



TISCALI S.p.A.

Loc. Sa Illetta SS 195, Km 2.300 – 09123 Cagliari (CA)

Tax Code and VAT no. 02375280928

LEI No. 815600DDD271CA046266

Share capital Euro 72,655,159.37, fully paid-in

Explanatory report of the proposals on the agenda of the Extraordinary Shareholders' Meeting, prepared by the Board of Directors pursuant to Art. 125-ter of Italian Legislative Decree no. 58 of 24 February 1998 and Art. 70 of the Regulation adopted by CONSOB with Resolution no. 11971/1999

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The Extraordinary Shareholders' Meeting of Tiscali S.p.A. ("Tiscali" or the "Merging Company") is convened, on single call, on 26 April 2022, with the following points on the agenda:

Agenda

1. *[omissis]*
2. *Merger by incorporation of Linkem Retail S.r.l. into Tiscali S.p.A. pursuant to Art. 2501-ter of the Italian Civil Code, with the resulting increase in the share capital of Tiscali S.p.A. in service of the merger. Consequent amendment to Art. 5 of the Articles of Association of Tiscali S.p.A. Inherent and consequent resolutions.*

2 Merger by incorporation of Linkem Retail S.r.l. into Tiscali S.p.A. pursuant to Art. 2501-ter of the Italian Civil Code, with the resulting increase in the share capital of Tiscali S.p.A. in service of the merger. Consequent amendment to Art. 5 of the Articles of Association of Tiscali S.p.A. Inherent and consequent resolutions.

Dear Shareholders,

You have been called to the Extraordinary Shareholders' Meeting to discuss and resolve on the proposed merger by incorporation of Linkem Retail S.r.l. ("Linkem Retail" or the "Merged Company") – a newly-established transferee company of the retail business branch of Linkem S.p.A. ("Linkem") – into Tiscali pursuant to Art. 2501-ter of the Italian Civil Code (the "Merger" or the "Operation"), with the resulting increase in the share capital of Tiscali of Euro 103,858,806 through the issue of new Tiscali ordinary shares – following the grouping of Tiscali ordinary shares in the ratio of 1:100 (the "Grouping") –, without nominal value and traded on the *Euronext Milan* market (the "New Shares"), which will be assigned to Linkem, the sole shareholder of the Merged Company, so that, on conclusion of the Merger, Linkem will hold an equity investment of around 62% of the share capital of Tiscali.

This explanatory report (the "Explanatory Report") was drawn up pursuant to Art. 125-ter of Italian Legislative Decree no. 24 of 1998 February 58, as amended, (the "Consolidated Law on Finance") and Art. 70, paragraph 2 of the Regulation adopted with CONSOB Resolution no. 11971 of 14 May 1999, as amended (the "Issuers' Regulation"), and in compliance with Table no. 1 of Annex 3A to the Issuers' Regulation, in order to illustrate and justify the Merger in terms of its legal and economic aspects.

1. Illustration of the Operation

1.1. Structure of and Reasons for the Operation

On 2 November 2021, Tiscali and Linkem signed a Memorandum of Understanding to assess the possible implementation of a merger between the group headed by Linkem and the group headed by Tiscali.

Therefore, on 25 November 2021, Linkem Retail was established, wholly-owned by Linkem, in order to transfer the business branch relating to retail activities of the Linkem group (the "Linkem Business Branch") to that company.

In that regard, on 30 December 2021, Linkem transferred to Linkem Retail the Linkem Business Branch, which includes, inter alia,

- all existing relationships with retail consumer and business customers served through the infrastructure owned by Linkem, as well as through the infrastructure owned by Telecom Italia S.p.A. and the related customer management systems;
- the personnel employed in managing those relationships;
- several majority and minority equity investments in companies that carry out provision and management services for retail and business customers and the related contracts in force with those companies;
- the contracts in force with authorised resellers as well as resale agreements for services and retail sales.

The Transfer of the Linkem Business Branch from Linkem to the Merged Company shall take effect immediately prior to the finalisation of the Merger and substantially concurrent therewith, subject to the occurrence of several conditions precedent.

Moreover, in order to bring all the retail activities to the same level, the Linkem Business Branch will be subject to Transfer by Tiscali to the operating company Tiscali Italia S.p.A., substantially concurrent with the finalisation of the Merger.

Therefore, at the effective date of the Operation, Tiscali shall acquire all assets and take on all liabilities, as well as the other legal relationships relating to the Linkem Business Branch.

On 30 December 2021, the Boards of Directors of Tiscali and Linkem Retail approved, *inter alia*, the Merger Agreement ("Merger Agreement") and the Merger Plan, and also resolved to submit the Operation to the approval of their respective Extraordinary Shareholders' Meetings.

On 3 December 2021, Tiscali and Linkem Retail submitted a joint petition to the Court of Cagliari for the appointment of the joint expert assigned to draw up the fairness opinion on the exchange ratio pursuant to and in accordance with art. 2501-*sexies* of the Italian Civil Code. On 22 December 2021, the Court ordered that Deloitte & Touche S.p.A. be appointed as the independent expert (the "Independent Expert").

The Merger is part of a larger project aimed at integrating into a single commercial company the group headed by Tiscali (the "Tiscali Group") and the retail branch of the Linkem Group, in order to develop synergies and economies of scale, consolidate and strengthen its market position, and favour industrial relations between parties operating in related markets. On conclusion of the Operation, Tiscali will be the 5th largest operator in the fixed market segment and the number one operator in the segment of Ultra BroadBand access in FWA+FTTH technologies, strategically positioned to best exploit the potential of FTTH and 5G FWA technologies.

The purpose of the Operation is to profitably leverage the value of market and development opportunities arising from the implementation of the Italian National Recovery and Resilience Plan by offering fixed, mobile, 5G, cloud and smart city services dedicated to households, businesses and the public administration.

Lastly, as part of the project of rationalising and enhancing the value of the Linkem group's activities under way at the date of the Report, Linkem could – concurrent with or subsequent to the finalisation of the Merger – carry out a separation/carve-out of the equity investment held in Tiscali through the Merger, through any type of transaction and/or method, including (but not limited to) a partial proportionate demerger of Linkem to a newly established company whose share capital would therefore be held by the same shareholders of Linkem, without prejudice, in any event, to the fact that that separation/carve-out shall be implemented in a manner that avoids triggering the obligation to promote a public offering for purchase and exchange on all the financial instruments issued by Tiscali.

1.2. Conditions of the Merger

The finalisation of the Merger is subordinate to the occurrence (or the waiver) of the following conditions precedent (the "Conditions Precedent") by 31 July 2022:

- (i) the issue by the Independent Expert of a favourable fairness opinion on the exchange ratio;
- (ii) the approval of the Merger by the Extraordinary Shareholders' Meetings of both Tiscali and Linkem Retail pursuant to Art. 2502 of the Italian Civil Code and, specifically (a)

approval of the Merger by the Tiscali Extraordinary Shareholders' Meeting without a vote against by the majority of shareholders present other than the shareholders representing, also jointly, more than 10% of the share capital pursuant to Art. 49, paragraph 1, g) of the CONSOB Regulation no. 11971/99, as amended, and (b) the approval of the Merger by the Extraordinary Shareholders' Meeting of Linkem Retail;

- (iii) the lack of objections from company creditors pursuant to Art. 2503 of the Italian Civil Code or, in the event of objection, the favourable ruling from the Court pursuant to Art. 2445, paragraph 4 of the Italian Civil Code;
- (iv) where requested, the issue by the competent authorities, in the forms and within the terms set out in the applicable provisions of law (including the lack of an impedimental measure issued pursuant to applicable provisions), of the approval, authorisation, non-prohibition or exemption of the Merger and/or the preparatory operations pursuant to the applicable legal and regulatory provisions, without imposing or applying remedies, measures and/or commitments on any of the parties and/or their subsidiaries whose extent or significance would alter the valuations underlying the Merger or its cost-effectiveness for one or more of the parties;
- (v) the issue by the President of the Council of Ministers, pursuant to the provisions of the "golden power" regulations, of the authorisation (or the confirmation that the "golden power" regulations do not apply) for the Merger, without imposing or applying remedies, measures and/or commitments on any of the parties and/or their subsidiaries whose extent or significance would alter the valuations underlying the Merger or its cost-effectiveness for one or more of the parties;
- (vi) in relation to any loan agreements (including any amendments) and/or bond loans (including listed bonds) and/or rescheduling agreements and/or other financial contracts or agreements which Tiscali and/or Tiscali Group companies, Linkem and/or Linkem Retail are parties to, which require the approval of extraordinary operations of reorganisation, as an alternative: (a) obtaining, where necessary, the consent of the lending banks and/or the related bond holders; (b) the renegotiation of the specific loan agreements (including any amendments) and/or bond loans and/or rescheduling agreements and/or other financial contracts or agreements with outcomes that would permit the Merger; and (c) the possible refinancing of the related debt at conditions that are not worse than those in force at the time the consent is requested;
- (vii) each of the declarations and warranties provided by Tiscali and Linkem must be true and correct in all significant aspects at the date of the Merger Agreement and continue to be true and correct in all significant aspects, also at the date the Merger Deed is entered into, as if they were expressly reiterated at that date and, in any event, without the need for their express reiteration;
- (viii) the carrying out of consultations with the trade unions pursuant to Art. 47 of Law 428/1990 in relation to the Operation, i.e., for greater clarity, in relation to the Transfer of the Linkem Business Branch from Linkem to Linkem Retail, the Merger and the Transfer of the Linkem Business Branch from Tiscali to Tiscali Italia;
- (ix) the non-occurrence of any (a) event or series of events that prevent(s) one, several or all the parties Tiscali, Linkem and/or Linkem Retail from (or seriously limits the possibility of) conducting their business (or a significant or substantial part thereof, altering the risk profile and assessments underlying the determination of the Exchange Ratio); or (b) an

event or series of events which may significantly negatively change the equity, financial, income or operating conditions of one, several or all the parties Tiscali, Linkem and/or Linkem Retail, or (c) one or more disputes of any type which may result in the declaration that the Agreement is invalid, unenforceable or null and void, or may prohibit, even partially, the operations set out in the Agreement, excluding, in any case, any event or effect deriving from the negative trend in the capital markets (a "Significant Negative Event"). One or more events which have a total impact on either Tiscali or Linkem's 2021 EBITDA of less than Euro 5,000,000.00 shall not be deemed a Significant Negative Event;

- (x) the completion of legal, tax and accounting/financial due diligence initiated by Tiscali and Linkem's consultants on the Linkem Business Branch, Tiscali and the other Tiscali Group companies, respectively, with satisfactory outcomes according to the reasonable judgement of a professional investor;
- (xi) the full issue and conversion of the first 7 tranches of bonds provided for under the bonds convertible and converting into Tiscali ordinary shares issued by Tiscali in favour of Nice&Green S.A. ("N&G");
- (xii) the processing, preparation and approval by the Tiscali Board of Directors of a business plan of the Tiscali Group post-Merger, whose terms and conditions will be approved in advance also by the Linkem Board of Directors;
- (xiii) the obtainment by Tiscali of the financial resources (in the form of equity or quasi equity) necessary to fully cover the financial requirements set out in the business plan for at least the 12 months following the effective date of the Merger, also through a share capital increase reserved to institutional investors and/or the issue of convertible or converting bond loans (including the possible renewal of the Bond Loan already set out in the investment agreement in force between Tiscali and N&G);
- (xiv) the signing of a services agreement between Linkem and Linkem Retail regarding the provision of network services on Linkem infrastructure and the related approval of its terms and conditions by Tiscali's Related Parties Committee;
- (xv) the signing of a guarantee and indemnity agreement by Tiscali, Linkem and Linkem Retail, at market terms and conditions.

With regard to the Condition Precedent under point (xiv), it is noted that, without prejudice to the final deadlines agreed by the parties pursuant to the Merger Agreement, the Tiscali Related Parties Committee shall prudently issue its opinion on the additional provisions of the service agreement reached by Linkem and Linkem Retail.

At the date of the Explanatory Report, the Condition Precedent under point (xi) had occurred. Moreover, on 22 February 2022, the Company, Linkem and Linkem Retail transmitted to the President of the Council of Ministers the notification pursuant to the "golden power" regulations.

Moreover, the effectiveness of the Merger Deed is subject to (aa) the preparation of a prospectus by Tiscali, to be submitted to CONSOB pursuant to the applicable provisions of law and regulations, for the admission of the New Shares to trading on the *Euronext Milan* market and the obtainment of the CONSOB authorisation to the publication of said prospectus, as well as (bb) the admission of the New Shares to trading on the *Euronext Milan* market.

1.3. Reference Balance Sheets

Pursuant to Art. 2501-*quater* of the Italian Civil Code, the approval of the Merger shall be adopted based on:

- the pro-forma balance sheet of Linkem Retail referring to 30 November 2021, approved by the Board of Directors of the Merged Company on 30 December 2021. That balance sheet reports the pro-forma amounts of Linkem Retail considering the Transfer as immediately effective, while, however, the Transfer will take effect on the effective date of the Merger, with the Merger taking effect immediately prior to the Transfer. It was necessary to draw up this balance sheet to provide a correct, consistent representation of the effects of the Merger to the shareholders of Linkem Retail and Tiscali, given that the preparation of a balance sheet of Linkem Retail as at 30 November 2021 would not have provided any useful elements for taking an informed decision, given that it was a newly-established company pending the effectiveness of the Transfer of the Linkem Business Branch. For the purpose of completeness, the Directors of Linkem Retail also provided a balance sheet of the company as at 30 November 2021, without the effects of the Transfer of the Linkem Business Branch;
- the balance sheet of Tiscali referring to 30 June 2021, approved by the Board of Directors of the Merging Company on 8 October 2021.

Those documents are available to the public at the registered offices of Tiscali and Linkem Retail, as well as on Tiscali's website (www.tiscali.com).

1.4. Legal aspects of the Operation

In compliance with applicable regulations, the Boards of Directors of the Merging Company and the Merged company have, *inter alia*:

- (i) drawn up the Merger Plan;
- (ii) prepared their respective balance sheets pursuant to Art. 2501-*quater* of the Italian Civil Code, which were used as the basis to draw up the Merger Plan;
- (iii) drawn up the explanatory reports pursuant to the regulations respectively applicable.

Moreover, given that the Operation can be classified as "*significant*" pursuant to Art. 70, paragraph 6 of the Issuers' Regulation, and considering that the Merging Company did not apply the option set out by Art. 70, paragraph 8 of the Issuers' Regulation, to derogate from the obligation to publish the information documents for significant operations of merger, demerger, share capital increase through the transfer of assets in kind, acquisitions and disposals, Tiscali shall publish, by the deadlines set out by law, an information document required pursuant to Art. 70, paragraph 6 of the Issuers' Regulation regarding the Merger.

2. Companies participating in the Merger

2.1 Merged Company

Linkem Retail S.r.l., with registered office in Viale Città d'Europa no. 681, Rome, Italy, share capital fully paid-in of Euro 10,000, enrolled in the Rome Register of Companies with no. 16426601007.

Linkem Retail's capital is represented by a single share and is wholly-owned by Linkem.

The Merged Company's purpose is as follows:

- (A) the design, planning, installation, maintenance and management, using any technique, means or system, of telecommunications installations and networks, owned by the company or third parties, whether they be fixed, mobile or satellite-based, for the execution and operation, without geographic limits, of the communications services also emerging from technological evolution,
- (B) the performance of the activities and the provision of services associated with the sectors indicated above, including therein the marketing of telecommunications, screen-based, multi-media and electronic products, services and systems, involving connection and/or interconnection with the various networks and the production, marketing and dissemination, via said networks, of information and multi-media content of a cultural, technical, educational, advertising, entertainment nature or of any other kind and in any form, also on behalf of third parties;
- (C) the performance of publishing and advertising activities, including the collection, sale and concession of advertising space on its own or third party media, IT, screen-based and multi-media activities, including the management of internal portals, research, training and advisory activities which in any event are pertinent to the matters indicated above;
- (D) the performance of research, development, production, marketing and distribution of software, integrated systems, technological platforms and databases of all types;
- (E) the performance of management, maintenance, assistance and development relating to software, integrated systems, technological platforms and databases of all types, including those of third parties;
- (F) the performance of connected and instrumental activities, specifically including research, development, marketing, consulting, implementation, management and operation, as well as the provision and execution, on own behalf and/or on behalf of third parties, in Italy and abroad, of (I) services of commercial and administrative management of customers, customer service in all its forms, inbound call centres to answer users' calls and outbound call centres to contact customers and/or potential customers, both through operators and through integrated computer-telephony systems and (II) information services and systems, public and private telecommunications products and services, and in general those regarding information technology, the internet of things (IOT) and the internet of everything (IOE);
- (G) the preparation of research and feasibility studies, both in Italy and abroad, connected with the above problems.

The Merged Company may perform all industrial, commercial and real estate activities, including the provision of loans and the issue of bank guarantees, endorsements and guarantees, including secured guarantees, that are deemed necessary or useful for the achievement of the company purpose, excluding reserved financial activities.

Note that on 30 December 2021, Linkem carried out the transfer of the Linkem Business Branch to the Merged Company, which shall take effect immediately prior to the finalisation of the Merger and substantially concurrent therewith.

In exchange for the Transfer of the Linkem Business Branch by Linkem, the Merged Company shall free up a share capital increase for Linkem. Therefore, at the effective date of the Merger, the capital of Linkem Retail will equal a nominal amount of Euro 18,410,000.00.

2.2 Merging Company

Tiscali S.p.A., with registered office in Località Sa Illetta, SS 195 Km 2.300, Cagliari (CA), Italy, share capital Euro 72,655,159.37, fully subscribed and paid-in, tax code and enrolment number in the Cagliari – Oristano Register of Companies 02375280928, CA Economic and Administrative Repertoire no. – 191784.

At the date of the Explanatory Report, Tiscali's capital is divided into 6,375,726,753 ordinary shares without nominal value, traded on the *Euronext Milan* market organised and managed by Borsa Italiana S.p.A., through dematerialised securities, and subject to centralised management at Monte Titoli S.p.A., pursuant to Art. 83–*bis* et seq. of the Consolidated Law on Finance.

The Merging Company's purpose is as follows:

- the design, planning, installation, maintenance and management, using any technique, means or system, of telecommunications installations and networks, owned by the company or third parties, whether they be fixed, mobile or satellite-based, for the execution and operation, without geographic limits, of the communications services also emerging from technological evolution, including direct access to the public per Resolution AEG/2009/07/CONS;
- the performance, as a non-predominant activity, of the activities and the provision of services associated with the sectors indicated above, including therein the marketing of telecommunications, screen-based, multi-media and electronic products, services and systems, involving connection and/or interconnection with the various networks and the dissemination, via said networks, of information of a cultural, technical, educational, advertising, entertainment nature or of any other kind and in any form, also on behalf of third parties;
- the performance, as a non-predominant activity, of publishing, advertising, IT, screen-based, multi-media, research, training and advisory activities which in any event are pertinent to the matters indicated above;
- the taking on – as a non-predominant activity – of interests and equity investments in companies or businesses in general which carry out activities falling within the sphere of the corporate purpose or in any event are associated with, complementary or similar to the same, including therein businesses operating in the field of manufacturing, electronic and insurance activities, in observance of the limits envisaged by current legislation on the matter.

The Company may carry out all the acts deemed necessary or merely useful for the achievement of the corporate purpose: thus in brief, it may enter into securities, real estate, industrial, commercial and financial transactions, including the issuance of secured and unsecured guarantees, also in favour of third parties and as third-party provider of mortgage, as well as finalise loan agreements as borrower, all of which within the limits of current legal provisions. Financial transactions, including taking on equity investments, cannot however be carried out in relation to the general public.

Financial activities involving the general public or the raising of investments is also prohibited.

3. Determination of the Exchange Ratio

The exchange ratio established for the purposes of the Merger was determined as 5.0975 New Shares – following the Grouping – for each Euro 1.00 of share capital of Linkem Retail held by

Linkem, as sole shareholders of Linkem Retail, at the effective date of the Merger (the “Exchange Ratio”).

The Exchange Ratio was determined based on the number of Tiscali shares in circulation at the date of signing the Agreement (as resulting on completion of the Grouping). Therefore, based on the number of Tiscali shares in circulation as at 30 December 2021, due to the application of the Exchange Ratio, at the effective date of the Merger, Linkem would receive 93,844,975 New Shares for the portion representing the total share capital of Linkem Retail, with a nominal amount of Euro 18,410,000.00, held at the effective date of the Merger following the resolution by Linkem Retail to increase the share capital for the purposes of the Transfer of the Linkem Business Branch to Linkem Retail by Linkem.

On conclusion of the Merger, Linkem will hold an equity investment of around 62% of Tiscali’s share capital. Pursuant to the Agreement, if the number of shares in circulation at the effective date of the Merger is higher (also due to the conversion of the first 7 tranches of the bond loan with N&G), Tiscali will issue to Linkem – in addition to the 93,844,975 New Shares deriving from the application of the Exchange Ratio – additional new shares (rounded up), without nominal value, to be calculated based on the formula shown below, so that, on conclusion of the Merger, Linkem holds an equity investment of 62% of Tiscali’s share capital:

no. of Tiscali shares issued from the date of the Merger Plan to the effective date of the Merger *
1.6316.

In that regard, note that (i) on 30 December 2021, N&G requested the conversion of the fifth and sixth tranches – comprised of 60 bonds – of the Bond Loan and (ii) on 11 March 2022, N&G requested the conversion of the seventh tranche – comprised of 30 bonds – of the Bond Loan.

Therefore, applying the Exchange Ratio, Tiscali will issue 10,180,522 New Shares in addition to the previous 93,844,975 New Shares, for a total of 104,025,497 New Shares.

It is understood that, in the event of additional share capital increases or issues of convertible and converting bonds (including the possible renewable of the bond loan with N&G), no adjustments will be applied.

For the purpose of determining the Exchange Ratio, in relation to the economic-financial and valuation aspects of the Merger, Tiscali used the consulting services of CC&Soci S.r.l. as financial advisor, as well as of Equita SIM S.p.A., to issue a fairness opinion on the Exchange Ratio to the Board of Directors of the Merging Company. Based on that indicated in the fairness opinion, the equity investment – equal to around 62% of Tiscali’s share capital – that Linkem will own on conclusion of the Merger, regarding the market and economic conditions in place at the date of the fairness opinion and the data and information available up to 23 December 2021, seems fair in financial terms. Therefore, the Board of Directors’ meetings of 30 December 2021 approved the Exchange Ratio.

3.1 Criteria for determining the Exchange Ratio

Considering the purpose of the valuations, the specific characteristics of the entities subject to valuation, and in line with national and international best practices in valuation for operations of the same type, the application of numerous valuation methods was considered. Nonetheless, in light of the particular characteristics of the Operation, the need to maintain homogeneous valuation criteria for Tiscali and Linkem Retail, as well as the inapplicability of other valuation methods for the reasons described below, the discounted cash flow (DCF) method was chosen.

That method was applied with a view to the operating continuity of Tiscali and Linkem Retail as well as considering the two companies going concerns.

In carrying out the valuation, the application of the following methods was considered:

A Stock market multiples method

That method determines the economic value of the company in question by applying several economic–equity metrics of the same to multiples pertaining to companies operating in the same sector. Those multiples are calculated by considering the implicit valuations in current stock market prices and suitable economic–equity metrics of the comparable companies.

The applicability of that method is impacted because, in addition to the fact that companies strictly comparable to Linkem Retail cannot be found, that approach would not capture the effects on the valuation deriving from aspects of growth and cash flow generation, unless specific adjustments were applied. Moreover, the application of a multiple to financial items makes it difficult to consider the significant weight of capex on EBITDA in the specific cases of both the companies participating in the Merger.

B Comparable transactions multiples method

That method determines the economic value of the company in question by applying several economic–equity metrics of the same to multiples pertaining to companies operating in the same sector. Those multiples are calculated by considering the valuations deriving from mergers and/or acquisitions of those companies and suitable economic–equity metrics of the companies involved in the operation.

Nonetheless, the applicability of that method is impacted by the fact that the valuation metric used to calculate the significant multiple considered a single characteristic of the company (e.g. its EBITDA), without fully capturing the company’s operating and financial performance. Moreover, there are no transactions on companies that are fully comparable to Tiscali and Linkem Retail in terms of business profile, size, geographic presence, competitive positioning and outlook for growth. It is also important to consider how the economic terms of comparable transactions are strictly linked to and influenced by the contractual terms negotiated by the parties. Lastly, it is noted that those implicit multiples may consider potential synergies deriving from the merger of those companies. Thus, that method was not used in determining the Exchange Ratio.

C Stock price method

The stock price method determines the value of the company subject to valuation as the stock market capitalisation deriving from the prices of shares traded on regulated stock markets, also by calculating the averages over different time horizons.

In the case in question, that method cannot be used, as it is not applicable to Linkem Retail, which has no shares traded on regulated markets. Moreover, the application of the method only to the Merging Company would prejudice the principle of homogeneity in the valuation criteria.

D Discounted Cash Flow Method

In light of those considerations, as mentioned above, the *Discounted Cash Flow* (DCF) method was chosen, as the method suited to reflecting the operating cash flows that both Tiscali and Linkem Retail could generate in the future, as well as capturing the respective specific characteristics in terms of profitability, growth, level of risk, equity structure and expected level of investments.

Based on this method, the value of economic capital of a company is estimated as the algebraic sum of the following elements:

- current value, based on a specific weighted average cost of capital (WACC), of the company's future operating cash flows. That valuation is carried out using, where available, the explicit estimates of cash flows, while cash flows for the years following the time horizon of the plan are valued by estimating a "Terminal Value";
- net financial debt, including employee severance indemnities and other employee benefits (as a decrease);
- value of any accessory or non operational assets (as an increase).

As illustrated in greater detail in the following formula:

$$EqV = \sum_t^N \frac{FCF_t}{(1 + WACC)^t} + \frac{TV}{(1 + WACC)^N} + DF_{t0} + AC_{t0}$$

Where:

EqV = *Equity Value* as at 31 December 2021 ("Valuation Date");

N = Number of projection periods;

FCF_t = Annual unlevered operating cash flow expected in the period *t*;

TV = Terminal Value;

WACC = Weighted Average Cost of Capital;

DF_{t0} = Net financial debt, including employee severance indemnities and other employee benefits at the Valuation Date;

AC_{t0} = Value of any accessory or non operational assets at the Valuation Date.

The unlevered operating cash flows for the explicit projection period are determined analytically as follows:

- + earnings before interest and taxes (EBIT);
- Figurative taxes on EBIT;
- + Non-monetary depreciation/amortisation provisions;
- Fixed investments;
- +/- Changes in net working capital.

In the case in question, the cash flows pertaining to the period 2022–2025, inclusive, were explicitly calculated. Those amounts were calculated using:

- i. for Tiscali, the Business Plan approved by the Board of Directors of the Merging Company on 17 September 2021;
- ii. for Linkem Retail, the projections drawn up by Linkem's management, in the version that does not envisaged self-financing by the company, as well as the results of the financial due diligence process conducted on the Linkem Business Branch.

Cash flows are also valued starting from 2026, assigning them a value by calculating a Terminal Value. That amount, representing the residual value of the assets at the end of the period of the projections prepared by the management of Tiscali and Linkem Retail, was calculated using the perpetuity method, with a long-term growth rate in the range of 1.2% – 1.6% for both companies participating in the Merger.

The weighted average cost of capital (WACC) used to discount the expected cash flows and the Terminal Value is calculated as the weighted average cost of own capital and debt, using the following formula:

$$WACC = \frac{E}{(D + E)} * K_e + \frac{DE}{(D + E)} * K_d * (1 - t)$$

where

K_d = Cost of Debt Capital;

K_e = Cost of Risk Capital;

D = Debt Capital;

E = Risk Capital;

t = Tax rate.

Specifically, the cost of debt capital represents the long-term loan rate applicable to the company, net of taxes.

The cost of risk capital, instead, reflects the return expected by the investor, taking account of the risk relating to the investment, and was calculated based on Capital Asset Pricing Model theory, using the following formula:

$$K_e = R_f + \beta * (R_m - R_f) + CS$$

where:

K_e = Cost of Risk Capital;

R_f = Rate of return expected on risk-free investments;

β = Coefficient that measures the correlation between expected returns on the investment considered and the expected returns on the specific stock market;

R_m = Average expected return on share investments on the specific stock market;

(R_m - R_f) = Yield premium requested by the specific stock market (R_m) for in relation to risk-free investments (R_f).

CSP (*Company Specific Premium*) = additional risk factor deriving from the idiosyncrasies of the valued companies, which make it necessary to consider the limited comparability of the listed companies used as reference to construct the WACC with Tiscali and Linkem Retail. Thus, a size premium was considered for both of the companies participating in the Merger and a Company Specific Premium only for Tiscali, in line with that carried out by Tiscali during the 2020 impairment test.

The WACC thus estimated falls within a range of around 8.6% – 9.6% for Tiscali and around 7.3% – 8.3% for Linkem Retail.

In general, the WACC rate used to estimate the value of economic capital of Tiscali and Linkem Retail reflects assumptions consistent with the market benchmarks relating to the cost of debt capital and the cost of risk capital (expected rate of return on risk-free returns, Beta coefficient, yield premium requested by the stock market, suitably adjusted using the Company Specific Premium), as well as with the capital structure of the business being valued.

3.2 Determination of the Exchange Ratio

Without prejudice to the considerations, assumptions and limits described in the previous paragraphs, the result obtained by applying the valuation method indicated above to determine Exchange Ratio is shown below, as well as the percentage equity investment of Linkem in the combined entity following the finalisation of the Agreement.

That range was obtained by applying to the valuation using the DCF the minimum and maximum values of the estimated range identified of the long-term growth rate and the WACC.

Methodology	Exchange Ratio Range	Linkem Equity Investment
<i>Discounted Cash Flow</i>	4.1904x – 8.0733x	57%–72%

It is understood that the Exchange Ratio reported herein was calculated based on the number of Tiscali shares in circulation at the date of signing the Merger Agreement (as resulting on completion of the Grouping).

Therefore, in light of the above considerations and considering the results obtained with the support of CC&Soci S.r.l. and Equita SIM S.p.A., and the outcome of the negotiations with the controlling shareholder of Linkem Retail, the Tiscali Board of Directors approved the exact Exchange Ratio, expressed as a percentage of the equity investment of Linkem following the Merger, which will be equal to 62% of the Tiscali shares in circulation following the Grouping and the finalisation of the Merger.

That Exchange Ratio entails the issue of 104,025,497 New Shares of Tiscali at the Effective Date, for a share representing 100% of the share capital of Linkem Retail owned by Linkem. It is understood that, if the number of shares in circulation at the Effective Date is higher, Tiscali will issue a higher number of New Shares to Linkem so that, on conclusion of the Merger, Linkem will hold an equity investment of around 62% of Tiscali's share capital.

3.3 Difficulties and limits encountered in the valuation of the Exchange Ratio

The conclusions of the valuation process must in any event be considered in light of certain limits and difficulties summarised below:

- the current situation of volatility on the financial markets as a result of the continuing epidemic has at times had significant impacts not only on the market prices of Tiscali, but also on the key balance sheet, income statement and cash flow figures for both companies participating in the Merger;
- due to their nature, the forecast data and economic-financial estimates and projections used in the valuations comprise aspects of uncertainty regarding the actual ability to

forecast the future expected operating and income performance, also in relation to possible changes in the reference context, including the regulatory framework;

- the valuation method using DCF is necessarily based on the economic-financial projections of the two companies participating in the Merger. While the figures used for Tiscali are based on the plan approved by the Board of Directors' meeting of 17 September 2021, the figures used for Linkem Retail were prepared by Linkem's management specifically for the Operation and were not approved by the Linkem Board of Directors. Nonetheless, it is noted that the valuation considered the results of the financial due diligence conducted on Linkem Retail;
- the establishment of the Merged Company for the purposes of the Operation means that there are no audited financial statements relating to previous years. Therefore, *pro-forma* income statement and balance sheets prepared by the Linkem management were used, which were then subject to financial due diligence.
- the relevance that the agreement between the Merged Company and Linkem regarding the provision of connectivity services will take on in the cost structure of Linkem Retail – and of Tiscali Italia following the Transfer of Linkem Retail to Tiscali Italia – implies that the valuation of Linkem Retail, and, as a result, the determination of the Exchange Ratio, is significantly dependent on the contractual terms thereof. Therefore, the Merger Agreement outlined the main commercial terms of the service agreement, in line with that stated by the Linkem management for valuation purposes;
- the high percentage of capex linked to the acquisition of new customers and the resulting FCFO during the explicit period make the valuations of Linkem Retail and Tiscali extremely dependent on the components of terminal value within the respective valuations using DCF;
- the reference balance sheets at the Valuation Date are the fruit of estimates prepared by the management of the companies participating in the Merger, in line with the economic-financial projections used to estimate cash flows, as they represent the best estimates and opinions identifiable by the management of the companies participating in the Merger at the date of approval of the Operation by their respective Boards of Directors;
- in constructing the WACC, the listed companies used as reference are not fully comparable to Tiscali and Linkem Retail. Therefore, in order to determine the cost of equity, a size premium was considered for both of the companies participating in the Merger and a Company Specific Premium only for Tiscali, in line with that carried out by the Merging Company during the 2020 impairment test;
- The comparable transactions multiples method, the stock market multiples method and the stock price method were all considered irrelevant in light of the slight comparability of the companies operating in the telecommunications sector with Tiscali and Linkem Retail, specifically due to the weight of capex on EBITDA and the aspects of future growth, as well as the fact that Linkem Retail has no shares admitted to trading on regulated markets. Therefore, in light of this, it was not possible to apply a control valuation method.

4. *Method of assigning Tiscali shares*

The Merger will be implemented by cancelling all the shares of Linkem Retail at the effective date of the Merger, held by the sole shareholder of the Merged Company, Linkem, and the concurrent assignment of the New Shares to the latter, based on the Exchange Ratio.

The New Shares to be assigned once the Merger is finalised will be issued at the effective date of the Merger, through dematerialised securities and through intermediaries, starting from the effective date of the Merger, where this is a trading day, or from the first subsequent trading day.

The New Shares assigned in exchange will have regular entitlement and profit sharing in the Merging Company from the effective date of the Merger. They shall grant their owners rights equivalent to those due, pursuant to the law and the Articles of Association, to the other holders of Tiscali ordinary shares in circulation, at the assignment date.

The New Shares assigned to Linkem will be admitted to trading on the *Euronext Milan* market. Therefore, Tiscali will prepare a listing prospectus for the New Shares to be submitted for CONSOB's approval.

5. Effective Date of the Merger

For statutory purposes, pursuant to Art. 2504-*bis* of the Italian Civil Code, subject to the occurrence of the Conditions Precedent, the Merger shall take effect from 11.59 p.m. CET on the last day of the month in which the later of the following occurs: (i) the last of the registrations of the notary deed regarding the Merger with the Register of Companies required by Art. 2504-*bis* of the Italian Civil Code, and (ii) the occurrence of the last of the Effective Conditions of the Merger Deed, or on the subsequent date indicated in the merger deed pursuant to Art. 2504 of the Italian Civil Code.

Starting from the effective date of the Merger, the Merging Company shall fully take over the equity, assets and liabilities of the Merged Company and all the claims, actions and rights, as well as all the obligations, commitments and duties of any nature referring to the same, in compliance with the provisions of Art. 2504-*bis*, paragraph 1 of the Italian Civil Code.

The accounting and tax effects of the Merger shall start on the Effective Date.

6. Tax impacts of the Operation on the companies participating in the Merger

As regards the tax impacts, pursuant to Art. 172, paragraph 1 of Italian Presidential Decree no. 917 of 22 December 1986 ("Italian Consolidated Income Tax Law"), the merger is tax neutral and does not entail the realisation or distribution of losses or gains relevant for tax purposes, for the Merging Company, the Merged Company or the shareholders of those companies. The asset and liabilities of the Merged Company shall be acquired in the financial statements of the Merging Company under tax continuity.

Without prejudice to the above, as the Operation entails the unification of the equity of the Companies participating in the Merger, it may give rise to the need to recognised specific items to ensure the accounting balance between the values of assets and those of liabilities: the merger surplus and deficit. In terms of taxes, the merger surplus (whether it derives from the exchange ratio and/or the cancellation of the equity investment in the Merged Company) is not relevant for the taxation of the Merging Company. This shall be included in the shareholders' equity of the Merging Company, maintaining the same *pro-rata* tax nature as the shareholders' equity of the Merged Company prior to the Merger. Merger deficits will not be relevant for tax

purposes even where the higher values recognised in the financial statements due to any posting of the deficit deriving from the cancellation of the equity investment or from the exchange ratio. The goods received shall be valued for tax purposes based on the latest value recognised by the Merged Company for the purposes of income taxes, reporting in a specific reconciliation statement in the tax return the data shown in the financial statements and the values recognised for tax purposes.

The right to opt to apply a substitute tax for the tax recognition of the higher values shown in the financial statements pursuant to Art. 172, paragraph 10-*bis* of the Italian Consolidated Income Tax Law remains valid.

Tax losses, excess interest expense and surplus relating to the Aid for Economic Growth (ACE) grant accrued for the companies participating in the Operation prior to the Operation may be carried forward by the Merging Company in the amount that does not exceed the value of its shareholders' equity resulting from the latest financial statements or, if less, the value resulting from the balance sheet pursuant to Art. 2501-*quater* of the Italian Civil Code, net of the transfers and payments made in the last 24 months, provided that the vitality test pursuant to Art. 172, paragraph 7 of the Italian Consolidated Income Tax Law is passed. The right to disapply the above limits to carrying forward the tax attributes shall remain valid, by submitting a specific request for a tax ruling to the Tax Authorities pursuant to Art. 11, paragraph 2 of Law no. 212 of 27 July 2000.

7. Shareholding structure of Tiscali and whitewashing procedure

7.1 Shareholding structure of Tiscali prior to the Merger

At the date of the Explanatory Report, the shareholders which, according to the records in the shareholders' register, supplemented by the communications of the significant equity investments pursuant to Art. 120 of the Consolidated Law on Finance and the information publicly available, hold a number of Tiscali ordinary shares representing an equity investment exceeding 5% of the share capital are indicated in the table below.

Declarant	Shareholder	% out of total no. of Tiscali Ordinary Shares
Amsicora S.r.l.	Amsicora S.r.l.	
	<i>Ownership</i>	7.76%
	<i>Lender</i>	1.02%
	Total	8.78%
Renato Soru	Renato Soru	4.16%
	Monteverdi S.p.A.	0.28%
	Cuccureddus S.r.l. in liqu.	0.52%
	Total	4.96%

7.2 *Shareholding structure of Tiscali on conclusion of the Merger*

Considering the proposed Exchange Ratio, the Merger will have significant effects on the capital composed of Tiscali ordinary shares, as the dilution resulting from the issue of the New Shares in service of the exchange ratio is around 62%.

Based on Tiscali's share capital at the date of the Explanatory report, the table below illustrates the shareholding structure of the Merging Company at the effective date of the Merger.

Declarant	Shareholder	% out of total no. of Tiscali Ordinary Shares
Linkem S.p.A.	Linkem S.p.A.	62%
Amsicora S.r.l.	Amsicora S.r.l.	
	<i>Ownership</i>	2.95%
	<i>Lender</i>	0.39%
	Total	3.34%
Renato Soru	Renato Soru	1.58%
	Monteverdi S.p.A.	0.20%
	Cuccureddus S.r.l. in liqu.	0.10%
	Total	1.88%

At the Effective Date of the Merger, Linkem will control Tiscali pursuant to Art. 2359 of the Italian Civil Code and Art. 93 of the Consolidated Law on Finance, with an equity investment of around 62% of share capital of the Merging Company.

7.3 *Whitewashing procedure*

After the Merger is finalised, Linkem will be able to exercise a number of voting rights in the Tiscali shareholders' meeting that exceeds the threshold set out in Art. 106 of the Consolidated Law on Finance.

Specifically, Linkem will hold an equity investment of around 62% of the share capital of the Merging Company.

Therefore, according to the provisions of the Consolidated Law on Finance, the finalisation of the Merger will result in the obligation for Linkem to promote a takeover bid aimed at all holders of Tiscali shares, relating to all shares they hold that are admitted to trading. Nonetheless, pursuant to Art. 49, paragraph 1, g) of the Issuers' Regulation, a purchase exceeding the threshold set out in Art. 106 of the Consolidated Law on Finance shall not require the promotion of a takeover bid if "*it is consequent to mergers or spin-offs approved by meeting resolution of the company whose securities would otherwise need to be subject to the bid and without prejudice to the provisions of Articles 2368, 2369 and 2373 of the Italian Civil Code, without the contrary vote of the majority of the shareholders in attendance, other than the shareholder acquiring the shareholding that exceeds the relevant threshold and the shareholder or*

shareholders which jointly or individually hold an absolute or relative majority shareholding that is over 10 percent” (known as the whitewashing procedure).

In light of the above, the effectiveness of the Merger is subject to the condition precedent of the applicability of the exemption from the obligation of a takeover bid through the whitewashing procedure and, therefore, the approval of the Merger without the contrary vote of the majority of the shareholders in attendance at the meeting, other than the shareholders Amsicora S.r.l. (“Amsicora”) and Renato Soru.

In addition to the above, for the purpose of completeness, it is noted that on 14 May 2021, Tiscali signed an investment agreement with N&G regarding a plan for financing Tiscali through the issue of bonds convertible and converting into Tiscali ordinary shares. As part of signing that investment agreement, Amsicora signed a share lending agreement pursuant to which Amsicora undertook to lend N&G a number of Tiscali shares equal to at least 120% of the amount of each tranche of bonds of Euro 3,000,000. At the date of the Report, those shares total 64,969,311 (the “Lent Shares”). In that regard, according to the provisions of the investment agreement, N&G undertook to guarantee that Amsicora could fully exercise its vote by proxy and in compliance with the instructions provided by Amsicora in relation to the Lent Shares.

In light of the above, to guarantee compliance with the whitewashing procedure, the vote exercised by N&G in relation to the Lent Shares shall be considered to be exercised by Amsicora. Otherwise, the vote exercised by N&G with regard to shares other than the Lent Shares shall be calculated for the purposes of reaching the majority pursuant to Art. 49, paragraph 1, g) of the Issuers' Regulation.

8. Effects of the Merger on shareholders' agreements in force

8.1 The shareholders' agreement between Linkem, Amsicora and Renato Soru

On 30 December 2021, Linkem, Amsicora and Renato Soru signed a shareholders' agreement that was announced to the market on 4 January 2022 (the “Linkem–Amsicora–Soru Agreement”).

Specifically, the Linkem–Amsicora–Soru Agreement provides for reciprocal commitments within the context of the Merger, mainly relating (i) to several lock-up and voting commitments of Amsicora and Renato Soru, (ii) to several standstill commitments of the parties to the Linkem–Amsicora–Soru Agreement as well as (iii) to the governance of the Merging Company after the Merger is finalised.

For more information on the content of the Linkem–Amsicora–Soru Agreement, refer to the essential information document published pursuant to Art. 122 of the Consolidated Law on Finance and the related implementing provisions, available to the public on the Merging Company's website (www.tiscali.com).

8.2 The shareholders' agreement between Amsicora S.r.l and Renato Soru

On 10 May 2019, Amsicora and Renato Soru signed a shareholders' agreement pursuant to Art. 122, paragraphs 1 and 5, a) and b) of the Consolidated Law on Finance, to regulate the governance and ownership structures of the Merging Company (the “Amsicora–Soru Agreement”).

At the date of the Explanatory Report, the Amsicora–Soru Agreement regarded 875,984,218 Tiscali ordinary shares, equal to around 14.33% of the share capital of the Merging Company.

Specifically, the Amsicora–Soru Agreement includes, *inter alia* agreements on the following: (i) the appointment of the Board of Directors; (ii) the obligation that the parties to the agreement consult each other prior to each ordinary and extraordinary shareholders’ meeting of the Company; (iii) the pre-emption right; (iv) the right of co-sale; (v) the drag-along right; and (vi) standstill.

In light of that set out in the shareholders' agreement signed by Linkem, Amsicora and Renato Soru on 30 December 2021, the Amsicora–Soru Agreement shall be understood as terminated at the effective date of the Merger.

For more information on the content of the Amsicora–Soru Agreement, refer to the essential information document published pursuant to Art. 122 of the Consolidated Law on Finance and the related implementing provisions, available to the public on Tiscali’s website (www.tiscali.com).

9. Right to withdraw

Considering the fact that the corporate purpose of the Merging Company is consistent with that of the Merged Company in terms of business sector and scope, the right to withdraw pursuant to Art. 2437 of the Italian Civil Code shall not apply to the shareholders of the companies participating in the Merger that did not contribute to the shareholders’ resolutions relating to the Operation.

10. Amendments to the Articles of Association

In light of the above, the Articles of Association of the Merging Company will not be amended, save for the figures contained in Art. 5 of Tiscali’s Articles of Association referring to the amount of the share capital and the number of shares following the execution of the share capital increase, as described in the body of this document, in service of the Merger.

The table below shows the comparison of the text of Art. 5 of Tiscali’s Articles of Association in force at the date of the Explanatory Report with the new text proposed (also following the Grouping subject to approval by the Shareholders’ Meeting, as the first point on the agenda), tracking the changes envisaged.

Text of Tiscali’s Articles of Association in force at the date of the Report	New proposed text of Tiscali’s Articles of Association
Art. 5	Art. 5
<p>The share capital amounts to Euro 72,655,159.37 (seventy two million, six hundred fifty five thousand, one hundred fifty nine and 37/100 euros).</p> <p>The corporate holdings are represented by 6,375,726,753 (six billion three hundred seventy five million, seven hundred twenty six thousand, seven hundred and fifty three)</p>	<p>The share capital amounts to Euro 176,513,965.37 (one hundred seventy six million, five hundred thirteen thousand, nine hundred sixty five and 37/100 euros) 72,655,159.37 (seventy two million, six hundred fifty five thousand, one hundred fifty nine and 37/100 euros).</p> <p>The corporate holdings are represented by 167,782,764 (one hundred sixty seven million, seven hundred eighty two</p>

<p>shares lacking nominal value.</p> <p>The shares are fully paid-up, indivisible and freely transferable.</p> <p style="text-align: center;"><i>[omissis]</i></p>	<p>thousand, seven hundred sixty four) 6,375,726,753 (six billion, three hundred seventy five million, seven hundred twenty six thousand, seven hundred and fifty three) shares lacking nominal value. The shares are fully paid-up, indivisible and freely transferable.</p> <p style="text-align: center;"><i>[omissis]</i></p>
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Now, therefore, the Board of Directors of Tiscali hereby submits the following proposed resolution for your approval:

“The Extraordinary Shareholders’ Meeting of Tiscali S.p.A.,

- having examined the plan for Merger by incorporation of Linkem Retail S.r.l. and Tiscali;*
- having examined the explanatory report of the Board of Directors of Tiscali S.p.A. drawn up pursuant to Art. 2501-quinquies of the Italian Civil Code, Art. 125-ter of the Consolidated Law on Finance and Art. 70 of the Issuers’ Regulation, and the related Annex 3A, as well as the proposed formulated therein;*
- having examined the information document drawn up pursuant to Art. 70, paragraph 6 of the Issuers’ Regulation relating to the Merger;*
- having examined the balance sheets of Linkem Retail S.r.l. and Tiscali;*
- acknowledging the fairness opinion on the Exchange Ratio drawn up by Deloitte&Touche S.p.A. as the independent expert appointed pursuant to Art. 2501-sexies of the Italian Civil Code by the Court of Cagliari;*
- acknowledging the information received and having examined the documentation made available to the public in relation to this point on the Agenda;*
- acknowledging the certification by the Board of Statutory Auditors that the current share capital of Tiscali is fully subscribed and paid-in;*
- considering the strategic reasons for carrying out the Operation, as illustrated in the body of the text;*

resolves

- 1. to approve, based on the balance sheet of Tiscali as at 30 June 2021 and the balance sheet of Linkem Retail S.r.l. as at 30 November 2021, the plan for merger by incorporation of Linkem Retail into Tiscali pursuant to Art. 2501-ter of the Italian Civil Code at the terms and conditions set out therein and, specifically, to approve the exchange ratio of 5.0975 new shares of Tiscali for each Euro 1.00 of share capital of Linkem Retail held by Linkem S.p.A. as the sole shareholder of Linkem Retail S.r.l., at the effective date of the Merger;*

2. *to approve the indivisible share capital increase of Tiscali, excluding the option right pursuant to Art. 2441, paragraphs 4, first line and 6 of the Italian Civil Code, for a total amount of Euro 103,858,806, with the issue of 104,025,497 ordinary shares – following the grouping of Tiscali ordinary shares with a ratio of 1:100 –, with regular entitlement and the same characteristics as those already in circulation at the issue date, to be assigned to Linkem S.p.A. to service the exchange ratio set out in point 1) above, so that, as a result of the Merger, Linkem will hold an equity investment of around 62% of Tiscali's share capital, without prejudice to the cases of failure to adjust the exchange ratio;*
3. *to grant the Company's Board of Directors and, on its behalf, the Chairman and the Chief Executive Officer, with the right to sub-delegate, the widest powers to carry out all actions necessary to implement the above resolutions for the purpose of the success of the operation, including, by way of example, the power to:*
 - (i) *prepare and present any documents required for the purposes of the execution of the operation, including the power to prepare and submit to the competent authorities any application, request, document or prospectus necessary or appropriate for such purpose;*
 - (ii) *change the figures contained in Art. 5 of the Articles of Association referring to the amount of the share capital and the number of Tiscali shares following the finalisation of the Merger and the execution of the share capital increase, as described in the body of this document;*
 - (iii) *carry out all declarations and communications, none excluded, also regarding legally required publicity and information to the public, required by the Italian Civil Code and laws and regulations in force at all times, as well as the widest powers to implement the above resolutions and, specifically, to carry out all the formalities required so that the resolutions are recorded in the Register of Companies, with the right to make any amendment and/or addition and/or deletion, regarding the form or substance, that may be necessary and/or appropriate on recording in the Register of Companies or, in any event, on request by any competent authority, with prior explicit declaration of approval and ratification, as well as, in general, to carry out all actions necessary for full execution of the resolutions, with all the widest powers necessary and suitable for such purpose, none excluded or excepted, also including the assignment to file the updated Articles of Association with the competent Register of Companies”.*

Loc. Sa Illetta SS 195, Km 2.300 - 09123 Cagliari (CA)

23 March 2022

For the Board of Directors

The Chairman

Alberto Trondoli