

PARTIAL VOLUNTARY TENDER OFFER BY RETELIT DIGITAL SERVICES S.P.A. ON THE ORDINARY SHARES OF THE PARENT COMPANY RETELIT S.P.A.

ANNOUNCEMENT PURSUANT TO ARTICLES 36 AND 43 OF THE ISSUERS' REGULATION ADOPTED BY CONSOB WITH MOTION NO. 11971 OF MAY 14, 1999, AS SUBSEQUENTLY AMENDED AND SUPPLEMENTED (THE "ISSUERS' REGULATION").

Note to this English version of the announcement: such version contains English translation of terms of the original Offer Document prepared in Italian language. Please consider that the Italian version of the Offer Document is the only document approved by Consob with resolution No. 21393 of May 29, 2020. In the event of inconsistencies, the original Italian version of this announcement, available on Retelit website, shall prevail, in any event, over this English translation.

INCREASE IN THE CONSIDERATION OF THE OFFER TO EURO 1.78 PER SHARE

Milan, June 18, 2020 – This communication concerns the partial voluntary tender offer by Retelit Digital Services S.p.A., in accordance with Articles 102 and subsequent of Legislative Decree 58/1998, on a maximum 11,875,000 ordinary shares of the parent company Retelit S.p.A.

Where not otherwise indicated in this press release, terms in upper case have the meaning given in the offer document approved by Consob with motion No. 21393 of May 29, 2020 (the "**Offer Document**"), available, among other locations, on the Retelit website, in the dedicated "*Retelit Digital Service Partial PPO*" section, at www.retelit.it, in addition to the website of the global information agent Georgeson S.r.l. at www.georgeson.com/it.

Retelit and RDS announce the decision of the Bidder, in accordance with Article 43, paragraph 1 of the Issuers' Regulation, to increase the Consideration of the Offer from Euro 1.60 (cum dividend 2019) to Euro 1.78 (cum dividend 2019) for each Share contributed to the Offer (the "**New Consideration**").

The New Consideration includes a premium of 30.94% on the official unitary price of the Shares recorded on March 20, 2020 (i.e. the final Open Trading Day before the Offer Announcement Date) and the following premia on the weighted average official prices of the Shares during the respective periods of reference contemplated in the following table:

Time period before the Announcement Date (March 23, 2020) ¹	Average weighted official prices (Euro)	Implied premium/(discount) in the Consideration (%)
1 month	1.342	32.60%
3 months	1.461	21.84%
6 months	1.608	10.67%
12 months	1.575	13.01%

Source: Bloomberg.

Note: 1) The time intervals considered for the weighted average are: i) weighted average of one month: February 21, 2020 - March 20, 2020; ii) weighted average of 3 months: December 20, 2019 - March 20, 2020; iii) weighted average of 6 months: September 20, 2019 - March 20, 2020; iv) weighted average of 12 months: March 21, 2019 - March 20, 2020.

The tables in paragraphs E.1, E.3 and E.4 of the Offer Document updated with the New Consideration of the Offer are set out in the Annex.

Against the New Consideration of the Offer, the maximum total value of the Offer, calculated on the maximum number of Shares subject to the offer (totalling 11,875,000 Shares), in the case of full subscription to the Offer by all entitled parties, will be Euro 21,137,500.00 (the “**New Maximum Outlay**”).

The Bidder today sent to Consob, in accordance with Article 37-*bis* of the Issuers’ Regulation, the documentation concerning the supplementation of the guarantees for the precise fulfilment of the Offer (cash confirmation letters) issued by the Lending Banks for the coverage of the New Maximum Outlay. In this regard, the Bidder also supplemented the Binding Balance with its own cash balances to meet the financial coverage of the New Maximum Outlay.

Except for that indicated in this press release with regards to the New Consideration and the New Maximum Outlay, all other terms and conditions of the Offer indicated in the Offer Document remain unchanged, including the Offer Conditions as per Paragraph A.1 of the Offer Document.

In addition, with regards to the authorisation to purchase and dispose of Shares in accordance with Article 2359-*bis* of the Civil Code, approved by the Shareholders’ Meeting of RDS on August 8, 2019 - as per the introduction (paragraph 1) and paragraph B.2.2. of the Offer Document - on June 17, 2020, the Shareholders’ Meeting of RDS, on the basis of the increase of the Consideration up to the New Consideration, established that in the case of purchases through public purchase or exchange offers the consideration of the Shares subject to purchase may not be more than 50% higher or lower than the price of the share during the trading session on the day before the announcement of the offer, altering therefore the previous limit of 20% with regards to the price of the share in the trading session on the day before the announcement of the offer. All other terms and conditions of the authorisation to purchase and dispose of Shares, as per the Shareholders’ Meeting motion of August 8, 2019, remain unchanged.

For the purposes of clarity, it should be noted that even those who had accepted the Offer before today’s date will be entitled to receive the New Consideration in accordance with the terms and

conditions indicated in the Offer Document, as amended by this press release.

The press release is published on Retelit's website, in the "*Retelit Digital Services Partial PPO*" section, at www.retelit.it, in addition to the website of the global information agent Georgeson S.r.l. at www.georgeson.com/it.

ANNEX

Paragraph E.1.2 “Average weighted official prices over the last 12 months”

Time period before the Announcement Date (March 23, 2020) ¹	Average weighted official prices (Euro)	Implied premium/(discount) in the Consideration (%)
March 20, 2020	1.359	30.94%
1 month	1.342	32.60%
3 months	1.461	21.84%
6 months	1.608	10.67%
12 months	1.575	13.01%

Source: Bloomberg.

Note: 1) The time intervals considered for the weighted average are: i) weighted average of one month: February 21, 2020 - March 20, 2020; ii) weighted average of 3 months: December 20, 2019 - March 20, 2020; iii) weighted average of 6 months: September 20, 2019 - March 20, 2020; iv) weighted average of 12 months: March 21, 2019 - March 20, 2020.

Paragraph E.1.3 “Implied premiums recognised in previous public purchase offers”

Time period before the Announcement Date	Average premiums from previous operations in Italy ¹ (%)	Implied premium/(discount) in the Consideration (%)
Day before the announcement	7.95%	30.94%
1 month	9.92%	32.60%
3 months	13.28%	21.84%
6 months	13.62%	10.67%
12 months	14.20%	13.01%

Source: Offer Documents and Bloomberg.

Note: 1) Workings on data contained in the offer documents concerning voluntary public purchase offers on ordinary treasury shares promoted on the Italian market: Riunione Adriatica di Sicurtà S.p.A. (2002), Telecom Italia Media S.p.A. (2005), Italmobiliare S.p.A. (2017) and SAES Getters S.p.A. (2019).

Paragraph E.3 “Comparison of the Consideration with certain indicators.”

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In millions of Euro	December 31,	December 31,
	2018	2019
Capitalisation ¹	285.5	285.5
EV ²	360.1	360.1
EV/EBITDA ³ (x)	11.1x	10.3x
EV/Operating cash flow ^{3,4} (x)	44.2x	25.8x
P/Operating cash flow ⁴ (x)	28.2x	26.3x
P/E (x)	35.0x	20.5x
P/Own funds (x)	1.7x	1.8x

Source: Bloomberg and company data.

Note: 1) Capitalisation calculated on the basis of the Consideration for the Shares and net of the Treasury shares indirectly held; 2) Enterprise Value calculated on the basis of the capitalisation calculated according to the Consideration and net of the Treasury shares indirectly held, in addition to the equity amounts of the issuer at March 31, 2020; 3) The Enterprise Value at March 31, 2020 reflects the increasing effects from the acquisition of Partners Associates S.p.A., whose closing took place on January 14, 2020, while the EBITDA and the operating cash flow concerning the years ending December 31, 2018 and 2019 do not include the effects of the acquisition; 4) Calculated as EBITDA - Capex.

Table at page 66 of the Offer Document

Company	EV/EBITDA (x)		EV/Operating cash flow (x)		P/Operating cash flow (x)		P/E (x)		P/Own funds (x)	
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
Bredband2 i Skandinavien	10.2x	8.9x	13.4x	11.8x	16.5x	14.5x	25.4x	20.0x	11.1x	10.3x
CenturyLink	5.3x	5.3x	8.1x	8.8x	1.7x	1.8x	n.s.1	n.s.1	0.5x	0.7x
Cogent Communications	24.7x	23.0x	35.2x	31.0x	30.2x	26.6x	159.3x	98.5x	n.s.2	n.s.2
United Internet	5.3x	5.1x	6.9x	6.3x	5.1x	4.7x	15,2x	8.8x	1.0x	1.0x
Average of the companies in the sample	11.4x	10.5x	15.9x	14.5x	13.4x	11.9x	48.5x	31.4x	4.2x	4.0x
Retelit	11.1x	10.3x	44.2x	25.8x	35.0x	20.5x	28.2x	26.3x	1.7x	1.8x

Paragraph E.4 "Weighted monthly average of the prices recorded by the Issuer's Shares in the twelve months preceding the Offer"

Month	Average weighted official prices¹ (Euro)	Implied premium/(discount) in the Consideration (%)
March 2-20, 2020	1.297	37.21%
February 2020	1.516	17.44%
January 2020	1.592	11.79%
December 2019	1.681	5.89%
November 2019	1.769	0.60%
October 2019	1.630	9.18%
September 2019	1.484	19.93%
August 2019	1.478	20.40%
July 2019	1.439	23.72%
June 2019	1.379	29.12%
May 2019	1.445	23.22%
April 2019	1.546	15.16%
March 21-29, 2019	1.500	18.68%

Source: Bloomberg

Note: 1) Average weighted official prices for daily volumes traded on the MTA