Half-Year Financial Report
at June 30, 2021

INWIT

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INTERIM MANAGEMENT REPORT AT JUNE 30, 2021

HALF-YEAR CONDENSED FINANCIAL STATEMENTS AT JUNE 30, 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 JUNE 30, 2021

Chairman	Emanuele Tournon
CEO	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)
Secretary to the Board	Salvatore Lo Giudice

BOARD OF STATUTORY AUDITORS IN OFFICE AT JUNE 30, 2021

Chairman	Stefano Sarubbi
Acting Auditors	Maria Teresa Bianchi Giuliano Foglia
Alternate Auditors	Roberto Cassader Michela Zeme

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.

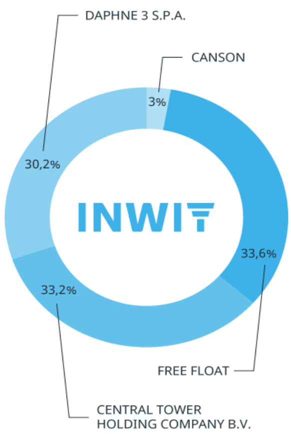
Exactly 5 years after their first day of listing, on June 22, 2020 INWIT's shares were included in the main Italian stock index, the FTSE MIB, before their entry in September into the STOXX® Europe 600, made up of 600 of the companies with the largest market capitalization in Europe.

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. 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.

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

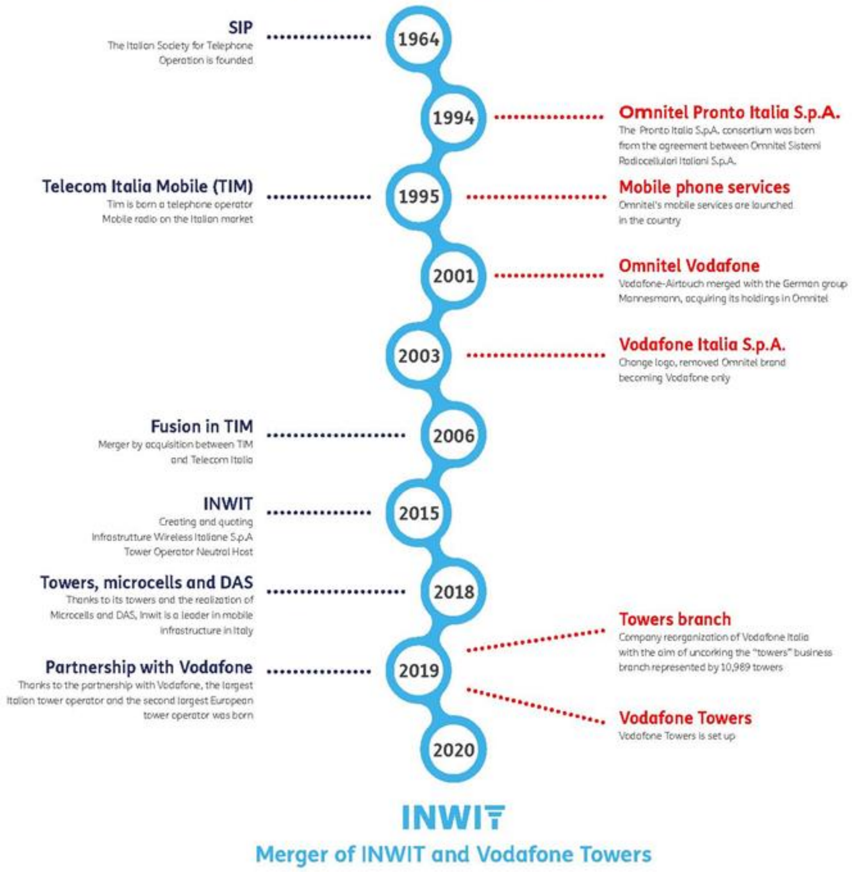
INWIT shareholder structure



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.

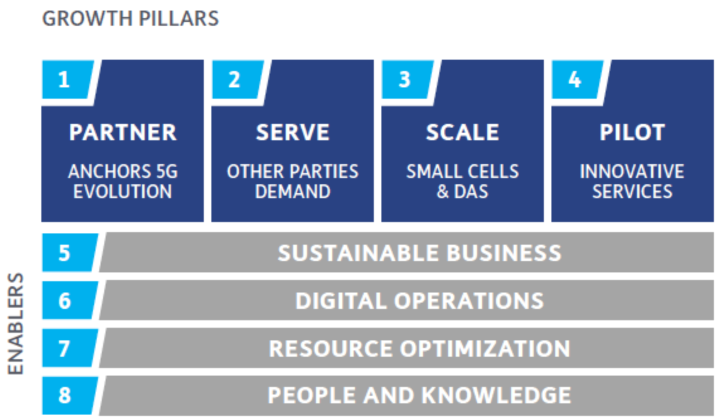
To this end, INWIT has approved the update of the 2021-2023 Business Plan. The Plan calls for strong organic growth, with average annual revenue growth of 8%.
It envisages growth in hostings for TIM and Vodafone to support the efficient and fast development of 5G and continuous improvement of geographical 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 30 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.
2	Providing rapid and efficient services to other operators	**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
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 JUNE 30, 2021

In the first half of 2021, the main economic and financial indicators all showed an upward trend compared to the same period of 2020, also in view of the fact that in 2020, the changed scope of consolidation following the merger with Vodafone Towers Italia, was effective from March 30, 2020:

- revenues amounted to 383,114 thousand euros, up 33.3% compared to the same period of 2020 (287,380 thousand euros). It should be noted that the periods in question include one-off revenues. Specifically, for the half-year ended June 30, 2021, they amounted to 700 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 half 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 36.3%;

- EBITDA amounted to 348,862 thousand euros, an increase of 34.4% compared to the first half of 2020. This percentage drops to 34.1% if we exclude the aforementioned one-off revenues and the non-recurring economic items present in June 2020, relating to the Daphne project - i.e. the project relating to the merger with Vodafone Towers S.r.l. equal to 6,750 thousand euros. The increase recorded was also determined by the capitalization of operating costs, mainly relating to the new ERP system and plant design for an amount of 4,734 thousand euros.

- EBIT amounted to 170,972 thousand euros with an increase of 32.3% compared to the same period in 2020 (+31.8% excluding the aforementioned one-off revenues/costs).

- The profit for the period amounted to 94,999 thousand euros, up by 32.6% compared to the same period of 2020 (31.6% instead excluding the aforementioned one-off revenues/costs). This increase was also due to the reduction in taxes for the period due to the tax benefit deriving from the tax realignment of the goodwill existing at December 31, 2019, equal to 9,906 thousand euros, as provided by Law 178/2020. For more details, see the paragraph "Income tax expense";

- for a comparison on a more like-for-like basis, the comparison between the first two quarters of 2021 shows somewhat sustained growth. The following were recorded: revenues up +1.4%, EBITDA up 1.6%, EBIT up +4%, and profit for the period up +15.7%;

- capital expenditure for the period totaled 54,426 thousand euros, an increase of 20,752 thousand euros compared to the same period of 2020 (33,674 thousand euros).

- Net Financial Debt amounted to 4.150 billion euros, including the IFRS 16 financial liabilities. Compared to December 2020 (equal to 3.7 billion euros), net financial debt increased by 11.8 percentage points, with the contribution of both the third issue of the bond loan for a total amount of 0.5 billion euros and the payment, on June 30, 2021, of 0.32 billion euros for the redemption of the goodwill deriving from the purchase of Vodafone Towers Srl which took place on March 30, 2020. The latter amount was recorded under receivables as it will be released in five years (starting from 2022) in line with the tax amortization provided for by current tax legislation.

- In the first half of 2021, "EBITDAaL" (EBITDA after Leases) margin expansion of 5.1% year-over-year is reported, for a revenue ratio increasing from 65.0% to 65.9%.

Financial Highlights

(thousands of euros)	**1st Half 2021 (a)**	**1st Half 2020 (b)**	**Change Amount c=(a-b)**	**Change % (c/b)**
Revenues	*383,114*	*287,380*	*95,734*	*33.3*
EBITDA (1)	*348,862*	*259,585*	*89,277*	*34.4*
EBITDA Margin	*91.1%*	*90.3%*	*0.8pp*	*0.8pp*
EBIT (1)	*170,972*	*129,184*	*41,788*	*32.3*
EBIT Margin	*44.6%*	*45.0%*	*(0.4pp)*	*(0.4pp)*
Profit for the period	*94,999*	*71,656*	*23,343*	*32.6*
Operating Free Cash Flow	*294,256*	*186,036*	*108,220*	*58.2*
Capital expenditure (CAPEX) (2)	*54,426*	*33,674*	*20,752*	*61.6*

ESMA net financial debt	*4,152,400*	*3,978,016*	*174,384*
INWIT net financial debt	*4,150,916*	*3,976,557*	*174,359*

(thousands of euros)	**2nd Quarter 2021 (a)**	**2nd Quarter 2020 (b)**	**Change Amount c=(a-b)**	**Change % (c/b)**
Revenues	*192,866*	*184,423*	*8,443*	*4.6*
EBITDA (1)	*175,875*	*171,563*	*4,312*	*2.5*
EBITDA Margin	*91.2%*	*93.0%*	*0.3pp*	*0.3pp*
EBIT (1)	*87,145*	*72,450*	*14,695*	*20.3*
EBIT Margin	*45.2%*	*39.3%*	*0.9pp*	*0.9pp*
Profit for the period	*51,548*	*38,130*	*13,418*	*35.2*
Operating Free Cash Flow	*163,756*	*130,621*	*33,135*	*25.4*
Capital expenditure (CAPEX) (2)	*36,410*	*25,585*	*10,825*	*42.3*

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

(thousands of euros)	**2nd Quarter 2021**	**1st Quarter 2021**	**4th Quarter 2020**	**3rd Quarter 2020**
Revenues	*192,866*	*190,248*	*189,930*	*186,098*
EBITDA [(1)]	***175,875***	***172,987***	***171,351***	***172,845***
EBITDA Margin	*91.2%*	*90.9%*	*90.2%*	*92.9%*
EBIT [(1)]	***87,145***	***83,827***	***83,883***	***77,633***
EBIT Margin	*45.2%*	*44.1%*	*44.2%*	*41.7%*
Profit for the period	***51,548***	***43,451***	***44,740***	***40,721***
Operating Free Cash Flow	*163,756*	*130,500*	*162,742*	*199,945*
Capital expenditure (CAPEX) [(2)]	*36,410*	*18,016*	*50,646*	*43,944*

(thousands of euros)	**2nd Quarter 2021**	**1st Quarter 2021**	**4th Quarter 2020**	**3rd Quarter 2020**
EBITDA	***175,875***	***172,987***	***171,351***	***172,845***
Rental expense	*(48,702)*	*(49,063)*	*(49,668)*	*(51,800)*
EBITDAL	***127,173***	***123,924***	***121,683***	***121,045***
EBITDAL Margin	*65.9%*	*65.1%*	*64.0%*	*65.0%*
% Change on a quarterly basis	*2.6%*	*1.8%*	*0.5%*	*1.8%*

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 44 thousand hostings and in excess of 5.2 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 six months, INWIT has:

- continued to develop new hospitality, amounting to around 2.4 thousand;
- launched a multi-operator microcell cover plan in areas with the highest user and traffic concentration, implementing approximately 0.7 thousand remote units;
- created over 160 new Sites;
- become more efficient by pursuing its plan to renegotiate leases and the land acquisition plan;

The impact of these strategies in the period ended June 30, 2021 is detailed below.

Increased co-tenancy

The table below shows the effects of new hosting agreements at June 30, 2021

(amounts stated in thousands)		06.30.2021
Number of sites (*)	(a)	22.5
Number of hostings in place with Tenants (**)	(b)	44.0
Number of hostings in place with Tenants, excluding TIM and Vodafone Anchor Tenants (***)	(c)	9.5
Average number of Tenants per Site (Tenancy ratio)	(b)/(a)	1.95

(*) 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 June 30, 2021, the average number of operators per site in the new Company perimeter after the merger, was 1.95x.

Income, balance sheet and financial performance at June 30, 2021

INWIT voluntarily prepares and publishes the Interim Financial Reports for the first and third quarters of each financial year.
The Half-Year Financial Report at June 30, 2021 includes the Management Report and the Condensed Financial Statements at June 30, 2021, prepared in compliance with the IFRS accounting standard issued by the IASB and implemented by the EU; The Half-Year Financial Statements at June 30, 2021 have undergone audit.

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 Half 2021 (a)**	**1st Half 2020 (b)**	**Change Amount c=(a-b)**	**% (c/b)**
Revenues	**383,114**	**287,380**	**95,734**	**33.3**
Costs for lease of premises	(1,129)	(987)	(142)	14.4
Employee benefits expenses - Ordinary expenses	(10,162)	(7,584)	(2,578)	34.0
Maintenance and other operating and service expenses	(22,961)	(19,224)	(3,737)	19.4
Operating profit before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)	**348,862**	**259,585**	**89,277**	**34.4**
Depreciation and amortization, losses on disposals and impairment losses on non-current assets	(177,890)	(130,401)	(47,489)	36,4
Operating profit (loss) (EBIT)	**170,972**	**129,184**	**41,788**	**32.3**
Financial income/(expenses)	(47,928)	(26,879)	(21,049)	78.3
Profit (loss) before tax	**123,044**	**102,305**	**20,739**	**20,3**
Income taxes	(28,045)	(30,649)	2,604	-8.5
Profit for the period	**94,999**	**71,656**	**23,343**	**32.6**

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 half of 2021 are analyzed below:

Revenues

For the first six months of 2021, these totaled 383,114 thousand euros (287,380 thousand euros in the corresponding period of 2020, +33.3%) 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 700 thousand euros. Also in the first half 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 36.3% growth.
In detail:

(thousands of euros)	1st Half 2021 (a)	1st Half 2020 (b)	Change Amount c=(a-b)	% (c/b)
Revenues from TIM S.p.A. relating to the Master Service Agreement	165,662	146,600	19,062	13.0
Revenues from Vodafone Italia S.p.A relating to the Master Service Agreement	164,913	81,000	83,913	n.d.
One-off revenues	700	6,765	(6,065)	(89.7)
Revenues from third-party customers on the transferred towers and other revenues	45,101	45,455	(354)	(0.8)
Revenues from hosting on new sites and of new services.	6,738	7,560	(822)	(10.9)
Total	**383,114**	**287,380**	**95,734**	**33.3**

EBITDA

EBITDA amounted to 348,862 thousand euros, with an EBITDA margin of 91.1% on revenues for the period (90.3% in the corresponding period of 2020). Compared to the first half of 2020, the increase is 34.4%, 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 1,129 thousand euros, up 142 thousand euros compared to the same period in 2020 (equal to 987 thousand euros). They represent 8.3% of the cost items with an impact on EBITDA (in the first half of 2020 they amounted to 3.6%). These consist of areas owned by third parties on which the Sites are situated. These are mainly the costs whose conditions are not covered by IFRS 16.

- **Employee benefits expenses - Ordinary expenses**

  These amounted to 10,162 thousand euros. The change was determined by an increase, from the strengthening of the organizational structure which includes 237 staff members as of June 30, 2021 and a decrease, from the capitalization of the social workforce for an amount equal to 1,631 thousand euros.

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

  The item amounted to 22,961 thousand euros (19,224 thousand euros in the first half of 2020). Maintenance costs are regulated mostly by maintenance agreements entered into with specialized external companies. The change, net of the one-off costs relating to the integration with Vodafone Towers present in the first half of last year for 6,750 thousand euros, was also determined by the capitalization of body rental and external costs, both related to the design of plants and the new ERP system, for an amount of 3,103 thousand euros.

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

Details are as follows:

(thousands of euros)	**1st Half 2021 (a)**	**1st Half 2020 (b)**	**Change Amount c=(a-b)**	**% (c/b)**
Amortization of intangible assets with a finite useful life	*52,326*	*26,586*	*25,740*	*96.8*
Depreciation of owned tangible assets	*35,669*	*21,883*	*13,786*	*63.0*
Amortization of rights of use on third-party assets	*89,921*	*81,858*	*8,063*	*9.8*
(Gains)/losses on disposals and impairment losses on non-current assets	*(26)*	*74*	*(100)*	*(135.1)*
Total	***177,890***	***130,401***	***47,489***	***36.4***

The intangible assets included amortization charge relating to the allocation of 811,200 thousand euros due to the customer contract amounting to 50,700 thousand euros.

EBIT

EBIT amounted to 170,972 thousand euros, with an EBIT ratio of 44.6% on revenues (45.0% in the first quarter of 2020).

Net financial income/(expense)

It amounts to (47,928) thousand euros and corresponds to the financial expenses of the period. Details are as follows:

(thousands of euros)	**1st Half *2021***	**1st Half *2020***
Interest to banks	*5,709*	*8,885*
Interest expense for finance leases	*12,746*	*10,836*
Interest expenses and other expenses for corporate bonds	*18,018*	-
Discounting charges (ARO fund and severance indemnity fund)	*2,075*	*1,919*
Financial liabilities fees	*9,339*	*4,734*
Other financial expenses	*41*	*507*
Total	***47,928***	***26,881***

- Interest expense with banks refers to the interest paid during the period under the syndicated and bilateral loan agreements described in Note 13 - 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. the average applicable rate was 2.23%.

- **Interest expense on bonds** refers to the financial expenses for bond issues. Three tranches were issued: the first on July 1, 2020 for a total amount of 1 billion euros, the second on October 13 for 750 million euros and the last on April 19 for 500 million euros. The bonds, which are listed on the regulated Luxembourg Stock Exchange, have the following characteristics:

	1st tranche	2nd tranche	3rd tranche
Maturity:	July 8, 2026	October 21, 2028	April 21, 2031
Coupon:	1.875%	1.625%	1.75%
Issue price:	99.809%	99.755%	99.059%

- **Financial fees** mainly refer to fees deriving from the signing of the 1 billion euros Term Loan, part of the 3 billion euros loan agreement entered into in 2019 to finance the purchase transaction of Vodafone Towers S.r.l., released to the income statement as a result the early termination of the loan.

- **Other finance expenses** refer mainly to the adjustment of the provision for restoration costs (2,070 thousand euros).

Income taxes

The income tax expense amounted to 28,045 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.
It should be noted that the taxes for the period make use of a tax benefit of 9,906 thousand euros relating to the realignment, provided for by Law 178/2020, of the tax value to the statutory value of the intangible assets recorded in the financial statements at 12.31.2019. These items include goodwill, recorded in the financial statements in 2015, resulting from the transfer of the business unit by TIM in 2015.

The realigned amount amounts to 1,404,000 thousand euros, paying a substitute tax of 42,120 thousand euros, equal to 3% of the realigned amount, to be paid in 3 annual installments (the first was paid on June 30, 2021, the following will mature on June 30, 2022 and June 30, 2023).

Amortization of realigned assets is already tax deductible from the year in which the first installment of the tax was paid, i.e. from 01.01.2021, and follow the deductibility provided for by Ministerial Decree 31/12/1988, for which goodwill will be tax deducted over 18 years.
With regard to the accounting representation of the transaction in question, the company has applied the treatment that provides for the substitute tax recorded as an advance on current taxes: a tax asset is recognized in the balance sheet against the payment of the substitute tax, in the year the redemption option is exercised.
In subsequent years, part of this tax asset will be amortized in correspondence with the tax deduction of the amortization of the freed goodwill, thus recording a net tax benefit annually in the income statement, equal to the difference between the current ordinary tax rate and the tax rate of prepaid substitute tax, multiplied by the amortization charge deducted from the accounts.
Therefore, 42,120 thousand euros was recorded under receivables and will be charged to the profit and loss account over the 18 year amortization period.

Profit for the period

The profit for the period was positive for 94,999 thousand euros, or 24.8% of revenues.

FINANCIAL POSITION AND CASH FLOWS PERFORMANCE

EQUITY

At June 30, 2021, shareholders' equity amounted to 4,387,383 thousand euros, the breakdown of which is as follows:

(thousands of euros)	***1.1 - 6.30 2021***	***1.1 – 12.31 2020***
Share capital issued	*600,000*	*600,000*
Minus treasury shares	*(87)*	*(37)*
Share capital	*599,913*	*599,963*
Share premium reserve	*2,211,001*	*3,691,703*
Other reserves	*1,481,460*	*119,576*
Legal reserve	*120,000*	*120,000*
Provision for instruments representing equity	*660*	*301*
Treasury share reserve in excess of nominal value	*(730)*	*(302)*
Locked-up Reserve under Law 178/2020	*1,361,880*	-
Other reserves	*(350)*	*(423)*
Retained earnings (losses) including earnings (losses) for the period	*95,009*	*169,239*
Total	***4,387,383***	***4,580,481***

The change in equity is mainly attributable to the result for the first half of the year, as well as the distribution of dividends resolved upon the approval of the 2020 financial statements. A reclassification of 1,361,880 euros was also made from the Share Premium Reserve to the locked-up Reserve under Law 178/2020 following the tax realignment mentioned in the previous paragraph. The law provides that the company updating the value for tax purposes has the burden of pledging an equity reserve for an amount equal to the tax revaluation, net of the substitute tax due on the realignment, subjecting it to the tax suspension regime.

NON-CURRENT ASSETS

Goodwill

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

Inwit resolved to realign the goodwill recognized in the 2015 financial statements arising from the contribution of the business unit by TIM in 2015. Indeed, Law 178/2020 provides for the realignment

of the tax value to the statutory value of intangible fixed assets recorded in the financial statements at 12.31.2019.
The realigned amount amounts to **1,404,000** thousand euros and entailed the calculation of a substitute tax of **42,120** thousand euros, equal to 3% of the realigned amount, to be paid in 3 annual installments (the first was paid on June 30, 2021, the following will mature on June 30, 2022 and June 30, 2023).
On June 30, Inwit also provided for the realignment of the goodwill recorded in the financial statements in 2020 resulting from the acquisition of Vodafone Towers S.r.l.
The realigned amount amounts to **2,000,000** euros thousand and resulted in a tax charge of **320,000** thousand euros, or 16% of the amount.
The amounts paid have been recorded under receivables as they will be released in line with tax amortization (42.12 million euros over 18 years starting in 2021, 320 million euros over 5 years starting in 2022).

Other intangible assets

These amounted to 722,000 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 684,450 thousand euros at June 30, 2021. In June 2021, costs related to social labor, body rental and external services (related to plant design and the new ERP system) were capitalized in the amount of 1,725 thousand euros.
Capital expenditure for the period came to 10,136 thousand euros. mainly referring to the Argo project (8,000 thousand euros) and IT solutions projects (1,600 thousand euros).

(thousands of euros)	**Intangible assets**
Value at December 31, 2020	**762,463**
Additions	10,136
Amortization and depreciation	(52,326)
Capitalization of projects	1,725
Other changes during the period	2
Value at June 30, 2021	**722,000**

Tangible assets

The item amounted to 815,191 thousand euros (compared to 811,657 thousand euros at December 31, 2020).
Capital expenditure for the period came to 35,868 thousand euros. Recent investments (in the second quarter of 2021) mainly consist of new sites/commitments (11,400 thousand euros) and extraordinary maintenance (6,200 thousand euros). In June 2021, costs related to social labor, body rental and external services were capitalized for an amount of 3,009 thousand euros.

(thousands of euros)	**Tangible Assets**
Value at December 31, 2020	**811,657**
Additions	35,868
Amortization and depreciation	(35,669)
Capitalization of projects	3,009
Other changes during the period	326
Value at June 30, 2021	**815,191**

Rights of use on third-party assets

These amounted to 1,071,776 thousand euros (compared to 1,140,401 thousand euros at 12.31.2020).
Capital expenditure for the period came to 3,688 thousand euros. It mainly refers to the acquisition of surface use rights.

(thousands of euros)	**Right of use assets**
Value at December 31, 2020	**1,140,401**
Lease increases	74,713
Additions	3,688
Amortization and depreciation	(89,921)
Disposals	(57,106)
Other changes during the period	1
Value at June 30, 2021	**1,071,776**

Capital expenditure for the period came to 3,688 thousand euros. It mainly refers to the acquisition of surface use rights.

ADDITIONS

Capital expenditure in the first half of 2021 totaled 54,426 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 include the capitalization of costs relating to social labor, body rental and external services illustrated in the previous sections relating to tangible and intangible fixed assets.

For a more detailed analysis, please refer to Notes 4, 5, 6 and 7 of the Condensed Financial Statements at June 30, 2021.

Other non-current assets

These amounted to 328,221 thousand euros (compared to 1,926 thousand euros at 12.31.2020).
They consist of "Other non-current financial assets" and "Miscellaneous receivables and other non-current assets".

Other non-current financial assets

They amount to 1,484 thousand euros and consist of the following items:

(thousands of euros)	Value at December 31, 2020	Increase	Decrease	Other changes	Value at June 30, 2021
Loans to staff	497	205	32	(48)	622
Prepaid medium/long-term financial expenses	998	-	-	(136)	862
Other non-current financial assets	**1,495**	**205**	**32**	**(184)**	**1,484**

Miscellaneous receivables and other non-current assets

They amount to 326,610 thousand euros and consist mainly of medium/long-term receivables for the redemption of goodwill deriving from both the transfer of the Tim business unit and the purchase of Vodafone Towers S.r.l described in the previous chapters:

(thousands of euros)	Value at December 31, 2020	Increase	Decrease	Other changes	Value at June 30, 2021
Receivables for goodwill redemption beyond the year	-	326,610	-	-	**326,610**
Prepaid medium/long-term commercial expenses	431	-	-	(304)	**127**
Other non-current financial assets	**431**	**326,610**	**0**	**(304)**	**326,737**

FINANCIAL RESOURCES AND CASH FLOWS

Net financial debt

The table below shows a summary of the net financial debt at June 30, 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)	*1.1 - 06.30* **2021 (a)**	*1.1 – 12.31* **2020 (b)**	**Change c=(a-b)**
a) Cash	-	-	-
b) Other cash equivalents	*25,398*	*120,207*	*(94,809)*
c) Securities held for trading	-	-	-
d) Liquidity (a+b+c)	***25,398***	***120,207***	***(94,809)***
e) Current financial receivables	*258*	*208*	*50*
f) Current financial payables	-	-	-
g) Current portion of financial payables (medium/long-term)	*(557,257)*	*(171,670)*	*(385,587)*
of which:			
- Financial payables within 12 months	*(404,006)*	*(13,027)*	*(390,979)*
- Financial lease liabilities within 12 months	*(153,251)*	*(158,643)*	*5,392*
h) Bonds issued	*(28,588)*	-	*(28,588)*
i) Other current financial payables	-	-	-
i) Current financial debt (f+g+h)	***(585,845)***	***(171,670)***	***(414,175)***
j) Net current financial debt (i+e+d)	***(560,189)***	***(51,255)***	***(508,934)***
k) Financial payables (medium/long-term)	*(1,359,502)*	*(1,923,214)*	*563,712*
of which:			
- Financial payables over 12 months	*(535,394)*	*(1,030,200)*	*494,806*
- Financial lease liabilities over 12 months	*(824,108)*	*(893,014)*	*68,906*
l) Bonds issued	*(2,232,709)*	*(1,738,736)*	*(493,973)*
m) Other non-current financial payables	-	-	-
n) Non-current financial debt (k+l+m)	***(3,592,211)***	***(3,661,950)***	***69,739***
o) Net financial debt as recommended by ESMA (j+n)	***(4,152,400)***	***(3,713,205)***	***(439,195)***
Other financial receivables and non-current financial assets (*)	*1,484*	*1,495*	*(11)*
INWIT net financial debt	***(4,150,916)***	***(3,711,710)***	***(439,206)***
Finance lease liabilities expiring within 12 months	*(153,251)*	*(158,643)*	*5,392*
Finance lease liabilities expiring over 12 months	*(824,108)*	*(893,014)*	*68,906*
INWIT adjusted net financial debt	***(3,173,557)***	***(2,660,053)***	***(513,504)***

(*) 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

As of June 30, 2021, this item amounted to 25,398 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 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 (25,395 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	06.30.2021
Financial payables (medium/long-term):				
Amounts due to banks		1,030,200	(494,805)	535,395
Corporate Bonds		1,738,736	493,972	2,232,708
Leasing liabilities		893,014	(68,906)	824,108
Total non-current financial liabilities	(a)	3,661,950	(69,739)	3,592,211
Financial payables (short-term):				
Amounts due to banks		1,530	402,460	403,990
Corporate Bonds		11,497	17,091	28,588
Other financial payables		-	16	16
Leasing liabilities		158,643	(5,392)	153,251
Total current financial liabilities	(b)	171,670	414,175	585,845
Total Financial liabilities (Gross financial debt)	(a+b)	3,833,620	344,436	4,178,056

Financial payables (medium/long-term) includes:

- **Amounts due to banks:** mainly refer to the loans net of related accruals and deferrals, entered into with:
  - Banca Popolare di Sondrio for a nominal amount of 40,000 thousand euros with bullet repayment at maturity (December 2023);
  - a pool of national and international banks for the ESG KPI-linked term loan for a nominal amount of 500,000 thousand euros with bullet repayment at maturity (April 2025);

- **Corporate Bonds** : refers to the bond loan issued in July 2020 with a nominal value of 1,000,000 thousand euros maturing on July 8, 2026, coupon 1.875%, issue price 99.809%; the bond loan issued in October 2020 with a nominal value of 750,000 thousand euros maturing October 21, 2028, coupon 1.625%, issue price 99.755%; the bond loan issued in April 2021 with a nominal value of 500,000 thousand euros maturing April 19, 2031, coupon 1.75%, issue price 99.059%.

- **Finance lease liabilities** refer to leases.

Financial payables (short-term) include:

- **Amounts due to banks** mainly refer to the use of the revolving credit line for 374,000 thousand euros and the use of an uncommitted bank line for 30,000 thousand euros.

- **Corporate Bonds** refer to the accrued portions of the coupons of the Bonds.
- **Finance lease liabilities** and refer to leases.

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.

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)	**1.1 - 06.30 2021 (a)**	**1.1 – 12.31 2020 (b)**	**Change c=(a-b)**
EBITDA	***348,862***	***603,781***	***(254,919)***
Write-off of capital contributions in income statement	-	-	-
Capital expenditures on an accrual basis (*)	*(54,426)*	*(118,640)*	*64,214*
EBITDA - Capex	***294,436***	***485,141***	***(190,705)***
Change in net operating working capital:	*71*	*71,631*	*(71,560)*
Change in trade receivables	*19,871*	*76,344*	*(56,473)*
Change in trade payables (**)	*(19,800)*	*(4,713)*	*(15,087)*
Other changes in operating receivables/payables	*299*	*(7,740)*	*8,039*
Change in provisions for employee benefits	*(141)*	*(624)*	*483*
Change in operating provisions and Other changes	*(409)*	*(176)*	*(233)*
Operating free cash flow	***294,256***	***548,232***	***(253,976)***
% on EBITDA	***84.3%***	***90.8%***	***(15.4pp)***
Capex in other non-current assets	-	*(2,140,000)*	*2,140,000*
Flow from financial income and charges	*(47,928)*	*(69,759)*	*21,831*
income taxes paid	*(51,918)*	*(93,288)*	*41,370*
Treasury shares acquired	*(478)*	*(532)*	*54*
dividend payments	*(283,884)*	*(696,720)*	*412,836*
Leasing liabilities	*(74,298)*	*27,751*	*(102,049)*
Impact of Vodafone Towers merger		*(423,764)*	*423,764*
Changes miscellaneous non-operating receivables/payables	*(333,049)*		
Other non-monetary changes	*57,132*	*(158,991)*	*216,123*
Other changes	*972*	*6,245*	*(5,273)*
Reduction/(Increase) in ESMA net financial debt	***(439,195)***	***(3,000,826)***	***2,561,631***

(*) 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 half of 2021 was affected by the following items:

Capital expenditure

Capital expenditure in the reporting period amounted to 54,426 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 6 “Tangible assets (owned and under finance leases)” of the Condensed Financial Statements as at June 30, 2021.

Change in net operating working capital

The change in working capital was positive at 71 thousand euros.

Financial income and expenses

The net flow of finance income and expenses accounted for during the year is equal to (47,928) thousand euros. Lastly, it should be noted that the financial expenses on the debt for financial leases (IFRS 16) is equal to 12,746 thousand euros.

Changes miscellaneous non-operating receivables/payables

The amount of 333,049 thousand euros derives from the redemption of the following goodwill:

- 320,000 thousand euros for the purchase of Vodafone Towers S.r.l., which took place on March 30, 2020,
- 14,000 thousand euros for the transfer of the business branch of Tim S.p.A. that took place during the year

Recurring Free Cash Flow

The recurring free cash flow in the first half of 2021 - calculated net of both one-off revenues/costs (at EBITDA level) - stood at 184,454 thousand euros, up 42.1% compared to the same period of 2020 (determined, also, considering EBITDA net of one-off revenues).

The following table shows the details of the items concerned:

(thousands of euros)	*1.1 - 06.30* 2021 (a)	*1.1 - 06.30* 2020 (b)	Change amount c=(a-b)	%
EBITDA	**348,162**	**259,535**	**88,627**	**34.1**
recurring investments	(8,016)	(3,200)	(4,816)	**n.d.**
payment of income taxes	(51,918)	(22,811)	(29,107)	**n.d.**
payment of financial expenses	(10,349)	(2,457)	(7,892)	**321.2**
Change in Trade Working Capital:	10,017	6,012	4,005	**66.6**
Change in trade receivables	19,871	2,084	17,787	**853.5**
Change in trade payables (*)	(9,854)	3,928	(13,782)	**(350.9)**
Change in operating receivables/payables	299	(21,664)	21,963	**(101,4)**
Change in provisions for employee benefits	(141)	(215)	74	**(34.4)**
Lease Payment	(103,600)	(85,400)	(18,200)	**21.3**
Recurring Free Cash Flow	**184,454**	**129,800**	**54,654**	**42.1**

(*): excluding the change in payables for assets

DETAILED TABLES

INWIT's Interim Management Report at June 30, 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 Financial Report at June 30, 2021, comprises:

- the Interim Management Report;
- the half-year condensed financial statements at June 30, 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 half 2021	*of which related parties*	1st half 2020	*of which related parties*
Revenues	383,114	312,054	287,380	245,509
Acquisition of goods and services - Ordinary expenses	(22,050)	(2,472)	(12,380)	(5,625)
Acquisition of goods and services - Charges associated with extraordinary transactions	-		(7,138)	
Employee benefits expenses - Ordinary expenses	(10,162)	(966)	(7,584)	(959)
Other operating expenses	(2,040)		(693)	
Operating profit before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)	348,862		259,585	
Amortization, gains/losses on disposals and impairment losses on non-current assets	(177,890)		(130,401)	
Operating profit (loss) (EBIT)	170,972		129,184	
Financial income	-		2	
Financial expenses	(47,928)	(1,979)	(26,881)	(741)
Profit (loss) before tax	123,044		102,305	
Income taxes	(28,045)		(30,649)	
Profit for the period	94,999		71,656	
Basic and Diluted Earnings Per Share	0.099		0.092	

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 half 2021	1st half 2020
Profit for the period	(a)	94,999	71,656
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)		(92)	(341)
Net fiscal impact		22	82
Total other items that will not subsequently be reclassified in the Separate Income Statement	(b)	(70)	(259)
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)	94,929	71,397
Total Comprehensive income for the period	(e=a+d)	94,929	71,397

Items of the consolidated statement of financial position

Assets

(thousands of euros)	06.30.2021	*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	722,000		762,463	
Tangible assets				
Property, plant and equipment	815,191		811,658	
Rights of use on third-party assets	1,071,776		1,140,401	
Other non-current assets				
Non-current financial assets	1,484		1,495	
Miscellaneous receivables and other non-current assets	326,736		431	
Deferred tax assets	-		-	
Total Non-current assets	9,049,972		8,829,232	
Current assets				
Trade and miscellaneous receivables and other current assets	155,677	14,454	135,780	27,926
Financial receivables and other current financial assets	258		208	
Income tax receivables	35,885		-	
Cash and cash equivalents	25,398		120,207	
Total Current assets	217,218		256,195	
Total Assets	9,267,190		9,085,427	

Equity and Liabilities

(thousands of euros)	06.30.2021	*of which related parties*	12.31.2020	*of which related parties*
Equity				
Share capital issued	600,000		600,000	
Minus: treasury shares	(87)		(37)	
Share capital	599,913		599,963	
Share premium reserve	2,211,001		3,691,703	
Legal reserve	120,000		120,000	
Other reserves	1,361,460		(424)	
Retained earnings (losses) including earnings (losses) for the period	95,009		169,239	
Total Equity	4,387,383		4,580,481	
Liabilities				
Non-current liabilities				
Employee benefits	2,507		2,643	
Deferred tax liabilities	300,860		277,390	
Provisions for Risks and Charges	222,947		220,961	
Non-current financial liabilities	3,592,211	114,444	3,661,950	123,410
Miscellaneous payables and other non-current liabilities	15,403		1,511	
Total Non-current liabilities	4,133,928		4,164,455	
Current liabilities				
Current financial liabilities	585,845	14,058	171,670	17,954
Trade and miscellaneous payables and other current liabilities	159,584	18,745	155,787	64,889
Provisions for Risks and Charges	450		450	
Income tax payables	-		12,584	
Total current Liabilities	745,879		340,491	
Total liabilities	4,879,807		4,504,946	
Total Equity and Liabilities	9,267,190		9,085,427	

Statement of cash flows

(thousands of euros)		1st half 2021	1st half 2020
Cash flows from operating activities:			
Profit for the period		94,999	71,656
Adjustments for:			
Amortization, losses/gains on disposals and impairment losses on non-current assets		177,890	130,401
Net change in deferred tax assets and liabilities		23,470	30,841
Change in provisions for employee benefits		(141)	(215)
Change in trade receivables		19,871	(14,166)
Change in trade payables		(9,854)	10,628
Net change in miscellaneous receivables/payables and other assets/liabilities		(381,628)	(66,814)
Other non-monetary changes		2,502	(1,906)
Cash flows from operating activities	(a)	(72,891)	160,425
Cash flows from investing activities:			
Total purchases of tangible and intangible assets for the period and rights of use on third-party assets (*)		(129,139)	(171,204)
Of which change in amounts due to fixed asset suppliers		*(9,946)*	(2,027)
Total purchases of tangible and intangible assets and rights of use on third-party assets on a cash basis		(64,372)	(26,762)
Purchase of investments		-	(2,140,000)
Change in financial receivables and other financial assets		(39)	22,325
Other non-current changes		-	-
Cash flows used in investing activities	(b)	(64,411)	(2,144,437)
Cash flows from financing activities:			
Change in current and non-current financial liabilities		326,855	2,647,244
Dividends paid		(283,844)	(696,558)
Treasury shares acquired		(478)	-
Cash flows used in financing activities	(c)	42,493	1,950,686
Aggregate cash flows	(d=a+b+c)	(94,809)	(33,326)
Net cash and cash equivalents at beginning of the period	(e)	120,207	66,569
Net cash and cash equivalents at end of the period	(f=d+e)	25,398	33,243

(*) of which related parties:

(thousands of euros)	1st half 2021	1st half 2020
Total purchases of tangible and intangible assets and rights of use on TIM assets	18,379	8,735
Total purchases of tangible and intangible assets and rights of use on Vodafone Italia assets	20	-
Dividends paid TIM	-	255,859
Dividends paid Vodafone Italia	-	255,859

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 half of 2021.

EVENTS SUBSEQUENT TO JUNE 30, 2021

See the specific Note "Events subsequent to June 30, 2021" to the condensed Financial Statements at June 30, 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 half 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 half year under review.

BUSINESS OUTLOOK FOR THE YEAR 2021 (1)

Made stronger by a major transformation, after the merger with Vodafone Towers, 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 of the first half of 2021 recorded an increase in all the main economic indicators compared to the same period of 2020, with an acceleration of organic growth in the second quarter of 2021. Capital expenditure in the period of 54 million euros was directed, as planned, to the construction of new sites (towers), the development of indoor and outdoor micro-coverage with DAS (Distributed Antenna System) systems and the increase in owned land.

In November 2020, INWIT presented the update of the 2021-2023 industrial plan, the expectations of which, including those relating to the 2021 financial year, were confirmed. In the first six months of 2021, INWIT recorded strong growth in new hosting, at around 2,400 compared to about 250 in the first half of 2020. The development times for the new hosting, mitigated by actions on other sources of revenue, lead the company to forecast, for the year 2021, Revenues and EBITDA in the lower part of the guidance range, at 785-795 million euros and 715-725 millions euros, respectively. On the other hand, the continuous reduction of lease costs, together with the containment of net working capital and Recurring Capex, lead the company to forecast, for the year 2021, EBITDAaL and Recurring Free Cash Flow in the upper part of the guidance range, at 510 -520 million euros and 355-365 million euros, respectively.

From an operational point of view, in the coming quarters of 2021, the company will continue to be focused on the construction of new sites, the growth of hosting and on the development of revenues from new services. The goal of optimizing rental costs, a driver for the expansion of EBITDAaL margins and the growth of Recurring Free Cash Flow, is also confirmed.

In relation to the wireless infrastructure market, it 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.

The operating performance 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.

(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.

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:

- 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 the Note 13 "Financial liabilities (current and non-current)" to the condensed Financial Statements at June 30, 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 Half-Year Financial Statements at June 30, 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 Half-Year Financial Statements at June 30, 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 risks to be unlikely to occur given the industrial sector to which the Company belongs – 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 BOARDS AT JUNE 30, 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 appointed Directors were confirmed by the Shareholders' Meeting on April 20, 2021 and will remain in office until the approval of the financial statements for the year closing on December 31, 2022.

On April 23, 2020, the Board of Directors established internal committees, made up – from June 30, 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.

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

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 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. 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, on April 26, 2021, the Board of Directors appointed Maria Teresa Bianchi as a member of the said Board, which is therefore currently 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.

BOARD OF STATUTORY AUDITORS IN OFFICE AT JUNE 30, 2021

The Shareholders' Meeting of April 20, 2021 appointed the Board of Statutory Auditors, which will remain in office until the approval of the financial statements at December 31, 2023.

The Board of Statutory Auditors of the Company as at June 30, 2021 was composed as follows:

Chairman	Stefano Sarubbi
Acting Auditors	Maria Teresa Bianchi
	Giuliano Foglia
Alternate Auditors	Roberto Cassader
	Michela Zeme

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.

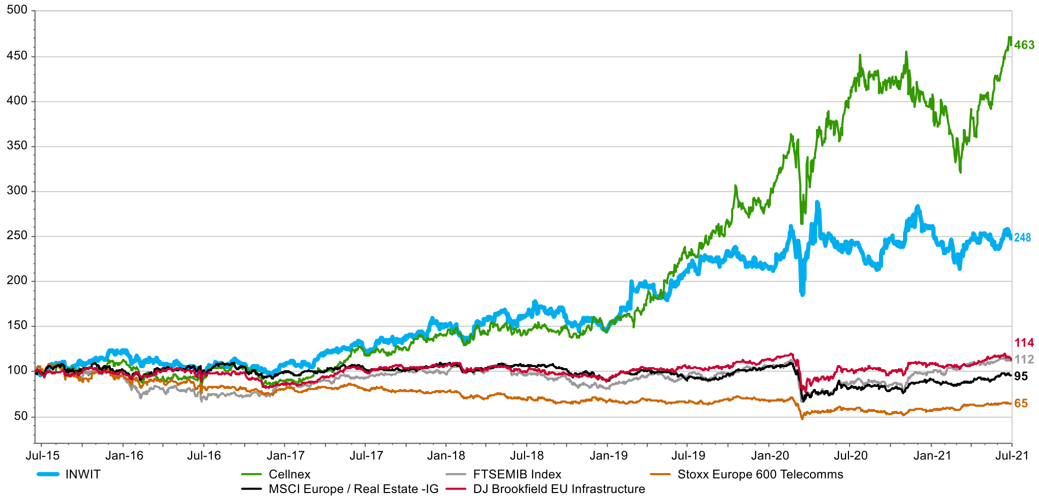
MANAGER RESPONSIBLE FOR PREPARING THE CORPORATE FINANCIAL REPORTS

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.

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 June 30, 2021.

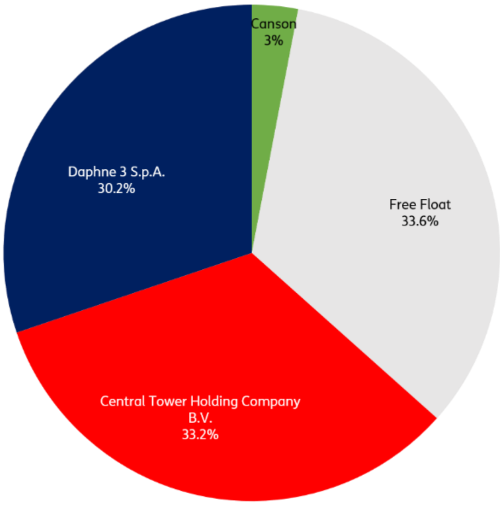


INWIT SHARE CAPITAL AT JUNE 30, 2021

Share capital	600,000,000 euros
Number of ordinary shares (without nominal value)	960,000,000
Market capitalization (based on average prices between 1/1/2021 and 06/30/2021)	8,929 million euros

SHAREHOLDERS

Shareholders' structure at June 30, 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

At June 30, INWIT owned 86,550 treasury shares which represent 0.009% of the share capital, purchased from 2020 for the 2020-2022 Long Term Incentive Plan and the 2020 Broad-Based Share Ownership Plan at an average price of 9.35.

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 the first half of 2021 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 June 30, 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 DEM/6064293 of July 28, 2006 is presented in the financial statements and in the Note "Related Parties" to the condensed Financial Statements at June 30, 2021.

ALTERNATIVE PERFORMANCE MEASURES

In this Interim Management Report at June 30, 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.

Half-Year Condensed Financial Statements of Infrastrutture Wireless Italiane S.p.A. at June 30, 2021

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

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STATEMENT OF FINANCIAL POSITION

Assets

(thousands of euros)	notes	06.30.2021	*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)	722,000		762,463	
Tangible assets					
Property, plant and equipment	6)	815,191		811,658	
Rights of use on third-party assets	7)	1,071,776		1,140,401	
Other non-current assets					
Non-current financial assets		1,484		1,495	
Miscellaneous receivables and other non-current assets	9)	326,736		431	
Deferred tax assets		-		-	
Total Non-current assets		9,049,972		8,829,232	
Current assets					
Trade and miscellaneous receivables and other current assets	9)	155,677	14,454	135,780	27,926
Financial receivables and other current financial assets	8)	258		208	
Income tax receivables		35,885		-	
Cash and cash equivalents		25,398		120,207	
Total Current assets		217,218		256,195	
Total Assets		9,267,190		9,085,427	

Equity and Liabilities

(thousands of euros)	notes	06.30.2021	*of which related parties*	12.31.2020	*of which related parties*
Equity	10)				
Share capital issued		600,000		600,000	
Minus: treasury shares		(87)		(37)	
Share capital		599,913		599,963	
Share premium reserve		2,211,001		3,691,703	
Legal reserve		120,000		120,000	
Other reserves		1,361,460		(424)	
Retained earnings (losses) including earnings (losses) for the period		95,009		169,239	
Total Equity		4,387,383		4,580,481	
Liabilities					
Non-current liabilities					
Employee benefits	11)	2,507		2,643	
Deferred tax liabilities		300,860		277,390	
Provisions for Risks and Charges	12)	222,947		220,961	
Non-current financial liabilities	13)	3,592,211	114,444	3,661,950	123,410
Miscellaneous payables and other non-current liabilities	15)	15,403		1,511	
Total Non-current liabilities		4,133,928		4,164,455	
Current liabilities					
Current financial liabilities	13)	585,845	14,058	171,670	17,954
Trade and miscellaneous payables and other current liabilities	15)	159,584	18,745	155,787	64,889
Provisions for Risks and Charges	12)	450		450	
Income tax payables		-		12,584	
Total current Liabilities		745,879		340,491	
Total liabilities		4,879,807		4,504,946	
Total Equity and Liabilities		9,267,190		9,085,427	

SEPARATE INCOME STATEMENT

(thousands of euros)	notes	1st half 2021	*of which related parties*	1st half 2020	*of which related parties*
Revenues	16)	383,114	312,054	287,380	245,509
Acquisition of goods and services - Ordinary expenses	17)	(22,050)	(2,472)	(12,380)	(5,625)
Acquisition of goods and services - Charges associated with extraordinary transactions		-		(7,138)	
Employee benefits expenses - Ordinary expenses		(10,162)	(966)	(7,584)	(959)
Other operating expenses		(2,040)		(693)	
Operating profit before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)		348,862		259,585	
Amortization, gains/losses on disposals and impairment losses on non-current assets	18)	(177,890)		(130,401)	
Operating profit (loss) (EBIT)		170,972		129,184	
Financial income		-		2	
Financial expenses	19)	(47,928)	(1,979)	(26,881)	(741)
Profit (loss) before tax		123,044		102,305	
Income taxes		(28,045)		(30,649)	
Profit for the period		94,999		71,656	
Basic and Diluted Earnings Per Share	20)	0.099		0.092	

STATEMENT OF COMPREHENSIVE INCOME

(thousands of euros)		1st half 2021	1st half 2020
Profit for the period	(a)	94,999	71,656
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)		(92)	(341)
Net fiscal impact		22	82
Total other items that will not subsequently be reclassified in the Separate Income Statement	(b)	(70)	(259)
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)	94,929	71,397
Total Comprehensive income for the period	(e=a+d)	94,929	71,397

CHANGES IN EQUITY

Changes in Equity from January 1, 2020 to June 30, 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	-	-	-	71,397	71,397
Dividends approved	-	-	(527,073)	(169,647)	(696,720)
Merger	-	-	3,558,776	(94)	3,558,692
Other changes	222	1,215	-	(553)	884
Amounts at June 30, 2020	**600,000**	**-**	**3,691,703**	**203,733**	**4,495,446**

Changes in net equity from January 1, 2021 to June 30, 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	-	-	-	94,929	94,929
Dividends approved	-	-	(118,822)	(169,227)	(288,049)
Other changes	(50)	(428)	(1,361,880)	1,362,381	23
Amounts at June 30, 2021	**599,913**	**(730)**	**2,211,001**	**1,577,199**	**4,387,383**

CASH FLOW STATEMENT

(thousands of euros)		1st half 2021	1st half 2020
Cash flows from operating activities:			
Profit for the period		94,999	71,656
Adjustments for:			
Amortization, losses/gains on disposals and impairment losses on non-current assets		177,890	130,401
Net change in deferred tax assets and liabilities		23,470	30,841
Change in provisions for employee benefits		(141)	(215)
Change in trade receivables		19,871	(14,166)
Change in trade payables		(9,854)	10,628
Net change in miscellaneous receivables/payables and other assets/liabilities		(381,628)	(66,814)
Other non-monetary changes		2,502	(1,906)
Cash flows from operating activities	(a)	(72,891)	160,425
Cash flows from investing activities:			
Total purchases of tangible and intangible assets for the period and rights of use on third-party assets (*)		(129,139)	(171,204)
Of which change in amounts due to fixed asset suppliers		*(9,946)*	(2,027)
Total purchases of tangible and intangible assets and rights of use on third-party assets on a cash basis		(64,372)	(26,762)
Purchase of investments		-	(2,140,000)
Change in financial receivables and other financial assets		(39)	22,325
Other non-current changes		-	-
Cash flows used in investing activities	(b)	(64,411)	(2,144,437)
Cash flows from financing activities:			
Change in current and non-current financial liabilities		326,855	2,647,244
Dividends paid		(283,844)	(696,558)
Treasury shares acquired		(478)	-
Cash flows used in financing activities	(c)	42,493	1,950,686
Aggregate cash flows	(d=a+b+c)	(94,809)	(33,326)
Net cash and cash equivalents at beginning of the period	(e)	120,207	66,569
Net cash and cash equivalents at end of the period	(f=d+e)	25,398	33,243

(*) of which related parties

(thousands of euros)	1st half 2021	1st half 2020
Total purchases of tangible and intangible assets and rights of use on TIM assets	18,379	8,735
Total purchases of tangible and intangible assets and rights of use on Vodafone Italia assets	20	-
Dividends paid TIM	-	255,859
Dividends paid Vodafone Italia	-	255,859

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 half 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 June 30, 2021 (hereinafter the"**Condensed Financial Statements at June 30, 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 June 30, 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 June 30, 2020, as shown in the Financial Statements, for comparative purposes include three months of the economic elements of the company Vodafone Towers S.r.l.. 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 Half-Year Condensed Financial Statements at June 30, 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 thousands of euros. The values expressed in the notes to these financial statements are expressed in thousands of euros, unless otherwise indicated.

The publication of the Half-Year Condensed Financial Statements at June 30, 2021 was approved by a resolution of the Board of Directors of July 29, 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 Half-Year Condensed Financial Statements at June 30, 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 half-year condensed financial statements at June 30, 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.

Also, in the Half-Year Condensed Financial Statements at June 30, 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 June 30, 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 Half-Year Condensed Financial Statements as at June 30, 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 June 30, 2021 refer to the 1 billion euros nominal corporate bond issued in July 2020, the 750 million euro corporate bond issued in October 2020, the 500 million euros nominal value bond issued in April 2021 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 500 million euro revolving credit line which represents the only existing line of the loan taken out in December 2019 with a syndicate of banks to acquire the investment in Vodafone Towers.
The variable rate component also derives from a 500 million euro ESG KPIlinked loan agreement signed in April 2021.

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 customers are TIM and Vodafone, which, during the reference period of these Financial Statements, generated revenues of 312,054 thousand euros (equal to 81.5% of total revenues at June 30, 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 Company is also exposed to the solvency risk of the financial counterparty with which it carries out transactions for the use of liquidity deriving from the bank's inability to deal with the repayment transactions of the sums used by the Company. The possible default by one of its commercial and financial counterparts could involve negative effects on the income, balance sheet, and financial situation of the Company. With regard to counterparty risk, formalized procedures for the assessment and assignment of commercial and financial partners are adopted for credit management and financial risk management.

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 June 30, 2021, this line was used for 374 million euros.

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 June 30, 2021 on the basis of the categories contained in IFRS 9.

Carrying amount for each IFRS 9 class of financial asset/liability at June 30, 2021

(thousands of euros)		06.30.2021	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		1,484	1,484			
	(a)	**1,484**	**1,484**			
Current assets						
Trade and miscellaneous receivables and other current assets						
of which loans and receivables		106,424	106,424			
Financial receivables and other current financial assets						
of which loans and receivables		258	258			
Cash and cash equivalents		25,398	25,398			
	(b)	**132,080**	**132,080**			
Total	(a+b)	**133,564**	**133,564**			
LIABILITIES						
Non-current liabilities						
Non-current financial liabilities						
of which liabilities at amortized cost		3,592,211	3,592,211			
	(c)	**3,592,211**	**3,592,211**			
Current liabilities						
Current financial liabilities						
of which liabilities at amortized cost		585,845	585,845			
Trade and miscellaneous payables and other current liabilities						
of which liabilities at amortized cost		114,350	114,350			
	(d)	**706,195**	**706,195**			
Total	(c+d)	**4,292,406**	**4,292,406**			

NOTE 4 – GOODWILL

As of June 30, 2021, goodwill amounted to 6,112,784 thousand euros, and shows the following change:

(thousands of euros)	12.31.2020	Other changes	06.30.2021
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.

Goodwill mainly refers for 1,404,000 thousand euros to the transfer of the business unit carried out in 2015 by Tim, and for 4,701,028 thousand euros to the allocation of the deficit generated by the incorporation of Vodafone Towers which took place in 2020.

In particular, as of June 30, 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.

The company took advantage of the possibility of realigning the goodwill value of 1,404,000 thousand euros, as provided for by Legislative Decree 104/2020, Art. 110, paragraph 8bis (converted by Law 178/2020); against the payment of a substitute tax equal to 3% of the realigned value (42,120 thousand euros), it can deduct the tax amortization of the realigned value over 18 years starting from the current year.

As regards the goodwill generated by the incorporation of Vodafone Towers, the company opted to free up a share equal to 2,000,000 thousand euros as provided for by Art. 15 of Legislative Decree 185/2009. The payment of a substitute tax equal to 16% of the freed value (320,000 thousand euros) allows the deduction in 5 years, starting from 1/1/2022, from the tax amortization of the freed value.

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	06.30.2021
Patent rights and utilization of intellectual property	8,277	10	(1,626)	-	6,661
Other intangible assets	735,149	-	(50,700)	1	684,450
Intangible assets under development and advances	19,038	11,851	-	-	30,889
Total	**762,464**	**11,861**	**(52,326)**	**1**	**722,000**

Capital expenditure in the period amounted to a total of 11,861 thousand euros, mainly referring to the Argo project (8,000 thousand euros), IT solutions projects (1,600 thousand euros) and the capitalization of costs relating to social labor, body rental and external services for a value of 1,725 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	06.30.2021
Land	48,576	246	-	-	243	49,065
Plant and equipment	674,164	32,836	-	(35,639)	8,512	679,873
Manufacturing and distribution equipment	6	-	-	(3)	-	3
Other goods	87	-	-	(27)	-	60
Construction in progress and advance payments	88,824	5,795	-	-	(8,429)	86,190
Total	**811,657**	**38,877**	**-**	**(35,669)**	**326**	**815,191**

Additions in the period, equal to 38,877 thousand euros, mainly refer to the purchase of land for 2,031 thousand euros, the construction of new sites for 16,853 thousand euros, the construction of small cells and DAS for 2,296 thousand euros, and extraordinary maintenance for 8,016 thousand euros and to the capitalization of costs relating to social labor, body rental and external services for a value of 3,009 thousand euros

The gross carrying amounts and accumulated depreciation at June 30, 2021 are detailed as follows:

(thousands of euros)	Gross Value at June 30, 2021	Accumulated impairment losses	Depreciation Provision	Net Value at June 30, 2021
Land	49,065	-	-	49,065
Plant and equipment	1,628,405	(562)	(947,970)	679,873
Manufacturing and distribution equipment	24	-	(21)	3
Other goods	295	-	(235)	60
Construction in progress and advance payments	86,190	-	-	86,190
Total	**1,763,979**	**(562)**	**(948,226)**	**815,191**

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	06.30.2021
Land use rights	7	-	-	-	-	(7)	-
Rights of use on civil and industrial buildings	43,418	579	-	-	(1,240)	8	42,765
Rights of use on plant and equipment	1,096,539	3,109	74,713	(57,106)	(88,571)	-	1,028,684
Rights of use on other assets	437	-	-	-	(110)	-	327
Total	**1,140,401**	**3,688**	**74,713**	**(57,106)**	**(89,921)**	**1**	**1,071,776**

Additions in the period (amounting to 3,688 thousand euros), refer to the acquisition of surface use rights (579 thousand euros), as well as the capitalization of renegotiation fees for lease contracts (3,109 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 – FINANCIAL RECEIVABLES (NON-CURRENT AND CURRENT)

Non-current and current financial receivables at June 30, 2021 were made up as follows:

(thousands of euros)		12.31.2020	Other changes during the period	06.30.2021
Financial receivables (medium/long-term):				
Loans to staff		497	125	622
Prepaid expenses from finance expenses		998	(136)	862
Total non-current financial receivables	**(a)**	**1,495**	**(11)**	**1,484**
Financial receivables (short-term):				
Loans to staff		190	48	238
Prepaid expenses from finance expenses		18	2	20
Total current financial receivables	**(b)**	**208**	**50**	**258**
Total financial receivables	**(a+b)**	**1,703**	**39**	**1,742**

Financial receivables (medium/long-term) relate to the residual value of prepaid expenses from finance expenses and loans to staff.

NOTE 9 – 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	06.30.2021	*of which Financial Instruments IFRS 9*
Miscellaneous receivables and other non-current assets						
Other non-current assets		431	-	(304)	127	-
Other non-current miscellaneous receivables		-	-	326,610	326,610	-
Total Miscellaneous receivables and other non-current assets	**(a)**	**431**	**-**	**326,306**	**326,737**	**-**
Total trade receivables	**(b)**	**126,295**	***126,295***	**(19,871)**	**106,424**	***106,424***
Miscellaneous receivables and other current assets						
Other current assets		1,025	-	968	1,993	-
Non-current miscellaneous receivables - short term share		1,455	-	179	1,634	-
Miscellaneous operating receivables		7,005	-	4,281	11,286	-
Miscellaneous non-operating receivables		-	-	34,340	34,340	-
Total miscellaneous receivables and other current assets	**(c)**	**9,485**	**-**	**49,253**	**49,253**	**-**
Total Current income tax receivables	**(d)**	**-**	**-**	**35,885**	**35,885**	**-**
Total trade and miscellaneous receivables and other current assets	**(b+c+d)**	**135,780**	***126,295***	**55,782**	**191,562**	***106,424***
Total	**(a+b+c+d)**	**136,211**	***126,295***	**382,088**	**518,299**	***106,424***

Miscellaneous receivables and other non-current assets mainly relate to the medium/long-term portion of the substitute taxes paid by the company (326,610 thousand euros) for the realignment and redemption of the goodwill recorded in the financial statements which will be deferred over the duration of the amortization of the goodwill itself described in Note 4 - Goodwill.

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

Miscellaneous receivables and other current assets refer to guarantee deposits (1,495 thousand euros), advances to suppliers (3,182 thousand euros), receivables from the tax authorities for taxes and duties

(6,087 thousand euros) and the short-term portion of substitute taxes paid by the company (34,340 thousand euros) for the realignment and redemption of the goodwill recorded in the financial statements which will be deferred over the duration of the amortization of the goodwill described in Note 4 - Goodwill.

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 10 - EQUITY

At June 30, 2021, shareholders' equity amounted to 4,387,383 thousand euros, the breakdown of which is as follows:

(thousands of euros)	06.30.2021	12.31.2020
Share capital issued	600,000	600,000
Minus treasury shares	(87)	(37)
Share capital	599,913	599,963
Share premium reserve	2,211,001	3,691,703
Other reserves and earnings (losses) carried forward, including the result for the period	1,481,460	119,576
Legal reserve	*120,000*	*120,000*
Provision for instruments representing equity	*660*	*301*
Treasury share reserve in excess of nominal value	*(730)*	*(302)*
Locked-up Reserve under Law 178/2020	*1,361,880*	*-*
Other reserves	*(350)*	*(423)*
Retained earnings (losses) including earnings (losses) for the period	95,009	169,239
Total	4,387,383	4,580,481

The realignment of 1,404,000 thousand euros of TIM goodwill described in Note 4 - Goodwill entailed the need, pursuant to Legislative Decree 104/2020, art. 110, para. 8 (converted by Law 178/2020) to create a suspended tax reserve by reclassifying 1,361,880 thousand euros from the share premium reserve.

BENEFIT PLANS IN THE FORM OF EMPLOYEE STOCK OPTIONS

The Provision for instruments representing equity of 660 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 (494 thousand euros) in existence at June 30, 2021, used for retention and long-term incentive purposes for managers.
- the general stock option plan (132 thousand euros) in existence and subscribed to by INWIT employees.

NOTE 11 – EMPLOYEE BENEFITS

The item has the following breakdown and movements:

(thousands of euros)	12/31/2020	Increase/ Present value	Decrease	06.30.2021
Provision for employee severance indemnities	2,643	7	(143)	2,507
Total	2,643	7	(143)	2,507

Compared to December 31, 2020, the Provision for Employee Severance Indemnities decreased by 136 thousand euros and breaks down as follows:

(thousands of euros)	1st half 2021	1st half 2020
Financial expenses	5	9
Net actuarial (gains) losses for the period	(92)	341
Transfers	(49)	-
Total	(136)	350

NOTE 12 – 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	06.30.2021
Provision for restoration costs	220,585	2,395	(395)	-	222,585
Deferred tax liabilities	277,390	26,767	-	(3,297)	300,860
Provision for legal disputes and other risks	826	-	(14)	-	812
Total	498,801	29,162	(409)	(3,297)	524,257
Of which:					
Non-current amount	*498,351*				*523,807*
Current amount	*450*				*450*

The **Provision for restoration costs** increased due to both the allocation of costs for the dismantling of sites connected with the passage of time (2,070 thousand euros) and the building of new sites (325 thousand euros). The decrease in provision for restoration costs relates to the coverage of costs incurred in the period (395 thousand euros).

Deferred tax liabilities mainly increased due to the effect of taxes for the period (44,824 thousand euros) and decreased due to the release of deferred tax liabilities relating to the Customer List (18,104 thousand euros).

NOTE 13 – 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	06.30.2021
Financial payables (medium/long-term):				
Amounts due to banks		1,030,200	(494,805)	535,395
Corporate Bonds		1,738,736	493,972	2,232,708
Leasing liabilities		893,014	(68,906)	824,108
Total non-current financial liabilities	(a)	3,661,950	(69,739)	3,592,211
Financial payables (short-term):				
Amounts due to banks		1,530	402,460	403,990
Corporate Bonds		11,497	17,091	28,588
Other financial payables		-	16	16
Leasing liabilities		158,643	(5,392)	153,251
Total current financial liabilities	(b)	171,670	414,175	585,845
Total Financial liabilities (Gross financial debt)	(a+b)	3,833,620	344,436	4,178,056

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 national and international banks for the ESG KPI-linked term loan for a nominal amount of 500,000 thousand euros with bullet repayment at maturity (April 2025);
- **Corporate Bonds** refers to the bond loan issued in July 2020 with a nominal value of 1,000,000 thousand euros maturing on July 8, 2026, coupon 1.875%, issue price 99.809%; the bond loan issued in October 2020 with a nominal value of 750,000 thousand euros maturing October 21, 2028, coupon 1.625%, issue price 99.755%; the bond loan issued in April 2021 with a nominal value of 500,000 thousand euros maturing April 19, 2031, coupon 1.75%, issue price 99.059%;
- **Finance lease liabilities** refer to leases.

Financial payables (short-term):

- **Amounts due to banks** mainly refer to the use of the revolving credit line for 374,000 thousand euros and the use of an uncommitted bank line for 30,000 thousand euros;
- **Corporate Bonds** refer to the accrued portions of the coupons of the Bonds;
- **Finance lease liabilities** and refer to leases.

“COVENANTS”, “NEGATIVE PLEDGES” AND OTHER CONTRACT CLAUSES IN EFFECT AT JUNE 30, 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 revolving credit line entered into in December 2019 contains a 7x pre-IFRS 16 Net Debt/EBITDA leverage ratio covenant. It also contains 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 14 – NET FINANCIAL DEBT

The table below shows the Company's net financial debt at June 30, 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)	06.30.2021 (*)	12.31.2020
A Cash	-	-
B Cash and cash equivalents	25,398	120,207
C Securities held for trading	-	-
D Liquidity (A + B + C)	25,398	120,207
E Current financial receivables	258	208
F Current financial payables	-	-
G Current portion of financial payables (medium/long-term)	(585,845)	(171,670)
H Other current financial payables	-	-
I Current financial debt (F+G+H)	(585,845)	(171,670)
J Net current financial debt (I+D+E)	(560,189)	(51,255)
K Medium/long term financial payables	(1,359,503)	(1,923,214)
L Bonds issued	(2,232,708)	(1,738,736)
M Other non-current financial payables	-	-
N Non-Current financial debt (K+L+M)	(3,592,211)	(3,661,950)
O Net financial debt as recommended by ESMA (J+N)	(4,152,400)	(3,713,205)
Other financial receivables and non-current financial assets	1,484	1,495
INWIT net financial debt	(4,150,916)	(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 15 - TRADE AND MISCELLANEOUS PAYABLES AND OTHER (NON-CURRENT AND CURRENT) LIABILITIES

The item was composed as follows at June 30, 2021:

(thousands of euros)		12.31.2020	*of which IFRS 9 Financial Instruments*	Other changes during the period	06.30.2021	*of which IFRS 9 Financial Instruments*
Miscellaneous payables and other non-current liabilities						
Other non-current liabilities		1,375	-	(148)	1,227	-
Miscellaneous non-current operating payables		136	-	-	136	-
Miscellaneous non-current non-operating payables		-	-	14,040	14,040	-
Total miscellaneous payables and other non-current liabilities	(a)	1,511	-	13,892	15,403	-
Total trade payables	(b)	134,150	*134,150*	(19,800)	114,350	*114,350*
Miscellaneous payables and other current liabilities						
Other current liabilities		6,209	-	2,094	8,303	-
Miscellaneous current operating payables		11,013	-	3,298	14,311	-
Miscellaneous current non-operating payables		4,415	-	18,205	22,620	-
Total miscellaneous payables and other current liabilities	(c)	21,637	-	23,597	45,234	-
Total trade and miscellaneous payables and other current liabilities	(b+c)	155,787	*134,150*	3,797	159,584	*114,350*
Total Current income tax payables	(d)	12,584	-	(12,584)	-	-
Total	(a+b+c+d)	169,882	*134,150*	5,105	174,987	*114,350*

Miscellaneous payables and other non-current liabilities refer to prepaid contracts with customers (1,227 thousand euros), payables to social security agencies (136 thousand euros) and various non-current non-operating payables relating to the second installment of the substitute tax (14,040 thousand euros) relating to the realignment of TIM goodwill of 1,404,000 thousand euros defined pursuant to Legislative Decree 104/2020 described in Note 4 - Goodwill.

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

Miscellaneous payables and other current liabilities refer to prepaid contracts with customers (8,303 thousand euros), tax payables (9,306 thousand euros), payables to personnel (3,397 thousand euros, tax consolidation due to TIM (4,415 thousand euros)), payables to shareholders (4,165 thousand euros) and miscellaneous current non-operating payables relating to the first installment of the substitute tax (14,040 thousand euros) relating to the realignment of TIM goodwill of 1,404,000 thousand euros defined pursuant to Legislative Decree 104/2020 described in Note 4 - Goodwill.

The book value of trade and miscellaneous payables and other current liabilities is considered a reasonable approximation of their respective fair value.

NOTE 16 - REVENUES

Revenues amounted to 383,114 thousand euros, broken down as follows:

(thousands of euros)	1st half 2021	1st half 2020
Revenues		
Revenues from TIM	173,894	162,617
Revenues from Vodafone Italia	138,160	82,892
Revenues from third parties	71,060	41,871
Total	383,114	287,380

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 173,894 thousand euros and mainly refer to the Master Service Agreement.

Revenues from Vodafone Italia amount to 138,160 thousand euros and refer to the new Master Service Agreement

The item **Revenues from third parties**, amounting to 71,060 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 17 – ACQUISITION OF GOODS AND SERVICES

The item amounted to 22,050 thousand euros and breaks down as follows:

(thousands of euros)		1st half 2021	1st half 2020
Purchases of materials and goods for resale	(a)	411	483
Costs for services			
Maintenance		8,158	4,757
Professional services		1,331	2,222
Other service expenses		8,502	10,747
	(b)	17,991	17,726
Lease and rental costs			
Lease and rental costs		3,654	988
Other lease and rental costs		(6)	315
	(c)	3,648	1,309
Total	(a+b+c)	22,050	19,518

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

NOTE 18 – 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 177,890 thousand euros, and are composed as follows:

(thousands of euros)		1st half 2021	1st half 2020
Amortization of intangible assets with a finite useful life	(a)	52,326	26,586
Depreciation of owned tangible assets	(b)	35,669	21,883
Amortization of rights of use on third-party assets	(c)	89,921	81,858
(Gains)/losses on disposals and impairment losses on non-current assets	(d)	(26)	74
Total	(a+b+c+d)	177,890	130,401

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 mainly includes (gains)/losses on disposals of rights of use on third-party assets.

NOTE 19 – FINANCE INCOME AND EXPENSES

FINANCIAL EXPENSES

Financial expenses amounted to 47,928 thousand euros and break down as follows:

(thousands of euros)	1st half 2021	1st half 2020
Interest expenses and other financial expenses		
Interest to banks	5,709	8,885
Finance expenses for corporate bonds	18,018	-
Interest expense for finance leases	12,746	10,836
Financial fees	9,339	4,734
Other financial expenses	2,116	2,426
Total	47,928	26,881

Interest expense with banks refers to the interest paid during the period under the syndicated and bilateral loan agreements described in Note 13 - 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 2.23%.

Financial fees mainly refer to fees deriving from the signing of the 1 billion euros Term Loan, part of the 3 billion euros loan agreement entered into in 2019 to finance the purchase transaction in VOD Towers, released to the income statement as a result the early termination of the loan.

Other finance expenses refer mainly to the adjustment of the provision for restoration costs (2,070 thousand euros).

NOTE 20 – EARNINGS PER SHARE

The following table shows the calculation of earnings per share.

Basic and diluted earnings per share		1st half 2021	1st half 2020
Profit for the period	(euros)	94,999,091	71,656,178
Average number of ordinary shares		960,116,212	780,983,355
Basic and diluted earnings per share	(euros)	0.099	0.092

The average number of ordinary shares was calculated on the basis of the weighted average of the number of ordinary shares.

NOTE 21 – CONTINGENT LIABILITIES, COMMITMENTS AND GUARANTEES

MAIN DISPUTES AND PENDING LEGAL ACTIONS

As of June 30, 2021, the Company is involved in about one hundred and thirty disputes, seven of which indicated as having a "probable" risk of being lost by 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 362 thousand euros has been allocated to the risk provision.

COMMITMENTS AND GUARANTEES

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

NOTE 22 - RELATED PARTIES

The 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 June 30, 2021 are shown below:

STATEMENT OF FINANCIAL POSITION LINE ITEMS AT DECEMBER 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 JUNE 30, 2021

(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	(3,592,211)	(105,144)	(9,292)	-	(8)	(114,444)	*3.2%*
Current financial liabilities	(585,845)	(12,601)	(1,458)	-	(1)	(14,058)	*2.4%*
Total net financial debt	(4,150,916)	(117,745)	(10,750)	-	(9)	(128,504)	*3.1%*
OTHER STATEMENT OF FINANCIAL POSITION LINE							
Trade and miscellaneous receivables	155,677	6,322	8,112	-	20	14,454	*9.3%*
Trade and miscellaneous payables	(159,584)	(12,430)	(4,986)	(767)	(562)	(17,978)	*11.3%*

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 (6,322 thousand euros) mainly comprise the recovery of electricity costs and prepaid expenses.

Trade and miscellaneous receivables and other current assets due from Vodafone Italia (8,112 thousand euros) mainly comprise the recovery of electricity costs.

Miscellaneous trade payables and other current liabilities to TIM (12,430 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.

Trade and miscellaneous payables and other current liabilities due to Vodafone Italia (4,986 thousand euros) mainly concern service contracts, ordinary and extraordinary on-site maintenance and other services

Payables to Senior Management (amounting to 767 thousand euros) refer to amounts payable to key management personnel of the Company.

Payables to other related parties (562 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 June 30, 2021, and for the corresponding period of the previous financial year, are the following:

ITEMS OF THE INCOME STATEMENT AT 06.30.2021

(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	287,380	162,617	82,892	-	-	245,509	*85.4%*
Acquisition of goods and services - Ordinary	(12,768)	(4,174)	(1,414)	-	(37)	(5,625)	*44.1%*
Employee benefits expenses - Ordinary	(7,584)	(63)	-	(896)	-	(959)	*12.6%*
Financial expenses	(26,881)	(592)	-	-	(149)	(741)	*2.8%*

ITEMS OF THE INCOME STATEMENT AT 06.30.2021

(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	383,114	173,894	138,160	-	-	312,054	*81.5%*
Acquisition of goods and services	(22,050)	(2,289)	(180)	-	(3)	(2,472)	*11.2%*
Employee benefits expenses	(10,162)	-	-	(966)	-	(966)	*9.5%*
Financial expenses	(47,928)	(1,904)	(75)	-	-	(1,979)	*4.1%*

Revenues from TIM (173,894 thousand euros) refer mainly to rental revenues ensuing from the Master Service Agreement.

Revenues from Vodafone Italia (138,160 thousand euros) refer mainly to rental revenues ensuing from the Master Service Agreement.

Purchases of materials and services from Vodafone Italia (2,289 thousand euros) mainly refer to maintenance services, telephone expenses and other service costs.

Purchases of materials and services from Vodafone Italia (180 thousand euros) refer to maintenance services and other service costs.

Employee benefits expense for senior management (966 thousand euros) refer to compensation due to Company key managers.

Financial expenses to TIM (1,904 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 June 30, 2021, and for the corresponding period of the previous financial year, are the following:

ITEMS OF THE STATEMENT OF FINANCIAL POSITION AT 06.30.2020

(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)*
Operating activities:							
Change in trade receivables	(14,166)	(29,333)	(4,958)	-	(21)	(34,312)	*242.2%*
Change in trade payables	10,628	(2,498)	2,500	-	19,998	20,000	*188.2%*
Net change in miscellaneous receivables/payables and other assets/liabilities	(66,814)	(2,955)	-	(206)	-	(3,161)	*4.7%*
Change in current and non-current financial liabilities	2,647,244	(10,143)	505	-	(70,135)	(79,773)	*-3.0%*

ITEMS OF THE STATEMENT OF FINANCIAL POSITION AT 06.30.2021

(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)*
Operating activities:							
Change in trade receivables	19,871	18,058	(6,359)	-	-	11,699	*58.9%*
Change in trade payables	(9,854)	(4,020)	2,287	-	(18,895)	(20,628)	*209.3%*
Net change in miscellaneous receivables/payables and other assets/liabilities	(381,628)	(2,202)	1,756	(377)	-	(823)	*0.2%*
Change in current and non-current financial liabilities	326,855	(12,118)	(744)	-	-	(12,862)	*-3.9%*

REMUNERATION OF KEY MANAGERS

The remuneration recorded on an accrual basis in respect of key managers amounted to 966 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 24 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 23 – 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 24 – EVENTS SUBSEQUENT TO JUNE 30, 2021

INWIT has defined the acquisition of 40 DAS plants in various segments and 688 tunnel coverage plants from Vodafone, which currently sends its signal through them. The transaction is configured as a business branch purchase with a branch purchase agreement and a service MSA.

The purchase transaction pursues the growth objectives stated in the INWIT Industrial Plan, which can be pursued both through the construction of new plants and through investment in the acquisition of existing DAS networks or repeater plants from third parties, which INWIT subsequently modernizes and expands to make them available to all national mobile operators according to the model and terms described.

INWIT

CERTIFICATION OF THE FINANCIAL STATEMENTS AT DECEMBER 31,2020 PURSUANT TO ARTICLE 81-TER OF THE CONSOB REGULATION 11971 DATED MAY 14, 1999, WITH AMENDMENTS AND ADDITIONS

1. We, the undersigned, Giovanni Ferigo, as Chief Executive Officer, and Diego Galli, as Manager responsible for preparing Infrastrutture Wireless Italiane S.p.A. financial reports, certify, having also considered the provisions of art. 154-bis, paragraphs 3 and 4, of Legislative Decree 58 of February 24, 1998:
   - the adequacy in relation to the characteristics of the company and
   - the effective application

   of the administrative and accounting procedures used in the preparation of the half-year condensed financial statements for the period January 1 – June 30, 2021.

2. Infrastrutture Wireless Italiane S.p.A. has adopted the Internal Control – Integrated Framework Model (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission, as its framework for the establishment and assessment of its internal control system, with particular reference to the internal controls for the preparation of the financial statements.

3. The undersigned also certify that:
   3.1 the half-year condensed financial statements at June 30, 2021
   - are prepared in conformity with international accounting principles adopted by the European Union pursuant to EC regulation 1606/2002 of the European Parliament and Council of July 19, 2002 (International Financial Reporting Standards – IFRS) as well as the legislative and prescribed provisions in force in Italy also with reference to the measures enacted for the implementation of art. 9 of Legislative Decree 38 of February 28, 2005;
   - correspond to the results of the accounting records and entries;
   - provide a true and fair view of the financial condition, the results of operations and the cash flows of the Company and its consolidated subsidiaries;

   3.2 the interim report contains a reliable analysis of important events which took place during the first six months of 2021 and their impact on the half-year condensed financial statements at June 30, 2021, together with a description of the main risks and uncertainties for the remaining six months of 2019. The interim report also contains a reliable analysis of information concerning significant related party transactions.

July 29, 2021

The Chief Executive Officer	The Manager responsible for preparing the Company's Financial Reports
________/signed/__________	________/signed/___________
(Giovanni Ferigo)	(Diego Galli)

REVIEW REPORT ON CONDENSED INTERIM FINANCIAL STATEMENTS AS OF AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

To the shareholders of
Infrastrutture Wireless Italiane SpA

Foreword

We have reviewed the accompanying condensed interim financial statements of Infrastrutture Wireless Italiane SpA as of and for the six-month period ended 30 June 2021, comprising the statement of financial position, the separate income statement, the statement of comprehensive income, the statement of changes in net equity, the cash flow statement and the related notes. The directors of Infrastrutture Wireless Italiane SpA are responsible for the preparation of the condensed interim financial statements in accordance with the International Accounting Standard applicable to interim financial reporting (IAS34) as adopted by the European Union. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of review

We conducted our work in accordance with the criteria for a review recommended by Consob in Resolution 10867 of 31 July 1997. A review of condensed interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than a full-scope audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements of Infrastrutture Wireless Italiane SpA as of and for the six-month period ended 30 June 2021 have not been prepared, in all material respects, in accordance with the International Accounting Standard applicable to interim financial reporting (IAS34) as adopted by the European Union.

Milan, 2 August 2021

PricewaterhouseCoopers SpA

Paolo Caccini
(Partner)

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

PricewaterhouseCoopers SpA

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