

PRESS RELEASE

ATHESIA GROUP ACCEPTS BINDING OFFER FROM RETELIT DIGITAL SERVICES S.P.A. FOR ACQUISITION OF BRENNERCOM S.P.A.

Milan, January 20, 2020 – Retelit S.p.A. (**“Retelit”**), an Italian digital and infrastructure services leader, announces that the Athesia Group has accepted a binding offer from its subsidiary Retelit Digital Services S.p.A. (**“Retelit Digital Services”**) to wholly acquire Brennercom S.p.A. (**“Brennercom”**).

Brennercom is an ICT and TLC provider, based in Bolzano, which thanks to ongoing technological and development investment has made available, through its subsidiaries, its products in some of the largest markets in Europe, such as Italy, Austria and Germany. The fiber optic network, the data centers in Bolzano (ANSI-TIA-942 certified), Trento and Innsbruck, the network infrastructure and the latest generation telephone exchanges allow Brennercom to offer Cloud, Disaster Recovery, MPLS Networking, Security and Unified Communication & Collaboration services.

Brennercom, excluding the subsidiary MET S.r.l. as not within the scope of the transaction, has approx. 130 employees and over 10,000 customers - among which 70% of the 100 top companies in Alto Adige, 45% of the 100 top companies in Trentino, 6% of the 100 top companies in Verona and 15% of the 100 top companies in Tyrol - and who demonstrate a very high degree of loyalty. It has a 65% market share in the autonomous province of Bolzano and 40% in the autonomous province of Trento. Brennercom reports for 2018 (the latest available figures) total revenue of Euro 32.4 million.

The seller, the Athesia Group, with revenue of over Euro 250 million, operates in various sectors such as publishing, online media, print media, calendars, tourism, renewable energy, retail and ICT. The Group, thanks to its 1,600 employees, is one of the largest and best-known enterprises in the region.

Retelit's Chairman Dario Pardi stated: *“The offer to possibly acquire Brennercom is a further step in Retelit's expansion strategy. Brennercom is a major player operating in an area of great interest to Retelit and demonstrates those features which we seek in target companies: mid-sized entities with complementary assets to Retelit and quality services. The possible acquisition of Brennercom further adds value to the growth strategy, recently enhanced by the acquisition of Gruppo PA.*

In particular, we expect that we can significantly drive Brennercom's volume and margin growth, thanks to the development of major offer proposal synergies, mainly for the corporate market, while stepping up operations in the Munich-Tyrol-Milan axis in which Brennercom is a market leader.

Michl Ebner, Chief Executive Officer of Athesia stated: *“The ICT sector has been a strategic focus for the Athesia Group for more than 20 years. And it will remain so in the future. Through our subsidiary D-Net we began to create Brennercom - of which we are founding partners. Today we are taking on a new challenge and entering a new phase by acquiring - if the conditions indicated in the binding offer described here are met - an important stake in Retelit. This is to underline our willingness to continue to follow Brennercom and to invest in a sector that has seen us as leaders in our Region and beyond and that will see us as active participants also in the future”.*

TERMS OF THE TRANSACTION

Retelit Digital Services' binding offer sets the basis for the signing of an exclusive contract for the acquisition of Brennercom (the **“SPA”**), subject, among other matters, to positive legal due diligence, the granting to

Retelit Digital Services of a loan to fully settle the price, the non-occurrence of major negative events at Brennercom and/or its subsidiaries, in addition to the general success of the subsequent negotiations. The offer stipulates in addition that before the acquisition's closing the parties sign certain commercial agreements.

Retelit, through the wholly-owned Retelit Digital Services, would seek to acquire the entirety of the investments held by the current two shareholders of Brennercom (Athesia Druck GmbH and Athesia Tyrolia Druck GmbH, subsidiaries of Athesia S.p.A.).

As mentioned above, the Italian company MET S.r.l., not wholly owned by Brennercom S.p.A., is excluded from the scope of the acquisition and will be spun off before any closing.

The price for 100% of Brennercom would amount to approx. Euro 52 million, on the basis of an Enterprise Value of Brennercom and its subsidiaries, currently estimated (as stated, excluding the Italian subsidiary MET) at Euro 65 million. Should the legal diligence result in any new Enterprise Value offered by Retelit Digital Services S.p.A. of less than that stated above, the sellers may withdraw from the negotiations. No earn-outs are stipulated.

The parties expect to sign the SPA by February 17, 2020, while the transaction's closing, compatible with any conditions stipulated by the acquisition contract, should take place no sooner than June 30, 2020 and no later than July 31, 2020.

The offer stipulates in addition that a part of the price, amounting to a maximum Euro 15 million, may be paid in listed Retelit shares.

The transaction is partly funded through the loan - as indicated in the press release of October 22, 2019 - made available by Unione di Banche Italiane S.p.A., Intesa Sanpaolo S.p.A., MPS Capital Services and Imprese S.p.A. (with Banca IMI S.p.A. as agent), to which Banco BPM was subsequently added, and partly through an additional credit line which shall be negotiated with this banking syndicate.

Brennercom's assessment was made following an in-depth technical/commercial due diligence by ICT Consulting, and will also be supported by a fairness opinion prepared by an independent party.

Based on the information provided by the seller, the Enterprise Value assessment would be a multiple of approximately 7.5x the projected EBITDA.

Finally, the binding offer stipulates that after the closing of the transaction, Brennercom's current shareholders will continue to participate in the governance structure of Brennercom.

PURPOSES OF THE TRANSACTION

This transaction will allow Retelit to further drive volumes and margins and position itself among Italy's ICT leaders, drawing on its strong competitive and data advantages (among others), a greater possibility to make technological investments to expand infrastructure and services, extended commercial coverage across the country and improved economies of scale, with direct cost and network optimisation - not to mention increased contractual negotiating power.

The Retelit Group, in particular with this integration, which comes soon after the acquisition of PA Group, can significantly improve its presence in the Munich-Tyrol-Milan axis, considering that Brennercom is a leader in South Tyrol and Trentino, with interesting positions in Austria and Southern Germany, in addition to strengthening its presence in Veneto and Friuli Venezia Giulia, thanks to the acquisition of PA Group. We also highlight that Retelit may expand its own proprietary infrastructure thanks to that contributed by Brennercom, consisting of a fiber optic network, three data centers in Bolzano (ANSI-TIA-942 certified), Trento and Innsbruck, network infrastructure and latest generation telephone exchanges.

In addition, Retelit will be able to improve its position in the business sector due to the strong synergies with Brennercom with integrated and enhanced offers in this segment and the very high degree of loyalty of Brennercom customers. The synergies are currently being quantified and shall be announced, on completion of due diligence, at the closing stage.

Finally, as was the case for the acquisition of PA Group, the seller will be part of the entity resulting from the integration, showing confidence in the future growth of the Retelit Group. The support that a major group like Athesia can give to the combined entity will be an additional factor driving the initiative's success.

Retelit Digital Services is supported in the transaction by Cross Court Capital as Financial Advisor, by NCTM for the legal and labour aspects, by Lexia Avvocati for the capital markets profiles, by PWC as accounting and tax consultant and by ICT Consulting as technical and business consultant. Brennercom is supported in the transaction by Ausserer and Ebner from PMAB for the M&A aspects, Bird & Bird for the capital markets issues and Dr. Meyer from Baker Tilly for the accounting and tax matters.

Retelit Group

Retelit is a major Italian provider of digital and infrastructure services to the telecommunications market and has been listed on the Milan Stock Exchange since 2000, joining the STAR segment on September 26, 2016. The company's fiber optic infrastructure covers over 12,678 kilometres (equivalent to approx. 327,000 km of fiber-optic cables), connecting 10 Metropolitan Networks and 15 Data Centers across Italy. With 4,385 on-net sites and 41 Data Centers reached, Retelit's network extends also overseas, leveraging a Pan-European ring with PoP's in Europe's major cities, including Frankfurt, London, Amsterdam and Paris. Retelit is member of AAE-1 (Africa-Asia-Europe-1), the submarine cable system connecting Europe to Asia through the Middle East, reaching 19 Countries, from Marseille to Hong Kong, owning a landing station in Bari and the Open Hub Med Consortium, a digital telecommunications hub in the Mediterranean, with a proprietary Data Center in Carini (PA). The company has been part of NGENA (Next Generation Enterprise Network Alliance) since November 2018, a global alliance of telecommunications players created to share the proprietary networks of members and provide a stable and scalable global data connectivity network. These assets make Retelit a perfect technological partner for operators and businesses, providing a complete range of high-quality, reliable and safe infrastructure. The services range from fiber optic Internet connectivity to the Multicloud, from Cyber Security services to Application Performance Monitoring and to SD-WAN technology based network services. Finally, Retelit offers Colocation solutions with over 10,500 square meters of equipped and secure fibre optic connected spaces, for the outsourcing of Data Center services and the satisfaction of Disaster Recovery and Business Continuity needs. Retelit's Carrier Ethernet services are in addition Metro Ethernet Forum (MEF) certified. The technological certifications ISO 27000 for the design and supply of network services, Colocation and Cloud and ALLA/NALLA for the provision of military services are added to the MEF CE 2.0 certification.

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