135	126	145	(12.2)
Total number of lines ('000)								30,165	30,522	30,502	30,165	30,170	30,170	30,222	30,317	30,473	1.0
Churn rate %								5.2	5.3	4.0	5.2	4.2	18.6	3.8	3.7	3.6	(1.6 p.p.)
Human								19,894	20,424	20,155	19,894	19,795	19,795	19,554	19,306	19,172	(3.6)
Not Human (M2M)								10,272	10,098	10,347	10,272	10,375	10,375	10,669	11,011	11,301	10.0
Calling lines								27,375	27,227	27,563	27,375	27,313	27,313	27,462	27,694	27,860	1.8
Human Calling								17,103	17,128	17,215	17,103	16,938	16,938	16,793	16,683	16,559	(3.2)
Broadband Users								12,920	12,673	12,875	12,920	12,818	12,818	12,864	12,853	12,863	(0.4)
LTE Users								11,659	11,111	11,331	11,659	11,673	11,673	11,878	11,929	12,070	3.5
Usage Data (GB/users/month)								9.9	8.2	9.4	9.9	10.3	9.4	10.5	11.1	12.1	21.9
ARPU Reported								7.8	8.3	8.2	7.8	7.8	8.0	7.5	7.5	7.4	(4.6)
ARPU Human								11.8	12.3	12.4	11.8	11.9	12.1	11.4	11.7	11.7	(0.3)

(1) Excluding non-recurring items and change in consolidation area; comparable base also excluding exchange rate fluctuations

MOBILE REVENUES	Total mobile revenues, including services, handsets and handsets bundle
Mobile Service Revenues	Mobile service revenues, including retail, wholesale and other
Retail Services o/w Incoming	Retail service revenues, consumer and business including voice, messaging, browsing and content Revenues for voice traffic terminated on TIM mobile customers including visitors MVNOs and visitors. Inwit revenues and colocation on mobile sites until Q1 '20
Wholesale and Other	
Handsets and Handsets Bundle	Mobile handsets sales and handsets bundles
Total number of lines	Total mobile customer base, human and not human ('000)
Churn rate %	Percentage of line lost on average nr of lines in the reported period
Human	Total nr. of human lines
Not Human (M2M)	Total nr. of not human lines, including machine to machine and data-only SIMs (eg. for tablets)
Calling lines	Nr. of active lines (calling at least once within the last month of the reported quarter)
Human Calling	Nr. of human active lines (calling at least once within the last month of the reported quarter)
Broadband Users	Mobile customers using data services
LTE Users	Mobile customer using (also) 4G (LTE) data services
Usage Data	Average data usage (GB/broadband users/month) - Data volumes net of Visitors, Roamers and MVNO (Noverca/Kena volumes included)
Reported	Total retail service revenues divided by average customer base, human and not human (€/line/month)
Human	Total retail service revenues divided by average human customer base (€/line/month)

	Q1 '20	Q2 '20	Q3 '20	Q4 '20	FY '20	Q1 '21	Q2 '21	Q3 '21	Change YoY %
REVENUES	4,215	3,987	4,388	4,678	17,268	4,340	4,407	4,512	2.8
Service Revenues	4,091	3,926	4,207	4,441	16,665	4,228	4,267	4,382	4.2
o/w Mobile	3,842	3,673	3,937	4,166	15,618	3,948	3,984	4,097	4.1
o/w Fixed	249	253	270	275	1,047	280	282	286	5.9
Handsets	124	61	181	237	603	112	140	130	(28.2)
OPEX	2,299	2,020	2,325	2,342	8,986	2,332	2,329	2,366	1.8
EBITDA	1,916	1,967	2,063	2,336	8,282	2,008	2,078	2,146	4.0
EBITDA margin	45.5%	49.3%	47.0%	49.9%	48.0%	46.3%	47.2%	47.6%	0.6 p.p.
EBITDA net non recurring	1,916	1,967	2,063	2,363	8,309	2,008	2,092	2,153	4.4
EBITDA margin	45.5%	49.3%	47.0%	50.5%	48.1%	46.3%	47.5%	47.7%	0.7 p.p.
CAPEX	904	673	850	1,464	3,891	1,324	906	896	5.4
% on revenues	21.4%	16.9%	19.4%	31.3%	22.5%	30.5%	20.6%	19.9%	0.5 p.p.
KPI's - Mobile only									
Total Penetration ⁽¹⁾	96.2%	95.7%	94.6%	97.2%	97.2%	99.4%	100.5%	101.4%	6.8 p.p.
Market Share on total lines ⁽¹⁾	23.3%	23.1%	22.4%	22.0%	22.0%	21.5%	20.9%	20.8%	(1.6 p.p.)
Total Lines ('000) ⁽²⁾	52,826	52,031	51,159	51,433	51,433	51,728	51,341	51,614	0.9
TOTAL ARPU ⁽³⁾	23.9	23.4	25.4	27.0	24.9	25.5	25.8	26.5	4.3
TOTAL MOU ⁽⁴⁾	119	124	127	121	123	113	110	103	(19.0)
Exchange rate AVG YTD (R\$/euro)	4.91	5.41	5.70	5.89	5.89	6.60	6.49	6.38	

Reported & Organic Reconciliation

€m, IFRS 16 & After Lease view

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Unaudited figures

	Q3 '20					Q3 '21		
	Reported	Non Organic elements		Non recurring items	Organic comparable base	Reported	Non recurring items	Organic
		Change in consolid. area	Exchange rate impact					
REVENUES	3,898	-	19	(1)	3,918	3,836	-	3,836
Domestic	3,213	-	-	(1)	3,214	3,111	-	3,111
Brazil	691	-	19	-	710	731	-	731
Other Activities & Eliminations	(6)	-	-	-	(6)	(6)	-	(6)
SERVICE REVENUES	3,510	-	21	(1)	3,532	3,484	-	3,484
Domestic	2,855	-	-	(1)	2,856	2,780	-	2,780
Brazil	661	-	21	-	682	710	-	710
Other Activities & Eliminations	(6)	-	-	-	(6)	(6)	-	(6)
EBITDA	1,720	-	9	(44)	1,773	1,624	(45)	1,669
Domestic	1,397	-	-	(44)	1,441	1,278	(44)	1,322
Brazil	325	-	9	-	334	347	(1)	348
Other Activities & Eliminations	(2)	-	-	-	(2)	(1)	-	(1)
EBITDA After Lease	1,530	-	8	(44)	1,581	1,417	(45)	1,462
Domestic	1,273	-	-	(44)	1,317	1,152	(44)	1,196
Brazil	259	-	8	-	267	266	(1)	267
Other Activities & Eliminations	(2)	-	-	-	(3)	(1)	-	(1)
EBIT	585	-	2	(44)	631	484	(45)	529
Domestic	479	-	-	(44)	523	363	(44)	407
Brazil	108	-	2	-	110	121	(1)	122
Other Activities & Eliminations	(2)	-	-	-	(2)	-	-	-

2020 Comparable base

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Unaudited figures

	FY '20 organic	INWIT line by line consolidation on Q1 to be removed for 2020 comparable base ⁽¹⁾	FY '20 old comparable base	Delta FX ⁽²⁾	FY '20 updated comparable base
REVENUES	15,844	(3)	15,841	(210)	15,631
Domestic	12,944	(3)	12,941	(10)	12,931
o/w Wireline	9,530	-	9,530	(10)	9,520
o/w Mobile	3,971	(15)	3,956	-	3,956
Brazil	2,933	-	2,933	(200)	2,733
Other activities & Elim.	(33)	(1)	(34)	1	(33)
SERVICE REVENUES	14,441	(8)	14,433	(202)	14,231
Domestic	11,643	(8)	11,635	(10)	11,625
o/w Wireline	8,785	-	8,785	(10)	8,775
o/w Mobile	3,411	(17)	3,394	-	3,394
Brazil	2,831	-	2,831	(193)	2,638
Other activities & Elim.	(33)	(1)	(34)	2	(32)
EBITDA	7,063	(74)	6,989	(99)	6,890
Domestic	5,658	(74)	5,584	(2)	5,582
Brazil	1,412	-	1,412	(97)	1,315
Other activities & Elim.	(7)	-	(7)	-	(7)
EBITDA After Lease	6,249	(54)	6,195	(79)	6,116
Domestic	5,135	(54)	5,081	(2)	5,079
Brazil	1,121	-	1,121	(77)	1,044
Other activities & Elim.	(7)	-	(7)	-	(7)
CAPEX	3,409	(6)	3,403	(45)	3,358
Domestic	2,748	(6)	2,742	-	2,742
Brazil	661	-	661	(45)	616
Exchange rate AVG actual (R\$/euro)	5.89		5.89	→	6.32

For further questions please contact the IR team



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