INWIT

Sharing connections

ANNUAL FINANCIAL REPORT 2022

Contents

LETTER TO SHAREHOLDERS

Dear shareholders and stakeholders,

In 2022, INWIT continued its growth in line with its mission: building and managing shared and digital wireless infrastructure that enables operators and technologies to connect people and things, always and everywhere, for the benefit of the communities where we operate, and that is needed for the process of digital promotion and transformation for a more sustainable society.

Following the merger with Vodafone Towers in 2020 and the completion of the integration in the following year, INWIT continued to maximize the potential of its assets in 2022 by deploying numerous value creation drivers. This resulted in further growth in all the major business, earnings and financial indicators – a cause for satisfaction.

The growing consumption of mobile data, the ongoing technology transition to 5G, with the consequent requirement for network densification and indoor infrastructure improvement, and the need to complete the geographical broadband coverage, in addition to setting up innovative services, are the main trends driving growing demand for digital infrastructure.

In responding to that demand, from mobile, FWA and IoT customers, we invested 187 million euros in 2022 to develop our assets. The set of macro grid sites has expanded by almost 500 towers to over 23,000. The growth was even stronger in hostings of telecommunications equipment, which increased by more than 4,000 to reach a total of over 50,000, with a ratio of more than two customers per site, one of the highest in the industry. In addition, we have implemented new projects for dedicated indoor roofing with Distributed Antenna Systems (DAS) technology, responding to the growing interest from corporate, government entities, and owners of real estate and industrial assets.

Our assets, consisting of the integrated macro and micro grid with wide geographical coverage, benefit from some of the best locations and technological assets developed right from the first introduction of mobile technology in Italy. With the deployment of new services and the emergence of the Tower as a Service model, towers – due to their shared, distributed and connected nature – are increasingly becoming a key hub for modern digital infrastructure.

In terms of business development, there were two major new projects in 2022. We were awarded the NRRP tender, in partnership with Tim and Vodafone, for the extension of 5G to areas of market failure and we partnered with Open Fiber in a program for the development of around 500 new sites in sparsely populated areas. Both agreements strengthen INWIT's position as the leading wireless infrastructure operator in Italy, contributing to reducing the digital divide, a key pillar of our sustainability plan.

In terms of earnings and financial results, in 2022 revenues reached 853 million euros, up 9% from 2021, and EBITDA after lease margin rose by three percentage points to 69%, the highest in the industry, also thanks to continuous business cost efficiency improvements. INWIT continues to be able to generate high cash flows, with over 491 million euros in Recurring Free Cash flow (+34%), also thanks to the benefits from the tax efficiency plans. These results enabled us to distribute dividends of over 305 million euros, up 7.5% from 2021 and in line with the Company's policy.

Consolidating the path toward creating a sustainable business model, in 2022, after obtaining validation of our CO2 emission reduction target from the Science Based Target initiative (SBTi), we produced our first TCFD Report and entered the Bloomberg Gender Equality Index and FTSE4Good, two of the main ESG indices.

INWIT invests in and harnesses important infrastructure assets through an effective business model focused on sharing infrastructure to serve telecom and digital operators. In leveraging the positive trends in technology and demand, INWIT is showing significant investment capacity and solidity confirmed by 2022 results on the rise. With the continued support of customers, employees, suppliers, shareholders, bondholders and other stakeholders, to whom we give our heartfelt thanks, we are confident that we can continue on the Company's path of sustainable value creation.

The Chairman

Mr. Oscar Cicchetti

The General Manager

Mr. Diego Galli

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

The Annual Financial Report at December 31, 2022 includes the Management Report and the Individual Financial Statements at December 31, 2022, prepared in compliance with the IFRS accounting standard issued by the IASB and implemented by the EU.

The Individual Financial Statements at December 31, 2022 are subject to audit.

The chapter "Business outlook for the year 2023" 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.

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

CORPORATE INFORMATION AND CORPORATE BODIES

CORPORATE INFORMATION

Name	Infrastrutture Wireless Italiane S.p.A.
Share capital	600,000,000 euros
Registered office	Largo Donegani 2, 20121 Milan[1]
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 DECEMBER 31, 2022

On October 4, 2022, the Ordinary Shareholders' Meeting of Infrastrutture Wireless Italiane S.p.A. appointed the Board of Directors of INWIT (the "BoD"), which will remain in office until the approval of the annual financial statements at December 31, 2024.

The Board of Directors, at December 31, 2022, was composed as follows:

Chairman	**Oscar Cicchetti**
Directors	Stefania Bariatti (independent)
	Laura Cavatorta (independent)
	Antonio Corda
	Pietro Guindani
	Sonia Hernandez
	Christine Roseau Landrevot (independent)
	Quentin Le Cloarec (independent)
	Rosario Mazza
	Secondina Giulia Ravera (independent)
	Francesco Valsecchi (independent)
Secretary to the Board	Salvatore Lo Giudice

All members of the Board of Directors are domiciled for the purposes of their office at the registered office of INWIT.

On October 7, 2022 the Board also appointed Diego Galli as General Manager of INWIT, to whom it conferred powers relating to the overall governance of the company and ordinary management in its various

([1]): new registered office address from March 1, 2023.

expressions, without prejudice to the powers reserved for the Board of Directors by law or articles of association.

At its meeting on October 20, 2022, the BoD appointed the following committees:

- **Nomination and Compensation Committee**: Christine Roseau Landrevot (Chair), Laura Cavatorta, Pietro Guindani, Rosario Mazza, and Francesco Valsecchi.
- **Related Parties Committee**: Secondina Giulia Ravera (Chair), Stefania Bariatti, and Christine Roseau Landrevot.
- **Control and Risk Committee:** Stefania Bariatti (Chair), Quentin Le Cloarec, Pietro Guindani, Secondina Giulia Ravera, and Francesco Valsecchi.
- **Sustainability Committee**: Laura Cavatorta (Chair), Oscar Cicchetti, and Sonia Hernandez.

Until the approval of the Financial Statements at December 31, 2022, the Board of Directors appointed a Supervisory Body to perform the functions envisaged by Legislative Decree 231/2001, composed of Francesco Monastero (Chairman), Giuliano Foglia, Maria Teresa Bianchi and Alessandro Pirovano.

BOARD OF STATUTORY AUDITORS IN OFFICE AT DECEMBER 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 December 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 October 20, 2022, the Board of Directors appointed Rafael Giorgio Perrino, Head of the Administration, Finance & Control, Financial Reporting & Accounting function, as Manager responsible for preparing the corporate financial reports.

INWIT OVERVIEW

INWIT, 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.

INWIT's infrastructure consists of an integrated ecosystem of **macro-grids, about 23,000 towers** distributed throughout the country, and **micro-grids, around 7,000 DAS ("Distributed Antenna Systems") systems** and small cells, on which the transmission equipment of all major operators is hosted.

Having inherited the technology assets of Telecom Italia's "Tower" arm since the company's founding in 2015 and Vodafone Towers S.r.l., thanks to the merger in March 2020, **INWIT benefits from some of the best locations on the market and from the partnership with two Tier-1 Anchor Tenants**, focused on the ongoing development of network infrastructure and the ongoing technology transition to 5G.

INWIT also plays the role of "**neutral host**" and is able to meet the demand from all the main market operators in both the mobile segment and fixed wireless access, a technology that is growing strongly. All this makes it an essential infrastructure player for the development of telecommunication technologies, providing coverage and ubiquity and also helping to bridge the digital divide.

Towers are increasingly **a key hub of modern digital infrastructure**, connected, distributed and protected assets that can provide advanced services within the 5G ecosystem, from fiber connectivity to antenna hosting to hosting mini data centers of edge computing architecture and advanced IoT sensing.

INWIT is therefore perfectly positioned to support the ongoing digitization process and serve the **growing demand for connectivity**, supported by the positive investment cycle underway thanks in part to the Next Generation EU program.

From an earnings and financial perspective, in 2022 INWIT reported progress in all key earnings and financial indicators, with revenues of 853 million euros (+9%), EBITDA after Leases of 587 million euros (+13%), and cash generation (Recurring Free Cash Flow) of 491 million euros (+34%).

In March 2023, the Board of Directors has examined and approved INWIT's new Business Plan for 2023-2026. Despite confirming the guidelines of the previous Business Plan unveiled in November 2020 and updated in February 2022, the 2023 Business Plan reflects the evolution of the macroeconomic, industrial and market context of recent years, which results in INWIT having an increased capacity to invest in developing its infrastructure and improving the main industrial, economic and financial targets.

The 2023 Business Plan envisages revenues growing at a "high-single-digit" average annual rate, up to more than 1.2 billion euros in 2026, growth in margins and expansion of cash generation up to more than 730 million euros of Recurring Free Cash Flow in 2026.

The Company has also initiated activities and projects aimed fully integrating sustainability into the company and creating value over the long term. Among the most challenging targets of the **Sustainability Plan** is the achievement of "Carbon Neutrality" by 2024 through the establishment of a Climate Strategy, the development of renewable sources, the implementation of energy efficiency initiatives, and the use of green energy.

INWIT'S HISTORY

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, TIM and Vodafone.

Established in March 2015 following the spin-off of Telecom Italia's "Tower" arm designated to the operational management, monitoring and maintenance of the group's towers and repeaters, INWIT today is the result of the merger of Telecom Italia and Vodafone's wireless activities and infrastructure in March 2020, a step that significantly transformed the company's size and strategic profile.

This means 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.

Since its founding in 2015, INWIT shares have been listed on the electronic stock market operated by Borsa Italiana, called Euronext Milan; since 2020, INWIT has also been included in the main Italian stock index, the FTSE MIB, and is among the 600 largest capitalized companies in Europe (STOXX® Europe 600).

In July 2020, INWIT successfully entered the debt capital market, issuing its inaugural bond for 1 billion euros. To date, INWIT has more than 2 billion euros of bonds listed on the Luxembourg Stock Exchange.

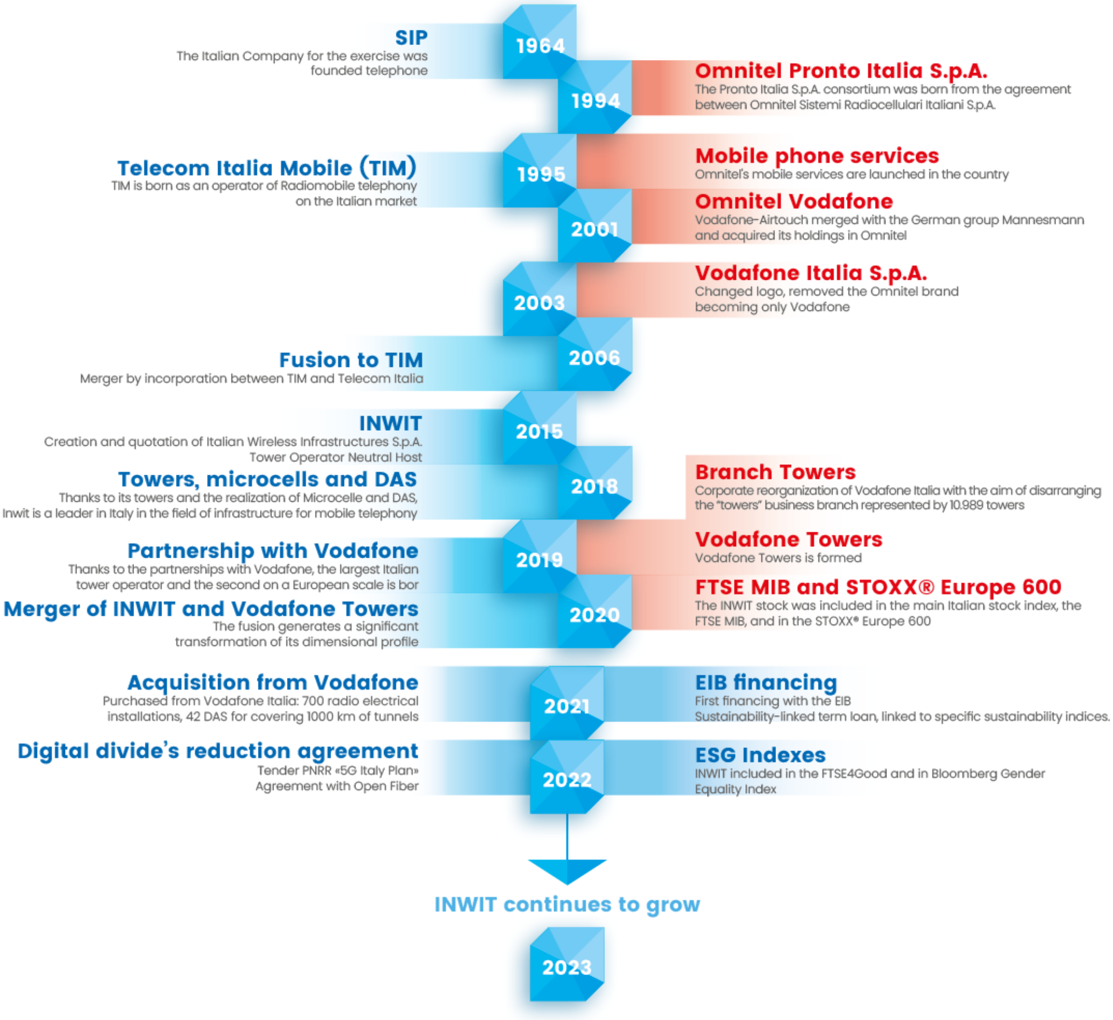
In August 2021, INWIT obtained a 250 million euro loan from the European Investment Bank (EIB) to support the Company's investment plan for the development of its digital infrastructure in Italy, in line with INWIT's Business Plan, which envisages investments in the construction of new towers for the diffusion of 5G, the deployment of coverage for indoor and outdoor mobile networks such as Small Cells and DAS and the trial of new innovative technologies in support of operators.

In 2021, the year that saw an acceleration of the Company's investment in dedicated coverage of transportation infrastructure, INWIT reached an agreement with Vodafone Italia for the ownership and management of infrastructure and equipment along around 1,000 km of road and highway tunnels, with the aim of offering hosting services on some of the country's main communication routes to all operators. In 2022, the development of the micro-grid continued with the implementation of projects for dedicated indoor coverage, which included coverage of the Milan Metro Line 4 and coverage of more than 40 hospitals with 5G-ready DAS systems, as well as industrial sites, museums, university campuses and government entity buildings.

In addition, important new agreements for infrastructure development were signed in 2022, with a particular focus on less densely populated areas. INWIT was awarded the tender as contractor, together with TIM and Vodafone, for the NRRP's "Piano Italia 5G" (Italy 5G Plan) and signed an agreement with Open Fiber for the construction of 500 new sites. Both agreements are aimed at contributing to reducing the digital divide and strengthening INWIT's leading position in the digital infrastructure market.

On the sustainability front, in 2022 INWIT published its second Integrated Report and continues its process of improving results among the major ESG ratings. INWIT has been included in the Bloomberg Gender-Equality Index (GEI) and one of the leading ESG indices, the FTSE4Good, which ranks global companies in terms of their environmental, social and governance (ESG) practices.

Main events in INWIT's history



INWIT'S ASSETS

INWIT's infrastructure consists of an integrated ecosystem of macro grids and micro grids:

INWIT's macro grid consists of over 23,000 towers, distributed widely across the country, with a density of one tower for every 3 km and a balanced distribution between urban and rural sites. Technological content and strategic locations make INWIT sites attractive to all telecom market players, present today with more than 50,000 hostings, for a tenancy ratio of over 2.1 hosts per site, one of the highest in the industry. INWIT continues to invest in expanding and optimizing its network to serve the growing demand for mobile data and the coverage and technology upgrade needs of operators.

INWIT's micro grid complements and supports the macro grid by providing coverage and network capacity with Distributed Antenna Systems (DAS), Small Cells and Repeaters installed in indoor and outdoor locations characterized by high user density and specific dedicated coverage needs.

The over 7,000 remote units of the micro grid cover sites such as airports, stations, hospitals, shopping malls, offices and manufacturing areas, as well as roads and highways. In particular, INWIT now covers about 1,000 km of road and highway tunnels that include some of the major national thoroughfares. The demand for dedicated coverage provided by the micro grid is supported by the technology transition from 4G to 5G and increasing mobile data consumption.

STRATEGIC POSITIONING AND VALUE CREATION

Digitalization for Italy's growth

In Italy, the market and technology are rising rapidly due to the steady increase in mobile data consumption and the development of wireless technology, which is extending 5G coverage, accompanied by the associated densification requirements, which are key factors in the development of wireless infrastructure. The transition to the 5G network architecture has major implications for the digital infrastructure sector, and towers in particular, as more macro sites and macro grids will be required to meet the densification needs of 5G to provide performance, security, and end-user friendliness at all times and everywhere. In addition, the transition to 5G is a key driver for the development of micro grid coverage, needed to optimize coverage and capacity by offering low latency indoors (with Distributed Antenna Systems, DAS) and, in the future, outdoors through Small Cells. Lastly, 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 (NRRP), under the framework of Next Generation EU, devotes significant attention and substantial resources to digital innovation in Italy, by fostering a broad round of investment in digitization and infrastructure.
Specifically, INWIT was awarded the tender as contractor, together with TIM and Vodafone, for the NRRP's "Piano Italia 5G" (Italy 5G Plan), strengthening its role as an enabler of digitalization, with a view to inclusion of communities and development of 5G.

The events of recent years have demonstrated the importance of digital technology, accelerating Italy's process of digitalization. Today, digital technology is a necessity for companies, people and government in the transformation toward more agile and flexible organizational, production and service models, both private and public. Opportunities are opening up for tower operators and INWIT is ideally positioned to play a key role in the development of digital infrastructure to support telecommunications operators. 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 (FWA), a technology that is growing strongly.

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.

In November 2020, INWIT approved the update of the 2021-2023 business plan, with targets to 2026, confirmed as part of the regular cycle of analysis of external scenarios and development opportunities for the Company. The plan calls for significant investments to support organic growth and envisages progressive growth in all key industrial, earnings and financial and shareholder remuneration indicators.

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.

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 also presented a Sustainability Plan, which is fully integrated with the business strategy and through which it aims to make the transition to a sustainable business model, considered an enabler for the Company's growth.

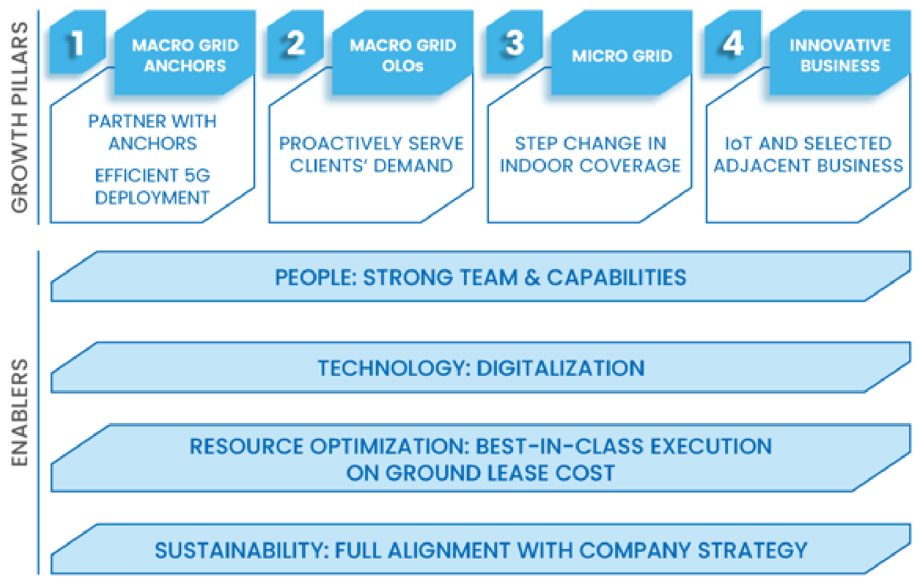
In March 2023, the Board of Directors has examined and approved INWIT's new Business Plan for 2023-2026. Despite confirming the guidelines of the previous Business Plan unveiled in November 2020 and updated in February 2022, the 2023 Business Plan reflects the evolution of the macroeconomic, industrial and market context of recent years, which results in INWIT having an increased capacity to invest in developing its infrastructure and improving the main industrial, economic and financial targets.

The 2023 Business Plan envisages revenues growing in the period 2023-2026 at a "high-single-digit" average annual rate, up to more than 1.2 billion euros in 2026, with an expansion of the EBITDA margin to 92% and the after-lease EBITDAaL margin to 76%. Moreover, it is expected that this growth in margins translates into an expansion of cash generation (Recurring Free Cash Flow) up to more than 730 million euros in 2026.

The 2023 business plan objectives consist of an Improvement on what was previously disclosed to the market, a reflection of the company's improved investment capacity, which will result in a continuous development of the infrastructure in terms of new sites, indoor coverage and increasing in land buyout, with a positive impact on expected profitability over the Business Plan period.

The increase in investments, for a total of approximatively 900 million euros, will have a positive impact on revenues and profitability, which will also benefit from the positive structural market trends and the positive net effect of inflation.

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. **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.
2	Providing rapid and efficient services to other operators	
3	Being a frontrunner in the development of the DAS (Distributed Antenna Systems, indoor) and Small Cell (outdoor) markets	**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 transport, 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 and the Internet of Things.

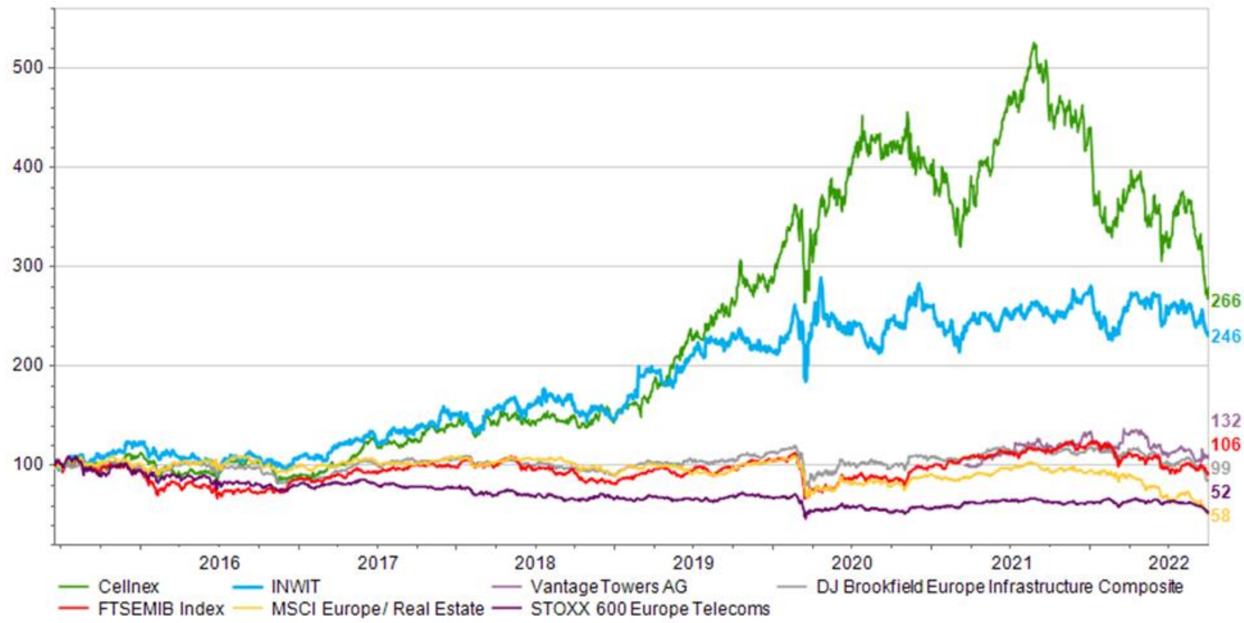
In the current global environment, INWIT is playing a leading role in the digital transformation supporting operators in developing new infrastructure for the implementation of 5G, fixed wireless access (FWA) and micro-coverage with DAS and small cells, while also looking to future technological opportunities, and directing its choices toward sustainable models. In doing so, INWIT is helping to make Italy a more digital and sustainable country.

INWIT AND THE FINANCIAL MARKET

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.

INWIT's shares are mainly held by institutional investors based in the main global financial centres, with whom the Company maintains ongoing dialogue based on the principles of transparency, completeness and timeliness of information, also through participation in meetings, road-shows and industry sector conferences. In addition, INWIT's shares are followed by 27 independent analysts from leading financial institutions. More information on INWIT's shares is available on the company website www.inwit.it in the "Investor Relations" section.

The following chart shows the performance of the stock in the period from the start of trading and December 31, 2022, in relation to a basket made up of Italian and European market indices and comparable companies.

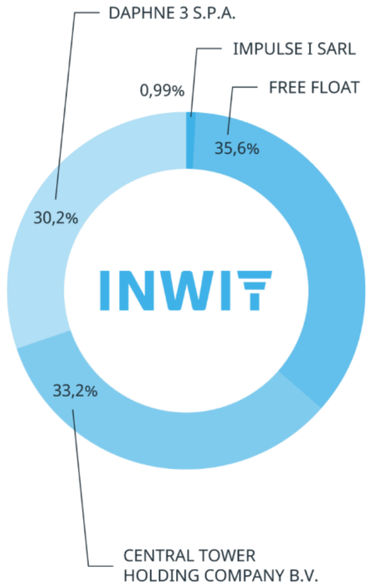


INWIT SHARE CAPITAL at December 31, 2022

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 12/31/2022)	9,228 million euros

SHAREHOLDERS

Shareholder structure at December 31, 2022



Currently, Daphne 3 S.p.A. is 90% controlled by Impulse I S.à.r.l. (in turn controlled by Impulse II S.C.A). The remaining 10% is held by TIM S.p.A.
Central Tower Holding Company B.V. is indirectly owned by Vodafone Group Plc.

TREASURY SHARES

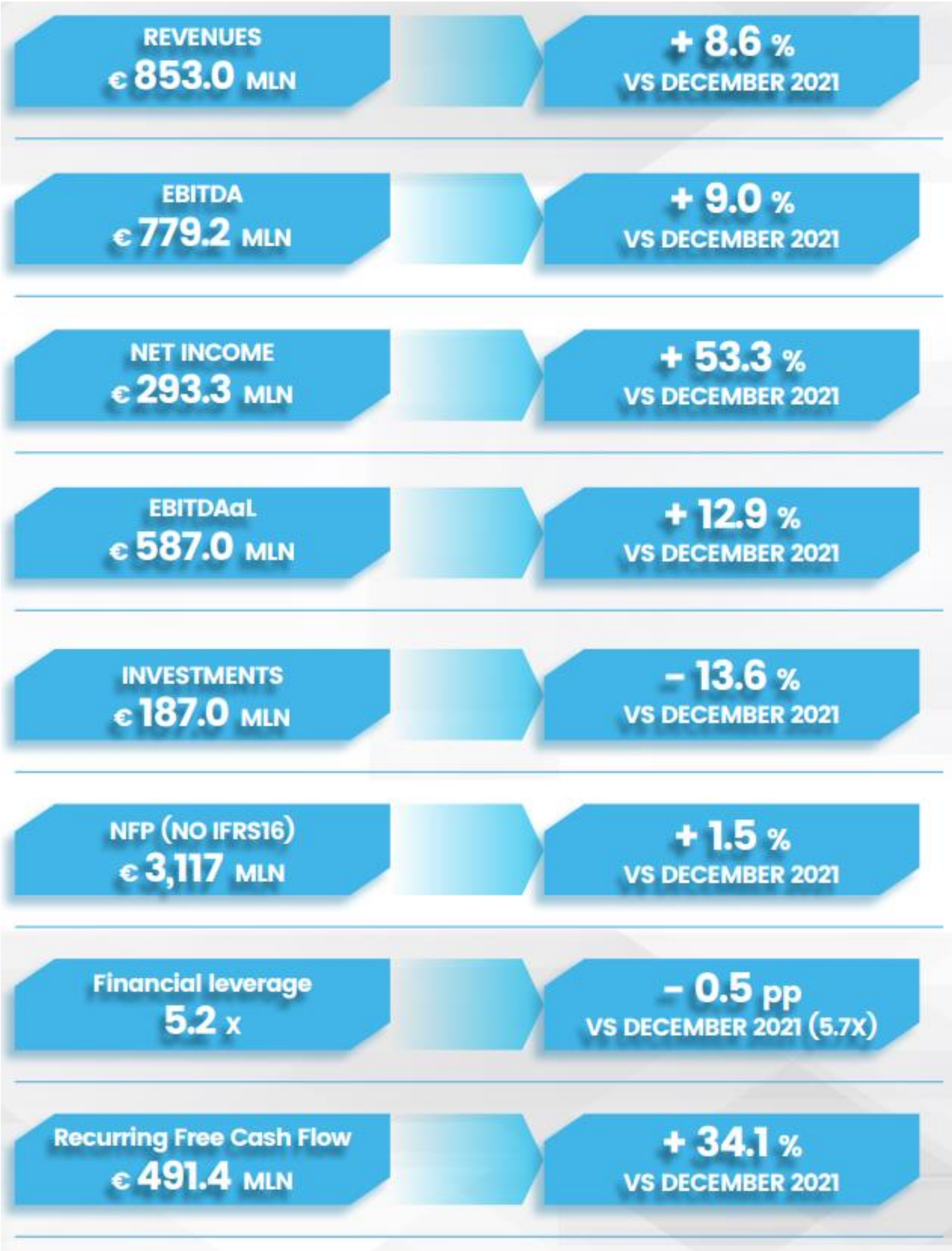
At December 31, 2022, INWIT owned 293,873 treasury shares which represent 0.049% of the share capital, purchased from 2020 for the 2020-2022 Long Term Incentive Plan and the 2020 Broad-Based Share Ownership Plan at an average price of 9.54.

The shares are deposited in a securities account held by INWIT S.p.A. with Intesa Sanpaolo S.p.A.

DIVIDEND POLICY

With the update of the 2021-2023 Business Plan in November 2020, INWIT defined its dividend policy. Based on the earnings and financial growth envisaged in the plan itself, a dividend per share of 0.30 euros to be paid in 2021 following the approval of the 2020 financial statements - and an increase in the subsequent years of the three-year plan of 7.5% per year up to the approval of the 2023 financial statements, broadly in line with the growth of the business. In line with this policy, a dividend per share of 0.3225 euros was paid in 2022.

HIGHLIGHTS AT DECEMBER 31, 2022



TREND OF OPERATIONS AND MANAGEMENT EVENTS

TREND OF OPERATIONS

Main indicators	unit of measurement	December 31, 2022	December 31, 2021	Change
Number of sites	Thousands	23.3	22.8	1.9%
Number of hostings in place with Tenants	Thousands	50.2	46.0	9.0%
Number of hostings in place with Tenants, excluding TIM and Vodafone Anchor Tenants	Thousands	11.9	10.2	16.7%
Average number of Tenants per Site (Tenancy ratio)	number	2.16	2.01	7.0%
Remote SC/DAS	Thousands	7.0	6.4	9.4%
Real estate transactions	Thousands	2.2	1.8	22.2%
Total revenues	€ million	853.0	785.2	8.6%
EBITDA	€ million	779.2	714.9	9.0%
EBITDA margin	%	91.3%	91.1%	0.2pp
EBIT	€ million	415.5	354.8	17.1%
EBT	€ million	334.2	264.7	26.3%
Profit for the period	€ million	293.3	191.4	53.3%
EBITDAaL	€ million	587.0	520.0	12.9%
EBITDAaL margin	%	68.8%	66.2%	2.6pp
Recurring Free Cash Flow	€ million	491.4	366.5	34.1%
Capex	€ million	187,0	216,5	(13.6%)
Net Cash Flow	€ million	(25.6)	(341.4)	(92.5)
Net Debt	€ million	4,078.7	4,053.1	0.6%
Net Debt/EBITDA	%	5.2	5.7	(0.5pp)

Industrial results show further growth. The development of our infrastructure continues with the construction of 480 new sites, for a total of over 23,000. New contracted hostings total over 4,000, mainly due to the contribution of Tim and Vodafone anchor customers and the strong growth in hostings from other customers.

Continuing with multi-operator microcellular coverage plan for places with the highest concentration of users and traffic, the increase in installations of new DAS remote units continues, with more than 500 installed in 2022.

The efforts to streamline lease costs also continued, with more than two thousand renegotiations of leases or land purchase agreements.

With regard to the earnings results, there was strong growth in revenues during the period: +8.6% year-on-year, due to growth in contracted hosting with all of the Company's major customers, the provision of other services, in addition to hostings, the DAS hostings and the positive impact of inflation (2021 average inflation at around 1.9%).

This trend, together with increased efficiency in rental costs, led to an expansion of the EBITDAaL margin by +12.9%, for a ratio to revenues up from 66.2% to 68.8%. The profit for the period amounted to 293.3 million euros, up 53.3% also due to lower tax expenses related to the ongoing efficiency improvement programs.

The strong business and earnings performance resulted in an increase in cash flows, with RFCF at 491.4 million euros, up 34.1% compared to the previous year.

After investments of 187.0 million euros and dividends paid of 307.5 million euros, the net cash generation was negative at 25.6 million euros. The Company's net financial position was substantially unchanged, while leverage, Net Debt/EBITDA, fell to 5.2x.

MANAGEMENT EVENTS

The main management events involving INWIT can be summarized as follows:

- INWIT, Italy's leading tower operator for wireless infrastructure, obtained validation from the Science Based Target initiative (SBTi), an initiative set up to verify that strategies and Climate Action defined by companies are in line with the indications of the scientific community and international agreements to combat climate change. The Science Based Target Initiative project is sponsored by some of the most influential institutions in the field of combating climate change: the United Nations Global Compact, the World Resource Institute, WWF, CDP and We Mean Business, a global nonprofit coalition working with businesses.

- INWIT signed an agreement amending its 500 million euros revolving credit line, part of the financing deal to support the merger with Vodafone Towers. New features include extending the maturity of the loan by 2 years, thus extending it to 2027 resulting in improved financial flexibility for the Company, better contract terms, and the inclusion of sustainability indicators.

- After beginning its sustainability journey, last year INWIT signed the first Sustainability-linked Term Loan, tied to specific sustainability indicators. An approach that INWIT has also continued in its finance activities through the introduction of key ESG strategy objectives in the revolving credit line. Three identified KPIs of the Sustainability Plan are reducing CO_2 emissions, improving gender equality, and reducing the digital divide. These indicators are assigned specific annual targets corresponding to a step up/down mechanism on the cost of funding.

- The Shareholders' Meeting of Infrastrutture Wireless Italiane S.p.A. met on April 6, under the chairmanship of Emanuele Tournon, and approved the 2021 financial statements, which closed with a net profit of 191,395,675.59 euros, and resolved to distribute a dividend for the year 2021 of 0.3225 euros (before applicable withholding taxes) for each of the 960,200,000 ordinary shares outstanding on the ex-dividend date, excluding treasury shares in portfolio.
  The total dividend, which was distributed based on the number of ordinary shares outstanding on the ex-dividend date, amounted to 309,664,500 euros.
  The dividend was set to be paid from May 25, 2022, with ex-dividend date on May 23, 2022 (in accordance with the Italian Stock Exchange calendar) and record date (i.e., the date of entitlement to payment of the dividend itself pursuant to Article 83-terdecies of the TUF) on May 24, 2022.

- On July 26, 2022, INWIT and Open Fiber, the leading FTTH (Fiber To The Home) network infrastructure operator, signed a strategic agreement to provide more than 600 municipalities across the country with FWA (Fixed Wireless Access) technology. The agreement provides for the design and construction of up to 500 new sites by INWIT, with construction to begin during 2022, and related hosting and infrastructure maintenance services. Open Fiber will equip the sites with FWA equipment and fiber optic bindings. The goal is to facilitate access to the ultrabroadband network in areas of the country where it is still limited or absent.

- The Ordinary Shareholders' Meeting of Infrastrutture Wireless Italiane S.p.A. (INWIT), which met in Milan on October 4 under the chairmanship of Emanuele Tournon, appointed INWIT's new Board of Directors.
  Pursuant to the Articles of Association, 11 directors were elected to serve for three financial years until December 31, 2024. The details of the appointment are in the opening paragraph "Corporate Information and Corporate Bodies".

- On the same date, the employment relationship with Giovanni Ferigo, as General Manager of the Company, was terminated. The agreement provides for the payment of a total amount of 1,906,000.00 euros gross, including the indemnity for lack of notice provided for in the relevant National Collective Agreement.

- On October 7, the Board of Directors of INWIT appointed Director Oscar Cicchetti as Chairman of the Board to whom it assigned the responsibilities of legal representation and institutional relations, as well as management of the Board's relationship with the Head of the Audit Function. The Board also appointed Diego Galli as General Manager of INWIT, to whom it conferred powers relating to the overall governance of the company and ordinary management in its various expressions, without prejudice to the powers reserved for the Board of Directors by law or articles of association.

INCOME, BALANCE SHEET, AND FINANCIAL PERFORMANCE

INCOME PERFORMANCE

Main economic indicators (€ million)	December 31, 2022	December 31, 2021	Change
Total revenues	853.0	785.2	8.6%
Purchases of materials and external services	(43.5)	(44.7)	(2.6%)
Employee benefits expenses	(21.4)	(18.4)	16.1%
Other operating expenses	(8.9)	(7.2)	24.4%
EBITDA	**779.2**	**714.9**	**9.0%**
Depreciation and amortization, losses on disposals and impairment losses on noncurrent assets	(363.7)	(360.1)	1.0%
EBIT	**415.5**	**354.8**	**17.1%**
Financial Income/(Expenses)	(81.2)	(90.1)	(9.8%)
EBT	**334.2**	**264.7**	**26.3%**
Income taxes	(40.9)	(73.3)	(44.2%)
Profit for the period	**293.3**	**191.4**	**53.3%**
EBITDAaL	**587.0**	**520.0**	**12.9%**

Main economic indicators	December 31, 2022	December 31, 2021	Change
EBITDA margin	91.3%	91.1%	*0.2pp*
EBIT margin	48.7%	45.2%	*3.5pp*
Net income/Total revenues	34.4%	24.4%	*10.0pp*
EBITDAaL margin	68.8%	66.2%	*2.6pp*

Revenues

At December 31, 2022, INWIT reported revenues of 853.0 million euros, an increase of 8.6% compared to December 2021 revenues of 785.2 million euros (+9.0% net of one-off revenues, which were down sharply on the previous year). The significant increase recorded is due to the growth in MSA service contracts with Tim and Vodafone (+5.1%) benefiting from the development of the common grid, the increase in hosting and other services with other customers (+25.7%), and the increase in revenues from new services (+59.1%) resulting mainly from the growth in installations of new DAS remote units and radio installations covering road and highway tunnels acquired at the end of 2021. The revenue trend also benefits from the positive impact of 2021 inflation, reflected in the 2022 income statement and amounts to around 1.9%.
The following table details the breakdown of revenues:

Revenues Detail (€ million)	December 31, 2022	December 31, 2021	Change
Revenues related to Master Service Agreement with TIM S.p.A and Vodafone Italia S.p.A.	699.1	665.3	5.1%
One-off revenues	0.6	3.3	(82.8%)
Revenues from OLO's and other revenues	121.1	96.3	25.7%
Revenues from new services	32.2	20.2	59.1%
Total	**853.0**	**785.2**	**8.6%**

EBITDA

EBITDA amounted to 779.2 million euros, with an EBITDA margin of 91.3% on revenues for the period (91.1% in the corresponding period of 2021). Compared to 2021, the increase was 9.0%, which rises to 9.4% when excluding the one-off revenues/costs from the comparison. In December 2022, one-off costs amounted to 2.8 million euros, including 1.9 million euros for termination of employment with the former general manager. EBITDA was mainly affected on the cost side:

- purchases of external materials and services, amounting to 43.5 million euros (44.7 million at December 2021). These include maintenance costs, mainly regulated by maintenance contracts signed with specialized outside companies, other service costs, mainly consisting of condominium expenses incurred for infrastructure located on civil buildings, and site supervision expenses. The period then shows an increase in consulting expenses under service costs (3.7 million euros compared to 1,035 thousand euros in December 2021).
- Employee benefits expense of 21.4 million euros (18.4 million euros in December 2021). The increase is mainly due to expenses related to severance pay to the former general manager (1.9 million euros).

EBIT

EBIT amounted to 415.5 million euros with an increase of 17.1% compared to the same period in 2021 (+18.0% excluding the aforementioned one-off revenues/costs). As a percentage of revenues, it is 48.7% (45.2% at December 2021).
During the period, depreciation and amortization and loss on disposal amounted to 363.7 million euros, essentially stable compared to 360.1 million euros in 2021.

Financial income/(expenses)

The balance amounted to (81.2) million euros. In 2021 it amounted to (90.1) million euros. The decrease is mainly attributable to both the reduction in fees on medium- to long-term facilities, which amounted to 3.1 million euros compared to 12.3 million euros in 2021, as result of the reduction in refinancing activity during the year, and lower discounting charges on the provision for restoration costs.

Income taxes

Taxes for the period amounted to 40.9 million euros down from the same period in 2021 (73.3 million euros). Income tax expenses determined the estimated tax charge on the basis of theoretical rates of 24.0% for Corporate Income Tax (IRES) and 4.5% for Regional Business Tax (IRAP).
It should be noted that taxes for the period make use of a tax benefit of 56.8 million 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 Towers in 2020.

Net profit for the period

Net income for the period amounted to 293.3 million euros, an increase of 53.3% compared to the same period in 2021. As a percentage of revenues, it was 34.4 compared to 24.4 in the corresponding period of 2021. The significant increase in net income is related to the development of operating margins, lower financial expenses and a reduction in income taxes.

EBITDA after Lease

"EBITDAaL" (EBITDA after Leases) showed strong growth compared to the previous year of 12.9%, as a result of the steady progress implemented in optimizing lease rental costs and despite the increased scope of the Company's infrastructure assets. As a percentage of revenue, the EBITDAaL margin stood at 68.8% compared to 66.2% in the corresponding period 2021, up by almost three percentage points.

BALANCE SHEET PERFORMANCE

Reclassified Balance Sheet (€ million)	December 31, 2022	December 31, 2021	Change
Assets	8,761	8,794	(0.4%)
Net working capital	217	214	1.4%
Provisions	(433)	(471)	(8.1%)
Net invested capital	**8,545**	**8,537**	**0.1%**
Equity	4,466	4,484	(0.4%)
Net financial debt	4,079	4,053	0.6%
Total coverage	**8,545**	**8,537**	**0.1%**

Assets at December 31, 2022 amounted to 8,761 million euros, down from 8,794 million euros at December 31, 2021. The decrease (33 million euros) is mainly attributable to the effect of the following determinants:

- technical investments in property and equipment and intangible assets (187.0 million euros) and amortization and depreciation (357.7 million euros) for the period. The additions, mainly related to the purchase of land, the construction of new sites, the construction of DAS systems, extraordinary maintenance, the capitalization of company labor costs and the purchase of backhauling sections;
- the recognition of the net increase in rights of use in application of IFRS 16 in the amount of 237.8 million euros, referring to leases used for operating activities;
- disposals of property, plant and equipment and rights of use in application of IFRS16 (0.1 million euros).

For more information on the details of investments for the period, see Notes 5, 6, and 7 to the Individual Financial Statements at 12/31/2022.

Net working capital, which is positive, is up by 3 million euros to 217 million euros from 214 million euros at the end of 2021.

Provisions amounted to 433 million euros and decreased by 38 million euros compared to the figure at the end of 2021 (471 million euros). The mainly consisted of the Provision for deferred taxes (204 million euros), the Provision for restoration costs (euros 225 million euros), the Provision for personnel-related expenses (2.3 million euros) and the Provision for legal disputes (1.2 million euros).

For more information on changes in funds for the period, see Notes 12 and 13 to the Individual Financial Statements at 12/31/2022.

Equity amounted to 4,466 million euros, compared with 4,484 million euros at December 31, 2021. The change mainly refers to the net result for 2022 (+293.3 million euros) and the dividend distribution resolved at the approval of the financial statements on 04/06/2022 (-310 million euros).

Net Financial Debt stood at 4,079 million euros, up (+0.6%) from the figure at December 31, 2021. The increase was mainly driven by the use of medium- long-term debt through the bank loan (maturing August 2033) for 48,000 thousand euros and the reduction in cash and cash equivalents in order to support investment activities, dividend payments and the June and November 2022 tax payments. Despite an increase in debt, there is a reduction in leverage from 5.7x to 5.2x as of December 31, 2022 due to the significant increase (+9%) in EBITDA.

For more details, please refer to the following "Financial Performance" section, which also contains cash flow analysis and determination of recurring free cash flow.
More detail on individual items can be found in Note 15 to the individual financial statements at December 31, 2022.

FINANCIAL PERFORMANCE

Net financial debt

The table below shows a summary of the net financial debt at December 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.

Net financial debt (€ million)	December 31, 2022	December 31, 2021	Change
a) Cash	-	-	-
b) Other cash equivalents	72,9	96,3	(23,5)
c) Securities held for trading	-	-	-
d) Liquidity (a+b+c)	**72,9**	**96,3**	**(23,5)**
e) Current financial receivables	0,3	0,3	(0,0)
f) Current financial payables	-	-	-
g) Current portion of financial payables (medium/long-term)	(255,4)	(282,7)	27,4
of which:	-	-	-
- Financial payables within 12 months	(103,6)	(131,4)	27,7
- Financial lease liabilities within 12 months	(151,7)	(151,4)	(0,4)
h) Bonds issued	(17,7)	(17,8)	0,2
i) Other current financial payables	-	-	-
i) Current financial debt (f+g+h)	**(273,0)**	**(300,6)**	**27,5**
j) Net current financial debt (i+e+d)	**(199,9)**	**(204,0)**	**4,1**
k) Financial payables (medium/long-term)	(1.643,6)	(1.616,9)	(26,7)
of which:	-	-	-
- Financial payables over 12 months	(833,9)	(786,0)	(48,0)
- Financial lease liabilities over 12 months	(809,7)	(831,0)	21,3
l) Bonds issued	(2.236,1)	(2.233,6)	(2,5)
m) Other non-current financial payables	-	-	-
n) Non-current financial debt (k+l+m)	**(3.879,7)**	**(3.850,5)**	**(29,2)**
o) Net financial debt as recommended by ESMA (j+n)	**(4.079,6)**	**(4.054,5)**	**(25,1)**
Other financial receivables and non-current financial assets (*)	0,9	1,4	(0,5)
INWIT net financial debt	**(4.078,7)**	**(4.053,1)**	**(25,6)**
Finance lease liabilities expiring within 12 months	(151,7)	(151,4)	(0,4)
Finance lease liabilities expiring over 12 months	(809,7)	(831,0)	21,3
INWIT net financial debt - excluding IF RS16	**(3.117,3)**	**(3.070,8)**	**(46,5)**

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

The increase in INWIT's net financial debt compared to December 31, 2021, amounting to 25.6 million euros, stems mainly from:

- the use of medium- long-term bank loan in order to support investments activities, the dividend payment and the June and November 2022 tax payment. This resulted in an increase in financial debt with a term of more than 12 months in the amount of 48.0 million euros;
- the reduction in cash and cash equivalents of 23 million euros;

Financial leverage, expressed by the Net Financial Debt/EBITDA ratio is 5.2x, down 0.5 percentage points from the same period 2021 (5.7x).

Finally, it should be noted that the statement of cash flows prepared according to the configuration expressed as changes in cash and cash equivalents is presented at the opening of the "Individual Financial Statements at December 31, 2022".

Cash flows

Cash flows (€ million)		December 31, 2022	December 31, 2021	Change
Ebitda		**779,2**	**714,9**	**64,3**
Capital expenditures on an accrual basis (*)		(187,0)	(216,5)	29,5
EBITDA - Capex		**592,2**	**498,4**	**93,8**
Change in net operating working capital:		(59,3)	78,7	(138,0)
Change in trade receivable		(28,6)	38,1	(66,7)
Change in trade payables (**)		(30,7)	40,6	(71,3)
Other changes in operating receivables/payables		21,1	4,9	16,2
Change in provisions for employee benefits		(0,7)	0,3	(0,9)
Change in operating provisions and Other change		(4,7)	(0,0)	(4,7)
Operating free cash flow	**a)**	**548,6**	**582,2**	**(33,6)**
% on EBITDA		**70,4%**	**81,4%**	**(18,8pp)**
Net financial income and expenses		(81,2)	(90,1)	8,9
Total income taxes for the period		(40,9)	(110,2)	69,3
Totale Other P&L Items	**b)**	**(122,1)**	**(200,2)**	**78,1**
Change in miscellaneous receivables and payables		(1,3)	(337,8)	336,6
Other non-monetary changes		6,8	5,3	1,5
Other changes in non-current assets (PPE/intang./rights of use/ownership interests/bonds)		-	65,7	(65,7)
Change in lease increases/decreases		(147,9)	(169,4)	21,5
Total changes in receivables and payables and other assets/liabilities	**c)**	**(142,4)**	**(436,2)**	**293,8**
NET CASH F LOW (before dividend payment) on NFP	**d)= a)+b)+c)**	**284,1**	**(54,3)**	**338,3**
Treasury shares acquired		(2,1)	(0,3)	(1,8)
Dividend payments		(307,5)	(286,8)	(20,7)
Total changes in equity	**e)**	**(309,6)**	**(287,1)**	**(22,5)**
NET CASH F LOW	**d)+e)**	**(25,6)**	**(341,4)**	**315,8**
NET F INANCIAL DEBT AT THE BEGINNING OF THE PERIOD		4.053,1	3.711,7	**341,4**
NET F INANCIAL DEBT AT THE END OF THE PERIOD		4.078,7	4.053,1	**0,3**
CHANGE IN DEBT		(25,6)	(341,4)	**315,8**

(*) Net of considerations received for transfer of assets.
(**) Includes the change in trade payables for amounts due to fixed asset suppliers.

Recurring Free Cash Flow

The recurring free cash flow in 2022 – calculated net of both non-recurring revenues/costs (at EBITDA level) – stood at 491.4 million euros, up 34.1% compared to the same period of 2021.

The following table provides a description of the items involved:

Recurring Free Cash Flow (€ million)	December 31, 2022	December 31, 2021	Change
Ebitda	**779,2**	**714,9**	**9,0%**
(revenues)/non-recurring costs	2,2	(0,7)	(402,4%)
Ebitda recurring	**781,4**	**714,1**	**9,4%**
recurring investments	(23,2)	(17,4)	33,1%
Ebitda recurring net off investments	**758,2**	**696,7**	8,8%
taxes paid	(27,9)	(110,2)	(74,7%)
change in net working capital (*)	10,9	27,1	(59,7%)
lease payment	(200,0)	(201,9)	(0,9%)
recurring financial expenses	(49,8)	(45,3)	10,0%
Recurring Free Cash Flow	**491,4**	**366,5**	**34,1%**

(*): excluding the change in payables for assets

- Non-recurring revenues consist of the indemnity envisaged by the MSA with TIM (amounting to 0.6 million euros) while the non-recurring costs consist of the expenditure incurred on corporate projects and the termination of the former CEO's employment (total 2.8 million euros);
- Recurring investments are represented by extraordinary maintenance carried out on operating infrastructure.
- Taxes paid include payments made in 2022 for advance payments and balances of Corporate Income Tax (IRES) and Regional Business Tax (IRAP).
- The change in net working capital is determined by the following items: change in trade receivables for (28.6) million euros, change in trade payables, net of change in payables for assets and the acquisition of facilities in road and highway tunnels concluded in 2021, for 28.3 million euros. Finally, changes in operating receivables/payables of 11.2 million euros were taken into account.
- Lease payments included payments made during 2022.
- Recurring Financial Expenses refer to disbursements made in 2022 for bank commission and interest expenses.

EVENTS SUBSEQUENT TO DECEMBER 31, 2022

See the specific Note "Events subsequent to December 31, 2022" to the Individual Financial Statements at December 31, 2022.

POSITIONS OR TRANSACTIONS RESULTING FROM ATYPICAL AND/OR UNUSUAL OPERATIONS

In accordance with Consob Communication DEM/6064293 of July 28, 2006, in the financial year 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 half year under review.

BUSINESS OUTLOOK FOR THE YEAR 2023 (2)

INWIT is the leading operator of wireless infrastructure in Italy, with the most extensive network of macro sites (antennas, macro grids) and micro coverage systems (Distributed Antenna Systems, DAS, micro grids). A set of assets that enable extensive and integrated geographical coverage supporting connectivity, with a tower as a service business model in support of all mobile, FWA and IoT operators in the market.

The technological and market scenarios of the Tower Companies sector are both characterized by positive structural trends, such as the growing use of mobile data, the ongoing technology transition to 5G, and the need to complete and densify market coverage, contributing to reducing the digital divide, in addition to significant investment in infrastructure and digital technologies, also supported by the Next Generation EU program. In the short term, the strong demand for connectivity is being accompanied by continuing difficulties and high competition in the Italian telecom operators market, impacting the profitability of the TLC sector. INWIT's business model, based on long-term hosting agreements and inflation indexing, provides protection and support in this environment.

These trends are driving growing market demand for new infrastructure and hosting services, as well as the deployment of innovative services that are enabling towers make a transition from real estate assets to truly shared digital infrastructure that is spread throughout the country, network-connected, secure, and available to all operators. As a result, INWIT is ideally positioned to play a leading role in the ongoing digital transformation.

Following the merger with Vodafone Towers in 2020 and the completion of integration in 2021, INWIT recorded a stronger and more robust growth in business and financial performance in 2022, which is expected to continue in the current year through further improvement in all the business, earnings and financial indicators.

In terms of the business outlook for the year 2023, we expect growth in revenues in the range of 960-980 million euros, an EBITDA margin of around 91%, stable compared to 2022, an EBITDAaL margin of around 71%, up by two percentage points compared to 2022, and Recurring Free Cash Flow in the range of 595-605 million euros. With regard to shareholder remuneration, the Company's current dividend policy is confirmed and envisages dividends per share increasing by +7.5% per year until 2023.

These forecasts reflect the continued growth in the number of sites, which will be strengthened in 2023, the increased hostings by all the main mobile, FWA and OTMO operators present on the market, the further development of indoor DAS/Micro-Grid hostings, and the benefits linked to inflation.

Russia/Ukraine conflict disclosure

With regard to the events related to the war in Ukraine, factors that may affect business performance have been identified and assessed within the Enterprise Risk Management process. For details of the emerging risks related to the global economic conditions and arising from specific aspects of the industry in which INWIT operates, see the specific paragraph on the Company's main risks and uncertainties.

The Company continuously monitors the development of the crisis, 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 significant effects on the financial statements at December 31, 2022 or on the company's business outlook.

(2) The chapter "Business outlook for the year 2023" 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.

MAIN RISKS AND UNCERTAINTIES

The business outlook for 2023 may be affected by risks and uncertainties caused by a multitude of factors. The Company has an Enterprise Risk Management process designed to identify, assess and mitigate the main risks the Company is exposed to, as well as ensuring periodic reporting to the management and the senior executives.

The main risks concerning the business activities of the Company, which may, to varying degrees, affect the ability to achieve the business objectives, are presented below.

The risks identified are classified into the following macro categories:

- The Company's business objectives
- Compliance with applicable legal and regulatory framework and sustainability-related issues
- Asset management and infrastructure construction
- Other risks

In addition to the macro-categories identified above, a description is provided below of the emerging risks.

Risks related to the Company's business objectives

The main risks related to the Company's strategic and business objectives are connected to possible difficulties in satisfying or developing demand from both anchor and third-party customers, as well as the importance of the MSAs in place with the anchor customers. In this context, the following risks have been identified:

- ***Development and satisfaction of customer demand***. The Company's ability to increase its revenues and improve profitability also depends on the successful implementation of its growth strategy, which is based on developing and satisfying customer demand.

  The possible reduction or lack of growth in demand due, for example, to concentration, budget unavailability or customer dissatisfaction could lead to negative impacts on the growth targets.

  The Company controls this risk in respect of the anchor tenants primarily through MSAs (both with 8-year terms and automatic renewal for an additional 8 years with an "all or nothing" clause), which provide for guaranteed services. In addition, dedicated staff have been allocated to the two anchor tenants aimed at identifying their needs and developing additional services.

  For the third party customers, there are long-term commercial agreements in place (mainly 6 to 9 years) and they have also been assigned dedicated functions. Activities aimed at measuring customer satisfaction have also been set up.

- ***MSA Commitments.*** This risk is related to potential contractual breaches or failure to properly perform the obligations established (e.g., SLAs, technical maintenance) that may affect the Company in terms of penalties. The Company has created a dedicated MSA management function that provides periodic reporting to the senior executives on the management of the obligations under the MSAs in terms of operations and roll-out of the commitments made.

Risks related to compliance with the applicable legal and regulatory framework and to sustainability-related issues

The Company operates in a complex legal and regulatory environment and, in that context, it aims to implement all the actions aimed at ensuring the adequacy of the company processes for the applicable legislation and regulations, in terms of procedures, supporting information systems and required business conduct. The Company is also geared towards achieving the sustainable success of the business targets.
In this context, the following main risks have been identified:

- ***Antitrust Regulations***. This risk reflects the significant market presence and impact, including reputational, direct and indirect, connected to proceedings against the Company and consequent penalties in a complex regulatory environment. The Company has introduced controls in line with compliance best practices (Antitrust Compliance Program and Antitrust Compliance Officer) and implements ongoing staff training and awareness initiatives.
- ***Remedies Commitments***. This risk reflects the complex regulatory framework and is related to compliance with commitments imposed by the Commission ("commitment remedies") under Article 6(2) of the Merger Regulation. Under these commitments, the Company is required to make 4,000 sites available over eight years to operators who request them in municipalities with populations over 35 thousand, guaranteeing non-discriminatory access. The Company ensures the control of this risk through a specific process (Transparency Register) overseen by a third party (Monitoring Trustee).
- ***Regulations under Legislative Decree 231/01.*** This risk relates to the regulations in Legislative Decree 231/01, which introduced corporate liability of entities for offenses committed in the interest or for the benefit of those entities. This risk reflects the impact, including reputational, related to criminal proceedings against the Company and the consequent penalties resulting from prescribed offences under the regulations. The Company has introduced controls in line with compliance best practices (231 Organizational Model and Supervisory Body) and implements ongoing staff training and awareness initiatives.
- ***Occupational health and safety regulations and environmental protection.*** In this area, the Company is committed to ensuring compliance with the applicable regulations, as well as following industry best practices. This risk reflects the potential negative impacts from workplace injuries. This risk is controlled through organizational, procedural and training initiatives.
- ***IT Continuity, Information & Cyber Security.*** 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. This risk is controlled through the introduction of dedicated staff and expertise in addition to continuous monitoring and awareness campaigns. IT Continuity, Information & Cyber Security is classified as an emerging risk.

INWIT's objective is to identify climate-related risks deriving from the scenarios analyzed, in addition to qualitatively assessing their effects and impacts on its business.
Climate change-related risk is defined as "Risks related to changes in physical weather phenomena directly affecting the assets, activities and services provided, and/or related to the legal, technological, reputational or market effects that the transition to a zero-emissions economy may have on the company business."

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. As a further step in its climate strategy, after obtaining validation of its CO2 emission reduction target from the Science Based Target initiative (SBTi), INWIT produced its first TCFD Report, to which reference is made for more details. The TCFD Report incorporates the reporting framework set out by the Task Force on Climate-related Financial Disclosure (TCFD) and provides key information regarding the functions and processes used by the company to monitor and manage climate-related risks and opportunities, the climate goals it has set itself, with associated metrics for monitoring them, and the strategy developed to achieve them.

Risks relating to asset management and infrastructure construction

The following main risks have been identified within the management of the existing sites and the construction of new infrastructure:

- ***Management of site capacities***. This risk is related to possible difficulties or delays in managing new hostings on sites due to both infrastructural and electromagnetic limitations. This risk is controlled by the Company, which has put mitigation actions in place, in view of the significance of this risk for the core business and the contractual and regulatory development plans.
- ***Physical protection of property***. This risk is related to the management of existing sites with potential negative impacts arising from unauthorized access or damage and theft. This risk is controlled by the Company through actions aimed at strengthening the security measures at the Company's sites.
- ***Infrastructure construction***. This risk reflects possible difficulties or delays in the construction of new infrastructure that may compromise the achievement of business targets, as well as customer satisfaction. It is also conditioned by the importance of the strategic projects that will be implemented ***using public funds*** (Plan Italy 5G Tender Call - NRRP). The Company controls this risk through end-to-end management of the process, which consists of the scouting of construction areas, as well as the design and construction of the site.
- ***Energy supply and management***. This is an emerging risk related to the new environment of energy market costs and to the high uncertainty and volatility of those costs, which increases the complexity of managing energy purchases. The Company has an energy purchasing policy aimed at optimizing purchase costs and ensuring an acceptable risk profile. In addition, the Company is committed to and invests in reducing energy consumption.
- ***Management of lease and purchase agreements.*** This risk reflects the complexity and large number of lease and purchase agreements. It relates to possible problems arising from the renegotiation of leases, also with government entities, and relating to agreements involving the application of the government infrastructure lease fee. This risk is controlled by the Company through the establishment of a structured process and ongoing monitoring of lease costs and contractual compliance.

Other risks

- *The* ***evolution of the Organizational Model*** is a risk related to the adequacy of the organizational structure in terms of organization, sizing and competencies. The Company's organizational model has been in constant evolution since 2020. This risk is related to the continuous evolution of the market scenarios, the business objectives, and the new growth opportunities, which necessitate continuing adjustment and assessment of the organizational structure. The Company continuously monitors the evolution of the Organizational Model and has initiated a project to strengthen the organizational structure to respond to the increase in business volumes and complexity.

Emerging risks related to global economic conditions and arising from specific aspects of the industry in which INWIT operates

Emerging risks are defined as risks with characteristics (of severity, likelihood, interdependence etc.) undergoing unexpected change and "tailing off" (known risks), or relating to events that have not occurred in past time series (new risks).
In this context, the following emerging risks related to global economic conditions have been identified, also in relation to the Russia-Ukraine conflict:

- *Increase in inflation.* This risk is related to the possibility that the Company's revenues will not keep up with inflation. The Company has inflation-indexed agreements and, in particular, the MSAs are 100% inflation-linked, with no cap and a zero floor.
- *Increase in commodity costs and delays and blockages in the supply chain.* This risk relates to the uncertain environment and potential problems in global logistical supply chains with impacts on the increase in commodity costs and potential delays in the supply chain.
- *Increase in interest rates.* This risk is related to the adverse fluctuations in interest rates with potential impacts on borrowing expenses incurred (increases that already started in 2022 and are currently ongoing). In this regard, it should be noted that at the end of 2022, around 80% of the debt instruments available to the Company had fixed rates.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

In line with Article 6 of the Corporate Governance Code, INWIT's Internal Control and Risk Management System (ICRMS) is composed of a series of rules, procedures and organizational structures designed to enable the identification, measurement, management and monitoring of the main enterprise risks, in order to contribute to the Company's sustainable success.

The ICRMS is an integral part of the Company's general organizational framework, and involves a number of actors who operate in a coordinated manner according to their respective responsibilities as follows: the Board of Directors, which plays a role in providing guidance and assessing the adequacy of the system; the General Manager, 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.

In order to ensure the suitability and effective and efficient application of the rules and controls established, the ICRMS is reviewed and verified on a periodic basis, taking into account the evolution of the Company's business and its macroeconomic environment of operations, as well as national and international best practices.

The internal control system is completed by the Organizational Model adopted pursuant to Legislative Decree 231/2001 ("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: 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 toward conducting business based on the principles of ethics and integrity.

- 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 risk process under which sensitive areas and related predicate offenses are identified. In addition, control standards are provided, divided into general principles of conduct and specific control principles.

- List of offenses: containing the overall list of predicate offenses under Legislative Decree 231/01.

- List of company processes: containing the matching of the sensitive processes pursuant to Legislative Decree 231/01 to the company macro-processes.

- Risk Assessment: containing the mapping of the sensitive processes and activities, associated predicate offenses, and the assessment of the inherent and residual risk.

In implementation of Article 6 of Legislative Decree 231/01, the Company has also assigned a specific Supervisory Body ("SB") the task of supervising the functioning and compliance with Model 231 and keeping it updated.

Within the framework of the company's rules and procedures, the following should also be noted:

- The Code of Corporate Governance, last updated on May 13, 2021, which supplements the framework of applicable rules with reference to the duties and functioning of the Company's bodies, referring for the rest to principles and criteria of the Corporate Governance Code;
- The Anti-Corruption Policy, approved on December 16, 2021 and drawn up taking into account the main national and international reference regulations and best practices, with the aim of strengthening awareness of the potential risks to which the business is exposed, for the purpose of proper management of relations with internal or external parties whether public or private;
- The Whistleblowing Procedure, last updated on September 29, 2022, which governs the process of receiving, analyzing and handling reports sent or transmitted by anyone, in line with current regulations;
- The Procedure on Related Party Transactions, adopted pursuant to Consob Regulation no.17221/2010, as amended, and last updated on May 13, 2021;
- The Insider Information and Internal Dealing Procedure, last updated on July 1, 2021.

For more details regarding the ICRMS see the relevant section in the report and corporate governance and ownership for the year 2022. On the website www.inwit.it Governance section, there are also sections on, *inter alia*, the Code of Ethics, Model 231, and the noted company rules and procedures.

INWIT'S PEOPLE

In a competitive scenario, where business, technology and consumption models are constantly undergoing radical change, the transformation and change required to capture and meet market challenges must include the nurturing of employees and their professional growth.

At INWIT our core values include recognizing the key importance of people, respect for worker rights, ensuring occupational health and safety, and promoting equal opportunities and professional growth, in line with the Code of Ethics, which is based on the UN Global Compact.

The management of labor relations in INWIT therefore aims to promote equal opportunities, professional development and enhancement human capital, with a view to sustainability of the business in the medium-to long-term.

WORKFORCE

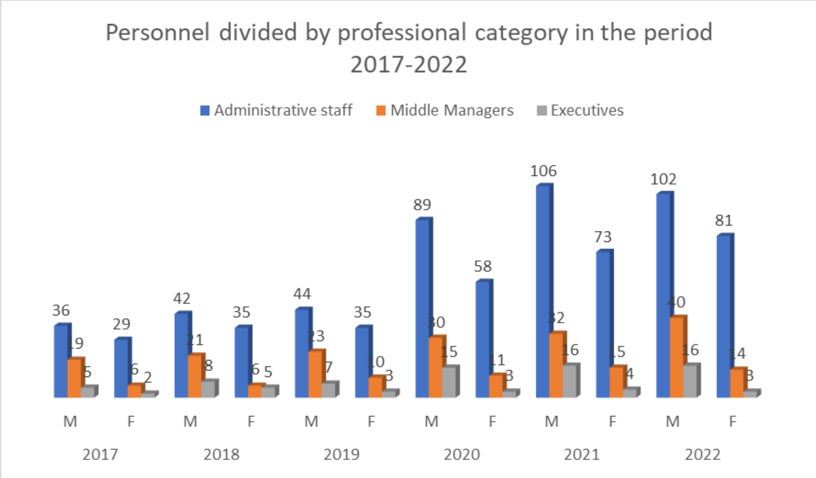
There were 256 employees at December 31, 2022. They can be subdivided into their respective categories, as follows:

(units)	12/31/2022	12/31/2021
Executives	19	20
Middle Managers	54	47
Administrative staff	183	179
Total	256	246

The average size of the workforce in the period in question was 251.5 employees, and can be sub-divided as follows:

average workforce	2022	2021
Executives	18.67	18.75
Middle Managers	49.17	46.58
Administrative staff	183.67	166.75
Total	251.5	232.08

The year 2022 was characterized by the redefinition of the technical processes, with the creation of a centralized hub for innovation, engineering and development of technology solutions and infrastructure, including the related operations activities and the property management process, in addition to the commercial processes with the introduction of the planning and governance of commercially relevant data. The second half of the year saw a change in the governance, with the appointment of the General Manager, who was given powers related to the overall governance and day-to-day management of the company, and the Chairman, to whom the Board of Directors assigned powers of legal representation and responsibility for corporate relations.
The workforce increased by 10 people (balance between 35 entries and 25 exits). Since the launch of the business (April 1, 2015), personnel numbers have increased by 196.



The growth in the workforce was attributable to the company policy in line with the evolution of the Company's qualitative and quantitative needs; the people hired, all rigorously selected on the basis of the necessary skills and with diverse backgrounds. 45.7% of new hires were made to strengthen coverage in the staff functions and 54.3% to improve technological and marketing processes in light of the new organizational structure and market scenario.

The growth in the workforce has been accompanied by a program of continuous training and skill development.

ORGANIZATION

In order to guarantee operations and the achievement of company targets, the Company has restructured its organizational model to cover the activities required for the management and development of the Company's business.

The following functions were reporting to the General Manager at December 31, 2022:

- Administration, Finance & Control, which is responsible for planning and control processes, investment valuation, administration, accounting and finance, preparing the financial statements, fiscal obligations, relations with investors and the financial community. It is also responsible for procurement and the management of business development initiatives.
- Legal & Corporate Affairs, which ensures the legal protection of the Company by overseeing contractual activities and the management of disputes and litigation. It is also responsible for corporate affairs and providing support to the Corporate Bodies, representing the company position on regulatory matters, managing relations with the Authorities and the Control Bodies of the financial markets, and monitoring compliance and data protection policies and models and the enterprise risk management (ERM) system.
- Human Resources & Organization, which assists the company units in reaching their objectives, by establishing and implementing people management, people development, education, rewards and people caring policies. It is also responsible for developing the organizational models and workforce planning, in addition to monitoring industrial relations and internal communications. It also oversees worker health and prevention and workplace safety issues.
- External Relations, Communication & Sustainability, which is responsible for defining and presenting the company position to stakeholders and national, local and European bodies and institutions, in addition to developing the internal and external communications strategy, aimed at promoting the company identity, brand and image. It is also responsible for communications and managing

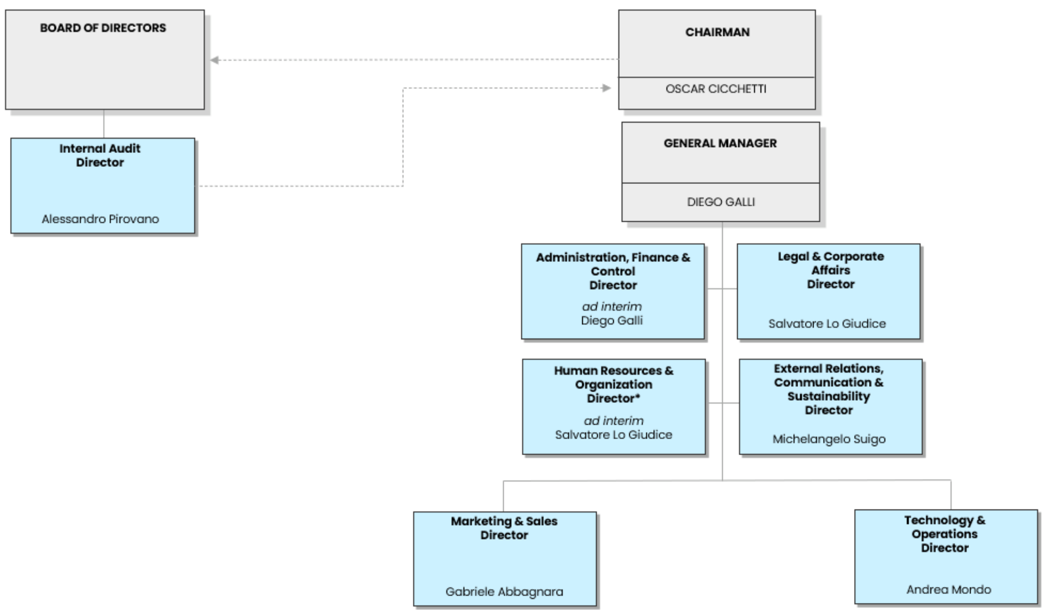
media relations, developing the company website and social networks and organizing sponsorships and events, as well as defining and coordinating the ESG strategy, also by drafting and updating the Sustainability Plan, and – in liaison with the Administration, Finance & Control and the competent corporate functions – the non-financial reporting process.

- Marketing & Sales, which – together with the relevant company functions – responsible for defining the offering and pricing for traditional hosting and backhauling services and for innovative services, such as microcellular coverage and the Internet of Things. It is also responsible for developing the go to market model and marketing services and solutions and after sales, as well as the overall governance of the Master Service Agreements and Commitments, to ensure the monitoring of the financial and operational KPIs and compliance with the SLAs.
- Technology & Operations, which is responsible for the end-to-end oversight of the innovation, engineering, and development of technology solutions and infrastructure, including the related operations activities. It is responsible for the property management process aimed at maximizing the value of the infrastructure assets.

The Audit function, which reports to the Board of Directors, through the General Manager, verifies the adequacy of the internal control and risk management system by preparing the audit plans and the performance and quality of the planned and required actions, producing the related reporting, and supervising the follow-ups for the monitoring of the implementation of the improvement plans.

The organizational structure of INWIT is shown below (available at www.inwit.it):

Macro Organizational Structure



(*) : On February 15, 2023, responsibility for the Human Resources Department & Organization was assigned to Donatella Colantoni.

ISO 9001:2015 CERTIFICATION

In 2016, INWIT started a process of certification in accordance with the UNI EN ISO 9001:2015 standards for the following scope: "Supply of integrated services for hosting equipment for radio broadcasting, telecommunications, and television and radio signals broadcasting, and the associated activities of

marketing, implementation and management of contracts entered into with customers and owners, routine and extraordinary maintenance, the construction of new sites and the disposals of existing sites".
In 2022, in anticipation of the new recertification process, the environmental (ISO 14001) and occupational health and safety (ISO 45001) management systems were added to the quality system, which underwent the ISO 9001 recertification process during January 2023 and obtained the new certification.

TRAINING

A number of targeted training, innovation and business initiatives were carried out in 2022.

DEVELOPMENT INITIATIVES (INWIT4TALENT)

The HR Department initiated specific programs for enhancing skills and developing in-house talent.

The approach adopted was based on carrying out an assessment aimed at the further possible development of the people involved, with a twofold objective: (1) enabling the company to determine the potential of the identified target group and set up the initiatives to guide and accelerate their development; and allowing the people involved to take stock of their leadership skills, while also gaining the self-awareness needed for them to become the creators and managers of their own career path.

Within these initiatives ("Inwit4Talent"), the HR Department divided the company population into 3 different clusters (Young Talent; Junior Managers; Managers).

For the Young Talent cluster, the development initiative took place in two stages.

In July, the HR Department organized a Day of Consultation and Discussion of the expectations of this group (talents who have been in the company for more than 6 months with a high performance rating and particular market risk), creating a space to explore and understand the expectations, motivations and specific needs of this community.

In September, in two different editions, the HR Department examined the level of skills held, the margin for development and motivation using an innovative and immersive assessment tool known as the Business Game. The purpose of the assessment is to map the human resources and their potential by intelligently guiding their development pathway using a tailor-made approach.

In the coming months, the HR Department will be working on producing customized development plans and operational initiatives.

RADIO DESIGN

A specific program on radio design lasting 25 hours has been implemented for the company staff working on this area, with a view to consolidating specialist skills in the design of Distributed Antenna Systems (DAS) and Small Cell systems.

The program is aimed at strengthening expertise and upskilling in the area of design and insourcing the design activities.

The course was organized in two stages: the first in-person at JMA's headquarters in Castel San Pietro - BO (2 days); the second at INWIT's Piazza Trento headquarters in Rome with IBWave (3 days).

A total of 19 average hours per person were delivered.

COMPENSATION

Remuneration policy is designed to help achieve business targets, promote the creation of value for shareholders, and constantly improve company performance. INWIT has established a remuneration system aligned to market best practice, strengthening the engagement of employees, and acknowledging their vital role and professional contribution.
At the managerial level, action has been taken in regard to the short-term variable remuneration system reserved for all heads of recognized organizational units, on the basis of the economic/financial targets and quantitative targets set out in the Business Plan. In 2022, the 3rd cycle was launched of the 2020-2024 LTI

Plan, approved in 2020, reserved for the CEO, Key Managers and other managers holding critical roles for the Company has been initiated.
In support of the achievement of the key operational and business targets – primarily consisting of a growth in revenue and the optimization of leasing costs – the initial canvassing has been carried out on the people in the teams working on the commercial and operations processes.

HEALTH AND SAFETY PROTECTION

INWIT considers the continuous improvement in its health and safety performance to be a key priority alongside the overriding principle of ensuring the maximum protection of our personnel.
In 2022, the Covid 19 emergency again affected many employees. However, as a result of the specific actions taken to protect personnel, there were no cases of infections within the workplaces. The main actions included: extensive use of remote working, sanitization of work environments, social distancing in open spaces and shared rooms, adoption of the green pass verification protocol in accordance with the regulations issued during the year, use of FPP2 face masks, use of an app to regulate workplace attendance, and provision of information on safety protocols to all employees.
During the year, the process was completed for the compulsory training pursuant to Legislative Decree no. 81 of April 9, 2008 and the Government-Regions Agreements initiated in 2021, based on the specific risk profile identified (low and medium).

In addition, the 2022 training plan was developed on two new areas:

- Training on the integrated management system, with sessions dedicated to the individual frameworks (ISO 45001:2018, ISO 14001:2015 and ISO 9001:2015);
- Specialized training on the recurrent safety and environmental issues in operations.

WELFARE

INWIT provides a rich program of welfare initiatives aimed at employees, in line with its values and objectives: through these initiatives INWIT expresses respect and attention for people by actively contributing to making certain recurrent expenses in family budgets more economically sustainable.

The principal measures offered by INWIT during the course of 2022 were:

- award to all non-executive staff of a welfare bonus of 1,000 euros net, taking advantage of the opportunity offered by specific tax incentives. The “INWIT Bonus” is provided in the form of shopping and fuel vouchers, issued through a dedicated welfare platform and spendable through to the end of 2023;
- medical and health check-up for employees over 50 years of age;
- access to company loans;
- partial refund of monthly nursery or pre-school fees;
- summer activities for the children of employees aged between 6 and 18, on specific themes aimed at strengthening language and social skills;
- confirmation and extension of remote working.

OTHER MEASURES FOR THE BENEFIT OF EMPLOYEES

ASSILT (Association for supplementary healthcare for TIM Group employees) is financed by its member companies, by worker members and by pensioner members, continued to provide no-profit supplementary services to members and beneficiaries, in addition to those provided by the National Health Service. Such supplementary services include joint (with public healthcare facilities) healthcare studies, surveys and actions, both group and individual, together with the promotion of health education projects, aimed at safeguarding the physical well-being and health of members.

The ASSIDA reimburses executive managers for supplementary healthcare services (i.e. in addition to those provided by the National Health Service).

TELEMACO is the National Supplementary Pension Fund for employees of companies in the telecommunications industry. It was established in 1998 in the form of a no-profit association, and has been operative since October 2000; the aim is to guarantee member employees the same standard of living at the moment they retire, thanks to the creation of a supplementary pension scheme in addition to the State one.
It is designed for the white-collar and blue-collar workers, and the management, of those companies that apply the national collective employment contract for the telecommunications industry, for full-time workers, apprentices and workers entering the labor market, as well as those persons dependent on employees who pay in to the Fund.

The CRALT (The TIM Group Employees' Social Club), which INWIT continues to subscribe to after the merger, organizes trips and holidays, together with sporting, cultural and recreational events, for the employees of Companies in the TIM Group. The CRALT also enables members and their families to purchase goods and services at discounted prices/tariffs, with the benefit of paying for such in installments, through the stipulation of special agreements with the suppliers of such goods and services. In this regard, of particular note is the convention regarding, and the corresponding contribution toward the cost of, the school and university text books of members' children, which constitutes a valuable aid to families' spending capacity.

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 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 December 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 individual Financial Statements at December 31, 2022.

ALTERNATIVE PERFORMANCE MEASURES

In this Management Report at December 31, 2022 of the INWIT Company, in addition to the conventional financial performance measures established by IFRS, certain alternative performance measures are presented for purposes of a better understanding of the Company's trend of operations and financial condition. Such measures, which are also presented in other periodical financial reports (half-year 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.

Individual Financial Statements of Infrastrutture Wireless Italiane S.p.A. at December 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

INDIVIDUAL FINANCIAL STATEMENTS OF INFRASTRUTTURE WIRELESS ITALIANE S.P.A. AT DECEMBER 31, 2022

STATEMENT OF FINANCIAL POSITION

Assets

(euros)	notes	12/31/2022	*of which related parties*	12/31/2021	*of which related parties*
Assets					
Non-current assets					
Intangible assets					
Goodwill	4)	6,146,766,060		6,146,766,060	
Intangible assets with a finite useful life	5)	589,489,401		693,303,140	
Tangible assets					
Property, plant and equipment	6)	933,008,736		876,105,303	
Right-of-use assets	7)	1,091,975,178		1,077,771,013	
Other non-current assets					
Non-current financial assets	8)	909,726		1,361,645	
Miscellaneous receivables and other non-current assets	9)	232,515,075		296,505,375	
Total Non-current assets		8,994,664,176		9,091,812,536	
Current assets					
Trade and miscellaneous receivables and other current assets	9)	194,108,919	41,807,000	173,441,583	16,635,000
Financial receivables and other current financial assets	8)	257,017		270,975	
Cash and cash equivalents	10)	72,852,480		96,320,094	
Total Current assets		267,218,416		270,032,652	
Total Assets		9,261,882,592		9,361,845,188	

Equity and Liabilities

(euros)	notes	12/31/2022	of which related parties	12/31/2021	of which related parties
Equity	11)				
Share capital issued		600,000,000		600,000,000	
Minus: treasury shares		(293,873)		(72,173)	
Share capital		599,706,127		599,927,827	
Share premium reserve		2,092,743,552		2,211,001,411	
Legal reserve		120,000,000		120,000,000	
Other reserves		1,360,632,954		1,361,178,693	
Retained earnings (losses) including earnings (losses) for the period		293,362,776		191,406,641	
Total Equity		4,466,445,409		4,483,514,572	
Liabilities					
Non-current liabilities					
Employee benefits	12)	2,302,588		2,909,257	
Deferred tax liabilities	13)	203,517,399		238,799,140	
Provisions for Risks and Charges	13)	226,319,109		229,133,812	
Non-current financial liabilities	14)	3,879,683,063	91,483,000	3,850,492,598	109,826,000
Miscellaneous payables and other non-current liabilities	16)	15,704,117	15,564,000	21,754,670	6,880,000
Total Non-current liabilities		4,327,526,276		4,343,089,477	
Current liabilities					
Current financial liabilities	14)	273,033,380	19,990,000	300,577,291	6,612,000
Trade and miscellaneous payables and other current liabilities	16)	193,063,914	28,649,000	216,341,188	82,214,000
Provisions for Risks and Charges	13)	450,000		450,000	
Income tax payables	16)	1,363,613		17,872,660	
Total current Liabilities		467,910,907		535,241,139	
Total liabilities		4,795,437,183		4,878,330,616	
Total Equity and Liabilities		9,261,882,592		9,361,845,188	

SEPARATE INCOME STATEMENT

(euros)	*notes*	Financial Year 2022	*of which related parties*	Financial Year 2021	*of which related parties*
Revenues	17)	852,990,894	731,057,000	785,149,790	687,129,000
Acquisition of goods and services - Ordinary expenses	18)	(43,523,017)	(5,142,000)	(44,190,760)	(6,678,000)
Acquisition of goods and services - Charges associated with extraordinary transactions		-		(506,351)	
Employee benefits expenses	19)	(21,386,511)	(2,023,000)	(18,421,840)	(1,953,000)
Other operating expenses - Ordinary expenses	20)	(8,892,338)	(2,506,000)	(5,121,221)	(1,325,000)
Other operating expenses - Charges associated with extraordinary transactions		-		(2,028,390)	(2,028,000)
Operating profit before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)		779,189,028		714,881,228	
Depreciation and amortization, gains/losses on disposals and impairment losses on non-current assets	21)	(363,716,278)		(360,131,609)	
Operating profit (loss) (EBIT)		415,472,750		354,749,619	
Financial income	22)	129		8,370	
Financial expenses	22)	(81,223,523)	(3,174,000)	(90,090,513)	(3,773,000)
Profit (loss) before tax		334,249,356		264,667,476	
Income taxes	23)	(40,909,855)		(73,271,800)	
Profit for the period		293,339,501		191,395,676	
Basic and Diluted Earnings Per Share	24)	0.306		0.199	

STATEMENT OF COMPREHENSIVE INCOME

(euros)		Financial Year 2022	Financial Year 2021
Profit for the period	(a)	293,339,501	191,395,676
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)		581,430	(219,000)
Net fiscal impact		(139,543)	52,560
Total other items that will not subsequently be reclassified in the Separate Income Statement	(b)	441,887	(166,440)
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)	441,887	(166,440)
Total Comprehensive income for the period	(e=a+d)	293,781,388	191,229,236

CHANGES IN EQUITY

Changes in equity from January 1, 2021 to December 31, 2021

(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	599,963,450	(301,619)	3,691,703,016	289,116,446	4,580,481,293
Total Comprehensive income for the period	-	-	-	191,229,236	191,229,236
Dividends approved	-	-	(118,821,605)	(169,227,395)	(288,049,000)
Other changes	(35,623)	(305,215)	(1,361,880,000)	1,362,073,882	(146,956)
Values at December 31, 2021	599,927,827	(606,834)	2,211,001,411	1,673,192,169	4,483,514,573

Changes in equity from January 1, 2022 to December 31, 2022

(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	599,927,827	(606,834)	2,211,001,411	1,673,192,169	4,483,514,573
Total Comprehensive income for the period	-	-	-	293,781,388	293,781,388
Dividends approved	-	-	(118,257,859)	(191,406,191)	(309,664,500)
Other changes	(221,700)	(1,910,878)	-	946,526	(1,186,052)
Values at December 31, 2022	599,706,127	(2,517,712)	2,092,743,552	1,776,513,442	4,466,445,409

STATEMENT OF CASH FLOWS

(euros)		Financial Year 2022	Financial Year 2021
Cash flows from operating activities:			
Profit for the period		293,339,501	191,395,676
Adjustments for:			
Depreciation and amortization, losses/gains on disposals and impairment losses on non-current assets		363,716,278	360,131,609
Net change in deferred tax assets and liabilities		(35,281,741)	(38,590,918)
Change in provisions for employee benefits		(659,127)	251,082
Change in trade receivables		(28,595,162)	38,101,973
Change in trade payables		37,312,662	(7,496,772)
Net change in miscellaneous receivables/payables and other assets/liabilities		50,391,992	(327,673,704)
Other non-monetary changes		6,749,147	1,698,000
Cash flows from operating activities	(a)	686,973,550	217,816,946
Cash flows from investing activities:			
Total purchases of tangible and intangible assets for the period and right-of-use assets (*)		(424,804,799)	(385,900,000)
Of which change in amounts due to fixed asset suppliers		169,782,444	217,521,000
Total purchases of tangible and intangible assets and right-of-use assets on a cash basis		(255,022,355)	(168,379,000)
Change in financial receivables and other financial assets		465,877	70,602
Other non-current changes		-	-
Cash flows used in investing activities	(b)	(254,556,478)	(168,308,398)
Cash flows from financing activities:			
Change in current and non-current financial liabilities		(146,253,446)	213,728,042
Dividends paid (*)		(307,498,662)	(286,783,157)
Treasury shares acquired		(2,132,578)	(340,388)
Cash flows used in financing activities	(c)	(455,884,686)	(73,395,503)
Aggregate cash flows	(d=a+b +c)	(23,467,614)	(23,886,955)
Net cash and cash equivalents at beginning of the period	(e)	96,320,094	120,207,049
Net cash and cash equivalents at end of the period	(f=d+e)	72,852,480	96,320,094

(*) of which related parties

(euros)	Financial Year 2022	Financial Year 2021
Dividends paid to Daphne 3 S.p.A.	93,518,679	86,990,798
Dividends paid to Central Tower Holding Company B.V.	102,808,614	95,632,268

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 2022.

NOTE 1 - FORM, CONTENT, AND OTHER GENERAL INFORMATION

FORM AND CONTENT

These Financial Statements of Infrastrutture Wireless Italiane S.p.A. ("INWIT" or the "Company") for the period from January 1, 2022 to December 31, 2022 (the "**Individual Financial Statements at December 31, 2022**") have been prepared on a going concern basis (for more details, refer to Note 2 "Accounting Policies" below) and in compliance with the International Financial Reporting Standards issued by the International Accounting Standards Board and approved by the European Union ("IFRS"), as well as the laws and regulations in force in Italy (in particular, the provisions issued in implementation of Article 9 of Legislative Decree No. 38 of February 28, 2005).

INWIT is domiciled in Italy, with its registered office at Largo Donegani 2[1], Milan, and organized under the legal system of the Republic of Italy.

The figures at December 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 Financial Statements at December 31, 2022 have been 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 euro. 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 December 31, 2022 was approved by the Board of Directors' meeting on March 2, 2023.

However, final approval of the Infrastrutture Wireless Italiane S.p.A. individual financial statements rests with the shareholders' meeting.

1 With effect from March 1, 2023, the registered office of the Company has been transferred from Via Gaetano Negri 1 - 20121, Milan to the new address of Largo Donegani 2 - 20121, Milan.

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 individual Financial Statements at December 31, 2022 have been prepared on a going concern basis as there is the reasonable expectation that the Group will continue its operational activities in the foreseeable future (and in any event with a time horizon of more than twelve months).

INTANGIBLE ASSETS

Intangible assets are constituted by identifiable non-monetary items devoid of physical being, that are controllable and are designed to produce future economic benefits. Such items are initially reported at purchase and/or production cost, inclusive of those directly attributable costs incurred in preparing the asset for use. Any financial expenses directly imputable to the acquisition, construction or production of an intangible asset requiring a prolonged period of time before it is ready for its intended use, or for sale, must be capitalized. Specifically, within the Company the following intangible assets may be identified:

Goodwill

Pursuant to IFRS 3 (Business Combinations), goodwill is recognized in the individual financial statements at the acquisition date (also through merger or contribution) of companies or business units and is determined as the difference between the consideration paid (measured according to IFRS 3 which is generally determined on the basis of fair value at the acquisition date) and the fair value at the acquisition date of identifiable assets acquired net of identifiable liabilities assumed.
Goodwill is classified in the statement of financial position as an intangible asset with an indefinite useful life, while any "gain deriving from a purchase at favorable prices (or negative goodwill)" is recorded in the separate income statement.
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.

Intangible assets with a finite useful life

Intangible assets with a finite useful life, acquired or produced internally, are recorded as assets, in accordance with the provisions of IAS 38 (Intangible Assets), when it is likely that the use of the asset in question will generate future economic benefits, and when the cost of the asset may be calculated in a reliable way.
These assets are recorded at purchase or production cost, and amortized on a straight-line basis over their estimated useful lives; the amortization rates are reviewed annually, and are modified if the currently estimated useful life differs from that estimated beforehand. The effects of these modifications are accounted for in the separate income statement on the basis of future use.

TANGIBLE ASSETS

Owned property, plant and equipment are recorded at the cost of purchase or production. Those costs borne subsequent to purchase, are only capitalized if they result in an increase in the future economic benefits inherent in the good to which they refer. All other costs are posted in the separate income statement as they arise.
The cost of assets also includes the costs of disposal of the asset and of the restoration of the site when there is a legal or implied obligation to do so. The corresponding liability is recognized in a provision recognized under provisions for risks and charges at current value; the imputation to the separate income statement of the capitalized charge, takes place during the course of the useful life of the corresponding tangible assets, by means of the amortization of such assets.
The redetermination of the estimates of demolition costs, of time-discounting rates, and of the dates on which these costs are expected to be borne, is carried out annually at each balance sheet date. The variations in the aforementioned liabilities must be recognized as an increase or a reduction in the cost of the corresponding asset; the amount deducted from the value of an asset must not exceed the book value of that asset. Any excess is immediately recorded in the separate income statement, by agreement, under Amortization and Depreciation.
Amortization is calculated on a straight-line basis over the estimated useful lives of the assets. The amortization rates are reviewed annually and are modified if the currently estimated useful life differs from that estimated beforehand. The effects of these modifications are accounted for in the separate income statement on the basis of future use.
Land, including that related to buildings, is not depreciated.

RIGHT-OF-USE ASSETS

In accordance with IFRS 16, lease liabilities are presented through the recognition of a financial liability in the statement of financial position at the present value of future lease payments, against the recognition of a right-of-use asset of the leased asset.
On the commencement date of the lease, the right-of-use asset is recognized at cost, including: the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, initial direct costs incurred in negotiating the lease and the present value of the estimated restoration or dismantling costs set out in the lease, less any incentives.

Future contractual lease payments are discounted using the implicit interest rate of the related contract. When the rate cannot be easily and reliably determined, the Company's incremental debt rate is used at the time the lease contract is initially recognized.

After initial recognition:

- the right-of-use is amortized on a straight-line basis over the term of the lease (or the useful life of the asset, if lower), subject to impairment and adjusted for any remeasurement of the lease liability;
- the financial liability increases for interest set aside in each period and decreases for payments made. Lease payments are then divided into a repayment of the liability component and an interest component. The interest component is recognized as a financial cost over the entire lease term and is determined on the basis of the effective interest rate method. In addition, the book value of the financial liability must be revalued to reflect any changes in the initial lease term, or to reflect subsequent changes in the amount of the contractual payments, resulting in a corresponding change in the related right of use.

REDUCTION IN THE VALUE OF INTANGIBLE AND TANGIBLE ASSETS

Goodwill

As previously indicated, goodwill is subject to an Impairment Test yearly, or more frequently if there are signs that the value of said goodwill may have fallen. The Impairment Test is conducted in regard to each unit generating cash flows ("***Cash Generating Units***", "***CGU***") to which goodwill has been assigned. Any reduction in value of goodwill is recorded if the recoverable amount of such is lower than its book value. Recoverable amount means the greater of the following two amounts: the fair value of the CGU, net of disposal costs, and the corresponding use value, meaning the current value of the estimated cash flows for said asset. In calculating the use value, future cash flows are time discounted using a pre-tax discount rate that reflects current market values of the cost of money in relation to the investment period and the specific risks of the assets. In the event that the reduction in value resulting from the impairment test is greater than the goodwill value allocated to the CGU, the remaining excess shall be allocated to the assets comprising the CGU in proportion to their book value. The minimum amount of said allocation shall be the highest of the following:

- the fair value of the asset net of selling costs;
- the use value as defined above;
- zero.

the original value of goodwill cannot be restored if the grounds for its reduction no longer exist.

Tangible and intangible assets with finite useful lives and right-of-use assets

At each reporting date, a test is carried out to ascertain whether there are any signs that the value of the tangible and intangible assets with a finite useful life has declined. To this end, both internal and external sources of information are taken into consideration. As regards the former (internal sources), the following factors are considered: the obsolescence or wear and tear of the asset, any significant changes in the use of the asset, and the economic performance of the asset compared to expectations. As regards external sources, the following factors are considered: the market price trend of the assets, any technological, market or regulatory changes, market interest rate trends or trends in the cost of capital used to appraise investments.

Should the presence of such indicators be identified, the recoverable amount of the aforesaid assets shall be estimated, and any depreciation compared to their book value shall be entered in the income statement. The recoverable amount of an asset is represented by the greater of the following two amounts: its fair value, net of ancillary costs of sale, and the corresponding use value, meaning the current value of the estimated future cash flows for said asset. In calculating the use value, future cash flows are time discounted using a pre-tax discount rate that reflects current market values of the cost of money in relation to the investment period and the specific risks of the assets. In the case of an asset that does not generate separate cash flows, the recoverable amount is calculated in relation to the Cash Generating Unit to which said asset belongs.

A loss in value is recorded in the income statement if the book value of the asset, or of the corresponding CGU to which the asset is allocated, is greater than its recoverable amount. Reductions in the value of a CGU are imputed, firstly, to a reduction in the book value of any goodwill assigned to said CGU, and thus to the reduction in the value of the other assets, in proportion to their book value and within the limits of the corresponding recoverable amount. If the grounds for a previous write-down no longer exist, then the book value of the asset is restored, and this is recorded in the income statement, within the limits of the net book value that the asset in question would have had if the write-down had not been performed, and the corresponding amortization had been carried out.

FINANCIAL INSTRUMENTS

Receivables and loans

The receivables and loans included among both the current assets and the non-current assets are initially recorded at fair value and subsequently valued at amortized cost.

Cash and cash equivalents

Cash and cash equivalents are recorded at either book value or at amortized cost, depending on their nature. Cash and cash equivalents represent short-term, highly liquid financial assets that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value, the original maturity of which, at the time they were acquired, is no more than 3 months.

Change in the value of financial assets

At each reporting date, tests are carried out to ascertain whether there is any objective evidence that the value of a financial asset or group of assets has declined. If objective evidence of such exists, the reduction in value is recorded in the separate income statement for financial assets valued at cost or amortized cost.

Financial liabilities

Financial liabilities include financial debts and other financial liabilities. In accordance with IFRS 9, they also include trade and other payables. Financial liabilities are initially recorded at fair value and are subsequently recorded at amortized cost.

EMPLOYEE BENEFITS

Provision for employee severance indemnities (TFR - *Fondo per il Trattamento di Fine Rapporto*)

The provision for severance indemnities due to employees under Article 2120 of the Italian Civil Code ("**TFR**"), falls within the employee defined benefit plans. In such plans, the amount of the benefit to be paid to the employee can only be quantified after termination of that employee's employment, and is linked to one or more factors, such as age, years of service and salary; thus the corresponding charge is determined by means of an actuarial calculation. The liability recorded in the financial statements for fixed benefit plans corresponds to the current value of the liability at the date of the financial statements. Liabilities for fixed benefit plans are calculated annually by an independent actuary, using the projected unit credit method. The actuarial gains and losses deriving from the changes in the actuarial assumptions are recognized in the statement of comprehensive income.
At January 1, 2007, the 2007 Finance Act and the corresponding implementing decrees, have introduced important changes to the way TFR is regulated, including the employee's choice of use of his/her own TFR as it falls due. Specifically, the new flows of TFR may be directed by the employee toward selected forms of pension plan, or may be kept in the company. In the event that the employee decides to assign TFR to independent pension schemes, the company is only bound to make a contribution to the chosen pension fund, and starting from that date,

the newly matured quotas shall take the form of fixed contribution plans not subject to actuarial assessment.

BENEFIT PLANS IN THE FORM OF EMPLOYEE STOCK OPTIONS

Benefit plans in the form of employee stock options are recorded in accordance with IFRS 2 (Share-based payments). The value of the bonus shares, that are to be assigned to those employees participating in the stock option plan, is recorded in the separate income statement, with an equity provision as an offsetting entry.

PROVISIONS FOR RISKS AND CHARGES

The Company records provisions for risks and charges when, in the presence of a current liability, either legal or implied, to third parties as the result of a past event, it is probable that funds will have to be used to meet the liability, and a reliable estimate of the entity of the liability itself will be called for when possible.
When the financial effect of the passing of time is significant, the payment dates of the liabilities are reliably estimable, the allocation is determined by time-discounting the expected cash flows calculated bearing in mind the risks associated with the liability; the increase in the provision related to the passage of time is reported in the separate income statement under “Financial expenses”.

TREASURY SHARES

Treasury shares are recognized as a deduction from equity. In particular, the treasury shares are reported as a deduction from the share capital issued in the amount corresponding to the “accounting par value”, that is the ratio of total share capital and the number of issued shares, while the excess cost of acquisition over the accounting par value is presented as a deduction from “Other reserves and retained earnings (accumulated losses), including profit (loss) for the year”.

REVENUES

Revenues represent the gross flows of economic benefits for the financial period, deriving from ordinary operations. Amounts collected on behalf of third parties such as sales taxes, goods and services taxes and value added taxes, are not economic benefits enjoyed by the Company, and do not result in an increase in equity. For this reason they are not included in Revenues. Revenues are only recorded when it is likely that the Company will receive economic benefits, and the entity of such benefits can be reliably calculated; they are represented net of discounts, allowances and returns.
In those cases when the Company acts as agent, or when the risks and benefits of a transaction are essentially borne by a third party, the revenues are recorded net of the corresponding share collected on behalf of the third party.

RECOGNITION OF COSTS

Costs are recorded in the income statement on an accrual basis.

The rental installments relating to operating leasing agreements, or those leases where the lessor essentially bears all the risks and receives all the benefits associated with ownership of the property, are recorded in the separate income statement on a straight-line basis during the years of the leasing agreement's duration.

FINANCIAL INCOME AND EXPENSES

Financial income and expenses are recognized on an accrual basis and include: interest accrued on the related financial assets and liabilities using the effective interest rate method.

DIVIDENDS

Dividends payable to third parties are reported as a change in equity in the year in which they are approved by the shareholders' meeting.

TAXES

Income taxes include the taxes calculated on the Company's taxable income. Deferred taxes are recorded according to the (balance sheet liability method). They are calculated on all temporary differences that emerge between the tax base of assets and liabilities, and the corresponding book values recorded in the individual financial statements. Deferred tax assets resulting from unused tax losses that may be carried over, are recorded insofar as future taxable income is foreseeable against which such losses may be recovered. Tax assets and liabilities are offset separately for current taxes and deferred taxes, when incomes taxes are levied by the same tax authority, and there is legal entitlement to offsetting. Deferred tax assets and liabilities are calculated by adopting the tax rates that are foreseen to be applicable in the financial years in which the temporary differences cancel each other out.
The other taxes unrelated to income are included under "Other operating expenses".

USE OF ACCOUNTING ESTIMATES

The preparation of the individual 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 important accounting estimates, entailing a considerable use of subjective views and assumptions, are set out below.

Financial statement area	Accounting estimates
Reduction in value of goodwill	Verification of the reduction in value of goodwill is performed by comparing the book value of the cash generating units and their recoverable value; the later value is represented by the greater of fair value less sale costs, and the use value of the same unit. This complex evaluation process implies, among other things, the use of methods such as discounted cash flow with the related assumptions on the estimate of cash flows. The recoverable value depends significantly on the discount rate used in the time-discounted cash flows model, on the expected future cash flows, and on the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable value for the various cash-generating units, including a sensitivity analysis, are detailed in the Note "Goodwill".
Reduction in value of tangible and intangible assets with finite useful lives and right-of-use assets	At the end of each reporting period, the company assesses whether there is any indication that an asset – whether tangible or intangible with finite useful lives or its right-of-use – may be impaired. To this end, both internal and external sources of information are taken into consideration. The identification of impairment indicators, the estimate of future cash flows and the determination of the fair value of each asset requires the Company's Management to make significant estimates and assumptions concerning the determination of the discount rate to be applied, the useful life and the residual value of the assets. These estimates can have a significant impact on the fair value of the assets and on the amount of any write-downs.
Lease liabilities and right-of-use assets	The value of the lease liability and the corresponding right of use is determined by calculating the present value of lease payments and is influenced by various estimates, including principally the estimate of lease term and the discount rate of the related payments. To this end, the management considers all facts and circumstances that create an economic incentive to exercise renewal options or not to exercise termination options. Periods covered by renewal or termination options are included in the lease term only if it is reasonably certain that the lease will be extended (or not terminated). The lease term is revalued if an option is actually exercised (or not exercised). The measurement of reasonable certainty is reviewed if a significant event or significant change in circumstances occurs, which affects this measurement, and which is under the control of the lessee. Lease liability is also estimated on a portfolio basis for leases of a similar nature and for which the result of applying the portfolio approach is expected to be very similar to a lease by lease approach. The use of these estimates is subject to potential future changes based on the actual evolution of some dynamics that may influence management estimates.
Capitalization/deferral of costs	The process of capitalization/deferral of internal and external costs is characterized by certain estimation/evaluation elements; in particular, the evaluation of: i) probability that the amount of capitalized costs will be recovered through the related future revenues; and ii) effective increase in future economic benefits inherent in the asset to which they refer.
Bad debt provision	Impairment on trade receivables and on the contract assets is carried out using the simplified approach that involves estimating the loss expected over the life of the receivable at the time of initial recognition and on subsequent measurements. For each customer segment, the estimate is principally made by calculating the average expected uncollectibility, based on historical and statistical indicators, possibly adjusted using forward-looking elements. For some categories of receivables characterized by specific risk elements, specific measurements are made on individual credit positions.
Amortization and depreciation	Changes in the economic conditions of the markets, technology and the competitive scenario could significantly affect the useful life of non-current tangible and intangible assets and may result in a difference in the timing of the amortization process and therefore in the amount of depreciation costs.
Appropriations, potential liabilities and employee provisions	As far as regards provisions related to the fund for recovery costs, the estimate of the future cost of dismantling the asset and restoring the Site, is a complex process requiring the evaluation of the liabilities deriving from dismantling and restoration obligations that are often not fully specified by law, administrative regulations or contractual clauses, and that in general are to be met over the course of several years. The accruals related to legal, arbitration and fiscal disputes as well as regulatory proceedings are the result of a complex estimation process based

	upon the probability of an unfavorable outcome. Allocations related to employee benefits, and in particular the provision for employee severance indemnities, are determined on the basis of actuarial assumptions. Changes in those actuarial assumptions could have significant effects on these provisions.
Revenues	The recognition of revenues is influenced by estimates of the amount of discounts, rebates and returns to be reported as a direct adjustment to revenues, as well as the methods for defining individual product or service stand alone selling prices and for determining the duration of the contract when there are renewal options.
Income taxes (current and deferred)	Income taxes (current and deferred) are determined according to a prudent interpretation of the tax regulations in force. This process sometimes involves complex estimates in determining taxable income and temporary deductible and taxable differences between accounting and tax values. In particular, deferred tax assets are recognized insofar as future taxable income is foreseeable against which such losses may be recovered. The assessment of the recoverability of deferred tax assets, recognized in relation both to tax losses that may be used in subsequent years and to temporary deductible differences, takes into account the estimate of future taxable income and is based on prudent tax planning.

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. Specifically:

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 individual financial statements at December 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 individual financial statements at December 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 individual financial statements at December 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 individual financial statements at December 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 IFRS 17 (Insurance Contracts), Initial Application of IFRS 17 and IFRS 9 - Comparative Information	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 OTHER RISKS

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

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 loans taken out by the Company's and outstanding at December 31, 2022 mainly accrue fixed interest that is related 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 bank debt of 40 million euros deriving from the loan agreement with Banca Popolare di Sondrio and the loan agreement for 298 million euro signed with the European Investment Bank.

The variable-rate debt component at December 31, 2022 derives from a 500 million euro ESG KPI-linked loan, the drawn down portion of 50 million euros of the revolving credit facility of 500 million euros with zero-floor EURIBOR-indexed rate, and the zero-floor uncommitted credit lines drawn down for 50 million euros.

In view of the Company's current financial structure, which has a percentage of fixed-rate debt of around 80% of the total financial debt, the Company considers its exposure to the risk of interest rate fluctuations to be under control.

Accordingly, the Company has not considered it necessary to take out interest rate hedging derivatives to mitigate this risk.

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 731,057 thousand euros during the reference period, which is equal to 85.7% 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, a risk that is considered moderate in view of the financial solidity of the counterparties. The possible default by one of its commercial and financial counterparts could involve negative effects on the income, balance sheet, and financial situation of the Company. With regard to counterparty risk, formalized procedures for the assessment and assignment of commercial and financial partners are adopted for credit management and financial risk management.

LIQUIDITY RISK

To meet its liquidity needs, the Company has a number of uncommitted bank lines and a 500-million-euro revolving credit facility (RCF) renegotiated in March 2022 with a pool of domestic and international banks and available until March 2027, to be used to support working capital and for general cash flow needs. At December 31, 2022, this RCF line was drawn down for 50 million euros while the uncommitted bank lines were drawn down for a total of 50 million euros.

CLIMATE CHANGE RISKS

INWIT's objective is to identify climate-related risks deriving from the scenarios analyzed, in addition to qualitatively assessing their effects and impacts on its business.
In 2022, the Risk Universe was updated to include climate risk in order to update the assessment and also to consider its iteration within the different types of risk. Climate change-related risk is defined in INWIT's ERM system as: "Risks related to changes in physical weather phenomena directly affecting the assets, activities and services provided, and/or related to the legal, technological, reputational or market effects that the transition to a zero-emissions economy may have on the company business."

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.

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. As a further step in its climate strategy, after obtaining validation of its CO_2 emission reduction target from the Science Based Target initiative (SBTi), INWIT produced its first TCFD Report, to which reference is made for more details. The TCFD Report incorporates the reporting framework set out by the Task Force on Climate-related Financial Disclosure (TCFD) and provides key information regarding the functions and processes used by the company to monitor and manage climate-related risks and opportunities, the climate goals it has set itself, with associated metrics for monitoring them, and the strategy developed to achieve them.

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

EMERGING RISKS RELATED TO GLOBAL ECONOMIC CONDITIONS

At the moment, about emerging risks to global economic conditions, the Company has not recorded any significant impact on business performance linked to events relating to the war in Ukraine.

The Company continuously monitors the development of the crisis 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 individual financial statements at December 31, 2022 or on the Company's business outlook.

For an exhaustive detail of the main risks and uncertainties, please refer to the appropriate section in the management report.

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 December 31, 2022 on the basis of the categories contained in IFRS 9.

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

(thousands of euros)		12/31/2022	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		910	910			
	(a)	910	910			
Current assets						
Trade and miscellaneous receivables and other current assets						
of which loans and receivables		116,789	116,789			
Financial receivables and other current financial assets						
of which loans and receivables		257	257			
Cash and cash equivalents		72,852	72,852			
	(b)	189,898	189,898			
Total	(a+b)	190,808	190,808			
LIABILITIES						
Non-current liabilities						
Non-current financial liabilities						
of which liabilities at amortized cost		3,879,683	3,879,683			
	(c)	3,879,683	3,879,683			
Current liabilities						
Current financial liabilities						
of which liabilities at amortized cost		273,033	273,033			
Trade and miscellaneous payables and other current liabilities						
of which liabilities at amortized cost		144,103	144,103			
	(d)	417,136	417,136			
Total	(c+d)	4,296,819	4,296,819			

NOTE 4 – GOODWILL

At December 31, 2022, goodwill stood at 6,146,766 thousand euros, with the following changes:

(thousands of euros)	12/31/2020	Additions	Other changes	12/31/2021
Goodwill	6,112,784	33,982	-	6,146,766
Total	6,112,784	33,982	-	6,146,766

(thousands of euros)	12/31/2021	Additions	Other changes	12/31/2022
Goodwill	6,146,766	-	-	6,146,766
Total	6,146,766	-	-	6,146,766

For the purposes of the impairment test, goodwill is allocated to CGUs, or groups of CGUs, in accordance with the upper merger threshold, which may not exceed the business sector identified for the purposes of IFRS 8. Goodwill is allocated to the Integrated Management of the Sites, which is the main sector of activity in which the Company operates and is considered the minimum level at which goodwill is monitored for internal control purposes.

The configuration of the value used to determine the recoverable value is the fair value less costs of disposal and is based on the stock market capitalization of the Company, appropriately adjusted to determine the fair value of the CGU to which the goodwill is allocated.

The impairment test conducted on December 31, 2022, failed to reveal any impairment loss, since the recoverable value of the CGU was much greater than its book value.

The difference between the fair value and the corresponding net book value at December 31, 2022, is as follows:

(millions of euros)	
Difference between use values and book values	+4,568

With regard to the results of the sensitivity analyses, the variation required in order to render the recoverable value equal to the book value, is -50.6% of the share's value, that is, 4.65 euros per ordinary share.

The Company opted to recognize the value of goodwill for tax purposes of 1,404,000 thousand euros related to the TIM business unit transferred to INWIT in 2015, realigned pursuant to Law 178/2020. The payment of the substitute tax, equal to 3% of the realigned value (42,120 thousand euros), was made for the first and second installments on June 30, 2021 and June 30, 2022, respectively (the last installment will be due on June 30, 2023). The amount due for the substitute tax is recognized as a receivable and released over 50 years, starting in the tax year 2021, in line with the deduction of the tax depreciation allowances provided for by Decree Law 104/2020, Article 110, Paragraph 8 bis (converted by Law 178/2020 and amended by the 2022 Budget Act).

In addition, the Company realigned the goodwill arising from the merger with Vodafone Towers in the amount of 2,000,000 thousand euros, pursuant to Article 15 of Decree Law 185/2009. This option was exercised in 2021 against payment in a single installment of the substitute tax equal to 16% of the realigned value (320,000 thousand euros). The amount paid as substitute tax is recognized as a receivable and released over 5 years, starting in the tax year 2022, in line with the deduction of the tax depreciation allowances.

NOTE 5 – INTANGIBLE ASSETS WITH A FINITE USEFUL LIFE

Intangible assets with a finite useful life comprised the following, with the following changes:

(thousands of euros)	12/31/2020	Additions	Amortization and depreciation	Other changes	12/31/2021
Patent rights and utilization of intellectual property	8,277	3,164	(3,245)	2,005	10,201
Other intangible assets	735,149	16,331	(101,570)	-	649,910
Intangible assets under development and advances	19,037	22,357	-	(8,202)	33,192
Total	762,463	41,852	(104,815)	(6,196)	693,303

(thousands of euros)	12/31/2021	Additions	Amortization and depreciation	Other changes	12/31/2022
Patent rights and utilization of intellectual property	10,201	3,829	(6,008)	3,588	11,610
Other intangible assets	649,910	-	(102,421)	1	547,490
Intangible assets under development and advances	33,192	10,054	-	(12,857)	30,389
Total	693,303	13,883	(108,429)	(9,268)	589,489

The additions for the period totaled 13,883 thousand euros and mainly related to the IT development and technological 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)	12/31/2020	Additions	Disposals	Amortization and depreciation	Other changes	12/31/2021
Land	48,576	1,139	-	-	1,371	51,086
Plant and equipment	674,164	101,799	(2,244)	(71,527)	53,590	755,782
Manufacturing and distribution equipment	6	-	-	(5)	-	1
Other goods	87	99	-	(49)	225	362
Construction in progress and advance payments	88,824	25,309	(11)	-	(45,247)	68,875
Total	811,657	128,346	(2,255)	(71,581)	9,039	876,106

(thousands of euros)	12/31/2021	Additions	Disposals	Amortization and depreciation	Other changes	12/31/2022
Land	51,086	9,632	-	-	2,565	63,283
Plant and equipment	755,782	68,986	(2,101)	(72,470)	32,786	782,983
Manufacturing and distribution equipment	1	-	-	(1)	1	1
Other goods	362	164	-	(120)	43	449
Construction in progress and advance payments	68,875	57,221	(468)	-	(39,335)	86,293
Total	876,106	136,003	(2,569)	(72,591)	(3,940)	933,009

The additions during the period, amounting to 136,003 thousand euros, mainly relate the construction of new sites, extraordinary maintenance, the construction of DAS systems, the capitalization of labor costs and the purchase of backhauling sections.

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

(thousands of euros)	Gross Value at 12/31/2021	Accumulated impairment losses	Depreciation Provision	Net Value at 12/31/2021
Land	51,086	-	-	51,086
Plant and equipment	1,733,493	(543)	(977,168)	755,782
Manufacturing and distribution equipment	24	-	(23)	1
Other goods	619	-	(257)	362
Construction in progress and advance payments	68,875	-	-	68,875
Total	1,854,097	(543)	(977,448)	876,106

(thousands of euros)	Gross Value at 12/31/2022	Accumulated impairment losses	Depreciation Provision	Net Value at 12/31/2022
Land	63,283	-	-	63,283
Plant and equipment	1,824,908	(543)	(1,041,382)	782,983
Manufacturing and distribution equipment	26	-	(25)	1
Other goods	826	-	(377)	449
Construction in progress and advance payments	86,293	-	-	86,293
Total	1,975,336	(543)	(1,041,784)	933,009

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)	12/31/2020	Additions	Lease increases	Lease decreases	Amortization and depreciation	Other changes	12/31/2021
Land use rights	7	-	-	-	-	(7)	-
Rights of use on civil and industrial buildings	43,418	3,233	-	-	(2,488)	172	44,335
Rights of use on plant and equipment	1,096,539	9,099	169,065	(65,655)	(176,081)	(19)	1,032,948
Rights of use on other assets	437	-	323	(11)	(261)	-	488
Total	1,140,401	12,332	169,388	(65,666)	(178,830)	146	1,077,771

(thousands of euros)	12/31/2021	Additions	Lease increases	Lease decreases	Amortization and depreciation	Other changes	12/31/2022
Rights of use on civil and industrial buildings	44,335	26,121	-	-	(2,978)	6,603	74,081
Rights of use on plant and equipment	1,032,948	11,022	237,320	(93,329)	(173,386)	2,688	1,017,263
Rights of use on other assets	488	-	456	(6)	(306)	(1)	631
Total	1,077,771	37,143	237,776	(93,335)	(176,670)	9,290	1,091,975

Additions in the period, amounting to 37,143 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 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 – FINANCIAL RECEIVABLES (NON-CURRENT AND CURRENT)

Financial receivables (non-current and current) as at December 31, 2022 are composed as follows:

(thousands of euros)		12/31/2021	Other changes during the period	12/31/2022
Financial receivables (medium/long-term):				
Loans to staff		615	(230)	385
Prepaid expenses from finance expenses		747	(222)	525
Total non-current financial receivables	(a)	1,362	(452)	910
Financial receivables (short-term):				
Loans to staff		235	(32)	203
Prepaid expenses from finance expenses		36	18	54
Total current financial receivables	(b)	271	(14)	257
Total financial receivables	(a+b)	1,633	(466)	1,167

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

NOTE 9 – TRADE AND MISCELLANEOUS RECEIVABLES AND OTHER ASSETS (NON CURRENT AND CURRENT)

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

(thousands of euros)		12/31/2021	*of which IFRS 9 Financial Instruments*	Other changes during the period	12/31/2022	*of which IFRS 9 Financial Instruments*
Miscellaneous receivables and other non-current assets						
Other non-current assets		70	-	852	922	-
Other non-current miscellaneous receivables		296,435	-	(64,842)	231,593	-
Total Miscellaneous receivables and other non-current assets	(a)	296,505	-	(63,990)	232,515	-
Total trade receivables	(b)	88,193	*88,193*	28,596	116,789	*116,789*
Miscellaneous receivables and other current assets						
Other current assets		1,899	-	819	2,718	-
Non-current miscellaneous receivables - short term share		1,673	-	255	1,928	-
Miscellaneous operating receivables		16,834	-	(9,001)	7,833	-
Miscellaneous non-operating receivables		64,842	-	-	64,842	-
Total miscellaneous receivables and other current assets	(c)	85,248	-	(7,927)	77,321	-
Total trade and miscellaneous receivables and other current assets	(b+c)	173,441	*88,193*	20,669	194,110	*116,789*
Total	(a+b+c)	469,946	*88,193*	(43,321)	426,625	*116,789*

Miscellaneous receivables and other non-current assets, totaling 232,515 thousand euros, mainly relate to the medium/long-term portion of the substitute taxes paid by the company 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, totaling 116,789 thousand euros, mainly refer to hosting services and the recovery of costs for services provided.

Miscellaneous receivables and other current assets, totaling 77,231 thousand euros, mainly relate to guarantee deposits, advances to suppliers, receivables from the tax authorities for taxes and duties and the short-term portion of substitute taxes paid by the company for the realignment and redemption of the goodwill recorded in the financial statements which will be deferred over the duration of the amortization of the goodwill described in Note 4 "Goodwill".
The book value of the trade and miscellaneous receivables and other assets (non current and current) is considered a reasonable approximation of their respective fair value.

NOTE 10 – CASH AND CASH EQUIVALENTS

At December 31, 2022, this item amounted to 72,852 thousand euros, and was composed as follows:

(thousands of euros)	12/31/2021	Other changes during the period	12/31/2022
Cash at bank and post office deposits	96,317	(23,468)	72,849
Cheques and cash on hand	3	-	3
Total Cash and cash equivalents	96,320	(23,468)	72,852

At December 31, 2022, the cash was held in bank and postal accounts with the following characteristics:

- maturities: immediately convertible into cash at any time;
- counterparty risk: the investments have been made with investment-grade leading banking institutions based on the Company's operating rules that limit credit exposure with financial counterparties;
- Country risk: investments are made in Italy.

NOTE 11 - EQUITY

At December 31, 2022, equity amounted to 4,466,445 thousand euros, broken down as follows:

(thousands of euros)	12/31/2021	Changes in the period	12/31/2022
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	(118,257)	2,092,744
Other reserves and earnings (losses) carried forward, including the result for the period	1,481,178	(545)	1,480,633
Legal reserve	120,000	-	120,000
Provision for instruments representing equity	588	984	1,572
Treasury share reserve in excess of nominal value	(607)	(1,911)	(2,518)
Locked-up Reserve under Law 178/2020	1,361,880	-	1,361,880
Other reserves	(683)	382	(301)
Retained earnings (losses) including earnings (losses) for the period	191,407	101,955	293,362
Total	4,483,514	(17,069)	4,466,445

Movements of share capital during the period from January 1 to December 31, 2022, are shown in the following table:

Reconciliation between the number of shares in circulation at December 31, 2021, and the number of shares in circulation at December 31, 2022.

(number of shares)	At 12/31/2021	Other changes	At 12/31/2022	% of Capital
Ordinary shares issued	960,200,000		960,200,000	-
Minus: Treasury shares	(72,173)	(221,700)	(293,873)	-
Total Ordinary shares issued	960,200,000		960,200,000	100.0
Total shares in circulation	960,127,827	(222,700)	959,906,127	-

Reconciliation between the value of shares in circulation at December 31, 2021, and the value of shares in circulation at December 31, 2022.

(thousands of euros)	Share capital at 12/31/2021	Change in share capital	Share capital at 12/31/2022
Ordinary shares issued	600,000	-	600,000
Minus: Treasury shares	(73)	(222)	(294)
Ordinary shares outstanding	599,927	(222)	599,706
Total Share capital issued	600,000	-	600,000
Total Share capital in circulation	599,927	(222)	599,706

BENEFIT PLANS IN THE FORM OF EMPLOYEE STOCK OPTIONS

The Provision for instruments representing equity of 1,572 thousand euros refers to:

- the LTI plan (1,569 thousand euros) in existence at December 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 12 – EMPLOYEE BENEFITS

The item has the following breakdown and movements:

(thousands of euros)	12/31/2020	Increase/ Present value	Decrease	Other changes	12/31/2021
Provision for employee severance indemnities	2,643	234	(103)	135	2,909
Total	2,643	234	(103)	135	2,909

(thousands of euros)	12/31/2021	Increase/ Present value	Decrease	Other changes	12/31/2022
Provision for employee severance indemnities	2,909	(529)	(78)	-	2,302
Total	2,909	(529)	(78)	-	2,302

The change of (529) thousand euros in the column "Increases/Present value" is broken down as follows:

(thousands of euros)	12/31/2022	12/31/2021
Financial expenses	52	15
Net actuarial (gains) losses for the period	(581)	219
Total	(529)	234

In accordance with IAS 19 (2011), the provision for employee severance indemnity has been calculated using the same actuarial method adopted prior to the introduction of the principle reviewed by means of the Projected Unit Credit Method, as follows:

- projections have been formulated, on the basis of a series of financial assumptions (increased cost of living, interest rates, pay increases, etc.) regarding possible future services that could be provided to each employee registered with the program, in the event of retirement, death, invalidity, resignation, etc.;
- the current average value of future services at the date of evaluation has been calculated, on the basis of the annual interest rate adopted and of the probability that each service be provided;
- the liability has been determined as equal to the current average value of future services, as generated by the existing provision at the date of evaluation, without taking account of any future allocation.

The assumptions made may be detailed as follows:

ECONOMIC ASSUMPTIONS

Inflation rate	2.30% per year
Time-discount rate	3.77% per year
Annual rate of increase in the Provision for employee severance indemnities	3.225% per year

DEMOGRAPHIC ASSUMPTIONS

Probability of death	RG 48 Mortality Tables published by the State Accounting Office
Probability of invalidity	INPS Tables subdivided by age and gender
Probability of resignation:	
up to the age of 40 – Executives	2.00%
up to the age of 40 – Non-Executives	1.00%
from the age of 41 to 50 – Executives	2.00%
from the age of 41 to 50 - Non-Executives	0.50%
from the age of 51 to 59 – Executives	1.00%
from the age of 51 to 59 - Non-Executives	0.50%
from the age of 60 to 64 – Executives	0.00%
from the age of 60 to 64 - Non-Executives	0.50%
Subsequently	0.00%
Probability of retirement	AGO requisites
Probability of receiving, at the start of the year, a 70% advance on the Provision for Employee Severance Indemnities	1.50% in each year

Application of the aforementioned assumptions resulted in a Provision for Employee Severance Indemnities liability of 2,302 thousand euros at December 31, 2022.

The sensitivity analysis for each actuarial assumption that is relevant for the determination of the end-of-period liability, is reported below; said analysis shows the effects, expressed in absolute terms, of the changes in the relevant actuarial assumptions, possible at that date.

The average financial duration of the liability is 10 years.

CHANGE IN THE ASSUMPTIONS	Amounts (thousands of euros)
Turnover rate:	
+ 0.25 p.p.	2,304
- 0.25 p.p.	2,301
Annual inflation rate:	
+ 0.25 p.p.	2,341
- 0.25 p.p.	2,265
Annual time-discounting rate:	
+ 0.25 p.p.	2,253
- 0.25 p.p.	2,354

NOTE 13 – PROVISIONS FOR RISKS AND CHARGES

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

(thousands of euros)	12/31/2020	Increase	Decrease	Other changes	12/31/2021
Provision for restoration costs	220,585	8,194	(759)	-	228,020
Deferred tax liabilities	277,390	82	(38,620)	(53)	238,799
Provision for legal disputes and other risks	826	752	(14)	-	1,564
Total	498,801	9,028	(39,393)	(53)	468,383
Of which:					
Non-current amount	*498,351*				*467,933*
Current amount	*450*				*450*

(thousands of euros)	12/31/2021	Increase	Decrease	Other changes	12/31/2022
Provision for restoration costs	228,020	2,923	(997)	(4,855)	225,091
Deferred tax liabilities	238,799	437	(35,719)	-	203,517
Provision for legal disputes and other risks	1,564	407	(292)	-	1,679
Total	468,383	3,767	(37,008)	(4,855)	430,287
Of which:					
Non-current amount	*467,933*				*429,837*
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 (1,984 thousand euros) and the building of new sites (939 thousand euros). The decrease in provision for restoration costs relates to the coverage of costs incurred in the period (997 thousand euros) and the adjustment of the provision based on expected inflation and discount rates (4,855 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.

The **Provision for legal disputes and other risks** increased by a total of 115 thousand euros, as the balance between the new allocations and uses from the provision for legal disputes and other risks.

NOTE 14 – 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	12/31/2022
Financial payables (medium/long-term):				
Amounts due to banks		785,951	47,965	833,916
Corporate Bonds		2,233,587	2,502	2,236,089
Leasing liabilities		830,955	(21,277)	809,678
Total non-current financial liabilities	(a)	3,850,493	29,190	3,879,683
Financial payables (short-term):				
Amounts due to banks		131,390	(27,749)	103,641
Corporate Bonds		17,833	(175)	17,658
Leasing liabilities		151,355	379	151,734
Total current financial liabilities	(b)	300,578	(27,545)	273,033
Total Financial liabilities (Gross financial debt)	(a+b)	4,151,071	1,645	4,152,716

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;
  - ESG KPI-linked term loan for a nominal amount of 500,000 thousand euros with bullet repayment;
  - a loan with a nominal value of 250,000 thousand euros with amortizing repayment beginning in February 2026;
  - a loan with a nominal value of 48,000 thousand euros with amortizing repayment beginning in February 2026.

- **Corporate Bonds** refer to the following, net of related accruals and deferrals:
  - 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%;
  - 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%;
  - 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 the uncommitted bank lines by 50,000 thousand euros and the draw down of the Revolving Credit Facility for 50,000 euros;
- **Corporate Bonds** refer to the accrued portions of the coupons of the Bonds;
- **Finance lease liabilities** and refer to leases.

The maturities of financial liabilities according to the expected nominal repayment amount, as defined by contract, are the following:

(millions of euros)		Within 1 year	From 2 to 5 years	Beyond	Total
Amounts due to banks		104	619	224	947
Corporate Bonds		18	997	1,239	2,254
Total loans and other financial liabilities	(a)	122	1,616	1,463	3,201
Leasing liabilities		181	573	350	1,103
Total finance lease liabilities	(b)	181	573	350	1,103
Total Financial liabilities	(a+b)	303	2,189	1,813	4,304

COVENANTS, NEGATIVE PLEDGES AND OTHER CONTRACT CLAUSES IN EFFECT AT DECEMBER 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.

The loan agreement with the European Investment Bank (EIB) in support of the Digital Infrastructure Development Project, granted for 250 million euros in August 2021, and the additional portion of the loan granted in November 2022, drawn down for a further 48 million euros in December 2022, contain a rating loss clause, according to which the bank may, in certain cases, request guarantees to support the loan. The same contract also includes a Change of Control clause, renegotiated in December 2022 to include the new shareholding structure, which allows the EIB, in certain cases, to require repayment of the loan.

With reference to the other bank loan and bond agreements INWIT is also required to notify a change of control, for which the cases and consequences – including 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.

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

NOTE 15 – NET FINANCIAL DEBT

The table below shows the Company's net financial debt at December 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)	12/31/2022 (*)	12/31/2021
A Cash	-	-
B Cash and cash equivalents	72,852	96,320
C Current financial receivables	257	271
D Liquidity (A + B + C)	73,109	96,591
E Current financial payables	-	-
F Current portion of financial payables (medium/long-term)	273,033	300,578
G Current financial debt (E+F)	273,033	300,578
H Net current financial debt (G-D)	199,924	203,987
I Financial payables (medium/long-term)	1,643,594	1,616,906
J Bonds issued	2,236,089	2,233,587
K Trade payables and other non-current payables	-	-
L Non-current financial debt (I+J+K)	3,879,683	3,850,493
M Net Financial Debt as per ESMA recommendations (H+L)	4,079,607	4,054,480
Other financial receivables and non-current financial assets	(910)	(1,362)
INWIT Net Financial Debt	4,078,697	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 16 - TRADE AND MISCELLANEOUS PAYABLES AND OTHER (NON-CURRENT AND CURRENT) LIABILITIES

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

(thousands of euros)		12/31/2021	*of which IFRS 9 Financial Instruments*	Other changes during the period	12/31/2022	*of which IFRS 9 Financial Instruments*
Miscellaneous payables and other non-current liabilities						
Other non-current liabilities		7,716	-	7,990	15,706	-
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	-	(6,050)	15,704	-
Total trade payables	(b)	174,787	*174,787*	(30,684)	144,103	*144,103*
Miscellaneous payables and other current liabilities						
Other current liabilities		6,927	-	1,514	8,441	-
Miscellaneous current operating payables		19,322	-	3,738	23,060	-
Miscellaneous current non-operating payables		15,306	-	2,155	17,461	-
Total miscellaneous payables and other current liabilities	(c)	41,555	-	7,407	48,962	-
Total trade and miscellaneous payables and other current liabilities	(b+c)	216,342	*174,787*	(23,277)	193,065	*144,103*
Total income tax payables	(d)	17,872	-	(16,508)	1,364	-
Total	(a+b+c+d)	255,968	*174,787*	(45,835)	210,133	*144,103*

Miscellaneous payables and other non-current liabilities, totaling 15,704 thousand euros, refer mainly to prepaid contracts with customers.

Trade payables, totaling 144,103 thousand euros, refer mainly to the supply of electrical power and rents due.

Miscellaneous payables and other current liabilities, totaling 48,962 thousand euros, mainly refer to prepaid contracts with customers, tax payables, payables to personnel, payables to shareholders and miscellaneous current non-operating payables relating to the installment of the substitute tax 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 17 - REVENUES

Revenues amounted to 852,991 thousand euros, broken down as follows:

(thousands of euros)	Financial Year 2022	Financial Year 2021
Revenues		
Revenues from TIM	365,683	349,561
Revenues from Vodafone Italia	365,374	337,568
Revenues from third parties	121,934	98,021
Total	852,991	785,150

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 18 – ACQUISITION OF GOODS AND SERVICES

The item amounted to 43,523 thousand euros, broken down as follows:

(thousands of euros)		Financial Year 2022	Financial Year 2021
Purchases of materials and goods for resale	(a)	816	664
Costs for services			
Maintenance		14,949	16,941
Professional services		4,750	2,845
Other service expenses		20,577	17,788
	(b)	40,276	37,574
Lease and rental costs			
Lease and rental costs		2,517	6,383
Other lease and rental costs		(86)	76
	(c)	2,431	6,459
Total	(a+b+c)	43,523	44,697

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

NOTE 19 – EMPLOYEE COSTS

Revenues amounted to 21,387 thousand euros, broken down as follows:

(thousands of euros)		Financial Year 2022	Financial Year 2021
Ordinary personnel expenses			
Salaries		9,951	10,945
Social security charges		6,268	5,691
Other employee costs		1,125	958
	(a)	17,344	17,592
Miscellaneous employee costs and sundry labor services			
Fees paid to external personnel		108	65
Costs for assigning stock option		243	95
Other expenses		36	-
	(b)	387	160
Total ordinary expenses	(a+b)	17,731	17,728
Restructuring and rationalization expenses			
Expenses for incentivized redundancies		3,656	670
	(c)	3,656	670
Total	(a+b+c)	21,387	18,422

The average number of employees during the period was 251.5. They can be subdivided into their respective categories, as follows:

(numbers)	2022	2021
Executives	18.7	18.8
Middle Managers	49.1	46.6
Administrative staff	183.8	166.7
Total	251.5	232.1

There were 256 employees at December 31, 2022. They can be subdivided into their respective categories, as follows:

(numbers)	2022	2021
Executives	19	20
Middle Managers	50	47
Administrative staff	187	179
Total	256	246

NOTE 20 – OTHER OPERATING EXPENSES

Revenues amounted to 8,893 thousand euros, broken down as follows:

(thousands of euros)	Financial Year 2022	Financial Year 2021
Other operating expenses		
Expenses related to credit management	-	1,358
Provisions for risks and charges	407	752
Costs and provisions for indirect duties and taxes	5,464	3,298
Membership fees, donations, study grants and work experience contributions	248	333
Other Expenses	2,774	1,409
Total	8,893	7,150

The item "Provisions for risks and charges" decreased as a result of the allocation to the provision for disputes (407 thousand euros).

"Costs and provisions for indirect duties and taxes" increased mainly due to the recognition of stamp duty (1,243 thousand euros) and the fee for the occupation of public areas (3,750 thousand euros).

"Other expenses" increased primarily due to the recognition of penalties for breach of contract with TIM (1,092 thousand euros) and Vodafone Italia (1,400 thousand euros).

NOTE 21 – DEPRECIATION AND AMORTIZATION, GAINS/LOSSES ON DISPOSALS AND IMPAIRMENT LOSSES ON NON-CURRENT ASSETS

Depreciation and amortization, gains/losses on disposals and impairment losses on non-current assets amounted to 363,716 thousand euros, and are composed as follows:

(thousands of euros)		Financial Year 2022	Financial Year 2021
Amortization of intangible assets with a finite useful life	(a)	108,429	104,815
Depreciation of owned tangible assets	(b)	72,591	71,581
Amortization of right-of-use assets	(c)	176,670	178,830
(Gains)/losses on disposals and impairment losses on non-current assets	(d)	6,026	4,906
Total	(a+b+c+d)	363,716	360,132

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 (3,451 thousand euros) and losses on the disposal of property and equipment (2,575 thousand euros).

NOTE 22 – FINANCE INCOME AND EXPENSES

FINANCIAL EXPENSES

Financial expenses amount to 81,223 thousand euros, broken down as follows:

(thousands of euros)	Financial Year 2022	Financial Year 2021
Interest expenses and other financial expenses		
Interest to banks	10,638	9,814
Finance expenses for corporate bonds	42,013	39,080
Interest expense for finance leases	23,788	24,719
Bank fees	3,103	12,306
Other financial expenses	1,681	4,171
Total	81,223	90,090

Interest to banks refers to the interest paid during the period under the loan agreements described in Note 14 - 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 relate to finance leases following the application of IFRS 16.

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 23 – INCOME TAXES

DEFERRED TAX ASSETS AND DEFERRED TAX PROVISION

Deferred tax liabilities, net of deferred tax assets, recognized in the financial statements amounted to 203,517 thousand euros and mainly refer to temporary tax differences to be taxed in future years.

INCOME TAXES

Income taxes amount to 40,910 thousand euros and are composed as follows.

(thousands of euros)	Financial Year 2022	Financial Year 2021
Regional Business Tax (IRAP) for the period	5,320	20,611
Corporate Income Tax (IRES) for the period	7,046	86,974
Total current taxes	12,366	107,584
Deferred taxes for the period	(35,307)	(35,263)
Substitute tax - amount for the year	64,842	842
Adjustment of taxation for previous financial years	(992)	108
Total income taxes	40,910	73,272

The tax realignment of items recognized for tax purposes as goodwill described in Note 4 "Goodwill," enabled a tax deduction of an amortization charge totaling 428,080 thousand euros, consisting of:

- 28,080 thousand euros, relating to one-fiftieth of the TIM goodwill of 1,404,000 thousand euros;
- 400,000 thousand euros related to one-fifth of the goodwill from the merger with Vodafone Towers, realigned for tax purposes in the amount of 2,000,000 thousand euros.

In addition, the amount was accrued (64,842 thousand euros) for the substitute tax paid for the tax realignment of the goodwill.

Deferred tax liabilities, net of deferred tax assets (35,307 thousand euros), were also recognized in the income statement during the year. The most significant amount relates to the release of deferred liabilities in relation to the non-deductible portion of amortization and depreciation of the revalued assets of the merged company (126,900 thousand euros).

The fiscal burden for the period has been estimated on the basis of a Corporate Income Tax (IRES) rate of 24% and a Regional Business Tax (IRAP) rate of 4.50%.

The reconciliation of the theoretical tax charge, calculated using a Corporate Income Tax (IRES) rate of 24%, with the actual tax charge resulting from the financial statements, is as follows:

(thousands of euros)	Financial Year 2022	Financial Year 2021
Profit (loss) before tax	334,249	264,667
Theoretical income taxes	80,220	63,520
Tax effect of increases (reductions):	(104,140)	(7,385)
Tax effect on non-deductible costs	30,967	30,839
Substitute tax - amount for the year	64,842	842
Actual taxes recorded in the income statement, excluding Regional Business Tax (IRAP)	71,888	87,816
Current Regional Business Tax (IRAP)	5,320	20,611
Total actual taxes recorded in the income statement	77,208	108,427

In order to better understand the reconciliation in question, the impact of Regional Business Tax (IRAP) has been kept separate, in order to avoid any distortion, given that this tax is calculated on a different tax base from the pre-tax result.

NOTE 24 – EARNINGS PER SHARE

The following table shows the calculation of earnings per share:

Basic and diluted earnings per share		Financial Year 2022	Financial Year 2021
Profit for the period	(euros)	293,339,500	191,395,676
Average number of ordinary shares		959,914,631	960,115,529
Basic and diluted earnings per share	(euros)	0.306	0.199

NOTE 25 – CONTINGENT LIABILITIES, COMMITMENTS AND GUARANTEES

MAIN DISPUTES AND PENDING LEGAL ACTIONS

At December 31, 2022, the Company was involved in approximately 320 disputes, 25 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 1,229 thousand euros has been allocated to the risk provision.

In addition, the Company received two summons from two customers for, inter alia, alleged breaches of contract. The Company, including with the support of external lawyers, has qualified the risk of losing the case only as possible and not probable, and therefore has not set aside any specific provision for risks. In the meantime, the Company has settled one of the two disputes amicably. Considering that the second dispute is, at the time of preparation of these Financial Statements, in the introductory stage of the proceedings, the Company will monitor the development of the matter for any consequent decisions.

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 26 - RELATED PARTIES

Related party transactions concluded in 2022 are attributable to dealings with companies in the Vodafone and TIM S.p.A. groups as well as with INWIT S.p.A.'s Key Managers ("Senior Management") are largely related to the ordinary course of business and concluded on market-equivalent terms. In any event, all transactions were carried out in compliance with the current legal and regulatory framework and submitted to the opinion and/or approval of the relevant corporate bodies.

The governance rules adopted by INWIT ensure that all transactions with related parties are carried out in compliance with the criteria set forth in the CONSOB Regulation adopted by resolution No. 17221 of March 12, 2010, as amended and supplemented. To this end, INWIT has adopted a procedure on related party transactions, which can be consulted at the following link "Policies and Procedures - INWIT", most recently updated by a resolution of the Board of Directors on May 13, 2021, effective at July 1, 2021.

It should be noted that, in 2022, no transactions of major significance within the meaning of the aforementioned CONSOB Regulations were carried out. 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.

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 December 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	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 ITEMS							
Trade and miscellaneous receivables	173,441	16,196	419	-	20	16,635	*9.6%*
Miscellaneous payables and other non-current liabilities	(21,754)	(6,880)	-	-	-	(6,880)	*31.6%*
Trade and miscellaneous payables and other current liabilities	(216,341)	(13,857)	(66,553)	(1,186)	(618)	(82,214)	*38.0%*

ITEMS OF THE STATEMENT OF FINANCIAL POSITION AT 12/31/2022

(thousands of euros)	Total (a)	TIM	Vodafone Italia	Senior management	Other related parties	Total related parties (b)	*% of the financial statement item (b)/(a)*
NET FINANCIAL DEBT							
Non-current financial liabilities	(3,879,683)	(84,826)	(6,657)	-	-	(91,483)	*2.4%*
Current financial liabilities	(273,033)	(18,616)	(1,374)	-	-	(19,990)	*7.3%*
Total net financial debt	(4,078,697)	(103,442)	(8,031)	-	-	(111,473)	*2.7%*
OTHER STATEMENT OF FINANCIAL POSITION LINE ITEMS							
Trade and miscellaneous receivables	194,110	30,431	11,376	-	-	41,807	*21.5%*
Miscellaneous payables and other non-current liabilities	(15,704)	(7,751)	(7,813)	-	-	(15,564)	*99.1%*
Trade and miscellaneous payables and other current liabilities	(193,065)	(17,478)	(9,348)	(1,823)	-	(28,649)	*14.8%*

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 and Vodafone Italia mainly relate to the items governed by the master service agreements, as well as 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.

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

Items of the income statement

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

ITEMS OF THE INCOME STATEMENT AT 12/31/2021

(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	785,150	349,561	337,568	-	-	687,129	*87.5%*
Acquisition of goods and services	(44,697)	(5,630)	(1,045)	-	(3)	(6,678)	*14.9%*
Employee benefits expenses	(18,422)	-	-	(1,953)	-	(1,953)	*10.6%*
Other operating expenses	(7,150)	(986)	(2,367)	-	-	(3,353)	*46.9%*
Financial expenses	(90,090)	(3,460)	(313)	-	-	(3,773)	*4.2%*

ITEMS OF THE INCOME STATEMENT AT 12/31/2022

(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	852,991	365,683	365,374	-	-	731,057	*85.7%*
Acquisition of goods and services	(43,523)	(4,450)	(692)	-	-	(5,142)	*11.8%*
Employee benefits expenses	(21,387)	(56)	-	(1,967)	-	(2,023)	*9.5%*
Other operating expenses	(8,893)	(1,092)	(1,414)	-	-	(2,506)	*28.2%*
Financial expenses	(81,223)	(2,912)	(262)	-	-	(3,174)	*3.9%*

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 expenses 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.

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 cash flows at December 31, 2022, and for the corresponding period of the previous financial year, are the following:

ITEMS OF THE STATEMENT OF CASH FLOWS AT 12/31/2021

(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	38,102	8,181	1,334	-	-	18,962	*24.9%*
Change in trade payables	(7,497)	1,939	5,653	-	(18,839)	(11,247)	*150.0%*
Net change in miscellaneous receivables/payables and other assets/liabilities	(327,674)	381	1,846	42	-	2,269	*-0.7%*
Change in current and non-current financial liabilities	213,728	(22,865)	(2,061)	-	-	(24,926)	*-11.7%*

ITEMS OF THE STATEMENT OF CASH FLOWS AT 12/31/2022

(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	(28,596)	(14,235)	(10,957)	-	-	(25,192)	*88.1%*
Change in trade payables	37,311	3,656	(208)	-	-	3,448	*9.2%*
Net change in miscellaneous receivables/payables and other assets/liabilities	50,395	960	8,927	637	-	10,524	*20.9%*
Change in current and non-current financial liabilities	(146,253)	(3,556)	(1,400)	-	-	(4,956)	*-3.4%*

The table shows a significant increase in trade receivables due from TIM (23,265 thousand euros) and Vodafone Italia (11,376 thousand euros).

REMUNERATION OF KEY MANAGERS

The remuneration recorded on an accrual basis in respect of key managers amounted to 1,967 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 34 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 and General Manager until 10/04/2022
Managers:	
Diego Galli	Head of Administration, Finance and Control and General Manager from 10/04/2022.
Gabriele Abbagnara	Head of Marketing & Sales
Andrea Mondo	Head of Technology & Operations – Key Manager from 03/28/2022

NOTE 27 – SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

Pursuant to CONSOB Communication no. DEM/6064293 of July 28, 2006, it should be noted that during the course of the financial year 2022, no significant non-recurring events or transactions occurred.

NOTE 28 – 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 period.

NOTE 29 – EVENTS AFTER DECEMBER 31, 2022

There have been no significant events since the close of the financial year.

NOTE 30 – OTHER INFORMATION

Public funds

Italian Law 124/2017 requires that information on subsidies, contributions, paid assignments and economic benefits of any kind received from Italian public administrations be provided. In this regard, it is noted that, in 2022, INWIT did not receive any contributions for the training of its employees.

Directors and statutory auditors' fees

The fees payable to the Company's Statutory Auditors and Directors at December 31, 2022, for the performance of their corresponding duties, amount to 185 thousand euros and 686 thousand euros, respectively, for the Board of Directors in office until October 4, 2022 and 254 thousand euros for the Board of Directors appointed by the Shareholders' Meeting on October 4, 2022.

Summary of fees due to the Independent Auditors and to other entities belonging to the Independent Auditors' network

The table below shows the total fees payable to PricewaterhouseCoopers S.p.A. ("PwC") and the other entities of the PwC network for auditing the 2022 Financial statement, as well as the fees pertaining to 2022 for other audit/checking services and other non-audit services provided to INWIT by PwC and other entities of the PwC network.

(thousands of euros)	PwC S.p.A.	Other entities of the PwC network	Total PwC network
Auditing services:			
independent audit of the Individual Financial Statements (*)	306	-	306
limited review of the interim half-yearly financial statements	55	-	55
other services (**)	77	-	77
Total	438	-	438

(*) This amount includes 25 thousand euros relating to the adjustment of the fees for the additional activities required by the auditing standard ISA315 (Revised), which will be submitted to the shareholders' meeting for approval.

(**) This amount includes the fees for issuing comfort letters for the bond issues made in 2022 and for the review of the 2022 NFS.

INWIT

CERTIFICATION OF THE FINANCIAL STATEMENT AT DECEMBER 31, 2022 PURSUANT TO ARTICLE 81-TER OF THE CONSOB REGULATION 11971 DATED MAY 14, 1999, WITH AMENDMENTS AND ADDITIONS

1. We, the undersigned, Diego Galli, as General Manager, and Rafael Giorgio Perrino, as Manager responsible for preparing Infrastrutture Wireless Italiane S.p.A. financial reports, certify, having also considered the provisions of art. 154-bis, paragraphs 3 and 4, of Legislative Decree 58 of February 24, 1998:
   - the adequacy in relation to the characteristics of the company and
   - the effective application of the administrative and accounting procedures used in the preparation of the financial statements for the period January 1 – December 31, 2022.

2. The administrative and accounting procedures adopted in preparation of the financial statements at December 31, 2022 were drawn up, and their adequacy assessed, on the basis of the regulations and methods adopted by Infrastrutture Wireless Italiane S.p.A in accordance with the Internal Control–Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission. This Commission has established a body of general principles providing a standard for internal control and risk management systems that is generally accepted at international level.

3. The undersigned also certify that:
   3.1 the financial statements at December 31, 2022
   - are prepared in conformity with international accounting principles adopted by the European Union pursuant to EC regulation 1606/2002 of the European Parliament and Council of July 19, 2002 (International Financial Reporting Standards – IFRS) as well as the legislative and prescribed provisions in force in Italy also with reference to the measures enacted for the implementation of art. 9 of Legislative Decree 38 of February 28, 2005;
   - correspond to the results of the accounting records and entries;
   - provide a true and fair view of the financial condition, the results of operations and the cash flows of the Company;

   3.2 the report includes a reliable analysis of the operating performance and income and financial situation of the issuer, along with the description of the main risks and uncertainties to which it is exposed.

March 2, 2023

The General Manager	The Manager responsible for preparing the Company's Financial Reports
_______/signed/__________	________/signed/___________
(Diego Galli)	(Rafael Giorgio Perrino)

INFRASTRUTTURE WIRELESS ITALIANE SPA

INDEPENDENT AUDITOR'S REPORT IN ACCORDANCE WITH
ARTICLE 14 OF LEGISLATIVE DECREE 39/2010 AND ARTICLE 10 OF REGULATION (EU) 537/2014

FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED
31 DECEMBER 2022

Independent auditor's report

in accordance with article 14 of Legislative Decree 39/2010 and article 10 of Regulation (EU) 537/2014

To the shareholders of
Infrastrutture Wireless Italiane SpA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Infrastrutture Wireless Italiane SpA (the Company), which comprise the statement of financial position as of 31 December 2022, the separate income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2022, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, and with the regulations issued to implement article 9 of Legislative Decree 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in section Auditor's Responsibilities for the Audit of the Financial Statements of this report. We are independent of the Company based on ethic and independence regulations and standards applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	*How our audit addressed the key audit matter*
Recoverability of goodwill *Note 4 "Goodwill"* As of 31 December 2022 goodwill amounts to € 6,147 million, representing 66% of total assets and 138% of net equity. The recoverability of the carrying amount of goodwill was tested for impairment at year end, in accordance with IAS36 – Impairment of Assets. The recoverable amount of goodwill is based on the fair value less cost of disposal of the group of cash generating units (CGU) to which goodwill is allocated. The fair value less cost of disposal is based on the quoted market price of the Company shares, adjusted by the estimated fair value of the assets and liabilities not directly attributable to the group of CGU. The recoverable amount of the group of CGU is compared with its carrying amount, composed of assets and liabilities attributable to the CGU, including goodwill. The recoverability of goodwill represented a key audit matter considering the magnitude of its carrying amount, the contribution to total assets and net equity.	We have performed an understanding and evaluation of the internal control system over the impairment test of goodwill. We have performed the following audit procedures: • assessment of the adequacy of the impairment testing process in accordance with the requirements of the accounting standard; • assessment of the key assumptions used when determining the fair value, based on quoted market price; • assessment of the accuracy of the carrying amount of assets and liabilities attributable to the group of CGU to which the goodwill is allocated; • testing the mathematical accuracy of the calculation model used. We have assessed the accuracy and completeness of the disclosure presented in the notes to the financial statements.

Key Audit Matter	*How our audit addressed the key audit matter*
Accounting for lease agreements in accordance with IFRS16 - Leases *Note 7 "Right of use on third-party assets" and note 14 "Financial liabilities"* IFRS16 requires the lessee to recognise, with limited exceptions, a right-of-use asset within non-current assets against the recognition of a financial liability measured as the present value of future lease payments. The right-of-use asset is depreciated over the lease term, through income statement. The financial liability is repaid through future lease payments, including interest expenses. As of 31 December 2022, the total amount of right-of-use assets and the associated financial liability recognized in accordance with IFRS16 is € 1,092 million and € 961 million, respectively. Annual depreciation and interest expenses amount to € 177 million and € 24 million, respectively. The accounting for lease agreements under IFRS16 represented a key audit matter considering their significance in the financial statements and the professional judgement required for the assessment of the assumptions used by management.	We have performed an understanding and evaluation of the internal control system over the management of lease agreements where the Company acts as a lessee. We have performed an understanding and evaluation of the assumptions used by management in the accounting for lease agreements, in accordance with IFRS16. We have performed control testing over the portfolio of lease agreements where the Company acts as a lessee, to verify the information flow processed by the accounting systems and the key assumptions used by management for the recognition and measurement of lease agreements in accordance with IFRS16. We have performed control testing and test of details – on a sample baisis – on the key elements of the lease agreements and main assumptions, with particular reference to the calculation of the lease term, the effect of potential options to extend the lease, the impact of inflation and the rate to discount the liability, used for the recognition and measurement of the lease assets and liabilities, including the depreciation of the period. We have verified the accuracy and completeness of the disclosure presented in the notes to the financial statements.

Key Audit Matter	*How our audit addressed the key audit matter*
Revenues from Master Service Agreement with TIM SpA *Note 17 "Revenues"* Annual revenues for 2022 amount to € 853 million, of which 86% or € 731 million generated from TIM SpA and Vodafone Italia SpA. Revenues from TIM SpA and Vodafone Italia SpA relate to different types of service rendered by the Company and are mainly regulated by the Master Service Agreements in place in 2022. The Master Service Agreements are complex agreements, containing several performance obligations, such as lease of tower space, power supply, air conditioning, backup systems, monitoring, security, asset management and maintenance services, guarantees and other minor services. The recognition of revenues derived from the Master Service Agreements represented a key audit matter considering the magnitude and the complexity of the agreements, the different type of services rendered to TIM SpA and Vodafone Italia SpA and the degree of judgement to be used in revenue recognition.	We have performed an understanding and evaluation of internal control system over the identification of performance obligations associated with the Master Service Agreements. We have verified the revenue recognition for the different performance obligations, also based on their stage of completion. We obtained written confirmation of amounts due from TIM SpA and Vodafone Italia SpA. We have assessed the accuracy and completeness of the disclosure presented in the notes to the financial statements.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and with the regulations issued to implement article 9 of Legislative Decree 38/2005 and, in the terms prescribed by law, for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Management is responsible for assessing the Company ability to continue as a going concern and, in preparing the financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the financial statements, management uses the going concern basis of accounting unless management intends either to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing, in the terms prescribed by law, the Company financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional scepticism throughout the audit.

Furthermore:

- we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; we design and perform audit procedures responsive to those risks; we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- we obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company internal control;

- we evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- we conclude on the appropriateness of management use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- we evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the related risks, or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that are of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our report.

Additional Disclosures required by Article 10 of Regulation (EU) 537/2014

We were appointed by the shareholders of Infrastrutture Wireless Italiane SpA at the general meeting held on 23 February 2015 to perform the audit of the Company's financial statements for the years ending 31 December 2015 through 31 December 2023.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) 537/2014 and that we remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to those charged with governance, in their capacity as audit committee, prepared in accordance with article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinion on compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The directors of Infrastrutture Wireless Italiane SpA are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 concerning regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter, the "Commission Delegated Regulation") to the financial statements, to be included in the annual report.
We have performed the procedures specified in auditing standard (SA Italia) 700B in order to express an opinion on the compliance of the financial statements with the provisions of the Commission Delegated Regulation.

In our opinion, the financial statements have been prepared in XHTML format in compliance with the provisions of the Commission Delegated Regulation.

Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree 39/2010 and Article 123-bis, paragraph 4, of Legislative Decree 58/1998

Management of Infrastrutture Wireless Italiane SpA is responsible for preparing a report on operations and a report on corporate governance and ownership structure of Infrastrutture Wireless Italiane SpA as of 31 December 2022, including their consistency with the relevant financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) 720B to express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree 58/1998, with the financial statements of Infrastrutture Wireless Italiane SpA as of 31 December 2022 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure mentioned above are consistent with the financial statements of Infrastrutture Wireless Italiane SpA as of 31 December 2022 and are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree

39/2010, issued on the basis of our knowledge and understanding of the Company obtained in the course of the audit, we have nothing to report.

Statement in accordance with article 4 of Consob's Regulation implementing Legislative Decree 254/2016

Management is responsible for the preparation, on a voluntary basis, of the non-financial disclosure in accordance with article 7 of Legislative Decree 254/2016. We have verified that management approved the non-financial disclosure.
In accordance with article 3, paragraph 10, of Legislative Decree 254/2016, the non-financial disclosure is subject to separate audit reporting by our firm.

Milan, 16 March 2023

PricewaterhouseCoopers SpA

Signed by

Fabio Chierico
(Partner)

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

Other Information

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

Board of Statutory Auditors' Report to the Shareholders' Meeting of Infrastrutture Wireless Italiane S.p.A. pursuant to art. 153 of Legislative Decree 58/1998 and pursuant to art. 2429, subsection 2 of the Italian Civil Code.

Dear Shareholders,

INWIT Infrastrutture Wireless Italiane S.p.A. ("INWIT" or "Company") operates in the electronic communications infrastructure sector in Italy; it builds and manages technological plants and civil structures (such as towers, pylons and masts) which house radio transmission equipment, mainly to serve telecommunications operators.

INWIT started its operations on 1 April 2015, the date of effect of the transfer of the "Tower" business unit of Telecom Italia S.p.A. ("Telecom Italia" or also "TIM"); following the merger with Vodafone Towers and the consequent growth both in terms of size and strategy, INWIT currently stands out as Italy's leading Tower Operator. INWIT's infrastructure consists of an integrated ecosystem of macro-grids, approximately 23,000 towers distributed throughout the country, and micro-grids, approximately 7,000 DAS ("Distributed Antenna Systems") and small cell systems on which the transmission equipment of all the main operators is hosted.

During the financial year ending 31 December 2022, INWIT's Board of Statutory Auditors (hereinafter also "Control Body") performed its supervisory activities as required by law, also taking into account the Rules of Conduct for the Boards of Statutory Auditors of listed companies (version 26 April 2018) recommended by the National Board of Chartered Accountants and Accounting Experts, and by CONSOB notices regarding corporate controls and the activities of the Board of Statutory Auditors.

The Board of Statutory Auditors therefore reports that, during the year ending 31 December 2022, it systematically acquired the information needed to perform its functions both through its participation in the meetings of the Board of Directors, the Control and Risk Committee, the Related Parties Committee, the Nomination and Remuneration Committee and the Sustainability Committee, and through interviews with managers and representatives of company departments, documentation analysis and inspection activities.

The Delegated Bodies reported at least quarterly on business conducted, on major financial and economic transactions, on transactions entailing possible conflicts of interest, on any atypical or unusual transactions, and on any other business or transaction that it was deemed ought to be disclosed.

****

1. During the financial year 2022, the Board of Statutory Auditors, on the basis of the information received and the specific analyses conducted, monitored and supervised the evolution of the ownership and governance structure following the acquisition by Impulse I S.à.r.l. of the equity investment held by TIM S.p.A, equal to 41%, in the share capital of Daphne 3 S.p.A. ("Daphne") - a company which in turn held a 30.2% stake in the share capital of INWIT - and the related shareholders' agreements (published as excerpts on the Company's website www.inwit.it) ("Operation"). Specifically, on 3 August 2022, the directors of INWIT representing Daphne resigned with effect as at the closing date of the Operation, which took place on 4 August 2022, with consequent activation of the "*simul stabunt simul cadent*" clause of INWIT's Bylaws and the subsequent call of the shareholders' meeting to appoint the Board of Director on 4 October 2022.

After closing of the Operation and the consequent dissolution of the shareholders' agreements, the Board of Statutory Auditors took note of the termination of joint control over INWIT by Central Tower Holding Company ("CTHC") and TIM S.p.A.; pursuant to art. 2359 of the Italian Civil Code, INWIT is an associate of Daphne 3 and CTHC, which exercise significant influence over the company, as defined by IAS 28. Given the changed ownership structure, INWIT can no longer qualify as a company with concentrated ownership within the meaning of the Corporate Governance Code, as stated in the Report on Corporate Governance and Share Ownership, to which reference should be made.

The Board of Statutory Auditors was also constantly informed on the evolution of the organisational structure, in particular with reference to the Technology & Operations, Administration, Financial & Control and Commercial Departments, on the establishment of internal management committees, as well as on changes in the scope of key managers and management.

The Control Body also monitored the participation procedure in the call for tenders of the National Recovery and Resilience Plan "Piano Italia 5G", which INWIT was awarded as agent in the Temporary Regrouping of Companies, with TIM S.p.A. and Vodafone Italia S.p.A., reinforcing its role as an enabler of digitisation for mobile operators.

The Board of Statutory Auditors also took note of the renewal of the Euro Medium Term Note ("EMTN") programme, which is also functional to possible bond issues and, in this context, verified the correct application of art. 2412 of the Italian Civil Code.

The Board of Statutory Auditors also monitored the path, which the Company has embarked on for some years now, to integrate sustainability into corporate strategies so as to generate value in a long-term perspective and contribute to the growth, improvement and social and economic development of the communities where the Company operates and of the players that make up its value chain. As part of this process, the Board of Statutory Auditors noted that the Company was ranked for the first time in the Bloomberg Gender Equality Index and the FTSE4Good, two of the main ESG indices, as well as achieving upgrades in the main mapped ESG ratings, including MSCI, GRESB, CDP, Sustainanalytics, FTSE Russell in the course of 2021-2022. In addition, in 2022 the Company drafted its first "TCFD Report" implementing the reporting framework defined by the Task Force on Climate-related Financial Disclosure.

With reference to the conflict in Ukraine, the Board of Statutory Auditors took note that the Company continued to monitor the developments of the crisis and also identified and assessed the factors that may affect business performance within the Enterprise Risk Management process. In this regard, in the Annual Financial Report 2022 - Main Risks and Uncertainties section - the Company reported the emerging risks related to global financial conditions, including with reference to the Russian-Ukrainian conflict and, specifically, the (i) increase in inflation, (ii) increase in raw material costs and delays and blockages in the supply chain and (iii) increase in interest rates.

2. With regard to transactions that could potentially constitute a conflict of interest, the Directors, when commenting on the individual items set out in the financial statements, indicate and illustrate the principal related parties transactions; reference should therefore be made to these sections for a description of the characteristics of the transactions and their economic effects.

As regards related party transactions, the Board of Statutory Auditors reports that, in accordance with CONSOB's regulatory provisions contained in resolution no. 17221 of 12 March 2010 (and subsequent amendments and supplements), the Company adopted a specific procedure as of 18 May 2015 (subject to various updates over time).

The procedure is briefly illustrated in the "2022 Report on Corporate Governance and Share Ownership of Infrastrutture Wireless Italiane S.p.A", to which reference should be made. It should also be noted that said procedure was last updated on 13 May 2021 so as to implement the changes to the CONSOB Regulation on the matter, adopted by Consob Resolution no. 21624 of 10 December 2020 (the procedure, in the updated version in force from 1 July 2021, is published on the company website www.inwit.it, Governance section).

The Board of Statutory Auditors has monitored the compliance of the procedures adopted with the principles established by CONSOB, together with actual observance thereof, and, with reference to related parties transactions of an ordinary nature, has no observations to make regarding their compliance and consistency with the Company's interests.

3. The Board of Statutory Auditors deems that the information provided by the directors in the Notes to the Financial statements of Infrastrutture Wireless Italiane S.p.A. regarding transactions with related parties, is adequate.

4. On 16 March 2023, the independent auditors PricewaterhouseCoopers S.p.A. (hereinafter also "Independent Auditors") issued its Report pursuant to art. 14 of Legislative Decree no. 39 of 27 January 2010 and in accordance with the provisions of art. 10 of EU Regulation no. 537/2014, which certifies that the financial statements as at 31 December 2022 provide a true and fair view of the Company's financial position as at 31 December 2022, of the results of operations and cash flows, in accordance with the International Financial Reporting Standards adopted by the European Union and the measures issued in implementation of art. 9 of Legislative Decree no. 38/2005. The Report indicates - as required by legislation - the key aspects of the audit as follows: the recoverability of the goodwill, the accounting of the leasing contract payables according to the international accounting standard IFRS 16 - Leasing, the revenues deriving from the Master Service Agreements with TIM S.p.A. and Vodafone Italia S.p.A. The aforementioned Report does not contain any disclosure requirements. The Independent Auditors also believe that the Directors' Report and some specific items of information in the Report on Corporate Governance and Share Ownership indicated in art. 123-bis, subsection 4, of the CLF are consistent with the financial statements of the Company as at 31 December 2022 and drawn up in compliance with the law.

The Independent Auditors also performed the audit procedures set out in Auditing Standard SA (Italy) 700B and have issued an opinion on whether the financial statements comply with the provisions of Delegated Regulation (EU) 2019/815 of the European Commission on regulatory technical standards relating to the specification of a single electronic communication format (ESEF - European Single Electronic Format).

5. During 2022, and up to the date of writing this Report, the Board did not receive any reports pursuant to art. 2408 of the Italian Civil Code.

6. During the course of 2022, and up to the date of drafting of this Report, the Board of Statutory Auditors, has not received any complaints.

7. With reference to the financial year 2022, the Company appointed PricewaterhouseCoopers S.p.A. - in addition to performing institutional auditing of the annual financial statements, the half-yearly report and the reporting package - to issue a "comfort letter" relating to the renewal of the Euro Medium Term Note ("EMTN") bond programme for a total consideration of 55,000 euros. The above amount is net of VAT and out-of-pocket expenses incurred for the performance of the appointment.

In addition, the independent auditors requested an adjustment of their fees related to the appointment for the legal audit of the accounts for the years 2015-2023, with reference to their fees for auditing the financial statements 2022 and 2023, considering the impact resulting from the entry into force of the accounting standard ISA 315 (Revised) - Identifying and Assessing the Risks of Material Misstatement and the fact that the new standard provides for more extensive obligations on the auditor with regard to the assessment of audit risks, thus requiring an increase in activities. Following this request, the Board of Statutory Auditors carried out an in-depth investigation, as a result of which it formulated its reasoned proposal to the Shareholders' Meeting, to which reference should be made.

8. The Board of Statutory Auditors monitored the independence of the Independent Auditors; the same company issued, on 16 March 2023, the annual statement of its independence, pursuant to art. 6, paragraph 2) a) of EU Regulation no. 537/2014 and paragraph 17 of ISA Italia 260.

9. During the financial year 2022, the Board of Statutory Auditors issued a favourable opinion on the appointment of the Executive responsible for preparing the corporate accounting documents pursuant to art. 154-bis of the Legislative Decree n. 58/1998 (“CLF”).

On 5 May 2022, the Control Body approved the appointment by co-optation of Pietro Guindani, resolved by the Board of Directors on the same date, to replace Fabrizio Rocchio, who had resigned.

Pursuant to the Corporate Governance Code, the Board of Statutory Auditors was consulted when defining the parameters underlying the achievement of the performance objectives for the variable remuneration of the Head of the Audit Department.

10. As stated in the "Report on Corporate Governance and Share Ownership for the year 2022 of Infrastrutture Wireless Italiane S.p.A.", in 2022, the Company's Board of Directors held 18 meetings; the Control and Risk Committee held 11 meetings; the Nomination and Remuneration Committee held 13 meetings; the Related Parties Committee held 8 meetings; and the Sustainability Committee held 7 meetings. In addition, in 2022 an informal meeting of all the Independent directors was held without the attendance of the Board.

The Board of Statutory Auditors met 24 times in 2022, (10 of which partly or entirely in conjunction with the Control and Risk Committee).

In addition, in 2022 the Board participated, with at least one member present, in:

(i) two Shareholders' Meetings;

(ii) all the meetings of the Board of Directors;

(iii) all the meetings of the Control and Risk Committee, the Nomination and Remuneration Committee, the Related Parties Committee and the Sustainability Committee.

It should also be noted that, starting from 5 May 2020 and until the approval of the financial statements as at 31 December 2022, a Supervisory Body is in office, pursuant to subsection 1, letter b) of art. 6 of Legislative Decree 231/2001 (in short "SB"), on which a member of the Board of Statutory Auditors has been called on to serve, upon its establishment, in order to ensure a systematic exchange of information with the Control Body. Already in the course of 2021, the composition of the SB had changed and, specifically, since 26 April 2021 it is composed of the Chairman (external member) and the Head of the Audit Department (internal member), as well as two Standing Auditors. In 2022, following the change in the Company's Head of Audit, the internal member of the SB was also replaced, with resolution of the Board of Directors on 28 July 2022 effective as of such date.

However, during the year, the Board of Statutory Auditors met the Supervisory Body for a mutual exchange of information.

11. The Board of Statutory Auditors has noted and monitored - to the extent of its competence - with the observance of the principles of proper administration: through of its participation in the meetings of the Board of Directors and of the various Committees; by gathering information from the Chief Executive Officer (up to 4 October 2022), the General Manager (as of his appointment to such position on 7 October 2022) and the Company's management, the Head of the Audit Department, the Executive responsible for preparing the corporate accounting documents, the Head of the Risk & Compliance Department and from the other second-level control departments, as well as through meetings with the aforesaid parties and with the representatives of the independent auditors PricewaterhouseCoopers S.p.A., for the purpose of the mutual exchange of relevant information and data and, as a result of the above activities, has no observations to make in this regard.

The Board of Statutory Auditors supervised compliance with the law and the Company Bylaws. Specifically, as regards the Board of Directors' resolution procedures, the Board of Statutory Auditors has ascertained, also by attending the Board of Directors' meetings, that the Directors' decisions comply with law and with the Company Bylaws, and has verified that the corresponding resolutions were appropriately accompanied by information, analyses, verification and discussion, and also, when necessary, by recourse to consultation with the committees and with external consultants. The Board of Statutory Auditors has also verified, as far as known, that the Directors have submitted the declarations required by art. 2391 of the Italian Civil Code.

12. Pursuant to INWIT's Corporate Governance Principles, the Board of Directors provides strategic supervision and guidance, pursuing the sustainable success of the Company. Specifically, the Board of Directors defines the most functional corporate governance system for carrying out the company's business and pursuing its strategies. Its primary objective is to create value for shareholders in the long-term, while also taking into account the legitimate interests of the other relevant stakeholders and facilitating dialogue with them.

In order to implement its decisions and manage the Company's business, the Board of Directors, in compliance with the limits established by law and the Company Bylaws, may delegate the appropriate powers to one or more directors, who report to the Board of Directors and to the Board of Statutory Auditors - promptly and at least on a quarterly basis - on the activities they perform, on the Company's general performance, its foreseeable development and its major financial or economic transactions.

The Shareholders' Meeting of 20 March 2020 appointed the current Board of Directors, which took office on 31 March 2020, the date on which the merger of Vodafone Towers into INWIT came into effect. Since that date, and up to 4 October 2022, the office of Chairman has been held by Emanuele Tournon, who has been granted legal and court representation. The position of Chief Executive Officer (and General Manager) was then assigned to Giovanni Ferigo, who remained in office until 4 October 2022.

On 5 May 2022 Pietro Guindani was appointed as non-executive Director, replacing Fabrizio Rocchio who resigned.

The Board's term of office ended early due to the resignation of 5 Directors as a result of the changes in the ownership structure due to the closing of the Operation described in point 1.

The Shareholders' Meeting, which met on 4 October 2022, appointed a new Board of Directors, which will remain in office until the approval of the financial statements as at 31 December 2024. Pursuant to the company bylaws, 11 Directors were elected, of whom: 4 Directors (Pietro Angelo Guindani, Sonia Hernandez, Antonio Corda and Christine Roseau Landrevot) taken from the qualified slate submitted by the shareholder Central Tower Holding Company B.V.; 4 Directors (Oscar Cicchetti, Rosario Mazza, Stefania Bariatti and Quentin Le Cloarec) taken from the qualified slate submitted by the shareholder Daphne 3 S.p.A. and 3 Directors (Secondina Giulia Ravera, Laura Cavatorta and Francesco Valsecchi) taken from the qualified slate submitted by a group of asset management companies and institutional investors together with the shareholder Priviledge Amber Event Europe.

Following the appointment of the new Board of Directors by the Shareholders' Meeting on 4 October 2022, on 7 October 2022 the Board of Directors appointed Oscar Cicchetti (non-executive Director) as Chairman of the same; he was granted legal and court representation and institutional relations powers, as well as management of the relationship with the Head of the Audit Department on behalf of the Board.

Also on 7 October 2022, the Board of Directors appointed Diego Galli - who already held the position of Chief Financial Officer of the Company - as General Manager of INWIT, conferring on him the powers relating to the overall governance of the company and ordinary management in its various expressions, within certain expenditure limits, without prejudice to the powers reserved to the Board of Directors by law or the Bylaws. The General Manager was also made responsible for establishing and maintaining - in implementation of the guidelines established by the Board of Directors - the internal control and risk management system, pursuant to recommendations 32 b) and 34 of the Corporate Governance Code.

The Company has adopted an organisational model that provides for monitoring the main activities required for the management, control and development of the Company's business. Based on this model, at the date of this Report, the following departments report to the General Manager:

- *Commercial Department (formerly Marketing & Sales)*;
- *Technology & Operations*;
- *Administration, Finance & Control*;
- *Legal & Corporate Affairs*;
- *Human Resources & Organization*;
- *External Relations, Communication & Sustainability*.

The Legal & Corporate Affairs department, through the Risk & Compliance division, manages obligations relative to compliance and regulatory matters.

As of 20 October 2022, the Head of the Financial Reporting & Accounting division, Rafael Perrino, has been appointed as Executive in charge.

As of 28 July 2022, the Head of the Audit department, which reports directly to the Board of Directors, is Alessandro Pirovano (Laura Trucco up to 30 June 2022).

Lastly, it should be noted that, with effect from 6 March 2023, Emilia Trudu has been appointed Chief Financial Officer and Head of Administration, Finance & Control.

The Board of Statutory Auditors, to the extent of its competence, has acquired information regarding the Company’s chosen organisational structure, and its implementation and development; it has also monitored the dynamic adequacy of the organisational structure and its operation, bearing in mind the Company’s objectives and has no comments to make in this regard as a result of such activities.

13. The Board of Statutory Auditors has monitored the implementation and correct functioning of the Company's internal control and risk management system (hereinafter, for brevity: the internal control system), assessing its ongoing adequacy through: (i) meetings with the Control and Risk Committee; (ii) regular meetings with the Heads of the Audit department, the Legal & Corporate Affairs department - which, as mentioned, also monitors questions of compliance - and with the executive responsible for preparing the corporate accounting documents; (iii) regular meetings with the heads of other company departments; and (iv) acquisition of documentation.

These periodic meetings were aimed, *inter alia*, at examining the activities carried out by such departments, risk mapping and verification programmes, also in the light of the significant dimensional, procedural and organisational evolution of the Company. The Board of Statutory Auditors has also examined the periodic reports of the Control and Risk Committee and of the Head of the Audit department, in particular the audits in the various areas of the company on the functioning of the internal control system.

The Board of Statutory Auditors has systematically met with the appointed Independent Auditors so as to periodically exchange information between the various control bodies.

The internal control system is currently organised and operates according to the principles and criteria set out in the Corporate Governance Code. It is an integral part of the general organisational structure of the Company and involves various players operating in a coordinated manner according to their respective responsibilities of: (i) strategic guidance and supervision by the Board of Directors; (ii) monitoring and management by the General Manager and management, with particular reference to the departments responsible for carrying out second level controls; (iii) monitoring role and provision of support to the Board of Directors by the Control and Risk Committee and the Head of the Audit Department; and (iv) supervision by the Board of Statutory Auditors.

The institution and maintenance of the internal control system is currently assigned to the General Manager and to the Manager in charge of preparing the accounting documents, for the area of his competence, so as to ensure the overall adequacy of the system and its practical functionality, in a risk-based perspective, which is also taken into account in determining the agenda for the Board's proceedings.

In accordance with the Corporate Governance Principles which the Company has adopted, in exercising its responsibility for the internal control and risk management system, the Board of Directors also avails of the Audit department, which has its own independent organisation and sufficient resources to carry out its own activities. Specifically, in 2022, the Audit department also availed of two leading independent consulting firms to perform its activities.

With specific reference to the structure of the internal control system, the Board of Statutory Auditors also acknowledged the progressive implementation and further evolution of the process implemented by the Company, in line with reference best practices, which has developed INWIT's approach to risk management and compliance from a "traditional" model into an integrated approach - coordinated by a single department head - from a methodological and organisational perspective, also so as to strengthen the second level control activities.

For further details of the internal control system, see the "Report on Corporate Governance and Share Ownership of Infrastrutture Wireless Italiane S.p.A in the financial year 2022".

The Board of Statutory Auditors has acknowledged the overall evaluation of the internal control and risk management system by the Head of the Audit department and the Control and Risk Committee.

The Control Body deems the internal control and risk management system to be generally adequate. In particular, the Control Body has monitored the actions implemented by the Company, in an evolutionary perspective, to continually strengthen the internal control system and has recommended that it continues along this path.

On 14 June 2022, the Board of Directors approved the updating of the Company's Organisational Model pursuant to Legislative Decree no. 231/01, also taking into account, *inter alia*, the changed organisational structure, the updating of the processes and the sensitive activities potentially exposed to the risk of crime, as well as some safeguards, in compliance with the regulations currently in force. The changes include, in particular, the alignment of the Risk Assessment methodology for 231 purposes with that envisaged by Enterprise Risk Management, with a view to integrated risk management and consequent updating of the principles of conduct and control standards.

It is also acknowledged, with reference to the matter of Whistleblowing, that on 29 September 2022 the Board of Directors approved a new procedure, according to the text jointly proposed by the undersigned Board of Statutory Auditors and the Supervisory Body, in line with the main recommendations of European Directive 1937/2019 ("Whistleblowing Directive").

14. The Board of Statutory Auditors – also in its capacity as Internal Control and Audit Committee - has evaluated and monitored the adequacy of the administrative-accounting system and its capacity to reliably and correctly represent operations, by obtaining information from the heads of the company departments concerned, examining documents and monitoring activities and by analysing the results of the work carried out by the independent auditors PricewaterhouseCoopers S.p.A. and has no comments to make on the matter as a result of these activities.

The Board of Statutory Auditors has acknowledged the statements issued by the General Manager and by the executive responsible for preparing the corporate accounting documents, with regard to the adequacy - in relation to the Company's nature - and the actual application in 2022, of the administrative and accounting procedures required for the drafting of the statutory financial statements.

With regard to the question of the impairment testing of goodwill and of assets with an undefined useful life, in accordance with international accounting standards, the Board of Statutory Auditors has monitored (i) the adoption and periodic updating by the Board of Directors of a specific procedure, and subsequently (ii) the results of the tests conducted in this regard by the management, which confirmed the recoverable nature of the same.

On 16 March 2023, the Independent Auditors issued the additional Report pursuant to art. 11 of EU Regulation no. 537/2014, which failed to identify any significant inadequacies in the internal control system with regard to the process of financial disclosure, which are sufficiently important to merit being brought to the attention of the undersigned Board of Statutory Auditors.

The Board of Statutory Auditors also supervised preparation by the Company of the Non-Financial Statement, prepared by the same for the fifth year on a voluntary basis. For the third time, the Company has prepared the Integrated Report containing the Non-Financial Statement for 2022. In this regard, in 2021 the company PricewaterhouseCoopers S.p.A. received the appointment for the three-year period 2021-2023 to carry out, on the basis of such statement, the limited assurance engagement test, following which, on 16 March 2023 it issued its report pursuant to art. 3, subsection 10, Legislative Decree no. 254/2016 and art. 5 of CONSOB Regulation no. 20267/2018. In this Report, the Independent Auditors concluded, on the basis of the work carried out, that no evidence had come to their attention that the Non-Financial Statement had not been prepared, in all significant respects, in accordance with the requirements of art. 3 of the aforementioned decree and the GRI Standards, as described in the "Methodological Note" section of said Non-Financial Statement.

The Board of Statutory Auditors has examined PricewaterhouseCoopers S.p.A.'s Report on the matter and monitored compliance with the provisions of Legislative Decree no. 254/2016.

15. The Control Body found that the obligation under art. 114, subsection 2 of Italian Legislative Decree no. 58/1998 does not apply since the Company held no equity in other companies as at 31 December 2022.

16. The Board of Statutory Auditors has ascertained, by means of direct audits and information received from the independent auditors PricewaterhouseCoopers S.p.A., that the regulations and laws concerning the formation and arrangement of the financial statements and the Directors' Report have been duly observed.

17. The Company adhered to the Corporate Governance Code (version 2020) drafted by the Corporate Governance Committee of Borsa Italiana, by resolution of the Board of Directors dated 4 February 2021.

18. The Board of Statutory Auditors has monitored the assessment of the requirements and correct application of the independence criteria of the Directors, also taking into account the qualitative and quantitative criteria approved and defined by the Board of Directors for the purposes of assessing independence. The same Control Body verified the independence requirements of its members, pursuant to art. 148, subsection 3, of Legislative Decree No. 58/1998, and this year too carried out a self-assessment process, supported for the third year by Russell Reynolds, completed on 13 February 2023 and concerning *inter alia*, the functioning of the Board itself. It was also verified that the members of the Board of Statutory Auditors collectively possessed the skills in the sector in which the Company operates, pursuant to art. 19 of Legislative Decree 39/2010.

For further information regarding the Company's Corporate Governance, see the "Report on Corporate Governance and Share Ownership of Infrastrutture Wireless Italiane S.p.A in the financial year 2022".

The Board of Statutory Auditors has verified that the aforesaid Report offers full information regarding the manner in which the Company has adopted and implemented the recommendations of the Corporate Governance Code.

In addition, the Board of Statutory Auditors has verified that the Report on the Remuneration Policy 2023 and the remuneration paid, prepared in accordance with art. 123-*ter* of Legislative Decree No. 58/1998 and approved by the Board of Directors on 2 March 2023, was prepared in accordance with regulatory provisions and provides adequate information on the Company's remuneration policy and the remuneration paid during the year. This Report, as did that of the previous two financial years, also takes into account the amendments made, pursuant to CONSOB Resolution No. 21623 of 10 December 2020, to art. 84-quater and Schedule No. 7-bis of Annex 3A to the Issuers' Regulations, following the transposition of Directive (EU) 2017/828 on the encouragement of long-term shareholder engagement (SHRD II).

19. The Board of Statutory Auditors' supervisory and auditing activities did not reveal any significant facts that need to be reported or mentioned in this Report.

20. The Board of Statutory Auditors, having acknowledged the results of the financial statements as at 31 December 2022, and bearing in mind that the Legal Reserve has reached one-fifth of the Share capital pursuant to art. 2430 of the Italian Civil Code, has no objection to make with regard to the Board of Directors' proposal to the Shareholders' Meeting, to allocate net profit for the financial year 2022, amounting to 293,339,500.30 euros, as well as distributing part of the available reserves for a total of 39,561,839.70 euros, using the entire retained earnings reserve (for 23,275.79 euros) and part of the share premium reserve (for 39,538,563.91 euros), and therefore to allocate a total of 332,901,340.00 euros, as follows:

- to the distribution to Shareholders, as a dividend, of 0.3467 euros for each of the 960,200,000 ordinary shares in circulation on the coupon date (excluding the treasury shares in the portfolio of Infrastrutture Wireless Italiane S.p.A.), gross of the withholdings required by law, with dividend coupon date of 22 May 2023, payable on 24 May 2023 and record date, pursuant to art. 83-terdecies CLF, of 23 May 2023.

Considering all the above, the Board of Statutory Auditors invites the Shareholders to approve the financial statements as at 31 December 2022 presented by the Board of Directors, together with the Directors' Report.

Moreover, with reference to the proposal to adjust the remuneration of the Independent Auditors relative to the external audit of the accounts, the Board of Statutory Auditors refers to the content of paragraph 7 of this Report and more specifically, to its reasoned proposal made to the Shareholders' meeting.

Milan, 16 March 2023

THE BOARD OF STATUTORY AUDITORS

Mr Stefano Sarubbi

Ms Maria Teresa Bianchi

Mr Giuliano Foglia