INWIT

Sharing connections.

Interim Management Report at March 31, 2022

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Management Report

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

NAME, SHARE CAPITAL AND REGISTERED OFFICE OF THE COMPANY

Name	Infrastrutture Wireless Italiane S.p.A.
Share capital	600,000,000 euros
Registered office	Via G. Negri 1, 20121 Milan
Tax code, VAT no. and registration no. in the Register of Companies of Milan	08936640963
Website	www.inwit.it

BOARD OF DIRECTORS IN OFFICE AT MARCH 31, 2022

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 MARCH 31, 2022

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 23 thousand 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.

From 2020, five years after their first day of listing, INWIT's shares were included in the main Italian stock index, the FTSE MIB and in the STOXX® Europe 600, made up of 600 of the companies with the largest market capitalization in Europe.

In July 2020, INWIT also 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 subsequently successfully completed its second bond issue for a total amount of 750 million euros and its third, in April 2021 for 500 million euros, which was 4.5 times oversubscribed by investors.

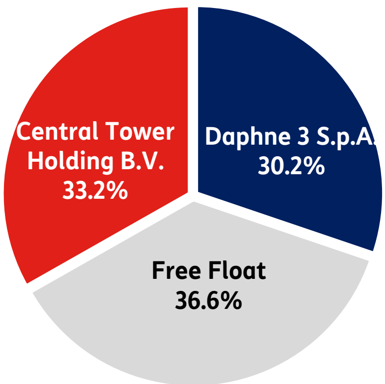
In August 2021, the Company signed a 250 million euro loan from the European Investment Bank (EIB) to support its investment plan, aimed at developing the Company's digital infrastructure in Italy. The loan is consistent with INWIT's Business Plan, which envisages investments in the construction of new towers for the distribution of 5G, the deployment of coverage for indoor and outdoor mobile networks such as Small Cells and DAS (Distributed Antenna Systems) and the trial of new innovative technologies in support of operators. This network infrastructure will also be available for hosting Fixed Wireless Access (FWA) equipment, to expand fixed broadband coverage in low population density areas.

In addition, after taking out the first Sustainability-linked Term Loan of 500 million euros with a pool of 4 financial institutions in April 2021, the 500 million euro Revolving Credit Facility originally taken out in December 2019 as part of the financing package for the Vodafone Towers transaction was renegotiated with a pool of 10 domestic and international banks in March 2022. The renegotiation allowed the Company to extend the maturity of the credit facility to 2027, obtain better contractual conditions and include sustainability indicators.

The year 2021 was also marked by the acceleration of the Company's investments in coverage for transport infrastructure. In July, an agreement was reached for the ownership and management of infrastructure and equipment along approximately 1,000 km of road and motorway tunnels, with the aim of offering hosting services on several of the country's main communication routes to all operators.

The shareholding structure of INWIT S.p.A. is detailed in the chart below.
At present, Daphne 3 S.p.A. is in turn 49% controlled by Impulse I Sàrl and 51% by TIM, and Central Tower Holding Company B.V. is indirectly owned by Vodafone Group Plc.
Further details, including key information on the relevant shareholders' agreements, can be found on the Company website (www.inwit.it) "Investors" and "Governance" sections and the "Investor Information" section of this document.

INWIT shareholder structure



Main events in INWIT's history

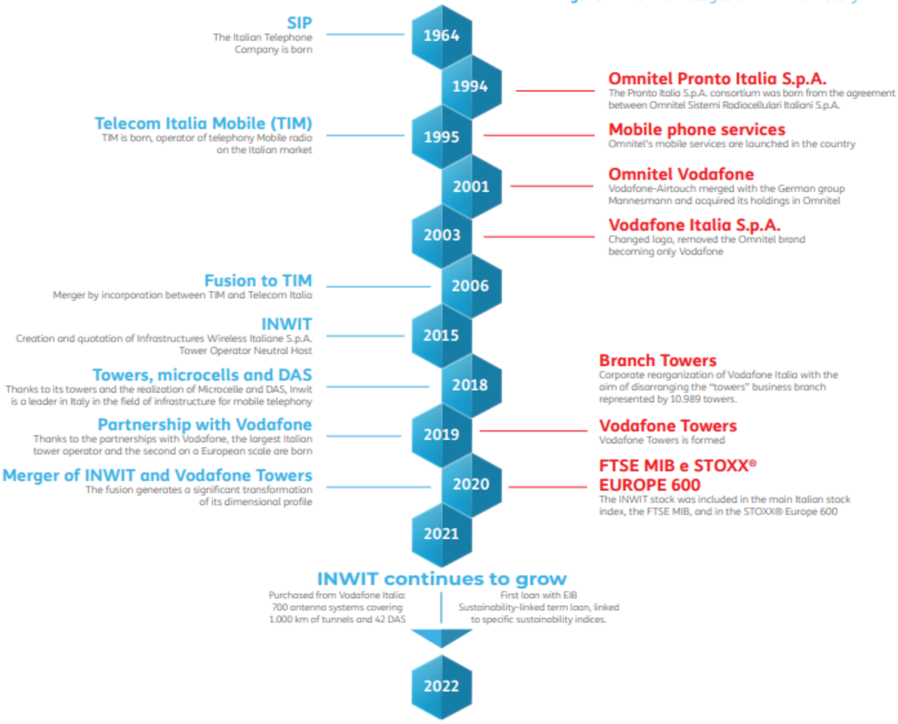


Figure 1 The main stages of INWIT's history

It is considered that in the near future INWIT may continue benefit from the positive market trend and the investment cycle underway, 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. The strong growth also continued in mobile data usage and the need to expand and complete the country's broadband connection coverage continues, with opportunities for INWIT to contribute to reducing the digital divide with the help of the FWA operators.

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. These include plans to support investments for the transition to 5G and broadband coverage of remote geographical areas, which could favor the investment plans of INWIT's clients.

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 toward 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, in November 2020, INWIT 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.

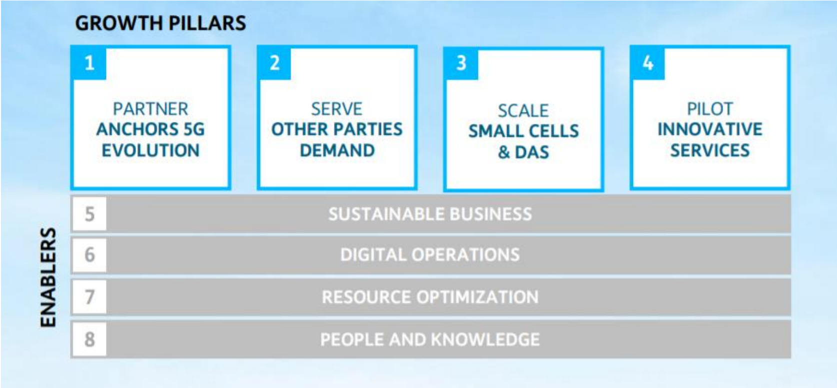
INWIT is already very active on this front and is currently using DAS to cover more than 30 large hospitals, almost all the major train stations in Italy, the Luiss and Federico II universities in Naples and many luxury hotels and industrial facilities. In addition, the Business Plan envisages the testing 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 2024, brought forward in 2022 from the initial target set in November 2020, which envisaged 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 and Points of Presence.
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 toward 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 toward sustainable models. In doing so, INWIT is helping to make Italy a more digital and sustainable country.

HIGHLIGHTS AT MARCH 31, 2022

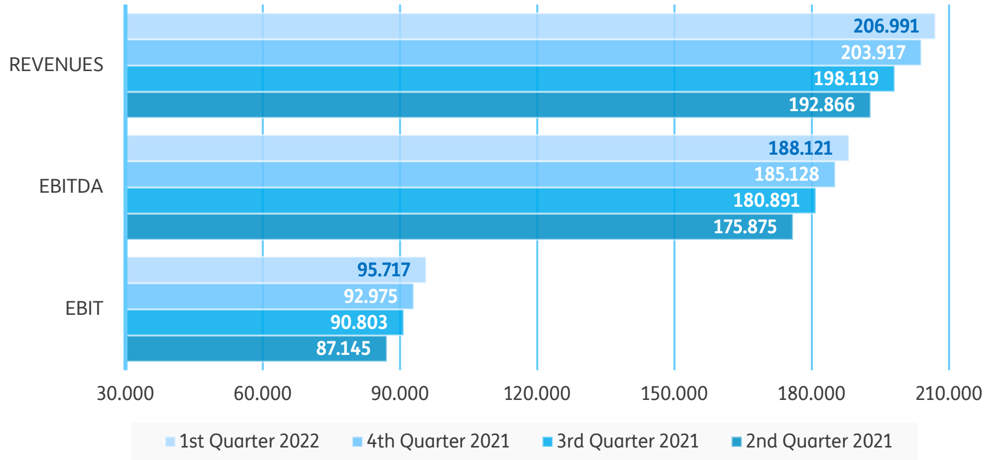
In the first quarter of 2022, the main economic and financial indicators confirmed the growth trend already seen in the previous year.

(thousands of euros)	1st Quarter 2022 (a)	1st Quarter 2021 (b)	Change Amount c=(a-b)	Change % (c/b)
Revenues	*206,991*	*190,248*	*16,743*	*8.8*
EBITDA [(1)]	***188,121***	***172,987***	***15,134***	***8.7***
EBITDA Margin	*90.9%*	*90.9%*	*0.0pp*	*0.0pp*
EBIT [(1)]	***95,717***	***83,827***	***11,890***	***14.2***
EBIT Margin	*46.2%*	*44.1%*	*2.1pp*	*2.1pp*
Profit for the period	***68,052***	***43,451***	***24,601***	***56.6***

- revenues amounted to 206,991 thousand euros, up 8.8% compared to the first quarter of 2021 (190,248 thousand euros). The percentage rises to 9.1% when taking into account that there were one-off revenues amounting to 560 thousand euros in the corresponding period of 2021;
- EBITDA amounted to 188,121 thousand euros, an increase of 8.7% compared to 2021. This percentage rises to 9.6% excluding the above-mentioned one-off revenues for 2021, as well as the non-recurring costs at March 2022 relating to corporate projects, amounting to 886 thousand euros.
- EBIT amounted to 95,717 thousand euros with an increase of 14.2% compared to the same period in 2021 (+16.0% excluding the aforementioned one-off revenues/costs);
- the profit for the period amounted to 68,052 thousand euros, up by 56.6% compared to the same period of 2021 (60.7% 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, of 1,783 thousand euros, envisaged by Law 178/2020, as well as the goodwill arising from the merger with Vodafone Tower in 2020, amounting to 12,400 thousand euros. For more details, see the paragraph "Income tax expense";

(thousands of euros)	1st Quarter 2022	4th Quarter 2021	3rd Quarter 2021	2nd Quarter 2021
Revenues	*206,991*	*203,917*	*198,119*	*192,866*
EBITDA	***188,121***	***185,128***	***180,891***	***175,875***
EBITDA Margin	*90.9%*	*90.8%*	*91.3%*	*91.2%*
EBIT	***95,717***	***92,975***	***90,803***	***87,145***
EBIT Margin	*46.2%*	*45.6%*	*45.8%*	*45.2%*
Profit for the period	***68,052***	***41,762***	***54,635***	***51,548***

- The analysis of the last four quarters shows steady growth in the key indicators. In the period 1st Quarter 2022/2nd Quarter 2021, there was an increase in revenues (+7.3%), EBITDA (+7.0%), EBIT (+9.8%), and profit for the period (+32.0%). The latter figure is obviously related to the tax benefit deriving from the realignment of goodwill, mentioned in the point above. The chart below shows the changes for the three main indicators:



(thousands of euros)	1st Quarter 2022 (a)	1st Quarter 2021 (b)	Change Amount c=(a-b)	% (c/b)
EBITDA	*188,121*	*172,987*	*15,134*	*8.7%*
Rental expense	*(48,870)*	*(49,063)*	*193*	*-0.4%*
EBITDAL	*139,251*	*123,924*	*15,327*	*12.4%*
EBITDAL Margin	*67.3%*	*65.1%*	*2.2pp*	*2.2pp*

- Compared to the same period of 2021, EBITDAaL (*EBITDA after Leases*) grew by 12.4%, as a result of the progress achieved in optimizing lease costs. As a percentage of revenue, the EBITDAaL margin increased from 65% to 67%.

(thousands of euros) **Additions**	1st Quarter 2022 (a)	1st Quarter 2021 (b)	Change Amount c=(a-b)	% (c/b)
Capital expenditures (CAPEX)	*31,766*	*18,016*	*13,750*	*76.3*

- capital expenditure for the period totaled 31,766 thousand euros, an increase of 76.3% compared to the same period of 2021. The main investments included: new sites, purchase of surface use rights and land, new backhauling installations and extraordinary maintenance.

(thousands of euros) **Net Financial Position**	**1.1 - 03.31 2022 (a)**	**1.1 - 03.31 2021 (b)**	**Change Amount c=(a-b)**
cash and equivalents	*63.593*	*96.320*	*(32.727)*
financial receivables	*281*	*271*	*10*
non-current financial receivables	*1.304*	*1.362*	*(58)*
financial payables (short-term)	*(30.828)*	*(131.390)*	*100.562*
financial payables (medium/long-erm)	*(785.034)*	*(785.951)*	*917*
financial payables - IFRS16	*(984.247)*	*(982.310)*	*(1.937)*
bonds issued	*(2.261.865)*	*(2.251.420)*	*(10.445)*
Net Financial Position	***(3.996.796)***	***(4.053.118)***	***56.322***
Net Financial Position IFRS16	***(3.012.549)***	***(3.070.808)***	***58.259***
Ebitda	***188.663***	***714.881***	***(526.218)***
Net Financial Position/EBITDA	***5,3***	***5,7***	***(0,4)pp***

- Net Financial Debt amounted to 3.997 billion euros, including the IFRS 16 financial liabilities. Compared to December 2021, net financial debt decreased by 1.4%. Worth noting is the 0.4 percentage point reduction in leverage, expressed as the NFP ratio (net of IFRS 16 payables)/EBITDA.

(thousands of euros) **Recurring Free Cash Flow**	**1.1 - 03.31 2022 (a)**	**1.1 - 03.31 2021 (b)**	**Change Amount c=(a-b)**	** % (c/b)**
EBITDA	*188,121*	*172,987*	*15,134*	*8.7*
(revenues)/non-recurring costs	*886*	*(560)*	*1,446*	*(258.2)*
EBITDA recurring	*189,007*	*172,427*	*16,580*	*9.6*
recurring investments	*(5,369)*	*(1,775)*	*(3,594)*	*202.5*
taxes paid	-	-	-	-
change in net working capital	*4,024*	*(18,152)*	*22,176*	*(122.2)*
lease payments	*(58,365)*	*(51,100)*	*(7,265)*	*14.2*
recurring financial expenses	*(2,727)*	*(8,300)*	*5,573*	*(67.1)*
Recurring Free Cash Flow	***126,570***	***93,100***	***33,470***	***36.0***

- The recurring free cash flow increased by 36.0% compared to the same period of the previous year. This result was attributable to both the growth in recurring EBITDA (+9.6%) and the increase in net working capital, as well as the reduction in recurring financial expenses.

Key Operational KPIs

The table below shows the effects of new hosting agreements at March 31, 2022:

(amounts stated in thousands)		*03.31.2022*
Number of sites (*)	*(a)*	*22.9*
Number of hostings in place with Tenants (**)	*(b)*	*46.9*
Number of hostings in place with Tenants, excluding TIM and Vodafone Anchor Tenants (***)	*(c)*	*10.6*
Average number of Tenants per Site (Tenancy ratio)	*(b)/(a)*	*2.05*

(*) Operational sites net of sites under construction.
(**) Excluding Sites in which the hosting service ceased during the period. Including IoT contracts.
(***) Number of hostings on the same Site. Please note that each Tenant refers to one hosting per Site only.

As shown in the above table, at March 31, 2022, the average number of operators per site in the new Company scope after the merger, was 2.05x.

In terms of operational KPIs, in the first quarter of 2022 INWIT:

- continued to develop new hostings, amounting to around 850 thousand;
- expanded its network of macro sites by around 50 units;
- expanded its multi-operator micro coverage network in areas with the highest user and traffic concentration, implementing over 200 thousand remote units;
- become more efficient by pursuing its plan to renegotiate leases and the land acquisition plan.

As a result, INWIT has an extensive and integrated infrastructure of around 23 thousand towers with almost 47 thousand hostings, constituting the macro grid, and around 6.6 thousand small cells and DAS units, the micro grid, 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.

INCOME, BALANCE SHEET AND FINANCIAL PERFORMANCE AT MARCH 31, 2022

INWIT voluntarily prepares and publishes the Interim Financial Reports for the first and third quarters of each financial year.

The Interim Management Report at March 31, 2022, includes the Interim Management Report and condensed Financial Statements at March 31, 2022, prepared in compliance with the IFRS accounting standard issued by the IASB and implemented by the EU; The Condensed Financial Statements at March 31, 2022, are unaudited.

Lastly, please note that the chapter “Business outlook for the year 2022” contains forward-looking statements related to the Company’s intentions, beliefs, or current expectations regarding the financial performance and other aspects of the Company’s operations and strategies. Readers of this document are cautioned not to place undue reliance on these forward-looking statements as the actual results may differ materially from those contained in those forward-looking statements as a result of a number of factors, most of which are not within the Company’s control.

OPERATING PERFORMANCE IN THE PERIOD

(thousands of euros)	1st Quarter 2022 (a)	1st Quarter 2021 (b)	Change Amount c=(a-b)	% (c/b)
Revenues	**206,991**	**190,248**	**16,743**	**8.8**
Costs for lease of premises	(1,120)	(1,433)	313	(21.9)
Employee benefits expenses - Ordinary expenses	(4,883)	(5,427)	544	-10.0
Maintenance and other operating and service expenses	(12,867)	(10,401)	(2,466)	23.7
Operating profit before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)	**188,121**	**172,987**	**15,134**	**8.7**
Depreciation and amortization, losses on disposals and impairment losses on non-current assets	(92,404)	(89,160)	(3,244)	3.6
Operating profit (loss) (EBIT)	**95,717**	**83,827**	**11,890**	**14.2**
Financial income/(expenses)	(18,773)	(21,488)	2,715	-12.6
Profit (loss) before tax	**76,944**	**62,339**	**14,605**	**23.4**
Income taxes	(8,892)	(18,888)	9,996	(52.9)
Profit for the period	**68,052**	**43,451**	**24,601**	**56.6**

The structure of revenues and costs of the Company is largely determined by medium-term and long-term contracts, entered into as client or provider, under established financial terms and conditions. The main income statement items in the first quarter of 2022 are analyzed below.

Revenues

These totaled 206,991 thousand euros (190,248 thousand euros in the corresponding period of 2021, +8.8%) and included 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.

In the first quarter of 2021 there were items which by nature are non-linear or non-recurring ("one-off"), relating to indemnification under the MSA, totaling 560 thousand euros.

Net of those one-off revenues, the comparison with the first quarter of 2021 showed a 9.1% growth.

In detail:

(thousands of euros)	1.1 - 03.31 2022 (a)	1.1 - 03.31 2021 (b)	Change Amount c=(a-b)	% (c/b)
Revenues from TIM S.p.A. relating to the Master Service Agreement	85,722	82,100	3,622	4.4
Revenues from Vodafone Italia S.p.A relating to the Master Service Agreement	86,566	81,973	4,593	5.6
One-off revenues	-	560	(560)	(100.0)
Revenues from third-party customers and other revenues	27,114	22,291	4,823	21.6
Revenues from new services	7,589	3,324	4,265	128.3
Total	**206,991**	**190,248**	**16,743**	**8.8**

EBITDA

EBITDA amounted to 188,121 thousand euros, with an EBITDA margin of 90.9% on revenues for the period. Compared to the first quarter of 2021, the increase is 8.8%, which rises to 9.1% 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 1,120 thousand euros, down 313 thousand euros compared to the same period in 2021. They represent 5.9% of the cost items with an impact on EBITDA.
  These consist of areas owned by third parties on which the Sites are situated. These are mainly the lease fees whose conditions are not covered by IFRS 16.

- **Employee benefits expenses - Ordinary expenses**

  The item amounted to 4,883 thousand euros (compared to 5,427 thousand euros in March 2021). The decrease is primarily due to the capitalization of internal labor costs amounting to 1,545 thousand euros.

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

  The item amounted to 12,867 thousand euros (10,401 thousand euros at March 2021). Maintenance costs are regulated mostly by maintenance agreements entered into with specialized external companies. Service costs include an increase (1,337 thousand euros) in technical and operational consultancy fees, including those relating to the National Recovery and Resilience Plan.

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

Details are as follows:

(thousands of euros)	1st Quarter 2022 (a)	1st Quarter 2021 (b)	Change Amount c=(a-b)	Change % (c/b)
Amortization of intangible assets with a finite useful life	*26,972*	*26,169*	*803*	*3.1*
Depreciation of owned tangible assets	*18,638*	*17,975*	*663*	*3.7*
Amortization of right-of-use assets	*44,306*	*44,875*	*(569)*	*-1.3*
(Gains)/losses on disposals and impairment losses on non-current assets	*2,488*	*141*	*2,347*	*n.r.*
Total	***92,404***	***89,160***	***3,244***	***3.6***

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

EBIT

EBIT amounted to 95,717 thousand euros, with an EBIT ratio of 46.2% on revenues (44.1% in the same period of 2021).

Net financial income/(expense)

This amounted to an expense of 18,773 thousand euros.
Income totaled 80 thousand euros and consisted of interest income on bank and postal deposits.

Financial expenses amounted to (18,853) thousand euros and were broken down as follows:

(thousands of euros)	1st Quarter *2022*	1st Quarter *2021*
Interest to banks	*1,631*	*3,965*
Interest expense for finance leases	*5,481*	*6,520*
Finance expenses for corporate bonds	*10,445*	*8,028*
Bank fees	*791*	*1,976*
Other financial expenses	*505*	*1,037*
Total	***18,853***	***21,526***

- **Interest to banks** refers to the interest paid during the period under the loan agreements described in Note 12 - Financial liabilities (non-current and current).

- **Interest expense for finance leases** refers to leases accounted for pursuant to IFRS 16.

- **Finance expenses for corporate 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, 2020, for 750 million euros and the last on April 19, 2021, 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%

- **Bank fees** primarily refer to fees from the 500 million euro ESG KPI-linked Term Loan and the 500 million euro Revolving Credit Facility.

- **Other finance expenses** refer mainly to the adjustment of the provision for restoration costs (496 thousand euros) and the IAS revaluation of the employee severance indemnity fund (7 thousand euros).

Income taxes

The income tax expense amounted to 8,892 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.
As already reported in the highlights section, taxes for the period make use of a tax benefit of 14,183 thousand euros relating to the realignment of goodwill both for the goodwill, recognized in the financial statements in 2015, deriving from the transfer of the business unit by TIM in 2015 and for the goodwill generated by the merger with Vodafone Tower.

For the first, the realigned amount is 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). The amortization of the realigned assets is already tax deductible and follows the deductibility provided for by Article 110, paragraph 8bis of Ministerial Decree 178/2020 (converted by Law 104/2020 and amended by the 2022 Budget Act), for which goodwill will be tax deducted over 50 years.
Each year, 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.

For the second, the realignment amount is 2,000,000 thousand euros, paying a substitute tax of 320,000 thousand euros, equal to 16% of the realigned amount, already paid on June 30, 2021. The amortization of the realigned assets is already tax deductible and follows the deductibility provided for by Article 15, paragraph 10 of Ministerial Decree 185/2009, for which goodwill will be tax deducted over 5 years.
Each year, 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.

Profit for the period

The profit for the period was positive for 68,052 thousand euros, or 32.9% of revenues.

FINANCIAL POSITION AND CASH FLOWS PERFORMANCE

EQUITY

At March 31, 2022, shareholders' equity amounted to 4,549,625 thousand euros, the breakdown of which is as follows:

(thousands of euros)	***1.1 - 03.31 2022***	***1.1 - 12.31 2021***
Share capital issued	*600,000*	*600,000*
Minus treasury shares	*(294)*	*(72)*
Share capital	*599,706*	*599,928*
Share premium reserve	*2,211,001*	*2,211,001*
Other reserves	*1,479,459*	*1,481,179*
Legal reserve	*120,000*	*120,000*
Provision for instruments representing equity	*831*	*588*
Treasury share reserve in excess of nominal value	*(2,517)*	*(607)*
Locked-up Reserve under Law 178/2020	*1,361,880*	*1,361,880*
Other reserves	*(735)*	*(683)*
Retained earnings (losses) including earnings (losses) for the period	*259,459*	*191,407*
Total	*4,549,625*	***4,483,515***

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

NON-CURRENT ASSETS

Goodwill

Goodwill amounted to 6,146,766 thousand euros (same amount on December 31, 2021).

Other intangible assets

The item amounted to 665,881 thousand euros (compared to 693,303 thousand euros at December 31, 2021).

This amount is mainly comprised of the fair value of the contracts with the customers of the former Vodafone Towers S.r.l. (customer contracts) totaling 608,400 thousand euros at March 31, 2022.

(thousands of euros)	**Intangible assets**
Value at 12.31.2021	**693,303**
Additions	7,432
Amortization and depreciation	(26,972)
Other changes during the period	(7,882)
Value at 03.31.2022	**665,881**

Tangible assets

The item amounted to 877,057 thousand euros (compared to 876,106 thousand euros at December 31, 2021).

Capital expenditure for the period came to 20,729 thousand euros and mainly consisted of new sites/commitments, the construction of backhauling sections and extraordinary maintenance.

(thousands of euros)	**Tangible assets**
Value al 12.31.2021	**876.106**
Additions	20.729
Disposals	(860)
Amortization and depreciation	(18.638)
Other changes during the period	(280)
Value al 03.31.2022	**877.057**

Right-of-use assets

The item amounted to 1,096,271 thousand euros (compared to 1,077,771 thousand euros at December 31, 2021).

Capital expenditure for the period came to 3,605 thousand euros and mainly consisted of the purchase of surface use rights.

(thousands of euros)	**Right of use assets**
Value at 12.31.2021	**1,077,771**
Lease increases	68,305
Additions	3,605
Amortization and depreciation	(44,306)
Disposals	(17,570)
Other changes during the period	8,466
Value at 03.31.2022	**1,096,271**

Other non-current assets

The item amounted to 281,582 thousand euros (compared to 297,867 thousand euros at December 31, 2021).
They consist of "Other non-current financial assets" and "Miscellaneous receivables and other non-current assets".

Other non-current financial assets

These amounted to 1,304 thousand euros and consisted of medium/long-term receivables due from employees and medium/long-term prepaid expenses.

Miscellaneous receivables and other non-current assets

These amounted to 280,278 thousand euros and consisted 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..

FINANCIAL RESOURCES AND CASH FLOWS

Net financial debt

The table below shows a summary of the net financial debt at March 31, 2022, 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 - 03.31 2022 (a)**	**1.1 - 12.31 2021 (b)**	**Change c=(a-b)**
a) Cash	-	-	-
b) Other cash equivalents	*63,593*	*96,320*	*(32,727)*
c) Securities held for trading	-	-	-
d) Liquidity (a+b+c)	***63,593***	***96,320***	***(32,727)***
e) Current financial receivables	*281*	*271*	*10*
f) Current financial payables	-	-	-
g) Current portion of financial payables (medium/long-term)	*(181,380)*	*(282,745)*	*101,365*
of which:			
- Financial payables within 12 months	*(30,828)*	*(131,390)*	*100,562*
- Financial lease liabilities within 12 months	*(150,552)*	*(151,355)*	*803*
h) Bonds issued	*(27,876)*	*(17,833)*	*(10,043)*
i) Other current financial payables	-	-	-
i) Current financial debt (f+g+h)	***(209,256)***	***(300,578)***	***91,322***
j) Net current financial debt (i+e+d)	***(145,382)***	***(203,987)***	***58,605***
k) Financial payables (medium/long-term)	*(1,618,729)*	*(1,616,906)*	*(1,823)*
of which:			
- Financial payables over 12 months	*(785,034)*	*(785,951)*	*917*
- Financial lease liabilities over 12 months	*(833,695)*	*(830,955)*	*(2,740)*
l) Bonds issued	*(2,233,989)*	*(2,233,587)*	*(402)*
m) Other non-current financial payables	-	-	-
n) Non-current financial debt (k+l+m)	***(3,852,718)***	***(3,850,493)***	***(2,225)***
o) Net financial debt as recommended by ESMA (j+n)	***(3,998,100)***	***(4,054,480)***	***56,380***
Other financial receivables and non-current financial assets (*)	*1,304*	*1,362*	*(58)*
INWIT net financial debt	***(3,996,796)***	***(4,053,118)***	***56,322***
Finance lease liabilities expiring within 12 months	*(150,552)*	*(151,355)*	*803*
Finance lease liabilities expiring over 12 months	*(833,695)*	*(830,955)*	*(2,740)*
INWIT net financial debt - excluding IFRS16	***(3,012,549)***	***(3,070,808)***	***58,259***

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

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

Other cash and cash equivalents

At March 31, 2022, this item amounted to 63,593 thousand euros.

Cash is held in bank and postal current accounts with the following characteristics:

- maturities: immediately convertible into cash at any time;
- counterparty risk: loans were made with leading investment grade banking institutions (63,590 thousand euros). There are also 3 thousand euros in checks and cash in hand;
- Country risk: investments are made in Italy.

Financial debt (current and non-current)

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

(thousands of euros)		12.31.2021	Changes in the period	03.31.2022
Financial payables (medium/long-term):				
Amounts due to banks		*785,951*	*(917)*	*785,034*
Bond - amount at medium/long-term		*2,233,587*	*402*	*2,233,989*
Leasing liabilities		*830,955*	*2,740*	*833,695*
Total non-current financial liabilities	**(a)**	**3,850,493**	**2,225**	**3,852,718**
Financial payables (short-term):				
Amounts due to banks		*131,390*	*(100,562)*	*30,828*
Bond - amount at short term		*17,833*	*10,043*	*27,876*
Leasing liabilities		*151,355*	*(803)*	*150,552*
Total current financial liabilities	**(b)**	**300,578**	**(91,322)**	**209,256**
Total current financial liabilities (gross financial debt)	**(a+b)**	**4,151,071**	**(89,097)**	**4,061,974**

Financial payables (medium/long-term) includes:

- Amounts due to banks: mainly refer to the following loans net of related accruals and deferrals:
  - term load from Banca Popolare di Sondrio for a nominal amount of 40,000 thousand euros with bullet repayment at maturity (December 2023);
  - ESG KPI-linked term loan for a nominal amount of 500,000 thousand euros with bullet repayment at maturity (April 2025);
  - a loan with a nominal value of 250,000 thousand euros from the European Investment Bank with amortizing repayment beginning in February 2026 and maturing in August 2033.
- Corporate Bonds: refer to the following issuances, net of related accruals and deferrals:
  - 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%;

- in October 2020 with a nominal value of 750,000 thousand euros maturing October 21, 2028, coupon 1.625%, issue price 99.755%;
- 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 medium/long-term leases.

Financial payables (short-term) include:

- **Amounts due to banks** mainly refer to the draw down of an uncommitted bank line by 30,000 thousand euros.

- **Corporate Bonds** refer to the accrued portions of the coupons of the Bonds.

- **Finance lease liabilities** and refer to short-term 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, confirmed in February 2022.

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 - 03.31 2022 (a)**	**1.1 - 12.31 2021 (b)**	**Change c=(a-b)**
EBITDA	***188,121***	***714,881***	***(526,760)***
Capital expenditures on an accrual basis (*)	*(31,766)*	*(216,512)*	*184,746*
EBITDA - Capex	***156,355***	***498,369***	***(342,014)***
Change in net operating working capital:	*(75,988)*	*78,739*	*(154,727)*
Change in trade receivables	*(12,351)*	*38,102*	*(50,453)*
Change in trade payables (**)	*(63,637)*	*40,637*	*(104,274)*
Other changes in operating receivables/payables	*47,855*	*4,868*	*42,987*
Change in provisions for employee benefits	*(20)*	*251*	*(271)*
Change in operating provisions and Other changes	*637*	*(21)*	*658*
Operating free cash flow	***128,839***	***582,206***	***(453,367)***
% on EBITDA	***68.5%***	***81.4%***	***(12.9pp)***
Flow from financial income and charges	*(18,773)*	*(90,082)*	*71,309*
Income taxes paid	*-*	*(110,160)*	*110,160*
Treasury shares acquired	*(2,132)*	*(340)*	*(1,792)*
Dividend payments	*(3)*	*(286,783)*	*286,780*
Leasing liabilities	*1,937*	*(69,347)*	*71,284*
Changes miscellaneous non-operating receivables/payables	*16,206*	*(337,810)*	*16,206*
Other non-monetary changes	*(69,885)*	*(28,262)*	*(41,623)*
Other changes	*191*	*(697)*	*888*
Reduction/(Increase) in ESMA net financial debt	***56,380***	***(341,275)***	***397,655***

(*) 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 for the first three months of 2022 was affected by the following items:

Capital expenditure

Investments made in the reporting period amounted to 31,766 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 backhauling sections.

For more details see Notes 6, 7 and 8 of the Condensed Financial Statements at March 31, 2022.

Change in net operating working capital

The change in working capital was negative at -75,988 thousand euros.

Financial income and expenses

The net flow of finance income and expenses accounted for during the year is equal to (18,773) thousand euros. The financial expenses on the payable for financial leases (IFRS 16) amounted to 5,481 thousand euros.

Recurring Free Cash Flow

The recurring free cash flow in first three months of 2022 – calculated net of both non-recurring revenues/costs (at EBITDA level) – stood at 126,570 thousand euros, up 36.0% compared to the same period of 2021.

The following table provides a description of the items involved:

(thousands of euros)	1.1 - 03.31	1.1 - 03.31	Change	
Recurring Free Cash Flow	**2022**	**2021**	**Amount**	**%**
	(a)	**(b)**	**c=(a-b)**	**(c/b)**
EBITDA	***188,121***	***172,987***	***15,134***	***8.7***
(revenues)/non-recurring costs	*886*	*(560)*	*1,446*	*-258.2*
EBITDA recurring	***189,007***	***172,427***	***16,580***	***9.6***
recurring investments	*(5,369)*	*(1,775)*	*(3,594)*	*202.5*
Recurring EBITDA net of investments	***183,638***	***170,652***	***12,986***	***7.6***
change in net working capital (*)	*4,024*	*(18,152)*	*22,176*	*-122.2*
lease payments	*(58,365)*	*(51,100)*	*(7,265)*	*14.2*
recurring financial expenses	*(2,727)*	*(8,300)*	*5,573*	*-67.1*
Recurring Free Cash Flow	***126,570***	***93,100***	***33,470***	***36.0***

(*): excluding the change in payables for assets

Breakdown of the items analyzed (in thousands of euros):

(revenues)/non-recurring costs

These consist of technical consulting fees for corporate projects.

recurring investments

These consist of extraordinary maintenance performed on infrastructure in operation.

Change in net working capital

Primarily driven by an improvement in collections of trade receivables.

Lease payments

These consist of payments made in the first quarter of 2022 for lease fees.

Recurring financial expenses

These consist of payments made in the first three months of 2022 for commissions and bank interest expense.

DETAILED TABLES

INWIT's Interim Management Report at March 31, 2022, was drafted in accordance with Article 154–ter (Financial Reports) of Italian Legislative Decree no. 58/1998 (Consolidated Law on Finance) and subsequent amendments and additions, and prepared in accordance with the international accounting principles issued by the International Accounting Standards Board and approved by the European Union (defined as the "IFRS") and with the measures adopted in implementation of Article 9 of Italian Legislative Decree no. 38/2005.

The Interim Management Report at March 31, 2022, is comprised of:

- the Management Report;
- the Condensed Financial Statements of Infrastrutture Wireless Italiane S.p.A. at March 31, 2022;
- Declaration by the Manager Responsible for Preparing the Company's Financial Reports

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 2022" 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 reminded not to place undue reliance on 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.

Separate income statement

(thousands of euros)	1st Quarter 2022	*of which related parties*	1st Quarter 2021	*of which related parties*
Revenues	206,991	*171,752*	190,248	*141,289*
Acquisition of goods and services - Ordinary expenses	(12,697)	*(1,449)*	(10,179)	*(673)*
Employee benefits expenses - Ordinary expenses	(4,883)	*(382)*	(5,427)	*(499)*
Other operating expenses	(1,290)	*(600)*	(1,655)	
Operating profit before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)	188,121		172,987	
Amortization, gains/losses on disposals and impairment losses on non-current assets	(92,404)		(89,160)	
Operating profit (loss) (EBIT)	95.717		83,827	
Financial income	80		-	
Financial expenses	(18,853)	*(789)*	(21,488)	*(1,170)*
Profit (loss) before tax	76,944		62,339	
Income taxes	(8,892)		(18,888)	
Profit for the period	68,052		43,451	
Basic and Diluted Earnings Per Share	0.071		0.045	

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.

(thousands of euros)		1st Quarter 2022	1st Quarter 2021
Profit for the period	(a)	68,052	43,451
Other items of the Statement of Comprehensive Income			
Other items that will not subsequently be reclassified in the Separate Income Statement		-	-
Remeasurements of employee defined benefit plans (IAS 19):			
Actuarial gains (losses)		-	-
Net fiscal impact		-	-
Total other items that will not subsequently be reclassified in the Separate Income Statement	(b)	-	-
Other items that will subsequently be reclassified in the Separate Income Statement		-	-
Total other items that will subsequently be reclassified in the separate income statement	(c)	-	-
Total other items of the Statement of Comprehensive Income	(d=b+c)	-	-
Total Comprehensive income for the period	(e=a+d)	68,052	43,451

Items of the consolidated statement of financial position

Assets

(thousands of euros)	03.31.2022	*of which related parties*	12.31.2021	*of which related parties*
Assets				
Non-current assets				
Intangible assets				
Goodwill	6,146,766		6,146,766	
Intangible assets with a finite useful life	665,881		693,303	
Tangible assets				
Property, plant and equipment	877,057		876,105	
Right-of-use assets	1,096,271		1,077,771	
Other non-current assets				
Non-current financial assets	1,304		1,362	
Miscellaneous receivables and other non-current assets	280,278		296,505	
Total Non-current assets	9,067,557		9,091,812	
Current assets				
Trade and miscellaneous receivables and other current assets	189,467	*25,649*	173,442	*7,188*
Financial receivables and other current financial assets	281		271	
Cash and cash equivalents	63,593		96,320	
Total Current assets	260,132		270,033	
Total Assets	9,320,898		9,361,845	

Equity and Liabilities

(thousands of euros)	03.31.2022	*of which related parties*	12.31.2021	*of which related parties*
Equity				
Share capital issued	600,000		600,000	
Minus: treasury shares	(294)		(72)	
Share capital	599,706		599,928	
Share premium reserve	2,211,001		2,211,001	
Legal reserve	120,000		120,000	
Other reserves	1,359,459		1,361,179	
Retained earnings (losses) including earnings (losses) for the period	259,459		191,407	
Total Equity	4,549,625		4,483,515	
Liabilities				
Non-current liabilities				
Employee benefits	2,896		2,909	
Deferred tax liabilities	231,533		238,799	
Provisions for Risks and Charges	229,771		229,134	
Non-current financial liabilities	3,852,718	*101,780*	3,850,492	*109,826*
Miscellaneous payables and other non-current liabilities	21,606	*6,770*	21,755	*6,880*
Total Non-current liabilities	4,338,524		4,343,089	
Current liabilities				
Current financial liabilities	209,256	*18,786*	300,577	*6,612*
Trade and miscellaneous payables and other current liabilities	205,271	*53,220*	216,341	*82,214*
Provisions for Risks and Charges	450		450	
Income tax payables	17,872		17,873	
Total current Liabilities	432,749		535,241	
Total liabilities	4,771,273		4,878,330	
Total Equity and Liabilities	9,320,898		9,361,845	

Statement of cash flows

(thousands of euros)		1st Quarter 2022	1st Quarter 2021
Cash flows from operating activities:			
Profit for the period		68,052	43,451
Adjustments for:			
Amortization, losses/gains on disposals and impairment losses on non-current assets		92,404	89,160
Net change in deferred tax assets and liabilities		(7,266)	18,930
Change in provisions for employee benefits		(20)	13
Change in trade receivables		(12,351)	(26,647)
Change in trade payables		(8,919)	1,435
Net change in miscellaneous receivables/payables and other assets/liabilities		64,698	6,851
Other non-monetary changes		16,648	16,814
Cash flows from operating activities	(a)	213,246	150,007
Cash flows from investing activities:			
Total purchases of tangible and intangible assets for the period and right-of-use assets		(100,071)	(43,899)
Change in amounts due to fixed asset suppliers		*13,587*	*19,684*
Total purchases of tangible and intangible assets and rights of right-of-use assets on a cash basis		(86,484)	(24,215)
Change in financial receivables and other financial assets		48	89
Other non-current changes		-	(2)
Cash flows used in investing activities	(b)	(86,436)	(24,128)
Cash flows from financing activities:			
Change in current and non-current financial liabilities		(157,402)	(57,601)
Treasury shares acquired		(2,132)	(478)
Dividends paid		(3)	-
Cash flows used in financing activities	(c)	(159,537)	(58,079)
Aggregate cash flows	(d=a+b +c)	(32,727)	67,800
Net cash and cash equivalents at beginning of the period	(e)	96,320	120,207
Net cash and cash equivalents at end of the period	(f=d+e)	63,593	188,007

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 three months of 2022.

EVENTS SUBSEQUENT TO MARCH 31, 2022

See the specific Note "Events subsequent to March 31, 2022" to the condensed Financial Statements at 03.31.2022.

POSITIONS OR TRANSACTIONS RESULTING FROM ATYPICAL AND/OR UNUSUAL OPERATIONS

In accordance with Consob Communication DEM/6064293 of July 28, 2006, during the first three months of 2022, no atypical and/or unusual transactions occurred as defined by the Communication.

SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

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

BUSINESS OUTLOOK FOR THE YEAR 2022 (1)

Following the merger with Vodafone Towers S.r.l. in 2020, INWIT became the largest wireless infrastructure operator in Italy. The broader network of infrastructures supporting mobile connectivity, macro sites and micro distributed antenna systems, has enabled extensive and integrated geographical coverage and laid the foundations for INWIT to play a leading role in the digital transformation underway. In 2021, which was a year of integration and consolidation, there were already appreciable results, with an increase in all the main economic indicators, speeding up progressively over the quarters, as announced on February 24, 2022.
These results represent a solid basis for the continuation of INWIT's growth trajectory in 2022, a year in which a further improvement is expected in all industrial, earnings and financial indicators. This is in consideration of the development in the number of sites, the increased hostings by all the main mobile, FWA and OTMO operators present on the market and the benefits linked to inflation.

With regard to the outlook of operations, as announced on February 24 this year, in 2022, the forecasts are for revenues of 850-860 million euros, EBITDA of 775-785 million euros, EBITDAaL of 585-595 million euros and RFCF of 485-495 million euros. With regard to shareholder remuneration, the company's dividend policy is confirmed and envisages dividends per share increasing by 7.5% per year in the period 2021-2023, starting with the dividend of 30 eurocents per share on the 2020 results and paid in 2021. In relation to the 2021 results, the Shareholders' Meeting approved a dividend for 2021 of 0.3225 euros per share, payable on May 25, 2022, as announced on April 6, 2022.

The communications infrastructure market continues to benefit from positive structural trends such as increasing data usage and the transition to 5G technology and the resulting need for network densification. This is being accompanied by the positive cycle of digital investments underway, supported by the initiatives of the Next Generation EU program, capable of providing further growth opportunities for the Company.

Covid-19 disclosure

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

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

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

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

- negative impacts, possibly significant, on the prospects for the growth of revenues and profit margins;

(1) The chapter "Business outlook for the year 2022" 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.

- 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, with the state of emergency having ended on March 31 this year but with a continued state of alert, 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.

Russia/Ukraine conflict disclosure

At the moment, the Company has not recorded any significant impact on business performance linked to events relating to the war in Ukraine.
The company will monitor the development of the crisis and will pay the utmost attention to business continuity plans and the risk of cyber attacks, stepping up monitoring and risk mitigation activities as necessary, also in order to identify any impacts that are not currently foreseeable.
In any case, there are no effects on the financial statements at March 31, 2022, or on the company's business outlook.

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", and the Head of "Technology & Operations").

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. In general terms, the completion of the merger resulted in a rapid growth in size and complexity of the business model. It cannot be ruled out that, in order to ensure the full functioning of its assets, 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 Agreements

The Loan Agreements signed by the company to finance business activities provide for a series of general and covenant commitments for the Company, both positive and negative, which, albeit in line with market practice for financing and similar, could limit operations. For additional information see Note 12 "Financial liabilities (current and non-current)" to the condensed Financial Statements at March 31, 2022.

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 Financial Statements at March 31, 2022, 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 Financial Statements at March 31, 2022, 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.

Climate Change Risks

The following Physical Risks due to climate change have been identified:

- *Extreme weather phenomena* and *Distribution of annual precipitation*. For INWIT, these risks may be higher for rooftop sites, and lower for rawland sites. They could also result in service interruption and harm to property and people.
- *Increased temperatures*, could result in higher energy requirements for cooling sites with indoor equipment.
- *Sea level rise* of 3%, could affect solely the rawland sites of the coastal area of Emilia and Veneto.

In addition, the following Transition Risks have been identified:

- *Increased cost of technology*. This risk would result in INWIT having to adapt infrastructure assets (piling, power supply and air conditioning).
- *Increased fossil fuel electricity prices*. The company monitors this risk through the implementation of a specific process guided by a dedicated unit, aimed at managing issues relating to energy procurement.

The objective of the methodology being adopted by INWIT is to identify climate-related risks deriving from the scenarios analyzed, in addition to qualitatively assessing their effects and impacts on its business.

Starting from 2020 INWIT has also initiated a process designed to implement a modern and sustainable business, by launching activities and projects aimed fully integrating sustainability into the company and creating value over the long term. In the pursuit of carbon neutrality, in 2021 INWIT drew up and approved its Climate Strategy, as envisaged in the Sustainability Plan, identifying the actions, initiatives and targets to be used as the basis for a solid objective of carbon neutrality by 2025.

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.

Risks related to geopolitical events

At the moment, the Company has not recorded any significant impact on business performance linked to events relating to the war in Ukraine.
The company will monitor the development of the crisis and will pay the utmost attention to business continuity plans and the risk of cyber attacks, stepping up monitoring and risk mitigation activities as necessary, also in order to identify any impacts that are not currently foreseeable.
In any case, there are no effects on the financial statements at March 31, 2022, or on the company's business outlook.

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

CORPORATE BODIES AT MARCH 31, 2022

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 October 2, 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 March 31, 2022 – 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, in office since May 5, 2020, 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 Body, 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 MARCH 31, 2022

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 at March 31, 2022, 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.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The Internal Control and Risk Management System ("ICRMS") is structured and operates according to the principles and criteria of the Corporate Governance Code. It is an integral part of the Company's general organizational structure and comprises a number of players who act in a coordinated manner according to the responsibilities assigned to them: the Board of Directors, which plays a role in providing guidance and assessing the adequacy of the system; the Chief Executive Officer, who is responsible for establishing and maintaining the internal control and risk management system; the Control and Risk Committee, which is responsible for assisting the Board in its assessments and decisions relating to the internal control and risk management system and the approval of periodic financial and non-financial reports; the head of the internal audit department, who is responsible for verifying that the internal control and risk management system is operational, adequate and consistent with the guidelines established by the Board of Directors; the other corporate functions involved in the controls and the control body, which oversees the effectiveness of the internal control and risk management system.

Specifically, the ICRMS consists of the set of rules, procedures and organizational structures aimed at the effective and efficient identification, measurement, management and monitoring of the main risks and is subject to continuous verification with a view to progressive improvement, in order to contribute to the Company's sustainable success.

The internal control system is completed by the Organizational Model adopted pursuant to Legislative Decree 231/2001 (below "Model 231"), aimed at preventing the commission of unlawful acts in the interest or for the benefit of the Company resulting in liability for the Company.

INWIT's Model 231 is made up of the:

• Code of Ethics and Conduct: this is INWIT's charter of values and the body of principles on which the conduct of INWIT's people is based. The Code of Ethics is therefore a tool through which INWIT directs its operations towards conducting business based on ethics and compliance, health and safety, human resources, community, communication, competition and service excellence.

• General Part: containing a brief description of the Company, the contents and aims of the Model 231 and the methodology used for its implementation, the functions of the Supervisory Body and the whistleblowing system adopted. The general part also refers to the initiatives for the dissemination and awareness of the Model 231 and the disciplinary system.

Special Parts: each special part identifies a process at risk within which sensitive areas and the relative underlying offenses are identified. In addition, control standards are provided, divided into general principles of conduct and specific control principles.

• List of Offenses: containing the complete list of predicate offenses envisaged by Legislative Decree 231/01.

Internal control standards have been drawn up in accordance with the following principles: (i) the separation of roles in the performance of the main activities involved in the company processes; (ii) the traceability of decisions, to allow identification of specific points of responsibility and motivation for the decisions; (iii) ensuring the objectivity of the decision-making processes, so that decisions are not made on the basis of purely subjective considerations, but based on pre-established criteria.

The Model 231 is a dynamic instrument, which affects the company operations, which in turn must be constantly checked and updated in light of the feedback from its application, as well as the changes in the regulatory framework. INWIT's Model 231 was most recently updated by resolution of the Board of Directors on March 4, 2021 in order to incorporate the alterations in the organizational structure and regulatory changes. A further process of updating the Model 231 is currently underway.

In implementation of Article 6 of Legislative Decree 231/01, the Company has also assigned a specific Supervisory Body (hereinafter the "SB") the task of supervising the functioning and compliance with Model 231 and keeping it updated. The SB – in its current composition as approved by the Board of Directors on April 26, 2021 – includes an external member acting as Chairman; two Acting Auditors and an internal member as Head of the Audit function.

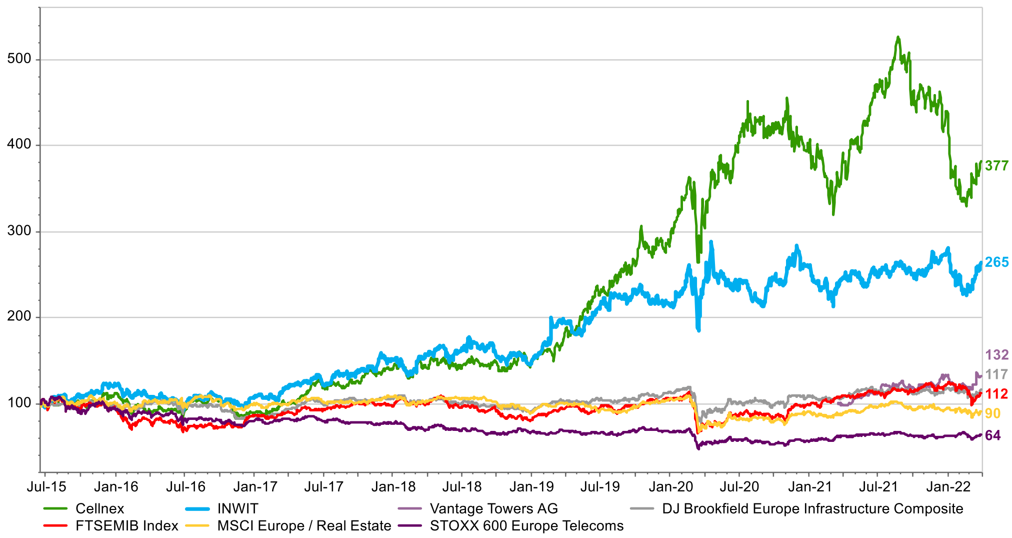
Lastly, on December 16, 2021, the Company adopted its own Anticorruption Policy, which replaces that of the TIM group applied on a transitional basis.

A summary section dedicated to the Code of Ethics and Conduct, the Company's Organizational Model 231 and the new Anticorruption Policy can be found in the Governance section of the website www.inwit.it.

INFORMATION FOR INVESTORS

From September 22, 2015, INWIT traded on the MTA of Borsa Italiana (now called Euronext Milan), after a placement at a price of 3.65 euros per share. In 2020, five years after their first day of listing, INWIT's shares were included in the main Italian stock index, the FTSE MIB and 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 from the start of trading and March 31, 2022, in relation to a basket made up of Italian and European market indices and comparable companies.



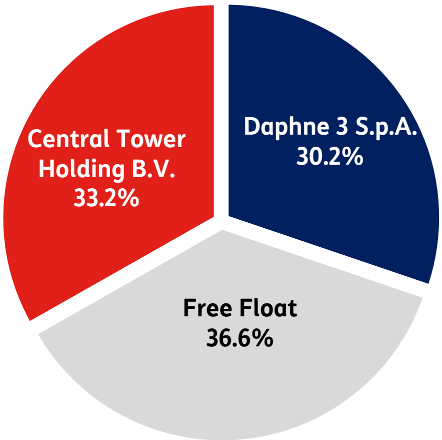
INWIT SHARE CAPITAL AT MARCH 31, 2022

Share capital	600,000,000 euros
Number of ordinary shares (without nominal value)	960,200,000
Market capitalization (based on average prices between 1/1/2022 and 03/31/2022)	9,060 million euros

SHAREHOLDERS

Shareholders' structure at March 31, 2022

The shareholding structure of INWIT S.p.A. is detailed in the chart below.
At present, Daphne 3 S.p.A. is in turn 49% controlled by Impulse I Sàrl and 51% by TIM, and Central Tower Holding Company B.V. is indirectly owned by Vodafone Group Plc.



TREASURY SHARES

At March 31, INWIT owned 293,873 treasury shares which represent 0.031% 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 9.54.

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 first three months of 2022 there were no transactions of major significance, as defined by Article 4, paragraph 1(a) of the aforementioned regulation, or any other transactions with related parties, that had any significant impact on the Company's financial position or results as at March 31, 2022.

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 March 31, 2022.

ALTERNATIVE PERFORMANCE MEASURES

In this Interim Report at March 31, 2022, of the Company INWIT, 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.

Condensed Financial Statements of Infrastrutture Wireless Italiane S.p.A. at March 31, 2022

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

Contents

CONDENSED FINANCIAL STATEMENTS OF INFRASTRUTTURE WIRELESS ITALIANE S.P.A. AT MARCH 31, 2022

STATEMENT OF FINANCIAL POSITION

Assets

(thousands of euros)	notes	03.31.2022	*of which related parties*	12.31.2021	*of which related parties*
Assets					
Non-current assets					
Intangible assets					
Goodwill	4)	6,146,766		6,146,766	
Intangible assets with a finite useful life	5)	665,881		693,303	
Tangible assets					
Property, plant and equipment	6)	877,057		876,105	
Right-of-use assets	7)	1,096,271		1,077,771	
Other non-current assets					
Non-current financial assets		1,304		1,362	
Miscellaneous receivables and other non-current assets	8)	280,278		296,505	
Total Non-current assets		9,067,557		9,091,812	
Current assets					
Trade and miscellaneous receivables and other current assets	8)	189,467	*25,649*	173,442	*7,188*
Financial receivables and other current financial assets		281		271	
Cash and cash equivalents		63,593		96,320	
Total Current assets		260,132		270,033	
Total Assets		9,320,898		9,361,845	

Equity and Liabilities

(thousands of euros)	notes	03.31.2022	*of which related parties*	12.31.2021	*of which related parties*
Equity	9)				
Share capital issued		600,000		600,000	
Minus: treasury shares		(294)		(72)	
Share capital		599,706		599,928	
Share premium reserve		2,211,001		2,211,001	
Legal reserve		120,000		120,000	
Other reserves		1,359,459		1,361,179	
Retained earnings (losses) including earnings (losses) for the period		259,459		191,407	
Total Equity		4,549,625		4,483,515	
Liabilities					
Non-current liabilities					
Employee benefits	10)	2,896		2,909	
Deferred tax liabilities	11)	231,533		238,799	
Provisions for Risks and Charges	11)	229,771		229,134	
Non-current financial liabilities	12)	3,852,718	*101,780*	3,850,492	*109,826*
Miscellaneous payables and other non-current liabilities	14)	21,606	*6,770*	21,755	*6,880*
Total Non-current liabilities		4,338,524		4,343,089	
Current liabilities					
Current financial liabilities	12)	209,256	*18,786*	300,577	*6,612*
Trade and miscellaneous payables and other current liabilities	14)	205,271	*53,220*	216,341	*82,214*
Provisions for Risks and Charges	11)	450		450	
Income tax payables		17,872		17,873	
Total current Liabilities		432,749		535,241	
Total liabilities		4,771,273		4,878,330	
Total Equity and Liabilities		9,320,898		9,361,845	

SEPARATE INCOME STATEMENT

(thousands of euros)	*notes*	1st Quarter 2022	*of which related parties*	1st Quarter 2021	*of which related parties*
Revenues	15)	206,991	*171,752*	190,248	*141,289*
Acquisition of goods and services - Ordinary expenses	16)	(12,697)	*(1,449)*	(10,179)	*(673)*
Employee benefits expenses - Ordinary expenses		(4,883)	*(443)*	(5,427)	*(499)*
Other operating expenses		(1,290)	*(600)*	(1,655)	
Operating profit before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)		188,121		172,987	
Amortization, gains/losses on disposals and impairment losses on non-current assets	17)	(92,404)		(89,160)	
Operating profit (loss) (EBIT)		95.717		83,827	
Financial income		80		-	
Financial expenses	18)	(18,853)	*(789)*	(21,488)	*(1,170)*
Profit (loss) before tax		76,944		62,339	
Income taxes		(8,892)		(18,888)	
Profit for the period		68,052		43,451	
Basic and Diluted Earnings Per Share		0.071		0.045	

STATEMENT OF COMPREHENSIVE INCOME

(thousands of euros)		1st Quarter 2022	1st Quarter 2021
Profit for the period	(a)	68,052	43,451
Other items of the Statement of Comprehensive Income			
Other items that will not subsequently be reclassified in the Separate Income Statement		-	-
Remeasurements of employee defined benefit plans (IAS 19):			
Actuarial gains (losses)		-	-
Net fiscal impact		-	-
Total other items that will not subsequently be reclassified in the Separate Income Statement	(b)	-	-
Other items that will subsequently be reclassified in the Separate Income Statement		-	-
Total other items that will subsequently be reclassified in the separate income statement	(c)	-	-
Total other items of the Statement of Comprehensive Income	(d=b+c)	-	-
Total Comprehensive income for the period	(e=a+d)	68,052	43,451

CHANGES IN EQUITY

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

(thousands of euros)	Share capital	Treasury share reserve in excess of nominal value	Share premium reserve	Other reserves and earnings (losses) carried forward, including the result for the period	**Total Equity**
Amounts at January 1, 2021	**599,963**	**(302)**	**3,691,703**	**289,116**	**4,580,480**
Total Comprehensive income for the period	-	-	-	43,451	43,451
Dividends approved	-	-	-	-	-
Other changes	(50)	(428)	-	114	(364)
Values at March 31, 2021	**599,913**	**(730)**	**3,691,703**	**332,681**	**4,623,567**

Changes in net equity from January 1, 2022, to March 31, 2022

(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, 2022	**599,928**	**(607)**	**2,211,001**	**1,673,192**	**4,483,514**
Total Comprehensive income for the period	-	-	-	68,052	68,052
Dividends approved	-	-	-	-	-
Other changes	(222)	(1,910)	-	191	(1,941)
Figures at March 31, 2022	**599,706**	**(2,517)**	**2,211,001**	**1,741,435**	**4,549,625**

STATEMENT OF CASH FLOWS

(thousands of euros)		1st Quarter 2022	1st Quarter 2021
Cash flows from operating activities:			
Profit for the period		68,052	43,451
Adjustments for:			
Amortization, losses/gains on disposals and impairment losses on non-current assets		92,404	89,160
Net change in deferred tax assets and liabilities		(7,266)	18,930
Change in provisions for employee benefits		(20)	13
Change in trade receivables		(12,351)	(26,647)
Change in trade payables		(8,919)	1,435
Net change in miscellaneous receivables/payables and other assets/liabilities		64,698	6,851
Other non-monetary changes		16,648	16,814
Cash flows from operating activities	(a)	213,246	150,007
Cash flows from investing activities:			
Total purchases of tangible and intangible assets for the period and right-of-use assets		(100,071)	(43,899)
Change in amounts due to fixed asset suppliers		*13,587*	*19,684*
Total purchases of tangible and intangible assets and rights of right-of-use assets on a cash basis		(86,484)	(24,215)
Change in financial receivables and other financial assets		48	89
Other non-current changes		-	(2)
Cash flows used in investing activities	(b)	(86,436)	(24,128)
Cash flows from financing activities:			
Change in current and non-current financial liabilities		(157,402)	(57,601)
Treasury shares acquired		(2,132)	(478)
Dividends paid		(3)	-
Cash flows used in financing activities	(c)	(159,537)	(58,079)
Aggregate cash flows	(d=a+b+c)	(32,727)	67,800
Net cash and cash equivalents at beginning of the period	(e)	96,320	120,207
Net cash and cash equivalents at end of the period	(f=d+e)	63,593	188,007

On November 6, 2017, EU Regulation no. 2017/1990 was issued which implemented certain amendments to IAS 7 (Statement of cash flows) at the EU level. For this purpose please note that the liabilities arising from financing activities solely concern monetary movements. No change of this type was recorded in the first quarter of 2022.

NOTE 1 - FORM, CONTENT, AND OTHER GENERAL INFORMATION

FORM AND CONTENT

These financial statements of Infrastrutture Wireless Italiane S.p.A. (hereinafter "**INWIT**", or the "**Company**") for the period from January 1, to March 31, 2022 (hereinafter the"**Condensed Financial Statements at March 31, 2022**") 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 S.r.l. ("**VOD Towers**") is jointly controlled by TIM S.p.A. ("**TIM**"), which directly or indirectly holds a 32.0% stake in the Company, and Vodafone Europe BV, which holds a 33.2% stake in the Company. INWIT is domiciled in Italy, with its registered office at via Gaetano Negri 1, Milan, and is organized according to the laws of the Italian Republic.

The figures at March 31, 2022, are compared with the figures from the statement of financial position at December 31, 2021; 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

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

The consolidated Financial Statements at March 31, 2022, were prepared in accordance with the general cost principle, except for the initial entering of financial assets and liabilities for which the application of the fair value principle is compulsory; also, they were prepared in Euros. The values expressed in the notes to these financial statements are expressed in thousands of euros, unless otherwise indicated.

Publication of the Financial Statements at March 31, 2022, was approved by the Board of Directors' meeting on May 5, 2022.

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 cash flows).

Furthermore, as required by CONSOB resolution no. 15519, of July 27, 2006, in the case of the separate income statement, income and expenses deriving from transactions which by their very nature do not regularly occur during normal business transactions (non-recurring transactions), are specifically identified and the corresponding effects on the main interim results are reported separately when of a significant entity. Specifically, non-recurring expenses/income include, for example: income/expenses deriving from the sale of properties, plants and machinery, business units and shareholdings; expenses deriving from corporate reorganization and rationalization processes/projects, including those connected to corporate transactions (mergers, demergers, etc.); expenses resulting from litigation and regulatory penalties, and to related liabilities; other provisions for risks and charges, and the corresponding write-offs; expenses for the settlement of disputes; impairment losses on goodwill and/or other intangible and tangible assets.

In regard, once again, to the aforementioned CONSOB resolution, the amounts of positions or transactions with related parties have been reported separately.

SEGMENT REPORTING

An operating segment is a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);
- whose operating results are reviewed periodically by the top operating level of the entity (the Board of Directors for INWIT) in order to adopt decisions concerning the resources to be allocated and to assess the results; and
- for which discrete financial information is available.

The Company has identified only one operating segment (which also represents the level at which the goodwill is monitored by management and will be tested for impairment). Specifically, the management information note prepared and made available to the Board of Directors for the aforementioned purposes considers the business activity carried out by INWIT as a distinct entity; therefore, the financial statements do not contain any segment reporting. The geographical area coincides almost entirely with the territory of Italy.

NOTE 2 - ACCOUNTING POLICIES

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

GOING CONCERN

The consolidated Financial Statements at March 31, 2022, 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 policies adopted for the preparation of the Condensed Financial Statements at March 31, 2022, are consistent with those used in the Annual Financial Statements at December 31, 2021, to which the reader is referred, except for the adjustments required by the nature of the interim measurements.

Furthermore, in the consolidated financial statements at March 31, 2022, 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, 2021, to which reference is made.

NEW STANDARDS AND INTERPRETATIONS INCORPORATED BY THE EU AND IN EFFECT SINCE JANUARY 1, 2022

Pursuant to IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors), the IFRS in effect since January 1, 2022, are indicated and briefly described hereafter.

With Regulation (EU) 2021/1080 of June 28, 2021, the following documents were adopted, published by the IASB Board on May 14, 2020, consisting of various minor amendments aimed at providing further clarification for a more consistent application of the standards or an update of the references.

Amendments to IFRS 3 - Reference to the Conceptual Framework
The amendments update the reference in IFRS 3 to the revised version of the Conceptual Framework, without resulting in any changes to the provisions of the standard.

The adoption of these amendments had no impact on the Condensed Financial Statements at March 31, 2022.

Amendments to IAS 16 - Property, plant and equipment: proceeds before intended use
The amendment clarifies that a company is prohibited from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. A company will recognize such sales proceeds and related cost in profit or loss;

The adoption of these amendments had no impact on the Condensed Financial Statements at March 31, 2022.

Amendments to IAS 37 – Onerous Contracts – Cost of Fulfilling a Contract
The amendment clarifies that in estimating whether a contract is onerous, all costs directly related to the contract should be considered. Accordingly, the assessment of whether a contract is onerous includes not only incremental costs but also all the costs that a company cannot avoid because it entered into the contract.

The adoption of these amendments had no impact on the Condensed Financial Statements at March 31, 2022.

Improvements to IFRS - 2018-2020 cycle (Amendments to IFRS 1, IFRS 9 and IAS 41)
The annual improvements are aimed at streamlining and clarify the existing standards. The objective of the annual improvements is to address non-urgent but necessary issues discussed by the IASB during the project cycle on areas of inconsistency in International Financial Reporting Standards, or where clarification of wording is required. The annual improvements contain amendments to IAS 41 Agriculture, IFRS 1 First-time Adoption of International Financial Reporting Standards, and IFRS 9 Financial Instruments.

The adoption of these amendments had no impact on the Condensed Financial Statements at March 31, 2022.

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 IAS 1 Presentation of the financial statements: classification of liabilities as current or non-current	*01/01/2023*
Amendments to IAS 1 Presentation of the financial statements: Information on accounting policies	*01/01/2023*
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of accounting estimates	*01/01/2023*
IFRS 17 (Insurance contracts), including amendments to IFRS 17	*01/01/2023*
Amendments to IAS 12 Income taxes: Deferred taxes relating to assets and liabilities arising from a single transaction	*01/01/2023*

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

NOTE 3 - FINANCIAL RISK MANAGEMENT AND COVID-19 IMPACTS

During its everyday operations, the Company may be exposed to the following financial risks:

- market risk: deriving from exposure to the fluctuation of rates, linked to the financial assets generated and to the financial liabilities assumed;
- credit risk: representing the risk of non-fulfillment of obligations undertaken by the counterparty with regard to the Company's liquidity investments;
- liquidity risk: connected with the need to meet short-term financial commitments.

MARKET RISK

The market risk consists in the possibility that changes of the interest and exchange rates or of the rating of the counterparts with which liquidity is utilized, could impact negatively on the value of the assets, liabilities, or expected cash flows.

Interest rate risk

The Company's fixed-interest financial payables at March 31, 2022, 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 euro nominal value bond issued in April 2021. The fixed rate component also consists of an uncommitted bank line, bank debt of 40 million euros deriving from the loan agreement with Banca Popolare di Sondrio and the loan agreement for 250 million euro signed with the European Investment Bank in August 2021.

The variable rate component derives from (i) a 500 million euro ESG KPI-linked loan agreement taken out in April 2021 and (ii) the revolving credit facility of 500 million euros with zero-floor EURIBOR-indexed rate, originally taken out in December 2019 and renegotiated in March 2022.

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

Exchange rate risk

The Company operates exclusively in euros and therefore, is not exposed to exchange rate risk.

CREDIT RISK

The Company's exposure to credit risk consists of the potential losses that could derive from the failure of the counterparts, both commercial and financial, to fulfill the obligations undertaken. Such exposure mainly stems from general economic and financial factors, the potential occurrence of specific insolvency situations of some borrowers and other more strictly technical-commercial or administrative factors. The maximum theoretical exposure of the Company to credit risk is the book value of the financial assets and trade receivables recorded in the financial statements.

The Company's main clients are TIM and Vodafone, which generated total revenues of 171,752 thousand euros during the reference period, which is equal to 83.0% of the total revenues. 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 several uncommitted bank lines and a 500 million euro revolving credit facility (RCF) renegotiated in March 2022 with a pool of national and international banks and maturing in March 2027. This credit line is to be used to support working capital and for general cash flow needs. As at March 31, 2022, this RCF had not been drawn down while the uncommitted bank lines have been drawn down by 30 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.

CLIMATE CHANGE RISKS

The following Physical Risks due to climate change have been identified:

- *Extreme weather phenomena* and *Distribution of annual precipitation*. For INWIT, these risks may be higher for rooftop sites, and lower for rawland sites. They could also result in service interruption and harm to property and people.
- *Increased temperatures*, could result in higher energy requirements for cooling sites with indoor equipment.
- *Sea level rise* of 3%, could affect solely the rawland sites of the coastal area of Emilia and Veneto.

In addition, the following Transition Risks have been identified:

- *Increased cost of technology*. This risk would result in INWIT having to adapt infrastructure assets (piling, power supply and air conditioning).
- *Increased fossil fuel electricity prices*. The company monitors this risk through the implementation of a specific process guided by a dedicated unit, aimed at managing issues relating to energy procurement.

The objective of the methodology being adopted by INWIT is to identify climate-related risks deriving from the scenarios analyzed, in addition to qualitatively assessing their effects and impacts on its business.

Starting from 2020 INWIT has also initiated a process designed to implement a modern and sustainable business, by launching activities and projects aimed fully integrating sustainability into the company and creating value over the long term. In the pursuit of carbon neutrality, in 2021 INWIT drew up and approved its Climate Strategy, as envisaged in the Sustainability Plan, identifying the actions, initiatives and targets to be used as the basis for a solid objective of carbon neutrality by 2024.

RISKS RELATED TO GEOPOLITICAL EVENTS

At the moment, the Company has not recorded any significant impact on business performance linked to events relating to the war in Ukraine.

The company will monitor the development of the crisis and will pay the utmost attention to business continuity plans and the risk of cyber attacks, stepping up monitoring and risk mitigation activities as necessary, also in order to identify any impacts that are not currently foreseeable.

In any case, there are no effects on the financial statements at March 31, 2022, or on the company's business outlook.

FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

For the purpose of providing information to allow a comparison between the book value and fair value of the financial instruments (required by IFRS 7), it is pointed out that the following assumptions were made to determine the fair value:

- for variable-rate loans: the nominal repayment amount has been assumed;
- for trade payables and receivables and for current financial assets and liabilities, it is believed that their book value is a reasonable approximation of their fair value.

The table below shows the assets and liabilities at March 31, 2022, on the basis of the categories contained in IFRS 9.

Carrying amount for each IFRS 9 class of financial asset/liability at March 31, 2022

(thousands of euros)		03.31.2022	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		1,304	1,304			
	(a)	**1,304**	**1,304**			
Current assets						
Trade and miscellaneous receivables and other current assets						
of which loans and receivables		100,544	100,544			
Financial receivables and other current financial assets						
of which loans and receivables		281	281			
Cash and cash equivalents		63,593	63,593			
	(b)	**164,418**	**164,418**			
Total	**(a+b)**	**165,722**	**165,722**			
LIABILITIES						
Non-current liabilities						
Non-current financial liabilities						
of which liabilities at amortized cost		3,852,718	3,852,718			
	(c)	**3,852,718**	**3,852,718**			
Current liabilities						
Current financial liabilities						
of which liabilities at amortized cost		209,256	209,256			
Trade and miscellaneous payables and other current liabilities						
of which liabilities at amortized cost		111,150	111,150			
	(d)	**320,406**	**320,406**			
Total	**(c+d)**	**4,173,124**	**4,173,124**			

NOTE 4 – GOODWILL

As of March 31, 2022, goodwill amounted to 6,146,766 thousand euros, and shows the following change:

(thousands of euros)	12.31.2021	Additions	Other changes	03.31.2022
Goodwill	6,146,766	-	-	6,146,766
Total	**6,146,766**	**-**	**-**	**6,146,766**

In accordance with IAS 36, goodwill is not subject to amortization, but is tested for impairment at least annually or more frequently if specific events or circumstances arise leading to the presumption of such impairment.

In particular, as of March 31, 2022, 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.

In 2022, the Company deducted part of the one-fiftieth of the amortization of the goodwill of 1,404,000 thousand euros realigned, as provided for by Legislative Decree 104/2020, Article 110, paragraph 8bis (converted by Law 178/2020 and amended by the 2022 Budget Act), against payment of a substitute tax amounting to 3% of the realigned value of 42,120 thousand euros).

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)	12.31.2021	Additions	Amortization and depreciation	Other changes	03.31.2022
Patent rights and utilization of intellectual property	10,201	855	(1,367)	3,460	13,149
Other intangible assets	649,910	-	(25,605)	-	624,305
Intangible assets under development and advances	33,192	6,577	-	(11,342)	28,427
Total	**693,303**	**7,432**	**(26,972)**	**(7,882)**	**665,881**

The additions for the period totaled 7,432 thousand euros and mainly related to IT projects and other intangible investments.

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)	12.31.2021	Additions	Disposals	Amortization and depreciation	Other changes	03.31.2022
Land	51,086	512	-	-	1,948	53,546
Plant and equipment	755,782	18,728	(391)	(18,609)	9,663	765,173
Manufacturing and distribution equipment	1	-	-	-	1	2
Other goods	362	-	-	(29)	-	333
Construction in progress and advance payments	68,875	1,489	(469)	-	(11,892)	58,003
Total	**876,106**	**20,729**	**(860)**	**(18,638)**	**(280)**	**877,057**

The additions during the period, amounting to 20,729 thousand euros, mainly related to the purchase of land, the construction of new sites, the construction of DAS systems, extraordinary maintenance, the capitalization of costs relating to company labor and external services, and the purchase of backhauling sections.

The gross carrying amounts and accumulated depreciation at March 31, 2022, are detailed as follows:

(thousands of euros)	Gross Value at 03.31.2022	Accumulated impairment losses	Depreciation Provision	Net Value at 03.31.2022
Land	53,546	-	-	53,546
Plant and equipment	1,759,642	(543)	(993,926)	765,173
Manufacturing and distribution equipment	26	-	(24)	2
Other goods	619	-	(286)	333
Construction in progress and advance payments	58,003	-	-	58,003
Total	**1,871,836**	**(543)**	**(994,236)**	**877,057**

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

NOTE 7 – RIGHT-OF-USE ASSETS

Right-of-use assets comprised the following, with the following changes:

(thousands of euros)	12.31.2021	Additions	Lease increases	Lease decreases	Amortization and depreciation	Other changes	03.31.2022
Rights of use on civil and industrial buildings	44,335	500	-	-	(630)	5,682	49,887
Rights of use on plant and equipment	1,032,948	3,105	68,086	(17,570)	(43,598)	(2,784)	1,045,755
Rights of use on other assets	488	-	219	-	(78)	-	629
Total	**1,077,771**	**3,605**	**68,305**	**(17,570)**	**(44,306)**	**8,466**	**1,096,271**

Additions in the period (amounting to 3,605 thousand euros), refer to the acquisition of surface use rights, as well as the capitalization of renegotiation fees for lease contracts and the capitalization of company labor costs.

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

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

NOTE 8 – TRADE AND MISCELLANEOUS RECEIVABLES AND OTHER ASSETS (NON CURRENT AND CURRENT)

The item “Trade and miscellaneous receivables and other current and non-current assets” is detailed in the following table:

(thousands of euros)		12.31.2021	*of which IFRS 9 Financial Instruments*	Other changes during the period	03.31.2022	*of which Financial Instruments IFRS 9*
Miscellaneous receivables and other non-current assets						
Other non-current assets		70	-	(17)	53	-
Other non-current miscellaneous receivables		296,435	-	(16,210)	280,225	-
Total Miscellaneous receivables and other non-current assets	**(a)**	**296,505**	**-**	**(16,227)**	**280,278**	**-**
Total trade receivables	**(b)**	**88,193**	***88,193***	**12,351**	**100,544**	***100,544***
Miscellaneous receivables and other current assets						
Other current assets		1,899	-	1,021	2,920	-
Non-current miscellaneous receivables - short term share		1,673	-	4	1,677	-
Miscellaneous operating receivables		16,834	-	2,650	19,484	-
Miscellaneous non-operating receivables		64,842	-	-	64,842	-
Total miscellaneous receivables and other current assets	**(c)**	**85,248**	**-**	**3,675**	**88,923**	**-**
Total trade and miscellaneous receivables and other current assets	**(b+c)**	**173,441**	***88,193***	**16,026**	**189,467**	***100,544***
Total	**(a+b+c)**	**469,946**	***88,193***	**(201)**	**469,745**	***100,544***

Miscellaneous receivables and other non-current assets mainly relate to the medium/long-term portion of the substitute taxes paid by the company (280,225 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 (1,677 thousand euros), advances to suppliers (2,630 thousand euros), receivables from the tax authorities for taxes and duties (14,868 thousand euros) and the short-term portion of substitute taxes paid by the company (64,842 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 9 - EQUITY

At March 31, 2022, shareholders’ equity amounted to 4,549,625 thousand euros, the breakdown of which is as follows:

(thousands of euros)	12.31.2021	Increase	Decrease	Other changes	03.31.2022
Share capital issued	600,000	-	-	-	600,000
Minus treasury shares	*(72)*	-	-	*(222)*	*(294)*
Share capital	**599,928**	-	-	(222)	**599,706**
Share premium reserve	**2,211,001**	-	-	-	**2,211,001**
Other reserves and earnings (losses) carried forward, including the result for the period	**1,481,178**	-	-	(1,719)	**1,479,459**
Legal reserve	120,000	-	-	-	120,000
Provision for instruments representing equity	588			*243*	831
Treasury share reserve in excess of nominal value	(607)	-	-	*(1,910)*	(2,517)
Locked-up Reserve under Law 178/2020	1,361,880	-	-	-	1,361,880
Other reserves	(683)	-	-	*(52)*	(735)
Retained earnings (losses) including earnings (losses) for the period	**191,407**	68,052	-	-	**259,459**
Total	**4,483,514**	68,052	-	(1,941)	**4,549,625**

The change in shareholders’ equity is mainly attributable to the result for the year.

BENEFIT PLANS IN THE FORM OF EMPLOYEE STOCK OPTIONS

The Provision for instruments representing equity of 831 thousand euros refers to:

- the LTI plan (829 thousand euros) in existence at March 31, 2022, used for retention and long-term incentive purposes for managers.
- the general stock option plan (3 thousand euros) in existence and subscribed to by INWIT employees.

NOTE 10 – EMPLOYEE BENEFITS

The item has the following breakdown and movements:

(thousands of euros)	12.31.2021	Increase/ Present value	Decrease	Other changes	03.31.2022
Provision for employee severance indemnities	2,909	7	-	(20)	2,896
Total	2,909	7	-	(20)	2,896
Of which:					
Non-current amount	*2,909*				*2,896*

Compared to December 31, 2021, the Provision for Employee Severance Indemnities decreased by 13 thousand euros.

NOTE 11 – PROVISIONS FOR RISKS AND CHARGES

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

(thousands of euros)	12.31.2021	Increase	Decrease	Other changes	03.31.2022
Provision for restoration costs	228,020	812	(175)	-	228,657
Deferred tax liabilities	238,799	-	(7,266)	-	231,533
Provision for legal disputes and other risks	1,564	-	-	-	1,564
Total	468,383	812	(7,441)	-	461,754
Of which:					
Non-current amount	*467,933*				*461,304*
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 (496 thousand euros) and the building of new sites (316 thousand euros). The decrease in provision for restoration costs relates to the coverage of costs incurred in the period (175 thousand euros).

Deferred tax liabilities mainly decreased due to the release of deferred tax liabilities relating to the customer list recognized as part of the merger with Vodafone Towers.

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

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

(thousands of euros)		12.31.2021	Changes in the period	03.31.2022
Financial payables (medium/long-term):				
Amounts due to banks		785,951	(917)	785,034
Corporate Bonds		2,233,587	402	2,233,989
Leasing liabilities		830,955	2,740	833,695
Total non-current financial liabilities	(a)	3,850,493	2,225	3,852,718
Financial payables (short-term):				
Amounts due to banks		131,390	(100,562)	30,828
Corporate Bonds		17,833	10,043	27,876
Leasing liabilities		151,355	(803)	150,552
Total current financial liabilities	(b)	300,578	(91,322)	209,256
Total Financial liabilities (Gross financial debt)	(a+b)	4,151,071	(89,097)	4,061,974

Financial payables (medium/long-term):

- **Amounts due to banks** mainly refer to the loans net of related accruals and deferrals, related to the:
    - Term loan from Banca Popolare di Sondrio for a nominal amount of 40,000 thousand euros with bullet repayment at maturity (December 2023);
    - ESG KPI-linked term loan for a nominal amount of 500,000 thousand euros with bullet repayment at maturity (April 2025);
    - a loan with a nominal value of 250,000 thousand euros with amortizing repayment beginning in February 2026 and maturing in August 2033;

- **Corporate Bonds** refer to the following, net of related accruals and deferrals:
    - (i) the bond 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%;
    - (ii) the bond issued in October 2020 with a nominal value of 750,000 thousand euros maturing October 21, 2028, coupon 1.625%, issue price 99.755%;
    - (iii) the bond 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 draw down of an uncommitted bank line by 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 CONTRACTUAL CLAUSES IN EFFECT AT MARCH 31, 2022

The loan agreements include some general pledges and covenants, both positive and negative, in line with market practice for loans of similar amounts and nature, which give the lending Banks the right to cancel the commitments undertaken and/or request the early repayment of the sums drawn by the Company.
The bonds issued by INWIT and the bank loans do not contain financial covenants.

Under the loan and bond agreements INWIT is required to notify a change of control, for which the cases and consequences – including, at the discretion of the investors, the provision of guarantees or early repayment of the amount disbursed and cancellation of the commitment unless otherwise agreed – are specifically regulated in the individual agreements.

The loan agreement with the European Investment Bank in support of the Digital Infrastructure Development Project, granted for 250 million euros in August 2021, contains a rating loss clause, according to which the bank may, in certain cases, request guarantees to support the loan.

At March 31, 2022, no covenant, negative pledge clause or other clause relating to the above-described debt position had been breached or violated.

NOTE 13 – NET FINANCIAL DEBT

The table below shows the Company's net financial debt at March 31, 2022, calculated in accordance with paragraph 127 of the recommendations contained in ESMA document no. 319 of 2013, implementing Regulation (EC) 809/2004.
The table also includes the reconciliation of net financial debt calculated according to the criteria established by ESMA and those used by INWIT to monitor its own financial position.

(thousands of euros)	03.31.2022 (*)	12.31.2021
A Cash	-	-
B Cash and cash equivalents	63,593	96,320
C Current financial receivables	281	271
D Liquidity (A + B + C)	63,874	96,591
E Current financial payables	-	-
F Current portion of financial payables (medium/long-term)	209,256	300,578
G Current financial debt (E+F)	209,256	300,578
H Net current financial debt (G-D)	145,382	203,987
I Financial payables (medium/long-term)	1,618,729	1,616,906
J Bonds issued	2,233,989	2,233,587
K Trade payables and other non-current payables	-	-
L Non-current financial debt (I+J+K)	3,852,718	3,850,493
M Net Financial Debt as per ESMA recommendations (H+L)	3,998,100	4,054,480
Other financial receivables and non-current financial assets	(1,304)	(1,362)
INWIT net financial debt	3,996,796	4,053,118

(*) As regards the effects of related party transactions on Net Financial Debt, reference should be made to the specific table included in the Note "Related Parties".

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

The item was composed as follows at March 31, 2022:

(thousands of euros)		12.31.2021	*of which IFRS 9 Financial Instruments*	Other changes during the period	03.31.2022	*of which IFRS 9 Financial Instruments*
Miscellaneous payables and other non-current liabilities						
Other non-current liabilities		7,716	-	(148)	7,568	-
Miscellaneous non-current operating payables		(2)	-	-	(2)	-
Miscellaneous non-current non-operating payables		14,040	-	-	14,040	-
Total miscellaneous payables and other non-current liabilities	(a)	21,754	-	(148)	21,606	-
Total trade payables	(b)	174,787	*174,787*	(63,637)	111,150	*111,150*
Miscellaneous payables and other current liabilities						
Other current liabilities		6,927	-	33,437	40,364	-
Miscellaneous current operating payables		19,322	-	19,032	38,354	-
Miscellaneous current non-operating payables		15,306	-	(3)	15,303	-
Total miscellaneous payables and other current liabilities	(c)	41,555	-	52,466	94,021	-
Total trade and miscellaneous payables and other current liabilities	(b+c)	216,342	*174,787*	(11,171)	205,171	*111,150*
Total income tax payables	(d)	17,872	-	-	17,872	-
Total	(a+b+c+d)	255,968	*174,787*	(11,319)	244,649	*111,150*

Miscellaneous payables and other non-current liabilities refer to prepaid contracts with customers (7,569 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 mainly refer to prepaid contracts with customers (40,364 thousand euros), tax payables (28,162 thousand euros), payables to personnel (5,347 thousand euros), payables to shareholders (1,263 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 15 - REVENUES

Revenues amounted to 206,991 thousand euros, broken down as follows:

(thousands of euros)	1st Quarter 2022	1st Quarter 2021
Revenues		
Revenues from TIM	91,026	86,269
Revenues from Vodafone Italia	80,726	55,020
Revenues from third parties	35,239	48,959
Total	206,991	190,248

Revenues from TIM mainly refer to the Master Service Agreement.

Revenues from Vodafone Italia mainly refer to the Master Service Agreement.

The item **Revenues from third parties**, refers essentially to hosting services offered by the Company to Italian mobile operators. Relationships with these operators are regulated by long-term commercial agreements.

NOTE 16 – ACQUISITION OF GOODS AND SERVICES

The item amounted to 12,697 thousand euros, broken down as follows:

(thousands of euros)		1st Quarter 2022	1st Quarter 2021
Purchases of materials and goods for resale	(a)	253	192
Costs for services			
Maintenance		3,258	4,481
Professional services		1,651	1,593
Other service expenses		5,079	2,625
	(b)	10,258	8,699
Lease and rental costs			
Lease and rental costs		1,898	1,315
Other lease and rental costs		288	(27)
	(c)	2,186	1,288
Total	(a+b+c)	12,697	10,179

The item "Costs for miscellaneous services" increased mainly due to the recognition of consulting fees and other service costs.

NOTE 17 – AMORTIZATION, GAINS/LOSSES ON DISPOSALS AND IMPAIRMENT LOSSES ON NON-CURRENT ASSETS

Amortization, gains/losses on disposals and impairment losses on non-current assets amounted to 92,404 thousand euros, and are composed as follows:

(thousands of euros)		1st Quarter 2022	1st Quarter 2021
Amortization of intangible assets with a finite useful life	(a)	26,972	26,169
Depreciation of owned tangible assets	(b)	18,638	17,975
Amortization of right-of-use assets	(c)	44,306	44,875
(Gains)/losses on disposals and impairment losses on non-current assets	(d)	2,488	141
Total	(a+b+c+d)	92,404	89,160

For further details, see the Notes "Intangible assets with a finite useful life", "Tangible assets" and "Right-of-use assets".

(Gains)/losses on disposals and impairment losses on non-current assets includes losses on disposal of right-of-use assets (1,573 thousand euros) and losses on the disposal of property and equipment (915 thousand euros).

NOTE 18 – FINANCE INCOME AND EXPENSES

FINANCIAL INCOME

Financial income amounts to 80 thousand euros and mainly refers to interest income on cash at bank and post office deposits.

FINANCIAL EXPENSES

Financial expenses amount to 18,853 thousand euros, broken down as follows:

(thousands of euros)	1st Quarter 2022	1st Quarter 2021
Interest expenses and other financial expenses		
Interest to banks	1,631	3,965
Finance expenses for corporate bonds	10,445	8,028
Interest expense for finance leases	5,481	6,520
Bank fees	791	1,938
Other financial expenses	505	1,037
Total	18,853	21,488

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

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

Interest expense for finance leases refers to finance leases.

Bank fees primarily refer to fees from the 500 million euro ESG KPI-linked Term Loan and the 500 million euro Revolving Credit Facility.

The **other financial expenses** chiefly refer to the adjustment of the provision for restoration charges.

NOTE 19 – CONTINGENT LIABILITIES, COMMITMENTS AND GUARANTEES

MAIN DISPUTES AND PENDING LEGAL ACTIONS

At March 31, 2022, the Company was involved in approximately 270 disputes, seven of which were denoted as having a “probable” risk of losing by the defense lawyers.
In relation to the progress of the aforementioned legal proceedings and based on the information available at the time of closing these Financial Statements, a total amount of 1,114 thousand euros has been allocated to the risk provision.

COMMITMENTS AND GUARANTEES

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

NOTE 20 - RELATED PARTIES

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

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

The tables summarizing the balances of related party transactions in absolute amounts and as a percentage of the corresponding values of the separate income statement, the statement of financial position and the statement of cash flows are shown below. Related party transactions, when not dictated by specific laws, were conducted at arm’s length. The transactions were subject to an internal procedure (available for consultation on the website www.inwit.it), which establishes procedures and time scales for verification and monitoring.

Although said agreements were settled at normal market conditions, there is no guarantee that, if they had been entered into by or with third parties, the latter would have negotiated and concluded them at the same conditions and by the same methods.

Items of the consolidated statement of financial position

The effects of the transactions with related parties on the items of the statement of financial position at December 31, 2021, and March 31, 2022, are shown below:

STATEMENT OF FINANCIAL POSITION LINE ITEMS AT 12.31.2021

(thousands of euros)	Total (a)	TIM	Vodafone Italia	Senior management	Other related parties	Related Parties Total related parties (b)	*% of the financial statement item (b)/(a)*
NET FINANCIAL DEBT							
Non-current financial liabilities	(3,850,493)	(100,901)	(8,917)	-	(8)	(109,826)	*2.9%*
Current financial liabilities	(300,578)	(6,097)	(514)	-	(1)	(6,612)	*2.2%*
Total net financial debt	(4,053,118)	(106,998)	(9,431)	-	(9)	(116,438)	*2.9%*
OTHER STATEMENT OF FINANCIAL POSITION LINE							
Trade and miscellaneous receivables	173,441	7,168	-	-	20	7,188	*4.1%*
Miscellaneous payables and other non-current liabilities	(21,754)	(6,880)	-	-	-	(6,880)	*31.6%*
Trade and miscellaneous payables	(216,341)	(13,857)	(66,553)	(1,186)	(618)	(82,214)	*38.0%*

ITEMS OF THE STATEMENT OF FINANCIAL POSITION AT 03.31.2022

(thousands of euros)	Total (a)	TIM	Vodafone Italia	Senior management	Other related parties	Related Parties Total related parties (b)	*% of the financial statement item (b)/(a)*
NET FINANCIAL DEBT							
Non-current financial liabilities	(3,852,718)	(93,584)	(8,159)	-	(7)	(101,750)	*2.6%*
Current financial liabilities	(209,256)	(17,281)	(1,505)	-	-	(18,786)	*9.0%*
Total net financial debt	(3,996,796)	(110,865)	(9,664)	-	(7)	(120,536)	*3.0%*
OTHER STATEMENT OF FINANCIAL POSITION LINE							
Trade and miscellaneous receivables	189,467	14,175	11,454	-	20	25,649	*13.5%*
Miscellaneous payables and other non-current liabilities	(21,606)	(6,770)	-	-	-	(6,770)	*31.3%*
Trade and miscellaneous payables	(205,171)	(9,257)	(42,202)	(1,497)	(264)	(53,220)	*25.9%*

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 mainly comprise the recovery of electricity costs.

Miscellaneous trade payables and other current liabilities to TIM mainly refer to service contracts, site restoration activities, ordinary and extraordinary maintenance carried out on sites and other services.

Trade and miscellaneous payables and other current liabilities due to Vodafone Italia mainly concern service contracts, ordinary and extraordinary on-site maintenance and other services and the payable deriving from the acquisition of the Vodafone Italia business unit.

Payables to Senior Management refer to amounts payable to key management personnel of the Company.

Payables to other related parties mainly consist of trade payables to Telenergia S.r.l. for electricity.

Items of the income statement

The effects of the transactions with related parties on the items of the income statement at March 31, 2022, and for the corresponding period of the previous financial year, are the following:

ITEMS OF THE INCOME STATEMENT AT MARCH 31, 2021

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

ITEMS OF THE INCOME STATEMENT AT 03.31.2022

(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	206,991	91,026	80,726	-	-	171,752	*83.0%*
Acquisition of goods and services	(12,697)	(1,241)	(208)	-	-	(1,449)	*11.4%*
Employee benefits expenses	(4,883)	-	-	(443)	-	(442)	*9.1%*
Other operating expenses	(1,290)	(390)	(210)	-	-	(600)	*46.5%*
Financial expenses	(18,853)	(724)	(65)	-	-	(789)	*4.2%*

Revenues from TIM refer mainly to rental revenues ensuing from the Master Service Agreement.

Revenues from Vodafone Italia refer mainly to rental revenues ensuing from the Master Service Agreement.

Purchases of materials and services from Vodafone Italia mainly refer to maintenance services, telephone expenses and other service costs.

Purchases of materials and services from Vodafone Italia refer to maintenance services and other service costs.

Employee benefits expense for senior management refer to compensation due to Company key managers.

Other operating expenses payable to TIM and to Vodafone Italia mainly related to the penalties for contractual breaches and the stamp duty recognized for the acquisition of the Vodafone Italia business unit.

Financial expenses to TIM and to Vodafone Italia refer to interest expense on finance leases.

Items of the Statement of cash flows

The effects of the transactions with related parties on the items of the statement of financial position at March 31, 2022, and for the corresponding period of the previous financial year, are the following:

ITEMS OF THE STATEMENT OF FINANCIAL POSITION AT MARCH 31, 2021

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

ITEMS OF THE STATEMENT OF CASH FLOWS AT 03.31.2022

(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	(12,351)	(7,007)	(11,454)	-	-	(18,461)	*149.5%*
Change in trade payables	(8,919)	(4,745)	(3,021)	-	(354)	(8,120)	*91.0%*
Net change in miscellaneous receivables/payables and other assets/liabilities	64,698	(52)	28,915	311	-	29,174	*45.1%*
Change in current and non-current financial liabilities	(157,402)	3,867	233	-	(2)	4,098	*-2.6%*

REMUNERATION OF KEY MANAGERS

The remuneration recorded on an accrual basis in respect of key managers amounted to 443 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 2022 MBO will be paid during the second quarter of 2023)

The contributions paid in to defined contribution plans (Assida, Fontedir) on behalf of key managers, amounted to 9 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
Elisa Patrizi	Head of Operations & Maintenance – Key Manager until 02.01.2022
Gabriele Abbagnara	Head of Marketing & Sales
Massimo Scapini	Head of Technology – Key Manager until 01.02.2022
Andrea Mondo	Head of Technology & Operations – Key Manager from 03.28.2022

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

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

NOTE 22 – EVENTS SUBSEQUENT TO MARCH 31, 2022

There have been no significant events since the close of the period.

DECLARATION BY THE MANAGER RESPONSIBLE FOR PREPARING THE COMPANY'S FINANCIAL REPORTS

The Manager responsible for preparing the corporate financial reports declares, pursuant to paragraph 2, Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this Interim Management Report of INWIT at March 31, 2022, corresponds to the documented results, books and accounting records.

The Manager Responsible for Preparing
the Company's Financial Reports

Diego Galli