INWIT

# INTEGRATED REPORT 2023

## Sharing connections

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# LETTER TO STAKEHOLDERS

NFS

GRI 2-22

*Dear Shareholders and Stakeholders,*

We are pleased to present you with our first Integrated Report, containing the Annual Financial Report and the Non-Financial Statement. This document represents a further, significant milestone in the reporting path undertaken by INWIT in 2020 and aims to give a coherent and integrated view of the company to all our stakeholders.

An exercise that actually anticipates the requirements indicated by the CSRD (Corporate Sustainability Reporting Directive), the new directive on the sustainability reporting, according to which INWIT will be obliged to include sustainability information within the management report starting from 2026, with reference to the 2025 financial year.

The Integrated Report highlights our attention to the impacts that our activities can have on people, the environment, and territories and leads us to pursue sustainable success and create value for our shareholders and all our stakeholders.

Our mission, represented by the *"tower as a service"* concept, is to **realize and manage shared and digital infrastructures**, which enable operators and technologies to connect people and objects, anytime and anywhere, for the benefit of the communities in which we operate. Indeed, digital infrastructures are essential to enable a sustainable development model, where connectivity and digital innovation translate into attention to the needs of citizens and the country, equal opportunities and a lower environmental impact.

In 2023 we have accentuated our efforts to integrate **sustainability** into industrial strategy, with the aim of generating industrial, economic, environmental and social efficiency, and this Report fully expresses this.

People are at the heart of our strategy: This is why we are particularly pleased to be certified Top Employers, in recognition of our ongoing commitment to contribute to the well-being and development of our people and to improve the working environment to make it more inclusive. Another important achievement in this direction is having obtained UNI/PdR 125:2022 certification for Gender Equality, in a sector, like ours, where the path to equality is challenging and requires commitment and long-term vision.

Our digital infrastructures play an important role in the digital transformation of the country and the social dimension represents a priority in our sustainable business model. This is why we decided to be among the first 15 signatories promoting the Manifesto "Businesses for People and Society", promoted by the **UN Global Compact Network Italy**. In our daily actions, we support the 10 principles of the Global Compact, aware that organizations should promote a sustainable environment and do business in societies that are geared towards achieving the Sustainable Development Goals, as defined by the UN 2030 Agenda.

In terms of our commitment to combating **climate change**, after obtaining ISO 50001 certification of our Energy Management System, we defined an ambitious decarbonization strategy, validated by the Science Based Target initiative (SBTi), aimed at achieving Net Zero by 2040 for our direct and indirect CO2 emissions, consistent with international agreements on climate change (Paris Agreement) and aimed at keeping the increase in global warming within 1.5°C. Confirming the validity of our path, we achieved a leadership level in the CDP Climate Change, the main rating that measures companies' climate commitments, with a score of A-.

With regard to sustainability ratings and indices, 2023 saw the confirmation of our inclusion in the Bloomberg GEI and FTSE4Good, two major ESG indices, the entry of prime status in the ISS ESG rating, and an upgrade by GRESB where we went from B to A.

Confirming the **Company's growth** path, INWIT's main industrial, economic and financial indicators showed further improvement in 2023, consistently with the Business Plan guidelines.
In terms of financial results, **revenues** reached 960 million euros in 2023, **up 12.6%** compared to 2022, and the EBITDA after-lease margin grew by 16.8%, the highest in the industry, reaching 71% as a ratio of revenues, up by more than two percentage points, also thanks to ongoing lease cost efficiency measures. INWIT confirmed its ability to generate high cash flows, with more than 611 million euros of Recurring Free Cash Flow, +24%, as a result of the growth in margins and of the benefits of tax efficiency plans.

These results allowed us to distribute dividends of more than 330 million euros, up 7.5% from 2022 and in line with the company's policy, which envisages further growth in 2024. In 2023 there was also a strong acceleration in the development of our assets, with investments amounting to 290 million euros, 55% more than in 2022.

The 'macro grid' site park has expanded with a record completion of more than 900 sites, bringing the total to over 24,000 and with the activation of over 4,200 new hostings for telecommunications equipment which have allowed us to reach a total of over 54,000 hostings contracts with a ratio of over 2.2 customers per site, among the highest in the industry. In addition, we implemented new projects for dedicated indoor coverage with Distributed Antenna Systems (DAS) technology, responding to the growing interest from operators, public administration, hospitals, and real estate and industrial asset owners, which led us to have a total of approximately 450 DAS under management by the end of 2023.

Strengthened by the results of the year that has just ended, we continue on this path with even greater motivation, aware that our infrastructure, digital and shared, and know-how are essential for enable a more connected future and a more inclusive, sustainable and secure society.

**The Chairman**
*Oscar Cicchetti*

**The General Manager**
*Diego Galli*

## ECONOMIC AND FINANCIAL HIGHLIGHTS 2023

| | |
|---|---|
| REVENUES € 960.3 MLN | + 12.6 % VS 2022 |
| EBITDA € 879.2 MLN | + 12.8 % VS 2022 |
| NET PROFIT € 339.5 MLN | + 15.7 % VS 2022 |
| EBITDAaL € 685.6 MLN | + 16.8 % VS 2022 |
| INVESTMENTS € 290.0 MLN | + 55.1 % VS 2022 |
| NFP € 4,207 MLN | + 3.2 % VS 2022 |
| Financial Leverage equal to 4.8 x | – 0,4 x VS 2022 (5.2X) |
| Recurring Free Cash Flow € 611.5 MLN | + 24.4 % VS 2022 |

## NON-FINANCIAL HIGHLIGHTS 2023

### GOVERNANCE

- BOD: 55% INDEPENDENT
- BOD: 45% WOMEN
- NEW CODE OF ETHICS

### INFRASTRUCTURE CAPITAL

- +24,000 TOWERS
- +54,000 HOSTINGS
- 450 DAS
- 1.000 Km of tunnel covered

### SHARE CAPITAL

- 120 HOSPITALS covered by DAS
- 448 hosts in IVSM>99 area
- UNCEM PROTOCOL
- 97% LOCAL EXPENDITURE

### HUMAN CAPITAL

- 296 EMPLOYEES 39% WOMEN
- UNI PDR 125 GENDER EQUALITY CERTIFICATION
- Lost Days Injury Rate 0,87

### NATURAL CAPITAL

- NET ZERO TARGET APPROVAL TO 2040
- ISO 50001 ENERGY MANAGEMENT SYSTEM CERTIFICATION
- 98% RECOVERED MATERIALS

# COMPANY PROFILE

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## INWIT'S CORE BUSINESS

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GRI 2-1, 2-6 (partial)[1]

INWIT is the largest operator in the **wireless infrastructure sector in Italy**, with a market share of over 45%. INWIT builds and manages digital and shared infrastructures, which house the radio transmission equipment of mobile, FWA and IoT telecom operators.
INWIT's infrastructure consists of an integrated ecosystem of macro-grids (towers, masts, pylons and related technological installations) and micro-grids (DAS, small cells, repeaters), with an offer that follows technological developments, serving all mobile operators.

INWIT's **macro grid** is made up of **over 24 thousand towers**, widely distributed throughout the country, with a density of one tower every 3 km. The technological content and the strategic nature of the locations make INWIT sites attractive to all operators in the telecommunications market, present today with over 54,000 hosting contracts, for a tenancy ratio of over 2 hosts per site, among the highest in the sector. 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, providing coverage and network capacity with its approximately **450 DAS** (Distributed Antenna Systems) equipment, small cells and repeaters installed in indoor and outdoor locations characterized by high user density and specific needs for dedicated coverage. The nearly 8,000 remote units of the micro grid cover sites such as stations, hospitals, shopping malls, offices and production areas, as well as roads and highways. To date, INWIT covers about 1,000 km of road and motorway tunnels, including some of the main national arterial roads. The demand for dedicated microgrid coverage is supported by the technology transition from 4G to 5G and the increasing mobile data consumption.

All of this makes INWIT central to enabling telecommunications technologies, contributing significantly to overcoming the digital divide and digitizing the territory.

## THE HISTORY OF INWIT

NFS

INWIT's story began in March 2015, following the spin-off of Telecom Italia's "Tower" branch.
The merger with Vodafone Towers, finalized at the end of March 2020, significantly transformed its size and strategic profile.
INWIT's activity is directly linked to the birth and development of mobile telecommunications in Italy, at the hands of the two main operators in the sector, TIM and Vodafone Italia. As incumbent and first challenger, the two operators have invested in creating the best networks, characterized both by the quality of the locations and the high standard of infrastructure implementation. INWIT has inherited all this heritage, together with a wealth of technical and professional knowledge of the highest level, and continues to work to consolidate it, creating a set of systems, processes and knowledge that can create value, at the service of the rapid and efficient deployment of 5G by operators.

[1] It should be noted that the requirements of GRI 2-6 are covered under points a., b.i. in the INWIT paragraph: INWIT's core business; for points b.ii, c, in the section "INWIT strategy for value creation", and for the remainder in the section "Supply chain management".



**Milestones in the history of INWIT**

**2015**
***INWIT is born***
*Creation and listing of Infrastrutture Wireless Italiane S.p.A. Tower Operator Neutral Host*

**2018**
***Towers, microcells and DAS***
*Thanks to its towers and the implementation of Microcells and DAS, INWIT is a leader in Italy in the field of mobile telephony infrastructure*

**2019**
***Partnership with Vodafone***
*Thanks to the partnership with Vodafone, Italy's largest tower operator.*

**2020**
***INWIT and Vodafone Towers merger***
*The merger generates a significant transformation of its size.*
***FTSE MIB and STOXX® Europe 600***
*INWIT stock is included in the main Italian stock index, the FTSE MIB, and the STOXX® Europe 600.*

**2021**
***Acquisition from Vodafone Italy***
*of radio installations and DAS to cover 1,000 km of road and motorway tunnels.*
*First* ***EIB*** *and* ***Sustainability-linked term loan****,*
*linked to specific sustainability indicators*

**2022**
***Digital Divide Reduction Agreements***
*NRRP "Italia 5G" Plan announcement*
*Agreement with Open Fiber.*
***ESG Indices***
*Inclusion in the FTSE4Good and Bloomberg Gender Equality Index.*

**2023**
***Record of more than 900 new sites*** *set up in the year.*
***First sites of the NRRP Italian Plan 5G-Densification*** *were built.*
***ESG Certifications***
*ISO 50001 Energy Management System UNI PdR 125 for gender equality.*
***Tenancy Ratio*** *at 2.23.*
***Net Zero Target 2040***
*Target approved by the Science Based Initiative (SBTi).*
***Protocol with UNCEM***
*for the digital infrastructure of municipalities and mountain communities.*
***WWF and Legambiente projects***
*for environmental monitoring to protect biodiversity.*
***Protocol with ANCI, Infratel, DTD***
*to reduce the digital divide.*

**2024**
***INWIT's growth continues***

## INWIT'S STRATEGY FOR VALUE CREATION

NFS

GRI 2-6 (partial)

In Italy, the market and the technological environment are growing rapidly thanks to the constant increase in mobile data consumption and the evolution of wireless technology that is extending 5G coverage and the related densification requirements, a fundamental development element for wireless infrastructures.
The transition to 5G network architecture has important implications for the digital infrastructure sector and towers in particular, as more macro sites and points of presence (macro grids) are required to cope with the densification needs of 5G, in order to provide performance, security and end-user friendliness anytime, anywhere. The transition to 5G is also a key driver for the development of micro grids, which are needed to optimize coverage and capacity, offering low latency indoors (with Distributed Antenna Systems, DAS) and, in the future, outdoors through small cells.
Added to this is the Next Generation EU, planned by the European Union to stimulate recovery and development post COVID-19. The National Recovery and Resilience Plan (NRRP), within the framework of the Next Generation EU, devotes ample space and substantial resources to the theme of the country's innovation in digital terms, favouring a broad investment cycle in digitalization and infrastructure.

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In particular, INWIT was awarded as agent, together with TIM and Vodafone, the 'Italia 5G Plan - Densification' tender of the NRRP, reinforcing its role as an enabler of digitalization, supporting mobile operators, to reduce the digital divide, with a view to the inclusion of regions and the development of 5G. The digital dimension is a necessity for businesses, citizens and public administrations in the process of transformation towards more agile and flexible organizational, production and service models, both private and public. This context opens up opportunities for tower operators and INWIT is well positioned to play a relevant role in the development of digital infrastructures to support telecom operators.

**The value chain of mobile telecommunication services includes:**

- spaces, owned or leased, where infrastructure is located;
- fibre optic link connecting the site to the operators' “core network”;
- passive infrastructure consisting of poles and pylons usually owned by tower companies and active with antennas owned by operators;
- free or licensed frequencies owned by operators;
- connectivity services, offered by operators, reaching end users, consisting of the public, public and private companies (business customers).

INWIT has a clear positioning within the value chain, leveraging its assets (micro and macro grid) to offer infrastructure services to operators with a sharing model open to all mobile operators, FWA (Fixed Wireless Access) and other customers such as OTMO (Other Than Mobile Operator) and IoT (Internet of Things).

INWIT's Industrial Plan envisages a path of significant organic growth, supported by investments aimed at strengthening the company's infrastructure, macro grid and micro grid, in order to better serve operators and contribute to the digital evolution in the market. In particular, the construction of new sites and the growth of hosting for TIM and Vodafone are expected to support the efficient and fast deployment of 5G and the continuous improvement of regional coverage. Moreover, the neutral host role allows INWIT to be able to meet the demand of all major market players, both mobile and FWA. Another pillar of the industrial strategy is the rapid development of micro-coverages, in particular DAS distributed antenna systems that enable the efficient handling of mobile phone signals even in very crowded areas such as stadiums, hospitals, universities, stations, museums or industrial plants. The development of DAS systems has seen significant momentum over the past two years, thanks to the growth in the number of hosts on the installed infrastructure, the increasing number of equipped locations, and an investment in dedicated roofing along approximately 1,000 km of road and motorway tunnels.

In line with this growth, INWIT's business is increasingly evolving towards the concept of tower as a service, thanks to the possibility of offering more integrated services starting with the infrastructure, in line with one of the main business models of circular economy, that of product as a service. In fact, INWIT shares its assets and infrastructures, also ensuring their maintenance and technology upgrades, with multiple customers, who use them without owning them. This avoids the need for each operator to build its own infrastructure, resulting in environmental benefits that can be seen over the entire life cycle of the assets, from the use of materials for construction, to the use of energy in the operation phase, and on to the end-of-life phase.

At the same time, towers can already offer different services to operators, through a transformation from an infrastructure for hosting radio transmission systems, to an advanced technology centre, where IoT components and communication systems merge and become an integral part of the 5G ecosystem and enabler of all related innovative use cases. In fact, INWIT's Industrial Plan outlines an evolution towards increasingly intelligent towers: distributed and protected digital assets that can make a concrete contribution to the digital transformation of the country's economic and social activities. The widespread presence of INWIT's towers enables the provision of advanced services even in areas where fibre connectivity will arrive later, thus anticipating the country's digitalization and reducing the digital divide. A capillarity that allows INWIT's towers to be considered natural hubs for environmental and weather monitoring as well. In addition, therefore, the Industrial Plan envisages the trial and development of adjacent businesses to foster the development of smart cities. Among those with the most potential in the medium to long term are IoT (Internet of Things) and the hosting of mini data centres to be placed at the base of our towers for those services that need low latency. INWIT also has a Sustainability Plan, an integral part of its industrial strategy, through which it aims to make the transition to a sustainable business model, considered an enabler for the Company's growth.

**Strong and sustainable growth thanks to the pillars of our industrial plan**

**GROWTH**

1 **MACRO GRID ANCHORS**
**PARTNER** WITH ANCHORS FOR EFFICIENT 5G DEPLOYMENT

2 **MACRO GRID OLOs**
**DEVELOP** CLIENTS' DEMAND PROACTIVELY

3 **MICRO GRID**
**BOOST** DAS INDOOR COVERAGE AND LARGE PROJECTS

4 **REAL ESTATE**
**OPTIMISE** LAND OWNERSHIP & LEASES

**ENABLERS**

**PEOPLE:** DEEPER AND BROADER SKILLS FOR DIFFERENTIATION

**DIGITAL:** KEY PROCESS AUTOMATION

**SUSTAINABILITY:** DIGITAL DIVIDE, ENERGY TRANSITION, INCLUSION

**INWIT's market positioning, strengthened by a relevant investment plan, allows it to pursue organic growth targets among the most ambitious in the industry, along four main lines:**

- **the partnership with anchor tenants for efficient 5G deployment;**
- **proactive business development with OLOs, MNOs, FWAs and others;**
- **the acceleration of the DAS indoor micro-coverage network and large projects (e.g. smart city);**
- **optimization of leasing costs.**

In March 2024, INWIT's Board of Directors examined and approved INWIT's new Industrial Plan for the period 2024-2026 (the "2024 Business Plan"), which confirms the guidelines approved in March 2023 and the INWIT's ability to invest in developing its infrastructure by developing the main indicators industrial, economic and financial, reflecting the recent evolution of the macroeconomic environment, industrial and market environment. Confirming the growth path of the Industrial Plan approved in March 2023, the 2024-2026 Business Plan projects revenues to increase over the period at an average annual rate of"high-single-digit" in the range of 1,160-1,240 million euros in 2026, with an expansion of the EBITDA margin to about 92 percent and EBITDAaL margin to about 76 percent. Margin growth is expected to result in an expansion of cash generation (Recurring Free Cash Flow) in the range of 720-740 million euro in 2026.

**Foreseeable development of operations for fiscal year 2024**

The reference, technological and market scenario for the Tower Companies sector is characterized by positive structural trends such as the growing use of mobile data, the ongoing technology transition to 5G, the need to complete and densify coverage, also contributing to the reduction of the digital divide in addition to significant investments in infrastructure and digital technologies.

These trends translate into growing market demand for new digital infrastructure and hospitality services, underpinning the Company's solid growth trend, which has seen continuous improvement in industrial, economic and financial indicators from the merger with Vodafone Towers in 2020 to the year 2023. INWIT's Business Plan envisions further expansion of these indicators through 2026, supported by a significant investment plan aimed at intercepting growing demand.

In the short term, in addition to the strong demand for connectivity, elements of difficulty and high competition continue to persist in the Italian telecom operator market, impacting the sector's profitability and investment capacity. INWIT's business model, based on long-term hospitality contracts and indexing to inflation, is a protective and supportive element in this context.

**Regarding the expected development of operations for fiscal year 2024, we expect:**

- Revenue growth in the range of 1.030-1.060 million;
- EBITDA margin above 91%, stable compared to 2023;
- EBITDAaL margin of about 73 percent, up more than 1 percentage point from 2023;
- Recurring Free Cash Flow growing in the 620-640 million euro range.

Regarding shareholder remuneration, the policy for the period 2023-2026 approved on March 2, 2023 is confirmed, which includes an increase in dividends and the initiation of a share buyback plan, as reported in the Dividend Policy and Shareholder Remuneration section, to which we refer.

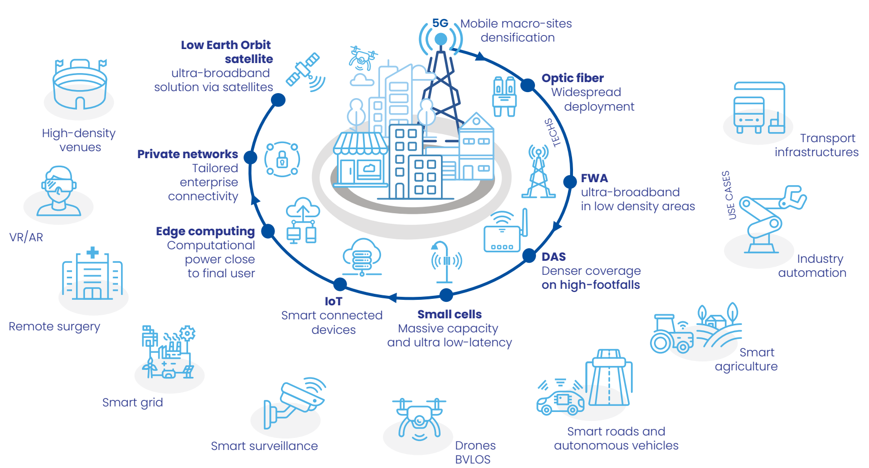
## Our business model

| OUR MISSION | OUR GUIDING PRINCIPLES |
|---|---|
| We implement and manage shared and digital wireless infrastructures which enables the operators and the technologies to connect peoples and goods, always and everywhere, for the benefit of our community | • People<br>• Digital<br>• Sustainability |

### INPUT

| FINANCIAL CAPITAL | INFRASTRUCTURE CAPITAL | SOCIAL AND RELATIONAL CAPITAL | HUMAN CAPITAL | NATURAL CAPITAL |
|---|---|---|---|---|
| Financial resources | Infrastructure and real estate<br>Technologies (e.g. 5G)<br>Technology assets<br>Business and technological know-how | Relationships with:<br>Sales Partners<br>Local communities<br>Universities and research centers | Employees<br>Collaborators | Energy consumption<br>Use of resources |

**BUSINESS MODEL**




### OUTPUT

| FINANCIAL CAPITAL | INFRASTRUCTURE CAPITAL | SOCIAL AND RELATIONAL CAPITAL | HUMAN CAPITAL | NATURAL CAPITAL |
|---|---|---|---|---|
| Capital fastness | Communication infrastructure<br>Optic-fiber links of transmission sites<br>Service innovation | Innovative projects with local communities<br>Digitization projects on the territory | Skills growth<br>Well-being of employees and employees | Emissions<br>Waste production |

**OUTCOMES**

- Creating added value
- Reducing the digital divide and increasing transmission capacity
- Development of the productivity of the territory
- Dissemination of new technologies (e.g. 5G)
- Enterprise network development
- Development of local communities;
- Greater social and digital inclusiveness;
- Corporate identity and talent attraction
- Occupational Health and Safety
- Valorisation and integration of diversity
- Reduction of environmental impacts



# VISION, PURPOSE AND VALUES

## VISION: An increasingly connected and sustainable future

INWIT believes in an increasingly connected and sustainable world, where infrastructures enable the connection of people and objects, anytime and anywhere, in order to generate long-term value for the community and its stakeholders.

## PURPOSE: Sharing Connections

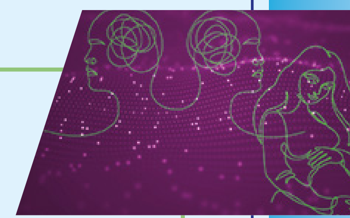
**INWIT builds and manages shared and digital wireless infrastructures that enable operators and technologies to connect people and objects, anytime and anywhere, for the benefit of the communities in which it operates.**

## The values of INWIT

### Passion for our customers

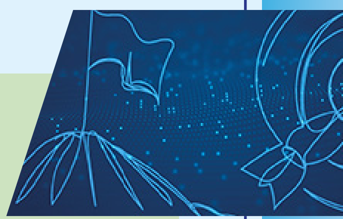
We are partner of our customers to build infrastructure and develop innovative solutions to meet their needs and enable the sharing of data, services and goods.
**Partnership – Reliability – Innovatio**

### Passion for our people



We value the connections between our people, promoting their inclusion, well-being and development, so that we can all be involved and be responsible for our successes, from the point of view of ethics and integrity.
**Collaboration – Responsibility – Integration.**

### Passion for results



We work every day to improve our performance and achieve maximum results for us, our customers, our communities and all the stakeholders we work with.
**Planning – Care – Simplicity.**

### Passion for sustainability

Ours is a sustainable business that puts the environment and the community at the center. We are committed to enabling the digital transition by promoting a fairer and more inclusive society, reducing the digital divide, and fostering innovation.
**Digital – Inclusion – Environment.**

### Passion for the success replaced

Our commitment is to an increasingly connected anda sustainable world. It is the passion we put every day for our customers, for our people, for results and for sustainability, that allows us to generate long-term value for the community and all our stakeholders.

# SUSTAINABILITY FOR INWIT

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INWIT's business model is intrinsically sustainable, as it enables more efficient development along the entire value chain: the tower today is a shared, digital infrastructure that combines industrial, economic, social and environmental efficiency.
The digital transition and the development of 5G require huge investments. A shared infrastructure, i.e. serving several operators at the same time, can guarantee a better return on investment for operators. At the same time, infrastructure sharing allows for limited environmental impacts in terms of land and resource consumption, and thus lower CO2 emissions. The contribution made to reducing the digital divide also creates social value and enables greater inclusion for the populations and regions involved. INWIT therefore assumes a significant role as an enabler in Italy's digital transition process, giving rise to the realization of the concept of tower as a service of its infrastructures, which is at the heart of the company's strategy and Sustainability Plan.
Digital and shared infrastructures are therefore an opportunity to enable a sustainable development model, where connectivity, advanced services, digital innovation, sustainable management of resources, attention to the needs of citizens and the country, greater well-being and equal opportunities, and a lower environmental impact are the cornerstones of a new economic and social development model.

In line with its mission, since 2020 INWIT has adhered to the United Nations **Global Compact** (UNGC), a voluntary initiative of the United Nations that aims to promote corporate social responsibility through adherence to ten fundamental principles relating to human rights, labour, the environment and anti-corruption. INWIT participates in the Italian Global Compact Network through its membership of the GCNI Foundation, confirming its willingness to integrate the ten principles within its strategy, culture and daily operations of the company. Furthermore, in order to strengthen its commitment to inclusion and sustainability, INWIT has signed the **Women's Empowerment Principles** promoted by the UN Global Compact and UN Women.

WE SUPPORT
UN GLOBAL COMPACT



## SUSTAINABILITY PLAN 2023-2026: 2023 RESULTS

Consistent with the 2030 Agenda for Sustainable Development, defined in September 2015 by the governments of the 193 UN member countries with its 17 Sustainable Development Goals and 169 targets, INWIT, since 2020, has had a Sustainability Plan based on the three pillars Environment, Social and Governance, integrated in our corporate strategy, represented by the concept of "Tower as a service". Medium to long-term objectives and specific lines of action have been set for each pillar. The Sustainability Plan is approved by the Board of Directors and is fully integrated into the Industrial Plan.

**Sustainability plan 2023-2026**

**E** | **S** | **G**

**TOWER AS A SERVICE**

We implement and manage shared and digital wireless infrastructures which enables the operators and the technologies to connect peoples and goods, always and everywhere, for the benefit of our community

**E**

Implement a strategy to reach **Net Zero Carbon** goal by 2040 and reduce our environmental footprint using a circular economy approach

- Carbon, Environment and Energy Management
- Energy efficiency and renewable sources
- Circular Economy approach
- Biodiversity

**S**

Contribute to the **digital divide's** reduction and to the social, cultural, and economic growth of our community and encourage our **people** engagement, welfare, development, and safety

- Coverage solutions: indoor and outdoor
- Coverage of digital divide and socially backward areas
- Skills development
- Diversity & Inclusion
- Health & Safety

**G**

Design and implement a corporate governance system aimed at a **sustainable success**

- Stakeholder engagement
- Business ethics, transparency and anticorruption
- Sustainable Supply Chain
- Corporate identity
- Neutral host

## ENVIRONMENT

| MEDIUM TO LONG TERM OBJECTIVE | ACTIVITIES | 2023 RESULTS |
|---|---|---|
| Implement a strategy to reach **Net Zero Carbon goal by 2040** and reduce our environmental footprint using a circular economy approach. | **11.** Carbon, Environment and Energy Management. | Net Zero Target by 2040 validated by **SBTi**<br>**ISO 50001** certification |
| | **12.** Energy efficiency and renewables (saving by regime). | Installed 215 systems totalling **880 kW**, with an output of 1 GWh **equal to 269.3 tCO2 avoided.**<br>Installed plant*:<br>**Free Cooling: 621** vs target 619<br>HE **rectifiers: 5,262** vs. 5,250<br>target equal by regime to:<br>**7.3 GWh** of savings and **1,860.6 tCO2** avoided |
| | **13.** Circular Economy. | **Handled 1,108 tonnes** of materials from our infrastructure with **98% recovery.** |
| | **14.** Biodiversity. | Implemented pilot project in partnership with WWF for fire monitoring in 3 **oases** (3 towers)<br>Started project in partnership with Legambiente for environmental monitoring in **4 natural areas of the Central Apennines** (6 towers). |

## SOCIAL

| MEDIUM TO LONG TERM OBJECTIVE | ACTIVITIES | 2023 RESULTS |
|---|---|---|
| Contribute to the **digital divide's** reduction and to the social, cultural, and economic growth of our **community** and encourage our **people** engagement, welfare, development, and safety. | **6.** Coverage solutions: indoor and outdoor | **240 DAS.**<br>**905 new Sites.** |
| | **7.** Coverage of areas with a digital divide. | **448 Space Sharing Agreements** signed, out of a total of 252 municipalities. |
| | **8.** Skills development. | **28 hours per capita of training.** |
| | **9.** Diversity & Inclusion. | **Gender pay gap Total: -20.7% vs. -22.5% 2022.**<br>**UNI PdR 125/2022 certification on gender equality.** |
| | **10.** Health & Safety. | **628 H&S audits** on contractors<br>**Lost Time Injury Rate: 0.9.** |

## GOVERNANCE

| MEDIUM TO LONG TERM OBJECTIVE | ACTIVITIES | 2023 RESULTS |
|---|---|---|
| Design and implement a corporate governance system aimed at a **sustainable success.** | **1.** Stakeholder engagement. | **461** contacts with **institutional** contacts and **27 interviews**<br>Inclusion in the **FTSE4Good** and **Bloomberg GEI** indices. |
| | **2.** Business integrity, transparency and anticorruption. | **First TCFD Report.**<br>**Tax strategy** including tax control framework approved. |
| | **3.** Sustainable Supply Chain. | ESG questionnaire completed by **179 suppliers**, covering **81.1% of expenditure.** |
| | **4.** Corporate identity. | **Internal climate survey, with 91% participation.**<br>**People Strategy** |
| | **5.** Neutral host. | Tenancy Ratio of **2.23** vs 2.16 2022<br>**Four IoT projects finalized,** including smart metering utilities and environmental monitoring.<br>Service availability index: >99.90%, i.e. less than 8 hours of disruption over the whole year per site. |

At the Board meeting of March 7, 2024, the update of the Sustainability Plan 2024-2026 was approved, consistent with the update of the Industrial Plan, to seize development opportunities towards the pursuit of sustainable success.

## MATERIALITY ANALYSIS

GRI 3-1; 3-2; 3-3

In continuity with last year, in line with the provisions of Legislative Decree 254/2016 and with the methodologies and principles reported by the edition of the GRI standards published in 2021 by the Global Reporting Initiative, INWIT carried out the materiality analysis for the reporting of non-financial information 2023, identifying the material topics that reflect the significant economic, environmental and social impacts of the Company and that substantially influence the assessments and decisions of its stakeholders.
The concept of materiality, in fact, is closely linked to the concept of impact: material topics represent the organization's most significant impacts on the economy, the environment and people, including impacts on human rights.
The materiality analysis process was carried out starting from a context analysis, thanks to which potentially relevant aspects for INWIT were identified in consideration of the material topics identified in previous years, the activities carried out, the business relations, the sustainability context in which it operates and the expectations of its stakeholders. This initial analysis made it possible to identify positive and negative, current and potential impacts potentially significant for INWIT and its stakeholders. The identified impacts, reconciled with the company's Enterprise Risk Management (ERM) for negative impacts, were subjected to an evaluation process aimed at identifying the priority among negative impacts and the priority among positive impacts.

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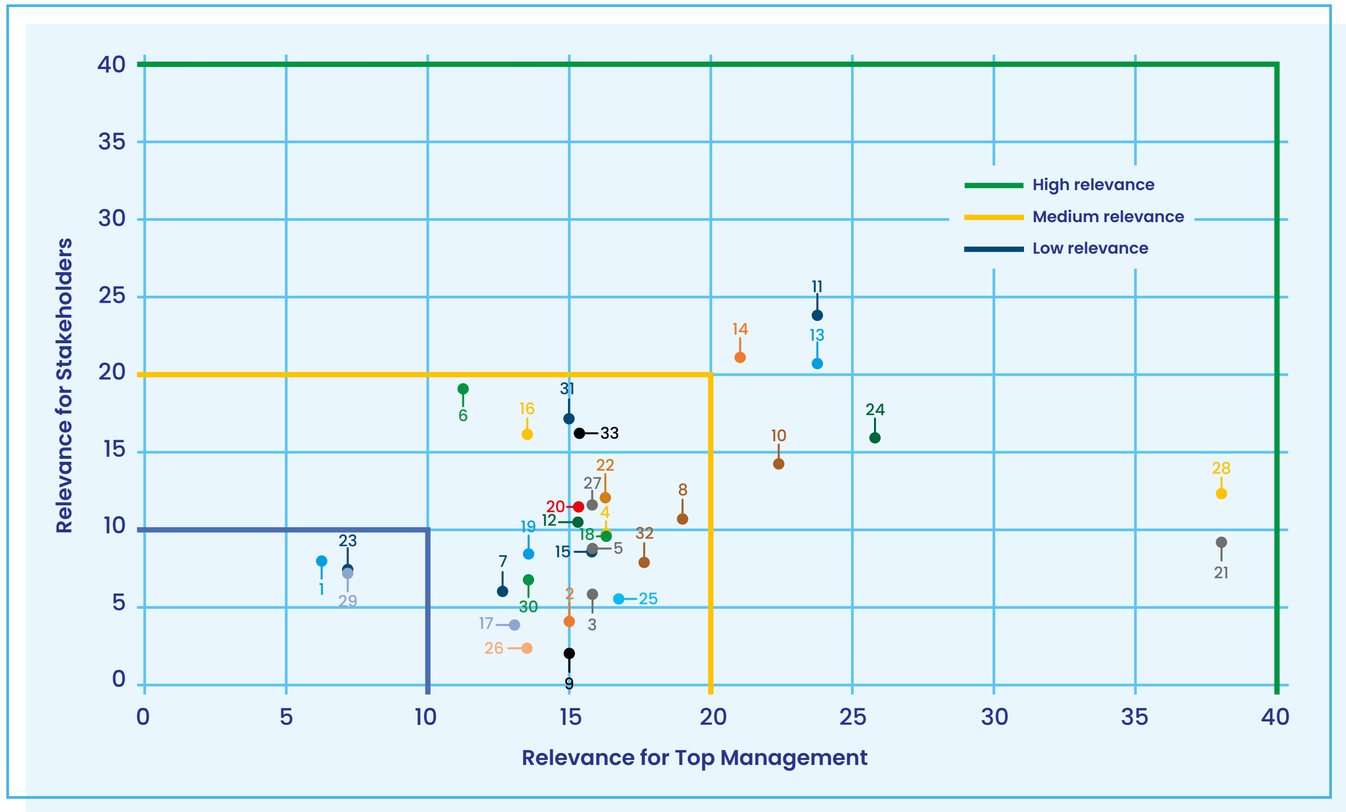
In detail, the identified impacts were assessed through surveys, carried out through the INWIT Stakeholder Engagement Platform, addressed to:

- **Top Management, who were asked to assess the impacts considering their scope and severity;**
- **Internal and external stakeholders of INWIT, who were asked to prioritize impacts based on significance.**

Finally, the results of the two assessments were reworked, resulting in a prioritized list of impacts represented within a matrix.

The processing of the results made it possible to associate a significance coefficient with each impact and – based on this coefficient – to prioritize negative and positive impacts, which were then reconciled with INWIT's **2023 material topics**.
In more detail, new impacts were identified in the process of identifying significant positive and negative impacts 2023, and updated some already defined in 2022. Inadequate energy transition strategies", "Concerns about infrastructure impacts on the community" (replacing "Negative perception of business impacts"), "Gender Gap" and the impacts "Incidents of discrimination/harassment/abuse" and "Failure to adapt to technological change and market development" were added to the list of negative impacts. The positive impact "Awareness about biases and prejudices" was added and the impact 'Well-being and corporate identity' was updated.
Below is INWIT's impact matrix (Figure 4) and the non-prioritized lists of negative and positive impacts associated with material topics. Three bands of relevance were identified within the matrix: high (20-40), medium (10-20) and low (0-10). In addition, to make the matrix easier to read, each impact has been given a number to identify its respective position.

**The INWIT Impact Matrix**




The tables below show the correlation between material topics and negative and positive impacts, relevance and description.

| Material topic area 2023 | | Positive impact | Description | Relevance |
|---|---|---|---|---|
| Efficiency and reduction of energy consumption | 21 | Energy consumption efficiency | Growing and widespread commitment to the adoption of the most efficient technologies available to reduce energy consumption and promote renewables | |
| Governance of sustainability, resilience and business efficiency | 24 | Strategic positioning on sustainability | Continuous and constant alignment with national and international best practices on ESG issues and a proactive commitment by INWIT to pursue sustainable development | |
| Digital inclusion and impacts on territory | 28 | Reducing the digital divide | Extending network coverage nationwide in order to reduce the digital divide in the country | |
| Combating climate change | 26 | Business Resilience vs. Climate Change | Development of a corporate strategy to ensure business continuity in the face of ever-increasing risks related to climate change, as well as development of innovative solutions to ensure increasing resilience of its infrastructure in the event of extreme weather events | |
| Cyber security and privacy | 25 | Strengthening the monitoring of non-financial risks | Implementation of actions and controls to prevent and mitigate non-financial risks | |
| Diversity and inclusiveness in the workplace | 19 | Awareness of bias and prejudice | Awareness-raising of the corporate population on Diversity, Equity and Inclusion issues in order to reduce prejudice on all types of diversity (gender, religion, ethnicity, generational, etc...) among employees and to increase their attention to these issues in their daily activities | |
| Circular economy | 30 | Transition to a circular economy model | Acceleration of the transition from a linear to a circular economy model, thanks to the 'tower as a service' concept, central to INWIT's strategy for the pursuit of sustainable success and in line with one of the main business models of the circular economy | |
| Business ethics and integrity | 32 | Competitive and reputational advantages | Constant updating to national and international best practices and alignment with industry trends in the field of sustainability, in order to ensure INWIT's excellent positioning in terms of competitiveness among the main industry peers | |
| | 18 | Awareness of ethics and human rights | Increased awareness and dissemination of a culture of ethics and human rights among managers, employees, business partners and others | |
| Innovation and digitization | 20 | Contribution to market expansion | Implementation of digitization processes and use of innovative, cutting-edge technologies to accelerate the development of new business models | |
| Quality, continuity and inclusiveness of the service | 27 | Reducing customer disruptions | Development of skills and use of the best technologies to ensure continuity and security of the service offered | |
| Occupational Health and Safety | 22 | Safe place of work for employees | Increased perception of safety among employees by ensuring that they work in a safe and healthy working environment | |
| Employee development and engagement | 33 | Well-being and corporate identity | Increasing the well-being of employees and their quality of life through the development of initiatives aimed at improving work-life balance, as well as increasing their sense of belonging through the full involvement of all people in the daily life of the company | |
| | 31 | Upskilling and Reskilling the corporate population | Improvement of workers' skills and development of company know-how through training and professional development activities, general and technical programmes, also linked to personalized growth and evaluation objectives | |
| Supply chain sustainability | 29 | Reducing ESG impacts in the supply chain | Development of supplier selection practices, procedures and processes to ensure the reduction of ESG impacts in operations along the entire value chain | |
| Protecting biodiversity | 23 | Monitoring to protect biodiversity | Development of initiatives aimed at monitoring the status of biodiversity in order to ensure its preservation, including through collaborations and partnerships with leading environmental associations | |

| Material topic area 2023 | | Positive impact | Description | Relevance |
|---|---|---|---|---|
| Governance of sustainability,resilience and business efficiencya | 10 | Operational inefficiencies and critical issues | Failure to address any critical operational issues that could generate inefficiencies in service delivery due to inadequate intervention programmes and methods for dealing with such critical issues | |
| Quality, continuity and inclusiveness of the service | 14 | Poor efficiency and unreliability of the service offered | Inadequacy of facilities aimed at maintaining the efficiency of the service due to poor monitoring of the maintenance status and prevention of malfunctioning on sites | |
| Occupational Health and Safety | 13 | Non-compliance with health and safety and environmental regulations | Corporate practices that do not comply with health and safety and environmental regulations, with a high risk of incurring heavy penalties in addition to the reputational damage | |
| | 11 | Injuries and occupational diseases | Injuries, occupational diseases or other accidents in the workplace with negative consequences for the health of direct employees or external collaborators | |
| Combating climate change | 9 | Inadequate strategies for energy transition | Absence of concrete commitments in the implementation of strategies and implementation of actions to reduce energy consumption and any type of emission resulting in INWIT's failure to contribute | |
| Cyber security and privacy | 17 | Breach of privacy | Breach of security concerning customers' privacy and loss of their data | |
| | 2 | Cyber attacks and fraud | Absence of Information & Cyber Security procedures and processes that increase exposure to cyber attacks against information systems and infrastructure aimed at data theft | |
| Diversity and inclusiveness in the workplace | 7 | Incidents of discrimination/ harassment/abuse | Poor workplace protection due to increasing incidents of discrimination, reports of harassment, and abuse | |
| | 8 | Gender Gap | Differences in professional and salary growth between genders with increased inequality in the definition of positions, especially in top positions | |
| Circular economy | 5 | Depletion of material resources and incorrect disposal of waste | Environmental impacts related to the reduction and exploitation of material resource reserves and incorrect disposal of hazardous and non-hazardous waste | |
| Efficiency and reduction of energy consumption | 3 | Increased energy consumption and carbon footprint | High energy consumption and consequent increase in the carbon footprint linked to INWIT's core business due to the failure to adopt adequate efficiency measures | |
| Business ethics and integrity | 4 | Conflicts of interest and corruption | Unethical behaviour in the performance of activities within the workplace that may lead to violations of the code of ethics and/or incidents of corruption with negative impacts on people and economic systems | |
| Digital inclusion and impacts on territory | 15 | Concerns about infrastructure impacts on the community | Growing fears, possible conflicts or opposition among the local community because of the impacts on the environment and people that INWIT's infrastructure could generate | |
| Innovation and digitization | 12 | Failure to adapt to technological evolution and market development | Lack of customer and consumer satisfaction in terms of the quality of the product and service provided, with consequent negative impacts in terms of both business and reputation | |
| Supply chain sustainability | 16 | Violation of human rights throughout the value chain | Violation of human rights along the value chain (e.g. the right to freedom of association and collective bargaining, child labor, forced or compulsory labor also related to conflict minerals) affecting human dignity and community development | |
| Employee development and engagement | 6 | High turnover | Constantly increasing employee turnover and decreasing ability to attract talent due to inadequate recruitment processes, hiring policies and salaries | |
| Protecting biodiversity | 1 | Alteration of ecosystems and biodiversity | Absence of concrete commitments and development of initiatives aimed at safeguarding biodiversity and over-exploitation of ecosystems with consequent risk of impoverishment | |

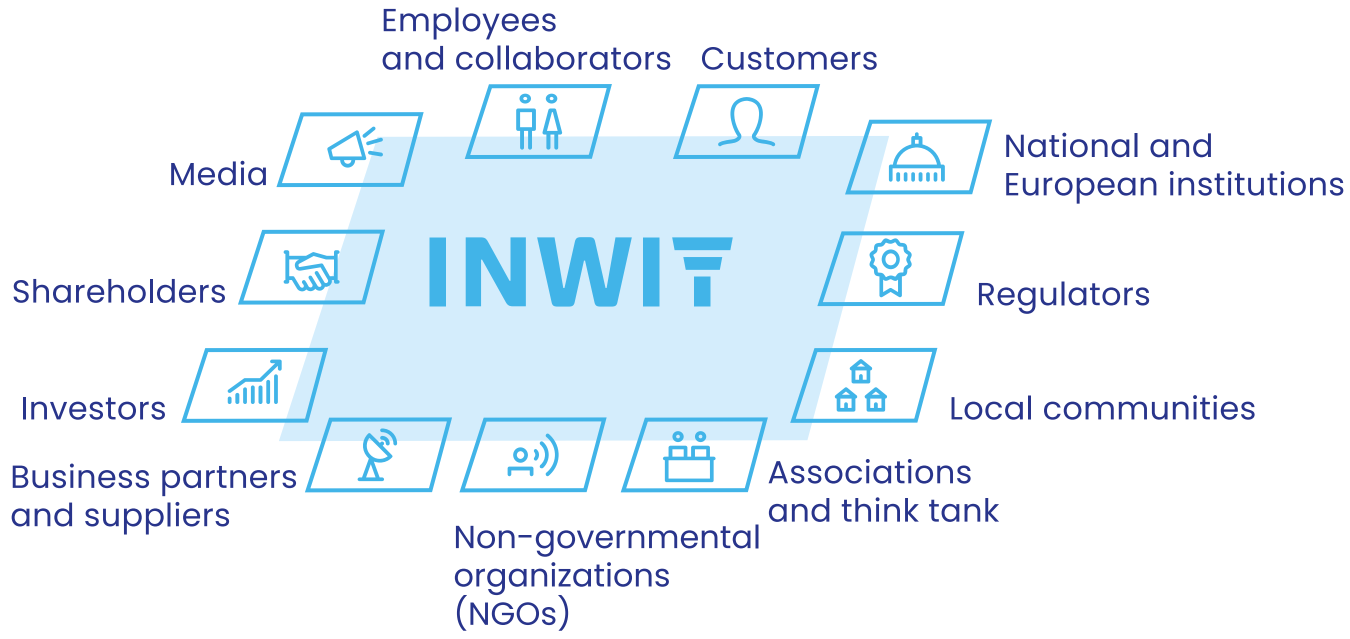
The 2023 material topics, on which the contents of this Integrated Report focus, are also consistent with the 2023-2026 Sustainability Plan, as shown in the connecting table in the annexes, which demonstrates INWIT's strong commitment to listening to its stakeholders. The materiality analysis process and the 2023 results were presented to the Sustainability Committee.



## STAKEHOLDER ENGAGEMENT

GRI 2-29

### Stakeholder map




Starting from the awareness that stakeholder relations are an integral part of responsible and sustainable business management and are fundamental in the process of creating value for the company, INWIT continues on the path of strengthening the engagement process with its stakeholders.
The commitment to consolidate and strengthen relations with stakeholders, by virtue of solid value creation, is in line with the indications contained in the Corporate Governance Code. The code substantiates "sustainable success" in the creation of long-term value for the benefit of shareholders, taking into account the interests of other stakeholders relevant to the company, and provides for the board of directors to promote dialogue with these stakeholders in the most appropriate forms.

In particular, in order to promote the digitalization of the country through its infrastructures, INWIT considers collaboration and dialogue with institutions and regions, as described in Social and Relational Capital, to be central.

## Digital infrastructure and country growth

On May 25, 2023, INWIT organized its 3rd Stakeholder Forum, entitled "Digital infrastructure for the sustainable growth of the country". The Stakeholder Forum is one of the pillars of INWIT's stakeholder engagement activity, representing an opportunity to share strategies, objectives and results, driven by the awareness that stakeholder relations are an integral part of responsible and sustainable business management. The aim is to foster and promote greater transparency, mutual understanding, trust and cooperation by facilitating dialogue, consultation and active participation of the parties in matters that concern them.

The meeting focused on the role of digital infrastructures as enablers of sustainable growth for the country, with the dual objective of consolidating dialogue with stakeholders and highlighting the role the company plays in the sustainable development of the country. The forum was an opportunity to tell how digitalization represents an opportunity to enable a sustainable development model, where connectivity,, evolved services, digital innovation, sustainable resource management, attention to the needs of citizens and the country, equal opportunities, well-being and a lower environmental impact are the cornerstones of a new model of sustainable development.

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During the event, the results of the demoscopic survey **'Digital Infrastructure and Country Growth'**, carried out for INWIT by the Piepoli Institute, were presented.
The purpose of the survey was to investigate, by interviewing a representative sample of 1,500 people and 60 stakeholders, the level of knowledge and perception with respect to the topic of infrastructure and in particular digital infrastructure and digitization, with a focus on 5G and electromagnetic exposure limits.

**Survey 2023 'Digital Infrastructure and Country Growth' on the Italian population[2]**

| | How satisfied are you with the: | What infrastructure should be considered an investment priority for Italy? |
|---|---|---|
| Railway network | 50% | 50% |
| Water supply | 50% | 48% |
| Motorway network | 49% | 47% |
| DIGITAL NETWORK | 63% (3° place) | 44% (4° place) |
| Electrical grid | 74% | 29% |
| Airport network | 68% | 17% |
| Port network | 62% | 12% |

% very + fairly satisfied (net of "don't know")

**91%** consider the strengthening of infrastructure important for the country's economic and social growth

**+50%** declare that they understand the concept of "digital infrastructure"

**6 out of 10 Italians** would be willing to accept some inconvenience in order to have a state-of-the-art connection

**55%** of the sample believe that not enough has been done to develop these infrastructures

[2] Sample of 1,500 Italian citizens.



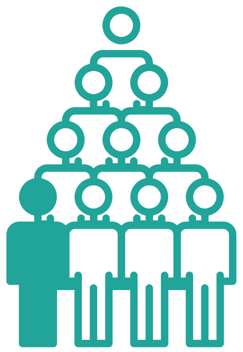
**What advantages would the enhancement of digital infrastructures bring to Italy?**

| | 2023 | 2022 |
|---|---|---|
| Digital divide reduction | 50% | 42% |
| Public administration development | 46% | 35% |
| Equality and equal opportunities | 43% | 43% |
| Processes dematerialization | 43% | 46% |
| Possibility to work in smart working | 42% | 40% |
| Reduction of people's movements | 40% | 40% |
| Involvement of economically peripheral areas | 38% | 36% |
| Relaunch of small villages/local communities | 37% | 36% |
| Reduction of energy consumption in industrial production | 28% | 37% |

**95%** of respondents consider technological innovation and digitalization of the country to be important; **for about a third, they are a top priority**

**87%** believe that upgrading infrastructure is a tool to achieve national sustainability goals

**89%** believe that 5G is an opportunity for the country's growth



only one respondent, **1 in 10**, knows that the limits on electromagnetic emissions in Italy are lower than the EU average

**57%** are in favour of raising the electromagnetic limits in order to bring them into line with the EU average

## MEMBERSHIP OF NETWORKS AND ASSOCIATIONS

GRI 2 - 28

In order to increase and foster dialogue with its stakeholders, both locally and nationally, INWIT has joined the following networks and associations:

- Anima per il sociale nei valori d'impresa, a non-profit association promoted by the Unione degli Industriali e delle imprese di Roma e del Lazio to spread the culture of corporate social responsibility and sustainability, in economic, social and environmental terms, among local businesses;
- Aspen Institute Italia is an international organization committed to the most topical problems and challenges of politics, economics, culture and society, with a special focus on the Italian and international business community;
- Civita Association, committed to the search for an innovative dialogue between the worlds of culture and business;
- Assonime, a network promoting the activities of Italian joint-stock companies. It deals with the study and treatment of problems affecting the interests and development of the Italian economy;
- ASSTEL - Assotelecomunicazioni, a trade association which, within the Confindustria system, represents the telecommunications sector;
- Canova Club, an association of managers, professionals and entrepreneurs that promotes Friendship, Culture and Solidarity, with a focus on the future of young people, senior citizens and the economic and cultural development of the country;
- Fondazione Ottimisti e Razionali, explores with scientific method the impact of economic, social and technological changes on institutions and society;
- United Nations Global Compact, the world's largest strategic corporate citizenship initiative, which encourages companies around the world to create an economic, social and environmental framework to promote a healthy and sustainable global economy that ensures everyone has the opportunity to share in its benefits;
- I-Com, think tank supporting companies in promoting competitiveness issues and analyses within the Italian, European and international political-economic framework;
- Kyoto Club, an association active at national and European level in promoting policies in favour of renewable energy, energy efficiency and the reduction of climate-changing emissions;
- O-Ran Alliance, an international network of mobile network operators, providers and research institutes and universities working in the field of Radio Access Network (RAN);
- Ores Observatory, Observatory on Next Generation Networks and Services with the opportunity to include corporate content and encourage corporate participation in confidential fora with institutional stakeholders;
- Unindustria - Union of Industrialists and Enterprises Rome, Frosinone, Latina, Rieti, Viterbo;
- Valore D, supporting companies in promoting an inclusive culture and gender balance.



## ESG RATING

INWIT is regularly assessed by rating agencies on ESG performance. This acronym refers to assessments of a company's environmental, social and governance (ESG) impacts carried out by international rating agencies. The improved ratings listed in the following graphs confirm the validity of INWIT's sustainability path.

CDP – DISCLOSURE INSIGHT ACTION

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 2023 | F | D- | D | C- | C | B- | B | **A-** | A |
| 2022 | F | D- | D | C- | C | B- | **B** | A- | A |
| 2021 | F | D- | D | C- | C | B- | **B** | A- | A |
| 2020 | **F** | D- | D | C- | C | B- | B | A- | A |

MSCI

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 2023 | CCC | B | BB | BBB | **A** | AA | AAA |
| 2022 | CCC | B | BB | BBB | **A** | AA | AAA |
| 2021 | CCC | B | BB | BBB | **A** | AA | AAA |
| 2020 | CCC | B | BB | **BBB** | A | AA | AAA |

SUSTAINALYTICS – a Morningstar company

| | |
|---|---|
| 2023 | 19.3/100 - Low risk |
| 2022 | 19.6/100 - Low risk |
| 2021 | 19.4/100 - Low risk |
| 2020 | 25.4/100 - Medium risk |

FTSE RUSSELL – An LSEG Business

| | |
|---|---|
| 2023 | 3.5/5.0 |
| 2022 | 3.5/5.0 |
| 2021 | 2.9/5.0 |
| 2020 | 2.2/5.0 |

GRESB

| | |
|---|---|
| 2023 | 84/100 - A |
| 2022 | 70/100 - B |
| 2021 | 53/100 - C |
| 2020 | 35/100 - D |

ISS ESG

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2023 | D- | D | D+ | C- | C | **C+** | B- | B | B+ | A- | A | A+ |
| 2022 | D- | D | **D+** | C- | C | C+ | B- | B | B+ | A- | A | A+ |

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# GOVERNANCE STRUCTURE AND COMPOSITION

NFS

GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-15, 2-16, 2-17, 2-18, 2-24, 2-25

In carrying out their activities, the members of INWIT's corporate bodies shall comply with the applicable regulations of the **Organizational Model 231**, the **Code of Ethics** adopted by the Company, the Articles of Association and the Code of Borsa Italiana[3], **the Anti-Corruption Policy[4], the Principles of Self-Discipline and the Rules of Operation of the corporate bodies.**

In 2023, the Company, in the process of constantly updating its corporate governance documents, updated the Procedure on Inside Information and Internal Dealing.

The following paragraphs provide a detailed description of the set of bodies, rules and models at each level that govern the corporate structure, hence the functioning of corporate bodies, their composition, interrelation, powers and responsibilities.

## CORPORATE GOVERNANCE SYSTEM

**INWIT's Corporate Governance system** is organized according to the traditional model, in accordance with articles 2,380 et seq. of the Italian Civil Code, and is in line with national and international best practices on the subject, and is structured as follows.

The **Board of Directors**, ("BoD") appointed on October 4, 2022, consists of 11 directors, 5 of whom are women and 6 men, 8 over 50 and 3 between 30 and 50. As of 31 December 2023, 6 directors meet the independence requirements of the Consolidated Law on Financial Intermediation (TUF), five of which also meet the Code, and three of which were appointed from the list submitted by a group of asset management companies and international investors; 11 directors are non-executive. The Board of Directors will remain in office until the Shareholders' Meeting for the approval of the budget for 2024.

The Board of Directors is responsible for assessing the adequacy of the general organizational, administrative and accounting structure of the company. It performs a strategic guidance and supervision role, pursuing the primary objective of creating value for the shareholder and all other stakeholders in the medium to long term.

The procedure for appointing the Board of Directors takes place in accordance with Article 13 of the Articles of Association, based on the criteria set forth in Article 3 of the Corporate Governance Code and Self-Regulatory Principles, as well as the independence criteria approved by the Board of Directors.

The directors perform their role within the Board of Directors, i.e. within the committees into which the Board of Directors is organized. Any exceptional requests for data, documents and information formulated outside the board meetings are addressed to the Chairman of the Board of Directors, who ensures that they are answered in the most appropriate manner to ensure the functionality of the investigation and information processes.

The role of the **Chairman** of the Board of Directors does not coincide with that of a key manager of the Company, but rather that of a non-executive director entrusted with legal representation and institutional relations, as well as managing the relationship on behalf of the Board with the Director of the Audit Function.

3 INWIT adheres to the Corporate Governance Code drawn up by the Corporate Governance Committee of Borsa Italiana, in the edition in force from time to time.

4 INWIT's Anti-Corruption Policy was approved by the Board of Directors on December 16, 2021.



**The Board of Directors as at December 31, 2023 is composed as follows:**

| | | |
|---|---|---|
| **Chairman** | **Oscar Cicchetti** | |
| **Directors**[5] | Stefania Bariatti (independent)<br>Laura Cavatorta (independent)<br>Antonio Corda<br>Pietro Guindani<br>Sonia Hernandez<br>Christine Roseau Landrevot (independent) | Quentin Le Cloarec (independent)<br>Rosario Mazza<br>Secondina Giulia Ravera (independent)<br>Francesco Valsecchi (independent) |
| **Secretary to the Board** | Salvatore Lo Giudice | |

All members of the Board of Directors are domiciled for office at INWIT's registered office. On October 7, 2022, the Board of Directors appointed Diego Galli as **General Manager** of INWIT, vesting him with the powers relating to the overall governance of the company and ordinary management in its various expressions, without prejudice to the powers reserved to the Board of Directors by law or the Articles of Association.

**Table 1.** Composition of the Board of Directors by gender and age group (%) (GRI 405-1)[6]

| | 2022 | | | | 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | < 30 years | 30-50 years | > 50 years | % of total Board members | < 30 years | 30-50 years | > 50 years | % of total Board members |
| Men | 0% | 50% | 50% | **55%** | 0% | 33% | 67% | **55%** |
| Women | 0% | 20% | 80% | **45%** | 0% | 20% | 80% | **45%** |
| **% compared to total Board members** | **0%** | **36%** | **64%** | **100%** | **0%** | **27%** | **73%** | **100%** |

The Board of Directors verifies the effectiveness of processes aimed at identifying and managing INWIT's impact on the economy, environment and people, such as Enterprise Risk Management (ERM), which is updated annually. The BoD is also responsible for ensuring that the Integrated Report is prepared and published in accordance with the provisions of Legislative Decree 254/2016.

With respect to the delegation of responsibility for managing INWIT's impacts on the environment, people and the economy, management reports the manner in which impacts are managed to the highest governing body at least annually, by means of updating the Integrated Report. The Board of Directors is, in fact, responsible for approving this document annually.

With regard to the evaluation of the board's performance in supervising the management of impacts on the economy, environment and people, there are no specific evaluation processes at INWIT; however, the board conducts an annual "self board evaluation", also with the support of an external advisor.

Furthermore, it should be noted that, during 2023, there were no conflicts of interest and no critical issues, i.e. concerns raised through grievance mechanisms, related to potential and actual negative impacts of INWIT on stakeholders, reported to the Board of Directors.

The Board of Directors approved a series of initiatives and measures aimed at expanding knowledge on sustainable development, as well as realizing INWIT's active commitment to the subject, examples of which are the Strategy Day and the formalization of the Sustainability Plan.

5 On 14 March 2024, the Board of Directors, inter alia, ascertained the existence of the independence requirements only pursuant to the TUF for Directors Corda and Guindani.

6 Compared to last year, the method of calculating GRI indicator 405-1.a has been revised: The percentages were calculated by ratioing the number of men and women per age group to the total of the individual category (man/woman).

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**At its meeting held on October 20, 2022, the Board of Directors appointed the following board committees:**

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

The **Board of Statutory Auditors** is called upon to monitor, inter alia, compliance with the law and the Articles of Association, as well as compliance with the principles of proper administration in the conduct of corporate activities and the overall adequacy of the risk management and control system (described below).

The Board has set up its own email address for the procedure governing the receipt, storage and processing of reports, complaints and allegations, including from employees and, in an anonymous form, pursuant to Article 2408 of the Italian Civil Code, it also receives whistleblowing reports pursuant to the specific company policy, publicly available on the website.

The Shareholders' Meeting of April 20, 2021 appointed the Board of Statutory Auditors, in office until the approval of the financial statements as at December 31, 2023. The Board of Statutory Auditors of the Company as at December 31, 2023 is composed as follows:

| Chairman | Stefano Sarubbi |
|---|---|
| **Acting Auditors** | Maria Teresa Bianchi<br>Giuliano Foglia |
| **Alternate Auditors** | Roberto Cassader<br>Michela Zeme |

**Nomination and Remuneration Committee:**
consists of five non-executive directors, three of whom are independent ; Committee meetings may be attended by members of the control body. The Committee performs the tasks and responsibilities assigned by the Corporate Governance Code to the Nomination Committee and the Remuneration Committee, and in addition:

- makes proposals to the Board of Directors regarding the succession plan for the Chief Executive Office (CEO)/General Manager (GM) if it is adopted by the Board of Directors, and monitors the updating of the management replacement tables;
- defines how and when to carry out the annual evaluation of the Board;
- proposes the criteria for allocating the total annual compensation established by the Shareholders' Meeting for the whole Board of Directors;
- makes proposals on stock option plans and top management remuneration;
- performs the additional tasks assigned to it by the Board of Directors.

The Committee is also empowered to express guidelines and recommendations directly to the CEO/GM and, through the latter, to the management, notifying the Chairman of the Board of Directors in a timely manner.

**Sustainability Committee:** consists of three non-executive directors, one of whom is independent; Committee meetings may be attended by members of the control body. The Committee is an advisory and proposing body that meets as often as necessary to perform its functions, listed below:

- monitors compliance with the company's corporate social responsibility rules, as well as regulatory developments and relevant national and international best practices;
- makes proposals to the Board of Directors on sustainability strategies and the Sustainability Plan, monitoring their implementation on the basis of the objectives set out in the Plan, and assesses their update at the end of each financial year;
- monitors the consistency of INWIT's objectives and management with environmental, social and corporate sustainability (ESG) criteria, as well as sustainable finance initiatives, the Company's placement in ethical sustainability indices and the Company's non-profit strategies.

The Committee is also empowered to express guidelines and recommendations directly to the CEO/GM and, through the latter, to the management, notifying the Chairman of the Board of Directors in a timely manner.

**Control and Risk Committee:** consists of five non-executive directors, four of whom are independent . The members of the control body may attend the Committee's meetings and, where deemed appropriate in relation to the issues to be dealt with, the Committee and the Board of Statutory Auditors shall meet jointly. The Committee is a body with advisory and proposing functions that has, among other things, the task of supporting the Board of Directors' assessments and decisions relating to the Internal Control and Risk Management System, as well as those relating to the approval of the Financial Report. The Committee performs the tasks assigned by the Corporate Governance Code and also:

- monitors compliance with corporate governance rules, as well as regulatory developments and best practices on the subject, also for the purpose of proposing updates to the Company's internal rules and practices;
- prepares financial and non-financial disclosure for the period, in view of its examination by the Board of Directors;
- performs the additional tasks assigned to it by the Board of Directors.

The Committee is also empowered to express guidelines and recommendations directly to the CEO/GM and, through the latter, to the management, notifying the Chairman of the Board of Directors in a timely manner.

**Related-Parties Committee:** consists of 3 independent directors and performs the duties and responsibilities assigned by the Related Party Transaction Procedure and the CONSOB Regulation.

The procedure for appointing committees follows the provisions of the Corporate Governance Code and Self-Regulatory Principles approved by the Board of Directors.

**Supervisory Body:** (hereinafter "SB"): with effect from May 5, 2020, carries out the functions set out in Legislative Decree No. 231/2001. The current Supervisory Body was appointed by the Board of Directors on May 22, 2023 and will remain in office for three years; consists of three members, two external members and one internal member in the person of INWIT's Internal Audit Director. The Body has the task of "supervising the operation of and compliance with the organizational model and ensuring that it is updated", as provided for in Article 6 of Legislative Decree 231/01. The tasks assigned to the Supervisory Body require that it be endowed with autonomous powers of initiative and control and, therefore, it should have the following characteristics:

- the unquestionability of the choices of the Supervisory Body by the institutions of the entity itself, failing which the essential requirement of autonomy itself is no longer met;
- the position of independence of the members making up this Supervisory Body, a position to be reserved for persons of absolute reliability on account of their proven professionalism and personal skills.

[7] Following the verification of the independence requirements, only pursuant to the TUF, of Director Guindani by the Board of Directors on 14 March 2024, there are 4 independent members of the Nomination and Remuneration Committee.

[8] Following the verification of the independence requirements, only pursuant to the TUF, of Director Guindani by the Board of Directors on 14 March 2024, all members of the Control and Risk Committee are independent.

With the help of the Internal Audit Department and the Risk, Compliance & Corporate Security function, the Supervisory Body carries out specific analysis and verification activities as follows:

- interventions according to a specific control plan approved by the Supervisory Body, also in consideration of the results of the risk assessment activity;
- targeted (spot) interventions in the case of: specific request made by the Supervisory Body and/or other "governance bodies" of each organizational entity; elements of attention arising from the information flows currently operating within the organizational models set up.

The Supervisory Body also receives whistleblowing reports pursuant to the relevant company policy, published on the website.

## SHARE STRUCTURE

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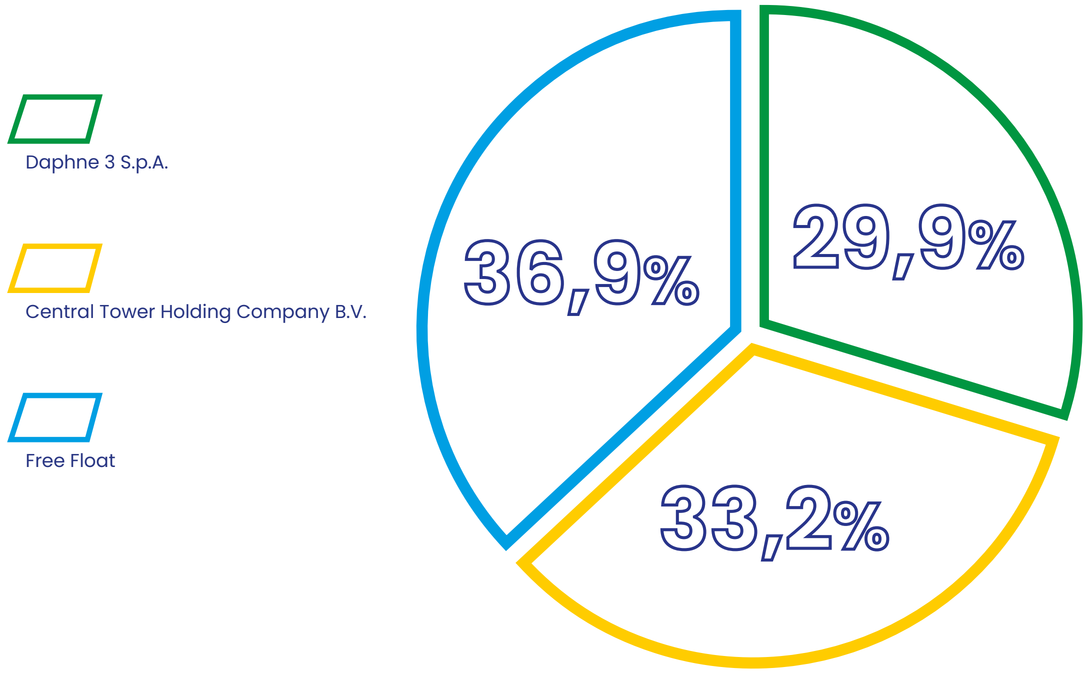
The composition of INWIT's shareholding structure is depicted in the following graph.

**Breakdown of the shareholding structure as at 2023**




Daphne 3 S.p.A. is a 90% subsidiary of Impulse I S.à.r.l. (itself a subsidiary of 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 Oak Holdings 1 GmbH (itself co-controlled by Vodafone GmbH and Oak Consortium GmbH).

**Treasury shares**

As at December 31, 2023, INWIT held 12,655,220 treasury shares representing 1.32% of the share capital, purchased as of 2020 to service the 2023-2027 Long Term Incentive Plan, the 2023-2024 Broad-Based Share Ownership Plan and the share buy-back and cancellation plan approved by the Shareholders' Meeting of April 18, 2023. The shares are deposited in a securities account held by INWIT S.p.A. with Intesa Sanpaolo S.p.A.

**Dividend Policy and Shareholder Remuneration**

With the update of the Business Plan 2021-2023 in November 2020, INWIT defined its dividend policy. On the basis of the economic and financial development envisaged in the plan, a dividend was envisaged. per share of €0.30 was envisaged to be paid in 2021 following the approval of the 2020 budget - and an increase in the subsequent years of the three-year plan of 7.5% per year until the approval of the 2026 budget.

On March 3, 2023, on the occasion of the approval of the 2023 Business Plan, the Board of Directors approved the update of the dividend policy for the period 2023-2026, which is expanded with an additional payment of 100 million euros from the allocation of 2023 profits (payment in 2024), confirming an overall dividend growth rate of 7.5% per year. This is expected to result in a 2023 dividend of approximately €0.48 per share, an increase of more than 25% compared to the dividend under the previous dividend policy.

In March 2023, the Board also resolved to submit to the shareholders, for the first time, a form of indirect realization of their investment in the Group through the repurchase and subsequent cancellation of treasury shares, without a simultaneous reduction in share capital. The repurchase and subsequent cancellation transactions, having a unitary nature, will concern a maximum of 31,200,000 ordinary shares, representing approximately 3.25% of the share capital, and in any case for a maximum amount of 300 million euros. Both are conditional upon the favourable vote of the majority of the Group's shareholders present at the shareholders' meeting, other than the shareholder or shareholders who hold, even jointly, the majority shareholding, even relative, provided that it exceeds 10% (so-called whitewash), as well as upon the favourable orientation of CONSOB on the applicability to the cancellation of the whitewash exemption provided for by Article 44-bis, paragraph 2, of CONSOB Regulation No. 11971 of 1999.

On June 15, 2023 INWIT commenced, following the authorization granted by the shareholders' meeting of April 18, 2023 and the authorization received from CONSOB, the first tranche of share buybacks (for a maximum amount of 150 million euros), which was completed on February 8, 2024.

More information is available on the Company's website, in the "Governance" section, "Shareholders' Meeting".

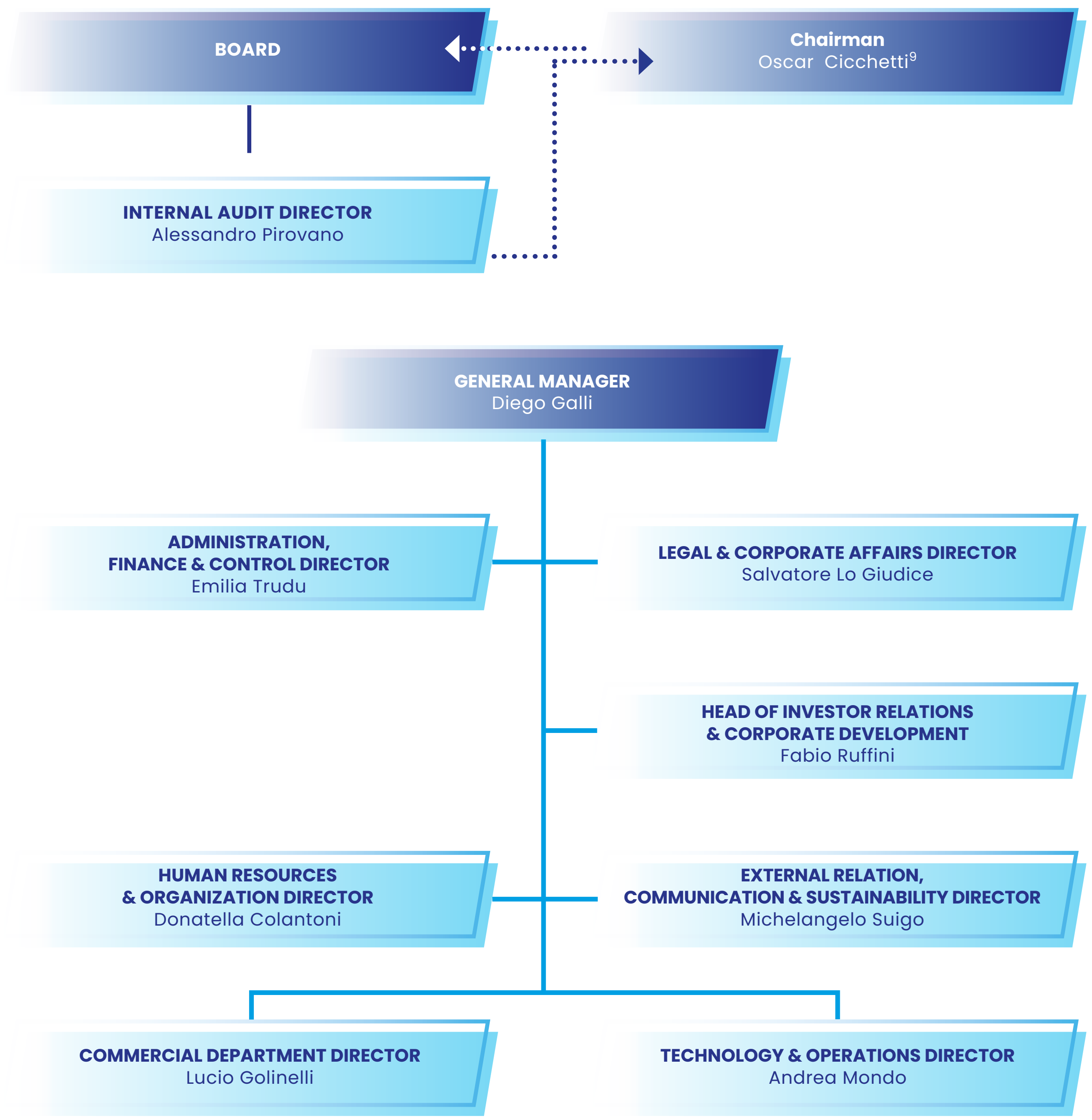
**Historical trend dividends per share and overall**

## ORGANIZATIONAL STRUCTURE

In order to define the way in which INWIT assigns the various responsibilities, with the aim of guaranteeing the implementation of the stated commitments, the corporate organizational macro-structure, resulting as at December 31, 2023, is presented below. Furthermore, INWIT has established a Directional Governance, which, through the corporate governance bodies, has the task of ensuring a transparent and coordinated decision-making process and supporting the execution of corporate plans and projects in a coherent and effective manner, in line with Corporate Governance. These bodies oversee the various corporate activities to implement INWIT's commitments.

The Company, in order to ensure full operability and the achievement of corporate objectives, has redefined its organizational model to oversee the activities functional to the management and development of the company's business.

**Macro Organizational Structure 2023**




[9] The President is responsible for managing the relationship, on behalf of the Board of Directors, with the head of the Internal Audit Department.



The following functions report to the General Manager as at December 31, 2023:

**Technology & Operations** ensures: infrastructure Operations & Maintenance activities; deployment activities of macro and indoor radio solutions; the management of corporate IT assets and their evolutionary development; the Property Management process; Program & Project Management activities; overseeing the improvement of operational processes, digital transformation of operations; the management of logistics processes and the management and valorization of infrastructure assets; end-to-end oversight of the innovation, engineering and development processes of infrastructure and technology solutions; support in the pre-sales phase; Energy Management activities.

**Commercial Department** that ensures the commercial development of hosting services, both traditional and innovative, by defining the product and service offering, pricing, go-to-market model and commissioning, through direct and indirect channels and strategic partnerships. It also oversees performance by ensuring the monitoring of commercial activities in the acquisition and after-sales phases, and coordinates the activities of participation in tenders and special projects, as well as the management of Master Service Agreements.

**Administration, Finance & Control** which ensures administrative, accounting and financial management, the preparation of financial statements and tax compliance, and also oversees the planning and control processes and the evaluation of investments, as well as the proper allocation of financial resources; it also provides procurement and general services.

**Legal & Corporate Affairs** which provides strategic support and ensures the legal protection of the Company, the supervision of contractual activities and the management of disputes and litigation. The Department also ensures corporate activities, support to the Corporate Bodies, monitoring of regulatory and antitrust issues, guaranteeing relations with the Judicial Authority, Authorities and Financial Market Control Bodies as well as monitoring the risk management process, compliance and data protection policies and models.

**Human Resources & Organization** that ensures the strategic management of human resources, through the design of the most effective organizational models, the implementation of selection, training and development processes consistent with business needs and aimed at creating an organizational culture aligned with corporate values, and the definition of remuneration policies functional to the achievement of corporate objectives. It also ensures the proper administrative management of labour relations, in line with contracts and regulations, and the monitoring of occupational health and safety issues.

**External Relations, Communication & Sustainability** which ensures the definition and representation of the company's position vis-à-vis stakeholders and national, local and EU institutions, as well as the development of the institutional and external communication strategy, in order to promote the company's image and brand. It also ensures internal and external communication and the management of media relations, the development of the website and social networks, the realization of sponsorships and events as well as the definition and coordination of the ESG strategy, including through the definition and updating of the Sustainability Plan and the non-financial reporting process.

Reporting to the Board of Directors, through the Chairman, is the I**nternal Audit** function, which ensures the verification of the adequacy of the internal control and risk management system, through the definition of audit plans, the development and quality of planned and required interventions, the preparation of related reports and the supervision of follow-up phases to monitor the implementation of improvement plans.

The organizational structure is supported by operational policies and procedures including those related to non-financial issues, within the **ISO 45001** and **ISO 14001** Management Systems, certified in in march 2024, ISO 37001 currently being implemented,in addition to the **ISO 9001, ISO 50001** and **UNI/PdR 125** certifications.

By means of the Code of Ethics and specific contractual clauses, INWIT maintains commitments with and through the entities with which it establishes business relations. In addition, it subscribes to a specific document for the management of the goods and services purchasing process, outlining its general outline and defining in detail and punctually all the responsibilities of the Functions involved. To fulfil its commitments, INWIT also delivers a series of training courses, including: ESG, health and safety, energy, environmental and anti-corruption training courses, as described in the chapter on Human Capital.

The communication of policy commitments takes place differently depending on the categories addressed: to employees by means of an internal email communication, to suppliers by means of the contractual clauses defined in the above-mentioned Management of Goods Procurement Process document, and, in general, to all parties by means of the publication on the website of all company policies approved by the Board of Directors.

## REMUNERATION POLICY

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GRI 2-19, 2-20

**The Remuneration Policy is defined in a transparent way through a process involving:**

- Shareholders' Meeting, when approving the remuneration policy and remuneration paid.
- The Board of Directors, on the proposal of the Nomination and Remuneration Committee, to define the remuneration policy for Executive Directors and Key Managers (including GM).
- The Nomination and Remuneration Committee, to submit proposals to the Board of Directors on remuneration policy and the setting of performance targets for variable remuneration.

For the definition of the remuneration policy for the General Manager and key managers, a remuneration benchmark was carried out with the support of an external advisor.

INWIT's remuneration systems are defined in close correlation with the Industrial Plan and the Sustainability Plan, so as to direct the behaviour and actions of management towards the Company's overall performance objectives, in line with the expectations of Shareholders and Stakeholders in the medium-long term. Also in 2023, Sustainability Plan targets were included in the Management by Objectives (MBO) and Long Term Incentive (LTI) system of the General Manager and all incentivized management.

For further data and information on remuneration policies, please refer to the documents in the **remuneration** section of the website.

## INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

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GRI 2-23, GRI 2-27

In compliance with the **principles and criteria of Borsa Italiana's Corporate Governance Code**, INWIT has adopted an Internal Control and Risk Management System (ICRMS), in line with Article 6 of the Corporate Governance Code, consisting of the set of rules, procedures and organizational structures aimed at enabling the identification, measurement, management and monitoring of the main corporate risks. This System, defined on the basis of the best reference practices, aims at a healthy, correct and coherent management of the company in compliance with the provisions of the Code of Ethics and the Principles of Self-Discipline of the Company approved by the Board of Directors.

The system is an integral part of the general organizational structure of the Company, and involves several components that act in a coordinated way according to their respective responsibilities: the Board of Directors, which plays a role in guiding and assessing the adequacy of the system, including defining the nature and level of risk compatible with the company's specific strategic objectives; the General Manager, as the person in charge of setting up and maintaining the internal control and risk management system; the Control and Risk Committee, whose task is to support the Board of Directors' assessments and decisions concerning the internal control and risk management system and the approval of periodic financial and non-financial reports; the head of the Internal Audit function, in charge of verifying that the internal control and risk management system is functioning, adequate and consistent with the guidelines defined by the Board of Directors; the other corporate functions involved in controls and the control body, which monitors the effectiveness of the internal control and risk management system.

In order to ensure the adequacy and effective and efficient application of the rules and controls defined, the ICRMS is subject to periodic review and verification, taking into account the evolution of the Company's business and the macro-economic context in which it operates as well as national and international best practices.

For further information on the ICRMS, please refer to the relevant section of the Corporate Governance and Share Ownership Report for the year 2023. On the website **www.inwit.it** – Governance section – there are also sections devoted to, inter alia, the Code of Ethics, Model 231 and the aforementioned corporate rules and procedures.

## CODE OF ETHICS

The **Code of Ethics**, identified as a founding component of the organizational model and of the Company's internal control and risk management system, is placed upstream of the entire Corporate Governance system and represents INWIT's charter of values, founding, in programmatic terms, the body of principles that inspire the actions of the members of the corporate bodies, management, business partners, and internal and external collaborators. The Code of Ethics is therefore a tool through which INWIT directs its business activities towards a conduct of business based on the following values and principles: ethics and compliance, health and safety, human resources, community, communication, competition and service excellence.

The Code includes the rules of conduct to be observed in the performance of internal and external activities and the relations arising therefrom, and also provides guidelines to be adopted in the event of reports on the propriety of conduct.

In 2023, in order to reflect the system of values adopted by INWIT, the new Code of Ethics was drawn up, reinforcing the principles of transparency, honesty and fairness that underpin the conduct of business and the consolidation of a culture of "Ethics & Business Integrity", as well as INWIT's ESG commitments. In particular, the Company's commitment to the promotion and protection of human rights, developed in line with the United Nations Guiding Principles on Business and Human Rights (UNGP) and the OECD Guidelines for Multinational Enterprises, has been reinforced in the new Code of Ethics, which also extends to its supply chain.

On November 9, 2023, the Board of Directors approved the new Code of Ethics, which is available on the **website.**

## ORGANIZATIONAL MODEL 231

In order to ensure that the conduct of all those who operate on behalf of or in the interest of the Company always complies with the principles of legality, correctness and transparency in the conduct of business and corporate activities, INWIT has adopted a Management and Control Organizational Model pursuant to Legislative Decree 231/01 ('Model 231'). In particular, Model 231 is the result of an accurate analysis of the corporate processes at risk of the offences provided for in the Decree, which can be identified in the areas of activity, with the involvement of the competent corporate structures.

**The Company promotes training initiatives for the entire company population on the topics covered by Legislative Decree 231/01, in detail:**

- targeted training, specifically aimed at updating and developing the skills on the subject of Legislative Decree 231/01 of the corporate roles most involved in the sensitive activities referred to in the Model 231 and the Anti-Corruption Policy;
- widespread training aimed at the entire company population;
- induction training for new recruits.

During 2023, information sessions were held for the corporate population on Compliance & Business Ethics with a focus also on anti-corruption issues, as well as on liability pursuant to Legislative Decree 231/01 and related predicate offences and whistleblowing.

These initiatives are planned and implemented by the Risk, Compliance & Corporate Security Function with the organizational support and coordination of the Human Resources & Organization Department.

Following its establishment, INWIT adopted the Telecom Italia Group's Model 231. On May 15, 2019, the Company's Board of Directors approved a stand alone Model 231, which was last updated on June 14, 2022 in order to incorporate organizational and regulatory changes that had occurred in the meantime. In the course of 2023, an updating process was initiated in view of further regulatory and organizational changes.

**The Organizational Model pursuant to Legislative Decree 231/01 is divided into**

- **Code of Ethics:** represents INWIT's charter of values and the body of principles by which the behaviour of INWIT people is guided.
- **General Part:** containing a brief description of the Company, the contents and purposes 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 initiatives for the dissemination and knowledge of Model 231 and the disciplinary system.
- **Special Parts:** each special part identifies a process at risk within which the sensitive areas and the relevant predicate offences are identified. In addition, control standards are given, divided into general principles of conduct and specific control principles.
- **List of offences:** containing the overall list of predicate offences under Legislative Decree 231/01.
- **List of business processes:** containing the reconciliation of the sensitive processes pursuant to Legislative Decree 231/01 with the company's macro-processes.
- **Risk Assessment:** containing the mapping of sensitive processes and activities, the associated predicate offences and the assessment of inherent and residual risk

Pursuant to Article 6 of Legislative Decree 231/01, the Company has entrusted the task of supervising the operation of and compliance with the Model 231 and of updating it to a special Supervisory Body ('SB').

**The set of company rules and procedures are considered an integral part of the 231 Model, among which are:**

- the Corporate Governance Principles, last updated on May 13, 2021, which supplement the framework of the applicable rules with reference to the duties and functioning of the Company's bodies, referring for the rest to the 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 regulations and best practices of reference, with the aim of strengthening awareness of the potential risks to which the business is exposed, for the purposes of the proper management of relations with internal or external subjects, whether public or private;
- the **Whistleblowing Policy**, most recently updated on July 26, 2023, which governs the process of transmitting, receiving, managing and storing whistleblowing reports sent or forwarded by anyone, in line with current legislation;
- the Procedure on Related-Party Transactions, adopted pursuant to Consob Regulation No. 17221/2010, as amended, and last updated on May 13, 2021;
- the Inside Information and Internal Dealing Procedure, last updated on November 9, 2023.

It should be noted that during 2023, no significant sanctions[10] were received for non-compliance with social and environmental laws and regulations.

Moreover, INWIT declares that it did not cause any potential or actual negative impacts during 2023, such that its stakeholders did not express concerns about them through grievance mechanisms.

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[10] For the analysis, INWIT defined a significance threshold of 10,000 euros.



## ENTERPRISE RISK MANAGEMENT

As part of its risk management system, the Company has adopted a dedicated Enterprise Risk Management (hereinafter ERM) Framework, aimed at identifying and assessing potential events whose occurrence may affect the achievement of the main corporate objectives defined in the Strategic Plan.

Responsibility for the process lies with the Head of Risk, Compliance & Corporate Security, overseeing the function of the same name, with the aim of ensuring integrated governance for risk and compliance as well as the accountability of corporate management, guaranteed by the establishment of internal steering teams that monitor internal control and risk management activities and represent a decisive factor in strengthening corporate Risk Culture.

INWIT's ERM framework takes the form of a cyclical process – carried out on an annual basis – which starts with Risk Identification, understood as the identification of the list of risks that could impact the Company in terms of achieving its objectives and/or developing its business activities. The identification of risks is based both on "desk" analyses of the main company documents, sector documentation, and on direct discussions with structure managers in order to cyclically intercept any emerging risks or intercept developments in the impact of already existing risks.

The risk universe also integrates material topics of significance for the company pursuant to Legislative Decree 254/2016.

**These risks are subject to an evaluation as follows (Risk Evaluation):**

- **Risk evaluation at the inherent level, through the identification of impact levels and probability of occurrence assuming the absence of control measures and subsequent selection of the Top Inherent Risks, understood as the risks with the highest level of inherent risk. The probability of occurrence of risks is assessed on the basis of both the frequency with which the risk has historically occurred and the likelihood of it occurring in the future within the time horizon of the Plan.**
- **Residual Risk Evaluation for Top Inherent Risks, by evaluating the existing control measures and determining the Residual Risk level, combining the impact and probability values following the application of the reduction coefficient calculated on the basis of the existing measures. Selection of Top Residual Risks due to their positioning on the residual risk matrix (impact*probability following application of the safeguards) and acceptability levels.**

For each Top Residual Risk determined during the Risk Evaluation phase, mitigation actions (Risk Mitigation) are identified and periodically monitored in order to ensure accountability on the part of the Risk Owners with respect to the agreed mitigation actions and greater ease in escalation mechanisms towards Top Management for actions that have not been completed or that have significant delays. The process concludes with quarterly reporting to top management (Risk Reporting phase) for each issue developed within the Risk Management process, including indications on the progress of Action Plans and insights on specific risks.

For each risk, ESG aspects, any sustainability plan targets, and the impacts of not/partially achieving these targets are considered.

With reference to the main risks to which the company is exposed, including emerging new risks or risks that impact the level of exposure of already known risks, please refer to the section 'Main Risks and Uncertainties'.

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## Main risks and uncertainties

The business outlook for the financial year 2024 could be affected by risks and uncertainties depending on multiple factors. Below are the main risks concerning the Company's activities, which may affect, to varying degrees, the ability to achieve business objectives. The risks identified are classified into the following macro-categories:

- commercial objectives of the company;
- compliance with the relevant legal and regulatory framework and sustainability issues;
- asset management and infrastructure implementation;
- other risks.

## Risks related to global economic conditions and arising from specific aspects of the sector in which INWIT operates

In this context, the following risks related to global economic conditions have been identified, also with reference to ongoing conflicts:

- **Rising inflation.** This is a risk related to the possibility that the Company's revenues do not adjust to inflation. The Company has inflation-indexed contracts and, in particular, the MSA contracts are 100% inflation-linked, with no cap and a zero floor.
- **Increased raw material costs and delays and blockages in the supply chain.** This is a risk that refers to the uncertain environment and potential critical issues in global logistics chains with impacts on rising raw material costs and potential delays in the supply chain.
- **Rising interest rates.** This is a risk related to unfavourable fluctuations in interest rates with potential impacts on expenditure incurred on borrowing costs). In this regard, it should be noted that at the end of 2023, about 77% of the debt instruments at the company's disposal had fixed interest rates.
- **Macroeconomic context.** The company's objectives are influenced by the current macroeconomic environment and, in particular, by the prospects for consolidation in the TLC sector, as well as by the limited investment capacity of its main customers.

Some of the risks mentioned above are considered to be emerging. Emerging risks are defined as risks with characteristics (of severity, probability, interdependence, etc.) that are about to change unexpectedly and "at the tail end" (known risks), or relating to events that have not occurred in past time series (new risks) that could have impacts in the short term, but also in the long term, understood as the time horizon of the strategic plan.

## Risks related to asset management and infrastructure construction

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

- **Site capacity management.** This is a risk related to possible difficulties or slowdowns in the management of new hosting on sites due to both infrastructural and electromagnetic limitations. The risk is monitored by the Company, which, due to the relevance of the risk with respect to its core business and its development plans in the contractual and regulatory fields, has mitigation actions in place.
- **Physical Security.** This is a risk related, inter alia, to the management of the existing site stock with potential negative impacts from unauthorized access or damage and theft. The risk is controlled by the Company through actions aimed at reinforcing security measures on the Company's fleet of sites.
- **Infrastructure realization.** This is a risk that reflects possible difficulties or slowdowns in the realization of new infrastructures that may jeopardize the achievement of business objectives as well as customer satisfaction. The risk is also affected by the relevance of some strategic projects that will be implemented through the use of public funds (Italia 5G Plan Tender - NRRP). The company controls this risk through end-to-end management of the process from scouting areas for realization, design and site implementation. Of particular importance is the scouting of realization areas and the availability of new areas for the development of projects consistent with customer requirements.
- **Energy supply and management**. This is a risk related to the energy market environment. The company has an energy purchasing policy to optimize purchasing costs and ensure an acceptable risk profile. In addition, INWIT is committed to and invests in reducing energy consumption.
- **Management of passive contracts (lease/purchase).** Risk reflecting the complexity and number of passive contracts. The risk is related to possible critical issues arising from the renegotiation of lease contracts, including with the Public Administration and relating to contracts for which the Single Property Rent (CUP) is applied. The risk is managed by the company through the definition of a structured process and constant monitoring of lease costs and contractual obligations.
- **Litigation:** In the context of INWIT's activities, the litigation generated by the application of the CUP is of particular relevance. The risk is controlled through an organizational structure dedicated to litigation management. Notwithstanding the foregoing, at the date of this document, the Company considers the provisions set aside in the Financial Statements as at December 31, 2023 to be adequate.

## Risks relating to commercial objectives

The main risks relating to the Company's strategic and commercial objectives are related to possible difficulties in meeting or developing demand from both anchor and third-party customers, as well as the relevance of the Master Service Agreements in place with anchor customers. In this context, the following risks have been identified:

- **Developing and/or satisfying 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 contraction or lack of growth in demand, e.g. due to concentration phenomena, budget unavailability or customer dissatisfaction, could have a negative impact on growth targets.
  The Company hedges this risk towards anchor tenants mainly through MSA agreements (both with a duration of 8 years and tacit renewal for a further 8 years with an 'all or nothing' clause), which provide for guaranteed services by anchor tenants. In addition, there are dedicated figures for the two anchor tenants to intercept needs and develop additional services.
  Third-party customers are provided with multi-year commercial contracts (mostly 6-9 years) and dedicated functions. Activities to measure customer satisfaction are also planned. The company also strengthened the development of micro-grid demand by setting up a dedicated micro-grid hosting organization.
- **MSA commitments.** This is a risk linked to any breach of contract or failure to properly perform obligations (e.g. technical maintenance SLAs) that may impact the company in terms of penalties. INWIT has established a dedicated MSA management function that carries out periodic reporting to senior management on the management of MSA obligations in operational terms and the roll-out of commitments.

## Risks related to compliance with the current legal and regulatory framework and sustainability issues

The Company operates in a complex legal and regulatory framework and, in this context, aims to implement all actions aimed at ensuring the adequacy of corporate processes to the applicable laws and regulations, in terms of procedures, supporting information systems and required corporate behaviour. INWIT is, moreover, oriented towards the pursuit of sustainable success of business objectives

In this context, the following main risks have been identified:

- **Antitrust Regulation.** It is a risk that reflects the relevant market presence and the impact, including reputational, direct and indirect, associated with proceedings against the Company and consequent sanctions in a complex regulatory context. Safeguards in line with compliance best practices have been introduced (Antitrust Compliance Program and Antitrust Officer Compliance) and there is an ongoing commitment to staff training and awareness-raising initiatives.
- **Commitment Remedies.** It is a risk reflecting the complex regulatory framework and related to compliance with the commitments acquired in front of the European Commission ("commitment remedies") under Article 6(2) of the Merger Regulation.

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According to these commitments, INWIT will have to make 4,000 sites available over eight years to operators requesting them in municipalities with a population of over 35,000 inhabitants, guaranteeing non-discriminatory access. The Company ensures the control of this risk within the framework of a specific process (Transparency Register) supervised by a third party (Monitoring Trustee).

- **Regulations pursuant to Legislative Decree 231/01.** This is a risk linked to the legislation set out in Legislative Decree 231/01, which introduced the administrative liability of entities for offences committed in the interest or to the advantage of those entities. The risk reflects the impact related to criminal proceedings against the Company and consequent sanctions arising from offences relevant to 231 and also reputational. In line with compliance best practices (Organizational Model 231 and Supervisory Body), INWIT is also constantly engaged in staff training and awareness initiatives.
- **Occupational health and safety regulations and environmental protection.** In this respect, the Company is committed to ensuring compliance with applicable regulations as well as following industry best practices. The risk reflects the potential negative impacts of workplace accidents. The risk is controlled through organizational, procedural and training initiatives.
- **IT Continuity, Information & Cyber Security.** The management of ICT systems and the need to ensure their security and continuous operation are important aspects of corporate management. In this context, loss of data, inadequate dissemination of the same and/or interruptions in the operation of ICT systems upon the occurrence of accidental events or malicious actions inherent in the IT system, may have potential negative effects on the Company's activities and economic, asset and financial situation. Risk is controlled through the introduction of dedicated resources and expertise, continuous monitoring and awareness campaigns. IT Continuity, Information & Cyber Security is classified as an emerging risk.

## Climate Change Risk

INWIT's objective is to analyse climate-related risks arising from the scenarios analysed as well as to qualitatively and quantitatively assess their effects and impacts on its business.
The risk related to Climate Change is defined as the set of Risks related to changes in weather/climate/physical phenomena with direct repercussions on the assets, activities and services provided, and/or related to the legal, technological, reputational or market effects that the transition to a zero-emission economy may have on the company's business.
Starting from the scenario analysis that considered the physical and transitional risks and opportunities associated with climate change, an economic assessment of the impact of the main physical risks on INWIT's assets was carried out in 2023, considering a time horizon up to 2050.
The following 'climate' risks have been identified:

- Windstorms - Can cause damage to towers. For each site, a gust speed is associated with a probability of failure of the tower (e.g. tower failure with a speed >180 km/h).
- Fires - If they occur near INWIT's assets, they can cause damage to rawland sites, resulting in the need for intervention and repair costs.
- Flooding - Can cause damage to the electrical equipment of rawland sites. In addition, for rooftop sites, the height of the water can cause damage to the supporting structure of the tower, to the point of collapse.
- Heat Waves - They impact assets both by increasing the number of maintenance operations and energy consumption for cooling systems.

The following Transition Risks have also been identified:

- Increasing cost of technology. This risk would mean that INWIT would have to adapt infrastructure assets (piling, power supply and air conditioning).
- Rising electricity prices from fossil fuels. The Company monitors the risk through the implementation of a specific process led by a dedicated structure, aimed at managing energy procurement issues.

Since 2023, INWIT has published a TCFD Report to which we refer for more information. The TCFD Report incorporates the reporting framework defined by the Task Force on Climate-related Financial Disclosure (TCFD) and provides the key elements concerning the functions and processes by which the company monitors and manages climate-related risks and opportunities, the climate objectives it has set itself and the related metrics for monitoring them, as well as the strategy defined to achieve them.

## Other risks

The **evolution of the Organizational Model** is a risk related to the adequacy of the organizational set-up in terms of organization, size and competences. The evolution of the corporate organizational model has been constant since 2020. The risk is linked to the continuous evolution of market scenarios, corporate objectives and new growth opportunities that require continuous adjustment and evaluation of the organizational set-up. The Company constantly monitors the evolution of the Organizational Model and has initiated a project to strengthen the organizational structure in order to cope with the increase in business volumes and complexity.

## PREVENTION OF CORRUPTION

GRI 205-1, 205-2 (partial), 205-3

By resolution of the Board of Directors of December 16, 2021, INWIT adopted its **own anti-corruption policy**, with a view to risk management according to the 'zero tolerance' principle. The policy, inspired by national and international regulations and best practices, was drawn up from scratch taking into account the areas most exposed to corruption risk at INWIT, and defines roles and responsibilities in the corporate context. In accordance with legal or contractual obligations, the policy is addressed to the entire company population, is published on the company portal as well as on the company website, and has been shared with the Board of Statutory Auditors and the Control and Risk Committee.

Following approval, all members of corporate bodies and the corporate population were informed about the anti-corruption policies and procedures. In addition, training sessions on compliance and business ethics were delivered to the corporate population, with specific focus on liability pursuant to Legislative Decree 231/01 and related offences, anti-corruption in the public and private sectors, and conflict of interest.

In addition, contractual clauses have been updated to ensure compliance with the policy also by third parties, and anti-corruption due diligence on third parties is planned.

**The main corruption risk areas referred to in the policy are:**

- *RELATIONS WITH THIRD PARTIES*
- *INSPECTIONS AND AUDITS BY PUBLIC AUTHORITIES*
- *POLITICAL CONTRIBUTIONS*
- *EVENTS AND S PONSORSHIP*
- *GIFTS*
- *DONATIONS AND ENTERTAINMENT EXPENSES*
- *HUMAN RESOURCES MANAGEMENT*
- *M&A OPERATIONS*
- *FACILITATING PAYMENTS*

Any violations, even alleged violations, of the anti-corruption policy can be reported through the whistleblowing channels (described below).

During 2023, no transactions were assessed for corruption risks, and no overt corruption incidents occurred. As part of ERM's risk assessment, corruption risks were identified mainly in the risks of potential fraud conducted to the detriment of the company, of the occurrence of corruptive events/phenomena towards Public and Private Entities, as well as in the implementation of regulation 231 (with particular reference to relations with location owners, suppliers, sponsors and the management of extraordinary transactions). These risks were the subject of annual assessments as part of the ERM process.



## WHISTLEBLOWING PROCEDURE

GRI 2-26

To supplement the provisions of the Code of Ethics, with reference to the guidelines for requesting clarifications or making reports on alleged violations of the Code itself, INWIT has adopted a **Whistleblowing Procedure**, the latest update of which took place in July 2023 in order to transpose Legislative Decree No. 24 of March 10, 2023 implementing Directive (EU) 2019/1937 of the European Parliament and of the Council of October 23, 2019. The purpose of the procedure is to regulate the process of receipt, analysis and processing (including filing and deletion) of reports, whether sent by anyone or even anonymously, concerning conduct, including omissions, that does not comply with laws and regulations, in any case applicable to INWIT, as well as with the system of rules and procedures in force in the company, including the Code of Ethics and the Organizational Model 231. Whistleblowing also includes complaints and allegations received by the Board of Statutory Auditors. In order to facilitate the receipt and handling of reports, guarantee confidentiality by protecting both whistleblowers and reported persons, an IT system is in place that allows for the submission of reports (including anonymously). The system also supports the archiving of reports and related analyses and verifications. The archive of Whistleblowing reports has access limited to the Internal Audit Director and the Head of INWIT's Risk Compliance & Corporate Security function, who are also in charge of receiving the report (so-called Gate keeper). In the event that the reports relate to the two gate keepers, the system allows the report to be sent to the Chairman of the Board of Statutory Auditors.

**Reports may, in particular, concern:**

1. requests for clarification of the correctness of one's own or others' conduct for the purposes of full compliance with the Code of Ethics;
2. communications of alleged violations, requests or inducements to violate laws or regulations, provisions of the Code of Ethics, internal procedures (e.g. non-compliance with contractual clauses, defamation, threats, fraud, misuse of company equipment);
3. notifications of alleged violations of the Organizational Model 231 as a result of conduct at risk of crime and/or offence under the 231 Organizational Model 231;
4. complaints concerning alleged findings, irregularities and censurable facts;
5. complaints concerning accounting, internal accounting controls, or auditing matters from anyone, as well as concerns, submitted by employees of the Company, relating to questionable accounting or auditing matters.

INWIT's Internal Audit Department is the owner of the whistleblowing management process; process in which the Risk Compliance & Corporate Security Function (so called Reporting Team) is also systematically involved. The Reporting Team, in addition to Internal Audit and Risk, Compliance & Corporate Security, may involve other internal or external parties, depending on the type of report received and the necessary expertise to carry out the internal investigation. The Control Bodies (Board of Statutory Auditors and Supervisory Body) are promptly informed of the receipt of a report in order to be able to assess it in relation to their respective competences and prerogatives and also to be able to request the Reporting Team for any further investigation or verification.
The process of handling reports is carried out in compliance with the whistleblowing procedure and the principles enshrined in the Company's Code of Ethics.

**During 2023, five reports were received, one of which was named and four anonymous.**
Reports received were promptly taken up by the Reporting Team, which confirmed receipt to the whistleblower, where possible. The reports were assessed beforehand to see if they were sufficiently substantiated. The Reporting Team identified on a case-by-case basis the internal investigations to be carried out, also requesting support from expert investigative consultants where appropriate. The results of the internal investigations were communicated to management, together with recommendations for disciplinary or organizational action to be taken.
In one case out of the five reports received, violations of internal procedures and irregular behaviour were detected, resulting in disciplinary measures against the employees involved, as well as organizational measures. In other cases, opportunities for improvement of the internal control system have been identified and shared with the Company's management, these are improvement actions, the completion of which is part of the monitoring and supervision activities for 2023.

The whistleblowing management process also includes a regular reporting system to the company's bodies and top management. The Internal Audit Department sends a periodic update on all reports received during the reporting period and on the outcome of internal audits, to the Board of Statutory Auditors, the Supervisory Body and the Company's Control and Risk Committee.

Finally, Internal Audit provides the Board of Directors with a comprehensive summary of the reports received and the activities performed, in the half-yearly and annual report, which is also forwarded to the Control and Risk Committee.

## DATA PRIVACY AND DATA PROTECTION NFS

GRI 418-1

During 2023, in order to make its Data Protection Organizational Model more effective, as approved by the Board of Directors in 2021, the Company carried out a “streamlining” of the Model, starting with the company figures involved in processes concerning privacy and data protection aspects. In this respect, a distinction was made between privacy and process contact persons.

In implementation of this Model, a new procedure on the use of IT equipment was adopted in 2023 and the various Privacy Notices were updated. In particular, the Data Protection Impact Assessment (DPIA) on whistleblowing was updated following important regulatory changes.

In order to ensure an effective understanding and dissemination of the regulatory principles and guidelines of the National Privacy Guarantor, a half-yearly 'Compliance Newsletter' was issued, edited by the Risk & Compliance function.

As part of the management of relations with third parties, including customers, a compliance and assurance check was carried out on contracts by the Data Protection Officer, through the intermediary of an external auditor, with the aim of verifying that the appropriate contractual clauses, adaptable to the specific case, as drafted in 2021, had been adopted, as well as special disclosures containing the rights exercised by data subjects and the DPO's contact details. As a result of the audit the DPO, identified a number of mitigating actions that, if implemented, will allow for an overall positive assessment.

Personal data are kept for the time strictly necessary for the pursuit of the purposes, unless otherwise provided for by law in specific cases (litigation, complaints, etc.). In order to correctly identify, in accordance with the principle of accountability of the Data Controller, in accordance with the applicable legislation (i.e. the employer), the company planned to start the activity on data loss prevention and data classification, which in the technical tender specifications presupposed the identification, for each category of data (in this case, personnel) also of the most appropriate data retention period.

In addition, a new privacy policy has been published on the company website for employees to consciously approve the use of cookies.

Finally, it is reported that, similarly to 2022, no substantiated complaints were received during 2023 concerning breaches of customers' privacy and losses of their data.

# FINANCIAL CAPITAL

2

Financial capital, for INWIT, represents all funds obtained through forms of financing, such as debt to third parties, equity capital or generated through operating activities or investment results. Funds that the company uses to create value over time for all its stakeholders, in particular through investment in its infrastructure.

Financial capital is obviously not fixed in time. It can be increased, reduced or transformed through the company's activities. Many activities lead to very complex increases, decreases or transformations and involve a broader combination of capitals (or components of a capital).

Constant monitoring of these activities is an objective of the company and an integrated balance sheet must provide detailed information on the nature and quality of the activities carried out.

# REPORT ON OPERATIONS AS AT DECEMBER 31, 2023

# ECONOMIC, EQUITY AND FINANCIAL PERFORMANCE

In 2023, all key industrial, economic and financial indicators showed an upward trend compared to the period 2022

- revenues amounted to 960.3 million euros, up +12.6% compared to the same period in 2022 (853.0 million euros);
- EBITDA amounted to 879.2 million euros, an increase of 12.8% compared to 2022;
- EBTIDAaL, the company's main profitability indicator, was 685.6 million euros, an increase of +16.8%;
- Profit for the year amounted to 339.5 million euros, up +15.7% compared to the same period in 2022;
- recurring free cash flow for 2023, amounted to 611.5 million euros, up +24.4% compared to the same period in 2022;
- capital expenditures for the period amounted to 290.0 million euros;
- Net financial debt amounted to 4.2 billion euros, including IFRS 16 financial liabilities, and was substantially stable compared to December 31, 2022.



## CONSOLIDATED OPERATING PERFORMANCE

Through its activities, INWIT also contributes to the development of the economic and social fabric of the areas in which it operates.

**Table 2.** Main Economic Values (€ mln)

| | 2022 | 2023 | change |
|---|---|---|---|
| Total Revenues | 853.0 | 960.3 | 12.6% |
| Procurement of materials and external services | (43.5) | (45.1) | 3.6% |
| Employee benefits expenses | (21.4) | (18.6) | (13.1%) |
| Other operating expenses | (8.9) | (17.4) | 95.3% |
| **EBITDA** | **779.2** | **879.2** | **12.8%** |
| Depreciation and amortization, realized capital losses and impairment of non-current assets | (363.7) | (370.5) | 1.9% |
| **EBIT** | **415.5** | **508.7** | **22,4%** |
| Financial income/(expenses) | (81.2) | (112.9) | 39.1% |
| **EBT** | **334.2** | **395.8** | **18.4%** |
| Income tax expense | (40.9) | (56.3) | 37.6% |
| **Result for the period** | **293.3** | **339.5** | **15.7%** |
| **EBITDAaL** | **587.0** | **685.6** | **16.8%** |

**Table 3.** Main Economic Indicators (%)

| | 2022 | 2023 | variazione |
|---|---|---|---|
| **EBITDA margin** | **91.3%** | **91.6%** | ***0.3pp*** |
| EBIT margin | 4.7% | 53.0% | 4.3pp |
| **Result for the period/Total revenues** | **34.4%** | **35.4%** | ***1.0pp*** |
| EBITDAaL margin | 68.8% | 71.4% | 2.6pp |

**Table 4.** Details of revenues (€ mln)

| | 2022 | 2023 | change |
|---|---|---|---|
| Revenues from Master Service Agreements with TIM S.p.A and Vodafone Italia S.p.A. | 699.1 | 787.1 | 12.6% |
| **One-off revenues** | **0.6** | **0.6** | **11.3%** |
| Revenues from OLO's and other revenues | 121.1 | 124.7 | 3.0% |
| **Revenues from new services** | **32.2** | **47.8** | **48.6%** |
| **Total** | **853.0** | **960.3** | **12.6%** |

As at December 31, 2023, the Group recorded consolidated revenues of 960.3 million euros, an increase of 12.6% compared to the 853.0 million euros recorded in the previous year. Total revenues include one-off revenues from the indemnity under the MSA contract, totalling 0.6 million euros.

**The significant increase in consolidated revenue is attributable to:**

- the growth in MSA service contracts with Tim and Vodafone (+12.6%), which benefited from the development of the common grid, more services in commitment and higher MSA fees due to the expected adjustment to the inflation rate recorded in the previous year;
- the increase in hosting and other services with other customers (+3.0%);
- the increase in revenues from new services (+48.6%), mainly due to the growing demand for hosting on radio installations covering road and motorway tunnels and the construction of new indoor coverage.

## EBITDA

The Group's EBITDA amounted to 879.2 million euros, with an EBITDA margin of 91.6% (compared to 91.3% in the previous year). The increase from December 31, 2022 is 12.8%, which drops to 12.4% if one-off revenues and costs are excluded from the comparison. During the year, the aforementioned one-off revenues were recognized, whereas the previous year was characterized by one-off costs of 2.8 million euros.

**EBITDA for the period was affected by:**

- purchases of materials and external services amounting to 45.1 million euros (43.5 euros million in the previous year). These costs include those related to maintenance, which are mainly governed by contracts with external specialized companies. In addition, there are other service-related costs, mainly represented by rental charges for infrastructure located on civil buildings and site surveillance costs;
- employee benefits expenses of 18.6 million euros, down from 21.4 million euros in the previous year. This decrease is the result of a higher capitalization of labour costs and lower charges related to staff redundancies;
- Other operating expenses increased by 8.5 million euros year-on-year, mainly due to the write-down of receivables, higher provisions for risks, and an increase in operating taxes.

## EBIT

Group EBIT amounted to 508.7 million euros, an increase of 22.4% (+21.6% excluding the aforementioned one-off revenues and costs) over the previous year. The revenue ratio for the period was 53.0%, up from 48.7% in the previous year.
During the year, depreciation and capital losses on disposals totaled 370.5 million euros, up 1.9% from 363.7 million euros in the previous year, as a result of increased investments.

## Financial income/(expenses)

The balance of financial income and expenses was a negative 112.9 million euros, up from the previous year, when the balance was a negative 81.2 million euros. The increase is mainly attributable to higher bank interest rates paid for medium-/long-term loans. There were also higher discounting charges for the 'provision for restoration costs' of 5.0 million euros compared to 2.0 million euros the previous year.

## Income tax expense

Taxes for the period amounted to 56.3 million euros, up from the previous year (40.9 million euros).
The estimated tax burden was determined on the basis of the assumed theoretical tax rates of 24.0% for IRES and 4.6% for IRAP.
It should be noted that taxes for the period availed of a tax benefit of 57.2 million euros related to the realignment of goodwill both for that recognized in the financial statements in 2015, deriving from the contribution of the business unit by TIM, and for that generated by the merger transaction with Vodafone Tower in 2020.

## Net result for the period

Net profit for the period amounted to 339.5 million euros, up 15.7% year-on-year. As a percentage of revenue for the period, it amounted to 35.4%, (34.4% as at December 31, 2022). The growth in the net result is mainly a consequence of higher revenues and the streamlining of operating costs.

## EBITDAaL

The ratio rose sharply year-on-year by +16.8%, thanks to the steady progress made in optimizing rental costs, despite the increased perimeter of the Group's infrastructure assets and the negative impact of inflation. The EBITDAaL margin stood at 71.4% compared to 68.8% in the corresponding period of 2022, up 2.6 percentage points.

## Directly generated and distributed economic value

NFS

GRI 201-1

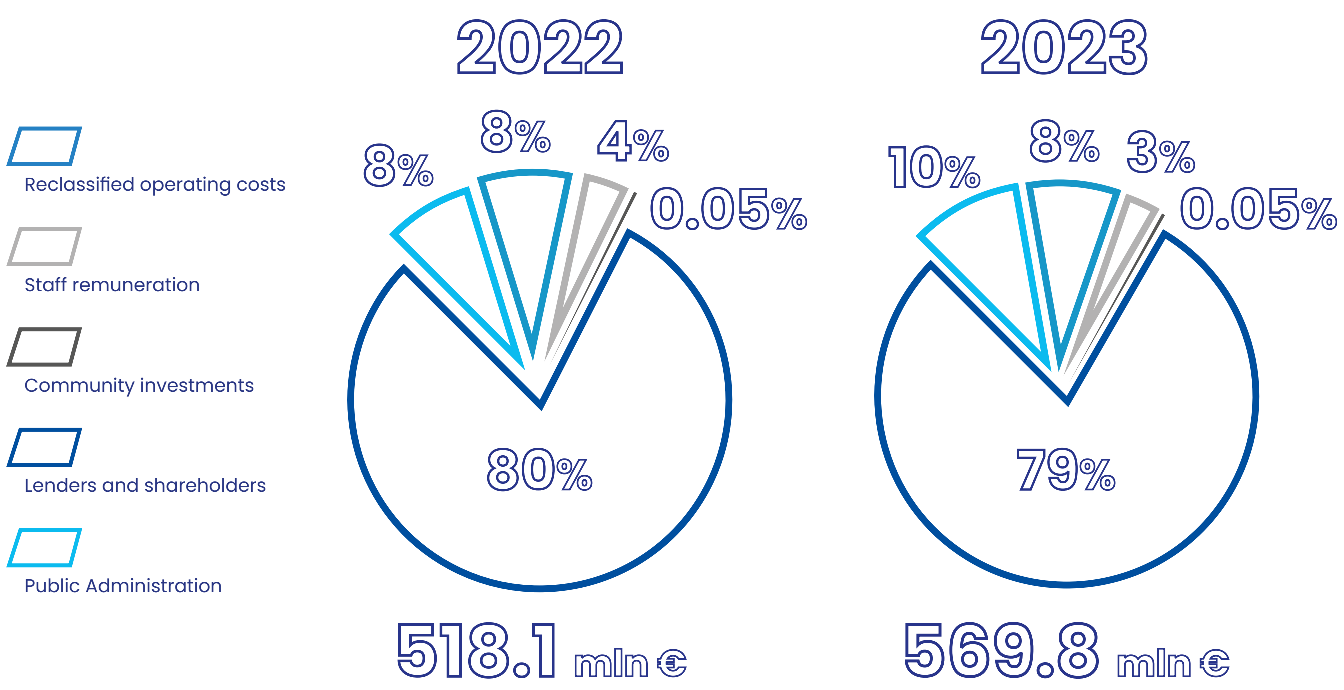
In line with the methodology defined by the GRI Sustainability Reporting Standards, a reclassification of the income statement was performed in order to determine the economic value generated and distributed by INWIT. In 2023, INWIT generated an economic value of over 960 million euros (up 13% from 2022), of which 59% was distributed among the various stakeholders.

The value distributed, more than 569 million euros in 2023, in fact represents the organization's ability to respond, in terms of available resources, to the needs of its stakeholders, in particular: lenders and shareholders, suppliers of goods and services (reclassified operating costs), employees (staff salaries), communities and the public administration.

**Table 5.** Economic value generated, distributed and retained (€ mln) (GRI 201-1)

| | 2022 | 2023 | Change |
|---|---|---|---|
| **Economic value generated** | **853.1** | **960.7** | **13%** |
| **Distributed economic value** | **518.1** | **569.8** | **10%** |
| Reclassified operating costs | 41.4 | 45.1 | 9% |
| Staff remuneration | 21.5 | 18.6 | -13% |
| Community investments | 0.2 | 0.3 | 25% |
| Lenders and shareholders | 414.1 | 449.6 | 9% |
| Public Administration | 40.9 | 56.2 | 38% |
| **Economic value withheld** | **334.9** | **390.8** | **17%** |

**Economic value distributed (%)**




As the chart shows, a majority share of the value generated in 2023 went to lenders and shareholders (79%), 10% to the public administration, 8% to suppliers of goods and services (reclassified operating costs) and 3% to personnel. A residual 0.05% was allocated to investments in the Community in the form of grants, scholarships and internships.

## CONSOLIDATED FINANCIAL POSITION PERFORMANCE

**Table 6.** Reclassified Balance Sheet (€ mln)

| | 2022 | 2023 | Change |
|---|---|---|---|
| Fixed assets | 8,761.2 | 8,892.4 | 1.5% |
| Net working capital | 216.5 | 56.6 | (73.9%) |
| Provisions | (432.6) | (405.3) | (6.3%) |
| **Net invested capital** | **8,45.1** | **8,543.7** | **(0.0%)** |
| Equity | 4,466.5 | 4,336.4 | (2.9%) |
| Net financial debt | 4,078.6 | 4,207.3 | 3.2% |
| **Total coverage** | **8,545.1** | **8,543.7** | **(0.02%)** |

**Fixed Assets,** at 8,892.4 million euros, were up from the previous year (8,761.2 million euros). The increase of 131.2 million euros is due to the following determinants:

- increase in property, plant and equipment of 176.5 million euros, generated by investments of 237.5 million euros, depreciation and disposals of (75.6) million euros and other changes of 14.6 million euros,
- decrease in intangible assets in the amount of 109.9 million euros due to the combined effect of investments in the amount of 19.2 million euros, amortization in the amount of (111.6) million euros and other changes in the amount of (17.5) million euros;
- increase in goodwill in the amount of 7.1 million euros, arising from the business combination of '36Towers S.r.l.' in the amount of 3.7 million euros, the acquisition of the Vodafone S.p.A. business units in the amount of 2.7 million euros, and Tim S.p.A. in the amount of 0.7 million euros;
- increase in utilization rights in the amount of 57.4 million euros, due to investments in the amount of 30.0 million euros, lease increases in the amount of 196.2 million euros (net of 0.1 million euros in decreases), amortization in the amount of (184.9) million euros, and other changes in the amount of 16.1 million euros.

Please refer to Notes 6, 7, 8 and 9 of the Consolidated Financial Statements as at December 31, 2023 for more details on the investments for the period.

The positive **Net Working Capital** decreased by 159.9 million euros to 56.6 million euros from 216.5 million euros in the previous year. The decrease was caused by the combined effect of the reduction in trade receivables as a result of collections during the period and higher trade payables.

**Provisions** amounted to 405.3 million euros, down from the previous year (432.6 million euros). The item includes: the provision for deferred taxes (165.3 million euros), the provision for restoration charges (234.7 million euros), the provision for personnel expenses (euros 2.4 million euros), the provision for litigation and commercial risks (2.5 million euros) and other provisions (0.4 million euros).

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For more information on changes in provisions for the period, please refer to Note 13 of the Consolidated Financial Statements as at December 31, 2023.

**Equity** amounted to 4,336.4 million euros, down from the previous year (4,466.5 million euros). The change is the result of the net profit for the year of 339.5 million euros, the distribution of dividends of (332.9) million euros resolved at the approval of the previous year's financial statements on April 18, 2023, and other movements of (136.6) million euros mainly due to the purchase of treasury shares during the year.

**Net Financial Debt** amounted to 4,207.3 million euros, up 3.2% year-on-year. The increase is due to the combined effect of increased use of short-term credit lines in the amount of 166 million euros and higher cash and cash equivalents in the amount of 22.2 million euros.

During the year, leverage was reduced from 5.2x as at December 31, 2022 to 4.8x, mainly due to EBITDA growth (+12.8%).

For more details, please refer to the following section "Financial Performance", which also includes the analysis of cash flows and the determination of recurring free cash flow.

Further details of the individual items can also be found in Note 15 to the Consolidated Financial Statements as at December 31, 2023.

[11] Cash and cash equivalents include an amount of approximately 51 million euros relating to an advance received in December 2023 for contributions on projects related to the Call for Proposals of the "Italia 5G" Plan for the construction of new network infrastructures capable of providing mobile radio services with transmission speeds of at least 150 Mbit/s in the downlink and 30 Mbit/s in the uplink, financed with NRRP funds, a portion of which was retroceded in January to project partners (17 million euros), and the remainder relating to investments already made or to be made by Inwit as part of the above-mentioned call for tenders.



# FINANCIAL PERFORMANCE

## Net financial debt

The table below shows a summary of the net financial debt as of December 31, 2023, determined in accordance with the provisions of paragraph 127 of the recommendations contained in the document prepared by ESMA, No. 319 of 2013, implementing Regulation (EC) 809/2004.
The table also shows the reconciliation of the net financial debt determined according to ESMA criteria with that used by INWIT to monitor its financial position.

**Table 7.** Net Financial Debt (€ mln)

| | | 2022 | 2023 | change |
|---|---|---|---|---|
| a) Cash | | - | - | - |
| b) Other cash equivalents (11) | | 72,9 | 95,1 | 22,2 |
| c) Securities held for trading | | - | - | - |
| **d) Liquidity** | **(a+b+c)** | **72,9** | **95,1** | **22,2** |
| e) Current financial receivables | | 0,3 | 0,4 | 0,1 |
| f) Current financial payables | | - | - | - |
| g) Current portion of financial payables of which: | | (255,4) | (430,2) | (174,8) |
| ➲ Financial debts within 12 months | | (103,6) | (269,7) | (166,1) |
| ➲ Liabilities under finance leases within 12 months | | (151,7) | (160,4) | (8,7) |
| h) Bonds issued | | (17,7) | (17,6) | (0,1) |
| i) Other current financial payables | | - | - | - |
| **i) Current financial debt** | **(f+g+h)** | **(273,0)** | **(447,8)** | **(174,8)** |
| **j) Net current financial debt** | **(i+e+d)** | **(199,9)** | **(352,3)** | **(152,4)** |
| k) Financial payables (medium/long-term) of which: | | (1.643,6) | (1.617,0) | 26,6 |
| ➲ Financial debts over 12 months | | (833,9) | (795,3) | 38,6 |
| ➲ Liabilities under finance leases over 12 months | | (809,7) | (821,7) | (12,0) |
| l) Bonds issued | | (2.236,1) | (2.238,5) | (2,4) |
| m) Other current financial payables | | - | - | - |
| **n) Non - Current financial debt** | **(k+l+m)** | **(3.879,7)** | **(3.855,5)** | **24,2** |
| **o) Net Financial Debt as per ESMA recommendations** | **(j+n)** | **(4.079,6)** | **(4.207,8)** | **(128,2)** |
| Other financial receivables and Other non-current financial assets[12] | | 0,9 | 0,5 | (0,4) |
| **INWIT Net Financial Debt** | | **(4.078,7)** | **(4.207,3)** | **(128,6)** |
| Liabilities under finance leases due within 12 months | | (151,7) | (160,4) | (8,7) |
| Liabilities under finance leases due over 12 months | | (809,7) | (821,7) | (12,0) |
| **INWIT Net Financial Debt - excluding IFRS16** | | **(3.225,2)** | **(3.117,3)** | **(107,9)** |

[12] This item relates to loans granted to Group employees on the dates indicated.

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## The Company's financial debt as at December 31, 2023 consisted of:

1. Bank debt totalling a nominal 1,053 million euros
   - European Investment Bank loan in the amount of 298 million euros with amortizing repayment starting in February 2026 and maturing in August 2033;
   - Sustainability-linked Term Loan, linked to specific sustainability indices, with a pool of 4 financial institutions, amounting to 500 million euros and maturing in April 2025[13];
   - Revolving Credit Facility (RCF) syndicated with a pool of 10 domestic and international banks, linked to sustainability indices, in the amount of 500 million euros and maturing in March 2027, utilized for 125 million euros;
   - Uncommitted bank lines drawn for a total of 130 million euros.
2. Bond debt with a total nominal value of 2.25 billion euros
   - 1 billion euros issue with a coupon of 1.875% and maturity in July 2026;
   - 750 million euros issue with a coupon of 1.625% and maturity in October 2028;
   - 500 million euros issue with a coupon of 1.75% and maturity in April 2031.

The Company's financial structure shows a percentage of debt at a fixed rate of about 77%, while the remaining 23% is at a variable rate.

The rating of the issuer and the bonds issued is BB+ according to Standard & Poor's and BBB- according to Fitch Ratings. Both ratings have stable outlooks.

## The increase in the Group's net financial debt as at December 31, 2023, amounting to 107.9 million euros, stems from:

- the increase in current financial debt in the amount of 174.8 million euros, attributable to greater use of short-term credit lines (166.1 million euros);
- the increase in cash and cash equivalents 22.2 million euros;
- the decrease in non-current financial debt in the amount of 24.2 million euros, mainly attributable to lower financial liabilities in the amount of 38.6 million euros, offset by higher liabilities for finance leases in the amount of 12.0 million euros;
- the reduction of other financial receivables in the amount of 0.4 million euros

Financial leverage, expressed by the Net Debt/EBITDA ratio was 4.8x, down 0.4 percentage points from the previous year (5.2x).

The Group's net financial indebtedness shown above includes the contribution of '36Towers S.r.l.', amounting to (2.4) million euros, consisting mainly of

- cash and cash equivalents of 0.2 million euros;
- liabilities for finance leases in the amount of 2.6 million euros.

[13] On January 8, 2024, INWIT formalized the option to extend the maturity date of the 500 million euros sustainability-linked term loan from April 2025 to April 2027.



Finally, it should be noted that the cash flow statement, prepared in accordance with the format expressed as changes in cash and cash equivalents, is presented at the beginning of the 'Consolidated Financial Statements as at December 31, 2023.

**Table 8.** Cash flows (€ mln)

| | | 2022 | 2023 | change |
|---|---|---|---|---|
| **Ebitda** | | 779.2 | 879.2 | 100.0 |
| Capital expenditures on an accrual basis[14] | | (187.0) | (303.0) | (116.0) |
| **Ebitda - investments (industrial capex)** | | 592.2 | 576.2 | (16.0) |
| Change in net operating working capital: | | (59.3) | 57.0 | 116.3 |
| - Change in trade receivables | | (28.6) | 15.9 | 44.5 |
| - Change in trade payables[15] | | (30.7) | 41.1 | 71.8 |
| Other changes in operating receivables/payables | | 21.1 | 19.3 | (1.8) |
| Change in employee benefits | | (0.7) | 33.2 | 33.9 |
| Change in operating provisions and Other changes | | (4.7) | 0.1 | 4.8 |
| **Free cash flow** | **a)** | **548.6** | **685.8** | **137.2** |
| **% of EBITDA** | | **70.4%** | **78.0%** | **7.6pp** |
| *Investments in non-current assets (purchase of shareholding in 36Towers S.r.l.)* | | - | (3.8) | (3.8) |
| **Total Financial Investments** | **b)** | **-** | **(3.8)** | **(3.8)** |
| Balance Financial income and expenses | | (81.2) | (112.9) | (31.7) |
| Total income tax expense for the year | | (40.9) | (56.3) | (15.4) |
| **Total Other P&L Items** | **c)** | **(122.1)** | **(169.2)** | **(47.1)** |
| Changes in miscellaneous receivables and payables | | (1.3) | 28.1 | 29.4 |
| Other non-monetary changes | | 6.8 | 0.2 | (6.5) |
| Changes in lease increases/decreases | | (147.9) | (194.6) | (46.7) |
| Net financial debt - extraordinary flows (from consolidation '36Towers S.r.l.') | | - | (2.66) | (2.66) |
| **Total changes in receivables and payables and other assets/liabilities** | **d)** | **(142.4)** | **(169.0)** | **(26.4)** |
| **NET CASH FLOW (before dividend payment and share buyback) on NFP** | **e)= a)+b)+c)+d)** | **284.1** | **343.8** | **59.8** |
| Purchase of treasury shares | | (2.1) | (136.2) | (134.1) |
| Dividends payment | | (307.5) | (336.2) | (28.7) |
| **Total Changes in Equity** | **f)** | **(309.6)** | **(472,4)** | **(162.8)** |
| **NET CASH FLOW** | **e)+f)** | **(25.6)** | **(128.6)** | **(103.1)** |
| **NET FINANCIAL DEBT AT THE BEGINNING OF THE YEAR** | | **4,053.1** | **4,078.7** | **25.6** |
| **NET FINANCIAL DEBT AT YEAR-END** | | **4,078.7** | **4,207.3** | **128.6** |
| **CHANGE IN DEBT** | | **(25.6)** | **(128.6)** | **(103.0)** |

[14] Net of proceeds received from the sale of fixed assets.
[15] Includes changes in trade payables for investment activities.

Recurring Free Cash Flow as of December 31, 2023 - calculated net of both revenues and non-recurring costs (at EBITDA level) - amounted to 611.5 million euros, up 24.4% year-on-year.
A description of the items concerned is given in the table below.

**Table 9.** Recurring Free Cash Flow (€ mln)

| | 2022 | 2023 | change |
|---|---|---|---|
| **Ebitda** | 779.2 | 879.2 | 12.8% |
| (revenues)/one-off costs | 2.2 | (0.6) | (128.1%) |
| **Recurring EBITDA** | 781.4 | 878.6 | 12.4% |
| recurring investments | (23.2) | (20.6) | (10.9%) |
| **Recurring EBITDA net of investments** | **758.2** | **858.0** | **13.2%** |
| taxes paid | (27.9) | (13.6) | (51.4%) |
| change in net working capital[16] | 10.9 | 42.2 | 287.4% |
| lease payment | (200.0) | (209.0) | 4.5% |
| recurring financial charges | (49.8) | (66.1) | 32.8% |
| **Recurring Free Cash Flow** | **491.4** | **611.5** | **24.4%** |

- Non-recurring revenues include the indemnity under the MSA contract with Tim (0.6 million euros). The previous year, on the other hand, was characterized by one-off costs in the amount of 2.8 million euros arising from corporate projects and the termination of the relationship with the former general manager, as well as one-off revenues related to the MSA contractual indemnity to Tim in the amount of 0.6 million euros.
- recurring investments consist of extraordinary maintenance carried out on operational infrastructure;
- taxes paid include disbursements to supplement payments made in the previous year and advance payments of IRES and IRAP taxes determined using the provisional method;
- the positive change of 42.2 million euros in net working capital is due to several factors, including: an overall positive impact of 55.4 million euros from the compression change in trade receivables and payables (net of the change in payables for assets) and a positive impact of 2.8 million euros from trade deferred income. In addition, negative changes in other operating receivables and payables totalling 16.0 million euros were taken into account;
- lease payments made during the year in the amount of 209.0 million euros;
- recurring financial expenses relate to expenses incurred for bank fees and interest amounting to 66.1 million euros.

## Sustainable and concessional finance

NFS

### 1. Revolving Credit Facility

In March 2022, INWIT signed the agreement for the amendments to the 500 million euros revolving credit line, as part of the financing transaction to support the merger with Vodafone Towers, in place with a pool of 10 banks. This is a renegotiation of the Revolving Credit Facility in the technical form of Amendment & Extension with the achievement of multiple results:

- Elimination of financial covenant of 7x EBITDA Leverage pre-IFRS16;
- Extension of the maturity date by 2 years - from March 2025 to March 2027;
- Margin reduction;
- Transformation into ESG KPI-linked with bonus/malus mechanism on margin based on the achievement of the KPI levels identified in the Sustainability Plan:
  - Reduction of CO2 emissions
  - Gender Equality
  - Digital inclusion

### 2. Financing Operations

In November 2022, a TOP-up loan of 48 million euros was signed with the European Investment Bank (EIB) in support of INWIT's Investment Plan for the development of digital infrastructure in Italy at the service of telecommunications operators.
The financing is in addition to the previous 250 million euros signed in 2021. The project is in line with INWIT's Industrial Plan, which envisages investments in the construction of new towers for the deployment of 5G, and indoor and outdoor mobile network coverage such as small cells and DAS (Distributed Antenna System) systems, as well as in the testing of new innovative technologies to support operators. A network infrastructure that will also be available for hosting FWA equipment to extend fixed broadband coverage in areas with low population density.

### 3. NRRP - Italia 5G Plan-Densification

Following the award in 2022 of the NRRP Italia 5G Plan-Densification tender by the temporary business grouping composed of INWIT, TIM and Vodafone, on December 28, 2023 Infratel paid the advance payment of 30% of the amount to be contributed to the Plan. The amount – amounting to 103.7 million euros – was paid to INWIT as the lead agent of the temporary consortium, against appropriate bank guarantees provided by INWIT in favour of Infratel in the interest of the entire RTI.
On December 29, 2023, INWIT paid TIM its share of the advance of 52.9 million euros and temporarily retained Vodafone's share of 17.6 million euros.
INWIT's share was 33.2 million euros.

### 4. Sustainability-linked Term Loan

On January 8, 2024, INWIT formalized the option to extend the maturity date of the 500 million euros sustainability-linked term loan from April 2025 to April 2027.
The option allows the extension of the term of the loan at the same economic conditions and with the same financing institutions.
The sustainability-linked Term Loan, a variable-rate instrument linked to specific sustainability indices, was signed in April 2021 with an original term of four years and with a pool of four financial institutions.

## INWIT AND THE FINANCIAL MARKET

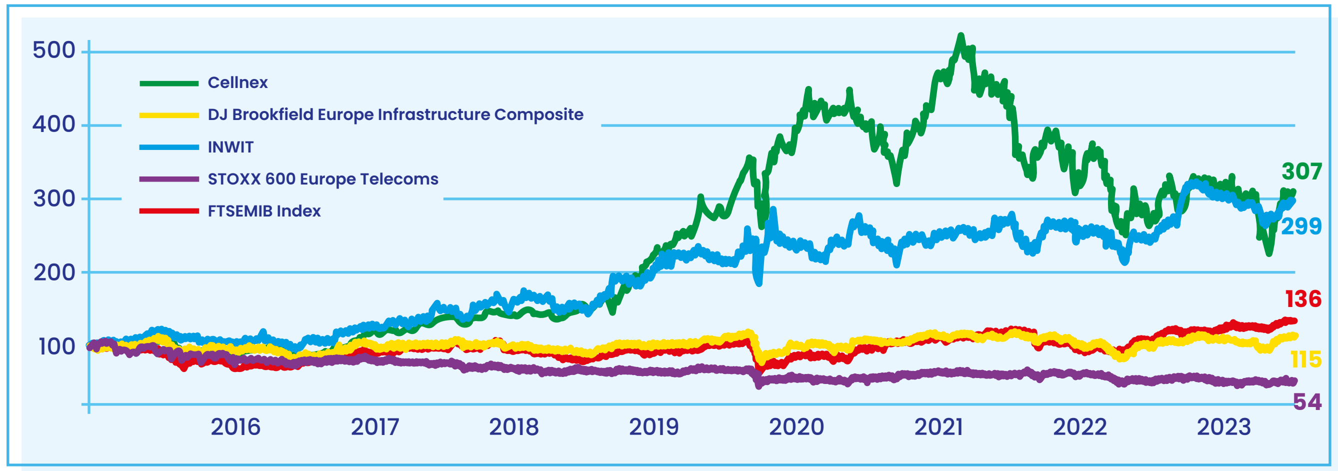
Since September 22, 2015, INWIT shares have been traded on the Mercato Telematico Azionario of Borsa Italiana (now called Euronext Milan), after a placement at a price of 3.65 euros per share. From 2020, five years after its first day of listing, INWIT's share was included in the main Italian stock index, the FTSE MIB, and in the STOXX® Europe 600, comprising 600 of the largest market capitalization companies in Europe.
INWIT shares are mainly held by international institutional investors, particularly based in the UK and the US, as well as investors from Italy, the rest of Europe and the world.

[16] With the exclusion of changes in payables for assets.

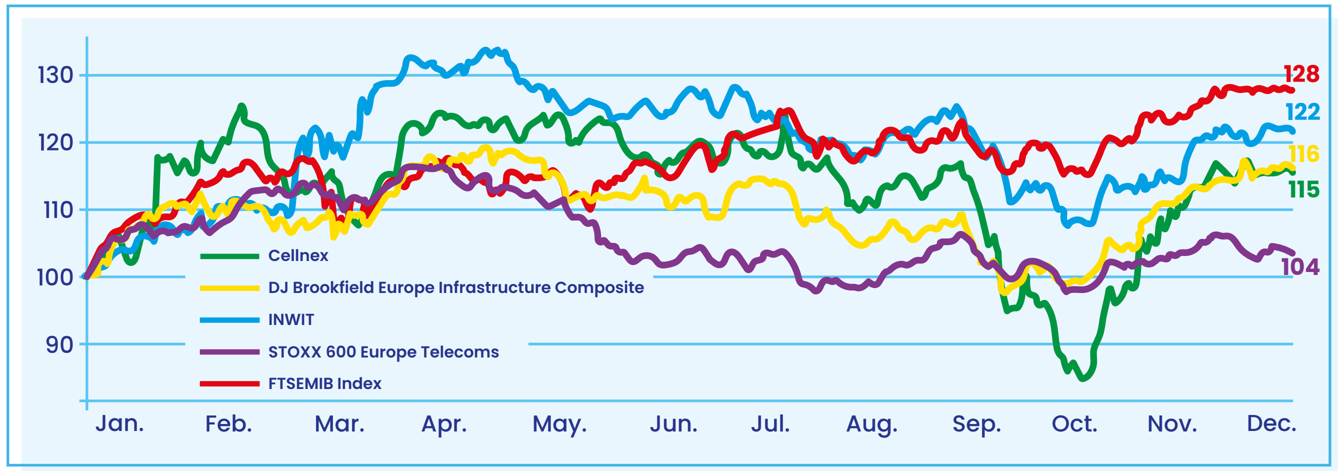
The Company maintains an ongoing dialogue with investors based on the principles of transparency, completeness and timeliness of information, including through participation in meetings, road-shows and sector conferences. In addition, the INWIT share is followed by 26 independent analysts from leading international financial institutions. More information on the INWIT share is available on the company's website **www.inwit.it** under 'Investor Relations'.

The following graph illustrates the share's performance over the period from the start of trading to December 31, 2023, in relation to a basket composed of Italian and European market indices and comparable companies.

**INWIT share price history (share price indexed to 100)**




**INWIT share price trend 2023 (share price indexed to 100)**




**INWIT share capital as at December 31, 2023**

| | |
|---|---|
| Share Capital | €600,000,000 |
| Number of ordinary shares (without nominal value) | 960,200,000 |
| Market capitalization (on average prices from 1/1/2023 to 12/31/2023) | €10,819 million |

## RELATED PARTY TRANSACTION

Pursuant to Article 5, paragraph 8, of Consob Regulation No. 17221/2010 concerning "transactions with related parties" and the subsequent Consob Resolution No. 17389/2010, in the year 2023 there were no transactions of major significance, as defined by Article 4, paragraph 1, letter a) of the aforementioned regulation, as well as other transactions with related parties that had a significant impact on the Group's financial position or results as of December 31, 2023.
Related-party transactions, when not dictated by specific laws, were conducted at arm's length; they were implemented in compliance with a specific internal procedure (available on the website **www.inwit.it** Governance section), which defines the terms and methods for their verification and monitoring.
The information on related party transactions required by Consob Communication No. DEM/6064293 of July 28, 2006 is presented in the financial statements and in the Note 'Related Parties' to the Consolidated Financial Statements as at December 31, 2023.

# OPERATING PERFORMANCE

**Table 10.** Main indicators

| | Unit of Measurement | 2022 | 2023 | change |
|---|---|---|---|---|
| Number of sites | in thousands | 23.2 | 24.1 | 3.9% |
| Number of existing hostings with Tenants | in thousands | 50.1 | 54.3 | 8.4% |
| Number of existing Tenants, excluding Anchor Tenants TIM and Vodafone | in thousands | 11.9 | 13.5 | 13.4% |
| Average Number of Tenants per Site (Tenancy Ratio) | ratio | 2.16x | 2.23x | 0.07x |
| Real estate transactions | In thousands | 2.2 | 1.8 | (17.7%) |
| Total Revenues | € mln | 853.0 | 960.3 | 12.6% |
| EBITDA | € mln | 779.2 | 879.2 | 12.8% |
| EBITDA margin | % | 91.3% | 91.6% | 0.3pp |
| EBIT | € mln | 415.5 | 508.7 | 22.4% |
| EBT | € mln | 334.2 | 395.8 | 18.4% |
| Result for the period | € mln | 293.3 | 339.5 | 15.7% |
| EBITDAaL | € mln | 587.0 | 685.6 | 16.8% |
| EBITDAaL margin | % | 68.8% | 71.4% | 2.6pp |
| Recurring Free Cash Flow | € mln | 491.4 | 611.5 | 24.4% |
| Capex | € mln | 187.0 | 290.0 | 55.1% |
| Net Cash Flow | € mln | (25.6) | (128.6) | 402.3% |
| Net Debt | € mln | 4,078.7 | 4,207.3 | 3.2% |
| Net Debt/EBITDA | ratio | 5.2x | 4,8x | (0.4x) |

Industrial results show further growth in all main indicators. The development of our infrastructure continues with the construction of around 900 new sites, totalling more than 24,000. New hostings contracted during the year numbered over 4,000, thanks to the contribution of anchor customers (Tim and Vodafone) and the strong growth in hosting from other customers.

In addition, lease cost efficiency activities continued, with more than 1,800 renegotiations of land and rental optimization. The financial results for the period show a strong growth in revenue (+12.6%) compared to the previous year. This increase is attributable to the further development of contracted hosting with all major customers, the provision of new services, the growth of DAS hosting and the positive impact of inflation. This positive performance, accompanied by a significant improvement in cost efficiency, contributed to a significant increase in EBITDAaL of +16.8%, bringing the margin on revenue up from 68.8% to 71.4%. Profit for the period amounted to 339.5 million euros, an increase of 15.7% over the previous year.
The solid performance, both industrial and economic, generated a significant increase in cash flow, with Recurring Free Cash Flow rising to 611.5 million euros, up 24.4% year-on-year.

Net cash generation showed a negative balance of 128.6 million euros after investments of 290.0 million euros (+55.1% year-on-year). The Group's net financial position of 4,207.3 million euros showed a slight increase of 3.2% over the previous year. However, leverage, represented by the Net Debt/EBITDA ratio, improved from 5.2x to 4.8x due to the increase in the EBITDA margin.

# ECONOMIC AND FINANCIAL MANAGEMENT EVENTS

The main management events since the beginning of the year involving INWIT can be summarized as follows:

- The Shareholders' Meeting of Infrastrutture Wireless Italiane S.p.A., which met on April 18, under the chairmanship of Oscar Cicchetti, approved the financial statements for the year 2022, which closed with a net profit of 293,339,501 euros, and resolved to distribute a dividend for the year 2022 of 0.3467 euros (gross of applicable withholding taxes) for each of the 960,200,000 ordinary shares outstanding at the ex-dividend date, excluding treasury shares in the portfolio.

  The total dividend, which was distributed on the basis of the ordinary shares in circulation on the ex-dividend date, amounted to 332,901,340 euros.

  The dividend was payable as of May 24, 2023, with ex-dividend date on May 22, 2023 (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 Consolidated Law on Finance) on May 23, 2023.

- INWIT's Shareholders' Meeting approved the Long-Term Share Incentive Plan (LTI) 2023-2027 (the "Incentive Plan") and the 2023 and 2024 Broad-Based Share Ownership Plan (the "BBSOP 2023 and 2024"), the Incentive Plan - reserved for the Chief Executive Officer and/or the General Manager, all the Chief Executive Officer's and/or the General Manager's first reporting roles (which include the Group's Key Managers), the Audit Director and other key roles - qualifies as a "related party transaction", with reference to which INWIT has availed itself of the exclusion under Article 13.4 (i) of INWIT's 'Related Party Transaction Procedure'.



- The Shareholders' Meeting of INWIT then authorized for a period of 18 months starting from April 18, 2023, the purchase of treasury shares, to service the Incentive Plan and the BBSOP 2023 and 2024, in compliance with current EU and national regulations and accepted market practices recognized by Consob; also authorized their availability without time limits. The authorization was granted to purchase a maximum of 1,150,000 ordinary shares of INWIT, representing approximately 0.12% of the share capital.

- INWIT's Shareholders' Meeting also approved the purchase of treasury shares and, in extraordinary session, the related cancellation, aimed at recognizing shareholders an extraordinary and additional remuneration with respect to the distribution of dividends according to the terms and conditions set forth in the resolution proposal approved by the Board of Directors on March 2, 2023. In particular, the Shareholders' Meeting authorized the Board of Directors to:
  - purchase, within 18 months from April 18, 2023, a maximum of 31,200,000 shares for a consideration of approximately 300 million euros;
  - cancel all ordinary shares of INWIT that may be purchased in execution of the above-mentioned buy-back plan up to a maximum of 31,200,000 ordinary shares of INWIT, within 24 months from the date of the shareholders' meeting.

- On June 8, 2023, Consob expressed a favourable opinion on the share buy-back and cancellation plan mentioned above. Following the fulfilment of this condition of effectiveness of the resolution, on June 15, 2023 the Group initiated the first tranche of share buy-back. As of December 31, 2023, INWIT holds 12,655,220 treasury shares representing 1.32% of the share capital. More information is available on the Group's website.

**Business combinations during the period**

- On March 31, 2023, an agreement was finalized for the acquisition of a business unit of Vodafone Italia S.p.A. with an effective date of April 1, 2023, consisting of a complex of assets represented by DAS and Small Cells systems installed inside buildings or in road and motorway tunnels and the related legal relationships and contracts, both assets and liabilities.

  The price for the sale of the Vodafone Italia S.p.A. business unit was 4,887 thousand euros.

- On April 1, 2023, Inwit S.p.A. realized the acquisition of 100% of the share capital of "36 Towers S.r.l.", a company operating in the management of 36 sites, located in the regions of Piedmont and Lombardy and consisting of passive network infrastructure.
  On July 26, 2023, the Board of Directors of INWIT approved the plan for the merger by incorporation into INWIT S.p.A. of 36 TOWERS S.r.l. and, on August 4, 2023, the merger plan was filed with the Register of Enterprises and made available to the public at the "1INFO" storage mechanism (www.1info.it) and on the website.

  The agreed purchase price was 3,850 thousand euros.

- On May 24, 2023, an agreement was finalized for the acquisition of a business unit of TIM S.p.A. with an effective date of May 24, 2023, consisting of 20 sites for mobile telephony networks and the related legal relationships and contracts, both assets and liabilities.
  The purchase price for the sale of the Tim S.p.A. business unit was 2,506 thousand euros.

Further details of the transactions described can be found in Note 5 'Business Combinations' in the Consolidated Financial Statements as at December 31, 2023.

# EVENTS SUBSEQUENT TO DECEMBER 31, 2023

Please refer to the specific Note 'Events subsequent to December 31, 2023' in the Consolidated Financial Statements as at 12.31.2023.

# POSITIONS OR TRANSACTIONS RESULTING FROM ATYPICAL AND/OR UNUSUAL OPERATIONS

In accordance with Consob Communication DEM/6064293 of July 28, 2006, a statement is made to the effect that in 2023 the TIM Group did not pursue any atypical and/or unusual transactions, as defined by that 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 results of operations, financial position and cash flows, it should be noted that no significant events occurred during the year under review.

# ALTERNATIVE PERFORMANCE MEASURES

In this Report on Operations as of December 31, 2023 of the INWIT Group, in addition to the conventional IFRS financial indicators, a number of alternative performance indicators are presented in order to allow for a better assessment of the Group's performance and financial position. These indicators, which are also presented in other financial reports (half-yearly and infra-annual), must not, however, be considered as substitutes for the conventional IFRS indicators.

The alternative performance indicators used are outlined below:

- EBITDA: This indicator is used by the Group as a financial target in internal presentations (business plans) and in external presentations (to analysts and investors) and is a useful unit of measurement for assessing the Group'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** | |

- ESMA Net Financial Debt and INWIT Net Financial Debt: The Group's ESMA Net Financial Debt is determined in accordance with the provisions of paragraph 127 of the recommendations contained in ESMA's 2013 Document No. 319, implementing Regulation (EC) 809/2004, as reported 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 |
| H Other financial payables |
| **I Current financial debt (F+G+H)** |
| **J Net current financial debt (I+E+D)** |
| 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 development of its financial position, the INWIT Group also uses the financial indicator 'INWIT Net Financial Debt', which is defined as the ESMA Net Financial Debt less, where applicable, non-current financial receivables and assets.

| |
|---|
| **ESMA Net Financial Debt** |
| Other financial receivables and other non-current financial assets[17] |
| **INWIT Net Financial Debt** |

- Operating Free Cash Flow: is determined as follows:

| |
|---|
| **EBITDA** |
| Investments (Capex) |
| *EBITDA - Investments (Capex)* |
| *Change in trade receivables* |
| *Change in trade payables[18]* |
| *Other changes in operating receivables/payables* |
| Change in employee benefits |
| Change in operating provisions and Other changes |
| Change in net operating working capital: |
| **Operating free cash flow** |

[17] This accounting item relates to loans granted to certain Group employees.
[18] Excluding trade payables for investment activities.

# TAXATION AND TAXES

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GRI 207-1, 207-2, 207-3

IINWIT operates exclusively in Italy, having no subsidiaries or branch offices abroad. In particular, the company subjects all income generated to taxation in Italy and pays all taxes due according to the pro tempore legislation in force, operating in formal and substantial compliance with all tax laws, regulations and practices and maintaining an attitude of cooperation and transparency with the national tax authorities. Tax processes are constantly monitored as they are monitored in the procedures defined by the Internal Control System.

The Company has set up a system of rules, procedures and organizational structures dedicated to the identification, assessment and management of tax risk, also with a view to continuous integration with the codes of conduct adopted by the Company (e.g. Code of Ethics, Organizational Model 231, Control System pursuant to Law 262/2005, etc.).

During 2023, the Company adopted a Tax Strategy, attaching fundamental importance to the principles of tax compliance and the proper fulfilment of tax obligations in the pursuit of its strategic business objectives.

Aspects concerning the control and management of tax risks are, in fact, part of the broader category of risks related to non-compliance with the relevant regulations set out in the Report on Operations.

The Board of Statutory Auditors monitors compliance with the law and the articles of association, compliance with the principles of proper administration and, in particular, the adequacy of the organizational, administrative and accounting structure adopted by the company and its actual functioning, taking the necessary resolutions required by law in the event of violations.

The company's annual financial statements are subject to statutory audit.

On December 14, 2023, the Board of Directors approved the tax strategy (published on the website), which includes the Tax Control Framework (TCF), an internal control system for tax risk.

INWIT implements and adapts the process of identifying, measuring, managing and monitoring key tax risks (TCF) in line with international guidelines, as well as domestic standards and practice:

- a clear allocation of roles and responsibilities to suitably trained and experienced people within the organization;
- the provision of effective methodologies and procedures for the detection, measurement, management and control of tax risk;
- the constant monitoring of the functioning of the control system and the activation of remedies in case of deficiencies or errors;
- adaptability to the internal and external context;
- sending, at least once a year, a report to the management bodies on the results of the audits carried out, the remedies activated and, in general, the activities planned under the tax risk management and control system.

Ultimately, proper management of the tax variable is essential for INWIT, its shareholders and all third parties interested in its activities, as the taxes owed by the company are an important part of the broader economic and social role it plays in the country and the communities in which it operates. Please refer to the figures in the Report on Operations for a detailed discussion of income taxes.

# EU TAXONOMY

NFS

In June 2020, EU Regulation 2020/852 on Taxonomy[19] issued by the European Commission was adopted into national law to establish a framework for sustainable investments and to achieve the EU's 2030 climate and energy targets and the objectives of the European Green Deal.

In particular, the Taxonomy is a unified, European system for classifying sustainable economic activities, with the aim, on the one hand, of introducing guarantees of comparability and transparency in the markets of sustainable finance and the green economy, and, on the other, of creating a common language for all investors to use when investing in projects and economic activities with significant positive effects on the climate and the environment in general.

All companies that fall under the obligations defined by the Taxonomy Regulation must report information on how and to what extent their activities are associated with activities considered environmentally sustainable within the meaning of the EU taxonomy.

Specifically, for the purposes of this Regulation, in order to qualify as environmentally sustainable (or 'eco-sustainable'), an economic activity must jointly fulfil a number of conditions:

- contribute substantially to one or more of the six environmental objectives set out in Article 9 of the Regulation;
- comply with the technical screening criteria set by the Commission for each individual environmental target;
- do not cause significant harm to other environmental objectives ('Do Not Significantly Harm' principle);
- be carried out in compliance with minimum safeguards (in line with the OECD Guidelines and the UN/ILO Guiding Principles on Business and Human Rights).

In November 2023, the Environment Act and the Delegated Act amending the list of economic activities that contribute substantially to climate change mitigation and adaptation were published in the Official Journal.

[19] Of June 18, 2020, amending EU Regulation 2019/2088.

INWIT, in line with the Company's ESG performance reporting commitments, has decided to carry out a voluntary analysis of its activities in relation to the environmental objectives[20], integrating the results of the analysis carried out in previous years, taking into account the publication of the Annexes relating to the new four objectives[21].

For this third year of application, the eligibility or non-eligibility of economic activities for the environmental objectives of the taxonomy (or "Taxonomy - Eligible"), governed by the Environment Delegated Act, was assessed, and a further assessment of taxonomy-aligned or non-taxonomy-aligned activities was carried out with respect to the Climate Delegated Act, relative to their turnover, of the total capital expenditures made.

INWIT's evaluation process started in 2021 with the examination of the Taxonomy Regulation and delegated acts and the verification of the inclusion of the economic activity in the list of activities in the annexes of the delegated acts published to date. To determine the eligibility of economic activities, the 'Statistical Classification of Economic Activities in the European Community' (NACE) was analysed in comparison with the activity descriptions in Annex I and Annex II of the 'Climate' Delegated Act and Annex I, Annex II, Annex III and Annex IV of the 'Environment' Delegated Act. The analyses carried out up to 2023 ascertained the ineligibility of INWIT's business activity in the Taxonomy in relation to environmental objectives (Art. 9 Reg. 2020/852). Beginning with the analysis carried out in 2021, the share of capital expenditure (Capex) considered eligible for the Taxonomy was also verified for 2023, amounting to 2.7% and attributable to energy efficiency measures (power rectifiers and free cooling) and the installation of photovoltaic systems. For more details, please refer to the annex 'Taxonomy'.

## OTHER INFORMATION

The other information that Article 2428 of the Italian Civil Code requires to be disclosed in the Report on Operations, mainly relating to the description of the main risks and uncertainties to which the company is exposed, the outlook for operations, and information on treasury shares held in the portfolio, is provided in the 'Company Profile' chapter of this Integrated Report.

20 'Climate Change Mitigation and Adaptation', 'Use and Protection of Water and Marine Resources', 'Transition to a Circular Economy', 'Pollution Prevention and Control' and 'Protection and Restoration of Biodiversity and Ecosystems' set out respectively in Annexes I and II of the 'Climate' Delegated Act and Annexes I, II, III and IV of the 'Environment' Delegated Act.

21 'Use and Protection of Water and Marine Resources', 'Transition to a Circular Economy', 'Pollution Prevention and Control' and 'Protection and Restoration of Biodiversity and Ecosystems'.

# INFRASTRUCTURE CAPITAL

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INWIT, in its role as neutral host and according to the logic of tower as a service, offers a plurality of integrated services that allow it to develop its business. The company's core business is identified in the offer of **'Integrated Hosting Services'** with its more than 24,000 towers distributed throughout the country (one tower approximately every 3 km in rural areas and one every 5-600 m in densely populated centres), characterized by proximity to customers, present in both urban and rural areas and, most of them, connected by fibre optics (macro coverage). INWIT provides its customers, starting with anchor tenants, with **infrastructures for setting up wireless networks, towers and masts for antennas, cabling, dishes, equipment spaces, and power technology installations**. In addition, thanks to the possibility of installing cameras, IoT sensors and gateways on the towers themselves, INWIT's towers lend themselves to offering multiple services, e.g. applications for smart cities, video surveillance, and the detection and monitoring of environmental parameters. INWIT also builds infrastructure that ensures more effective reception of mobile telecommunications services (micro coverage): **Distributed Antenna Systems (DAS)** and small cells, solutions aimed at improving signal reception of mobile operators in particularly crowded areas, indoors and outdoors, such as, for example: businesses, hospitals, museums, universities, offices, stations, airports and subways.

Since 2017, INWIT has had an **ISO 9001:2015** certified quality management system, recertified in 2023, the scope of which refers to the 'Provision of integrated hosting services of radio transmission equipment for telecommunications and broadcasting of television and radio signals and related marketing activities, implementation and management of contracts with customers and owners, ordinary and extraordinary maintenance, construction of new sites and decommissioning of existing sites'.

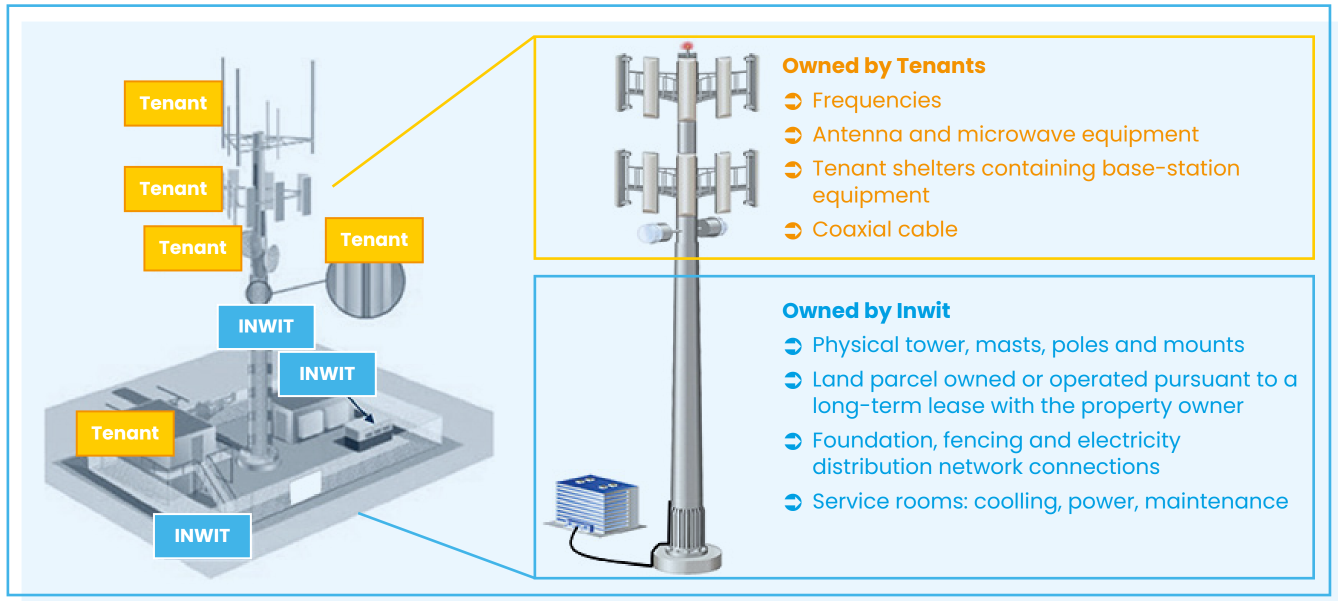
## INWIT SERVICES

### MACRO GRID

INWIT builds various Radio Base Station (RBS) infrastructures, which can be classified according to their location in the country, e.g. in the open field **(Raw-land)** or in the city on rooftops **(Roof-top)**, or for the housing of equipment.

The towers are 62% raw-land and 38% roof-top, while with respect to the population density of the areas on which they insist, we have the distinction between urbanized areas, where 78% are found, and rural areas, where 22% of the towers are found.

With regard to population, 14.5% of the towers are located in small municipalities with fewer than 5,000 residents, 18% in municipalities with residents between 5,000 and 15,000, 27.5% between 15,000 and 35,000, and the remaining 40% in municipalities with more than 35,000 residents.






INWIT builds and manages the infrastructure and makes the space available to its customers, and is responsible for the operation, maintenance and installation of the infrastructure (e.g. air conditioning, power supply, towers, masts, poles and supports) and site structures (e.g. fencing, connection to the electricity grid).

The Tenant bears the costs of active telecommunications equipment, including maintenance, replacement and associated operations.

**The basic solutions implemented by INWIT are as follows:**

- Raw-land with shelter: Raw-land site in which the support consists of a pole, placed on a foundation to be built from scratch, with indoor equipment housed in a shelter.
- Raw-land with outdoor cabinets: Raw-land site in which the support consists of a post, placed on a foundation to be built from scratch, with outdoor equipment.
- Raw-land with room: Raw-land site in which the support consists of a post, placed on a foundation to be built from scratch, with apparatus within an existing or newly constructed room.

- Roof-top with shelter: Roof-top site, built on an existing building, with an antenna support structure consisting of one or more metal poles and equipment located inside a shelter.
- Roof-top with outdoor cabinets: Roof-top site, built on an existing building, with antenna support structure consisting of one or more metal poles and outdoor equipment.
- Roof-top with room: Roof-top site, built on an existing building, with antenna support structure consisting of one or more metal poles and equipment located in an existing room or to be built from scratch.

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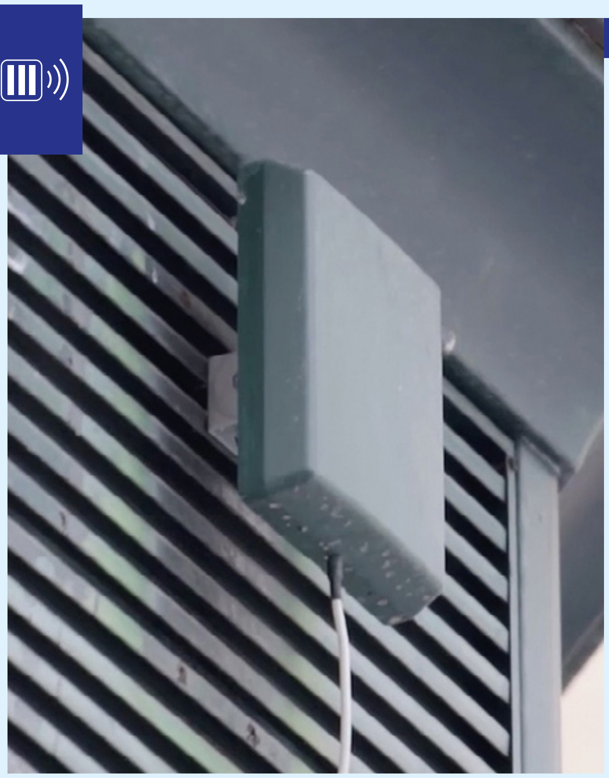
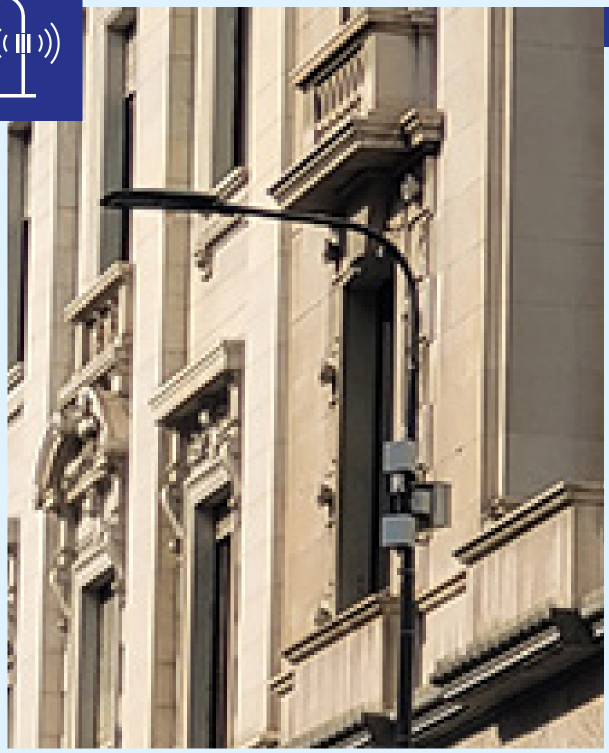
**MICRO GRID**



**DAS (DISTRIBUTED ANTENNA SYSTEM)**
a system of indoor antennas, distributed within a structure, which safely transmits a multi-operator cellular signal. The signal is generated by a central unit to which all the micro-antennas are connected, guaranteeing widespread coverage, particularly for medium to large locations with a high density of people. DAS are characterized by high dedicated and guaranteed capacity for voice and data traffic, extremely small footprint and negligible environmental and electromagnetic impact.

At the end of 2023, INWIT has approximately 450 DAS, distributed throughout the country.



**SMALL CELL**
the most suitable solution for offering cellular service in densely populated urban contexts, in areas with environmental constraints and areas where architectural decorum as well as monumental/landscape heritage must be preserved. Small cells are typically installed on lampposts, wall-mounted, disguised as shop signs/advertising kiosks, and have a coverage radius of about 200 metres. Each small cell consists of an antenna and a radio apparatus, connected together by coaxial cables. The radio equipment, on the other hand, is connected by fibre optics to the nearby telecommunications tower that serves as the edge aggregation point.

In this area, INWIT has launched a coverage plan with small cells and DAS in selected areas of high cultural and social value, through agreements with local authorities, stations, hospitals, airports, museums, universities, industrial plants, motorways, shopping malls, stadiums and places of aggregation and entertainment. As described in more detail below, the utilization and development of these micro plants underpins INWIT's innovation goals and the growth of the new 5G technology. Such installations will be necessary, in fact, to enable coverage of the new network technology particularly in indoor environments, where 5G frequencies will have more difficulty penetrating.

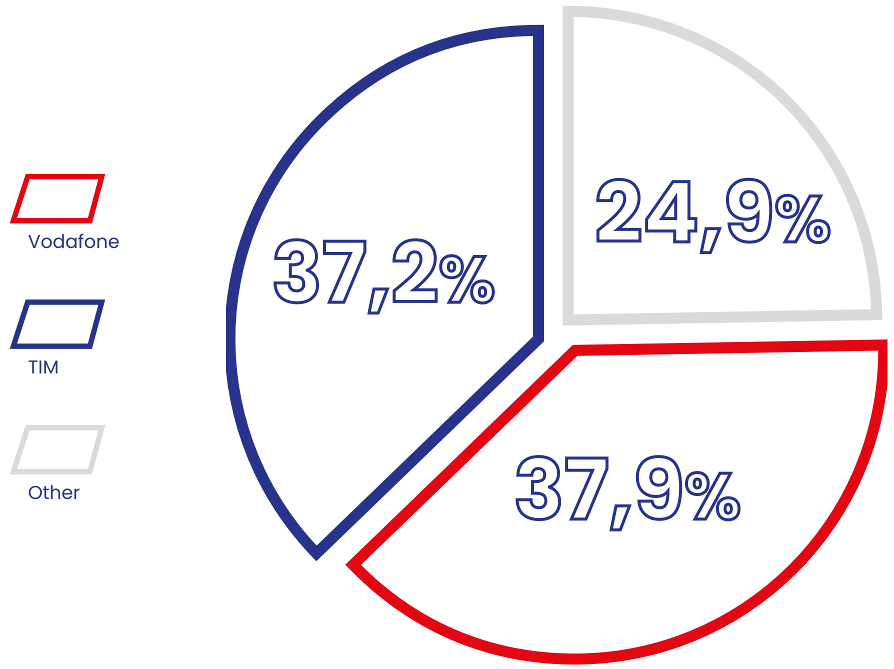


# HOSTING AND CUSTOMERS

**INWIT's main customers are:**

- all national Mobile Network Operators (MNOs): TIM, Vodafone, WindTre and Iliad;
- FWA operators such as OpNet, Fastweb, Eolo and Open Fiber, which provide mobile radio services based on GSM, UMTS, LTE technologies or on licences for radio transmission services in other wireless technologies (e.g. Wireless Local Loop, Hyperlan, WiMAx, point-to-point and point-to-multipoint PDH and/or SDH);
- Broadcasting service operators for the transmission and broadcasting of the radio and television signal (e.g. DVB-T standard technologies); Institutions, public bodies, armed forces for the implementation of private networks.

**Distribution of hosting in 2023 (%)**




Even in the year in which INWIT achieved a record number of new sites built, over 900, the **Tenancy Ratio** increased to **2.23**, up from 2.16 in 2022, positioning the company as best in class in the industry.
The **Tenancy Ratio** represents the average number of operators per site and expresses INWIT's ability to play the role of neutral host.

An indicator for which significant growth is expected, thanks to the presence of the two anchor tenants, TIM and Vodafone, the boost from mobile in general, as well as from FWA and other customers.

## CUSTOMER EXPERIENCE

INWIT, with the aim of reinforcing the importance of listening to a category of stakeholders that is a priority for the company, i.e. customers, has equipped itself with an organizational structure on the subject of Customer Experience, in order to define tools, criteria, and methods for measuring and evaluating the quality of the service offered. In this direction, a specific systematic customer satisfaction survey model was designed, useful for mapping changes and trends in parameters over time, based on any corrective actions taken.

**In particular, two KPIs of interest were identified and assessed:**

1. The Net Promoter Score (NPS) provides a kind of global 'loyalty measure', obviously related to all aspects of B2B interaction, but with a focus on intention rather than immediate satisfaction.
2. Overall Satisfaction (OS) provides an evaluation of the customer experience closely linked to functional aspects, both in terms of services and organization.

The joint evaluation of these two indices, which detect a mix of emotional and operational aspects, is an optimal representation of the quality of the ongoing relationship between the customer and INWIT.

Measurements, applied to INWIT's entire active customer base, showed a participation rate of 78% in 2021, 64% in 2022 and 63% in 2023.

In terms of results, the 2023 survey confirmed the good results already achieved in 2022 for the NPS and even recorded a slight improvement for the already excellent OS.
The NPS and OS parameters are shown below to highlight the improvement achieved, with particular reference to the NPS, since the first survey (2021).

**Table 11.** Net Promoter Score and Overall Satisfaction

| | 2021 | 2022 | 2023 |
|---|---|---|---|
| Net Promoter Score (range -100, 100) | -9.5 | 20 | 20 |
| Overall Satisfaction (range 0, 10) | 7.32 | 8.00 | 8.04 |

To complete the picture, it should be noted that during 2023, as in 2022, in-depth surveys were also conducted on INWIT's 10 most important customers, in order to gather specific elements for improvement.

## MAINTENANCE ACTIVITIES

In order to guarantee high standards of service quality, INWIT has equipped itself with a qualified set of tried and tested supervision and management systems, as well as a network of its own and third-party resources spread throughout the country, which enables it to guarantee its customers continuous maintenance activities.

**Maintenance activities**

- Routine and corrective maintenance aimed at ensuring the adequacy and efficient operation of structural elements (poles, pylons) and technological infrastructures on the sites, as well as the updating of the periodic certifications required by law for climbing ladders, earthing, fire extinguishers, metal artefacts and stays.
- Extraordinary maintenance aimed at maintaining the quality and performance standards of civil, structural and technological infrastructures, such as the replacement of obsolete or deteriorated components, civil works on structures (rooms, shelters), the adoption of new, more energy efficient systems, etc.
- Site management to ensure secure accessibility and physical security of sites, with a view to protecting and combating criminal phenomena (theft and vandalism).

These services are mainly aimed at maintaining the efficiency of the site fleet, through continuous monitoring of the maintenance status, preventive activities on the sites carried out twice a year, and timely intervention in the event of service interruptions, mainly related to power outages related to electrical suppliers, as well as malfunctions of the technological systems (power and air conditioning systems).

These interruptions are quantifiable in the order of about 17,000 cases per year. Restoration takes place via the supervision centre, which engages the electricity suppliers, in the event of a service disruption, and the maintenance companies operating on behalf of INWIT in the country, in the event of a disruption in the technological systems. The average frequency is around 0.7 cases per year per active site, and the average duration of disruptions varies between 6 and 10 hours, down from last year.

Maintenance activities are aimed at ensuring the operability of the company's assets under all conditions. During 2023, INWIT's infrastructure was involved in two environmental emergencies, with maintenance intervening promptly to manage them.

**Floods in Emilia-Romagna**

In May 2023 a series of flooding events hit Emilia-Romagna, generating persistent rainfall, flooding and overflowing in the region. In order to ensure that the infrastructures were restored to operating conditions, INWIT carried out environmental remediation work on 30 sites, used special vehicles, installed temporary carts, swapped equipment (power stations and batteries), and disposed of waste. At some of these sites, generator sets were used to restore power while waiting for the distributor to reconnect.

**Tuscany Flood**

In November 2023, a natural disaster affected the northern region of Tuscany, with torrential rains causing flooding of rivers (including the Bisenzio), damage and casualties. The event affected 150 sites, with about 85% of the disruptions caused by a failure in the electricity supply. Approximately 250,000 litres of water were pumped out to restore operations, and power generators were used where necessary.

## CYBER SECURITY

NFS

Governance of cyber risks is transversally managed by the organizational functions of Risk, Compliance & Corporate Security (RC&CS, within the Legal & Corporate Affairs General Counsel department) and IT Management & Solutions (ITM&S, within the Technology & Operations department).

Internally within ITM&S, an Information Technology & Cyber Security Contact Person is designated, whose name and contact details have been communicated and disseminated to the institutional bodies in charge of liaising with INWIT on cyber compliance issues.

The role of **Chief Information Security Officer** is held by the 'Head of ITM&S' (i.e. the hierarchical head of the Information Technology & Cyber Security Officer).

From 2021, a complete overhaul of Information & Cyber Security (I&CS) procedures and processes was initiated, culminating in 2023 with the definition and refining of further security discipline assets. Within the IT Management & Solutions function, the company appointed an I&CS contact person, who was assigned functions and responsibilities with regard to the security of INWIT's information assets.

IIn particular, this figure provides support to all corporate functions on IT security issues and is a focal point for reports/advice requests on I&CS issues with reference, in particular, to reports of potential phishing attacks. The I&CS contact person works in synergy with the Risk, Compliance & Corporate Security function for actions functional to regulatory fulfilments concerning the PSCN (National Cyber Security Perimeter - Law 133/2019 and related implementing Prime Ministerial Decrees). In this scenario, the I&CS contact person is accredited with the National Cybersecurity Agency for interactions with the CVCN (National Assessment and Certification Center) in the context of INWIT fulfilments as an entity within the PSNC.

In addition, INWIT has an **Information Security Policy** (ISP) on the basis of which operational procedures have been prepared concerning: System Administrators List Management on Application Systems, System Administrators Operation Verification, Account Review, Application Account Management. In addition, business processes (PR) relating to Security Incident Management and Security Assessment were formally defined, as well as the **Cyber Risk Management Framework and the Backup & Restore Policy**. For INWIT, the purpose of the adoption of the **Information Security Policy (ISP)** is to define guidelines and operating procedures aimed at sharing internally and making known externally INWIT's posture towards the issues of protecting its information assets, and directing its continuous improvement. The approach to information security is based on a number of general principles that are carefully described in the document, and INWIT's information systems are protected against the risks of unauthorized access, theft, tampering and damage from physical and environmental threats.

INWIT's top management, in order to ensure complete alignment between its business strategy and the protection of the company's information assets, has defined information security objectives aimed at protecting these in terms of confidentiality, integrity and availability. These objectives were identified by INWIT considering both the strategic guidelines that the Company intends to pursue in the medium and long term, and the constraints, needs and opportunities arising from the context in which it operates. For the management of information security, INWIT has adopted a cross-functional model consistent with the current organizational model articulated on different levels, each of which is identified by a precise scope of responsibility. In order to reduce the risk of mishandling critical information, the company classifies information according to its criticality and how it is handled, into confidential, internal use and public.



To ensure its suitability, adequacy and effectiveness at all times, the Policy is reviewed periodically, at least annually or following specific events. A breach of it leads to disciplinary measures against employees or the execution of penalties against third parties, if provided for in their contracts of employment. Lastly, the INWIT Security Annex is being prepared, with the main objective of constituting not only a general security guideline to be used alongside the ISP, but also and above all a contractual addendum in agreements with suppliers, with respect to the rules and fulfilments to be followed, as the personnel in charge in various forms and ways of processing the Company's data.

### TRAINING

During 2023, **training sessions on Information & Cyber Security** were delivered to all staff. These sessions are established by INWIT annually as mandated, as they represent a compliance requirement that the company has to provide evidence of, as a provider of nationally essential services. Training sessions will also be administered during 2024, with the aim of disseminating any updates and training new recruits. The sessions are organized by the Human Resources & Organization department and their format always includes interactivity and learning tests.

### VULNERABILITY ASSESSMENT AND PENETRATION TEST (VA&PT)

In 2023, VA&PT[22] was performed on the systems that are most critical for the business or of particular relevance, as they fall within the regulatory perimeters of INWIT. Specifically, tests were carried out on 7 systems following the approach defined in the company's continuous security improvement process that monitors initiatives to recover from any security issues encountered (until their completion) before further testing sessions.
In addition, scans of INWIT's internal network are carried out on an ongoing basis to intercept any vulnerabilities at an early stage.

22 Vulnerability Assessment and Penetration Test (VA&PT)

# BUSINESS CONTINUITY

As a result of the emergency situation at the beginning of 2020, the need emerged for companies to equip themselves with a Business Continuity plan, which would facilitate the management of any critical events by ensuring continuity of production and avoiding operational downtime.

INWIT, in 2021, adopted a Business Continuity (BC) Plan according to the following framework:

- Business Impact Analysis (BIA) & Risk Assessment for the identification of critical business processes, the definition of their recovery timeframes, as well as the critical supporting resources (buildings/facilities, personnel, IT applications and suppliers), with the aim of identifying and managing the main outstanding risks from a business continuity perspective.
- Definition of BC Strategies and Solutions, with the objective of identifying the optimal BC strategy that meets the continuity requirements of critical processes and resources.

An organizational model, roles and responsibilities have been defined for the management of business continuity, following the occurrence of events involving INWIT, both under normal operating conditions and during an emergency or crisis. In addition, the implementation of the BC solutions was started, which aim to implement the identified BC strategies and solutions with the support of all stakeholders.

The analysis revealed 24 critical processes for which recovery strategies or procedures were developed, according to the following criteria:

- whenever it was possible to identify “ready-to-go” strategies and procedures, it was documented in special recovery procedures (24 PR), organized by scenario (unavailability of premises, personnel, IT applications, suppliers), with the aim of defining the actions to be implemented to restore the operability of the critical resources/process affected by the event/disruption.
- if they were 'not ready-to-go', supporting actions were planned and included in the Master Plan in order for these strategies to be finalized and operationalized through specific actions.

Changes/additions to the plan are made from year to year to take account of developments in society. For 2024, on the other hand, a new assessment was planned, in view of the organizational and process changes introduced in 2023, and the definition of a significant revision of the Business Continuity Plan.



# INNOVATION

For INWIT, innovation and digital transformation represent strategic levers for enhancing know-how and technological assets and fostering a development that fully integrates all three dimensions of sustainability - economic, social and environmental.

INWIT's objective is to be a player, in support of operators, in the digitalization of the country and in making a significant contribution to the wireless coverage of Italy, also in function of the development of new technologies, starting with 5G.

INWIT aims to develop state-of-the-art infrastructures for improving the standard of living of the community and to operate according to an Open Innovation approach, based not only on dialogue with all internal resources, but also on the search for synergies with the external ecosystem of universities, start-ups, companies and research organizations.

Innovation for INWIT concerns the search for interventions and operations in the areas described below.

## 1 Monitoring and control activities

### Oasis WWF Italy fire risk monitoring

In 2022, INWIT started a collaboration with the WWF with the aim of supporting the association in fire prevention in the oases of Macchiagrande (Rome), Bosco di Vanzago (Milan) and Calanchi d'Atri (Teramo), by means of cameras installed at high altitude on the towers. The project, completed in 2023 and currently fully operational, provides that alarms and images, captured by the HD cameras with 1080p HD image resolution, dual 9mm and 29mm lenses and up to 270 degrees cone of vision, are collected by the tower gateway and made available via a dashboard. On board the gateway is Artificial Intelligence software capable of detecting fires, up to 5 km away, by analysing images and associating with each image the percentage of probability that the event is occurring. For further details, please refer to the description in Natural Capital.

### Air quality monitoring with Legambiente

In 2023, INWIT started a collaboration with Legambiente to monitor air quality to protect biodiversity in 2 parks and 2 nature reserves in the central Apennines. The project involved the Abruzzo, Lazio and Molise National Park, the Maiella National Park, the Zompo lo Schioppo Nature Reserve and the Monte Genzana Alto Gizio Nature Reserve and is still active. The project, later extended to the Punta Aderci Nature Reserve, saw the installation of IoT sensors capable of monitoring air quality, detecting the presence of various pollutants. The data collected by the sensors are then sent to the gateway, which is always present on the INWIT towers and which processes and sends the data to the control centre in real time. For further details, please refer to the description in Natural Capital.

### City of Turin air quality monitoring using IoT sensors

The objective of the trial is to provide citizens with an air quality monitoring platform that allows everyone access to clear and transparent information and enables the administration to guide its urban development policies, continuously monitoring the impact and thus maximizing effectiveness. INWIT, with a view to tower as a service, hosts the gateways and LoRa sensors for monitoring on board its towers, collects the data, stores them and transmits them to its partner Wiseair's front-end platform through which the end customer can use the aggregated data.

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### IoT monitoring:

During 2023, INWIT hosted IoT devices on its infrastructure to monitor water and energy consumption, which are crucial for the digitization of multi-utilities serving end consumers.

## 2 Innovative infrastructures

### Fast site installations

Starting in 2021, INWIT has started to build a number of fast sites, prefabricated raw-land plants, built with an elevated infrastructure, anchored on a prefabricated, reinforced concrete platform, engineered by means of elements that can be assembled together in layers, using threaded connecting rods.
During 2023, 38 raw-land fast-site plants were installed.
This solution marries the advantages of the possible use of standard multi-operator, steel piles with the creation of a layered, factory-made, transportable module foundation and therefore of immediate installation and use.
The platform, made entirely in the factory, is easy to install and use, and is designed to achieve clear advantages in the reduction of excavation volumes, the speed of installation (2 days instead of 4 weeks for installations made on site), and the possibility of reuse (disassembly and reassembly) of both the pole and the prefabricated foundation itself.
The design phase is, in fact, crucial to give the infrastructure a circular economy vision. The work must be designed to have limited impacts throughout its life cycle, and particularly in the end-of-life phase it must be able to be broken down so that each of its parts finds another use.

### Site access control with mechatronic systems

In order to improve the monitoring and control of access to its sites, INWIT has identified state-of-the-art access control solutions for its infrastructure, as part of the engineering process that will lead to a global management system for the physical security of INWIT sites.
In particular, it identified various solutions for mechatronic padlocks and cylinders, key deposits and their management platforms. Particular emphasis was placed on keyless solutions and models that allow access to sites to be secured and tracked in an automated manner, integrating and extending existing control systems in use.

### Testbed physical security site and value-added services

As part of its plan to improve the physical security of its infrastructure and the development of value-added services, during 2023 INWIT developed and deployed in the field, a testbed site model in order to experiment with, and test solutions for physical security and the implementation of digital services. The chosen site was equipped with a high-performance workstation, a video surveillance system with artificial intelligence and multiple security systems. During 2023, this infrastructure enabled the testing of five camera models, two perimeter control devices, video analysis algorithms and video management systems.

### Asset management

INWIT implemented a new asset management platform to digitize information and data related to the management of its infrastructure.
Asset management, designed for cross-use, brings multiple benefits including:

- simplification of asset location, monitoring and management;
- reduced operating costs and improved investment planning capacity;
- availability of decision-aiding information;
- better control of invoicing and document recovery, and identification of non-conformities.

## 3 Radio innovation

### ORAN Alliance

As of 2021, INWIT joined the ORAN Alliance, the international consortium for the study and definition of the so-called Open RAN architecture. The consortium, in concert with the 3GPP, aims to 'open up' the radio access network to the possibility of using, for the different functional blocks, elements made by different manufacturers – even using non-specialized generic hardware – capable of interoperating with each other via a set of open standard interfaces and protocols.
In such a scenario, the access network is no longer built around monolithic devices that manage all the functions of a radio base station, but using separate functional elements, each of which takes over part of those functions. These elements, referred to in technical jargon as RU (Radio Unit), DU (Distributed Unit) and CU (Centralized Unit), are not physically located and, in general, communicate with each other via standard interfaces that guarantee interoperability between equipment and software produced by different suppliers, in an 'open' manner.

### Small cells trial

During 2023, INWIT realized a proof of concept for the development of small cells in an urban environment, in the city of Milan. The POC, which saw the construction of 7 small cells in prime areas of the city of Milan, had 2 important objectives:

- identify possible solutions applicable for the realization of micro-grids in urban areas, in coherence and full integration with the existing macro-grid;
- identify construction impacts in such a way and optimize solutions to allow full integration with the urban fabric.

## 4 Open Innovation

In its pursuit of innovation as an element of growth and development, INWIT, in line with what is stated in its Sustainability Plan, considers it essential to operate according to a logic of open innovation - activating partnerships with start-ups, companies, universities and research bodies that lead to the identification of increasingly sustainable technological solutions, in terms of the materials used to build sites, landscape design and integration, and the active use of infrastructures, in a logic of tower as a service, for purposes that go beyond that of neutral host for telecommunications operators.

### Fuel Cells (University of Salerno)

In 2022, INWIT started a project, which continued and ended in 2023, focusing on the accumulation and eventual 'green' power supply of sites, through the use of hydrogen, in collaboration with the University of Salerno, which possesses solid international know-how regarding the use of this vector for the production and storage of electricity.
In particular, RBS-supported Fuel Cells, i.e. green hydrogen batteries for RBS storage and power supply, were designed.
In order to better adapt the implementation of the fuel cell plant to the systems already present on the INWIT sites, two macro-solutions were proposed:
- with electrolyser (membrane cell) in addition to a low-temperature storage system;
- reversible (solid oxide cell in addition to high temperature thermal storage).

After a series of analyses and technical-economic feasibility studies, an initial design of a hydrogen-fuelled fuel cell plant was identified to be tested on a limited number of INWIT sites, the evaluation of which is to continue at a later stage.

### Polytechnic of Milan Observatories

For the fourth consecutive year, INWIT participated, as a partner, in the 5G & Beyond Observatory, a research activity of the Polytechnic of Milan, on the evolution of 5G network standards and offerings in the areas of Edge Computing/Slicing, Open RAN, mmWave, dedicated networks and the state of deployment of related devices (consumer and industrial).
This project allowed participants to investigate the level of knowledge of the 5G theme and the understanding of the opportunities by the actors of the digital supply chain and Italian end-user companies, to study the new value chain for the development of a 5G project, with a focus on the actors involved and the required skills, analysing also the emerging 5G projects in Italy in the different application fields, and understanding the impact of the different regulatory choices of the various countries through the analysis of the first commercial projects developed at an international level.

### Digital Magics

For the second year running, INWIT has participated as a gold partner in Digital Magics' Magic Spectrum start-up acceleration program The program stems from the need to learn about and participate in the startup market on IoT and 5G-related topics. In this sense, it is giving us the opportunity to get to know emerging realities that propose innovative digital solutions to be brought to market and eventually integrated within our IoT ecosystem.

This activity of scouting for new emerging realities makes it possible to understand how the market is moving without losing sight of the possibility of putting innovative solutions on the ground, while supporting the growth of the most promising innovative realities.

# SOCIAL AND RELATIONAL CAPITAL

4

INWIT, with its system of digital and shared infrastructures, is committed as an enabler of digitization to support mobile operators also to reduce territorial barriers, which very often turn into social barriers. Digitization means, in fact, laying the foundations to reduce inequalities and to strive for digital inclusion that can guarantee equal opportunities in the use of the Internet and in the development of a culture of innovation and creativity, primarily by combating the new digital illiteracy and social and cultural discrimination. INWIT, by committing itself with specific projects to the coverage of socially backward areas, is an active player in the fight against the digital divide.

## RELATIONS WITH THE TERRITORY

NFS

GRI 413-1

Through collaboration and dialogue with local regions and institutions, INWIT's indoor and outdoor coverage favours the widespread digitization of the country, even in those areas with a digital divide or socially backward and in areas with a high social and cultural vocation.

### INITIATIVES ON THE TERRITORY: OUTDOOR COVERAGE

Today, the digital dimension is a necessity for businesses, citizens and public administrations in the process of transformation towards more agile and flexible organizational, production and service models, both private and public. The more than 900 sites realized during the year contribute to the acceleration of the digitization of the country, to the benefit of the territories.

The market survey commissioned by INWIT to the Piepoli Institute, entitled "Digital infrastructures for the sustainable growth of the country", shows an increased awareness among the population about the real effects and benefits, especially social ones, generated by digitization. In fact, according to the interviewees, the main benefits generated by the enhancement of digital infrastructures include, in order of perceived importance: the 'reduction of the digital divide', 'equality and equal opportunities' and the 'involvement of economically peripheral areas'.

The biggest contribution on a social level that INWIT makes is to the communities in the area where it operates, in terms of fighting the digital divide. INWIT promotes and develops projects to increase the coverage of smaller areas, rural areas and sites of high social and cultural value, aiming on the one hand to contribute to overcoming the geographical digital divide and on the other hand to foster greater social and digital inclusiveness in the country. On this front, INWIT operates on several lines:

**Italia 5G Plan – Densification - NRRP** in June 2022 INWIT was awarded one of the NRRP tenders of the Italia 5G Plan in RTI with TIM and Vodafone, to bring mobile telecommunication towers to 1,385 areas of market failure where operators had not planned to invest and solve the digital divide by June 2026.

The awarding of this tender is a fundamental step for INWIT to continue to play a leading role in the construction of an Italy that is also united in terms of connectivity and that can become, with the increasing spread of the 5G network, a true smart country: more digital, inclusive and sustainable, to be handed over to future generations.

As of January 2024, according to data provided by the Connetti Italia **Reti Ultraveloci portal**, a tool designed to provide citizens with updates on the progress of the projects included in the National Recovery and Resilience Plan (NRRP), Mission 1, Component 2, Investment 3 "Ultrafast Networks", 7.45% of the sites envisaged in the Italia 5G Densification Plan have been activated, while 18.67% are currently being worked on.



**Protocol with UNCEM** - In March 2023 INWIT signed a memorandum of understanding with UNCEM, the National Union of Municipalities, and Mountain Authorities, to support the development and improvement of the use of digital services in the country's inland areas and mountain communities. The memorandum of understanding envisages the application of the simplification measures provided for in the Electronic Communications Code, of those aimed at favouring the construction of installations on municipal areas, and the definition of faster procedures from an administrative point of view for the issuance of the relevant authorizations, thus seeking to speed up the time required for the digital infrastructure of the country. The realization of new mobile telecommunication infrastructures concerns 900 areas, currently in the digital divide, among the UNCEM member administrations and also covered by the NRRP's Italia 5G Plan.

**Convention and Memorandum of Understanding signed between the Department for Digital Transformation, the National Association of Italian Municipalities (ANCI), Infratel Italia, INWIT and all the main TLC operators**

that have been awarded NRRP tenders, precisely in order to define a modus to try to make local administrations aware of all the changes and opportunities, including regulatory simplification, that have been adopted in recent times, in order to facilitate the implementation of NRRP Plans and thus state-of-the-art high-speed connections.

Furthermore, in 2023, confirming its commitment to contributing to the reduction of the digital divide, INWIT provided **448 hosts on its sites, to various operators, in 252 municipalities classified as digital divide areas** or with an IVSM indicator > 99. The IVSM is a synthetic indicator of social and material vulnerability, calculated by ISTAT. The indicators summarized are illiteracy, potential welfare distress, housing overcrowding, youth unemployment and schooling, and the number of households with no income generated by employment. Today, the digital dimension is a necessity for businesses, citizens and public administrations in the process of transformation towards more agile and flexible organizational, production and service models, both private and public.

In addition, INWIT conceived the project **"Let's network -Digital and shared infrastructures"**, an initiative aimed at having mayors and representatives of local authorities tell how the presence of digital infrastructures allows their territories to be connected, to develop opportunities and services, with particular reference to the NRRP Italia 5G Plan - densification, as an opportunity to respond to the great demand for connectivity and helps to bridge the many areas still in the digital divide. In 2023, the initiative involved:

**Municipality of Barberino di Mugello (Florence)**

The municipality, as part of the NRRP's Italia 5G Plan, has joined forces with INWIT to work on improving territorial inequalities and the Digital Divide: INWIT's digital and shared infrastructure for the next-generation, environmentally friendly 5G mobile network has made it possible to cover the entire area. The absence of a signal in this small Tuscan village had brought the story to the forefront of major national and international newspapers, making it 'representative' for all those territories with a regional and national Digital Divide. Mayor Giampiero Mongatti explained how important the collaboration with INWIT was for implementing useful actions to counter the Digital Divide through network coverage of the entire area.

**Municipality of Cortona (Arezzo)**

Mayor Luciano Meoni recalled how the service offered by INWIT is a public service in its own right and that, in order to facilitate the implementation of digital infrastructures in the territories, the support of partners investing in the territory is indispensable.

**Municipality of Banari (Sassari)**

Within the framework of the NRRP's Italia 5G Plan and with the contribution of INWIT's shared and digital infrastructures to support telecommunications operators, Banari now benefits from an improved signal that allows it to enhance its artistic and natural beauty, create new opportunities, and improve the quality of life of its citizens.

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According to the mayor Francesco Basciu, after many attempts to solve the problem of digitization and radio signal reception, thanks to the contribution of INWIT and Vodafone and thanks to NRRP funds, the installation of the radio base station on our territory has allowed us to catch up with the rest of the world.

**Municipality of Villaperuccio (Carbonia-Iglesias)**

The first Sardinian municipality in which a Italia 5G Plan tower has been built, capable of enabling the 5G signal of the TIM operator. The installation of the digital infrastructure has thus made it possible to improve the problems related to the digital divide, ensuring uniform and widespread coverage throughout the territory, which is enhanced in two main aspects: on the one hand, a direct benefit to the lives and activities of the residents, and on the other, a harmonious integration into the ecosystem of Villaperuccio, without affecting its identity, as emphasized by Mayor Marcellino Piras.

**Municipality of Tratalias (Carbonia-Iglesias)**

Another Sardinian municipality covered thanks to the Italia 5G Plan, where INWIT's digital and shared infrastructure ensures mobile network coverage of the entire municipality. According to Mayor Emanuele Pes, this network coverage allows us to overcome isolation and improve the quality of life of our citizens by being able to take advantage of many services accessible through digitization of the territory.

**UNCEM**

According to Marco Bussone, president of UNCEM, it is urgent to solve the country's emergency on the infrastructure gap, a gap that becomes the cause of social inequalities between regions. Investing in digital infrastructures for the mobile network is crucial to narrowing these inequalities. Speaking more specifically about the Digital Divide and the opportunities for citizens and the country, President Marco Bussone emphasized how investing in regions to reduce the digital divide becomes an opportunity for citizens and a fundamental cohesion tool for the country.

## INITIATIVES ON THE TERRITORY: INDOOR COVERAGE

INWIT offers dedicated coverage services to all operators and owners of public and private facilities, enabling the development of innovative services in order to be a key player in the new digital world.

**120 Hospitals:** with dedicated coverage, of which 60 were added in 2023. The importance of this health facility coverage service is not only related to the facilitation of communication with the outside world, but also to the fact that access is guaranteed to all those services that can be developed as soon as 5G becomes available. Through these infrastructures, hospitals are more interconnected and digitized and it will be possible to benefit from increasingly innovative and patient-friendly healthcare.
Hospitals with INWIT network coverage include: the **IRCCS Ospedale Galeazzi - Sant'Ambrogio** in Milan, **the Azienda Ospedaliera** di Rilievo Nazionale e di Alta Specialità **San Giuseppe Moscati in Avellino, the Ospedale** Pugliese **Ciaccio in Catanzaro, the Istituto ortopedico Rizzoli** in Bologna, the **Policlinico San Marco** in Catania, **the Ospedale San Giovanni Battista** and the **Regina Apostolorum** in Rome.

**7 Museums:** with dedicated coverage, including 1 in 2023. The aim of covering museums is to encourage the adoption of technological and digital solutions that can bring to life, as well as observe, the great historical and cultural heritage they hold. In addition to representing an advanced and fast data reception system, DAS make it possible to eliminate, due to their small size, any visual impact, thus avoiding compromising the harmony and aesthetics of the rooms and preserving the cultural value of the structures.
Museums with INWIT network coverage include: the **Museo Nazionale Etrusco di Villa Giulia** in Rome, the **Museo Nazionale Ferroviario** di Pietrarsa and the **MAXXI - Museo nazionale delle arti del XXI secolo** in Rome.



**10 Universities:** with dedicated coverage, 5 of which were added in 2023. Among the universities covered are the four **LUISS campuses** in Rome and the **Faculty of Engineering Federico II in Naples.**

In addition, in 2023, INWIT completed the DAS coverage in 4G and 5G of **Milan's M4 metro** line, bringing the voice and data signal of the two main telecommunications operators, TIM and Vodafone, to all eight stations, from Linate Airport to San Babila, and to all tunnels. The more than 550 latest-generation mini-antennas now allow passengers to quickly and effectively take advantage of the advanced technology in their smartphones, tablets and PCs. The installation work will continue, in parallel with the construction of the metro, for the remaining section of the M4 line, which will open in 2024. Once completed, the work will result in a total of 15 kilometres of metro line and 21 stations covered by Tim and Vodafone's 4G and 5G connectivity. The new enhanced connectivity of the M4 metro line represents a significant step forward for Milan, offering citizens and visitors an even more modern and connected travel experience.

In addition, INWIT realized the 5G coverage of the innovative **Lifestyle Center Merlata Bloom in Milan**, the largest shopping mall in the Lombard capital, opened in November, with an area of almost 200,000 square metres, 210 commercial activities, more than 10,000 square metres of spaces dedicated to leisure, culture and entertainment, and 4,000 parking spaces for an estimated transit of 110,000 people per day. INWIT's Distributed Antenna System (DAS) has more than 200 micro antennas, with 3 active operators, enabling the reception of the wireless signal in the entire Merlata Bloom area, of which as many as 3,200 square metres in 5G and the remainder in 5G ready.

## ADVOCACY INITIATIVES

INWIT's effort, in terms of positioning and advocacy initiatives, goes precisely in the direction of disseminating and raising awareness of the value of digital and shared infrastructures and their benefits for communities and regions. On this front, INWIT promoted and participated in several events to consolidate its relationship with the regions.

**Tour FOR 5G**

This is the second phase of a journey that began in 2021 with the Talk FOR 5G, emphasizing the centrality and strategic importance of individual regions in fostering the country's digital transition and countering fake news about the fifth-generation mobile network. In 2023, a cycle of events took place across the country in three major cities Catanzaro, Bari and L'Aquila aimed at stimulating discussion and debate on the potential and benefits of digital infrastructures on the following topics:

- **'Digital Transition: what are the opportunities for the South? Connections, networks and infrastructure'**
- **'The digital transition: between NRRP and private, local authorities and simplification'**
- **'Digital innovation and growth of regions'**

The debates were strengthened by the participation and contributions of numerous stakeholders, members of government, parliamentarians, mayors, local administrators, academics, journalists, entrepreneurs and managers. In particular, the importance of intervening at local level with information and awareness-raising initiatives was discussed during these sessions.

**ANCI Annual Meeting 2023**

INWIT participated in the 40th Annual Meeting of the National Association of Italian Municipalities (ANCI), scheduled from October 24 to 26, 2023 in Genoa. The branded stand offered visitors the opportunity to immerse themselves in the world of digital towers through virtual reality (VR) viewers and experience the added value for the community and of the tower as a service. INWIT created an immersive experience that allowed mayors, local administrators and representatives of government and parliament to immerse themselves in four different scenarios through a 2 metre high digital tower model combined with virtual reality.

### 4 Weeks 4 Inclusion

INWIT, for the third consecutive year, was one of the protagonists of the fourth edition of 4 Weeks 4 Inclusion, the inter-company initiative created to promote the values of inclusion and the right to diversity, scheduled from October 12 to November 14, 2023, with the webinar entitled 'Digital Infrastructure for the Country: between the digital divide and social inclusion'. The event was an opportunity to discuss how the digital dimension, guaranteed also by digital infrastructures, is now a necessity to reduce inequalities, guarantee equal opportunities and the development of a culture of digital innovation, fighting the digital divide and the new digital illiteracy.

### ComoLake2023 - Next Generation Innovations

INWIT participated in the first edition of "ComoLake2023 - Next Generation Innovations", an event dedicated to digitization and new technologies, organized by the Department for Digital Transformation of the Presidency of the Council of Ministers. INWIT made its own contribution to the event by sharing its experiences in two different key panels. The first entitled 'The Tlc market, technology solutions and customer focus'; the second 'Digitalization of future and sustainable mobility: transport networks, 5G, IoT, and tunnels'. At the INWIT stand, the various stakeholders present at the event experience the innovative role taken on by towers as a service through state-of-the-art virtual reality viewers. The event represented a moment of debate and discussion on digitization issues, providing an opportunity to raise awareness among representatives of national and local institutions on the challenges facing our country, also in view of the National Recovery and Resilience Plan (NRRP).

### Digital infrastructures for environmental monitoring of biodiversity

INWIT, in cooperation with Legambiente, started an air quality monitoring project in two National Parks and two Nature Reserves in the central Apennines: Abruzzo Lazio e Molise National Park, Majella National Park Authority, Zompo lo Schioppo Nature Reserve and Monte Genzana Alto Gizio Regional Nature Reserve. In order to present the project and its development, it organized two meetings in Pescara and Pescasseroli, during which a fruitful discussion took place with local authorities and institutions on the importance of digital and shared infrastructures at the service of regions, not only to ensure mobile network coverage but also for environmental monitoring.

During 2023, INWIT was the key player of more than 10 events focused on the digital development of regions

actively contributing to the promotion and discussion of crucial issues related to the digital evolution of communities. These included:

- Italian Alliance for Sustainable Development (ASVIS) - The 9 Italian cities of the European Mission share their experiences
- Infratel Italy - Ultrafast Networks: challenges and opportunities in the Region of Sardinia
- ANCI - Italy Mission 2021 -2026
- ANCI - kick-off webinar Italia 5G Plan Convention
- Department for Digital Transformation (DTD) - Webinar Ultrafast Networks the Italia 5G Plan

### Fondazione Sussidiarietà - Presentation of the Subsidiarity Report

INWIT's efforts in terms of positioning and advocacy initiatives are aimed precisely at disseminating and making people understand the value of digital and shared infrastructures and their benefits for communities and regions. On this front, INWIT promoted and participated in several events to consolidate its relationship with the regions.



# MANAGEMENT OF ELECTROMAGNETIC EMISSIONS

Telecommunication operators, who use INWIT's infrastructures for services that emit electromagnetic waves, are responsible for ensuring that the design and operation of their facilities is carried out in full compliance with legal regulations. INWIT, however, pays great attention to the issue, proactively monitoring possible developments and always acting in compliance with legislation. With regard to the development of mobile radio systems, and thus also of 5G, and the aspects of electromagnetic compatibility, it is important to remember that in Italy, electromagnetic field (EMF) limits are 100 times lower than in the main European countries in terms of power density (0.1 W/m² compared to 10 W/m²), while in terms of electric field strength they are 10 times lower (6 V/m compared to 61 V/m). 21 EU countries (e.g. Germany, France, Spain and Portugal) have in fact adopted the limits of the European Council Recommendation of July 12, 1999. **The electromagnetic emission limits defined by the international scientific community** (ICNIRP Guidelines - International Commission on non-ionizing radiation protection), which inspired the 1999 European Recommendation, **ensure that dosages and durations of exposure to such emissions are safe for human health**.
As repeatedly stated by the main public health bodies (World Health Organization[23], Istituto Superiore di Sanità[24], International Commission on Non-Ionizing Radiation Protection, Italian Association for Cancer Research), no health effects caused by long-term exposure generated by radio base stations have been shown at present. This was further confirmed by the update of the ICNIRP guidelines in 2020[25], which reaffirmed the safety of the EMF limits at 61 V/m of the European Recommendation.
Italy, together with Bulgaria, is the country with the lowest EMF limits in Europe. This leads to considerable difficulties in the deployment of ultra-wideband mobile networks and the development of 'standalone' 5G.

23 The results of the WHO study are reported, together with other authoritative research on electromagnetic fields, by the Istituto Superiore di Sanità. See the following **link for a summary of the research**

24 Alessandro Polichetti, **5G and Health: what you need to know**, April 28, 2020.

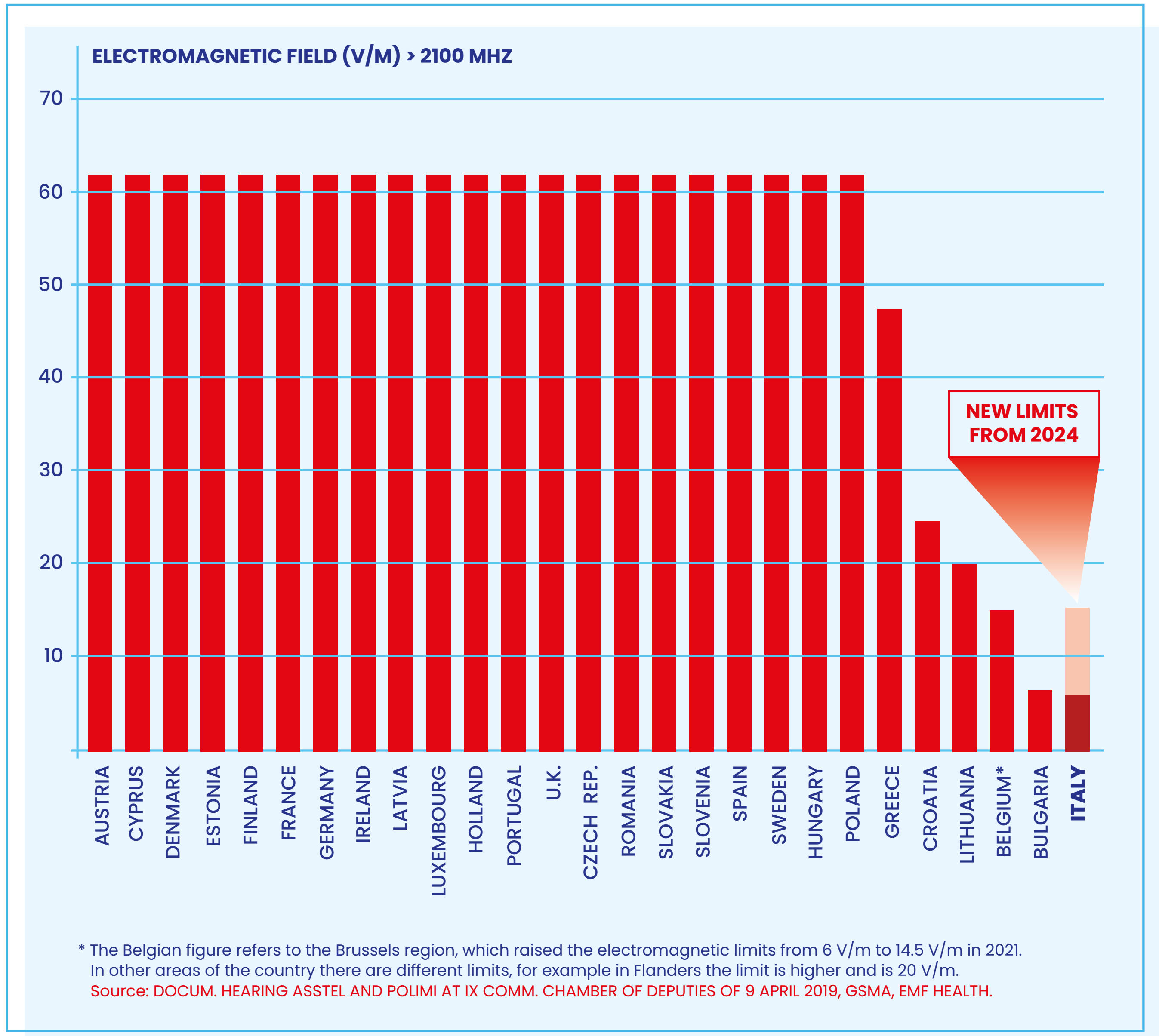
25 ICNIRP, **Guidelines for limiting exposure to electromagnetic fields**, March 2020.

On October 27, 2023, in the Senate Industry Committee, during the examination of the Annual Market and Competition Act 2022 (AS 795), the amendment to partially adjust the electromagnetic limits was approved. This became law with the publication of the Annual Market and Competition Law 2022 in the Official Journal.

**The provision provides:**

1. Within 120 days from the entry into force of the Law, the EMF limits shall be adjusted by Prime Ministerial Decree, on the proposal of the Minister of the Environment, in agreement with the Minister of Health, after consulting the competent parliamentary commissions, and after agreement at the Unified State-Regions-Cities-Local Authorities Conference;
2. In the absence of an agreement reached within the 120-day period, the EMF limits are harmonized at 15 V/m for electric field strength 'E' and 0.037 A/m for magnetic field strength 'H'. For power density, the ceiling is 0.59 W/m2.

**Electromagnetic emission limits in EU countries**




* The Belgian figure refers to the Brussels region, which raised the electromagnetic limits from 6 V/m to 14.5 V/m in 2021. In other areas of the country there are different limits, for example in Flanders the limit is higher and is 20 V/m.
Source: DOCUM. HEARING ASSTEL AND POLIMI AT IX COMM. CHAMBER OF DEPUTIES OF 9 APRIL 2019, GSMA, EMF HEALTH.



# SUPPLY CHAIN'S SUSTAINABILITY

NFS

GRI 2-6, 308-1, 414-1

## SUPPLY CHAIN MANAGEMENT

INWIT's Procedure for the Procurement of Goods and Services defines the purchasing procedures and related responsibilities, and is based on the following principles:

**Transparency of rules and decisions**

The competitions are promoted under conditions of equal opportunity between suppliers who, for homogeneous products/services, have demonstrated – following a qualification process – that they possess technical and organizational requirements deemed indispensable by INWIT. At the same time, the supplier is required to declare that there are no pending bankruptcy proceedings or detrimental acts against the Company and/or Legal Representatives/Directors, serious administrative sanctions, including sanctions in the field of Accident Prevention and Occupational Hygiene issued by the relevant Supervisory Bodies, conflicts of interest;

**Separation of roles**

To be emphasized between the different operational and decision-making phases to ensure fair and transparent activities and to prevent conditions of individual advantage in the performance of purchasing activities;

**Correctness**

INWIT does not intend to derive competitive advantages from suppliers on the basis of non-responsible behaviour and requires its employees to ensure that relations with suppliers are governed only by objective criteria, committing themselves to promoting the principles of legality, transparency, fairness and loyalty. Each employee must keep his or her personal interests separate from those of INWIT;

**Tracking purchasing acts**

For each contracted activity, all documents supporting the correctness of the transactions and choices made are kept by the respective purchasing functions. Similarly, documents proving the outcome of control and verification activities on products/services delivered/performed/installed by suppliers, the results of which are conditional on payments, are available at the competent corporate functions.

In the course of 2023, with the aim of further strengthening the principles on which the procurement of goods and services is based, INWIT undertook the following further actions:

- For strategically defined tenders, the director of the requesting function must approve the list of suppliers to be invited to tender.
- In the case of tenders with multifunctional evaluation, each function must indicate the name of the evaluator before the technical proposals are opened.

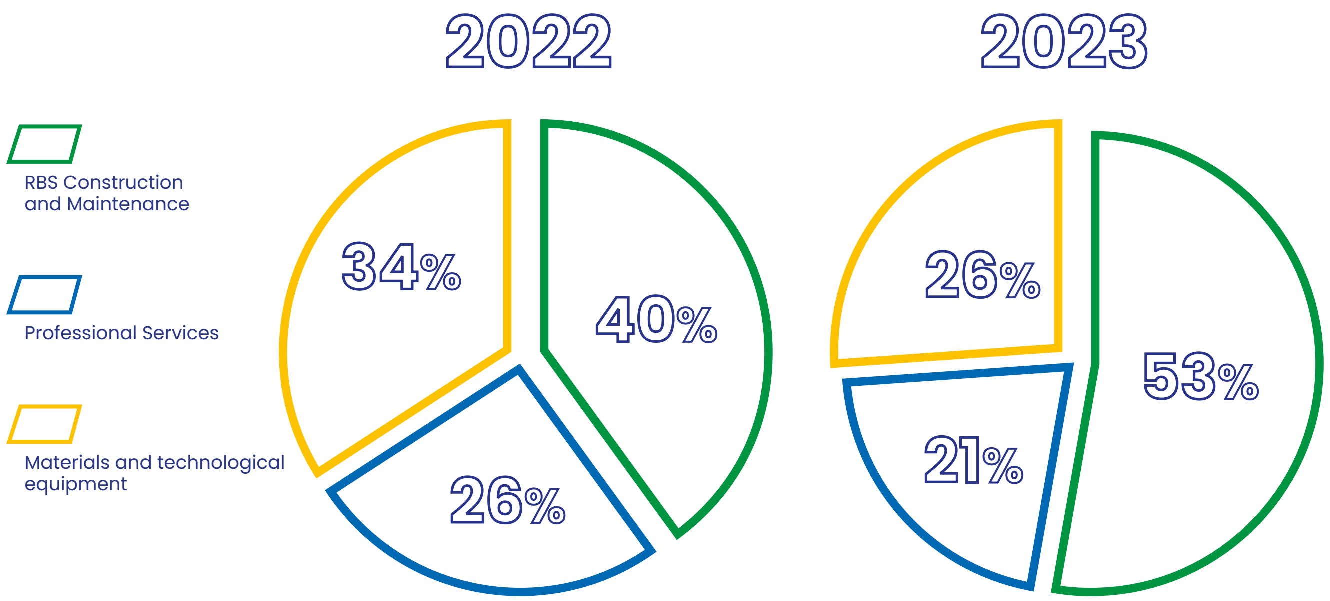
### INWIT's suppliers can be classified into three types

1. medium-sized construction companies that typically cover geographical regions of Italy.
2. professional firms with qualified personnel registered in specific registers or companies specializing in software systems integration.
3. companies that manufacture equipment used for INWIT's infrastructure such as air conditioners, switchboards, radio signal distribution equipment.

During 2023, INWIT expanded its supply chain to 470 suppliers, up from 433 the previous year. The total 2023 expenditure was almost 190 million euros, distributed as distributed as in the graph below.

In 2023, **97% of the expenditure is local**, i.e. from Italian suppliers, and the number of subcontractors increased from 378 in 2022 to 395.

### Breakdown of supplier expenditure by macro-category of services and goods




## SUSTAINABILITY CRITERIA IN TENDER EVALUATIONS

In line with the commitments of the Sustainability Plan and with the aim of extending sustainability principles to the entire supply chain, INWIT inserts specific clauses related to ESG risks in all supply contracts, which are also included in the Terms & Conditions standards of purchase orders.

Within the Procedure for the Procurement of Goods and Services, INWIT has laid down criteria to increase the level of sustainability and circularity of its procurement. The presence of such criteria is a rewarding element at the tender award stage. The criteria are divided into: general sustainability criteria (general requests on sustainability aspects that can be integrated into tender specifications for all types of supply) and technical sustainability criteria (specific requests on sustainability aspects, to be integrated into the technical evaluation of tender specifications).

### General sustainability criteria:

- Health and Safety Management Systems (ISO 45001);
- Management System for the Prevention of Corruption (ISO 37001);
- Environmental Management System (EMAS, ISO 14001)
- Energy Management System (ISO 50001);
- Emission reduction targets;
- Sustainability Reports or Non-Financial Statements;
- Certifications, procedures or policies on Diversity and Gender Equality.

### Rewarding criteria for products:

- Understood as product as a service, going for the purchase of a service rather than a product (e.g. printers and company fleets);
- Products with an environmental declaration or certification according to existing Type I (e.g. EU Ecolabel) and Type III (e.g. EPD) schemes;
- Reusable products, avoiding the purchase of disposable products, e.g. single-use plastic in offices.

In 2023, INWIT also introduced a sustainability evaluation for tenders in addition to the technical and economic evaluations, with a specific score.

## ESG questionnaire

Starting in 2022, INWIT has also begun to submit an ESG questionnaire to its suppliers, with specific questions on sustainability aspects, broken down into the three areas of Environment, Social and Governance, to assess its supply chain on sustainability issues and to raise awareness of the strategic nature of the path undertaken towards the creation of a sustainable business model that extends along the entire value chain.
The ESG questionnaire, completed on a voluntary basis, involved 179 suppliers, covering 81% of the total 2023 expenditure.

## Sustainable Procurement Working Group

In 2023, INWIT participated in the Sustainable Procurement working group, organized by the Global Compact Network Italy, together with 37 other companies, including leading Italian companies. The aim of the initiative was to deepen the topic of sustainable supply chain management, as a cross-cutting element that links social, environmental and economic dimensions and through which the private sector can have a concrete and positive impact for the advancement of the UN 2030 Agenda.

## QUALIFICATION, MONITORING AND EVALUATION OF SUPPLIERS

With the Supplier Qualification Management Procedure, the company wanted to strengthen the verification of the legal, economic-financial, technical-organizational and sustainability requirements of its suppliers, as well as the verification of the quality, safety and environmental requirements of the goods purchased.

Among the selection requirements in the questionnaire was the request for certifications related to social and environmental issues. In addition, all suppliers are required to sign INWIT's Ethics and Integrity Pact, in which they undertake to respect the environment, protect human rights and labour standards, and fight corruption. Consistent with these values, suppliers are asked to promote compliance with these principles to their subcontractors. The fairness and transparency of the pre-contractual and contractual relations that INWIT entertains with its suppliers are ensured not only by a system of rules and procedures, but also by a network of controls carried out throughout the entire qualification and purchasing process.

In particular, entry in the Suppliers' Register is always ascertained by means of objective and documentary checks and, for certain product categories, also by means of technical-organizational audits at the suppliers' premises. Only after the technical-economic verifications, the negotiation with the counterparty and the verifications relating to the Related Parties procedure and Golden Power discipline, can the formalization of relations with suppliers proceed.

For the monitoring of the supplier evaluation and selection process, INWIT has an independent Supplier Management Platform. This is a system used to complete a request to add a new supplier to start the qualification process and/or link to new qualification objects, as well as to check the qualification status of a supplier. INWIT is also equipped with a Vendor Rating policy, applied on an experimental basis to two strategic supply sectors – namely the construction and design of Radio Base Stations – with the aim of indicating the guidelines for monitoring and evaluating, through the Vendor Rating Index, the performance of qualified suppliers. These guidelines make it possible, among other things, to improve the quality of services, supplies, works and works, to monitor and streamline the supply chain, and to foster long-term value creation.

Vendor Rating, in fact, allows for objective monitoring of the performance of rated suppliers and provides for suspension from the register in the event of an insufficient rating. The assessment of the quality and reliability of suppliers is carried out through the verification of stringent requirements that lead to the selection of interlocutors with high standards of professionalism and quality.

**The supplier is subject to periodic evaluation through:**

- inspection activities aimed at verifying and assessing compliance with technical, environmental and safety requirements;
- analysis and monitoring of data available in the system.

In order to conduct and guarantee an impartial, systematic and traceable evaluation, INWIT uses Evaluation Questionnaires based on factors to assess the performance of Suppliers, applied in a differentiated manner between the realization of a supply and the provision of a service. All evaluation factors aim to identify the supplier's main areas of criticality (if any) and to trigger a path of continuous improvement, aimed at supply chain efficiency.
Finally, the assessment areas contribute, through the weighted average, to the system-wide determination of the Vendor Rating Index, which identifies, in a quantitative manner, the evaluation of the performance of suppliers.

**Among the analyses carried out on its suppliers in 2023, INWIT identified:**

- 2 critical suppliers - i.e. those for whom there is a difficulty in substitution, or with whom high supply volumes are associated;
- 2 suppliers with a dependency ratio (ratio of turnover to INWIT over Global) greater than 80%.

## SUSTAINABILITY RISK ASSESSMENT OF SUPPLIERS

INWIT also considers suppliers that can potentially generate a significant negative impact on the organization in the ESG sphere to be at "high sustainability risk". The level of risk exposure depends on the product category: service providers of radio base station construction and maintenance, professional service providers, suppliers of materials and technological equipment.

For each supplier category included in the identified list, suppliers with inadequate management of ESG issues from the point of view of health and safety, environmental and contribution fairness compliance are considered to be at 'high sustainability risk'.

Sustainability risk is considered mitigated for suppliers with at least one of the following certifications/documents:

A Environmental and Social Risk:
- ISO 14001 or EMAS;
- ISO 45001;
- ENVIRONMENTAL REPORT or SUSTAINABILITY REPORT;
- COP (Communication on progress – Global Compact).

B Risk of Governance and Corruption:
- Code of Ethics and Conduct;
- MOG 231;
- Internal control system formalized pursuant to Law 262/2005;
- Internal anti-corruption policy or other relevant public documentation;
- ISO 37001.

Nevertheless, the greater the degree of strategic importance of the supplier (critical supplier due to dependency, expenditure and/or geographical location), the greater the level of risk. In this regard, requirements for the identification and monitoring of strategic suppliers are being defined.



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# HUMAN CAPITAL

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INWIT looks to its people by aiming to create a sense of belonging, involvement and sharing of common goals and values, promoting the development of skills, and ensuring well-being through measures that facilitate the reconciliation of private and working life.
The company's success and achievements are the result of teamwork and the commitment of its people. Demonstrating the care and attention INWIT places on its employees, the company has been awarded Top Employers certification.
This certification rewards HR policies and strategies aimed at attracting and retaining talent by enhancing their contribution. The award is an important step on a path towards continuous improvement in the management and attention the company devotes to its human capital.

NFS

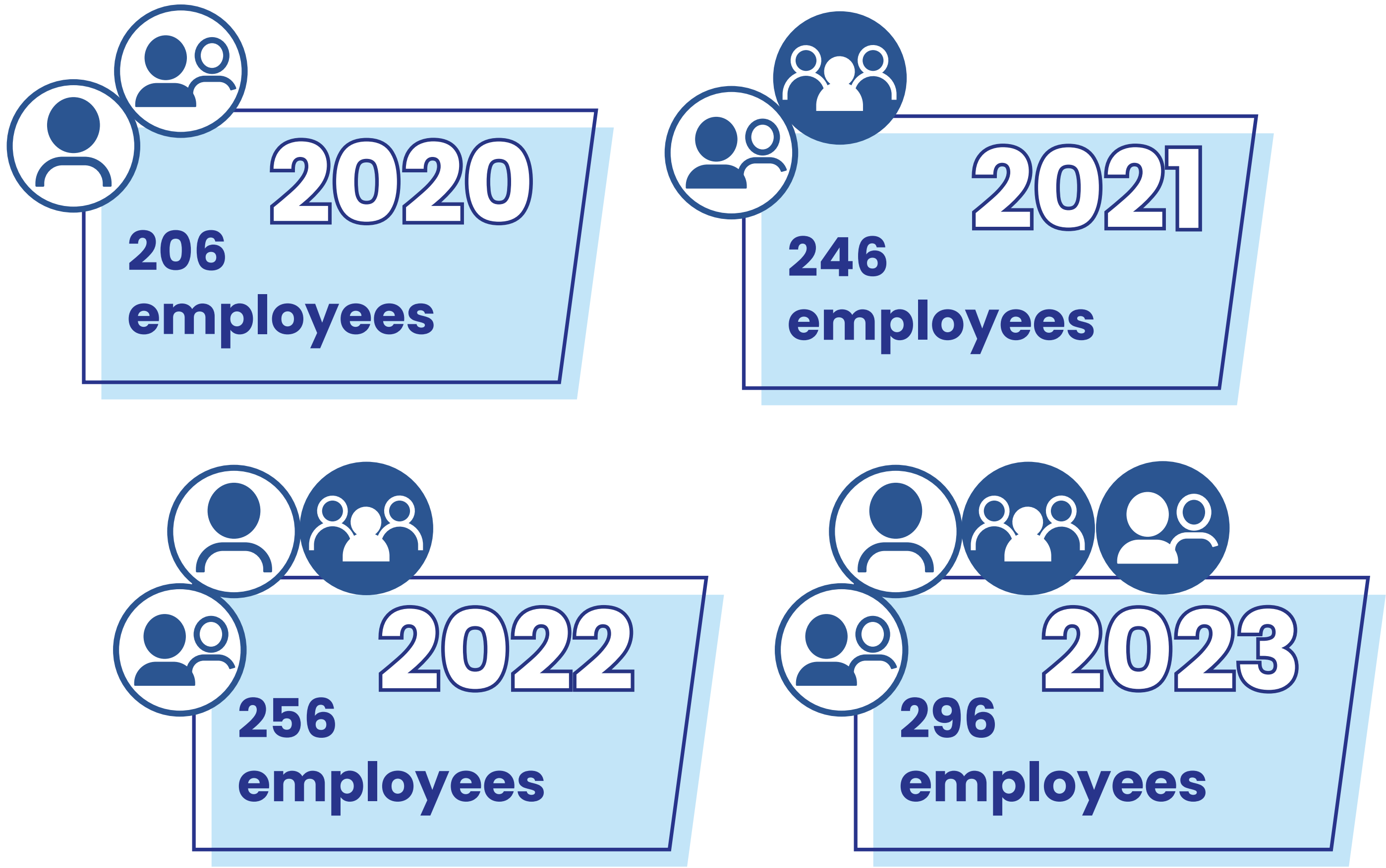
## WORKFORCE

One of the pillars of INWIT's sustainability strategy is the involvement, well-being, development and safety of its people, with the awareness that a corporate culture oriented towards including and valuing diversity produces a change for all stakeholders, generating a positive impact both within the company and on the social context in which it operates, and contributing to the creation of value in the medium and long term.

### INFORMATION ON EMPLOYEES AND WORKERS

GRI 2-7, 2-8, 2-21, 405-1, 405-2

As at December 31, 2023, INWIT had 296 employees (39% of whom were women), an increase of 16% over the previous year. This is the result of a company policy of growth in the workforce since 2020, which has also been guided by a conscious increase in the inclusion of women.






Some details of the distribution of the corporate population by gender, occupational category and age group are given below.

**Table 12.** Employees by employee category and gender (GRI 405-1)

| | 2022 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | Men | Women | **Total** | Men | Women | **Total** |
| Executives | 16 | 3 | **19** | 21 | 4 | **25** |
| Managers | 40 | 14 | **54** | 47 | 26 | **73** |
| Office staff | 102 | 81 | **183** | 113 | 85 | **198** |
| **Total** | **158** | **98** | **256** | **181** | **115** | **296** |

**Table 13.** Percentage of employees by employee category, age group and gender in 2023 (GRI 405-1)

| | Gender | | Age group | | | |
|---|---|---|---|---|---|---|
| | Men | Women | < 30 years | 30 - 50 years | > 50 years | **Total** |
| Executives | 84% | 16% | 0% | 20% | 80% | **8%** |
| Managers | 64% | 36% | 0% | 37% | 63% | **25%** |
| Office staff | 57% | 43% | 6% | 52% | 43% | **67%** |
| **Total** | **61%** | **39%** | **4%** | **45%** | **51%** | **100%** |

The company population in 2023 consists of 8% executives, 25% managers and 67% office staff.
Compared to 2022, the percentage of women in executive roles remained unchanged at 16%, while the percentage of women in managerial roles increased from 26% to 36%. In the white-collar category, the percentage of women dropped to 43% from 44% in 2022.
INWIT employees over 50 years of age represent 51% of the total company population, those in the 30-50 age bracket 45%, and those under 30 years of age the remaining 4%.
The share of women in senior roles, understood as executives and managers, will increase to 31% in 2023 from 23% in 2022, as shown in the table below.

**Table 14.** Number of employees in managerial roles by professional category and gender

| | 2022 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | Men | Women | **Total** | Men | Women | **Total** |
| Executives | 16 | 3 | **19** | 21 | 4 | **25** |
| Managers | 40 | 14 | **54** | 47 | 26 | **73** |
| **Total** | **56** | **17** | **73** | **68** | **30** | **98** |
| **%** | **77%** | **23%** | **100%** | **69%** | **31%** | **100%** |

Among INWIT's employees, there are 9 employees (8 men and 1 woman) belonging to protected categories, representing about 3% of the company population. Employees with disabilities, on the other hand, account for less than 3% of the total number of employees.
Considering educational qualifications, 63% of INWIT employees have a university degree and 37% a diploma. Among non-employees, INWIT has 4 interns, 3 of whom are men and 1 woman.
For more detailed information on human capital indicators, please refer to the tables in the annex.

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## RECRUITMENT PROCEDURE

In 2023 INWIT published the **procedure governing the management of personnel recruitment**, selection and hiring activities, ensuring the governance of the entire process and monitoring its efficiency and effectiveness.

The prelude to the start of the recruitment and selection process is the **Business Strategy**, with particular reference to the drivers for development/acquisition of new skills in line with the organization's business, and the evidence derived from the **Workforce Strategy** in terms of INWIT's Numerical Variation Plan and the definition of the skills acquisition frameworks identified when defining the dedicated function budget.

In 2023, INWIT managed the selection of personnel for a total of **50 positions in all company departments,** while at the same time having stringent inclusion KPIs within the selection process, even when the latter is managed by external recruitment agencies. The total number of **male candidates** in the year was **212**, while there were **235 female candidates**, or 53%, up from 46% in 2022.

## NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

NFS

GRI 401-1

The **hire rate** for the year 2023 was **21%**: INWIT hired a total of 54 people, 13% of whom were under 30 years old, 61% between 30 and 50 years old and the remaining 26% over 50 years old. 44% of the people joining the company in 2023 were female: These new entrants bring the proportion of women in the company to 39% of the total number of employees. There were also **14 leavers** in 2023, of which 50% were male and 50% female. Of those who left, 14% were under 30 years old, 57% were between 30 and 50 years old and the remaining 29% were over 50 years old. Details of the hire rate and turnover are given in the tables in the 'Annexes' section.

**Participation in Career Day and Diversity Day**

As in previous years, the 2023 HRO team participated in career days at target universities to identify interesting candidates for internal recruitment. In May 2023, they attended the L**UISS Guido Carli career day** in Rome and, later, two career days dedicated to Diversity (**Diversity Day**), **one in Milan at Bocconi University and one in Rome at LUISS Guido Carli**.

The two days were dedicated to the employment of people with disabilities and those belonging to protected categories: an important contribution that underlines INWIT's commitment to continue investing in people, focusing on inclusiveness and sharing.

# WELL-BEING, DEVELOPMENT AND EMPOWERMENT OF PEOPLE

NFS

## DIVERSITY AND INCLUSION

GRI 406-1

INWIT continues to pursue Diversity & Inclusion and gender equality policies. During 2023, the company participated in the International Day for the Elimination of Violence against Women on November 25, with initiatives in defence of the female gender and promotion of the issues of economic independence and professional growth, and obtained **UNI/PDR 125:2022 certification for gender equality.** The latter provides for the adoption of specific KPIs related to gender equality policies in organizations to certify their compliance with the principles of gender equality and to create an inclusive and fair working environment in pay policies, but also in training and career progression. As part of the certification process, INWIT has adopted a **Gender Equality Policy**, through which it is committed to promoting gender equality within its organization and towards its third parties, and to implementing processes capable of developing women's empowerment in business activities, recognizing the specific needs and experiences of women, enabling them to experience equal relationships in the labour market. The policy is applied to the company's processes, rules and procedures and is intended for the entire company population, applying without distinction to all employees and, where possible, to consultants and suppliers.

In line with INWIT's values, in the first half of 2023, the figure of the **Diversity Ambassador** was also introduced, with the aim of identifying, in agreement with the **D&I team** and the HRO Department, new inclusion measures and practices that favour the dissemination of an inclusive corporate culture that is at the same time attentive to the well-being of its people.

## FREEDOM OF EXPRESSION

One of the objectives of the **Diversity & Inclusion Policy** is to make the workplace an inclusive, welcoming and plural environment, where freedom of expression must always be guaranteed and where everyone can feel free to manifest their nature and authenticity without any form of discomfort. These principles are also the basis of INWIT's new **Code of Ethics** which, in addition to guaranteeing integrity and transparency, promotes a culture of ethics and respect for people. Failure to comply with these principles may result in the control bodies analysing the conduct and triggering sanctions to protect those offended or affected by such conduct.

In 2023, there were no proven incidents of discrimination within the Company.

## EMPLOYEE VALORIZATION AND DEVELOPMENT

In 2023, the **procedure on Performance, Development and Training** was published in order to have a clear framework and guidelines for these processes.

INWIT employs an integrated people development system geared to simultaneously assessing and enhancing both performance and potential. In particular, the **Performance Management system**, in supporting the delivery of the strategic plan, keeps people's skills and behaviour aligned with the evolution of the company, pursuing the dual purpose of development and strengthening the corporate identity.

The evaluation system, revised in the year 2022, operates on an annual basis and focuses both on the achievement of objectives and the development of the skills applied to achieve them.

In this regard, the skills model is constantly updated, most recently in 2023, to ensure the alignment of organizational behaviours with new strategic business challenges and corporate values.

**The definition of skills was based on four key principles:**

- alignment with the Business Strategy and Corporate Values to focus on the core competencies that drive future success;
- benchmarking and emerging trends (the skill set is in line with industry best practices and emerging trends);
- distinctiveness (the skill set represents a compass for the orientation of people's behaviour with which everyone can identify and recognize themselves);
- co-design (the skills model is designed with management and the corporate population to ensure that it is truly acted upon and experienced by the entire organization).

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The current model includes 7 skills and is divided into 2 Levels: People Manager and Individual Contributor, as shown in the figure below.

**The INWIT Skills Model**

**PASSION FOR CUSTOMERS**

**CUSTOMER SATISFACTION**

Cares for and creates value for the customer through partnership relationships, adopting the customer's perspective and anticipating their needs.

**PASSION FOR OUR PEOPLE**

**RESPONSIBILITY**

Makes decisions with courage by involving others when necessary, takes responsibility for activities, processes and projects by building a positive environment of mutual trust.

**TEAM GAME**

Facilitates collaboration through transparent and regular communication with your team and other functions/areas, taking into account the impact of one's own actions on the activities and goals of others.

**PASSION FOR RESULTS**

**OPERATIONAL EXCELLENCE**

Aligns priorities with those of the company and manages them in a project-based manner to achieve outputs in line with expected quality standards, timeframes and available resources.

**CONTINUOUS IMPROVEMENT**

Identifies the most effective way to get to the result by simplifying complexity or proposing new solutions, leveraging digital opportunities and shared experiences.

**PASSION FOR SUSTAINABILITY**

**INCLUSION AND WELL-BEING**

Seeks and values diversity in all its forms and pursues safety and well-being for oneself and one's colleagues.

**LOOKING TO THE FUTURE**

Pursues business objectives taking into account medium- to long-term sustainability and its impact on the community and the environment.

100% of employees are subject to periodic performance and career appraisals, net of employees who joined less than 6 months ago. During 2023, 272 employees were evaluated.
In 2023, 23 employees were promoted: 9 from office staff to management and 14 office staff to a higher grade. The table below shows the number of promoted employees by employee category and gender.

**Table 15.** Employees who were promoted by gender

| | 2022 | | 2023 | |
|---|---|---|---|---|
| | Men | Women | Men | Women |
| **Number of promoted employees** | **16** | **6** | **10** | **13** |



## CORPORATE WELFARE

GRI 401-2

INWIT offers its employees a rich program of welfare initiatives, in line with its values and objectives, confirming the centrality of staff for the achievement of its goals.

**The main initiatives offered by INWIT during 2023 were:**

- partial reimbursement of **monthly nursery or kindergarten fees**;
- access to **company loans**;
- confirmation of **smart working** for all employees in physical locations, with the possibility of a further extension of the number of days of agile working, in particular for situations related to maternity/paternity leave, a precarious and vulnerable state of health or difficult family situations:
  - health status referring to situations of vulnerability;
  - parents of children with disabilities or serious health problems;
  - pregnancy;
  - child fostering;
  - return to service after long-term illness;
  - need for special care and rehabilitation; need for courses of treatment related cancer and of particular severity.
- Circolo Ricreativo Aziendale per i Lavoratori (Workers' Recreational Club), which organizes tourist, sports, cultural and recreational initiatives for its members, employees, pensioners and family members.
- Medical health check-up campaign for employees.

**The associations and funds are listed below:**

- **ASSILT.** A complementary health care association that provides services to its members and beneficiaries that are complementary to those provided by the National Health Service, including, in collaboration with public health structures, the conduct of research, cognitive surveys, group and individual health prevention interventions, and the promotion of health education initiatives.
- **ASSIDA.** Association for Supplementary Health Care for Telecom Italia Group Executives, reimburses executives for health services in addition to those provided by the national health service.
- **TELEMACO.** Complementary National Pension Fund for workers of companies in the telecommunications sector, aims to ensure that member workers maintain their standard of living even in retirement, thanks to the creation of a social security complementary to the public one. It is intended for office staff and management workers of companies applying the national telecommunications contract, for permanent, apprenticeship and placement workers, as well as for tax dependents of workers enrolled in the Fund.

Finally, following what was defined by the 2nd level company bargaining and in order to maximize the spending capacity of employees in accordance with the tax benefits provided by law, the Welfare Portal **– INWIT WELFARE4PEOPLE –** dedicated to people was also used in 2023, which made it possible to convert the Result Bonus into Flexible Benefits, offering everyone the possibility of choosing between Welfare goods and services, while at the same time improving work-life balance of our people.

## COMPENSATION

The purpose of the compensation policy is to support the achievement of business objectives, promote the creation of value for shareholders and the continuous improvement of business performance. INWIT has adopted a compensation structure aligned with market best practices, strengthening staff engagement and recognizing the criticality of the role held and the professional contribution.

Starting in 2021, INWIT has initiated a structured process aimed at collecting and investigating issues of interest on compensation expressed by shareholders and proxy advisors.
In 2023, the Shareholders' Meeting approved the new LTI Plan 2023-2027, the first cycle of which was launched during the year and which is reserved for the General Manager, Key Managers and other managers responsible for critical roles in the Company.

To support the achievement of the main economic/financial and quantitative targets set out in the Industrial Plan, all employees were involved in the new performance management system, which provides for the assignment of company and individual targets linked to an individual bonus.

**The system consists of three incentive plans:**

- Managerial Incentive - MBO, reserved for managers with organizational responsibility;
- Sales Incentive - PIV, reserved for the sales force;
- Performance Bonus - reserved for the remaining corporate population.

As in previous years, the **objectives of the Sustainability Plan were included in the MBO system** of the General Manager and all incentivized management in 2023, with the ESG component accounting for 15% of the total.

The ratio of the highest total remuneration within the organization to the median value for all employees is 15.16, up from the previous year by 24%, while the ratio of the annual percentage change of the highest-paid person to the median percentage increase of the annual total remuneration of all employees is 3.23.

**Table 16.** Annual total compensation ratio (GRI 2-21)

| | 2022 | 2023 | delta |
|---|---|---|---|
| **Annual total compensation rate** | 12.20 | 15.16 | 24% |

### Performance bonus

The three-year agreement (2021-2023) for the INWIT 'post-merger' performance bonus is still in force. The agreement provides for an increase in bonus values of 20% over three years compared to the previous 'pre-merger' performance bonus and the alignment of performance parameters to the company's main economic and financial targets. In 2023, the performance bonus, with a total value of 191,608.13 euros for men and 132,761.08 euros for women, involved 117 men and 83 women.



### Broad-Based Share Ownership Plan

In 2023, the Shareholders' Meeting approved INWIT's new 2023-2024 Broad-Based Share Ownership Plan, aimed at all employees, excluding LTI Plan recipients. The purpose of the BBSOP 2023 and 2024 is to give employees the opportunity to become shareholders of INWIT, in order to increase their motivation to achieve the company's objectives and to strengthen their sense of belonging. This opportunity, to which 90% of INWIT's people subscribed, provided for an initial free allocation of 50 shares for each employee and an offer to purchase shares at a 10% discount to market value, up to a maximum of 100 shares per employee. Approximately 55% of the people chose to invest further in INWIT, taking advantage of the discount purchase, and 83% of the people who invested purchased the maximum lot of shares available.

### Gender Pay Gap

INWIT is effectively pursuing its D&I strategy, which is also aimed at reducing the pay gap between women and men, which, for example, on the total workforce in 2023, in terms of basic salary, has gone from -23% to -21%, the result of a policy of interventions aimed at ensuring pay equity. In addition, in order to reduce the current difficulty in recruiting women in a sector composed mainly of male technical/professional profiles, INWIT has set up a partnership with target universities to provide scholarships for STEM women.

**Table 17.** Ratio of basic salary and remuneration of women to men (GRI 405-2)[26]

| | 2022 | 2023 |
|---|---|---|
| Executives | -31% | -21% |
| Managers | 3% | 5% |
| Office staff- LEV. 7 | -4% | -6% |
| Office staff- LEV. 6 | -2% | 0% |
| Office staff- LEV. 5 | 9% | 10% |
| **Total workforce** | **-23%** | **-21%** |

**Table 18.** Ratio of total remuneration of women to men (GRI 405-2)[27]

| | 2022 | 2023 |
|---|---|---|
| Executives | -42% | -16% |
| Managers | 1% | 1% |
| Office staff- LEV. 7 | -4% | -7% |
| Office staff- LEV. 6 | -2% | 0% |
| Office staff- LEV. 5 | 16% | 17% |
| **Total workforce** | **-28%** | **-21%** |

26 'Basic salary' includes the recurring fixed remuneration of employees.
27 'Total remuneration' includes the following variable items: MBO on target, PIV sales incentives on target; Canvass on target; UT provided; LTI plan cycle at fair value.

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# EMPLOYEE SKILLS DEVELOPMENT INITIATIVES

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## TRAINING

GRI 205-2 (partial), 404-1, 404-3

During 2023, a total of 7,880 training hours were provided, almost 3,000 more than the previous year. Details of the hours per type of training can be found below.

**Table 19.** Hours by type of training

| Corso | Hours |
|---|---|
| **Risk & Compliance Training** | **721** |
| Of which Antitrust, Compliance and Business Ethics | 261 |
| Of which Information Security, Privacy and Data Protection | 406 |
| Of which ERM | 54 |
| **QHS&E Training**[28] | **3,149** |
| **Training on sustainability issues** | **168** |
| **Soft skills training**[29] | **1,756** |
| **Other**[30] | **2,086** |
| **Total training hours** | **7,880** |

In 2023, training on anti-corruption policies and procedures was targeted at new employees, involving 118 office staff, 44 managers and 7 executives.
The table below shows the number of training hours broken down by gender and job category. During 2023, an average of **28 hours of training** were provided per employee.

**Table 20.** Average hours of training by gender and employee category in 2023[31] (GRI 404-1)

| | 2021 | | | | | | 2022 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Hours Men | Average hours/ men | Hours Women | Average hours/ women | Total Hours | Total average hours | Hours Men | Average hours/ men | Hours Women | Average hours/ women | Total Hours | Total average hours |
| Executives | 320 | 21 | 50 | 25 | 370 | 19 | 834 | 45 | 219 | 52 | 1,053 | 47 |
| Managers | 522 | 13 | 193 | 13 | 714 | 13 | 1,401 | 32 | 821 | 44 | 2,222 | 36 |
| Office staff | 2,300 | 23 | 1,536 | 19 | 3,836 | 21 | 2,425 | 22 | 2,180 | 26 | 4,605 | 24 |
| **Total** | **3,141** | **20** | **1,778** | **19** | **4,919** | **19** | **4,660** | **27** | **3,220** | **30** | **7,880** | **28** |

28 It is specified that the total included the hours of training provided by the plan, which was developed in two strands:
- training on the integrated management system, with sessions dedicated to individual schemes (UNI PdR 125:2022 and ISO 50001:2018);
- mandatory H&S training

29 It is specified that training hours in soft skills, English language and training and development were taken into account in the calculation.

30 It is specified that the induction hours of new recruits and the exchange of know-how between functions within the company were taken into account in the calculation.

31 Due to the strong growth of the company, specifically the increase in the number of employees, the average annual number of employees was used for the calculation of training hours per capita in order to obtain a more correct figure as it is more representative and realistic.



Main training initiatives carried out in 2023:

**E-Learning Portal – *InwitEmpowerMe* Project** In September, INWIT introduced a new proprietary e-learning platform offering an extensive catalogue of on-demand training content for employees, with the aim of enriching managerial skills, improving the digital mindset, motivating and engaging people on the topics of sustainability, digital innovation, and sales techniques.

**Biodiversity Training Program** Biodiversity is a relevant topic for all INWIT stakeholders, which is why all employees were offered the opportunity to participate in an e-learning training course that provides a comprehensive overview of biodiversity, the challenges it faces and the importance of its protection.

**Specific Training on Project Management** the HRO Team started specific training on project management. The program offers the answer to the challenges of increasing dynamism and complexity that society is experiencing in the market for which it is necessary to train resources capable of managing programs and projects. Following an organizational assessment, resources were identified from the corporate population to be trained in PM and assigned to this training program. The course was delivered by LUISS Business School in Rome in October 2023.

**Energy Management Training** specific training courses were delivered on Energy Management concerning White Certificates, Generation and RES Decrees.

**Internal Induction Programs** In September, following an internal training needs assessment, a DAS training program was launched, conducted by the Innovation, Solutions & Infrastructure Engineering and Radio & Indoor Design Engineering functions for the Sales Department.

**Specific English courses** the HRO Team initiated individual English courses for staff most exposed to international markets and stakeholders. The courses were launched after an individual assessment of the needs of the individual resource involved and conducted on a tailor-made basis.

**Partnership** with LUISS Business School - a strategic partnership has been established with LUISS Business School that enables the company to activate ad hoc training programs and to allow INWIT employees and first-degree family members a 20% reduction on the enrolment fee for the Luiss Business School's training products (30% in the case of MBAs).

**Mobility Management** the HRO Team set up an educational course dedicated to developing the skills of its Mobility Manager.

**Development Paths with Valore D** 3 Academy paths with Valore D were launched in 2023 for 2 managers and 1 young talent with the aim of promoting self-awareness and self-knowledge in the different stages of professional growth, improving relationships with others, promoting an inclusive approach and navigating one's own organizational context. At the same time, two international and cross-company mentorship courses were activated with the same organization.

**Managerial Training** a Management Training project was launched on the front lines with the aim of developing culture, visions, shared approaches and a leadership model that can underpin the company's growth and future evolution.

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## PEOPLE ENGAGEMENT INITIATIVES

People involvement is a priority for INWIT, aimed at strengthening the sense of belonging in line with its values, according to principles of transparency and inclusion. In order to facilitate the sharing of information and communications within the organization, a new, more structured and comprehensive version of the corporate intranet was released in 2023, which adds to the moments of interaction with top management also in town hall format. The main 2023 initiatives are outlined below:

### INWIT sonolo – Survey Edition

With the aim of reinforcing listening strategies, a new engagement survey was launched in December to the entire company population to help improve a positive and stimulating work environment aimed at fostering a sense of belonging and enhancing the professional contribution of each individual. The survey was launched in December and closed in early 2024, with a participation rate of 91%. Upon completion of the results processing phase, the results will be returned and the main project initiatives developed on the basis of the areas of improvement that emerged will be shared.

### INWIT Day

In April 2023, the 2nd INWIT DAY was held in Rome to celebrate the birthday of the 'new' INWIT. The event was an opportunity to strengthen the company's corporate identity and sense of community, as well as to celebrate the achievements and challenges that have been met over the past few years, thanks to the spirit of cooperation, the determination of everyone, but above all thanks to INWIT's values, which fuel the company's sustainable success.

### INWIT Cafè

2023 saw the launch of the 'INWIT Café' format, a series of meetings open to all employees that offers the opportunity to meet with members of the Leadership Team for an in-depth discussion on the activities of the various departments and to strengthen knowledge of the entire company. In 2023, the first two meetings of the directors of Technology & Operations and Investor Relations & Corporate Development took place.

### INWIT Incontra

In 2023, the INWIT Incontra format was launched, also in the Book Edition format, an opportunity for employees to meet external guests such as journalists, writers, academics, etc. for a discussion on topics of interest and current affairs.

## INDUSTRIAL RELATIONS

GRI 2-30

Following the expiry of the national telecommunications contract in December 2022, the Platform for the Renewal of the TLC National Collective Bargaining Agreement was presented to the trade association in November by the national trade unions. The contents of the platform are being examined by the workers' assemblies along a path that is expected to end in early 2024.

At the end of the assembly process, and after the presentation of the final Platform by the SSOs, negotiations for the renewal of the National Collective Bargaining Agreement will begin.
In accordance with the provisions of the National Collective Bargaining Agreement for personnel employed by companies providing telecommunications services and on the basis of the provisions of the regulations in force, meetings were held with the National and regional Trade Unions during 2023 in which the main governance and organizational changes that characterized the end of 2022 and the beginning of 2023 were shared.

In addition, and following the renewal of internal union representation in the Rome and Naples regions, regional meetings were also held with workers' representatives with the aim of launching a shared dialogue path aimed at fostering discussion on issues and proposals to improve workers' welfare and workplaces.
At INWIT, 10% of employees are union members and, not counting managerial staff, 100% are covered by collective bargaining agreements.

# OCCUPATIONAL HEALTH AND SAFETY

NFS

## OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

GRI 403-1; 403-2; 403-3; 403-8

INWIT, in line with the sustainability path it has taken, has decided to have a **Health and Safety Management System certified according to ISO 45001:2018**, integrated with environmental issues according to **ISO 14001:2015**, by 2024. During 2023, **the OSH and environment management system**, the implementation process of which had already started in 2021, was further **integrated with the quality management system, according to the ISO 9001:2018 standard and the UNI PdR 125:2022 practice on Gender Equality**.

With regard to personnel, the two risk profiles were confirmed on the basis of the processes in which they work and the health surveillance process was completed.
The **procedure 'Management of accidents, incidents and near misses' has been extended from 2022 also to Contractors**: Therefore, all events are analysed, whether they lead to injury or illness (accidents) or only have the potential to do so (near misses), as well as any dangerous behaviour.

The procedure for health and safety audits and controls defines how the controls must be carried out in order to ensure that safety levels are maintained, both at the sites and on company premises, with regard to workplaces and equipment, management and control of contractors, verification of the work of professionals, and management of construction sites. Concerning this last aspect, the activities carried out on site under Title IV or contracting under Title I, by professionals and external contractors were subject to a field audit campaign.

This activity, during 2023, was performed by the QHSE function directly and through the inspectors of a dedicated third-party company: A total of 628 audits were carried out in the field. In addition, personal protective equipment was assigned on the basis of the risk assessment of site inspection and acquisition, site supervision and safety audit activities on company sites and premises.

In order to promote a culture of safety at work and ensure an increasingly safe working environment, with a growing emphasis on risk prevention and health protection, in September 2023, INWIT organized an event in Rome dedicated to suppliers and partners to raise awareness and encourage sharing, participation and cooperation. The meeting, replicated in Milan, aims to create a direct channel of collaboration with a more structured approach to workplace and worker safety that can effectively manage HSE processes and ensure the highest standards along the entire value chain.

32 The injuries are not considered serious, as one of the injuries related to cardiac complications due to anaphylactic shock from a wasp sting, with a prognosis of 32 days, while the second referred to a knee contusion from a fall from a three-step ladder, with a prognosis of 5 days.

33 Injuries occurring during working hours in the employee perimeter.

34 IThe rates are calculated by dividing for each type of injury (recordable, fatal and serious) the number of hours worked (in 2022 hours worked 334,900 and in 2023 hours worked 462,049) multiplied by a multiplier in the case of INWIT, considering the size of the company, 200,000 (corresponding to 50 working weeks x 40 hours x 100 employees).

35 The rate of days lost due to injuries was calculated as the ratio of days of prognosis for the accident to total hours worked, multiplied by 200,000 (corresponding to 50 working weeks x 40 hours x 100 employees).



## HEALTH AND SAFETY TRAINING

GRI 403-4; 403-5; 403-6; 403-7

During 2023, the training process continued (for new hires and/or for periodic updates), which is compulsory pursuant to Legislative Decree No. 81 of April 9, 2008 and the 2011 and 2016 State-Regions Agreements, of all personnel employed by the company according to the risk profiling of personnel in two levels, low and medium. A total of about **2,200 hours of health and safety training were provided in accordance with Legislative Decree 81/08.**

**Table 21.** H&S training hours in 2023

| Course | Hours provided |
|---|---|
| Basic and general training | 473 |
| Specific low risk course | 180 |
| Specific medium risk course | 248 |
| Fire Fighting Training | 336 |
| First Aid Training | 507 |
| Executive Course | 32 |
| Supervisors Course | 160 |
| HS Lead refresher course | 64 |
| Health and Safety Officer refresher course | 32 |
| Other | 168 |
| **Total** | **2,200** |

## INJURIES TO EMPLOYEES AND COLLABORATORS

GRI 403-9

In 2023, **1 injury** occurred to an employee during working hours, there were also 2 injuries to two contractors. No near misses occurred.
INWIT's employee absenteeism rate in 2023 was 1%. For the injury that occurred in 2023, the number of prognosis days was 2. The table below shows the injury data for employees in 2022 and 2023.

**Table 22.** Work related injuries (GRI 403-9)

| No. of cases | 2022 | 2023 |
|---|---|---|
| Number of recordable work-related injuries[33] | 2 | 1 |
| *of which, number of fatalities as a result of work related injuries* | 0 | 0 |
| *of which, high-consequence work related injuries with serious consequences (excluding fatalities)* | 0 | 0 |
| **Rate of recordable work-related injuries[34]** | **1.19** | **0.43** |
| **Lost Days Injury Rate[35]** | **13.14** | **0.87** |
| **Fatality rate due to work-related injuries** | **0** | **0** |
| **Rate of serious work-related injuries** | **0** | **0** |

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# NATURAL CAPITAL

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In line with the objectives of reducing environmental impacts, defined at EU level with the European Green Deal and confirmed by the National Recovery and Resilience Plan, for the development of an increasingly circular and climate-neutral economy, INWIT is committed to implementing actions aimed at maximizing efficiency in the use of resources (material and energy) and minimizing the environmental impacts of its activities.

# ENVIRONMENTAL PROTECTION

Among the most challenging targets of INWIT's Sustainability Plan is the achievement of **Net Zero by 2040** and 'Carbon Neutrality' starting with emissions in 2024, i.e. the neutralization of emissions for which INWIT is responsible, through a strategy of reducing and offsetting residual emissions.
In order to ensure the effective management of these aspects, INWIT has started a process to define and implement an Environmental Management System, to be adopted on the basis of the **ISO 14001:2015 standard**, certified in March 2024, and an Energy Management System, in line with the **ISO 50001:2018** standard, certified in March 2023.
During 2023, the Environmental Management System was integrated with the Quality Management System, which was recertified **ISO 9001:2015** in February 2023, and subsequently supplemented with the **UNI PdR 125:2022** practice on gender equality, which was certified in December 2023.
In this direction, with the integration of the Quality Management System, the new Quality, Health, Safety and Environment Policy was issued, within which the environmental commitments described in the following paragraph were confirmed.

**Quality, Health, Safety and Environment Policy**

- identify and assess direct and indirect environmental aspects, including impacts on biodiversity;
- Identifying new technologies to reduce the consumption of raw materials and the use of non-renewable energy sources;
- reduce the impact on greenhouse gas production by producing and purchasing energy from renewable sources and by selecting, optimizing and reducing the refrigerant gases used;
- managing waste by adopting recycling and recovery-oriented strategies, with the aim of increasing the life cycle of materials and products;
- control and reduce all potentially polluting or disturbing emissions for local communities during the construction, operation and decommissioning of technological infrastructures also with the cooperation of our customers;
- improve the landscape impact of technological infrastructures.

Among the initiatives undertaken as part of the definition of the Environmental Management System, as of 2021 INWIT has adopted a new waste management process, aimed at increasing the efficiency in the use of resources and maximizing the recovery and recycling of waste materials attributable to its activities. Actions have therefore been put in place to monitor and trace these materials, as described in the Circular Economy section.



In continuity with last year, the management of energy-related issues is entrusted to the Energy Management function, which deals with the management of the active and passive cycle, the forecasting phase, the management of connections, as well as activities related to energy and carbon management, the latter in coordination with the Sustainability function.
With reference to water consumption, this relates only to the company's directly managed offices and is quantified at 4,250 cubic metres for 2023, down from last year.

# ENERGY MANAGEMENT

NFS

GRI 302-1, 302-3

## ENERGY MANAGEMENT SYSTEM

Consistent with the commitments made in relation to governance and the continuous improvement of its energy performance (enshrined in the **Energy Policy**), INWIT has implemented a set of strategies and rules for the rational management of energy vectors, considered significant within the company.

INWIT is committed to ensuring compliance with the criteria underlying the **Energy Management System (EMS)**, through the pursuit of energy efficiency commitments and maintaining a focus on the sustainability of interventions and economic-financial objectives, consistent with the Company's Industrial Plan. These conformities are assessed during **Internal Audits** and, subsequently, through formal **Third Party Verification**.
These audits are also instrumental in maintaining **ISO 50001** Certification.

In summary, the fulfilment of the action plans and the evaluation of the performance achieved, aligned with the indices identified when the Company's Energy Management System was created, are constantly monitored in order to achieve the set objectives.

The availability of information, the involvement of human resources and the allocation of the "economic efforts" necessary for the implementation of efficiency measures, in line with the obligations undertaken through the Energy Policy, must comply with the contents of:

- **Documentary Body of the INWIT SGE**
  - **EMS Manual** that formalizes the structure of the Energy Management System in accordance with the points of the ISO 50001 Standard, acting as a link for the remaining documents;
  - **Context Analysis** with Evaluation of the Risks and Opportunities related to the activities carried out by INWIT in the specific Energy sector (also contextualizing the rational use of the relative vectors), in line with the needs/priorities of the Interested Parties (Stakeholders);
  - **Initial Energy Analysis Report** and subsequent revisions to be prepared on the basis of the four-yearly periodicity provided in the document itself, which provides an energy snapshot of the activities carried out by INWIT by identifying all the energy vectors present and the consumption associated with the specific areas/activities;
  - **Management Procedures** (concerning the identification of Significant Energy Uses as well as Training, Audit, Review and Supply Management Activities) associated with processes that may influence energy consumption in some way, to be monitored and improved on an ongoing basis, in accordance with the dictates of the aforementioned ISO Standard;

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- **Registries** (of Applicable Legislation, Energy Uses, Performance Indicators and Energy Saving Opportunities) in order to assess regulatory compliance as well as the significance of the identified uses, keeping appropriate records and tracks for the identification of energy saving and efficiency opportunities;
- **Energy Action Plan** listing all Energy Efficiency Improvement Actions, approved and previously evaluated in the Opportunity Register.

### ▶ Information, Education and Training activities

provided to personnel capable of generating, with their activities, significant effects on the Company's energy performance (thus adequately trained to acquire the necessary competence to guarantee the correct application of the Energy Management System and the practices it envisages), as well as to make all employees aware of the relative issues, thus also addressing the behavioural aspect required for the rational use of energy.

### ▶ Budget frameworks

allocated to the energy efficiency measures described below.

Lastly, with the aim of guaranteeing and coordinating all the operations for implementing, maintaining and monitoring the EMS, with a view to continuous improvement, in the second half of 2023, the periodic meeting of the **Energy Management Group (Energy Team)** was held[36], in order to assess processes and activities aimed at the proper management of the Energy System and its operation.

## ENERGY TARGETS AND ENERGY EFFICIENCY ACTIONS

As envisaged in its Sustainability Plan 2023-2026, INWIT has defined a strategy aimed at specific energy efficiency and climate-changing emission reduction targets, within which the following actions have been identified:

- **Photovoltaic systems to power Radio Base Stations.**
  In 2023, 215 photovoltaic systems with a total capacity of 880 kWp were installed, adding to the 529 kWp installed in 2021-2022, making a total of 349 systems and a total capacity of 1,409 kW.
- **Free Cooling Systems for the Climate Control of Rooms/Shelters containing the Energy Stations and Active Equipment of the hosted mobile phone operators.**
  In 2023, 621 Free Cooling Systems were installed, which allow the use, in certain climatic conditions, of outside air for air conditioning of the rooms where the operators' equipment is installed and which allow an annual energy saving of 5,464.8 MWh when fully operational.
- **High Efficiency (HE) Current Rectifiers.**
  In 2023, 1,052 kits of new High Efficiency Current Rectifiers were installed to reduce the losses due to the transformation of energy into direct current, as it has to be supplied to the operators housed on the sites, for an annual energy saving of 1,831.8 MWh when fully operational.

[36] Reference structure both for internal communication between functions and with the Leadership Team (Top Management).



## ENERGY CONSUMPTION

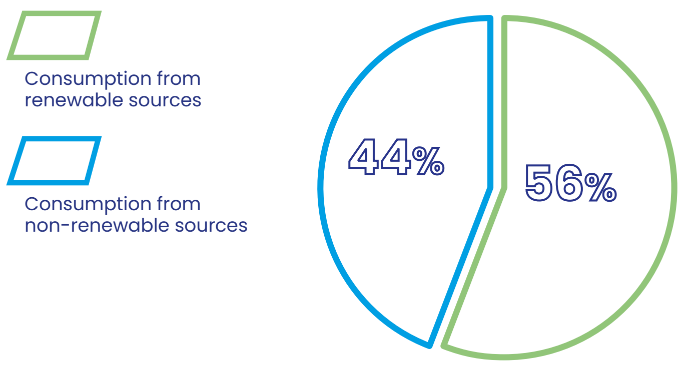
During 2023, INWIT's energy consumption amounted to 2,866,301 GJ, an increase of 3% compared to 2022, mainly due to the increase in infrastructure built and operated by INWIT compared to the previous year. This consumption is mainly attributable to the purchase of electricity to power the Radio-Base Stations (99% of the total) and, for the remaining portion, to the use of fuels, such as diesel oil to power the generators and gasoline and diesel oil for automotive use.

**Table 23.** Energy consumption within the organization (GRI 302-1).

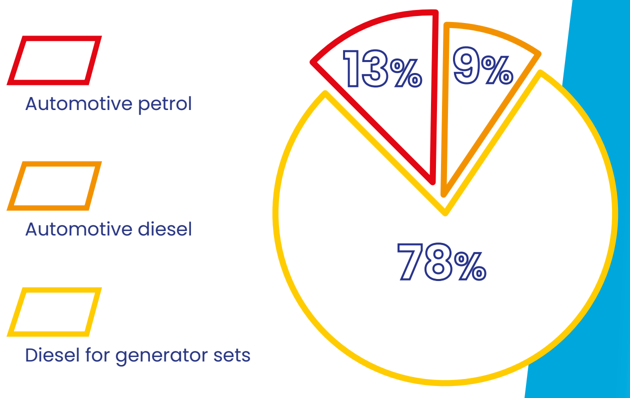
| | Unit of Measurement | 2022 | 2023 | Delta % |
|---|---|---|---|---|
| **TOTAL ENERGY CONSUMPTION** | **GJ** | **2,787,431** | **2.866.301** | **3%** |
| **Non-renewable fuels consumption of which:** | GJ | 31,768 | 30,672 | -3% |
| ◗ Automotive diesel | GJ | 3,195 | 2,823 | -12% |
| ◗ Diesel for generator sets | GJ | 26,127 | 23,950 | -8% |
| ◗ Automotive petrol | GJ | 2,446 | 3,899 | 59% |
| **Total electricity consumption** | **GJ** | **2,755,663** | **2,853,628** | **3%** |
| ◗ From non-renewable sources | GJ | 421 | 1,218,563 | 289,490% |
| ◗ From purchased renewable sources (GO) | GJ | 2,754,270 | 1,614,550 | -41% |
| ◗ From self-produced and self-consumed renewable sources | GJ | 972 | 2,515 | 159% |
| **Total consumption from non-renewable sources** | **GJ** | **32,189** | **1,249,235** | **3,781%** |
| **Total consumption from renewable sources** | **GJ** | **2,755,242** | **1,617,065** | **-41%** |

Analysing energy consumption in 2023, it is possible to identify a share of 56% associated with electricity consumption from renewable sources, and a share of 44% associated with electricity consumption from non-renewable sources. This distinction justifies the percentage deltas in the table above, as 100 percent of electricity from renewable sources was purchased in 2022, thanks to favourable market conditions, through Guarantees of Origin. As far as fossil fuel consumption is concerned, INWIT consumed a total of 30,672 GJ in 2023, of which the largest share, 78%, was allocated to the supply of diesel fuel for the generators needed to power certain radio base stations, while the use of petrol and diesel fuel to power the car fleet accounted for 13% and 9% of the remaining fuel consumption, respectively.

**Energy consumption by source in 2023 (%)**




**Energy consumption by fuel type and destination in 2023 (%)**

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# CLIMATE STRATEGY

GRI 305-1, 305-2, 305-3, 305-4

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## INWIT STRATEGY AND COMMITMENTS

Responding to the need for disclosure to its stakeholders and in accordance with its climate strategy set out in the Sustainability Plan, INWIT has been drafting the TCFD Report since 2023, implementing the reporting framework defined by the **Task Force on Climate-related Financial Disclosure (TCFD)** with the aim of gathering clear and comparable information, not only on the impacts of its activities on the climate, but also on the effects that climate change has on the company.

Based on the 11 Recommendations of the TCFD, INWIT analysed and summarized the key elements concerning the functions and processes by which it monitors and manages climate-related risks and opportunities, the climate targets set, with the relevant metrics for monitoring them, and the strategy defined to achieve them.

For more details, please refer to INWIT's **TCFD 2023 Report** available **here**.

## SCIENCE BASED TARGET

As perits Sustainability Plan, the company has defined an ambitious climate strategy aimed at zeroing (Net Zero) its direct and indirect CO2 emissions, consistent with international climate change agreements (Paris Agreement). Zero emissions will be achieved through the purchase and production of electricity from renewable sources and investments in technological solutions to make their energy consumption more efficient.

In line with its strategy, INWIT has chosen to join the Science Based Target Initiative (SBTi), an initiative that supports the setting of emission reduction targets based on climate science, in line with the level of decarbonization needed to meet the Paris Agreement targets and limit global warming to well below 2°C compared to pre-industrial levels and pursue efforts to further limit it to 1.5°C.

In January 2024, INWIT obtained the validation of its **Net Zero target to 2040** by **SBTi.** The company already had a 2030 (near-term) emissions reduction target validated by SBTi in 2022 and, with this new challenging long-term target, further strengthens its commitment to the transition to a low-carbon economy.

Furthermore, on this path to Net Zero, INWIT intends to contribute to global emissions reductions from the outset by financing climate action projects through certified carbon credits, achieving Carbon Neutrality from 2024 emissions.

[37] The figure for direct and indirect emissions for the years 2020 and 2022 has been revised following the refinement of the use of emission factors and the way emissions are calculated, as well as the expansion of reported emissions. This was done when defining the 2020 baseline shared with SBTi and the trajectory to Net Zero at 2040. In particular, the change concerned some Scope 3 categories (Purchased Goods and Services, Capital Goods, Indirect Emissions for Fuel and Energy Consumption, Upstream Transportation and Distribution) and the addition of the relevant Scope 3 categories: Waste, Business trips, Employees Commuting.

[38] Source: DEFRA 2023

[39] The figure for direct refrigerant gas emissions for 2022 has been restated due to the addition of R-32 gas to the refrigerant gases used for the calculation of direct Scope 1 emissions.

[40] Source: DEFRA 2023

[41] Source: ISPRA 2023

[42] Source: DEFRA 2023

[43] Source: DEFRA 2023, IEA 2023, ISPRA 2023, Ministry of the Environment 2022



## DIRECT AND INDIRECT $CO_2$ EMISSIONS

INWIT is committed to managing its emissions in accordance with the reporting requirements dictated by the GRI Standards 305 and, more specifically, according to the GHG Protocol Corporate Standard and the GHG Protocol Corporate Value Chain Standard, in line with the commitment of Net Zero to 2040 and Carbon Neutrality from 2024 emissions.

The scope of emissions reporting encompasses all activities over which the company has full financial control, and emissions are calculated in the three categories under the GHG Protocol:

- Direct Emissions - Scope 1,
- Indirect emissions by energy consumption - Scope 2,
- Other indirect emissions -Scope 3.

**Table 24.** Direct and indirect emissions (GRI 305-1, 305-2, 305-3)[37]

| | Udm | 2020 (base year) | 2022 | 2023 | Delta % vs 2022 |
|---|---|---|---|---|---|
| **Total direct emissions - Scope 1**[38] | **$tCO_2e$** | **2,432** | **3,028** | **2,638** | **-13%** |
| **Direct Emissions Fuels - Scope 1** | **$tCO_2e$** | **1,500** | **2,237** | **2,124** | **-5%** |
| Automotive diesel | $tCO_2e$ | 123 | 226 | 197 | -13% |
| Diesel for generator sets | $tCO_2e$ | 1,365 | 1,844 | 1,671 | -9% |
| Automotive petrol | $tCO_2e$ | 12 | 167 | 256 | 54% |
| **Direct Emissions Refrigerant Gases**[39] **- Scope 1**[40] | **$tCO_2e$** | **933** | **792** | **513** | **-35%** |
| **Indirect Emissions – Scope 2 – Location Based**[41] | **$tCO_2e$** | **165,404** | **195,124** | **201,158** | **3.1%** |
| Electricity from renewable sources | $tCO_2e$ | 93,386 | 195,094 | 114,637 | -41% |
| Electricity from non-renewable sources | $tCO_2e$ | 72,018 | 30 | 86,521 | 290,180% |
| **Indirect Emissions – Scope 2 – Market Based**[42] | **$tCO_2e$** | **115,766** | **53** | **154,746** | **2,899%** |
| **Indirect Emissions - Scope 3**[43] | **$tCO_2e$** | **65,729** | **56,195** | **82,965** | **48%** |
| Cat.1 - Purchased goods and services | $tCO_2e$ | 8,975 | 8,975 | 10,644 | 19% |
| Cat.2 - Capital goods | $tCO_2e$ | 27,774 | 27,774 | 34,007 | 22% |
| Cat.3 - Fuel and energy related activities | $tCO_2e$ | 24,492 | 15,851 | 34,104 | 115% |
| Cat.4 - Upstream Transport and Distribution | $tCO_2e$ | 578.4 | 578 | 1,111 | 92% |
| Cat.5 – Waste generated in operations | $tCO_2e$ | 0.1 | 0.1 | 0.2 | 41% |
| Cat.6 - Business travel | $tCO_2e$ | 51 | 51 | 98 | 92% |
| Cat.7 - Employees Commuting | $tCO_2e$ | 229 | 181 | 219 | 21% |
| Cat. 8 - Upstream Leased Assets | $tCO_2e$ | 3,629 | 2,785 | 2,782 | -0.1% |
| **TOTAL CARBON FOOTPRINT LB** | **$tCO_2e$** | **233,565** | **254,347** | **286,761** | **13%** |
| **TOTAL CARBON FOOTPRINT MB** | **$tCO_2e$** | **183,927** | **59,277** | **240,349** | **305%** |

Direct **Scope 1** emissions, related to fossil fuel use, correspond to 2,124 tCO2eq in 2023, a 5% reduction compared to 2022, while those from refrigerant gases correspond to 513 tCO2eq, 35% less than in 2022, following the gradual introduction of free cooling systems at the sites. Overall, Scope 1 was thus reduced by 13% compared to the previous year.

With regard to indirect emissions related to **Scope 2** electricity consumption, INWIT performs the analysis both with the Market Based (MB) approach, which assigns a zero $CO_2$eq emission factor for energy consumption resulting from the purchase of energy from renewable sources, and with the Location Based (LB) approach, which considers the average CO2eq emission factor of the national electricity grid. The table above details the $CO_2$eq emissions generated by INWIT as of 2020.
In 2023, **Scope 2 LB** emissions increased by 3% compared to 2022, against an increase in energy consumption related to the greater number of sites built and operated by the company compared to 2022. **Scope 2 MB** emissions increased significantly, as 57% of electricity from renewable sources was used in 2023, compared to 100% in 2022.

During 2023, INWIT monitored **Scope 3** emissions related to the following GHG Protocol categories: Purchased Goods and Services (Cat.1), Capital Goods (Cat.2), fFuel and energy consumptionrelated activities (Cat.3), Upstream Transportation and Distribution (Cat.4), Waste (Cat.5), Business Travel (Cat.6), Employees Commuting (Cat.7) and Upstream Leased Assets (Cat.8). It should also be noted that, for the calculation of Scope 3 emissions, Capital Goods made a further methodological improvement, moving from a 'spend-based' to a 'physical data' approach for a share of the emissions. Total indirect Scope 3 emissions in 2023 are 82,965 tonnes of CO2eq, up from 56,195 in 2022, with a 48% increase attributable to the lower use of electricity from renewable sources impacting Category 3 and the increased infrastructure construction activity, affecting in particular Categories 1 and 2.

In fact, of the indirect emissions contributing to total Scope 3 emissions, those relating to Purchased Goods and Services (Cat.1), for 2023, are 10,644 tonnes $CO_2$eq compared to 8,975 tonnes CO2eq in 2022. For Category 2 (Capital Goods), emissions of 34,007 $CO_2$eq were recorded in 2023, up 22% from 2022.

The calculation of emissions related to the transport of goods and materials purchased for operational and maintenance activities was carried out by mapping both the transport of materials from the source of supply to INWIT's logistics centre in Maddaloni (CE), and the transport from Maddaloni to the final sites where they are installed and, in the case of poles, DAS and Repeaters, from the supplier to the installation site.

Taking into account the types of vehicles used and the corresponding emission factors, INWIT's transport activities for materials procurement (Cat.4) generated 1,111 tCO2eq, an increase of 92% over last year as a result of increased activity.

Indirect emissions related to fuel and energy consumption (Cat.3) increased by 115% from 15,851 tCO2eq to 34,104 tCO2eq, again reflecting a significant supply of electricity from non-renewable sources.
New categories added in the calculation of Scope 3 emissions include the Waste category for which there are emissions of 0.2 $tCO_2$eq in 2023 and 0.1 $tCO_2$eq in 2022, the Business Travel category for which there is a 92% increase from 51 $tCO_2$eq in 2022 to 98 $tCO_2$eq in 2023, and the Employees Commuting category whose emissions amount to 219 $tCO_2$eq compared to 181 $tCO_2$eq in 2022.
A counter-trend, albeit a small one, was recorded for the emissions of Upstream Leased Assets (Cat.8), which decreased by 0.1% compared to 2022 (2,782 in 2023 vs. 2,785 in 2022), due to the take-over of the energy supply for the new sites in Milan and Naples.

The energy efficiency initiatives implemented result in savings of 3,655 tonnes of $CO_2$eq when fully operational. For photovoltaics, the production in 2023 was considered, i.e. the energy generated by the systems installed from 2021 onwards, while for free cooling and rectifiers, the annual savings from the investments made in 2023 were considered.



Monitoring emissions in correlation with activities and, in particular, through a comparison of INWIT's carbon footprint and turnover, as well as the number of sites, shows that in 2023 the emission intensity (calculated using the Location based approach) decreased to 212.22 $tCO_2$eq/€ and 8.46 $tCO_2$eq emitted per site, confirming the validity of the initiatives undertaken in terms of energy management.

**Table 25.** Emissions avoided through energy efficiency initiatives and photovoltaic installation in 2023

| Plant | UdM | Energy saving/ production (kWh) | $tCO_2$e avoided |
|---|---|---|---|
| **Photovoltaics** | kWh | 698,587 | 319 |
| **Free cooling** | kWh | 5,464,800 | 2,498 |
| **Current Rectifiers** | kWh | 1,831,834 | 837 |

Considering instead the emission intensity index in relation to INWIT's turnover, as well as the number of sites, according to the market-based approach, the impact of the lower use of electricity from i-sources in 2023 is evident. In fact, the emission intensity index increases from 3.61 to 163.88 $tCO_2$eq/€ in 2023 and from 0.13 to 6.53 $tCO_2$eq emitted per number of sites in 2023.

**Table 26.** Emission intensity (Scope 1 + Scope 2 'Location based')

| | 2022 | 2023 | Delta % |
|---|---|---|---|
| **Emission intensity (based on revenue)** | 232.30 | 212.22 | -9% |
| **Emission intensity (based on the number of sites)** | 8.31 | 8.46 | 2% |

**Table 27.** Emission intensity (Scope 1 + Scope 2 'Market based')

| | 2022 | 2023 | % Delta |
|---|---|---|---|
| **Emission intensity (based on revenue)** | 3.61 | 163.88 | 4,436% |
| **Emission intensity (based on the number of sites)** | 0.13 | 6.53 | 4,954% |

# CIRCULAR ECONOMY

NFS

GRI 306-1, 306-3, 306-4, 306-5

The circular economy plays a central role in INWIT's commitments. INWIT's entire network of towers and micro-plants, in fact, responds well to the logic of product as a service, one of the main business models of the circular economy, and specifically in the role of tower as a service.
The company shares its infrastructure with several customers, who use it without owning it, and ensures its construction, maintenance, power supply, conditioning and security.

In line with this approach, INWIT conducted a **life cycle analysis** of its model sites, rooftops and rawlands during 2022. The Life Cycle Assessment is one of the best operational tools to support the circular economy, capable of fostering thinking about the impacts of infrastructure throughout its life cycle and making sustainable choices.

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INWIT, in order to make its infrastructures increasingly circular, has defined the *Guidelines for the validation of non-standard antenna holder structures*, making them available to suppliers for the definition of new design proposals. They must be designed to have limited impacts throughout their life cycle, they must last in the long term, they must be repairable and, at the end of their life, they must be able to be broken down so that each of their parts finds a new use.

The innovative infrastructures realized with a circular economy vision such as the wooden tower, the fast-site and quick-site, described in the Infrastructure Capital, are an example of how, in addition to INWIT's business itself, infrastructure solutions can be found that include attention to environmental aspects throughout the life cycle.

## INWIT'S WASTE MANAGEMENT METHODS

GRI 306-1, 306-3, 306-4, 306-5

As of 2021, INWIT has introduced a new materials management model that involves the use of the main warehouse in Maddaloni (CE), to which three regional warehouses will be added for possible flexibility needs.

The process involves the transfer of all materials taken from the sites under implementation and reclamation to the Maddaloni warehouse: here materials such as air conditioners, power stations, carpentry/poles, batteries, etc. are analysed in terms of their functionality and possible internal reuse. If this is not the case, i.e. if after verification these materials are found not to be recoverable for any purpose, they are considered waste and sent to the waste recovery, treatment and disposal centre. The waste delivered to this centre is processed in order to identify all components that can be sent for recovery (of a battery, for example, all individual components can be recovered: lead and its compounds, sulphuric acid and plastics).

Considering the nature of the materials disposed of during 2023 - air conditioners, batteries and electrical material (power stations, rectifiers, switchboards) - a significant material recovery of 98% of the 1,108 tonnes of waste produced was achieved.

In particular, four waste disposal operations were carried out during 2023, involving three batches of materials:

- Air conditioners weighing 366 tonnes;
- Batteries with a total weight of 465 tonnes;
- distributed electrical equipment including power stations, switchboards, rectifiers, etc., with a total weight of 277 tonnes.

In particular, compared to the previous year, there was a significant change in the volume of batteries in 2023 due to the new disposal process initiated directly by INWIT's infrastructure.

**Table 28.** Hazardous and non-hazardous waste sent for recovery and disposal (tonnes) and % of waste recovered in 2023 (GRI 306-3, 306-4, 306-5)

| | | | Not sent for disposal | Sent for disposal | | |
|---|---|---|---|---|---|---|
| **Type of waste** | **Unit of Measurement** | **TOTAL** | **Sent for recovery** | **Incineration (without energy recovery)** | **Landfill** | **recovery % on total waste produced** |
| **Hazardous waste** | **ton** | **831** | **809** | **-** | | **97.4%** |
| Air conditioners | ton | 366 | 366 | - | | 100% |
| Batteries | ton | 465 | 443 | - | 22 | 95,3% |
| **Non-hazardous waste** | **ton** | **277** | **277** | **-** | | **100%** |
| Electrical material | ton | 277 | 277 | - | | 100% |
| **TOTAL WASTE PRODUCED** | **ton** | **1,108** | | | | **98.0%** |

# THE PROTECTION OF BIODIVERSITY

NFS

## POSITION PAPER ON THE PROTECTION OF BIODIVERSITY

The issue of biodiversity has been addressed at the regulatory level in both Europe and Italy. The European Taxonomy (EU Reg. 852/2020) defined the environmental objective as 'protection and restoration of biodiversity and ecosystems', while the Italian legislature approved on February 8, 2022 the amendments to Article 9 (and 41) of the Constitution that introduce the protection of the environment, biodiversity, ecosystems and animals among the fundamental principles of the Constitutional Charter.

The **protection of biodiversity** is a material topic for INWIT, so much so that, in order to be transparent in its communication to all its stakeholders and to demonstrate its active commitment to the pursuit of SDG 15 of the UN's 2030 Agenda 'Life on Land', it has drafted and published a **Position Paper** on assessing the impacts and opportunities of its infrastructure on biodiversity.

Starting from a careful and in-depth examination of the state of the art of animal and plant species in Italy, reported in the paper, INWIT identified about 5% of its towers within Natura 2000 Sites and more generally analysed the distribution of its sites among the different environmental types of areas, as reported below.

**Table 29.** Technology level of INWIT sites with respect to area type

| Environmental typology | INWIT sites % |
|---|---|
| Buit areas | 55,3% |
| Agricole areas | 33,1% |
| Wooded areas and semi-natural environments | 11,1% |
| Wetlands | 0,02% |
| Water bodies | 0,5% |

On the basis of the precautionary principle and with a conservative approach, INWIT assessed the impacts of its activities, dividing them up by type and dealing with them in detail. As a result of this assessment, the theoretical values for estimating the magnitude of the impacts relevant to the activities under consideration invariably fall between the **values of absent/not significant and slight/moderate, showing no presence of possible significant impacts**. Incidences with higher magnitude values, however within the above-mentioned values, appear to be related to the alteration or disturbance of species habitats. Opportunities to benefit and protect biodiversity that can be directly linked to INWIT's activities were also evaluated. Starting, for example, with the installation on towers of IoT sensors and smart cameras, for environmental monitoring, wildlife or fire prevention purposes. Following these assessments, INWIT decided to undertake environmental and biodiversity protection projects, in line with the tower as a service logic of its towers.

## PROJECTS FOR ENVIRONMENTAL MONITORING AND BIODIVERSITY PROTECTION

### INWIT and WWF: fire prevention in forest oases

Aware that Italy is considered a hotspot of precious biodiversity that needs to be protected from the ever-increasing risks posed by climate change, such as fires, the main threat to Italy's forests, in December 2022, INWIT started a collaboration with the WWF to help protect biodiversity, bringing together different expertise for a common goal.



Thanks to the installation of smart cameras and gateways on INWIT towers, a prevention activity was carried out for the early detection of forest fires in the **WWF Oases of Macchiagrande (RM), Bosco di Vanzago (MI) and Calanchi di Atri (TE)**. This summer's extreme heat was not matched, at least in Italy, by a record season of forest fires, the main threat to forests in Italy and Europe, even though it was the third worst summer in the last 15 years (the records are from 2017 and 2021). However, the phenomenon of forest fires must be constantly monitored as it is not only limited to the hottest season of the year, but affects the ecosystem throughout the 12 months, leading to the degradation of valuable functions, such as the regulation of the water cycle or the stabilization of mountain slopes. A forest weakened by flames, in fact, defends less effectively against other extreme climatic events such as floods, compromising the resistance and resilience of the entire region. Fortunately, no fires occurred in the three areas during this project year. One of the video cameras, installed at the Calanchi di Atri Oasis, detected a plume of smoke caused by the burning of plant residues (olive branches) on one occasion at the edge of the Oasis. This practice is one of the main causes of forest fires in Italy, as the fire can get out of control and spread into the surrounding forest vegetation causing enormous damage to the ecosystem. The presence of the surveillance system, thanks to the smart cameras and gateways on the INWIT tower, allowed for timely intervention and thus prevented serious consequences.

### INWIT and Legambiente: Air quality monitoring in nature reserves

In February 2023, INWIT, in partnership with Legambiente, launched a project that, through the installation on its towers of IoT sensors configured and connected to gateways for data collection, allows for the measurement and monitoring of a number of environmental parameters related to air quality, including: carbon dioxide, nitrogen dioxide and particulate matter. The project involves four natural areas in the central Apennines: **Abruzzo, Lazio and Molise National Park, Maiella National Park, Zompo lo Schioppo Nature Reserve and Monte Genzana Alto Gizio Nature Reserve.**
Thanks to INWIT's ubiquitous digital infrastructure, the collaboration aims to raise awareness of the sustainable approach of advanced technologies such as IoT sensors and gateways, which allow multiple pieces of information to be included in a single device with significant savings in equipment installation, maintenance and management. A partnership that also includes INWIT's willingness to provide the national and regional protected areas involved in the project, supported by ARTA Abruzzo (Regional Agency for Environmental Protection), with a series of data and environmental parameters that are constantly recorded, with the aim of measuring trends and variations and thus assessing the effects that these parameters may have on the conservation of biodiversity in the areas concerned, which is increasingly affected by climate change.
The project was presented on July 19 in Pescara, at the headquarters of the Abruzzo Region. On November 13, in Pescasseroli, at the headquarters of the Abruzzo, Lazio and Molise National Park, the data of the first month of environmental monitoring on the air quality of the 2 Parks and 2 Nature Reserves were presented.
The monitoring started a few months ago, and the aim is to create a long-term database on the air quality of the monitored areas, in order to facilitate the identification and reporting of possible attention issues in the areas concerned, and to stimulate corrective measures by the public and private sector.

### The storks' nest

In March 2023, INWIT helped a pair of storks find a new home in the municipality of Inverno e Monteleone (PV), after the crane on which they had built their nest had been removed. In order to prevent the birds from being 'evicted' and to ensure their permanence in the area, INWIT built a circular platform on top of the telecommunications tower installed not far from the old crane to help the storks build their new nest there. In May, the stork pair was thus able to nest again.

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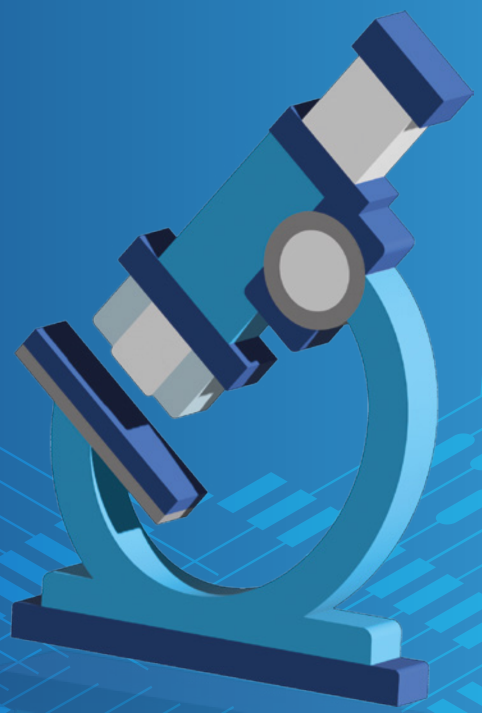
# ANNEXES



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## METHODOLOGICAL NOTE

GRI 2-2, 2-3, 2-4

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## METHODOLOGICAL NOTE ON FINANCIAL REPORTING

IINWIT voluntarily prepares and publishes Interim Management Reports for the first and third quarter of each financial year. The financial reporting included in this Integrated Report as at December 31, 2023 comprises the Report on Operations, the Consolidated Financial Statements and the Separate Financial Statements as at December 31, 2023 prepared in accordance with IFRS issued by the IASB and transposed by the EU.

The Consolidated and Separate Financial Statements as at December 31, 2023 are audited.

Lastly, the section entitled "Business Outlook for the year 2024" contains forward-looking statements in relation to the management's intentions, beliefs or current expectations regarding financial performance and other aspects of the Company's operations and strategies.

Readers of the Report on Operations are cautioned not to place undue reliance on such forward-looking statements, as actual results could differ materially from those projected in such statements as a result of many factors, most of which are beyond the control of the Company.

### Independent Auditors

The Shareholders' Meeting of February 27, 2015 appointed PricewaterhouseCoopers S.p.A. to audit the Company's financial statements for the nine-year period 2015-2023.

### Executive responsible for preparing the corporate accounting documents

At its meeting of October 20, 2022, the Board of Directors appointed Rafael Giorgio Perrino, Head of Administration, Finance & Control-Financial, Reporting & Accounting, as the Executive responsible for preparing the corporate accounting documents.

## METHODOLOGICAL NOTE ON NON-FINANCIAL REPORTING

Infrastrutture Wireless Italiane S.p.A. (hereafter 'INWIT') takes a further step forward in the non-financial reporting path undertaken in 2020 by producing its first Integrated Report in 2023, which includes the sixth Non-Financial Statement (NFS) and the Company's Annual Financial Report. As in previous editions, the document is prepared on the basis of the Integrated Reporting Framework (IR Framework) of the International Integrated Reporting Council (IIRC), in compliance with the GRI Standards. The NFS is drawn up on a voluntary basis in accordance with Articles 3 and 7 of Legislative Decree 254/16 (hereinafter also the 'Decree'), and contains information relating to environmental, social, personnel-related, human rights and anti-corruption issues to the extent necessary to ensure an understanding of business activities.

This Integrated Annual Report also includes disclosure on taxonomy as required by European Regulation 2020/852. This disclosure, prepared on a voluntary basis and reported within the paragraph "Taxonomy" in the Financial Capital, includes the analysis conducted by INWIT on how and to what extent its activities are associated with economic activities within the meaning of the EU Taxonomy.

Taking into account the new Delegated Acts published in November 2023, this disclosure of INWIT complements the results of the analysis carried out in 2022 with an analysis with respect to the eligibility to the targets reported in the Environment Delegated Act and with respect to the alignment to new economic activities reported in the amendment to the Climate Delegated Act. The objective of this Integrated Report is to effectively represent the value generated by INWIT, using a structure that follows the breakdown by capital, defined as the variables that determine the creation of value:

### Document subdivision by types of capital

- **FINANCIAL CAPITAL:** set of economic resources used in business processes.
- **INFRASTRUCTURAL CAPITAL:** the set of infrastructure assets and activities to ensure their efficiency in serving customers.
- **SOCIAL AND RELATIONAL CAPITAL:** the relationships with territories and external stakeholders, including suppliers, aimed at enhancing collective well-being.
- **HUMAN CAPITAL:** set of competences, skills and experience of the people working in the company.
- **NATURAL CAPITAL:** all processes, resources, and environmental impacts contributing to the sustainable production of the services offered.

INWIT's Integrated Report aims to provide a comprehensive view of the company's strategy, business and operating model, governance and environmental, social and economic performance, as well as its ability to create value in the medium and long term. The initial chapter 'Company Profile' describes the milestones in INWIT's history, the sustainability journey undertaken through the Sustainability Plan, the process of defining the materiality analysis and governance, and the management of risks and opportunities that affect INWIT's ability to create value in the short, medium or long term.

[44] Environment Delegated Act and Delegated Act amending the list of economic activities that contribute substantially to climate change mitigation and adaptation.

Within the section 'Materiality Analysis', the process of defining – carried out on the basis of the requirements of the 2021 edition of the GRI Standards – the current and potential, positive and negative impacts that are significant for INWIT was described, from which the material topics were identified. This process involved the company's relevant internal and external stakeholders.
In line with the priorities indicated by the European Securities and Markets Authority (ESMA), INWIT, in addition to a timely disclosure regarding EU Reg. 2020/852, provides a framework of objectives, actions and results regarding the climate change adaptation and mitigation strategy.

This Integrated Annual Report, published annually, contains non-financial data and information for the financial year from January 1, 2023 to December 31, 2023. The figures for the financial year 2022 are presented for comparative purposes, in order to allow an assessment of the Company's performance during the two-year period. INWIT has adopted the indicators required by the Global Reporting Initiative's GRI Standards with an 'In Accordance' approach. The detailed list of GRI Standards reported in the text is summarized in the Content Index, available in the "Appendices" section of the document. The data and information within the report were collected by means of data collection forms, filled in by the contact persons of the company functions involved.

The data were extracted from the Company's systems, validated by the function managers and subjected to internal verification by the Planning and Control function. Any restatements of qualitative-quantitative data, where present, have been indicated with footnotes. The scope of the information included in this document is in line with that of the Annual Financial Report, which is an integral part of this document. Any scope exceptions are appropriately described in the relevant sections of the Integrated Report. Given the integration of non-financial information with financial information, in order to allow a usable reading and facilitate the understanding of the topics covered in the document, the tag "NFS" has been inserted in the paragraphs related to the requirements of Legislative Decree 254/16.

The approval of the document by the Board of Directors of INWIT took place on March 7, 2024, furthermore, in accordance with the provisions of Legislative Decree 254/16 art.3 paragraph 10, the Financial Statements have been subjected to a limited audit – limited assurance engagement – by PricewaterhouseCoopers S.p.A. in accordance with the criteria indicated by ISAE 3000 Revised, whose audit report is attached to this statement.

It is specified that the limited assurance activities on the NFS do not extend to the information reported in the "EU taxonomy" paragraph, in compliance with the indications provided by Assirevi to the auditors through research document no. 243 of February 2022 entitled "Auditor activities on the disclosure ex art.8 of regulation 2020/852-Taxonomy Regulation".

**Table 30.** Table linking Legislative Decree 254/2016, Integrated Report 2023 and References to the <IR> Framework

| TOPIC of Legislative Decree 254/2016 | Legislative Decree 254/2016 | INTEGRATED REPORT 2023 | | CONTENT ELEMENT <IR> FRAMEWORK |
|---|---|---|---|---|
| Relevant topics | Art. 3 para. 1 | Company Profile | ➲ Sustainability for INWIT | E. Strategy and resource allocation |
| Company management and organization model | Art. 3 para. 1a | Company Profile | ➲ Competitive positioning and value creation of INWIT<br>➲ Governance structure and composition | A. Presentation of the organization and the external environment<br>B. Governance<br>C. Business model<br>E. Strategy and resource allocation |
| Company policies, results, indicators | Art. 3 para. 1b | Company Profile<br>Financial Capital<br>Human Capital<br>Annexes | ➲ Governance structure and composition<br>➲ Directly generated and distributed economic value<br>➲ Sustainable and concessional finance<br>➲ Taxation and taxes<br>➲ Taxonomy<br>➲ All Human Capital paragraphs<br>➲ All Human Capital tables attached<br>➲ Attached Taxonomy Table | B. Governance<br>F. Performance<br>Financial Capital<br>Human Capital |
| Main risks | Art. 3 para. 1c | Company Profile<br>Infrastructure Capital | ➲ Governance structure and composition<br>➲ Internal control and risk management system<br>➲ Data privacy and data protection<br>➲ Cyber security | D. Opportunities and risks Infrastructure capital |
| Water and energy resources, resources, emissions | Art. 3 para. 2a and 2b | Natural Capital | ➲ All Natural Capital paragraphs | Natural Capital |
| Impact on environment, health and safety | Art. 3 para. 2c | Human Capital<br>Natural Capital | ➲ Occupational Health and Safety<br>➲ All Natural Capital paragraphs | Human Capital<br>Natural Capital |
| Human Resources management and gender equality | Art. 3 para. 2d | Human Capital | ➲ Workforce<br>➲ Well-being, development and empowerment of people<br>➲ Employee skills development initiatives | Human Capital |
| Respect for human rights | Art. 3 para. 2d and 2e | Company Profile<br>Infrastructure Capital<br>Social and Relational Capital | ➲ INWIT: history and values<br>➲ Relations with the community and in the regions<br>➲ Supply chain sustainability | C. Business Model<br>Capital Infrastructure<br>Social and Relational Capital |
| Combating active and passive corruption | Art. 3 para. 2f | Company Profile | ➲ Internal control and risk management system | |
| Reporting standard adopted | Art. 3 para. 3,4,5 | Methodological Note<br>Annexes | ➲ Methodological note<br>➲ GRI Content Index | |
| Diversity in the composition of the administration | Art. 10 para. 1a | Company Profile<br>Annexes | ➲ Governance structure and composition<br>➲ GRI Content Index | |
| | | | ➲ Letter to Stakeholders | G. Future prospects |

## DETAILED TABLES ON HUMAN CAPITAL INDICATORS

**Table 31.** Percentage of employees by employee category and gender (GRI 405-1)

| | 2022 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | Men (% of total category) | Women (% of total category) | **% of total workforce** | Men (% of total category) | Women (% of total category) | **% of total workforce** |
| Executives | 84% | 16% | **7%** | 84% | 16% | **8%** |
| Managers | 74% | 26% | **21%** | 64% | 36% | **25%** |
| Office staff | 56% | 44% | **72%** | 57% | 43% | **67%** |
| **% of total workforce** | **62%** | **38%** | **100%** | **61%** | **39%** | **100%** |

**Table 32.** Percentage of employees by employee category and age group (GRI 405-1)[45]

| | 2022 | | | | 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | <30 years | 30-50 years | >50 years | **% of total workforce** | <30 years | 30-50 years | >50 years | **% of total workforce** |
| Executives | 0% | 26% | 74% | **7%** | 0% | 20% | 80% | **8%** |
| Managers | 0% | 37% | 63% | **21%** | 0% | 37% | 63% | **25%** |
| Office staff | 5% | 50% | 45% | **71%** | 6% | 52% | 43% | **67%** |
| **% of total age group** | **4%** | **46%** | **51%** | **100%** | **4%** | **45%** | **51%** | **100%** |

**Table 33.** New employee hires (GRI 401-1)[46]

| | 2022 | | | | | 2023 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | <30 | 30-50 | >50 | **Total** | **Hiring rate %** | <30 | 30-50 | >50 | **Total** | **Hiring rate %** |
| Men | 2 | 12 | 5 | **19** | **12%** | 4 | 18 | 8 | **30** | **19%** |
| Women | 4 | 11 | 1 | **16** | **16%** | 3 | 15 | 6 | **24** | **24%** |
| **Total** | **6** | **23** | **6** | **35** | **14%** | **7** | **33** | **14** | **54** | **21%** |
| **Hiring rate %** | **67%** | **21%** | **5%** | **14%** | | **78%** | **28%** | **11%** | **21%** | |

**Table 34.** Turnover (GRI 401-1)[47]

| | 2022 | | | | | 2023 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | <30 | 30-50 | >50 | **Total** | **Turnover %** | <30 | 30-50 | >50 | **Total** | **Turnover %** |
| Men | 1 | 11 | 3 | **15** | **9%** | 2 | 2 | 3 | **7** | **4%** |
| Women | 2 | 4 | 4 | **10** | **10%** | | 6 | 1 | **7** | **7%** |
| **Total** | **3** | **15** | **7** | **25** | **10%** | **2** | **8** | **4** | **14** | **5%** |
| **% Turnover** | **33%** | **14%** | **6%** | **10%** | | **22%** | **7%** | **3%** | **5%** | |



**Table 35.** Percentage of employees receiving regular performance and career development reviews by employee category (GRI 404-3)

| | 2022 | | 2023 | |
|---|---|---|---|---|
| | No. of assessed employees | **% of total categories** | No. of assessed employees | **% of total categories** |
| Executives | 19 | **100%** | 25 | **100%** |
| Managers | 54 | **100%** | 73 | **100%** |
| Office staff | 183 | **100%** | 198 | **100%** |
| **Total** | **256** | **100%** | **296** | **100%** |

**Table 36.** Percentage of employees receiving regular performance and career development reviews by gender (GRI 404-3)

| | 2022 | | 2023 | |
|---|---|---|---|---|
| | No. of assessed employees | **% of total categories** | No. of assessed employees | **% of total categories** |
| Men | 158 | **100%** | 181 | **100%** |
| Women | 98 | **100%** | 115 | **100%** |
| **Total** | **256** | **100%** | **296** | **100%** |

**Table 37.** Employees by contract type and gender (GRI 2-7)

| | 2022 | | | 2023 | | | Delta 2023/2022 |
|---|---|---|---|---|---|---|---|
| | Men | Women | **Total** | Men | Women | **Total** | |
| Permanent | 157 | 98 | **255** | 181 | 115 | **296** | 16% |
| Fixed-term | 1 | 0 | **1** | 0 | 0 | **0** | -100% |
| **Total** | **158** | **98** | **256** | **181** | **115** | **296** | 16% |

**Table 38.** Part-time and full-time employees and by gender (GRI 2-7)

| | 2022 | | | 2023 | | | Delta 2023/2022 |
|---|---|---|---|---|---|---|---|
| | Men | Women | **Total** | Men | Women | **Total** | |
| Full-time | 158 | 97 | **255** | 181 | 114 | **295** | 16% |
| Part-time | 0 | 1 | **1** | 0 | 1 | **1** | 0% |
| **Total** | **158** | **98** | **256** | **181** | **115** | **296** | 16% |

45 The figure to 2022 was restated, following the identification of a typo in the number of employees in the managers category.

46 Calculated as the ratio between admissions for the year and the total by gender and age group in the previous year.

47 Calculated as the ratio between exits for the year and the total by gender and age group in the previous year..

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# TAXONOMY

## Share of capital expenditure (CapEx) arising from products or services associated with economic activities aligned with the taxonomy - Disclosure for the year 2023

| Financial Year 2023 | Year | | | Criteria for substantial contribution | | | | | | DNSH ("do no significant harm") criteria (h) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Economic activities (1) | Code(s) (2) | CapEx (3) | Share of CapEx, year 2023 (4) | Climate change mitigation (5) | Adaptation to climate change (6) | Water (7) | Pollution (8) | Circular economy (9) | Biodiversity (10) | Climate change mitigation (11) | Adaptation to climate change (12) | Water (13) | Pollution (14) | Circular economy (15) | Biodiversity (16) | Minimum safeguard guarantees (17) | "Share of CapEx taxonomy aligned (A.1.) or taxonomy eligible (A.2.), year 2022 (18)" | "Enabling activity category (19)" | Transitional activity category (20) |
| **A. ACTIVITIES ELIGIBLE FOR TAXONOMY** | | | | | | | | | | | | | | | | | | | |
| **A.1 Environmentally sustainable activities (taxonomy-aligned)** | | | | | | | | | | | | | | | | | | | |
| **Activity 1** | | 0 | 0% | N/AM | N/AM | N/AM | N/AM | N/AM | N/AM | N/AM | N/AM | N/AM | N/AM | N/AM | N/AM | N/AM | 0% | | |
| **Activity 1 (d)** | | 0 | 0% | N/AM | N/AM | N/AM | N/AM | N/AM | N/AM | N/AM | N/AM | N/AM | N/AM | N/AM | N/AM | N/AM | 0% | | |
| **Activity 2** | | 0 | 0% | N/AM | N/AM | N/AM | N/AM | N/AM | N/AM | N/AM | N/AM | N/AM | N/AM | N/AM | N/AM | N/AM | 0% | | |
| **CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)** | | 0 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | N/AM | N/AM | N/AM | N/AM | N/AM | N/AM | N/AM | 0% | | |
| ***Of which enabling*** | | 0 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | N/AM | N/AM | N/AM | N/AM | N/AM | N/AM | N/AM | 0% | | |
| ***Of which transitional*** | | 0 | 0% | | | | | | | N/AM | N/AM | N/AM | N/AM | N/AM | N/AM | N/AM | 0% | | |
| **A.2 Activities eligible for taxonomy but not environmentally sustainable (activities not taxonomy-aligned) (g)** | | | | | | | | | | | | | | | | | | | |
| Photovoltaic installation | 7.3 | 1.828.000 € | 0,6% | | | | | | | | | | | | | | | | |
| Installation of free-cooling systems | 7.3 | 3.690.000 € | 1,3% | | | | | | | | | | | | | | | | |
| Installation of current rectifiers | 7.6 | 2.175.000 € | 1% | | | | | | | | | | | | | | | | |
| **CapEx of activities eligible for the taxonomy but not environmentally sustainable (activities not taxonomy-aligned) (A.2)** | | 7.693.000 € | 2,7% | | | | | | | | | | | | | | | | |
| **A. CapEx of activities eligible for taxonomy (A.1+A2)** | | 7.693.000 € | 2,7% | | | | | | | | | | | | | | | | |
| **B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY** | | | | | | | | | | | | | | | | | | | |
| **CapEx of activities not eligible for taxonomy** | | 282.307.000 € | 97,3% | | | | | | | | | | | | | | | | |
| **TOTAL** | | 290.000.000 € | 100% | | | | | | | | | | | | | | | | |

## TABLE LINKING D.LGS 254/2016 THEMES, GLOBAL COMPACT PRINCIPLES, MATERIAL THEMES AND SUSTAINABILITY PLAN

| Legislative Decree 254/2016 | GLOBAL COMPACT PRINCIPLES | MATERIAL TOPIC | SUSTAINABILITY PLAN 2023-2026: SDGs / OBIETTIVO MEDIO - LUNGO TERMINE |
|---|---|---|---|
| **Combating active and passive corruption** | **Fight against corruption**<br>‣ Companies undertake to fight corruption in all its forms, includingextortion and bribery | **Governance of sustainability, resilience and business efficiency**<br>**Business ethics and integrity** | **Governance**<br>Developing and maintaining a corporate governance system aimed at sustainable success |
| **Personnel aspects** | **Work**<br>‣ Companies are required to uphold the freedom of association of workers and recognize the right to collective bargaining<br>‣ The elimination of all forms of forced and compulsory labour<br>‣ The effective elimination of child labour<br>‣ The elimination of all forms of discrimination in employment and occupation | **Diversity and inclusiveness in the workplace**<br>**Employee development and engagement**<br>**Occupational Health and Safety** | **Social**<br>Contribute to the reduction of the digital divide and to the economic, social and cultural development of communities and foster the involvement, well-being, development and safety of our people |
| **Social aspects and human rights** | **Human rights**<br>‣ Ensure that we are not, even indirectly, complicit in human rights abuses<br>‣ Businesses are required to promote and respect universally recognized human rights within their sphere of influence | **Supply chain sustainability**<br>**Quality, continuity and inclusiveness of the service**<br>**Cyber security and privacy**<br>**Innovation and digitization**<br>**Digital inclusion and impact on the territory** | |
| **Environmental aspects** | **Environment**<br>‣ Companies are required to support a preventive approach to environmental challenges<br>‣ To undertake initiatives that promote greater environmental responsibility<br>‣ To encourage the development and dissemination of environmentally friendly technologies | **Circular economy**<br>**Efficiency and reduction of energy consumption**<br>**Combating Climate Change**<br>**Protecting biodiversity** | **Environment**<br>Implement a strategy to achieve net zero carbon by 2040 and reduce the environmental footprint with a circular economy approach |



## GRI CONTENT INDEX

| | |
|---|---|
| **Statement of Use** | INWIT has reported the information in the GRI Indicators Table below, for the reporting period from January 1, 2023 to December 31, 2023, in accordance with GRI Standards ("In Accordance" approach). |
| **GRI 1 used** | GRI 1: Foundation 2021 |

| GRI Standard | Disclosure | Page number/notes | Omissions: OMITTED REQUIREMENTS | Omissions: REASON | Omissions: EXPLANATION |
|---|---|---|---|---|---|
| **GRI 2: General Disclosure (2021)** | | | | | |
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| 2-2 | Entities included in the organization's sustainability reporting | 138-140 | | | |
| 2-3 | Reporting period, frequency and contact point | 138-140 | | | |
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| 2-5 | External Assurance | 152 | | | |
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| 2-7 | Employees | 108-110 | | | |
| 2-8 | Workers who are not employees | 108-110 | | | |
| **Governance** | | | | | |
| 2-9 | Governance structure and composition | 30-38 | | | |
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| 2-12 | Role of the highest governance body in overseeing the management of impacts | 31-33 | | | |
| 2-13 | Delegation of responsibility for managing impacts | 31 | | | |
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| 2-16 | Communication of critical concerns | 31 | | | |
| 2-17 | Collective knowledge of the highest governance body | 31 | | | |
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| 2-19 | Remuneration policies | 38 | | | |
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| 2-21 | Annual total compensation ratio | 114 | | | |
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| 2-22 | Statement on sustainable development strategy | 4-5 | | | |
| 2-23 | Policy commitments | 39-42 | | | |
| 2-24 | Embedding policy commitments | 31-33 | | | |
| 2-25 | Processes to remediate negative impacts | 31-33 | | | |

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|---|---|---|
| 2-26 | Mechanisms for seeking advice and raising concerns | 49-50 |
| 2-27 | Compliance with laws and regulations | 42 |
| 2-28 | Membership associations | 28,29 |
| **Stakeholder engagement** | | |
| 2-29 | Approach to stakeholder engagement | 25-27 |
| 2-30 | Collective Bargaining Agreements | In accordance with the provisions of the National Collective Labour Agreement for personnel employed by companies providing telecommunications services and on the basis of what is established by the trade union and the law, in the event of company reorganization, INWIT undertakes to provide useful notice. 118-119 |
| **Material topics** | | |
| **GRI 3: Management of material topics (2021)** | | |
| 3-1 | Process for determining material topics | 21-24 |
| 3-2 | List of material topics | 23-24 |
| **MATERIAL TOPIC: Governance of sustainability, resilience and business efficiency** | | |
| **GRI 201 Economic Performance (2016)** | | |
| 3-3 | Management of material topics | 58-59 |
| 201-1 | Directly generated and distributed economic value | 58-59 |
| **GRI 207 Taxes (2019)** | | |
| 3-3 | Management of material topics | 72-73 |
| 207-1 | Approach to taxes | 72-73 |
| 207-2 | Tax governance, control and risk management | 72-73 |
| 207-3 | Stakeholder engagement and management of tax-related concerns | 72-73 |
| **MATERIAL TOPIC: Business ethics and integrity** | | |
| **GRI 205 Anti-Corruption (2016)** | | |
| 3-3 | Management of material topics | 48 |
| 205-1 | Operations assessed to determine corruption risks | 48 |
| 205-2 | Communication and training on anti-corruption regulations and procedures | In 2023, anti-corruption training was provided to the most externally exposed Directorates. 48, 116-117 |
| 205-3 | Confirmed incidents of corruption and actions taken | No incidents of corruption were recorded in 2023. 48 |
| **MATERIAL TOPIC: Efficiency and reduction of energy consumption** | | |
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| **MATERIAL TOPIC: Combating climate change** | | |
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| 305-2 | Indirect GHG emissions from energy consumption (Scope 2) | 129-130 |
| 305-3 | Other indirect GHG emissions (Scope 3) | 129-130 |
| 305-4 | Intensity of GHG emissions | 131 |
| **MATERIAL TOPIC: Circular economy** | | |
| **GRI 306 Waste (2020)** | | |
| 3-3 | Management of material topics | 131-133 |
| 306-1 | Waste generation and significant waste-related impacts | 131-132 |
| 306-3 | Waste generated | 133 |
| 306-4 | Waste diverted from disposal | 133 |
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| **MATERIAL TOPIC: Protecting biodiversity** | | |
| **GRI 304 Biodiversity (2016)** | | |
| 3-3 | Management of material topic | 134-135 |
| 304-1 | Operational sites owned, leased or managed in or near protected areas and areas of high biodiversity value outside protected areas | 134 |
| 304-2 | Significant impacts of activities, products and services on biodiversity | 134 |
| **MATERIAL TOPIC: Employee development and engagement** | | |
| **GRI 401 Employment (2016)** | | |
| 3-3 | Management of material topics | 110, 111, 113-115 |
| 401-1 | New employee hires and employee turnover | 110, 142 |
| 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | 113-115 |
| **GRI 404 Training and education (2016)** | | |
| 3-3 | Management of material topics | 116-118 |
| 404-1 | Average number of training hours per year per employee | 116 |
| 404-3 | Percentage of employees receiving regular performance and career development reviews | 143 |
| **MATERIAL TOPIC: Diversity and inclusiveness in the workplace** | | |
| **GRI 405 Diversity and Equal Opportunities (2016)** | | |
| 3-3 | Management of material topics | 108-109 |
| 405-1 | Diversity of governance bodies and employees | 31, 108, 109, 142 |
| 405-2 | Ratio of basic salary and remuneration of women to men | 115 |
| **GRI 406 Non-discrimination (2016)** | | |
| 3-3 | Management of material topics | 110-112 |
| 406-1 | Incidents of discrimination and corrective actions taken | In 2023, no incidents of discrimination were recorded. 110-111 |

| | | |
|---|---|---|
| **MATERIAL TOPIC: Occupational Health and Safety** | | |
| **GRI 403 Worker health and safety (2018)** | | |
| 3-3 | Management of material topics | 120-121 |
| 403-1 | Occupational Health and Safety Management System | 120 |
| 403-2 | Hazard identification, risk assessment and incident investigation | 120 |
| 403-3 | Occupational health services | 120 |
| 403-4 | Worker participation, consultation, and communication on occupational health and safety | 121 |
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| 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 121 |
| 403-8 | Workers covered by an occupational health and safety management system | 120 |
| 403-9 | Work-related injuries | 121 |
| **MATERIAL TOPIC: Digital inclusion and impacts on territory** | | |
| **GRI 413 Local Communities (2016)** | | |
| 3-3 | Management of material topics | 94-96 |
| 413-1 | Operations with local community engagement, impact assessments, and development programs | The reporting of indicator 413-1 was carried out with qualitative information |
| **MATERIAL TOPIC: Supply chain sustainability** | | |
| **GRI 308 Supplier Environmental Assessment (2016)** | | |
| 3-3 | Management of material topic | 101-105 |
| 308-1 | New suppliers that were screened using environmental criteria | 101-105 |
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| 3-3 | Management of material topics | 101-105 |
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| **MATERIAL TOPIC: Cyber Security and Privacy** | | |
| **GRI 418 Customer privacy (2016)** | | |
| 3-3 | Management of material topics | 50-51 |
| 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | In 2023, there were no complaints concerning breaches of privacy. 50-51 |
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| **MATERIAL TOPIC: Innovation and digitization** | | |
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| **MATERIAL TOPIC: Quality, continuity and inclusiveness of the service** | | |
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## TABLE LINKING THE PRINCIPLES OF THE GLOBAL COMPACT

| Global Compact | | |
|---|---|---|
| **Category** | **Global Compact Principle** | **GRI/KPI** |
| Human Rights | 1. Ensure that we are not, even indirectly, complicit in human rights abuses | 414-1 |
| | 2. Businesses are required to promote and respect universally recognized human rights within their sphere of influence | 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 405-1, 405-2, 406-1, 413-1, 418-1 |
| Work | 3. Companies are required to uphold the freedom of association of workers and recognize the right to collective bargaining | 2-30 |
| Work | 4. The elimination of all forms of forced and compulsory labour | As stated in the **Code of Ethics**, INWIT undertakes not to make use, not even indirectly, of forced labour and child labour, guaranteeing its employees and collaborators regular employment contracts and monitoring what is provided for in procurement contracts, activated in compliance with the regulations in force. INWIT asks all its suppliers to sign up to the **Ethics and Integrity Pact**, which aims to promote respect for principles such as respect for the environment, protection of human rights and labour standards, and the fight against corruption. INWIT operates exclusively domestically and all its employees are covered by collective bargaining agreements. 100% have a permanent contract. |
| | 5. The effective elimination of child labour | As stated in the **Code of Ethics**, INWIT undertakes not to make use, not even indirectly, of forced labour and child labour, guaranteeing its employees and collaborators regular employment contracts and monitoring what is provided for in procurement contracts, activated in compliance with the regulations in force. INWIT operates exclusively within Italy, where child labour is prohibited by law. INWIT asks all its suppliers to sign up to the **Ethics and Integrity Pact**, which aims to promote respect for principles such as respect for the environment, protection of human rights and labour standards, and the fight against corruption. Employees over 50 are 51%, those in the 30-50 age group are 45%, and finally those under 30 are the remaining 4%. |
| | 6. The elimination of all forms of discrimination in employment and occupation | 2-7, 401-2, 404-1, 404-3, 405-1, 405-2, 406-1 |
| Fight against corruption | 7. Companies undertake to fight corruption in all its forms, including extortion and bribery | 205-1, 205-2, 205-3 |
| Environment | 8. Companies are required to support a preventive approach to environmental challenges | 302-1, 305-1, 305-2, 305-3, 305-4 |
| | 9. To undertake initiatives that promote greater environmental responsibility | 302-1, 305-1, 305-2, 305-3, 305-4, 306-1, 306-3, 306-4, 306-5, 307-1, 308-1 |
| | 10. To encourage the development and dissemination of environmentally friendly technologies | INWIT, in line with the Sustainability Plan, is committed to the achievement of objectives in terms of innovation and sustainability. For more details please refer to the chapters Intellectual Capital and Infrastructure Capital. |

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# *Independent auditor's report on the consolidated non-financial statement*

*in accordance with article 3, paragraph 10, of Legislative Decree 254/2016 and with article 5 of Consob Regulation 20267 of January 2018*

To the board of directors of Infrastrutture Wireless Italiane SpA

In accordance with article 3, paragraph 10 of Legislative Decree 254/2016 (the Decree) and with article 5 of CONSOB Regulation 20267/2018, we have performed a limited assurance engagement on the consolidated non-financial statement of Infrastrutture Wireless Italiane SpA (the Company) and its subsidiaries (the Group) as of and for the year ended 31 December 2023, prepared in accordance with article 4 of the Decree, included in the Integrated Report of  as detailed in the "Methodological note", and approved by the board of directors of Infrastrutture Wireless Italiane SpA on 7 March 2024 (the NFS).

Our review does not extend to the information set out in the "Taxonomy" paragraph of the NFS, required by article 8 of European Regulation 2020/852.

## Responsibility of the directors and of the board of statutory auditors for the NFS

The directors are responsible for the preparation of the NFS in accordance with article 3 and 4 of the Decree and with the Sustainability Reporting Standards, issued by Global Reporting Initiative in 2021 (GRI Standards), which they identified as reporting standards and that can be identified whitin the Integrated Report also through the symbol: NFS

The directors are responsible, in accordance with the law, for the implementation of internal controls necessary to ensure that the NFS is free from material misstatement, whether due to fraud or unintentional errors.

The directors are responsible for identifying the content of the NFS, within the matters mentioned in articles 3, paragraph 1, of the Decree, considering the activities and characteristics of the Group and to the extent necessary to ensure the understanding of the Company activities, its trends, its results and related impacts. The directors are responsible for defining the business and organisational model of the Group and, with reference to the matters identified and reported in the NFS, for the policies adopted by the Group and for the identification and management of risks generated or faced by the Group.

The board of statutory auditors is responsible for overseeing, in accordance with the law, the compliance with the Decree.

*PricewaterhouseCoopers SpA*

Sede legale: **Milano** 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 i.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 071 2132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035 229691 - **Bologna** 40124 Via Luigi Carlo Farini 12 Tel. 051 6186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Catania** 95129 Corso Italia 302 Tel. 095 7532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06 570251 - **Torino** 10122 Corso Palestro 10 Tel. 011 556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461 237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422 696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 - **Udine** 33100 Via Poscolle 43 Tel. 0432 25789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332 285039 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444 393311

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## Auditors' independence and quality control

We are independent in accordance with the principles of ethics and independence disclosed in the Code of Ethics for Professional Accountants published by the International Ethics Standards Board for Accountants, which are based on the fundamental principles of integrity, objectivity, competence and professional diligence, privacy and professional behaviour. In the period this engagement refers to our firm applied International Standard on Quality Control 1 (ISQC Italia 1)  and, accordingly, maintained a comprehensive system of quality control including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Auditors' responsibility

Our responsibility is to express a limited assurance conclusion, on the basis of the work performed, regarding the compliance of the NFS with the Decree and with the GRI Standards. We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000 Revised), issued by the International Auditing and Assurance Standards Board (IAASB), for limited assurance engagements. The standard requires that we plan and perform procedures to obtain a limited assurance that the NFS is free from material misstatement. Therefore, the procedures performed were less in extent than for a reasonable assurance engagement conducted in accordance with ISAE 3000 Revised and, consequently, do not provide us with a sufficient level of assurance that we have become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the NFS were based on our professional judgement and included inquiries, mainly of personnel of the Company responsible for the preparation of the information presented in the NFS, inspection of documents, recalculations and other procedures designed to obtain evidence considered useful.

In particular, we have performed the following procedures:

1. analysis of the relevant matters reported in the NFS relating to the activities and characteristics of the Group, in order to assess the reasonableness of the selection process used, in accordance with article 3 of the Decree and with the reporting standard adopted;
2. Analysis and assessment of the criteria used to identify the consolidation perimeter, in order to assess their compliance with the Decree;
3. comparison of the financial information reported in the NFS with the information reported in the Group financial statements;
4. with reference to the matters specified by article 3 of the Decree, understanding of the following:

    - business and organisational model of the Group;
    - policies adopted by the Group, actual results and related key performance indicators;
    - main risks generated or faced by the Group.

With reference to such matters, we have carried out validation procedures on the information presented in the NFS and other audit procedures as described under item 5 a) below.

5. understanding of the processes underlying the preparation, collection and management of the qualitative and quantitative material information included in the NFS. In particular, we have held meetings and interviews with the management of Infrastrutture Wireless Italiane SpA and we have performed limited analysis and validation procedures, to gather information about the processes and procedures for the collection, consolidation, processing and submission of the non-financial information to the function responsible for the preparation of the NFS.

   Moreover, for significant information, considering the activities and characteristics of the Group:

   a) with reference to the qualitative information included in the NFS, and in particular to the business model, the policies adopted and the main risks, we have carried out interviews and obtained supporting documentation to verify its consistency with available evidence;
   b) with reference to quantitative information, we performed analytical procedures and limited tests, to assess, on a sample basis, the proper consolidation of the information.

## Conclusions

Based on the work performed, nothing has come to our attention that caused us to believe that the NFS of Infrastrutture Wireless Italiane SpA as of 31 December 2023 and for the year then ended has not been prepared, in all material respects, in compliance with articles 3 and 4 of the Decree and with the GRI Standards.

Our conclusions on the NFS of Infrastrutture Wireless Italiane SpA do not extend to the information set out in the "Taxonomy" paragraph of the NFS, required by article 8 of European Regulation 2020/852.

Milan, 21 March 2024

*Signed by*

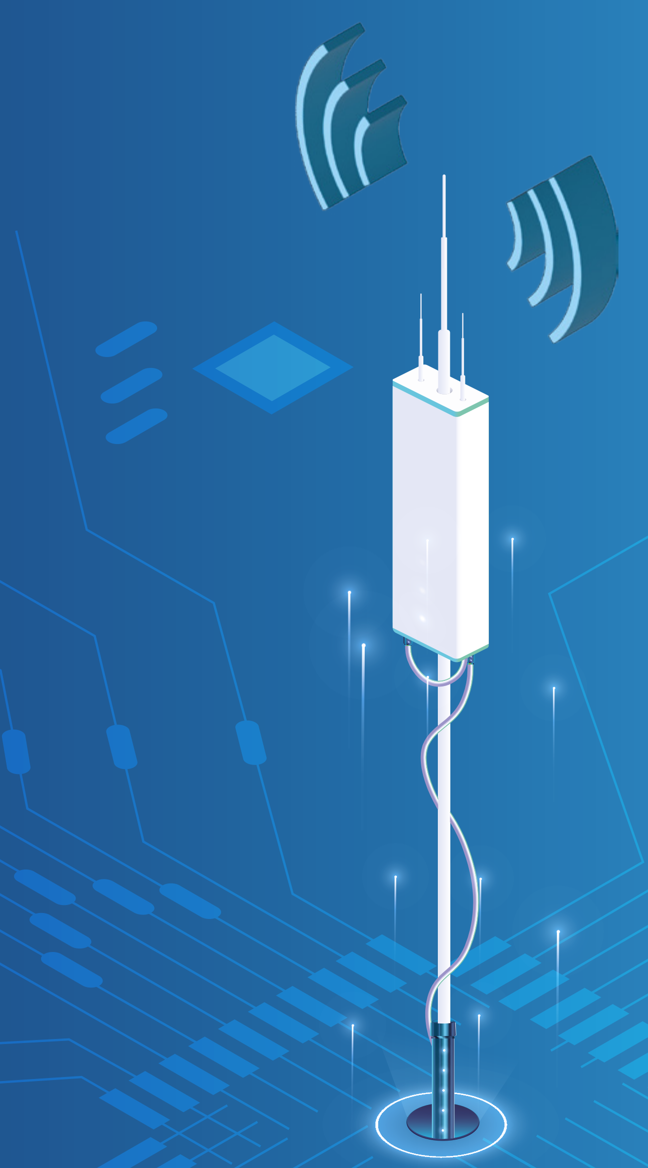
Fabio Chierico
(Partner)





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

# INWIT GROUP CONSOLIDATED FINANCIAL STATEMENTS



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IN THE EVENT OF DISCREPANCY, THE ITALIAN LANGUAGE VERSION PREVAILS.

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# CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

## Assets

| (thousands of euros) | note | 12.31.2023 | of which related parties | 12.31.2022 | of which related parties |
|---|---|---|---|---|---|
| Assets | | | | | |
| Non-current assets | | | | | |
| **Intangible assets** | | | | | |
| Goodwill | | 6,153,879 | | 6,146,766 | |
| Intangible assets with a finite useful life | 7) | 479,617 | | 589,489 | |
| **Tangible assets** | | | | | |
| Property, plant and equipment | 8) | 1,109,553 | | 933,009 | |
| **Right-of-use assets** | 9) | 1,149,333 | | 1,091,975 | |
| **Other non-current assets** | | | | | |
| Non-current financial assets | 10) | 540 | | 910 | |
| Miscellaneous receivables and other non-current assets | 11) | 181,983 | 12,950 | 232,515 | |
| Total Non-current assets | | 9,074,905 | | 8,994,664 | |
| Current assets | | | | | |
| Trade and miscellaneous receivables and other current assets | 11) | 180,309 | 44,691 | 194,109 | 41,807 |
| Financial receivables and other current financial assets | 10) | 365 | | 257 | |
| Cash and cash equivalents | 12) | 95,078 | | 72,852 | |
| Total Current assets | | 275,752 | | 267,218 | |
| Total Assets | | 9,350,657 | | 9,261,882 | |

## Equity and Liabilities

| (thousands of euros) | notes | 12.31.2023 | of which related parties | 12.31.2022 | of which related parties |
|---|---|---|---|---|---|
| Equity | 13) | | | | |
| Share capital issued | | 600,000 | | 600,000 | |
| Minus: treasury shares | | (12,655) | | (294) | |
| Share capital | | 587,345 | | 599,706 | |
| Share premium reserve | | 2,053,205 | | 2,092,743 | |
| Legal reserve | | 120,000 | | 120,000 | |
| Other reserves | | 1,236,250 | | 1,360,633 | |
| Retained earnings (losses) including earnings (losses) for the period | | 339,599 | | 293,363 | |
| Total Equity | | 4,336,399 | | 4,466,445 | |
| Liabilities | | | | | |
| Non-current liabilities | | | | | |
| Employee benefits | | 2,350 | | 2,303 | |
| Deferred tax liabilities | 15) | 165,345 | | 203,517 | |
| Provisions for Risks and Charges | 15) | 237,113 | | 226,319 | |
| Non-current financial liabilities | 16) | 3,855,514 | 127,430 | 3,879,683 | 91,483 |
| Miscellaneous payables and other non-current liabilities | 18) | 50,556 | 17.226 | 15,704 | 15,564 |
| Total Non-current liabilities | | 4,310,878 | | 4,327,526 | |
| Current liabilities | | | | | |
| Current financial liabilities | 16) | 447,772 | 22,739 | 273,033 | 19,990 |
| Trade and miscellaneous payables and other current liabilities | 18) | 237,743 | 97,029 | 193,064 | 28,649 |
| Provisions for Risks and Charges | 15) | 450 | | 450 | |
| Current income tax payables | 18) | 17,415 | | 1,364 | |
| Total current Liabilities | | 703,380 | | 467,911 | |
| Total liabilities | | 5,014,258 | | 4,795,437 | |
| Total Equity and Liabilities | | 9,350,657 | | 9,261,882 | |

# CONSOLIDATED INCOME STATEMENT

| (thousands of euros) | notes | Financial Year 2023 | *of which related parties* | Financial Year 2022 | *of which elated parties* |
|---|---|---|---|---|---|
| Revenues | 19) | 960,288 | 831,301 | 852,991 | 731,057 |
| Acquisition of goods and services | 20) | (45,063) | (4,162) | (43,523) | (5,142) |
| Employee benefits expenses | 21) | (18,600) | (2,315) | (21,387) | (2,023) |
| Other operating expenses | 22) | (17,380) | (3,824) | (8,893) | (2,506) |
| Operating profit (loss) before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA) | | 879,245 | | 779,188 | |
| Depreciation and amortization, gains/losses on disposals and impairment losses on non-current assets | 23) | (370,511) | | (363,716) | |
| Operating profit (loss) (EBIT) | | 508,734 | | 415,472 | |
| Financial income | 24) | 454 | | | |
| Financial expenses | 24) | (113,396) | (4,655) | (81,223) | (3,174) |
| Profit (loss) before tax | | 395,792 | | 334,249 | |
| Income taxes | 25) | (56,295) | | (40,910) | |
| Profit for the period | | 339,497 | | 293,339 | |
| Basic and Diluted Earnings Per Share | 26) | 0.355 | | 0.306 | |

# CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| (thousands of euros) | notes | Financial Year 2023 | Financial Year 2022 |
|---|---|---|---|
| Profit for the period | (a) | 339,497 | 293,339 |
| Other components of the Consolidated Statement of Comprehensive Income | | | |
| Other components that will not subsequently be reclassified in the Consolidated Income Statement | | | |
| Remeasurements of employee defined benefit plans (IAS 19): | | | |
| Actuarial gains (losses) | | (88) | 581 |
| Net fiscal impact | | 21 | (139) |
| Total other components that will not subsequently be reclassified in the Consolidated Income Statement | (b) | (67) | 442 |
| Other components that will subsequently be reclassified in the Consolidated Income Statement | | | |
| Total other components that will subsequently be reclassified in the Consolidated Income Statement | (c) | | |
| Total other components of the Consolidated Statement of Comprehensive Income | (d=b+c) | (67) | 442 |
| Total Comprehensive income for the period | (e=a+d) | 339,430 | 293,781 |

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# CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

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

| (thousands of euros) | Share capital | Treasury share reserve in excess of nominal value | Share premium reserve | Other reserves and earnings (losses) carried forward, including the result for the period | **Total Equity** |
|---|---|---|---|---|---|
| Amounts at January 1, 2022 | 599,928 | (607) | 2,211,001 | 1,673,192 | 4,483,514 |
| Total Comprehensive income for the period | | | | 293,781 | 293,781 |
| Dividends approved | | | (118,257) | (191,407) | (309,664) |
| Other changes | (222) | (1,911) | | 947 | (1,186) |
| Values at December 31, 2022 | 599,706 | (2,518) | 2,092,744 | 1,776,513 | 4,466,445 |

### Changes in equity from January 1, 2023 to December 31, 2023

| (thousands of euros) | Share capital | Treasury share reserve in excess of nominal value | Share premium reserve | Other reserves and earnings (losses) carried forward, including the result for the period | **Total Equity** |
|---|---|---|---|---|---|
| Amounts at January 1, 2023 | 599,706 | (2,518) | 2,092,744 | 1,776,513 | 4,466,445 |
| Total Comprehensive income for the period | | | | 339,430 | 339,430 |
| Dividends approved | | | (39,539) | (293,362) | (332,901) |
| Other changes | (12,361) | (123,861) | | (353) | (136,575) |
| Values at December 31, 2023 | 587,345 | (126,379) | 2,053,205 | 1,822,228 | 4,336,399 |

# CONSOLIDATED STATEMENTS OF CASH FLOWS

| (thousands of euros) | | Financial Year 2023 | Financial Year 2022 |
|---|---|---|---|
| Cash flows from operating activities: | | | |
| Profit for the period | | 339,497 | 293,339 |
| Adjustments for: | | | |
| Depreciation and amortization, losses/gains on disposals and impairment losses on non-current assets | | 370,511 | 363,716 |
| Net change in deferred tax assets and liabilities | | (38,172) | (35,282) |
| Change in provisions for employee benefits | | (44) | (659) |
| Change in trade receivables | | 15,906 | (28,596) |
| Change in trade payables | | 37,567 | 37,311 |
| Net change in miscellaneous receivables/payables and other assets/liabilities | | 85,739 | 50,395 |
| Other non-monetary changes | | 192 | 6,750 |
| Cash flows from operating activities | (a) | 811,196 | 686,974 |
| **Cash flows from investing activities:** | | | |
| Total purchases of tangible and intangible assets for the period and right-of-use assets | | (499,235) | (424,805) |
| *Of which change in amounts due to fixed asset suppliers* | | 199,772 | 169,781 |
| Total purchases of tangible and intangible assets and right-of-use assets on a cash basis | | (299,463) | (255,024) |
| Capital grants received | | 33,189 | |
| Change in financial receivables and other financial assets | | 262 | 466 |
| Other non-current changes | | (3,849) | |
| Cash flows used in investing activities | (b) | (269,861) | (254,558) |
| **Cash flows from financing activities:** | | | |
| Change in current and non-current financial liabilities | | (46,739) | (146,253) |
| Dividends paid (*) | | (336,171) | (307,498) |
| Treasury shares acquired | | (136,222) | (2,133) |
| Cash flows used in financing activities | (c) | (519,132) | (455,884) |
| Aggregate cash flows | (d=a+b+c) | 22,203 | (23,467) |
| 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) | 95,078 | 72,852 |

(*) of which related parties

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| (thousands of euros) | Financial Year 2023 | Financial Year 2022 |
|---|---|---|
| Dividends paid to Daphne 3 S.p.A. | 99,538 | 93,519 |
| Dividends paid to Central Tower Holding Company B.V. | 110,523 | 102,809 |

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 2023.

# NOTE 1 - **FORM, CONTENT, AND OTHER GENERAL INFORMATION**

## FORM AND CONTENT

Infrastrutture Wireless Italiane S.p.A. (abbreviated as **"INWIT,"** hereinafter also the **"Parent"** or the **"Company"**) and its subsidiaries form the **"INWIT Group"** or the **"Group"**.

These financial statements of the INWIT Group for the period from January 1, 2023 to December 31, 2023 (hereinafter the **"Consolidated Financial Statements at December 31, 2023"**) were drawn up on a going-concern basis (for further details, see Note 2 "Accounting Standards"), in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board and approved by the European Union (defined as the "IFRS") and with the legal and regulatory provisions in force in Italy (in particular, the measures adopted in implementation of Section 9 of Italian Legislative Decree no. 38 of February 28, 2005).

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

The consolidated figures at December 31, 2023 are compared with the figures from the statement of financial position at December 31, 2022. The figures from the consolidated income statement and from the consolidated statement of comprehensive income are compared with the figures for the corresponding periods of the previous financial year. The consolidated statements of cash flows and of changes in equity are compared with those for the corresponding periods of the previous financial year.

The Consolidated Financial Statements as of December 31, 2023 are the first consolidated financial statements presented by the Group, since INWIT, in previous years, did not hold controlling interests in other companies. The previous year's figures, shown for comparative purposes, therefore refer to the separate financial statements of Infrastrutture Wireless Italiane SpA as of December 31, 2022. In view of the insignificance of the contribution of the only subsidiary to the consolidated financial statements (as better indicated below), it was not deemed necessary to make any adjustments to the comparative figures.

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

The Consolidated Financial Statements at December 31, 2023 were prepared in accordance with the general cost principle, except for the initial entering of financial assets and liabilities for which the application of the fair value principle is compulsory; also, they were prepared in Euros. The values expressed in the notes to these financial statements are expressed in thousands of euros, unless otherwise indicated.

Publication of the Consolidated Financial Statements at December 31, 2023 was approved by the Board of Directors' meeting on March 7, 2024.

Moreover, the Shareholders' Meeting is responsible for final approval of the INWIT Group's consolidated financial statements.

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## FINANCIAL STATEMENT STRUCTURE

The structure of the Financial Statements is in keeping with that provided for by IAS 1. Specifically:

- the Consolidated statement of financial position has been prepared by classifying assets and liabilities according to the “current and non-current” principle;
- the Consolidated 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 Group’s specific business, complies with internal reporting methods, and is in line with practices in the industrial sector in question;
- the Consolidated 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 Group 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 |
| + | Depreciation and amortization |
| EBITDA - Operating profit (loss) before depreciation and amortization, Capital gains (losses) and Impairment reversals (losses) on non-current assets | |

- the Consolidated Statement of Comprehensive Income includes, besides the earnings (losses) for the period, as per the Consolidated income statement, the other changes in Net Equity other than those connected to transactions with Shareholders;
- the consolidated statement of cash flows was prepared by showing the cash flows deriving from operating activities in accordance with the "indirect method", as allowed by the IAS 7 - (Statement of financial position).

Furthermore, as required by CONSOB resolution no. 15519, of July 27, 2006, in the case of the consolidated 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;
- for which discrete financial information is available.

The Group 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), namely the Integrated Site Management business.
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 unified whole; therefore, the financial statements do not contain any segment reporting. The geographical area coincides with the territory of Italy.

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# NOTE 2 - **ACCOUNTING POLICIES**

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

## GOING CONCERN

The Consolidated Financial Statements as of at December 31, 2023 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 Group the following intangible assets may be identified:

### Goodwill

Pursuant to IFRS 3 (Business Combinations), goodwill is recognized in the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 in a specific line of fixed assets called “Right-of-use assets" for the right to use 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 Group's incremental debt rate is used at the time the lease contract is initially recognized.
After initial recognition:

- the right-of-use is depreciated 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.

The most significant type of leasing contracts relates to the leasing of physical space (land or solar pavements) on which the Group's passive infrastructure insists, generally of varying durations of 6/9 years and usually containing a tacit renewal option, unless terminated with reasonable notice from both parties.

For such contacts, as of the date of initial recognition, the Group's exercise of the renewal option for at least one period following the expiration of the first contractual window is considered reasonably certain, with the right of the lessor to deny the first renewal being considered *non-substantive*.

## 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

## FAIR VALUE MEASUREMENTS

Fair value is the consideration that can be received for the transfer of an asset or that can be paid for the transfer of a liability in a regular transaction between market participants on the valuation date (i.e., exit price). The fair value of an asset or liability is determined by adopting the valuations that market participants would use in pricing the asset or liability. The fair value measurement also assumes that the asset or liability is traded in the principal market or, in its absence, in the most advantageous one to which the company has access.

The fair value measurement of a liability, both financial and non-financial, or equity instrument takes into account the quoted price for the transfer of an identical or similar liability or equity instrument; if such a quoted price is not available, the valuation of the corresponding asset held by a market participant on the valuation date is considered.

In determining fair value, a hierarchy of criteria is defined based on the origin, type and quality of information used in the calculation. This classification aims to establish a hierarchy in terms of fair value reliability, giving precedence to the use of market observable parameters that reflect the assumptions that market participants would use in valuing the asset/liability. The fair value hierarchy includes the following levels:

- level 1: inputs represented by quoted (unmodified) prices in active markets for identical assets or liabilities that can be accessed on the valuation date;
- level 2: inputs, other than quoted prices included in Level 1, that are observable, either directly or indirectly, for the assets or liabilities being measured;
- level 3: Unobservable inputs for the asset or liability.

In the absence of available market quotations, fair value is determined using valuation techniques, appropriate to the individual case, that maximize the use of observable inputs
relevant, minimizing the use of unobservable inputs.

## FINANCIAL INSTRUMENTS

Financial instruments are defined as any contract that gives rise to a financial asset, financial liability, or equity instrument, which are recognized and measured in accordance with IAS 32 "Financial Instruments. exposure in the financial statements" and IFRS 9 "Financial Instruments." Financial instruments include, cash and cash equivalents, short- and long-term financial receivables and payables, trade receivables and payables, bonds owned and issued, equities owned that do not constitute control, connection or joint control (so-called minority shareholdings) and derivative 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 consolidated income statement for financial assets valued at cost or amortized cost.

### Expected Credit Loss

With specific reference to trade receivables, in order to measure Expected Credit Losses ("ECLs"), a valuation is made using the so-called "simplified approach" provided by IFRS 9, i.e., by estimating expected losses over the life of the loan (so-called "ECL lifetime").

In the case of disputed receivables and where detailed information is available about the recoverability of the exposure, analytical assessments are made in order to better reflect the actual recoverability of the position in the determination of expected losses.

### 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.
As of 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 consolidated income statement, with an equity provision as an offsetting entry.

## PROVISIONS FOR RISKS AND CHARGES

The Group 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 consolidated income statement under "Financial expenses".

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## 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 Group, 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 Group 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 consolidated 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 Group'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 consolidated 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".

## CONSOLIDATION PRINCIPLES

The consolidated financial statements include the financial statements of all subsidiaries from the date control is assumed until such control ceases. The financial statements of all subsidiaries have closing dates that coincide with those of the Parent.

Control exists when the Parent INWIT simultaneously has:

- decision-making power, that is, the ability to direct the relevant activities of the investee, i.e., those activities that have a significant influence on the results of the investee;
- the right to variable (positive or negative) results derived from its shareholding in the entity;
- the ability to use its decision-making power to determine the amount of results derived from its shareholding in the entity.

The existence of control is verified whenever facts and circumstances indicate a change in one or more of the three qualifying elements of control.

In the preparation of the consolidated financial statements, the assets, liabilities, as well as expenses and revenues of the consolidated enterprises are assumed line by line in their total amount, allocating to non-controlling interests, if any, in appropriate items of the consolidated statements of financial position, consolidated income statement, and consolidated statements of comprehensive income the share of equity and net income for the year to which they are entitled.

Pursuant to IFRS 10 (Consolidated Financial Statements), comprehensive loss (including profit/loss for the year) is attributed to the owners of the parent and non-controlling interests, even when the equity attributable to non-controlling interests has a negative balance.

In the preparation of the consolidated financial statements, all balance sheet, income statement and financial balances between Group companies, as well as unrealized gains and losses on intercompany transactions, are eliminated.

The carrying amount of the investment in each of the subsidiaries is eliminated against the corresponding share of the equity of each of the subsidiaries including any fair value adjustments as of the date of acquisition of control. On that date, goodwill, determined as explained below, is recorded under intangible assets, while any "gain deriving from a purchase at favorable prices (or negative goodwill)" is recorded in the consolidated income statement.

Under IFRS 10, changes in the parent's ownership interest in a subsidiary that do not result in the loss or acquisition of control are accounted for as equity transactions. In such circumstances, the carrying amounts of controlling and non-controlling interests are adjusted to reflect changes in their relative interests in the subsidiary. Any difference between the value by which non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the parent.

Under IFRS 10, the parent, in the event of loss of control over a subsidiary:

- derecognizes from the accounts:
  - assets (including goodwill) and liabilities;
  - the carrying amount of any non-controlling interests;

- recognizes in the accounts:
  - the fair value of any consideration received;
  - the fair value of any remaining interest held in the former subsidiary;
  - any gain or loss from the transaction in the consolidated income statement;
  - the reclassification to the consolidated income statement of amounts related to the subsidiary previously recognized in other comprehensive income.

## USE OF ACCOUNTING ESTIMATES

The preparation of the Consolidated 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. - The key assumptions used to determine the recoverable value for the 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 Group 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.<br>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. |

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| | |
|---|---|
| **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. |
| **Depreciation and amortization** | 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/depreciation process and therefore in the amount of amortization/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.<br>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 provisions, 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, 2023

Pursuant to IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors), the IFRS in effect since January 1, 2023 are indicated and briefly described hereafter. Specifically:

***Amendments to IAS 1 - Presentation of Financial Statements: accounting policy disclosures and to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors: Definition of accounting estimates***

The amendments are intended to improve accounting policy disclosures so as to provide more useful information to primary users of financial statements as well as to provide more detailed guidance to distinguish changes in accounting estimates from changes in accounting policy.

The adoption of these amendments had no impact on the consolidated financial statements at December 31, 2023.

***IFRS 17 - Insurance Contracts: Initial application of IFRS 17 and IFRS 9 - Comparative information***

The amendments introduce a transition option regarding comparative information on financial assets presented at the date of initial application of IFRS 17 and are intended to avoid temporary accounting mismatches between financial assets and liabilities of insurance contracts, resulting in improved comparability of information for users of financial statements.

The adoption of these amendments had no impact on the consolidated financial statements at December 31, 2023.

***Amendments to IAS 12 - Income Taxes: Deferred taxes relating to assets and liabilities arising from a single transaction***

The amendments to IAS 12 clarify how companies should account for deferred taxes related to assets and liabilities recognized in the financial statements as a result of a single transaction whose book values differ from their tax values (e.g., recognition of a lease or a provision for a decommissioning and restoration obligation) in order to reduce the different accounting treatments identified in practice.

Specifically, the amendments to IAS 12 clarify that the exemption from initial recognition of deferred tax assets and liabilities ("DTA/DTL") is not applicable in circumstances where an asset and liability for which equal temporary differences are identifiable are recognized in the financial statements from a single transaction.

Therefore, DTAs/DTLs must be valued by considering the asset and liability separately and are not allowed to be recognized on the net value. DTAs are recognized in the financial statements only if they are deemed recoverable. With regard to financial statement presentation, the amendments to IAS 12 do not remove the requirement for offsetting DTAs/DTLs already in the standard.

The first application of the amendments to IAS 12 shall be in accordance with the following transitional provisions:

- application to all transactions entered into after the opening date of the first comparative period presented;
- as of the opening date of the first comparative period, the entity must recognize with effect on equity DTAs, where deemed recoverable, and DTLs for deductible and taxable temporary differences associated with assets and liabilities recognized on the balance sheet for leases and decommissioning or restoration obligations.

The adoption of these amendments had no impact on the consolidated financial statements at December 31, 2023.

**International Tax Reform - Second Pillar Model Rules (Amendments to IAS 12)**

On May 23, 2023, the IASB issued amendments to IAS 12 "International Tax Reform - Pillar Two Model Rules," designed to introduce, in addition to specific supplementary disclosures, a temporary exception to the recognition of deferred tax assets and liabilities arising from approved or substantially approved tax regulations that implement the Pillar Two model rules published by the OECD. It should be noted that, as part of the provisions of EU Directive 2022/2253, on the subject of Global Minimum Tax, Italy has adopted Legislative Decree 209/2023 which, in Articles 10 et seq. provides, among other things, as of the fiscal years after December 31, 2023, for the institution of a national minimum tax also to purely domestic groups that have consolidated revenues exceeding 750 million euros in at least two of the four fiscal years immediately preceding the one under consideration. INWIT, which prepares its first consolidated financial statements in 2023, is evaluating possible prospective impacts of this legislation, which still needs an implementing decree to be adopted by March 28, 2024.

Based on the preliminary analysis conducted, no significant impact is expected on the Consolidated Financial Statements as of December 31, 2023.

## NEW STANDARDS AND INTERPRETATIONS ISSUED BY THE IASB BUT NOT YET MANDATORY

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 | 01/01/2024 |
| Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments | 01/01/2024 |
| Amendments to IFRS 16 Leases: Lease liabilities in a sale and leaseback | 01/01/2024 |
| Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: lack of exchangeability | 01/01/2025 |

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





# NOTE 3 – **SCOPE OF CONSOLIDATION**

Changes in the scope of consolidation as of December 31, 2023, compared with December 31, 2022, are listed below:

| Company | | Month |
|---|---|---|
| 36Towers S.r.l. | New acquisition | April 2023 |

INWIT did not hold equity interests in other companies in previous periods.
The number of INWIT Group's subsidiaries and associated companies is broken down as follows:

| | 12.31.2023 | | |
|---|---|---|---|
| **Companies:** | **Italy** | **Outside Italy** | **Total** |
| subsidiaries consolidated on a line-by-line basis | 1 | | 1 |
| Joint ventures accounted for using the equity method | | | |
| associates accounted for using the equity method | | | |
| Total companies | 1 | | 1 |

Since the only subsidiary included in the scope of consolidation is wholly owned by INWIT, and the consolidated shareholders' equity and profit/loss (separate and comprehensive) are fully attributable to the shareholders of the Parent Company, the consolidated statement of financial position and consolidated income statement as of December 31, 2023 do not show minority interest in shareholders' equity and net income, respectively.

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# NOTA 4 - **FINANCIAL RISK MANAGEMENT AND OTHER RISKS**

During its everyday operations, the Group 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 Group and outstanding at December 31, 2023 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 arising from the 298 million loan agreement signed with the European Investment Bank.

The floating-rate debt component as of December 31, 2023 stems from the 500 million euros ESG KPI-linked loan agreement and the 125 million euros drawn portion of the 500 million euros EURIBOR-indexed revolving credit line.

In view of the Group's current financial structure, which has a percentage of fixed-rate debt of around 77% of the total financial debt, the Group considers its exposure to the risk of interest rate fluctuations to be under control.

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

**Exchange rate risk**

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

## CREDIT RISK

The Group'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 Group to credit risk is the book value of the financial assets and trade receivables recorded in the financial statements.

The Group's main clients are TIM and Vodafone, which generated total revenues of 831,301 thousand euros during the reference period, which is equal to 86.6% of the total revenues. The other customers of the Group are the leading national mobile operators with which the Group has entered into multi-year contracts to provide hosting services.

Therefore, the Group 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 Group. 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 Group 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, 2023, this RCF line was drawn down for 125 million euros while the uncommitted bank lines were drawn down for a total of 130 million euros.

## CLIMATE CHANGE RISKS

INWIT's objective is to identify climate-related risks deriving from the scenarios analyzed, in addition to qualitatively and quantitatively assessing their effects and impacts on its business.
Climate change-related risk is defined as the sum of 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:

- *Windstorms* - Can cause damage to towers. For each site, the gust velocity is associated with a probability of failure of the tower (e.g., tower failure with velocity >180 km/h);
- *Fires* - If occurring near INWIT assets can cause damage to rawland sites, resulting in the need for intervention and repair costs;
- *Flooding* - Can cause damage to electrical equipment at rawland sites. In addition, for rooftop sites, the height of water can cause damage to the tower support structure to the point of failure;
- *Heat Waves* - Impact assets by both increasing the number of maintenance operations and energy consumption for cooling systems.

An economic assessment of the impact on INWIT's assets was conducted for these risks in 2023, based on the different climate scenarios analyzed.

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.

As of 2023, INWIT publishes a TCFD Report (to which readers should refer) incorporating 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 consolidated financial statements at December 31, 2023 or on the company's business outlook.

## EMERGING RISKS RELATED TO GLOBAL ECONOMIC CONDITIONS

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) that could have impacts in the short term but also in the long term, understood as the time horizon of the strategic plan.

In this context, the following emerging risks related to global economic conditions have been identified, also in relation to the ongoing conflicts:

- *Increase in inflation*: this risk is related to the possibility that the Group's revenues will not keep up with inflation. The Group 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. In this regard, it should be noted that at the end of 2023, around 77% of the debt instruments available to the Company had fixed rates;

- *Macroeconomic context*: the company's objectives are affected by the current macroeconomic environment and in particular the prospects for consolidation in the TLC sector as well as the limited investment capabilities of major customers.

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## 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 (fair value level 2):

- 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, 2023 on the basis of the categories contained in IFRS 9.

Carrying amount for each IFRS 9 class of financial asset/liability at December 31, 2023.

| (thousands of euros) | | 12.31.2023 | 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 | | 540 | 540 | | | |
| | (a) | 540 | 540 | | | |
| Current assets | | | | | | |
| Trade and miscellaneous receivables and other current assets | | | | | | |
| of which loans and receivables | | 100,964 | 100,964 | | | |
| Financial receivables and other current financial assets | | | | | | |
| of which loans and receivables | | 365 | 365 | | | |
| Cash and cash equivalents | | 95,078 | 95,078 | | | |
| | (b) | 196,407 | 196,407 | | | |
| Total | (a+b) | 196,947 | 196,947 | | | |
| | | | | | | |
| **LIABILITIES** | | | | | | |
| Non-current liabilities | | | | | | |
| Non-current financial liabilities | | | | | | |
| of which liabilities at amortized cost | | 3,855,514 | 3,855,514 | | | |
| | (c) | 3,855,514 | 3,855,514 | | | |
| Current liabilities | | | | | | |
| Current financial liabilities | | | | | | |
| of which liabilities at amortized cost | | 447,772 | 447,772 | | | |
| Trade and miscellaneous payables and other current liabilities | | | | | | |
| of which liabilities at amortized cost | | 185,245 | 185,245 | | | |
| | (d) | 633,017 | 633,017 | | | |
| Total | (c+d) | 4,488,531 | 4,488,531 | | | |

# NOTE 5 – BUSINESS COMBINATIONS

The following purchase transactions were made in 2023:

- Acquisition of 100% of the shares of 36Towers S.r.l.;
- Acquisition of a business unit of Vodafone Italia S.p.A;
- Acquisition of a business unit of TIM S.p.A..

Described below:

## ACQUISITION OF THE SHARES OF 36TOWERS S.r.l.

On April 1, 2023, INWIT S.p.A. completed the acquisition of 100% of the shares of the above company, which operates a total of 36 sites for mobile phone networks located mainly in Piedmont and Lombardy. The transaction is part of INWIT's strategy of continually improving its earnings profile and consolidating its market leadership in Italy.

The accounting effects of the business combination, defined in accordance with IFRS 3, can be summarized as follows:

- he fair value of the total consideration was 3,850 thousand euros;
- all Assets acquired and Liabilities assumed of the acquired companies were provisionally recorded at their carrying amounts, which were in any case considered to be a substantial approximation of their fair value. Within 12 months after the transaction, the provisional amounts of assets and liabilities recognized at the date of acquisition may be adjusted retroactively, resulting in a restatement of goodwill. In addition to the value of the Assets acquired and Liabilities assumed, Goodwill, totaling 3,749 thousand euros, was recorded, determined as shown in the table below:

| (thousands of euros) | | |
|---|---|---|
| Valuation of the consideration | (a) | 3,850 |
| Value of assets acquired | (b) | 3,586 |
| Value of liabilities assumed | (c) | (3,485) |
| Goodwill | (a-b-c) | 3,749 |

## CARRYING AMOUNTS AT THE DATE OF ACQUISITION

(thousands of euros)

| | | |
|---|---|---|
| **Total Non-current assets** | | **3,482** |
| of which Tangible assets | | 773 |
| of which Right-of-use assets | | 2,709 |
| **Total Current assets** | | **105** |
| of which Trade and miscellaneous receivables and other current assets | | 82 |
| of which Cash and cash equivalents | | 23 |
| **Total Assets** | **(a)** | **3,587** |
| | | |
| **Total Non-current liabilities** | | **(2,792)** |
| of which Non-current financial liabilities | | (2,530) |
| of which provision for risks and charges | | (262) |
| **Total current Liabilities** | | **(694)** |
| of which Current financial liabilities | | (149) |
| of which Trade and miscellaneous payables and other current liabilities | | (524) |
| of which current income tax payables | | (21) |
| **Total liabilities** | **(b)** | **(3,486)** |
| **Net assets** | **(a-b)** | **101** |

It should also be noted that if the acquisition transaction had been completed on January 1, 2023, INWIT Group's consolidated financial statements as of December 31, 2023 would have recorded Revenues of 695 thousand euros and Operating Income (EBIT) of 397 thousand euros.

Total costs related to the acquisition amounted to 66 thousand euros and were expensed in the consolidated income statement as of December 31, 2023.

## ACQUISITION OF A BUSINESS BRANCH OF VODAFONE ITALIA SPA

On March 31, 2023, an agreement was finalized regarding the acquisition of a business unit of Vodafone Italia S.p.A. with an effective date of April 1, 2023, consisting of a complex of Assets represented by DAS systems and Small Cells installed inside real estate or in road and highway tunnels and the related legal relationships and contracts, both assets and liabilities.

The price for the sale and purchase of the Vodafone Italia S.p.A. Business Unit was 4,887 thousand euros.

The accounting effects of the business combination, defined in accordance with IFRS 3, can be summarized as follows:

- the fair value of the total consideration was 4,887 thousand euros;
- all Assets acquired and Liabilities assumed of the acquired companies were provisionally recorded at their carrying amounts, which were in any case considered to be a substantial approximation of their fair value.

Within 12 months after the transaction, the provisional amounts of assets and liabilities recognized at the date of acquisition may be adjusted retroactively, resulting in a restatement of goodwill. In addition to the value of the Assets acquired and Liabilities assumed, Goodwill, totaling 2,659 thousand euros, was recorded, determined as shown in the table below.

(thousands of euros)

| | | |
|---|---|---|
| Valuation of the consideration | (a) | 4,887 |
| Value of assets acquired | (b) | 2,789 |
| Value of liabilities assumed | (c) | (561) |
| Goodwill | (a-b+c) | 2,659 |

## CARRYING AMOUNTS AT THE DATE OF ACQUISITION

(thousands of euros)

| | | |
|---|---|---|
| **Total Non-current assets** | | **2,789** |
| of which Intangible assets | | 1,355 |
| of which Tangible assets | | 1,084 |
| of which Right-of-use assets | | 350 |
| **Total Assets** | **(a)** | **2,789** |
| | | |
| **Total Non-current liabilities** | | **(337)** |
| of which Non-current financial liabilities | | (126) |
| of which Provisions for Risks and Charges | | (211) |
| **Total current Liabilities** | | **(224)** |
| of which Current financial liabilities | | (224) |
| **Total liabilities** | **(b)** | **(561)** |
| **Net assets** | **(a-b)** | **2,228** |

Total costs related to the acquisition amounted to 92 thousand euros and were expensed in the consolidated income statement as of December 31, 2023.

## ACQUISITION OF A BUSINESS BRANCH OF TIM SPA

On May 24, 2023, an agreement was finalized regarding the acquisition of a business unit of TIM S.p.A. with an effective date of May 24, 2023, consisting of 20 sites for mobile phone networks and the related legal relationships and contracts, both assets and liabilities.

The price for the sale and purchase of the TIM S.p.A. Business Unit was 2,506 thousand euros.

The accounting effects of the business combination, defined in accordance with IFRS 3, can be summarized as follows:

- the fair value of the total consideration was 2,506 thousand euros;
- all Assets acquired and Liabilities assumed of the acquired companies were provisionally recorded at their carrying amounts, which were in any case considered to be a substantial approximation of their fair value. Within 12 months after the transaction, the provisional amounts of assets and liabilities recognized at the date of acquisition may be adjusted retroactively, resulting in a restatement of goodwill. In addition to the value of the Assets acquired and Liabilities assumed, Goodwill, totaling 706 thousand euros, was recorded, determined as shown in the table below:

(thousands of euros)

| | | |
|---|---|---|
| Valuation of the consideration | (a) | 2,506 |
| Value of assets acquired | (b) | 2,885 |
| Valore delle passività assunte | (c) | (1,085) |
| Goodwill | (a-b+c) | 706 |



## CARRYING AMOUNTS AT THE DATE OF ACQUISITION

(thousands of euros)

| | | |
|---|---|---|
| **Total Non-current assets** | | **2,885** |
| of which Intangible assets | | 917 |
| of which Tangible assets | | 1,024 |
| of which Right-of-use assets | | 944 |
| **Total Assets** | **(a)** | **2,885** |
| | | |
| **Total Non-current liabilities** | | **(831)** |
| of which Non-current financial liabilities | | (690) |
| of which Provisions for Risks and Charges | | (141) |
| **Total current Liabilities** | | **(254)** |
| of which Current financial liabilities | | (254) |
| **Total liabilities** | **(b)** | **(1,085)** |
| **Net assets** | **(a-b)** | **1,800** |

Total costs related to the acquisition amounted to 92 thousand euros and were expensed in the consolidated income statement as of December 31, 2023.

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# NOTE 6 – **GOODWILL**

At December 31, 2023, goodwill stood at 6,153,879 thousand euros, with the following changes:

| (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 |

| (thousands of euros) | 12.31.2022 | Change in the scope of consolidation | Other changes | 12.31.2023 |
|---|---|---|---|---|
| Goodwill | 6,146,766 | 3,749 | 3,364 | 6,153,879 |
| Total | 6,146,766 | 3,749 | 3,364 | 6,153,879 |

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 entirely to the group of CGUs represented by the sites through which the Group provides Integrated Management service, which is also the business sector in which the Group operates and is considered the minimum level at which goodwill is monitored for internal management 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 (fair value level 1), appropriately adjusted to determine the fair value of the group CGU to which the goodwill is allocated.

The impairment test conducted on December 31, 2023, failed to reveal any impairment loss, since the recoverable value of the group of CGUs was much greater than its book value.

The difference between the fair value and the corresponding net book value at December 31, 2023, is as follows:

| (millions of euros) | |
|---|---|
| Difference between use values and book values | +6,656 |

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 -60.5% of the share's value, that is, 4.52 euros per ordinary share.

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

In addition, INWIT 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 7 – **INTANGIBLE ASSETS WITH A FINITE USEFUL LIFE**

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

| (thousands of euros) | 12.31.2021 | Additions | Amortization | 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 |

| (thousands of euros) | 12.31.2022 | Additions | Amortization | Other changes | 12.31.2023 |
|---|---|---|---|---|---|
| Patent rights and utilization of intellectual property | 11,610 | 10,440 | (9,061) | 4,428 | 17,417 |
| Other intangible assets | 547,490 | 2,272 | (102,532) | | 447,230 |
| Intangible assets under development and advances | 30,389 | 6,506 | | (21,925) | 14,970 |
| Total | 589,489 | 19,218 | (111,593) | (17,497) | 479,617 |

The additions for the period totaled 19,218 thousand euros and mainly related to the IT development and technological projects and other intangible investments

# NOTE 8 – **PROPERTY, PLANT AND EQUIPMENT**

## OWNED PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment comprised the following, with the following changes:

| (thousands of euros) | 12.31.2021 | Additions | Disposals | 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 |

| (thousands of euros) | 12.31.2022 | Change in the scope of consolidation | Additions | Disposals | Depreciation | Other changes | 12.31.2023 |
|---|---|---|---|---|---|---|---|
| Land | 63,283 | 21 | 36,001 | | | 2,211 | 101,516 |
| Plant and equipment | 782,983 | 752 | 147,737 | (6,639) | (68,615) | 74,872 | 931,090 |
| Manufacturing and distribution equipment | 1 | | 3.270 | | (98) | 228 | 3,401 |
| Other goods | 449 | | 575 | | (262) | 68 | 830 |
| Construction in progress and advance payments | 86,293 | | 49,933 | | | (63,510) | 72,716 |
| Total | 933,009 | 773 | 237,516 | (6,639) | (68,975) | 13,869 | 1,109,553 |

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The additions during the period, amounting to 237,516 thousand euros, mainly relate the construction of new sites, extraordinary maintenance, the construction of DAS systems, the capitalization of labor costs (company labor), and the purchase of backhauling sections.

The gross carrying amounts and accumulated depreciation at December 31, 2023 are detailed as follows:

| (thousands of euros) | Gross Value as of 12.31.2022 | Accumulated impairment losses | Depreciation Provision | Net value as of 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 |

| (thousands of euros) | Gross Value as of 12.31.2023 | Accumulated impairment losses | Depreciation Provision | Net value as of 12.31.2023 |
|---|---|---|---|---|
| Land | 101,516 | | | 101,516 |
| Plant and equipment | 2,025,062 | (539) | (1,093,433) | 931,090 |
| Manufacturing and distribution equipment | 3,524 | | (123) | 3,401 |
| Other goods | 1,469 | | (639) | 830 |
| Construction in progress and advance payments | 72,716 | | | 72,716 |
| Total | 2,204,287 | (539) | (1,094,195) | 1,109,553 |

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





# NOTE 9 – **RIGHT-OF-USE ASSETS**

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

| (thousands of euros) | 12.31.2021 | Additions | Lease increases/(decreases) | 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 | 143.991 | (173,386) | 2,688 | 1,017,263 |
| Rights of use on other assets | 488 | | 450 | (306) | (1) | 631 |
| Total | 1,077,771 | 37,143 | 144,441 | (176,670) | 9,290 | 1,091,975 |

| (thousands of euros) | 12.31.2022 | Change in the scope of consolidation | Additions | Lease increases/(decreases) | Depreciation | Other changes | 12.31.2023 |
|---|---|---|---|---|---|---|---|
| Rights of use on civil and industrial buildings | 74,081 | | 22,692 | (87) | (4,484) | 13,512 | 105,714 |
| Rights of use on plant and equipment | 1,017,263 | 2,709 | 7,258 | 196,077 | (180,110) | (52) | 1,043,145 |
| Rights of use on other assets | 631 | | | 160 | (317) | | 474 |
| Total | 1,091,975 | 2,709 | 29,950 | 196,150 | (184,911) | 13,460 | 1,149,333 |

Additions in the period, amounting to 29,950 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 (company labor).

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

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

# NOTE 10 – FINANCIAL RECEIVABLES (NON-CURRENT AND CURRENT)

Financial receivables (non-current and current) as at December 31, 2023 are composed as follows:

| (thousands of euros) | | 12.31.2022 | Other changes during the period | 12.31.2023 |
|---|---|---|---|---|
| Financial receivables (medium/long-term): | | | | |
| Loans to staff | | 385 | (171) | 214 |
| Prepaid expenses from finance expenses | | 525 | (199) | 326 |
| Total non-current financial receivables | (a) | 910 | (370) | 540 |
| Financial receivables (short-term): | | | | |
| Loans to staff | | 203 | 24 | 227 |
| Prepaid expenses from finance expenses | | 54 | 84 | 138 |
| Total current financial receivables | (b) | 257 | 108 | 365 |
| Total financial receivables | (a+b) | 1,167 | (262) | 905 |

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

# NOTE 11 – 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) | | 12.31.2022 | of which IFRS 9 Financial Instruments | Change in the scope of consolidation | Other changes | 12.31.2023 | of which Financial Instruments IFRS 9 |
|---|---|---|---|---|---|---|---|
| Miscellaneous receivables and other non-current assets | | | | | | | |
| Other non-current assets | | 922 | | | 1,361 | 2,283 | |
| Other non-current miscellaneous receivables | | 231,593 | | | (51,893) | 179,700 | |
| Total Miscellaneous receivables and other non-current assets | (a) | 232,515 | | | (50,532) | 181,983 | |
| Total trade receivables | (b) | 116,789 | 116,789 | 81 | (15,906) | 100,964 | 100,964 |
| Miscellaneous receivables and other current assets | | | | | | | |
| Other current assets | | 2,718 | | | 632 | 3,350 | |
| Non-current miscellaneous receivables - short-term share | | 1,928 | | | 538 | 2,466 | |
| Miscellaneous operating receivables | | 7,833 | | 2 | 852 | 8,687 | |
| Miscellaneous non-operating receivables | | 64,842 | | | | 64,842 | |
| Total miscellaneous receivables and other current assets | (c) | 77,321 | | 2 | 2.022 | 79.345 | |
| Total trade and miscellaneous receivables and other current assets | (b+c) | 194,110 | 116,789 | 83 | (13,884) | 180,309 | 100,964 |
| Total | (a+b+c) | 426,625 | 116,789 | 83 | (64,416) | 362,292 | 100,964 |

**Miscellaneous receivables and other non-current assets,** totaling 181,983 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 6 "Goodwill", as well as to the advance on the purchase of business branches of TIM S.p.A. and Vodafone Italia S.p.A. that will be effective in the first quarter of 2024 (Euro 12,950 thousand).

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**Trade receivables**, totaling 100,964 thousand euros, mainly refer to hosting services and the recovery of costs for services provided.

**Miscellaneous receivables and other current assets**, totaling 79,345 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 6 "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 12 – **CASH AND CASH EQUIVALENTS**

At December 31, 2023, this item amounted to 95,078 thousand euros, and was composed as follows:

| (thousands of euros) | 12.31.2022 | Change in the scope of consolidation | Other changes during the period | 12.31.2023 |
|---|---|---|---|---|
| Cash at bank and post office deposits | 72,849 | 23 | 22,203 | 95,075 |
| Checks and cash on hand | 3 | | | 3 |
| Total Cash and cash equivalents | 72,852 | 23 | 22,203 | 95,078 |

At December 31, 2023, 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 Group's operating rules that limit credit exposure with financial counterparties;
- Country risk: investments are made in Italy.



# NOTE 13 – **EQUITY**

At December 31, 2023, equity amounted to 4,336,399 thousand euros, broken down as follows:

| (thousands of euros) | 12.31.2022 | Changes in the period | 12.31.2023 |
|---|---|---|---|
| Share capital issued | 600,000 | | 600,000 |
| Minus treasury shares | (294) | (12,361) | (12,655) |
| Share capital | 599,706 | (12,361) | 587,345 |
| Share premium reserve | 2,092,744 | (39,539) | 2,053,205 |
| Other reserves and earnings (losses) carried forward, including the result for the period | 1,480,633 | (124,383) | 1,356,250 |
| Legal reserve | 120,000 | | 120,000 |
| Provision for instruments representing equity | 1,572 | (450) | 1,122 |
| Treasury share reserve in excess of nominal value | (2,518) | (123,861) | (126,379) |
| Locked-up Reserve under Law 178/2020 | 1,361,880 | | 1,361,880 |
| Other reserves | (301) | (72) | (373) |
| Retained earnings (losses) including earnings (losses) for the period | 293.362 | 46,237 | 339,599 |
| Total | 4,466,445 | (130,046) | 4,336,399 |

The change related to Treasury Shares and the Reserve for Treasury Shares in excess of par value refers to the repurchase of treasury shares following the resolution of the Shareholders' Meeting on April 18, 2023. The repurchase will be for the sole purpose of canceling the shares in question, with the main objective of providing non-selling shareholders with an indirect return on their investment in INWIT, additional to the dividend policy.

Movements of share capital during the period from January 1 to December 31, 2023, are shown in the following table:

Reconciliation between the number of shares in circulation at December 31, 2022, and the number of shares in circulation at December 31, 2023

| (number of shares) | At 12.31.2022 | Other changes | At 12.31.2023 | % of Capital |
|---|---|---|---|---|
| Ordinary shares issued | 960,200,000 | | 960,200,000 | |
| Minus: Treasury shares | (293,873) | (12,361,347) | (12,655,220) | |
| Total Ordinary shares issued | 960,200,000 | | 960,200,000 | 100,0 |
| Total shares in circulation | 959,906,127 | (12,361,347) | 947,544,780 | |

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Reconciliation between the value of shares in circulation at December 31, 2022, and the value of shares in circulation at December 31, 2023

| (thousands of euros) | Share capital at 12.31.2022 | Change in share capital | Share capital at 12.31.2023 |
|---|---|---|---|
| Ordinary shares issued | 600,000 | | 600,000 |
| Minus: Treasury shares | (294) | (12,361) | (12,655) |
| Ordinary shares outstanding | 599,706 | (12,361) | 587,345 |
| Total Share capital issued | 600,000 | | 600,000 |
| Total Share capital in circulation | 599,706 | (12,361) | 587,345 |

## BENEFIT PLANS IN THE FORM OF EMPLOYEE STOCK OPTIONS

The Provision for instruments representing equity of 1,122 thousand euros refers to:

- the LTI plans (1,105 thousand euros) in existence at December 31, 2023, used for retention and long-term incentive purposes for managers;
- the general stock option plan (17 thousand euros) in existence and subscribed to by INWIT employees.

# NOTE 14 – EMPLOYEE BENEFITS

The item has the following breakdown and movements:

| (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 |

| (thousands of euros) | 12.31.2021 | Increase/ Present value | Decrease | Other changes | 12.31.2022 |
|---|---|---|---|---|---|
| Provision for employee severance indemnities | 2,302 | 180 | (132) | | 2,350 |
| Total | 2,302 | 180 | (132) | | 2,350 |

The increase of 180 thousand euros in the column "Increases/Present value" is broken down as follows:

| (thousands of euros) | 12.31.2023 | 12.31.2022 |
|---|---|---|
| Financial expenses | 92 | 52 |
| Net actuarial (gains) losses for the period | 88 | (581) |
| Total | 180 | (529) |

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.

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The assumptions made may be detailed as follows:

| ECONOMIC ASSUMPTIONS | |
|---|---|
| Inflation rate | 2.00% per year |
| Time-discount rate | 3.08% per year |
| Annual rate of increase in the Provision for employee severance indemnities | 3.00% 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% |
| da 41 a 50 anni di età - Dirigenti | 2,00% |
| 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 2,350 thousand euros at December 31, 2023.

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.2,350 |
| - 0.25 p.p. | 2,350 |
| Annual inflation rate: | |
| + 0.25 p.p. | 2,386 |
| - 0.25 p.p. | 2,315 |
| Annual time-discounting rate: | |
| + 0.25 p.p. | 2,303 |
| - 0.25 p.p. | 2,398 |





# NOTE 15 – **PROVISIONS FOR RISKS AND CHARGES**

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

| (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* |

| (thousands of euros) | 12.31.2022 | Change in the scope of consolidation | Increase | Decrease | Other changes | 12.31.2023 |
|---|---|---|---|---|---|---|
| Provision for restoration costs | 225,091 | 262 | 12,847 | (1,155) | (2,475) | 234,570 |
| Deferred tax liabilities | 203,517 | | | (38,172) | | 165,345 |
| Provision for legal disputes and other risks | 1,679 | | 1,837 | (523) | | 2,993 |
| Totale | 430,287 | 262 | 14,684 | (39,850) | (2,475) | 402,908 |
| Di cui: | | | | | | |
| *Quota non corrente* | *429,837* | | | | | *402,458* |
| *Quota corrente* | *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 (4,953 thousand euros) and the building of new sites (7,894 thousand euros). The decrease in provision for restoration costs relates to the coverage of costs incurred in the period (1,155 thousand euros) and the adjustment of the provision based on expected inflation and discount rates (2,475 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 1,314 thousand euros, as the balance between the new allocations and uses from the provision for legal disputes and other risks.

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# NOTE 16 – **FINANCIAL LIABILITIES (NON-CURRENT AND CURRENT)**

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

| (thousands of euros) | | 12.31.2022 | Change in the scope of consolidation | Other changes | 12.31.2023 |
|---|---|---|---|---|---|
| Financial payables (medium/long-term): | | | | | |
| Amounts due to banks | | 833,916 | | (38,575) | 795,341 |
| Corporate Bonds | | 2,236,089 | | 2,418 | 2,238,507 |
| Leasing liabilities | | 809,678 | 2.530 | 9,458 | 821,666 |
| Total non-current financial liabilities | (a) | 3,879,683 | 2,530 | (26,699) | 3,855,514 |
| Financial payables (short-term): | | | | | |
| Amounts due to banks | | 103,641 | | 166,080 | 269,721 |
| Corporate Bonds | | 17,658 | | (49) | 17,609 |
| Leasing liabilities | | 151,734 | 149 | 8,559 | 160,442 |
| Total current financial liabilities | (b) | 273,033 | 149 | 174,590 | 447,772 |
| Total Financial liabilities (Gross financial debt) | (a+b) | 4,152,716 | 2,679 | 147,891 | 4,303,286 |
| *Gross financial debt excluding IFRS16* | | *3,191,304* | | | *3,321,178* |

Financial payables (medium/long-term):

- **Amounts due to banks** mainly refer to the loans net of related accruals and deferrals, related to the:
  - ESG KPI-linked term loan for a nominal amount of 500,000 thousand euros with bullet repayment;
  - a loan from the EIB with a total nominal value of 298,000 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 loan agreement, net of related accruals, use of uncommitted bank lines for euro 130,000 thousand and use of the Revolving Credit Facility for euro 125,000 thousand;
- **Corporate Bonds** refer to the accrued portions of the coupons of the Bonds;
- **Finance lease liabilities** and refer to leases.

The average discount rate used to determine financial liabilities per lease is about 2.6 percent.

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 | | 270 | 571 | 224 | 1,065 |
| Corporate Bonds | | 18 | 1,751 | 488 | 2,257 |
| Total loans and other financial liabilities | (a) | 288 | 2,322 | 712 | 3,322 |
| Leasing liabilities | | 192 | 590 | 410 | 1,192 |
| Total finance lease liabilities | | 192 | 590 | 410 | 1,192 |
| Total Financial liabilities | (a+b) | 480 | 2,912 | 1,122 | 4,514 |

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## COVENANTS, NEGATIVE PLEDGES AND OTHER CONTRACT CLAUSES IN EFFECT AT DECEMBER 31, 2023

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, 2023, no covenant, negative pledge clause or other clause relating to the above-described debt position had been breached or violated.

# NOTE 17 – **NET FINANCIAL DEBT**

The table below shows the Group's net financial debt at December 31, 2023, 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 the Group to monitor its own financial position

| (thousands of euros) | 12.31.2023 (*) | 12.31.2022 |
|---|---|---|
| A Cash | | |
| B Cash and cash equivalents (**) | 95,078 | 72,852 |
| C Current financial receivables | 365 | 257 |
| D Liquidity (A + B + C) | 95,443 | 73,109 |
| E Current financial payables | | |
| F Current portion of financial payables (medium/long-term) | 447,772 | 273,033 |
| G Current financial debt (E+F) | 447,772 | 273,033 |
| H Net current financial debt (G-D) | 352,329 | 199,924 |
| I Financial payables (medium/long-term) | 1,617,007 | 1,643,594 |
| J Bonds issued | 2,238,507 | 2,236,089 |
| K Trade payables and other non-current payables | | |
| L Non-current financial debt (I+J+K) | 3,855,514 | 3,879,683 |
| M Net Financial Debt as per ESMA recommendations (H+L) | 4,207,843 | 4,079,607 |
| Other financial receivables and non-current financial assets | (540) | (910) |
| INWIT Group Net Financial Debt: | 4,207,303 | 4,078,697 |

(*) 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".

(**) Cash and cash equivalents include an amount of approximately euros 51 million related to an advance received in December 2023 against contributions on projects related to the Call for Projects of the "Italia 5G" Plan for the implementation of new network infrastructures suitable to provide radiomobile services with speeds of transmission rates of at least 150 Mbit/s in downlink and 30 Mbit/s in uplink financed with PNRR funds in part retroceded in January to project partners (euros 17 million) and for the remainder relating to investments already incurred or to be incurred by Inwit under the aforementioned call.

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# NOTE 18 – TRADE AND MISCELLANEOUS PAYABLES AND OTHER (NON-CURRENT AND CURRENT) LIABILITIES

The item was composed as follows at December 31, 2023:

| (thousands of euros) | | 12.31.2022 | of which IFRS 9 Financial Instruments | Change in the scope of consolidation | Other changes | 12.31.2023 | of which IFRS 9 Financial Instruments |
|---|---|---|---|---|---|---|---|
| Miscellaneous payables and other non-current liabilities | | | | | | | |
| Other non-current liabilities | | 15,706 | | | 34,852 | 50,558 | |
| Miscellaneous non-current operating payables | | (2) | | | | (2) | |
| Total miscellaneous payables and other non-current liabilities | (a) | 15,704 | | | 34,852 | 50,556 | |
| Total trade payables | (b) | 144,103 | 144,103 | 40 | 41,102 | 185,245 | 185,245 |
| Miscellaneous payables and other current liabilities | | | | | | | |
| Other current liabilities | | 8,441 | | 484 | 652 | 9,577 | |
| Miscellaneous current operating payables | | 23,060 | | | 19,812 | 42,872 | |
| Miscellaneous current non-operating payables | | 17,461 | | | (17,412) | 49 | |
| Total miscellaneous payables and other current liabilities | (c) | 48,962 | | 484 | 3,052 | 52,498 | |
| Total trade and miscellaneous payables and other current liabilities | (b+c) | 193,065 | 144,103 | 524 | 44,154 | 237,743 | 185,245 |
| Total income tax payables | (d) | 1,364 | | 21 | 16,030 | 17,415 | |
| Total | (a+b+c+d) | 210,133 | 144,103 | 545 | 95,036 | 305,714 | 185,245 |

**Miscellaneous payables and other non-current liabilities**, amounting to euro 50,556 thousand, mainly refer to prepaid expenses on contracts with customers and the financial advance of public grants related to the "Italia 5G densification" Plan (euro 33,189 thousand).

**Trade payables**, totaling 185,245 thousand euros, refer mainly to the supply of electrical power and rents due.

**Miscellaneous payables and other current liabilities**, totaling 52,498 thousand euros, mainly refer to prepaid contracts with customers, tax payables, payables to personnel payables to shareholders, and the advance of public grants related to the "Italia 5G densification" Plan (Euro 17,632 thousand).

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

# NOTE 19 – REVENUES

Revenues amounted to 960,288 thousand euros, broken down as follows:

| (thousands of euros) | Financial Year 2023 | Financial Year 2022 |
|---|---|---|
| Revenues | | |
| Revenues from TIM | 407,876 | 365,683 |
| Revenues from Vodafone Italia | 423,425 | 365,374 |
| Revenues from third parties | 128,987 | 121,934 |
| Total | 960,288 | 852,991 |

**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 Group to Italian mobile operators. Relationships with these operators are regulated by long-term commercial agreements.

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# NOTE 20 – **ACQUISITION OF GOODS AND SERVICES**

The item amounted to 45,063 thousand euros, broken down as follows:

| (thousands of euros) | | Financial Year 2023 | Financial Year 2022 |
|---|---|---|---|
| Purchases of materials and goods for resale | (a) | 762 | 816 |
| Costs for services | | | |
| Maintenance | | 16,164 | 14,949 |
| Professional services | | 6,046 | 4,750 |
| Other service expenses | | 17,668 | 20,577 |
| | (b) | 39,878 | 40,276 |
| Lease and rental costs | | | |
| Lease and rental costs | | 4,380 | 2,517 |
| Other lease and rental costs | | 43 | (86) |
| | (c) | 4,423 | 2,431 |
| Total | (a+b+c) | 45,063 | 43,523 |

The change in the item "Costs for services and miscellaneous services" reflects the increase in maintenance expenses, professional services expenses, and lease and rental costs, and the decrease in other costs for services.

# NOTE 21 – **EMPLOYEE COSTS**

Employee costs amounted to 18,600 thousand euros, broken down as follows:

| (thousands of euros) | | Financial Year 2023 | Financial Year 2022 |
|---|---|---|---|
| Ordinary personnel expenses | | | |
| Salaries | | 10,047 | 9,951 |
| Social security charges | | 7,128 | 6,268 |
| Other employee costs | | 1,145 | 1,125 |
| | (a) | 18,320 | 17,344 |
| Miscellaneous employee costs and sundry labor services | | | |
| Fees paid to external personnel | | 199 | 108 |
| Costs for assigning stock option | | 27 | 243 |
| Other expenses | | 54 | 36 |
| | (b) | 280 | 387 |
| Total ordinary expenses | (a+b) | 18,600 | 17,731 |
| Restructuring and rationalization expenses | | | |
| Expenses for incentivized redundancies | | | 3,656 |
| | (c) | | 3,656 |
| Total | (a+b+c) | 18,600 | 21,387 |

The average number of employees during the period was 280.1. They can be subdivided into their respective categories, as follows:

| (numbers) | 2023 | 2022 |
|---|---|---|
| Executives | 22.9 | 18.7 |
| Middle Managers | 62.5 | 49.1 |
| Administrative staff | 194.7 | 183.8 |
| Total | 280.1 | 251.5 |

There were 296 employees at December 31, 2023. They can be subdivided into their respective categories, as follows:

| (numbers) | 2023 | 2022 |
|---|---|---|
| Executives | 25 | 19 |
| Middle Managers | 73 | 50 |
| Administrative staff | 198 | 187 |
| Total | 296 | 256 |

# NOTE 22 – OTHER OPERATING EXPENSES

Other Operating Expenses amounted to 17,380 thousand euros, broken down as follows:

| (thousands of euros) | Financial Year 2023 | Financial Year 2022 |
|---|---|---|
| Other operating expenses | | |
| Expenses related to credit management | 4,646 | |
| Provision for risks and charges | 1,837 | 407 |
| Costs and provisions for indirect duties and taxes | 6,400 | 5,464 |
| Membership fees, donations, study grants and work experience contributions | 308 | 248 |
| Other Expenses | 4,189 | 2,774 |
| Total | 17,380 | 8,893 |

The item "Charges related to receivables management" includes the recognition of a loss on receivables based on a commercial settlement agreement with a customer (euro 4,646 thousand).

"Allocations to provisions for risks and charges" increased due to the higher allocation to the provision for litigation compared to the previous period (euro 1,837 thousand).

"Charges and provisions for indirect taxes and fees" increased mainly due to the recognition of higher registration taxes than in the previous period (euro 2,253 thousand).

“Other expenses” increased primarily due to the recognition of penalties for breach of contract with TIM (1,450 thousand euros) and Vodafone Italia (2,374 thousand euros).

# NOTE 23 – 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 370,511 thousand euros, and are composed as follows:

| (thousands of euros) | | Financial Year 2023 | Financial Year 2022 |
|---|---|---|---|
| Amortization of intangible assets with a finite useful life | (a) | 111,593 | 108,429 |
| Depreciation of owned tangible assets | (b) | 68,975 | 72,591 |
| Depreciation of right-of-use assets | (c) | 184,911 | 176,670 |
| (Gains)/losses on disposals and impairment losses on non-current assets | (d) | 5,032 | 6,026 |
| Total | (a+b+c+d) | 370,511 | 363,716 |

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

(Gains)/losses on disposals and impairment losses on non-current assets includes losses on disposal of right-of-use assets (1,443 thousand euros) and losses on the disposal of property and equipment (3,589 thousand euros).

# NOTE 24 – FINANCE INCOME AND EXPENSES

## FINANCIAL INCOME

Financial income is 454 thousand euros and refers mainly to interest income on bank deposits.

## FINANCIAL EXPENSES

Financial expenses amount to 113,396 thousand euros, broken down as follows:

| (thousands of euros) | Financial Year 2023 | Financial Year 2022 |
|---|---|---|
| Interest expenses and other financial expenses | | |
| Interest to banks | 36,326 | 10,638 |
| Finance expenses for corporate bonds | 42,057 | 42,013 |
| Interest expense for finance leases | 27,221 | 23,788 |
| Bank fees | 3,090 | 3,103 |
| Other financial expenses | 4,702 | 1,681 |
| Total | 113,396 | 81,223 |

**Interest to banks** refers to the interest paid during the period under the loan agreements described in Note 16 - 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 25 – INCOME TAXES

## DEFERRED TAX ASSETS AND DEFERRED TAX PROVISION

Deferred tax liabilities, net of deferred tax assets, recognized in the financial statements amounted to 165,345 thousand euros and mainly refer to temporary tax differences to be taxed in future years.

## INCOME TAXES

Income taxes amount to 56,295 thousand euros and are composed as follows:

| (thousands of euros) | Financial Year 2023 | Financial Year 2022 |
|---|---|---|
| Regional Business Tax (IRAP) for the period | 9,385 | 5,320 |
| Corporate Income Tax (IRES) for the period | 20,372 | 7,046 |
| Total current taxes | 29,757 | 12,366 |
| Deferred taxes for the period | (38,424) | (35,307) |
| Substitute tax - amount for the year | 64,842 | 64,842 |
| Adjustment of taxation for previous financial years | 120 | (992) |
| Total income taxes | 56,295 | 40,910 |

The tax realignment of items recognized for tax purposes as goodwill described in Note 6 "Goodwill," allowed for a total tax deduction of amortization of 428,080 thousand euros, including:

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

In addition, the accrued portion (euro 64,842 thousand) of the substitute tax paid to realign such goodwill for tax purposes was charged.

Deferred tax liabilities, net of deferred tax assets (38,424 thousand euros), were also recognized in the income statement during the year. The lion's share relates to the release of deferred liabilities in relation to the non-deductible portion of amortization and depreciation of the assets revalued upon the merger with Vodafone Towers (124,500 thousand euros).

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

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

| (thousands of euros) | Financial Year 2023 | Financial Year 2022 |
|---|---|---|
| Profit (loss) before tax | 395,792 | 334,249 |
| Theoretical income taxes | 94,990 | 80,220 |
| Tax effect of increases (reductions): | (106,013) | (104,140) |
| Tax effect of non-deductible costs | 31,395 | 30,967 |
| Substitute tax - amount for the year | 64,842 | 64,842 |
| Actual taxes recorded in the income statement, excluding Regional Business Tax (IRAP) | 85,214 | 71,888 |
| Current IRAP tax | 9,384 | 5,320 |
| Total actual taxes recorded in the income statement | 94,598 | 77,208 |

In order to better understand the reconciliation in question, the impact of Regional Business Tax 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 26 – **EARNINGS PER SHARE**

The following table shows the calculation of earnings per share:

| | | Financial Year 2023 | Financial Year 2022 |
|---|---|---|---|
| Basic and diluted earnings per share | | | |
| Profit for the period | (euros) | 339,497,042 | 293,339,500 |
| Average number of ordinary shares | | 956,019,333 | 959,914,631 |
| Basic and diluted earnings per share | (euros) | 0.355 | 0.306 |

# NOTE 27 – **CONTINGENT LIABILITIES, COMMITMENTS AND GUARANTEES**

## MAIN DISPUTES AND PENDING LEGAL ACTIONS

INWIT, as of December 31, 2023, is involved in approximately 581 (five hundred and eighty-one) litigations, 36 (thirty-six) of which have been associated with a "probable" risk of losing the case based on the opinions of the outside attorneys supporting the company in its defense.

In view of the progress of the aforementioned legal proceedings and based on the information available at the time of closing these Consolidated Financial Statements, a total amount of 2,543 thousand euros has been allocated to the risk provision.

In particular, with reference to a summons previously served on INWIT for, inter alia, alleged breaches of contract, at the time of preparation of these Financial Statements, the judgment is still pending in the introductory stage. INWIT will continue to monitor developments in the matter for any consequent determination.

## 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 28 – **RELATED PARTIES**

Related party transactions concluded in 2023 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 the Group 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, the Group 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 2023, 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 consolidated 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, 2022 and December 31, 2023 are shown beloW:

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 and other current assets | 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% |

ITEMS OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 12.31.2023

| (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 | (3,855,514) | (68,103) | (59,327) | | | (127,430) | 3.3% |
| Current financial liabilities | (447,772) | (19,801) | (2,938) | | | (22,739) | 5.1% |
| Total net financial debt | (4,207,303) | (87,904) | (62,265) | | | (150,69) | 3.6% |
| OTHER STATEMENT OF FINANCIAL POSITION LINE ITEMS | | | | | | | |
| Miscellaneous receivables and other non-current assets | 181,983 | 2,500 | 10,450 | | | 12,950 | 7.1% |
| Trade and miscellaneous receivables and other current assets | 180,309 | 28,170 | 16,521 | | | 44,691 | 24.8% |
| Miscellaneous payables and other non-current liabilities | (50,556) | (7,661) | (9,565) | | | (17,226) | 34.% |
| Trade and miscellaneous payables and other current liabilities | (237,743) | (39,401) | (56,068) | (1,560) | | (97,029) | 40.8% |

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, 2023, and for the corresponding period of the previous financial year, are the following:

ITEMS OF THE INCOME STATEMENT AS OF 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) |
|---|---|---|---|---|---|---|---|
| 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% |

ITEMS OF THE CONSOLIDATED INCOME STATEMENT AS OF 12.31.2023

| (migliaia di euro) | Totale (a) | TIM | Vodafone Italia | Senior management | Other related parties | Total related parties (b) | % of the financial statement item (b)/(a) |
|---|---|---|---|---|---|---|---|
| Revenues | 960,288 | 407,876 | 423,425 | | | 831,301 | 86.6% |
| Acquisition of goods and services | (45,063) | (3,555) | (607) | | | (4,162) | 9.2% |
| Employee benefits expenses | (18,600) | (54) | | (2,261) | | (2,315) | 12.4% |
| Other operating expenses | (17,380) | (1,450) | (2,374) | | | (3,824) | 22.0% |
| Financial expenses | (113,396) | (2,202) | (2,453) | | | (4,655) | 4.1% |

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 TIM 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, 2023, and for the corresponding period of the previous financial year, are the following:

ITEMS OF THE CASH FLOW STATEMENT AS OF 12.31.2022

| | | Related Parties | | | | | |
|---|---|---|---|---|---|---|---|
| (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) |
| 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% |

ITEMS OF THE CONSOLIDATED CASH FLOW STATEMENT AS OF 12.31.2023

| (thousands of euros) | Totale (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 | 15,906 | 2,264 | (5,189) | | | (2,925) | -18.4% |
| Change in trade payables | 37,567 | 21,774 | 29,559 | | | 51,333 | 136.6% |
| Net change in miscellaneous receivables/payables and other assets/liabilities | 85,739 | (2,596) | 9,111 | (263) | | 6,252 | 7.3% |
| Change in current and non-current financial liabilities | (46,739) | (15,538) | 54,234 | | | 38,696 | -82.8% |

The table shows a significant increase in trade payables due from TIM (24,274 thousand euros) and Vodafone Italia (33,654 thousand euros).

## REMUNERATION OF KEY MANAGERS

The remuneration recorded on an accrual basis in respect of key managers amounted to 2,261 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 2023 MBO will be paid during the second quarter of 2024).

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

| Managers: | |
|---|---|
| Diego Galli | General Manager |
| Gabriele Abbagnara | Head of Marketing & Sales - Key manager until 03/05/2023 |
| Andrea Mondo | Technology & Operations Director |
| Lucio Golinelli | Sales Director - key manager from 03/06/2023 |
| Emilia Trudu | Administration Finance and Control Director - Key manager from 03/06/2023 |

## NOTE 29 – 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 2023, no significant non-recurring events or transactions occurred.

## NOTE 30 – 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 31 – EVENTS AFTER DECEMBER 31, 2023

On January 8, 2024, INWIT formalized the option to extend the maturity term of the sustainability-linked Term Loan of 500 million euros from April 2025 to April 2027.

# NOTE 32 – **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, the table below shows the disbursements collected during the year:

| Disbursing agency | Area of focus | Received in 2023 (thousands of euros) | Received in 2022 (thousands of euros) |
|---|---|---|---|
| Infratel | "Italy 5G densification" plan | 103,715 | |
| Total | | 103,715 | |

On December 28, 2023, Inwit received the financial advance of public contributions related to the "Italy 5G densification" Plan, as the lead agent of the Temporary Grouping of Companies formed with TIM and Vodafone, for a total amount of 103,715 thousand euros, including:

- Euro 52,895 thousand was transferred to Telecom Italia S.p.A. in 2023;
- Euro 17,632 thousand will be transferred to Vodafone Italia S.p.A. in 2024.

## DIRECTORS AND STATUTORY AUDITORS' FEES

The fees payable to the Group's Statutory Auditors and Directors at December 31, 2023, for the performance of their corresponding duties, amount to 193 thousand euros and 750 thousand euros, respectively.

## 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 2023 Financial statements of the INWIT Group, as well as the fees pertaining to 2023 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: | | | |
| statutory audit of the separate financial statements | 301 | | 301 |
| Statutory audit of consolidated financial statements (*) | 19 | | 19 |
| limited review of the interim half-yearly financial statements | 52 | | 52 |
| other services (**) | 180 | | 180 |
| Total | 552 | | 552 |

(*) This amount will be subject to approval by the shareholders' meeting.

(**) This amount includes fees for the issuance of comfort letters in connection with the renewal of the Euro Medium Term Note bond program, for the review of the 2023 NFS, and for carrying out ad hoc audit procedures.

# CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENT AT DECEMBER 31, 2023 PURSUANT TO ARTICLE 81-TER OF THE CONSOB REGULATION 11971 DATED MAY 14, 1999, WITH AMENDMENTS AND ADDITIONS

INWIT

**CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENT AT DECEMBER 31, 2023 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 consolidated financial statements for the period January 1 – December 31, 2023.

2. The administrative and accounting procedures adopted in preparation of the consolidated financial statements at December 31, 2023 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 consolidated financial statements at December 31, 2023
   - 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 7, 2024

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

**Infrastrutture Wireless Italiane S.p.A.**

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# INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 12.31.2023

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## *Independent auditor's report*

*in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014*

To the shareholders of
Infrastrutture Wireless Italiane SpA

## *Report on the Audit of the Consolidated Financial Statements*

### *Opinion*

We have audited the consolidated financial statements of Infrastrutture Wireless Italiane SpA group (the Group), which comprise the consolidated statement of financial position as of 31 December 2023, the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2023, 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, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05.

### *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 the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of this report. We are independent of Infrastrutture Wireless Italiane SpA (the Company) pursuant to the regulations and standards on ethics and independence 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 judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in

*PricewaterhouseCoopers SpA*

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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*** | |
| *Note65 "Goodwill" of the consolidated financial statements*<br><br>As of 31 December 2023, goodwill amounts to € 6,154 million, representing 66% of total assets and 142% of net equity.<br><br>The recoverability of the carrying amount of goodwill was tested for impairment at year end, in accordance with IAS36 – Impairment of Assets.<br><br>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 fair value of the assets and liabilities not directly attributable to the group of CGU.<br><br>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.<br><br>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.<br><br>We have performed the following audit procedures:<br>• assessment of the adequacy of the impairment testing process in accordance with the requirements of the accounting standard;<br>• assessment of the key assumptions used when determining the fair value, based on quoted market price;<br>• assessment of the accuracy of the carrying amount of assets and liabilities attributable to the group of CGU to which the goodwill is allocated;<br>• testing the mathematical accuracy of the calculation model used.<br><br>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 9 "Right of use on third-party assets" and note 16 "Financial liabilities" of the consolidated financial statements*<br><br>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.<br><br>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.<br><br>As of 31 December 2023, the total amount of right-of-use assets and the associated financial liability recognized in accordance with IFRS16 is € 1,149 million and € 982 million, respectively. Annual depreciation and interest expenses amount to € 185 million and € 27 million, respectively.<br><br>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 Group acts as a lessee.<br><br>We have performed an understanding and evaluation of the assumptions used by management in the accounting for lease agreements, in accordance with IFRS16.<br><br>We have performed control testing over the portfolio of lease agreements where the Group 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.<br><br>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.<br><br>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 19 "Revenues" of the consolidated financial statements*<br><br>Annual revenues for 2023 amount to € 960 million, of which 87% or € 831 million generated from TIM SpA and Vodafone Italia SpA.<br><br>Revenues from TIM SpA and Vodafone Italia SpA relate to different types of service rendered by the Group and are mainly regulated by the Master Service Agreements in place in 2023.<br><br>The Master Service Agreements are complex agreements, containing several performance obligations, such as the use of tower space, power supply, air conditioning, backup systems, monitoring, security, asset management and maintenance services, guarantees and other minor services.<br><br>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.<br><br>We have verified the revenue recognition for the different performance obligations.<br><br>We performed substantive testing, also based on the verification of accounting records and contractual terms with the relevant supporting documentation, on the amounts due from TIM SpA and Vodafone Italia SpA.<br><br>We have assessed the accuracy and completeness of the disclosure presented in the notes to the financial statements. |



### *Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements*

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate Infrastrutture Wireless Italiane SpA or to cease operations or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Group's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 consolidated financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained 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 obtained 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 Group's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' 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 Group's 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 consolidated 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 Group to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We communicated 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 identified 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 determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

### *Additional Disclosures required by Article 10 of Regulation (EU) No. 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) No. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to 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 consolidated financial statements, to be included in the annual report.
We have performed the procedures specified in auditing standard (SA Italia) No. 700B in order to express an opinion on the compliance of the consolidated financial statements with the provisions of the Commission Delegated Regulation.
In our opinion, the consolidated financial statements as of 31 December 2023 have been prepared in XHTML format and have been marked up, in all significant respects, in compliance with the provisions of the Commission Delegated Regulation.
Due to certain technical limitations, some information included in the illustrative notes to the consolidated financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in XHTML format.

### *Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree No. 39/10 and Article 123-bis, paragraph 4, of Legislative Decree No. 58/98*

The directors of Infrastrutture Wireless Italiane SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of the Group as of 31 December 2023, including their consistency with the relevant consolidated financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order 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 No. 58/98, with the consolidated financial statements of the Group as of 31 December 2023 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.

pwc

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 consolidated financial statements of the Group as of 31 December 2023 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 No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment 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 No. 254 of 30 December 2016***

The directors of Infrastrutture Wireless Italiane SpA are responsible for the preparation of the non-financial statement pursuant to Legislative Decree No. 254 of 30 December 2016.
We have verified that the directors approved the non-financial statement.

Pursuant to article 3, paragraph 10, of Legislative Decree No. 254 of 30 December 2016, the non-financial statement is the subject of a separate statement of compliance issued by ourselves.

Milan, 21 March 2024

PricewaterhouseCoopers SpA

*Signed by*

Fabio Chierico
(Partner)

*The accompanying consolidated financial statements of Infrastrutture Wireless Italiane SpA constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. 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.*



# SEPARATE FINANCIAL STATEMENTS OF INFRASTRUTTURE WIRELESS ITALIANE S.P.A.

THIS DOCUMENT HAS BEEN TRANSLATED INTO ENGLISH FOR THE CONVENIENCE OF THE READERS.
IN THE EVENT OF DISCREPANCY, THE ITALIAN LANGUAGE VERSION PREVAILS.

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# STATEMENT OF FINANCIAL POSITION

## Assets

| (euros) | notes | 12.31.2023 | of which related parties | 12.31.2022 | of which related parties |
|---|---|---|---|---|---|
| Assets | | | | | |
| Non-current assets | | | | | |
| **Intangible assets** | | | | | |
| Goodwill | 5) | 6,150,130,503 | | 6,146,766,060 | |
| Intangible assets with a finite useful life | 6) | 479,617,200 | | 589,489,401 | |
| **Tangible assets** | | | | | |
| Property, plant and equipment | 7) | 1,108,764,254 | | 933,008,736 | |
| **Right-of-use assets** | 8) | 1,146,746,793 | | 1,091,975,178 | |
| **Other non-current assets** | | | | | |
| Investments | 9) | 3,849,587 | | | |
| Non-current financial assets | 10) | 540,033 | | 909,726 | |
| Miscellaneous receivables and other non-current assets | 11) | 181,983,645 | 12,950,000 | 232,515,075 | |
| Total Non-current assets | | 9,071,632,015 | | 8,994,664,176 | |
| Current assets | | | | | |
| Trade and miscellaneous receivables and other current assets | 11) | 180,299,804 | 44,618,000 | 194,108,919 | 41,807,000 |
| Financial receivables and other current financial assets | 10) | 365,555 | | 257,017 | |
| Cash and cash equivalents | 12) | 94,842,669 | | 72,852,480 | |
| Total Current assets | | 275,508,028 | | 267.218.416 | |
| Total Assets | | 9,347,140,043 | | 9.261.882.592 | |

## Equity and Liabilities

| (euros) | notes | 12.31.2023 | of which related parties | 12.31.2022 | of which related parties |
|---|---|---|---|---|---|
| Equity | 13) | | | | |
| Share capital issued | | 600,000,000 | | 600,000,000 | |
| Minus: treasury shares | | (12,655,220) | | (293,873) | |
| Share capital | | 587,344,780 | | 599,706,127 | |
| Share premium reserve | | 2,053,204,988 | | 2,092,743,552 | |
| Legal reserve | | 120,000,000 | | 120,000,000 | |
| Other reserves | | 1,236,250,174 | | 1,360,632,954 | |
| Retained earnings (losses) including earnings (losses) for the period | | 339,421,024 | | 293,362,776 | |
| Total Equity | | 4,336,220,966 | | 4,466,445,409 | |
| Liabilities | | | | | |
| Non-current liabilities | | | | | |
| Employee benefits | 14) | 2,350,096 | | 2,302,588 | |
| Deferred tax liabilities | 15) | 165,344,973 | | 203,517,399 | |
| Provisions for Risks and Charges | 15) | 236,847,967 | | 226,319,109 | |
| Non-current financial liabilities | 16) | 3,853,118,080 | 127,430,000 | 3,879,683,063 | 91,483,000 |
| Miscellaneous payables and other non-current liabilities | 18) | 50,556,029 | 17,226,000 | 15,704,117 | 15,564,000 |
| Total Non-current liabilities | | 4,308,217,145 | | 4,327,526,276 | |
| Current liabilities | | | | | |
| Current financial liabilities | 16) | 447,593,417 | 22,739,000 | 273,033,380 | 19,990,000 |
| Trade and miscellaneous payables and other current liabilities | 18) | 237,336,122 | 96,747,000 | 193,063,914 | 28,649,000 |
| Provisions for Risks and Charges | 15) | 450,000 | | 450,000 | |
| Current income tax payables | 18) | 17,322,393 | | 1,363,613 | |
| Total current Liabilities | | 702,701,932 | | 467,910,907 | |
| Total liabilities | | 5,010,919,077 | | 4,795,437,183 | |
| Total Equity and Liabilities | | 9,347,140,043 | | 9,261,882,592 | |

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# SEPARATE INCOME STATEMENT

| (euros) | notes | Financial Year 2023 | *of which related parties* | Financial Year 2022 | *of which related parties* |
|---|---|---|---|---|---|
| Revenues | 19) | 959,834,841 | 830,873,000 | 852,990,894 | 731,057,000 |
| Acquisition of goods and services | 20) | (45,022,715) | (4,162,000) | (43,523,017) | (5,142,000) |
| Employee benefits expenses | 21) | (18,600,028) | (2,315,000) | (21,386,511) | (2,023,000) |
| Other operating expenses | 22) | (17,371,986) | (3,824,000) | (8,892,338) | (2,506,000) |
| Operating profit (loss) before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA) | | 878,840,112 | | 779,189,028 | |
| Depreciation and amortization, gains/losses on disposals and impairment losses on non-current assets | 23) | (370,402,012) | | (363,716,278) | |
| Operating profit (loss) (EBIT) | | 508,438,100 | | 415,472,750 | |
| Financial income | 24) | 453,897 | | 129 | |
| Financial expenses | 24) | (113,348,772) | (4,655,000) | (81,223,523) | (3,174,000) |
| Profit (loss) before tax | | 395,543,225 | | 334,249,356 | |
| Income taxes | 25) | (56,224,087) | | (40,909,855) | |
| Profit for the period | | 339,319,138 | | 293,339,501 | |
| Basic and Diluted Earnings Per Share | 26) | 0.355 | | 0.306 | |

# STATEMENT OF COMPREHENSIVE INCOME

| (euros) | *notes* | Financial Year 2023 | Financial Year 2022 |
|---|---|---|---|
| Profit for the period | (a) | 339,319,138 | 293,339,501 |
| Other components of the Statement of Comprehensive Income | | | |
| Other components that will not subsequently be reclassified in the separate Income Statement | | | |
| Remeasurements of employee defined benefit plans (IAS 19): | | | |
| Actuarial gains (losses) | | (87,748) | 581,430 |
| Net fiscal impact | | 21,060 | (139,543) |
| Total other components that will not subsequently be reclassified in the separate Income Statement | (b) | (66,688) | 441,887 |
| Other components that will subsequently be reclassified in the separate Income Statement | | | |
| Total other components that will subsequently be reclassified in the separate Income Statement | (c) | | |
| Total other components of the Statement of Comprehensive Income | (d=b+c) | (66,688) | 441,887 |
| Total Comprehensive income for the period | (e=a+d) | 339,252,450 | 293,781,388 |

# CHANGES IN EQUITY

## 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 |

## Changes in equity from January 1, 2023 to December 31, 2023

| (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, 2023 | 599,706,127 | (2,517,712) | 2,092,743,552 | 1,776,513,442 | 4,466,445,409 |
| Total Comprehensive income for the period | | | | 339,252,450 | 339,252,450 |
| Dividends approved | | | (39,538,564) | (293,362,776) | (332,901,340) |
| Other changes | (12,361,347) | (123,861,185) | | (353,021) | (136,575,553) |
| Values at December 31, 2023 | 587,344,780 | (126,378,897) | 2,053,204,988 | 1,822,050,095 | 4,336,220,966 |

# STATEMENT OF CASH FLOWS

| (euros) | | Financial Year 2023 | Financial Year 2022 |
|---|---|---|---|
| Cash flows from operating activities: | | | |
| Profit for the period | | 339,319,138 | 293,339,501 |
| Adjustments for: | | | |
| Depreciation and amortization, losses/gains on disposals and impairment losses on non-current assets | | 370,402,012 | 363,716,278 |
| Net change in deferred tax assets and liabilities | | (38,172,426) | (35,281,741) |
| Change in provisions for employee benefits | | (44,564) | (659,127) |
| Change in trade receivables | | 16,040,635 | (28,595,162) |
| Change in trade payables | | 37,545,347 | 37,312,662 |
| Net change in miscellaneous receivables/payables and other assets/liabilities | | 85,595,666 | 50,391,992 |
| Other non-monetary changes | | 194,404 | 6,749,147 |
| Cash flows from operating activities | (a) | 810,880,212 | 686,973,550 |
| **Cash flows from investing activities:** | | | |
| Total purchases of tangible and intangible assets for the period and right-of-use assets (*) | | (499,234,000) | (424,804,799) |
| *Of which change in amounts due to fixed asset suppliers* | | 199,771,000 | 169,782,444 |
| Total purchases of tangible and intangible assets and right-of-use assets on a cash basis | | (299,463,000) | (255,022,355) |
| Capital grants received | | 33,188,799 | |
| Purchase of investments | | (3,849,587) | |
| Change in financial receivables and other financial assets | | 261,154 | 465,877 |
| Cash flows used in investing activities | (b) | (269,862,634) | (254,556,478) |
| **Cash flows from financing activities:** | | | |
| Change in current and non-current financial liabilities | | (46,633,945) | (146,253,446) |
| Dividends paid (*) | | (336,170,912) | (307,498,662) |
| Treasury shares acquired | | (136,222,532) | (2,132,578) |
| Cash flows used in financing activities | (c) | (519,027,390) | (455,884,686) |
| Aggregate cash flows | (d=a+b+c) | 21,990,189 | (23,467,614) |
| Net cash and cash equivalents at beginning of the period | (e) | 72,852,480 | 96,320,094 |
| Net cash and cash equivalents at end of the period | (f=d+e) | 94,842,669 | 72,852,480 |

(*) of which related parties

| (euros) | Financial Year 2023 | Financial Year 2022 |
|---|---|---|
| Dividends paid to Daphne 3 S.p.A. | 99,537,501 | 93,518,679 |
| Dividends paid to Central Tower Holding Company B.V. | 110,523,245 | 102,808,614 |

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 2023.





# 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, 2023 to December 31, 2023 (the **"Separate Financial Statements at December 31, 2023"**) 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, Milan, and organized under the legal system of the Republic of Italy.

The figures at December 31, 2023 are compared with the figures from the statement of financial position at December 31, 2022. 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, 2023 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, 2023 was approved by the Board of Directors' meeting on March 7, 2024.

However, final approval of the Infrastrutture Wireless Italiane S.p.A. separate financial statements rests with the Shareholders' Meeting.

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## 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 Separate 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 |
| + | 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), namely the Integrated Site Management business.
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 unified whole; therefore, the financial statements do not contain any segment reporting. The geographical area coincides 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 Separate Financial Statements at December 31, 2023 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 separate 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 in a specific line of fixed assets called "Right-of-use assets" for the right to use 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.

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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.

The most significant type of leasing contracts relates to the leasing of physical space (land or solar pavements) on which INWIT's passive infrastructure insists, generally of varying durations of 6/9 years and usually containing a tacit renewal option, unless terminated with reasonable notice from both parties.

For such contacts, as of the date of initial recognition, INWIT's exercise of the renewal option for at least one period following the expiration of the first contractual window is considered reasonably certain, with the right of the lessor to deny the first renewal being considered non-substantive.

## 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.

**Financial assets, 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 financial 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.

## INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND JOINT VENTURES

Investments in subsidiaries, affiliates and joint ventures are valued at cost adjusted for impairment. Where there is objective evidence of impairment, recoverability is tested by comparing the carrying value of the investment with its recoverable value represented by the higher of fair value, net of costs to sell, and value in use.

## FAIR VALUE MEASUREMENTS

IFair value is the consideration that can be received for the transfer of an asset or that can be paid for the transfer of a liability in a regular transaction between market participants on the valuation date (i.e., exit price). The fair value of an asset or liability is determined by adopting the valuations that market participants would use in pricing the asset or liability. The fair value measurement also assumes that the asset or liability is traded in the principal market or, in its absence, in the most advantageous one to which the company has access.

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The fair value measurement of a liability, both financial and non-financial, or equity instrument takes into account the quoted price for the transfer of an identical or similar liability or equity instrument; if such a quoted price is not available, the valuation of the corresponding asset held by a market participant on the valuation date is considered.

In determining fair value, a hierarchy of criteria is defined based on the origin, type and quality of information used in the calculation. This classification aims to establish a hierarchy in terms of fair value reliability, giving precedence to the use of market observable parameters that reflect the assumptions that market participants would use in valuing the asset/liability.

The fair value hierarchy includes the following levels:

- level 1: inputs represented by quoted (unmodified) prices in active markets for identical assets or liabilities that can be accessed on the valuation date;
- level 2: inputs, other than quoted prices included in Level 1, that are observable, either directly or indirectly, for the assets or liabilities being measured;
- level 3: Unobservable inputs for the asset or liability.

In the absence of available market quotations, fair value is determined using valuation techniques, appropriate to the individual case, that maximize the use of observable inputs relevant, minimizing the use of unobservable inputs.

## FINANCIAL INSTRUMENTS

Financial instruments are defined as any contract that gives rise to a financial asset, financial liability, or equity instrument, which are recognized and measured in accordance with IAS 32 "Financial Instruments. exposure in the financial statements" and IFRS 9 "Financial Instruments." Financial instruments include, cash and cash equivalents, short- and long-term financial receivables and payables, trade receivables and payables, bonds owned and issued, equities owned that do not constitute control, connection or joint control (so-called minority shareholdings) and derivative instruments.

### Receivables and loans

IThe 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.

### Expected Credit Loss

With specific reference to trade receivables, in order to measure Expected Credit Losses ("ECLs"), a valuation is made using the so-called "simplified approach" provided by IFRS 9, i.e., by estimating expected losses over the life of the loan (so-called "ECL lifetime").
In the case of disputed receivables and where detailed information is available about the recoverability of the exposure, analytical assessments are made in order to better reflect the actual recoverability of the position in the determination of expected losses.

### 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.
As of 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 separate 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 separate financial statements and related notes, in accordance with the IFRS, requires company management to make estimates and assumptions based also on subjective judgments, past experience and hypotheses considered reasonable and realistic in relation to the information known at the time of the estimate. Such estimates have an effect on the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the amount of revenues and costs during the period. Actual results could thus differ, even significantly, from such estimates owing to possible changes in the factors considered in the determination of such estimates. Estimates are reviewed periodically.

The most 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. - The key assumptions used to determine the recoverable value for the cash-generating units, including a sensitivity analysis, are detailed in the Note "Goodwill". |
| **Reduction in value of financial, 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 financial, 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.<br>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. |
| **Depreciation and amortization** | 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/depreciation process and therefore in the amount of amortization/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.<br>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 provisions, 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, 2023

Pursuant to IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors), the IFRS in effect since January 1, 2023 are indicated and briefly described hereafter. Specifically:

***Amendments to IAS 1 - Presentation of Financial Statements: accounting policy disclosures and to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors: Definition of accounting estimates***

The amendments are intended to improve accounting policy disclosures so as to provide more useful information to primary users of financial statements as well as to provide more detailed guidance to distinguish changes in accounting estimates from changes in accounting policy.

The adoption of these amendments had no impact on the separate financial statements at December 31, 2023.

***IFRS 17 - Insurance Contracts: Initial application of IFRS 17 and IFRS 9 - Comparative information***

The amendments introduce a transition option regarding comparative information on financial assets presented at the date of initial application of IFRS 17 and are intended to avoid temporary accounting mismatches between financial assets and liabilities of insurance contracts, resulting in improved comparability of information for users of financial statements.

The adoption of these amendments had no impact on the separate financial statements at December 31, 2023.

***Amendments to IAS 12 - Income Taxes: Deferred taxes relating to assets and liabilities arising from a single transaction***

The amendments to IAS 12 clarify how companies should account for deferred taxes related to assets and liabilities recognized in the financial statements as a result of a single transaction whose book values differ from their tax values (e.g., recognition of a lease or a provision for a decommissioning and restoration obligation) in order to reduce the different accounting treatments identified in practice.

Specifically, the amendments to IAS 12 clarify that the exemption from initial recognition of deferred tax assets and liabilities ("DTA/DTL") is not applicable in circumstances where an asset and liability for which equal temporary differences are identifiable are recognized in the financial statements from a single transaction.

Therefore, DTAs/DTLs must be valued by considering the asset and liability separately and are not allowed to be recognized on the net value. DTAs are recognized in the financial statements only if they are deemed recoverable. With regard to financial statement presentation, the amendments to IAS 12 do not remove the requirement for offsetting DTAs/DTLs already in the standard.

The first application of the amendments to IAS 12 shall be in accordance with the following transitional provisions:

- application to all transactions entered into after the opening date of the first comparative period presented;
- as of the opening date of the first comparative period, the entity must recognize with effect on equity DTAs, where deemed recoverable, and DTLs for deductible and taxable temporary differences associated with assets and liabilities recognized on the balance sheet for leases and decommissioning or restoration obligations.

The adoption of these amendments had no impact on the separate financial statements at December 31, 2023.

***International Tax Reform - Second Pillar Model Rules (Amendments to IAS 12)***

On May 23, 2023, the IASB issued amendments to IAS 12 "International Tax Reform - Pillar Two Model Rules," designed to introduce, in addition to specific supplementary disclosures, a temporary exception to the recognition of deferred tax assets and liabilities arising from approved or substantially approved tax regulations that implement the Pillar Two model rules published by the OECD. It should be noted that, as part of the provisions of EU Directive 2022/2253, on the subject of Global Minimum Tax, Italy has adopted Legislative Decree 209/2023 which, in Articles 10 et seq. provides, among other things, as of the fiscal years after December 31, 2023, for the institution of a national minimum tax also to purely domestic groups that have consolidated revenues exceeding 750 million euros in at least two of the four fiscal years immediately preceding the one under consideration. INWIT, which prepares its first consolidated financial statements in 2023, is evaluating possible prospective impacts of this legislation, which still needs an implementing decree to be adopted by March 28, 2024.

Based on the preliminary analysis conducted, no significant impact is expected on the Separate Financial Statements as of December 31, 2023.

## NEW STANDARDS AND INTERPRETATIONS ISSUED BY THE IASB BUT NOT YET MANDATORY

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 | 01/01/2024 |
| Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments | 01/01/2024 |
| Amendments to IFRS 16 Leases: Lease liabilities in a sale and leaseback | 01/01/2024 |
| Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: lack of exchangeability | 01/01/2025 |

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

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# 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, 2023 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 arising from the 298 million loan agreement signed with the European Investment Bank.

The floating-rate debt component as of December 31, 2023 stems from the 500 million euros ESG KPI-linked loan agreement and the 125 million euros drawn portion of the 500 million euros EURIBOR-indexed revolving credit line.

In view of the Company's current financial structure, which has a percentage of fixed-rate debt of around 77% 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 830,862 thousand euros during the reference period, which is equal to 86.6% 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, 2023, this RCF line was drawn down for 125 million euros while the uncommitted bank lines were drawn down for a total of 130 million euros.

## CLIMATE CHANGE RISKS

INWIT's objective is to identify climate-related risks deriving from the scenarios analyzed, in addition to qualitatively and quantitatively assessing their effects and impacts on its business.
Climate change-related risk is defined as the sum of 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:

- Windstorms - Can cause damage to towers. For each site, the gust velocity is associated with a probability of failure of the tower (e.g., tower failure with velocity >180 km/h);
- Fires - If occurring near INWIT assets can cause damage to rawland sites, resulting in the need for intervention and repair costs;

- Flooding - Can cause damage to electrical equipment at rawland sites. In addition, for rooftop sites, the height of water can cause damage to the tower support structure to the point of failure;
- Heat Waves-Impact assets by both increasing the number of maintenance operations and energy consumption for cooling systems.

An economic assessment of the impact on INWIT's assets was conducted for these risks in 2023, based on the different climate scenarios analyzed.

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.

As of 2023, INWIT publishes a TCFD Report (to which readers should refer) incorporating 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 separate financial statements at December 31, 2023 or on the company's business outlook.

## EMERGING RISKS RELATED TO GLOBAL ECONOMIC CONDITIONS

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) that could have impacts in the short term but also in the long term, understood as the time horizon of the strategic plan.

In this context, the following emerging risks related to global economic conditions have been identified, also in relation to the ongoing conflicts:

- 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. In this regard, it should be noted that at the end of 2023, around 77% of the debt instruments available to the Company had fixed rates;
- Macroeconomic context: the company's objectives are affected by the current macroeconomic environment and in particular the prospects for consolidation in the TLC sector as well as the limited investment capabilities of major customers.

## 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 (fair value level 2):

- 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, 2023 on the basis of the categories contained in IFRS 9.

Carrying amount for each IFRS 9 class of financial asset/liability at December 31, 2023

| | | Amounts recorded in the financial statements pursuant to IFRS 9 | | | |
|---|---|---|---|---|---|
| (thousands of euros) | 12.31.2023 | *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 | 540 | 540 | | | |
| (a) | 540 | 540 | | | |
| Current assets | | | | | |
| Trade and miscellaneous receivables and other current assets | | | | | |
| of which loans and receivables | 100,748 | 100,748 | | | |
| Financial receivables and other current financial assets | | | | | |
| of which loans and receivables | 365 | 365 | | | |
| Cash and cash equivalents | 94,843 | 94,843 | | | |
| (b) | 195,956 | 195,956 | | | |
| Total (a+b) | 196,496 | 196,496 | | | |
| | | | | | |
| **LIABILITIES** | | | | | |
| Non-current liabilities | | | | | |
| Non-current financial liabilities | | | | | |
| of which liabilities at amortized cost | 3,853,118 | 3,853,118 | | | |
| (c) | 3,853,118 | 3,853,118 | | | |
| Current liabilities | | | | | |
| Current financial liabilities | | | | | |
| of which liabilities at amortized cost | 447,593 | 447,593 | | | |
| Trade and miscellaneous payables and other current liabilities | | | | | |
| of which liabilities at amortized cost | 185,184 | 185,184 | | | |
| (d) | 632,777 | 632,777 | | | |
| Total (c+d) | 4,485,895 | 4,485,895 | | | |

# NOTE 4 – **BUSINESS COMBINATIONS**

The following purchase transactions were made in 2023:

- Acquisition of a business unit of Vodafone Italia S.p.A;
- Acquisition of a business unit of TIM S.p.A..

Described below:

## ACQUISITION OF A BUSINESS BRANCH OF VODAFONE ITALIA SPA

On March 31, 2023, an agreement was finalized regarding the acquisition of a business unit of Vodafone Italia S.p.A. with an effective date of April 1, 2023, consisting of a complex of Assets represented by DAS systems and Small Cells installed inside real estate or in road and highway tunnels and the related legal relationships and contracts, both assets and liabilities.

The price for the sale and purchase of the Vodafone Italia S.p.A. Business Unit was 4,887 thousand euros.

The accounting effects of the business combination, defined in accordance with IFRS 3, can be summarized as follows:

- the fair value of the total consideration was 4,887 thousand euros;
- all Assets acquired and Liabilities assumed of the acquired companies were provisionally recorded at their carrying amounts, which were in any case considered to be a substantial approximation of their fair value. Within 12 months after the transaction, the provisional amounts of assets and liabilities recognized at the date of acquisition may be adjusted retroactively, resulting in a restatement of goodwill. In addition to the value of the Assets acquired and Liabilities assumed, Goodwill, totaling 2,659 thousand euros, was recorded, determined as shown in the table below.

(thousands of euros)

| | | |
|---|---|---|
| Valuation of the consideration | (a) | 4,887 |
| Value of assets acquired | (b) | 2,789 |
| Value of liabilities assumed | (c) | (561) |
| Goodwill | (a-b+c) | 2,659 |

## CARRYING AMOUNTS AT THE DATE OF ACQUISITION

(thousands of euros)

| | | |
|---|---|---|
| **Total Non-current assets** | | **2,789** |
| of which Intangible assets | | 1,355 |
| of which Tangible assets | | 1,084 |
| of which Right-of-use assets | | 350 |
| **Total Assets** | **(a)** | **2,789** |
| | | |
| **Total Non-current liabilities** | | **(337)** |
| of which Non-current financial liabilities | | (126) |
| of which Provisions for Risks and Charges | | (211) |
| **Total current Liabilities** | | **(224)** |
| of which Current financial liabilities | | (224) |
| **Total liabilities** | **(b)** | **(561)** |
| **Net assets** | **(a-b)** | **2,228** |

Total costs related to the acquisition amounted to 167 thousand euros and were expensed in the consolidated income statement as of December 31, 2023.

## ACQUISITION OF A BUSINESS BRANCH OF TIM SPA

On May 24, 2023, an agreement was finalized regarding the acquisition of a business unit of TIM S.p.A. with an effective date of May 24, 2023, consisting of 20 sites for mobile phone networks and the related legal relationships and contracts, both assets and liabilities.

The price for the sale and purchase of the TIM S.p.A. Business Unit was 2,506 thousand euros.

The accounting effects of the business combination, defined in accordance with IFRS 3, can be summarized as follows:

- the fair value of the total consideration was 2,506 thousand euros;
- all Assets acquired and Liabilities assumed of the acquired companies were provisionally recorded at their carrying amounts, which were in any case considered to be a substantial approximation of their fair value. Within 12 months after the transaction, the provisional amounts of assets and liabilities recognized at the date of acquisition may be adjusted retroactively, resulting in a restatement of goodwill. In addition to the value of the Assets acquired and Liabilities assumed, Goodwill, totaling 706 thousand euros, was recorded, determined as shown in the table below.

(thousands of euros)

| | | |
|---|---|---|
| Valuation of the consideration | (a) | 2,506 |
| Value of assets acquired | (b) | 2,885 |
| Value of liabilities assumed | (c) | (1,085) |
| Goodwill | (a-b+c) | 706 |

## CARRYING AMOUNTS AT THE DATE OF ACQUISITION

(thousands of euros)

| | | |
|---|---|---|
| **Total Non-current assets** | | **2,885** |
| of which Intangible assets | | 917 |
| of which Tangible assets | | 1,024 |
| of which Right-of-use assets | | 944 |
| **Total Assets** | **(a)** | **2,885** |
| | | |
| **Total Non-current liabilities** | | **(831)** |
| of which Non-current financial liabilities | | (690) |
| of which Provisions for Risks and Charges | | (141) |
| **Total current Liabilities** | | **(254)** |
| of which Current financial liabilities | | (254) |
| **Total liabilities** | **(b)** | **(1,085)** |
| **Net assets** | **(a-b)** | **1,800** |

Total costs related to the acquisition amounted to 92 thousand euros and were expensed in the consolidated income statement as of December 31, 2023.

# NOTE 5 – GOODWILL

At December 31, 2023, goodwill stood at 6,150,131 thousand euros, with the following changes:

| (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 |

| (thousands of euros) | 12.31.2022 | Additions | Other changes | 12.31.2023 |
|---|---|---|---|---|
| Goodwill | 6,146,766 | 3,364 | 1 | 6,150,131 |
| Total | 6,146,766 | 3,364 | 1 | 6,150,131 |

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 entirely to the group of CGUs represented by the sites through which the Company provides Integrated Management service, which is also the business sector in which the Company operates and is considered the minimum level at which goodwill is monitored for internal management 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 (fair value level 1), appropriately adjusted to determine the fair value of the group CGU to which the goodwill is allocated.

The impairment test conducted on December 31, 2023, failed to reveal any impairment loss, since the recoverable value of the group of CGUs was much greater than its book value.

Please refer to the Note "Goodwill" in the INWIT Group's consolidated financial statements for a presentation of the difference between the values in use and the carrying values as of December 31, 2023.

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

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.

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# NOTE 6 – INTANGIBLE ASSETS WITH A FINITE USEFUL LIFE

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

| (thousands of euros) | 12.31.2021 | Additions | Amortization | 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 |

| (thousands of euros) | 12.31.2022 | Additions | Amortization | Other changes | 12.31.2023 |
|---|---|---|---|---|---|
| Patent rights and utilization of intellectual property | 11,610 | 10,440 | (9,061) | 4,428 | 17,417 |
| Other intangible assets | 547,490 | 2,272 | (102,532) | | 447,230 |
| Intangible assets under development and advances | 30,389 | 6,506 | | (21,925) | 14,970 |
| Total | 589,489 | 19,218 | (111,593) | (17,497) | 479,617 |

The additions for the period totaled 19,218 thousand euros and mainly related to the IT development and technological projects and other intangible investments.

# NOTE 7 – PROPERTY, PLANT AND EQUIPMENT

## OWNED PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment comprised the following, with the following changes:

| (thousands of euros) | 12.31.2021 | Additions | Disposals | 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 |

| (thousands of euros) | 12.31.2022 | Additions | Disposals | Depreciation | Other changes | 12.31.2023 |
|---|---|---|---|---|---|---|
| Land | 63,283 | 36,001 | | | 2,211 | 101,495 |
| Plant and equipment | 782,983 | 147,737 | (6,639) | (68,630) | 74,871 | 930,322 |
| Manufacturing and distribution equipment | 1 | 3,270 | | (98) | 228 | 3,401 |
| Other goods | 449 | 575 | | (262) | 68 | 830 |
| Construction in progress and advance payments | 86,293 | 49,933 | | | (63,510) | 72,716 |
| Total | 933,009 | 237,516 | (6,639) | (68,990) | 13,868 | 1,108,764 |

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The additions during the period, amounting to 237,516 thousand euros, mainly relate the construction of new sites, extraordinary maintenance, the construction of DAS systems, the capitalization of labor costs (company labor), and the purchase of backhauling sections.

The gross carrying amounts and accumulated depreciation at December 31, 2023 are detailed as follows:

| (thousands of euros) | Gross Value as of 12.31.2022 | Accumulated impairment losses | Depreciation Provision | Net value as of 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 |

| (thousands of euros) | Gross Value as of 12.31.2023 | Accumulated impairment losses | Depreciation Provision | Net value as of 12.31.2023 |
|---|---|---|---|---|
| Land | 101,495 | | | 101,516 |
| Plant and equipment | 2,023,484 | (539) | (1,092,623) | 930,322 |
| Manufacturing and distribution equipment | 3,524 | | (123) | 3,401 |
| Other goods | 1,469 | | (639) | 830 |
| Construction in progress and advance payments | 72,717 | | | 72,717 |
| Total | 2,202,688 | (539) | (1,093,385) | 1,180,764 |

# NOTE 8 – **RIGHT-OF-USE ASSETS**

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

| (thousands of euros) | 12.31.2021 | Additions | Increase/ lease decreases | 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 | 143,991 | (173,386) | 2,688 | 1,017,263 |
| Rights of use on other assets | 488 | | 450 | (306) | (1) | 631 |
| Total | 1,077,771 | 37,143 | 144,441 | (176,670) | 9,290 | 1,091,975 |

| (thousands of euros) | 12.31.2022 | Additions | Increase/ lease decreases | Depreciation | Other changes | 12.31.2023 |
|---|---|---|---|---|---|---|
| Rights of use on civil and industrial buildings | 74,081 | 22,692 | (87) | (4,484) | 13,512 | 105,714 |
| Rights of use on plant and equipment | 1,017,263 | 7,258 | 196,076 | (179,986) | (52) | 1,040,559 |
| Rights of use on other assets | 631 | | 160 | (317) | | 474 |
| Total | 1,091,975 | 29,950 | 196,149 | (184,787) | 13,460 | 1,146,747 |

Additions in the period, amounting to 29,950 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 (company labor).

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

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

# NOTE 9 – HOLDINGS

They increased, compared to December 31, 2022, by 3,850 thousand euros and refer to::

| (thousands of euros) | 12.31.2022 | Increase | Other changes | 12.31.2023 |
|---|---|---|---|---|
| Subsidiary companies | | 3,850 | | 3,850 |
| Total | | 3,850 | | 3,850 |

During 2023, the main transactions involving subsidiaries were as follows:

- 36Towers S.r.l.: on April 1, 2023, INWIT S.p.A. acquired 100% of the shares of the company, which operates a total of 36 sites for mobile phone networks located mainly in Piedmont and Lombardy.

The movements that occurred in 2023 for each investment and the corresponding values at the beginning and end of the year are shown below. The list of investments in subsidiaries as of December 31, 2023 in accordance with Article 2427 of the Civil Code is provided in the Note "List of Investments in Subsidiaries, Associates and Joint Ventures."

| (thousands of euros) | Carrying amount at 12.31.2022 | Acquisitions | Other changes | Carrying amount at 12.31.2023 |
|---|---|---|---|---|
| 36Towers S.r.l. | | 3,850 | | 3,850 |
| Total | | 3,850 | | 3,850 |

# NOTE 10 – FINANCIAL RECEIVABLES (NON-CURRENT AND CURRENT)

Financial receivables (non-current and current) as at December 31, 2023 are composed as follows:

| (thousands of euros) | 12.31.2022 | Other changes during the period | 12.31.2023 |
|---|---|---|---|
| Financial receivables (medium/long-term): | | | |
| Loans to staff | 385 | (171) | 214 |
| Prepaid expenses from finance expenses | 525 | (199) | 326 |
| Total non-current financial receivables | 910 | (370) | 540 |
| Financial receivables (short-term): | | | |
| Loans to staff | 203 | 24 | 227 |
| Prepaid expenses from finance expenses | 54 | 84 | 138 |
| Total current financial receivables | 257 | 108 | 365 |
| Total financial receivables | 1,167 | (262) | 905 |

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

# NOTE 11 – 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) | | 12.31.2022 | of which IFRS 9 Financial Instruments | Other changes during the period | 12.31.2023 | of which Financial Instruments IFRS 9 |
|---|---|---|---|---|---|---|
| Miscellaneous receivables and other non-current assets | | | | | | |
| Other non-current assets | | 922 | | 1,361 | 2,283 | |
| Other non-current miscellaneous receivables | | 231,593 | | (51,893) | 179,700 | |
| Total Miscellaneous receivables and other non-current assets | (a) | 232,515 | | (50,532) | 181,983 | |
| Total trade receivables | (b) | 116,789 | 116,789 | (16,041) | 100,748 | 100,748 |
| Miscellaneous receivables and other current assets | | | | | | |
| Other current assets | | 2,718 | | 632 | 3,350 | |
| Non-current miscellaneous receivables - short-term share | | 1,928 | | 538 | 2,466 | |
| Miscellaneous operating receivables | | 7,833 | | 1,061 | 8,894 | |
| Miscellaneous non-operating receivables | | 64,842 | | | 64,842 | |
| Total miscellaneous receivables and other current assets | (c) | 77,321 | | 2,231 | 79,552 | |
| Total trade and miscellaneous receivables and other current assets | (b+c) | 194,110 | 116,789 | (13,810) | 180,300 | 100,748 |
| Total | (a+b+c) | 426,625 | 116,789 | (64,342) | 362,283 | 100,748 |

**Miscellaneous receivables and other non-current assets**, totaling 181,983 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 5 "Goodwill", as well as to the advance on the purchase of business branches of TIM S.p.A. and Vodafone Italia S.p.A. that will be effective in the first quarter of 2024 (Euro 12,950 thousand).

**Trade receivables**, totaling 100,748 thousand euros, mainly refer to hosting services and the recovery of costs for services provided.

**Miscellaneous receivables and other current assets**, totaling 79,552 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 5 "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 12 – CASH AND CASH EQUIVALENTS

At December 31, 2023, this item amounted to 94,843 thousand euros, and was composed as follows:

| (thousands of euros) | 12.31.2022 | Other changes during the period | 12.31.2023 |
|---|---|---|---|
| Cash at bank and post office deposits | 72,849 | 21,991 | 94,840 |
| Checks and cash on hand | 3 | | 3 |
| Total Cash and cash equivalents | 72,852 | 21,991 | 94,843 |

At December 31, 2023, 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.

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# NOTE 13 – EQUITY

At December 31, 2023, equity amounted to 4,336,221 thousand euros, broken down as follows:

| (thousands of euros) | 12.31.2022 | Changes in the period | 12.31.2023 |
|---|---|---|---|
| Share capital issued | 600,000 | | 600,000 |
| Minus treasury shares | (294) | (12,361) | (12,655) |
| Share capital | 599,706 | (12,361) | 587,345 |
| Share premium reserve | 2,092,744 | (39,539) | 2,053,205 |
| Other reserves and earnings (losses) carried forward, including the result for the period | 1,480,633 | (124,383) | 1,356,250 |
| Legal reserve | 120,000 | | 120,000 |
| Provision for instruments representing equity | 1,572 | (450) | 1,122 |
| Treasury share reserve in excess of nominal value | (2,518) | (123,861) | (126,379) |
| Locked-up Reserve under Law 178/2020 | 1,361,880 | | 1,361,880 |
| Other reserves | (301) | (72) | (373) |
| Retained earnings (losses) including earnings (losses) for the period | 293,362 | 46,059 | 339,421 |
| Total | 4,466,445 | (130,224) | 4,336,221 |

The change related to Treasury Shares and the Reserve for Treasury Shares in excess of par value refers to the repurchase of treasury shares following the resolution of the Shareholders' Meeting on April 18, 2023. The repurchase will be for the sole purpose of canceling the shares in question, with the main objective of providing non-selling shareholders with an indirect return on their investment in INWIT, additional to the dividend policy.
Movements of share capital during the period from January 1 to December 31, 2023, are shown in the following table:

Reconciliation between the number of shares in circulation at December 31, 2022, and the number of shares in circulation at December 31, 2023.

| (number of shares) | 12.31.2022 | Other changes | 12.31.2023 | % of Capital |
|---|---|---|---|---|
| Ordinary shares issued | 960,200,000 | | 960,200,000 | |
| Minus: Treasury shares | (293,873) | (12,361,347) | (12,655,220) | |
| Total Ordinary shares issued | 960,200,000 | | 960,200,000 | 100.0 |
| Total shares in circulation | 959,906,127 | (12,361,347) | 947,544,780 | |

Reconciliation between the value of shares in circulation at December 31, 2022, and the value of shares in circulation at December 31, 2023.

| (thousands of euros) | Share capital at 12.31.2022 | Change in share capital | Share capital at 12.31.2023 |
|---|---|---|---|
| Ordinary shares issued | 600,000 | | 600,000 |
| Minus: Treasury shares | (294) | (12,361) | (12,655) |
| Ordinary shares outstanding | 599,706 | (12,361) | 587,345 |
| Total Share capital issued | 600,000 | | 600,000 |
| Total Share capital in circulation | 599,706 | (12,361) | 587,345 |

## BENEFIT PLANS IN THE FORM OF EMPLOYEE STOCK OPTIONS

The Provision for instruments representing equity of 1,122 thousand euros refers to:

- the LTI plans (1,105 thousand euros) in existence at December 31, 2023, used for retention and long-term incentive purposes for managers;
- the general stock option plan (17 thousand euros) in existence and subscribed to by INWIT employees.

# NOTE 14 – **EMPLOYEE BENEFITS**

The item has the following breakdown and movements:

| (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 |

| (thousands of euros) | 12.31.2022 | Increase/ Present value | Decrease | Other changes | 12.31.2023 |
|---|---|---|---|---|---|
| Provision for employee severance indemnities | 2,302 | 180 | (132) | | 2,350 |
| Total | 2,302 | 180 | (132) | | 2,350 |

The increase of 180 thousand euros in the column "Increases/Present value" is broken down as follows:

| (thousands of euros) | 12.31.2023 | 12.31.2022 |
|---|---|---|
| Financial expenses | 92 | 52 |
| Net actuarial (gains) losses for the period | 88 | (581) |
| Total | 180 | (529) |

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 | 2.00% per year |
| Time-discount rate | 3.08% per year |
| Annual rate of increase in the Provision for employee severance indemnities | 3.00% 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: | |
| sup 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 2,350 thousand euros at December 31, 2023.

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) |
|---|---|
| Tasso di turnover: | |
| + 0.25 p.p. | 2,350 |
| - 0.25 p.p | 2,350 |
| Annual inflation rate: | |
| + 0.25 p.p | 2,386 |
| - 0.25 p.p. | 2,315 |
| Annual time-discounting rate: | |
| + 0.25 p.p | 2,303 |
| - 0.25 p.p | 2,398 |

# NOTE 15 – PROVISIONS FOR RISKS AND CHARGES

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

| (thousands of euros) | 12.31.2021 | Increase | Decrease | Other changes | 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* |

| (thousands of euros) | 12.31.2022 | Increase | Decrease | Other changes | 12.31.2023 |
|---|---|---|---|---|---|
| Provision for restoration costs | 225,091 | 12,843 | (1,155) | (2,474) | 234,305 |
| Deferred tax liabilities | 203,517 | | (38,172) | | 165,345 |
| Provision for legal disputes and other risks | 1,679 | 1,837 | (523) | | 2,993 |
| Total | 430,287 | 14,680 | (39,850) | (2,474) | 402,643 |
| Of which: | | | | | |
| Non-current amount | *429,837* | | | | *402,193* |
| 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 (4,950 thousand euros) and the building of new sites (7,894 thousand euros). The decrease in provision for restoration costs relates to the coverage of costs incurred in the period (1,155 thousand euros) and the adjustment of the provision based on expected inflation and discount rates (2,474 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 1,314 thousand euros, as the balance between the new allocations and uses from the provision for legal disputes and other risks.

# NOTE 16 – FINANCIAL LIABILITIES (NON-CURRENT AND CURRENT)

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

| (thousands of euros) | | 12.31.2022 | Changes in the period | 12.31.2023 |
|---|---|---|---|---|
| Financial payables (medium/long-term): | | | | |
| Amounts due to banks | | 833,916 | (38,575) | 795,341 |
| Corporate Bonds | | 2,236,089 | 2,418 | 2,238,507 |
| Leasing liabilities | | 809,678 | 9,592 | 819,270 |
| Total non-current financial liabilities | (a) | 3,879,683 | (26,565) | 3,853,118 |
| Financial payables (short-term): | | | | |
| Amounts due to banks | | 103,641 | 166,080 | 269,721 |
| Corporate Bonds | | 17,658 | (49) | 17,609 |
| Leasing liabilities | | 151,734 | 8,529 | 160,263 |
| Total current financial liabilities | (b) | 273,033 | 174,560 | 447,593 |
| Total Financial liabilities (Gross financial debt) | (a+b) | 4,152,716 | 147,995 | 4,300,711 |
| *Gross financial debt excluding IFRS16* | | *3,191,304* | | *3,321,178* |

Financial payables (medium/long-term):

- **Amounts due to banks** mainly refer to the loans net of related accruals and deferrals, related to the
  - ESG KPI-linked term loan for a nominal amount of 500,000 thousand euros with bullet repayment;
  - a loan from the EIB with a total nominal value of 298,000 thousand euros with amortizing repayment beginning in February 2026;

- **Corporate Bonds** refer to the following, net of related accruals and deferrals:
  - po 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 loan agreement, net of related accruals, use of uncommitted bank lines for euro 130,000 thousand and use of the Revolving Credit Facility for euro 125,000 thousand;
- **Corporate Bonds** refer to the accrued portions of the coupons of the Bonds;
- **Finance lease liabilities** and refer to leases.

The average discount rate used to determine financial liabilities per lease is about 2.6 percent.

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 | | 270 | 571 | 224 | 1,065 |
| Corporate Bonds | | 18 | 1,751 | 488 | 2,257 |
| Total loans and other financial liabilities | (a) | 288 | 2,322 | 712 | 3,322 |
| Leasing liabilities | | 192 | 590 | 410 | 1,192 |
| Total finance lease liabilities | (b) | 192 | 589 | 407 | 1,188 |
| Total Financial liabilities | (a+b) | 480 | 2,911 | 1,119 | 4,510 |

## COVENANTS, NEGATIVE PLEDGES AND OTHER CONTRACT CLAUSES IN EFFECT AT DECEMBER 31, 2023

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, 2023, no covenant, negative pledge clause or other clause relating to the above-described debt position had been breached or violated.

# NOTE 17 – **NET FINANCIAL DEBT**

The table below shows the Company's net financial debt at December 31, 2023, 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) | 12.31.2023 (*) | 12.31.2022 |
|---|---|---|
| A Cash | | |
| B Cash and cash equivalents (**) | 94,843 | 72,852 |
| C Current financial receivables | 365 | 257 |
| D Liquidity (A + B + C) | 95,208 | 73,109 |
| E Current financial payables | | |
| F Current portion of financial payables (medium/long-term) | 447,593 | 273,033 |
| G Current financial debt (E+F) | 447,593 | 273,033 |
| H Net current financial debt (G-D) | 352,385 | 199,924 |
| I Financial payables (medium/long-term) | 1,614,611 | 1,643,594 |
| J Bonds issued | 2,238,507 | 2,236,089 |
| K Trade payables and other non-current payables | | |
| L Non-current financial debt (I+J+K) | 3,853,118 | 3,879,683 |
| M Net Financial Debt as per ESMA recommendations (H+L) | 4,205,503 | 4,079,607 |
| Other financial receivables and non-current financial assets | (540) | (910) |
| INWIT Net Financial Debt | 4,204,963 | 4,078,697 |

(*) 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".

(**) Cash and cash equivalents include an amount of approximately euros 51 million related to an advance received in December 2023 against contributions on projects related to the Call for Projects of the "Italia 5G" Plan for the implementation of new network infrastructures suitable to provide radiomobile services with speeds of transmission rates of at least 150 Mbit/s in downlink and 30 Mbit/s in uplink financed with PNRR funds in part retroceded in January to project partners (euros 17 million) and for the remainder relating to investments already incurred or to be incurred by Inwit under the aforementioned call.

# NOTE 18 – **TRADE AND MISCELLANEOUS PAYABLES AND OTHER (NON-CURRENT AND CURRENT) LIABILITIES**

The item was composed as follows at December 31, 2023:

| (thousands of euros) | | 12.31.2022 | of which IFRS 9 Financial Instruments | Other changes during the period | 12.31.2023 | of which IFRS 9 Financial Instruments |
|---|---|---|---|---|---|---|
| Miscellaneous payables and other non-current liabilities | | | | | | |
| Other non-current liabilities | | 15,706 | | 34,852 | 50,558 | |
| Miscellaneous non-current operating payables | | (2) | | | (2) | |
| Total miscellaneous payables and other non-current liabilities | (a) | 15,704 | | 34,852 | 50,556 | |
| Total trade payables | (b) | 144,103 | 144,103 | 41,081 | 185,184 | 185,184 |
| Miscellaneous payables and other current liabilities | | | | | | |
| Other current liabilities | | 8,441 | | 792 | 9,233 | |
| Miscellaneous current operating payables | | 23,060 | | 19,810 | 42,870 | |
| Miscellaneous current non-operating payables | | 17,461 | | (17,412) | 49 | |
| Total miscellaneous payables and other current liabilities | (c) | 48,962 | | 3,190 | 52,152 | |
| Total trade and miscellaneous payables and other current liabilities | (b+c) | 193,065 | 144,103 | 44,271 | 237,336 | 185,184 |
| Total income tax payables | (d) | 1,364 | | 15,959 | 17,323 | |
| Total | (a+b+c+d) | 210,133 | 144,103 | 95,082 | 305,215 | 185,184 |

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**Miscellaneous payables and other non-current liabilities**, amounting to euro 50,556 thousand, mainly refer to prepaid expenses on contracts with customers and the financial advance of public grants related to the "Italia 5G densification" Plan (euro 33,189 thousand).

**Trade payables**, totaling 185,184 thousand euros, refer mainly to the supply of electrical power and rents due.

**Miscellaneous payables and other current liabilities**, totaling 52,152 thousand euros, mainly refer to prepaid contracts with customers, tax payables, payables to personnel payables to shareholders, and the advance of public grants related to the "Italia 5G densification" Plan (Euro 17,632 thousand).

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

# NOTE 19 – **REVENUES**

Revenues amounted to 959,835 thousand euros, broken down as follows:

| (thousands of euros) | Financial Year 2023 | Financial Year 2022 |
|---|---|---|
| Revenues | | |
| Revenues from TIM | 407,782 | 365,683 |
| Revenues from Vodafone Italia | 423,080 | 365,374 |
| Revenues to 36Towers | 11 | |
| Revenues from third parties | 128,962 | 121,934 |
| Total | 959,835 | 852,991 |

**Revenues from TIM** mainly refer to the Master Service Agreement.

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

**Revenues to 36Towers** refer to the service contract fee.

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 20 – **ACQUISITION OF GOODS AND SERVICES**

The item amounted to 45,023 thousand euros, broken down as follows:

| (thousands of euros) | | Financial Year 2023 | Financial Year 2022 |
|---|---|---|---|
| Purchases of materials and goods for resale | (a) | 762 | 816 |
| Costs for services | | | |
| Maintenance | | 16,160 | 14,949 |
| Professional services | | 6,018 | 4,750 |
| Other service expenses | | 17,660 | 20,577 |
| | (b) | 39,838 | 40,276 |
| Lease and rental costs | | | |
| Lease and rental costs | | 4,380 | 2,517 |
| Other lease and rental costs | | 43 | (86) |
| | (c) | 4,423 | 2,431 |
| Total | (a+b+c) | 45,023 | 43,523 |

The change in the item "Costs for services and miscellaneous services" reflects the increase in maintenance expenses, professional services expenses, and lease and rental costs, and the decrease in other costs for services.

# NOTE 21 – **EMPLOYEE COSTS**

Revenues amounted to 18,600 thousand euros, broken down as follows:

| (thousands of euros) | | Financial Year 2023 | Financial Year 2022 |
|---|---|---|---|
| Ordinary personnel expenses | | | |
| Salaries | | 10,047 | 9,951 |
| Social security charges | | 7,128 | 6,268 |
| Other employee costs | | 1,145 | 1,125 |
| | (a) | 18,320 | 17,344 |
| Miscellaneous employee costs and sundry labor services | | | |
| Fees paid to external personnel | | 199 | 108 |
| Costs for assigning stock option | | 27 | 243 |
| Other expenses | | 54 | 36 |
| | (b) | 280 | 387 |
| Total ordinary expenses | (a+b) | 18,600 | 17,731 |
| Restructuring and rationalization expenses | | | |
| Expenses for incentivized redundancies | | | 3,656 |
| | (c) | | 3,656 |
| Total | (a+b+c) | 18,600 | 21,387 |

The average number of employees during the period was 280.1. They can be subdivided into their respective categories, as follows:

| (numbers) | 2023 | 2022 |
|---|---|---|
| Executives | 22.9 | 18.7 |
| Middle Managers | 62.5 | 49.1 |
| Administrative staff | 194.7 | 183.8 |
| Total | 280.1 | 251.5 |

There were 296 employees at December 31, 2023. They can be subdivided into their respective categories, as follows:

| (numbers) | 2023 | 2022 |
|---|---|---|
| Executives | 25 | 19 |
| Middle Managers | 73 | 50 |
| Administrative staff | 198 | 187 |
| Total | 296 | 256 |

# NOTE 22 – **OTHER OPERATING EXPENSES**

Other Operating Expenses amounted to 17,372 thousand euros, broken down as follows:

| (thousands of euros) | Financial Year 2023 | Financial Year 2022 |
|---|---|---|
| Other operating expenses | | |
| Expenses related to credit management | 4,646 | |
| Provision for risks and charges | 1,837 | 407 |
| Costs and provisions for indirect duties and taxes | 6,392 | 5,464 |
| Membership fees, donations, study grants and work experience contributions | 308 | 248 |
| Altri Oneri | 4,189 | 2,774 |
| Total | 17,372 | 8,893 |

The item "Charges related to receivables management" includes the recognition of a loss on receivables based on a commercial settlement agreement with a customer (euro 4,646 thousand).

"Allocations to provisions for risks and charges" increased due to the higher allocation to the provision for litigation compared to the previous period (euro 1,837 thousand).

"Charges and provisions for indirect taxes and fees" increased mainly due to the recognition of higher registration taxes than in the previous period (euro 2,253 thousand).

“Other expenses” increased primarily due to the recognition of penalties for breach of contract with TIM (1,450 thousand euros) and Vodafone Italia (2,374 thousand euros).

# NOTE 23 – 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 370,402 thousand euros, and are composed as follows:

| (thousands of euros) | | Financial Year 2023 | Financial Year 2022 |
|---|---|---|---|
| Amortization of intangible assets with a finite useful life | (a) | 111,593 | 108,429 |
| Depreciation of owned tangible assets | (b) | 68,990 | 72,591 |
| Depreciation of right-of-use assets | (c) | 184,787 | 176,670 |
| (Gains)/losses on disposals and impairment losses on non-current assets | (d) | 5,032 | 6,026 |
| Total | (a+b+c+d) | 370,402 | 363,716 |

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

(Gains)/losses on disposals and impairment losses on non-current assets includes losses on disposal of right-of-use assets (1,443 thousand euros) and losses on the disposal of property and equipment (3,589 thousand euros).

# NOTE 24 – FINANCE INCOME AND EXPENSES

## FINANCIAL INCOME

Financial income is 454 thousand euros and refers mainly to interest income on bank deposits.

## FINANCIAL EXPENSES

Financial expenses amount to 113,349 thousand euros, broken down as follows:

| (thousands of euros) | Financial Year 2023 | Financial Year 2022 |
|---|---|---|
| Interest expenses and other financial expenses | | |
| Interest to banks | 36,326 | 10,638 |
| Finance expenses for corporate bonds | 42,057 | 42,013 |
| Interest expense for finance leases | 27,178 | 23,788 |
| Bank fees | 3,090 | 3,103 |
| Other financial expenses | 4,698 | 1,681 |
| Total | 113,349 | 81,223 |

**Interest to banks** refers to the interest paid during the period under the loan agreements described in Note 16 - 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 25 – **INCOME TAXES**

## DEFERRED TAX ASSETS AND DEFERRED TAX PROVISION

Deferred tax liabilities, net of deferred tax assets, recognized in the financial statements amounted to 165,345 thousand euros and mainly refer to temporary tax differences to be taxed in future years.

## INCOME TAXES

Income taxes amount to 56,224 thousand euros and are composed as follows.

| (thousands of euros) | Financial Year 2023 | Financial Year 2022 |
|---|---|---|
| Regional Business Tax (IRAP) for the period | 9,373 | 5,320 |
| Corporate Income Tax (IRES) for the period | 20,313 | 7,046 |
| Total current taxes | 29,686 | 12,366 |
| Deferred taxes for the period | (38,424) | (35,307) |
| Imposta sostitutiva - quota esercizio | 64,842 | 64,842 |
| Substitute tax - amount for the year | 120 | (992) |
| Total income taxes | 56,224 | 40,910 |

The tax realignment of items recognized for tax purposes as goodwill described in Note 5 "Goodwill," allowed for a total tax deduction of amortization of 428,080 thousand euros, including:

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

In addition, the accrued portion (euro 64,842 thousand) of the substitute tax paid to realign such goodwill for tax purposes was charged.

Deferred tax liabilities, net of deferred tax assets (38,424 thousand euros), were also recognized in the income statement during the year. The lion’s share relates to the release of deferred liabilities in relation to the non-deductible portion of amortization and depreciation of the assets revalued upon the merger with Vodafone Towers (124,500 thousand euros).

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

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

| (thousands of euros) | Financial Year 2023 | Financial Year 2022 |
|---|---|---|
| Profit (loss) before tax | 395,543 | 334,249 |
| Theoretical income taxes | 94,930 | 80,220 |
| Tax effect of increases (reductions): | (106,012) | (104,140) |
| Tax effect of non-deductible costs | 31,395 | 30,967 |
| Substitute tax - amount for the year | 64,842 | 64,842 |
| Actual taxes recorded in the income statement, excluding Regional Business Tax (IRAP) | 85,155 | 71,888 |
| Current IRAP tax | 9,373 | 5,320 |
| Total actual taxes recorded in the income statement | 94,528 | 77,208 |

In order to better understand the reconciliation in question, the impact of Regional Business Tax 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.

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# NOTE 26 – **EARNINGS PER SHARE**

The following table shows the calculation of earnings per share

| | | Financial Year 2023 | Financial Year 2022 |
|---|---|---|---|
| Basic and diluted earnings per share | | | |
| Profit for the period | (euros) | 339,319,138 | 293,339,500 |
| Average number of ordinary shares | | 956,019,333 | 959,914,631 |
| Basic and diluted earnings per share | (euros) | 0.355 | 0.306 |

# NOTE 27 – **CONTINGENT LIABILITIES, COMMITMENTS AND GUARANTEES**

## MAIN DISPUTES AND PENDING LEGAL ACTIONS

The Company, as of December 31, 2023, is involved in approximately 581 (five hundred and eighty-one) litigations, 36 (thirty-six) of which have been associated with a "probable" risk of losing the case based on the opinions of the outside attorneys supporting the company in its defense.

In view of 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 2,543 thousand euros has been allocated to the risk provision.

In particular, with reference to a summons previously served on the INWIT Company for, inter alia, alleged breaches of contract, at the time of preparation of these Financial Statements, the judgment is still pending in the introductory stage. The INWIT Company will continue to monitor developments in the matter for any consequent determinatio.

## 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 28 – **RELATED PARTIES**

Related party transactions concluded in 2023 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 2023, 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, 2022 and December 31, 2023 are shown below:

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 and other current assets | 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% |

ITEMS OF THE STATEMENT OF FINANCIAL POSITION AT 12.31.2023

| (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 | (3,853,118) | (68,103) | (59,327) | | | (127,430) | 3.3% |
| Current financial liabilities | (447,593) | (19,801) | (2,938) | | | (22,739) | 5.1% |
| **Total net financial debt** | (4,204,963) | (87,904) | (62,265) | | | (150,169) | 3.6% |
| **OTHER STATEMENT OF FINANCIAL POSITION LINE ITEMS** | | | | | | | |
| Miscellaneous receivables and other non-current assets | 181,983 | 2,500 | 10,450 | | | 12,950 | 7.1% |
| Trade and miscellaneous receivables and other current assets | 180,300 | 28,153 | 16,256 | | 209 | 44,618 | 24.7% |
| Miscellaneous payables and other non-current liabilities | (50,556) | (7,661) | (9,565) | | | (17,226) | 34.1% |
| Trade and miscellaneous payables and other current liabilities | (237,336) | (39,384) | (53,803) | (1,560) | | (96,747) | 40.8% |

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.

Miscellaneous receivables and other non-current assets from TIM and Vodafone Italia relate to advances paid for the purchase of business units, which will become effective in the first quarter of 2024.

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.

Trade receivables, miscellaneous and other current assets from Other related parties are mainly related to cost recovery from 36Towers S.r.l.

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, 2023, and for the corresponding period of the previous financial year, are the following:

ITEMS OF THE INCOME STATEMENT AS OF 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% |

ITEMS OF THE INCOME STATEMENT AS OF 12.31.2023

| (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 | 959,835 | 407,782 | 423,080 | | 11 | 830,873 | 86.6% |
| Acquisition of goods and services | (45,023) | (3,555) | (607) | | | (4,162) | 9.2% |
| Employee benefits expenses | (18,600) | (54) | | (2,261) | | (2,315) | 12.4% |
| Other operating expenses | (17,372) | (1,450) | (2,374) | | | (3,824) | 22.0% |
| Financial expenses | (113,349) | (2,202) | (2,453) | | | (4,655) | 4.1% |

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.

Revenues from Other related parties refer to the service contract with 36Towers S.r.l.

Purchases of materials and services from TIM 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, 2023, and for the corresponding period of the previous financial year, are the following:

ITEMS OF THE CASH FLOW STATEMENT AS OF 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% |

ITEMS OF THE CASH FLOW STATEMENT AS OF 12.31.2023

| (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 | 16,041 | 2,261 | (5,065) | | | (2,804) | -17.5% |
| Change in trade payables | 37,546 | 21,774 | 29,559 | | | 51,333 | 136.7% |
| Net change in miscellaneous receivables/payables and other assets/liabilities | 85,594 | (2,571) | 9,236 | (263) | (209) | 6,193 | 7.2% |
| Change in current and non-current financial liabilities | (46,634) | (15,538) | 54,234 | | | 38,696 | -83.0% |

The table shows a significant increase in trade payables due from TIM (24,274 thousand euros) and Vodafone Italia (33,654 thousand euros).

## REMUNERATION OF KEY MANAGERS

The remuneration recorded on an accrual basis in respect of key managers amounted to 2,261 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 2023 MBO will be paid during the second quarter of 2024).

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 | |
|---|---|
| Managers: | |
| Diego Galli | General Manager |
| Gabriele Abbagnara | Head of Marketing & Sales - Key manager until 03/05/2023 |
| Andrea Mondo | Technology & Operations Director |
| Lucio Golinelli | Sales Director - key manager from 03/06/2023 |
| Emilia Trudu | Administration Finance and Control Director - Key manager from 03/06/2023 |

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# NOTE 29 – 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 2023, no significant non-recurring events or transactions occurred.

# NOTE 30 – 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 31 – EVENTS AFTER DECEMBER 31, 2023

On January 8, 2024, INWIT formalized the option to extend the maturity term of the sustainability-linked Term Loan of 500 million euros from April 2025 to April 2027.

# NOTE 32 – 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, the table below shows the disbursements collected during the year:

| Disbursing agency | Area of focus | Received in 2023 (thousands of euros) | Received in 2022 (thousands of euros) |
|---|---|---|---|
| Infratel | "Italy 5G densification" plan | 103,715 | |
| Total | | 103,715 | |

On December 28, 2023, Inwit received the financial advance of public contributions related to the "Italy 5G densification" Plan, as the lead agent of the Temporary Grouping of Companies formed with TIM and Vodafone, for a total amount of 103,715 thousand euros, including:

- Euro 52,895 thousand was transferred to Telecom Italia S.p.A. in 2023;
- Euro 17,632 thousand will be transferred to Vodafone Italia S.p.A. in 2024.

## DIRECTORS AND STATUTORY AUDITORS' FEES

The fees payable to the Company's Statutory Auditors and Directors for 2023, for the performance of their corresponding duties, amount to 185 thousand euros and 750 thousand euros, respectively.

# NOTE 33 – LIST OF INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

| (thousands of euros) | Headquarters | Capital* | Equity* | Profit/(loss)* | Ownership (%) | Share of Equity (A) | Carrying Amount (B) | Difference (B-A) |
|---|---|---|---|---|---|---|---|---|
| Equity investments in subsidiaries: | | | | | | | | |
| 36Towers S.r.l. | Milano | 10 | 255 | 203 | 100.00% | 255 | 3,850 | 3,595 |

(*) Figures as of December 31, 2023 from draft financial statement approved by the Sole Administrator on February 27, 2024.

# CERTIFICATION OF THE FINANCIAL STATEMENT AT DECEMBER 31, 2023 PURSUANT TO ARTICLE 81-TER OF THE CONSOB REGULATION 11971 DATED MAY 14, 1999, WITH AMENDMENTS AND ADDITIONS

INWIT

## CERTIFICATION OF THE FINANCIAL STATEMENT AT DECEMBER 31, 2023 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, 2023.

2. The administrative and accounting procedures adopted in preparation of the financial statements at December 31, 2023 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, 2023
   - 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 7, 2024

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

**Infrastrutture Wireless Italiane S.p.A.**

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Codice Fiscale, Partita IVA e iscrizione al Registro
delle Imprese di Milano 08936640963



# INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS AS AT 12.31.2023

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## *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 2023, 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 2023, 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.

*PricewaterhouseCoopers SpA*

Sede legale: **Milano** 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 i.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 071 2132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035 229691 - **Bologna** 40124 Via Luigi Carlo Farini 12 Tel. 051 6186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Catania** 95129 Corso Italia 302 Tel. 095 7532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06 570251 - **Torino** 10122 Corso Palestro 10 Tel. 011 556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461 237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422 696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 - **Udine** 33100 Via Poscolle 43 Tel. 0432 25789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332 285039 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444 393311

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| Key Audit Matter | How our audit addressed the key audit matter |
|---|---|
| ***Recoverability of goodwill*** | |
| *Note 5 "Goodwill" of the separate financial statements* | We have performed an understanding and evaluation of the internal control system over the impairment test of goodwill. |
| As of 31 December 2023 goodwill amounts to € 6,150 million, representing 66% of total assets and 142% of net equity. | We have performed the following audit procedures:<br>• assessment of the adequacy of the impairment testing process in accordance with the requirements of the accounting standard;<br>• assessment of the key assumptions used when determining the fair value, based on quoted market price;<br>• assessment of the accuracy of the carrying amount of assets and liabilities attributable to the group of CGU to which the goodwill is allocated;<br>• testing the mathematical accuracy of the calculation model used. |
| 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 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. | We have assessed the accuracy and completeness of the disclosure presented in the notes to the financial statements. |
| The recoverability of goodwill represented a key audit matter considering the magnitude of its carrying amount, the contribution to total assets and net equity. | |





| Key Audit Matter | How our audit addressed the key audit matter |
|---|---|
| **Accounting for lease agreements in accordance with IFRS16 - Leases** | |
| *Note 8 "Right of use on third-party assets" and note 16 "Financial liabilities" of the separate financial statements* | 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. |
| 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. | We have performed an understanding and evaluation of the assumptions used by management in the accounting for lease agreements, in accordance with IFRS16. |
| 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. | 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. |
| As of 31 December 2023, the total amount of right-of-use assets and the associated financial liability recognized in accordance with IFRS16 is € 1,147 million and € 978 million, respectively. Annual depreciation and interest expenses amount to € 185 million and € 27 million, respectively. | 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. |
| 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 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 19 "Revenues" of the separate financial statements*<br><br>Annual revenues for 2023 amount to € 961 million, of which 87% or € 831 million generated from TIM SpA and Vodafone Italia SpA.<br><br>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 2023.<br><br>The Master Service Agreements are complex agreements, containing several performance obligations, such as the use of tower space, power supply, air conditioning, backup systems, monitoring, security, asset management and maintenance services, guarantees and other minor services.<br><br>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.<br><br>We have verified the revenue recognition for the different performance obligations.<br><br>We performed substantive testing, also based on the verification of accounting records and contractual terms with the relevant supporting documentation, on the amounts due from TIM SpA and Vodafone Italia SpA.<br><br>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 2023, 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 2023 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 2023 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

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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.

Milan, 21 March 2024

PricewaterhouseCoopers SpA

*Signed by*

Fabio Chierico
(Partner)

*The accompanying financial statements of Infrastrutture Wireless Italiane SpA constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. 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.*







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

Dear Shareholders,

The company Infrastrutture Wireless Italiane S.p.A. ("INWIT" or the "Company") operates in Italy in the electronic communications infrastructure sector; builds and operates technological facilities and civil structures (such as towers, masts, and poles) that house radio transmission equipment, mainly serving telecommunications operators.

INWIT began operations as of April 1, 2015, the effective date 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 resulting growth in both size and strategy, INWIT has the distinction of currently being the largest operator in the wireless infrastructure sector in Italy. INWIT's infrastructure consists of an integrated ecosystem of macro-grids, with more than 24 thousand towers widely distributed throughout the country, and micro-grids, with nearly 8 thousand remote units, on which the transmission equipment of all major operators is hosted.

During the year ended December 31, 2023, the Board of Statutory Auditors of INWIT (hereinafter, also "Control Body" or "Board") carried out the supervisory activities required by law, also taking into account the Principles set forth in the Rules of Conduct for the Board of Statutory Auditors of Listed Companies, recommended by the National Council of Accountants and Accounting Experts, and Consob communications on corporate controls and the activities of the Board of Statutory Auditors.

The Board of Statutory Auditors therefore reports that during the year ended December 31, 2023, it systematically acquired information for the performance of its functions both through participation in the Shareholders' Meeting and in the meetings of the Board of Directors, the Audit and Risk Committee, the Related Parties Committee, the Nomination and Remuneration Committee, and the Sustainability Committee, and through hearings with managers and representatives of corporate structures, analysis of documentation, and verification activities.

The General Manager reported at least quarterly on the activities carried out, the most important economic, financial and asset operations, operations with potential conflicts of interest, as well as any atypical or unusual operations and any other activities or operations that it was deemed appropriate to bring to their attention.

***********

1. In carrying out its supervisory and control activities, the Board of Statutory Auditors acknowledges that it has verified that the transactions of major economic and financial significance resolved and implemented are in accordance with the law and the Articles of Association and are not manifestly imprudent, risky, in potential conflict of interest, in conflict with the resolutions passed by the Shareholders' Meeting, or such as to compromise the integrity of the company's assets.
It is also acknowledged that we have not found any atypical and/or unusual transactions with the subsidiary, with third parties or with related parties, nor have we received any indications in this regard from the Board of Directors, the Auditing Firm as well as the General Manager, who is in charge of maintaining the internal control and risk management system.
The Board also monitored the path, launched in recent years by the Company, of integrating sustainability into corporate strategies with the aim of generating value in a long-term perspective and contributing to the growth, improvement and social and economic development of the communities in which the Company operates as well as the actors that make up its value chain.

2. With reference to transactions with potential conflicts of interest, the Directors, in commenting on individual items in the annual financial statements, indicate and illustrate the main transactions with related parties; reference is therefore made to those sections, including the description of the characteristics of the transactions and their economic effects.
Regarding related party transactions, the Board of Statutory Auditors reports that, in compliance with the Consob regulatory requirements contained in Resolution no. 17221 of March 12, 2010 (as amended and supplemented), the Company adopted a special procedure as of May 18, 2015 (subject to several updates over time).
The Procedure is briefly explained in the "Report on Corporate Governance and Ownership Structure 2023 of Infrastrutture Wireless Italiane S.p.A." to which, therefore, reference is made. It should also be noted that this procedure was last updated on May 13, 2021, in order to incorporate the amendments to the relevant Consob Regulations adopted by Consob Resolution no. 21624 of December 10, 2020 (the procedure is published on the company website www.inwit.it, Governance section).
The Board of Statutory Auditors has supervised the conformity of the procedures adopted with the principles indicated by Consob and their effective compliance and, with reference to related party transactions of an ordinary nature, has no remarks to make about their appropriateness and their compliance with the Company's interest.

3. The Board believes that the information made by the Directors in the Notes to the Financial Statements of Infrastrutture Wireless Italiane S.p.A. regarding related party transactions is adequate.

4. The auditing firm PricewaterhouseCoopers S.p.A. (hereinafter also only "Auditing Firm") issued on March 21, 2024 the Report pursuant to Article 14 of Legislative Decree no. 39 of January 27, 2010 and in accordance with the provisions of Article 10 of EU Regulation no. 537/2014, certifying that the financial statements for the year ended December 31, 2023 give a true and fair view of the financial position of the Company as of December 31, 2023, and of the results of its operations and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the measures issued in implementation of Article 9 of Legislative Decree 38/2005. The Report outlines-as required by the regulations-key aspects of the audit, as follows: the recoverability of goodwill, the accounting of leases payable in accordance with International Financial Reporting Standard IFRS 16 - Leases, and revenues from Master Service Agreements with TIM S.p.A. and Vodafone Italia S.p.A. The aforementioned Report does not contain any calls for disclosure. The Auditing Firm also believes that the Report on Operations and some specific information in the Report on Corporate Governance and Ownership Structure, indicated in Article 123-bis, paragraph 4, of the TUF, are consistent with the Company's financial statements as of December 31, 2023, and prepared in accordance with the law.
The Auditing Firm has also performed the audit procedures set forth in Auditing Standard SA (Italy) 700B and expressed an opinion on whether the financial statements comply with the provisions of European Commission Delegated Regulation (EU) 2019/815 on regulatory technical standards relating to the specification of the European Single Electronic Format (ESEF).
Also on March 21, 2024, the Auditing Firm also issued their Report in accordance with Article 14 of Legislative Decree no. 39 of January 27, 2010, and in accordance with the provisions of Article 10 of EU Regulation no. 537/2014 on Consolidated Financial Statements, in which they certify that the consolidated financial statements for the year ended December 31, 2023, give a true and fair view of the Group's financial position as of December 31, 2023, results of operations and cash flows for the year

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then ended, in accordance with International Financial Reporting Standards as adopted by the European Union, as well as the measures issued in implementation of Article 9 of Legislative Decree no. 38/2005.
The Report sets out-as required by the regulations-key aspects of the audit, which, including at the consolidated financial statements level, are identified as follows: the recoverability of goodwill, the accounting of leases payable in accordance with International Financial Reporting Standard IFRS 16 - Leases, and revenues from Master Service Agreements with TIM S.p.A. and Vodafone Italia S.p.A. The aforementioned Report does not contain any calls for disclosure.
The Auditing Firm also believes that the Report on Operations and some specific information in the Report on Corporate Governance and Ownership Structure, indicated in Article 123-bis, paragraph 4, of the TUF, are consistent with the Group's consolidated financial statements as of December 31, 2023, and prepared in accordance with the law.
The Auditing Firm has also performed the audit procedures set forth in Auditing Standard SA (Italy) 700B and expressed an opinion on whether the Group's consolidated financial statements comply with the provisions of European Commission Delegated Regulation (EU) 2019/815 on regulatory technical standards relating to the specification of the European Single Electronic Format (ESEF).

5. During the year 2023, and up to the date of preparation of this Report, the Board has not received any complaints pursuant to Article 2408 of the Italian Civil Code.

6. During the year 2023, and up to the date of preparation of this Report, the Board of Statutory Auditors has not received any exposures.

7. With reference to fiscal year 2023, the Company has appointed PricewaterhouseCoopers S.p.A. - in addition to the institutional auditing assignments on the annual, consolidated and separate financial statements and the half-yearly report - the assignments of: (1) conducting agreed verification procedures related to the MISE notice, personnel cost and energy credit, totaling 108,000 euros (net of VAT and out-of-pocket expenses incurred in the performance of the assignment), (2) issuance of a "comfort letter" related to the renewal of the Euro Medium Term Note ("EMTN") bond program for a total consideration of 50,000 euros (net of VAT and out-of-pocket expenses incurred in the performance of the assignment).

In addition, the Auditing Firm has requested an adjustment of its fees inherent in the audit engagement for the fiscal years 2015 - 2023, with reference to the fees for the audit of the 2023 financial statements, in view of the fact that - following the acquisition of the 100% stake in the company 36 Towers S.r.l - it became necessary for the Company to prepare the consolidated financial statements for 2023 and, consequently, to extend the audit engagement, for 2023, to the said consolidated financial statements. Following this request, the Board of Statutory Auditors carried out a thorough investigation, as a result of which it formulated its reasoned proposal to the Shareholders' Meeting, to which reference is made.

8. The Board of Statutory Auditors supervised the independence of the Auditing Firm; the same company issued, on March 21, 2024, the annual confirmation statement of its independence, pursuant to Article 6, paragraph 2, letter a) of EU Regulation no. 537/2014 and paragraph 17 of ISA Italia 260. Taking note of the aforementioned declaration of independence issued by PwC S.p.A., the transparency report produced by it, as well as the assignments given to PwC S.p.A. itself and the companies belonging to its network, the Board of Statutory Auditors believes that there are no critical aspects regarding the independence of PwC S.p.A.

9. On February 28, 2024, the Board of Statutory Auditors, in its capacity as the Audit Committee, following a thorough preliminary process, made its recommendation for the appointment of the statutory audit for the period 2024-2032, pursuant to Article 16 of European Parliament and Council Regulation no. 537/2014 of April 16, 2014 and Legislative Decree no. 39 of January 27, 2010, which has already been explained to the Board of Directors. The Board made its recommendation for the proposals received from the companies KPMG S.p.A. and EY S.p.A. and also expressed a preference for the proposal of KPMG S.p.A., as it was characterized by a higher overall score, both in qualitative and economic aspects.
In this context, the Board of Statutory Auditors noted that the Company has put in place appropriate safeguards to ensure scrupulous compliance with the so-called cooling-in period.

10. Pursuant to the Corporate Governance Code, the Board of Statutory Auditors was heard in the context of defining the parameters underlying the achievement of the functional objectives for the variable compensation of the Head of the Internal Audit Department.
During the year, no specific opinions had to be issued by the Control Body.

11. As shown in the "Report on Corporate Governance and Ownership Structure 2023 of Infrastrutture Wireless Italiane S.p.A.," the Company's Board of Directors held 10 meetings during 2023; The Audit and Risk Committee held 8 meetings; The Nomination and Remuneration Committee held 9 meetings; The Related Parties Committee held 9 meetings; The Sustainability Committee held 7 meetings. In addition, a meeting of all independent directors was held in 2023-informally and without the presence of the Board.

The Board of Statutory Auditors, during the year 2023, met 23 times (8 of which in whole or in part jointly with the Audit and Risk Committee).

In addition, the Board of Statutory Auditors participated in 2023, with at least one member present:

(i) at the shareholders' meeting on April 18, 2023;

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

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

It should also be noted that, effective May 22, 2023, and until May 22, 2026, there is an autonomous Supervisory Board pursuant to paragraph 1, letter b) of Article 6 of Legislative Decree 231/2001 (abbreviated as "SB"), consisting of, the Chairman (external member), the head of the Internal Audit Department (internal member), and another full member (external member).

During the period, the Board of Statutory Auditors met with the Supervisory Board for a mutual exchange of information.

12. The Board of Statutory Auditors has acquainted itself with and supervised, to the extent of its competence, the observance of the principles of proper administration, through participation in the meetings of the Board of Directors and the various Committees, the collection of information provided by the General Manager and the Company's management, the head of the Internal Audit Department, the Company's Financial Reporting Officer, the head of the Risk, Compliance & Corporate Security Department and the other second-level control functions, as well as through hearings of the aforementioned individuals and representatives of the auditing firm PricewaterhouseCoopers S.p.A, for the purpose of the mutual exchange of relevant data and information, and as a result of the aforementioned activities, has no comments to make in this regard.

The Board of Statutory Auditors monitored compliance with the law and the Articles of Association. In particular, with regard to the deliberative processes of the Board of Directors, the Board of Statutory Auditors ascertained, including through direct participation in board meetings, the compliance with the law and the Articles of Association of the management choices made by the directors and verified that the related resolutions were adequately supported by processes of information, analysis, verification and dialectic, including with recourse, when deemed necessary, to the consultative activities of committees and external professionals. The Board of Statutory Auditors also verified, to the best of its knowledge, that the directors have made the declarations pursuant to Article 2391 of the Italian Civil Code.

The meeting held with the Sole Auditor of subsidiary 36 Towers S.r.l. also revealed no critical issues.

13. Pursuant to INWIT's Self-Regulatory Principles, the Board of Directors plays a role of strategic guidance and supervision, pursuing the sustainable success of the Company. In particular, the Board of Directors defines the corporate governance system that is most functional for the conduct of business and the pursuit of its strategies and has as its primary objective the creation of shareholder value over a long-term horizon, while also taking into account the legitimate interests of other relevant stakeholders and facilitating dialog with them.

For the execution of its resolutions and for the management of the company, the Board of Directors, in compliance with legal and statutory limits, may delegate the appropriate powers to one or more directors who report to the Board of Directors and the Board of Statutory Auditors - promptly and in any case at least quarterly - on the activities carried out, the general performance of operations, its foreseeable evolution and the most important economic, financial and equity transactions carried out by the Company.

The Shareholders' Meeting of October 4, 2022, appointed the Board of Directors, which will serve until the approval of the financial statements as of December 31, 2024. In accordance with the company's Articles of Association, 11 directors were elected, including: 4 Directors (Pietro Angelo Guindani, Sonia Hernandez, Antonio Corda and Christine Roseau Landrevot) drawn from the qualified list submitted by shareholder Central Tower Holding Company B.V; 4 Directors (Oscar Cicchetti, Rosario Mazza, Stefania Bariatti and Quentin Le Cloarec) drawn from the qualified list submitted by shareholder Daphne 3 S.p.A. and 3 Directors (Secondina Giulia Ravera, Laura Cavatorta and Francesco Valsecchi) drawn from the qualified list submitted by a group of asset management companies and institutional investors, together with Priviledge shareholder Amber Event Europe.

On October 7, 2022, Oscar Cicchetti (Non-Executive Director) was appointed Chairman of the same

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Board of Directors; the same was given the powers of legal and judicial representation and institutional relations, as well as the management of the relationship on behalf of the Board of Directors with the Head of the Internal Audit Department.

Also on October 7, 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 limits of amount, without prejudice to the powers reserved to the Board of Directors by law or Articles of Association. The General Manager has also been given responsibility for establishing and maintaining - in execution of the guidelines set by the Board of Directors - the internal control and risk management system, pursuant to recommendations 32, letter b) and 34 of the Corporate Governance Code.

The Company has adopted an organizational model to oversee the main activities necessary for the management, control and development of the company's business. According to this model, the following functions report to the General Manager as of the date of this Report:

- Commercial Department;
- Technology & Operations;
- Administration, Finance & Control;
- Legal & Corporate Affairs;
- Human Resources & Organization;
- *External Relations, Communication & Sustainability*
- Investor Relations & Corporate Development.

The Legal & Corporate Affairs Department, through its Risk, Compliance & Corporate Security articulation, also ensures the management of compliance and regulatory issues.

As of October 20, 2022, the role of Financial Reporting, Accounting & Tax Manager is assigned to Rafael Perrino.

The Internal Audit Department, which reports directly to the Board of Directors, is headed by Alessandro Pirovano.

Finally, it should be noted that, effective March 6, 2023, the role of Chief Financial Officer and head of Administration, Finance & Control has been given to Emilia Trudu.

The Board of Statutory Auditors, to the extent of its competence, has acquired knowledge of the organizational architecture chosen by the Company and its implementation and evolution; then supervised the dynamic adequacy of the organizational structure and its operation, taking into account the company's objectives, and, as a result of these activities, has no observations to make in this regard.

14. The Board of Statutory Auditors has supervised the implementation and proper functioning of the internal control and risk management system (hereafter referred to for brevity: the internal control system) of the Company by assessing its adequacy, from an evolutionary perspective, including through: (i) meetings with the Audit and Risk Committee; (ii) periodic meetings with the Heads of the Internal Audit, Legal & Corporate Affairs Departments-which, as mentioned, also oversees compliance issues-and with the Company's Financial Reporting Officer; (iii) periodic meetings with the heads of other corporate functions, with particular reference to those entrusted with second-level control activities; and (iv) acquisition of documentation.

These periodic meetings have focused on, among other things, reviewing the activities carried out by these functions, risk mapping, and audit programs, including in light of the Company's significant dimensional, procedural, and organizational changes. The Board of Statutory Auditors also reviewed the periodic reports of the Audit and Risk Committee and the Head of the Internal Audit Department concerning, in particular, the audits in the various areas of the company on the functioning of the internal control system.

The Board has systematically met with the appointed auditing firm to carry out a periodic exchange of information between the various supervisory bodies.

The internal control system is currently articulated and operates according to the principles and criteria of the Corporate Governance Code, to which the Company has adhered. It is an integral part of the overall organizational structure of the Company and contemplates a plurality of actors acting in a coordinated manner according to the responsibilities of: (i) strategic guidance and supervision by the Board of Directors, (ii) oversight and management by the General Manager and management, with particular reference to the functions responsible for performing second-level controls, (iii) monitoring and support to the Board of Directors by the Audit and Risk Committee and the Head of Internal Audit Department, and (iv) supervision by the Board of Statutory Auditors.

The establishment and maintenance of the internal control system is currently entrusted to the General Manager and, for the scope of his responsibility, to the Company's Financial Reporting Officer, so as to ensure the overall adequacy of the system and its concrete functionality, from a risk-based perspective, which is also considered when setting the agenda for the Board's work.

Pursuant to the Corporate Governance Principles the Company has adopted, in exercising the Board of Directors' responsibility for the internal control and risk management system, the Board also makes use of the Internal Audit Department, which has organizational independence and adequate and sufficient resources to carry out its activities. Notably, during 2023 the Internal Audit Department also used two leading independent consulting firms to carry out its work.

With specific reference to the structure of the system of internal controls, the Board also noted the gradual implementation and further evolution of the process implemented by the Company, in line with reference best practices, which has enabled the evolution, in the management of INWIT risks and compliance, towards a more integrated and coordinated approach, from a methodological and organizational point of view, also in order to strengthen second-level control activities.

For more details on the internal control system, please refer to what is illustrated in this regard in the "Report on Corporate Governance and Ownership Structure 2023 of Infrastrutture Wireless Italiane S.p.A.".

The Board of Statutory Auditors noted the overall assessment of the internal control and risk management system by the Head of the Internal Audit Department and the Audit and Risk Committee. The Board of Statutory Auditors considers the internal control and risk management system to be adequate overall. In particular, the Control Body monitored the actions implemented by the Company, from an evolutionary perspective, for the continuous strengthening of the internal control system and recommended that the Company continue on that path.

On March 7, 2024, the Board of Directors approved the updating of the Company's Organizational Model pursuant to Legislative Decree no. 231/01, also taking into account, inter alia, the evolution of the organizational structure, the updating of processes and sensitive activities potentially exposed to the risk of crime, as well as certain control safeguards, in accordance with the regulations currently in force. The changes include, in particular, the adjustment to the Whistleblowing regulations of which are listed below.

It is also acknowledged, with reference to the issue of Whistleblowing, that on July 26, 2023 the Board of Directors approved an updated procedure, according to the text proposed jointly by the undersigned Board of Statutory Auditors and the Supervisory Board, in line with the main recommendations of European Directive 1937/2019 (" Whistleblowing Directive") and Legislative Decree no. 24 of March 10, 2023.

15. The Board of Statutory Auditors-also in its capacity as the Internal Control and Audit Committee-assessed and supervised the adequacy of the administrative-accounting system and its reliability in correctly representing operating events by obtaining information from the heads of the relevant corporate functions, examining documents and monitoring the activities and analyzing the results of the work performed by the auditing firm PricewaterhouseCoopers S.p.A., and, as a result of these activities, has no observations to make in this regard.

The Board of Statutory Auditors took note of the attestations issued by the General Manager and the Company's Financial Reporting Officer regarding the adequacy - in relation to the characteristics of the company - and the effective application during 2023 of the administrative and accounting procedures for the preparation of the statutory financial statements.

With reference to the issue of the procedure for impairment testing of goodwill and assets with an indefinite useful life, in application of international accounting standards, the Board of Statutory Auditors oversaw (i) the adoption - and periodic updating - by the Board of Directors of a special procedure and, subsequently, (ii) the results of the checks in this regard carried out by management, which confirmed their recoverability.

On March 21, 2024, the Auditing Firm issued the Additional Report pursuant to Article 11 of EU Regulation no. 537/2014, which does not point to the presence of any noted deficiencies in the internal control system, in relation to the financial reporting process, that are sufficiently important to merit being brought to the attention of the undersigned Board of Statutory Auditors.

The Board of Statutory Auditors also supervised the Company's preparation of the Consolidated Non-Financial Statement, which was prepared voluntarily by the Company.

For the first time, the Company has prepared Integrated Financial Statements in which the Consolidated Non-financial Statement for the year 2023 is included. In this regard, the company PricewaterhouseCoopers S.p.A. was commissioned during 2021, for the three-year period 2021-2023, to carry out the limited review ("limited assurance engagement") on the said statement, as a result of which, on March 21, 2024, it issued its Report pursuant to Article 3, Paragraph 10, Legislative Decree no. 254/2016 and Article 5 of Consob Regulation no. 20267/2018. In the said Report, the Auditing Firm, on the basis of its work, concluded that no evidence had come to its attention to suggest that the Consolidated Statement of a non-financial character had not been prepared, in all significant aspects, in accordance with the requirements of Articles 3 and 4 of the said decree and the GRI Standards.

The Board of Statutory Auditors reviewed the Report of PricewaterhouseCoopers S.p.A. on this matter and supervised compliance with the provisions set forth in Legislative Decree no. 254/2016.

16. In relation to the consolidated financial statements, the Control Body took note of the attestation of the General Manager and the Executive in Charge, made on March 7, 2024, confirming, inter alia, the adequacy - in relation to the characteristics of the enterprise - and effective application of administrative and accounting procedures for the preparation of the consolidated financial statements for the period January 1 - December 31, 2023.

17. The Board of Statutory Auditors ascertained, through direct audits and information taken from the auditing firm PricewaterhouseCoopers S.p.A., compliance with regulations and laws pertaining to the formation and layout of the annual financial statements, the consolidated financial statements, and the Report on Operations.

18. The Company has adhered to the Corporate Governance Code (2020 version) prepared by the Corporate Governance Committee of Borsa Italiana, with a resolution of the Board of Directors on February 4, 2021.

19. The Board of Statutory Auditors supervised the activities to ascertain the requirements and the proper application of the criteria for the independence of Directors, also taking into account the qualitative and quantitative criteria for the purpose of assessing independence defined and approved by the Company's Board of Directors. The same Control Body has taken steps to verify the independence requirements of its members, pursuant to Article 148, paragraph three, of Legislative Decree no. 58/1998, and has also carried out this year a self-assessment process, supported by a specialized advisor, concluded on February 28, 2024, which concerned, inter alia, the functioning of the Board itself. It was also verified that the members of the Board of Statutory Auditors, in accordance with Article 19 of Legislative Decree no. 39/2010, have overall expertise in the field in which the Company operates.
Please refer to the specific section of the "Report on Corporate Governance and Ownership Structure 2023 of Infrastrutture Wireless Italiane S.p.A." for further details on the Company's corporate governance. The Board of Statutory Auditors monitored that the aforementioned Report gives a full disclosure of how the Company has adopted and implemented the recommendations of the Corporate Governance Code.
In addition, the Board of Statutory Auditors verified that the Report on Remuneration Policy 2024 and Compensation Paid, prepared in accordance with Article 123-ter of Legislative Decree no. 58/1998 and approved by the Board of Directors on March 7, 2024, was prepared in accordance with regulatory requirements and provides adequate information on the Company's remuneration policy and compensation paid during the year. This Report, like the one for the previous three fiscal years, also takes into account the amendments made, in application of CONSOB Resolution no. 21623 of December 10, 2020, on Article 84-quater and Schedule no. 7-bis of Annex 3A to the Issuers' Regulations, following the transposition of the Directive (EU) 2017/828 on the encouragement of long-term shareholder engagement (SHRD 2).

20. The supervisory and control activities carried out by the Board of Statutory Auditors did not reveal any significant facts that could be reported or mentioned in this Report.

21. The Board of Statutory Auditors, having acknowledged the results of the financial statements for the year ended December 31, 2023, and taking into account that the Legal Reserve has reached one-fifth of the Share Capital pursuant to Article 2430 of the Italian Civil Code, has no objections to the Board of Directors' proposed resolution to the Shareholders' Meeting, to allocate the 2023 fiscal year result and to distribute the dividend, from the fiscal year result and available reserves.
In view of all the above, the Board of Statutory Auditors invites shareholders to approve the financial statements as of December 31, 2023 presented by the Board of Directors, together with the Report on Operations.
In addition, with reference to the proposed adjustment of the Auditing Firm's fees inherent in the statutory audit assignment, the Board of Statutory Auditors refers to what is set forth in Section 7 of this Report and, more specifically, to its own reasoned proposal to the Shareholders' Meeting.

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With the Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2023, the term of office given to the Board of Statutory Auditors expires for the full three-year period; thanking you for your confidence, Shareholders are invited to make the necessary arrangements.

Milan, March 21, 2024

THE BOARD OF STATUTORY AUDITORS

Mr. Stefano Sarubbi

Ms. Maria Teresa Bianchi

Mr. Giuliano Foglia

INWIT

# INTEGRATED REPORT 2023

## Sharing connections

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