



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

Illustrative report of the proposals on the agenda of the Extraordinary Shareholders' Meeting prepared by the Board of Directors pursuant to art. 125-ter of Legislative Decree of 24 February 1998 n. 58 and art. 72 of the Regulation adopted by Consob with resolution no. 11971/1999

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The Board of Directors of April 5, 2022 resolved to call the Shareholders' Meeting of Tiscali S.p.A. ("Tiscali" or the "Company"), in ordinary and extraordinary session, on single call, for 16 May 2022, with the following item on the agenda:

Agenda

Extraordinary Part

Issue of a convertible and converting bond loan reserved for Nice & Green S.A. for an amount equal to Euro 90 million to be issued in several tranches pursuant to art. 2420-bis of the cod. civ. and consequent capital increase against payment and in divisible way, in one or more times, with the exclusion of the option right pursuant to art. 2441, c. 5, of the Italian Civil Code, reserved to Nice & Green S.A., to service the conversion of the aforementioned loan. Consequent amendment of art. 5 of the Articles of Association, inherent and consequent resolutions.

- 1. Issue of a convertible and converting bond loan reserved for Nice & Green S.A. for an amount equal to Euro 90 million to be issued in several tranches pursuant to art. 2420-bis of the cod. civ. and consequent capital increase against payment and in divisible way, in one or more times, with the exclusion of the option right pursuant to art. 2441, c. 5, of the Italian Civil Code, reserved to Nice & Green S.A., to service the conversion of the aforementioned loan. Consequent amendment of art. 5 of the Articles of Association, inherent and consequent resolutions.**

Dear Shareholders,

You have been called to the Shareholders' Meeting to discuss and resolve on the proposal to issue a convertible and converting bond loan reserved for Nice & Green S.A., a professional investor based in Nyon, Switzerland ("N&G" or the "Investor") for an equal amount to Euro 90 million to be issued in several tranches pursuant to art. 2420-bis of the cod. civ. and consequent capital increase against payment and in divisible way, in one or more times, with the exclusion of the option right pursuant to art. 2441, c. 5, of the cod. civ., reserved for the Investor, for the conversion of the aforementioned loan.

In particular, on April 5, 2021, Tiscali signed an investment agreement with N&G (the "New Investment Agreement") concerning a Tiscali financing program by issuing a convertible bond loan and converting into ordinary Tiscali shares, consisting of convertible bonds with a nominal amount of Euro 100,000 each (the "Bonds"), for a maximum total amount of Euro 90,000,000.00 (with the possibility of renewal under the same terms and conditions) reserved for the Investor (the "New POC").

The Investment Agreement is in continuity with the existing relationships with N&G. In particular, it should be noted that, on May 14, 2021, the Company signed an investment agreement with the Investor relating to the subscription of a convertible and converting bond loan for a total amount of Euro 21 million, divided into seven tranches, with faculty to renew for a further total of Euro 21 million. In this regard, following the issuance of the seventh and last tranche of the bond loan, the Company proceeded to exercise its right to renew the loan for a further seven tranches, for a total amount of an additional Euro 21 million.

The New Investment Agreement provides for the issuance of the New POC, in a period of 21 months starting from the seventh trading day following the completion and effectiveness of the merger by incorporation of Linkem Retail S.r.l. in Tiscali (the "Merger"), through the subscription of a maximum of 18 tranches, for an amount equal to Euro 5,000,000.

Each party will have the right to request the renewal of the New Investment Agreement, under the same terms and conditions, in the three months preceding the period of issue of the Bonds; acceptance of the request must be received within 5 working days of the request.

Furthermore, on 5 April 2022, in the context of the New Investment Agreement, Linkem S.p.A. ("Linkem"), which, following the Merger, will hold a stake in the Company equal to approximately 62% of the share capital of Tiscali, and the Investor have signed a share loan agreement (the "Linkem Share Loan"), through which Linkem has undertaken to lend to the Investor – free of charge, without any purchase or sale purpose – a sufficient number of Tiscali shares that the Investor can borrow to anticipate the issue of the new Tiscali shares in order to receive a number of shares equal to at least 120% of the amount of each tranche equal to Euro 5,000,000 (the "Loaned Shares").

This Explanatory Report (the "Report") was prepared pursuant to art. 125-ter of Legislative Decree 58/1998, as subsequently amended and supplemented (the "TUF") and art. 72 of the regulation adopted with Consob resolution no. 11971 of May 14, 1999 and subsequent additions and amendments (the "Issuers Regulation") in order to illustrate the proposal to the Extraordinary Shareholders' Meeting of Tiscali regarding the issue of the New POC, and the consequent increase in the share capital of Tiscali to payment, in one or more times and in divisible way, with the exclusion of the option right pursuant to Article 2441, paragraph 5, of the Civil Code for a total amount, including any surcharge, of a maximum of Euro 90,000,000, to exclusive and irrevocable service of the conversion of the New POC, through the issue of Tiscali ordinary shares, without

par value, with regular entitlement and the same characteristics as the Tiscali ordinary shares in circulation at the issue date.

1. ILLUSTRATION OF THE OPERATION AND THE CAPITAL INCREASE IN SERVICE OF THE CONVERSION OF THE POC

The Report aims to illustrate the proposal to issue the New POC for a maximum total amount of Euro 90,000,000 (with the possibility of renewal under the same terms and conditions) reserved for the Investor and consequent increase in share capital, pursuant to art. . 2441, paragraph 5, of the Italian Civil Code, for the exclusive and irrevocable service of the conversion of the Bonds.

The signing of the first tranche of the New POC is subject to the completion and effectiveness of the Merger.

Below are the main terms and conditions of the New Investment Agreement, to which the regulation of the New POC is attached.

1.1 Main characteristics of the POC

The New Investment Agreement provides for an overall issue period of the New POC equal to 21 months starting from the seventh business day following the completion and effectiveness of the Merger, (the "Issue Period"), consisting of a maximum of 18 tranches of Bonds for an amount equal to Euro 5,000,000.

It is understood that, with the subscription of the first tranche of the New POC, the convertible bond loan whose investment agreement was signed on May 14, 2021, will be considered immediately concluded.

The Bonds will mature after 24 months from the date of issue of the first tranche of the Bonds. Upon maturity, all outstanding Bonds not yet converted will be irrevocably converted into Tiscali shares.

Each party will have the right to request the renewal of the New Investment Agreement, under the same terms and conditions, in the three months preceding the period of issue of the Bonds; acceptance of the request must be received within 5 working days of the request.

The Bonds will be issued in bearer form and in dematerialized form and will be fully and exclusively deposited with Monte Titoli pursuant to articles 83-bis et seq. of the TUF and the joint resolution of CONSOB and Bank of Italy of 13 August 2018. The Bonds will not be admitted to trading.

The Bonds represent zero coupon convertible bonds. The Bonds constitute direct, unconditional and unsecured obligations and, in the event of liquidation, insolvency or dissolution, they will be considered (i) *pari passu* with any other present and future unsecured creditor of Tiscali and (ii) subordinated to the indebtedness of the Company pursuant to of the Senior Loan signed, *inter alia*, between the Company and Intesa Sanpaolo S.p.A. and Banco BPM S.p.A., unless otherwise provided by law.

1.2 Richiesta di sottoscrizione delle Obbligazioni e prezzo di sottoscrizione delle Obbligazioni

The Company will have the right (and not the obligation) to request the subscription of each tranche of the Bonds by submitting to the Investor a specific subscription request for the Bonds.

The Company may deliver the subscription request for the Bonds after 21 working days have elapsed starting from the second working day following that on which the previous tranche was issued.

However, notwithstanding the foregoing, the Investor may, at its sole discretion and in consideration of market conditions, submit to the Company a new subscription request for Bonds prior to the end of the aforementioned term of 21 working days, it being understood that the Company does not will be obliged to issue the Bonds.

The subscription price of each tranche of Bonds is equal to 95.5% of the nominal amount of each Bond, equal to Euro 100,000 (the "Subscription Price").

1.3 Conversion period, conversion request and conversion price of the Bonds

Each tranche of Bonds may be converted into Tiscali ordinary shares, at any time, before maturity (the "Conversion Period").

Each conversion request is binding and irrevocable and must be submitted by the Investor for a minimum amount of Euro 2,500,000. The conversion into Tiscali shares must always cover the entire nominal value of the Bonds for which the conversion is requested. It is understood that the Investor may temporarily receive Tiscali shares pursuant to the Linkem Share Loan.

The conversion price of the Bonds is equal to 95% of the second lowest average daily price weighted by the volumes traded (Volume Weighted Average Price or "VWAP") of the Company's ordinary shares recorded in the 6 trading days preceding the date of request for conversion of the Notes by the Investor (the "Conversion Price").

The Company will have to issue new Tiscali shares for an amount equal to the nominal value of the Bonds divided by the Conversion Price (for clarity, the number of new Tiscali shares to be issued for each Bond is determined by dividing the nominal value of each Bond by the Conversion), unless N&G receives Tiscali shares pursuant to the Linkem Share Loan.

The issue of the new Tiscali shares to service the conversion of the Bonds must be carried out by the Company within 5 trading days from the date of receipt of the related conversion request. The Company will be responsible and will have to indemnify N&G from any loss deriving from the failure to issue the new Tiscali shares for the conversion of the Bonds within the aforementioned term of 5 trading days.

In the event that the Investor does not receive the new Tiscali shares, the Company will be required to pay the Investor an amount equal to the conversion ratio multiplied by the difference (if positive) between (a) the closing price of the Tiscali shares in the 5 trading days following the date of the conversion request and (b) the closing price of the Tiscali shares on the day immediately preceding the date on which the relevant Tiscali shares are received by the Investor, unless the Investor receives Tiscali shares pursuant to the Linkem Share Loan.

Finally, it is recalled that the Bonds will be irrevocably converted into new Tiscali shares upon maturity.

1.4 Conditions precedent to the subscription of the first tranche of the Bonds

The obligation of the Investor to subscribe the first tranche of the Bonds is subject to the fulfillment by the Company (unless written waiver by the Investor) of certain conditions, including, inter alia:

- (i) the delivery by the Company to the Investor of the minutes of the Board of Directors certifying that the Board of Directors has approved the signing of the New Investment Agreement;
- (ii) the delivery by the Company to the Investor of the minutes of the Extraordinary Shareholders' Meeting and / or of the Board of Directors of the Company certifying the authorization for the issue of the tranches of the Bonds and for the capital increase to service the conversion of the Bonds;
- (iii) the execution of the Linkem Share Loan;
- (iv) the delivery of the Loaned Shares to the Investor;
- (v) the delivery to the Investor of evidence of the execution of the Merger.

1.5 Conditions precedent to the subscription of the subsequent tranches of the Bonds

The obligation of the Investor to subscribe for each tranche of the Bonds is subject to the fulfillment by the Company (unless written waiver by the Investor) of certain conditions, such as:

- (i) the Company's compliance with the covenants and obligations under the New Investment Agreement;
- (ii) the non-occurrence of events or changes that make any of the representations and warranties made by the Company false or incorrect in any material respect;
- (iii) the non-occurrence of a material adverse change under the New Investment Agreement;

- (iv) the non-occurrence of an event of default under the New Investment Agreement that is not treated within the related grace period;
- (v) failure by any competent authority (including CONSOB and Borsa Italiana) to oppose the issue of the Bonds or their conversion or exercise;
- (vi) failure by the Company to undertake any binding commitment that could lead to the conclusion of a public purchase or exchange offer resulting in the acquisition of control of the Company, without prejudice to the Merger;
- (vii) the Issue Period has not ended;
- (viii) the listing of the shares on the MTA;
- (ix) the non-suspension or revocation, or threat of suspension or revocation, of the shares from trading on the MTA by CONSOB or Borsa Italiana, at the reference date;
- (x) the payment by the Company of the amounts due to the Investor (or to the subsidiaries) and the delivery of all Tiscali shares deriving from previous Bonds conversion requests, it being understood that this condition will be considered satisfied where the Investor receives Tiscali shares pursuant to the Linkem Share Loan;
- (xi) the validity of the Linkem Share Loan;
- (xii) without prejudice to the provisions of point (xiv) below, the ability of the Company to issue, at the time of the subscription request, a number of shares representing at least 120% of the amount of each tranche;
- (xiii) at the time of submission of the subscription request for the Bonds, if the Company is unable to issue new listed shares, the Linkem Share Loan must contain a sufficient number of Tiscali shares for the purpose of converting 120% of the Bonds of each tranche of the New POC;
- (xiv) failure by the Company to issue the Tiscali shares to service the conversion of the Bonds within the term of 5 trading days from the date of receipt of the request for conversion of the Bonds, it being understood that this condition will be deemed satisfied where the Investor receives Tiscali shares pursuant to the Linkem Share Loan;
- (xv) failure to delist Tiscali shares, except in the case in which they are admitted to listing within less than 30 trading days on another European or Italian stock exchange or regulated market.

1.6 Termination due to lack of liquidity

The Investor will have the right to suspend the New Investment Agreement in the event that the amount of each tranche of Bonds represents an amount greater than or equal to 25% of the total daily traded value of the Tiscali shares during the 21 trading days preceding the issue of each tranche of Bonds.

The Investor will have the right to terminate the New Investment Agreement if the liquidity of the Tiscali shares does not improve during the following 3 months.

1.7 Exclusivity

The Company has undertaken, during the Issue Period, not to turn to other lenders who are competitors of the Investor for similar financing programs, with the exception of Linkem shareholders.

1.8 Events of Default

Event of default means the occurrence of one of the following events during the Bond Conversion Period:

- (i) failure by the Company to pay any amount due to the Investor pursuant to the Investment Agreement or the Linkem Share Loan or a breach, not remedied, of the covenants or of the obligations set out in the Investment Agreement ;
- (ii) the non-fulfillment of the provisions pursuant to the legislation on market abuse;

- (iii) the non-fulfillment of the original collateral sharing agreement as described under the amending agreement that will be signed between the Company, the Investor, Banco BPM S.p.A. and Intesa Sanpaolo S.p.A., which is not remedied;
- (iv) The delisting of the Tiscali shares at the request of the Company;
- (v) the inability to issue the New Shares and credit them to the Investor's securities account in accordance with the law;
- (vi) the occurrence of a material adverse change pursuant to the New Investment Agreement or a public purchase or exchange offer resulting in the acquisition of control of the Company;
- (vii) the voluntary suspension by the Company or the interruption or liquidation of its activities (except in the event that the transaction takes place at market conditions or for a fair consideration), or the Company is declared bankrupt, subject to liquidation or company reorganization;
- (viii) failure by the Company to pay an amount exceeding Euro 1,500,000 following the receipt of a final sentence issued by the competent court, without prejudice to the possible suspension of the aforementioned sentence following an appeal;
- (ix) the request by the competent authority to replace one or more members of the Board of Directors.

Upon the occurrence of an event of default, the Investor may, at its discretion, conclude the New Investment Agreement.

1.9 Early Termination

The Company has the right to terminate the New Investment Agreement at any time with 21 business days' notice.

The Investor has the right to terminate the New Investment Agreement by notifying the Company in writing:

- (i) if, after the subscription of the first tranche of the Bonds, the Company does not make subscription requests within 6 months, unless the Company has suspended the subscription; or
- (ii) upon the occurrence of an event of default, a material adverse change, a public purchase offer or exchange resulting in the acquisition of control of the Company or the lack of liquidity, pursuant to the Investment Agreement;
- (iii) in the event that Tiscali concludes a financing transaction in shares.

In the event of early termination of the New Investment Agreement, the Bonds issued will be converted by the Investor within a maximum of 90 business days.

1.10 Suspension at the request of the Company

The Company has the right to temporarily suspend, one or more times, the New POC, without prejudice to the Investor to convert the outstanding Bonds during this suspension period.

The New Investment Agreement will be effective again upon expiry of the suspension period, provided that the Issue Period is not extended.

1.11 Listing of Tiscali's shares

The Tiscali shares to be assigned to the Investor following the conversion of the Bonds will be admitted to listing on the MTA on the basis of a listing prospectus which must be submitted for CONSOB approval or exempt from the publication of such listing prospectus. If the Tiscali shares resulting from the conversion of the Bonds can be admitted to listing only following the publication of a listing prospectus, the Investor may

use the Loan Shares pursuant to the Linkem Share Loan to exchange the unlisted Tiscali shares resulting from the conversion with listed Tiscali shares.

2 CRITERIA FOR DETERMINING THE CONVERSION PRICE AND COMMITMENT FEE OF THE OPERATION

Preliminarily, the release of all the shares previously issued by the Company is confirmed pursuant to art. 2438, paragraph 1, of the civil code, and the successful execution of all contributions previously due pursuant to art. 2481, paragraph 2, of the civil code.

The Conversion Price of the Bonds is equal to 95% of the second lowest average daily price weighted by the volumes traded (Volume Weighted Average Price or "VWAP") of the Company's ordinary shares recorded in the 6 trading days preceding the date of request for conversion of the Notes by the Investor.

The number of Tiscali shares to be issued for the conversion of the Bonds will therefore be determined on the basis of the ratio between the value of the Bonds (subject to communication by the Investor on the basis of the individual conversion requests) and the Conversion Price.

The choice not to determine an established price is in line with market practice for similar transactions characterized by a large period of time in which the subscription of the Bonds and the capital increase to service the conversion of the same takes place. The criterion for determining the Conversion Price allows the issue of shares at a price in line with the market value of the Tiscali shares in the observation period (i.e. 6 open market days prior to the date of request for conversion of the Bonds by the 'Investor).

In this regard, it should be noted that, even taking into account the length of the time period within which the conversion may take place, the adoption of a predetermined price could have the consequence, in the event that the stock market prices of the Tiscali shares were significantly higher than this price, to penalize the Company and its shareholders to the benefit of the Investor. The adoption of a criterion based on the performance of the shares allows, however, to issue shares at a price that follows the trend of the value of the share itself, a value also recognized by the market. Furthermore, the selected criterion appears to be in line with the market practice followed for transactions in which the subscription of the capital increase to service the conversion of the bonds is potentially extended over an even large period of time. In general, in such cases, the adoption of a pre-established fixed price could lead, in the event that this price in the future is significantly lower than the stock market value of the securities at the time of the actual conversion of the bonds, to a strong penalisation of the group. and its shareholders.

It should be noted that the application of a 5% discount appears in line with similar transactions. It should also be noted that the adoption of the second lowest market price recorded in the reference time interval of six days involves a discount compared to the average value of the same interval. The analysis of the trends in the share prices of the Tiscali stock in the last six months confirmed that this discount, combined with the previous conversion and subscription discounts for the Bonds, would in any case bring the overall discount to a level that would always fall within the values of the sample of comparable transactions analyzed and which would in any case be in line with the terms and conditions of the convertible and converting bond loan signed by N&G and outstanding at the date of the Report as well as lower than the discount applied as part of the capital increase at the service of the New POC issued by the Group in the recent past.

It should also be noted that the New Investment Agreement does not provide for any commission fee but a subscription price of the Bonds equal to 95.5% of their nominal value which must be added to the Conversion Price in order to quantify the overall return for the Investor.

In fact, in the hypothesis of exclusion of the option right pursuant to Article 2441, paragraph 5, of the Italian Civil Code, art. 2441, paragraph 6, of the Italian Civil Code states that the issue price of the shares is

determined by the Directors "on the basis of the value of the shareholders' equity, taking into account, for shares listed on regulated markets, also the price trend in the last six months".

In light of the foregoing, and considering that the net equity value of the Group headed by Tiscali is negative, the Directors deemed it appropriate – in order to identify a conversion price that corresponded to the market value of the Tiscali shares – to take into account the implicit valuation of the Tiscali shares in the stock market prices as well as the specific characteristics of the Company and in particular the volatility of the share.

For the purpose of identifying the criterion for determining the price of Tiscali shares, the Board of Directors analyzed the valuation methods that are commonly followed for similar transactions, both on the national and international markets, also taking into account the applicable provisions of the code civil. From an analysis of the issues carried out in Italy, it emerges that the conversion price of the bonds into shares of the company, even if it must necessarily take into account the peculiarities of the transaction, cannot disregard the prices of the shares at a given time, for the purposes of identify the correspondence of this conversion price with the market value.

In particular, in order to determine the price (or the value) of the shares, the investors, in accordance with the established practice in similar transactions, refer – in addition to the stock exchange price – to other elements of both a quantitative and qualitative nature among the such as (i) the recent evolution of the share performance, (ii) the liquidity of the share, (iii) the volatility of the share, (iv) the market conditions at the time of the transaction, (v) the expectations of investors in regarding the future results of the company, (vi) the type of operation carried out and the type of subscribers, (vii) the specific characteristics of the operation, such as the size of the offer and the destination of the new financial resources obtained through the operation.

The choice to apply the stock market price method, as well as being referred to by the civil code, is also supported by practice and doctrine. In particular, the "Italian Valuation Principles (PIV)", for example, indicate that "in the presence of an efficient stock market without disturbances, and in the absence of competition to acquire control of a company, the stock market capitalization (share price by number of outstanding securities) of a company should normally be the best approximation of a company's (market and intrinsic) value".

In any case, it should be noted that stock market prices may be subject to even significant fluctuations over time, in relation to both the general economic situation and the national and international financial context, as well as speculative forecasts; therefore, the valuations based on stock exchange prices, even if relative to time frames of different lengths, could have been affected by these fluctuations in the time frame used as a reference for determining the price.

In consideration of the analyzes carried out, the Company's Board of Directors believes that the criteria adopted for determining the Conversion Price of the Bonds are consistent with the criteria established by art. 2441, paragraph 6, of the Italian Civil Code and, therefore, appropriate to identify a price capable of preserving the equity interests of the Company's shareholders, in consideration of the exclusion of the option right pursuant to art. 2441, paragraph 5, of the Italian Civil Code

Finally, it should be noted that the auditing company Deloitte & Touche S.p.A. it is called upon to issue its opinion on the fairness of the issue price of the shares.

3 INFORMATION ON THE RESULTS OF THE LAST FINANCIAL YEAR ENDED 31 DECEMBER 2021

Please refer to the information published on 5 April 2022 following the meeting of the Board of Directors which took place on 5 April 2022, available on the tiscali.com website in the "corporate press releases" section.

4 GUARANTEE AND / OR PLACEMENT CONSORTIA AND ANY OTHER FORMS OF PLACEMENT PROVIDED

Since this is a capital increase reserved for the conversion of the remaining tranches of the New POC, no guarantee and / or placement consortia are envisaged. There are no other forms of placement.

5 SHAREHOLDERS WHO HAVE MANIFESTED THE AVAILABILITY TO SUBSCRIBE THE CONVERTIBLE AND CONVERTING BONDS OF NEW ISSUE

Under the New Investment Agreement, the signing of the New POC is reserved exclusively for the Investor, who has undertaken to sign it.

6 RATIONALE OF THE PROPOSAL AND EXCLUSION OF THE RIGHT OF OPTION

The signing of the New Investment Agreement and the New POC will allow the Company to find, with the flexibility typical of this instrument, resources to be allocated to meet the Company's liquidity needs necessary to implement its industrial plan, within the envisaged time horizon. from the New POC.

The choice to proceed with the issue of the New POC allows to obtain financial resources with timelines consistent with the needs of the Company, which would be difficult to obtain through instruments such as financial indebtedness by the banking class, the raising of resources through the financial market or a capital increase. In particular, these tools, in addition to being complex to implement, taking into account the current financial structure of the Company, would in any case entail long execution times and high costs for Tiscali.

Furthermore, the Company was able to verify the usefulness of this instrument also in the recent past by subscribing to the convertible and converting bond loan signed by N&G and outstanding at the date of the Report and, precisely because of the benefits obtained, it believes that the subscription of the New POC can represent an efficient tool to meet Tiscali's needs.

Therefore, the New POC allows the Company to equip itself with a flexible funding instrument, suitable for finding, in a short time and at low cost, resources from the non-bank capital market, necessary to be able to implement the industrial plan, in accordance with what has been agreed. as part of the senior loan signed between the Company and the banking class.

Furthermore, the particular structure of the New POC which provides for the mandatory conversion of the Bonds upon maturity ensures that the Company can strengthen its corporate assets by sterilizing, at the time of conversion, any effect on its net financial position, with a consequent strengthening of the structure. financial company.

In this context, therefore, the advantages for the Company deriving from the placement of the New POC are mainly represented:

- from obtaining financial resources through an operation that has characteristics of flexibility in favor of the Company; And
- the improvement of the equity structure upon maturity of the Bonds by converting them into Tiscali shares.

In this perspective, the exclusion of the option right pursuant to Article 2441, paragraph 5, of the Italian Civil Code is a structural element of the transaction since the newly issued shares resulting from the conversion will be attributed exclusively to the subscriber of the Bonds that he will become a shareholder of the Company by virtue of the offsetting of the credit from the redemption of the bonds with the debt from the subscription of the new shares. In fact, the choice of reserving the subscription of the New POC to the Investor, as a qualified investor, is based on the need for the Company to promptly find financial resources at favorable conditions, with the lengthening of the average maturity of the existing debt.

For these reasons, the Board of Directors considered that the transaction responds to the interest of the Company.

Finally, it should be noted that the transaction as described could have a dilutive effect, currently not calculable, on the equity investments held by the current shareholders of the Company, which will depend on the methods of execution of the same, and in particular, on the number of shares issued to service of the conversion of the Bonds and therefore of the share capital of the Company actually subscribed by the Investor as well as the relative subscription price of the Bonds

7 PERIOD FOR THE ISSUE OF THE BOND AND THE EXECUTION OF THE CAPITAL INCREASE FOR THE CONVERSION

The Bonds will mature after 24 months from the date of issue of the first tranche of the Bonds. Upon maturity, all outstanding Bonds not yet converted will be irrevocably converted into Tiscali shares.

8 DATE OF ENJOYMENT OF THE NEWLY ISSUED SHARES

The Tiscali ordinary shares that will be issued will have the same entitlement and the same characteristics as the Tiscali ordinary shares outstanding at the issue date.

9 INFORMATION ON THE PUBLICATION OF A PROSPECTUS FOR ADMISSION TO LISTING

The New Investment Agreement provides for an overall period of issue of the New POC equal to 21 months starting from the seventh business day following the execution of the Merger. Each tranche of Bonds may be converted, at any time, before maturity. The Bonds will mature after 24 months from the date of issue of the first tranche of the Bonds. Upon maturity, all outstanding Bonds not yet converted will be irrevocably converted into Tiscali shares.

Provided that the shares issued to service the conversion of the Bonds, together with any ordinary shares issued in the twelve months prior to the issue of the aforementioned shares, represent less than 20% of the Tiscali ordinary shares already admitted to trading on the Euronext Milan market, the Company may benefit from the exemption from the publication of the prospectus for admission to listing pursuant to art. 1, par. 5, lett. to) of Regulation (EU) 2017/1129.

10 AMENDMENTS TO THE BY-LAWS

Below is the comparison of the aforementioned art. 5 in the text in force at the date of the Report and in the proposed one. The text proposed for insertion is in bold type

The share capital amounts to EUR 72.655.159,37 (seventy-two million six hundred and fifty-five thousand one hundred fifty-nine point thirty-seven).

The corporate holdings are represented by 6.375.726.753 (five billion one hundred ninety-nine million one hundred twenty-four thousand nine hundred and fifteen) shares lacking par value. The shares are fully paid-up, indivisible and freely transferrable.

The Extraordinary General Meeting of February 16, 2016 re-solved to increase the share capital by a maximum of Euro 16,371,192.25, by payment, in tranches, pursuant to art. 2441, paragraphs 5 and 6 of the Civil Code, and therefore with exclusion of option rights pursuant to the aforementioned provision, by issuing of maximum 251,622,551 ordinary shares of Tiscali S.p.A. with no indication of par value, having the same characteristics as those already in circulation, ordinary rights, at a price of: EUR 0,060 to 157,264,095 shares, 47,179,228 shares for EUR 0,069, EUR 0,078 for 47,179,228 shares. The recipient of the capital increase is the beneficiary of the Stock Option Plan 2015 - 2019 approved by the shareholders' meeting on February 16, 2016 reserved to the President of the Company's Board of Directors, Renato Soru, or his heirs, and to be implemented through the granting of options (the "options") valid for the subscription of Tiscali S.p.A. ordinary shares newly issued. The deadline for the subscription of the capital increase is set at 24 June 2019 with the provision that if, at the end of that period, the capital increase is not fully subscribed, the capital itself, pursuant to art. 2439, paragraph 2, of the Civil Code, will be increased by an amount equal to the subscriptions collected up to that point and marked from the same date, provided that subsequent to the registration of the resolutions in the Companies Register.

The Extraordinary Meeting of the 16th of June 2016 deliberated to increase the share capital by a nominal maximum of EUR 25,193,708 with payment in tranches pursuant to article 2441, paragraphs 5 and 6 of the Italian Civil Code and, therefore, excluding the option right pursuant to the above-mentioned law, through the issue of a maximum of 314,528,189 ordinary Tiscali S.p.A. shares without a par value, having the same characteristics as those already in circulation, with the right to dividends, at the price of: : Euro 0,070 for 188.716.915 shares, Euro 0,0886 for 62.905.637 shares, Euro 0,1019 for 62.905.637 shares. The beneficiaries of the capital increase are the Beneficiaries of the Stock Option Plan 2016-2021, approved at the Shareholders Meeting on the 16th of June 2016 reserved for the CEO of Company, Riccardo Ruggiero, and the management of the Tiscali Group, i.e. the respective heirs, to be implemented by means of free assignment of Options ("Options") valid for the subscription of new issue ordinary Tiscali S.p.A. shares. The deadline for subscription to the increase is the 24th of December 2021 with the condition that if, on expiry of this deadline the capital increase is not fully subscribed the capital itself, pursuant to article 2439, paragraph 2 of the Italian Civil Code, will be increased by an amount equal to the subscriptions made up to that

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moment and with the same date, provided that it is subsequent to the entry of these deliberations on the Register of Companies.

The Extraordinary Shareholders' Meeting dated 26 June 2018 has resolved to delegate to the Board of Directors the power to increase the share capital, for a fee, for a maximum amount of Euro 35,000,000.00, including any share premium, to be carried out in one or more tranches, in divisible manner, within five years from the date of the resolution – using the individual tranches also for the conversion of the convertible bonds issued in execution of the proxy pursuant to ex art. 2420-ter of the Civil Code proposed in point 4 of today's agenda (the "Bond Proxy"), where such proxy approved by today's Shareholders' Meeting – by issuing a maximum number of 1,300,000,000 ordinary shares with nominal value of zero, by dematerialized securities, having the same characteristics as the outstanding shares and regular dividend rights, with the exclusion of the option right pursuant to paragraph 5 of art. 2441 of the Civil Code, to be reserved for qualified investors pursuant to art. 34-ter, paragraph 1, b), of the Regulations adopted with Consob resolution No. 11971/1999 and subsequent amendments and integrations; all with the power to define the terms, conditions and objectives of the increase, including the price of the shares to be issued, in compliance with any current legislation and regulatory provisions of the aforementioned "Explanatory Report prepared by the Board of Directors". The sum of the amount of the capital increase resolved in the exercise of this proxy and of the amount of the convertible bonds issued in the exercise of the proxy pursuant to art. 2420-ter of the Italian Civil Code conferred by today's Shareholders' meeting cannot altogether exceed the maximum total amount of EUR 35,000,000.00 (thirty-five million). Likewise, the sum of the amount of the capital increase resolved in the exercise of this proxy and of the amount of the capital increase to service the conversion of the convertible bonds issued in the exercise of the proxy pursuant to art. 2420-ter of the Italian Civil Code conferred by today's Shareholders' Meeting may not in any case exceed the maximum total amount of Euro 35,000,000.00.

The Extraordinary Shareholders' Meeting dated 26 June 2018 has resolved to appoint to the Board of Directors a power of attorney pursuant to article 2420-ter, of the Civil Code to issue, even in multiple times, a convertible bond loan of a total maximum amount of EUR 35,000,000.00, reserved to qualified investors pursuant to art. 34-ter, paragraph 1, letter b) of the Regulation adopted with Consob resolution No. 11971/1999 and subsequent amendments and additions, with the power to establish all terms and conditions of said document, thereby including the rate, duration, issuing price of the bonds and conversion ratio, for which conversion the power of attorney bestowed pursuant art. 2443 of the Civil code, on the same date of the Board of Directors Meeting.

The Board of Directors of January 31 2019 (two thousand and eighteen), implementing the delegation granted to him pursuant to art. 2443 c.c. by the Extraordinary

Meeting of 26 (twenty-six) June 2018 (two thousand and eighteen), recorded in a deed signed by Dr. Gianluigi Cornaglia, notary in Tortoli, on January 31 2019, repertory no. 15474, collection n. 7484, resolved to increase the paid share capital one or more times and in a divisible way, up to a maximum of € 10,600,000 for the exclusive service of conversion of the convertible bonds to be issued, by January 31 2019, in execution of the proxy pursuant to art. 2420 ter c.c. conferred on the Board by the same Meeting of 26 June 2018, by issuing maximum no. 1,300,000,000 (one billion three hundred million) ordinary shares without par value, under dematerialization, having the same characteristics as those in circulation and regular enjoyment, with the exclusion of the option right pursuant to paragraph 5 of art. 2441 of the Civil Code, to be reserved for qualified investors pursuant to art. 34-ter, paragraph 1, lett. b) of the Regulations adopted with Consob resolution no. 11971/1999 e ss.mm.. The subscription price of the shares deriving from each tranche of the capital increase, it will be equal to 85% of the weighted average by volume lower than the closing prices of the Issuer's shares recorded in the last 10 working days preceding the conversion request date.

The request for conversion of the bonds must take place within the 30 (thirty) June 2020 and the issue of the shares deriving from the conversion must be completed within the technical deadlines set by the law.

The Board of Directors of 20 (twenty) May 2021 (two thousand and one), recorded by deed of Dr. Federico Pavan, notary in Iglesias, on 20 May 2021, repertoire no. 2078, collection no. 1620, in implementation of the powers conferred on him pursuant to art. 2420-ter and 2443 of the Italian Civil Code by the Extraordinary Shareholders' Meeting of 26 (twenty-six) June 2018 (two thousand and eighteen), it resolved to approve the issue of the first and second tranches of the convertible and converting bond loan consisting of convertible bonds with a nominal amount equal to Euro 100,000 (one hundred thousand) each, for a total maximum amount of Euro 6,000,000 (six million), to be offered in full for subscription to Nice & Green SA as part of a private placement intended for qualified investors pursuant to art. 34-ter, paragraph 1, lett. b) of the Regulation adopted with Consob resolution no. 11971/1999 and subsequent amendments and consequently, to increase the share capital for payment, in one or more times and in a divisible manner with the exclusion of the option right pursuant to art. 2441, paragraph 5, of the Civil Code for a maximum total amount, including any surcharge, equal to Euro 6,000,000 (six thousand-nine), by issuing a maximum of no. 220,655,181 (two hundred and twenty-six million six hundred and fifty-five thousand one hundred and eighty-one) ordinary shares, for the exclusive and irrevocable service of the conversion of the first and second tranches of the convertible and converting bond loan. The subscription price of the shares to service the conversion of the convertible and converting bond loan will be equal to 95% of the second lowest daily average

price weighted by the volumes traded (VWAP, i.e. volume weighted average price) of the Tiscali shares registered in 6 open market days prior to the conversion request date of the convertible bonds.

The Shareholders' Meeting of 24 (twenty-four) June 2021 (two-half-year-one), recorded by deed by Dr. Federico Pavan, notary in Iglesias, on 24 June 2021, repertoire no. 2,140, collection no. 1,666, resolved to approve the issue of the remaining tranches of the convertible and converting bond loan for an amount equal to Euro 3,000,000 (three million) each, consisting of convertible bonds with a nominal amount of Euro 100,000 (one hundred thousand) each, for a maximum total amount of Euro 36,000,000 (thirty-six million), divided, in accordance with the provisions of the Investment Agreement, in Euro 15,000,000 (fifteen million) and any further Euro 21,000,000.00 (twenty one million), to be offered in full under subscription to Nice & Green SA as part of a private placement intended for qualified investors pursuant to art. 34-ter, paragraph 1, lett. b) of the Regulation adopted with Consob resolution no. 11971/1999 and subsequent amendments. The Bonds will have a duration of 21 months from the issue date of the first tranche and will be irrevocably converted on maturity. The subscription price of the convertible bonds is equal to 95.5% of the nominal amount of the same tranche. Consequently, the increase in the share capital of Tiscali S.p.A. was approved for a fee, in one or more times and in divisible way, with the exclusion of the option right pursuant to art. 2441, paragraph 5, of the cod. civ. for a total amount, including any share premium, of a maximum of Euro 36,000,000 (thirty-six million), for the exclusive and irrevocable service of the conversion of the convertible and converting bond loan, through the issue of ordinary Tiscali shares, without of par value, with regular entitlement and the same characteristics as the Tiscali ordinary shares outstanding at the issue date. The subscription price of the shares to service the conversion of the remaining tranches of the convertible and converting bond loan is equal to 95% at the second lowest average daily price weighted by the volumes traded (VWAP, ie volume weighted average price) of the shares Tiscali SpA recorded in the 6 trading days preceding the request for conversion of convertible bonds. The Assembly has given a mandate to the President and the Chief Executive Officer, separately, with all the widest powers to ensure, also by means of special attorneys, to do what is necessary or even only appropriate to give implementation of the resolutions passed, including the power to (i) establish the issue date of the convertible bonds, (ii) prepare and present any document required for the purposes of executing the aforementioned resolutions as well as to fulfill the necessary formalities to proceed with admission to listing on the Mercato Telematico Azionario organized and managed by Borsa Italiana SpA of the newly issued shares deriving from the conversion of convertible bonds, including the power to prepare and submit to the competent authorities any application, request, docu-

The Shareholders' Meeting of April 16, 2022 resolved to approve the issue of the convertible and converting bond

ment or prospectus for the necessary or appropriate purpose, as well as decide on the " possible renewal of the Investment Agreement and consequent issue of the convertible bonds and capital increase for the conversion of the convertible bonds for Euro 21,000,000 (twenty-one million).

The share capital is predetermined to achieve the corporate purpose and it may be increased even by way of contribution in kind and/or credits in accordance with the combined provision of Articles 2342, 2343 et seq of the Italian Civil Code.

The shareholders' meeting may resolve a reduction in the share capital, also by means of allocation to individual shareholders or groups of shareholders of specific corporate assets or shares or holdings in other companies, in which the Company has a joint investment. The shareholders' meeting may resolve an increase in the share capital pursuant to and within the limits as per Article 2441.4.2 of the Italian Civil Code, and assign the management body the faculty to increase the share capital as per Article 2443 of the Italian Civil Code.

loan for a total amount of Euro 90,000,000 consisting of 18 tranches for an amount equal to Euro 5,000,000, through the issue of convertible bonds with a nominal amount of € 100,000 each, to be offered, subject to the execution of the merger by incorporation of Linkem Retail into Tiscali S.p.A., fully under subscription by Nice & Green S.A. as part of a private placement intended for qualified investors pursuant to art. 34-ter, paragraph 1, lett. b) of the Regulation adopted with Consob resolution no.

11971/1999 and subsequent amendments. The Bonds will have a duration of 24 months from the date of issue of the first tranche and will be irrevocably converted on maturity. The subscription price of the convertible bonds is equal to 95.5% of the nominal amount of the same tranche.

Consequently, the increase in the share capital of Tiscali S.p.A. was approved for a fee, in one or more times and in divisible way, with the exclusion of the option right pursuant to art. 2441, paragraph 5, of the cod. civ. for a total amount, including any share premium, of a maximum of Euro 90,000,000, for the exclusive and irrevocable service of the conversion of the convertible bond loan and converting, through the issue of Tiscali ordinary shares, without par value, with regular enjoyment and the same characteristics of the Tiscali ordinary shares outstanding at the issue date. The subscription price of the shares servicing the conversion of the remaining tranches of the convertible and converting bond loan is equal to 95% at the second lowest daily average price weighted by the volumes traded (VWAP, i.e. volume weighted average price) of the Tiscali S.p.A. shares. recorded in the 6 open market days preceding the request for conversion of the convertible bonds. The Shareholders' Meeting gave a mandate to the Chairman and the Chief Executive Officer, separately, with all the broadest powers to ensure that, also by means of special attorneys, they do what is necessary or even just appropriate to implement the resolutions passed. , including the power to (i) establish the issue date of the convertible bonds, (ii) prepare and present any document required for the purpose of executing the preceding resolutions as well as to fulfill the formalities necessary to proceed with admission to listing on the Electronic Share Market organized and managed by Borsa Italiana S.p.A. of the newly issued shares deriving from the conversion of convertible bonds, including the power to prepare and submit to the competent authorities any application, request, document or prospectus for the necessary or appropriate purpose, as well as decide on the possible renewal of the 'Investment Agreement and consequent issue of convertible bonds and capital increase to service the conversion of convertible bonds.

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11 RIGHT OF WITHDRAWAL

The proposed amendments to the Articles of Association of Tiscali referred to in the Report do not entail the emergence of the right of withdrawal pursuant to art. 2437 of the civil code. by the shareholders who did not participate in the resolutions covered by the Report.

12 PROPOSAL FOR A RESOLUTION

Having said all this, the Board of Directors submits to the Shareholders' Meeting of Tiscali called for May 16, 2022, in an extraordinary session, in single call, the following proposed resolution:

" The Extraordinary Shareholders' Meeting of the company "Tiscali S.p.A. ":

- having acknowledged the report drawn up by the directors, pursuant to art. 2441, paragraph 6 of the civil code, of art. 72 of the regulation adopted with Consob resolution no. 11971 of May 14, 1999 and subsequent additions and amendments as well as art. 125-ter of Legislative Decree no. 58 of February 24, 1998 and subsequent amendments;

- having acknowledged the opinion on the fairness of the issue price issued by the auditing company Deloitte & Touche S.p.A .;

resolves:

- 1. to approve, subject to the execution of the merger by incorporation of Linkem Retail S.r.l. in Tiscali S.p.A., the issue of the convertible and converting bond loan for a total amount of Euro 90,000,000 consisting of 18 tranches for an amount equal to Euro 5,000,000, consisting of convertible bonds with a nominal amount of Euro 100,000 each, for a total maximum amount equal to Euro 90,000,000, to be offered in full for subscription to Nice & Green S.A. as part of a private placement intended for qualified investors pursuant to art. 34-ter, paragraph 1, lett. b) of the Regulation adopted with Consob resolution no. 11971/1999 and subsequent amendments The Bonds will have a duration of 24 months from the issue date of the first tranche and will be irrevocably converted on*

- maturity. The subscription price of the convertible bonds is equal to 95.5% of the nominal amount of the same tranche;
2. consequently, to increase the share capital of Tiscali S.p.A. against payment, in one or more times and in divisible way, with the exclusion of the option right pursuant to Article 2441, paragraph 5, of the Italian Civil Code for a total amount, including any surcharge, of a maximum of Euro 90,000,000, for the exclusive and irrevocable service of the conversion of the convertible bond loan and converting, through the issue of Tiscali ordinary shares, without par value, with regular entitlement and the same characteristics as the Tiscali ordinary shares in circulation at the issue date. The subscription price of the shares to service the conversion of the remaining tranches of the convertible and converting bond loan is equal to 95% at the lower second average daily price weighted by the volumes traded (VWAP, i.e. volume weighted average price) of the Tiscali shares recorded in the 6 open market days preceding the request for conversion of the convertible bonds;
 3. to amend art. 5 of the Articles of Association as indicated in the Report;
 4. to mandate the Chairman and the Chief Executive Officer, separately from each other, to update the numerical expressions contained in Article 5 (Share capital and shares) of the Articles of Association of Tiscali S.p.A., as amended, as a consequence of the partial and / or full exercise of the conversion rights by the bondholder and the consequent partial and / or total execution of the capital increase to service the bond loan conversion, also providing for the related deposits at the Companies' Register;
 5. to give mandate to the Chairman and the Chief Executive Officer, separately from each other, all the broadest powers so that they, also by means of special attorneys, do what is necessary or even only appropriate to implement the above resolutions, including the power to (i) establish the issue date of the convertible bonds, (ii) prepare and present any document required for the purpose of executing the above resolutions as well as to fulfill the formalities necessary to proceed with admission to listing on the Market Telematico Azionario organized and managed by Borsa Italiana S.p.A. of the newly issued shares resulting from the conversion of convertible bonds, including the power to arrange for the preparation and presentation to the competent authorities of any application, request, document or prospectus for the necessary or appropriate purpose, new text of the Articles of Association of Tiscali S.p.A. updated, pursuant to art. 2436 of the Civil Code, (iv) to resolve on the possible renewal of the Investment Agreement and consequent issue of convertible bonds and capital increase to service the conversion of convertible bonds and (v) update the numerical expressions contained in article 5 (Share capital and shares) of the Articles of Association of Tiscali S.p.A., as amended, as a consequence of the partial and / or total exercise of the conversion rights by the bondholder and the consequent partial and / or total execution of the capital increase to service the conversion of the bond loan, also providing for the related deposits with the Register of Companies as well as including the right to introduce in the resolutions themselves all changes, additions or deletions, of a non-substantial nature, that were deemed necessary or even only appropriate or that were possibly requested by the competent authorities at the time of authorization and registration".

Cagliari, April 13 2022

For the Board of Directors

Renato Soru
(CEO)