

This document is an unofficial English-language translation of the press release relating to the filing of the draft response document (projet de note en réponse) which was filed with the French Autorité des marchés financiers on August, 26, 2020, and which remains subject to its review. In the event of any differences between this unofficial English-language translation and the official French press release, the official French press release shall prevail.

The Offer and the Draft Response Document remain subject to review by the French Autorité des Marchés Financiers

PRESS RELEASE RELATING TO THE FILING OF THE DRAFT RESPONSE DOCUMENT PREPARED BY:

iliad

IN RESPONSE TO

THE SIMPLIFIED TENDER OFFER FOR THE SHARES OF ILIAD

INITIATED BY:

HOLDCO II



This press release was prepared by Iliad and distributed on August 26, 2021, in accordance with the provisions of Article 231-26 of the French *Autorité des Marchés Financiers* (the “AMF”) General Regulation (the “**Press Release**”).

THIS OFFER, THE DRAFT OFFER DOCUMENT AND THE DRAFT RESPONSE DOCUMENT REMAIN SUBJECT TO REVIEW BY THE AMF

The draft response document (the “**Draft Response Document**”) is available on the website of Iliad (www.iliad.fr/fr) and on the website of the AMF (www.amf-france.org) and may be obtained free of charge at Iliad’s registered office located 16 rue de la Ville L’Évêque, 75008 Paris.

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1. OVERVIEW OF THE OFFER

In accordance with Title III of Book II and more particularly Articles 233-1, 1° et seq. of the General Regulation of the AMF, 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 in more detail in the draft offer document prepared by the Offeror and filed with the AMF (the "**Draft Offer Document**") and below (the "**Offer**").

As of the date of the Draft Response 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, 44,885,963 Shares and 75,113,789 voting rights of the Company, representing 75.23% of the share capital and 81.65% of the voting rights of the Company³, of which 14,585,283 Shares and voting rights in the Company, representing 24.44% of the share capital and 15.85% 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 5,000 Shares which are intended to be tendered in the Offer by NJJ Market):

- which are already issued, other than the Excluded Shares (as defined below), subject to the Free Shares in Vesting Period, which have not been issued as of the date of the Draft Response

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.

The Offer and the Draft Response Document remain subject to review by the AMF

Document, i.e., as of the date of the Draft Response Document, a maximum of 13,575,096 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 Shares⁵,

i.e., as of the date of the Draft Response Document and to the knowledge of the Offeror, a maximum number of Shares targeted by the Offer equal to 13,682,124.

It is specified that the Offer does not concern:

- the Shares held in treasury by the Company, i.e., as of the date hereof, 1,165,259 Shares,
- the Free Shares in Vesting Period and the Free Shares subject to an Additional Retention Obligation, i.e., 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 1.2.5 of the Press Release and in section 1.2.5 of the Draft Response Document,
- 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., 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 1.2.7 of the Press Release and in section 1.2.7 of the Draft Response Document,

(together the “**Excluded Shares**”).

As of the date of the Draft Response Document, 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 carried out under the simplified procedure in accordance with the provisions of Articles 233-1 et seq. of the AMF General Regulation. The duration of the Offer will be twelve (12) trading days.

The Offeror intends to implement a squeeze-out procedure for the Shares not tendered to the Offer, at the end of the Offer, if the required conditions are met, pursuant to Articles L. 433-4, II of the French Monetary and Financial Code and 237-1 et seq. of the AMF General Regulation.

The Offeror has reserved the right, as from the filing of the Draft Offer Document with the AMF, and until the opening of the Offer, to acquire Shares, within the limits set forth in Article 231-38 IV of the AMF General Regulation. As of the date of the Draft Response Document, the Offeror has acquired 3,273,111 Shares on the market at the Offer Price⁶.

⁵ It being specified that since the filing of the Draft Offer Document, as of the date of the Draft Response Document, 57,766 Options have been exercised.

⁶ Including 500,000 Shares that were sold by Rock Investment to the Offeror.

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Pursuant to the provisions of Article 231-13 of the AMF 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 on July 30, 2021.

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 General Regulation.

1.1. Background and reasons for 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 HoldCo⁷, 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 2020⁸ 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.

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

⁷ The balance of HoldCo II’s share capital is held by corporate officers of the Group.

⁸ AMF document n° 220C0209 dated January 16, 2020.

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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 the Founder, 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. Terms of the Offer

1.2.1. Main terms of the Offer

On July 30, 2021, in accordance with Article 231-13 of the AMF 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 5,000 Shares which are intended to be tendered in the Offer by NJJ Market). A notice of filing was published by the AMF on its website (www.amf-france.org) on July 30, 2021.

Under the Offer, which will be carried out under the simplified procedure governed by Articles 233-1 et seq. of the AMF 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 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, because the Offer is carried out under the simplified procedure, in accordance with the provisions of Articles 233-1 et seq. of the AMF General Regulation, 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 General Regulation.

1.2.2. Terms and conditions of the Offer

In accordance with Article 231-13 of the AMF General Regulation, the Presenting Banks, in their capacity as presenting institution acting on behalf of the Offeror, filed, on July 30, 2021, the proposed Offer and the Draft Offer Document with the AMF. On the same day, the AMF published a notice of filing relating to the Draft Offer Document on its website (www.amf-france.org). The Company has filed the Draft Response Document with the AMF on August 26, 2021. A notice of filing will be published by the AMF on its website (www.amf-france.org).

In accordance with the provisions of article 231-26 of the AMF General Regulation, a press release containing the main elements of the Draft Response Document and specifying the terms of its availability will be disseminated by the Company on August 26, 2021.

The Offer and the Draft Response Document remain subject to review by the AMF

The draft Offer, the Draft Offer Document and the Draft Response Document remain subject to review by the AMF.

The AMF will publish on its website a reasoned clearance decision with respect to the Offer after having verified that the Offer complies with applicable laws and regulations. Such clearance decision will constitute approval (“*visa*”) of the Company's *note en réponse*.

The *note en réponse* approved by the AMF as well as the information relating to the legal, financial and accounting characteristics of the Company will be made available to the public free of charge, in accordance with the provisions of articles 231-27 and 231-28 of the AMF General Regulation, no later than the day before the opening of the Offer, at the Company's registered office. These documents will also be posted 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 General Regulation, a press release specifying the terms and conditions under which the Company will make these documents available will be published no later than the day before the opening of the Offer and will be posted on the Company's website.

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 timetable of the Offer.

1.2.3. Adjustment on 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.

1.2.4. Number and type of securities included in the Offer

As of the date of the Draft Response Document, the Founder holds, directly and indirectly through the companies he controls⁹, 44,885,963 Shares and 75,113,789 voting rights of the Company, representing 75.23% of the share capital and 81.65% of the voting rights of the Company¹⁰, of which 14,585,283 Shares and voting rights in the Company, representing 24.44% of the share capital and 15.85% of the voting rights of the Company¹¹, are held individually by the Offeror.

⁹ (i) HoldCo, (ii) HoldCo II, (iii) NJJ Market and (iv) Rock Investment.

¹⁰ 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.

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.

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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 5,000 Shares which are intended to be tendered in the Offer by NJJ Market):

- which are already issued, other than the Excluded Shares (as defined below), subject to the Free Shares in Vesting Period, which have not been issued as of the date of the Draft Response Document, i.e., as of the date of the Draft Response Document, a maximum of 13,575,096 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., as of the date hereof, a maximum of 107,028 Shares¹²,

i.e., as of the date of the Draft Response Document, a maximum number of Shares targeted by the Offer equal to 13,682,124.

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

- the Shares held in treasury by the Company, i.e., as of the date hereof, 1,165,259 Shares,
- the Free Shares in Vesting Period and the Free Shares subject to an Additional Retention Obligation, i.e., 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 1.2.5 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., 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 1.2.7 of the Press Release.

As of the date of the Draft Response 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.

1.2.5. Situation of the beneficiaries of Free Shares

As of the date of the Draft Response 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 Response Document.

¹² It being specified that since the filing of the Draft Offer Document, as of the date of the Draft Response Document, 57,766 Options have been exercised.

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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

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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 ¹³	209,962 ¹⁴	265,600 ¹⁵	95,040

Among these Free Shares, as of the date of the Draft Response Document, a maximum of 849,814¹⁶ 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 732,470¹⁷ 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 117,344¹⁸ 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°

¹³ This number takes into account the achievement of the performance conditions for the Free Shares of Tranche 2.

¹⁴ This number has been adjusted to take into account the non-achievement of certain performance conditions for the Free Shares of Tranche 1.

¹⁵ This number takes into account the achievement of the performance conditions for the Free Shares of Tranche 1.

¹⁶ This number has been adjusted to take into account the non-attainment of certain performance conditions for the Free Shares of Tranche 1.

¹⁷ This number has been adjusted to take into account the non-achievement of certain performance conditions for the Free Shares of Tranche 1.

¹⁸ This number includes the 2,090 Free Shares subject to an Additional Retention Obligation as of the date of the Draft Offer Document.

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2015-990 of August 6, 2015 for growth, activity and equal economic opportunity) (the “**Tax Retention Obligation**”).

Thus, as of the date of the Draft Response 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 1.6.3 of the Press Release and in section 6.3 of the Draft Response Document, 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 2¹⁹ will be definitively acquired on September 30, 2021 and, consequently, on the basis of the indicative timetable set out in section 1.4 of the Press Release, which provides for a closing date of the Offer on September 24, 2021, these Free Shares will not be able 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, other than 789 Free Shares which will be subject to an Additional Retention Obligation²⁰ 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 1²¹ will definitively vest on October 30, 2021 and, consequently, on the basis of the indicative timetable set out in section 1.4 of the Press Release providing for a closing date of the Offer on September 24, 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.

1.2.6. Situation of Option holders

As of the date of the Draft Response 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 Response Document, are exercisable by their holders as of the date of the Draft Response 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.

¹⁹ 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.

²⁰ This number has been adjusted to take into account the non-achievement of certain performance conditions.

²¹ The number of Free Shares that may vest under Tranche 2 of Plan 1 takes into account the achievement of performance conditions.

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

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 targets all 107,028 Shares that may be issued as a result of the exercise of the Options, it being specified that, since the filing of the Draft Offer Document, as of the date of the Draft Response Document, 57,766 Options have been exercised.

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

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

1.2.7. Situation of holders of GSP and IGSP Blocked Shares

As of the date of the Draft Response 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 1.6.3 of the Press Release and in section 6.3 of the Draft Response Document.

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1.2.8. Intentions regarding the squeeze-out

The Draft Offer Document states that in accordance with Articles L. 433-4 II of the French Monetary and Financial Code and 237-1 et seq. of the AMF 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 1.6.3 of the Press Release and in section 6.3 of the Draft Response Document 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 1.6.3 of the Press Release and in section 6.3 of the Draft Response Document), 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 is considering the possibility 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.

1.3. Procedure for tendering in the Offer

The Draft Offer Document states that 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 et seq. of the AMF 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

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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 Draft Offer Document. 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 and the related VAT paid by the shareholders having tendered their Shares to the semi-centralized Offer, within the limit of 0.3% (excluding tax) of the amount of the Shares tendered to the Offer with a maximum of 150 euros per file (including VAT), it being specified that the conditions of this assumption are described in section 2.10 of the Draft Offer Document.

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.

1.4. 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 Draft Offer Document with the AMF.

The Offer and the Draft Response Document remain subject to review by the AMF

Dates	Main steps of the Offer
	<ul style="list-style-type: none"> - Availability of the Draft 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 (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 Offer Document.
26 August 2021	<ul style="list-style-type: none"> - Filing of the Draft Response 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 Response 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 Response Document of the Company.
8 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 <i>note en réponse</i>. - 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>.
8 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.

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Dates	Main steps of the Offer
	- 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.
9 September 2021	- Opening of the Offer.
24 September 2021	- Closing of the Offer.
28 September 2021	- Publication of the notice of result of the Offer by the AMF.
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.

1.5. Offer restrictions outside of France

Section 2.11 of the Draft Offer Document states that:

- 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 Draft Offer Document, 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 Draft Offer Document 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 Draft Offer Document 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 restrictions regarding the Offer outside of France described in Section 2.11 of the Draft Offer Document apply to the Draft Response Document.

The Offer and the Draft Response Document remain subject to review by the AMF

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 Draft Offer Document and the Draft Response Document, 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 Draft Offer Document or the Draft Response Document, nor any other document 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 Draft Offer Document or the Draft Response Document 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.

Neither the Draft Offer Document nor the Draft Response Document is an offer to buy or sell or a solicitation of an order to buy or sell any securities in the United States nor has 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.

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

1.6.1. Internal reclassification of Shares held by the Founder

Between the date of the Draft Response 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 6.1 of the Draft Response 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.

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1.6.2. 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 6.2 of the Draft Response 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 “**Managers’ Contribution**”). The terms of this reinvestment are more fully described in section 6.2 of the Draft Response Document.

1.6.3. 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 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 6.3 of the Draft Response Document.

1.6.4. Other agreements of which the Company is aware

Other than the agreements described in sections 1.6.1 to 1.6.3 of this Press Release, there are, to the knowledge of the Company, no other agreements likely to have an impact on the assessment or outcome of the Offer.

2. REASONED OPINION FROM THE BOARD OF DIRECTORS

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

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- Mr. Saad Boudjadi (Director representing employees).

** Independent Directors*

Moreover, pursuant to Article 261-1, III of the AMF General Regulation, the Board of Directors, in its meeting of June 28, 2021, created an *ad hoc* committee composed of the following directors:

- Ms. Virginie Calmels, director,
- Ms. Céline Lazorthes, independent director,
- Mr. Jacques Veyrat, independent director,
- Ms. Esther Gaide, independent director

thus made up of a majority of independent directors, with the missions (i) to make a recommendation to the Board of Directors of the Company on the choice of the independent expert, (ii) to ensure the supervision of its work and (iii) to prepare the draft reasoned opinion of the Board of Directors of the Company on the proposed Offer in accordance with the provisions of article 261-1, III of the General Regulation of the AMF.

On July 5, 2021, the Board of Directors of the Company, upon recommendation of the *ad hoc* committee, appointed BM&A Advisory & Support, represented by Mr. Pierre Beal, as independent expert in the framework of the proposed Offer in accordance with Article 261-1, I, 1°, 2° and 4°, and II, of the AMF General Regulation, in order to prepare a report including a fairness opinion on the financial terms of the Offer, including the squeeze-out.

On July 29, 2021, the Board of Directors decided, upon recommendation of the *ad hoc* committee, to issue a favorable opinion on the proposed Offer.

The Draft Offer Document filed by the Offeror with the AMF on July 30, 2021 contains, among other things, the background and the reasons for the Offer, the intentions of the Offeror, the characteristics of the Offer and the elements for assessing the Offer Price.

In accordance with the provisions of Article 231-19 of the AMF General Regulation, the members of the Board of Directors of the Company, convened and chaired by Mr. Xavier Niel as Chairman of the Board of Directors, met on August 25, 2021, in order to review the proposed Offer and to issue a reasoned opinion on the interest and consequences of the proposed Offer for the Company, its shareholders and its employees. All members of the Board of Directors were physically present or present by visio-conferencing.

Prior to the meeting, the directors were informed of:

- the Draft Offer Document filed by the Offeror with the AMF on July 30, 2021, containing in particular the background and the reasons for the Offer, the intentions of the Offeror, the characteristics of the Offer and the elements for assessing the Offer Price,
- the draft reasoned opinion prepared by the *ad hoc* committee in accordance with Article 261-1, III of the AMF General Regulation,
- the report of BM&A Advisory & Support, the independent expert,

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- the Draft Response Document of the Company, prepared in accordance with article 231-19 of the AMF General Regulation.

The Board of Directors of the Company has thus adopted the following reasoned opinion unanimously by the members present or represented, including the members who participate in the work of the *ad hoc* committee, the other members of the Board of Directors of the Company adhering to the opinion of the *ad hoc* committee, it being specified that Mr. Xavier Niel, Mr. Thomas Reynaud, Mr. Cyril Poidatz and Mr. Maxime Lombardini did not participate in the vote:

“REASONED OPINION ON THE SIMPLIFIED TENDER OFFER INITIATED BY HOLDCO II

It is reminded that it is the responsibility of the Board of Directors, pursuant to the provisions of Article 231-19, 4° of the AMF General Regulation (“AMFGR”), to issue a reasoned opinion on the interest of the Offer and on the consequences of the latter for the Company, its shareholders and its employees.

In accordance with Article 261-1 of the AMFGR, the Board of Directors, at its meeting of June 28, 2021, formed an ad hoc committee (the “Committee”) composed of the following directors: Ms. Céline Lazorthes (Chairman of the Committee), Ms. Virginie Calmels, Ms. Esther Gaide and Mr. Jacques Veyrat. The Committee is responsible for supervising the work of the independent expert and issuing a recommendation in view of the Board of Directors' reasoned opinion.

As Ms. Esther Gaide, Ms. Céline Lazorthes and Mr. Jacques Veyrat are independent directors, the Committee is constituted in accordance with the provisions of Article 261-1, III of the AMFGR. Furthermore, Ms. Virginie Calmels has no ties with the Offeror or the Offer that could create a conflict of interest.

Prior to today's meeting, the following documents were made available to the members of the Board of Directors:

- *the draft offer document filed by the Offeror with the AMF on July 30, 2021 (the “Draft Offer Document”), containing, inter alia, the reasons for the Offer, the intentions of the Offeror, the terms and conditions of the Offer (including an indicative timetable), as well as the elements for assessing the price of the Offer,*
- *the draft response document prepared by the Company (the “Draft Response Document”),*
- *the report dated August 20, 2021 of BM&A Advisory & Support, acting as an independent expert (the “Independent Expert”) appointed pursuant to the provisions of article 261-1 of the AMFGR and represented by Mr. Pierre BEAL, on the fairness of the financial terms of the Offer, possibly followed by a squeeze-out,*
- *the draft reasoned opinion of the Committee dated August 24, 2021 on the interest that the Offer presents for the Company, its shareholders and its employees.*

The Board of Directors has thus rendered the following reasoned opinion unanimously by its members (with the exception of Messrs. Xavier Niel, Maxime Lombardini, Cyril Poidatz and Thomas Reynaud who did not take part in the vote).

Summary of the due diligence performed, conclusions of the Independent Expert and recommendation of the Committee

1) Process and basis for the appointment of the Independent Expert

It is reminded that the Offer requires, pursuant to the provisions of article 261-1, I.- 1, 2, 4 and II of the AMFGR, the appointment of an independent expert, taking into account the fact that (i) the Offeror already holds control of the Company

The Offer and the Draft Response Document remain subject to review by the AMF

within the meaning of article L. 233-3 of the French Commercial Code, (ii) certain key executives and employees of the Company have entered into reinvestment agreements with the Offeror, (iii) liquidity agreements will be entered into between the holders of unavailable shares and the Offeror, and (iv) the Offeror is considering implementing a squeeze-out procedure.

The Committee met on July 5, 2021 and carried out an in-depth review of the profile of three experts likely to be appointed as Independent Experts, taking into account in particular (i) the absence of any present or past link with the Company, (ii) the recent experience of the experts envisaged in the context of similar transactions and (iii) more generally, the professional reputation and the human and material resources of these experts.

The members of the Committee, after deliberation, decided to propose to the Board of Directors the appointment of the firm BM&A Advisory & Support, represented by Mr. Pierre BEAL, as Independent Expert, in accordance with the provisions of article 261-1, I.- 1, 2, 4 and II of the AMFGR and under the conditions specified in article 2 of the AMF instruction 2006-08 relating to the independent expertise. The firm BM&A Advisory & Support, represented by Mr. Pierre BEAL, has been identified as meeting the criteria of independence and competence required by the applicable regulations, in particular in view of its level of qualifications and experience. The Committee, having reviewed the various cases in which BM&A Advisory & Support had recently been involved, noted in particular that it regularly intervened in this type of transaction and offered all the guarantees, in terms of independence, competence and resources, to carry out the mission of independent expert in the context of the Offer.

The Committee also noted that BM&A Advisory & Support has developed a very good knowledge of the Iliad group and the specificities of its business, in the context of a previous valuation mission of the Company, which could be used in the context of the Offer without jeopardizing its independence.

The firm BM&A Advisory & Support, through the intermediary of Mr. Pierre BEAL, has indicated that it accepts the principle of this appointment as Independent Expert, and that it is not subject to any incompatibility that would prevent it from carrying out this mission.

On July 6, 2021, on the recommendation of the Committee, the Board of Directors of the Company decided to appoint the firm BM&A Advisory & Support as Independent Expert, in order to draw up a report on the financial conditions of the Offer, to be concluded by a fairness opinion on the basis of article 261-1, I.- 1, 2, 4 and II of the AMFGR.

2) Work of the Committee and interactions with the Independent Expert

The members of the Committee met in particular:

- on July 5, 2021 in connection with the appointment of the Independent Expert,*
- on July 12, 2021 in the context of a presentation by the Company of the business plan by country established by the Company's management and covering the period 2021-2026 (the "**Business Plan**"),*
- on July 19, 2021, in the presence of the Independent Expert, who introduced his mission and the nature of the valuation work incumbent upon him,*
- on July 23, 2021, in the presence of the Independent Expert, in order to review the progress of the Independent Expert's work in the context of the Offer. The Independent Expert presented to the Committee his preliminary work and described the methods and references used in his work,*
- on July 27, 2021, in the presence of their legal counsel, in order to review the progress of the Offer. During this meeting, the members of the Committee discussed the terms and reasons for the Offer as well as the considered timetable,*

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- *on July 28, 2021, in the presence of the Independent Expert and their legal counsel, in order to review the progress of the Independent Expert's work. The Committee was informed of updated data and of various additional analyses carried out by the Independent Expert. During this meeting, the Committee noted that at the stage of his work, the Independent Expert had not identified any element calling into question the fairness of the Offer.*

On the basis of these elements, the members of the Committee have unanimously decided to recommend to Company's Board of Directors on July 29, 2021 to welcome the proposed Offer, noting that the Board of Directors -on the basis of a recommendation to be issued by the Committee- will only decide on the interest of the Offer for the Company, its shareholders and its employees and on the opportunity for the shareholders to tender their shares to the Offer only after receipt of the report of the Independent Expert, which can only be delivered at least fifteen trading days after the date of filing of the Draft Offer Document,

- *on August 24, 2021, in the presence of the Independent Expert and their legal counsel, in order to finalize the Committee's recommendation on the Offer.*

During these meetings, the Committee ensured that the Independent Expert had in his possession all the useful information for the execution of his mission and that he had been able to carry out his work under satisfactory conditions. The Committee is not aware of any elements that could call into question the proper performance of the Independent Expert's work.

The Committee also ensured that the Independent Expert had access to the Business Plan established by the Company's management. This Business Plan, which was reviewed by the Independent Expert, constitutes to the knowledge of the Committee the most relevant forecast data established by the Company.

During its work, the Committee noted that a comparison between the business plan communicated by the Company and the consensus of analysts' projections for the period 2021-2024 was carried out by the presenting banks. The result is that the management's business plan is globally more ambitious than the consensus of analysts' projections (with a cumulative EBITDAaL higher than the consensus, also linked to higher investments). On a net basis, cumulative EBITDAaL - investments (excluding frequency acquisition) is very close to the consensus. This analysis has been confirmed by the Independent Expert.

The Committee noted that no questions or comments from shareholders concerning the Offer were addressed to the Committee or to the Independent Expert, including through the AMF.

3) Conclusions of the Independent Expert's report

Following the exchanges between the Committee and the Independent Expert, as described above, BM&A Advisory & Support submitted its report on August 20, 2021.

The characteristics of the Offer are recalled below, these elements having been taken into account by the Independent Expert for the establishment of his report and by the Committee to establish its recommendation:

- *the Founder holds, directly and indirectly through the companies he controls, 44,885,963 shares and 75,113,789 theoretical voting rights in the Company, representing 75.23 % of the share capital and 81.65 % of the theoretical voting rights of the Company, of which 14,585,283 shares and theoretical voting rights of the Company representing 24.44% of the share capital and 15.85% of the voting rights of the Company are held individually by the Offeror*

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(based on the share capital of the Company as of July 31, 2021), it being specified that since the filing of the Offer, the Offeror has acquired 3,273,111 shares of the Company on the market at the Offer price²²,

- the Offer is of a voluntary nature and will be carried out under the simplified procedure in accordance with articles 233-1 and following of the AMFGR. The duration of the Offer will be set at twelve (12) trading days,*
- the Offer targets all the shares of the Company already issued or likely to be issued or delivered before the estimated closing date of the Offer as a result of the exercise of the stock options and not held, directly or indirectly, by the Initiator and the companies controlled by the Founder (with the exception of 5,000 shares which are intended to be tendered in the Offer by NJJ Market), with the exception of (i) the Shares held in treasury by the Company, i.e. 1,169,259 shares, (ii) the Free Shares in Vesting Period and the Free Shares subject to an Additional Retention Obligation (as these terms are defined in section 2.3.1 of the Draft Offer Document), i.e. a maximum of 734,560 Shares, (iii) 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. 40,716 Shares (as these terms are defined in section 2.3.3 of the Draft Offer Document),*
- in the framework of the Offer, the Offeror proposes to the shareholders to acquire the shares of the Company they hold in consideration, for one share of the Company, of a cash amount of 182 euros,*
- the Offeror has indicated that if, at the closing of the Offer, the conditions required for the implementation of a squeeze-out are met, the Offer will be followed by a squeeze-out procedure pursuant to articles L. 433-4, II of the French Monetary and Financial Code and 237-1 et seq. of the AMFGR,*
- a reinvestment of certain executives of the Company is planned as well as a liquidity contract for the Unavailable Shares (as these terms are defined in section 2.3.3 of the Draft Offer Document),*
- the intentions of the Offeror, as described in the Draft Offer Document made available to the members of the Board of Directors.*

The Independent Expert summarizes the conclusions of his report as follows:

“In conclusion, our valuation work leads to central values, all methods combined, which are lower than the price of €182 proposed within the framework of the present Offer. In particular, this Offer Price shows substantial premiums compared to the central values resulting from the two main approaches, i.e. the stock market price and the DCF method. Finally, this Offer Price remains higher than the values resulting from the implementation of alternative scenarios integrating assumptions having a positive impact on the value of the Company.

On the basis of all these elements, our opinion is that, from a financial point of view, the price of €182 per Iliad share, proposed in the context of a simplified tender offer and assuming the implementation of a squeeze-out, is fair for the Company's shareholders.”

The Independent Expert also notes the absence of questions or comments from minority shareholders, including through the AMF.

²² Including 500,000 Shares that were sold by Rock Investment to the Offeror.

The Offer and the Draft Response Document remain subject to review by the AMF

Recommendations of the Committee

On August 24, 2021, the Committee met and finalized its recommendation to the Board of Directors in light of the Independent Expert's report.

- **As regards the merits of the Offer for the Company (industrial, commercial and financial strategy and policy)**

The Committee notes that:

- *the Offeror already controls the Company, the Founder holding, directly and indirectly through the companies he controls, 75.23 % of the share capital and 81.65% of the theoretical voting rights of the Company of which 24.44% of the share capital and 15.85% of the voting rights of the Company are held individually by the Offeror (based on the share capital of the Company as of July 31, 2021), it being specified that since the filing of the Offer, the Offeror has acquired 3,273,111 shares of the Company on the market at the Offer price²³,*
- *pursuant to Articles L. 433-4 II of the French Monetary and Financial Code and 237-1 et seq. of the AMF General Regulation, the Offeror intends to request from the AMF, within three (3) months from the closing of the Offer, the implementation of a squeeze-out procedure for the Shares, if the number of Shares not tendered to 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 2.3.3 of the Draft Offer Document and which are assimilated pursuant to article L. 233-9 I, 4° of the French Commercial Code to the shares held by the Offeror) do not represent, at the end of the Offer, more than 10% of the capital and voting rights of the Company. It would be carried out in return for compensation to the shareholders concerned at the Offer price,*
- *under the terms of contribution undertakings, Rani Assaf, a historical shareholder of the Company, and certain managers of the Company (i.e. Messrs. Thomas Reynaud, Maxime Lombardini, Cyril Poidatz, Antoine Levanasseur and Nicolas Jaeger) (the “**Managers**”) have undertaken to contribute to the Offer all or part of their shareholding in the Company i.e. a total of 1,823,480 shares held by them, representing approximately 3.06% of the Company's share capital (based on the Company's share capital at July 31, 2021),*
- *in addition, certain Managers have also undertaken, alongside the Founder, to contribute to the Offeror 695,762 Shares in the Company that they hold,*
- *no adverse consequences for the Company resulting from the Offer have been identified. Indeed, the management has negotiated a global refinancing of the Company in case of implementation of the squeeze-out. The Committee also noted that the squeeze-out will be a source of savings for the Company (no more costs related to the listing) and will allow the management to focus on the investment and international expansion strategy of the group, without being out of step with the short-term expectations of the financial market.*

The Committee also notes that the Offeror's intentions, as described in the Draft Offer Document, are as follows:

- *regarding strategy (political, industrial, commercial and financial), the Offeror has indicated intending to continue the Company's activities in line with its current strategy, which will not be jeopardized regardless of the outcome of the Offer,*

²³ Including 500,000 Shares that were sold by Rock Investment to the Offeror.

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- regarding merger and legal reorganization, the Offeror does not intend to merge with the Company within the next twelve months. The implementation of the Offer will not have any impact on the Company's legal organization policy,
- regarding the composition of the Board of Directors, the Offeror has indicated not intending to modify the governance of the Company in the event that the Offer is followed by a squeeze-out,
- the Offeror has recalled being a holding company incorporated on December 24, 2018, whose purpose is to acquire, hold, manage, dispose of and/or acquire interests 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,
- regarding dividends, the Offeror has indicated the Company's dividend policy would 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.),
- in the event that the Offer is followed by a squeeze-out, it will result in the compensation of the shareholders concerned at the Offer price and the delisting of the shares from the regulated market of Euronext Paris.

Having considered the above, the Committee confirms the interest of the Offer for the Company.

– As regards the Offer price and the merits of the Offer for the shareholders

The Committee notes that the Offeror proposes to acquire the shares of the Company targeted by the Offer in consideration, for one share of the Company tendered to the Offer, of a cash sum of 182 euros.

In addition, the Offeror proposes to certain Managers to reinvest and to the beneficiaries of unavailable shares to enter into commitments to purchase and sell their unavailable shares in order to allow them to benefit from a cash liquidity for the unavailable shares that could not be tendered to the Offer.

The Committee has taken note of the elements of assessment of the Offer price established by the institutions presenting the Offer and the report of the Independent Expert.

The Committee notes in particular that the Offer allows shareholders to obtain immediate liquidity for their entire shareholding at a price per share representing a premium of 61.0% over the closing price of the share on July 29, 2021 (i.e. the day before the announcement of the Offer), of 53, 5 % compared to the volume-weighted average share price over the twenty days preceding this date, of 38.5 % compared to the volume-weighted average share price over the three months preceding this date and of 28.1 % compared to the volume-weighted average share price over the six months preceding this date. It also notes that the Offer price is close to the highest price reached in trading over 36 months (€184, on September 3, 2020).

The Committee notes that, under the terms of the report drawn up by the Independent Expert and the analysis followed by the Independent Expert, the conditions proposed within the framework of the Offer as initiated by the Offeror for the shares of the Company are fair from a financial point of view for the shareholders of the Company.

The Independent Expert also concluded that the analyses of the agreements concluded within the framework of the Offer (in particular the reinvestment of certain Managers and the liquidity contract) did not reveal elements likely to call into question

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the principle of equal treatment between the shareholders, as regards both the conditions of reinvestment and the absence of a guaranteed sale price.

The Committee therefore notes that the Offer presents an opportunity for the minority shareholders to benefit from an immediate and full liquidity under price conditions considered as fair by the Independent Expert, including in case of implementation of a squeeze-out procedure.

– As regards the merits of the Offer for the Company's employees

The Committee notes that in terms of employment, the Offer is part of a strategy to pursue and develop the Company's business and will not have a negative impact on employment within the Company.

The Committee also notes that the Offeror has indicated in its intentions described in the Draft Offer Document:

- not intending to merge with the Company in the next twelve months and that the implementation of the Offer will not have any impact on the Company's legal organization policy,*
- that the Offer will have no impact on the Company's employment policy,*
- that he 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.*

In view of the foregoing, the Committee considers that the Offer as described in the Draft Offer Document is consistent with the interests of the Company's employees and should not have any specific impact on employment.

At the end of his mission and having taken note of the work of the Independent Expert and of all the above elements, the Committee, unanimously of its members:

- notes that the terms of the Offer are fair for the shareholders,**
- presents to the Board of Directors the draft reasoned opinion,**
- recommends that the Board of Directors of the Company conclude that the Offer is in the best interests of the Company, its shareholders and its employees and recommends that the shareholders of the Company tender their shares to the Offer.**

Reasoned opinion of the Board of Directors on the proposed Offer

In light of the foregoing, discussions ensued. The Chairman asked the members of the Board of Directors to confirm whether or not they intended to tender all or part of the Iliad shares they held to the Offer:

Name	Function	Number of Shares held at the date of the reasoned opinion	Intention
Xavier Niel	<i>Chairman of the Board of Directors</i>	621,954	N/A

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Name	Function	Number of Shares held at the date of the reasoned opinion	Intention
Maxime Lombardini	<i>Vice-Chairman of the Board of Directors</i>	125,823	<i>Contribution to the Offer of 23,564 Shares²⁴</i>
Thomas Reynaud	<i>Chief Executive Officer and Director</i>	116,657	<i>Contribution to the Offer of 52,659 Shares²⁵</i>
Cyril Poidatz	<i>Director</i>	811,951	<i>Contribution to the Offer of 603,951 Shares²⁶</i>
Virginie Calmels	<i>Director</i>	150	<i>Contribution to the Offer of 50 Shares²⁷</i>
Bertille Burel	<i>Director</i>	100	<i>No contribution of her Shares to the Offer²⁸</i>
Jacques Veyrat	<i>Director</i>	100	<i>No contribution of his Shares to the Offer²⁹</i>
Céline Lazorthes	<i>Director</i>	100	<i>No contribution of her Shares to the Offer³⁰</i>
Esther Gaide	<i>Director</i>	100	<i>No contribution of her Shares to the Offer³¹</i>

After discussion of the draft Offer, the Board of Directors, in view of the elements submitted and in particular (i) the objectives and intentions expressed by the Offeror, (ii) the valuation elements prepared by the presenting institutions, (iii) the conclusions of the Independent Expert's report on the financial terms of the Offer, (iv) the conclusions of the Committee's review, unanimously (it being specified that Messrs. Xavier Niel, Maxime Lombardini, Cyril Poidatz and Thomas Reynaud, did not take part in the vote):

- approves the draft reasoned opinion as proposed by the Committee,*

²⁴ *It being specified that 90,256 Shares will be contributed in kind to the Offeror prior to the closing of the Offer and that 12,003 Shares will benefit from the liquidity mechanism.*

²⁵ *It being specified that 55,506 Shares will be contributed in kind to the Offeror prior to the closing of the Offer and that 8,492 Shares will benefit from the liquidity mechanism.*

²⁶ *It being specified that 200,000 Shares will be contributed in kind to the Offeror prior to the closing of the Offer and that 8,000 Shares will benefit from the liquidity mechanism.*

²⁷ *In view of the statutory obligation to hold Shares.*

²⁸ *In view of the statutory obligation to hold Shares.*

²⁹ *In view of the statutory obligation to hold Shares.*

³⁰ *In view of the statutory obligation to hold Shares.*

³¹ *In view of the statutory obligation to hold Shares.*

The Offer and the Draft Response Document remain subject to review by the AMF

- **considers**, consequently, that the Offer as described in the Draft Offer Document is in the interests of:
 - the Company, in particular insofar as the Company is already controlled by the Offeror and the latter does not intend to modify the activity, the strategy and/or the industrial, commercial and financial policy of the Company,
 - its shareholders, since the price proposed by the Offeror is considered as fair by the Independent Expert,
 - its employees, since the Offer should not have any particular impact on employment.
- **recommends** to the Company's shareholders to tender their shares into the Offer,
- **decides** not to tender the 1,169,259 shares held in treasury by the Company,
- **grants** full powers to the Chairman to finalize the draft response note relating to the Offer, as well as any other document that may be necessary in the context of the Offer, and in particular the information relating to the legal, financial and accounting characteristics of the Company which must be filed with the AMF and published in accordance with the provisions of Article 231-28 of the AMF general regulation, and more generally to take all measures and steps necessary for the completion of the Offer.”

3. OPINION OF THE COMPANY'S WORKS' COUNCIL

In accordance with the provisions of Articles L. 2332-2 et seq. of the French *Code du travail*, Iliad's Group Works' Council was informed on August 24, 2021 as part of the procedure for informing the Company's employee representative bodies.

4. INTENTIONS OF THE MEMBERS OF THE BOARD OF DIRECTORS

Pursuant to Article 14 of the Company's Articles of Association and Article 1 of the charter attached to the Rules of Procedure of the Board of Directors of the Company, each member of the Board of Directors of the Company shall hold at least 100 shares of the Company.

The members of the Board of Directors of the Company who participated in the meeting at which the Board of Directors issued its reasoned opinion set forth in section 2 stated their intentions as follows:

Name	Function	Number of Shares held at the date of the reasoned opinion	Intention
Xavier Niel	Chairman of the Board of Directors	621,954	N/A
Maxime Lombardini	Vice-Chairman of the Board of Directors	125,823	Contribution to the Offer of 23,564 Shares ³²

³² It being specified that 90,256 Shares will be contributed in kind to the Offeror prior to the closing of the Offer and that 12,003 Shares will benefit from the liquidity mechanism.

Name	Function	Number of Shares held at the date of the reasoned opinion	Intention
Thomas Reynaud	Chief Executive Officer and Director	116,657	Contribution to the Offer of 52,659 Shares ³³
Cyril Poidatz	Director	811,951	Contribution to the Offer of 603,951 Shares ³⁴
Virginie Calmels	Director	150	Contribution to the Offer of 50 Shares ³⁵
Bertille Burel	Director	100	No contribution of her Shares to the Offer ³⁶
Jacques Veyrat	Director	100	No contribution of his Shares to the Offer ³⁷
Céline Lazorthes	Director	100	No contribution of her Shares to the Offer ³⁸
Esther Gaide	Director	100	No contribution of her Shares to the Offer ³⁹

5. INTENTIONS OF THE COMPANY WITH REGARD TO TREASURY SHARES

At the date of the Draft Response Document, the Company holds 1,169,259 of its own Shares.

On August 25, 2021, the Board of Directors' meeting took note of the fact that the 1,169,259 treasury Shares held by the Company are not covered by the Offer and unanimously confirmed, as necessary, that it does not wish to tender them to the Offer.

It is specified that a part of these Shares will be used for the delivery of the Free Shares that may be definitively acquired (i) on September 30, 2021 under Tranche 1 of Plan 2 (ii) on October 30, 2021 under Tranche 2 of Plan 1 and (iii) on November 30, 2021 under Tranche 1 of Plan 3 and Plan 3 bis (as detailed in section 1.2.5 of the Press Release and in section 1.2.5 of the Draft Response Document).

³³ It being specified that 55,506 Shares will be contributed in kind to the Offeror prior to the closing of the Offer and that 8,492 Shares will benefit from the liquidity mechanism.

³⁴ It being specified that 200,000 Shares will be contributed in kind to the Offeror prior to the closing of the Offer and that 8,000 Shares will benefit from the liquidity mechanism.

³⁵ In view of the statutory obligation to hold Shares.

³⁶ In view of the statutory obligation to hold Shares.

³⁷ In view of the statutory obligation to hold Shares.

³⁸ In view of the statutory obligation to hold Shares.

³⁹ In view of the statutory obligation to hold Shares.

6. REPORT OF THE INDEPENDENT EXPERT PURSUANT TO ARTICLE 261-1 OF THE AMF GENERAL REGULATION

Pursuant to articles 261-1, I, 1°, 2° and 4° and II of the AMF General Regulation, the firm BM&A Advisory & Support, represented by Mr. Pierre Béal, was appointed as independent expert by the Board of Directors of the Company, on the recommendation of the *ad hoc* committee, on July 5, 2021 in order to draw up a report to assess the fairness of the financial terms of the Offer and the squeeze-out.

The conclusion of the Independent Expert's report, dated August 20, 2021, is copied in full hereunder:

« In conclusion, our valuation work leads to central values, all methods combined, which are lower than the price of €182 proposed within the framework of the present Offer. In particular, this Offer Price shows substantial premiums compared to the central values resulting from the two main approaches, i.e. the stock market price and the DCF method. Finally, this Offer Price remains higher than the values resulting from the implementation of alternative scenarios integrating assumptions having a positive impact on the value of the Company.

On the basis of all these elements, our opinion is that, from a financial point of view, the price of €182 per Iliad share, proposed in the context of a simplified tender offer and assuming the implementation of a squeeze-out, is fair for the Company's shareholders. »

7. PROVISION OF COMPANY INFORMATION

The other information relating to the legal, financial and accounting characteristics of the Company will be filed with the AMF no later than the day before the opening of the Offer. In accordance with Article 231-28 of the AMF General Regulation, this information will be made available on the Iliad website (www.iliad.fr/fr) and the AMF website (www.amf-france.org) the day before the opening of the Offer and may be obtained free of charge at the registered office of Iliad, 16 rue de la Ville L'Évêque, 75008 Paris.