Interim Management Report at March 31, 2020

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INTERIM MANAGEMENT REPORT AT MARCH 31, 2020

CONDENSED FINANCIAL STATEMENTS AT MARCH 31, 2020

Interim Management Report

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

NAME, SHARE CAPITAL AND REGISTERED OFFICE OF THE COMPANY

Name	Infrastrutture Wireless Italiane S.p.A.
Share capital	600,000,000 euros
Registered office	Via G. Negri 1, 20121 Milan
Tax code, VAT no. and registration no. in the Register of Companies of Milan	08936640963
Website	www.inwit.it

As of March 31, 2020, the Company is no longer subject to management and coordination by TIM S.p.A. following the changes in the ownership structure, following the merger of Vodafone Towers into INWIT.

THE BOARD OF DIRECTORS IN OFFICE FROM MARCH 31, 2020 (1)

Chairman	Emanuele Tournon
CEO	Giovanni Ferigo
Directors	Laura Cavatorta (independent) Antonio Corda Angela Maria Cossellu (independent) (2) Sabrina Di Bartolomeo Sonia Hernandez Carlo Nardello Agostino Nuzzolo Filomena Passeggio (independent) Secondina Giulia Ravera (independent) Fabrizio Rocchio Francesco Valsecchi (independent)
Secretary to the Board	Salvatore Lo Giudice

(1) For the composition of the previous Board of Directors, see the Corporate Bodies section
(2) Director Cossellu was appointed by co-optation on April 23, 2020, to replace Barbara Cavaleri

BOARD OF STATUTORY AUDITORS

Chairman	Stefano Sarubbi
Acting Auditors	Umberto La Commara Michela Zeme
Alternate Auditors	Roberto Cassader Elisa Menicucci

INWIT ACTIVITIES

Infrastrutture Wireless Italiane S.p.A. (hereinafter "**INWIT**" for short, or the "**Company**") operates in Italy in the field of electronic communications infrastructure, and specifically infrastructure devoted to hosting equipment for radio broadcasting, telecommunications, and television and radio signals broadcasting.

INWIT operates in the sector as a result of the transfer from TIM in March 2015 (effective April 1, 2015) of a business unit focused mainly on activities related to the construction and management of the sites' passive infrastructures, generally consisting of civil structures (such as towers, pylons, and poles) and technological systems, necessary to host the transceiver equipment owned by mobile operators and other radio service operators.

The closing of the integration in Inwit transaction between Inwit S.p.A. and Vodafone Towers S.r.l. took place on March 25, 2020 for the purchase by the latter of 43.4% of the share capital of Vodafone Towers. On March 31, 2020, the merger between the two companies was finalized through the attribution to Vodafone Europe B.V. of no. 360,200,000 ordinary shares of Inwit, without a share capital increase and with the cancellation of the 43.4% stake previously acquired. On finalization of the merger, INWIT is therefore jointly controlled by TIM S.p.A. and Vodafone Europe B.V. each holding a 37.5% stake in the Issuer's share capital.

As a result, on March 31, 2020 the largest operator in Italy was established in the sector, with the mission of supporting TIM and Vodafone Italia S.p.A. in building the new network for the development of 5G, also guaranteeing access to its infrastructures to the entire market, also thanks to the space freed up from the joint TIM and Vodafone Italia S.p.A. project

The INWIT fleet, resulting from the merger, includes approximately 22,123 sites distributed throughout the national territory and a number of tenants equal to 40,541. The technical and operational know-how of the Company is assured by the use of staff with strong specific experience, gained over many years working within TIM and Vodafone Towers.

Key factors of *INWIT competitive* positioning

As well as the widespread distribution and quality of the infrastructure, the key factors of INWIT's competitive positioning mainly concern:

- established relationships with the main radio-mobile operators that recognize the importance of the services offered by INWIT within their own value chain;
- visibility of revenues and significant generation of cash flow, guaranteed by long-term contracts that are renewable upon expiration, historically characterized by a high renewal rate, also considering the high quality of the sites made available;
- contracts safeguarded against inflation;
- technical and managerial know-how, ensured by the use of personnel with consolidated experience gained over years within TIM and, starting from March 31, 2020, the Vodafone company.

Integrated hosting services

At March 31, 2020, the Company's total revenue derived from its integrated hosting services, consisting in providing (*Tower Rental*) customers with:

- physical spaces on its vertical structures, which can host the radiating systems receiving and transmitting radio signals;
- indoor physical spaces suitable for the installation of customer equipment and the connection of their radiating systems;
- access to the electricity networks and technological systems consisting of power supply systems (including energy backup systems) and air conditioning and/or ventilation systems that ensure the correct operation of customer equipment;
- DAS &Small Cells connectivity services to improve the value proposition of Mobile Operators by optimizing radio coverage and increasing network capacity in high-traffic areas;
- access to the core network with full- backhauling to ensure high throughput for MNOs.

Integrated hosting services also include the provision of maintenance, monitoring and security management services of the premises and the technological systems.

With regard to infrastructure sites, [(1)] which account for approximately 16% of the all sites, INWIT owns the civil structures only, not the technological systems[(2)]. The latter, as a matter of fact, were not contributed and are still owned by TIM, as they are shared across fixed and mobile networks. Accordingly, the hosting services offered by INWIT at these sites consist only in providing physical space on the vertical support structures.

INWIT's customers are the leading national mobile network operators (MNOs) - Tim, Vodafone and Wind Tre and Iliad - with which it has entered into long-term contracts to provide hosting services and other radio service operators.

The customers' high profile, their concentration, the multi-year medium-long term duration of the commercial agreements signed with them, and the large volume of the services offered by the Company within the MNO's value chain, are the key aspects of the Company's business.

[(1)] The infrastructural sites are positioned in properties owned or leased by TIM, in/on which TIM's fixed telephone devices are located.

[(2)]That is, all equipment owned by the Company consisting of: (i) power system including panels and integrated power substation, complete with backup batteries; (ii) earthing system; (iii) lightning protection system; (iv) air conditioning and/or ventilation system; (v) flight obstacle signaling system, built and/or installed at the sites.

HIGHLIGHTS AT MARCH 31, 2020

For the first three months of 2020, the main economic and equity indicators showed an upward trend up to EBITDA. The economic impact of the merger with Vodafone Towers S.r.l., which took place on 03/31/2020, only involved one day in the quarter.

- revenues amounted to 102,957 thousand euros, up 8.5% compared to the same period of 2019 (94,902 thousand euros). It should be noted that in the first quarter of 2020, one-off revenues were reported. In particular, for March 2020, they amounted to 6,765 thousand euros (recognition of prepayments relating to active contracts expired early). Net of these items, the comparison with the same period of 2019 shows growth of 1.3%;

- EBITDA amounted to 88,022 thousand euros, up 6.3% compared to 2019. This percentage fell by 4.1 excluding both the aforementioned one-off revenues and, only for March 2020, the one-off costs relating to the Daphne project - merger transaction with Vodafone Towers - for 4,995 thousand euros.

- EBIT amounted to 56,734 thousand euros, an increase of 9.6% compared to the same period of 2019; Excluding the aforementioned one-off revenues/costs, the comparison with the same period of 2019, shows an increase of 6.1% instead;

- the profit for the period amounted to 33,526 thousand euros, up 3.5% compared to the same period in 2019 (-2.1% excluding the aforementioned one-off revenues/costs);

- Capital investments for the period amounted to 8,089 thousand euros, up 470 thousand euros compared to the first quarter of 2019 (+6.2%);

- Net Financial Debt was equal to 3,258,141 thousand euros. Compared to December 2019 (equal to 712,144 thousand euros), the increase is mainly due to the opening of a loan agreement with a pool of national and international banks, used for 2,150,500 thousand euros for the purchase of the investment in Vodafone Towers (value including fees due), and the contribution of Vodafone Towers S.r.l in relation to IFRS 16 financial liabilities related to lease contracts (equal to 439,347 thousand euros).

Financial Highlights

(thousands of euros)	1st Quarter 2020 (a)	1st Quarter 2019 (b)	Change in absolute values c=(a-b)	% (c/b)
Revenues	102,957	94,902	8,055	8.5
EBITDA(1)	88,022	82,820	5,202	6.3
EBITDA Margin	85.5%	87.3%	*0.5pp*	*0.5pp*
EBIT(1)	56,734	51,767	4,967	9,6
EBIT Margin	55.1%	54.5%	*8.8pp*	*8.8pp*
Profit for the period	33,526	32,394	1,132	3,5
Operating Free Cash Flow	55,415	59,618	(4,203)	(7.0)
Capital expenditures (CAPEX) (2)	8,089	7,619	470	6.2

	03/31/2020	*12/31/2019*	*Change in absolute values*
ESMA net financial debt	3,266,991	712,379	2,554,612
INWIT net financial debt	3,258,141	712,144	2,545,997

(1) Details are provided under "Alternative Performance Measures".
(2) (*) Net of consideration received for transfer of fixed assets.

BUSINESS ENVIRONMENT

The infrastructure market for radio networks and those for mobile radio networks in particular, is affected by a deep transformation, characterized by:

- growth in mobile broadband connections and volumes of data traffic, due to the increasingly widespread use of images and video in communications and in personal and professional applications;
- expansion of 4G coverage which represents a fundamental technological discontinuity. Indeed, 4G is the first mobile radio network architecture specifically conceived and designed for data traffic; following closely behind, the rollout of the 5G, will involve the request for new hosting and the complete migration of the full IP Backhaul;
- evolution of mobile radio network architectures which, in order to deliver high speeds and low latencies require a high number of micro-cells that interoperate with macro-cell coverages;
- strategies to reallocate invested capital by operators who tend to outsource and share infrastructure assets and activities when they need to invest to acquire frequencies and develop the networks to cope with competitive changes.

In this context, TIM and Vodafone decided to join their network infrastructure throughout Italy and thereby also speed up 5G development. To this effect, INWIT consolidates the current 10,989 Vodafone towers thereby becoming the second largest independent operator in Europe, with a fleet of over 22,000 towers. As a result the largest Italian tower operator was established with the aim of enabling the development of innovative solutions across Italy, from smart cities, industry 4.0, to indoor coverage in large centers. For more information on this, please refer to the appropriate section of this document.

Furthermore, in order to seize the business opportunities arising from the market environment, in this quarter INWIT has:

- increased the value of its infrastructural assets, gradually raising the co-tenancy ratio. At March 31, 2020 the stand alone value was 1.96x, up compared to the value at December 2019 (3); It should be noted that the co-tenancy ratio after the integration of Vodafone Towers is 1.80x. Indeed, this entity reports a lower tenancy ratio than INWIT, thereby lowering the average overall co-tenancy.
- become more efficient by pursuing its plan to renegotiate leases and the land acquisition plan;
- met the demand for new sites by launching the construction of about 600 new sites at the date of transfer of the business unit;
- launched a multi-operator microcell cover plan in areas with the highest user and traffic concentration, implementing over 3,500 remote units;
- has modernized its sites, connecting as many as 1,050 through fiber backhauling.

(3) "Organic" Co-Tenancy ratio calculated as the ratio between the number of tenants as at 03/31/2020 and the number of sites not subject to decommissioning on the same date.

The impact of these strategies in the period ended March 31, 2020 is detailed below.

Increased co-tenancy

As mentioned above, the Company continued to pursue the process aiming at leveraging its assets by increasing the number of customers on existing Sites.

The table below shows the effects of new hosting agreements at March 31, 2020 as compared to the same data at December 31, 2019:

(amounts stated in thousands)		12/31/2019	03/31/2020 Stand alone	03/31/2020 Vodafone Towers S.r.l.	03/31/2020 Combined
Number of sites (*)	(a)	11.2	11.2	10.9	22.1
Number of hostings in place with Tenants (**)	(b)	21.8	22.0	18.5	40.5
Number of hostings in place with Tenants, excluding TIM (***)	(c)	10.90	11.1(****)	n.a.	n.a.
Number of hostings in place with Tenants, excluding TIM and Vodafone Anchor Tenants (***)	(d)	n.a.	n.a.	2.6	8.5
Average number of Tenants per Site (Tenancy ratio)	(b)/(a)	1.95	1.96	1.68	1.80

(*) Net of sites being decommissioned and under construction.
(**) Excluding Sites in which the hosting service ceased during the period. Including IoT contracts.
(***) Number of hostings on the same Site. Please note that each Tenant refers to one hosting per Site only.
(****) Includes 5.2k hosting from Vodafone on INWIT sites

As shown in the above table, at March 31, 2020, the average number of operators per site in the new Company perimeter after the merger, was 1.80x.

INCOME, BALANCE SHEET AND FINANCIAL PERFORMANCE AT MARCH 31, 2020

INWIT voluntarily prepares and publishes the Interim Financial Reports for the first and third quarters of each financial year.

The Interim Management Report at March 31, 2020 includes the Interim Management Report and condensed Financial Statements at March 31, 2020 prepared in compliance with the IFRS accounting standard issued by the IASB and implemented by the EU and, in particular, with IAS 34 Interim financial statements. The condensed Financial Statements at March 31, 2020 is subject to audit on a voluntary basis.

Lastly, the section entitled "Business Outlook for the year 2020" contains forward-looking statements in relation to the Group's intentions, beliefs or current expectations regarding financial performance and other aspects of the Group's operations and strategies. Readers of this press release are cautioned not to place undue reliance on these forward-looking statements as the actual results may differ materially from those contained in those forward-looking statements as a result of a number of factors, most of which are not within the Group's control.

MERGER BY INCORPORATION WITH VODAFONE TOWERS S.R.L.

On December 19, 2019, the INWIT Shareholders' Meeting approved the merger by incorporation of VOD Towers.

On March 25, 2020, the transaction between INWIT and VOD Towers was closed with the signing of the purchase deed from Vodafone Europe BV of 43.4% of the share capital of VOD Towers equal to 2,140,000 thousand euros and of the subsequent merger deed of the latter into INWIT.

The deed of merger took effect on March 31, 2020 and no. 360,200,000 ordinary shares of INWIT were attributed to Vodafone Europe BV for the exchange service (without share capital increase and with the cancellation of the minority stake held by INWIT in VOD Towers), which will be listed on the MTA organized and managed by Borsa Italiana.
The transaction is in keeping with the strategy of the continual improvement in profitability and market leadership that INWIT is pursuing in Italy.

The accounting effects of the business combination, defined in accordance with the provisions of IFRS 3, are described in note 4 of the condensed quarterly financial statements at March 31, 2020.

OPERATING PERFORMANCE IN THE PERIOD

(thousands of euros)	1st Quarter 2020	1st Quarter 2019	Change	
			In absolute values	*%*
	(a)	*(b)*	*(a-b)*	*(a-b)/b*
Revenues	102,957	94,902	8,055	8.5
Costs for lease of premises	(655)	(2,452)	1,797	(73.3)
Employee benefits expenses - Ordinary expenses	(2,780)	(2,762)	18	0.7
Employee benefits expenses - Restructuring and rationalization expenses	-	(557)	557	-
Maintenance and other operating and service expenses	(11,500)	(6,311)	(5,189)	82.2
Operating profit before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)	**88,022**	**82,820**	**5,202**	**6.3**
Amortization, gains/losses on disposals and impairment losses on non-current assets	(31,288)	(31,053)	(235)	0.8
Operating profit (loss) (EBIT)	**56,734**	**51,767**	**4,967**	**9.6**
Finance income/(expenses)	(9,466)	(5,987)	(3,479)	58.1
Profit (loss) before tax	**47,268**	**45,780**	**1,488**	**3.3**
Income taxes	(13,742)	(13,386)	(356)	2.7
Profit for the period	**33,526**	**32,394**	**1,132**	**3.5**

The structure of revenues and costs of the Company is largely made up of medium-term and long-term contracts, entered into as client or provider, under established financial terms and conditions. As described in the paragraph "Acquisition of the controlling interest of Vodafone Towers", the economic impact of the merger that took place on 03/31/2020 concerned only one day of the quarter. The main income statement items in the first quarter of 2020 are analyzed below:

Revenues

In the first quarter of 2020 they amounted to 102,957 thousand euros (94,902 thousand euros in the corresponding period of 2019, + 8.5%) and include revenues deriving from the service contract with Tim S.p.A. (Master Service Agreement), from third-party customers on the towers being transferred and revenues from hosting on new sites and new services and the impact. There are organic items, which by their nature occur in a one-off way, relating to the recognition of prepayments relating to active contracts expired early, for 6,765 thousand euros.

Net of those one-off revenues, the comparison with the first quarter of 2019 showed a 1.3% growth;

In detail:

(thousands of euros)	1st Quarter 2020	1st Quarter 2019	Change in absolute values	%
Revenues from the TIM Group relating to the Master Service Agreement on the transferred sites;	66,272	65,942	330	0.5
Revenues from third-party customers on the transferred towers and other revenues	23,276	23,925	(649)	(2.7)
Revenues from hosting on new sites and of new services	12,302	5,035	7,267	144.3
Revenues from Vodafone Towers merger	1,107	-	1,107	-
Total	102,957	94,902	8,055	8.5(*)

(*): Net of one-off revenues, the percentage is 1.3%.

EBITDA

EBITDA amounted to 88,022 thousand euros, with an EBITDA margin of 85.5% on revenues for the period (87.3% in the corresponding period of 2019). Compared to the first quarter of 2019, the increase was 6.3%, which fell to 4.1% when excluding the aforementioned one-off revenues/costs from the comparison.

Comparable EBITDA was particularly impacted by the change in the line items analyzed below:

- **Costs for lease of premises**

  These amount to 655 thousand euros, down 1,797 thousand euros compared to the same period in 2019 (-73.3%). They represent 4.4% of the cost items with an impact on EBITDA (in 2019 they amounted to 20.3%). They consist of the residual lease payment liabilities excluded from the application of the accounting standard IFRS 16 (in force from 1/1/2019).

- **Employee benefits expenses - Ordinary expenses**

  The item amounted to 2,780 thousand euros and reflects the organizational structure, which includes 123 employees (Inwit stand alone) at March 31, 2019 (compared to 122 employees at December 31, 2019). It should be noted that at March 31, 2020, the staff in service of Inwit, after the merger with Vodafone Towers S.r.l. was equal to 188 employees

- **Maintenance and other operating and service expenses**

  The item amounted to 11,500 thousand euros (6,311 thousand euros in the first quarter of 2019).

- Maintenance costs are regulated mostly by the Maintenance Agreement entered into with TIM which came into effect starting on the effective date of the transfer. There were also one-off costs relating to the Daphne project - integration with Vodafone Towers - equal to 4,995 thousand euros.

Depreciation and amortization, losses on disposals and impairment losses on non-current assets

Details are as follows:

(thousands of euros)	1st Quarter 2020	1st Quarter 2019	Changes	
			amount	%
Amortization of intangible assets with a finite useful life	176	607	(431)	(71.0)
Depreciation of owned tangible assets	3,488	3,404	84	2.5
Amortization of rights of use on third-party assets	27,639	26,934	705	2.6
(Gains)/losses on disposals and impairment losses on non-current assets	(15)	108	(123)	(113.9)
Total	31,288	31,053	235	0.8

EBIT

EBIT amounted to 56,734 thousand euros, with an EBIT ratio of 55.1% on revenues (compared to 54.5% in the same period 2019). Compared to the first quarter of 2019, showing growth of 9.6%, which fell to 6.1% when excluding the aforementioned one-off revenues/costs from the comparison.

Net financial income/(expense)

This amounted to 9,466 thousand euros.

Income is equal to 2 thousand euros and mainly refers to interest income on bank and postal deposits and financial receivables.

Financial expenses amounted to 9,468 thousand euros and break down as follows:

(thousands of euros)	1st Quarter 2020	1st Quarter 2019
Interest expenses and other financial expenses		
Interest to banks	719	277
Interest expense for finance leases	4,680	4,968
Financial fees	2,777	57
Other financial expenses	1,292	852
Total	9,468	6,154

Interest expense with banks refers to the financial charges paid during the period for the syndicated loan agreement and the medium/long-term financial payables described in Note 14 - Financial liabilities (non-current and current).

Financial commissions mainly refer to commitment fees due for signing a loan agreement with a pool of banks to finance:

- the acquisition by the Company of the minority shareholding in VOD Towers;
- the distribution of the extraordinary dividend, as well as to refinance part of the Company's existing debt and finance its cash needs.

The **Other financial expenses** chiefly refer to the adjustment of the provision for restoration charges (520 thousand euros) and to the intercompany loan (618 thousand euros).

Income tax expense

Income tax expense amounted to 13,742 thousand euros and reflect the estimated tax charge on the basis of theoretical rates of 24.0% for IRES and 4.48% for IRAP.

Profit for the period

The profit for the period was positive for 33,526 thousand euros, or 32.6% of revenues.
Compared to the first quarter of 2019, there was an increase of 3.5%; excluding the aforementioned one-off revenues/costs, instead, there was a decrease of 2.1%.

FINANCIAL POSITION AND CASH FLOWS PERFORMANCE

NON-CURRENT ASSETS

Goodwill: the item amounted to 6,712,276 euro (compared to 1,411,770 euro at December 31, 2019):

Pursuant to IFRS 3 *(Business combinations),* goodwill was recognized in the separate financial statements on the acquisition date of Vodafone Towers (March 31, 2020). It was determined as the difference between the consideration paid for 43.4% of the incorporated company added to the fair value assessment of the remaining 56.6% stake and the fair value at the acquisition date of the identifiable assets acquired net of the identifiable liabilities assumed.

(thousands of euro)	Pre-merger value	Consideration for the purchase of 43.4% of Vodafone Towers S.r.l	Fair value measurement of the remaining share of Vodafone Towers S.r.l	Cancellation of Vodafone Towers S.r.l equity	Fair value measurement of assets and liabilities Vodafone Towers S.r.l	Post-merger value
Goodwill	1,411,770	2,140,000	3,558,776	(198,316)	(199,954)	6,712,276

Other intangible assets: these amounted to 13,031 thousand euros (11,045 thousand euros at the end of 2019).
Industrial investments for the period came to 2,264 thousand euros.

(thousands of euro)	Value at 12/31/2019	Additions	Amortization and depreciation	Other changes during the period	Vodafone Towers S.r.l transfer	Post-merger value
Intangible assets	11,045	2,264	(176)	(344)	242	13,031

Tangible assets: amounting to 783,447 euros (compared to 288,735 euros at December 31, 2019):
Industrial investments for the period came to 5,825 thousand euros.

(thousands of euros)	Value at 12/31/2019	Additions	Amortization and depreciation	Other changes during the period	Vodafone Towers S.r.l transfer	Post-merger value
Tangible assets	288,735	5,825	(3,488)	(401)	492,776	783,447

Rights of use on third-party assets: amounting to 1,167,511 euros (compared to 706,969 euros at December 12/31/2019):

(thousands of euros)	Value at 12/31/2019	Lease increases	Amortization and depreciation	Disposals	Vodafone Towers S.r.l transfer	Post-merger value
Right of use on third-party assets	706,969	30,770	(27,639)	(2,070)	459,481	1,167,511

For a more detailed analysis, please refer to comments in Notes 4, 5, 6 and 7 of the condensed Financial Statements as at March 31, 2020

CAPITAL EXPENDITURES

Capital expenditures made in the first quarter of 2020, totaling 8,081 thousand euros, refer to the purchase of land, land use rights, extraordinary maintenance, development of small cells, implementation of backhauling and construction of new infrastructures, the remainder referring to intellectual works, equipment and other assets.

EQUITY

At March 31, 2020, shareholders' equity amounted to 4,583,463 thousand euros, the breakdown of which is as follows:

(thousands of euros)	3/31/2020	12/31/2019
Share capital issued	600,000	600,000
Minus treasury shares	(222)	(222)
Share capital	**599,778**	**599,778**
Share premium reserve	**3,691,609**	**660,000**
Other reserves	**119,233**	**119,195**
Legal reserve	*120,000*	*120,000*
Provision for instruments representing net equity	*600*	*533*
Treasury share reserve in excess of nominal value	*(1,215)*	*(1,215)*
Other reserves	*(152)*	*(123)*
Retained earnings (losses) including earnings (losses) for the period	**172,843**	**182,219**
Total	**4,583,463**	**1,561,192**

FINANCIAL RESOURCES AND CASH FLOWS

Net financial debt

The table below shows a summary of the net financial debt at March 31, 2020, calculated in accordance with paragraph 127 of the recommendations contained in ESMA document No. 319 of 2013, implementing Regulation (EC) 809/2004. The table also separately shows the transfer of Vodafone Towers S.r.l.

(thousands of euros)	03/31/2020 (a)	12/31/2019 (b)	Change (a-b)	Vodafone Tower S.r.l transfer
A Cash	-	-	-	-
B Other cash equivalents	39,743	66,569	(26,826)	6,989
C Securities held for trading	-	-	-	-
D Liquidity (A + B + C)	39,743	66,569	(26,826)	6,989
E Current financial receivables	121	15,117	(14,996)	
F Current financial payables	-	-	-	-
G Current portion of financial payables (medium/long-term)	(198,908)	(123,661)	(75,247)	(65,625)
of which:				
- Financial payables within 12 months	(21,071)	(14,061)	(7,010)	-
- Financial lease liabilities within 12 months	(177,837)	(109,600)	(68,237)	(65,625)
H Other current financial payables	-	-	-	-
I Current financial debt (F+G+H)	(198,908)	(123,661)	(75,247)	(65,625)
J Net current financial debt (I+D+E)	(159,044)	(41,975)	(117,069)	(58,636)
K Medium/long term financial payables	(3,107,947)	(670,404)	(2,437,543)	(373,722)
of which:				
- Financial payables over 12 months	(2,204,166)	(139,943)	(2,064,223)	-
- Financial lease liabilities over 12 months	(903,781)	(530,461)	(373,320)	(373,722)
L Bonds issued	-	-	-	-
M Other non-current financial payables	-	-	-	-
N Non-Current financial debt (K+L+M)	(3,107,947)	(670,404)	(2,437,543)	(373,722)
O Net financial debt as recommended by ESMA (J+N)	(3,266,991)	(712,379)	(2,554,612)	(432,358)
Other financial receivables and non-current financial assets (*)	8,850	235	8,615	8,594
INWIT Net financial debt	(3,258,141)	(712,144)	(2,545,997)	(423,764)
Finance lease liabilities expiring within 12 months	(177,837)	(109,600)	(68,237)	(65,625)
Finance lease liabilities expiring over 12 months	(903,781)	(530,461)	(373,320)	(373,722)
INWIT adjusted net financial debt	(2,176,523)	(72,083)	(2,104,440)	15,583

The main items of ESMA net financial debt are described below:

Other cash and cash equivalents

At March 31, 2020, this item amounted to 39,743 thousand euros.

Cash is held in bank and postal current accounts and bank deposit accounts with the following characteristics:

- maturities: investments can be converted into cash within three months in the case of bank and intercompany deposit accounts, and at any time in the case of cash held in current accounts;
- counterparty risk: loans were made with leading investment grade banking institutions (39,740 thousand euros). There are also 3 thousand euros in checks and cash in hand;
- Country risk: investments were made in Italy, in Luxembourg and in the UK.

Financial debt (current and non-current)

Non-current and current financial liabilities (gross financial debt) were broken down as follows:

(thousands of euros)		12/31/2019	Vodafone Towers S.r.l transfer	Other changes during the period	03/31/2020
Financial payables (medium/long-term):					
Amounts due to banks		69,943	-	2,134,223	2,204,166
Leasing liabilities		530,461	373,722	(402)	903,781
Other financial payables		70,000	-	(70,000)	-
Total non-current financial liabilities	**(a)**	**670,404**	**373,722**	**2,063,821**	**3,107,947**
Financial payables (short-term):					
Amounts due to banks		13,927	-	7,144	21,071
Leasing liabilities		109,600	65,625	2,612	177,837
Other financial payables		134	-	(134)	-
Total current financial liabilities	**(b)**	**123,661**	**65,625**	**9,622**	**198,908**
Total Financial liabilities (Gross financial debt)	**(a+b)**	**794,065**	**439,347**	**2,073,443**	**3,306,855**

Medium / long-term financial payables included:

- *Amounts due to banks:* refer to the following loan contracts net of the related issue discounts and accrued income and prepayments subscribed respectively to:
  - December 2019 with a pool of national and international banks for a total amount of 3,000,000 thousand euros used for 2,150,500 thousand euros; the breakdown by type of financing is shown below:
    - Term Loan of 1,000,000 thousand euros
    - and Bridge Loan for 1,150,500 thousand euros with a duration of 24 months.

    These amounts were intended for 2,140,000 thousand euros for the purchase of the investment in Vodafone Towers and for 10,500 thousand euros for Fees due at the time of use.

  - November 2018 with Banca Popolare di Sondrio for 40,000 thousand euros with bullet repayment at maturity in December 2023;
  - May 2019 with MUFG for 30,000 thousand euros, bullet repayment at maturity on May 31, 2024.

- *Finance lease liabilities:* refer to financial leasing contracts accounted for according to IFRS 16 in force since January 1, 2019. The contribution of the transfer of Vodafone Tower was equal to 373,722 thousand euros;

- *Other financial payables:* on March 31, 2020, the intragroup loan granted by TI Finance SA, a financial company of the TIM Group, for a total of 70,000 thousand euros, entered into in December 2017, was settled.

Financial payables (short term) include:

- *Amounts due to banks* equal to 21,071 thousand euros refer to:
  - the syndicated loan agreement signed in May 2015 for 120,000 thousand euros with Mediobanca - Banca di Credito Finanziario S.p.A., Intesa Sanpaolo S.p.A. and UniCredit S.p.A., with repayment starting from November 2017 and maturity in May 2020; the total amount is 20,040 thousand euros;
  - the changes in the period refer to accrued interest and to the valuation according to the international accounting standards respectively of the contracts signed at 5-2015 and 12-2019.
- *Finance lease liabilities:* refer to financial leasing contracts accounted for according to IFRS 16 in force since January 1, 2019. The contribution of the transfer of Vodafone Tower was equal to 65,625 thousand euros;

- *Other financial payables* were equal to zero and referred to the interest rate accrued on the intragroup loan, settled in March 2020.

CASH FLOWS

The table below summarizes the main transactions that had an impact on the change in net financial debt during the period:

(thousands of euros)	1st Quarter 2020 (a)	1st Quarter 2019 (b)	Change (a-b)
EBITDA	88,022	82,820	5,202
Purchases of tangible and intangible assets and rights of use on third-party assets for the period (*)	(8,089)	(15,569)	7,480
EBITDA - Capex	79,933	67,251	12,682
Change in net operating working capital:	(24,293)	(7,949)	(16,344)
Change in trade receivables	(7,070)	(16,548)	9,078
Change in trade payables (**)	5,436	6,754	(1,318)
Other changes in operating receivables/payables	(22,649)	1,445	(24,094)
Change in provisions for employee benefits	(55)	570	(625)
Change in operating provisions and Other changes	(170)	(254)	84
Operating free cash flow	**55,415**	**59,618**	**(4,203)**
% of EBITDA	**63.0%**	**72.0%**	**(9.0)pp**
Flow from financial income and charges	(9,466)	(5,987)	(3,479)
Capex in other non-current assets	(2,140,000)	-	(2,140,000)
Miscellaneous non-operating receivables and payables	(832)	-	(832)
Impact of Vodafone Towers S.r.l merger	(423,764)	-	(423,764)
Leasing liabilities	(2,210)	(689,465)	687,255
Other non-monetary changes	(25,540)	2,471	(5,327)
Reduction/(Increase) in ESMA net financial debt	**(2,545,997)**	**(638,305)**	**(1,907,692)**

(*) Net of considerations received for transfer of assets.
(**) Includes the change in trade payables for amounts due to fixed asset suppliers.

In addition to what has already been detailed with reference to EBITDA, financial debt relating to the 1st quarter of 2020 was affected by the following items:

Capital expenditure

Investments made in the reporting period amounted to 8,089 thousand euros, and related to the purchase of software, land and surface usage rights, the development of new Sites, and the extraordinary maintenance and development of small cells and backhauling.

For further details, please refer to the Note "Tangible assets (owned and under finance leasing)" in the separate financial statements at 03/31/2020.

Change in net operating working capital

The change in working capital was a negative amounting to 24,293 thousand euros.

Financial income and expenses

The net flow of finance income and expenses accounted for during the year is equal to (9,466) thousand euros, determined by the balance between income (2 thousand euros) and expense (9,468 thousand euros). It should be noted that the finance expenses on the debt for financial leases (IFRS 16) is equal to 4,680 thousand euros.

Recurring Free Cash Flow

The recurring free cash flow for the 1st quarter of 2020 - calculated net of both one-off revenues/costs (at *EBITDA* level) and the one-off payable not yet paid (*Change in trade payable*) - came to 50,274 thousand euros, showing 16.2% growth on the same period of 2019 (also determined considering EBITDA net of one-off revenues).

The following table shows the details of the items concerned:

(thousands of euros)	1st Quarter 2020	1st Quarter 2019	Change In absolute values	%
	(a)	*(b)*	*c=(a-b)*	
EBITDA	88,022	82,820	*5,202*	6.3
Non-recurring economic elements	(1,805)	-	(1,805)	n.a.
EBITDA recurring	86,217	82,820	3,397	4.1
Recurring investments	-	-	-	-
payment of income taxes	-	-	-	-
payment of financial expenses	(1,508)	(653)	(855)	130.9
Change in Trade Working Capital:	6,193	(11,216)	17,409	155.2
Change in trade receivables	(4,781)	(16,148)	11,367	70.4
Change in trade payables (*)	10,974	4,932	6,042	(122.5)
Change in operating receivables/payables	(10,873)	1,028	(11,901)	n.d.
Change in provisions for employee benefits	(55)	570	(625)	109.6
Lease Payment	(29,700)	(29,292)	(408)	1.4
Recurring Free Cash Flow	50,274	43,258	*7,016*	16.2

(*): excluding the change in payables for assets

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DETAILED TABLES

INWIT's Interim Management Report at March 31, 2020 was drafted in accordance with Section 154–ter (Financial Reports) of Italian Legislative Decree no. 58/1998 (Consolidated Finance Act) and subsequent amendments and additions, and prepared in accordance with the international accounting principles issued by the International Accounting Standards Board and approved by the European Union (defined as the "IFRS") and with the measures adopted in implementation of Section 9 of Italian Legislative Decree no. 38/2005.

The Interim Management Report at March 31, 2020 includes:

- the Interim Management Report;
- the condensed financial statements of Infrastrutture Wireless Italiane S.p.A. at March 31, 2020;

In addition to the conventional financial performance measures established by IFRS, INWIT uses certain alternative performance measures are presented for the purpose of a better understanding of the trend of operations and of the Company's financial situation. Specifically, these alternative performance measures refer to: EBITDA, EBIT, net financial debt, INWIT's net financial debt, and Operating Free Cash Flow.

The chapter "Business outlook for the year 2020" contains forward-looking statements related to the management's intentions, beliefs, or current expectations regarding the financial performance and other aspects of the Company's operations and strategies.

Readers of this Report are reminded not to place undue reliance on forward-looking statements, in that actual results may differ significantly from forecasts owing to numerous factors, the majority of which are beyond the Company's control.

Separate Income Statement

(thousands of euros)	1st Quarter 2020	1st Quarter 2019
Revenues	102,957	94,902
Acquisition of goods and services - Ordinary charges	(6,638)	(8,199)
Acquisition of goods and services - Charges associated with extraordinary transactions	(4,995)	-
Employee benefits expenses - Ordinary expenses	(2,780)	(2,762)
Employee benefits expenses - Restructuring and rationalization expenses	-	(557)
Other operating expenses	(522)	(564)
Operating profit before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)	**88,022**	**82,820**
Of which : Impact of Non-recurring Items	*(4,995)*	*(557)*
Amortization, gains/losses on disposals and impairment losses on non-current assets	(31,288)	(31,053)
Operating profit (loss) (EBIT)	**56,734**	**51,767**
Of which: Impact of Non-recurring Items	*(4,995)*	*(557)*
Finance income	2	167
Financial expenses	(9,468)	(6,154)
Profit (loss) before tax	**47,268**	**45,780**
Of which: Impact of Non-recurring Items	*(4,995)*	*(557)*
Income tax expense	(13,742)	(13,386)
Profit for the period	**33,526**	**32,394**
Of which: Impact of Non-recurring Items	*(3,571)*	*(398)*
Basic and Diluted Earnings Per Share	0.056	0.054

Statement of Comprehensive Income

Pursuant to IAS 1 (*Presentation of Financial Statements*), the Statement of Comprehensive Income, which includes the Profit (Loss) for the period, as per the Separate Income Statement, also includes the other changes in Net Equity other than those connected to transactions with Shareholders.

(thousands of euro)		1st Quarter 2020	1st Quarter 2019
Profit for the period	**(a)**	**33,526**	**32,394**
Other items of the Statement of Comprehensive Income			
Other items that will not subsequently be reclassified in the Separate Income Statement		-	-
Remeasurements of employee defined benefit plans (IAS 19):			
Actuarial gains (losses)		-	-
Net fiscal impact		-	-
Total other items that will not subsequently be reclassified in the Separate Income Statement	**(b)**	**-**	**-**
Other items that will subsequently be reclassified in the Separate Income Statement		-	-
Total other items that will subsequently be reclassified in the separate income statement	**(c)**	-	-
Total other items of the Statement of Comprehensive Income	**(d=b+c)**	**33,526**	**32,394**
Total Comprehensive income for the period	**(e=a+d)**	**33,526**	**32,394**

Consolidated statement of financial position

(thousands of euros)	03/31/2020	12/31/2019
Assets		
Non-current assets		
Intangible assets		
Goodwill	6,712,276	1,411,770
Intangible assets with a finite useful life	13,031	11,045
Tangible assets		
Property, plant and equipment	783,447	288,735
Rights of use on third-party assets	1,167,511	706,969
Other non-current assets		
Non-current financial assets	8,850	235
Miscellaneous receivables and other non-current assets	6,677	6,932
Deferred tax assets	5,385	1,939
Total Non-current assets	**8,697,177**	**2,427,625**
Current assets		
Trade and miscellaneous receivables and other current assets	248,541	83,111
Financial receivables and other current financial assets	121	15,117
Current securities and equity investments	-	-
Income tax receivables	1	1
Cash and cash equivalents	39,743	66,570
Total Current assets	**288,406**	**164,799**
Total Assets	**8,985,583**	**2,592,424**

Equity and Liabilities

(thousands of euros)	03/31/2020	12/31/2019
Equity		
Share capital issued	*600,000*	*600,000*
Minus: treasury shares	*(222)*	*(222)*
Share capital	599,778	599,778
Share premium reserve	3,691,609	660,000
Legal reserve	120,000	120,000
Other reserves	(767)	(804)
Retained earnings (losses) including earnings (losses) for the period	172,843	182,219
Total Equity	**4,583,463**	**1,561,193**
Liabilities		
Non-current liabilities		
Employee benefits	3,153	1,791
Deferred tax liabilities	86,559	-
Provisions for Risks and Charges	216,829	101,656
Non-current financial liabilities	3,107,947	670,404
Miscellaneous payables and other non-current liabilities	5,793	9,616
Total Non-current liabilities	**3,420,281**	**783,467**
Current liabilities		
Current financial liabilities	198,908	123,661
Trade and miscellaneous payables and other current liabilities	764,015	123,302
Income tax payables	18,916	801
Total current Liabilities	**981,839**	**247,764**
Total liabilities	**4,402,120**	**1,031,231**
Total Equity and Liabilities	**8,985,583**	**2,592,424**

Cash flow statement

(thousands of euros)		1st Quarter 2020	1st Quarter 2019
Cash flows from operating activities:			
Profit for the period		33,526	32,394
Adjustments for:			
Depreciation and amortization, losses on disposals and impairment losses on non-current assets		31,288	31,053
Net change in deferred tax assets and liabilities		13,771	13,311
Change in provisions for employee benefits		(55)	570
Change in trade receivables		(7,070)	(16,148)
Change in trade payables		15,678	4,932
Net change in miscellaneous receivables/payables and other assets/liabilities		(23,651)	1,176
Other non-monetary changes		(6,986)	(2,430)
Cash flows from operating activities	**(a)**	**56,501**	**64,858**
Cash flows from investing activities:			
Total purchases of tangible and intangible assets and rights of use on third-party assets for the period		(38,859)	(15,569)
Change in amounts due to fixed asset suppliers		*20,528*	*1,822*
Total purchases of tangible and intangible assets and rights of use on third-party assets on a cash basis		(18,331)	(13,747)
Purchase of investments		(2,140,000)	-
Change in financial receivables and other financial assets		14,975	5,062
Other non-current changes		(10)	1
Cash flows used in investing activities	**(b)**	**(2,143,366)**	**(8,684)**
Cash flows from financing activities:			
Change in current and non-current financial liabilities		2,053,050	(20,417)
Cash flows used in financing activities	**(c)**	**2,053,050**	**(20,417)**
Aggregate cash flows	**(d=a+b+c)**	**(33,815)**	**35,757**
Net cash and cash equivalents at beginning of the period	**(e)**	**66,570**	**104,125**
Net cash and cash equivalents at end of the period	**(f=d+e)**	**39,743**	**139,882**

On November 6, 2017, Regulation EU no. 2017/1990 was issued which implemented at the EU level certain amendments to IAS 7 (Cash Flow Statement). For this purpose please note that the liabilities arising from financing activities solely concern monetary movements. No change of this type was recorded in the first quarter of 2020.

EVENTS SUBSEQUENT TO MARCH 31, 2020

See the specific Note "Events subsequent to March 31, 2020" to the condensed Financial Statements at 03/31/2020.

POSITIONS OR TRANSACTIONS RESULTING FROM ATYPICAL AND/OR UNUSUAL OPERATIONS.

In accordance with Consob Communication DEM/6064293 of July 28, 2006, during the first quarter of 2020, no atypical and/or unusual transactions occurred as defined by the Communication.

SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

Pursuant to Consob Communication no. DEM/6064293 of July 28, 2006, below is the information on the impact on INWIT's economic, financial and equity results of non-recurring events and operations at March 31, 2020. The non-recurring effects on Equity and Profit (Loss) for the period are expressed net of tax impacts:

The impact on the individual item of the separate income statement of non-recurring items is as follows:

(thousands of euros)	1st Quarter 2020	1st Quarter 2019
Charges associated with extraordinary transactions	(4,995)	-
Charges related to restructuring and rationalization processes	-	(557)
Impact on Operating profit before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)	**(4,995)**	**(557)**
Impact on Operating profit (loss) (EBIT)	**(4,995)**	**(557)**
Impact on Profit (loss) before tax	**(4,995)**	**(557)**
Income taxes on non-recurring items	1,424	159
Impact on the Profit (Loss) of the Period	**(3,571)**	**(398)**

BUSINESS OUTLOOK FOR THE YEAR 2020 (4)

With the merger of Vodafone Towers S.r.l., Inwit has become the largest operator in Italy in the sector, with the mission of supporting TIM and Vodafone Italia S.p.A. in building the new network for the development of 5G, also guaranteeing access to its infrastructures to the entire market, also thanks to the space freed up from the joint TIM and Vodafone Italia S.p.A. project

The wireless infrastructure market is continuing its profound transformation and demand for services from mobile operators and other radio network operators is growing.

Mobile Operators must increase their Service Access Points to expand 4G coverage and prepare for the transition from 4G to 5G.

Wireless Fixed Access providers are also expanding their networks to increase coverage and improve the quality of service offered to customers.

Other radio network operators such as IoT and "Public Safety" providers are already on the market and new entrants are expected to specialize in specific product/market relationships through the innovative use models enabled by 5G. These market dynamics, together with the growing willingness of operators to share network infrastructure elements, lead INWIT to expect further growth in traditional business and a strong acceleration in new business.

The COVID-19 health emergency will lead to a contraction of the economy, with potentially negative effects on the Company's economic, equity and financial situation. The rapid spread of COVID-19 in March 2020, and the consequent health emergency have led to economic uncertainty, not only in Italy, but globally. It does not seem unreasonable to foresee the economy contracting, with potentially negative effects on the economic, equity and financial situation of the Issuer.

The Company assesses the risk referred to in this Paragraph as medium. Although the COVID-19 health emergency is likely to lead to a contraction in the economy, with potentially negative effects on the economic, equity and financial situation of the Issuer, the activity carried out by Inwit is essential for the provision of the services of the telephone operators

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(4) The chapter “Business outlook for the year 2020” contains forward-looking statements related to the Company's intentions, beliefs, or current expectations regarding the financial performance and other aspects of the Company’s operations and strategies. Readers of this Report are reminded not to place undue reliance on such forward-looking statements, in that actual results may differ significantly from forecasts owing to numerous factors, the majority of which are beyond the Company’s control.

MAIN RISKS AND UNCERTAINTIES

The business outlook for 2020 could be affected by risks and uncertainties caused by a multitude of factors, the majority of which are beyond INWIT's control.
The main risks concerning the business activities of the Company, which may impact, even significantly, on the ability to achieve the objectives set by the management, are presented below.

The risk factors concerning the Company

Risks related to potential conflicts of interest by some of the Directors
This risk is related to potential conflicts of interest arising from the fact that some members of the Board of Directors hold positions in companies that are part of the chain of control of the Company.

Risks related to key personnel
Any interruption in the employment relationship between the Company and its key personnel could have an adverse effect on the Company's income, balance sheet, and financial situation.
The results achieved by the Company also depend on the contribution of certain individuals who hold significant positions within the Company and have significant experience in the industry in which the Company is engaged (including, specifically, the CEO, the Head of "Administration, Finance and Control and Business Support", the Head of "Marketing & Sales" and the Head of "Technology & Operations").

Risks related to the Company losing the authorization to conduct its activity
The activity carried out by the Company is subject to the issuance of special authorizations pursuant to the applicable regulations in effect.
In the event the general authorization is not renewed upon expiration or is revoked by the Ministry or the Authority should the Company fail to comply with the conditions and specific obligations provided for in the Electronic Communications Code, the Company would no longer be able to continue operating as a network operator for the installation and provision of Passive Infrastructure, which would result in significant adverse effects on its income, balance sheet, and financial situation.

Risks related to ownership of the rights to use the frequencies assigned to mobile network operators
The Company's activity is not linked to authorizations concerning the rights to use frequencies, which are held by mobile telephone operators on the basis of tender, awarding, and renewal procedures independently of the Company.
The Company's business depends on the ability of its mobile telephone operator customers to preserve their rights to use the frequencies and to renew the related authorizations. There is no certainty that in the long term, telephone operator customers will be able to retain ownership of the frequencies in relation to which the Company provides its services or that the frequencies currently held by such customers will be again allocated to them in the future.

Risks related to the contractual and administrative structure of the Sites
Given the importance of the Company's network infrastructure in the conduct of its business, any adverse events for such infrastructure could have negative effects on the income, balance sheet, and financial situation of the Company.
With regard to the Sites there is a risk that the lease, sublease and/or concession for use agreements are not renewed, the Company being thus obliged to restore the land to its original condition, or the risk that any renewals are not obtained on terms at least comparable to those in place, with negative impact on the profitability of Site operations and consequently on the financial position, earnings and cash flows of the Company.

Risks related to the Company's inability to implement its development strategy
In the event the Company is unable to successfully implement one or more of its development strategies, there may be negative effects on its activities and on its income, balance sheet, and financial situation.
The Company's ability to increase its revenues and improve profitability also depends on the successful

implementation of its strategy. The Company's strategy is based, among other things, on the following elements:

- leveraging the assets of existing Sites by maximizing the co-tenancy ratio;
- rationalization of operating costs;
- development of new services consistent with its core business;
- expansion of the number of Sites in line with developments in demand.

In addition, any future amendments to the legislation applicable to the industry in which the Company and/or the Company's customers operate, including specifically any imposition of stricter limits to EMC emissions, could have adverse effects on the activities and on the income, balance sheet, and financial situation of the Company.

Risks related to the Loan Agreement

The Loan Agreements signed by the company to finance business activity provide for a series of general and covenant commitments for the Company, both positive and negative, which, although in line with market practice for loans and similar natures, could limit its operation. For additional information see Note 14 "Financial liabilities (current and non-current)" to the condensed Financial Statements at March 31, 2020.

Risks related to costs for restoring the Sites and potentially inadequate provision for restoration costs

As part of its activity following decommissioning of the site, the Company must dismantle the infrastructure and restore the site to its original condition if this is envisaged by any legal or constructive obligation in the lease relating to the areas/buildings where the infrastructure is located. In this regard it should be noted that, as a rule, the leases provide for the Company's obligation to dismantle and restore the site to its original condition. The valuation of the provision for restoration costs is affected both by the expected unit restoration costs and by the inflation/discount rates, which are beyond the Company's control and whose changes may adversely affect the income and balance sheet situation of the Company.
Without prejudice to the above, the provisions recognized in the Financial Statements at March 31, 2020 were considered adequate by the Company at the date of completion of this document.

Risks related to court and administrative proceedings and to potentially inadequate provisions.

Any adverse outcome in the principal legal proceedings in which the Company is involved, for amounts significantly higher than those for which provision has been made, could have negative effects on the Company's activities and on its income, balance sheet, and financial situation.
Without prejudice to the above, the provisions recognized in the Financial Statements at March 31, 2020 were considered adequate by the Company at the date of completion of this document.

Risk factors related to the industry in which the Company operates

Risks associated with the operation of existing sites, the identification of new sites suitable for the development of the Company's projects, and the issuance and/or revocation of administrative authorizations.

Any failure or delay in obtaining authorizations and permits for the Company, as well as their subsequent withdrawal, could lead to negative effects on the Company's operations and, consequently, on its income, balance sheet, and financial situation.

Risks related to the effects on infrastructure of natural disasters or other force majeure events

The proper operation of the infrastructure is essential for the Company's activity and to provide services to its customers. Although the Company believes that it has adequate insurance coverage in place to compensate any damage caused by natural disasters or other force majeure events, and has developed operating procedures to be followed should such events occur, any damage to part or all of the towers of the Company or, more generally, to its Sites, resulting from natural disasters or other force majeure events, could hamper or, in some cases, prevent the Company's normal operations and its ability to continue to provide services to its customers.

Risks related to the discontinuation of Site activities

The Company relies on infrastructure to provide its services and, more generally, to conduct its business; by its very nature, this infrastructure is subject to interruptions or other malfunctions caused, among other things, by prolonged power outages, security issues, or suppliers' defaults. Any network outage, access by unauthorized persons, and security breach or other failures of the Company's technical infrastructure or any actions taken in order to deal with or prevent them, could lead to significant additional costs for the Company, or prevent its operation, with possible negative effects on the Company's activities and on its income, balance sheet, and financial situation.

Risks related to technical and technological developments

The Company's inability to identify technical solutions capable of addressing market changes and future needs could have a negative impact on the income, balance sheet, and financial situation of the Company.

Risks related to environmental and health protection

The Company is subject to comprehensive regulation on the protection of the environment and human health at the national and EU level. Although the Company is committed to be constantly in compliance with the applicable legislation, any violations of applicable environmental laws may result in adverse effects on the income, balance sheet, and financial situation of the Company.

Risks associated with the reference regulatory framework in relation to the activities carried out by the Company's customers

The activities of Company's customers are subject to complex regulations at national and EU level, especially with regard to environmental and administrative matters; in this context, the numerous regulatory requirements imposed by the relevant authorities are very important due to the indirect impact that customers' non-compliances could have on the Company's activities. Specifically, mobile phone operators hosted at the Company's sites are subject to regulations aimed at protecting people and the environment from exposure to electromagnetic fields.

Any infringement of the legal and regulatory framework applicable to the Company's customers could have a negative impact on the income, balance sheet, and financial situation of the customers and, indirectly, of the Company.

Risks associated with the possible contraction of customer demand for the Company's services

The Company offers integrated hosting services to its customers, with the aim of covering the entire value chain of the hosting business, in accordance with the business model adopted: from pure leasing of the equipment all the way to the services supporting the operation and maintenance of such equipment. Any contraction of customer demand for the services provided by the Company, even when due to contingent reasons, could have a negative impact on the Company's income, balance sheet, and financial situation.

Risks related to global economic conditions

The COVID-19 health emergency will lead to a contraction of the economy, with potentially negative effects on the Company's economic, equity and financial situation. The rapid spread of COVID-19 in March 2020, and the consequent health emergency have led to economic uncertainty, not only in Italy, but globally. It does not seem unreasonable to foresee the economy contracting, with potentially negative effects on the economic, equity and financial situation of the Issuer.

The Company assesses the risk referred to in this Paragraph as medium. Although the COVID-19 health emergency is likely to lead to a contraction in the economy, with potentially negative effects on the economic, equity and financial situation of the Issuer, the activity carried out by Inwit is essential for the provision of the services of the telephone operators.

CORPORATE BODIES AT MARCH 31, 2020

BOARD OF DIRECTORS

The Board of Directors, appointed by the Shareholders' Meeting of April 13 (as subsequently amended), remained in office until March 31, 2020, the effective date of the merger by incorporation of Vodafone Towers into INWIT (the "Merger"). By virtue of the Agreement signed by TIM S.p.A. Vodafone Europe B.V., Vodafone Italia S.p.A., INWIT S.p.A. and Vodafone Towers S.r.l, the Company's Board of Directors (in the meeting of February 6, 2020) called the Shareholders' Meeting for March 20, 2020 to resolve the appointment of a new Board of Directors, conditional on the Merger and effective from the effective date of the same.

The Shareholders' Meeting, on March 20, 2020, appointed the Board of Directors, made up of 13 members, who will remain in office until the approval of the financial statements for the year ending December 31, 2022. The Board of Directors took office on March 31, 2020, the effective date of the merger by incorporation of Vodafone Towers into INWIT.

The composition of the Company's Board of Directors before March 31, 2020 is shown below

Chairman	Piergiorgio Peluso
CEO and General Manager	Giovanni Ferigo
Directors	Francesca Balzani (independent) Enrico Maria Bignami (independent) Gigliola Bonino Laura Cavatorta (independent) Luca Aurelio Guarna (independent) Carlo Nardello Agostino Nuzzolo Filomena Passeggio (independent) Secondina Giulia Ravera (independent)

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The composition of the current Company's Board of Directors is shown below

Chairman	Emanuele Tournon
Chief Executive Officer and General Manager	Giovanni Ferigo
Directors	Laura Cavatorta (independent) Antonio Corda Angela Maria Cossellu (independent)[1] Sabrina Di Bartolomeo Sonia Hernandez Carlo Nardello Agostino Nuzzolo Filomena Passeggio (independent) Secondina Giulia Ravera (independent) Fabrizio Rocchio Francesco Valsecchi (independent)

[1] Appointed by co-optation on April 23, 2020, to replace Barbara Cavaleri

All board members are domiciled for the positions they hold in INWIT at the registered office of the Company in 1 Via Gaetano Negri, Milan.

The composition of the Internal Committees up to March 31, 2020 was as follows:

- **Control and Risks Committee**: Luca Aurelio Guarna (Chairman), Francesca Balzani and Secondina Giulia Ravera
- **Nomination and Remuneration Committee**: Filomena Passeggio (Chairman), Enrico Maria Bignami and Laura Cavatorta
- **Strategic Committee** Piergiorgio Peluso (Chairman, replacing Stefano Siragusa), Giovanni Ferigo, Enrico Maria Bignami, Carlo Nardello (replacing Mario Di Mauro) and Secondina Giulia Ravera.

On May 10, 2018 the Board of Directors appointed the Director Enrico Maria Bignami Lead Independent Director.

On April 23, 2020 the Board of Directors established internal committees, made up of:

- **Nomination and remuneration committee:** Filomena Passeggio (Chairman), Laura Cavatorta and Antonio Corda
- **Control and risks committee**: Angela Maria Cossellu (Chairman), Antonio Corda, Agostino Nuzzolo, Secondina Giulia Ravera and Francesco Valsecchi
- **Related parties committee**: Secondina Giulia Ravera (Chairman), Angela Maria Cossellu and Filomena Passeggio
- **Sustainability Committee**: Laura Cavatorta (Chairman), Sabrina Di Bartolomeo, Carlo Nardello, Fabrizio Rocchio and Francesco Valsecchi.

Also on April 23, 2020, the Board of Directors appointed the Director Secondina Giulia Ravera as Lead Independent Director

BOARD OF STATUTORY AUDITORS

The April 13, 2018 Shareholders' Meeting appointed the Board of Statutory Auditors, which will remain in office until the Shareholders' Meeting called to approve the financial statements at December 31, 2020.

The Board of Statutory Auditors of the Company is now composed as follows:

Chairman	Stefano Sarubbi
Acting Auditors	Umberto La Commara
	Michela Zeme
Alternate Auditors	Roberto Cassader
	Elisa Menicucci

INDEPENDENT AUDITORS

The Shareholders' Meeting held on February 27, 2015 appointed the audit firm PricewaterhouseCoopers S.p.A. to audit the Company's financial statements for the nine-year period 2015-2023.

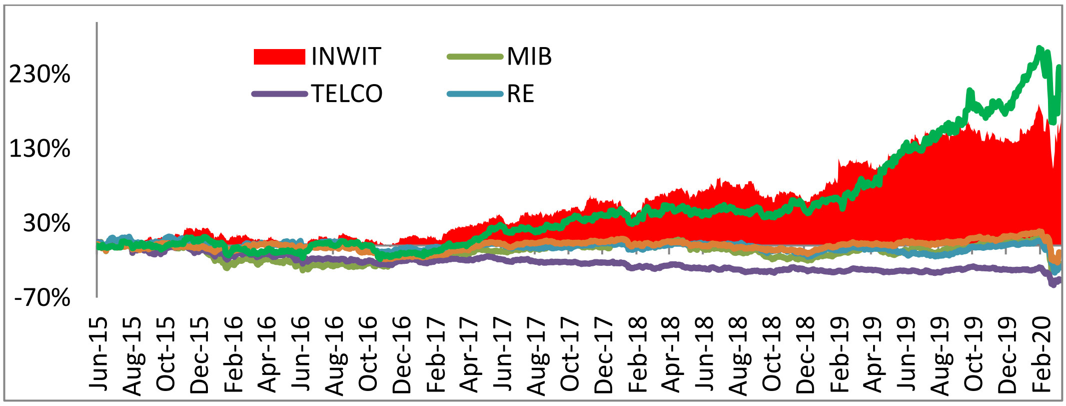
MANAGER RESPONSIBLE FOR PREPARING THE CORPORATE FINANCIAL REPORTS

The Board of Directors confirmed Rafael Giorgio Perrino (Administration, Control & Risk Management Manager Company) manager responsible for preparing the financial reports of INWIT during its meeting held on April 13, 2018 and, subsequently, at its meeting on November 6, 2018 - following changes to the organizational structure.

At the meeting held on March 31, 2020, the Board of Directors assigned Diego Galli, Head of the Administration, Finance and Control & Business Support function, as Manager responsible for preparing the corporate financial reports.

INFORMATION FOR INVESTORS

Following completion of the Global Offering, on June 22, 2015, INWIT shares were listed on the MTA of Borsa Italiana at a price of 3.65 euros per share.
The following chart shows the performance of the stock in the period comprised between the start of trading and March 31, 2020.

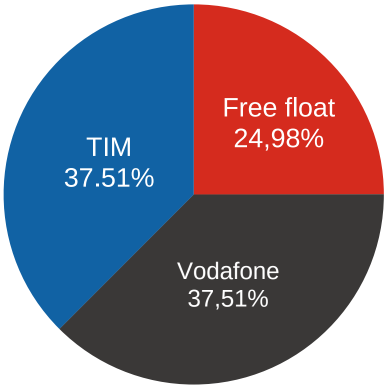


INWIT SHARE CAPITAL AT MARCH 31, 2020

Share capital	600,000,000 euros
Number of ordinary shares (without nominal value)	960,200,000
Market capitalization (based on average prices between 1/1/2020 and 03/31/2020)	8,411 million euros

SHAREHOLDERS

Shareholders' structure at March 31, 2020:



It should be noted that on April 23, TIM and Vodafone Italia concluded an Accelerated Book Building transaction which resulted in the two shareholders each holding 33.173% of the share capital.

TREASURY SHARES

As of March 31, 2020, Inwit holds 83,399 Treasury shares which represent less than 0.009% of the share capital.
It should be noted that on April 2, 2020, with settlement date of April 6, the company sold this quantity on the market at the average unit price of 9.9635 EUR.
The sale of treasury shares relates to the residual shares not distributed to the beneficiaries of the managerial Long Term Incentive plan - for the service of which they had been purchased in 2018. The Plan was closed following the conclusion of the corporate path on the merger of Vodafone Towers into INWIT.

The company does not hold shares of the Parent, not did it purchase or sell them, either directly or through trust companies or third parties.

WAIVER OF THE OBLIGATION TO PUBLISH DISCLOSURE DOCUMENTS FOR EXTRAORDINARY OPERATIONS

On February 27, 2015 the Board of Directors of INWIT resolved to adopt the opt-out regime provided by article 70 paragraph 8 and article 71, paragraph 1-bis of Issuers' Regulation and exercised the option to waive the obligations to publish disclosure documents required under Annex 3B of the aforementioned Regulation in the event of significant transactions.

RELATED PARTY TRANSACTIONS

Pursuant to Article 5, paragraph 8, of Consob Regulation no. 17221/2010 concerning “transactions with related parties” and to the subsequent Consob Resolution no. 17389/2010, in 2020 there were no transactions of major significance, as defined by Article 4, paragraph 1(a) of the aforementioned regulation, or any other transactions with related parties, that had any significant impact on the Company's financial position or results for the first quarter of 2020.

Related party transactions, when not dictated by specific laws, were usually conducted at arm's length; the transactions were subject to an internal procedure (available for consultation on the Company’s website at the following address: www.inwit.it, Governance section) which establishes procedures and time scales for verification and monitoring.

The information on related parties required by Consob Communication DEM/6064293 of July 28, 2006 is presented in the financial statements and in the Note “Related Parties” to the condensed Financial Statements at March 31, 2020.

ALTERNATIVE PERFORMANCE MEASURES

In this Interim Report at March 31, 2020 of the Company INWIT, in addition to the conventional financial performance measures established by IFRS, certain *alternative performance measures* are presented for purposes of a better understanding of the Company's trend of operations and financial condition. Such measures, which are also presented in other periodical financial reports (annual and interim) should, however, not be construed as a substitute for those required by IFRS.

The alternative performance measures used are described below:

- **EBITDA:** this financial indicator is used by the Company as a financial target in internal presentations (business plans) and in external presentations (to analysts and investors). It represents a useful unit of measurement to assess the Company's operating performance in addition to **EBIT**. These measures are calculated as follows:

Profit (loss) before tax from continuing operations	
+	Financial expenses
-	Finance income
EBIT - Operating profit (loss)	
+/-	Impairment losses (reversals) on non-current assets
+/-	Losses (gains) on disposals of non-current assets
+	Amortization and depreciation
EBITDA - Operating profit (loss) before depreciation and amortization, Capital gains (losses) and Impairment reversals (losses) on non-current assets	

- **Net Financial Debt ESMA and Net Financial Debt INWIT**: the Net Financial Debt ESMA of the Company is calculated in accordance with the provisions of paragraph 127 of the recommendations contained in ESMA document No. 319 of 2013, implementing Regulation (EC) 809/2004, as shown below:

A Cash
B Other cash equivalents
C Securities held for trading
D Liquidity (A + B + C)
E Current financial receivables
F Current financial payables
G Current portion of financial payables (medium/long-term)
H Other current financial payables
I Current financial debt (F+G+H)
J Net current financial debt (I+D+E)
K Medium/long term financial payables
L Bonds issued
M Other non-current financial payables
N Non-Current financial debt (K+L+M)
O Net financial debt (J+N)

To monitor the performance of its financial position, INWIT also uses "INWIT net financial debt" as a financial indicator; it is defined as the ESMA net financial debt less receivables and non-current financial assets, where applicable.

ESMA net financial debt
Other financial receivables and non-current financial assets (*)
INWIT Net financial debt

(*) This accounting item refers to loans granted to certain employees of the company.

- **Operating Free Cash Flow:** calculated as follows:

EBITDA
Capital expenditure
EBITDA - Capex
Change in trade receivables
Change in trade payables (*)
Other changes in operating receivables/payables
Change in provisions for employee benefits
Change in operating provisions and Other changes
Change in net operating working capital:
Operating free cash flow

(*) Except trade payables for investment activities.

Quarterly Condensed Financial Statements of Infrastrutture Wireless Italiane S.p.A. at March 31, 2020

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

Contents

CONDENSED FINANCIAL STATEMENTS OF INFRASTRUTTURE WIRELESS ITALIANE S.P.A. AT MARCH 31, 2020

STATEMENT OF FINANCIAL POSITION

Assets

(thousands of euros)	Notes	03/31/2020	of which related parties	12/31/2019	of which related parties
Assets					
Non-current assets					
Intangible assets					
Goodwill	5)	6,712,276		1,411,770	
Intangible assets with a finite useful life	6)	13,031		11,045	
Tangible assets					
Property, plant and equipment	7)	783,447		288,735	
Rights of use on third-party assets	8)	1,167,511		706,969	
Other non-current assets					
Non-current financial assets	9)	8,850		235	
Miscellaneous receivables and other non-current assets	10)	6,677		6,932	
Deferred tax assets		5,385		1,939	
Total Non-current assets		**8,697,177**		**2,427,625**	
Current assets					
Trade and miscellaneous receivables and other current assets	10)	248,541	*110,516*	83,111	*42,169*
Financial receivables and other current financial assets	9)	121		15,117	*15,009*
Current securities and equity investments		-		-	
Income tax receivables		1		1	
Cash and cash equivalents		39,743	*188*	66,570	*1,401*
Total Current assets		**288,406**		**164,799**	
Total Assets		**8,985,583**		**2,592,424**	

Equity and Liabilities

(thousands of euros)	*Notes*	**03/31/2020**	*of which related parties*	**12/31/2019**	*of which related parties*
Equity	11)				
Share capital issued		*600,000*		*600,000*	
Minus: treasury shares		*(222)*		*(222)*	
Share capital		599,778		599,778	
Share premium reserve		3,691,609		660,000	
Legal reserve		120,000		120,000	
Other reserves		(767)		(804)	
Retained earnings (losses) including earnings (losses) for the period		172,843		182,219	
Total Equity		**4,583,463**		**1,561,193**	
Liabilities					
Non-current liabilities					
Employee benefits	12)	3,153		1,791	
Deferred tax liabilities		86,559		-	
Provisions for Risks and Charges	13)	216,829		101,656	
Non-current financial liabilities	14)	3,107,947	*52,908*	670,404	*117,922*
Miscellaneous payables and other non-current liabilities	16)	5,793	*4,497*	9,616	*8,206*
Total Non-current liabilities		**3,420,281**		**783,467**	
Current liabilities					
Current financial liabilities	14)	198,908	*22,330*	123,661	*20,949*
Trade and miscellaneous payables and other current liabilities	16)	764,015	*483,283*	123,302	*80,036*
Income tax payables		18,916		801	
Total current Liabilities		**981,839**		**247,764**	
Total liabilities		**4,402,120**		**1,031,231**	
Total Equity and Liabilities		**8,985,583**		**2,592,424**	

SEPARATE INCOME STATEMENT

(thousands of euros)	Notes	1st Quarter 2020	of which related parties	1st Quarter 2019	of which related parties
Revenues	16)	102,957	*80,692*	94,902	*72,183*
Acquisition of goods and services - Ordinary charges	17)	(6,638)	*(1,968)*	(8,199)	*(2,103)*
Acquisition of goods and services - Charges associated with extraordinary transactions	17)	(4,995)		-	
Employee benefits expenses - Ordinary expenses		(2,780)	*(394)*	(2,762)	*(317)*
Employee benefits expenses - Restructuring and rationalization expenses		-		(557)	
Other operating expenses		(522)	*(3)*	(564)	*(3)*
Operating profit before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)		**88,022**		**82,820**	
Of which : Impact of Non-recurring Items		*(4,995)*		*(557)*	
Amortization, gains/losses on disposals and impairment losses on non-current assets	18)	(31,288)		(31,053)	
Operating profit (loss) (EBIT)		**56,734**		**51,767**	
Of which : Impact of Non-recurring Items		*(4,995)*		*(557)*	
Finance income	19)	2		167	*4*
Financial expenses	19)	(9,468)	*(443)*	(6,154)	*(529)*
Profit (loss) before tax		**47,268**		**45,780**	
Of which : Impact of Non-recurring Items		*(4,995)*		*(557)*	
Income taxes		(13,742)		(13,386)	
Profit for the period		**33,526**		**32,394**	
Of which : Impact of Non-recurring Items		*(3,571)*		*(398)*	
Basic and Diluted Earnings Per Share		0.056		0.054	

STATEMENT OF COMPREHENSIVE INCOME

(thousands of euro)		1st Quarter 2020	1st Quarter 2019
Profit for the period	**(a)**	**33,526**	**32,394**
Other items of the Statement of Comprehensive Income			
Other items that will not subsequently be reclassified in the Separate Income Statement		-	-
Remeasurements of employee defined benefit plans (IAS 19):			
Actuarial gains (losses)		-	-
Net fiscal impact		-	-
Total other items that will not subsequently be reclassified in the Separate Income Statement	**(b)**	**-**	**-**
Other items that will subsequently be reclassified in the Separate Income Statement		-	-
Total other items that will subsequently be reclassified in the separate income statement	**(c)**	-	-
Total other items of the Statement of Comprehensive Income	**(d=b+c)**	**33,526**	**32,394**
Total Comprehensive income for the period	**(e=a+d)**	**33,526**	**32,394**

CHANGES IN NET EQUITY

Changes in net equity from January 1, 2019 to March 31, 2019

(thousands of euros)	Share capital	Treasury share reserve in excess of nominal value	Share premium reserve	Other reserves and earnings (losses) carried forward, including the result for the period	**Total Equity**
Amounts at January 1, 2019	**599,778**	**(1,215)**	**660,000**	**289,742**	**1,548,305**
Total Comprehensive income for the period	-		-	32,394	32,394
Dividends approved	-	-	-	(126,553)	(126,553)
Other changes	-	-	-	148	148
Amounts at March 31, 2019	**599,778**	**(1,215)**	**660,000**	**195,731**	**1,454,294**

Changes in net equity from January 1, 2020 to March 31, 2020

(thousands of euros)	Share capital	Treasury share reserve in excess of nominal value	Share premium reserve	Other reserves and earnings (losses) carried forward, including the result for the period	**Total Equity**
Amounts at January 1, 2020	**599,778**	**(1,215)**	**660,000**	**302,630**	**1,561,193**
Total Comprehensive income for the period	-	-	-	33,526	33,526
Dividends approved	-	-	(527,073)	(42,902)	(569,975)
Merger	-	-	3,558,682	-	3,558,692
Other changes	-	-	-	37	37
Amounts at March 31, 2020	**599,778**	**(1,215)**	**3,691,609**	**293,291**	**4,583,463**

CASH FLOW STATEMENT

(thousands of euros)		1st Quarter 2020	1st Quarter 2019
Cash flows from operating activities:			
Profit for the period		33,526	32,394
Adjustments for:			
Depreciation and amortization, losses on disposals and impairment losses on non-current assets		31,288	31,053
Net change in deferred tax assets and liabilities		13,771	13,311
Change in provisions for employee benefits		(55)	570
Change in trade receivables		(7,070)	(16,148)
Change in trade payables		15,678	4,932
Net change in miscellaneous receivables/payables and other assets/liabilities		(23,651)	1,176
Other non-monetary changes		(6,986)	(2,430)
Cash flows from operating activities	**(a)**	**56,501**	**64,858**
Cash flows from investing activities:			
Total purchases of tangible and intangible assets and rights of use on third-party assets for the period		(38,859)	(15,569)
Change in amounts due to fixed asset suppliers		*20,528*	*1,822*
Total purchases of tangible and intangible assets and rights of use on third-party assets on a cash basis		(18,331)	(13,747)
Purchase of investments		(2,140,000)	-
Change in financial receivables and other financial assets		14,975	5,062
Other non-current changes		(10)	1
Cash flows used in investing activities	**(b)**	**(2,143,366)**	**(8,684)**
Cash flows from financing activities:			
Change in current and non-current financial liabilities		2,053,050	(20,417)
Cash flows used in financing activities	**(c)**	**2,053,050**	**(20,417)**
Aggregate cash flows	**(d=a+b+c)**	**(33,815)**	**35,757**
Net cash and cash equivalents at beginning of the period	**(e)**	**66,570**	**104,125**
Net cash and cash equivalents at end of the period	**(f=d+e)**	**39,743**	**139,882**

(*) of which related parties:

(thousands of euros)	1st Quarter 2020	1st Quarter 2019
Total purchase of intangible, tangible assets and rights of use on an accrual basis	4,076	192

On November 6, 2017, Regulation EU no. 2017/1990 was issued which implemented at the EU level certain amendments to IAS 7 (Cash Flow Statement). For this purpose please note that the liabilities arising from financing activities solely concern monetary movements. No change of this type was recorded in the first quarter of 2020.

NOTE 1 - FORM, CONTENT, AND OTHER GENERAL INFORMATION

FORM AND CONTENT

These interim financial statements of Infrastrutture Wireless Italiane S.p.A. (hereinafter "**INWIT**", or the "**Company**") for the period from January 1, to March 31, 2020 (hereinafter the"**Condensed Financial Statements at March 31, 2020**") were drawn up on the assumption of corporate continuity (for further details, see Note 2 "Accounting Standards"), in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board and approved by the European Union (defined as the "**IFRS**") and with the legal and regulatory provisions in force in Italy (in particular, the measures adopted in implementation of Section 9 of Italian Legislative Decree no. 38 of February 28, 2005).

INWIT was established on January 14, 2015 and following the merger by incorporation of Vodafone Towers srl (hereinafter also "**VOD Towers**") is jointly controlled by TIM S.p.A. (hereinafter also "**TIM**") and Vodafone Europe BV which each hold a 37.5% stake in the Company's share capital, is domiciled in Italy, with registered office in via Gaetano Negri 1, Milan, and organized according to the regulations legal system of the Italian Republic.

The figures at March 31, 2020 are compared with the figures from the statement of financial position at December 31, 2019; The figures from the separate income statement and from the statement of comprehensive income are compared with the figures for the corresponding periods of the previous financial year. The financial reports and the reports on changes in net equity are compared with those for the corresponding periods of the previous financial year.

The Company's financial year-end is December 31.

The consolidated Financial Statements at March 31, 2020 were prepared in accordance with the general cost principle, except for the initial entering of financial assets and liabilities for which the application of the fair value principle is compulsory; also, they were prepared in Euros. The values expressed in the notes to these financial statements are expressed in thousands of euros, unless otherwise indicated.

Publication of the Financial Statements at March 31, 2020 was approved by the Board of Directors' meeting on May 11, 2020.

FINANCIAL STATEMENT STRUCTURE

The financial statement formats adopted are consistent with those indicated in IAS 1. In particular:

- the statement of financial position has been prepared by classifying assets and liabilities according to the "current and non-current" principle;
- the separate Income Statement has been prepared by classifying operating costs according to their nature, in that this method of reporting is deemed better capable of representing the Company's specific business, complies with internal reporting methods, and is in line with practices in the industrial sector in question.
  The Income Statement includes, in addition to EBIT (Operating Earnings), the alternative performance indicator called EBITDA (operating earnings before amortization, depreciation, gains/(losses), and Impairment reversals (losses) on non-current assets).
  Specifically, the Company utilizes EBITDA, in addition to EBIT, as a financial target in internal presentations (business plans) and external presentations (to analysts and investors); the indicator represents a useful unit of measurement for the evaluation of INWIT's operating performance.
  EBIT and EBITDA are calculated as follows:

Profit (loss) before tax from continuing operations	
+	Financial expenses
-	Finance income
+/-	Expenses (income) from investments
EBIT - Operating profit (loss)	
+/-	Impairment losses (reversals) on non-current assets
+/-	Losses (gains) on disposals of non-current assets
+	Amortization and depreciation
EBITDA - Operating profit (loss) before depreciation and amortization, Capital gains (losses) and Impairment reversals (losses) on non-current assets	

- the Statement of Comprehensive Income includes, besides the earnings (losses) for the period, as per the separate income statement, the other changes in Net Equity other than those connected to transactions with Shareholders;
- the statement of Cash Flows was prepared by showing the cash flows deriving from operating activities in accordance with the "indirect method", as allowed by the IAS 7 (Statement of financial position).

Furthermore, as required by CONSOB resolution no. 15519 of July 27, 2006, in the case of the separate income statement, income and expenses deriving from transactions which by their very nature do not regularly occur during normal business transactions (non-recurring transactions), are specifically identified and the corresponding effects on the main interim results are reported separately when of a significant entity. Specifically, non-recurrent expenses/income include, for example: income/expenses deriving from the sale of properties, plants and machinery, business units and shareholdings; expenses deriving from corporate reorganization and rationalization processes/projects, including those connected to corporate transactions (mergers, demergers, etc.); expenses resulting from litigation and regulatory penalties, and to related liabilities; other provisions for risks and charges, and the corresponding write-offs; expenses for the settlement of disputes; impairment losses on goodwill and/or other intangible and tangible assets.

In regard, once again, to the aforementioned CONSOB resolution, the amounts of positions or transactions with related parties have been reported separately.

SEGMENT REPORTING

An operating segment is a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);
- whose operating results are reviewed periodically by the top operating level of the entity (the Board of Directors for INWIT) in order to adopt decisions concerning the resources to be allocated and to assess the results; and
- for which discrete financial information is available.

The Company has identified only one operating segment (which also represents the level at which the goodwill is monitored by management and will be tested for impairment). Specifically, the management information note prepared and made available to the Board of Directors for the aforementioned purposes considers the business activity carried out by INWIT as a distinct entity; therefore, no information by segment is presented in the financial statements. The geographical area coincides almost entirely with the territory of Italy.

NOTE 2 - ACCOUNTING POLICES

The main accounting policies and the most significant valuation criteria utilized to write these financial statements are described briefly hereafter.

GOING CONCERN

The consolidated Financial Statements at March 31, 2020 have been prepared on a going concern basis as there is the reasonable expectation that the Company will continue its operational activities in the foreseeable future (and in any event with a time horizon of more than twelve months).

ACCOUNTING CRITERIA

The accounting criteria adopted to prepare the consolidated financial statements at March 31, 2020 are consistent with those utilized for the yearly financial statements to December 31, 2019, to which reference is made, with the exception of the adjustments required by the nature of the interim measurements.

Furthermore, in the consolidated financial statements at March 31, 2020, income taxes for the period are calculated according to the best possible estimate based on available information and on a reasonable forecast of performance up to the end of the tax period. Conventionally, the income tax liabilities (current and deferred) on the profit for the interim period are recorded, net of advances and tax receivables (excluding receivables for which refunds have been requested) as well as deferred tax assets, and classified as an adjustment to "Deferred tax liabilities"; if the balance between deferred tax assets and deferred tax liabilities is an asset it is conventionally recorded in "Deferred tax assets".

USE OF ACCOUNTING ESTIMATES

The preparation of the separate financial statements and related notes, in accordance with the IFRS, requires company management to make estimates and assumptions based also on subjective judgments, past experience and hypotheses considered reasonable and realistic in relation to the information known at the time of the estimate. Such estimates have an effect on the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the amount of revenues and costs during the period. Actual results could thus differ, even significantly, from such estimates owing to possible changes in the factors considered in the determination of such estimates. Estimates are reviewed periodically.

The most significant accounting estimates that involve a high use of subjective assumptions and judgments are reported in the Annual Financial Report at December 31, 2019 to which reference is made.

NEW STANDARDS AND INTERPRETATIONS INCORPORATED BY THE EU AND IN EFFECT SINCE JANUARY 1, 2020

Pursuant to IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors), the IFRS in effect since January 1, 2020 are indicated and briefly described hereafter.

Amendments to IFRS 9, Financial instruments, IAS 39, Financial instruments: recognition and measurement and IFRS 7, Financial instruments: additional information - Reform of the reference indices for the determination of interest rates

On January 15, 2020, Regulation (EU) 2020/34 was issued implementing some amendments at EU level to IFRS 9 - Financial instruments, IAS 39 - Financial instruments: recognition and measurement and IFRS 7 - Financial instruments: additional information.
The changes relate to some specific hedge accounting requirements and are aimed at providing an advantage in relation to the potential effects of the uncertainty caused by the reform of the Interbank offered rates (IBOR). In addition, the changes require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.
These changes must be applied from January 1, 2020.

Amendments to the references to the "Conceptual Framework" in the IFRS

On November 29, 2019, Regulation (EU) 2019/2075 was issued which implemented the revised version of the Conceptual Framework for Financial Reporting at EU level. The main changes compared to the 2010 version relate to:
a new chapter on measurement;
better definitions and guidance, in particular with reference to defining liabilities;
clarifications of important concepts, such as stewardship, prudence and uncertainty in measurements.
A document has also been published that updates the references in IFRS to the previous Conceptual Framework.
These changes must be applied from January 1, 2020.

Amendments to IAS 1 and IAS 8 (Definition of Materiality)

On November 29, 2019, Regulation (EU) 2019/2104 was issued which incorporated some amendments to IAS 1 (Presentation of the financial statements) and to IAS 8 (Accounting standards, changes in accounting estimates and errors).
These amendments clarify the definition of "materiality" and align the definition used in the "Conceptual Framework" with that used in the individual IFRSs. The definition of "materiality" as revised by the changes in question is as follows: "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of a specific reporting entity's general purpose financial statements make on the basis of those financial statements."
The amendments in question come into force on January 1, 2020.

Amendments to IFRS 3 (Business combinations)

In October 2018, the IASB published some amendments to IFRS 3 (Business combinations). These amendments concern the definition of "business" and help entities determine whether an acquisition made is a "business" or a group of activities.
According to the new definition, a "business" is: “An integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors or other owners, members or participants." The amendments also clarify that, to be considered a business, an acquisition must include an input and a substantive process that together significantly contribute to the ability to create output".
The amendments in question come into force on January 1, 2020.

The adoption of these amendments/interpretations, with the exception of the accounting standard IFRS 16, did not have any effect on the Financial Statements at March 31, 2020.

NEW STANDARDS AND INTERPRETATIONS ISSUED BY THE IASB BUT NOT YET APPLICABLE

At the date of these interim financial statements, the following Standards/Interpretations have been issued by the IASB but are still not applicable.

Amendments to IAS 1 Presentation of the financial statements: classification of liabilities as current or non-current

In January 2020, the IASB issued some limited amendments to IAS 1 to clarify that liabilities are classified as current or non-current, depending on the rights existing at the end of the year. The amendment clarifies that:

- the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability. In other words, liabilities are classified as non-current if the entity has a substantial right to defer payment for at least 12 months at the end of the year;
- the classification is not influenced by expectations on whether an entity will exercise its right to defer the payment of a liability, in other words, management expectations do not affect the classification; and
- the payment/settlement refers to the transfer of liquidity, equity instruments, other assets or services to the counterparty.

These amendments must be applied retrospectively in accordance with IAS 8 for financial years starting from January 1, 2022. Early application is allowed. If an entity applies these changes from a previous period, it must disclose that fact.

Any impacts on the Company's financial statements are currently being assessed.

NOTE 3 - FINANCIAL RISK MANAGEMENT

During its everyday operations, the Company may be exposed to the following financial risks:

- market risk: deriving from exposure to the fluctuation of rates, linked to the financial assets generated and to the financial liabilities assumed;
- credit risk: representing the risk of non-fulfillment of obligations undertaken by the counterparty with regard to the Company's liquidity investments;
- liquidity risk: connected with the need to meet short-term financial commitments.

MARKET RISK

The market risk consists in the possibility that changes of the interest and exchange rates or of the rating of the counterparts with which liquidity is utilized, could impact negatively on the value of the assets, liabilities, or expected cash flows.

Interest rate risk

At March 31, 2020, the Company's financial payables that accrue interest at a fixed rate correspond to:

- 20,040 thousand euros for the financial debt deriving from the loan agreement stipulated with Mediobanca – Banca di Credito Finanziario S.p.A., Intesa Sanpaolo S.p.A. and UniCredit S.p.A.;
- the 40 million euros bank debt from the loan agreement with Banca Popolare di Sondrio.

The Company has signed a zero-floor EURIBOR-indexed loan respectively with:

- MUFG for an amount of 30 million euros;
- The new loan taken out in December 2019 is at a variable rate and started to accrue interest only after the first use at the end of March 2020.

In view of the moderate exposure to variable rates, the Company did not therefore consider it necessary to conclude derivative contracts aimed at mitigating the risk deriving from interest rate fluctuations.

Exchange rate risk

The Company operates exclusively in euros; therefore, it is not exposed to exchange rate risk.

CREDIT RISK

The Company's exposure to credit risk consists of the potential losses that could derive from the failure of the counterparts, both commercial and financial, to fulfil the obligations undertaken. Such exposure mainly stems from general economic and financial factors, the potential occurrence of specific insolvency situations of some borrowers and other more strictly technical-commercial or administrative factors. The maximum theoretical exposure of the Company to credit risk is the book value of the financial assets and trade receivables recorded in the financial statements.

The Company's main customer is TIM, which, during the reference period of these interim financial statements, generated revenues of 79,811 thousand euros (equal to 77.5% of total revenues at March 31, 2020). The other customers of the Company are the leading national mobile operators with which the Company has entered into multi-year contracts to provide hosting services.

Therefore, the Company is exposed to the risk of concentration of revenues and to credit risk arising from the possibility that its commercial counterparts are not capable or able to meet their obligations. The possible default by one of its commercial counterparts could involve negative effects on the income, balance sheet, and financial situation of the Company. With regard to counterparty risk, formalized procedures to valuate and assess the reliability of commercial partners are adopted to manage the credit.

LIQUIDITY RISK

To meet its liquidity needs, the Company has a 500 million euros revolving credit line available, granted in December 2019 with a pool of national and international banks available until April 2025, to be used to support working capital and general cash needs. As of March 31, 2020, this line is unused and therefore completely available.

OTHER RISKS

Risks related to global economic conditions

The COVID-19 health emergency will lead to a contraction of the economy, with potentially negative effects on the Company's economic, equity and financial situation. The rapid spread of COVID-19 in March 2020, and the consequent health emergency have led to economic uncertainty, not only in Italy, but globally. It does not seem unreasonable to foresee the economy contracting, with potentially negative effects on the economic, equity and financial situation of the Issuer.

The Company assesses the risk referred to in this Paragraph as medium. Although the COVID-19 health emergency is likely to lead to a contraction in the economy, with potentially negative effects on the economic, equity and financial situation of the Issuer, the activity carried out by Inwit is essential for the provision of the services of the telephone operators.

ASSETS AND LIABILITIES BY CATEGORY

For the purpose of providing information to allow a comparison between the book value and fair value of the financial instruments (required by IFRS 7), it is pointed out that the following assumptions were made to determine the fair value:

- for variable-rate loans: the nominal repayment amount has been assumed;
- for trade payables and receivables and for current financial assets and liabilities, it is believed that their book value is a reasonable approximation of their fair value.

The table below shows the assets and liabilities at March 31, 2020 on the basis of the categories contained in IFRS 9.

Carrying amount for each IFRS 9 class of financial asset/liability at March 31, 2020

(thousands of euros)		03/31/2020	Amounts recorded in the financial statements pursuant to IFRS 9			
			Amortized cost	*Cost*	*Fair value recognized in equity*	*Fair value recognized in the income statement*
ASSETS						
Non-current assets						
Non-current financial assets						
of which loans and receivables		8,850	*8,850*			
	(a)	**8,850**	***8,850***			
Current assets						
Trade and miscellaneous receivables and other current assets						
of which loans and receivables		211,025	*211,025*			
Financial receivables and other current financial assets						
of which loans and receivables		121	*121*			
Cash and cash equivalents		39,743	*39,743*			
	(b)	**250,889**	***250,889***			
Total	**(a+b)**	**259,739**	***259,739***			
LIABILITIES						
Non-current liabilities						
Non-current financial liabilities						
of which liabilities at amortized cost		3,107,947	*3,107,947*			
	(c)	**3,107,947**	***3,107,947***			
Current liabilities						
Current financial liabilities						
of which liabilities at amortized cost		198,908	*198,908*			
Trade and miscellaneous payables and other current liabilities						
of which liabilities at amortized cost		144,299	*144,299*			
	(d)	**343,207**	***343,207***			
Total	**(c+d)**	**3,451,154**	***3,451,154***			

NOTE 4 – BUSINESS COMBINATIONS

MERGER BY INCORPORATION OF VODAFONE TOWERS SRL

On March 31, 2020, the acquisition, by merger by incorporation, of VOD Towers Srl, the company that holds the Italian tower and passive infrastructure branch of the Vodafone group, was completed for a total consideration of 5,698,682 thousand euros, of which 2,140,000 thousand euros paid in cash for the purchase of 43.4% of the share capital of VOD Towers and 3,558,682 thousand euros through the issue of 360,200,000 new INWIT ordinary shares, valued at the market price on the date of the exchange, March 31, 2020 (hereinafter the "**Acquisition Date**"). The new shares will be listed on the MTA organized and managed by Borsa Italiana.

The transaction is part of the strategy that INWIT is pursuing in Italy: continuously improving its earning profile and strengthening its market leadership.

The purchase of the minority shareholding and the subsequent merger by incorporation of VOD Towers into Inwit were treated in the accounts as a single business combination transaction, whose accounting method is governed by IFRS 3.

As required by IFRS 3, the Company determined the fair value on the Acquisition Date:

- of the consideration for the acquisition, including the equity instruments issued (hereinafter the "**Acquisition Consideration**");
- the identifiable assets acquired, the liabilities and potential liabilities assumed are entered at their current value, with the exception of deferred tax assets and liabilities, the assets and liabilities relating to employee benefits.

With particular reference to the Acquisition Consideration, it should be noted that as part of the contractual agreements for the acquisition of VOD Towers, a price adjustment procedure is envisaged based on the difference between the net financial debt values and the net working capital of Inwit and VOD Towers provided for in the contract and the actual value on the Acquisition Date (hereinafter the "**Price Adjustment**"). In particular, based on the preliminary estimates made by Inwit and VOD Towers in relation to the parameters reported above on the Acquisition Date, VOD Towers distributed a dividend in favor of Vodafone Europe BV prior to the Acquisition Date for 82.8 million euros; in the event that these preliminary estimates differ from their respective final values on the Acquisition Date, the Acquisition Consideration would be subject to change.

The following table shows the comparison of the book value of the net assets acquired of VOD Towers on the Acquisition Date (as resulting from the quarterly situation relating to the period ended March 31, 2020 of VOD Towers, prepared in accordance with the provisions of the Italian Civil Code governing the preparation of financial statements, as interpreted by the accounting standards issued by the Italian Accounting Body) with the relative fair value at that date, determined provisionally in accordance with the provisions of paragraph 45 of IFRS 3.

(in millions of euros)		VOD Towers book values at the date of acquisition	Fair value adjustment	Interim fair value
Non-current assets		144	821	965
Of which Intangible assets		-	-	-
Of which Tangible assets		*115*	*378*	*493*
Of which Rights of use on third-party assets		-	*460*	*460*
Of which non-current Financial receivables		-	*9*	*9*
Of which Other non-current assets		*29*	*(26)*	*3*
Current assets		145	-	145
Of which Trade receivables		*131*	-	*131*
Of which Current miscellaneous receivables		*7*	-	*7*
Of which Cash and cash equivalents		*7*	-	*7*
Total assets	**(a)**	**289**	**821**	**1,110**
Total non-current liabilities	(b)	(13)	(550)	(563)
Of which Non-current financial liabilities		-	*(374)*	*(374)*
Of which Provisions		*(13)*	*(176)*	*(189)*
Total current liabilities	(c)	(77)	(72)	(149)
Of which Current financial liabilities		-	*(66)*	*(66)*
Of which Trade payables		*(35)*	*1*	*(34)*
Of which Other current liabilities		*(42)*	*(7)*	*(49)*
Net assets acquired	**(a+b+c)**	**199**	**199**	**398**

The following table shows the provisional determination of the goodwill recognized in the financial statements following the acquisition of VOD Towers, obtained by comparing the Acquisition Consideration with the fair value of the net assets acquired on the Acquisition Date.

(in millions of euros, unless otherwise indicated)	
Number of New Ordinary shares	360,200,000
Fair value of an Inwit share on March 31, 2020 (in euros)	9.88
Fair value of New Ordinary shares	3,559
Acquisition consideration for Minority Shareholding	2,140
Consideration of the business combination	5,699
Interim fair value of net assets acquired	(398)
Interim Goodwill	5,301

As previously indicated, given the timing of the transaction, completed close to the end of the quarter, the procedures for determining the fair value of the acquired identifiable assets, the liabilities and the potential liabilities assumed, and in particular the intangible assets, are still in progress and will be incorporated in the financial statements as soon as available and in any event within 12 months from the Acquisition Date. In particular, the goodwill estimate may change with respect to that shown in the previous table due to (i) the determination of the Price Adjustment on the basis of the reference values updated on the Acquisition Date and (ii) the definition of the fair value of the identifiable assets acquired and identifiable liabilities assumed, again on the Acquisition Date, net of the related tax effect, where applicable. The change in the value of the net assets acquired following the valuation of the same at the relative fair value and the determination, where applicable, of the related residual useful lives of the assets acquired, would entail, among other things, the restatement of amortization and depreciation, costs and of revenues that will be recognized in the periods subsequent to the Acquisition Date.

The acquisition contributed to revenues and net profit for the quarter, equal to approximately 1,100 thousand euros and 300 thousand euros respectively. If the acquisition had taken place on January 1, 2020, the total revenues and the net result for the first quarter would have been equal to approximately 190 million euros and approximately 56 million euros respectively (gross of any impacts deriving from the amortization of intangible assets which will be entered upon completion of the price allocation process).

The overall costs relating to the acquisition amount to 10,247 thousand euros and were expensed in the income statement for the year 2019 for 5,252 thousand euros and, for the remainder, in the income statement for the first quarter of 2020.

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NOTE 5 – GOODWILL

As of March 31, 2020, goodwill amounted to 6,712,276 thousand euros, and shows the following change:

(thousands of euros)	12/31/2019	Merger	Other changes	03/31/2020
Goodwill	1,411,770	5,300,506	-	6,712,276
Total	**1,411,770**	**5,300,506**	**-**	**6,712,276**

The increase recorded in the period corresponds to the goodwill deriving from the business combination following the acquisition of VOD Towers, totaling 5,300,506 thousand euros

In accordance with IAS 36, goodwill is not subject to amortization, but is tested for impairment at least annually or more frequently if specific events or circumstances arise leading to the presumption of such impairment.

In particular, as of March 31, 2020, no external or internal events were identified that would make it necessary to carry out a new impairment test, which will be carried out at the end of the year.

NOTE 6 – INTANGIBLE ASSETS WITH A FINITE USEFUL LIFE

Compared to December 31, 2019, these have increased in value by 1,986 thousand euros, and show the following composition and changes:

(thousands of euros)	12/31/2019	Merger	Additions	Amortization and depreciation	Other changes	03/31/2020
Patent rights and utilization of intellectual property	848	194	-	(176)	1	867
Intangible assets under development and advances	10,197	48	2,264	-	(345)	12,164
Total	**11,045**	**242**	**2,264**	**(176)**	**(344)**	**13,031**

Capital expenditures for the period came to 2,264 thousand euros.

NOTE 7 – TANGIBLE ASSETS

PROPERTY, PLANT AND EQUIPMENT, OWNED

Compared to December 31, 2019, these have increased in value by 494,712 thousand euros, and show the following composition and changes:

(thousands of euros)	12/31/2019	Merger	Additions	Disposals	Amortization and depreciation	Other changes	03/31/2020
Land	30,057	-	-	-	-	-	30,057
Plant and equipment	209,484	486,403	-	-	(3,476)	5,373	697,784
Manufacturing and distribution equipment	11	-	-	-	(1)	(1)	9
Other goods	97	60	-	-	(11)	1	147
Construction in progress and advance payments	49,086	6,313	5,825	-	-	(5,774)	55,450
Total	**288,735**	**492,776**	**5,825**	**-**	**(3,488)**	**(401)**	**783,447**

Investments made in the reporting period, amounting to 5,825 thousand euros, mainly refer to the purchase of land for 843 thousand euros, to the development of new sites for 591 thousand euros, to the development of Small Cells for 605 thousand euros, and to the execution of Backhauling for 3,390 thousand euros.

The gross carrying amounts and accumulated depreciation at March 31, 2020 are detailed as follows:

(thousands of euros)	Gross Value at 03/31/2020	Accumulated impairment losses	Depreciation Provision	Net Value at 03/31/2020
Land	30,057	-	-	30,057
Plant and equipment	2,700,724	(562)	(2,002,378)	697,784
Manufacturing and distribution equipment	24	-	(15)	9
Other goods	495	-	(348)	147
Construction in progress and advance payments	55,450	-	-	55,450
Total	**2,786,750**	(562)	(2,002,741)	**783,447**

The property, plant, and equipment are not subject to liens, mortgages, or other charges.

NOTE 8 - RIGHT OF USE ON THIRD-PARTY ASSETS

Compared to December 31, 2019, these have increased in value by 460,542 thousand euros, and show the following composition and changes:

(thousands of euros)	12/31/2019	Merger	Lease increases	Lease decreases	Disposals	Amortization and depreciation	Other changes	03/31/2020
Land use rights	277,335	-	11,924	-	(1,310)	(9,881)	-	278,068
Rights of use on civil and industrial buildings	424,119	459,481	18,822	-	(744)	(17,641)	-	884,037
Rights of use on plant and equipment	5,210	-	-	-	-	(90)	(1)	5,119
Rights of use on other assets	305	-	24	-	(16)	(27)	1	287
Total	**706,969**	**459,481**	**30,770**	**-**	**(2,070)**	**(27,639)**	**-**	**1,167,511**

The rights of use registered following the acquisition of Vodafone Towers were provisionally allocated to the item Buildings (civil and industrial), pending the completion of detailed analyzes regarding the nature of the underlying contracts.

NOTE 9 - FINANCIAL RECEIVABLES (NON-CURRENT AND CURRENT)

Non-current and current financial receivables at March 31, 2020 were made up as follows:

(thousands of euros)		12/31/2019	Merger	Other changes during the period	03/31/2020
Financial receivables (medium/long-term):					
Loans to staff		235	-	21	256
Prepaid expenses from finance expenses		-	8,594	-	8,594
Total non-current financial receivables	**(a)**	**235**	**8,594**	**21**	**8,850**
Financial receivables (short-term):					
Loans to staff		90	-	8	98
Other financial receivables		15,009	-	(15,009)	-
Prepaid expenses from finance expenses		18	-	5	23
Total current financial receivables	**(b)**	**15,117**	**-**	**(14,996)**	**121**
Total financial receivables	**(a+b)**	**15,352**	**8,594**	**(14,975)**	**8,971**

NOTE 10 – TRADE AND MISCELLANEOUS RECEIVABLES AND OTHER ASSETS (NON CURRENT AND CURRENT)

The item "Trade and miscellaneous receivables and other current and non-current assets" is detailed in the following table:

(thousands of euros)		12/31/2019	*of which IFRS 9 Financial Instruments*	Merger	Other changes during the period	03/31/2020	*of which financial instruments IFRS 9*
Miscellaneous receivables and other non-current assets							
Other non-current assets		6,932	-	-	(255)	6,677	-
Total Miscellaneous receivables and other non-current assets	**(a)**	**6,932**	-	-	**(255)**	**6,677**	-
Total trade receivables	**(b)**	**72,532**	***72,532***	**131,423**	**7,070**	**211,025**	***211,025***
Miscellaneous receivables and other current assets							
Other current assets		3,985	-	-	12,887	16,872	-
Miscellaneous fixed assets receivables - short term share		1,430	-	-	7	1,437	-
Miscellaneous operating receivables		3,775	-	6,921	7,121	17,817	-
Miscellaneous non-operating receivables		1,390	-	-	-	1,390	-
Total miscellaneous receivables and other current assets	**(c)**	**10,580**	-	**6,921**	**20,015**	**37,516**	-
Total Current income tax receivables	**(d)**	**1**	-	-	-	**1**	-
Total trade and miscellaneous receivables and other current assets	**(b+c+d)**	**83,113**	***72,532***	**138,344**	**27,085**	**248,542**	***211,025***
Total	**(a+b+c+d)**	**90,045**	***49,484***	**138,344**	**26,830**	**255,219**	***211,025***

Miscellaneous receivables and other non-current assets relate to prepaid expenses towards suppliers.

Receivables from Parent Company mainly refer to hosting services and the recovery of costs for services provided.

Miscellaneous receivables and other current assets mainly refer to guarantee deposits (1,437 thousand euros), advances to suppliers (1,415 thousand euros), tax receivables for taxes and fees (11,938 thousand euros) and tax consolidation receivables to TIM (1,390 thousand euros).

The book value of trade and miscellaneous receivables and other current and non-current assets is considered a reasonable approximation of their respective fair value.

NOTE 11 - EQUITY

At March 31, 2020, shareholders' equity amounted to 4,583,463 thousand euros, the breakdown of which is as follows:

(thousands of euros)	03/31/2020	12/31/2019
Share capital issued	600,000	600,000
Minus treasury shares	(222)	(222)
Share capital	**599,778**	**599,778**
Share premium reserve	**3,691,609**	**660,000**
Other reserves	**119,233**	**119,195**
Legal reserve	*120,000*	*120,000*
Provision for instruments representing net equity	*600*	*533*
Treasury share reserve in excess of nominal value	*(1,215)*	*(1,215)*
Other reserves	*(152)*	*(123)*
Retained earnings (losses) including earnings (losses) for the period	**172,843**	**182,219**
Total	**4,583,463**	**1,561,192**

BENEFIT PLANS IN THE FORM OF EMPLOYEE STOCK OPTIONS

The Provision for instruments representing net equity of 600 thousand euros refers to:

- the general stock option plan (19 thousand euros) in existence within the TIM Group and subscribed to by a number of employees who transferred to Inwit;
- the 2014-2016 stock option plan (15 thousand euros) launched by the TIM Group and subscribed to by a number of employees who transferred to Inwit;
- The LTI plan (566 thousand euros) at December 31, 2019, is used for long-term retention and incentive purposes, as these apply to the managers and the personnel of the TIM Group.

NOTE 12 – EMPLOYEE BENEFITS

The item has the following breakdown and movements:

(thousands of euros)	12/31/2019	Merger	Increase/ Present value	Decrease	03/31/2020
Provision for employee severance indemnities	1,791	1,414	110	(162)	3,153
Total	**1,791**	**1,414**	**110**	**(162)**	**3,153**
Of which :					
Non-current amount	*1,791*				*3,153*
Current amount	*-*				*-*

Compared to December 31, 2019, the **Provision for employee severance indemnities** increased by 1,362 thousand euros mainly following the merger by incorporation of VOD Towers (1,414 thousand euros).

NOTE 13 – PROVISIONS FOR RISKS AND CHARGES

Compared to December 31, 2019, these have increased in value by 198,846 thousand euros, and show the following composition and changes:

(thousands of euros)	12/31/2019	Merger	Increase	Decrease	Other changes	03/31/2020
Provision for restoration costs	101,506	114,823	520	(170)	-	216,679
Deferred tax liabilities	-	72,803	13,742	-	14	86,559
Provision for legal disputes and other risks	600		-	-	-	600
Total	**102,106**	**187,626**	**14,262**	**(170)**	**14**	**303,838**
Of which:						
Non-current amount	*101,656*					*303,388*
Current amount	*450*					*450*

The **Provision for restoration costs** increased mainly due to both the allocation of costs for the dismantling of sites connected with the passage of time 520 thousand euros) and the merger by incorporation VOD TOWERS (114,823 thousand euros).
The decrease in provision for restoration costs relates to the coverage of costs incurred in the period (170 thousand euros).

Deferred tax liabilities increased both for taxes for the period (10,856 thousand euros) and for the merger by incorporation of VOD TOWERS (72,803 thousand euros).

NOTE 14 – FINANCIAL LIABILITIES (NON-CURRENT AND CURRENT)

Non-current and current financial liabilities (gross financial debt) were broken down as follows:

(thousands of euros)		12/31/2019	Merger	Other changes during the period	03/31/2020
Financial payables (medium/long-term):					
Amounts due to banks		69,943	-	2,134,223	2,204,166
Leasing liabilities		530,461	373,722	(402)	903,781
Other financial payables		70,000	-	(70,000)	-
Total non-current financial liabilities	**(a)**	**670,404**	**373,722**	**2,063,821**	**3,107,947**
Financial payables (short-term):					
Amounts due to banks		13,927	-	7,144	21,071
Leasing liabilities		109,600	65,625	2,612	177,837
Other financial payables		134	-	(134)	-
Total current financial liabilities	**(b)**	**123,661**	**65,625**	**9,622**	**198,908**
Total Financial liabilities (Gross financial debt)	**(a+b)**	**794,065**	**439,347**	**2,073,443**	**3,306,855**

Financial payables (medium/long-term):

- **Amounts due to banks** mainly refer to loan agreements, net of the related issue discounts and accrued income and prepayments, subscribed respectively to:

  - December 2019 with a pool of national and international banks for a total amount of 3,000,000 thousand euros used for 2,150,500 thousand euros; the breakdown by type of financing is shown below:
    - 1,000,000 thousand euros Term Loan with a 5-year maturity and bullet repayment at maturity;
    - Bridge Loan of 1,150,500 thousand euros with a duration of 18 months plus an extension of 6 months with repayment of the bullet at maturity.

    These amounts were intended for 2,140,000 thousand euros for the purchase of the investment in VOD TOWERS and for 10,500 thousand euros for Fees due at the time of use.
  - November 2018 with Banca Popolare di Sondrio for 40,000 thousand euros with bullet repayment at maturity in December 2023;
  - May 2019 with MUFG for 30,000 thousand euros, bullet repayment at maturity on May 31, 2024.

- **Finance lease liabilities** refer to leases accounted for pursuant to IFRS 16, which came into force on January 1, 2019;

Financial payables (short-term):

- **Payables to banks** refer to the syndicated loan agreement signed in May 2015 for 120,000 thousand euros with Mediobanca - Banca di Credito Finanziario S.p.A., Intesa Sanpaolo S.p.A. and UniCredit S.p.A., with repayment starting from November 2017 and maturity in May 2020; the total amount is 20,040 thousand euros;

- **Finance lease liabilities** refer to leases accounted for pursuant to IFRS 16, which came into force on January 1, 2019;

"COVENANTS", "NEGATIVE PLEDGES" AND OTHER CONTRACTUAL CLAUSES IN EFFECT AT MARCH 31, 2020

The banking loan agreements include some general pledges and covenants, both positive and negative, in line with market practice for loans of similar amounts and nature.
The banking loan agreement and the intercompany loan both contain a cross-default clause on the Company's debt, but not a cross-default clause linked to TIM Group companies and an exchange control clause.
Furthermore, in the banking loan agreement, there is clause relating to the termination of the main MSA agreement; these events entitle the lenders to ask the Company for compulsory early repayment.
The loan agreement signed in December 2019, for an amount of 3,000,000 thousand euros, contains some general and covenant commitments in line with market practice and legal standards prepared by the Loan Market Association which grant lending Banks the faculty to cancel the commitments undertaken and/or request early repayment of the sums used by the Company.

NOTE 15 – NET FINANCIAL DEBT

The table below shows the Company's net financial debt at March 31, 2020, calculated in accordance with paragraph 127 of the recommendations contained in ESMA document No. 319 of 2013, implementing Regulation (EC) 809/2004.
The table also includes the reconciliation of net financial debt calculated according to the criteria established by ESMA and those used by INWIT to monitor its own financial position.

(thousands of euros)	03/31/2020 (*)	12/31/2019
A Cash	-	-
B Cash and cash equivalents	39,743	66,569
C Securities held for trading	-	-
D Liquidity (A + B + C)	**39,743**	**66,569**
E Current financial receivables	121	15,117
F Current financial payables	-	-
G Current portion of financial payables (medium/long-term)	(198,908)	(123,661)
H Other current financial payables	-	-
I Current financial debt (F+G+H)	**(198,908)**	**(123,661)**
J Net current financial debt (I+D+E)	**(159,044)**	**(41,975)**
K Medium/long term financial payables	(3,107,947)	(670,404)
L Bonds issued	-	-
M Other non-current financial payables	-	-
N Non-Current financial debt (K+L+M)	**(3,107,947)**	**(670,404)**
O Net financial debt as recommended by ESMA (J+N)	**(3,266,991)**	**(712,379)**
Other financial receivables and other non-current financial assets (**)	8,850	235
INWIT Net Financial Debt	**(3,258,141)**	**(712,144)**

(*) As regards the effects of related party transactions on Net Financial Debt, reference should be made to the specific table included in the Note "Related Parties".

(*) This item refers to loans granted to certain employees of the Company at March 31, 2020.

NOTE 16 - TRADE AND MISCELLANEOUS PAYABLES AND OTHER (NON-CURRENT AND CURRENT) LIABILITIES

The item was composed as follows at March 31, 2020:

(thousands of euros)		12/31/2019	*of which IFRS 9 Financial Instruments*	Merger	Other changes during the period	03/31/2020	*of which IFRS 9 Financial Instruments*
Miscellaneous payables and other non-current liabilities							
Other non-current liabilities		5,099	-	-	(3,749)	1,350	-
Miscellaneous non-current operating payables		428	-	-	(74)	354	-
Miscellaneous non-current non-operating payables		4,089	-	-	-	4,089	-
Total miscellaneous payables and other non-current liabilities	**(a)**	**9,616**	**-**	**-**	**(3,823)**	**5,793**	**-**
Total trade payables	(b)	**104,436**	***104,436***	**34,427**	**5,436**	**144,299**	***144,299***
Miscellaneous payables and other current liabilities							
Other current liabilities		9,167	-	2,150	63	11,380	-
Miscellaneous current operating payables		5,229	-	28,632	854	34,715	-
Miscellaneous current non-operating payables		4,021	-	-	569,150	573,171	-
Total miscellaneous payables and other current liabilities	**(c)**	**18,417**	-	**30,782**	**570,067**	**619,266**	-
Total trade and miscellaneous payables and other current liabilities	**(b+c)**	**122,853**	***104,436***	**65,209**	**575,503**	**763,565**	***144,299***
Total Current income tax payables	**(d)**	**801**	**-**	**18,115**	**-**	**18,916**	**-**
Total	**(a+b+c+d)**	**133,270**	***104,436***	**83,324**	**571,680**	**788,274**	***144,299***

Miscellaneous payables and other non-current liabilities mainly refer to prepayments on active contracts with customers (780 thousand euros), payables to social security agencies (354 thousand euros) and tax consolidation payables to TIM (4,089 thousand euros).

Trade payables refer mainly to the supply of electrical power and rents due.

Miscellaneous payables and other current liabilities mainly refer to prepayments on contracts with customers (11,380 thousand euros), tax payables (28,711 thousand euros), payables to employees (2,175 euros), tax consolidation payables to TIM (3,194 thousand euros) and payables for dividends

(569,975 thousand euros). The book value of trade and miscellaneous payables and other current liabilities is considered a reasonable approximation of their respective fair value.

NOTE 17 - REVENUES

Revenues amounted to 102,957 thousand euros, broken down as follows:

(thousands of euros)	1st Quarter 2020	1st Quarter 2019
Revenues		
Revenues from TIM	79,811	71,958
Revenues from Vodafone Italia	881	-
Revenues from third parties	22,265	22,944
Total	**102,957**	**94,902**

The item includes the revenues attributable to the period and relate to services provided in the course of ordinary business.

Revenues from TIM amount to 79,811 thousand euros and mainly refer to the Master Service Agreement. The total includes 6,765 thousand euros relating to the deferral of deferred revenues for contributions to activate new sites, invoiced to TIM in previous years and deferred over the residual life of the original contract. Following the early termination of the contract, the balance of deferred revenues was released to the income statement in the first quarter.

Revenues from Vodafone Italia amount to 881 thousand euros and refer to the new Master Service Agreement

The item **Revenues from third parties**, amounting to 22,265 thousand euros, refers essentially to hosting services offered by the Company to Italian mobile operators. Relationships with these operators are regulated by long-term commercial agreements.

NOTE 18 – ACQUISITION OF GOODS AND SERVICES

The item amounted to 11,633 euros and breaks down as follows:

(thousands of euros)		1st Quarter 2020	1st Quarter 2019
Purchases of materials and goods for resale	**(a)**	**326**	**197**
Costs for services			
Maintenance		1,447	1,633
Professional services		1,017	1,219
Other service expenses		7,697	2,356
	(b)	**10,161**	**5,208**
Lease and rental costs			
Rent and leases		817	2,533
Other lease and rental costs		329	261
	(c)	**1,146**	**2,794**
Total	**(a+b+c)**	**11,633**	**8,199**

The item "Other service expenses" increased mainly due to the recognition of extraordinary charges for corporate transactions of 4,995 thousand euros.

NOTE 19 - AMORTIZATION, GAINS/LOSSES ON DISPOSALS AND IMPAIRMENT LOSSES ON NON-CURRENT ASSETS

Amortization, gains/losses on disposals and impairment losses on non-current assets amounted to 41,443 thousand euros, and are composed as follows:

(thousands of euros)		1st Quarter 2020	1st Quarter 2019
Amortization of intangible assets with a finite useful life	**(a)**	**176**	**607**
Depreciation of owned tangible assets	**(b)**	**3,488**	**3,404**
Amortization of rights of use on third-party assets	**(c)**	**27,639**	**26,934**
(Gains)/losses on disposals and impairment losses on non-current assets	**(d)**	**(15)**	**108**
Total	**(a+b+c+d)**	**31,288**	**31,053**

For further details, see the Notes "Intangible assets with a finite useful life", "Tangible assets" and "Rights of use on third-party assets".

NOTE 20 – FINANCIAL INCOME AND EXPENSES

FINANCE INCOME

Income is equal to 2 thousand euros and mainly refers to interest income on financial receivables and bank deposits.

FINANCIAL EXPENSES

Financial expenses amounted to 9,468 thousand euros and break down as follows:

(thousands of euros)	1st Quarter 2020	1st Quarter 2019
Interest expenses and other financial expenses		
Interest to banks	719	277
Interest expense for finance leases	4,680	4,968
Financial fees	2,777	57
Other financial expenses	1,292	852
Total	**9,468**	**6,154**

Interest expense with banks refers to the financial charges paid during the period for the syndicated loan agreement and the medium/long-term financial payables described in Note 14 - Financial liabilities (non-current and current).

Financial commissions mainly refer to commitment fees due for signing a loan agreement with a pool of banks to finance:

- the acquisition by the Company of the minority shareholding in VOD Towers;
- the distribution of the extraordinary dividend, as well as to refinance part of the Company's existing debt and finance its cash needs.

The **Other financial expenses** chiefly refer to the adjustment of the provision for restoration charges (520 thousand euros) and to the intercompany loan (618 thousand euros).

NOTE 21 – CONTINGENT LIABILITIES, COMMITMENTS AND GUARANTEES

MAIN DISPUTES AND PENDING LEGAL ACTIONS

As of March 31, 2020, the Company is involved in about sixty disputes, four of which indicated as having a "probable" risk of being lost by defence lawyers.
In relation to the progress of the aforementioned cases and based on the information available at the time of closing these Financial Statements, a total amount of 150 thousand euros has been allocated to the risk provision.

COMMITMENTS AND GUARANTEES

With regard to guarantees issued by banks or insurance companies to owners of the land where the infrastructure is located, INWIT has undertaken to reimburse all sums that for any reason whatsoever the bank or the insurance company were to bear due to failure to comply with contractual obligations, the Company waiving any objection or opposition, including any legal action.

NOTE 22 - RELATED PARTIES

The tables summarizing the balances of related party transactions in absolute amounts and as a percentage of the corresponding values of the separate income statement, of financial position and cash flow statement are shown below. Related party transactions, when not dictated by specific laws, were conducted at arm's length. The transactions were subject to an internal procedure (available for consultation on the website www.inwit.it), which establishes procedures and time scales for verification and monitoring.

Although said agreements were settled at normal market conditions, there is no guarantee that, if they had been entered into by or with third parties, the latter would have negotiated and concluded them at the same conditions and by the same methods.

Items of the consolidated statement of financial position

The effects of the transactions with related parties on the items of the statement of financial position at December 31, 2019 and March 31, 2020 are shown below:

STATEMENT OF FINANCIAL POSITION LINE ITEMS AT 12/31/2019

(thousands of euros)	Total (a)	Related Parties TIM	Senior management	Other related parties	Total related parties (b)	*As a % of the financial statements item (b)/(a)*
NET FINANCIAL DEBT						
Cash and cash equivalents	**66,569**	1,401	-	-	1,401	*2.1%*
Financial receivables (short-term)	**15,117**	-	-	15,009	15,009	*99.3%*
Non-current financial liabilities	**(670,404)**	(47,913)	-	(70,009)	(117,922)	*17.6%*
Current financial liabilities	**(123,661)**	(20,814)		(135)	(20,949)	*16.9%*
Total net financial debt	**(712,144)**	**(67,326)**	**-**	**(55,135)**	**(122,461)**	***17.2%***
OTHER STATEMENT OF FINANCIAL POSITION LINE ITEMS						
Miscellaneous trade receivables	**83,111**	42,169	-	-	42,169	*50.7%*
Miscellaneous payables and other non-current liabilities	**(9,616)**	(8,206)	-	-	(8,206)	*85.3%*
Miscellaneous trade payables and other current liabilities	**(123,302)**	(37,158)	(924)	(41,954)	(80,036)	*64.9%*

STATEMENT OF FINANCIAL POSITION LINE ITEMS AT 03/31/2020

(thousands of euros)	Total (a)	Related Parties TIM	Senior management	Vodafone Italia	Other related parties	Total related parties (b)	*As a % of the financial statements item (b)/(a)*
NET FINANCIAL DEBT							
Cash and cash equivalents	**39,743**	-	-	188	-	188	*0.5%*
Non-current financial liabilities	**(3,107,947)**	(42,682)	-	(19,116)	(9)	(61,807)	*2.1%*
Current financial liabilities	**(198,908)**	(20,871)	-	(1,274)	(1)	(22,146)	*11.0%*
Total net financial debt	**(3,258,141)**	**(63,553)**	**-**	**(20,202)**	**(10)**	**(83,765)**	***2.7%***
OTHER STATEMENT OF FINANCIAL POSITION LINE ITEMS							
Miscellaneous trade receivables	**248,541**	109,630	-	8,101	5	117,736	*47.4%*
Miscellaneous payables and other non-current liabilities	**(5,793)**	(4,497)	-	-	-	(4,497)	*77.6%*
Miscellaneous trade payables and other current liabilities	**(764,015)**	(219,232)	(1,061)	(218,693)	(47,980)	(486,966)	*63.1%*

Net Financial Debt, cash and cash equivalents consist of the current account (188 thousand euros) held with Vodafone Italia and derive from the merger by incorporation of VOD TOWERS.

The medium/long-term and short-term financial payables to TIM relate to the introduction of the IFRS 16 standard while the financial payables to Vodafone Italia refer to the merger by incorporation of Vodafone Towers.

Trade and miscellaneous receivables and other current assets with TIM (109,630 thousand euros) mainly include the measurements relating to the recovery of electricity expenses, tax consolidation and prepaid expenses.

Trade and miscellaneous receivables and other current assets with Vodafone Italia refer to the rent under the new Master Service Agreement (881 thousand euros) and to the lease payments for hosting and recovery of electricity expenses (7,220 thousand euros) previously agreed.

Miscellaneous payables and other non-current liabilities to TIM (4,497 thousand euros) mainly consist of tax consolidation payables (4,083 thousand euros).

Miscellaneous trade payables and other current liabilities to TIM mainly refer to service contracts, site restoration activities, ordinary and extraordinary maintenance carried out on sites and other services, various non-current and current payables for tax consolidation and debt by dividend.

Miscellaneous trade payables and other current liabilities to Vodafone Italia refer to the merger by incorporation of VOD TOWERS, to the dividend debt (213,815 thousand euros) and to the deferred income of active contracts (3,683 thousand euros).

Payables to Senior Management (amounting to 1,061 thousand euros) refer to amounts payable to key management personnel of the Company.

Payables to other related parties (47,980 thousand euros) mainly consist of trade payables to Telenergia S.r.l. for electricity.

Items of the income statement

The effects of the transactions with related parties on the items of the income statement at March 31, 2020, and for the corresponding period of the previous financial year, are the following:

ITEMS OF THE INCOME STATEMENT AT 03/31/2019

(thousands of euros)	Total (a)	TIM	Senior management	Other related parties	Total related parties (b)	*% of financial statement item (b)/(a)*
Revenues	**94,902**	71,958	-	225	72,183	*76.1%*
Acquisition of goods and services	**(8,199)**	(2,058)	-	(45)	(2,103)	*25.6%*
Employee benefits expenses - Ordinary	**(2,762)**	(4)	(313)	-	(317)	*11.5%*
Other operating expenses	**(564)**	(3)	-	-	(3)	*0.5%*
Finance income	**167**	-	-	4	4	*2.4%*
Financial expenses	**(6,154)**	(380)	-	(149)	(529)	*8.6%*

ITEMS OF THE INCOME STATEMENT AT 03/31/2020

(thousands of euros)	Total (a)	TIM	Senior management	Vodafone Italia	Other related parties	Total related parties (b)	*% of financial statement item (b)/(a)*
Revenues	**102,957**	79,811	-	881	-	80,692	*78.4%*
Acquisition of goods and services - Ordinary charges	**(6,638)**	(1,946)	-	-	(22)	(1,968)	*29.6%*
Employee benefits expenses - Ordinary	**(2,780)**	(49)	(345)	-	-	(394)	14.2%
Other operating expenses	**(522)**	(3)	-	-	-	(3)	0.6%
Financial expenses	**(9,468)**	(294)	-	-	(149)	(443)	*4.7%*

Revenues from the Parent Company (79,811 thousand euros) refer mainly to rental revenues ensuing from the Master Service Agreement.

Revenues from Vodafone Italia (881 thousand euros) refer exclusively to rental revenues ensuing from the Master Service Agreement.

Purchases of materials and services from TIM (1,946 thousand euros) mainly refer to maintenance services (1,119 thousand euros), outsourced services (166 thousand euros), telephone costs (27 thousand euros) and other service costs (576 thousand euros). Purchases of materials and services from other related parties (22 thousand euros) mainly refer to outsourced services from H.R. Services.

Employee benefits expense for senior management (345 thousand euros) refer to compensation due to Company key managers.

Financial expenses to TIM (294 thousand euros) refer to interest expense on finance leases. Financial expenses related to other related parties (149 thousand euros) refers to interest expense on financial payables to TI Finance SA.

Items of the Statement of financial position

The effects of the transactions with related parties on the items of the statement of financial position at March 31, 2020, and for the corresponding period of the previous financial year, are the following:

ITEMS OF THE STATEMENT OF FINANCIAL POSITION AT 03/31/2019

(thousands of euros)	Total (a)	Related Parties TIM	Senior management	Other related parties	Total related parties (b)	% of financial statement item (b)/(a)
Operating activities:						
Change in trade receivables	**(16,148)**	(3,154)	-	(635)	(3,789)	*23.5%*
Change in trade payables	**4,932**	(3,603)	-	12,088	8,485	*172.0%,*
Net change in miscellaneous receivables/payables and other assets/liabilities	**1,176**	77,581	(269)	260	77,572	*-%*
Change in current and non-current financial liabilities	**(20,417)**	(5,056)	-	-	(5,056)	*24.8%*

ITEMS OF THE STATEMENT OF FINANCIAL POSITION AT 03/31/2020

(thousands of euros)	Total (a)	Related Parties TIM	Senior management	Vodafone Italia	Other related parties	Total related parties (b)	% of financial statement item (b)/(a)
Operating activities:							
Change in trade receivables	**(7,070)**	(8,429)	-	(208)	(5)	(8,642)	*-122.2%*
Change in trade payables	**15,678**	3,088	-	-	6,026	23,588	*58.1%*
Net change in miscellaneous receivables/payables and other assets/liabilities	**(23,651)**	(7,340)	137	-	-	(7,203)	*30.5%*
Change in current and non-current financial liabilities	**2,053,050**	5,288	-	-	(70,134)	(64,846)	*-3.2%*

For the first three months of 2020, the table shows two significant changes. The first related to the increase in various payables to Other related parties mainly due to the increase in the commercial debt to Telenergia srl. The second related to settlement of the loan with TI Finance SA.

REMUNERATION OF KEY MANAGERS

The remuneration recorded on an accrual basis in respect of key managers amounted to 345 thousand euros.

The short-term compensation is paid during the financial year to which it refers and, in any case, within the six months following the end of the financial year (the entitlements related to the 2020 MBO will be paid during the second quarter of 2021).

The contributions paid in to defined contribution plans (Assida, Fontedir) on behalf of key managers, amounted to 10 thousand euros.

The Company's "key managers", that is, those who have the power and responsibility to plan, manage, and control, directly or indirectly, the Company's activities, including the directors, are identified as follows:

INWIT SPA	
Directors:	
Giovanni Ferigo	CEO
Managers:	
Andrea Balzarini	Head of Administration, Finance and Control & Business Support until 03/30/2020
Diego Galli	Head of Administration, Finance and Control & Business Support appointed key manager by the BoD of 03/31/2020
Elisa Patrizi	Head of Operations & Maintenance
Gabriele Abbagnara	Head of Marketing & Sales
Massimo Scapini	Head of Technology Governance & MSA, appointed key manager by the BoD of 03/31/2020

NOTE 23 – SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

Pursuant to Consob Communication no. DEM/6064293 of July 28, 2006, below is the information on the impact on INWIT's economic results of non-recurring events and operations at March 31, 2020.

(thousands of euros)	1st Quarter 2020	1st Quarter 2019
Charges associated with extraordinary transactions	(4,995)	-
Charges related to restructuring and rationalization processes	-	(557)
Impact on Operating profit before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)	**(4,995)**	**(557)**
Impact on Operating profit (loss) (EBIT)	**(4,995)**	**(557)**
Impact on Profit (loss) before tax	**(4,995)**	**(557)**
Income taxes on non-recurring items	1,424	159
Impact on the Profit (Loss) of the Period	**(3,571)**	**(398)**

NOTE 24 – POSITIONS OR TRANSACTIONS RESULTING FROM ATYPICAL AND/OR UNUSUAL OPERATIONS.

In accordance with Consob Communication DEM/6064293 of July 28, 2006, during the first quarter, no atypical and/or unusual transactions occurred as defined by the Communication.

NOTE 25 – EVENTS SUBSEQUENT TO MARCH 31, 2020

It should be noted that on April 23, 2020 TIM and Vodafone Italia concluded an Accelerated Book Building transaction which resulted in the two shareholders each holding 33.173% of the share capital.

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DECLARATION BY THE MANAGER RESPONSIBLE FOR PREPARING THE COMPANY'S FINANCIAL REPORTS

The manager responsible for preparing the corporate financial reports declares, pursuant to paragraph 2, art. 154-bis of the Consolidated Law on Finance, that the accounting disclosure contained in the Interim Report at March 31, 2020 of the INWIT Group corresponds to the Company's documents, accounting records and entries.

The Manager Responsible for Preparing
the Company's Financial Reports

Diego Galli

INFRASTRUTTURE WIRELESS ITALIANE SPA

REVIEW REPORT ON CONDENSED INTERIM FINANCIAL STATEMENTS AS OF AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020

REVIEW REPORT ON CONDENSED INTERIM FINANCIAL STATEMENTS AS OF AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020

To the Board of Director of
Infrastrutture Wireless Italiane SpA

Foreword

We have reviewed the accompanying condensed interim financial statements of Infrastrutture Wireless Italiane SpA as of and for the three-month period ended 31 March 2020, comprising the statement of financial position, the separate income statement, the statement of comprehensive income, the statement of changes in net equity, the cash flow statement and related notes. The directors of Infrastrutture Wireless Italiane SpA are responsible for the preparation of the condensed interim financial statements in accordance with International Accounting Standard applicable to interim financial reporting (IAS34) as adopted by the European Union. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of condensed interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than a full-scope audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements of Infrastrutture Wireless Italiane SpA as of and for the three-month period ended 31 March 2020 have not been prepared, in all material respects, in accordance with International Accounting Standard applicable to interim financial reporting (IAS34) as adopted by the European Union.

Other Matters

The condensed interim financial statements of Infrastrutture Wireless Italiane SpA as of and for the three-month period ended 31 March 2019 were not audited or reviewed

Milan, 15 May 2020

PricewaterhouseCoopers SpA

Signed by
Paolo Caccini
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers.

PricewaterhouseCoopers SpA

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