

This Press Release does not constitute an offer to purchase securities.

PRESS RELEASE DATED JULY 30, 2021

SIMPLIFIED TENDER OFFER FOR THE SHARES OF

iliad

INITIATED BY THE COMPANY

HOLDCO II

PRESENTED BY



BNP PARIBAS



CRÉDIT AGRICOLE
CORPORATE & INVESTMENT BANK



**SOCIÉTÉ
GÉNÉRALE**

FINANCIAL ADVISORS

PRESENTING BANKS AND ACTING AS GUARANTORS

AND

LAZARD

J.P.Morgan

FINANCIAL ADVISORS

PRESS RELEASE RELATING TO THE AVAILABILITY OF THE DRAFT OFFER
DOCUMENT PREPARED BY HOLDCO II

PRICE OF THE OFFER:

€182 per share ILLIAD

DURATION OF THE OFFER:

12 trading days

The timetable of the simplified tender offer (the “**Offer**”) will be set out by the *Autorité des marchés financiers* (the “**AMF**”) in accordance with provisions of its general regulation.



This press release (the “**Press Release**”) has been established by HoldCo II and made available to the public pursuant to Article 231-16 of the General Regulation of the AMF.

This Offer and the draft offer document remain subject to the review of the AMF.

IMPORTANT NOTICE

In accordance with Articles L. 433-4 II of the French Monetary and Financial Code and 237-1 and seq. of the AMF's General Regulation, in the event that the number of shares not tendered in the Offer by the minority shareholders of Iliad (other than the treasury shares held by Iliad and the shares that would be subject to a liquidity mechanism) does not represent, at the end of the Offer, more than 10% of the share capital and voting rights of Iliad, HoldCo II intends to file a request with the AMF to carry out, within a period of three (3) months following the closing of the Offer, of a squeeze-out procedure in order to have the Iliad shares not tendered in the Offer (other than the treasury shares held by Iliad and the shares that would be subject to a liquidity mechanism) transferred to it, in exchange for compensation per share equal to the Offer Price.

The Draft Offer Document must be read together with all other documents published in relation to the Offer. Specifically, in accordance with Article 231-28 of the AMF's General Regulation, a description of the legal, financial and accounting characteristics of HoldCo II will be made available to the public at the latest the day before the opening of the Offer. A press release will be published to inform the public of the manner in which this information will be made available.

The draft offer document prepared by HoldCo II (the “**Draft Offer Document**”) is available on the websites of the AMF (www.amf-france.org) and Iliad (www.iliad.fr/fr) and may be obtained free of charge from :

HOLDCO II

16 rue de la Ville L'Évêque

75008 Paris

BNP Paribas

4 rue d'Antin

75002 Paris

Crédit Agricole Corporate and Investment Bank

12, place des Etats-Unis

CS 70052

92547 Montrouge Cedex

Société Générale

GLBA/IBD/ECM/SEG

75886 Paris Cedex 18

1. OVERVIEW OF THE OFFER

In accordance with Title III of Book II and more particularly Articles 233-1 and seq. of the General Regulation of the AMF (“**AMF’s General Regulation**”), HoldCo II, a simplified joint stock company (*société par actions simplifiée*) with a share capital of €68,456, having its registered office located at 16 rue de la Ville L’Évêque, 75008 Paris, and registered with the Paris Trade and Companies Registry under number 844 857 268 (hereinafter, “**HoldCo II**” or the “**Offeror**”), controlled by Mr. Xavier Niel through HoldCo¹ (“**HoldCo**”), is making an irrevocable offer to the shareholders of Iliad, a French public limited company (*société anonyme*) with a board of directors and a share capital of €14,901,666, having its registered office located at 16 rue de la Ville L’Évêque, 75008 Paris, registered with the Paris Trade and Companies Register under number 342 376 332 (the “**Company**” or “**Iliad**” and together with its direct or indirect subsidiaries, the “**Group**”) and whose shares are listed on compartment A of the Euronext Paris regulated market under ISIN code FR0004035913, mnemonic “ILD” (the “**Shares**”), to acquire in cash all of the Shares of the Company (subject to the exceptions below), at a unit price of one hundred eighty-two euros (€182) (the “**Offer Price**”), through a simplified tender offer, the terms of which are described below (the “**Offer**”).

As of the date of the Draft Offer Document, the majority shareholder of the Company and founder of the Group, Mr. Xavier Niel (the “**Founder**”), holds, directly and indirectly through the companies he controls², 42,112,852 Shares and 72,340,678 voting rights of the Company, representing 70.63% of the share capital and 78.67% of the voting rights of the Company³, of which 11,312,172 Shares and voting rights in the Company, representing 18.97% of the share capital and 12.30% of the voting rights of the Company⁴, are held individually by the Offeror.

The Offer targets all the Shares of the Company not held, directly or indirectly, by the Offeror and the companies controlled by the Founder (other than 505,000 Shares which are intended to be tendered in the Offer by Rock Investment and NJJ Market):

¹ A simplified joint stock company (*société par actions simplifiée*) with a share capital of €3,328,613,876, having its registered office located at 16 rue de la Ville L’Évêque, 75008 Paris, and registered with the Paris Trade and Companies Registry under number 811 282 789, whose share capital is entirely owned by Mr. Xavier Niel.

² (i) HoldCo, (ii) HoldCo II, (iii) NJJ Market, a simplified joint stock company (*société par actions simplifiée*) with a share capital of €10,000,000, having its registered office located at 16 rue de la Ville L’Évêque, 75008 Paris, and registered with the Paris Trade and Companies Register under number 521 216 077 (“**NJJ Market**”) and (iv) Rock Investment, a simplified joint stock company (*société par actions simplifiée*) with a share capital of €246,000,000, having its registered office located at 16 rue de la Ville L’Évêque, 75008 Paris, and registered with the Paris Trade and Companies Register under number 795 278 860 (“**Rock Investment**”).

³ On the basis of a share capital composed of 59,622,465 shares representing 91,953,487 theoretical voting rights as of June 30, 2021, in accordance with the provisions of Article 223-11 of the AMF’s General Regulation.

⁴ On the basis of a capital composed of 59,622,465 shares representing 91,953,487 theoretical voting rights as of June 30, 2021, in accordance with the provisions of Article 223-11 of the AMF’s General Regulation.

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- which are already issued, other than the Excluded Shares (as defined below), i.e., as of the date of the Draft Offer Document and to the knowledge of the Offeror, a maximum of 16,805,811 Shares of the Company; and
- which may be issued or granted before the estimated closing date of the Offer as a result of the exercise of the Options, i.e., to the knowledge of the Offeror and as of the date hereof, a maximum of 107,028 Shares,

i.e., as of the date of the Draft Offer Document and to the knowledge of the Offeror, a maximum number of Shares targeted by the Offer equal to 16,912,839.

It is specified that the Offer does not concern:

- the Shares held in treasury by the Company, i.e., to the knowledge of the Offeror and as of the date hereof, 1,165,996 Shares,
- the Free Shares in Vesting Period and the Free Shares subject to an Additional Retention Obligation, i.e., to the knowledge of the Offeror and as of the date hereof, a maximum of 734,560 Shares. The situation of the beneficiaries of Free Shares in the context of the Offer is described in section 2.3.1 of the Press Release,
- the GSP and IGSP Blocked Shares for which the minimum five-year lock-up period under the GSP or IGSP, as the case may be, does not expire until after the estimated closing date of the Offer, i.e., to the knowledge of the Offeror and as of the date hereof, 40,716 Shares. The situation of the beneficiaries of GSP and IGSP Blocked Shares in the context of the Offer is described in section 2.3.3 of the Press Release,

(together the “**Excluded Shares**”).

As of the date of the Draft Offer Document, to the knowledge of the Offeror, there are no other equity securities or other financial instruments issued by the Company or rights granted by the Company that may give access, immediately or in the future, to the Company’s share capital or voting rights.

The Offer will be, if the required conditions are met, by a squeeze-out procedure pursuant to Articles L. 433-4, II of the French Monetary and Financial Code and 237-1 and seq. of the AMF’s General Regulation, will be carried out under the simplified procedure in accordance with the provisions of Articles 233-1 and seq. of the AMF’s General Regulation. The duration of the Offer will be twelve (12) trading days.

Pursuant to the provisions of Article 231-13 of the AMF’s General Regulation, BNP Paribas, Crédit Agricole Corporate and Investment Bank (“**Crédit Agricole CIB**”) and Société Générale (together the “**Presenting Banks**”), acting on behalf of the Offeror in their capacity as presenting institutions, have filed the Offer and the Draft Offer Document with the AMF.

BNP Paribas, Crédit Agricole CIB and Société Générale, as guarantors, guarantee the content and the irrevocable nature of the undertakings made by the Offeror in the context of the Offer, in accordance with the provisions of Article 231-13 of the AMF’s General Regulation.

1.1. Background and reasons for the Offer

1.1.1. Background of the Offer

Inventor of the world's first triple-play box, the Iliad Group, created in the early 1990s, is today a major actor in the European telecommunications industry, distinguished by its innovative, simple and attractive offerings. Parent company of Free in France, Iliad in Italy and Play in Poland, the Group has nearly 15,000 employees serving 42.7 million subscribers and generated revenues of €5.9 billion in 2020. In France, the Group is an integrated fixed and mobile very high-speed operator with more than 20 million individual subscribers (13.4 million mobile subscribers and 6.8 million fixed-line subscribers) at the end of March 2021. On March 23, 2021, the Iliad Group launched its business activity in France under the Free Pro brand. In Italy, where it launched in 2018 under the Iliad brand, the Group became the country's 4th largest mobile operator and had over 7.5 million subscribers at the end of March 2021. With the acquisition of Polish mobile operator Play in November 2020, the Iliad Group became the 6th largest mobile operator in Europe in terms of subscribers (excluding M2M).

HoldCo II is a holding company, which is more than 95% controlled by HoldCo⁵, whose the Founder holds the entire share capital. The company's purpose is to acquire, hold, manage, sell and/or acquire interests in the share capital and voting rights of French and foreign companies, and also to provide any useful assistance to companies and other legal entities in which it holds interests.

It should be noted that a public share buyback offer for approximately 20% of the Company's share capital was carried out by the Company in January 2020⁶ at a price of €120 per share and was financed by a concomitant increase in the Company's share capital, at the end of which the Founder increased its stake in the Company to approximately 72% of the share capital and 70% of the theoretical voting rights of the Company. This transaction had been initiated by the Company in order to allow the minority shareholders to benefit from a liquidity opportunity on their shares with a significant premium compared to the market price.

The reasons for the Offer are more fully described in section 1.1.4 of the Offer Document below.

1.1.2. Breakdown of the Company's share capital and voting rights as of June 30, 2021

Share capital of ILLAD

⁵ The balance of HoldCo II's share capital is held by corporate officers of the Group.

⁶ AMF document n° 220C0209 dated January 16, 2020.

To the knowledge of the Offeror, pursuant to article 6 of the Company's bylaws as updated on June 15, 2021, the share capital of the Company amounts to €14,901,666, divided into 59,606,664 ordinary shares⁷, all of the same class and with a par value of twenty-five euro cents (€0.25).

Composition of Iliad's shareholder base as of June 30, 2021

To the knowledge of the Offeror, based on a share capital of 59,622,465 shares representing 91,953,487 theoretical voting rights as of June 30, 2021, the Company's share capital and theoretical voting rights are distributed as follows⁸:

Shareholders	Shares	% share capital	Voting rights	% Voting rights
HoldCo	29,605,872	49.66%	59,211,744	64.39%
HoldCo II	11,312,172	18.97%	11,312,172	12.30%
Mr. Xavier Niel	621,954	1.04%	1,243,908	1.35%
Rock Investment ⁹	567,854	0.95%	567,854	0.62%
NJJ Market	5,000	0.01%	5,000	0.01%
Subtotal of Mr. Xavier Niel	42,112,852	70.63%	72,340,678	78.67%
Rani Assaf	901,338	1.51%	1,661,338	1.81%
Thomas Reynaud	116,657	0.20%	123,687	0.13%
Nicolas Jaeger	5,600	0.01%	5,600	0.01%
Cyril Poidatz	811,951	1.36%	1,482,565	1.61%
Antoine Levavasseur	606,968	1.02%	1,113,626	1.21%
Maxime Lombardini	125,823	0.21%	134,802	0.15%
Subtotal of historic shareholder and Managers	2,568,337	4.31%	4,521,618	4.92%
Subtotal of Mr. Xavier Niel, historic shareholder and Managers	44,681,189	74.94%	76,862,296	83.59%

⁷ It is specified that the number of Shares stated in the Company's bylaws does not take into account the Shares resulting from the exercise of Options since January 1, 2021.

⁸ In accordance with Article 223-11 of the AMF's General Regulation, the total number of voting rights is calculated on the basis of all shares to which voting rights are attached, including shares without voting rights.

⁹ Pursuant to the threshold crossing disclosure dated May 20, 2021, Mr. Xavier Niel specified that he holds, directly and indirectly through the companies he controls, 800,000 Shares under a "call spread" expiring on September 26, 2022, which may be exercised at any time up to their expiry date, at a unit price starting at €168.47 per share. These 800,000 shares are not included in the shares and voting rights held by Rock Investment for the purposes of the capitalization table.

Other corporate officers	450	0%	450	0%
Public	13,774,830	23.10%	13,924,745	15.14%
Iliad (treasury shares)	1,165,996	1.96%	1,165,996	1.27%
Total	59,622,465	100%	91,953,487	100%

1.1.3. Shareholding of the Offeror and threshold crossing disclosures

As of the date of the Draft Offer Document, the majority shareholder of the Company and founder of the Group, the Founder holds, directly and indirectly through the companies he controls¹⁰, 42,112,852 Shares and 72,340,678 voting rights of the Company, representing 70.63% of the share capital and 78.67% of the voting rights of the Company¹¹, of which 11,312,172 Shares and voting rights in the Company, representing 18.97% of the share capital and 12.30% of the voting rights of the Company¹², are held individually by the Offeror.

Pursuant to the threshold crossing disclosure dated May 20, 2021¹³, Mr. Xavier Niel specified that he holds, directly and indirectly through the companies he controls, 800,000 Shares under a “call spread” expiring on September 26, 2022, which may be exercised at any time up to their expiry date, at a unit price starting at €168.47 per share.

In accordance with Article 12 of the Company’s bylaws and Articles L. 233-7 and seq. of the French Commercial Code:

- Pursuant to the threshold crossing disclosure dated June 9, 2020¹⁴, HoldCo declared that on June 5, 2020, it had individually crossed below the threshold of 50% of the Company’s capital and that it individually held 29,605,872 Shares representing the same number of voting rights, i.e. 49.99% of the capital and 47.56% of the voting rights of this company. This threshold crossing results from an increase in the total number of shares and voting rights of the Company.
- Pursuant to the threshold crossing disclosure dated May 20, 2021¹⁵:
 - o HoldCo declared that on May 15, 2021 it had individually crossed above, as a result of an allocation of double voting rights, the threshold of 50% of the Company’s voting rights

¹⁰ (i) HoldCo, (ii) HoldCo II, (iii) NJJ Market and (iv) Rock Investment.

¹¹ On the basis of a share capital composed of 59,622,465 shares representing 91,953,487 theoretical voting rights as of June 30, 2021, in accordance with the provisions of Article 223-11 of the AMF’s General Regulation.

¹² On the basis of a share capital composed of 59,622,465 shares representing 91,953,487 theoretical voting rights as of June 30, 2021, in accordance with the provisions of Article 223-11 of the AMF’s General Regulation.

¹³ AMF document n° 221C1140 dated May 20, 2021.

¹⁴ AMF document n° 220C1850 dated June 9, 2020.

¹⁵ AMF document n° 221C1140 dated May 20, 2021.

and that it individually held 29,605,872 Shares representing 59,211,744 voting rights, i.e. 49.90% of the Company's capital and 64.62% of its voting rights; and

- HoldCo II declared that on May 15, 2021, as a result of an increase in the total number of voting rights of the Company, it had individually crossed below the threshold of 15% of the voting rights of the Company and that it individually held 11,312,172 Shares representing the same number of voting rights, i.e. 19.07% of the capital and 12.34% of the voting rights of the Company.

It is specified that the Offeror has not acquired any Shares during the twelve (12) months preceding the filing of the Draft Offer Document.

1.1.4. Reasons for the Offer

Since 2018, the Company has initiated a new cycle of long-term growth in France and internationally (Italy, Ireland and more recently Poland), which requires a significant increase in the organic investments that are essential for the pursuit of its development in the technologies of the future (5G and fiber optics in particular).

This strategy of investment and international expansion has accelerated over the last 12 months, leading to significant volatility in the share price due to a significant mismatch between the short-term expectations of the financial market and the Group's needs for the implementation of its medium and long-term strategic objectives.

The Offer is in line with the desire shared by Mr. Xavier Niel, the Offeror and the Company to allow the Iliad Group, its management and its teams to focus on its development ambitions in Europe and on its services' quality improvement ambitions.

Accordingly, the Offeror intends to implement a squeeze-out of the Company following the completion of this Offer in the event that the minority shareholders represent less than 10% of the share capital and voting rights of the Company following the completion of the Offer.

1.2. Intentions of the Offeror for the next twelve months

1.2.1. Strategy and continuation of the Company's activities

The Offeror intends to continue the Company's activities in line with its current strategy, which will not be called into question regardless of the outcome of the Offer.

1.2.2. Intentions regarding employment

The Offer will have no impact on the Company's employment policy.

1.2.3. Merger and legal reorganization

The Offeror does not intend to merge with the Company.

The implementation of the Offer will not have any impact on the Company's legal organization policy.

1.2.4. Composition of the Company's corporate bodies and management

The Company's Board of Directors is currently composed of the following members:

- Mr. Xavier Niel (Chairman of the Board of Directors),
- Mr. Maxime Lombardini (Vice-Chairman of the Board of Directors),
- Mr. Thomas Reynaud (Chief Executive Officer and Director),
- Mr. Cyril Poidatz,
- Ms. Virginie Calmels,
- Ms. Bertille Burel*,
- Mr. Jacques Veyrat*,
- Ms. Céline Lazorthes*,
- Ms. Esther Gaide*,
- Mr. Ilan Dahan (Director representing employees), and
- Mr. Saad Boudjadi (Director representing employees).

** Independent Directors*

Mr. Thomas Reynaud is the current Company's Chief Executive Officer (*directeur général*).

Mr. Antoine Levavasseur and Mr. Nicolas Jaeger are the current Company's Deputy Chief Executive Officers (*directeurs généraux délégués*).

In the event that the Offer is followed by a squeeze-out, it will result in the delisting of the Shares from the Euronext Paris regulated market.

The Offeror does not intend to modify the governance of the Company in the event that the Offer is followed by a squeeze-out.

1.2.5. Merits of the Offer for the Offeror, the Company and its shareholders

The Offeror offers to the shareholders of Iliad who will tender their Shares in the Offer the opportunity to obtain immediate liquidity on their entire shareholding at a price per Share representing a premium of 61.0% relative to the closing price of the Share on July 29, 2021 (day before the announcement of the Offer), of 52.7% relative to the volume-weighted average Share price over the month preceding this date, of 41.6% relative to the volume-weighted average Share price over the 60 days preceding this date and of 40.5% relative to the volume-weighted average Share price over the 3 months preceding this date.

A summary of the Offer Price assessment is presented in section 3 of the Press Release.

1.2.6. Synergies - Economic gains

The Offeror is a holding company incorporated on December 24, 2018, whose corporate purpose is to acquire, hold, manage, sell and/or acquire stakes in the share capital and voting rights of French and foreign companies, as well as to provide any useful assistance to the companies and other legal entities in which it holds interests. Consequently, the Offeror does not anticipate the realization of cost or revenue synergies with the Company, other than the savings resulting from a delisting of the Company in the event that the Offer is followed by a squeeze-out.

1.2.7. Intentions regarding the squeeze-out

In accordance with Articles L. 433-4 II of the French Monetary and Financial Code and 237-1 and seq. of the AMF's General Regulation, the Offeror intends to file a request with the AMF to carry out, within three (3) months of the closing of the Offer, a squeeze-out procedure for the Shares, if the number of Shares not tendered in the Offer by the minority shareholders of the Company (other than the treasury shares and the Unavailable Shares subject to the liquidity mechanism described in section 1.3.3 of the Press Release and which are assimilated pursuant to Article L. 233-9 I, 4° of the French Commercial Code to the shares held by the Offeror) does not represent, at the end of the Offer, more than 10% of the capital and voting rights of the Company.

In such a case, the squeeze-out would relate to the Shares other than those held by the Offeror and the other companies controlled by the Founder or assimilated to them (including in particular the Unavailable Shares subject to the liquidity mechanism described in section 1.3.3 of the Press Release), other than the treasury Shares held by the Company. It would be carried out in return for compensation of the concerned shareholders equal to the Offer Price. The implementation of this procedure will result in the delisting of the Shares from Euronext Paris regulated market.

In the event that the Offeror is unable to carry out a squeeze-out following the Offer, the Offeror reserves the right to file, within the framework of the applicable regulations, a public offer, followed, if applicable, by a squeeze-out in respect of the Shares that it does not hold directly or indirectly, alone or in concert, at that date.

1.2.8. Dividend distribution policy

Following the Offer, the Company's dividend policy will continue to be determined by its corporate bodies based on the Company's distributive capacity, financial situation and financial needs.

The Offeror intends to pursue a dividend policy for the Company in line with the dividend of €3 per Share distributed in respect of the 2020 financial year, representing a total amount of approximately €180 million, excluding exceptional circumstances (asset disposals, etc.)

1.3. Agreements that may have a significant impact on the assessment or outcome of the Offer

1.3.1. Internal reclassification of Shares held by the Founder

Between the date of the Draft Offer Document and the closing of the Offer, HoldCo and Xavier Niel intend to jointly contribute 30,227,826 Shares (i.e. 29,605,872 and 621,954 Shares respectively), representing more than 50% of the share capital and voting rights of the Company, to the Offeror by way of a contribution in kind pursuant to the provisions of Article L. 225-147 of the French Commercial Code (the "**Internal Reclassification Transactions**") as mentioned in section 1.3.1 of the Draft Offer Document.

Following the completion of the Internal Reclassification Transactions, Xavier Niel has undertaken to contribute the Offeror's shares received in the Internal Reclassification Transactions to HoldCo.

1.3.2. Undertakings to tender in the Offer and reinvestment of the historical shareholders and managers

Pursuant to undertakings to tender, a historical shareholder of the Company, and certain managers of the Company (the “**Managers**”) have undertaken to tender in the Offer all or part of their shareholding in the Company, as set forth in section 1.3.2 of the Draft Offer Document.

In addition, in order to demonstrate their commitment to the Group, certain Managers have also undertaken, to contribute, alongside the Founder, to the Offeror 695,762 Shares in the Company that they hold by way of a contribution in kind pursuant to the provisions of Article L. 225-147 of the French Commercial Code. The terms of this reinvestment are more fully described in section 1.3.2 of the Draft Offer Document.

1.3.3. Liquidity mechanism

The Offeror will propose to the beneficiaries and holders of the Unavailable Free Shares and the holders of GSP and IGSP Blocked Shares (the “**Non-Transferable Share Holders**”) to enter into put and call options of their Non-Transferable Shares in order to allow them to benefit from a cash liquidity for the Non-Transferable Shares that could not be tendered in the Offer (the “**Liquidity Agreement**”), as described in section 1.3.3 of the Draft Offer Document.

1.3.4. Other agreements of which the Offeror is aware

Other than the agreements described in sections 1.3.1 to 1.3.3 of the Draft Offer Document, there are, to the knowledge of the Offeror, no other agreements likely to have an impact on the assessment or outcome of the Offer.

2. CHARACTERISTICS OF THE OFFER

2.1. Terms of the Offer

In accordance with Article 231-13 of the AMF’s general regulation, the Presenting Banks, acting on behalf of the Offeror as presenting institutions, filed the draft Offer with the AMF in the form of a simplified public tender offer for all Shares not currently held, directly or indirectly, by the Offeror and the companies controlled by the Founder (other than 505,000 Shares which are intended to be tendered in the Offer by Rock Investment and NJJ Market).

Under the Offer, which will take place according to the simplified procedure governed by Articles 233-1 and seq. of the AMF’s General Regulation, the Offeror irrevocably undertakes to acquire from the Company’s shareholders, at a price of €182 per Share, all the Shares that will be tendered in the Offer during the Offer period.

The attention of the Company’s shareholders is drawn to the fact that, because the Offer is carried out according to the simplified procedure, the Offer will not be reopened after the publication of the final result of the Offer.

BNP Paribas, Crédit Agricole CIB and Société Générale, as guarantors, guarantee the content and irrevocable nature of the undertakings made by the Offeror as part of the Offer, in accordance with the provisions of Article 231-13 of the AMF’s General Regulation.

2.2. Adjustment of the terms of the Offer

In the event that between the date of the Draft Offer Document and the date of settlement-delivery of the Offer, the Company proceeds in any form whatsoever with (i) a distribution of dividends, interim dividends, reserves, premiums or any other distribution (in cash or in kind), or (ii) a redemption or reduction of its share capital and in both cases, in which the detachment date or the reference date on which it is necessary to be a shareholder in order to be entitled thereto is set before the date of the settlement-delivery of the Offer, the Offer Price per Share of the Company will be reduced accordingly, on a euro per euro basis, to take into account this transaction.

Any adjustment of the Offer Price will be the subject to the publication of a Press Release which will be subject to the prior approval of the AMF.

2.3. Number and nature of shares targeted by the Offer

As of the date of the Draft Offer Document, the majority shareholder of the Company and founder of the Group, the Founder, holds, directly and indirectly through the companies he controls¹⁶, 42,112,852 Shares and 72,340,678 voting rights of the Company, representing 70.63% of the share capital and 78.67% of the voting rights of the Company¹⁷, of which 11,312,172 Shares and voting rights in the Company, representing 18.97% of the share capital and 12.30% of the voting rights of the Company¹⁸, are held individually by the Offeror.

The Offer targets all the Shares of the Company not held, directly or indirectly, by the Offeror and the companies controlled by the Founder (other than 505,000 Shares which are intended to be tendered in the Offer by Rock Investment and NJJ Market):

- which are already issued, other than the Excluded Shares (as defined below), i.e., as of the date of the Draft Offer Document and to the knowledge of the Offeror, a maximum of 16,805,811 Shares of the Company; and
- which may be issued or granted before the estimated closing date of the Offer as a result of the exercise of the Options, i.e., to the knowledge of the Offeror and as of the date hereof, a maximum of 107,028 Shares,

i.e., as of the date of the Draft Offer Document and to the knowledge of the Offeror, a maximum number of Shares targeted by the Offer equal to 16,912,839.

It is specified that the Offer does not concern the Excluded Shares, i.e.:

¹⁶ (i) HoldCo, (ii) HoldCo II, (iii) NJJ Market and (iv) Rock Investment.

¹⁷ On the basis of a share capital composed of 59,622,465 shares representing 91,953,487 theoretical voting rights as of June 30, 2021, in accordance with the provisions of Article 223-11 of the AMF's General Regulation.

¹⁸ On the basis of a share capital composed of 59,622,465 shares representing 91,953,487 theoretical voting rights as of June 30, 2021, in accordance with the provisions of Article 223-11 of the AMF's General Regulation.

- the Shares held in treasury by the Company, i.e., to the knowledge of the Offeror and as of the date hereof, 1,165,996 Shares,
- the Free Shares in Vesting Period and the Free Shares subject to an Additional Retention Obligation, i.e., to the knowledge of the Offeror and as of the date hereof, a maximum of 734,560 Shares. The situation of the beneficiaries of Free Shares in the context of the Offer is described in section 2.3.1 of the Press Release,
- the GSP and IGSP Blocked Shares for which the minimum five-year lock-up period under the GSP or IGSP, as the case may be, does not expire until after the estimated closing date of the Offer, i.e., to the knowledge of the Offeror and as of the date hereof, 40,716 Shares. The situation of the beneficiaries of GSP and IGSP Blocked Shares in the context of the Offer is described in section 2.3.3 of the Press Release.

As of the date of the Draft Offer Document, to the knowledge of the Offeror, there are no other equity securities or other financial instruments issued by the Company or rights granted by the Company that may give access, immediately or in the future, to the Company's share capital or voting rights.

2.3.1. Situation of the beneficiaries of Free Shares

To the knowledge of the Offeror, as of the date of the Draft Offer Document, the Company has set up several plans (the “**Plans**”) for the allocation of free shares to certain employees and/or corporate officers of the Company and its Group (the “**Free Shares**”).

The table below summarizes the main characteristics of the Free Share Plans in force at the date of the Draft Offer Document, to the knowledge of the Offeror.

Plans		Plan n°1	Plan n°2	Plan n°3	Plan n°3 bis	Plan n°4
Date of the general assembly		19 May 2016	16 May 2018	16 May 2018		21 July 2020
Date of the board meeting / Date of grant		30 August 2017	10 December 2018	22 November 2019	9 December 2020	
Total number of free shares allocated		293,360	303,852	282,550		97,020
Date of final acquisition	Tranche 1	30 October 2020	30 September 2021	30 November 2021		9 December 2022
	Tranche 2	30 October 2021	30 September 2022	30 November 2022		30 November 2023
	Tranche 3	30 October 2022	30 September 2023	30 November 2023		30 November 2024
	Tranche 4	30 October 2023	30 September 2024	N/A		N/A
Performance conditions		✓	✓	✓	✗	✗

Attendance conditions		✓			
Number of shares acquired per Tranche	Tranche 1	40% of the total number of the allocated Free Shares	25% of the total number of the allocated Free Shares	30% of the total number of the allocated Free Shares	30% of the total number of the allocated Free Shares
	Tranche 2	10% of the total number of the allocated Free Shares	25% of the total number of the allocated Free Shares	40% of the total number of the allocated Free Shares	40% of the total number of the allocated Free Shares
	Tranche 3	10% of the total number of the allocated Free Shares	25% of the total number of the allocated Free Shares	30% of the total number of the allocated Free Shares	30% of the total number of the allocated Free Shares
	Tranche 4	40% of the total number of the allocated Free Shares	25% of the total number of the allocated Free Shares	N/A	N/A
Number of shares acquired as of 30 June 2021		117,344 under Tranche 1	0	0	0
Number of rights cancelled as of June 30, 2021		14,148	63,896	16,950	1,980
Retention period		N/A			
Commitment to retain shares by corporate officers		✓ up to 10% of the Free Shares of each Tranche			
Number of shares that may be acquired as of 30 June 2021		161,868 ¹⁹	209,962 ²⁰	265,600 ²¹	95,040

¹⁹ This number takes into account the achievement of the performance conditions for the Free Shares of Tranche 2.

²⁰ This number has been adjusted to take into account the non-achievement of certain performance conditions for the Free Shares of Tranche 1.

²¹ This number takes into account the achievement of the performance conditions for the Free Shares of Tranche 1.

Among these Free Shares, as of the date of the Draft Offer Document and to the knowledge of the Offeror, a maximum of 849,814²² Shares acquired or likely to be acquired under the Free Share Plans are unavailable and will remain so until the estimated closing date of the Offer (the “**Unavailable Free Shares**”), which will be, subject to the cases of lifting of unavailability provided for by the applicable legal or regulatory provisions (such as the death or disability of the beneficiary) :

- i. for a maximum number of 732,470²³ of them, Free Shares whose vesting period will not have expired before the estimated closing date of the Offer and which are therefore not covered by the Offer (the “**Free Shares in Vesting Period**”);
- ii. for a maximum number of 2,090 of them, Free Shares that are unavailable due to the provisions of Article L. 225-197-1, II of the French Commercial Code, pursuant to which the Board of Directors of Iliad has imposed on the corporate officers of Iliad an obligation to retain their Shares until the termination of their functions (the “**Additional Retention Obligations**”); and
- iii. for a maximum number of 117,344²⁴ of them, Free Shares that are unavailable pending the expiration of a tax holding period (the period provided for in a) of A of 1 ter of Article 150-0 D of the French General Tax Code (“**FGTC**”) for Shares eligible for the benefit of the provisions of Article 200 A, paragraph 3 of the FGTC, as drafted by Article 135 of Law n° 2015-990 of August 6, 2015 for growth, activity and equal economic opportunity) (the “**Tax Retention Obligation**”).

Thus, to the knowledge of the Offeror as of the date of the Draft Offer Document, and subject to the early vesting and transferability events provided for by the law, the Free Shares in Vesting Period and those subject to an Additional Retention Obligation will not be tendered in the Offer, to the extent that the vesting periods of the Free Shares or the Additional Retention Obligations, as the case may be, will not have expired prior to the estimated closing date of the Offer.

The Unavailable Free Shares will be covered by the liquidity mechanism described in section 1.3.3 of the Press Release, subject to the signature of a Liquidity Agreement by the holders of the Unavailable Free Shares.

It is specified that 29,994 Free Shares likely to be acquired under Tranche 1 of Plan 2²⁵ will be definitively acquired on September 30, 2021 and, consequently, on the basis of the indicative timetable set out in section 2.7 of the Press Release, which provides for a closing date of the Offer on September 23, 2021, these Free Shares will not be able to be tendered in the Offer. It is specified that, in the event of the implementation

²² This number has been adjusted to take into account the non-attainment of certain performance conditions for the Free Shares of Tranche 1.

²³ This number has been adjusted to take into account the non-achievement of certain performance conditions for the Free Shares of Tranche 1.

²⁴ This number includes the 2,090 Free Shares subject to an Additional Retention Obligation as of the date of the Draft Offer Document.

²⁵ The number of Free Shares that may be acquired under Tranche 1 of Plan 2 has been adjusted to take into account the non-achievement of certain performance conditions.

of the squeeze-out, these Free Shares will be subject to the squeeze-out, other than 789 Free Shares which will be subject to an Additional Retention Obligation²⁶ subject to the conclusion of a Liquidity Agreement by the beneficiary or holder concerned.

It is also specified that 26,978 Free Shares likely to be acquired under Tranche 2 of Plan 1²⁷ will definitively vest on October 30, 2021 and, consequently, on the basis of the indicative timetable set out in section 2.7 of the Press Release providing for a closing date of the Offer on September 23, 2021, these Free Shares will not be eligible to be tendered in the Offer. It is specified that in the event of the implementation of the squeeze-out, these Free Shares will be subject to the squeeze-out subject to the conclusion of a Liquidity Agreement by the beneficiary or holder concerned.

2.3.2. Situation of Option holders

To the knowledge of the Offeror, as of the date of the Draft Offer Document, the Company has set up a stock option plan for the benefit of certain employees of the Company and its Group (the “**Options**”), the main characteristics of which are summarized in the table below, pursuant to decisions of the Board of Directors dated November 7, 2011 (the “**Option Plan**”).

It is specified that all the Options granted under the Option Plan, which have not yet been exercised or have not lapsed as of the date of the Draft Offer Document, are exercisable by their holders as of the date of the Draft Offer Document.

The beneficiaries of Options wishing to tender the Shares to which these Options entitle them must have exercised them sufficiently in advance so that the Shares resulting from the exercise of these Options can be tendered in the Offer at the latest on its closing date.

Such Options will lapse if not exercised by November 6, 2021.

To the knowledge of the Offeror, the maximum number of Shares that may be issued upon exercise of the Options and that may be tendered in the Offer is 107,028 Shares.

The Offer concerns all 107,028 Shares that may be issued as a result of the exercise of the Options.

The table below summarizes the main characteristics of the ongoing Option Plan set up by the Company, to the knowledge of the Offeror, as at the date of the Draft Offer Document:

Plan	Plan of November 7, 2011
Date of the general assembly	24 May 2011
Allocation date	7 November 2011

²⁶ This number has been adjusted to take into account the non-achievement of certain performance conditions.

²⁷ The number of Free Shares that may vest under Tranche 2 of Plan 1 takes into account the achievement of performance conditions.

Plan	Plan of November 7, 2011
Expiry date	6 November 2021
Subscription price	79.91 €
Attendance condition	✓
Maximum number of Shares that may be issued upon the exercise of the Options	107,028

2.3.3. Situation of holders of GSP and IGSP Blocked Shares

To the knowledge of the Offeror, as of the date of the Draft Offer Document:

- 34,388 Shares are held by the employees of the Offeror's Group directly within the group savings plan ("GSP") and for which the minimum lock-up period of five years provided for by Article L. 3332-25 of the French Labor Code will not have expired at the estimated closing date of the Offer; and
- 6,328 Shares are held by the employees of the Offeror's Group directly within the international group savings plan ("IGSP") and for which the minimum lock-up period of five years will not have expired on the estimated closing date of the Offer

(the "GSP and IGSP Blocked Shares", together with the Unavailable Free Shares, the "Unavailable Shares").

Employees holding GSP and IGSP Blocked Shares whose unavailability period does not expire until after the estimated closing date of the Offer will benefit from the liquidity mechanism provided for in section 1.3.3 of the Press Release.

2.4. Offeror's right to purchase Shares during the Offer period

As from the filing of the draft Offer with the AMF, and until the opening of the Offer, the Offeror reserves the right to carry out, on the market or off-market, any acquisition of Shares in accordance with the provisions of Articles 231-38 and 231-39 of the AMF's General Regulation, within the limits referred to in Article 231-38, IV of the AMF's General Regulation, corresponding to a maximum of 30% of the existing Shares targeted by the Offer at the Offer Price, i.e. a maximum of 5,041,743 Shares. Such acquisitions will be declared to the AMF and published on the AMF website in accordance with applicable regulations.

2.5. Terms and conditions of the Offer

In accordance with Article 231-13 of the AMF's General Regulation, the Presenting Banks, acting on behalf of the Offeror, filed the draft Offer and the Draft Offer Document with the AMF on 30 July 2021. On the same day, the AMF published a notice of filing relating to the Draft Offer Document on its website (www.amf-france.org).

In accordance with Article 231-16 of the AMF's General Regulation, the Draft Offer Document, as filed with the AMF, is available to the public free of charge from the registered office of the Offeror and from the Presenting Banks, as well as online on the websites of the AMF (www.amf-france.org) and the Company (www.iliad.fr/).

In addition, this Press Release containing the main elements of the Draft Offer Document and setting out how it may be obtained was published by the Offeror on July 30, 2021.

This Offer and the Draft Offer Document remain subject to review by the AMF.

The AMF will publish on its website a reasoned clearance decision with respect to the draft Offer after verifying that the draft Offer complies with applicable laws and regulations. In accordance with Article 231-23 of the AMF's General Regulation, the clearance decision will constitute approval of the Offeror's offer document.

The offer document approved by the AMF as well as the other information relating in particular to the legal, financial and accounting characteristics of the Offeror, will be available to the public free of charge, in accordance with Article 231-28 of the AMF's General Regulation, at the Offeror's registered office and from the Presenting Banks, no later than the day preceding the opening of the Offer. Such documents will also be available on the websites of the AMF (www.amf-france.org) and the Company (www.iliad.fr/).

In accordance with Articles 231-27 and 231-28 of the AMF's general regulation, a press release indicating how such documents are made available by the Offeror will be published no later than the day preceding the opening of the Offer including on the Company's website.

Prior to the opening of the Offer, the AMF will publish a notice announcing the opening and timetable of the Offer, and Euronext Paris will publish a notice announcing the arrangements and timetable of the Offer.

2.6. Procedure for tendering in the Offer

The Shares tendered in the Offer must be freely tradable and free from any lien, pledge, charge or other security interest or restriction of any kind restricting the free transfer of ownership thereof. The Offeror reserves the right to reject any Shares tendered under the Offer that do not comply with this condition.

The proposed Offer and all agreements relating thereto are subject to French law. Any dispute or litigation, regardless of its subject matter or basis, relating to this draft Offer shall be brought before the competent courts.

The Offer will be open for a period of twelve (12) trading days. The attention of the Company's shareholders is drawn to the fact that, as the Offer is carried out under the simplified procedure, in accordance with the provisions of Articles 233-1 and seq. of the AMF's General Regulation, it will not be reopened following the publication of the final result of the Offer.

The Shares held in registered form will have to be converted into bearer shares in order to be tendered in the Offer. Consequently, shareholders whose Shares are in registered form and who wish to tender them in the Offer must request as soon as possible the conversion of their Shares into bearer shares in order to tender them to the Offer. It is specified that the conversion to bearer shares of registered shares will result in the loss for these shareholders of the advantages linked to the holding of these shares in registered form.

Shareholders whose Shares are registered in an account managed by a financial intermediary and who wish to tender their Shares in the Offer will have to submit to the financial intermediary depositing their Shares an irrevocable tender or sale order the Shares at the Offer Price, using the template made available to them by this intermediary in due time so that their order can be executed and at the latest on the closing date of the Offer, specifying whether they opt for the sale of their Shares directly on the market or the tendering of their Shares in the semi-centralized Offer via Euronext Paris in order to benefit from the Offeror covering the brokerage fees as described in section 2.10 of the Press Release. Shareholders who tender their Shares in the Offer should contact their respective financial intermediaries in order to obtain information on the possible constraints of each of these intermediaries as well as their own procedures for taking into account sell orders in order to be able to tender their Shares in the Offer in accordance with the terms and conditions described in the sections below.

Market-based procedure for tendering shares to the Offer:

The shareholders of the Company wishing to tender their Shares in the Offer through the procedure of sale on the market will have to submit their sell order at the latest on the last day of the Offer and the settlement will be carried out as and when the orders are executed, two (2) trading days after each execution of the orders, it being specified that the trading costs (including brokerage fees and related VAT) will remain at the expense of the selling shareholder on the market.

Exane BNP Paribas, investment services provider authorized to act as a market maker in connection with the Offer, will acquire, on behalf of the Offeror, the Shares that will be sold on the market, in accordance with the applicable regulations.

Semi-centralized procedure for tendering shares to the Offer:

The shareholders of the Company wishing to tender their Shares in the semi-centralized Offer by Euronext Paris, will have to submit their tender order at the latest on the last day of the Offer (subject to the specific deadlines of certain financial intermediaries). The settlement-delivery will then take place after the completion of the semi-centralization operations.

In this context, the Offeror will bear the brokerage fees of the shareholders, it being specified that the conditions of this assumption are described in section 2.10 of the Press Release.

Euronext Paris will pay directly to the financial intermediaries the amounts due for the reimbursement of the expenses mentioned below, as from the date of settlement and delivery of the semi-centralization.

2.7. Indicative timetable of the Offer

Prior to the opening of the Offer, the AMF will publish a notice of opening and timetable, and Euronext Paris will publish a notice announcing the terms and conditions and opening of the Offer.

An indicative timetable is set out below:

Dates	Main steps of the Offer
30 July 2021	- Filing of the draft Offer and the Offeror's Press Release with the AMF.

Dates	Main steps of the Offer
	<ul style="list-style-type: none"> - Availability of the Press Release to the public at the registered offices of the Offeror and of the Presenting Banks and its posting on the Company's website (www.iliad.fr/) and on the AMF's website (www.amf-france.org). - Distribution of the Press Release on the filing and availability of the Press Release.
26 August 2021	<ul style="list-style-type: none"> - Filing of the draft reply document of the Company with the AMF, including the reasoned opinion of the Board of Directors of the Company and the report of the independent expert. - Availability of the draft reply document of the Company to the public at the registered office of the Company and its posting on the Company's website (www.iliad.fr/) and on the AMF's website (www.amf-france.org). - Distribution of the press release on the filing and availability of the draft reply document of the Company.
7 September 2021	<ul style="list-style-type: none"> - Publication of the clearance of the Offer by the AMF, approving of the Offeror's offer document and the Company's note in response. - Availability of the offer document to the public at the registered offices of the Offeror and of the Presenting Banks and its posting on the Company's website (https://www.iliad.fr/) and on the AMF's website (www.amf-france.org). - Availability to the public at the registered office of the Company and its posting on the Company's website (https://www.iliad.fr/) and on the AMF's website (www.amf-france.org) of the aforementioned <i>note en réponse</i>.
7 September 2021	<ul style="list-style-type: none"> - Availability to the public at the registered offices of the Offeror and of the Presenting Banks and its posting on the Company's website (https://www.iliad.fr/) and the AMF's website (www.amf-france.org) of information relating to the legal, financial and accounting characteristics of the Offeror. - Distribution by the Offeror of the press release on the availability of the approved offer document and of the information relating to the legal, financial and accounting characteristics of the Offeror. - Availability to the public at the Company's registered office and on the Company's website (https://www.iliad.fr/) and the AMF website (www.amf-france.org) of the information relating to the legal, financial and accounting characteristics of the Company. - Distribution by the Company of the Press Release on the availability of the approved reply document and of the information relating to the legal, financial and accounting characteristics of the Company.
8 September 2021	<ul style="list-style-type: none"> - Opening of the Offer.
23 September 2021	<ul style="list-style-type: none"> - Closing of the Offer
28 September 2021	<ul style="list-style-type: none"> - Publication of the notice of result of the Offer by the AMF.

Dates	Main steps of the Offer
4 October 2021	- Settlement and delivery of the Semi-Centralized Offer.
Within a short period of time from the closing of the Offer	- If necessary, implementation of the squeeze-out and delisting of the Shares from Euronext Paris, if the conditions are met.

2.8. Costs of the Offer

The overall amount of all expenses, costs and disbursements incurred by the Offeror in connection with the Offer, including the fees and other expenses of its external financial, legal and accounting advisors, along with those of appraisers and other consultants, and publicity and communication expenses, is estimated at approximately €12 million (excluding VAT).

In addition, the tax on financial transactions under Article 235 ter ZD of the French General Tax Code, borne by the Offeror on the Shares tendered in the Offer, will be added to these expenses.

2.9. Financing of the Offer

The acquisition by the Offeror of all the Shares targeted by the Offer on the basis of the Offer Price would represent, a maximum amount of €3,078,136,698(excluding miscellaneous expenses and commissions).

The acquisition of the Shares targeted by the Offer will be financed by intra-group loans granted by HoldCo to the Offeror. In this context, HoldCo has entered into a credit agreement under English law entitled “*Senior Secured Bridge to Bond Facilities Agreement*” with, among others, BNP Paribas, Crédit Agricole Corporate and Investment Bank, J.P. Morgan and Société Générale, acting as arrangers, as well as a group of lenders and guarantor banks, under the terms of which the lenders will provide credit facilities for a maximum aggregate principal amount of €3,600,000,000 (the “**Bank Financing**”), which will also be used to refinance a portion of HoldCo’s debt and to finance the Group’s general corporate purposes, if any. The Bank Financing is intended to be refinanced at the end of the Offer by one or more high-yield bond issues issued by HoldCo.

2.10. Reimbursement of brokerage fees and intermediaries’ remuneration

Except as set forth below, no fee or commission will be reimbursed by the Offeror to any Shareholder tendering Shares in the Offer or to any intermediary or person soliciting the tender of Shares in the Offer.

The Offeror will bear the brokerage fees and the related VAT paid by the holders of Shares having tendered their Shares to the Semi-Centralized Offer, up to a maximum of 0.3% (excluding VAT) of the amount of the Shares tendered in the Offer with a maximum of €150 per file (including VAT). Holders who are eligible for the reimbursement of brokerage fees as described above (and the related VAT) will only be holders of Shares who are registered in their account on the day preceding the opening of the Offer and who tender their Shares in the Semi-Centralized Offer. Holders who sell their Shares in the market will not be entitled to the aforementioned reimbursement of brokerage fees (and related VAT).

2.11. Offer restrictions outside of France

The Offer has not been the subject of any application for registration or visa with any financial market regulatory authority other than the AMF and no steps will be taken in this respect.

The distribution of the Press Release, the Offer, the acceptance of the Offer and the delivery of the Shares may, in certain countries, be subject to specific regulations or restrictions. The Offer is not addressed to persons subject to such restrictions, either directly or indirectly, and is not likely to be accepted from any country where the Offer is subject to restrictions. Consequently, persons coming into possession of the Press Release or any other document relating to the Offer must keep themselves informed of the applicable legal or regulatory restrictions and comply with them. Failure to comply with these restrictions may constitute a violation of applicable securities laws and regulations in certain countries.

The Press Release and any other document relating to the Offer do not constitute an offer to sell, exchange or acquire financial securities or a solicitation of such an offer in any country where such an offer or solicitation would be unlawful or to any person to whom such an offer could not validly be made or would require the publication of a prospectus or the fulfilment of any other formality under local financial law. Shareholders of the Company located outside of France may only participate in the Offer to the extent that such participation is permitted under the local law to which they are subject, without any formality or publicity being required from the Offeror.

The Offeror disclaims any liability for any violation by any person located outside of France of any foreign legal or regulatory restrictions applicable to such person.

United States of America

None of the Offer Documents, including the Press Release, constitutes an extension of the Offer into the United States and the Offer is not being made, directly or indirectly, in the United States to U.S. persons (as defined in Regulation S under the U.S. Securities Act of 1933, as amended), by means of the mails or by any means of communication or instrumentality of commerce (including, without limitation, transmission by facsimile, telex, telephone or electronic mail) of the United States or through the facilities of a United States securities exchange. Accordingly, no copy of the Announcement, and no other documents relating to the Offer, may be mailed, communicated or distributed by any intermediary or other person in the United States in any manner whatsoever. No holder of Securities may tender its Shares in the Offer unless it can represent that (i) it is not a U.S. Person, (ii) it has not received in the United States a copy of the Press Release or any other document relating to the Offer, and that it has not sent any such document to the United States, (iii) it has not used, directly or indirectly, the postal services, means of telecommunications or other instruments of commerce or the services of a United States securities exchange in connection with the Offer (iv) it was not in the United States when it accepted the Offer or submitted its tender order, and (v) it is not acting as an agent or nominee for any principal other than a principal who has instructed it outside the United States. Authorized Intermediaries will not be permitted to accept orders for the tender of securities that are not made in accordance with the foregoing provisions, except as otherwise authorized or instructed by or on behalf of the Offeror, at the Offeror's discretion. Any acceptance of the Offer that could be assumed to result from a breach of these restrictions will be deemed void.

The Press Release is not an offer to buy or sell or a solicitation of an order to buy or sell any securities in the United States and has not been filed with the U.S. Securities and Exchange Commission.

For purposes of the preceding two paragraphs, the United States means the United States of America, its territories and possessions, or any of its states and the District of Columbia.

2.12. Tax treatment of the Offer

The tax treatment of the Offer is described in section 2.12 “*Tax Treatment of the Offer*” of the Draft Offer Document.

3. SUMMARY OF THE OFFER PRICE ASSESSMENT

This table shows the implied share price derived from the application of selected assessment methods, as well as the premia derived from the Offer price:

<u>Assessment method</u>	<u>Share price (€)</u>	<u>Offer Price Implied premium</u>
<u>Stock price and VWAPs</u>		
Closing price as of 29 July 2021	113.1	+61.0%
VWAP 1 month	119.2	+52.7%
VWAP 60 trading days	128.5	+41.6%
VWAP 3 months	129.5	+40.5%
VWAP 6 months	139.6	+30.4%
VWAP 12 months	150.8	+20.7%
Min 12 months (closing)	113.1	+61.0%
Max 12 months (closing)	180.0	+1.1%
<u>Discounted cash flows - Sum of the Parts</u>		
Central value	140.0	+30.0%
<u>Analysts' target prices⁽¹⁾</u>		
Average	175.5	+3.7%
Median	166.5	+9.3%
<u>Trading multiples^(2,4)</u>		
EBITDAaL 2021E (median)	113.7	+60.0%
EBITDAaL 2022E (median)	126.4	+44.0%
EBITDAaL - Capex 2021E (median)	0.8	n.m.
EBITDAaL - Capex 2022E (median)	102.5	+77.5%
<u>Transaction multiples^(3,4)</u>		
EBITDAaL LTM (median)	160.7	+13.3%
EBITDAaL - Capex LTM (Orange Belgium)	40.6	+348.8%

Notes:

- 1) Target prices published post announcement of the cash flow revision of 18 May 2021,
- 2) Ranges based on the first and third quartiles of the sample. Including Orange, Orange Belgium, Proximus, Telefonica, Telefonica D., A1, TIM, Vodafone, KPN, Telia and Telenet,

This Press Release does not constitute an offer to purchase securities.

- 3) *Including Orange Belgium, Alice Europe, Play Communication and Vivacom,*
- 4) *EBITDAaL adjusted for interests on lease debt.*

Disclaimer

This Press Release has been prepared for information purposes only. It does not constitute an offer to the public. The distribution of this Press Release, the Offer and its acceptance may be subject to specific regulations or restrictions in certain countries. The Offer is not directed to any person subject to such restrictions, neither directly, nor indirectly, and may not be accepted from any jurisdiction where the Offer would be subject to such restrictions. This Press Release is not intended for distribution in such countries. Consequently, the persons in possession of this Press Release are required to inform themselves about the local restrictions that may apply and to comply with them.

HoldCo II declines all responsibility for any violation by any person of these restrictions.