

INWIT: BOARD OF DIRECTORS APPROVES PLAN FOR MERGER WITH VODAFONE TOWERS

- ▶ SHAREHOLDERS' MEETING CALLED FOR 19 DECEMBER 2019. SHAREHOLDERS TO MAKE WHITEWASH RESOLUTION
- ▶ PROPOSED DISTRIBUTION OF EXTRAORDINARY DIVIDEND OF €0.5936 PER ORDINARY SHARE

Milan, 18 November 2019.

The Board of Directors of Infrastrutture Wireless Italiane S.p.A. ("INWIT"), in today's meeting chaired by Piergiorgio Peluso, approved the plan for the merger by incorporation of Vodafone Towers S.r.l. ("VOD Towers") into INWIT. The plan was prepared in accordance with article 2501-ter of the Civil Code and, voluntarily, in accordance with article 2501-bis of the Civil Code (the "Merger Plan").

INWIT-VOD Towers Merger

As announced on 26 July 2019, the merger is a component of the single overall transaction to combine the towers of Vodafone Italia S.p.A. ("VOD Italy") with those of INWIT (see the INWIT press release of 26 July 2019 available at www.INWIT.it, in the section "Media - Press Releases").

According to article 2501-*quater* of the Civil Code, the Merger Plan will be based on the following financial positions: (a) for INWIT, the financial position as at 30 September 2019, which was approved by its Board of Directors on 5 November 2019 (available at www.INWIT.it, section "Investors - Financial Reports" and (b) for VOD Towers, the financial position as at 30 September 2019, approved by its Board of Directors on 13 November 2019.

Although they are not required to do so, INWIT and VOD Towers have decided to apply the regulations of article 2501-*bis* of the Civil Code, considering that after the merger, INWIT will retain the debt for the acquisition of 43.4% of the share capital of VOD Towers (the "Minority Holding in VOD Towers"). Therefore:

1. In accordance with article 2501-*bis*, paragraph 2, of the Civil Code, the Merger Plan indicates the financial resources required to satisfy INWIT's post-merger obligations.
2. BDO Italia S.p.A. - as the joint expert appointed by the Court of Milan on 2 October 2019 at the joint request of INWIT and VOD Towers, has today issued its report on the exchange ratio congruity and on reasonableness of the contents of the Merger Plan concerning the financial resources needed to meet INWIT's post-merger obligations.
3. The report filed in accordance with article 2501-*bis*, paragraph 5, of the Civil Code by PWC S.p.A., the auditing firm responsible for the legal auditing of INWIT's accounts is annexed to the Plan.
4. INWIT and VOD Towers will provide the public - according to the terms and procedures established by laws and regulations and each to the extent of their own responsibility - with the report to be published in accordance with article 2501-*quinquies* of the Civil Code.

In relation to this, we hereby inform you that the Board of Directors of INWIT today approved INWIT's post-merger economic and financial plan for the 2019-2027 period, included in the INWIT report pursuant to article 2501-*quinquies* of the Civil Code

INWIT will implement the merger by (i) cancelling the Minority Holding in VOD Towers without share swap, (ii) cancelling VOD EU's shares in VOD Towers and (iii) allocating to Vodafone Europe B.V. ("VOD EU"), on the effective date of the



merger, 360,200,000 ordinary shares in INWIT with no nominal value, issued to service the share swap, to be listed on the MTA on par with the ordinary INWIT shares already in circulation.

The share swap for the merger – which does not involve a cash settlement – thus corresponds to 360,200,000 ordinary newly-issued INWIT shares, allocated to VOD EU in return for the cancellation of its residual holding in VOD Towers after completion of the sale of the Minority Shareholding in VOD Towers.

The reasons underpinning the share swap are outlined in the INWIT Board of Director's Report that will be published in accordance with the terms and procedures set out in law and regulations.

After the merger, **TIM S.p.A. ("TIM") and VOD EU will hold an equal share (37.513%) of INWIT's share capital.**

The effective signing of the deed of merger (the "Deed of Merger") is subject to the suspensory condition of the occurrence (or waiver) of certain suspensory conditions. Accordingly, TIM and VOD EU have informed INWIT and VOD Towers, respectively, that following the consultations held in recent months with the European Commission, they report the transaction as a concentration. Obtaining the relevant authorisation before the long-stop date set at 31 October 2020.

For statutory, accounting and tax purposes, the merger will take effect from the effective date, indicated in the deed of merger and published in a press release. From that date, INWIT will take over all the relationships previously held by VOD Towers, assuming the associated rights and obligations.

Finally:

1. As this is a "major" related-party transaction under the Consob Regulation on Related-Party Transactions, the associated Information Document was published on 1 August 2019 and is available at www.INWIT.it, in the section "governance/corporate reporting/prospectus".
2. The merger is also considered significant for the purposes of article 70 of CONSOB Regulation 11971/99 ("Issuers' Regulation"). However, as provided for in article 70, paragraph 8, of the Issuers' Regulation, INWIT has exercised its right to derogate from the reporting obligations contained in article 70, paragraph 6, of the same regulation. There is thus no requirement to prepare the Prospectus as required by Annex 3B of the Issuer's Regulation.

INWIT Shareholders' Meeting

Approval by the Shareholders' Meeting will only be effective if approval takes place without the vote against of the majority of the shareholders at the meeting, other than the shareholder acquiring the shareholding above the relevant threshold and the shareholder(s) who hold, individually or jointly, the majority shareholding even if relative, provided that it exceeds 10% in accordance with article 49(1)(g) of the Issuers' Regulation for the purposes of OPA exemption (white-wash procedure).

From the effective date of the merger, INWIT will adopt a new set of by-laws, the text of which is annexed to the Merger Plan and explained in the report by the INWIT Board of Directors, pursuant to article 125-ter of the Finance Consolidation Act (TUF) and article 72 of the Issuers' Regulation in accordance with table 3 in Annex 3A of the Issuers' Regulation.

The merger (including the adoption of the new set of by-laws) does not grant the right of withdrawal to shareholders who do not agree with the approval, as it does not correspond to any of the cases of withdrawal identified in article 2437 of the Civil Code.

INWIT's Board of Directors additionally resolved to propose to the Shareholders' Meeting – subject to the approval of the merger and with effect as of the relative effective date – **to distribute an extraordinary dividend of €0.5936 for each INWIT ordinary share in circulation post-merger**, for a total of € 570,000,000, with the specification that the extraordinary dividend will be paid, after the detachment of the coupon, from either (i) the first payment date on the trading calendar of Borsa Italiana S.p.A. after the effective date of the deed of merger, or (ii) from any other date after the effective date of the deed of merger, as agreed with the authorities.

For tax purposes, the extraordinary dividend will be taxable as usual for the recipient, based on their own tax status, according to the provisions of Presidential Decree No. 917 of 22 December 1986 and Presidential Decree 600/1973.

As announced on 15 May 2019, INWIT's Board of Directors appointed Piergiorgio Peluso (Chairman) and Carlo Nardello as non-executive directors on that date by means of cooptation (in accordance with article 2386 of the Civil Code and article 13.12 of the current by-laws), with the resolution also approved by the Board of Statutory Auditors (see the INWIT press release published on 15 May 2019 and available at www.inwit.it, in the section "Media - Press Releases").

Infrastrutture Wireless Italiane S.p.A.

Telecom Italia Group - Managed and coordinated by Telecom Italia S.p.A.

Registered office: Milan, Via G. Negri 1 - 20123 Milan - Tax code/VAT Registration Number and Milan Companies Register number 08936640963

Capitale Sociale € 600.000.000,00 - PEC adminpec@INWIT.telecompost.it



INWIT's Board of Directors has therefore decided to submit the appointment of two directors for approval by the next shareholders' meeting, considering that as provided for in article 2386 of the Civil Code, the directors appointed by cooptation will remain in office until the next shareholders' meeting. The nomination of current directors Piergiorgio Peluso and Carlo Nardello is proposed.

Finally, in relation to the post-Merger governance of INWIT, following the resignation of all members of the INWIT Board of Directors on 26 July 2019 a new Board of Directors will be appointed by a further ordinary INWIT Shareholders' Meeting and will take effect from the Effective Date, subject to the Merger approval in compliance with the white wash procedure.

In line with the above, **the ordinary and extraordinary shareholders' meetings, to take place in a single call on 19 December 2019 at 3:00 p.m. (CET)**, to discuss and resolve on the following agenda:

EXTRAORDINARY PART

1. Approval of the plan for the merger of Vodafone Towers S.r.l. into INWIT S.p.A. pursuant to article 49, paragraph 1(g), of the Consob Issuers' Regulation for the purpose of exemption from the requirement of a global takeover bid, and related resolutions.
2. Approval of the amendments to the by-laws (articles 5, 11, 13, 16, 18, 22 and 23) and consequential approval of the new by-laws, with effect from the effective date of the merger, and related resolutions.

ORDINARY PART

1. Appointment of two directors, and related resolutions.
2. Distribution of an extraordinary dividend, subject to the completion of the merger of Vodafone Towers S.r.l. into INWIT S.p.A. - and related resolutions.

The notice calling the Shareholders' Meeting, the Merger plan, the reports of the Boards of INWIT and VOD Towers on the Agenda items and the other documents relating to the Meeting of Shareholders were made available to the public according to the terms and conditions of the applicable laws and regulations.

We announce that the Merger Plan was also filed today by the competent Companies Register.

INWIT was assisted by Mediobanca as the sole financial *advisor* and by Pedersoli Studio Legale as legal advisers.

INWIT
Press Office
pressoffice@INWIT.it

INWIT
Investor Relations
+39 06 44084 330
ir@INWIT.it