MERGER PLAN

of

Qcom S.p.A.

by incorporation into

Intred S.p.A.

drawn up pursuant to Articles 2501-*bis* and 2501-*ter* of the Italian Civil Code

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1. Introduction and implementation procedures

The administrative bodies of:

(i) Qcom S.p.A. ("**Qcom**" or the "**Company to be Incorporated**"); and

(ii) Intred S.p.A. ("**Intred**" or the "**Incorporating Company**" and, together with the Company to be Incorporated, the "**Companies Participating in the Merger**"),

have jointly drawn up and prepared this joint merger plan (the "**Merger Plan**").

As at the date of this Merger Plan, the share capital of Qcom is wholly owned by Intred.

The transaction described in this Merger Plan consists of the merger by incorporation of Qcom into Intred, which qualifies as a merger following an acquisition with borrowing (so-called merger leveraged buy-out) pursuant to Articles 2501-*bis* and 2501-*ter* of the Italian Civil Code (the "**Merger**").

In the context of the Merger, the following documentation has been prepared:

- this Merger Plan pursuant to Articles 2501-*bis*, paragraph 2, and 2501-*ter* of the Italian Civil Code;
- the report of the administrative body pursuant to Articles 2501-*bis*, paragraph 3, and 2501-*quinquies* of the Italian Civil Code; and
- the report of the party responsible for the statutory audit of the accounts of the Incorporating Company pursuant to Article 2501-*bis*, paragraph 5, of the Italian Civil Code (the "**Auditor's Report**"), attached hereto as Annex A.

The report of Brixia Revisione S.r.l., an audit firm appointed by the Court of Brescia on 27 March 2020 as expert pursuant to Articles 2501-*bis*, paragraph 4, and 2501-*sexies* of the Italian Civil Code (the "**Expert's Report**"), will also be prepared and delivered. Since the Merger does not provide for any exchange ratio but qualifies as a "*merger following an acquisition with borrowing*", the sole content of the Expert's Report will be the certification of the reasonableness of the information contained in the Merger Plan regarding the resources envisaged to satisfy the debt of the Incorporating Company. In this regard, it is expressly acknowledged that the above expert has also been asked to assess the possibility of issuing the certification provided for by Article 2503 of the Italian Civil Code, under which it would be expressly stated that the financial position of the Companies Participating in the Merger makes particular guarantees to protect creditors unnecessary. If the Expert's Report – which will be prepared and delivered after this Merger Plan – does in fact contain the certification referred to in Article 2503 of the Italian Civil Code, the 60-day period from the registration of the shareholders' resolution on the Merger required by the same provision will no longer be necessary, thereby allowing the merger deed to be executed immediately after the registration of the shareholders' resolution on the merger.

Pursuant to Article 2501-*quater*, paragraph 2, of the Italian Civil Code, the Merger will take as reference the financial statements for the last financial year of the Companies Participating in the Merger, closed no more than six months before the day of filing of this merger plan at the registered offices of the Companies Participating in the Merger, and therefore referring to 31 December 2019.

Pursuant to the last paragraph of Article 2501-*bis* of the Italian Civil Code, the simplifications provided for by Article 2505 of the Italian Civil Code do not apply to this Merger, as it is a merger by incorporation following an acquisition with borrowing.

2. Companies Participating in the Merger (Article 2501-*ter* no. 1 of the Italian Civil Code)

a. **Company to be Incorporated**

Qcom S.p.A.

Registered Office: Via Roggia Vignola 9 – 24047 Treviglio (BG)

Share Capital: Euro 660,000.00 fully subscribed and paid up

Tax Code and Bergamo Companies Register registration number: 02756390163

It is hereby stated that the Company to be Incorporated is not in any of the conditions of impediment provided for by Article 2501, paragraph 2, of the Italian Civil Code.

It is expressly acknowledged that, given that the premises constituting the current registered office of Qcom in Treviglio (BG), via Roggia Vignola 9, are the subject of a lease agreement in favour of Qcom, as tenant, and that this agreement will cease to have effect as from 31 July 2020, the Incorporating Company, as sole shareholder of Qcom, is assessing the advisability of transferring the latter's registered office from Treviglio (BG), via Roggia Vignola 9, to Brescia (BS), via Pietro Tamburini 1, where the registered office of the Incorporating Company itself is located.

b. **Incorporating Company**

Intred S.p.A.

Registered Office: Via Pietro Tamburini 1, 25136 Brescia (BS)

Share Capital: Euro 10,000,000.00 fully subscribed and paid up

Tax Code and Brescia Companies Register registration number: 11717020157

Intred, whose shares have been admitted, as from 18 July 2018, to trading on AIM Italia, a multilateral trading facility organised and managed by Borsa Italiana S.p.A., is an operator in the telecommunications sector with a significant proprietary network infrastructure, active mainly in Lombardy and specialising in offering the business and retail market broadband and ultra-broadband connectivity, wireless connectivity, fixed-line telephony and cloud services, as well as a range of other ancillary services related to the above services.

It is hereby stated that the Incorporating Company is not in any of the conditions of impediment provided for by Article 2501, paragraph 2, of the Italian Civil Code.

3. Reasons for and guiding principles of the Merger

The Merger is aimed at achieving greater synergies through the rationalisation of the governance and of the management of the related operating structures.

Following the acquisition by Intred of the entire share capital of Qcom on 27 February 2020, the Companies Participating in the Merger began to develop a common organisational and commercial model based on their respective technical expertise.

In fact, therefore, the integration process between the two entities has already taken place in organisational and commercial terms, and the Merger will make it possible to eliminate an

unnecessary cost relating to the administrative aspects of the Company to be Incorporated. The effects of the Transaction can therefore be summarised as follows:

- simplification of the corporate structure and of the governance arrangements, with the related reduction of the administrative and control bodies;
- reduction of administrative, managerial and organisational costs, through the concentration of the related functions, while maintaining local units where necessary to guarantee the full functionality of the service provided;
- implementation of production processes aimed at enhancing – in synergy with the financial and management capabilities expressed by the Incorporating Company – the quality and consistency of the service provided (process already under way).

The Merger will also lead to a containment of operating costs which, although they do not in themselves justify the launch of such a reorganisation process, are a direct consequence of it. The synergies and savings deriving from the incorporation of Qcom into Intred as a result of the Merger are evident: a single administrative body, a single accounting and administrative centre and the preparation of a single set of financial statements will certainly lead to a reduction in the costs and time needed to manage the related obligations.

The Merger, as envisaged and in the opinion of the management of the Companies Participating in the Merger, does not present any negative aspect nor does it cause any prejudice to the sole shareholder of the Company to be Incorporated, nor to the shareholders of the Incorporating Company, nor to third-party creditors who, in any case, may exercise the right to oppose the Merger pursuant to Article 2503 of the Italian Civil Code, unless the Expert's Report contains the certification that the financial position of the Companies Participating in the Merger makes particular guarantees to protect creditors unnecessary pursuant to Article 2503 of the Italian Civil Code. In that case, the 60-day period from the registration of the shareholders' resolution on the Merger required by the same provision will no longer be necessary, as outlined in Paragraph 1 above.

4. Articles of Association of the Incorporating Company (Article 2501-*ter* no. 2 of the Italian Civil Code)

The articles of association of the Incorporating Company in force at today's date will not be amended in any way as a result of the Merger, not even with regard to the corporate purpose, since article 2.1 of the current articles of association of the Incorporating Company already includes the corporate activity that Intred will carry out as a result of the Merger.

The text of the articles of association of the Incorporating Company, which will therefore remain in force upon completion of the Merger, is attached to this Merger Plan as Annex B (the "**Articles of Association**").

5. Exchange ratio, cash adjustment and criteria and methods for the allocation of the shares of the Incorporating Company (Article 2501-*ter* nos. 3 and 4 of the Italian Civil Code)

Since this is a merger in which the share capital of the Company to be Incorporated is wholly owned by the Incorporating Company, the shares representing the share capital of the Company to be Incorporated will be cancelled as a result of the Merger, without any exchange or cash adjustment and consequent issue of new shares to the sole shareholder Intred, which, instead, will see its direct shareholding in the Company to be Incorporated cancelled by virtue of holding 100% of the latter's share capital. It should also be noted that, once the Merger has been completed, the

Incorporating Company will not make any change to its share capital and will take over the assets and liabilities of the Company to be Incorporated into its own net assets.

Finally, it is stated that no capital increase to service the Merger is envisaged.

6. Date from which the shares of the Incorporating Company participate in profits; effective date of the Merger (Articles 2501-*ter* nos. 5 and 6 and Article 2504-*bis* of the Italian Civil Code)

Pursuant to Article 2504-*bis*, paragraph 2, of the Italian Civil Code, the statutory effects of the Merger will arise from the date of the last of the registrations of the merger deed with the Companies Registers in which the Incorporating Company and the Company to be Incorporated are registered (the "**Effective Date**"). The merger deed may establish that the statutory effects of the Merger take effect from a later date.

As a result of the Merger, pursuant to Article 2504-*bis*, paragraph 1, of the Italian Civil Code, the Incorporating Company will assume all the rights and all the obligations of the Company to be Incorporated, continuing all its relationships, including legal proceedings, prior to the Merger.

Pursuant to Articles 2501-*ter*, paragraph 1, no. 6) and 2504-*bis*, paragraph 3, of the Italian Civil Code, for accounting purposes the transactions of the Company to be Incorporated will be recognised in the financial statements of the Incorporating Company with effect from 1 January 2020.

The Merger is a tax-neutral transaction pursuant to Article 172, paragraphs 1 and 2, of the T.U.I.R. In fact, the Merger does not constitute a realisation or distribution of the capital gains and losses on the assets of the merged or incorporated Companies, including those relating to inventories and goodwill.

Since the date from which the accounting effects of the transaction are recognised is 1 January 2020, the tax effects of the Merger will take effect from the same date.

7. Treatment, if any, reserved for particular categories of shareholders and holders of securities other than shares (Article 2501-*ter* no. 7 of the Italian Civil Code)

There are no categories of shareholders for whom particular or preferential treatment is reserved, nor are there any securities other than shares that will incorporate particular rights differing for each class, as can be seen from the Articles of Association of the Incorporating Company.

8. Particular benefits, if any, envisaged for those responsible for the management of the Companies Participating in the Merger (Article 2501-*ter* no. 8 of the Italian Civil Code)

No particular benefits or advantages are envisaged for those responsible for the management of the Companies Participating in the Merger.

9. Particular features of the merger by incorporation of Qcom into Intred as a merger leveraged buy-out (Article 2501-*bis*, paragraph 2, of the Italian Civil Code)

The merger by incorporation of Qcom into Intred follows the acquisition by Intred of the shareholding representing 100% of the share capital of Qcom (the "**Shareholding**").

Payment of the purchase price of the Shareholding by Intred was made, in part, through the use of its own funds and, in another part, by incurring financial indebtedness, for a total of Euro 10,260,880.00. In particular:

(i) as regards its own funds, these derived from the cash available to Intred itself, for an amount of Euro 7,260,880.00; and

(ii) as regards the amount obtained as debt, on 25 February 2020 Intesa Sanpaolo S.p.A. granted Intred an unsecured loan for a total amount of Euro 6,000,000.00, with a term of 6 years, of which Euro 3,000,000.00 is intended to support the purchase of the Shareholding and the remainder is intended for capex investments.

It can therefore be inferred from the structure of the transaction briefly described above that, following the Merger, the assets of Qcom will constitute a general guarantee for the repayment of the debts incurred by Intred in order to acquire the Shareholding. It is understood that, also in light of Intred's financial strength, the assets of Qcom will not constitute an exclusive guarantee for the repayment of the obligations incurred for the acquisition of the Shareholding, but such repayment will also be guaranteed by the assets and cash flows generated by Intred itself, as resulting from the completion of the Merger.

In view of the above, the Merger transaction is also subject to the rules set out in Article 2501-*bis* of the Italian Civil Code on mergers following an acquisition with borrowing.

As regards the assessments made by the Incorporating Company concerning the financial resources needed to satisfy its obligations following the Merger, it is stated that, after the completion of the Merger and without prejudice to what is specified below, the Incorporating Company will repay the debt incurred for the acquisition of the Shareholding through the cash flows expected to be generated by Intred's core business, as integrated following the acquisition of the Shareholding.

10. Financial resources envisaged to satisfy the obligations of the company resulting from the Merger

In carrying out its analysis of the conditions for the Merger, Intred therefore took into account the forecast cash flows contained in the economic and financial plan for the period 2020 – 2025, drawn up by management and subsequently approved by the board of directors (the "**Plan**"). In this regard, the Incorporating Company believes that, over the time horizon mentioned above, it will achieve economic and financial results compatible with satisfying the obligations incurred for the acquisition of the Shareholding.

In this regard, it should be considered that the aforementioned Plan was prepared by the Companies Participating in the Merger exclusively for the purpose of verifying the ability of the company resulting from the Merger to meet the repayment obligations connected with the debt incurred for the acquisition of the Shareholding, and it is not intended to be a programmatic business plan of those companies. Therefore, this Plan must not be used to evaluate any investments in the shares of the Incorporating Company or understood as a programmatic business plan, and the Incorporating Company declines all responsibility in this regard.

More specifically, the financial resources that will be used to satisfy the obligations incurred for the acquisition of the Shareholding, as better specified in the Report of the Administrative Body prepared pursuant to Article 2501-*quinquies* of the Italian Civil Code, are and will be made up of the cash flows expected to be generated by Intred's core operating activities, as integrated following the acquisition of the Shareholding, also net of investments. These cash flows are more than sufficient over the years of the Plan. Furthermore, as at today's date no further recourse to bank debt is envisaged, nor are any extraordinary transactions envisaged to increase the liquidity of Intred, as resulting from the Merger.

In view of the above, and also in light of the forecasts contained in the Plan, the ability of the company resulting from the Merger to meet both its repayment obligations and all the operating debts typical of its current operations is reasonably foreseeable, it being understood that, although the Plan is based on the best estimates of future events, the planning of revenues and margins is by its nature liable to change, even significantly, compared with the forecast data, some of which, by their nature, are not directly controllable by the company resulting from the Merger.

Furthermore, pursuant to the combined provisions of Articles 2501-*bis*, paragraph 4 and 2501-*sexies* of the Italian Civil Code, the report drawn up by the expert will be filed at the registered office of the Incorporating Company; since the Merger does not provide for any exchange ratio but qualifies as a merger following an acquisition with borrowing, the sole, albeit essential, content of that report will be the certification of the reasonableness of the information contained in the Merger Plan regarding the resources envisaged to satisfy the debt of the Incorporating Company.

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The following annexes form an integral and substantial part of this Merger Plan.

Annex A Auditor's Report

Annex B Articles of Association of the Incorporating Company

Brescia, 5 June 2020

For **Intred S.p.A.**

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Name: Daniele Peli
Title: Chairman of the Board of Directors

For **Qcom S.p.A.**

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Name: Daniele Peli
Title: Sole Director

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