Interim Management Report

at March 31, 2021

INWIT

Contents

INTERIM MANAGEMENT REPORT AT MARCH 31, 2021

CONDENSED FINANCIAL STATEMENTS AT MARCH 31, 2021

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

BOARD OF DIRECTORS IN OFFICE AT MARCH 31, 2021

Chairman	Emanuele Tournon
CEO	Giovanni Ferigo
Directors	Giovanna Bellezza (1) Laura Cavatorta (Independent) Antonio Corda Angela Maria Cossellu (Independent) Sabrina Di Bartolomeo Sonia Hernandez Rosario Mazza (Independent) (1) Agostino Nuzzolo Secondina Giulia Ravera (Independent) Fabrizio Rocchio Francesco Valsecchi (Independent)
Secretary to the Board	Salvatore Lo Giudice

(1) On October 2, 2020, the Board of Directors co-opted Giovanna Bellezza and Rosario Mazza as Directors to replace Carlo Nardello and Filomena Passeggio who had resigned. The appointed Directors will remain in office until the next Shareholders' Meeting, were confirmed by the Shareholders' Meeting on April 20, 2021.

BOARD OF STATUTORY AUDITORS IN OFFICE AT MARCH 31, 2021

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

INWIT ACTIVITIES

INWIT history

Infrastrutture Wireless Italiane S.p.A. is **the largest operator in Italy in the wireless infrastructure sector**, which constructs and manages technological systems and civil structures (such as towers, pylons and poles) that host radio transmission equipment, mainly for telecommunications operators.
In pursuit of the goal of continuing to support the optimization of wireless services and driving the evolution of towers from passive infrastructure to connected, distributed and protected digital infrastructure, INWIT has expanded its offering in recent years with a series of additional services. In particular, INWIT is developing the coverage service for mobile telephony through its **DAS (Distributed Antenna System) systems**, which enable optimal coverage of sites with high traffic, both outdoors and indoors, which are particularly important for the technological transition underway from 4G to 5G.
As a result, INWIT is ideally positioned to support the ongoing digitalization process and serve the growing demand for connectivity.

INWIT's operations are directly linked to the birth and development of mobile telephony in Italy, at the hands of the two main operators in the sector. In fact, INWIT is the result of the merger between the wireless operations and infrastructure of Telecom Italia and Vodafone. The Company has a wealth of expertise gained over time through the construction and management of the infrastructure hosting the transmission systems of the different generations of mobile radio services that have followed one another over the years. Thanks to this evolution, which began 40 years ago, INWIT today provides its customers access to areas of strategic importance, also in relation to administrative and environmental aspects.

INWIT's history began in **March 2015** following the spin-off of Telecom Italia's "Tower" business line dedicated to the operational management, monitoring and maintenance of the group's towers and repeaters. INWIT then underwent a period of intensive organic growth, which was accompanied, in **March 2020**, by the merger with Vodafone Towers S.r.l., which significantly transformed its size and strategic profile. INWIT's infrastructure now consists of over 22,000 managed sites, spread throughout Italy, which host the transmission equipment of all the major national operators, and thousands of small cells and DAS systems.

INWIT contributes significantly to the coverage for wireless telephony services in Italy, increasing the number sites also in response to the development of new technologies, starting from 5G. All this makes it an essential infrastructure for the development of telecommunications technologies, providing widespread and extensive coverage that will also contribute substantially to overcoming the digital divide in Italy.

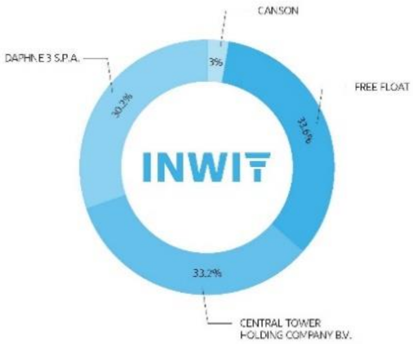
Exactly 5 years after their first day of listing, on June 22, 2020 INWIT's shares were included in the main Italian stock index, the FTSE MIB, before their entry in September into the STOXX® Europe 600, made up of 600 of the companies with the largest market capitalization in Europe.

In July 2020, INWIT successfully entered the debt capital market, issuing its inaugural Bond for 1 billion euros, which enabled the Company to optimize its financial structure by diversifying its sources of funding. The Company's second bond issue, for an amount of 750 million euros, was successfully completed in October 2020.

In April 2021, INWIT successfully completed its third bond issue for a total amount of 500 million euros, against investor demand 4.5 times oversubscribed. The bond is issued as part of INWIT's Euro Medium Term Notes (EMTN) Program and is intended for institutional investors.

Following the merger with Vodafone Towers, INWIT's shareholding structure was composed as detailed in the chart below.

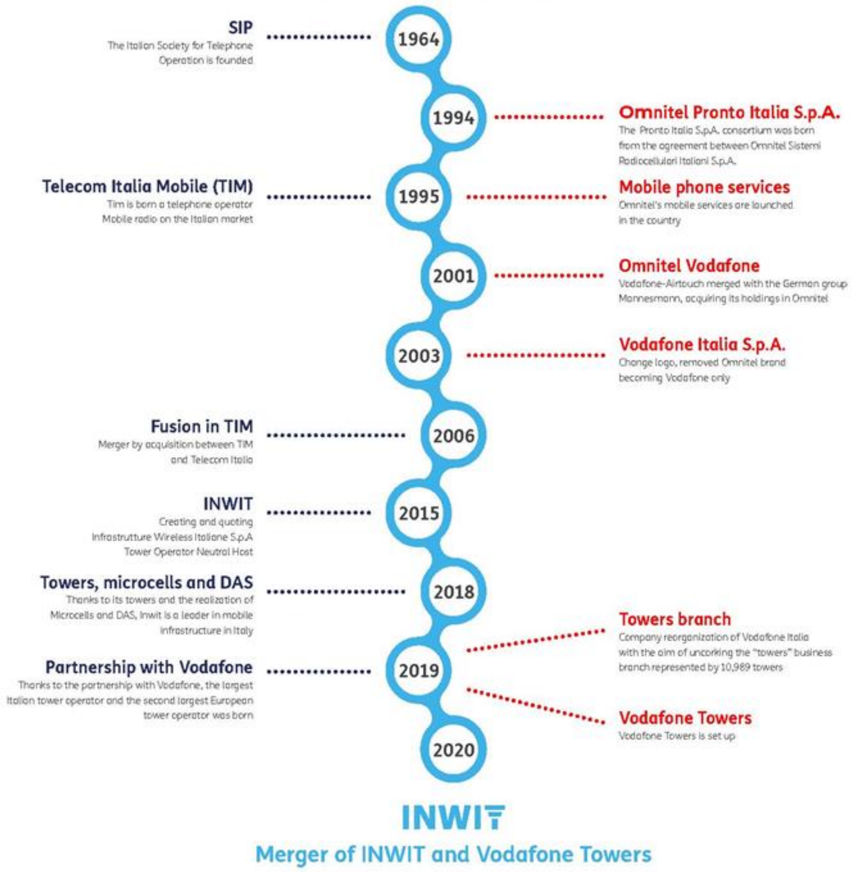
INWIT shareholder structure



Please note that Daphne 3 S.p.A. is in turn 51% controlled by TIM S.p.A. and 49% by a consortium led by Ardian, and Central Tower Holding Company B.V. is indirectly owned by Vodafone Group Plc, like VOD EU, and is therefore a subsidiary of VOD EU.
Tim and Vodafone jointly control INWIT. For more details, see the 'Information for Investors' section of this document.

Main events in INWIT's history

Figure 1 The main stages of INWIT's history



It is considered that in the near future INWIT can benefit from the forthcoming cycle of investment resulting from the funds that the Next Generation EU will be allocating to projects for digitalization, ecological transition, and infrastructure for sustainable mobility, culture and health, which will create numerous areas of application for wireless infrastructure.

Competitive positioning and value creation

Digitalization for Italy's growth

The market and technology are rapidly evolving in Italy, due to the development of wireless technology that is extending 5G coverage, accompanied by the associated densification requirements, which are key factors in the development of wireless infrastructure.

Added to this is Next Generation EU, a European Union instrument aimed at stimulating post-pandemic COVID-19 recovery and development. The National Recovery and Resilience Plan that Italy is preparing under the framework of Next Generation EU, devotes significant attention and substantial resources to digital innovation in Italy.

Digitalization, innovation and competitiveness, as well as the security of business, industry and government, will be key elements of the post-COVID society, which will not only need to be more competitive and efficient, but also more sustainable, inclusive and resilient.

Lastly, the ongoing pandemic has highlighted the importance of digital technology, accelerating Italy's process of digitalization. Today, digital technology is a necessity for companies and government in the transformation towards more agile and flexible organizational, production and service models, both private and public.

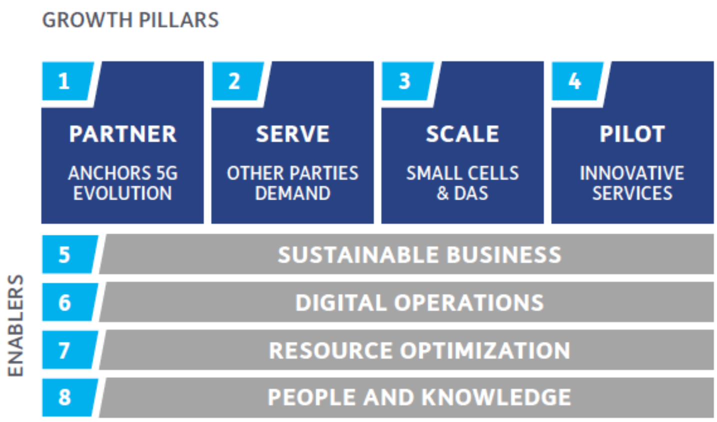
INWIT working for a more digital and sustainable Italy

Opportunities are opening up for tower operators and INWIT is ideally positioned to **play an key role in the development of digital infrastructure** to support telecommunications operators.
To this end, INWIT has approved the update of the 2021-2023 Business Plan. The Plan calls for strong organic growth, with average annual revenue growth of 8%.
It envisages growth in hostings for TIM and Vodafone to support the efficient and fast development of 5G and continuous improvement of geographical coverage. In addition, in its role as a neutral host, INWIT can meet the demand from all the main market operators in both the mobile segment and fixed wireless access, a technology that is growing strongly.
Another pillar of the Plan is the rapid deployment of micro-coverage, particularly distributed antenna systems (DAS), which enable efficient management of mobile phone signals including in very crowded areas such as stadiums, universities, train stations or industrial facilities. INWIT is already very active on this front and is currently using DAS to cover more than 20 large hospitals, almost all the major train stations in Italy, the Luiss and Federico II universities in Naples and many luxury hotels and industrial facilities. In addition, the Business Plan envisages the testing and development of adjacent businesses: from IoT (Internet of Things), to hosting mini data centers to be placed at the base of our towers for services that need low latency, to the world of drones.

The Business Plan envisions an evolution toward increasingly smart towers: distributed and protected digital assets that will be able to make a concrete contribution to the digital transformation of Italy's economic and social activities. The widespread presence of INWIT towers enables the provision of advanced services also in areas where fiber-optic connectivity will arrive later, anticipating Italy's digitalization and the reduction of the digital divide.

INWIT has also presented a Sustainability Plan whose most challenging targets include achieving **Carbon Neutrality** by 2025, by devising a climate strategy, developing renewable energy sources, implementing energy efficiency initiatives and using green energy.

Strong and sustainable growth driven by the 4 pillars of the Business Plan



The table below outlines the main strategic pillars of the Business Plan and their impact on value creation for the Company's stakeholders.

	Strategic pillars of the Industrial plan	Value created for stakeholders
1	Strengthening partnerships, vision and opportunities for industry collaboration opportunities with anchor tenants to increase **shared value creation**	**Upgrading and expanding assets in Italy**. Significant capital expenditure planned, to support the strengthening of existing facilities and the construction of new sites. **Reducing the Digital Divide**. Projects will be promoted aimed at enabling coverage of smaller municipalities and rural areas to reduce the digital divide. To this end, we plan to serve the strong demand for coverage from FWA operators
2	Providing rapid and efficient services to other operators	
3	Being a frontrunner in the development of the small cell and DAS market	**Expanding coverage of social areas.** The Company aims to develop and consolidate digital infrastructure, strengthening the coverage of areas of high social and cultural importance, such as hospitals, museums and universities
4	Investing in innovation to support new businesses	**Digital innovation**. On the innovation front, INWIT intends to offer hosting for numerous technologies through a tower upgrade geared towards smart cities, the Internet of Things and drones

In the current global environment, INWIT is playing a leading role in the digital transformation supporting operators in developing new infrastructure for the implementation of 5G, fixed wireless access (FWA) and micro-coverage with DAS and small cells, while also looking to future technological opportunities, and directing its choices towards sustainable models. In doing so, INWIT is helping to make Italy a more digital and sustainable country.

HIGHLIGHTS AT MARCH 31, 2021

In the first three months of 2021, the main economic and equity indicators all showed an upward trend due to the changed scope of consolidation following the merger with Vodafone Towers Italia, effective from March 30, 2020:

- revenues amounted to 190,248 thousand euros, up 84.8% compared to the same period of 2020 (102,957 thousand euros). It should be noted that the periods in question include one-off revenues. Specifically, for the quarter ended March 31, 2021, they amounted to 560 thousand euros (relating to the quantification of the indemnity in favor of Inwit provided for by the indemnity mechanism within the MSA contract), while for the first quarter of 2020 they amounted to 6,765 thousand euros (relating to the recognition of prepayments for contracts expiring early). Net of these items, the comparison with the same period of 2020 shows an increase of 97.2%, mainly due to the change in the scope of operations following the merger with Vodafone Towers S.r.l.;

- EBITDA amounted to 172,987 thousand euros, an increase of 96.5% compared to the first quarter 2020. The increase compared with the same period of the previous year is of 99.9% when excluding the non-recurring profit or loss items present in March 2020, relating to the Daphne project – project for the merger with Vodafone Towers S.r.l.. amounting to 4,995 thousand euros;

- EBIT amounted to 83,827 thousand euros with an increase of 47.8% compared to the same period in 2020 (+51.5% excluding the aforementioned one-off revenues/costs). The change in EBIT was due to the effect of the change in the scope of operations, offset by higher amortization and depreciation of the assets recorded following the merger with Vodafone Towers S.r.l. (primarily relating to rights of use for land and buildings, as well as the customer contract);

- The profit for the period amounted to 43,451 thousand euros, up 29.6% compared to the same period in 2020 (35.1% excluding the aforementioned one-off revenues/costs). The change in the profit for the period was due to the extension of the scope of operations following the merger with Vodafone Towers S.r.l., partially offset by higher amortization and depreciation of the assets transferred and higher financial expenses related to the financing of the merger;

- for a comparison on a more like-for-like basis, the comparison of the quarter with the fourth quarter of 2020 shows a slight upward trend. On average, over 4 comparable quarters, the following is noted: revenues up +1.0%, EBITDA up 0.3%, EBIT up +5%, and profit for the period up +4.6%;

- capital expenditure for the period totaled 18,016 thousand euros, an increase of 9,927 thousand euros compared to the same period of 2020 (8,089 thousand euros);

- Net Financial Debt amounted to 3.6 billion euros, including the IFRS 16 financial liabilities. Compared to December 2020 (equal to euro 3.7 billion), net debt decreased by 2.7 percentage points, substantially due to the recurring activities of the period.

- In the first quarter of 2021, “EBITDAaL” (EBITDA after Leases) margin expansion of 8.3% year-over-year is reported, for a revenue ratio increasing from 64.2% to 65.0%.

Financial Highlights

(thousand of euros)	1st Quarter 2021 (a)	1st Quarter 2020 (b)	Change In absolute values c=(a-b)	Change % (c/b)
Revenues	*190,248*	*102,957*	*87,291*	*84.8*
EBITDA (1)	*172,987*	*88,022*	*84,965*	*96.5*
EBITDA Margin	*90.9%*	*85.5%*	*5.4pp*	*5.4pp*
EBIT (1)	*83,827*	*56,734*	*27,093*	*47.8*
EBIT Margin	*44.1%*	*55.1%*	*(11.0pp)*	*(11.0pp)*
Profit for the period	*43,451*	*33,526*	*9,925*	*29.6*
Operating Free Cash Flow	*130,500*	*55,415*	*75,085*	*135.5*
Capital Expenditures (CAPEX) (2)	*18,016*	*8,089*	*9,927*	*122.7*

ESMA net financial debt	*3,613,200*	*3,266,991*	*346.209*
INWIT net financial debt	*3,612,281*	*3,258,141*	*354.140*

To enable a like-for-like comparison, the figures for the last quarters closed have been reported:

(thousands of euros)	1st Quarter 2021 (a)	4th Quarter 2020 (b)	Change Amount c=(a-b)	Change % (c/b)
Revenues	*190,248*	*189,930*	*318*	*0.2*
EBITDA (1)	*172,987*	*171,351*	*1,636*	*1.0*
EBITDA Margin	*90.9%*	*90.2%*	*0.7pp*	*0.7pp*
EBIT (1)	*83,827*	*83,883*	*(56)*	*(0,1)*
EBIT Margin	*44.1%*	*44.2%*	*(0.1pp)*	*(0.1pp)*
Profit for the period	*43,451*	*44,740*	*(1,289)*	*(2.9)*
Operating Free Cash Flow	*130,500*	*162,742*	*(32,242)*	*(19.8)*
Capital expenditure (CAPEX) (2)	*18,016*	*50,646*	*(32,630)*	*(64.4)*

(1) Details are provided under "Alternative Performance Measures".

(2) Net of consideration received for transfer of fixed assets.

(thousands of euros)	**1st Quarter 2021**	**4th Quarter 2020**	**3rd Quarter 2020**	**2nd Quarter 2020**
Revenues	*190,248*	*189,930*	*186,098*	*184,423*
EBITDA (1)	***172,987***	***171,351***	***172,845***	***171,563***
EBITDA Margin	*90.93%*	*90.20%*	*92.90%*	*93,00%*
EBIT (1)	***83,827***	***83,883***	***77,633***	***72,450***
EBIT Margin	*44.06%*	*44.20%*	*41.70%*	*39.30%*
Profit fir the period	***43,451***	***44,740***	***40,721***	***38,130***
Operating Free Cash Flow	*130,500*	*162,742*	*199,945*	*130,621*
Capital Expenditures (CAPEX) (2)	*18,016*	*50,646*	*43,944*	*25,585*

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

(thousands of euros)	**1st Quarter 2021**	**4th Quarter 2020**	**3rd Quarter 2020**	**2nd Quarter 2020**
EBITDA	***172,987***	***171,351***	***172,845***	***171,563***
Rental expense	*(49,063)*	*(49,668)*	*(51,800)*	*(52,600)*
EBITDAL	***123,924***	***121,683***	***121,045***	***118,963***
EBITDAL Margin	*65.1%*	*64.1%*	*65.0%*	*64.5%*
% Change on a quarterly basis.	*1.8%*	*0.5%*	*1.8%*	*n/a (*)*

(*): not available as it is not within scope

BUSINESS ENVIRONMENT

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

- a process of digitalization of economic and social activities, which is generating 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; this process has accelerated sharply as a result of the ongoing health emergency;

- expansion of coverage and the need for densification of the wireless network driven by 5G, which represents a fundamental technological shift;

- evolution of network architectures, which will require a large number of micro-cells integrated with the macro-cell coverage for the delivery of high speeds and low latencies;

- a positive investment cycle in digital technology, ecological transition, mobility infrastructure, education and research, social inclusion and health, the main investment areas of the Next Generation EU, benefiting the services provided by INWIT or the capital expenditure plans of the mobile operators, as well as FWA;

- a strategy of value maximization of infrastructure assets by the main mobile operators, in Italy and the main international markets, leading to greater infrastructure outsourcing and sharing; accompanied by the consolidation of infrastructure operators, already underway in the United States, and also gaining momentum in Europe;

In this context, INWIT, the largest operator in the wireless infrastructure sector in Italy, is well positioned to capture market opportunities, also thanks to the quality of its assets, which give it an unparalleled sustainable competitive advantage.

INWIT has over 22 thousand towers, more than 42 thousand hostings and in excess of 4.5 thousand small cells and DAS units, serving TIM and Vodafone in the creation of the new network for the deployment of 5G, in addition to providing the entire market access to its infrastructure.

INWIT's technology also supports the development of innovative solutions such as smart cities, Industry 4.0 and indoor coverage in large centers, leading the evolution of towers from passive infrastructure to drivers of digital growth in the 5G ecosystem, which will enable the towers to host IoT equipment, sensors, distributed computing capacity and drones.

Over the past three months, INWIT has:

- continued to develop new hospitality, amounting to around 1.2 thousand;

- launched a multi-operator microcell cover plan in areas with the highest user and traffic concentration, implementing approximately 400 remote units;

- created over 30 new Sites,

- become more efficient by pursuing its plan to renegotiate leases and the land acquisition plan;

In March 2021, INWIT and M4 S.p.A., the Concessionaire for the design, construction and management of the new Line 4 of the Milanese subway, signed an agreement for the development of mobile connectivity within the new Linate - Forlanini section. The DAS installation work is expected to be completed in the first half of 2021. The agreement with M4 represents a big step into the future, consistent with our 2021-2023 Business Plan. INWIT's commitment to enable digital infrastructure in the country to support mobile operators continues. M4, thanks to INWIT's DAS system, will become the first 5G-ready metro in Europe.

The impact of these strategies in the period ended March 31, 2021 is detailed below.

Increased co-tenancy

The table below shows the effects of new hosting agreements at March 31, 2021

(amounts stated in thousands)		03/31/2021
Number of sites (*)	(a)	22.4
Number of hostings in place with Tenants (**)	(b)	42.8
Number of hostings in place with Tenants, excluding TIM and Vodafone Anchor Tenants (***)	(c)	9.2
Average number of Tenants per Site (Tenancy ratio)	(b)/(a)	1.92

(*) Operational sites net of sites 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.

As shown in the above table, at March 31, 2021, the average number of operators per site in the new Company perimeter after the merger, was 1.92x.

INCOME, BALANCE SHEET AND FINANCIAL PERFORMANCE AT MARCH 31, 2021

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, 2021 includes the Interim Management Report and condensed Financial Statements at March 31, 2021 prepared in compliance with the IFRS accounting standard issued by the IASB and implemented by the EU; The Interim Financial Report as at March 31, 2021 is unaudited.

Lastly, please note that the chapter “Business outlook for the year 2021” 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 document 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 Company’s control.

OPERATING PERFORMANCE IN THE PERIOD

(thousands of euros)	1st Quarter 2021 (a)	1st Quarter 2020 (b)	Change In Absolute Values c=(a-b)	% (c/b)
Revenues	**190,248**	**102,957**	**87,291**	**84.8**
Costs for lease of premises	(1,433)	(655)	(778)	118.8
Employee benefits expenses - Ordinary expenses	(5,427)	(2,780)	(2,647)	95.2
Maintenance and other operating and service expenses	(10,401)	(11,500)	1,099	(9.6)
Operating profit before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)	**172,987**	**88,022**	**84,965**	**96.5**
Depreciation and amortization, losses on disposals and impairment losses on non-current assets	(89,160)	(31,288)	(57,872)	185.0
Operating profit (loss) (EBIT)	**83,827**	**56,734**	**27,093**	**47.8**
Finance income/(expenses)	(21,488)	(9,466)	(12,022)	127.0
Profit (loss) before tax	**62,339**	**47,268**	**15,071**	**31.9**
Income taxes	(18,888)	(13,742)	(5,146)	37.4
Profit for the period	**43,451**	**33,526**	**9,925**	**29.6**

The structure of revenues and costs of the Company is largely determined by medium-term and long-term contracts, entered into as client or provider, under established financial terms and conditions. The main income statement items in the first quarter of 2021 are analyzed below.

Revenues

In the first quarter of 2021, these totaled 190,248 thousand euros (102,957 thousand euros in the corresponding period of 2020, +84.8%) and include revenues deriving from the service contract with TIM S.p.A. and Vodafone Italia S.p.A. (Master Service Agreement), from third-party customers on the transferred towers and the revenues from hosting on new sites and of new services.

Items which by their nature are non-linear or non-recurring ("one-off") are reported, mainly relating to the quantification of the indemnification in favor of Inwit envisaged by the indemnification mechanism within the MSA contract and other non-recurring items for 560 thousand euros. Also in the first quarter of 2020 there were revenues of the same type, relating to the recording of prepaid expenses regarding contracts that expired in advance, for euro 6,765 thousand.

Net of those one-off revenues, the comparison with the first three months of 2020 showed a 98.4% growth. In detail:

(thousands of euros)	1st Quarter 2021 (a)	1st Quarter 2020 (b)	Change Amount c=(a-b)	% (c/b)
Revenues from TIM S.p.A. relating to the Master Service Agreement	82,100	66,272	15,828	23.9
Revenues from Vodafone Italia S.p.A relating to the Master Service Agreement	81,973	-	81,973	n.d.
One-off revenues	560	6,765	(6,205)	(91.7)
Revenues from third-party customers on the transferred towers and other revenues	22,291	23,276	(985)	(4.2)
Revenues from hosting on new sites and of new services.	3,324	5,537	(2,213)	(40.0)
Revenue from Vodafone Towers merger	-	1,107	(1,107)	n.d.
Total	**190,248**	**102,957**	**87,291**	**84.8 (*)**

(*): Net of one-off revenues, the percentage is 98.4%

EBITDA

EBITDA amounted to 172,987 thousand euros, with an EBITDA margin of 90.9% on revenues for the period (85.5% in the corresponding period of 2020). Compared to the first quarter of 2020, the increase is 96.5%, which rises to 99.9% excluding the aforementioned one-off revenues/costs from the comparison.

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

- **Costs for lease of premises**

  These amount to 1,433 thousand euros, up 778 thousand euros compared to the same period in 2020 (equal to 655 thousand euros). They represent 8.3% of the cost items with an impact on EBITDA (in the first quarter of 2020 they amounted to 4.4%). These consist of areas owned by third parties on which the Sites are situated, which have a duration of less than one year. These are the costs whose conditions are not covered by IFRS 16.

- **Employee benefits expenses - Ordinary expenses**

  These amounted to 5,427 thousand euros. The change is due to the strengthening of the organizational structure, which includes 220 units as of March 31, 2021, following the integration of the units of Vodafone Towers S.r.l.

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

  The item amounted to 10,401 thousand euros (11,500 thousand euros in the first quarter of 2020). Maintenance costs are regulated mostly by maintenance agreements entered into with specialized external companies. The change in costs for the period is primarily due to the change in the perimeter of sites to be managed, net of one-off costs relating to the integration with Vodafone Towers present in the quarter of last year, amounting to 4,995 thousand euros.

Amortization and depreciation, losses on disposals and impairment losses on non-current assets

Details are as follows:

(thousands of euros)	1st Quarter 2021 (a)	1st Quarter 2020 (b)	Change In Absolute Values c=(a-b)	Change % (c/b)
Amortization of intangible assets with a finite useful life	*26,169*	*176*	*25,993*	*-*
Depreciation of owned tangible assets	*17,975*	*3,488*	*14,487*	*415.3*
Amortization of rights of use on third-party assets	*44,875*	*27,639*	*17,236*	*62.4*
(Gains)/losses on disposals and impairment losses on non-current assets	*141*	*(15)*	*156*	*(1,040.0)*
Total	***89,160***	***31,288***	***57,872***	***185.0***

The intangible assets included amortization charge relating to the allocation of 811,200 thousand euros due to the customer contract amounting to 25,350 thousand euros.

EBIT

EBIT amounted to 83,827 thousand euros, with an EBIT ratio of 44.1% on revenues (55.1% in the first quarter of 2020). The decrease in EBIT is due to the amortization of the assets generated following the merger with Vodafone Towers S.r.l.

Net financial income/(expense)

It amounts to (21,488) thousand euros and corresponds to the financial expenses of the period Details are as follows:

(thousands of euros)	1st Quarter *2021*	1st Quarter *2020*
Interest to banks	*3,965*	*719*
Interest expense for finance leases	*6,520*	*4,680*
Interest expenses and other costs relating to bonds	*8,028*	*-*
Discounting charges (ARO fund and severance indemnity fund)	*1,037*	*523*
Financial liabilities fees	*1,976*	*2,777*
Other financial expenses	*(38)*	*769*
Total	***21,488***	***9,468***

- Interest to banks refers to the financial expenses paid during the period for the syndicated loan agreement and the interest incurred on short and medium/long-term financial payables (Bridge and Term Loan) described in Note 14 - Financial liabilities (non-current and current).

Interest expense for finance leases refers to leases accounted for pursuant to IFRS 16, which came into force on January 1, 2019.

- **Interest expense on bonds** refers to the financial expenses for bond issues. Two tranches of bonds were issued: the first on July 1, 2020 for a total amount of 1 billion euros and the second on October 13, 2020 for 750 million euros. The bonds, which are listed on the regulated Luxembourg Stock Exchange, have the following characteristics:

	1st tranche	2nd tranche
▪ Maturity:	July 8, 2026	October 21, 2028
▪ Coupon:	1.875%	1.625%
▪ Issue price:	99.809%	99.755%

- **Financial fees** mainly refer to the fees paid for agreeing and using the 3-billion-euro loan agreement to finance the Company's acquisition of the minority interest in Vodafone Towers and distribution of the extraordinary dividend net of accruals and deferrals for the period.

- **Other financial expenses** refer to the intercompany loan.

Income taxes

The income tax expense amounted to 18,888 thousand euros. Income tax expenses determined the estimated tax charge on the basis of theoretical rates of 24.0% for IRES and 4.5% for IRAP.

Profit for the period

The profit for the period was positive for 43,451 thousand euros, or 22.8% of revenues.

FINANCIAL POSITION AND CASH FLOWS PERFORMANCE

EQUITY

At March 31, 2021, shareholders' equity amounted to 4,623,567 thousand euros, the breakdown of which is as follows:

(thousands of euros)	**03/31/2021**	**12/31/2020**
Share capital issued	*600,000*	*600,000*
Minus treasury shares	*(87)*	*(37)*
Share capital	*599,913*	*599,963*
Share premium reserve	*3,691,703*	*3,691,703*
Other reserves	*119,261*	*119,576*
Legal reserve	*120,000*	*120,000*
Provision for instruments representing equity	*456*	*301*
Treasury share reserve in excess of nominal value	*(730)*	*(302)*
Other reserves	*(465)*	*(423)*
Retained earnings (losses) including earnings (losses) for the period	*212,690*	*169,239*
Total	***4,623,567***	***4,580,481***

The change in shareholders' equity is mainly attributable to the result for the quarter.

NON-CURRENT ASSETS

Goodwill

The item amounted to 6,112,784 thousand euros (compared to 6,112,784 thousand euros at December 31, 2020).

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.

Other intangible assets

These amounted to 744,095 thousand euros (762,463 thousand euros at the end of 2020).
It is primarily comprised of the fair value of the contracts with the customers of the former Vodafone Towers S.r.l. (customer contracts) totaling 811,200 thousand euros.
Capital expenditure for the period came to 7,799 thousand euros.

(thousands of euros)	**Intangible assets**
Value at December 31, 2020	**762,463**
Additions	7,799
Amortization and depreciation	(26,169)
Other changes during the period	2
Value at March 31, 2021	**744,095**

Tangible assets

The item amounted to 802,182 thousand euros (compared to 811,657 thousand euros at December 31, 2020).
Capital expenditure for the period totaled 8,498 thousand euros.

(thousands of euros)	**Tangible Assets**
Value at December 31, 2020	**811,657**
Additions	8,498
Amortization and depreciation	(17,975)
Other changes during the period	2
Value at March 31, 2021	**802,182**

Rights of use on third-party assets

This item amounted to 1,107,322 thousand euros (1,140,401 thousand euros at December 31, 2020). Capital expenditure for the period came to 1,719 thousand euros. They are mainly represented by the acquisition of surface use rights as well as the capitalization of renegotiation fees for lease contracts.

(thousands of euros)	**Right of use assets**
Value at December 31, 2020	**1,140,401**
Lease increases	25,883
Additions	1,719
Amortization and depreciation	(44,875)
Disposals	(15,805)
Other changes during the period	(1)
Value at March 31, 2021	**1,107,322**

For a more detailed analysis, please refer to comments in Notes 4, 5, 6 and 7 of the interim Financial Statements as at March 31, 2021.

CAPITAL EXPENDITURE

Capital expenditure in the first quarter of 2021 totaled 18,016 thousand euros, relating to the purchase of land, land use rights, extraordinary maintenance, development of small cells, creation of backhauling links and construction of new infrastructures, intellectual works, equipment and for the capitalization of the fees for the renegotiation of leases during first quarter 2021.

FINANCIAL RESOURCES AND CASH FLOWS

Net financial debt

The table below shows a summary of the net financial debt at March 31, 2021, 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)	***03/31/2021* (a)**	***12/31/2020* (b)**	**Change c=(a-b)**
a) Cash	-	-	-
b) Other cash equivalents	*188,007*	*120,207*	*67,800*
c) Securities held for trading	-	-	-
d) Liquidity (a+b+c)	***188,007***	***120,207***	***67,800***
e) Current financial receivables	*695*	*208*	*487*
f) Current financial payables	-	-	-
g) Current portion of financial payables (medium/long-term)	*(170,148)*	*(171,670)*	*1,522*
of which:			
- Financial payables within 12 months	*1,380*	*(13,027)*	*14,407*
- Financial lease liabilities within 12 months	*(171,528)*	*(158,643)*	*(12,885)*
h) Bonds issued	*(19,125)*	-	*(19,125)*
i) Other current financial payables	-	-	-
i) Current financial debt (f+g+h)	***(189,273)***	***(171,670)***	***(17,603)***
j) Net current financial debt (i+e+d)	***(571)***	***(51,255)***	***50,684***
k) Financial payables (medium/long-term)	*(1,873,493)*	*(1,923,214)*	*49,721*
of which:			
- Financial payables over 12 months	*(1,030,685)*	*(1,030,200)*	*(485)*
- Financial lease liabilities over 12 months	*(842,808)*	*(893,014)*	*50,206*
l) Bonds issued	*(1,739,136)*	*(1,738,736)*	*(400)*
m) Other non-current financial payables	-	-	-
n) Non-current financial debt (k+l+m)	***(3,612,629)***	***(3,661,950)***	***49,321***
o) Net financial debt as recommended by ESMA (j+n)	***(3,613,200)***	***(3,713,205)***	***100,005***
Other financial receivables and non-current financial assets (*)	*919*	*1,495*	*(576)*
INWIT net financial debt	***(3,612,281)***	***(3,711,710)***	***99,429***
Finance lease liabilities expiring within 12 months	*(171,528)*	*(158,643)*	*(12,885)*
Finance lease liabilities expiring over 12 months	*(842,808)*	*(893,014)*	*50,206*
INWIT adjusted net financial debt	***(2,597,945)***	***(2,660,053)***	***62,108***

(*) This item refers to loans granted to certain employees of the company on the indicated dates.

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

Other cash and cash equivalents

At March 31, 2021, this item amounted to 188,007 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 (188,004 thousand euros). There are also 3 thousand euros in checks and cash in hand;
- Country risk: investments were made in Italy, Luxembourg and the UK.

Financial debt (current and non-current)

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

(thousands of euros)		12/31/ 2020	Changes in the period	03/31/ 2021
Financial payables (medium/long-term):				
Amounts due to banks		*1,030,200*	*485*	*1,030,685*
Bond - amount at medium/long-term		*1,738,736*	*400*	*1,739,136*
Leasing liabilities		*893,014*	*(50,206)*	*842,808*
Other financial payables		-	-	-
Total non-current financial liabilities	**(a)**	**3,661,950**	**(49,321)**	**3,612,629**
Financial payables (short-term):				
Amounts due to banks		*1,530*	*(2,910)*	*(1,380)*
Bond - amount at short term		*11,497*	*7,628*	*19,125*
Leasing liabilities		*158,643*	*12,885*	*171,528*
Other financial payables		-	-	-
Total current financial liabilities	**(b)**	**171,670**	**17,603**	**189,273**
Total current financial liabilities (gross financial debt)	**(a+b)**	**3,833,620**	**(31,718)**	**3,801,902**

Financial payables (medium/long-term) included:

- *Amounts due to banks:* refer to the following loan contracts net of the related issue discounts and accrued income and prepayments:
  - with Banca Popolare di Sondrio (signed in November 2018) for a nominal amount of 40,000 thousand euros with bullet repayment at maturity in December 2023;
  - a term loan with a pool of national and international banks (signed in December 2019) for a nominal amount of 1,000,000 thousand euros with a 5-year term and bullet repayment at maturity (March 2025).

- **Bond** refers to the bond issued in July 2020 with a nominal value of 1,000,000 thousand euros and maturing in 2026 (further details are provided in the section "Operating performance in the period - net financial income/(expense)", page 21) and the bond issued in October 2020 with a nominal value of 750,000 thousand euros, duration of 8 years and maturing on October 21, 2028, with a coupon of 1.625%, issue price of 99.755%

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

Financial payables (short-term) include:

- **Amounts due to banks** mainly refer to accruals on loan agreements signed in December 2019 with a pool of national and international banks.

- **Corporate Bonds** refer to the accrual portion of the coupon of the Bonds maturing in July 2026 and October 2028.

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

The company's creditworthiness is rated Investment Grade BBB- with stable outlook by Fitch Ratings, confirmed in April 2021, and BB+ with stable outlook by Standard and Poor's.

Refer to "Events Subsequent to March 31, 2021" for events that impacted the Company's net debt.

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 2021* (a)	*1st Quarter 2020* (b)	Change c=(a-b)
EBITDA	***172,987***	***603,781***	***(430,794)***
write-off of capital contributions in income statement	-	-	-
Capital expenditures on an accrual basis (*)	(18,016)	(118,640)	100,624
EBITDA - Capital expenditure (industrial capex)	***154,971***	***485,141***	***(330,170)***
Change in net operating working capital:	(31,411)	71,631	(103,042)
Change in trade receivables	(26,647)	76,344	(102,991)
Change in trade payables (**)	(4,764)	(4,713)	(51)
Other changes in operating receivables/payables	7,164	(7,740)	14,904
Change in provisions for employee benefits	13	(624)	637
Change in operating provisions and Other changes	(237)	(176)	(61)
Operating free cash flow	***130,500***	***548,232***	***(417,732)***
% of EBITDA	***75.4%***	***90.8%***	***(15.4 pp)***
Capex in other non-current assets	-	(2,140,000)	2,140,000
Flow from financial income and charges	(21,488)	(69,759)	48,271
income taxes paid	43	(93,288)	93,331
Treasury shares acquired	(478)	(532)	54
dividend payments	-	(696,720)	696,720
Leasing liabilities	(37,321)	27,751	(65,072)
impact of Vodafone Towers merger	-	(423,764)	423,764
Other non-monetary changes	28,139	(158,991)	187,130
Other changes	610	6,245	(5,635)
Reduction/(Increase) in ESMA net financial debt	***100,005***	***(3,000,826)***	***3,100,831***

(*) 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 from the first quarter of 2021 was affected by the following items:

Capital expenditure

Capital expenditure in the reporting period amounted to 18,016 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 smart cells and backhauling links.

For further details, please refer to the Note "Tangible assets (owned and under finance leases)" of the Interim Financial Statements as at March 31, 2021.

Change in net operating working capital

The change in working capital was negative at 31,411 thousand euros.

Financial income and expenses

The net flow of finance income and expenses accounted for during the year is equal to (21,488) thousand euros. Lastly, it should be noted that the financial expenses on the debt for financial leases (IFRS 16) is equal to 6,520 thousand euros.

Recurring Free Cash Flow

The recurring free cash flow for the first quarter of 2021 - calculated net of both one-off revenues/costs (at EBITDA level) and the one-off payable not yet paid *(Change in trade payables)* - came to 93,100 thousand euros, showing 85.2% growth on the same period of 2020 (also determined considering EBITDA net of one-off revenues).

The following table shows the details of the items concerned:

(thousands of euros)	*1st Quarter 2021* (a)	*1st Quarter 2020* (b)	Change in absolute values c=(a-b)	%
EBITDA	**172,427**	**86,217**	**86,210**	**100.0**
recurring investments	(1,775)	-	(1,775)	**n.d.**
payment of income taxes	-	-	-	**n.d.**
payment of financial expenses	(8,300)	(1,508)	(6,792)	**450.4**
Change in Trade Working Capital:	(25,212)	6,193	(31,405)	**(507.1)**
Change in trade receivables	(26,647)	(4,781)	(21,866)	**457.4**
Change in trade payables (*)	1,435	10,974	(9,539)	**(86.9)**
Change in operating receivables/payables	7,047	(10,873)	17,920	**(164.8)**
Change in provisions for employee benefits	13	(55)	68	**(123.6)**
Lease Payment	(51,100)	(29,700)	(21,400)	**72.1**
Recurring Free Cash Flow	**93,100**	**50,274**	**42,826**	**85.2**

(*): excluding the change in payables for assets

DETAILED TABLES

INWIT's Interim Management Report at March 31, 2021 was drafted in accordance with Article 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 Article 9 of Italian Legislative Decree no. 38/2005.

The Interim Management Report at March 31, 2021 includes:

- the Interim Management Report;
- the Condensed Financial Statements of Infrastrutture Wireless Italiane S.p.A. at March 31, 2021;

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. In particular, the alternative performance indicators refer to: EBITDA, EBIT, net financial debt, INWIT's net financial debt, and Operating Free Cash Flow.

The chapter "Business outlook for the year 2021" 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 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 Company's control.

Separate income statement

(thousands of euros)	1st Quarter 2021	*of which related parties*	1st Quarter 2020	*of which related parties*
Revenues	190,248	141,289	102,957	72,183
Acquisition of goods and services - Ordinary expenses	(10,179)	(673)	(6,638)	(2,103)
Acquisition of goods and services - Charges associated with extraordinary transactions	-		(4,995)	
Employee benefits expenses - Ordinary expenses	(5,427)		(2,780)	(317)
Other operating expenses	(1,655)		(522)	(3)
Operating profit before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)	172,987		88,022	
Amortization, gains/losses on disposals and impairment losses on non-current assets	(89,160)		(31,288)	
Operating profit (loss) (EBIT)	83,827		56,734	
Financial income	-		2	4
Financial expenses	(21,488)	(1,170)	(9,468)	(529)
Profit (loss) before tax	62,339		47,268	
Income taxes	(18,888)		(13,742)	
Profit for the period	43,451		33,526	
Basic and Diluted Earnings Per Share	0.045		0.056	

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 Equity other than those connected to transactions with Shareholders.

(thousands of euros)		1st Quarter 2021	1st Quarter 2020
Profit for the period	(a)	43,451	33,526
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
Total Comprehensive income for the period	(e=a+d)	43,451	33,526

Items of the consolidated statement of financial position

Assets

(thousands of euros)	03/31/2021	*of which related parties*	12/31/2020	*of which related parties*
Assets				
Non-current assets				
Intangible assets				
Goodwill	6,112,784		6,112,784	
Intangible assets with a finite useful life	744,095		762,463	
Tangible assets				
Property, plant and equipment	802,182		811,658	
Rights of use on third-party assets	1,107,322		1,140,401	
Other non-current assets				
Non-current financial assets	919		1,495	
Miscellaneous receivables and other non-current assets	277		431	
Deferred tax assets	-		-	
Total Non-current assets	8,767,579		8,829,232	
Current assets				
Trade and miscellaneous receivables and other current assets	163,694	35,967	135,780	27,926
Financial receivables and other current financial assets	695		208	
Income tax receivables	73,684		-	
Cash and cash equivalents	188,007		120,207	
Total Current assets	426,080		256,195	
Total Assets	9,193,659		9,085,427	

Equity and Liabilities

(thousands of euros)	03/31/2021	*of which related parties*	12/31/2020	*of which related parties*
Equity				
Share capital issued	600,000,000		600,000	
Minus: treasury shares	(87)		(37)	
Share capital	599,913		599,963	
Share premium reserve	3,691,703		3,691,703	
Legal reserve	120,000		120,000	
Other reserves	(739)		(424)	
Retained earnings (losses) including earnings (losses) for the period	212,690		169,239	
Total Equity	4,623,567		4,580,481	
Liabilities				
Non-current liabilities				
Employee benefits	2,658		2,643	
Deferred tax liabilities	296,320		277,390	
Provisions for Risks and Charges	221,759		220,961	
Non-current financial liabilities	3,612,629	116,089	3,661,950	123,410
Miscellaneous payables and other non-current liabilities	1,421		1,511	
Total Non-current liabilities	4,134,787		4,164,455	
Current liabilities				
Current financial liabilities	189,273	20,769	171,670	17,954
Trade and miscellaneous payables and other current liabilities	159,313	34,888	155,787	64,889
Provisions for Risks and Charges	450		450	
Income tax payables	86,269		12,584	
Total current Liabilities	435,305		340,491	
Total liabilities	4,570,092		4,504,946	
Total Equity and Liabilities	9,193,659		9,085,427	

Cash flow statement

(thousands of euros)		1st Quarter 2021	1st Quarter 2020
Cash flows from operating activities:			
Profit for the period		43.451	33.526
Adjustments for:			
Amortization, losses/gains on disposals and impairment losses on non-current assets		89.16	31.288
Net change in deferred tax assets and liabilities		18.93	13.771
Change in provisions for employee benefits		13	(55)
Change in trade receivables		(26.647)	(7.07)
Change in trade payables		1.435	15.678
Net change in miscellaneous receivables/payables and other assets/liabilities		6.851	(23.651)
Other non-monetary changes		16.814	(6.986)
Cash flows from operating activities	(a)	150.007	56.501
Cash flows from investing activities:			
Total purchases of tangible and intangible assets for the period and rights of use on third-party assets (*)		(43.899)	(38.859)
Change in amounts due to fixed asset suppliers		*19.684*	*20.528*
Total purchases of tangible and intangible assets and rights of use on third-party assets on a cash basis		(24.215)	(18.331)
Purchase of investments		-	(2,140,000)
Change in financial receivables and other financial assets		89	14.975
Other non-current changes		(2)	(10)
Cash flows used in investing activities	(b)	(24.128)	(2,143,366)
Cash flows from financing activities:			
Change in current and non-current financial liabilities		(57.601)	2,053,050
Treasury shares acquired		(478)	-
Cash flows used in financing activities	(c)	(58.079)	2,053,050
Aggregate cash flows	(d=a+b+c)	67.8	(33.815)
Net cash and cash equivalents at beginning of the period	(e)	120.207	66.57
Net cash and cash equivalents at end of the period	(f=d+e)	188.007	39.743

(*) of which related parties:

(thousands of euros)	1st Quarter 2021	1st Quarter 2020
Total purchases of tangible and intangible assets and rights of use on TIM assets	3,948	4,076
Total purchases of tangible and intangible assets and rights of use on Vodafone Italia assets	20	-

On November 6, 2017, EU Regulation no. 2017/1990 was issued which implemented certain amendments to IAS 7 (Statement of cash flows) at the EU level. 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 2021.

EVENTS SUBSEQUENT TO MARCH 31, 2021

See the specific Note “Events subsequent to March 31, 2021” to the Interim Financial Statements at March 31, 2021.

POSITIONS OR TRANSACTIONS RESULTING FROM ATYPICAL AND/OR UNUSUAL OPERATIONS

In accordance with Consob Communication no. DEM/6064293 of July 28, 2006, during the first quarter of the financial year 2021, 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, with regard to the impact of non-recurring events and transactions on INWIT’s economic and financial results, it should be noted that no significant events occurred in the quarter under review.

BUSINESS OUTLOOK FOR THE YEAR 2021 (1)

Made stronger by a major transformation, INWIT has become the largest operator in Italy in the Wireless Infrastructure sector, with the mission of supporting its anchor tenants TIM and Vodafone Italia S.p.A. in building the new network for the development of 5G, while also providing the entire market access to its infrastructure.

The results for the first quarter of 2021 show an increase in all the main earnings indicators compared to the same period in 2020, reflecting the increase in the scope of consolidation. The financial performance figures for the quarter - the first step on the path to implementing the 2021-2023 business plan presented in November 2020 - support the same assumptions. The capital expenditure in the period of 18,016 thousand euros was directed - as planned - towards the construction of new sites (towers), the intensive development of indoor and outdoor micro-coverage with DAS and small cells, the creation of fiber-optic backhauling links and the increase in owned land. Compared to the 2020 pro-forma results, revenues and EBITDA in the first quarter increased by approximately 3%, in line with growth expectations.

In operational terms, in the upcoming quarters of 2021 the Company will focus on growth in hostings, supporting the development of mobile operators and FWA, and continued attention to rental costs, the driver of EBITDAaL and recurring free cash flow growth.

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 develop 5G. Wireless Fixed Access providers are also expanding their networks to increase coverage and improve the quality of service offered to customers.

Consequently, the 2021 targets provided in the Business Plan update are confirmed.

The operating performance in the upcoming quarters of 2021 is also expected to benefit from the improving outlook for the digital, infrastructure and technology investment cycle in Italy: the substantial resources allocated by the Next Generation EU can directly and indirectly support the growth of INWIT, which is well positioned as an enabler of the ongoing digital transformation.

COVID-19 disclosure

The COVID-19 health emergency has led to a contraction of the economy, with potentially negative effects on the Company's earnings, cash flows and financial position. The rapid spread of COVID-19 from March 2020, and the consequent health emergency have generated significant economic uncertainty, both in Italy and worldwide.

The Company considers this situation to be of medium risk because, despite the economic downturn, the business conducted by INWIT is essential for the provision of services by telephone operators. At present, the Company has not experienced any significant impact on the performance of the business related to the health emergency.

The Company has also mapped the risks associated with COVID-19 and considers the occurrence of the events subject to these risks to be unlikely to occur given the industrial sector it belongs to, which is characterized by low volatility, cyclicality of existing hosting, long-term contracts and other barriers to entry into the sector.

The potential risks identified by the Company can be summarized as follows:

(1) The chapter "Business outlook for the year 2021" 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.

- negative impacts, possibly significant, on the prospects for the growth of revenues and profit margins;
- delays in the delivery of services by the Company's suppliers (e.g. maintenance or construction of new Sites), permits from the various public administrations, orders from Customers;
- the need for mobile telephone operators (INWIT Customers) to incur higher costs and investments that may not be passed on to end consumers or they may end up in default, with negative impacts on the operators' economic and financial position;

At present, there are no significant negative impacts on the company's results that could generate losses in income/financial performance or delays in its strategic planning. In addition, despite the economic downturn, the business conducted by INWIT is essential for the provision of services by telephone operators.

Lastly, the current phase of the pandemic has led to a general acceleration in digitalization processes and a significant increase in data traffic on the networks of the Company's main customers, with a consequent favorable impact on the demand for the services it offers.

MAIN RISKS AND UNCERTAINTIES

The business outlook for 2021 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 associated with the MSA

The Company's earnings, cash flows and financial position are exposed to risks arising from the non-renewal or early termination of agreements (MSAs) entered into with TIM and Vodafone. INWIT's network infrastructure is the essential asset for the delivery of the services provided by the two operators and for the development of new services, in response to market demand (e.g. 5G), and both agreements have a duration of 8 years, automatically renewable for further 8-year periods, unless terminated.
Given the importance of these agreements for the Company's revenues, if the operators exercise their right of withdrawal or terminate the agreement on expiry, this would have a significant adverse impact on the Company's business and its earnings, cash flows and financial position.
In addition, in view of the long-term duration of the MSAs signed with the above-mentioned operators and in light of the presence of a set fee for the entire duration of the agreements, any increase in the costs incurred by the Company (also as a result of measures adopted by the competent Authorities and net of any concessions and/or benefits) that are not covered by the fee due from the operator would lead to a reduction in the Company's revenue margin, with consequent adverse effects on its earnings, cash flows and financial position.

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 associated with Related Party Transactions

The Company has engaged and is engaged in significant relations with TIM and with Vodafone. The operations deriving from these relationships have the typical risks connected with operations between parties whose membership of or links to the Company and/or its decision-making structures could compromise the objectivity and impartiality of the decisions relating to those operations. The Company believes that the conditions envisaged and actually applied in the operations deriving from these relationships are in line with normal market conditions. However, there is no guarantee that, if these operations had been carried out with third parties, those parties would have negotiated or entered into the respective agreements, or performed the same transactions, at the same terms and conditions and in the same manner.

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 & Control", the Head of "Marketing & Sales", the Head of "Technology" and the Head of "Operations & Maintenance").

Risks associated with changes to the organizational model

Many of the Company's operating activities were previously carried out and managed by third parties and/or by the former parent company, TIM. The management of these activities, although provided by alternative suppliers able to offer a quality of service similar to that provided by TIM, may entail more onerous financial conditions with consequent adverse effects on the Company's earnings, cash flows and financial position. It cannot be ruled out that, in order to ensure the full functioning of its equipment, INWIT may need to increase or downsize of its workforce, with potential adverse effects on its operations and its earnings, cash flows and financial position.

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.

In addition, with regard to the management of the hosting agreements in particular, the improper management of those agreements and their execution, performance and monitoring could have adverse effects on the profitability of the management of the Sites and consequently on the Company’s earnings, cash flows and financial position.

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;
- meeting the hosting demand for existing sites;
- expansion of the number of Sites in line with developments in demand.

With regard to the satisfaction of hosting demand in particular, the ability to meet the demand also depends on the availability of physical and electromagnetic spaces. The presence of spaces that are unable to meet the demand could have an adverse effect on the Company’s earnings, cash flows and financial position.

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 relating to non-compliance with the Commitments and/or amendment of the Commitments by the European Commission.

The failure to meet the Commitments submitted to the Commission pursuant to Article 6(2) of the Merger Regulation by the notifying parties (TIM and Vodafone Group Plc) may have an adverse effect on the Company's earnings, cash flows and financial position if the breach of the Commitments is attributable to default by the Company, as agreed between TIM, Vodafone Group Plc, VOD and INWIT in the letter dated March 25, 2020, according to which, in such case, there is no limitation on any recourse by the notifying parties against INWIT. Consequently, if it is found to be in default, INWIT would be required to compensate the notifying parties for the amount paid by them as a penalty imposed by the European Commission for breach of the Commitments, in addition to any further damages, which would have an adverse effect, potentially even significant, on the Company's earnings, cash flows and financial position.

Risks related to the Loan Agreement

The Loan Agreements signed by the company to finance business activities provide for a series of general and covenant commitments for the Company, both positive and negative, which, albeit in line with market practice for financing and similar, could limit operations. For additional information see Note 16 "Financial liabilities (current and non-current)" to the interim Financial Statements at March 31, 2021.

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 Interim Financial Statements at March 31, 2021 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 Interim Financial Statements at March 31, 2021 were considered adequate by the Company at the date of completion of this document.

Risks related to non-compliance with applicable regulations

The Company is subject to potential non-compliance with applicable regulations, both external (laws, regulations, applicable accounting standards) and internal (e.g. code of ethics), and seeks to implement all the actions aimed at ensuring the adequacy of the company processes for the regulations applicable to it, in terms of procedures, supporting information systems and required business conduct.

Of particular importance in this regard are the EU Regulation 2016/679 on General Data Protection Regulation (GDPR) and Legislative Decree 231/2001, which establishes the liability of the Company for offenses committed by its management.

Any breaches of the rules and regulations may have significant adverse effects on the Company's financial position and reputation.

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 difficulties connected with the identification of new Sites and/or their allocation, also in view of the increasing competition in the telecommunications network infrastructure sector, as well as any failure or delay in obtaining authorizations and permits and their subsequent withdrawal and/or suspensions or cancellations of the authorizations, could lead to adverse effects on the Company's operations and, consequently, on its earnings, cash flows and financial position.

In addition, in view of the importance of the Sites for the Company, maintenance is essential for the proper operation of the infrastructure, for the quality of the services provided to its customers and for the safety of its employees. The proper management and planning of maintenance work is an important aspect for limiting potential negative impacts on the Company.

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.

A prolonged interruption in the service provided for reasons attributable to unauthorized accesses or power blackouts 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 business and its earnings, cash flows and financial position.

Risks related to IT security and system outages

The management of ICT systems and the need to ensure the security of those systems and their continuous operation are important aspects of the business operations. In this context, loss of data, inappropriate dissemination of data and/or outages of ICT systems as a result of accidental events or malicious acts involving the information system, may have potential adverse effects on the Company's business and its earnings, cash flows and financial position.

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 business operations of the Company's customers are subject to complex regulations at national and EU level, particularly with regard to environmental and administrative aspects, where the numerous regulatory requirements imposed by the competent authorities and aimed directly at the Company's customers are also significant.

In this regard, the Company's earnings, cash flows and financial position may be impacted both as a result of breaches of or changes in the directly applicable regulatory framework and as a result of indirect consequences deriving from breaches of or changes in the regulatory framework applicable to its customers.

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 and any infringement of the legal and regulatory framework applicable to the Company's customers may have a negative impact on the earnings, cash flows and financial position of its 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 has led to a contraction of the economy, with potentially negative effects on the Company's earnings, cash flows and financial position. The rapid spread of COVID-19 since March 2020 and the consequent public health emergency continue to generate uncertainty about economic prospects both in Italy and globally.

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.

- The Company has also mapped the risks associated with Covid and considers the occurrence of the events subject to these <u>risks to be unlikely to occur given the industrial sector to which the Company belongs</u> – telecommunications, which is among the least affected by the pandemic – and the Company's business model, which is characterized by low volatility, cyclicality of existing hosting, and long-term contracts. The potential risks identified and analyzed by the Company have been detailed in the chapter above.

- At present, there are no significant negative impacts on the company's results that could generate losses in income/financial performance or delays in its strategic planning.

It should also be noted that the ongoing pandemic has resulted in a general acceleration of digitization processes and a significant increase in data traffic on the networks of the Company's main customers, which translates to favorable dynamics in demand for the services offered by the Company.

The information and conclusions regarding potential risks contained in this report are in line with the Prospectus.

CORPORATE BODIES AT MARCH 31, 2021

BOARD OF DIRECTORS

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., on March 20, 2020, the Shareholders' Meeting appointed the current Board of Directors, consisting of 13 directors, which 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 S.r.l. into INWIT S.p.A.

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

Chairman	Emanuele Tournon
CEO and General Manager	Giovanni Ferigo
Directors	Giovanna Bellezza Laura Cavatorta (Independent) Antonio Corda Angela Maria Cossellu (Independent) Sabrina Di Bartolomeo Sonia Hernandez Rosario Mazza (Independent) Agostino Nuzzolo Secondina Giulia Ravera (Independent) Fabrizio Rocchio Francesco Valsecchi (Independent)

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.

On 2 October 2020, the Board of Directors accepted the resignations tendered by the Independent Director Filomena Passeggio and the non-executive Director Carlo Nardello and co-opted Rosario Mazza (independent) and Giovanna Bellezza (non-executive) as Directors, in accordance with Article 2386, paragraph 1 of the Italian Civil Code.
The new directors will remain in office until the next Shareholders' Meeting held by law.

On April 23, 2020, the Board of Directors established internal committees, made up – from March 31, 2021 – of:

- **Nomination and remuneration committee:** Rosario Mazza (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 Rosario Mazza
- **Sustainability Committee:** Laura Cavatorta (Chairman), Giovanna Bellezza, Sabrina Di Bartolomeo, Fabrizio Rocchio and Francesco Valsecchi.

Until the end of the term of office of the Board of Directors and therefore until the approval of the Financial Statements at December 31, 2022, the Board of Directors also appointed a Supervisory

Body, composed of Francesco Monastero (Chairman), Giuliano Foglia, Umberto La Commara and Laura Trucco to perform the functions envisaged by Legislative Decree 231/2001[2].

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

BOARD OF STATUTORY AUDITORS IN OFFICE AT MARCH 31, 2021

The Shareholders' Meeting of April 13, 2018 appointed the Board of Statutory Auditors, which remained in office until the approval of the financial statements at December 31, 2020. The Shareholders' Meeting convened for April 20, 2021 appointed the new Board of Statutory Auditors ([3]).

The Board of Statutory Auditors of the Company as at March 31, 2021 was 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

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

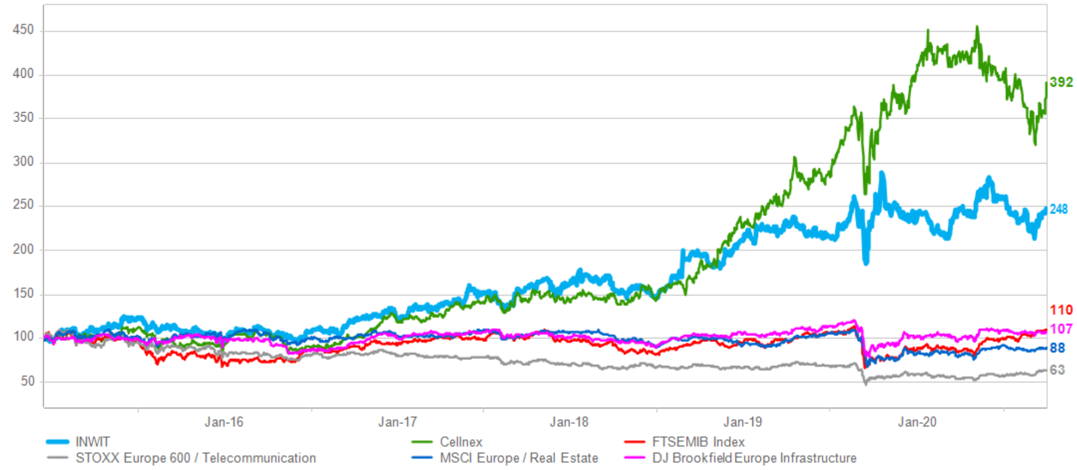
([2]): Following the appointment of the new Board of Statutory Auditors and the subsequent resignation of Umberto La Commara as a member of the Supervisory Board pursuant to Legislative Decree no. 231/2001, on April 26, 2021 the Board of Directors appointed Maria Teresa Bianchi as a member of the said Board, which is therefore composed of Francesco Monastero (Chairman), Giuliano Foglia, Maria Teresa Bianchi and Laura Trucco and will remain in office until the approval of the financial statements at December 31, 2022.

([3]): The Shareholders' Meeting on April 20, 2021 appointed The Board of Statutory Auditors for the three-year period 2021-2023. The new Board of Statutory Auditors, which will remain in office until the approval of the financial statements as at December 31, 2023, consists of Stefano Sarubbi as Chairman, Maria Teresa Bianchi and Giuliano Foglia as standing auditors and Michela Zeme and Roberto Cassader as alternate auditors.

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. Five years after their first day of listing, on June 22, 2020 INWIT's shares were included in the main Italian stock index, the FTSE MIB, before their entry in September into the STOXX® Europe 600, made up of 600 of the companies with the largest market capitalization in Europe.

The following chart shows the performance of the stock in the period comprised between the start of trading and March 31, 2021.

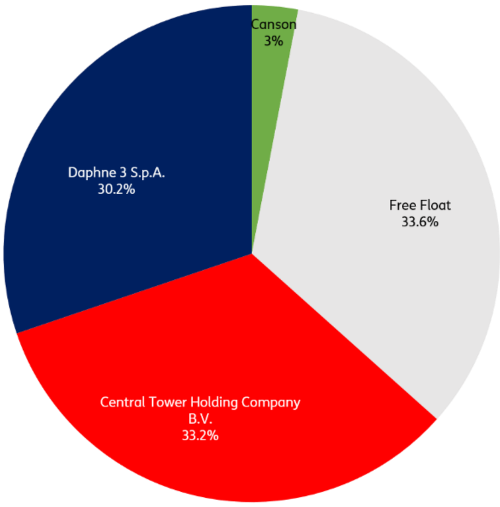


INWIT SHARE CAPITAL AT MARCH 31, 2021

Share capital	600,000,000 euros
Number of ordinary shares (without nominal value)	960,000,000
Market capitalization (based on average prices between January 1, 2021 and March 31, 2021)	8,735 million euros

SHAREHOLDERS

Shareholders' structure at March 31, 2021



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. Subsequently, on October 5, TIM and Ardian finalized an agreement (Daphne3), under which TIM controls 51% of the holding company, which in turn holds 30.2% of INWIT, while the consortium led by Ardian holds the remaining 49%.

On November 19, 2020, VOD EU signed the deed of transfer to Central Tower Holding Company B.V. (a Dutch registered company indirectly controlled by Vodafone Group Plc., like VOD EU, and therefore an Affiliate of VOD EU).

The remaining 3% of TIM's share capital was sold for 1.2% to a vehicle company supported by Canson with an option to purchase the remaining 1.8% (9.47 euros per share); this option was exercised on December 4, 2020.

TREASURY SHARES

INWIT owns 86,550 treasury shares which represent 0.014% of the share capital (purchased from 2020) for the 2020-2022 Long Term Incentive Plan and the 2020 Broad-Based Share Ownership Plan (bonus shares).

In 2020, the cash outlay for the first 36,550 shares purchased amounted to 337 thousand euros, representing an average market value of 9.2212 euros per share.

On January 11, 2021, Inwit purchased an additional 50,000 ordinary shares at an average price of 9.553600 euros per share, for a total value of 477,680 thousand euros.

The shares are deposited in a securities account held by Inwit S.p.A. with Intesa Sanpaolo S.p.A.

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 as at March 31, 2021.
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 no. DEM/6064293 of July 28, 2006 is presented in the financial statements and in the Note "Related Parties" to the Interim Financial Statements at March 31, 2021.

ALTERNATIVE PERFORMANCE MEASURES

In this Interim Management Report at March 31, 2021 of the INWIT Company, 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
-	Financial 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, 2021

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, 2021

STATEMENT OF FINANCIAL POSITION

Assets

(thousands of euros)	notes	03/31/2021	of which related parties	12/31/2020	of which related parties
Assets					
Non-current assets					
Intangible assets					
Goodwill	4)	6,112,784		6,112,784	
Intangible assets with a finite useful life	5)	744,095		762,463	
Tangible assets					
Property, plant and equipment	6)	802,182		811,658	
Rights of use on third-party assets	7)	1,107,322		1,140,401	
Other non-current assets					
Non-current financial assets		919		1,495	
Miscellaneous receivables and other non-current assets	8)	277		431	
Deferred tax assets		-		-	
Total Non-current assets		8,767,579		8,829,232	
Current assets					
Trade and miscellaneous receivables and other current assets	8)	163,694	35,967	135,780	27,926
Financial receivables and other current financial assets		695		208	
Income tax receivables		73,684		-	
Cash and cash equivalents		188,007		120,207	
Total Current assets		426,080		256,195	
Total Assets		9,193,659		9,085,427	

Equity and Liabilities

(thousands of euros)	note s	03/31/2021	*of which related parties*	12/31/2020	*of which related parties*
Equity	9)				
Share capital issued		600,000,000		600,000	
Minus: treasury shares		(87)		(37)	
Share capital		599,913		599,963	
Share premium reserve		3,691,703		3,691,703	
Legal reserve		120,000		120,000	
Other reserves		(739)		(424)	
Retained earnings (losses) including earnings (losses) for the period		212,690		169,239	
Total Equity		4,623,567		4,580,481	
Liabilities					
Non-current liabilities					
Employee benefits	10)	2,658		2,643	
Deferred tax liabilities		296,320		277,390	
Provisions for Risks and Charges	11)	221,759		220,961	
Non-current financial liabilities	12)	3,612,629	116,089	3,661,950	123,410
Miscellaneous payables and other non-current liabilities	14)	1,421		1,511	
Total Non-current liabilities		4,134,787		4,164,455	
Current liabilities					
Current financial liabilities	12)	189,273	20,769	171,670	17,954
Trade and miscellaneous payables and other current liabilities	14)	159,313	36,211	155,787	64,889
Provisions for Risks and Charges	11)	450		450	
Income tax payables		86,269		12,584	
Total current Liabilities		435,305		340,491	
Total liabilities		4,570,092		4,504,946	
Total Equity and Liabilities		9,193,659		9,085,427	

SEPARATE INCOME STATEMENT

(thousands of euros)	*Notes*	1st Quarter 2021	*of which related parties*	1st Quarter 2020	*of which related parties*
Revenues	15)	190,248	141,289	102,957	72,183
Acquisition of goods and services - Ordinary expenses	16)	(10,179)	(673)	(6,638)	(2,103)
Acquisition of goods and services - Charges associated with extraordinary transactions		-		(4,995)	
Employee benefits expenses - Ordinary expenses		(5,427)	(499)	(2,780)	(317)
Other operating expenses		(1,655)		(522)	(3)
Operating profit before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)		172,987		88,022	
Amortization, gains/losses on disposals and impairment losses on non-current assets	17)	(89,160)		(31,288)	
Operating profit (loss) (EBIT)		83,827		56,734	
Financial income		-		2	4
Financial expenses	18)	(21,488)	(1,170)	(9,468)	(529)
Profit (loss) before tax		62,339		47,268	
Income taxes		(18,888)		(13,742)	
Profit for the period		43,451		33,526	
Basic and Diluted Earnings Per Share		0.045		0.056	

STATEMENT OF COMPREHENSIVE INCOME

(thousands of euros)		1st Quarter 2021	1st Quarter 2020
Profit for the period	(a)	43,451	33,526
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
Total Comprehensive income for the period	(e=a+d)	43,451	33,526

CHANGES IN EQUITY

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	-	3,558,682
Other changes	-	-	-	37	37
Amounts at March 31, 2020	**599,778**	**(1,215)**	**3,691,609**	**293,291**	**4,583,463**

Changes in net equity from January 1, 2021 to March 31, 2021

(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, 2021	**599,963**	**(302)**	**3,691,703**	**289,116**	**4,580,480**
Total Comprehensive income for the period	-	-	-	43,451	43,451
Dividends approved	-	-	-	-	-
Other changes	(50)	(428)	-	114	(364)
Amounts at March 31, 2021	**599,913**	**(730)**	**3,691,703**	**332,681**	**4,623,567**

CASH FLOW STATEMENT

(thousands of euros)		1st Quarter 2021	1st Quarter 2020
Cash flows from operating activities:			
Profit for the period		43,451	33,526
Adjustments for:			
Amortization, losses/gains on disposals and impairment losses on non-current assets		89,160	31,288
Net change in deferred tax assets and liabilities		18,930	13,771
Change in provisions for employee benefits		13	(55)
Change in trade receivables		(26,647)	(7,070)
Change in trade payables		1,435	15,678
Net change in miscellaneous receivables/payables and other assets/liabilities		6,851	(23,651)
Other non-monetary changes		16,814	(6,986)
Cash flows from operating activities	(a)	150,007	56,501
Cash flows from investing activities:			
Total purchases of tangible and intangible assets for the period and rights of use on third-party assets (*)		(43,899)	(38,859)
Change in amounts due to fixed asset suppliers		*19,684*	*20,528*
Total purchases of tangible and intangible assets and rights of use on third-party assets on a cash basis		(24,215)	(18,331)
Purchase of investments		-	(2,140,000)
Change in financial receivables and other financial assets		89	14,975
Other non-current changes		(2)	(10)
Cash flows used in investing activities	(b)	(24,128)	(2,143,366)
Cash flows from financing activities:			
Change in current and non-current financial liabilities		(57,601)	2,053,050
Treasury shares acquired		(478)	-
Cash flows used in financing activities	(c)	(58,079)	2,053,050
Aggregate cash flows	(d=a+b+c)	67,800	(33,815)
Net cash and cash equivalents at beginning of the period	(e)	120,207	66,570
Net cash and cash equivalents at end of the period	(f=d+e)	188,007	39,743

(*) of which related parties

(thousands of euros)	1st Quarter 2021	1st Quarter 2020
Total purchases of tangible and intangible assets and rights of use on TIM assets	3,948	4,076
Total purchases of tangible and intangible assets and rights of use on Vodafone Italia assets	20	-

On November 6, 2017, Regulation EU no. 2017/1990 was issued which implemented certain amendments to IAS 7 (Statement of cash flows) at the EU level. 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 2021.

NOTE 1 - FORM, CONTENT, AND OTHER GENERAL INFORMATION

FORM AND CONTENT

These financial statements of Infrastrutture Wireless Italiane S.p.A. (hereinafter "**INWIT**", or the "**Company**") for the period from January 1, to March 31, 2021 (hereinafter the "**Condensed Financial Statements at March 31, 2021**") 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 Article 9 of Italian Legislative Decree no. 38 of February 28, 2005).

INWIT was incorporated on January 14, 2015 and, following the merger by incorporation of Vodafone Towers srl ("**VOD Towers**") is jointly controlled by TIM S.p.A. ("**TIM**"), which directly or indirectly holds a 32.0% stake in the Company, and Vodafone Europe BV, which holds a 33.2% stake in the Company. INWIT is domiciled in Italy, with its registered office at via Gaetano Negri 1, Milan, and is organized according to the laws of the Italian Republic.

The figures at March 31, 2021 are compared with the figures from the statement of financial position at December 31, 2020; 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 statements of cash flows and of changes in equity are compared with those for the corresponding periods of the previous financial year.

It should be noted that the figures as at March 31, 2020, as shown in the Financial Statements, do not include the economic elements of Vodafone Towers S.r.l., which was subsequently merged into the Company. The equity figures as at December 31, 2020 comprise the data relating to the Company following this merger with Vodafone Towers S.r.l., which took place in March 2020.

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

The consolidated Financial Statements at March 31, 2021 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, 2021 was approved by the Board of Directors' meeting on May 13, 2021.

FINANCIAL STATEMENT STRUCTURE

The structure of the Financial Statements is in keeping with that provided for by IAS 1; Specifically:

- 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
-	Financial 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 27 July 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-recurring 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, the financial statements do not contain any segment reporting. The geographical area coincides almost entirely with the territory of Italy.

NOTE 2 - ACCOUNTING POLICIES

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

GOING CONCERN

The consolidated Financial Statements at March 31, 2021 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 condensed financial statements at March 31, 2021 are consistent with those utilized for the yearly financial statements to December 31, 2020, 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, 2021, 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, 2020 to which reference is made.

NEW STANDARDS AND INTERPRETATIONS INCORPORATED BY THE EU AND IN EFFECT SINCE JANUARY 1, 2021

Pursuant to IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors), the IFRS in effect since January 1, 2021 are indicated and briefly described hereafter.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform - Phase 2

Commission Regulation (EU) 2021/25, of January 13, 2021, has been published (Official Journal of the EU L 11, of January 14, 2021), containing amendments to Regulation (EC) no. 1126/2008 adopting certain international accounting standards.

The Commission has deemed it appropriate to amend the aforementioned Regulation in order to take into account the changes already introduced on August 27, 2020 by the International Accounting Standards Board with the aforementioned publication.

The amendments outline a specific accounting treatment capable of allocating over time changes in the value of financial instruments or leases resulting from the effective replacement of existing interest rate benchmarks with alternative benchmark rates. The purpose of the amendments to the standards is to avoid an immediate impact on profit or loss for the year and possible termination of hedging relationships.

Below is a summary of the thematic areas that are being amended and supplemented by Regulation (EC) 25/2021, referring to the international standards affected by the reform of the benchmark rates.

IAS 39 "Financial instruments: recognition and measurement" and IFRS 9 - "Financial instruments"

The changes affect the basis for determining contractual cash flows; cash flow hedges and net investment hedges; Designation of risk components; Accounting for hedging transactions and assessment of retroactive effect.

IFRS 7 "Financial Instruments: additional information"

Additional disclosures are provided such as the nature and extent of risks arising from financial instruments and progress in completing the transition to alternative benchmark rates.

IFRS 4 "Insurance Contracts"

Provisions are introduced for an insurer applying the temporary exemption from IFRS 9, and changes are made to the basis for determining contractual cash flows.

IFRS 16 "Leases"

The amendments affect the change in the basis for determining future lease payments and lease accounting, as well as the retroactive application of the amendments.

These changes must be applied from January 1, 2021.

Amendments to IFRS 4 "Insurance Contracts" - Difference from IFRS 9

Regulation (EU) 2020/2097 amends Regulation (EC) no. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Standard IFRS 4 - Insurance Contracts.

The amendments are intended to address the accounting consequences of the mismatch between the effective date of IFRS 9 - Financial Instruments and the effective date of the future IFRS 4 - Insurance Contracts.

The adoption of these amendments had no impact on the Condensed Financial Statements at March 31, 2021.

Amendments to IFRS 16 - Leases on Covid-19-Related Rent Concessions
In May 2020, the IASB published some amendments to IFRS 16 through Covid-19-Related Rent Concessions.

The amendment permits lessee not to assess whether particular rent concessions occurring as a direct consequence of the Covid-19 pandemic are lease modifications and instead to account for those rent concessions as if they are not lease modifications. The amendment has no impact on landlords.

These amendments took effect on January 1, 2021, with early adoption permitted from June 1, 2020.

The Covid-19 related amendments to IFRS 16 Leases have not significantly affected the Condensed Financial Statements as at March 31, 2021, and no significant consequences are anticipated in the coming years.

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

As at the date of these Financial Statements, the following new Standards/Interpretations have been issued by the IASB, but are not yet applicable.

	Mandatory application starting from
Amendments to IFRS 16 - Leases on Covid-19-Related Rent Concessions after June 30, 2021	*April 1, 2021*
Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, contingent liabilities and contingent assets; Annual improvements - 2018-2020 cycle	*January 1, 2022*
Amendments to IAS 1 Presentation of the financial statements: classification of liabilities as current or non-current	*January 1, 2023*
Amendments to IAS 1 Presentation of the financial statements: Information on accounting policies	*January 1, 2023*
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of accounting estimates	*January 1, 2023*
IFRS 17 (Insurance contracts), including amendments to IFRS 17	*January 1, 2023*

The potential impacts on the Company's individual financial statements from application of these new standards and interpretations are currently being assessed.

NOTE 3 - FINANCIAL RISK MANAGEMENT AND COVID-19 IMPACTS

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

The Company's fixed-interest financial payables at March 31, 2021 refer to the 1 billion euros nominal corporate bond issued in July 2020, the 750 million euro corporate bond issued in October 2020 and the 40 million euro bank debt under the loan agreement entered into with Banca Popolare di Sondrio.

On the other hand, the zero-floor EURIBOR-indexed variable-rate component refers to the loan taken out in December 2019 with a syndicate of banks to acquire the investment in Vodafone Towers. At March 31, 2020, this component had a nominal value of 1,000 million euros.

In view of the foregoing, the Company did not deem it necessary to take out interest rate hedging derivatives.

Exchange rate risk

The Company operates exclusively in euros and therefore, 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 fulfill 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 clients are TIM and Vodafone, which generated total revenues of 141,289 thousand euros during the reference period, which is equal to 74.3% of the total revenues at March 31, 2021. 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 euro revolving credit line (RCF) taken out in December 2019 with a pool of national and international banks and maturing in March 2025. This credit line is to be used to support working capital and for general cashflow needs. As at March 31, 2021, this line was completely undrawn.

COVID-19 IMPACTS

The COVID-19 health emergency has led to a contraction of the economy, with potentially negative effects on the Company's earnings, cash flows and financial position. The rapid spread of COVID-19 since March 2020 and the consequent public health emergency continue to generate uncertainty about economic prospects both in Italy and globally.

The Company has mapped out the risks associated with COVID-19, its potential impact and the probability of these risks occurring.

The potential impact risks to the Company's business can be summarized as follows:

- negative impacts on short-term prospects in revenue and profit margin trends for some types of services offered, with particular reference to services related to connectivity with the economic sectors most affected by the pandemic;
- delays in the provision of services by the Company's strategic suppliers (e.g. maintenance or construction of new sites), permits from various public administrations, orders from customers;
- increase in data traffic on the mobile networks of the Company's main customers, which could require mobile telephone operators to invest more heavily in network capacity and coverage, leading to a greater financial commitment by network operators;

Following an overall assessment of the potential risks indicated above, it is believed that the impacts on the current or future results of the Company are not significant. A similar conclusion can be reached in relation to the market, credit and liquidity risks described in the paragraphs above.

It should also be noted that the ongoing pandemic has resulted in a general acceleration of digitization processes and a significant increase in data traffic on the networks of the Company's main customers, which translates to favorable dynamics in demand for the services offered by the Company.

FINANCIAL 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, 2021 on the basis of the categories contained in IFRS 9.

Carrying amount for each IFRS 9 class of financial asset/liability at March 31, 2021

(thousands of euros)		03/31/2021	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		919	919			
	(a)	919	919			
Current assets						
Trade and miscellaneous receivables and other current assets						
of which loans and receivables		152,942	152,942			
Financial receivables and other current financial assets						
of which loans and receivables		695	695			
Cash and cash equivalents		188,007	188,007			
	(b)	341,644	341,644			
Total	(a+b)	342,563	342,563			
LIABILITIES						
Non-current liabilities						
Non-current financial liabilities						
of which liabilities at amortized cost		3,612,629	3,612,629			
	(c)	3,612,629	3,612,629			
Current liabilities						
Current financial liabilities						
of which liabilities at amortized cost		189,273	189,273			
Trade and miscellaneous payables and other current liabilities						
of which liabilities at amortized cost		129,386	129,386			
	(d)	318,659	318,659			
Total	(c+d)	3,931,288	3,931,288			

NOTE 4 – GOODWILL

As of March 31, 2021, goodwill amounted to 6,112,784 thousand euros, and shows the following change:

(thousands of euros)	12/31/ 2020	Other changes	03/31/2021
Goodwill	6,112,784	-	6,112,784
Total	**6,112,784**	**-**	**6,112,784**

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, 2021, 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 5 – INTANGIBLE ASSETS WITH A FINITE USEFUL LIFE

Intangible assets with a finite useful life comprised the following, with the following changes:

(thousands of euros)	12/31/2020	Additions	Amortization and depreciation	Other changes	03/31/2021
Patent rights and utilization of intellectual property	8,277	10	(819)	-	7,468
Other intangible assets	735,149	-	(25,350)	1	709,800
Intangible assets under development and advances	19,038	7,789	-	-	26,827
Total	**762,464**	**7,799**	**(26,169)**	**1**	**744,095**

Additions for the period came to a total of 7,799 thousand euros.

NOTE 6 – PROPERTY, PLANT AND EQUIPMENT

OWNED PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment comprised the following, with the following changes:

(thousands of euros)	12/31/2020	Additions	Disposals	Amortization and depreciation	Other changes	03/31/2021
Land	48,576	40	-	-	243	48,859
Plant and equipment	674,164	8,458	-	(17,955)	10,873	675,540
Manufacturing and distribution equipment	6	-	-	(1)	-	5
Other goods	87	-	-	(19)	1	69
Construction in progress and advance payments	88,824	-	-	-	(11,115)	77,709
Total	**811,657**	**8,498**	**-**	**(17,975)**	**2**	**802,182**

Capital expenditures made in the reporting period, amounting to 8,498 thousand euros, mainly refer to the purchase of land for 40 thousand euros, the development of new sites for 5,466 thousand euros and extraordinary maintenance for 1,775 thousand euros.

The gross carrying amounts and accumulated depreciation at March 31, 2021 are detailed as follows:

(thousands of euros)	Gross Value at 03/31/2021	Accumulated impairment losses	Depreciation Provision	Net Value at 03/31/2021
Land	48,859	-	-	48,859
Plant and equipment	1,606,388	(562)	(930,286)	675,540
Manufacturing and distribution equipment	25	-	(20)	5
Other goods	295	-	(226)	69
Construction in progress and advance payments	77,709	-	-	77,709
Total	**1,733,276**	**(562)**	**(930,532)**	**802,182**

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

NOTE 7 - RIGHT OF USE ON THIRD-PARTY ASSETS

Rights of use on third party assets comprised the following, with the following changes:

(thousands of euros)	12/31/2020	Additions	Lease increases	Disposals	Amortization and depreciation	Other changes	03/31/2021
Land use rights	7	-	-	-	-	(7)	-
Rights of use on civil and industrial buildings	43,418	101	-	-	(617)	6	42,908
Rights of use on plant and equipment	1,096,539	1,618	25,883	(15,805)	(44,203)	-	1,064,032
Rights of use on other assets	437	-	-	-	(55)	-	382
Total	**1,140,401**	**1,719**	**25,883**	**(15,805)**	**(44,875)**	**(1)**	**1,107,322**

Additions in the period (amounting to 1,719 thousand euros), refer to the acquisition of surface use rights (101 thousand euros), as well as the capitalization of renegotiation fees for lease contracts (1,618 thousand euros).

Disposals refer to leases that expired or were renegotiated during the period.

Lease increases refer to new leases (in relation to a new site or the renegotiation of a lease).

NOTE 8 – 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)		12/31/2020	*of which IFRS 9 Financial Instruments*	Other changes during the period	03/31/2021	*of which Financial Instruments IFRS 9*
Miscellaneous receivables and other non-current assets						
Other non-current assets		431	-	(154)	277	-
Total Miscellaneous receivables and other non-current assets	**(a)**	**431**	-	**(154)**	**277**	-
Total trade receivables	**(b)**	**126,295**	*126,295*	**26,647**	**152,942**	*152,942*
Miscellaneous receivables and other current assets						
Other current assets		1,025	-	323	1,348	-
Miscellaneous fixed assets receivables - short term share		1,455	-	77	1,532	-
Miscellaneous operating receivables		7,005	-	867	7,872	-
Miscellaneous non-operating receivables		-	-	-	-	-
Total miscellaneous receivables and other current assets	**(c)**	**9,485**	-	**1,267**	**10,752**	-
Total Current income tax receivables	**(d)**	-	-	**73,684**	**73,684**	-
Total trade and miscellaneous receivables and other current assets	**(b+c+d)**	**135,780**	*126,295*	**101,598**	**237,378**	*152,942*
Total	**(a+b+c+d)**	**136,211**	*126,295*	**101,444**	**237,655**	*152,942*

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

Trade receivables mainly refer to hosting services and the recovery of costs for services provided.

Miscellaneous receivables and other current assets mainly refer to guarantee deposits (1,468 thousand euros), advances to suppliers (3,288 thousand euros) and receivables from the tax authorities for taxes and duties (3,064 thousand euros).

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

NOTE 9 - EQUITY

At March 31, 2021, shareholders' equity amounted to 4,623,567 thousand euros, the breakdown of which is as follows:

(thousands of euros)	03/31/2021	12/31/2020
Share capital issued	600,000	600,000
Minus treasury shares	(87)	(37)
Share capital	599,913	599,963
Share premium reserve	3,691,703	3,691,703
Other reserves and earnings (losses) carried forward, including the result for the period	119,261	119,576
Legal reserve	*120,000*	*120,000*
Provision for instruments representing equity	*456*	*301*
Treasury share reserve in excess of nominal value	*(730)*	*(302)*
Other reserves	*(465)*	*(423)*
Retained earnings (losses) including earnings (losses) for the period	212,690	169,239
Total	4,623,567	4,580,481

BENEFIT PLANS IN THE FORM OF EMPLOYEE STOCK OPTIONS

The Provision for instruments representing equity of 456 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 (325 thousand euros) in existence at December 31, 2020, used for retention and long-term incentive purposes for managers.
- the general stock option plan (96 thousand euros) in existence and subscribed to by INWIT employees.

NOTE 10 – EMPLOYEE BENEFITS

The item has the following breakdown and movements:

(thousands of euros)	12/31/ 2020	Increase/ Present value	Decrease	03/31/2021
Provision for employee severance indemnities	2,643	15	-	2,658
Provision for incentivized redundancies	-	-	-	-
Total	2,643	15	-	2,658
Of which:				
Non-current amount	*2,643*			*2,658*
Current amount*	-			-

*The current amount refers only to provisions for incentivized redundancies

Compared to December 31, 2020, the Provision for Employee Severance Indemnities increased by 15 thousand euros.

NOTE 11 – PROVISIONS FOR RISKS AND CHARGES

The Provision for risks and charges has the following breakdown and movements:

(thousands of euros)	12/31/2020	Increase	Decrease	Other changes	03/31/2021
Provision for restoration costs	220,585	1,035	(237)	-	221,383
Deferred tax liabilities	277,390	18,888	-	42	296,320
Provision for legal disputes and other risks	826	-	-	-	826
Total	498,801	19,923	(237)	42	518,529
Of which:					
Non-current amount	*498,351*				*518,079*
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 (1,035 thousand euros).
The decrease in provision for restoration costs relates to the coverage of costs incurred in the period (237 thousand euros).

Deferred tax liabilities mainly increased due to the effect of taxes for the period.

NOTE 12 – FINANCIAL LIABILITIES (NON-CURRENT AND CURRENT)

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

(thousands of euros)		12/31/2020	Changes in the period	03/31/2021
Financial payables (medium/long-term):				
Amounts due to banks		1,030,200	485	1,030,685
Corporate Bonds		1,738,736	400	1,739,136
Leasing liabilities		893,014	(50,206)	842,808
Total non-current financial liabilities	(a)	3,661,950	(49,321)	3,612,629
Financial payables (short-term):				
Amounts due to banks		1,530	(2,910)	(1,380)
Corporate Bonds		11,497	7,628	19,125
Leasing liabilities		158,643	12,885	171,528
Total current financial liabilities	(b)	171,670	17,603	189,273
Total Financial liabilities (Gross financial debt)	(a+b)	3,833,620	(31,718)	3,801,902

Financial payables (medium/long-term):

- **Amounts due to banks** mainly refer to the loans net of related accruals and deferrals, entered into respectively with Banca Popolare di Sondrio for 40,000 thousand euros nominal with bullet repayment at maturity (December 2023), and with a pool of Italian and international banks for a Term loan amount of 1,000,000 thousand euros nominal, maturing in 5 years and with bullet repayment at maturity (March 2025);
- **Corporate Bonds** refer to the 1,000,000 thousand euro nominal bond issued in July 2020 with a duration of 6 years, maturing on July 8, 2026, with a coupon of 1.875%, an issue price of 99.809% and to the 750,000 thousand euro nominal bond issued in October 2020 with a duration of 8 years, maturing on October 21, 2028, with a coupon of 1.625% and an issue price of 99.755%.
- **Finance lease liabilities** refer to leases.

Financial payables (short-term):

- **Amounts due to banks** mainly refer to accruals on loan agreements signed in December 2019 with a pool of national and international banks.
- **Corporate Bonds** refer to the accrual portion of the coupon of the Bonds maturing in July 2026 and October 2028.
- **Finance lease liabilities** and refer to leases.

"COVENANTS", "NEGATIVE PLEDGES" AND OTHER CONTRACTUAL CLAUSES IN EFFECT AT MARCH 31, 2021

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 entered into in December 2019 contains a 7x pre-IFRS 16 Net Debt/EBITDA leverage ratio covenant, as well as containing certain general commitments and covenants compatible with market practice and legal standards, as prepared by the Loan Market Association, which entitle the lending Banks to cancel the commitments undertaken and/or request the early repayment of the sums drawn by the Company.

NOTE 13 – NET FINANCIAL DEBT

The table below shows the Company's net financial debt at March 31, 2021, 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)	03/31/2021 (*)	12/31/2020
A Cash	-	-
B Cash and cash equivalents	188,007	120,207
C Securities held for trading	-	-
D Liquidity (A + B + C)	188,007	120,207
E Current financial receivables	695	208
F Current financial payables	-	-
G Current portion of financial payables (medium/long-term)	(189,273)	(171,670)
H Other current financial payables	-	-
I Current financial debt (F+G+H)	(188,578)	(171,670)
J Net current financial debt (I+D+E)	(571)	(51,255)
K Medium/long term financial payables	(1,873,493)	(1,923,214)
L Bonds issued	(1,739,136)	(1,738,736)
M Other non-current financial payables	-	-
N Non-Current financial debt (K+L+M)	(3,612,629)	(3,661,950)
O Net financial debt as recommended by ESMA (J+N)	(3,613,200)	(3,713,205)
Other financial receivables and non-current financial assets	919	1,495
INWIT net financial debt	(3,612,281)	(3,711,710)

(*) 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".

NOTE 14 - TRADE AND MISCELLANEOUS PAYABLES AND OTHER (NON-CURRENT AND CURRENT) LIABILITIES

The item was composed as follows at March 31, 2021:

(thousands of euros)		12/31/2020	*of which IFRS 9 Financial Instruments*	Other changes during the period	03/31/2021	*of which IFRS 9 Financial Instruments*
Miscellaneous payables and other non-current liabilities						
Other non-current liabilities		1,375	-	(90)	1,285	-
Miscellaneous non-current operating payables		136	-	-	136	-
Total miscellaneous payables and other non-current liabilities	(a)	1,511	-	(90)	1,421	-
Total trade payables	(b)	134,150	*134,150*	(4,764)	129,386	*129,386*
Miscellaneous payables and other current liabilities						
Other current liabilities		6,209	-	3,243	9,452	-
Miscellaneous current operating payables		11,013	-	5,047	16,060	-
Miscellaneous current non-operating payables		4,415	-	-	4,415	-
Total miscellaneous payables and other current liabilities	(c)	21,637	-	8,290	29,927	-
Total trade and miscellaneous payables and other current liabilities	(b+c)	155,787	*134,150*	3,526	159,313	*129,386*
Total Current income tax payables	(d)	12,584	-	73,685	86,269	-
Total	(a+b+c+d)	169,882	*134,150*	77,121	247,003	*129,386*

Miscellaneous payables and other non-current liabilities refer mainly to expenses prepaid under client contracts (744 thousand euros) and payables due to social security institutions (136 thousand euros).

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

Miscellaneous payables and other current liabilities refer mainly to expenses prepaid under client contracts (6,860 thousand euros), taxation payable (7,611 thousand euros), payables due to employees (5,617 euros), payables due to social security institutions (1,277 thousand euros) and tax consolidation expense to TIM (4,415 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 15 - REVENUES

Revenues amounted to 190,248 thousand euros, broken down as follows:

(thousands of euros)	1st Quarter 2021	1st Quarter 2020
Revenues		
Revenues from TIM	86,269	79,811
Revenues from Vodafone Italia	55,020	881
Revenues from third parties	48,959	22,265
Total	190,248	102,957

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 86,269 thousand euros and mainly refer to the Master Service Agreement.

Revenues from Vodafone Italia amount to 55,020 thousand euros and refer to the new Master Service Agreement

The item **Revenues from third parties**, amounting to 48,959 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 16 – ACQUISITION OF GOODS AND SERVICES

The item amounted to 10,179 thousand euros and breaks down as follows:

(thousands of euros)		1st Quarter 2021	1st Quarter 2020
Purchases of materials and goods for resale	(a)	192	326
Costs for services			
Maintenance		4,481	1,447
Professional services		1,593	1,017
Other service expenses		2,625	7,697
	(b)	8,699	10,161
Lease and rental costs			
Lease and rental costs		1,315	817
Other lease and rental costs		(27)	329
	(c)	1,288	1,146
Total	(a+b+c)	10,179	11,633

The item "Costs for miscellaneous services" increased mainly due to the recognition of maintenance costs on air conditioning systems.

NOTE 17 – 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 89,160 thousand euros, and are composed as follows:

(thousands of euros)		1st Quarter 2021	1st Quarter 2020
Amortization of intangible assets with a finite useful life	(a)	26,169	176
Depreciation of owned tangible assets	(b)	17,975	3,488
Amortization of rights of use on third-party assets	(c)	44,875	27,639
(Gains)/losses on disposals and impairment losses on non-current assets	(d)	141	(15)
Total	(a+b+c+d)	89,160	31,288

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

(Gains)/losses on disposals and impairment losses on non-current assets includes (gains)/losses on disposals of rights of use on third-party assets.

NOTE 18 – FINANCE INCOME AND EXPENSES

FINANCIAL EXPENSES

Financial expenses amounted to 21,488 thousand euros and break down as follows:

(thousands of euros)	1st Quarter 2021	1st Quarter 2020
Interest expenses and other financial expenses		
Interest to banks	3,965	719
Finance expenses for corporate bonds	8,028	-
Interest expense for finance leases	6,520	4,680
Financial fees	1,976	2,777
Other financial expenses	999	1,292
Total	21,488	9,468

Interest expense with banks refers to the interest paid during the period under the syndicated and bilateral loan agreement described in Note 12 - Financial liabilities (non-current and current).

Finance expenses for corporate bonds refer to commissions, issuance inconveniences and corporate bond coupons for the period in question.

Interest expense for finance leases refers to leases accounted for pursuant to IFRS 16, which came into force on January 1, 2019; the average applicable rate was 2.95%.

Financial fees mainly refer to the fees paid in the period in question for agreeing the 3-billion-euro loan agreement to finance the Company's acquisition of the minority interest in VOD Towers and distribution of the extraordinary dividend net of accruals and deferrals for the period.

Other finance expenses refer mainly to the adjustment of the provision for restoration costs (1,035 thousand euros).

NOTE 19 – CONTINGENT LIABILITIES, COMMITMENTS AND GUARANTEES

MAIN DISPUTES AND PENDING LEGAL ACTIONS

As at March 31, 2021, the Company was involved in approximately 120 disputes, eight of which were denoted as having a “probable” risk of losing by the defense lawyers.
In relation to the progress of the aforementioned legal proceedings and based on the information available at the time of closing these Financial Statements, a total amount of 376 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 20 - RELATED PARTIES

The Group identified the following related parties, in accordance with the criteria defined by IAS 24 – (Financial statements disclosures concerning related party transactions).

- TIM;
- Vodafone;
- key managers of INWIT; and
- other subsidiaries of TIM and Vodafone and/or companies in which TIM and Vodafone hold an interest, including through the members of Senior Management.

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, the statement of financial position and the statement of cash flows 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, 2020 and March 31, 2021 are shown below:

STATEMENT OF FINANCIAL POSITION LINE ITEMS AT 12/31/2020

(thousands of euros)	Total (a)	Related Parties TIM	Vodafone Italia	Senior management	Other related parties	Total related parties (b)	*% of the financial statement item (b)/(a)*
NET FINANCIAL DEBT							
Non-current financial liabilities	(3,661,950)	(113,366)	(10,036)	-	(8)	(123,410)	*3.4%*
Current financial liabilities	(171,670)	(16,497)	(1,456)	-	(1)	(17,954)	*10.5%*
Total net financial debt	(3,711,710)	(129,863)	(11,492)	-	(9)	(141,364)	*3.8%*
OTHER STATEMENT OF FINANCIAL POSITION LINE							
Trade and miscellaneous receivables	135,780	24,342	3,564	-	20	27,926	*20.6%*
Trade and miscellaneous payables	(155,787)	(41,500)	(2,788)	(1,144)	(19,457)	(64,889)	*41.7%*

STATEMENT OF FINANCIAL POSITION LINE ITEMS AT 03/31/2021

(thousands of euros)	Total (a)	Related Parties TIM	Vodafone Italia	Senior management	Other related parties	Total related parties (b)	*As a % of the financial statement item (b)/(a)*
NET FINANCIAL DEBT							
Non-current financial liabilities	(3,612,629)	(106,658)	(9,423)	-	(8)	(116,089)	*3.2%*
Current financial liabilities	(189,273)	(19,312)	(1,456)	-	(1)	(20,769)	*11.0%*
Total net financial debt	(3,612,281)	(125,970)	(10,879)	-	(9)	(136,858)	*3.8%*
OTHER STATEMENT OF FINANCIAL POSITION LINE							
Trade and miscellaneous receivables	163,169	35,967	-	-	-	35,967	*22.0%*
Trade and miscellaneous payables	(159,313)	(22,809)	-	(1,323)	(12,079)	(36,211)	*22.7%*

Both medium/long-term and short-term financial payables due to TIM and Vodafone Italia refer to the financial lease deriving from the application of IFRS 16.

Trade and miscellaneous receivables and other current assets due from TIM (35,967 thousand euros) mainly comprise the recovery of electricity costs and prepaid expenses.

Miscellaneous trade payables and other current liabilities to TIM (22,809 thousand euros) mainly refer to service contracts, site restoration activities, ordinary and extraordinary maintenance carried out on sites and other services, various current payables for tax consolidation.

Payables to Senior Management (amounting to 1,323 thousand euros) refer to amounts payable to key management personnel of the Company.

Payables to other related parties (12,079 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, 2021, and for the corresponding period of the previous financial year, are the following:

ITEMS OF THE INCOME STATEMENT AT 03/31/2020

(thousands of euros)	Total (a)	TIM	Vodafone Italia	Senior management	Other related parties	Total related parties (b)	*As a % of the financial statement item (b)/(a)*
Revenues	102,957	79,811	881	-	-	80,692	78.4%
Acquisition of goods and services - Ordinary	(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%

ITEMS OF THE INCOME STATEMENT AT 03/31/2021

(thousands of euros)	Total (a)	TIM	Vodafone Italia	Senior management	Other related parties	Total related parties (b)	*As a % of the financial statement item (b)/(a)*
Revenues	190,248	86,269	55,020	-	-	141,289	*74.3%*
Acquisition of goods and services - Ordinary	(10,179)	(619)	(51)	-	(3)	(673)	*6.6%*
Employee benefits expenses - Ordinary	(5,427)	-	-	(499)	-	(499)	*9.2%*
Financial expenses	(21,489)	(1,095)	(75)	-	-	(1,170)	*5.4%*

Revenues from TIM (86,269 thousand euros) refer mainly to rental revenues ensuing from the Master Service Agreement.
Revenues from Vodafone Italia (55,020 thousand euros) refer mainly to rental revenues ensuing from the Master Service Agreement.

Purchases of materials and services from TIM (619 thousand euros) mainly refer to maintenance services (490 thousand euros) and other service costs (82 thousand euros).

Purchases of materials and services from Vodafone Italia (51 thousand euros) refer to maintenance services.

Employee benefits expense for senior management (499 thousand euros) refer to compensation due to Company key managers.

Financial expenses to TIM (1,095 thousand euros) and to Vodafone Italia (75 thousand euros) refer to interest expense on finance leases.

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 03/31/2020

(thousands of euros)	Total (a)	TIM	Vodafone Italia	Senior management	Other related parties	Related Parties Total related parties (b)	*As a % of the 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%

ITEMS OF THE STATEMENT OF FINANCIAL POSITION AT 03/31/2021

(thousands of euros)	Total (a)	TIM	Vodafone Italia	Senior management	Other related parties	Total related parties (b)	Related Parties *As a % of the financial statement item (b)/(a)*
Operating activities:							
Change in trade receivables	(26,647)	(10,214)	1,753	-	-	(8,461)	*31.7%*
Change in trade payables	1,435	(6,705)	(2,514)	-	(7,378)	(16,597)	*nd*
Net change in miscellaneous receivables/payables and other assets/liabilities	6,851	(1,071)	(240)	179	-	(1,132)	*-16.5%*
Change in current and non-current financial liabilities	(57,601)	(3,893)	(613)	-	-	(4,506)	*7.8%*

REMUNERATION OF KEY MANAGERS

The remuneration recorded on an accrual basis in respect of key managers amounted to 499 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 2021 MBO will be paid during the second quarter of 2022)

The contributions paid in to defined contribution plans (Assida, Fontedir) on behalf of key managers, amounted to 14 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:	
Diego Galli	Head of Administration, Finance and Control & Business Support appointed key manager
Elisa Patrizi	Head of Operations & Maintenance
Gabriele Abbagnara	Head of Marketing & Sales
Massimo Scapini	Head of Technology Governance & MSA, appointed key manager

NOTE 21 – POSITIONS OR TRANSACTIONS RESULTING FROM ATYPICAL AND/OR UNUSUAL OPERATIONS

Pursuant to Consob Communication no. DEM/6064293 of July 28, 2006 no atypical and/or unusual transactions, as defined by the above Communication, were carried out during the financial year.

NOTE 22 – EVENTS SUBSEQUENT TO MARCH 31, 2021

On April 12, 2021, the Company successfully completed its third bond issue for a total amount of 500 million euros, against investor demand 4.5 times oversubscribed. The 10-year fixed-rate bond with a coupon of 1.75% is issued as part of INWIT's Euro Medium Term Notes (EMTN) program and is intended for institutional investors.

A sustainability-linked term loan, linked to specific sustainability indices, for an amount of 500 million euros, with a duration of 4 years, was also signed with a pool of 4 financial institutions: Mediobanca (coordinating bank), Cassa Depositi e Prestiti, Intesa and UniCredit.

Approximately 200 domestic and international investors expressed interest in the bond issue, which resulted in total requests exceeding 2.2 billion euros. The securities will be listed on the regulated market of the Luxembourg Stock Exchange, with the following characteristics:

Issuer:	Infrastrutture Wireless Italiane S.p.A.
Amount:	500 million euros
Settlement date:	19 April 2021
Maturity:	19 April 2031
Coupon:	1.75%
Issue price:	99.059%
Effective yield:	1.854%, corresponding to a yield of 180 basis points above the benchmark rate (mid swap).

The placement was supported by a pool of banks, composed of BNP Paribas, BofA Securities, IMI - Intesa San Paolo, Mediobanca and UniCredit as Joint Bookrunners and Banca Akros, BBVA, Crédit Agricole CIB, HSBC, and SMBC Nikko as other Bookrunners.

The company is rated Investment Grade BBB- with stable outlook by Fitch Ratings and BB+ with stable outlook by Standard and Poor's.

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, Article 154-bis of the Consolidated Law on Finance, that the accounting disclosure contained in the Interim Report at March 31, 2021 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