

Next Gems 2022

October 19, 2022





Rosario Pingaro
Chairman and CEO



Grazia Pingaro
Vice- Chairman and
Director BU Energy



Carmine Malito Rebecco
CFO

COMPANY OVERVIEW



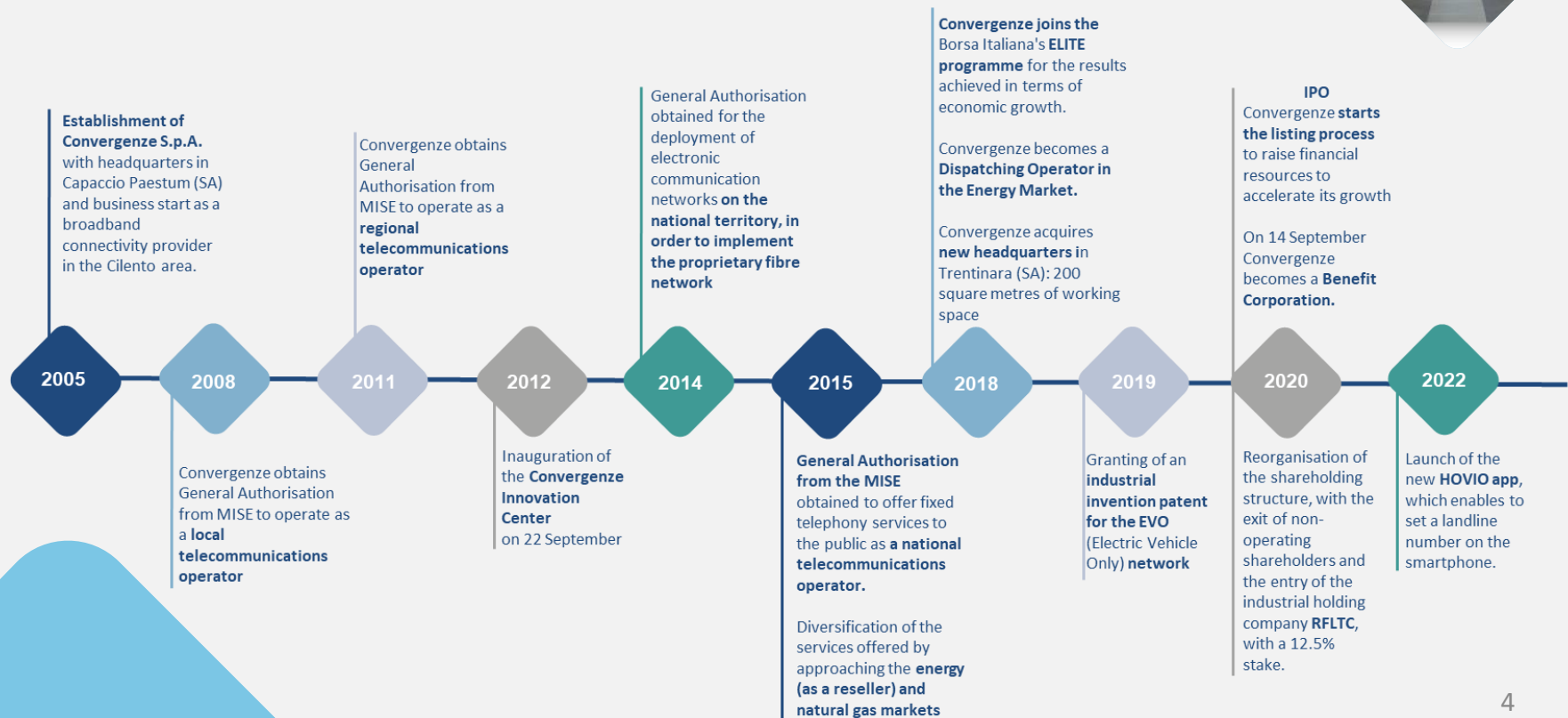
Company overview

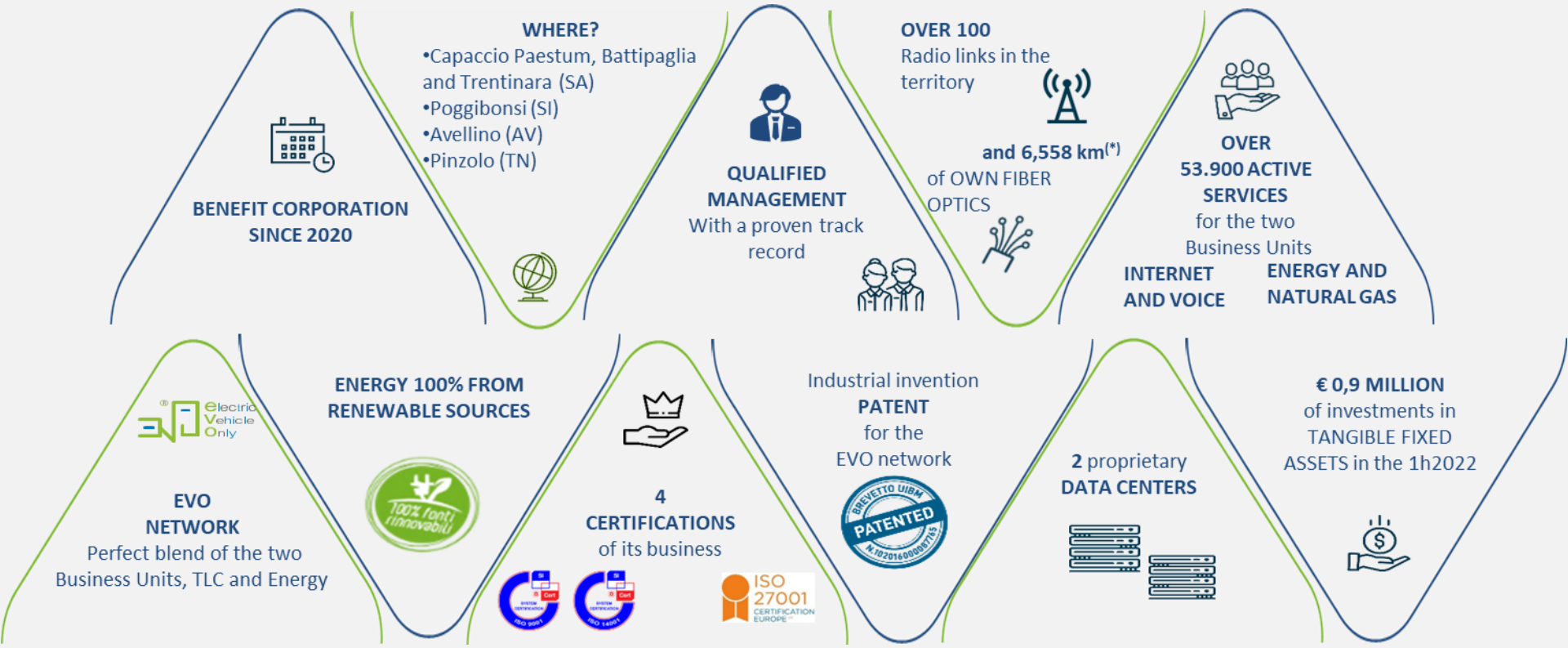
***Convergenze S.p.A. Benefit Corporation** is an integrated technology operator active on a national level in the **Telecommunications** and **100% green Energy** sectors, with charging points for electric cars through its patented **EVO (Electric Vehicle Only)** network.*

Established in **2005** in **Capaccio Paestum (SA)**, the company started as a **local TLC operator**, later becoming a **national player**. Since **2015** it has diversified its activities, introducing the **Energy BU**.

Its main operational headquarters, the "**Convergenze Innovation Center**", embodies the company's key values of **sustainability** and **innovation** and houses one of the two proprietary **Data Centers**.

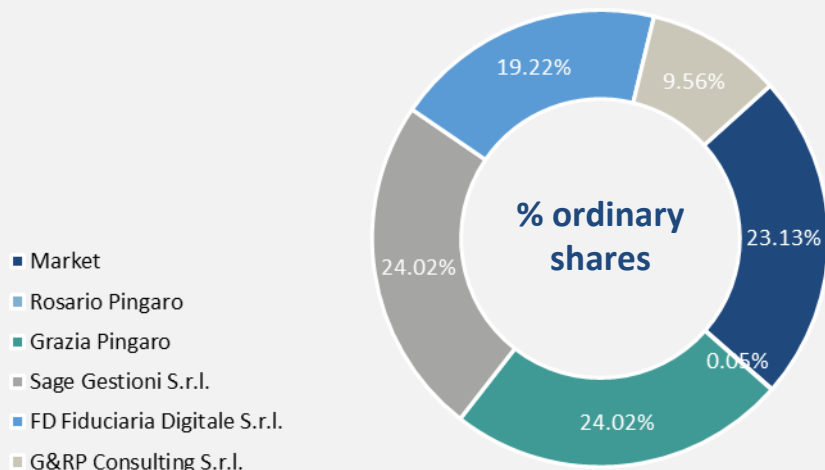
Convergenze became a **Benefit Corporation** in September 2020 and since December 2020 it has been listed on the **EGM market of Borsa Italiana**.





Shareholders and Corporate Governance

Shareholding structure



Shareholder	N. total shares	% voting rights
Rosario Pingaro	1,800,000	24.02%
Grazia Pingaro	1,800,000	24.02%
Sage Gestioni S.r.l. (*)	1,440,000	19.22%
G&RP Consulting S.r.l. (**)	716,500	9.56%
FD Fiduciaria Digitale S.r.l.	3,500	0.05%
Market	1,732,959	23.13%
Total	7,492,959	100.00%

(*) Company attributable to the Prearo family

(**) Company attributable to Redfish Longterm Capital RFLTC S.p.A.

All shareholders not included in the Market are subject to a lock-up constraint

Corporate governance

Board of Directors

Pingaro Rosario	Chairman
Pingaro Grazia	Vice Chairman
Malito Rebecca Luciano	Director
Pescetto Paolo	Director
Palladino Teresa	Director
Manzi Giancarlo	Director
Ferretti Marco	Independent Director

Board of Statutory Auditors

Manguso Giosuè	Chairman
Caliendo Domenico	Auditor
Spagnuolo Fabio	Auditor
Bernardi Gerardo	Alternate Auditor
Tartaro Massimo	Alternate Auditor

BUSINESS UPDATE



June 2022 – Acquisition of 100% Positivo S.r.l.



On June 30, 2022, **acquisition of 100%** of the share capital of Positivo.
The price of the agreement was equal to the value of the share capital of € 10,000, and to an additional amount of the purchase price (“Earn-out”), if any and variable, equal in its maximum value to € 150,000.

Positivo S.r.l. has a strategic value of great importance as it allows Convergenze to expand on territories currently not covered, creating greater added value through the exploitation of cross-selling on the current customer portfolio of Positivo, contributing to the growth and consolidation of the company’s position in the territory, in order to increasingly become the reference TLC operator in the province of Salerno.

FY2021 Positivo Results:

- Revenues: approx. € 1.15 million
- Adjusted EBITDA: approx. € 0.02 million
- *Adjusted EBITDA margin*: approx. 2.1%



Feb 07th 2022

Expansion of the **EVO Network**, inaugurating a new charging station in the province of Avellino.

Mar 24th 2022

Convergenze activated the innovative **XGS-PON technology** on its proprietary FTTH network, thus achieving **unprecedented connectivity standards**.

Apr 27th 2022

Cerved Rating Agency S.p.A. confirmed the public Rating, B 1.1 on the company and **public rating of B 1.1 on minibond** issued on 14th April 2020.

Mar 5th 2022

Opening of new operational headquarters in Trentinara (SA), to house the new proprietary Data Center and Convergenze Academy.

Mar 30th 2022

Signed a binding agreement for the acquisition of **Positivo Srl**, a TLC company based in Salerno, to consolidate its position in the territory.

May 19th 2022

Convergenze received the **award**, on the occasion of the event "Industria Felix - Campania competing in 2022", **for the budget performance recorded in the 2020 financial year.**

Jun 30th 2022

Convergenze announced that it has **completed the purchase of 100%** of the share capital of **Positivo S.r.l.**

May 23rd 2022

Convergenze noted the full automatic conversion into ordinary shares of a total of **no. 352,800 PAS**, held by the shareholders Rosario Pingaro, Grazia Pingaro and Sage Gestioni S.r.l., owners of 117,600 PAS shares each.

Jul 21st 2022

Convergenze announced the launch of the **Academy project**, in collaboration and with the support of the **Cilento, Vallo di Diano and Alburni National Park**, in order to attract and train young talents from the world of Information Technology.

The background features a large, dark blue abstract shape on the right and a lighter blue shape on the left. The left shape contains a pattern of glowing blue lines and dots, resembling fiber optics or data connections.

1H2022

Highlights 1H2022 vs 1H2021

€/million

€ 12.5

(€ 8.8 1H2021)

Revenues

€ 0.6

(€ 1.3 1H2021)

EBITDA Adj.

€ -0.3

(€ 0.8 1H2021)

EBIT

€ -0.4

(€ 0.4 1H2021)

NET RESULT

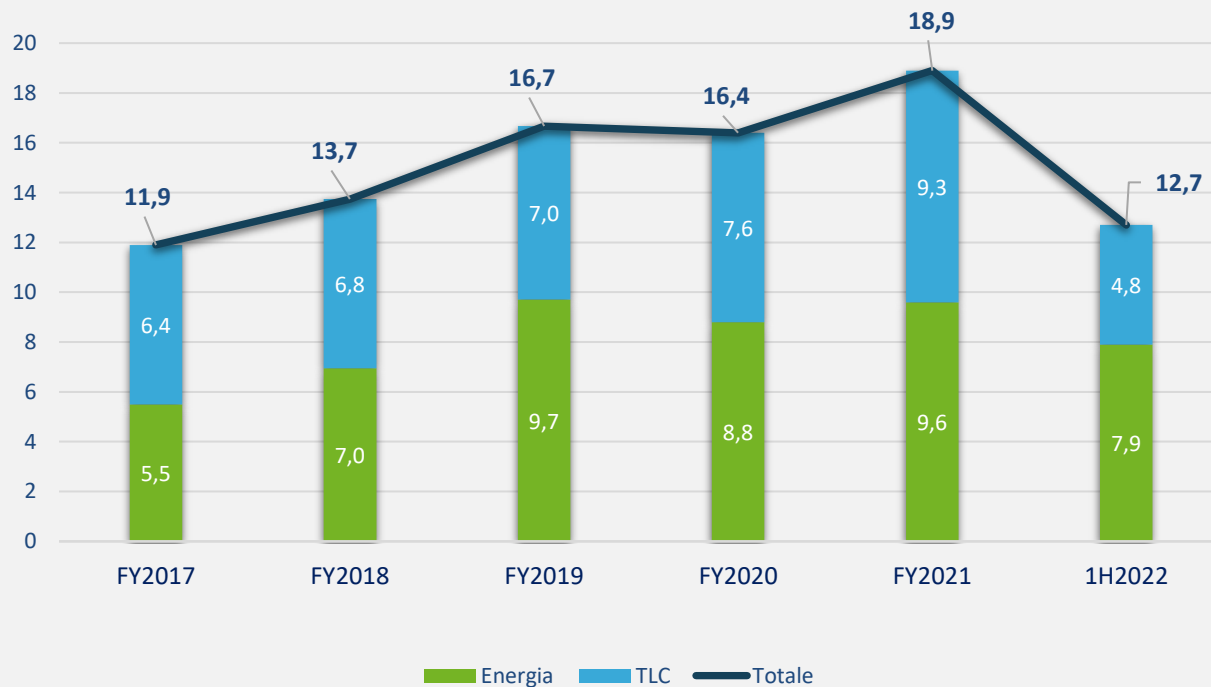
€ 5.0

(€ 2.3 FY2021)

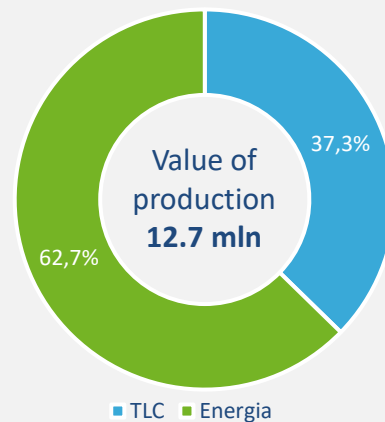
NFP

€/million

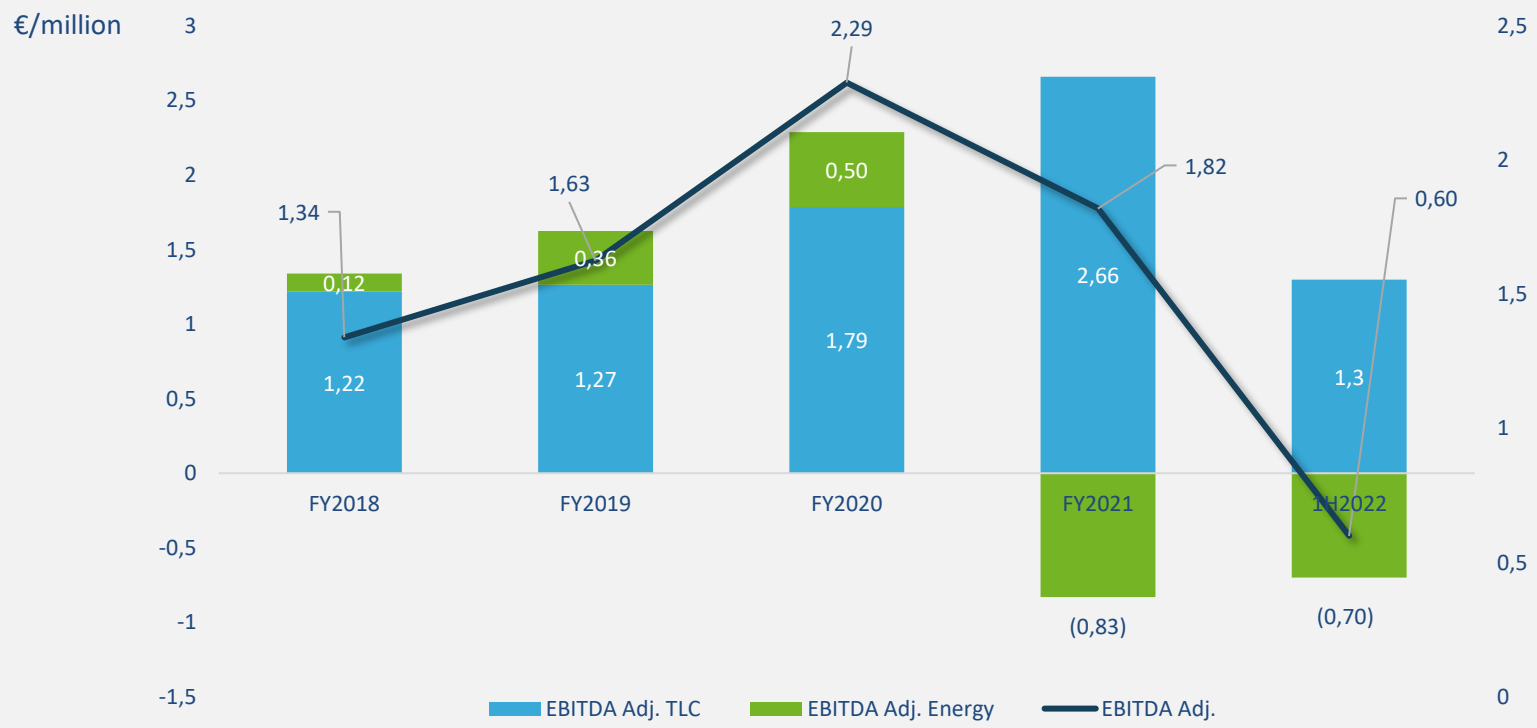
Value of production 2017-1H2022



Value of production breakdown 1H2022



EBITDA Adj: performance

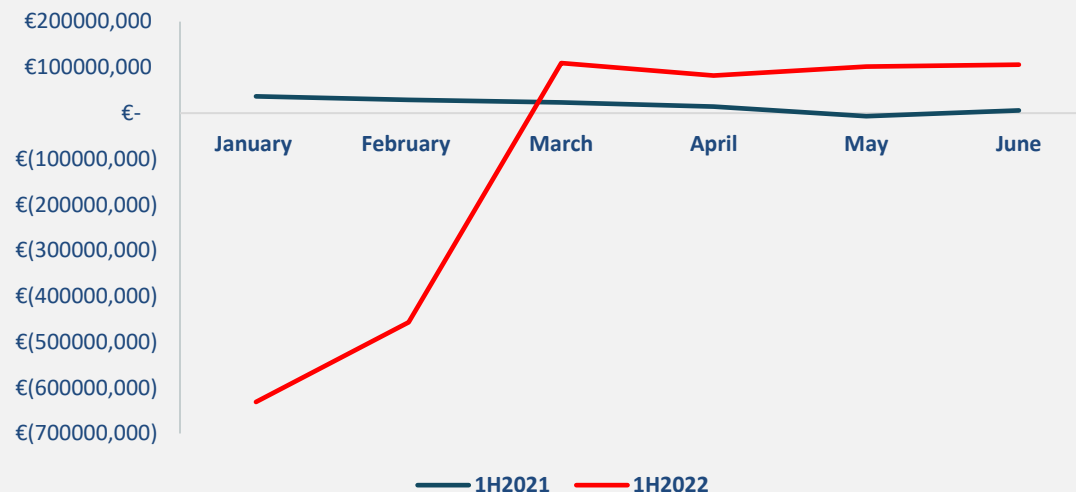




EBITDA Adjusted BU Energy Trend

It should be noted that this figure was strongly impacted by the increase in the cost of the raw energy material, which began at the end of the 2021 financial year and persisted also in the current period, which resulted in costs for raw materials and goods higher than the BU revenues for the first half of 2022. In order to sterilize and neutralize the price risk and recover the consequent negative margins, the management of the BU intervened by communicating to customers, as early as December 2021, the unilateral change in the supply conditions, abandoning the price system fixed on twelve months. This change took effect starting from March 2022, after the deadlines set by ARERA and, therefore, the results of this intervention are not yet observable in the data as of June 30, 2022. However, starting from March 2022, the BU marginality is an improvement and higher, considering the months from March 2022 to June 2022, than the profitability of the Energy BU in the first half of 2021; this led to a partial recovery of the substantial losses accumulated in the first two months of the current year. It should also be noted that management constantly monitors the situation of trade receivables.

EBITDA Adjusted BU Energia Trend



Income statement highlights

INCOME STATEMENT HIGHLIGHTS		
€	1H2021	1H2022
Sales revenues	8,759,212	12,526,881
Value of production	8,994,970	12,660,148
Total operating costs	(7,649,739)	(12,031,998)
EBITDA Adj	1,345,231	628,150
EBITDA margin adj	15.0%	5.0%
EBIT	757,301	(265,363)
EBT	622,385	(429,774)
NET RESULT	408,555	(429,774)

- ❖ **Revenues from sales** at 30 June 2022 amounted to € 12.5 million, with an increase of 43% compared to the first half of 2021 (€ 8.8 million). The increase was determined by both BUs: specifically, the revenues of the TLC BU recorded a growth of + 8.9% compared to June 30, 2021, going from € 4.3 million to € 4.7 million; the most sustained growth is recorded in the turnover of the Energy BU, + 75.5% compared to the same period of the previous year, with revenues going from € 4.5 million at 30 June 2021 to € 7.9 million at 30 June 2022 .
- ❖ **Adjusted EBITDA** is equal to € 0.6 million (€ 1.3 million 1H 2021) and reports an **Adjusted EBITDA Margin** equal to 5.0% on the value of production:
 - ❖ **Adjusted EBITDA of the TLC BU** amounted to € 1.3 million (€ 1.2 million 1H 2021), recording an increase of 11.9% compared to the same period last year and reporting an Adjusted EBITDA Margin of 27.5 % (26.5% 1H 2021);
 - ❖ **Adjusted EBITDA of the Energy BU** is € -0.7 million (€ 0.2 million 1H 2021).

Income statement highlights - BU

INCOME STATEMENT HIGHLIGHTS - BU TLC

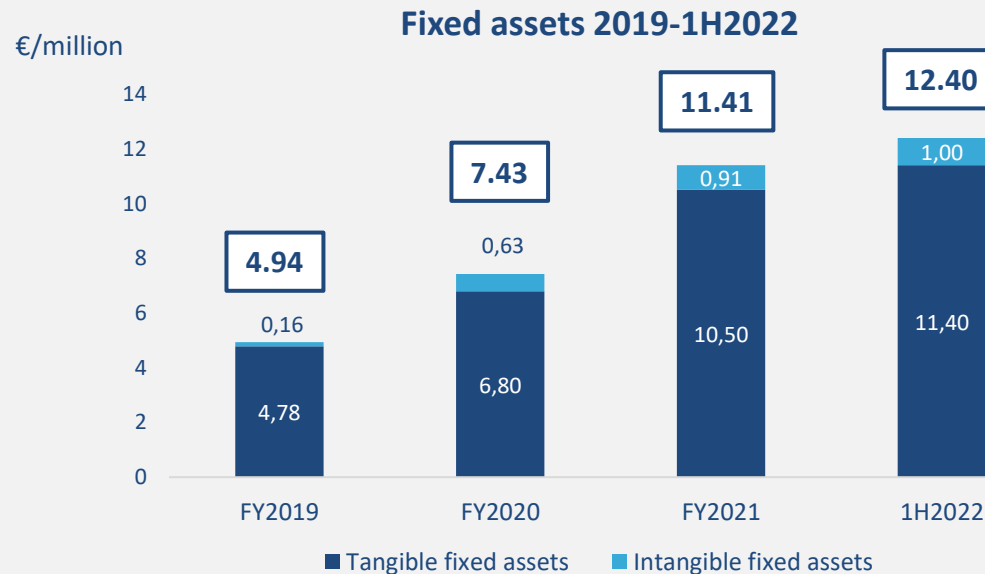
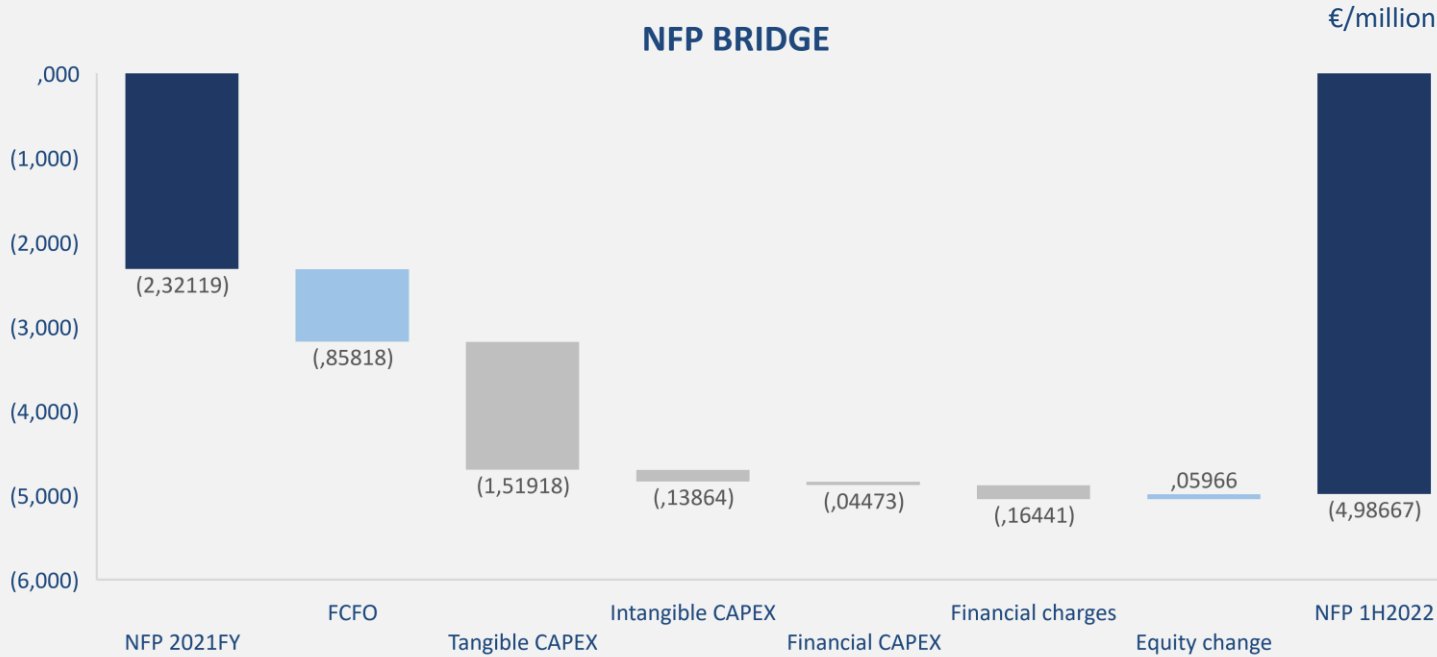
€	1H2021	1H2022
Sales revenues	4,274,861	4,656,269
Value of production	4,441,705	4,786,259
Total operating costs	(3,266,699)	(3,471,129)
EBITDA Adj	1,175,006	1,315,130
EBITDA margin adj	26.5%	27.5%



INCOME STATEMENT HIGHLIGHTS - BU ENERGY

€	1H2021	1H2022
Sales revenues	4,484,351	7,870,612
Value of production	4,553,265	7,873,889
Total operating costs	(4,383,040)	(8,560,868)
EBITDA Adj	170,225	(686,979)
EBITDA margin adj	3.7%	

Net financial position and fixed assets



Balance sheet highlights

BALANCE SHEET HIGHLIGHTS					
ASSETS			LIABILITIES AND EQUITY		
€	1H2022	FY2021	€	1H2022	FY2021
Fixed assets	12,378,564	11,427,393	Net Financial Position	4,986,671	2,321,190
Net working Capital	(1,189,323)	(2,659,392)	Equity	5,514,103	5,884,217
Provisions and other funds	(688,467)	(562,594)			
NET INVESTED CAPITAL	10,500,774	8,205,407	TOTAL LIABILITIES AND EQUITY	10,500,774	8,205,407

❖ The **net financial position (NFP)** is approximately € 5.0 million, an increase compared to € 2.3 million at 31 December 2021. The change is mainly related to the investment activities carried out in the period and to the movements in commercial working capital , impacted by the dynamics of the Energy BU in which, following changes in the billing system from fixed to variable rates and the purchase of energy at the PUN, there was a reduction in the payment times of suppliers, which are lower with respect to the timing of collection of trade receivables. These dynamics, together with the payment to GME of the guarantees required to operate on the energy market, led to a further absorption of cash.

❖ **Shareholders' equity** amounted to € 5.5 million compared to € 5.9 million at 31 December 2021.

Investment considerations



TECHNOLOGICAL INNOVATION UNDERPINS CONTINUED DEVELOPMENT IN TLC



PROPRIETARY NETWORK AND INTERCONNECTIONS



SUSTAINABILITY WITH CLEAN ENERGY AND EVO NETWORK



VALUE CHAIN MONITORING AND CONTROL



MANAGEMENT WITH AN ESTABLISHED TRACK RECORD



TERRITORIAL MODEL SCALABLE AT NATIONAL LEVEL



STRATEGIC GUIDELINES



Proprietary fibre optics and Wifi

- **Extension of the proprietary fibre-optic network (FTTH)** in municipalities where the company has reached a 'critical mass' of customers served by wireless technology



Diversification of supply

- Convergenze aims at diversifying its product portfolio through the **introduction of the BU Media & Content Delivery**
- Offer of **new value-added services** such as cloud, datacenter as a service and virtualization services.



Cross selling and increasing active services BU Energy

- **Increase in the number of Energy customers**, taking advantage of the **cross-selling opportunities** between the TLC and Energy Bus, through e-commerce portals, as well as targeted marketing actions. Further cross-selling possibilities will be possible thanks to the opening of the new BU Media & Content Delivery



Network expansion and consolidation

- Convergenze aims at **being recognised as a national operator by expanding its presence throughout Italy.**



IOT and Mobile Virtual Operator

- The company is ready to **seize the important development opportunities expected in the IoT sector**, especially following the transition from experimental to production technology of the **LoRaWAN project**.
- Convergenze will **offer its own proprietary network to national and international providers**, also considering that a fibre optic backbone is an essential requirement for the future implementation of **5G technology**.



M&A

- Possibility of growing through M&A by **acquiring other TLC players with a complementary geographical location.**

APPENDIX



The TLC and Energy BUs

TLC

Internet and Voice



- ConFibra / ConNGA / ConADSL
- ConULL/ ConWIFI
- ConVoip
- ConFree PBX
- OPEN NET
- ConVision
- App HOVIO

Unique services/DCaaS



- My Workforce or Virtual Machine
- My Life
- Con Housing
- Con Hosting
- Disaster Recovery, for companies' IT security
- Transport and interconnection services to Mix- MI Namex RM

ENERGY

Electricity and Natural Gas

ConLuce



A zero-impact electricity supply service guaranteed through the cancellation of Guarantees of Origin.

ConGas



Natural gas supply service.

Both services have different subscriptions for private, residential and business.

In providing its services, Convergenze pays particular attention to transparency, with billing based as far as possible on actual consumption.

EVO NETWORK

The perfect convergence between the TLC and Energy BUs, the project aims at promoting sustainable mobility

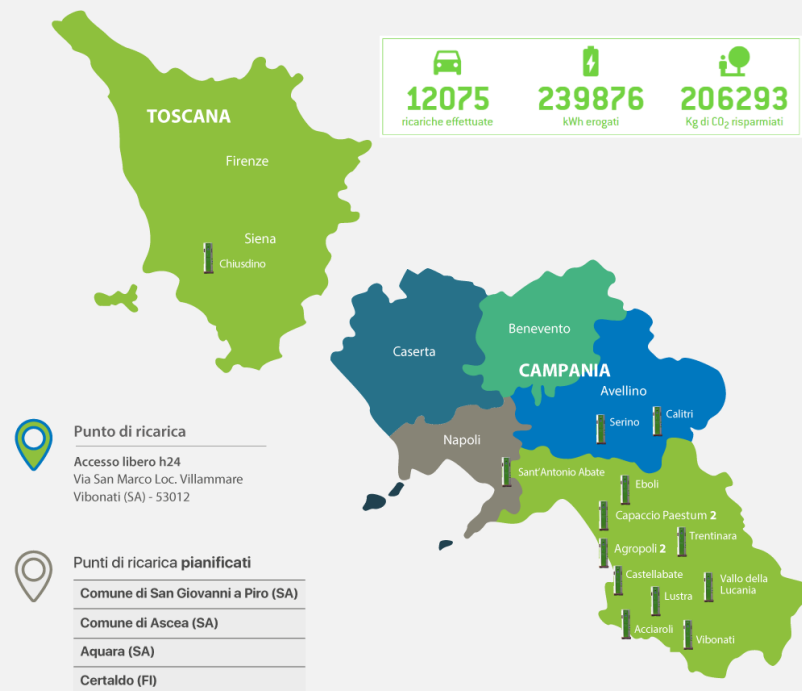


- ❖ A nationwide supplier of electricity and natural gas, Convergenze has set up a network of charging stations and points called EVO (Electric Vehicles Only), for which it has obtained a patent for an industrial invention, in support of electric mobility.
- ❖ In addition to the EVO Network, EVO Stations and EVO Wall Boxes have already been installed in the provinces of Salerno and Siena.



- Punto di ricarica**
Accesso libero h24
SS 18 TIRRENA INFERIORE KM 79+250
Eboli (SA) - 84025 Presso Parcheggio
Cilento Outlet Village
- 2 Punti di ricarica**
Accesso libero h24
Via Seliano, 2
Capaccio Paestum (SA) - 84047
Presso Convergenze Innovation Center
- 2 Punti di ricarica**
Accesso libero h24
Piazza della Repubblica, 1
Agropoli (SA) - 84043
Presso Comune di Agropoli
- Accesso libero h24**
Località Mattine
Agropoli (SA) - 84043
Presso Centro Commerciale LE TORRI
- Punto di ricarica**
Accesso libero h24
Piazza Paolo Matarazzo
Santa Maria di Castellabate (SA) - 84048
Presso Parcheggio Villa Matarazzo
- Punto di ricarica**
Accesso libero h24
Via Porto
Acciaroli-Pollica (SA) - 84048
Presso Parcheggio pubblico

- Punto di ricarica**
Accesso libero h24
Via Cafasso
Vallo della Lucania (SA) - 84048
Presso Parcheggio pubblico
- Punto di ricarica**
Accesso libero h24
Via Lettere
Sant'Antonio Abate (NA) - 80057
- Punto di ricarica**
Accesso libero h24
Comune di Trentinara (SA)
84070
- Punto di ricarica**
Accesso libero h24
Stazione di servizio Missano
Lustra (SA) - 84050 C.da Corticelle
- Punto di ricarica**
Accesso libero h24
Via Montecapino
Chiusdino (SI) - 53012
- Punto di ricarica**
Accesso libero h24
Via Roma, 23
Serino (AV) - 83028
- Punto di ricarica**
Accesso libero h24
Via Gagliano snc
Calitri (AV) - 83045



The new BU: Media & Content Delivery



The ongoing process of digital revolution and the increasing integration of the entertainment and media and TLC and Internet market segments have prompted the Convergenze management to **set up a new BU, which is not yet active.**



The new BU aims at developing a **set top box** to provide Convergenze's customers with the **best possible experience in enjoying online video content** through ultra-fast connectivity. The new Bu's customers will also have the opportunity to **purchase other Convergenze's services at dedicated and exclusive prices**, thus creating new cross selling opportunities.



BU customers will have the opportunity to access the **catalogue of online media platforms at discounted rates**, which can be paid to Convergenze in **a single invoice**, taking advantage of integrated and innovative payment systems.



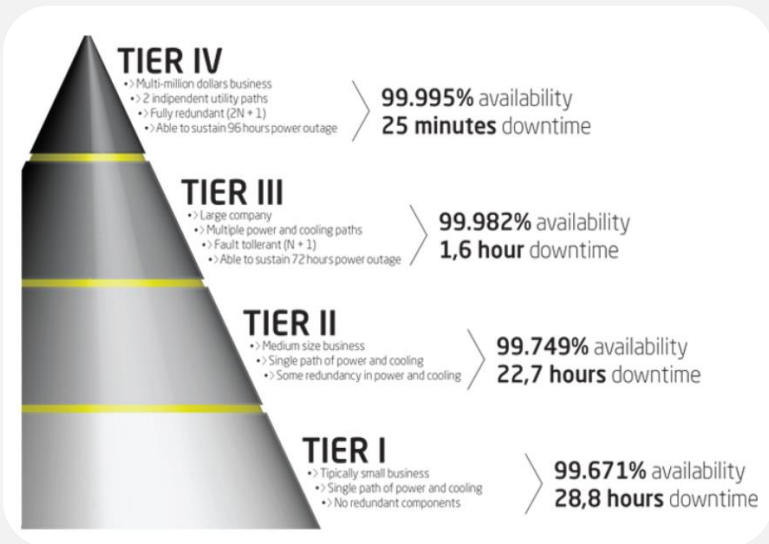
Thanks to ConFibra offers, the new BU will provide a high-performance, reliable and fast Internet connection (up to 1 Gbps), and the new solutions called "**Convergenze Calling and conferencing**" (voice calls and high-definition video) and "**ConFibra TV**", for viewing video content by signing contracts with the best TV streaming platforms.



The new BU is aimed at providing new services and greater freedom and customisation of the offer **by combining Internet connection with other types of services: video content, video calls, games, security, video surveillance.**

Convergenze Innovation Center & Data Center

- ❖ The basement of the Convergenze Innovation Center hosts one of the largest and most advanced proprietary data centers in Southern Italy; it expands over two rooms, it conveys Fastweb, TIM and Convergenze fibers, and it is doubly connected via multi-fiber to the Seliano site, thus guaranteeing service continuity.
- ❖ 27001-certified with the annexed extensions 27017 and 27018, a useful certification to become a Cloud service provider for Public Administrations.
- ❖ The Data Center meets the requirements of TIER III and TIER IV levels, although it has not yet obtained certification.



20 racks
of equipped
space used

60 racks
of available
equipped
space

70 kW
of double
refrigerant
circuit

400 KvA
redundant
UPS
expandable
to 800 KvA

450 kW
of generator
set

400 gbps
of connectivity



Benefit Corporation

The focus on sustainability and corporate social responsibility enabled Convergenze to become a Benefit Corporation on 14 September 2020. As such, Convergenze, while doing business, pursues one or more goals of common good in addition to profit, operating in a responsible, sustainable and transparent manner towards its territory and its community.



Sustainability

Convergenze provides electricity from 100% renewable sources and the photovoltaic system at its headquarters fully meets the company's needs, making it completely green. The objective is to foster the dissemination of a culture of sustainable energy management, enhancing the use of renewable sources.



Incentivising the growth of communities and employees

Convergenze supports its surrounding communities by promoting sports and cultural events and initiatives. Furthermore, the company practices inclusive policies within the company and creates favourable conditions for acceptance, flexibility and quality of work, supporting the reconciliation of work and private life.



Research and digitisation

The company promotes the research and technological development of innovative services, energies and business models, both directly and in cooperation with other entities. In addition, it promotes digitisation through the implementation of ultra-broadband electronic communication networks in white and grey areas.



Green mobility

Thanks to its patent for industrial invention and the EVO network, fully powered by 100% renewable sources, Convergenze promotes green mobility starting with its employees, all of whom drive electric company cars



Solidarity fundraising

Convergenze has signed up to the Self-Regulatory Code for the management of solidarity numbers, thus offering customers the opportunity to participate in charitable donations organised by the various NGOs without receiving any remuneration.

Convergenze has obtained 4 certifications:



- ❖ ISO 9001, certifying the efficiency and proper management of company processes



- ❖ ISO 14001 for environmental quality, which certifies concrete efforts to limit direct company impacts



- ❖ ISO 45001 related to the international standard ISO 9001:2015 that Convergenze S.p.A. Società Benefit has obtained, guarantees the quality and continuous improvement of its telecommunications services and all the company's internal procedures.



- ❖ ISO 27001, certifying the efficiency of the information security management system and ensuring the integrity, confidentiality and management of all sensitive data



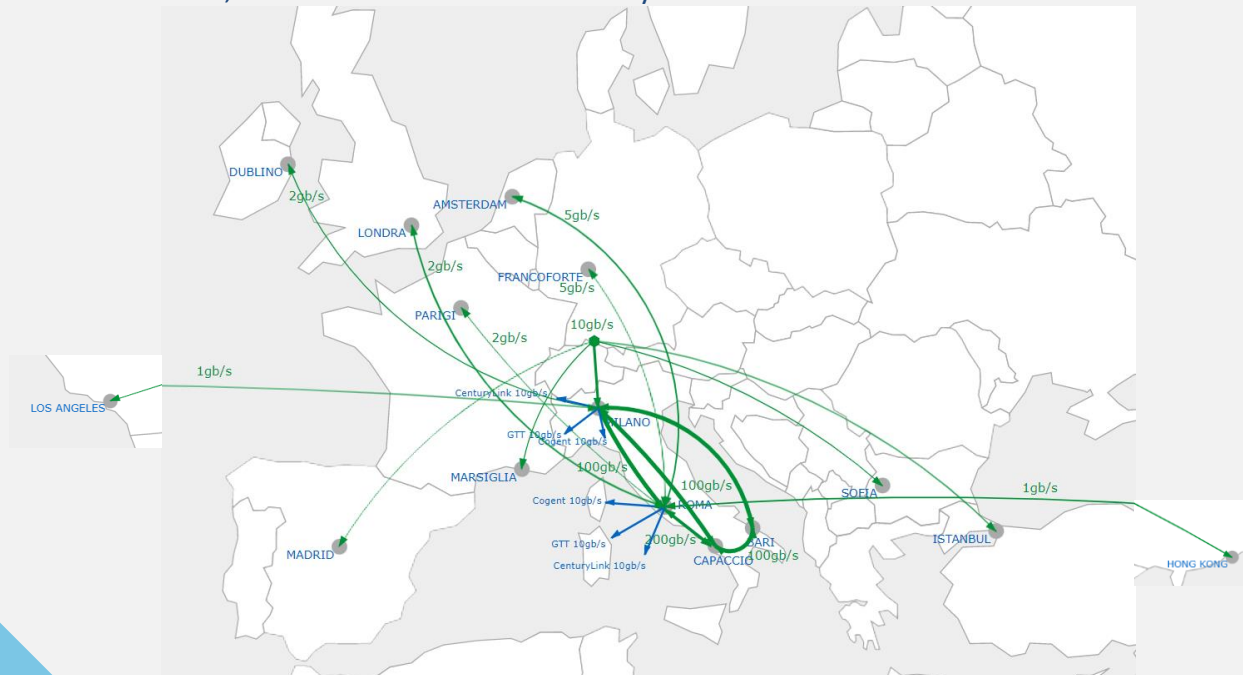
- ❖ Convergenze supplies certified green energy through the annulment of Guarantees of Origin (GO). The Guarantee of Origin (GO) is an electronic certification issued by GSE, certifying the renewable origin of the sources used by IGO qualified plants.



- ❖ In 2019, the Company obtained from the Ministry of Economic Development a patent for industrial invention for the creation and implementation of the EVO (Electric Vehicle Only) network.

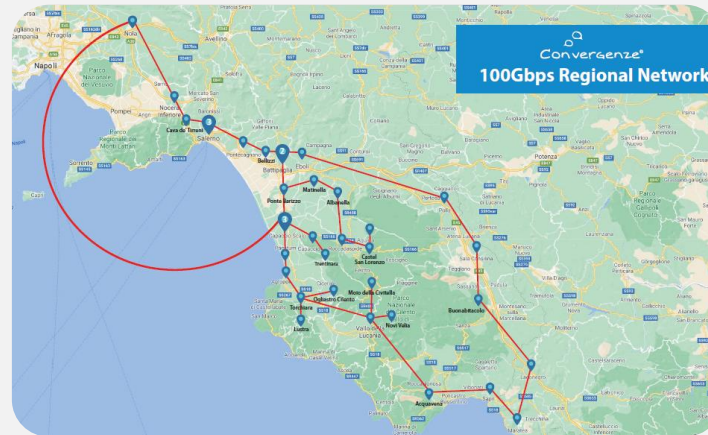
Data infrastructure: national and international

- ❖ The Internet Network of Convergenze S.p.A. Benefit Company grows daily. At present, our nearest NOC, in the town of Capaccio, is connected to Rome, to the NaMeX point (30 Gbps) by different communication channels and then it reaches the MIX point in Milan (30gbps):
 - ❖ Rome is our strategic hub where, in addition to buying transit from Tinet (2.5gbps), Cogent (2.5gbps) and Level3 (2.5gbps), we also reach two European interchange centers, namely AMS-IX (5gbps) and LINX (500 Mbps)
 - ❖ In Milan, in addition to the balanced transits with Rome, we reach the NETIX network (2.5Gbps), the De-CIX exchange point in Francoforte (2gbps), Any2 exchange point in Los Angeles (1Gbps) and HKIX exchange point in Hong Kong (1gbps)
- ❖ The capillary professional presence at European level has led Convergenze to be, with about 2300adjacencies, the most interconnected network in Italy and the 10th in the world. Our President Rosario Pingaro has been a member of NaMeX BoD since 2013, which is the second NAP in Italy.

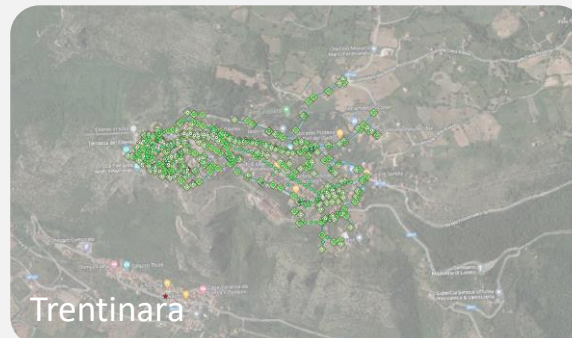


Data infrastructure: regional and local

At regional level, Convergenze is present in Campania with a 1.036 km network of 100gbps IRU fibre ready for an upgrade to 400gbps.



5,647 km of fibre in the province of Salerno as at 31 December; over € 2.9 invested in fixed assets during 2021



Convergenze's proprietary fibre optic network covers the following areas:

- ❖ Capaccio-Paestum and the hamlets of Capaccio Scalo, Licinella, Borgonuovo, Cafasso, Torre di Mare, Laura and Rettifilo
- ❖ Torchiara
- ❖ Ogliastro Cilento
- ❖ Trentinara
- ❖ Castel San Lorenzo
- ❖ Albanella

Wireless Infrastructure

In the regions where it is active, Convergenze owns more than 101 radio links powered by UWA (Ultra Broad band Wireless Access) technology.

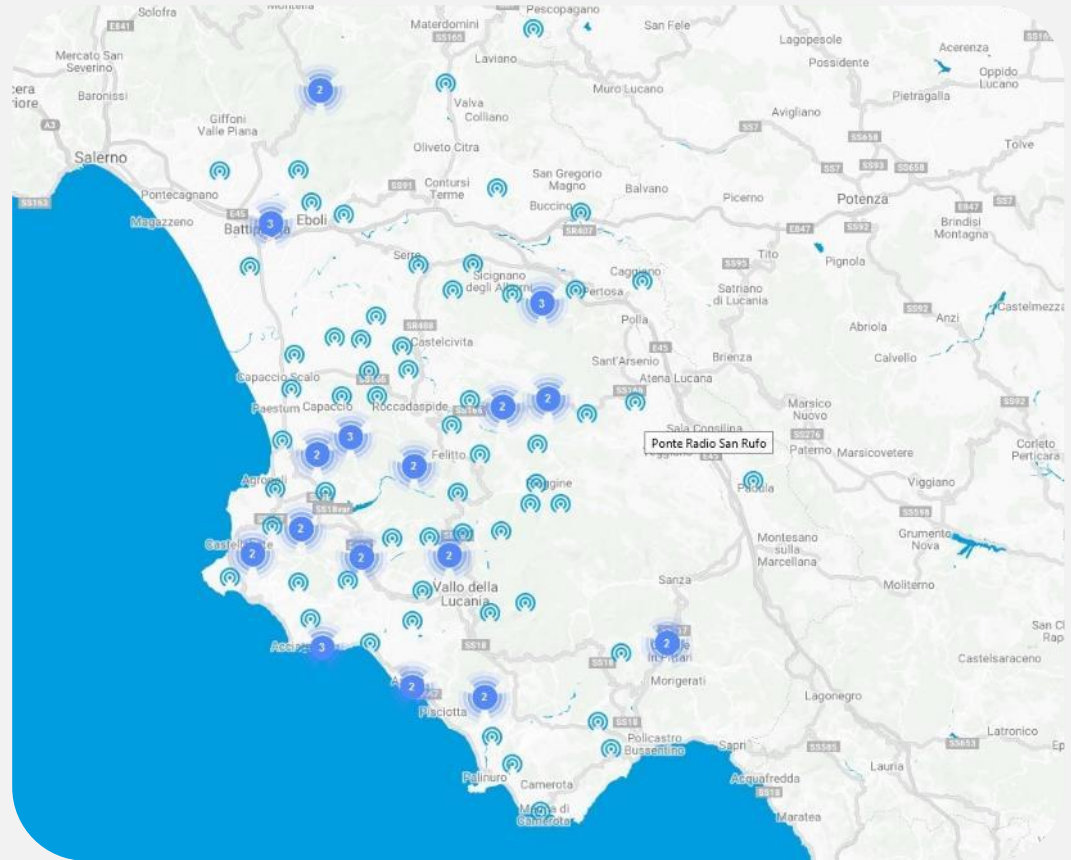
They represent Convergenze's first territorial presence and play a strategic role in the company's commercial development in new areas.



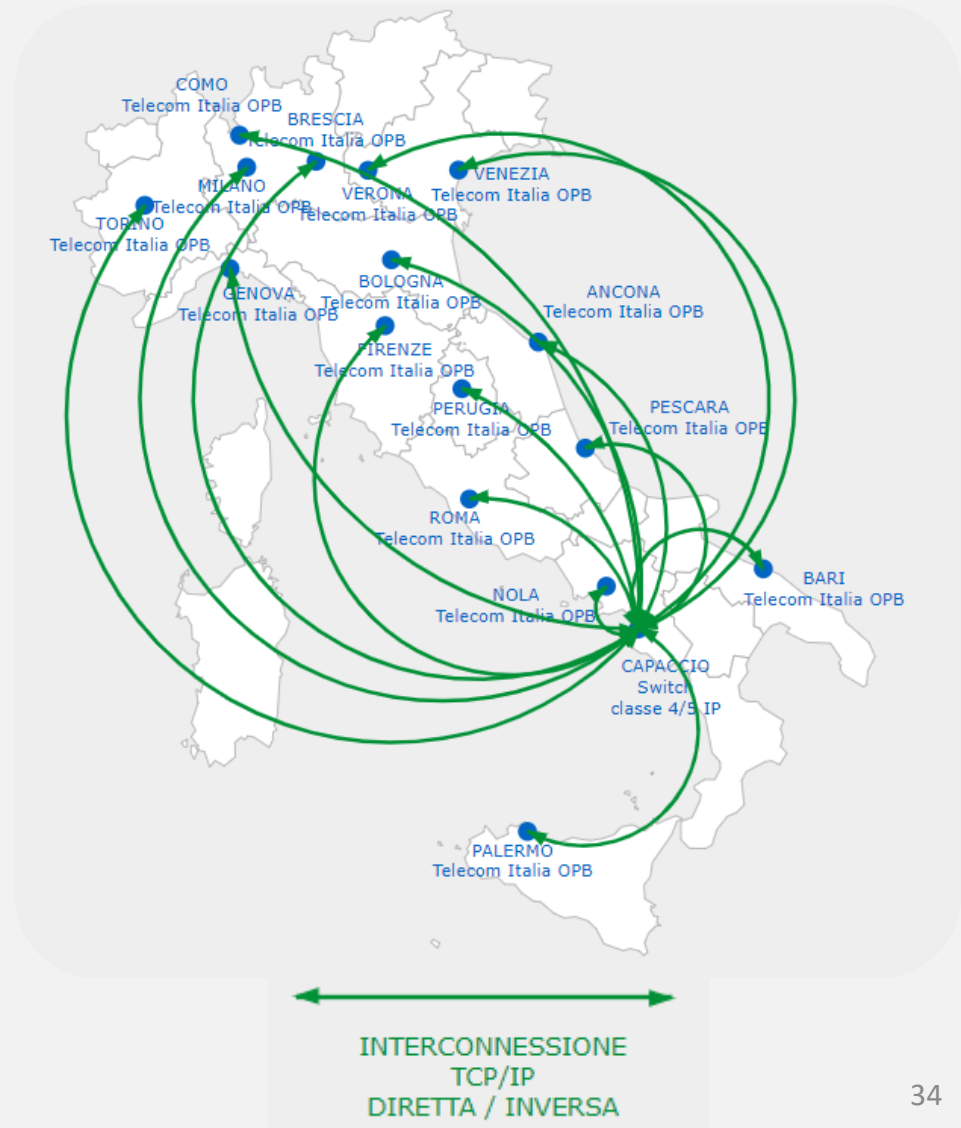
WiFi network access point



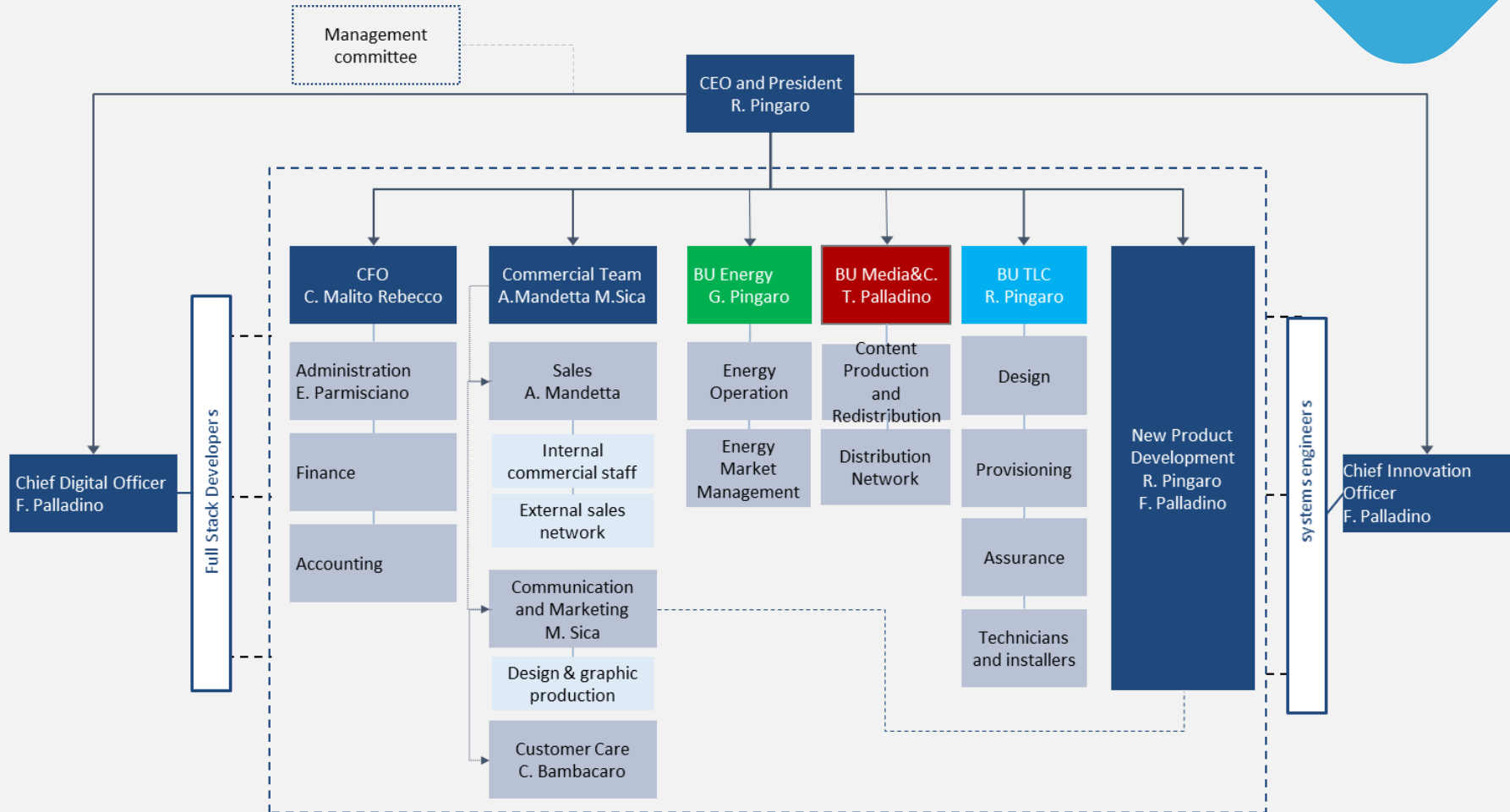
Number of WiFi access points in the same area



- ❖ Convergenze's network for the provision of voice services has undergone no minor evolution and is now based on a dual architecture: TDM SS7 and ITC-IP, the latter derived from SIP VoIP technology.
- ❖ Interconnection points with TIM's voice network are constantly expanding (4 new nodes/year) and include the following OPBs (Optical Packet Backbone): Rome, Pescara, Brescia, Nola, Ancona, Florence, Perugia, Milan, Bari, Verona, Palermo, Turin, Bologna, Genoa, Venice and Como.



Organizational structure



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