



INFRASTRUTTURE WIRELESS ITALIANE SPA

INDEPENDENT AUDITORS' REPORT PURSUANT TO
ARTICLE 2501-BIS, PARAGRAPH FIVE, OF THE CIVIL
CODE

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**INDEPENDENT AUDITORS' REPORT PURSUANT TO ARTICLE 2501-BIS,
PARAGRAPH FIVE, OF THE CIVIL CODE**

To shareholders of

Infrastrutture Wireless Italiane SpA

Vodafone Towers Srl

1. We have reviewed the economic and financial plan, prepared with reference to the 2019 - 2027 period (the "Combined Plan"), containing the forecasts, assumptions and elements used in its preparation, including the objectives to be achieved through the planned merger through debt financed acquisition (the "Merger"), by incorporation of Vodafone Towers Srl ("Vod Towers" or the "Non-Surviving Company") into Infrastrutture Wireless Italiane SpA ("Inwit" or the "Surviving Company" and, jointly with the Non-Surviving Company, the "Companies").

The Combined Plan is described in the report, prepared by each board of directors of the Companies pursuant to Articles 2501-bis and 2501-quinquies of the Civil Code (hereinafter the "Report"), and approved by each board on November 18, 2019, which explains and justifies the plan for the Merger between the Companies. The directors of the Surviving Company are responsible for drafting the Combined Plan, while the board of directors of the Non-Surviving Company have only acknowledged the Combined Plan, as indicated in their report.

2. As the starting point, the Combined Plan uses the financial position of the Surviving Company at December 31, 2018, and the pro-forma financial position of the Non-Surviving Company at December 31, 2018 and is based on economic/financial forecasts for the 2019-2027 period of Inwit and Vod Towers, from a stand alone perspective, prepared by the management teams of Inwit and Vodafone Italia SpA. The pro-forma financial position of the Non-Surviving Company was not fully or partially reviewed. The Combined Plan simulates the Merger between the Companies starting from January 1, 2020.

As stated in the Report, the Merger includes, among others, the condition precedent related to obtaining authorisation from the European Commission or AGCOM, the Italian Competition Authority, for the closing of the Merger pursuant to applicable EU or Italian law on concentrations.

The Combined Plan was prepared based on the same recognition and measurement criteria used in International Financial Reporting Standards ("IFRS") adopted to produce the financial statements of Inwit at December 31, 2018 and the pro-forma financial position of Vod Towers at December 31, 2018, with the exception of the accounting treatment of costs relative to the undertaking of the financial payable to third parties, expected for 2020.

PricewaterhouseCoopers SpA

Registered and administrative offices: Milano 20149 Via Monte Rosa 91 Tel. 0277851 Fax 027785240 Share capital 6,890,000.00 euros fully paid up, tax code and VAT registration number, registration with the Milan Companies' Register 12979880155, a Registered Auditor no. 119644 - Other offices: Ancona 60131 Via Sandro Totti 1 Tel. 0712132311 - Bari 70122 Via Abate Gimma 72 Tel. 0805640211 - Bergamo 24121 Largo Belotti 5 Tel. 035229691 - Bologna 40126 Via Angelo Finelli 8 Tel. 0516186211 - Brescia 25121 Viale Duca d'Aosta 28 Tel. 0303697501 - Catania 95129 Corso Italia 302 Tel. 0957532311 - Florence 50121 Viale Gramsci 15 Tel. 0552482811 - Genoa 16121 Piazza Piccapietra 9 Tel. 01029041 - Naples 80121 Via dei Mille 16 Tel. 08136181 - Padova 35138 Via Vicenza 4 Tel. 049873481 - Palermo 90141 Via Marchese Ugo 60 Tel. 091349737 - Parma 43121 Viale Tañara 20/A Tel. 0521275911 - Pescara 65127 Piazza Ettore Trailo 8 Tel. 0854545711 - Rome 00154 Largo Pochetti 29 Tel. 06570251 - Turin 10122 Corso Palestro 10 Tel. 011556771 - Trento 38122 Viale della Costituzione 33 Tel. 0461237004 - Treviso 31100 Viale Folissent 90 Tel. 0422696911 - Trieste 34125 Via Cesare Battisti 18 Tel. 0403480781 - Udine 33100 Via Poscolle 43 Tel. 043225789 - Varese 21100 Via Albuzzi 43 Tel. 0332285039 - Verona 37135 Via Francia 21/C Tel. 0458263001 - Vicenza 36100 Piazza Pontelandolfo 9 Tel. 0444393311



Said costs have been entirely expensed to the income statement of the Combined Plan in the year in which they are expected to be incurred, rather than being directly deducted from the relative financial payable to third parties, in accordance with the amortised cost method. This recognition in the accounts, although not consistent with the recognition criteria of IFRS, does not have an effect on the quantification of expected future cash flows of the company resulting from the Merger. IFRS will also be adopted to prepare the financial statements of the company resulting from the Merger.

The Combined Plan reflects the Merger surplus, temporarily allocated in full to goodwill, pending specific changes in its allocation to other assets and liabilities through the Purchase Price Allocation procedure of IFRS³ - Business Combinations, to be carried out by the Surviving Company after relative, detailed information has been obtained. In line with accounting standards adopted, goodwill has not been amortised.

The Combined Plan reflects, for expected movements in revenues, costs and investments, the service agreements of the Framework Agreement signed on July 26, 2019 and which will be replaced by Inwit and Telecom Italia Spa ("TIM") and between Inwit and Vodafone Italia SpA ("VOD"), as regards all services provided to TIM and VOD.

3. The Combined Plan is based on a set of assumptions that include hypotheses relative to future events and actions of directors that will not necessarily occur. The main assumptions used to draft the Combined Plan are summarised below:
- changes in inflation, as expected in the annual forecast of revenues arising from agreements of Inwit and Vod Towers, index linked to this parameter;
 - changes in market segments relative to the Mobile sector (5G), Fixed Wireless Access (FWA) and Internet of Things (IoT) in terms of size, development and timing, as reflected in the Combined Plan;
 - increase in the amount of revenues from sources other than service agreements (Master Service Agreement) that will be signed with TIM and VOD on the Merger closing date;
 - re-negotiations of main terms and conditions on expiry of rental agreements payable;
 - capacity of the company resulting from the Merger to refinance, over the period of the Combined Plan, the Bridge Facility and Term Loan Facility with other forms of medium/long term financing, which are consistent with the aim of maintaining a financial structure considered to be efficient.

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4. Our review was carried out based on international procedures used for the analysis of forward looking information in ISAE 3400 “The Examination of Prospective Financial Information”, issued by IFAC, the International Federation of Accountants, which is the international reference standard for this type of work.
5. Based on a review of evidence supporting the assumptions and elements used in drafting the Combined Plan, as described in the Report, we became aware of facts that have led us to believe, at present, that the aforesaid assumptions and elements do not provide a reasonable basis for the drafting of the Combined Plan, assuming that the actions of the administrative body of the Surviving Company and the assumptions relative to future events described in brief in paragraph 3 above occur. Moreover, in our opinion, the Combined Plan has been prepared using the above mentioned assumptions and elements consistently, and has been drafted based on accounting standards that are uniform compared to those adopted by the Surviving Company for the purposes of preparing the financial statements, with the exception of indications in paragraph 2 above.
6. However it should be noted that, due to the random nature related to the development of any future event, as regards the actual occurrence and the measurement and timing of that occurrence, deviations from final and estimated figures in the Combined Plan could be significant. This could even be the case if the events expected in assumptions, described in brief in paragraph 3 above, were to occur.
7. This report was prepared only for the purposes indicated in Article 2501-bis, paragraph five, of the Civil Code, as part of the plan for the Merger between the Companies and may not be used in full or in part for other purposes.
8. We will not be held liable for updates to this report following events or circumstances that occur after today's date.

Milan, November 18, 2019

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Paolo Cacini
(Partner)

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