

Press Release

INWIT: BOARD OF DIRECTORS EXAMINES AND APPROVES THE INTERIM REPORT ON OPERATIONS AS OF 30 SEPTEMBER 2021

- **REVENUES:** IN Q3 2021 THEY CAME TO 198.1 MILLION EUROS, SHOWING GROWTH OF +6.5% COMPARED TO THE SAME PERIOD OF 2020 (ORGANIC GROWTH +6.0%). IN THE FIRST NINE MONTHS OF 2021 THEY TOTALLED 581.2 MILLION EUROS, UP +3.6% COMPARED TO THE FIRST NINE MONTHS OF 2020, LIKE-FOR-LIKE (ORGANIC GROWTH OF +4.6%).
- **EBITDAaL (EBITDA – LEASING COSTS):** IN Q3 2021, THE COMPANY'S MAIN OPERATING MARGIN TOTALLED 132.3 MILLION EUROS, UP BY +9.3% COMPARED TO THE SAME PERIOD OF FY 2020. IN THE FIRST NINE MONTHS OF 2021 IT TOTALLED 383.4 MILLION EUROS, UP +8.2%, LIKE-FOR-LIKE.
- **NET PROFIT:** IN Q3 2021 IT TOTALLED 54.6 MILLION EUROS, UP BY +35.7% COMPARED TO THE SAME PERIOD OF 2020. IN THE FIRST NINE MONTHS OF 2021, THIS CAME TO 149.6 MILLION EUROS.
- **RECURRING FREE CASH FLOW** TOTALLED 97.1 MILLION EUROS IN Q3, DOWN BY -0.4% COMPARED TO THE SAME PERIOD OF 2020. IN THE FIRST NINE MONTHS OF 2021, THIS CAME TO 281.4 MILLION EUROS.
- BUSINESS GROWTH CONTINUED IN THE THIRD QUARTER WITH MORE THAN 900 **NEW HOSTINGS** FOR MOBILE OPERATORS, FWAs AND OTHERS, TAKING TOTAL GROWTH ON END SEPTEMBER 2020 TO +10%.
- **NET DEBT:** CAME TO 4.1 BILLION EUROS, WITH FINANCIAL LEVERAGE IMPROVING AT 5.6X, AS A RESULT OF THE QUARTER'S CASH GENERATION, AS COMPARED WITH THE 5.9X OF Q2 2021.
- **FERIGO:** "GROWTH ACCELERATION CONTINUES, WITH THE 6% INCREASE IN REVENUES AND 10% OF HOSTINGS. ENTRANCE INTO THE DEDICATED ROAD AND MOTORWAY COVERAGE SEGMENT IS ANOTHER STEP TOWARDS DEVELOPING INWIT'S INFRASTRUCTURES AT THE SERVICE OF OPERATORS. OUR COMMITMENT CONTINUES FOR A SUSTAINABLE BUSINESS, WITH AN UPGRADE IN THE ESG RATING AND RECOGNITION OF THE REFINITIV TOP 100 D&I INDEX, AS ITALY'S SECOND COMPANY AND THE SECOND IN THE SECTOR GLOBALLY."

Rome, 4 November 2021 - The Board of Directors of Infrastrutture Wireless Italiane S.p.A. (INWIT), met today, chaired by Emanuele Tournon, and examined and approved the Interim Report on Operations as of 30 September 2021.

3Q 2021 main results

The results of the third quarter of 2021 confirm the growth of the main industrial KPIs, revenues and an improvement in the profitability:

- **Revenues** came to 198.1 million euros, including 0.9 million euros in one-off revenues, with growth of +6.5% on last year (organic growth of +6.0%) deriving from the progressive impact of new hostings contracted in previous quarters.
- **EBITDA** came to 180.9 million euros, including 0.9 million euros in one-off revenues, showing +4.7% growth (organic growth of +4.1%) as compared with the same period of 2020. The EBITDA margin came in at 91.3% of revenues.
- This growth, together with greater **efficiency in leasing costs**, has led to expansion of the **EBITDAaL** margin, which came to 132.3 million euros, up +9.3%, and as a percentage of revenues reached 66.8% in Q3 2021.
- **Net profit** totalled 54.6 million euros, up +35.7% compared to the same period of 2020.
- **Recurring Free Cash Flow** totalled 97.1 million euros, slightly down by -0.4% compared to the same period of 2020 mainly due to the impact of the payment of financial charges.
- At 30 September 2021, **net financial debt** came to 4.1 billion euros, of which approximately 1 billion euros referred to IFRS16. Financial leverage has dropped to 5.6X (from 5.9X at end June 2021).
- The **industrial results** confirm the growth trend of the main indicators:
 - more than 900 **new hostings** have been contracted, due to the contribution of both anchor customers and other customers; total hostings offered to market operators reaches approximately 45 thousand units, up +10% on the same period of 2020;
 - the **new site** development programme continues with 54 new towers during the quarter for a total of more than 200 during the year, more than 3 times 2020;
 - acceleration of the multi-operator **microcell coverage** plan in the places of greatest concentration of users and traffic; INWIT has invested in road and motorway coverage by acquiring 700 systems in tunnels and 42 DAS systems;
 - **efficiency** continues to improve, with the pursuit of the plan to renegotiate leasing contracts and purchase land.

Main results at 30 September 2021

During the first nine months of FY 2021, all the main economic and financial indicators have shown growth.

Revenues stood at 581.2 million euros, up +22.8% on the same period of 2020 (473.5 million euros), including one-off revenues (organic growth of +24.2%). On a like-for-like basis, revenues were up +3.6% compared to the first nine months of 2020 (organic growth of +4.6%).

EBITDA came to 529.8 million euros, including 1.6 million euros in one-off revenues, showing +22.5% growth (organic growth of +22.1%) as compared with the first nine months of 2020. EBITDAaL was 383.4 million euros, up by +29.1% compared to the same period of 2020. On a like-for-like basis, EBITDAaL was up +8.2% compared to the first nine months of 2020. Net profit for the period totalled 149.6 million euros, up +33.7% compared to the same period of 2020. Recurring Free Cash Flow for the first nine months of 2021 was 281.4 million euros, up by +23.9% compared to the same period of 2020.

Investments for the period came to 81.4 million euros, up 3.8 million euros compared to the first nine months of 2020 (+4.9%) and were mainly allocated to the development of new sites, of indoor micro-cell coverage with DASs and the acquisition of land.

Sustainability Plan progress

During the third quarter of 2021, the transformation of the company into an increasingly sustainable business continued strongly, with the aim of generating long-term value and helping drive, improve and assure the social and economic development of the communities in which we operate.

More specifically, the Company has adopted

- the Health, Safety and Environment Policy, which formalises INWIT's commitment to health and safety for its employees and suppliers and to reducing environmental impacts;
- the Energy Policy, which formalises INWIT's commitment to go about its business in the pursuit of principles of continuous improvement in its energy performance.

Both Policies have been approved by the Board of Directors and published on the Company's website, to assure ever greater transparency in the commitments made.

INWIT has improved significantly in its ESG rating, with:

- the inclusion in the Refinitiv 2021 D&I Top 100 Index, as the second company in Italy, 31st worldwide and second in the sector on a global level;
- upgrade of the GRESB Infrastructure Public Disclosure rating from D to C with a score that has improved from 35 to 53.

The ratings upgrades are available on the Company website in the "Sustainability" section.

Events after 30 September 2021

On 21 October, closing was completed of the transaction involving INWIT's purchase of approximately 700 antenna systems, covering 1,000 km of road and motorway tunnels, along with 42 DAS systems from Vodafone Italia for a price of approximately 70 million euros.

Details were given in the press releases issued on 29 July and 21 October.

COVID-19 Information

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

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

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

At present, the economic results have suffered no significant negative impacts that could give rise to losses in economic/financial performance or delays in the company's strategic planning.

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

In order to guarantee consistency with the provisions introduced by Decree-Law no. 127 of 21 September 2021, INWIT has defined and informed all employees of the protocol setting out the organisational measures adopted, including the procedures to apply and the parties assigned to perform the verification, envisaging a specific communication plan and establishing dedicated information channels.

Outlook for the 2021 financial year

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

The results of the first nine months of 2021 recorded an increase for all main economic indicators compared to the same period of 2020, speeding up organic growth in the third quarter of 2021 and overall growth in hostings of +10% on end September 2020. Investments in the period for over 80 million euros focused, as per the plan, on the creation of new sites (towers), the deployment of indoor and outdoor micro-coverage with DAS (Distributed Antenna System) and an increase in owned plots of land.

In November 2020, INWIT presented an update to the 2021-2023 industrial plan, whose forecasts, including those for FY 2021, are confirmed in line with that reported on 29 July 2021.

From an operative viewpoint, in the fourth quarter of 2021, the company will continue to focus on the construction of new sites, on the growth of hosting and on the development of revenues from new services. The objective of optimising leasing costs, a driver to expand the EBITDAaL margin and the growth of Recurring Free Cash Flow has also been confirmed.

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

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

The economic and financial results of INWIT at 30 September 2021 will be illustrated to the financial community during a conference call scheduled for 4 November 2021 at 6.30 p.m. (CET). Journalists may listen to the conference call, by calling: +39 02 8020927. The presentation to support the conference call will be made available in advance in the Investors section of the company website www.inwit.it.

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



Infrastrutture Wireless Italiane

INWIT draws up and publishes Interim Reports on Operations for the first and third quarters of each year on a voluntary basis. The INWIT Interim Report on Operations as at 30 September 2021 was drafted in accordance with art. 154-ter (Financial Reporting) of Legislative Decree 58/1998 (Consolidated Law on Finance - CLF) and subsequent amendments and supplements and prepared in compliance with the international accounting standards issued by the International Accounting Standards Board and approved by the European Union (defined as "IFRS"), as well as the provisions issued in implementation of art. 9 of Leg. Decree 38/2005. The Interim Report on Operations as at 30 September 2021 comprises: the Interim Report on Operations; the Interim Financial Statements of Infrastrutture Wireless Italiane S.p.A. as at 30 September 2021. Note, lastly, that the "Business Outlook for the 2021 financial year" chapter contains forward-looking statements about the Company's intentions, beliefs and current expectations with regard to its financial results and other aspects of the Company's operations and strategies. Readers of this press release should not place undue reliance on such forward-looking statements, as final results may differ significantly from those contained in the above-mentioned forecasts owing to a number of factors, the majority of which are beyond the Company's control.

INWIT
Press Office
pressoffice@inwit.it

INWIT
Investor Relations
ir@inwit.it

ATTACHMENTS TO THE PRESS RELEASE

The Separate Income Statements, Statements of Financial Position and the Statements of Cash Flows as well as the Net Financial Debt of INWIT, herewith presented, are the same as those included in the financial statements of the Company for the period from January 1, 2021 to September 30, 2021.

SEPARATE INCOME STATEMENT

(thousands of euro)	1.1 – 9.30. 2021	1.1 – 9.30. 2020
Revenues	581,233	473,478
Acquisition of goods and services - Ordinary expenses	(33,388)	(21,605)
Acquisition of goods and services - Expenses related to extraordinary operations	-	(6,756)
Employee benefits expenses	(14,294)	(11,824)
Other operating expenses	(3,798)	(863)
Operating profit before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)	529,753	432,430
Amortization, gains/losses on disposals and impairment losses on non-current assets	(267,978)	(225,613)
Operating profit (loss) (EBIT)	261,775	206,817
Finance income	-	2
Finance expenses	(70,051)	(47,510)
Profit (loss) before tax	191,724	159,309
Income tax	(42,090)	(47,382)
Profit for the period	149,634	111,927
Basic and Diluted Earnings Per Share	0.170	0.187

STATEMENTS OF FINANCIAL POSITION

Assets

(thousands of euro)	9.30.2021	12.31.2020
Assets		
Non-current assets		
Intangible assets		
Goodwill	6,112,784	6,112,784
Intangible assets with a finite useful life	695,780	762,463
Tangible assets		
Property, plant and equipment	821,239	811,658
Right to use to third parties	1,049,537	1,140,401
Other non-current assets		
Non-current financial assets	1,401	1,495
Miscellaneous receivables and other non-current assets	326,113	431
Deferred tax assets	-	-
Total Non-current assets	9,006,854	8,829,232
Current assets		
Trade and miscellaneous receivables and other current assets	173,593	135,780
Financial receivables and other current financial assets	267	208
Income tax receivables	35,885	-
Cash and cash equivalents	49,034	120,207
Total Current assets	258,779	256,195
Total Assets	9,265,633	9,085,427

Equity and Liabilities

(thousands of euro)	9.30.2021	12.31.2020
Equity		
Share capital issued	600,000	600,000
<i>less: treasury shares</i>	(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	1,361,363	(424)
Retained earnings (losses) including earnings (losses) for the period	149,645	169,239
Total Equity	4,441,922	4,580,481
Liabilities		
Non-current liabilities		
Employee benefits	2,513	2,643
Deferred tax liabilities	314,319	277,390
Provisions	224,616	220,961
Non-current financial liabilities	3,825,516	3,661,950
Miscellaneous payables and other non-current liabilities	15,346	1,511
Total Non-current liabilities	4,382,310	4,164,455
Current liabilities		
Current financial liabilities	291,053	171,670
Trade and miscellaneous payables and other current liabilities	149,898	155,787
Provisions for Risks and Charges	450	450
Income tax payables	-	12,584
Total current Liabilities	441,401	340,491
Total Liabilities	4,823,711	4,504,946
Total Equity and Liabilities	9,265,633	9,085,427

CASH FLOW STATEMENT

(thousands of euro)	1.1 – 9.30. 2021	1.1 – 9.30. 2020
Cash flows from operating activities:		
Profit for the period	149,634	111,927
Adjustments for:		
Depreciation and amortization, losses on disposals and impairment losses on non-current assets	267,978	225,613
Net change in deferred tax assets and liabilities	36,929	47,622
Change in provisions for employee benefits	(140)	(39)
Change in trade receivables	6,409	52,267
Change in trade payables	2,125	(29,118)
Net change in miscellaneous receivables/payables and other assets/liabilities	(389,106)	(46,081)
Other non-monetary changes	3,420	12,243
Cash flows from operating activities (a)	77,249	374,434
Cash flows from investing activities:		
Total purchase of intangible, tangible assets and right to use to third parties on an accrual basis	(196,281)	(182,237)
<i>Change in amounts due to fixed asset suppliers</i>	<i>(27,240)</i>	<i>19,291</i>
Total purchase of intangible, tangible assets right to use to third parties on a cash basis	(108,646)	(48,703)
Purchase of investments	-	(2,140,000)
Change in financial receivables and other financial assets	35	22,163
Other non-current changes	-	(29)
Cash flows used in investing activities (b)	(108,611)	(2,166,569)
Cash flows from financing activities:		
Change in current and non-current financial liabilities	244,739	2,539,751
Dividends paid	(284,072)	(696,720)
Purchase of treasury shares	(478)	-
Cash flows used in financing activities (c)	(39,811)	1,843,031
Aggregate cash flows (d=a+b+c)	(71,173)	50,896
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)	49,034	117,465

NET FINANCIAL DEBT

(thousands of euro)	9.30.2021	12.31.2020
A. Cash	-	-
B. Other cash equivalents	49,034	120,207
C Securities held for trading	-	-
D Liquidity (A + B + C)	49,034	120,207
E. Current financial receivables	267	208
F Current financial payables	(50,000)	-
G Current portion of financial payables (medium/long-term)	(241,053)	(171,670)
H. Other current financial payables	-	-
I Current financial debt (F+G+H)	(291,053)	(171,670)
J Net current financial debt (I+D+E)	(241,752)	(51,255)
K Medium/long term financial payables	(1,592,266)	(1,923,214)
L Bonds issued	(2,233,250)	(1,738,736)
M Other non-current financial payables	-	-
N Non-Current financial debt (K+L+M)	(3,825,516)	(3,661,950)
O Net financial debt as recommended by ESMA (J+N)	(4,067,268)	(3,713,205)
Other financial receivables and other non-current financial assets (*)	1,401	1,495
INWIT Net financial debt	(4,065,867)	(3,711,710)