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Oggetto : Tiscali S.p.A. - Results of the Board
meeting of 8 July 2022

Testo del comunicato

Vedi allegato.

Results of the Board meeting of 8 July 2022

- The 2022-2025 Business Plan post integration between Tiscali Group and the retail branch of Linkem Group was approved.
- Positive conclusion of discussions with the Group's senior creditors and agreement reached on the amendments to be made to the financing agreements and the waivers necessary to complete the integration transaction.
- The Framework Agreement that will regulate the conditions of the supply – in wholesale mode and without any exclusivity obligation – of the FWA service from Linkem to Tiscali Italia was approved.
- The guarantee and indemnity agreement between Tiscali and Linkem, which regulates and governs the set of representations and warranties issued by the parties in relation to the integration transaction, was approved.
- The conditions precedent to the effectiveness of the Merger Deed were waived.
- The incorporation of Vevisible, the new subsidiary company that will focus on the Group's advertising activities, was approved.

Cagliari, 11 July 2022

Tiscali S.p.A. (hereinafter referred to as “**Tiscali**” or the “**Company**”) announces that on 8 July 2022, a meeting of the Company's Board of Directors was held to deliberate on a number of issues relevant and connected to the integration transaction, currently underway, between the Tiscali Group and the retail branch of the Linkem Group, approved by the relevant Shareholders' Meetings on 26 April 2022.

2022-2025 Business Plan

In particular, the Board of Directors has examined and approved the Tiscali Group's Business Plan that takes into account the contribution of Linkem Group's retail activities that will be completed as a result of the merger between Linkem Retail and Tiscali S.p.A. (hereinafter referred to as, respectively, the “**Merger**” and the “**Combined Business Plan**”).

Tiscali S.p.A.

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Share Capital 78,655,159.37 fully paid-up | VAT No. 02375280928 | R.E.A. No. 191784 | C.C.I.A.A. Cagliari | tiscali.com

Please note preliminarily that, as a result of the Merger, the forecast information contained in the Business Plan approved on 17 September 2021 by the Board of Directors and drafted pursuant to Article No. 67, third paragraph, letter d) of the Bankruptcy Law, disclosed to the market on the same date, shall be considered no longer valid and outdated.

The Combined Business Plan contains economic, equity and financial projections of the Company and the Group for the prospective period between 2022 and 2025 and takes into account the impacts of the Merger. Given the expected effectiveness of the Merger on 1 August 2022, the Business Plan will only benefit from the economic results attributable to the Merger for five months in the current Financial Year.

The preparation of the Business Plan started from an analysis of the Merger and the context, and then developed the strategic direction of the Tiscali Group following the integration. The main industrial rationales of the Merger that have been considered are: (i) The generation of complementary revenues on the different technologies, both fixed and mobile; (ii) The support of consolidated commercial relationships with operators; (iii) A greater scale to face the competitive scenario and to facilitate the access to the PNRR (the Italian National Recovery and Resilience Plan) funds; and (iv) The possible cost and revenue synergies, thanks to the greater size.

On the other hand, from a financial point of view, the main elements considered were: (i) A greater ability to attract capital and equity investments; (ii) Easier access to credit through banks or financial institutions; (iii) Increased negotiating power on current debt; and (iv) Immediate deleveraging.

Strategically speaking, the Combined Industrial Plan provides for the development of four main pillars:

- a) TELCO Area: Tiscali aims at consolidating its current positioning, thanks to an integrated offer of fixed and mobile services;
- b) MEDIA&TECH Area: aimed at strengthening and enhancing the Tiscali.it portal through the development of new contents, products and value-added services;
- c) FUTURE COMMUNITIES Area: with the aim of promoting the development of communities based on the adoption of intelligent and value-added services, through the creation of vertical tools, platforms and services;
- d) CLOUD Area: provides for the development of Cloud infrastructures and services aimed at enterprises and Public Administration, also thanks to the support of PNRR funds and EU funding.

In addition, the Combined Business Plan provides for a transversal, functional pillar aimed at effectively integrating organisational assets with the objective of generating significant industrial synergies.

The Business Plan is supported by a comfort letter issued by Professor Giovanni Naccarato and supersedes the previous Plan sworn pursuant to Article No. 67 of the Bankruptcy Law.

Please note that the approval of the Business Plan by the Boards of Directors of Tiscali and Linkem was a condition precedent to the Merger.

Discussions with financing institutions

The Board of Directors acknowledged the positive conclusion of the discussions with the Group's senior creditors and the agreement reached with regard to the Company's requests to amend the existing loan agreements.

The Business Plan, in fact, envisages the prepayment of the *Senior Loan* for EUR 2.6 million in September 2022 and for EUR 1.3 million split between January and February 2023, as well as an increase in the interest rate applied from 1.5% to 2%.

In this regard, Banco BPM and Intesa Sanpaolo expressed their consent to the above, sending the Company specific comfort letters concerning, as to BPM, the confirmation of the issuance of the relevant waivers and, as to Intesa Sanpaolo, the communication that the proposal for the issuance of the relevant waivers had been submitted to the deliberating bodies with a favourable opinion. The obtaining of the waiver on the Merger by the financing banks and the simultaneous acceptance of the proposed amendments to the *Senior Loan* represent a crucial step for the completion of the extraordinary industrial combination transaction, being a condition precedent provided for by the Merger plan.

The drafts of the contractual documentation relating to the *Senior Loan* are in an advanced stage of verification by the Banks' and the Company's lawyers and will be finalised prior to the execution of the Merger deed.

Service Framework Agreement

Furthermore, it should be noted that Tiscali's Committee for Related Party Transactions has expressed its favourable opinion on the signing of the Framework Agreement between Linkem and Linkem Retail concerning the technical and economic conditions for the supply – on a wholesale basis and without any exclusivity obligation – by Linkem in favour of Linkem Retail (a) of SIMs and devices necessary for the provision of connectivity service to end users having LTE and 5G specifications and functionalities compatible with Linkem network as well as what is provided for by the applicable regulations; as well as (b) of the FWA connectivity service provided by Linkem in favour of Linkem Retail, which will resell it to its end users belonging to the consumer and SOHO (Small Office Home Office) segment and to the commercial business segment, and of the related ancillary services (hereinafter referred to as the "**Framework Agreement**").

The Committee's opinion, it should be recalled, is due to the circumstance that, as a result of the Merger, the Framework Agreement will regulate the supply to Tiscali Italia of FWA services by Linkem (a company that will control Tiscali S.p.A. after the Merger). Therefore, the Company has deemed it appropriate to proceed with the application of the RPT Procedure. The information document pursuant to Article No. 5 of Regulation 17221/2010, as amended and integrated, relating to the Framework Agreement will be made available to the public within the terms provided by law.

Please note that the signing of the Framework Agreement and the related approval of its terms and conditions by Tiscali's Related Party Committee is a condition precedent provided for in the Merger plan.

Guarantee Agreement

The Board of Directors of the Company approved the signature of a guarantee and indemnity agreement (hereinafter referred to as the "**Guarantee Agreement**"), whose completion was provided for by the Merger Project as a condition precedent to the completion of the Merger itself. To this purpose, Tiscali and Linkem have negotiated a draft of such agreement on the basis of the results of the due diligence activities mutually carried out with the assistance of legal, tax and financial advisors. The purpose of the Guarantee Agreement is to regulate and discipline the set of representations and warranties, together with related indemnity obligations, that Tiscali and Linkem intended to release to each other in relation to the integration transaction in line with market practice for transactions of this nature. Please note that the signing of the Guarantee Agreement represents a condition precedent provided for by the Merger plan.

Waiver of conditions precedent of the Merger Deed

Finally, the Board of Directors resolved to waive the fulfilment of the conditions for the effectiveness of the Merger Deed, represented by the preparation of the prospectus and the admission to trading on the regulated market of the newly issued Tiscali shares deriving from the Merger.

In this regard, it should be noted that Linkem has also renounced to the fulfilment of these conditions, making itself available to receive unlisted shares after the Merger on the assumption that the preliminary investigation for the publication of the prospectus for the admission of the shares to trading will be in any case completed in the first available time window after the approval of Tiscali Half-Year Report.

Establishment of Vevisible

The Board of Directors approved the establishment of a limited liability company, named Vevisible S.r.l., which will deal with the development of the advertising concession business within the Group. In fact, the Business Plan provides for the enhancement of the Tiscali.it portal and its network, with the development of all its unexpressed potential, including the high-margin advertising business. Vevisible will collect investments in favour of the Group's properties, but it will also open up to advertising sales for third parties, making use of a mix of cutting-edge technological features and a system of platforms and assets in synergy with each other that will enable it to stand out from its competitors through an innovative business model.

At a corporate level, Vevisible S.r.l. is expected to have an initial share capital of approximately EUR 100 thousand, with Tiscali holding a stake of no less than 65-70%, represented by the assets that will be contributed to it. Discussions are currently underway with important players in the media

sector who have expressed their willingness to join the company structure, for the remaining share of capital.

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About Tiscali

Tiscali S.p.A. (Italian Stock Exchange. Milan: TIS), the Smart Telco with the largest Fibre coverage in Italy, provides its customers – individuals, businesses and Public Administration – with a wide range of services: Broadband and UltraBroadband Fixed and Fixed Wireless Internet access, Mobile Telephony services and value-added services (including security, cloud and social media services). As at 31 December 2021, Tiscali had a customer portfolio of 642.6 thousand units. Tiscali is also one of Italy's leading news portals, with over 9 million visitors per month. Tiscali's web site can be reached at www.tiscali.it.

Fine Comunicato n.0260-52

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