

### INWIT: BOARD OF DIRECTORS EXAMINES AND APPROVES THE INTERIM REPORT ON OPERATIONS AS AT 30 SEPTEMBER 2020 AND THE UPDATE TO THE 2021-2023 BUSINESS PLAN

- ▶ IN THE FIRST 9 MONTHS OF 2020: REVENUES STOOD AT 473.5 MILLION EUROS, EBITDA AT 432.4 MILLION AND PROFIT AT 111.9 MILLION.
- ▶ DURING THE THIRD QUARTER, REVENUES INCREASED TO 186.1 MILLION EUROS, EBITDA TO 172.8 MILLION AND PROFIT TO 40.3 MILLION. IMPROVEMENT ON Q2 2020: REVENUES +0.9%; EBITDA +0.7%; EBIT +7.2% and PROFIT +5.7%.
- ▶ STRONG BUSINESS GROWTH WITH 510 NEW MOBILE OPERATOR AND FWA HOSTINGS IN THE THIRD QUARTER.
- ▶ 2021-2023 BUSINESS PLAN ENVISAGES INVESTMENTS TOTALLING AROUND 600 MILLION EUROS.
- ▶ THE 2021-2023 PLAN SETS STRONG AVERAGE ANNUAL GROWTH TARGETS FOR THE PERIOD: REVENUES +8%, EBITDA +8%, RECURRING FREE CASH FLOW +23%. GRADUAL DELEVERAGING.
- ▶ STRONG GROWTH WITH MORE THAN TEN THOUSAND NEW HOSTINGS IN THREE YEARS SUPPORTING BOTH A QUICK AND EFFICIENT ROLLOUT OF TIM AND VODAFONE'S 5G AND THE DEVELOPMENT OF ALL MOBILE AND FWA MARKET OPERATORS.
- ▶ DIVIDEND POLICY APPROVED IN THE BUSINESS PLAN: € 0.30 PER SHARE STARTING WITH THE DIVIDEND FOR 2020 TO BE PAID IN 2021 AND AN ANNUAL 7.5% INCREASE IN THE FOLLOWING YEARS OF THE THREE-YEAR PLAN, BROADLY IN LINE WITH BUSINESS GROWTH.
- ▶ NEW SUSTAINABILITY PLAN: TARGET BEING CARBON NEUTRAL IN 2025.
- ▶ FERIGO: ACCELERATION IN THE THIRD QUARTER OF 2020 CONFIRMED. NEW BUSINESS PLAN EXPECTED TO SECURE STRONG GROWTH OVER THE THREE YEAR PERIOD. READY TO PLAY A LEADING ROLE IN THE DIGITAL TRANSFORMATION PROCESS AND TO SUPPORT OPERATORS AS THEY ROLL OUT 5G.

Rome, 5 November 2020 - The Board of Directors of Infrastrutture Wireless Italiane S.p.A. (INWIT), met today, chaired by Emanuele Tournon, and examined and approved the Interim Report on Operations as at 30 September 2020 and the update of the 2021-2023 Business Plan.



## 3Q 2020 main results

The results for the third quarter of 2020 indicate **significant progress of the business**.

Compared with the same period of 2019, the following increases are noted in the main economic indicators that reflect the changes to the company's scope: revenues + 93.3% to 186.1 million euros, EBITDA +106.1% to 172.8 million and profit +36% to 40.3 million.

The growth is borne out by the **comparison with the second quarter of 2020**, revealing an increase in values: **revenues +0.9%, EBITDA +0.7%, EBIT +7.2% and Profit +5.7%**. As for the pro-forma values of the same period of the previous year (which include the pro-forma value of Vodafone Towers and enable a comparison on a like-for-like business scope), **revenue growth is 1.9%**.

In terms of industrial results, the data shows growth in **hosting on sites (+510)** by the main mobile and FWA operators and the development of **more than 600 new units relating to DASs (Distributed Antenna Systems) for indoor micro coverage**.

Partly thanks to the quarter's results, the 2020 guidance has been updated and improved, with revenues on the upper end of the range disclosed in July 2020 and EBITDA, EBITDaL and recurring free cash flow slightly above the figures notified.

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## Main Results as at 30 September 2020

During the first nine months of 2020 (the period in which cumulative economic and financial indicators reflect the change in scope following the 31.03.2020 merger with Vodafone Towers S.r.l. and the consolidation of the IIQ and IIIQ results that incorporate the new corporate structure):

- **revenues** stood at 473.5 million euros, up 62.1% compared with the same period of 2019 (292.2 million euros), by virtue of the change in scope. Please note that one-off revenues are entered in both the first nine month periods of 2020 and 2019. Net of these items, the comparison with the same period of 2019 showed a 62.4% growth resulting from the change in scope;
- **EBITDA** amounted to 432.4 million euros, up 69.1% compared with the first nine months of 2019 as a result of the change in the company's scope. This percentage grows to 70.7% if the mentioned one-off revenues are excluded along with the one-off costs relating to the merger with Vodafone Towers;
- **EBIT** was 206.8 million euros, a 31.0% increase compared with the same period of 2019 by virtue of the change in scope. Excluding the aforementioned one-off revenues/costs, the increase versus the same period of 2019 was instead 33.0%;
- **profit** stood at 111.9 million euros, up by 13.2% compared with the same period of 2019 (16.0% excluding the aforementioned one-off revenues/costs) by virtue of the change in the company's scope;
- **business investments** during the first nine months of the year came to 77.6 million euros, up 42.5 million euros versus the first nine months of 2019 (+121.3%);

- **recurring free cash flow** for the first nine months of 2020 - calculated net of one-off items - came to 227.2 million euros, up 67.1% compared with the same period of 2019 by virtue of the change in the company's scope;
- net **financial debt** amounted to 3.8 billion euros, down compared with the 4 billion euros entered for the previous quarter. With respect to December 2019 (712.1 million euros), the increase should be considered in connection with the extraordinary corporate integration with Vodafone Towers and with the related contribution to the IFRS16 financial liabilities.

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## 2021-2023 Business Plan Update

The Board of Directors has also examined and approved the **update to INWIT's Business Plan for 2021-2023**.

The Plan envisages strong business growth for the company, with an ambitious plan of **cumulative investments for 2021-2023 of around 600 million euros**. Investments will be used to develop **new sites** (towers), to strongly develop indoor and outdoor **micro coverage** with **DASs** (Distributed Antenna Systems) and small cells, as well as to develop optical fibre **backhauling** and to increase the owned plots of land.

Thanks to the support offered by this development plan and the efficient management, all financial parameters are expected to show strong growth in 2021-2023.

In terms of **revenues**, the Business Plan forecasts an average annual growth of **8%**.

**EBITDA** is expected to rise by an annual average growth of 8% over the same period.

**Recurring free cash flow** is expected to grow by an average of 23% per year.

During the period of the plan, **debt** is expected to stay stable with a reduction in financial leverage to a **ratio of 4.6x at 2023**.

**From an industrial standpoint, the plan forecasts strong growth in hosting for TIM and Vodafone with more than ten thousand new sites in support of a fast and efficient rollout of 5G technology. The plan also provides for a significant increase in hosting for all the major market operators, both mobile and FWA, a technology that shows particularly strong growth dynamics.**

The plan, on the basis of the economic-financial development forecast therein, approves the dividend policy that envisages a dividend per share of € 0,30 to be paid in 2021 following approval of the 2020 financial statements - and an annual 7.5% increase in the following years of the three-year plan, broadly in line with business growth.

The additional projection of the plan through to 2026 improves the financial and operational objectives of the plan disclosed in July 2019. More specifically, recurring free cash flow is forecast at around 700 million euros, showing a clear improvement (600 million previously).



## 2021-2023 Sustainability Plan

Alongside the Business Plan, the Board of Directors also approved the **new 2021-2023 Sustainability Plan**, which takes its cue from the UN 2030 Agenda and focusses on five areas of commitment (Governance, People, Environment, Innovation and Community).

The Sustainability Plan assigns our people a central role, with actions aimed at developing talent and know-how, at increasing the corporate identity, at promoting awareness of diversity and inclusion and the culture of health and safety.

The most challenging targets include achieving **carbon neutrality** by 2025 by defining a **Climate Strategy**, developing renewable sources, implementing energy efficiency initiatives and using green energy.

In terms of innovation, the company aims to develop and consolidate digital infrastructure, strengthening micro coverage through DASs and small cells and offering hosting to multiple technologies through a tower upgrade that will look to smart cities, the Internet of Things and drones.

The Sustainability Plan also comprises projects providing for the coverage of small municipalities and rural areas, as well as projects for the coverage of social and cultural venues, such as hospitals, museums and universities.

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*“The third quarter of 2020 provides us with data that confirms the operational acceleration of the company.” - INWIT’s Chief Executive Officer, Giovanni Ferigo stresses - “We have increased the number of hostings on our towers and we are also very satisfied with the micro coverage business, small cells and DASs. Recent commercial successes include the agreements for coverage of line 4 of the Milan underground railway, the Bologna Philip Morris Manufacturing & Technology plant in Crespellano and the Departments of Engineering of the Federico II University, as well as the start of collaboration with TIM for the development of 5G small cells starting from Milan and Genoa. The 2021-2023 Business Plan approved today by the Board of Directors envisages strong company growth over the next three years: we will be investing approximately 600 million euros to support both our business and all operators, concurrently ensuring an improvement in the company's financial results, a deleveraging and an important dividend policy. We are ready to play a leading role in the digital transformation process, supporting operators in the rollout of new infrastructure required for the implementation of 5G, FWA and micro coverage with DASs and small cells, while also monitoring future technological opportunities. We have also prepared a new sustainability plan with significant objectives such as carbon neutrality by 2025 and the definition of the climate strategy”.*

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## Events after 30 September 2020

On 13 October 2020 INWIT successfully completed its second bond issue for a total amount of 750 million euros, as notified on the same date.

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## Outlook for financial year 2020

Following the merger with Vodafone Towers S.r.l., INWIT has become the biggest Italian operator in the sector. Its mission will be that of supporting TIM and Vodafone Italia in creating the new network for the 5G rollout, while also guaranteeing the entire market access to its infrastructure, particularly thanks to the spaces vacated by the joint project between TIM and Vodafone Italia.

Meanwhile, the wireless infrastructure market continues to undergo a profound transformation process while experiencing a growing demand for services from mobile operators and other radio network players. Mobile operators need to increase their Service access points to expand their 4G coverage and accomplish the evolution from 4G to 5G. Fixed Wireless Access providers are also expanding their networks to boost coverage and improve the quality of services offered to customers.

Other radio network players like IoT or Public Safety providers are already in the market and the new entities specialized in specific product/market segments are expected to join the market thanks to the new use cases enabled by 5G. These market dynamics, combined with the growing willingness of operators to share infrastructure, have driven INWIT to predict additional growth in its traditional business, as well as a sharp acceleration in new businesses.

The COVID-19 health emergency has brought about a decline in the economy, with potentially negative impacts on the Company's economic and financial position. The rapid spread of COVID-19, which began in March 2020, and the ensuing health emergency are causing economic uncertainty, not only in Italy but across the globe. At present, however, the economic results have suffered no significant negative impacts that could give rise to losses in economic/financial performance or delays in implementation of the strategic plan.

The Company constantly monitors COVID-related risks and assesses the possible onset of the events affected by such risks, which are considered unlikely, in view of the fact that the relevant industrial sector is not particularly volatile and that the existing hostings and long-term contracts have a cyclical nature.

The potential risks identified by the company can be summarised as follows:

- potentially significant **negative impacts** on the **prospects of developing revenues and profit margins**;
- **delays** may ensue in the **supply of services** by the **Company's suppliers** (e.g. maintenance or construction of new Sites), the issue of **permits** by the various **public administrations** and in **orders** being placed by **Customers**;
- **increase in data consumption on mobile networks** may require mobile network operators (INWIT customers) to incur **higher interconnection costs** and make larger **investments in capacity and coverage**. **It may not be possible to reverse such greater costs** to the end consumers, or said consumers may **default**, with negative impacts on the economic-financial solidity of said operators;
- Potentially major **inflation fluctuations** - which may have a significant negative impact on the Issuer's economic and financial position - cannot be ruled out.

Information and conclusions on the potential risks specified herewith are in line with the Information Prospectus.

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### Infrastrutture Wireless italiane S.p.A.

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Share Capital 600,000,000.00 euros - Certified e-mail (PEC) [adminpec@inwit.telecompost.it](mailto:adminpec@inwit.telecompost.it)



The economic and financial results of the INWIT at 30 September 2020 will be illustrated to the financial community during a conference call scheduled for today 5 November 2020 at 5.45 pm (CET). Journalists may listen to the conference call, without asking questions, by calling: +39 06 33444. The presentation supporting the conference call will be made available in advance in the Investors section of the company website [www.inwit.it](http://www.inwit.it).

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Pursuant to sub-section 2, Article 154-bis of the Consolidated Law on Finance, the Manager responsible for preparing the corporate accounting documents, Diego Galli, has declared that the accounting disclosures contained in this press release correspond to the documentary evidence and the accounting books and records.

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INWIT draws up and publishes Interim Reports on Operations for the first and third quarters of each year on a voluntary basis. The INWIT Interim Report on Operations as at 30 September 2020 was drafted in accordance with art. 154-ter (Financial Reporting) of Legislative Decree 58/1998 (Consolidated Law on Finance - CLF) and subsequent amendments and supplements and prepared in compliance with the international accounting standards issued by the International Accounting Standards Board and approved by the European Union (defined as "IFRS"), as well as the provisions issued in implementation of art. 9 of Leg. Decree 38/2005.

The Interim Report on Operations as at 30 September 2020 comprises:

- the interim Report on operations;
- the Interim financial statements of Infrastrutture Wireless Italiane S.p.A. as at 30 September 2020;

Please note that the "Business Outlook for the 2020 financial year" chapter contains forward-looking statements about the Group's intentions, beliefs and current expectations with regard to its financial results and other aspects of the Group's operations and strategies. Readers of this press release should not place undue reliance on such forward-looking statements, as final results may differ significantly from those contained in the above-mentioned outlook owing to a number of factors, the majority of which are beyond the Group's control.

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