

Press Release

INWIT: BOARD OF DIRECTORS EXAMINES AND APPROVES THE INTERIM REPORT ON OPERATIONS AS OF 31 MARCH 2021

- **IN Q1 2021 THE INDUSTRIAL, ECONOMIC AND FINANCIAL KPIs CONTINUED TO GROW:**
- REVENUES STOOD AT 190.2 MILLION EUROS, UP BY +84.8% ON THE PREVIOUS YEAR REFLECTING THE CHANGE IN SCOPE FOLLOWING THE MERGER WITH VODAFONE TOWERS; LIKE-FOR-LIKE, FOR A UNIFORM COMPARISON, ORGANIC GROWTH WAS UP +3.4% ON THE PREVIOUS YEAR.
- EBITDA AMOUNTED TO 173.0 MILLION EUROS, UP BY +96.5%, OR +3.5% LIKE-FOR-LIKE.
- EBITDA_{AdL} (EBITDA – LEASING COSTS), THE COMPANY’S MAIN OPERATING MARGIN, STOOD AT 123.9 MILLION EUROS, UP BY +8.3% ON AN ANNUAL BASIS LIKE-FOR-LIKE.
- NET PROFITS FOR THE PERIOD CAME TO 43.5 MILLION EUROS, UP +29.6%.
- RECURRING FREE CASH FLOW TOTALLED 93.1 MILLION EUROS, UP BY +85.2% COMPARED TO THE SAME PERIOD OF 2020.
- THE BUSINESS CONTINUED TO GROW WITH 1,200 NEW HOSTINGS FOR MOBILE OPERATORS, FWA AND OTHERS.
- OVER 400 NEW REMOTE DAS (DISTRIBUTED ANTENNA SYSTEM) UNITS WERE INSTALLED FOR INDOOR MICRO COVERAGE.
- FERIGO: “ANOTHER GROWTH QUARTER FOR INWIT HAS CLOSED WITH A RISE IN HOSTINGS AND NEW INDOOR DAS SYSTEMS TO SUPPORT THE DEVELOPMENT OF OPERATORS’ MOBILE SERVICES. BUSINESS PLAN OBJECTIVES AND 2021 GUIDANCE CONFIRMED. GROWTH TO ACCELERATE DURING THE YEAR WITH THE GRADUAL CONTRIBUTION OF NEW HOSTINGS, THE BUILDING OF NEW SITES AND THE DEVELOPMENT OF NEW SERVICES. THANKS TO ITS ASSETS AND KNOW-HOW, INWIT HAS PUT ITSELF FORWARD TO PLAY AN IMPORTANT ROLE IN THE EU NEXT GENERATION PLAN, A FURTHER OPPORTUNITY FOR THE COMPANY.”

Rome, 13 May 2021 – The Board of Directors of Infrastrutture Wireless Italiane S.p.A. (INWIT), met today, chaired by Emanuele Tournon, and examined and approved the Interim Report on Operations as of 31 March 2021.

Q1 2021 main results

The results of the first quarter confirm the growth of the main industrial KPIs, revenues and an improvement in the profitability and cash generation.

The following increases were recorded in the main economic indicators compared to Q1 2020, as a consequence of the larger scope of consolidation following the merger with Vodafone Towers which took effect on 31 March 2020: revenues up 84.8% to 190.2 million euros, EBITDA up 96.5% to 173.0 million euros, EBIT up 47.8% to 83.8 million euros and profit up 29.6% to 43.5 million euros.

Based on a like-for-like scope, the organic growth of revenues in Q1 2021 was 3.4% compared to the previous year, due to the gradual impact of the new hostings contracted in the previous quarters. This growth, together with greater efficiency in rental costs, led to an 8.3% expansion of the EBITDA_AL margin in organic terms based on a like-for-like scope, accounting for a rise in revenues from 64.2% to 65.0%.

The industrial results showed growth on Q4 2020. Approximately 1,200 new hostings were contracted, up by around 1,000 on the previous quarter essentially due to the contribution of the anchor customers, Tim and Vodafone, as well as other customers. The growth in new remote DAS unit installations continued, around 400 in the first quarter 2021 compared to around 200 in the previous quarter, evidence of growing market interest.

Main economic and financial indicators

In the first quarter of FY 2021 all main economic and financial indicators showed growth, also due to the merger with Vodafone Towers on 31 March 2020:

- revenues stood at 190.2 million euros, up 84.8% on the same period of 2020 (103.0 million euros). The period in question recorded one-off revenues of 0.6 million euros for the quarter ended 31 March 2021, versus 6.8 million euros in Q1 2020. Net of these items, the comparison with the same period of 2020 showed growth of 97.2%;
- EBITDA stood at 173,0 million euros, up by 96.5% on Q1 2020. The year-on-year growth was 99.9% excluding the aforementioned one-off revenues and the non-recurring economic items, present in March 2020, relating to the merger with Vodafone Towers for 5.0 million euros;
- EBIT stood at 83.8 million euros, up 47.8% over the same period of 2020 (+51.5% excluding the above-mentioned one-off revenues/costs). The change in EBIT is attributable to the change in the scope of activity, offset by the higher amortisation and depreciation of assets entered after the merger with Vodafone Towers;
- The earnings for the period stood at 43.5 million euros, up by 29.6% on the same period of 2020 (35.1% excluding the aforementioned non-recurring revenues/costs). The change in earnings for the period is due to the expansion of activities following the merger with

Vodafone Towers, partially offset by the higher amortisation and depreciation of the transferred assets, higher financial expenses tied to the financing of the merger transaction;

- industrial investments in the period came to 18 million euros, up by 9.9 million euros compared to the same period of 2020 (8.1 million euros);
- net financial debt amounted to 3.6 billion euros, including IFRS16 financial liabilities. With respect to December 2020 (3.7 billion euros), the net financial debt was down by 2.7 percentage points;
- The recurring free cash flow for Q1 2021 – calculated net of both the non-recurring revenues/costs (for EBITDA purposes) and the unpaid non-recurring debt (Change in trade payables) – stood at 93.1 million euros, up by 85.2% on the same period of 2020.

Key Performance Indicators (KPIs)

During this first quarter, INWIT continued to develop its business by:

- increasing the number of hostings on its own sites, around 1,200 units;
- developing its infrastructure with the creation of around 30 new sites;
- continuing the plan for multi-operator microcell coverage in the locations with the highest concentration of users and traffic, developing more than 400 DAS devices;
- continuing to improve its efficiency by pursuing the plan to renegotiate rental contracts and purchase land.

As of 31 March 2021, the average number of operators per site (tenancy ratio) rose to 1.92.

“Another growth quarter for INWIT has closed,” commented the CEO, Giovanni Ferigo, “with a rise in hostings and new indoor DAS systems to support the development of operators’ mobile services. The business plan objectives and 2021 guidance are confirmed. During the year growth will accelerate with the gradual contribution of new hostings, the creation of new sites and the development of new services. Thanks to its assets and know-how, INWIT has put itself forward to play an important role in the EU Next Generation Plan, a further opportunity for the company.”

Corporate Governance Issues

The Board of Directors resolved to update some corporate governance documents in compliance with the principles of the Corporate Governance Code of Italian listed companies, which the Company formally adhered to with a board resolution passed last 4 February.

The changes concerned the **Corporate Governance Principles of the Company and the regulations of the Board of Directors and board committees**.

The Board of Directors also approved the **Stakeholder Engagement Policy**, a document that formalises the management of relations with important categories of stakeholders, included in the 2021-2023 Sustainability Plan and recommended in the Corporate Governance Code, which assigns the board of directors the task of promoting, in the most appropriate forms, dialogue with shareholders and other stakeholders who are important to the Company.

The aforementioned documents are being published on the website www.inwit.it

Lastly, the Board of Directors approved the new **Related Party Transactions Procedure** (“RPT Procedure”) which was amended to incorporate the new provisions of Consob Regulation no. 17221 of 12 March 2010 on related party transactions, most recently updated with Consob Resolution no. 21624 of 10 December 2020.

The RPT Procedure will come into effect on 1 July 2021 and will be published on the website www.inwit.it

COVID-19 Information

The COVID-19 health emergency has brought about a decline in the economy, with potentially negative impacts on the Company’s economic and financial position. The rapid spread of COVID-19, beginning in March 2020, and the ensuing health emergency, have produced great economic uncertainty both in Italy and across the globe.

The Company deems the situation to be medium risk as, despite the negative economic situation, INWIT’s activity is essential for the provision of services to operators; at present, the Company has not recorded any significant impact on business performance associated with the health crisis.

The Company maps out COVID-19-related risks and assesses the possible onset of the events affected by such risks, which are considered unlikely, given that the relevant industrial sector is not particularly volatile, existing hostings have a cyclical nature and contracts are long-term.

At present, the economic results have suffered no significant negative impacts that could give rise to losses in economic/financial performance or delays in the company’s strategic planning. Moreover, despite the negative economic situation, INWIT’s activities are essential for the provision of services to telephone operators.

Lastly, it should be noted that the current pandemic has led to a general acceleration in the digitisation processes and a significant increase in data traffic on the networks of the Company's main customers, resulting in a positive impact on demand for the services offered.

Outlook for the 2021 financial year

Strengthened by a deep-rooted transformation, after the merger with Vodafone Towers, INWIT has become the largest operator in the Wireless Infrastructure sector in Italy, with the mission of supporting the TIM and Vodafone anchor tenants in creating the new network for the deployment of 5G, also ensuring access to its infrastructure for the entire market.

The results of the first quarter of 2021 recorded an increase for all main economic indicators compared to the same period of 2020, also due to the increased scope of consolidation. Investments in the period for 18 million euros focused, as per the plan, on the creation of new sites (towers), the strong deployment of indoor and outdoor micro-coverage with DAS (Distributed Antenna System) and an increase in owned plots of land.

In November 2020, INWIT presented an update to the 2021-2023 industrial plan, whose forecasts, including those for FY 2021, are confirmed; from an operating perspective, in the next quarters of 2021, the company will focus on the creation of new sites, the growth of hosting and the development of revenues from new services. The objective of optimising rental costs, a driver to expand the EBITDAaL margin and the growth of Recurring Free Cash Flow has also been confirmed.

In the wireless infrastructure market, the profound transformation process and increased demand for services from mobile operators and other radio network players is continuing. Mobile operators need to increase their service access points to expand their 4G coverage and deploy 5G. Fixed wireless access providers are also increasing their networks to expand coverage and improve the quality of service offered to customers.

It is also expected that business performance will benefit from the improved outlook for the digital, infrastructural and technological investment cycle in Italy: the major resources allocated by Next Generation EU can, both directly and indirectly, support INWIT's development, which is excellently positioned as an enabler of the digital transformation currently in motion.

The economic and financial results of INWIT at 31 March 2021 will be illustrated to the financial community during a conference call scheduled for 13 May 2021 at 4.00 p.m. (CET). Journalists may listen to the conference call, without asking questions, by calling: +39 02 8020927. The presentation supporting the conference call will be made available in advance in the Investors section of the company website www.inwit.it.

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



Infrastrutture Wireless Italiane

INWIT draws up and publishes Interim Reports on Operations for the first and third quarters of each year on a voluntary basis. The Interim Management Report at 31 March 2021 includes the Interim Management Report and the Condensed Quarterly Financial Statements at 31 March 2021 prepared in accordance with IFRS accounting standards issued by IASB and endorsed by the EU. The condensed quarterly Financial Statements to 31 March 2021 are not audited. Note, lastly, that the “Business Outlook for the 2021 financial year” chapter contains forward-looking statements about the Company’s intentions, beliefs and current expectations with regard to its financial results and other aspects of the Company’s operations and strategies. Readers of this press release should not place undue reliance on such forward-looking statements, as final results may differ significantly from those contained in the above-mentioned forecasts owing to a number of factors, the majority of which are beyond the Company’s control.

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