

BUSINESS TO BUSINESS (B2B): AN IMPORTANT MARKET OPPORTUNITY.

The Promoter believes that the moment is favourable to create an Italian B2B services operator, also in consideration of the discontinuity of B2B services offered by other operators - an element characterizing the telecommunications market in Italy in this period - for the reasons below.

Opportunities must be seized both directly and indirectly through extraordinary M & A transactions that allow Retelit to be an aggregating hub in the Italian market, exploiting its status as a listed company, accelerating growth and allowing the best use of the infrastructure. The Promoter believes that the skills needed for this type of activity are very specific and that candidates with strong skills in this area have been selected for the Board of Directors.

The current market for telecommunication and ICT services to businesses is in fact still very fragmented, with Telecom Italia having over 50% of the market share, with a dozen national operators and over 100 regional / local operators competing for the rest of the market. However, an important consolidation effect is expected in the coming years, in which it will be necessary, in order to be effective, to occupy an important position. It is public knowledge the fact that BT Italia, a subsidiary of the British BT Group, which has for a long time been the second player in the Italian market for TLC and ICT services to companies, and has been looking for an "exit strategy" from the Italian market.

Secondly, the creation of Open Fiber as a wholesale fiber access operator and the development of TIM Open Access, operating in the same sector, will allow telecommunications operators (including Retelit) to reach the final customer with a much lower investment than in the past, as well as to develop Italian infrastructure and allow it to face up to the new challenges of digital migration.

The technological evolution in this sector, and in particular the Software-defined networking technology (SDN) will allow the development of new innovative operators to provide services to businesses, as it already happens in the rest of Europe and in the United States where new operators B2B, thanks to innovation and inorganic growth, are receiving very positive feedback on the market (see, for example, Interoute, GTT, Colt, etc.)

BUSINESS PLAN: A NEW LEADING OPERATOR IN TELCO E ICT FOR BUSINESSES

In order to allow Retelit to become a market leader by exploiting the opportunities mentioned above, the Promoter has developed its own business plan, based on the following main objectives:

- the continuity of sales of the national infrastructure, which has reached saturation levels, as seen in the results of the last year, in line with the company programs so far declared;

- the development of an innovative sales strategy for the AA1 cable which, unlike what is currently done by the current management, maximizes the profitability of the international cable and the presence of Retelit in the related business also through international alliances;
- a new and innovative strategy for the growth of B2B services to companies where Retelit, to date, with a turnover of around Euro 10 million (corresponding to 0.2% of the current market share) plays a truly marginal role. With reference to this specific sector, the candidate Board of Directors, through an organic and inorganic growth, intends to reach a share of the B2B telecommunications and ICT market of more than 5%, thus amounting to over Euro 200 million, acting as an innovative business aggregator.

In particular, in the B2B sector the plan is divided into 4 points:

- i. the development of the customer base of Italian small and medium-sized enterprises through organic growth (direct and indirect sales network) and inorganic (acquisition of one or two players in the TLC and ICT sectors);
- ii. five pillars of offer innovation: (i) connectivity, (ii) cloud services, (iii) advanced communication services, (iv) cybersecurity services and (v) a SW suite capable of integrating all of its components;
- iii. a Tier 4 Data Center to offer integrated TLC and IT services, as increasingly requested by businesses;
- iv. the injection into the company of the skills necessary to enable it to make a qualitative leap in terms of knowledge of the B2B business, the international cable business and the new technological platforms for the management of telecommunications networks.

STABILITY OF FIBER SHAREHOLDING STRUCTURE AFTER THE GENERAL ASSEMBLY

The team of Fiber is credible to implement the plan above because:

- the shareholders of the Promoter, all Italians, are entrepreneurs strongly linked to the project, so much that they have set up a special vehicle to define a long-term strategy that will bind them for the next few years;
- it has the willingness and the resources, also financial, to support the plan through further investments;
- it benefits from the collaboration of a team with deep knowledge of the B2B sector, the business of international cables, the management of complex companies, the acquisition and integration of companies in Italy, which has collaborated in the development of the business plan;
- it intends to confirm the presence of the current Chairman of the Board of Statutory Auditors, who has demonstrated during years of in-depth knowledge of the sector.

BOARD

The Promoter has presented on its slate for the appointment of members of the Board of Directors candidates who possess proven competences and consolidated experience in the telecommunications sector in Italy and internationally, who have held managerial positions, among others, in TIM, Telecom Italia, Wind, BT Italy, Albacom and Tiscali.

In particular:

- i. Mr. Alessandro Talotta, currently CEO of Telecom Italia Sparkle, and since 2001 in Telecom Italia, with a vast knowledge on the Italian market of the TLC and ICT business internationally, has a great knowledge of the B2B sector and a good knowledge of cloud services;
- ii. Mr. Andrea Costa, currently a founding member and president of a Fintech company for blockchain applications and IoT (Internet of Things), with multiple previous experiences in the telecommunications sector (including Infracom Italia , Urmet Telecommunications, Tellas), has a deep knowledge of the market on innovative technology and services, the B2B sector and cloud services;
- iii. Mrs. Montanari, currently on the board of a listed company, which previously has acquired specific expertise to hold managerial and executive positions in listed companies including Il Sole 24 Ore, RCS MediaGroup, Albacom and AEM (today A2A), has deep knowledge in the field of technology and innovative business, including in the B2B sector, and a proven track record of acquiring and integrating companies;
- iv. Mrs. Rovizzi, currently CEO of Open Gate Italia, former administrator of Retelit since January 2015, with over 20 years of experience in strategic planning and commercial development of innovative services and new business, even in companies operating in regulated sectors (start up and companies with extensive diversification and digital transformation projects), as well as experience in M & A;
- v. Mr. Raffaele Mincione, currently a founding member and managing director of WRM Group, an asset management and advisory company for institutional and professional investors, has important M & A knowledge in Italy and abroad;
- vi. Mr. Luca Cividini, currently a director in companies operating in the construction, real estate, food, renewable energy sources, has a strong entrepreneurial and governance experience;

vii. Dr. Davide Carando has developed his experience in the telecommunications sector, among others, at the headquarters of Unipol Sai S.p.A. ;

viii. Mrs. Cristina Cengia, currently an equity partner of the Morri Rossetti e Associati studio, in which she is responsible for the Corporate, Finance and Capital Market Department, has a consolidated experience in M & A transactions and in corporate compliance;

ix. Mr. Luca Sintoni, since 2010 Adjunct Professor of Financial Statements and Analysis of Financial Statements at Bocconi University, Chartered Accountant and Statutory Auditor in Milan, he provides consultancy mainly in tax, accounting and M & A matters to primary industrial, service and financial.

The following table summarizes the experiences and skills of the individual candidates in relation to what the Promoter deems necessary for the pursuit of its strategic objectives.

CANDIDATE	INVESTOR	KNOWLEDGE AND SKILLS						
		ENTREPRENEURIAL	TELCO ITALY	TELCO INTERNATIONAL	M&A	GOVERNANCE	LEGAL/ COMPLIANCE/ REGULATION	IFRS
1. Luca Cividini	√	√				√		
2. Raffaele Mincione	√	√			√	√		
3. Alessandro Talotta			√	√	√	√		
4. Davide Carando			√					
5. Andrea Costa		√	√	√	√	√	√	
6. Valentina Montanari			√		√	√		√
7. Laura Rovizzi		√	√		√	√	√	
8. Cristina Cengia					√	√	√	
9. Luca Sintoni					√	√		√

CONCLUSIONS

Retelit is a strategic infrastructure asset for Italy as it offers services, transports information of national importance and has been used by other national operators for the construction of mobile and fixed telephony networks. We believe that the strengths and capabilities of the Fiber Team are fundamental strategic factors in the development and growth of the Retelit business and that the proposed slate has the experience and skills to implement with success the strategic plan.