

INWIT: RESULTS AT 30 JUNE 2023

GROWTH OF ALL MAIN ECONOMIC AND FINANCIAL INDICATORS

ACCELERATION ON INFRASTRUCTURE WITH OVER 200 NEW SITES IN

SUPPORT OF TELECOMMUNICATIONS OPERATORS, INCLUDING IN DIGITAL

DIVIDE AREAS

- **REVENUES:** IN Q2 2023 THEY CAME TO 237.6 MILLION EUROS, SHOWING GROWTH OF +12.8% COMPARED TO THE SAME PERIOD OF 2022. IN H1 2023 THEY TOTALLED 471.2 MILLION EUROS, SHOWING GROWTH OF +12.8% COMPARED TO H1 2022.
- **EBITDA_{AdL}** (EBITDA – LEASING COSTS): IN Q2 2023, THE COMPANY'S MAIN OPERATING MARGIN TOTALLED 167.6 MILLION EUROS, UP BY +16.7 COMPARED TO THE SAME PERIOD OF FY 2022. IN H1 2023 IT TOTALLED 333.1 MILLION EUROS, UP +17.8% COMPARED TO H1 2022.
- **NET PROFIT:** IN Q2 2023 IT TOTALLED 80.8 MILLION EUROS, UP BY +9.3% COMPARED TO THE SAME PERIOD OF 2022. IN H1 2023 IT TOTALLED 163.7 MILLION EUROS, UP BY +15.3% COMPARED TO THE SAME PERIOD OF 2022.
- **RECURRING FREE CASH FLOW:** IN Q2 IT TOTALLED 186.9 MILLION EUROS, UP BY +84.8% COMPARED TO THE SAME PERIOD OF 2022. IN H1 2023 IT TOTALLED 323.5 MILLION EUROS, UP BY +42.1% COMPARED TO THE SAME PERIOD OF 2022.
- **INVESTMENTS:** IN Q2 THEY TOTALLED 59.8 MILLION EUROS, UP BY +54.4% COMPARED TO THE PREVIOUS QUARTER. IN H1 2023 INVESTMENTS TOTALLED 117.1 MILLION EUROS, UP BY +66.0% COMPARED THE SAME PERIOD OF 2022.
- IN Q2 THE BUSINESS CONTINUED TO GROW WITH 225 **NEW SITES**, 1,060 **NEW HOSTINGS** FOR MOBILE OPERATORS, FWA AND OTHERS.
- **NET DEBT:** IT TOTALLED 4,339 MILLION EUROS, WITH FINANCIAL LEVERAGE OF 5.0X UP FROM THE PREVIOUS QUARTER DUE TO THE PAYMENT OF THE DIVIDEND, AMOUNTING TO 329 MILLION EUROS. IMPROVED FINANCIAL LEVERAGE COMPARED TO 30 JUNE 2022 (5.6X).
- DEVELOPMENT CONSISTENT WITH THE TARGETS OF THE BUSINESS AND SUSTAINABILITY PLANS, IN LINE WITH GUIDANCE.
- GENERAL MANAGER **DIEGO GALLI:** "Q2 2023 CONFIRMS A TREND OF GROWTH OF ALL MAIN ECONOMIC AND FINANCIAL INDICATORS. IN A CONTEXT THAT CONTINUES TO BE CHALLENGING FOR THE TELECOMMUNICATIONS INDUSTRY, THERE IS CONTINUED DEVELOPMENT OF 5G MOBILE NETWORKS, LEVERAGING OUR BUSINESS MODEL BASED ON INVESTMENTS IN DIGITAL AND SHARED INFRASTRUCTURE. INWIT REMAINS FOCUSED ON THE ROLL-OUT OF SITES, BOTH IN URBAN AREAS AND AREAS OF DIGITAL DIVIDE, AS WELL AS ON THE GROWING NEED FOR INDOOR COVERAGE WITH DAS TECHNOLOGY".

Rome, 26 July 2023 – The Board of Directors of Infrastrutture Wireless Italiane S.p.A. (**INWIT**) met today, chaired by Oscar Cicchetti, and examined and approved the financial report as of 30 June 2023.

Q2 2023 main results

The results for the second quarter of 2023 confirm the continued acceleration in the growth of the main industrial KPIs, revenues and an improvement in profitability and cash generation.

Summary indicators	Unit of measurement	Apr–Jun 2023	Apr–Jun 2022	YoY growth
New Sites	Number	225	120	~2x
New Hostings	Number	1.060	1.080	-1.9%
of which with OLOs	Number	410	540	-24%
Tenancy ratio (period end)	Ratio	2.20x	2.09x	0.11pp
SC/DAS remote units	Thousands	0.5	0.2	>2x
Real estate transactions	Number	510	650	-21.5%
Total Revenues	EUR M	237.6	210.7	12.8%
EBITDA	EUR M	216.4	191.7	12.9%
EBITDA margin	%	91.1%	91.0%	0.1pp
EBIT	EUR M	123.5	102.2	20.9%
Net profit	EUR M	80.8	73.9	9.3%
EBITDAaL	EUR M	167.6	143.5	16.7%
EBITDAaL Margin	%	70.5%	68.1%	2.4pp
Recurring Free Cash Flow	EUR M	186.9	101.1	84.8%
Investments	EUR M	59.8	38.7	54.4%
Net Financial Position (NFP)	EUR M	4,339	4,282	1.3%
Financial leverage (NFP/EBITDA)	Ratio	5.0x	5.6x	(0,6)x

Q2 2023 saw a continuation of the development of INWIT's technological infrastructure:

- extending the number of new sites by 225;
- continuing the increase in new hostings, amounting to 1,060;
- continuing the plan for multi-operator indoor coverage in the locations with the highest concentration of users and traffic, developing more than 500 remote units for indoor DAS coverage;
- boosting its efficiency also through its plans to renegotiate rental contracts and purchase land, with 510 real estate transactions.

Revenues totalled 237.6 million euros, an annual growth of +12.8% compared to the same period of 2022. **EBITDA** was 216.4 million euros, an increase of +12.9% on the same period of 2022. This growth, together with greater **efficiency in leasing costs**, has led to the expansion of **EBITDAaL**, which totalled 167.6 million euros, an increase of +16.7%, and as a percentage of revenue reached 70.5% in Q2 2023, up from 68.1% compared to the same period of 2022.

Net profit totalled 80.8 million euros, up +9.3% compared to the same period of 2022, while **Recurring Free Cash Flow** amounted to 186.9 million euros (+84.8%) compared to the same period of 2022. At 30 June 2023,

net financial debt came to 4,339 million euros, of which approximately 1,031 million euros referred to IFRS16. Financial leverage (the ratio of Net Debt to EBITDA) stood at 5.0x, up from the value at the end of March 2023 (4.7x), essentially due to the payment of dividends; INWIT's gradual deleveraging is evidenced by the reduction in the ratio of Net Debt to EBITDA compared to the end of June 2022 (5.6x).

Main results at 30 June 2023

During the first six months of FY 2023, all the main economic and financial indicators have shown growth.

Summary indicators	Unit of measurement	Jan-Jun 2023	Jan-Jun 2022	YoY growth
Total Revenues	EUR M	471.2	417.7	12.8%
EBITDA	EUR M	430.2	379.8	13.2%
EBITDA margin	%	91.3%	90.9%	0.4pp
EBIT	EUR M	246.0	197.9	24.3%
Net profit	EUR M	163.7	142.0	15.3%
EBITDAaL	EUR M	333.1	282.8	17.8%
EBITDAaL Margin	%	70.7%	67.7%	3.0pp
Recurring Free Cash Flow	EUR M	323.5	227.7	42.1%
Investments	EUR M	117.1	70.5	66.0%
Net Financial Position	EUR M	4,339	4,282	1.3%
Financial leverage	Ratio	5.0x	5.6x	(0,6)x

Revenues stood at 471.2 million euros, up +12.8 % on the same period of 2022 (417.7 million euros). The periods in question include **one-off revenues** for 0.3 million euros. **EBITDA** was 430.2 million euros, up by +13.2% compared to the same period of 2022. **EBITDAaL** was 333.1 million euros, up by +17.8% compared to the same period of 2022. **Net profit** for the period totalled 163.7 million euros, up +15.3% compared to the same period of 2022.

Recurring Free Cash Flow for HI 2023 was 323.5 million euros, up by +42.1% compared to the same period of 2022. **Investments** for the period came to 117.1 million euros, up 46.5 million euros compared to the same period of 2022 (+66.0%) and were mainly allocated to the development of new sites, of indoor micro-cell coverage with DAS and the acquisition of land.

Plan for merger by incorporation into INWIT S.p.A. of 36 Towers S.r.l

On April 1, 2023, INWIT completed the acquisition of 100% of the shares of 36 TOWERS S.r.l., which operates a total of 36 sites for mobile phone networks located mainly in Piedmont and Lombardy.

Today, among other things, the Board of Directors approved the plan for the merger by incorporation into INWIT of 36 TOWERS, whose share capital is wholly and directly owned by INWIT. The merger plan was also approved on the same date by the Sole Director of 36 TOWERS. The transaction, which provides for the application of the simplifications provided for by the regulations for merger transactions of wholly-owned companies, will not entail any issue of new shares nor any assignment of shares of INWIT, the sole shareholder of the company involved in the merger.

Pursuant to the current regulations, the transaction will be submitted to the Shareholders' Meeting of 36 TOWERS and to the Board of Directors of INWIT, as allowed by the latter's bylaws. The merger will make it possible to concentrate the assets in a single entity, centralise the operational activities of the company to be merged in the parent company, and thus reduce administrative, legal, accounting and management obligations.

The transaction benefited of the exemption from the application of the Procedure on Related Party Transactions adopted by the Board of Directors of INWIT, provided for transactions with subsidiaries, pursuant to Article 14, subsection 2, of Consob Regulation no. 17221/2010 and Article 13.4 of the aforementioned Procedure.

Update on the "Italia 5G" Plan of the NRRP

The **"Italia 5G" Plan of the NRRP**, the programme for the development of new infrastructure in areas of digital divide, is on track to achieve the end-of-year targets. Thanks to careful and effective operational planning, the trend of submitted and already obtained permits continues; the speed and efficiency of the programme is related to the timing of permits and the cooperation of local authorities. In this regard, it is essential for the relevant simplifications adopted by the Government and the Parliament to be fully adopted at local level.

INWIT continues its commitment to representing the value of digital infrastructure in the regions in support of social and industrial transformation, including through close collaboration with institutions and associations representing local communities, as demonstrated by the signing of the Memorandum of Understanding with UNCEM (Italy's National Union of Mountain Municipalities, Communities and Authorities).

Progress of the Sustainability Plan (2023-2026)

INWIT's commitment to achieving sustainable success continues, with a focus on its integrated **Sustainability Plan**, developed around the E (Environment), S (Social) and G (Governance) pillars. It underpins the role of "Tower as a Service": a shared digital infrastructure that is therefore intrinsically sustainable.

Environment:

- Obtained certification according to ISO 50001, with the objective of optimising energy performance;
- Carried out energy efficiency initiatives with expected savings at full capacity of 4.5 GWh;
- Signed partnerships with Legambiente for air quality monitoring, through the installation of IoT sensors and gateways on several INWIT towers to measure and monitor environmental parameters, and with WWF to automatically detect and promptly alert users of fires spreading in wooded nature reserves, to protect biodiversity.

Social:

- Continued efforts towards the reduction of the digital divide in support of telecommunications operators with over **140 new hostings in socially underdeveloped areas** and the signing of a **Memorandum with UNCEM**;
- INWIT among the first signatories of the **Manifesto "Imprese per le Persone e la Società"** [Businesses for People and Society] promoted by the UN **Global Compact** Network Italia, for growing commitment by companies to the social aspect of sustainability.

Governance:

- Published the first INWIT TCFD Report, which describes the management of the risks and opportunities associated with climate change;
- INWIT once again included in the **Bloomberg Gender-Equality Index (GEI)**, and in the **FTSE4Good**. Upgraded rating from **ISS** with achievement of **Prime status** and from **Sustainalytics, Standard Ethics, ISS**;

- Survey on “Digital Infrastructure and Italy’s Growth” presented at the third **Stakeholder Forum**. According to the survey, Italian citizens consider digital infrastructure to be essential for Italy’s harmonious and sustainable growth.

Information on Russia/Ukraine conflict

With reference to the events relating to the war in Ukraine, the factors that may impact the business performance have been identified and assessed under the scope of the Enterprise Risk Management process. The company constantly monitors the crisis as it unfolds, intensifying its monitoring and risk mitigation measures as may be necessary, also with a view to identifying any impacts that cannot be foreseen to date. In any case, there are no significant effects on the financial statements as at 30 June 2023 or on the outlook for the company’s business.

Outlook for the 2023 financial year

INWIT is Italy’s most important wireless infrastructure operator, on the strength of the most extensive network of macro sites (towers, masts, pylons – macro grids) and systems of micro-cell coverage (Distributed Antenna Systems, DAS and small cells – micro grids), assets that assure a capillary, integrated coverage of the territory in support of connectivity, with a “tower as a service” business model in support of all mobile, FWA and IoT operators.

The reference, technological and market scenario for the Tower Companies sector is characterised by positive structural trends, such as the growing use of data on the move, the current technological transition towards 5G, the need to complete and increase the density of coverage, contributing also to reducing the digital divide and the considerable investments made in digital technologies and infrastructures, also supported by the Next Generation EU programme. In the short-term, in addition to the major demand for connectivity, difficulties and strong competition continue to remain on the Italian telecommunications operator market, impacting the profitability of the sector as a whole. The INWIT business model, which is based on long-term inflation linked hosting contracts, offers protection and support in this context.

These trends result in a growing market demand for new infrastructures and hosting services, as well as the activation of innovative services that are allowing TowerCo to transition from real estate assets to actual shared digital infrastructures, spread throughout the territory, connected to the grid, secure and available to all operators. INWIT, therefore, finds itself in an ideal position to play a leading role in the current digital transformation in progress.

After the 2020 merger with Vodafone Towers and completion of the integration activities in 2021, in 2022 INWIT’s industrial and financial results have recorded a greater, more solid growth trend, which is expected to continue this year, through a further improvement of all industrial, economic and financial indicators.

As regards the outlook for the 2023 financial year, we expect to see growth in revenues in the range of 960-980 million euros, an EBITDA margin of approximately 91%, stable on 2022, an EBITDAaL margin of

approximately 71%, up by two percentage points on 2022 and Recurring Free Cash Flow up in the range of 595-605 million euros. In terms of shareholder remuneration, the company's current dividend policy envisages dividends per share up +7.5% per year through to 2023. These expectations reflect the continuous development of the number of sites, which will be strengthened in 2023, the increased hosting by all the major mobile, FWA and OTMO operators on the market, further development of indoor DAS/micro-grid hosting and the benefits linked to inflation.

The economic and financial results of INWIT at 30 June 2023 will be illustrated to the financial community during a conference call scheduled for 26 July 2023 at 6.00 p.m. (CET). Journalists may listen to the conference call, without asking questions, by calling: +39 02 8020927. The presentation to support the conference call will be made available in advance in the Investors section of the company website www.inwit.it.

Pursuant to subsection 2, Article 154-bis of the Consolidated Law on Finance, the Executive responsible for preparing the corporate accounting documents, Rafael Giorgio Perrino, has declared that the accounting disclosures contained in this press release correspond to the documentary evidence and the accounting books and records.

INWIT draws up and publishes Interim Reports on Operations for the first and third quarters of each year on a voluntary basis. The Half Year Report at 30 June 2023 includes the Interim Management Report and the Condensed Half-Yearly Financial Statements at 30 June 2023 prepared in accordance with IFRS accounting standards issued by IASB and endorsed by the EU. The Condensed Half-Yearly Financial Statements at 30 June 2023 have undergone a limited scope audit. Note, lastly, that the "Business Outlook for the 2023 financial year" chapter contains forward-looking statements about the Company's intentions, beliefs and current expectations with regard to its financial results and other aspects of the Company's operations and strategies. Readers of this press release should not place undue reliance on such forward-looking statements, as final results may differ significantly from those contained in the above-mentioned forecasts owing to a number of factors, the majority of which are beyond the Company's control.

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ATTACHMENTS TO THE PRESS RELEASE

The Consolidated Income Statements, Consolidated Statements of Financial Position and the Consolidated Statements of Cash Flows as well as the Consolidated Net Financial Debt of the Group, herewith presented, are the same as those included in the Condensed Consolidated Financial Statements of the Group for the period from January 1, 2023 to June 30, 2023.

CONSOLIDATED INCOME STATEMENT

(thousands of euros)	1st Half 2023	1st Half 2022
Revenues	471,231	417,668
Acquisition of goods and services - Ordinary expenses	(20,904)	(22,356)
Employee benefits expenses	(9,724)	(10,190)
Other operating expenses - Ordinary expenses	(10,431)	(5,276)
Operating profit (loss) before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)	430,172	379,846
Depreciation and amortization, gains/losses on disposals and impairment losses on non-current assets	(184,142)	(181,979)
Operating profit (loss) (EBIT)	246,030	197,867
Financial income	120	-
Financial expenses	(51,916)	(37,774)
Profit (loss) before tax	194,234	160,093
Income taxes	(30,511)	(18,108)
Profit for the period	163,723	141,985
Basic and Diluted Earnings Per Share	0.172	0,148

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Assets

(thousands of euros)	06/30/2023	12/31/2022
Assets		
Non-current assets		
Intangible assets		
Goodwill	6,155,962	6,146,766
Intangible assets with a finite useful life	523,095	589,489
Tangible assets		
Property, plant and equipment	998,077	933,009
Right-of-use assets	1,184,540	1,091,975
Other non-current assets		
Non-current financial assets	757	910
Miscellaneous receivables and other non-current assets	200,539	232,515
Total Non-current assets	9,062,970	8,994,664
Current assets		
Trade and miscellaneous receivables and other current assets	190,152	194,109
Financial receivables and other current financial assets	272	257
Current income tax receivables	4,915	-
Cash and cash equivalents	103,627	72,852
Total Current assets	298,966	267,218
Total Assets	9,361,936	9,261,882

Equity and Liabilities

(thousands of euros)	06/30/2023	12/31/2022
Equity		
Share capital issued	600,000	600,000
Minus: treasury shares	(1,027)	(294)
Share capital	598,973	599,706
Share premium reserve	2,053,205	2,092,743
Legal reserve	120,000	120,000
Other reserves	1,351,727	1,360,633
Retained earnings (losses) including earnings (losses) for the period	163,825	293,363
Total Equity	4,287,730	4,466,445
Liabilities		
Non-current liabilities		
Employee benefits	2,277	2,303
Deferred tax liabilities	201,713	203,517
Provisions for Risks and Charges	232,350	226,319
Non-current financial liabilities	3,905,634	3,879,683
Miscellaneous payables and other non-current liabilities	18,158	15,704
Total Non-current liabilities	4,360,132	4,327,526
Current liabilities		
Current financial liabilities	537,758	273,033
Trade and miscellaneous payables and other current liabilities	175,866	193,064
Provisions for Risks and Charges	450	450
Current income tax payables	-	1,364
Total current Liabilities	714,074	467,911
Total liabilities	5,074,206	4,795,437
Total Equity and Liabilities	9,361,936	9,261,882

CONSOLIDATED CASH FLOW STATEMENT

(thousands of euros)	1st Half 2023	1st Half 2022
Cash flows from operating activities:		
Profit for the period	163,723	141,985
Adjustments for:		
Depreciation and amortization, losses/gains on disposals and impairment losses on non-current assets	184,142	181,979
Net change in deferred tax assets and liabilities	(1,825)	(13,257)
Change in provisions for employee benefits	(67)	(602)
Change in trade receivables	6,966	(12,070)
Change in trade payables	(33,102)	(28,516)
Net change in miscellaneous receivables/payables and other assets/liabilities	24,009	2,267
Other non-monetary changes	4,646	1,955
Cash flows from operating activities	(a) 348,492	273,741
Cash flows from investing activities:		
Total purchases of tangible and intangible assets for the period and right-of-use assets (*)	(299,397)	(186,277)
<i>Of which change in amounts due to fixed asset suppliers</i>	199,352	75,768
Total purchases of tangible and intangible assets and right-of-use assets on a cash basis	(100,045)	(110,509)
Change in financial receivables and other financial assets	138	128
Other non-current changes	(6,900)	-
Cash flows used in investing activities	(b) (106,807)	(110,381)
Cash flows from financing activities:		
Change in current and non-current financial liabilities	130,490	88,963
Dividends paid (*)	(332,803)	(305,626)
Treasury shares acquired	(8,620)	(2,133)
Cash flows used in financing activities	(c) (210,933)	(218,796)
Aggregate cash flows	(d=a+b+c) 30,752	(55,436)
Net cash and cash equivalents at beginning of the period	(e) 72,852	96,320
Net cash and cash equivalents – extraordinary flows	(f) 23	-
Net cash and cash equivalents at end of the period	(g=d+e+f) 103,627	40,884

CONSOLIDATED NET FINANCIAL DEBT

(thousands of euros)	06/30/2023	12/31/2022
A Cash	-	-
B Cash and cash equivalents	103,627	72,852
C Current financial receivables	272	257
D Liquidity (A + B + C)	103,899	73,109
E Current financial payables	-	-
F Current portion of financial payables (medium/long-term)	537,758	273,033
G Current financial debt (E+F)	537,758	273,033
H Net current financial debt (G-D)	433,859	199,924
I Financial payables (medium/long-term)	1,668,239	1,643,594
J Bonds issued	2,237,395	2,236,089
K Trade payables and other non-current payables	-	-
L Non-current financial debt (I+J+K)	3,905,634	3,879,683
M Net Financial Debt as per ESMA recommendations (H+L)	4,339,493	4,079,607
Other financial receivables and non-current financial assets	(757)	(910)
INWIT Net Financial Debt	4,338,736	4,078,697