

**VOLUNTARY PUBLIC PURCHASE OFFER BY RETELIT DIGITAL SERVICES S.P.A. ON THE ORDINARY SHARES OF THE PARENT COMPANY RETELIT S.P.A. - PRESS RELEASE PURSUANT TO ARTICLE 102 OF LEGISLATIVE DECREE NO. 58 OF FEBRUARY 24, 1998, AS AMENDED (THE CONSOLIDATED FINANCE ACT OR “CFA”) AND ARTICLE 37 OF THE ISSUERS’ REGULATION ADOPTED BY CONSOB WITH RESOLUTION NO. 11971 OF MAY 14, 1999, AS AMENDED (THE “ISSUERS’ REGULATON”)**

**Milan, March 23, 2020** – Pursuant to Article 102, paragraph 1, CFA, and Article 37 of the Issuers’ Regulation, Retelit Digital Services S.p.A. (“**RDS**” or the “**Bidder**”) and its parent company, Retelit S.p.A. (“**Retelit**”, the “**Issuer**” or the “**Parent Company**”), which wholly-owns RDS, announce the decision by RDS to promote a partial voluntary public purchase offer pursuant to Articles 102 and subsequent of the CFA on a maximum of 11,875,000 ordinary Retelit shares, without par value, fully paid-in (the “**Shares**”), listed on the Mercato Telematico Azionario (“**MTA**”) organised and managed by Borsa Italiana S.p.A. (“**Borsa Italiana**”), STAR segment, representing 7.23% of the share capital of Retelit (the “**PPO**” or the “**Offer**”).

On August 8, 2019, the Shareholders’ Meeting of RDS approved, among other matters:

- the authorisation, pursuant to Art. 2359-*bis* of the Italian Civil Code and following the issue of the required authorisations by the lending banks of the Retelit Group as per the loan contract in place, for a period of 18 months from the Shareholders’ Meeting motion, of the board of directors of RDS to purchase the Shares on one or more occasions, subject to the limits of the distributable profits and the available reserves from the latest regularly approved annual financial statements from time to time, up to one-fifth of the share capital of Retelit, also taking account of the shares held by Retelit or by its subsidiaries, for the following purposes:
  - (i) to utilize the Retelit shares as consideration in connection with any potential extraordinary transactions, including exchanges of shares;
  - (ii) to utilize the Retelit shares in service of share incentive plans reserved for the directors and/or employees of the Retelit Group approved by Retelit and RDS; and
  - (iii) to increase the efficiency of the Retelit Group’s financial structure;
- to establish that purchases may be undertaken as follows:
  - a) through a public purchase or exchange offer;
  - b) on the market, according to the operating means established by the market management company, which do not permit the direct linking of a purchase trading proposal with a corresponding predetermined sales proposal,
  - c) according to the means established by market practices permitted by Consob as per Article 13 of Regulation (EC) No. 596/2014;
  - d) the conditions indicated at Article 5 of Regulation (EU) No. 596/2014, i.e. through differing procedures from those indicated above, where permitted by Article 132, paragraph 3 of the CFA or by other provisions applicable at the time of execution;
- to establish that the consideration for the Shares purchased may not be more than 20% below or above the share price recorded during the trading session of the day before each transaction (to be understood, in the case of a public purchase offer, as the day prior to the announcement of the offer), subject to compliance with the terms, conditions and requirements established by

applicable domestic and European regulations and applicable market practices;

- to grant authorization, without time limits, to the board of directors of RDS to dispose of the Shares purchased, at any time, in whole or in part, on one or more occasions, by transferring the said Shares on or off the stock exchange, including for the purposes of any acquisitions or the development of alliances consistent with the Retelit Group's strategic guidelines, or within the framework of incentive plans for the management and employees, according to the terms, methods and conditions for the acts of disposal of the Shares deemed most appropriate to the interests of RDS or the Group.

The ordinary Shareholders' Meeting of RDS also approved on August 8, 2019 the 2019-2021 long-term share incentive plan for the executive directors and key management personnel of Retelit S.p.A., as approved by the shareholders' meeting of Retelit S.p.A. on April 24, 2019 and as set out in the relevant information document available from the website [www.retelit.it](http://www.retelit.it) (in the Section Investors / Corporate Governance / Shareholders' Meetings / Shareholders' Meeting April 24, 2019). For all relevant information, refer to the above information document and the press releases issued by Retelit on December 17, 2018, March 15, 2019 and April 24, 2019.

The Offer is addressed, without distinction and at equal conditions, to all holders of Shares and does not extend to the 3,849,828 Shares currently held by the Bidder, representing 2.34% of the share capital of Retelit, which are therefore excluded from the Offer.

The Offer is not subject to the reaching of a minimum subscription amount.

The Shares purchased by RDS within the framework of the Offer are not intended to be cancelled.

Pursuant to Article 102, paragraph 3 CFA, within 20 days of this press release the Bidder will send Consob a copy of the offer document (the "**Offer Document**") intended for publication, which should be consulted for a full description and evaluation of the Offer.

## **1. BIDDER AND PARENT COMPANY.**

The Bidder is Retelit Digital Services S.p.A., a joint-stock company incorporated under the laws of Italy with its registered office in Milan at Via Pola No. 9, tax and VAT number 12862140154, subject to management and coordination by Retelit.

As of today's date, the Bidder had fully subscribed and paid-in share capital of Euro 109,193,233.00, divided into 109,193,233 shares with a par value of Euro 1.00 each, which have not been admitted to trading on any regulated market in Italy or abroad.

Also as of today's date, RDS did not hold any treasury shares, in accordance with Article 2359-*bis* of the Civil Code, 3,849,828 Shares of the Parent Company (representing 2.34% of the share capital of Retelit).

The Bidder is subject to legal control by the Issuer, which holds 100% of its share capital.

## **2. PERSONS ACTING IN CONCERT WITH THE BIDDER IN RESPECT OF THE OFFER.**

In accordance with Article 101-*bis*, paragraph 4-*bis*, letters *b*) and *d*) of the CFA, the persons who act in concert with the Bidder are respectively, (i) Retelit as the entity which controls the Bidder, and (ii) the directors of the Bidder, in the persons of the Chairman of the Board of Directors Dario Pardi, the Chief Executive Officer Federico Protto and the Directors Ennio Baracetti, Valentino Bravi and Mirko Endrizzi.

At the date of this press release, as far as the Bidder is aware, the persons acting in concert with the Bidder did not hold investments in the Issuer other than those indicated below:

- Retelit holds directly, through the Bidder, 3,849,828 treasury shares (2.34% of the share capital of the Issuer);
- Federico Protto directly holds 105,000 Shares, equal to 0.06% of the share capital of the Issuer;
- Ennio Baracetti holds, directly as well through the company Consulenti Associati S.r.l., 2,311,103 Shares, equal to 1.41% of the share capital of the Issuer.

The Bidder shall be the only party to acquire the Shares for which the Offer is subscribed, and assumes the related obligations and responsibilities.

### 3. ISSUER.

The Issuer is Retelit S.p.A., a joint-stock company incorporated under the laws of Italy with its registered office in Milan at Via Pola No. 9, tax and VAT number 12897160151, the parent company of the Retelit Group.

As of today's date, the Issuer had fully subscribed and paid-in share capital of Euro 144,208,618.73, divided into ordinary 164,264,946 shares without par value, which have been admitted to trading on the MTA market, STAR segment.

As of the date of this press release, as stated above, the Issuer indirectly held 3,849,828 treasury Shares (amounting to 2.34% of its share capital) through the Bidder.

The Issuer exerts legal control over the Bidder inasmuch as it holds 100% of the Bidder's share capital and is responsible for management and coordination of the Bidder.

The details of Retelit's major shareholders (with interests of 5% or more of share capital) as of the date of this press release are presented below in accordance with the disclosures made pursuant to Art. 120 CFA and on the basis of the other available information:

Shareholder	Direct shareholder	Number of ordinary shares	% of share capital
LPTIC – Libyan Posts Telecommunications	Bousval S.C.A.	23,604,120	14.37%

Information Technology Company			
Fiber 4.0 S.p.A.	Fiber 4.0 S.p.A.	22,764,265	13.86%
Axxion SA	Axxion SA	16,425,000	9.99%

#### 4. CLASSES AND QUANTITY OF SECURITIES SUBJECT TO THE OFFER.

The Offer is addressed without distinction and at equal conditions to all shareholders of the Issuer and applies to a maximum of 11,875,000 Shares, representing 7.23% of the share capital of Retelit. The Offer does not apply to financial instruments other than the Shares.

If the number of the Shares for which the Offer is subscribed exceeds the maximum number of Shares to which the Offer applies (as indicated above), the Shares for which the Offer is subscribed will be subject to the proportional allocation method, whereby the Bidder will purchase the same proportion of the Shares for which the shareholders have subscribed for the Offer from all shareholders.

The Shares for which the Offer is subscribed must be free and clear of restrictions of any kind and type, including security interests, financial claims and/or personal guarantees, and must also be freely transferrable to the Bidder and have regular dividend entitlement.

As previously reported, as of today's date the Bidder held 3,849,828 Shares (2.34% of the share capital of Retelit), which are not subject to the Offer.

In the event of full subscription of the Offer, RDS will hold 15,724,828 Shares, representing 9.57% of the current subscribed and paid-in share capital of Retelit.

Accordingly, following the Offer (including in the event of full subscription of the Offer), the limit set out in Art. 2359-*bis*, paragraph 3, of the Italian Civil Code would be observed. According to this limit, the express or implicit par value of the shares of the parent company acquired may not exceed one-fifth of share capital, including the shares held by the parent company or by subsidiaries of the parent company.

#### 5. CONSIDERATION PER SHARE AND TOTAL VALUE OF THE OFFER. FINANCING CONDITIONS OF THE OFFER.

The Bidder will pay each shareholder who subscribes to the Offer consideration in cash of Euro 1.60 "*cum dividend*" for each Share for which the Offer is subscribed and which is purchased by the Bidder (the "**Consideration**").

On March 12, 2020, the Board of Directors of the Issuer, *inter alia*, (i) approved the Retelit Group consolidated results and the separate financial statements of the Issuer at December 31, 2019, in addition to (ii) the proposal to the Shareholders' Meeting, which will be convened on June 24, 2020 in single call, of the distribution of an ordinary dividend from the 2019 net profit, gross of withholding taxes, of Euro 0.02 per Share.

In view of the promotion of the Bid, the Board of Directors of the Issuer today also postponed dividend coupon No. 4, initially scheduled for May 4, 2020, to June 29, 2020, with payment on July 1, 2020. Shareholders of the Issuer at the end of the accounting day of June 30, 2020 (record date) shall have the right to receive a dividend.

The payment of the Consideration for the Shares for which the Offer is subscribed during the Subscription Period (as herein defined) and withdrawn by the Bidder is expected to take place before the coupon date for the 2019 dividend.

The Consideration is net of stamp duties, to the extent due, and fees, commissions and expenses relating to the Offer, for which the Bidder will remain solely liable. The subscribers of the Offer will be liable for the substitute taxes on capital gains, where due.

The Consideration includes a premium of 17.70% on the official price of the Shares recorded on March 20, 2020 (the market session prior to the date of announcement of the Offer to the market) and the following premia on the weighted average official prices of the Shares during the respective periods of reference contemplated below, prior to March 20, 2020:

Time period before the announcement date	Official price weighted average (Euro)	Implied premium/(discount) in the Consideration (%)
1 month	1.342	19.19%
3 months	1.461	9.52%
6 months	1.608	(0.52)%
12 months	1.575	1.58%

Data sources: Bloomberg

The total maximum value of the Offer, in the event of full subscription, is Euro 19,000,000.00 (nineteen million) (the “**Maximum Outlay**”).

The Consideration will be paid to the shareholders who subscribe for the Offer, upon concurrent transfer of title to the Shares for which the Offer has been subscribed to the Bidder, by the fifth open trading day after the final day of the subscription period to be agreed with Borsa Italiana (the “**Subscription Period**”), without prejudice to any extensions or amendments to the Offer that may occur in accordance with the applicable legal or regulatory provisions.

Pursuant to Article 37-*bis* of the Issuers’ Regulation, the Bidder declares that it is in a position to discharge in full all obligations to pay the Consideration.

The Bidder, also to optimise the funding structure, may also source the necessary resources to cover part of the Maximum Outlay through using the credit line as per the loan contract signed on October 21, 2019 - and subsequently amended with the addendum of March 18, 2020 - between the Bidder and the banking syndicate comprising Unione di Banche Italiane S.p.A., Intesa Sanpaolo S.p.A., MPS Capital Services Banca per le Imprese S.p.A. and Banco BPM S.p.A. - with Banca IMI S.p.A. as arranger and agent -.

## **6. SUBSCRIPTION PERIOD.**

The Subscription Period for the Offer will be agreed with Borsa Italiana in accordance with the terms set out in Art. 40 of the Issuers' Regulation and will have a duration of a minimum of 15 and a maximum of 40 open trading days, without prejudice to any extensions, which will be disclosed in accordance with the applicable legal and regulatory provisions.

The Shares for which the Offer is subscribed will remain restricted to the service of the Offer until the date of payment of the Consideration, and the subscribers may exercise all administrative and financial rights attached to them, but may not assign them, in whole or in part, or otherwise undertake acts of disposal (including pledges or other encumbrances or restrictions) involving the Shares for which the Offer has been subscribed. Over this period, no interest will be due from the Bidder on the Consideration.

## **7. PURPOSE OF THE OFFER.**

The Bid is undertaken so as to acquire, in a short timeframe, a significant number of Shares to be used as consideration for the acquisition, by the Bidder, of 100% of the voting rights of Brennercom S.p.A., an operation in relation to which, as already announced to the market on February 17, 2020, a portion of up to Euro 15 million of the consideration shall be paid through Shares (the "**Consideration in Shares**") and whose closing is scheduled for approximately July 31, 2020. In accordance with the preliminary acquisition contract between RDS and the sellers signed on February 17, 2020 (the "**SPA**"), the Shares shall be valued at the payment date of the Consideration in Shares at the average price of these Shares for RDS in the period between the signing of the SPA and the day before the closing.

The Offer is also undertaken in order to use Retelit's shares as the consideration in connection with any potential extraordinary transactions, including exchanges of shares.

The Offer is also undertaken in service of share incentive plans reserved for the directors and/or employees of the Retelit Group approved by Retelit and RDS. In this regard, the August 8, 2019 approval by the Shareholders' Meeting of RDS is in addition recalled, of the 2019-2021 long-term share incentive plan for the executive directors and senior executives of Retelit S.p.A., as approved by the shareholders' meeting of Retelit S.p.A. on April 24, 2019 and as set out in the relevant information document available.

The Offer shall also allow the Issuer to maintain a significant free float, in line with the listing requirements on the STAR segment of the Italian Stock Exchange.

The Offer allows in addition the temporary improvement of the earnings per unit of capital employed. The temporary reduction in a number of Shares in circulation shall result in fact, to the benefit of all shareholders, in an increase in the earnings per share, at like-for-like net profit for the year.

In addition, the Offer allows subscribing shareholders to benefit from the possibility of liquidating, or at least partly, their investment at a price which reflects a premium against the average share price over the last month and the last three months.

## **8. INTENTION TO WITHDRAW FROM TRADING THE FINANCIAL INSTRUMENTS SUBJECT TO THE OFFER, PURCHASE OBLIGATION AND PURCHASE RIGHT**

The Offer is a voluntary partial public purchase offer promoted in accordance with Articles 102 and subsequent of the CFA, in addition to the enacting provisions of the Issuers' Regulation, and is not

undertaken to, nor may it result in, the withdrawal from listing of the ordinary shares of the Issuer from the Italian Stock Exchange (delisting).

In consideration of the nature and the subject of the Offer, the requirement to apply the purchase obligation as per Article 108 of the CFA, in addition to the purchase right as per Article 111 of the CFA, are not applicable.

#### **9. EFFICACY CONDITIONS OF THE OFFER.**

The efficacy of the Offer is subject (A) to the non-occurrence, by the first open trading day subsequent to the end of the subscription period of (i) extraordinary events or situations domestically or internationally which significantly change the political, financial, economic, currency or market situation which have considerable prejudicial effects on the Offer, on the operating conditions or on the equity, earnings or financial conditions of RDS or of other Retelit Group companies, or (ii) acts, facts, circumstances, events or situations which prejudice the Offer significantly, the operating conditions or the equity, earnings or financial conditions of RDS or of other Retelit Group companies, as resulting from the most recent accounting document approved by the Bidder or by the Issuer and (B) the non-adoption or publication, by the first open trading day subsequent to the subscription period, by institutions, entities or authorities with competence in this regard, of acts or legislative, administrative or legal provisions (including public purchase obligations as per Article 106 and subsequent of the CFA) such as to preclude limit, or make more onerous, in whole or in part, also on a temporary basis, the possibility of RDS or of the Retelit Group of completing the Offer ((A) and (B) jointly the “**Offer Conditions**”).

The Offer is not subject to the reaching of a minimum subscription amount.

The Bidder reserves the right to revoke the Offer Conditions, in addition to the amendment of the terms at any time and in its incontestable opinion, in whole or in part, of the Offer Conditions within the limits and according to the means established by Article 43 of the Issuers’ Regulation.

#### **10. AUTHORISATION COMMUNICATIONS OR REQUIREMENTS UNDER THE APPLICABLE REGULATION.**

The Offer is not subject to receipt of authorisation as per the applicable regulation.

#### **11. WEBSITE FOR THE PUBLICATION OF THE PRESS RELEASES AND DOCUMENTS CONCERNING THE OFFER.**

The Offer Document, the press releases and all documents concerning the Offer are available, among others, on the Issuers’ website at [www.retelit.it](http://www.retelit.it) (Investors / Investor Relations / Retelit Digital Services Partial PPO Section).

The above documentation shall also be available for consultation at the registered office of Retelit and of RDS in Milan, Via Pola No. 9.

#### **12. APPLICABILITY OF THE EXEMPTIONS AS PER ARTICLE 101-BIS, PARAGRAPH 3 OF THE CFA**



On the basis of Article 101-*bis*, paragraph 3, letter *d*) of the CFA, and also considering the rationale of this rule and the particular nature of the Offer, which is an indirect purchase of treasury shares by the Issuer through the subsidiary RDS, the provisions of Articles 102, paragraphs 2 and 5, Article 103, paragraph 3-*bis*, Articles 104, 104-*bis* and 104-*ter* of the CFA and any other provision of the CFA which imposes upon the Bidder or the Issuer specific disclosure obligations to employees or their representatives may not be applied.

### **13. OFFER MARKETS.**

The Offer is promoted exclusively in Italy, as the Shares are listed exclusively on the MTA (STAR segment) and addresses, at equal conditions, all shareholders.

The Offer has not been and will not be promoted or circulated, directly or indirectly, in the United States of America, Canada, Japan and Australia, in addition to any other State in which this Offer is not permitted in the absence of authorisation by the relevant authorities or the meeting of other requirements by the Bidder, or in violation of local rules and regulations (the “**Other Countries**”), nor using the international communication or commercial instruments (including, for example purposes, the postal network, fax, telex, electronic mail, telephone and internet) of the United States of America, Canada, Japan, Australia or of the Other Countries, nor through any structure of financial intermediaries of the United States of America, Canada, Japan, Australia or of the Other Countries, nor in any other manner. Copies of the Offer Document, or extracts of such, and equally copies of any document in relation to the Offer, are not and should not be sent, nor transmitted by any means, or distributed, directly or indirectly, in the United States of America, in Canada, in Japan, in Australia or in the Other Countries. Those receiving the above-stated documents should not distribute or send them (either by post or any other means or communication or commercial instruments) in the United States of America, in Canada, in Japan, in Australia or in the Other Countries.

Acceptances of the Offer caused by solicitation activities carried out in violation of the limitations described herein shall not be accepted.

The Offer Document, as is the case for all other documents concerning the Offer, does not constitute and may not be interpreted as an offer of financial instruments to parties domiciled and/or resident in the United States of America, Canada, Japan, Australia or in the Other Countries. No instrument may be offered or sold in the United States of America, Canada, Japan, Australia or in the Other Countries in the absence of specific authorisations in compliance with the applicable provisions of the local law of such countries or in derogation of such provisions.

Subscription to the Offer by parties residing in the countries other than Italy may be subject to specific obligations or restrictions as provided by applicable laws and regulations. It is the exclusive responsibility of the addressees of the Offer to comply with these rules and therefore, before subscribing to the Offer, verify its applicability together with their consultants.

### **14. OPERATION CONSULTANTS AND INTERMEDIARIES APPOINTED TO COORDINATE SUBSCRIPTIONS.**

RDS and Retelit are supported for the purposes of the Offer by the LEXIA Avvocati Legal Firm as legal consultant, in addition to Intermonte as financial consultant. Intermonte is also the intermediary appointed to co-ordinate subscriptions.



**Retelit Group**

*Retelit is the Italian leader in constructing tailor-made digital transformation projects, executed on entirely Group-managed platforms. In our 20 years we have been the ideal partner for enterprises, the public sector and operators seeking to tackle head-on the challenges of innovation, thanks to a range which covers the entire value chain of ICT and digitalisation services. The combination of Retelit's proprietary assets (a comprehensive fiber optic network in Italy and across the world and a nationwide Data Center network) and the innovation and digital expertise of PA Group (becoming part of the Retelit Group in 2020) has created a unique player in Italy which can offer integrated digital solutions, from infrastructure to data management and from networks to applications. Retelit has been listed on the Italian Stock Exchange since 2000 and on the STAR segment since September 26, 2016.*

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