

NEXT GEMs 2021

November 29, 2021





Rosario Pingaro
Chairman and CEO



Grazia Pingaro
Vice- Chairman and
Director BU Energy



Carmine Malito Rebecco
CFO

COMPANY OVERVIEW



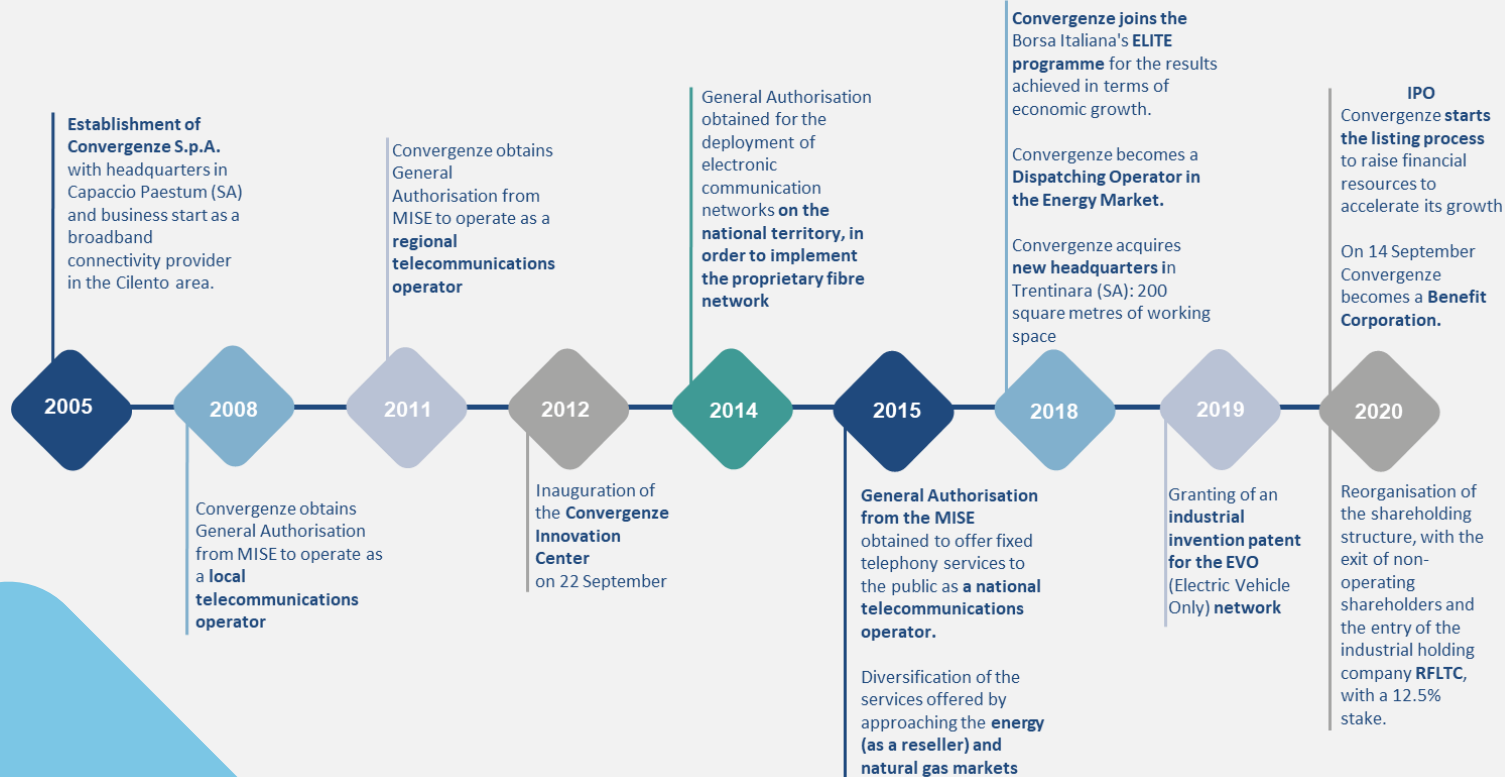
Company overview

***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**.



The TLC and Energy BUs

TLC

Internet and Voice



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

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, Convergence pays particular attention to transparency, with billing based as far as possible on actual consumption.

EVO NETWORK

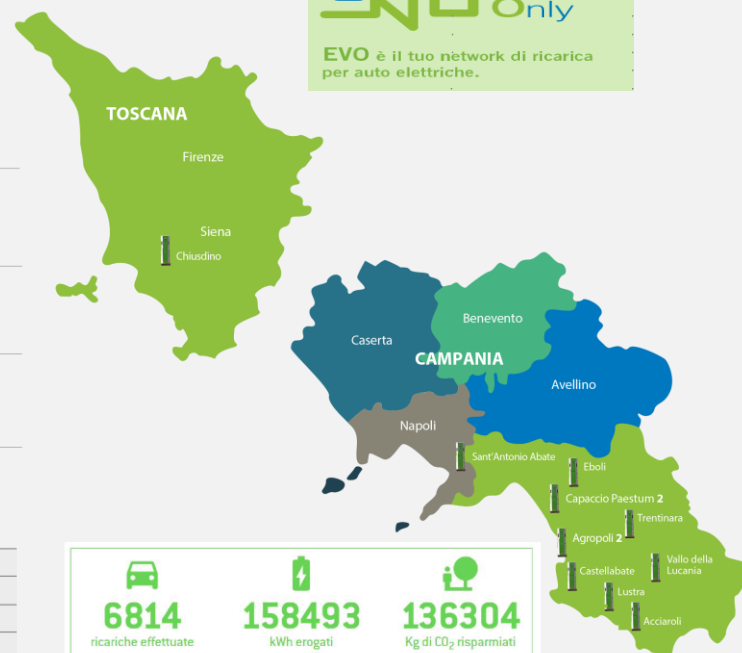
The perfect convergence between the TLC and Energy BUs, the project aims at promoting sustainable mobility



- ❖ 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.
- ❖ The 12 EVO stations currently up and running are located in the provinces of Salerno and Naples, while 6 are being installed in the provinces of Salerno, Avellino and Siena.
- ❖ In addition to the EVO network, six 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 Cilentio 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
	Punti di ricarica pianificati
	Comune di Serino (AV)
	Comune di Ascea (SA)
	Comune di Vibonati (SA)
	Comune di Calitri (AV)



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.



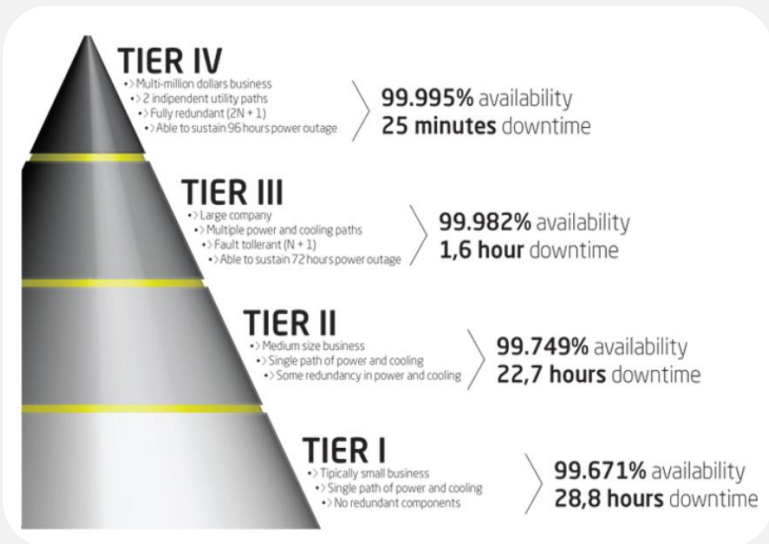
Thanks to ConFibra offers, the new BU will provide a high-performance, reliable and fast Internet connection (up to 1 Gbps), and the new solutions called "**Convergenze Calling and conferencing**" (voice calls and high-definition video) and "**ConFibra TV**", for viewing video content by signing contracts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

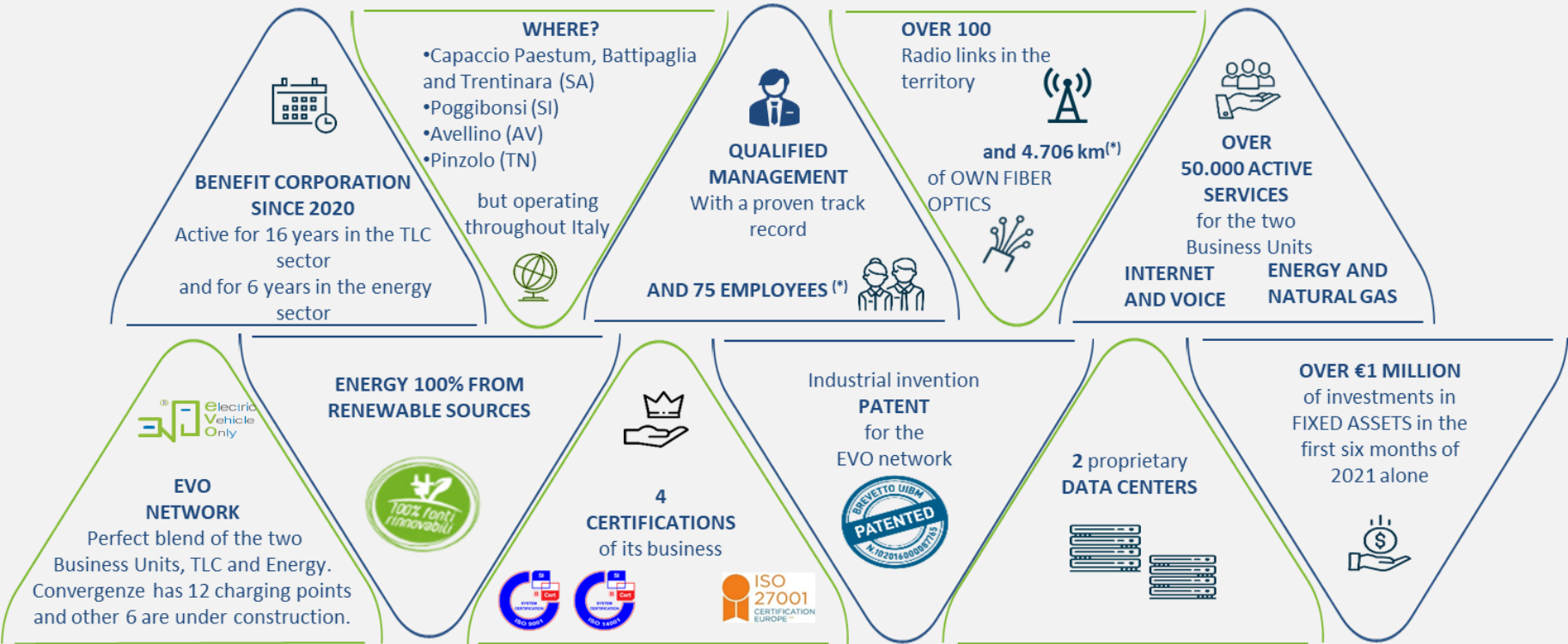
400 KvA
redundant
UPS
expandable
to 800 KvA

450 kW
of generator
set

400 gbps
of connectivity

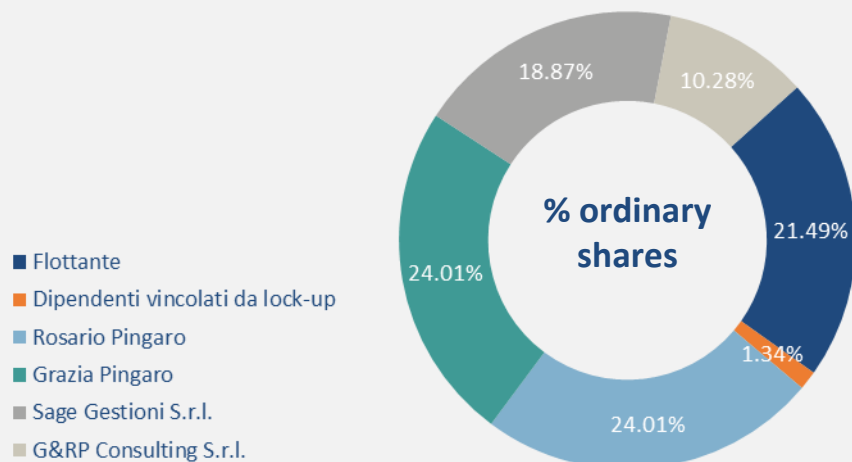


At a glance



Shareholders and Corporate Governance

Shareholding structure



Shareholder	N. of shares held	N. PAS	N. total shares	% voting rights	% of ordinary shares
Rosario Pingaro	1,682,400	117,600	1,800,000	24.46%	24.01%
Grazia Pingaro	1,682,400	117,600	1,800,000	24.46%	24.01%
Sage Gestioni S.r.l. (*)	1,322,400	117,600	1,440,000	19.57%	18.87%
G&RP Consulting S.r.l. (**)	720,000		720,000	9.78%	10.28%
Employees bound by lock-ups	94,000		94,000	1.28%	1.34%
Market	1,506,000		1,506,000	20.46%	21.49%
Total	7,007,200	352,800	7,360,000	100.00%	100.00%

(*) Company attributable to the Prearo family

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

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

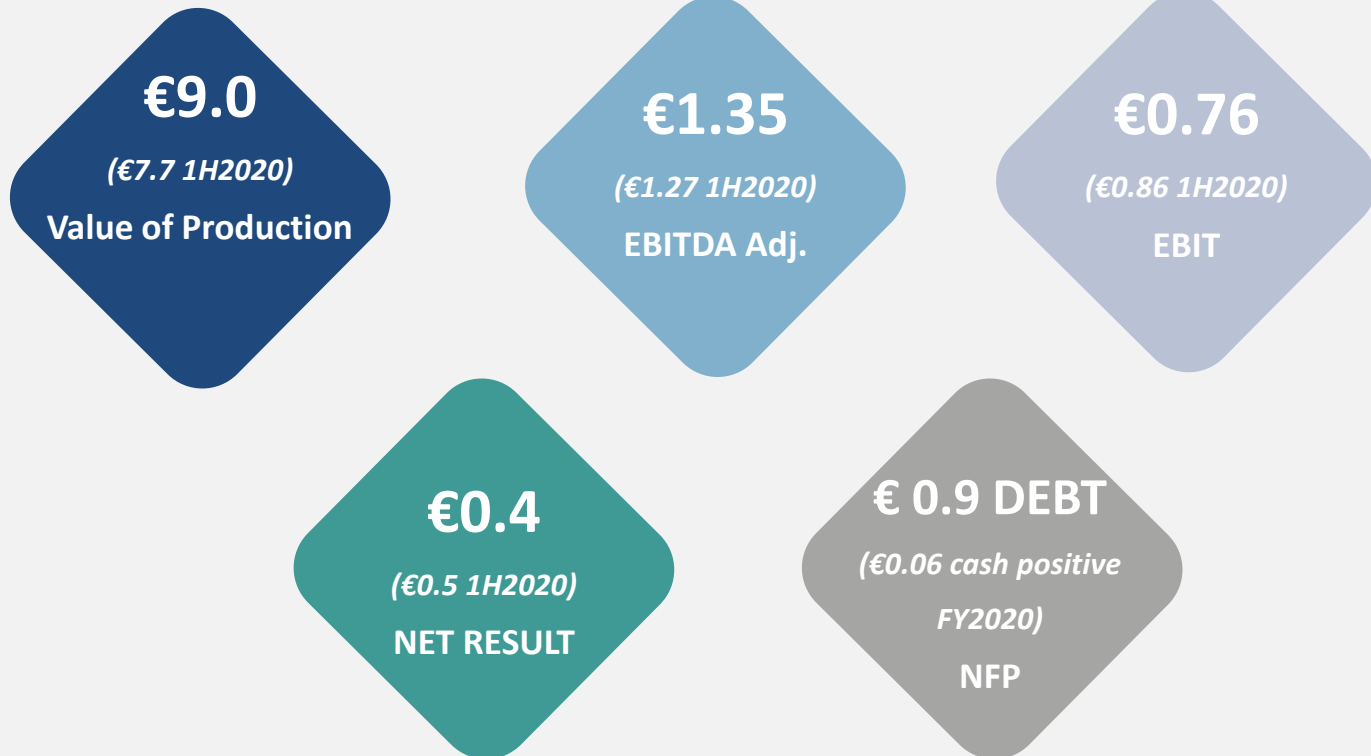
Manguso Giosuè	Chairman
Caliendo Domenico	Auditor
Spagnuolo Fabio	Auditor
Bernardi Gerardo	Alternate Auditor
Tartaro Massimo	Alternate Auditor

The background features a dark teal color with abstract, rounded geometric shapes. On the left, a lighter blue shape contains a pattern of glowing fiber optic lines. The text '1H2021' is centered in the teal area.

1H2021

Highlights 1H 2021 vs 1H2020

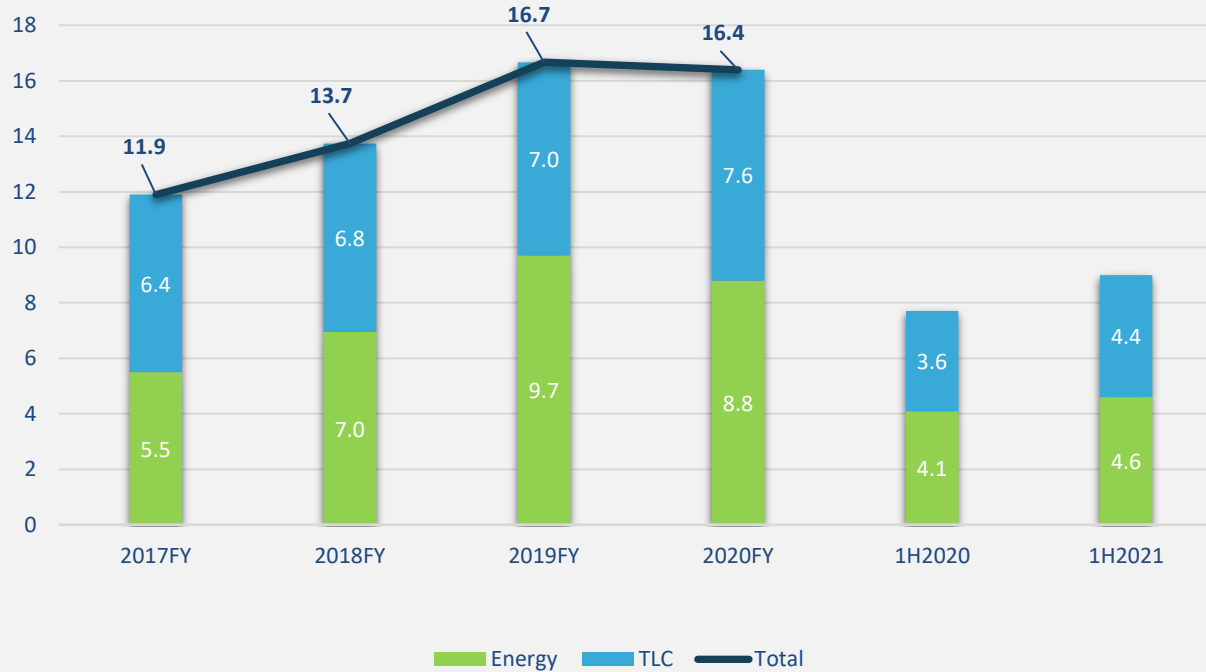
€/million



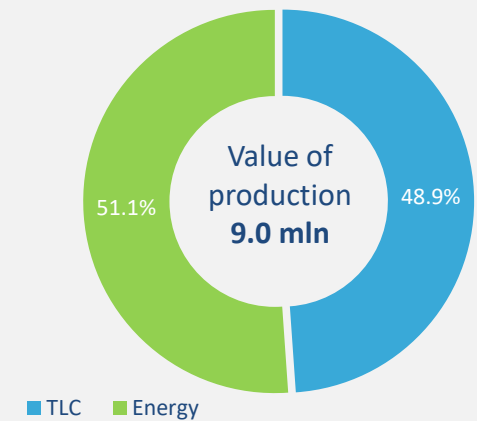
Value of production: performance

€/million

Value of production 2017-1H2021

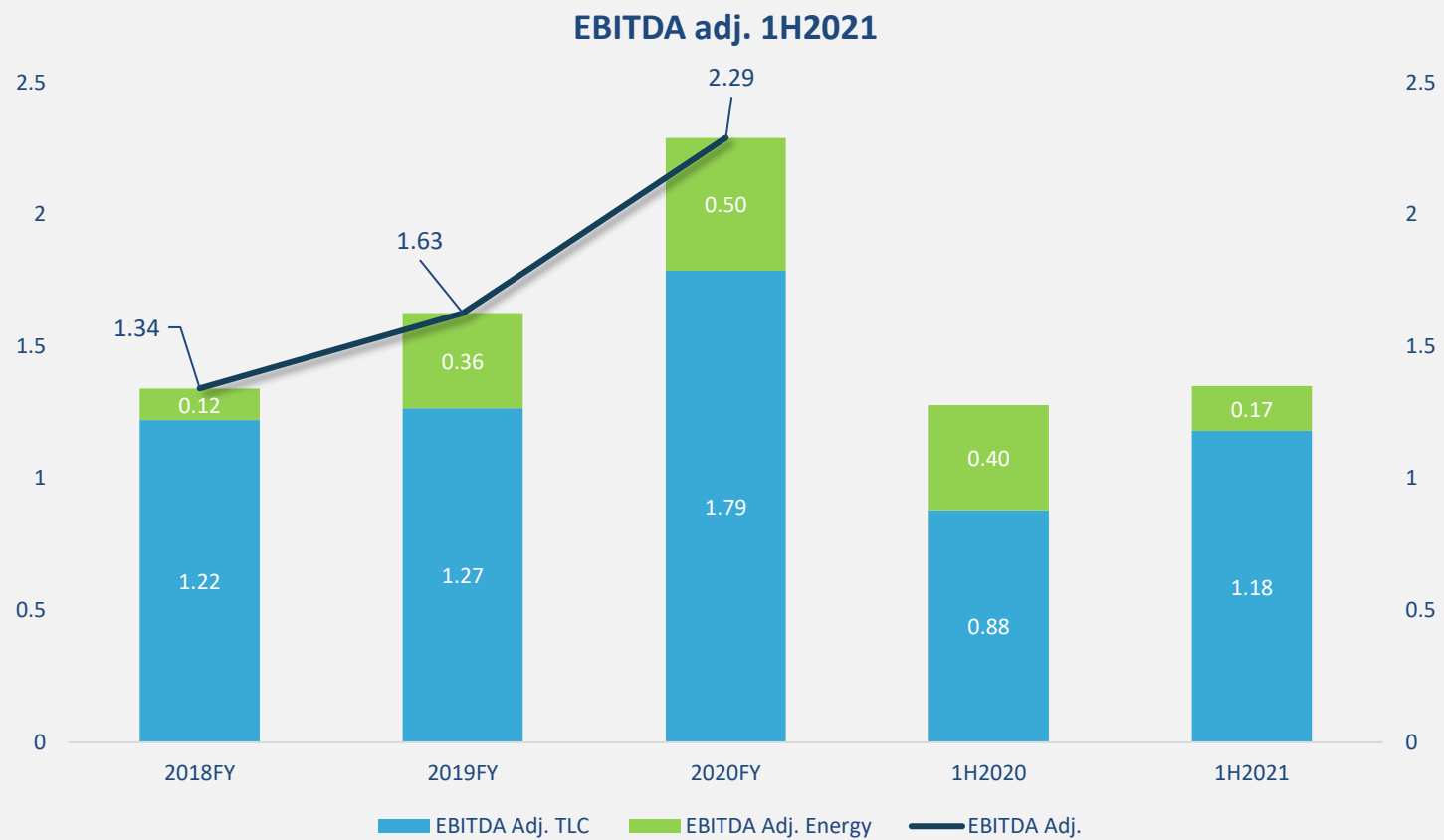


Value of production breakdown 1H2021

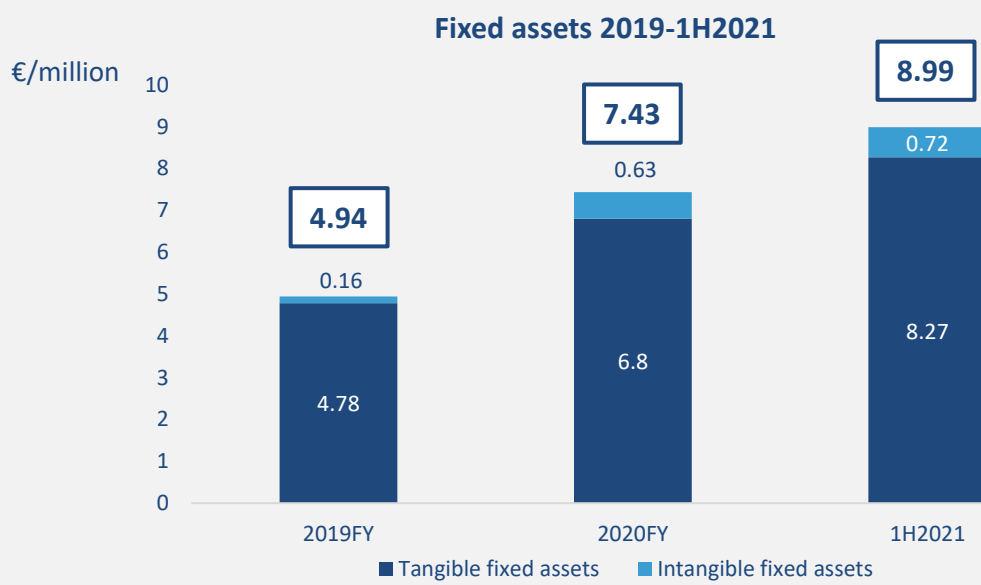
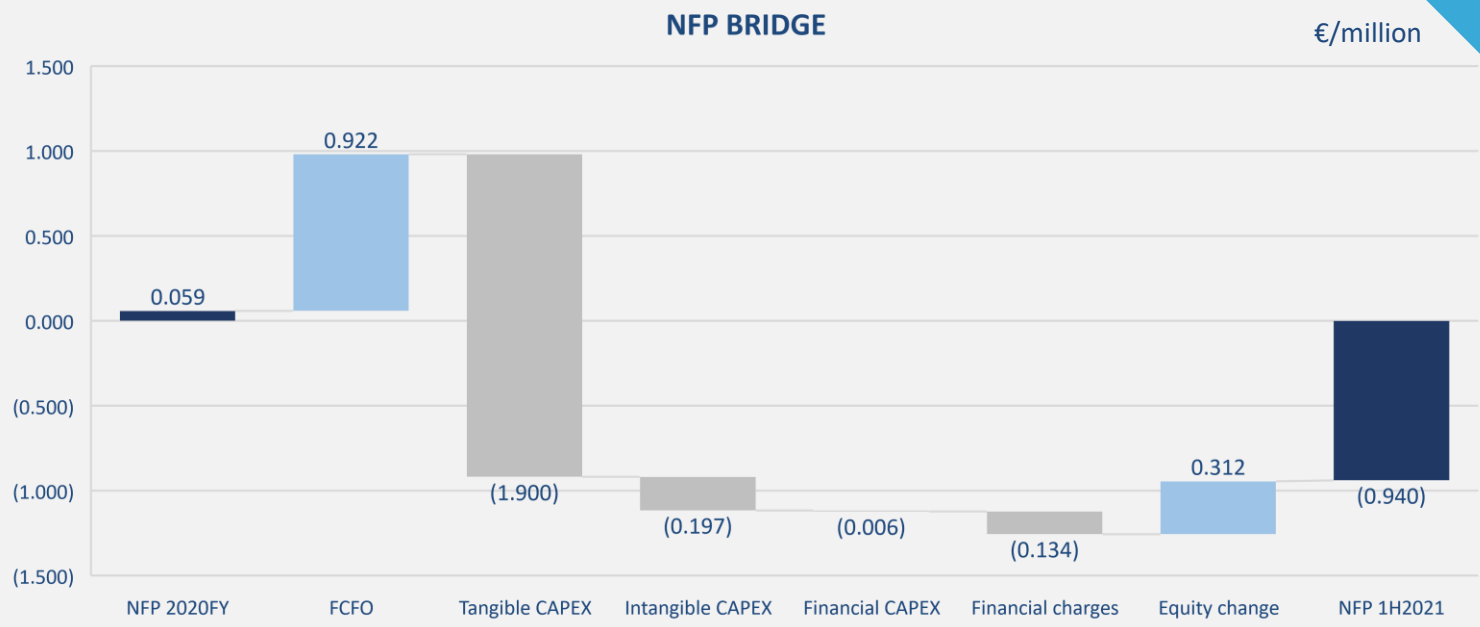


EBITDA Adj: performance

€/million



Net financial position and fixed assets





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

BUSINESS UPDATE



Jan 12th 2021

Opening of a new **Wholesale division** within its TLC Business Unit.

Jan 25th 2021

Opening of two new **e-commerce websites** for the sale of ConFIBRA and ConGAS services.

Mar 22nd 2021

Signing of an **interoperability agreement with Enel X** to allow its customers to recharge their vehicles on Enel X's public network.

Jan 19th 2021

Implementation of the **Amazon Pay solution** to enable its customers to complete in a few steps the purchase of all Convergenze services.

Feb 8th 2021

Convergenze has become operational **in its new Tuscany office in Poggibonsi**, in the province of Siena, which opened in October 2020.

May 3rd 2021

Received by Cerved Rating Agency S.p.A. the **upgrade of public rating**, passed from B1.2 a B 1.1, and the **confirm of public rating of B 1.1 on minibond** issued on 14th April 2020.<<<<<

May 19th 2021

The **first sustainability report** has been approved.

June 21st 2021

Upgrade of the proprietary **Wireless network infrastructure**, by the activation of a new node.

Sep 2nd 2021

Convergenze takes part in the 47th edition of the Forum “The European House – **Ambrosetti**”, for the 5th year in a row and for the first time as a listed society.

May 24th 2021

Opening of a new **commercial base in Avellino**, accelerating Convergenze’s expansion in new territories.

Aug 2nd 2021

Launch of the new **HOVIO app**, which enables to set a landline number on the smartphone.

Sep 28th 2021

Approved the adoption of the **231 Model**, the Code of Ethics and the **Supervisory Body** was appointed.



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



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.

Certifications and Patent

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



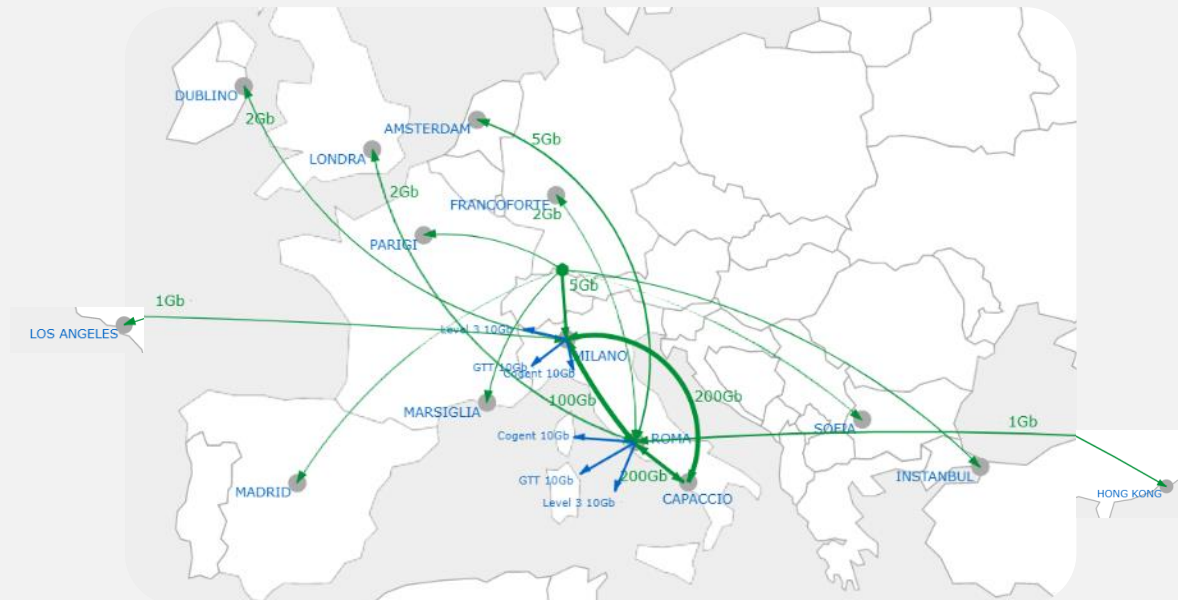
- ❖ Convergenze supplies certified green energy through the annulment of Guarantees of Origin (GO). The Guarantee of Origin (GO) is an electronic certification issued by GSE, certifying the renewable origin of the sources used by IGO qualified plants.



- ❖ 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.

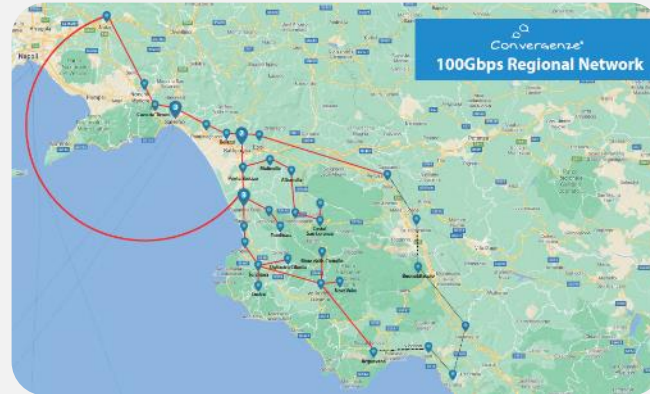
Data infrastructure: national and international

- ❖ 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.



4.706 km of fibre in the province of Salerno as at 30 June 2021; over €1.0 invested in fixed assets during first half 2021



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

- ❖ Municipality of Capaccio-Paestum and the hamlets of Capaccio Scalo, Licinella, Borgonuovo, Cafasso, Torre di Mare, Laura and Rettifilo
- ❖ Municipality of Trentinara
- ❖ Municipality of Albanella and its hamlet Matinella

Wireless Infrastructure

In the regions where it is active, Convergenze owns more than 100 radio links powered by UWA (Ultra Broad band Wireless Access) technology.

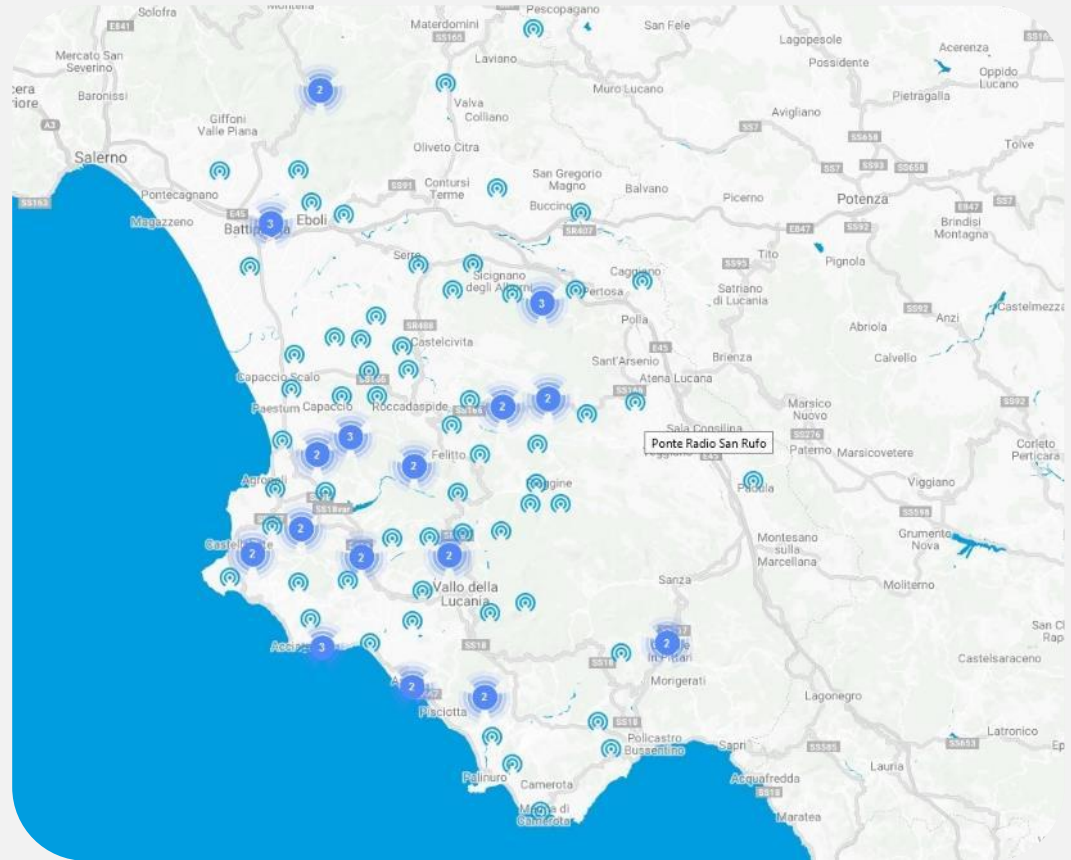
They represent Convergenze's first territorial presence and play a strategic role in the company's commercial development in new areas.



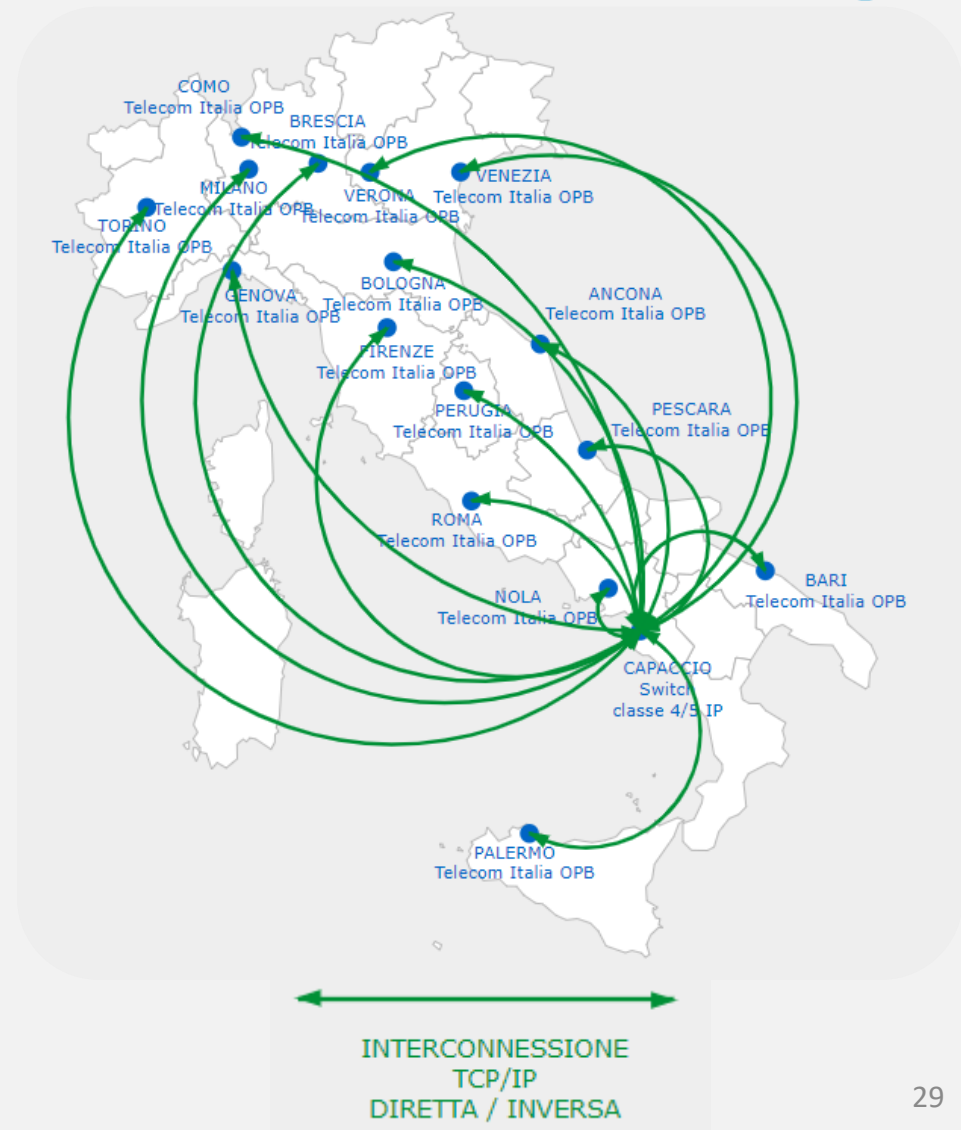
WiFi network access point



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.



Income statement highlights

INCOME STATEMENT HIGHLIGHTS		
€	1H2021	1H2020
Sales revenues	8,759,212	7,705,930
Value of production	8,994,970	7,737,888
Total operating costs	(7,649,739)	(6,460,055)
EBITDA Adj	1,345,231	1,277,833
EBITDA margin adj	15.0%	16.5%
EBIT	757,301	858,699
EBT	622,385	734,212
NET RESULT	408,555	538,720

- ❖ The **value of production** (Revenues from sales and services and other revenues and income) at 30 June 2021 amounted to € 9.0 million, an increase of 16.2% compared to 30 June 2020 (€ 7.7 million) . In detail, the revenues of the TLC BU contributed significantly to the overall growth in the value of production, amounting to € 4.4 million, + 22.3% compared to 30 June 2020. BU Energy rise to €4.6 million (+ 10.9% compared to € 4.1 million of the corresponding period last year).
- ❖ **Adjusted EBITDA** amounts to € 1.34 million, up 5.3% compared to the € 1.28 million in the first half of the previous year, reporting an Adjusted EBITDA Margin equal to 15% on the value of the production (16.5% 1H 2020).
- ❖ The **operating result (EBIT)** is positive for € 0.76 million (€ 0.86 million at 30 June 2020), reporting an EBIT Margin of 8.4%.
- ❖ The **net result** at 30 June 2021 stood at € 0.4 million (€ 0.5 million in the corresponding half of the previous year).

Income statement highlights - BU

INCOME STATEMENT HIGHLIGHTS - BU TLC

€	1H2021	1H2020
Sales revenues	4,275,861	3,602,767
Value of production	4,441,705	3,631,895
Total operating costs	(3,266,699)	(2,752,347)
EBITDA Adj	1,175,006	879,548
EBITDA margin adj	26.5%	24.2%



INCOME STATEMENT HIGHLIGHTS - BU ENERGY

€	1H2021	1H2020
Sales revenues	4,484,351	4,103,163
Value of production	4,553,265	4,105,993
Total operating costs	(4,383,040)	(3,707,708)
EBITDA Adj	170,225	398,285
EBITDA margin adj	3.7%	9.7%

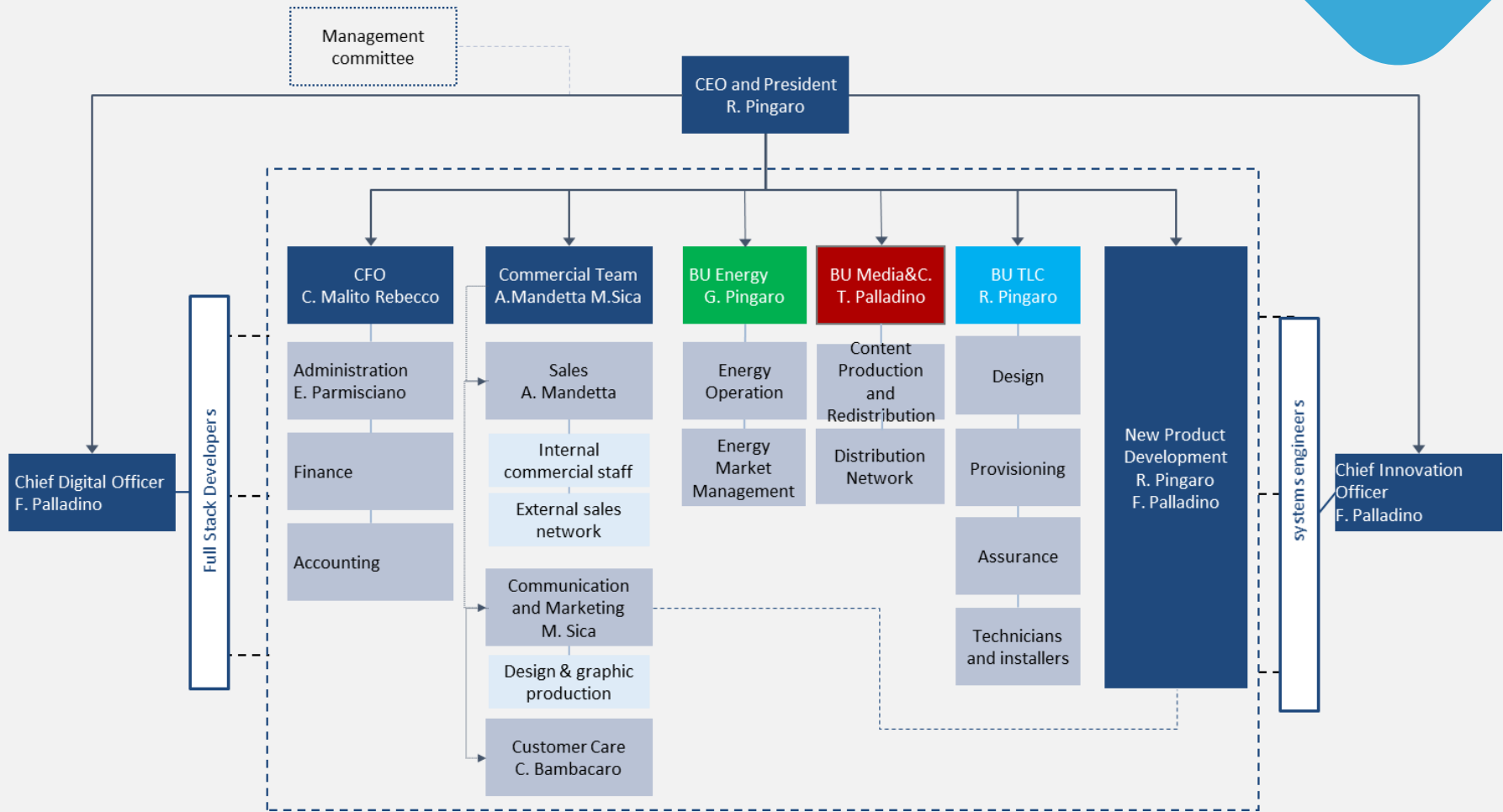
* Despite the persistence of the pandemic, the Company still achieved good results in terms of turnover thanks to consumer customers, while business customers, being still impacted by the limitations of Covid-19, contributed in a limited way to the generation of results. At the same time, the cost of supply has undergone speculative increases linked to the recovery of consumption on a global scale.

Balance sheet highlights

BALANCE SHEET HIGHLIGHTS					
ASSETS			LIABILITIES AND EQUITY		
€	FY2020	1H2021	€	FY2020	1H2021
Fixed assets	7,498,716	9,058,365	Net Financial Position	(59,135)	946,909
Net working Capital	(2,047,203)	(1,850,263)	Equity	5,040,781	5,761,770
Provisions and other funds	(469,867)	(499,423)			
NET INVESTED CAPITAL	4,981,646	6,708,679	TOTAL LIABILITIES AND EQUITY	4,981,646	6,708,679

- ❖ The **Net Financial Position** (NFP) is equal to € 0.95 million, up compared to the previous negative value of € 0.06 million (cash positive) at 31 December 2020. This change is justified and is directly related to the investment activities carried out during the first half year 2021. In particular, at 30 June 2021 € 1.08 million was invested for the extension of the FTTH fiber optic network owned in the Municipalities of Capaccio (SA), Trentinara (SA), Ogliastro Cilento (SA), Albanella (SA) and Torchiara (SA). In addition, other resources were invested for the development of the WiFi network, which through the activation of new nodes has reached a supra-regional dimension. These interventions played a fundamental role in increasing market shares and the overall marginality of the TLC BU. At the same time, the Company continued the implementation of proprietary data centers, in order to increase production capacity with dedicated cloud services and the system and the storage and computing capacity of the internal company system. With regard to the increase in intangible capex, during the first half of 2021 the Company capitalized an additional € 70 thousand in R&D, relating to the activities carried out by the internal team aimed at developing new lines of services that will expand the current offer.
- ❖ **Shareholders' equity** amounted to approximately € 5.7 million, an increase compared to € 5.0 million at 31 December 2020.
- ❖ **Net invested capital** at 30 June 2021 is € 6.7 million and shows an increase of € 1.8 million compared to the previous year's value. This change is mainly due to: (i) an increase in fixed assets for € 1.6 million and (ii) an increase in net working capital for € 0.2 million.

Organizational structure



75 employees
as at 30 June 2021

Disclaimer

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Follow us:



Contacts

Investor Relations Convergenze:

Rosario Pingaro

investor@convergenze.it

Investor Relations Consultant:

CDR Communication

Silvia di Rosa

silvia.dirosa@cdr-communication.it

Claudia Gabriella Messina

claudia.messina@cdr-communication.it