EQUITY RESEARCH

UPDATE

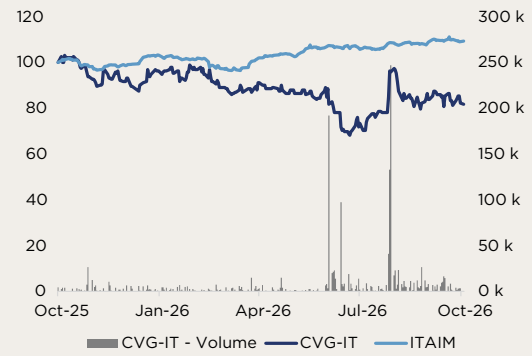
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Convergenze

Euronext Growth Milan | TLC & Energy | Italy

Rating	Target Price
BUY	€ 4,10
unchanged	unchanged

Stocks performance relative to FTSE Italia Growth



Key Multiples	FY25A	FY26E	FY27E	FY28E
EV/Sales	0,6x	0,6x	0,6x	0,5x
EV/EBITDA	4,4x	3,7x	3,1x	2,8x
EV/EBIT	11,5x	7,1x	5,2x	4,5x
P/E	24,0x	9,3x	6,2x	5,2x

Key Financials (€/mln)	FY25A	FY26E	FY27E	FY28E
Value of Production	25,90	27,20	30,05	31,20
EBITDA	3,73	4,47	5,35	5,95
EBIT	1,43	2,32	3,15	3,70
Net Income	0,49	1,27	1,90	2,25
Net Financial Position	4,75	3,98	2,03	0,18
EBITDA Adj. margin	*14,4%*	*16,4%*	*17,8%*	*19,1%*
EBIT margin	*5,5%*	*8,5%*	*10,5%*	*11,9%*
Net income margin	*1,9%*	*4,7%*	*6,3%*	*7,2%*

Stock Data

Risk	Medium
Price	€ 1,57
Target price	€ 4,10
Upside/(Downside) potential	161,1%
Ticker - Bloomberg Code	CVG IM
Market Cap (€/mln)	€ 11,77
EV (€/mln)	€ 16,52
Free Float (% on ordinary shares)	23,0%
Shares Outstanding	7.497.509
52-week high	€ 1,99
52-week low	€ 1,28
Average Daily Volumes (3 months)	11.963

Mattia Petracca | mattia.petracca@integraesim.it
Alessia Di Florio | alessia.diflorio@integraesim.it

Stock performance	1M	3M	6M	1Y
Absolute	-2,5%	11,3%	-10,3%	-18,2%
to FTSE Italia Growth	-2,7%	7,9%	-17,4%	-27,6%
to Euronext STAR Milan	-2,2%	10,2%	-11,2%	-19,5%
to FTSE All-Share	2,1%	16,7%	-10,8%	-34,7%
to EUROSTOXX	-0,6%	13,1%	-11,3%	-27,4%
to MSCI World Index	-2,8%	9,0%	-16,9%	-33,3%

Source: FactSet

Main Ratios	FY25A	FY26E	FY27E	FY28E
ROI	12,4%	19,2%	26,1%	29,7%
ROE	7,2%	15,6%	19,0%	18,3%
ROA	6,8%	10,3%	12,6%	13,6%

Source: FactSet

1H26A Results

As of 30 June 2026, Convergenze recorded a value of production of € 13.21 mln, up 3.5% compared to € 12.75 mln in 1H25A, thanks to the positive contribution of both Business Units, TLC and Energy. Adj. EBITDA stood at € 1.97 mln, slightly down from € 2.18 mln in 1H25A, with an Adj. EBITDA margin of 14.9% (17.1% as of 30 June 2025), reflecting the higher incidence of procurement costs in the Energy BU. Reported EBITDA came in at € 1.94 mln (€ 2.11 mln in 1H25A), with a margin of 14.7%. Consequently, EBIT, after depreciation and amortization of approximately € 1.03 mln, amounted to € 0.91 mln (€ 1.03 mln in 1H25A), while net income remained positive at approximately € 0.41 mln, compared to € 0.49 mln in the comparative period.

Estimates and Valuation Update

In light of the results published in the 1H26A half-year report, we have slightly revised our estimates for both the current year and the coming years. We estimate a value of production for FY26E of € 27.20 mln and EBITDA of € 4.47 mln, corresponding to a margin of 16.4%. For the following years, we expect the value of production to increase to € 31.20 mln (CAGR 25A-28E: 6.4%) in FY28E, with EBITDA of € 5.95 mln (corresponding to a margin of 19.1%), up from € 3.73 mln in FY25A (corresponding to an EBITDA margin of 14.4%). On the balance sheet side, we estimate a net debt position of € 0.18 mln for FY28E. We conducted the valuation of Convergenze's equity value based on the DCF methodology and on the multiples of a sample of comparable companies. The DCF method (which, for prudential purposes, also includes a specific risk premium of 2.5% in the WACC calculation) returns an equity value of € 32.00 mln. Convergenze's equity value based on market multiples is € 29.47 mln. This results in an average equity value of € 30.73 mln. **The target price is € 4.10, with a BUY rating and MEDIUM risk.**

Economics & Financials

TABLE 1 – ECONOMICS & FINANCIALS

CONSOLIDATED INCOME STATEMENT (€/mln)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenues Media & Content	0,00	0,00	0,10	0,30	0,50
Revenues TLC	11,45	11,21	11,80	12,65	13,70
Revenues Energy	14,95	14,45	15,00	16,75	16,60
Other revenues	0,21	0,24	0,30	0,35	0,40
Value of Production	**26,61**	**25,90**	**27,20**	**30,05**	**31,20**
COGS	15,67	15,60	16,30	17,90	18,25
Services	1,59	1,49	1,65	1,75	1,80
Use of asset owned by others	0,33	0,36	0,40	0,45	0,45
Employees	3,74	4,02	4,00	4,25	4,40
Other operating expenses	0,25	0,27	0,35	0,35	0,35
EBITDA Adj.	**5,03**	**4,15**	**4,50**	**5,35**	**5,95**
EBITDA Adj. Margin	*18,9%*	*16,0%*	*16,5%*	*17,8%*	*19,1%*
Extraordinary items	(0,17)	0,43	0,03	0,00	0,00
EBITDA	**5,19**	**3,73**	**4,47**	**5,35**	**5,95**
EBITDA Margin	*19,5%*	*14,4%*	*16,4%*	*17,8%*	*19,1%*
D&A	2,73	2,29	2,15	2,20	2,25
EBIT	**2,46**	**1,43**	**2,32**	**3,15**	**3,70**
EBIT Margin	*9,3%*	*5,5%*	*8,5%*	*10,5%*	*11,9%*
Financial management	(0,62)	(0,51)	(0,55)	(0,60)	(0,60)
EBT	**1,84**	**0,93**	**1,77**	**2,55**	**3,10**
Taxes	0,59	0,44	0,50	0,65	0,85
Net Income	**1,25**	**0,49**	**1,27**	**1,90**	**2,25**

CONSOLIDATED BALANCE SHEET (€/mln)	FY24A	FY25A	FY26E	FY27E	FY28E
Fixed Assets	**14,34**	**14,47**	**14,90**	**15,40**	**16,00**
Account receivable	4,13	3,62	4,40	4,70	4,85
Inventories	0,38	0,38	0,45	0,45	0,45
Account payable	3,31	3,10	3,45	3,80	4,00
Operating Working Capital	**1,20**	**0,90**	**1,40**	**1,35**	**1,30**
Other receivable	1,52	1,98	2,00	2,15	2,25
Other payable	4,69	4,62	5,00	5,60	5,80
Net Working Capital	**(1,97)**	**(1,73)**	**(1,60)**	**(2,10)**	**(2,25)**
Serverance & other provisions	1,05	1,14	1,20	1,25	1,30
Net Invested Capital	**11,32**	**11,60**	**12,10**	**12,05**	**12,45**

CONSOLIDATED BALANCE SHEET (€/mln)	FY24A	FY25A	FY26E	FY27E	FY28E
Share Capital	1,50	1,50	1,50	1,50	1,50
Reserves	3,84	4,86	5,35	6,62	8,52
Net Income	1,25	0,49	1,27	1,90	2,25
Equity	**6,59**	**6,85**	**8,12**	**10,02**	**12,27**
Cash & cash equivalents	0,60	0,52	0,82	2,32	3,72
Short term financial debt	1,50	1,75	1,50	1,25	1,00
M/L term financial debt	3,83	3,53	3,30	3,10	2,90
Net Financial Position	**4,72**	**4,75**	**3,98**	**2,03**	**0,18**
Sources	**11,32**	**11,60**	**12,10**	**12,05**	**12,45**

CONSOLIDATED CASH FLOW (€/mln)	FY25A	FY26E	FY27E	FY28E
EBIT	**1,43**	**2,32**	**3,15**	**3,70**
Taxes	0,44	0,50	0,65	0,85
NOPAT	**1,00**	**1,82**	**2,50**	**2,85**
D&A	2,29	2,15	2,20	2,25
Change in NWC	**(0,23)**	**(0,13)**	**0,50**	**0,15**
Change in receivable	*0,51*	*(0,78)*	*(0,30)*	*(0,15)*
Change in inventories	*(0,01)*	*(0,07)*	*0,00*	*0,00*
Change in payable	*(0,21)*	*0,35*	*0,35*	*0,20*
Change in others	*(0,53)*	*0,36*	*0,45*	*0,10*
Change in provisions	0,09	0,06	0,05	0,05
OPERATING CASH FLOW	**3,14**	**3,90**	**5,25**	**5,30**
Capex	(2,4)	(2,6)	(2,7)	(2,9)
FREE CASH FLOW	**0,71**	**1,32**	**2,55**	**2,45**
Financial Management	(0,51)	(0,55)	(0,60)	(0,60)
Change in Financial debt	(0,05)	(0,47)	(0,45)	(0,45)
Change in equity	(0,23)	(0,00)	0,00	0,00
FREE CASH FLOW TO EQUITY	**(0,08)**	**0,30**	**1,50**	**1,40**

Source: Convergenze Historical Data and Integrae SIM estimates

Company Overview

Convergenze SpA (a Benefit Corporation and Certified B Corporation) is an integrated multi-utility operator active nationwide in the telecommunications and 100% green energy sectors, with a strong focus on sustainability and digital innovation. Founded in 2005 in Capaccio Paestum (Salerno, Italy), the Company has expanded its operations over time, developing its own FTTH fibre-optic network spanning more than 14,000 km and offering a comprehensive range of telecommunications services (voice, data, cloud, hosting, fixed and mobile connectivity), including through wholesale access agreements with national operators. In the energy sector, Convergenze supplies electricity and natural gas from renewable sources, complementing its commercial activities with a proprietary and patented network of electric vehicle charging stations (EVO). Since 2025, the Company has also operated as a Mobile Virtual Network Operator (MVNO) on the Fastweb-Vodafone network, offering 5G and VoLTE mobile services to residential and business customers. More recently, the launch of the Media & Content Delivery Network Business Unit has further broadened the Company's service portfolio, introducing converged solutions combining telecommunications services and digital content.

1H26A Results

TABLE 2 – 1H26A VS 1H25A

€/mln	VoP	EBITDA	EBITDA %	EBIT	Net Income	NFP
1H26A	13,21	1,94	14,7%	0,91	0,41	4,52
1H25A	12,75	2,11	16,5%	1,03	0,49	4,75*
Change	*3,5%*	*-8,0%*	*-1,8%*	*-11,8%*	*-15,7%*	*n/a*

Source: Integrae SIM *Data as of 31/12/2025

In a press release dated September 29, 2026, Rosario Pingaro, Chief Executive Officer and Chairman of Convergenze, commented on the Company's half-year results as follows: *"We are pleased with our first-half results, which confirm the strength of our growth trajectory. Revenues increased compared to the first half of 2025, supported by contributions from both Business Units, while margins remained broadly stable, despite the slight impact of higher raw material costs on the Energy BU. At the same time, we continue to improve our financial position while maintaining our investment activities, reflecting our ability to generate the cash flows required to self-finance the Company's development. Our objective is to continue translating the investments made in recent years into new business opportunities. In connectivity, we are leveraging our proprietary network and technological infrastructure through a gradual increase in take-up rates and the development of higher value-added services, while in Energy we are strengthening the business customer segment and cross-selling opportunities with the TLC business. The development of the Media business and our proprietary platform is also progressing, alongside innovation initiatives related to artificial intelligence and automation. Looking ahead to the second half of the year, our objective is to consolidate growth, increase the value generated by our assets and maintain a sustainable balance between investments, business development and financial strength."*

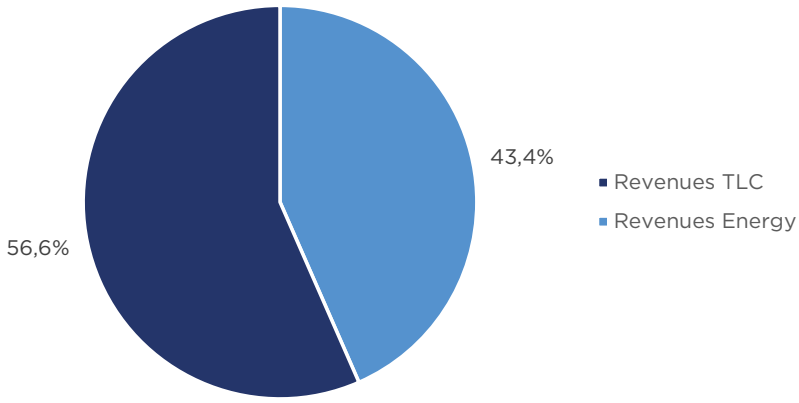
In 1H26, Convergenze continued to focus on extracting value from investments made in recent years, with the aim of increasing the utilisation of its proprietary infrastructure and expanding its customer offering, also supported by the completion of its service portfolio with the introduction of mobile telephony. This strategy is being pursued against a market backdrop characterised by growing demand for advanced connectivity technologies and persistent volatility in energy procurement costs. In this environment, both Business Units contributed to growth in the value of production, which reached €13.21mn, compared to €12.75mn in 1H25A (+3.5%), albeit with different operating dynamics.

The **Energy BU**, with approximately 10,700 contracted services, accounted for 56.6% of Convergenze's total revenues, generating €7.43mn in 1H26, up 4.8% from €7.08mn in 1H25A. This performance is particularly noteworthy considering the reduction in the number of points of delivery, which declined from over 9,800 to over 9,300, while energy volumes sold remained broadly stable (approximately 19.9mn kWh as of June 30, 2026, net of grid losses). This trend reflects a shift in the customer mix, with a lower proportion of residential customers, typically characterised by lower consumption levels, alongside the expansion of relationships with business customers, also served through tailored offerings and joint sales initiatives with the TLC BU. Alongside its energy supply activities, the EVO charging network continued to expand, reaching 45 installed charging infrastructures (8,788 charging sessions as of June 30, 2026), with electricity consumption increasing by 47.1% during the period to over 157,000 kWh, compared to 106,982 kWh in 1H25A.

On the **TLC** side, revenues increased to €5.70mn, compared to €5.57mn in 1H25A (+2.3%), in line with the Company's expected growth trajectory. Contracted services exceeded 61,200, also including the contribution from Simon mobile services, which, approximately one year after launch, recorded over 3,000 active SIM cards. The entry into the mobile segment expands customer engagement opportunities and creates potential for the development of bundled service offerings, although it will take time for higher volumes to fully translate into economies of scale. The fibre-optic network also continued to expand, reaching approximately 14,000 km, up 16.9% YoY, while the share of TLC customers served through proprietary FTTH and Wi-Fi infrastructure increased to 58.0%, from 57.1%. During the semester, the expansion of the FTTH infrastructure covered the municipality of Sala Consilina (SA), as well as additional areas in the municipalities of Capaccio Paestum (SA), Sapri (SA) and Vibonati (SA), together with the Mattine area of Agropoli (SA). Network upgrades also involved the wireless infrastructure, with 133 installed nodes (+2.3%) and a significant increase in 60 GHz nodes, rising from 28 to 41 (+46.4%). Convergenze therefore continued to complete network connections and upgrade its Wi-Fi infrastructure, while focusing on increasing customer penetration across its existing network footprint and extracting value from investments already made.

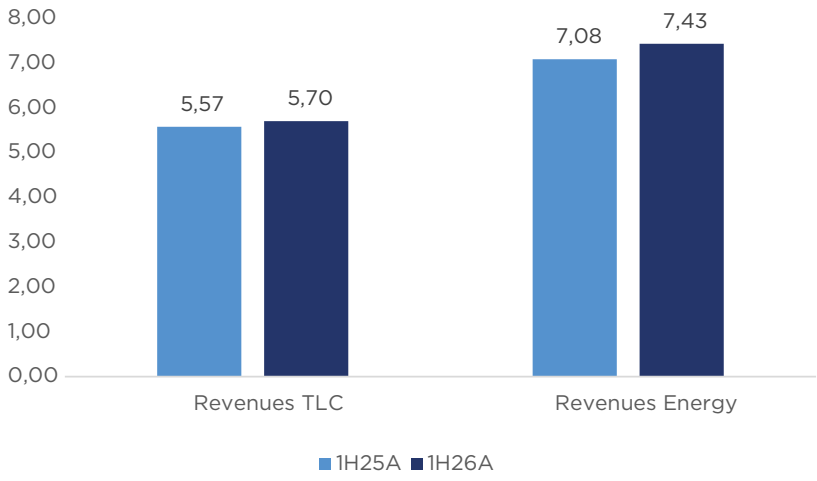
Overall, 1H26 recorded YoY growth in both the value of production and the number of contracted services, which exceeded 71,900, up 7.3% from approximately 67,000 in the corresponding period of the previous year.

CHART 1 – REVENUES BREAKDOWN BY BUSINESS UNIT 1H26A



Source: Integrae SIM

CHART 2 – REVENUES BREAKDOWN 1H25A VS 1H26A



Source: Integrae SIM

Adjusted EBITDA, excluding €0.03mn in extraordinary expenses, stood at €1.97mn, compared to €2.18mn in 1H25A, with an EBITDA margin of 14.9%, down from 17.1% in the comparative period. In the Energy BU, higher energy prices supported revenues but also translated into increased procurement costs, limiting the positive impact of revenue growth on margins during the semester, while the TLC BU continued to account for the largest share of the Company's profitability.

Against this backdrop, at the individual Business Unit level:

• **TLC BU** recorded Adjusted EBITDA of €1.60mn, compared to €1.68mn in 1H25A, with an EBITDA margin of 27.7%;

• **Energy BU** reported Adjusted EBITDA of €0.37mn, compared to €0.50mn in 1H25A, reflecting the higher incidence of procurement costs in a period of revenue growth also supported by rising energy prices.

Meanwhile, reported EBITDA stood at €1.94mn, compared to €2.11mn in 1H25A, with an EBITDA margin of 14.7% (16.5% in the comparative period). After accounting for D&A of approximately €1.03mn, mainly attributable to the investment programme undertaken by management to develop the Company's proprietary FTTH, Wi-Fi and data centre infrastructure, EBIT stood at €0.91mn, broadly in line with the €1.03mn recorded in the previous semester. Net Income also remained positive at €0.41mn (€0.49mn as of June 30, 2025).

From a balance sheet perspective, NFP stood at €4.52mn, representing a slight improvement compared to €4.75mn as of December 31, 2025, driven by the gradual reduction in financial debt through the scheduled repayment of outstanding obligations and positive cash flow generation during the period.

During 1H26, Convergenze continued to invest in research, development and technological innovation, building on the achievements of previous years and making further progress in implementing solutions aimed at improving operational efficiency,

service quality and the competitiveness of its business model. Activities primarily focused on the development of digital infrastructure, strengthening cybersecurity, developing artificial intelligence-based applications and deploying innovative technologies to support environmental monitoring.

Regarding IT infrastructure and Cloud services, the semester was marked by the completion of the Kolla framework implementation and its deployment into production, representing a significant step forward in the modernisation of the Company's technological architecture. The new orchestration and virtualisation platform, based on OpenStack, will enable more efficient and scalable management of IT resources. The gradual migration of storage systems and virtual machines to the new infrastructure is scheduled for 2H26, while ensuring business continuity and maintaining service standards. In parallel, the Company strengthened its commitment to cybersecurity and regulatory compliance through employee training programmes, Vulnerability Assessment and Penetration Testing (VAPT) activities and simulated phishing campaigns. These initiatives form part of the Company's efforts to comply with the European NIS 2 Directive and aim to enhance its ability to prevent and manage cyber risks, thereby improving overall organisational resilience.

In the IoT and LoRaWAN segments, development and optimisation activities continued on the Company's proprietary platform, primarily used for smart metering and remote monitoring applications. Partnerships with Suez Italy S.p.A. and Consac Gestioni Idriche S.p.A. contributed to the gradual expansion of the number of meters monitored. Another significant development was the launch of a collaboration with the Italian National Research Council (CNR) under the TECH4YOU – Technologies for Climate Change Adaptation and Quality of Life Improvement project, focused on developing technological solutions for environmental monitoring and mitigating hydrogeological risks and forest fires. The initiative leverages the Company's technological expertise and LoRaWAN infrastructure, expanding potential applications into areas of environmental and public interest.

In the mobile telecommunications and electric mobility segments, the main technological solutions developed in previous years reached a level of maturity that allowed the transition to routine management and optimisation. Specifically, for the Simon mobile service, activities focused on maintaining integration with partner Vianova S.p.A.'s systems and improving subscription, activation and top-up processes. Similarly, in the electric mobility segment, the Company continued to enhance and maintain the EVO platform, its proprietary POS system compliant with the European AFIR regulation, and integrations with the Piattaforma Unica Nazionale (PUN), with the aim of ensuring operational efficiency, service continuity and regulatory compliance.

Artificial intelligence and process automation represent the Company's main areas of innovation and technological development. During the semester, Convergenze continued to refine its existing AI agents supporting internal business processes and its virtual assistant for telephone support, implementing improvements aimed at enhancing reliability, functionality and interaction quality. At the same time, the Company initiated the development of a multi-agent architecture, based on the coordination of specialised intelligent agents and their integration with corporate information systems, with the objective of automating more complex internal processes and further increasing productivity and organisational efficiency.

Overall, R&D activities in 1H26 highlight a gradual transition from the development and testing phase to the consolidation and operational deployment of the technologies

implemented, alongside the launch of new highly innovative projects. The focus on artificial intelligence, the modernisation of digital infrastructure and IoT applications for environmental sustainability confirms the strategic role of R&D in supporting the evolution of Convergenze's business model, strengthening its competitive positioning and laying the foundations for new growth opportunities over the medium to long term.

1H26 was characterised by overall business growth, continued investment in technological infrastructure and the consolidation of research, development and innovation initiatives, against an economic backdrop broadly in line with the previous year.

At the corporate level, the period was marked by Cerved Rating Agency's confirmation of the B1.1 credit rating for both the Company and its outstanding bond, as well as the approval of its sixth sustainability report, covering FY25, reaffirming its commitment to a responsible and sustainable growth model.

Following the end of the semester, Convergenze continued to expand its service offering with the launch of Convergenze TV on July 13, introducing an entertainment service alongside its connectivity offering and marking a further step in the development of the Media BU. The launch was accompanied by the gradual transition to the proprietary AlphaOTT platform, providing the Company with greater autonomy in content management and commercial opportunities, while enabling further enhancements to the service, also through agreements with content providers. During the same month, the Simon mobile offering was also expanded, increasing the included data allowance to 200 GB for both residential and business customers.

Looking ahead, the Company intends to continue growing and consolidating its business segments by strengthening its proprietary infrastructure, expanding its commercial offering and developing innovative technological solutions, with a particular focus on operational efficiency, investment sustainability and reinforcing its competitive positioning.

Regarding the TLC BU, the development strategy will remain focused on increasing the take-up rate of the proprietary FTTH network through targeted commercial initiatives and the gradual completion of network coverage in areas already reached by its infrastructure. Results achieved to date confirm the effectiveness of this approach, with the monthly growth rate in network saturation currently standing at approximately 0.3%, which the Company expects to increase to 0.5% by the end of 2026, with a longer-term target of 1.0% per month by 2027. In parallel, the Company will continue upgrading and expanding its wireless infrastructure, with particular emphasis on increasing the number of radio links based on 60 GHz technology, with the aim of improving transmission capacity, network reliability and service quality.

A further strategic development will be the construction of the new Data Center at the Company's operating headquarters in Via Seliano. The project has already seen the completion of construction works, the adaptation of the premises, the installation of raised flooring and the preparation of rack cabinets in a cold-aisle configuration. The completion of the electrical system upgrade, with a capacity of 0.5 MW, and the installation of cooling and fire protection systems are scheduled for 2027. Once fully operational, the new infrastructure will enable the Company, starting from 2028, to expand its offering of Cloud services and artificial intelligence-based

solutions, creating additional opportunities for business development and revenue diversification, while broadening its commercial portfolio through new value-added services, including Data Center as a Service (DCaaS).

Regarding the Energy BU, the business outlook is set against a market environment characterised by increasing volatility in energy commodity prices, influenced by geopolitical tensions and evolving demand dynamics. In 1H26, national electricity consumption increased by 2.5% compared to the corresponding period of 2025, primarily supported by a recovery in industrial activity. At the same time, pricing pressures, which intensified in the following months, point to a persistently uncertain market environment.

Against this backdrop, the Company intends to maintain its commercial strategy, primarily based on tariffs indexed to the PUN for electricity and the PSV for natural gas, with the aim of limiting exposure to price risk and preserving the Energy BU's financial and operating balance.

From a commercial perspective, the Company intends to continue pursuing cross-selling initiatives with TLC services and developing tailored offerings for business customers, with a particular focus on local enterprises. This approach is supporting a gradual shift in the customer portfolio towards contracts characterised by higher consumption volumes. The decline in the overall number of Points of Delivery (PODs), mainly attributable to a reduction in residential customers, has been more than offset by the acquisition of business customers with higher energy consumption, resulting in an increase in kWh sold and billed. The Company expects this trend to continue in 2H26, contributing to greater value generation from its commercial portfolio.

The Company will also continue expanding its EVO electric vehicle charging network, which comprised 45 installations as of June 30, 2026. New charging stations are planned in several municipalities across Campania, including Centola, in the Palinuro area, and various locations in the province of Caserta, progressively extending the network's geographical coverage and strengthening the Company's presence in the electric mobility sector.

Regarding the Media & Content Delivery Network BU, development prospects will focus on consolidating the operating model based on the proprietary AlphaOTT platform, as part of the process of bringing technological expertise and added value in-house, initiated following the evolution of Agile TV's commercial strategy.

The gradual transition to the new proprietary infrastructure represents a key element of the BU's growth strategy, enabling the Company to strengthen its autonomy in editorial management and content ecosystem organisation, while improving operational flexibility and the effectiveness of its monetisation models.

During 2H26, activities will focus on expanding the platform's functionalities, growing the user base and strengthening strategic partnerships with content providers. These initiatives will aim to consolidate the Company's positioning in the digital services and entertainment market, leveraging synergies with its connectivity business and supporting the development of an integrated service offering.

Overall, the business outlook reflects a strategy focused on organic growth, maximising the value of proprietary infrastructure and technological assets, and progressively diversifying revenue streams. The expansion of the TLC network, the

Energy BU's focus on higher-consumption customers, and the development of the new Media & Content Delivery Network business represent the main strategic drivers through which the Company aims to support volume growth, improve operational efficiency and strengthen margins over the medium to long term, while maintaining a prudent approach to risk and investment management.

FY26E – FY28E Estimates

TABLE 3 – ESTIMATES UPDATES FY26E-28E

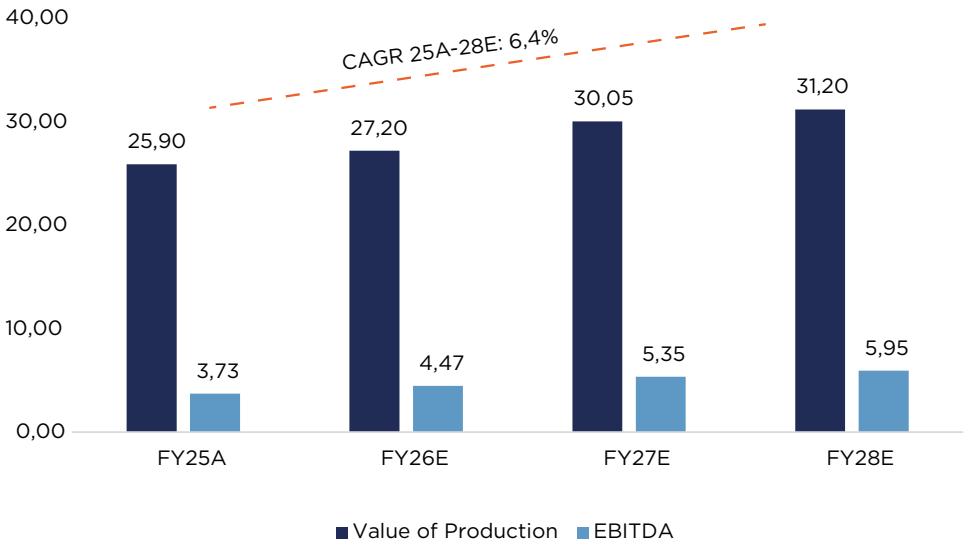
€/mln	FY26E	FY27E	FY28E
Value of production			
New	27,20	30,05	31,20
Old	27,20	29,10	32,20
Change	*0,0%*	*3,3%*	*-3,1%*
EBITDA			
New	4,47	5,35	5,95
Old	4,65	5,25	6,05
Change	*-3,9%*	*1,9%*	*-1,7%*
EBITDA margin			
New	16,4%	17,8%	19,1%
Old	17,1%	18,0%	18,8%
Change	*-0,7%*	*-0,2%*	*0,3%*
EBIT			
New	2,32	3,15	3,70
Old	2,35	2,90	3,65
Change	*-1,3%*	*8,6%*	*1,4%*
Net Income			
New	1,27	1,90	2,25
Old	1,25	1,65	2,20
Change	*1,6%*	*15,2%*	*2,3%*
NFP			
New	3,98	2,03	0,18
Old	4,15	3,00	1,30
Change	*n/a*	*n/a*	*n/a*

Source: Integrae SIM

In light of the results published in the 1H26A interim financial report, we have revised some of our financial estimates, both for the current financial year and subsequent years.

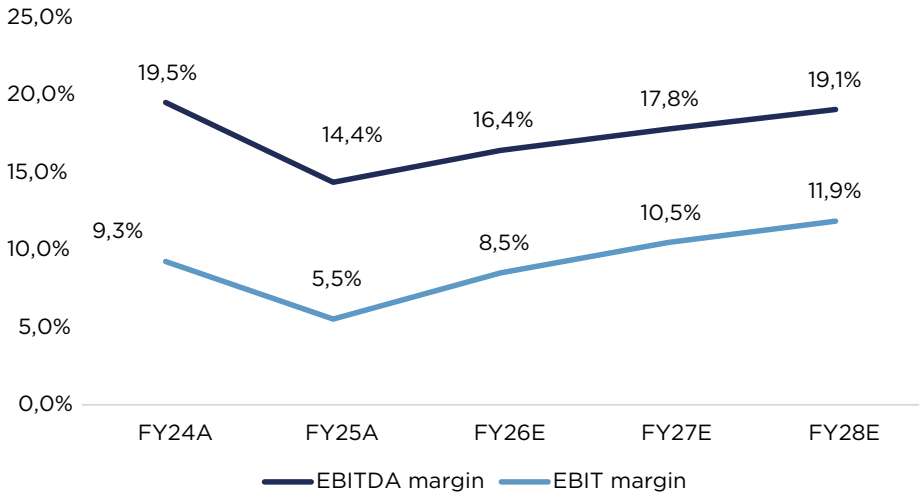
Specifically, for FY26E, we forecast a value of production of €27.20mn and EBITDA of €4.47mn, corresponding to an EBITDA margin of 16.4%. Over the medium term, we expect the value of production to increase progressively, reaching €31.20mn in FY28E, implying a 2025A–2028E CAGR of 6.4%. In parallel, EBITDA is expected to rise to €5.95mn in FY28E, with an EBITDA margin of 19.1%, representing a significant improvement compared to the €3.73mn and corresponding EBITDA margin of 14.4% recorded in FY25A. From a balance sheet and financial perspective, we also forecast a gradual improvement in the Company's financial structure, with net financial debt expected to reach €0.18mn in FY28E.

CHART 3 – VOP AND EBITDA FY25A – FY28E (€/MLN)



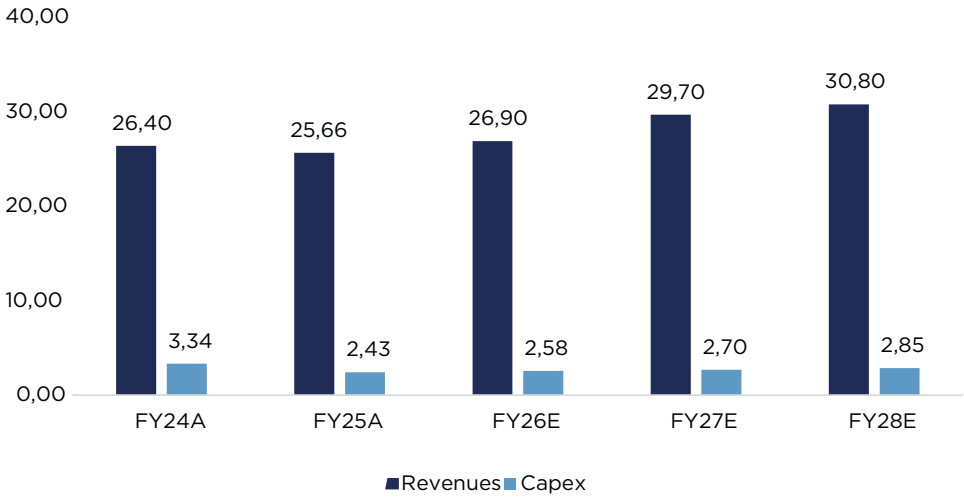
Source: Integrae SIM

CHART 4 – MARGIN % FY24A – FY28E



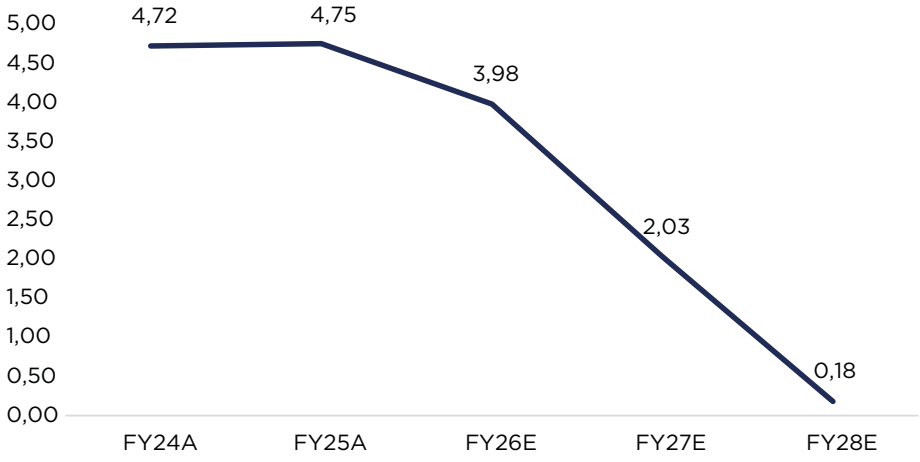
Source: Integrae SIM

CHART 5 – CAPEX FY24A – FY28E (€/MLN)



Source: Integrae SIM

CHART 6 – NFP FY24A – FY28E (€/MLN)



Source: Integrae SIM

Valuation

We assessed Convergenze's equity value using the DCF methodology and the trading multiples of a peer group of comparable companies.

DCF Method

TABLE 4 – WACC

WACC			8,74%
D/E **66,67%**	Risk Free Rate **3,7%**	β Adjusted **0,9**	α (specific risk) **2,50%**
Kd **5,50%**	Market premium **6,56%**	β Relevered **0,8**	Ke **11,93%**

Source: Integrae SIM

For prudential purposes, we included a company-specific risk premium of 2.5%, resulting in a WACC of 8.74%.

TABLE 5 – DCF VALUATION

DCF		% of EV
FCFO Actualized	11,14	30,3%
TV Actualized DCF	25,61	69,7%
Enterprise Value	**36,75**	**100,0%**
NFP (FY25A)	4,75	
Equity Value	**32,00**	

Source: Integrae SIM

Based on the above data and our estimates and assumptions, we derive an equity value of €32.00mn.

TABLE 6 – EQUITY VALUE SENSITIVITY ANALYSIS

€/mln		WACC						
		7,2%	**7,7%**	**8,2%**	**8,7%**	**9,2%**	**9,7%**	**10,2%**
Growth Rate (g)	**3,0%**	53,3	47,4	42,6	38,7	35,4	32,6	30,2
	2,5%	48,4	43,5	39,5	36,1	33,2	30,8	28,7
	2,0%	44,4	40,3	36,8	33,9	31,4	29,2	27,4
	1,5%	41,1	37,5	34,6	32,0	29,8	27,9	26,2
	1,0%	38,3	35,2	32,6	30,3	28,4	26,6	25,1
	0,5%	35,9	33,2	30,9	28,9	27,1	25,5	24,1
	0,0%	33,9	31,5	29,4	27,6	26,0	24,5	23,3

Source: Integrae SIM

Market Multiples

We performed the valuation using the trading multiples method, based on two peer groups: the first comprising companies operating in the TLC sector and the second comprising companies operating in the Energy sector. These are the same comparable companies used to estimate the beta for the DCF valuation. The two peer groups comprise the following companies:

TABLE 7 – MARKET MULTIPLES ENERGY

Company Name	EV/EBITDA			EV/EBIT			P/E		
	2026	2027	2028	2026	2027	2028	2026	2027	2028
E.ON SE	9,4x	8,4x	7,9x	15,0x	13,2x	12,3x	15,8x	13,5x	13,2x
A2A S.p.A.	6,2x	6,0x	5,6x	12,1x	11,8x	11,2x	11,5x	11,2x	10,6x
Pinnacle West Capital Corp.	13,8x	12,2x	11,1x	26,0x	22,3x	19,9x	21,0x	18,2x	16,5x
DTE Energy Company	11,4x	10,4x	9,6x	20,4x	17,9x	16,5x	16,0x	15,2x	14,0x
Median	**10,4x**	**9,4x**	**8,8x**	**17,7x**	**15,6x**	**14,4x**	**15,9x**	**14,4x**	**13,6x**

Source: Integrae SIM

TABLE 8 – MARKET MULTIPLES TLC

Company Name	EV/EBITDA			EV/EBIT			P/E		
	2026	2027	2028	2026	2027	2028	2026	2027	2028
Intred SpA	6,6x	6,1x	5,5x	13,1x	11,9x	10,3x	15,9x	13,9x	12,0x
Elisa Oyj	8,8x	8,6x	8,4x	13,9x	13,5x	13,0x	14,8x	14,4x	13,8x
Chorus Ltd	13,9x	12,0x	11,4x	35,2x	27,1x	24,1x	138,1x	56,7x	43,0x
Cogent Comm. Holding	8,9x	8,2x	9,5x	31,5x	n/a	101,6x	n/a	n/a	n/a
Median	**8,9x**	**8,4x**	**9,0x**	**22,7x**	**13,5x**	**18,5x**	**15,9x**	**14,4x**	**13,8x**

Source: Integrae SIM

TABLE 9 – MARKET MULTIPLES VALUATION

€/mln	FY26E	FY27E	FY28E
Enterprise Value (EV)			
EV/EBITDA	46,49	50,26	52,06
EV/EBIT	41,06	48,98	53,28
P/E	20,19	27,27	30,60
Enterprise Value post 25,0% discount			
EV/EBITDA	34,87	37,70	39,05
EV/EBIT	30,80	36,74	39,96
P/E	15,14	20,45	22,95
Equity Value			
EV/EBITDA	30,89	35,67	38,87
EV/EBIT	26,82	34,71	39,78
P/E	15,14	20,45	22,95
Average	**24,28**	**30,27**	**33,87**

Source: Integrae SIM

Convergenze's equity value, calculated using the EV/EBITDA, EV/EBIT and P/E trading multiples, amounts to €29.47 mln.

Equity Value

TABLE 10 – EQUITY VALUE

Equity Value (€/mln)	30,73
Equity Value DCF (€/mln)	32,0
Equity Value Multiples (€/mln)	29,5
Target Price	**4,10**

Source: Integrae SIM

This results in an average equity value of approximately €30.73 mln. We therefore set our **target price at €4.10 per share, confirming our BUY rating and MEDIUM risk assessment.**

TABLE 11 – CURRENT PRICE IMPLIED VALUATION MULTIPLES

Multiples	FY25A	FY26E	FY27E	FY28E
EV/EBITDA	4,4x	3,7x	3,1x	2,8x
EV/EBIT	11,5x	7,1x	5,2x	4,5x
P/E	24,0x	9,3x	6,2x	5,2x

Source: Integrae SIM

TABLE 12 – TARGET PRICE IMPLIED VALUATION MULTIPLES

Multiples	FY25A	FY26E	FY27E	FY28E
EV/EBITDA	9,5x	7,9x	6,6x	6,0x
EV/EBIT	24,7x	15,3x	11,3x	9,6x
P/E	62,6x	24,2x	16,2x	13,7x

Source: Integrae SIM

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Upside Potential (for different risk categories)

Rating	Low Risk	Medium Risk	High Risk
BUY	Upside >= 7.5%	Upside >= 10%	Upside >= 15%
HOLD	-5% < Upside < 7.5%	-5% < Upside < 10%	0% < Upside < 15%
SELL	Upside <= -5%	Upside <= -5%	Upside <= 0%

U.R.	Under Review
N.R.	Not Rated

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