INTRED

Telecommunications

Focus on Cash Generation Ahead

Marco Greco
marco.greco@value-track.com
Tommaso Martinacci
tommaso.martinacci@value-track.com

Intred is a telecom and cloud player with a 15,000+ km proprietary next-generation fiber network and a strong foothold in Lombardy, serving over 57k clients across SMEs, wholesale, public entities and, more recently, also households.

FAIR VALUE (€)	**13.10**
MARKET PRICE (€)	**9.08**
MARKET CAP (€mn)	**145.0**

1H26: FTTH-Driven Growth, Adj. EBITDA +6.3%

Intred released the full set of its **1H26 results**, which were healthy and broadly in line with our expectations. Key points include:

- **Revenues** at **€29.3mn** (+5.6% YoY), driven by FTTH connections (+7.7% to €17.4mn), with all segments growing, led by Wholesale (+10.5%) and PA (+8.8%). Recurring fees account for 92% of revenues, supported by a growing base of >59k users (+4.4% YoY) and a proprietary network now exceeding 15,200 km (+6.7% YoY);
- Reported EBITDA at €13.3mn (+4.3% YoY). Net of €260k of uplisting costs, **Adj. EBITDA** reached **€13.5mn** (+6.3% YoY), with margin up to 46.2%. EBIT was flat at €6.4mn and Net Profit edged down to €4.0mn, as higher D&A absorbed the operating improvement;
- **Net Debt** at **€44.1mn**, (1.7x LTM EBITDA) up from €42.1mn at FY25, due to €7.7mn capex, WC absorption and dividend payments.

New 2026E-29E Plan: Focus on cash generation

Alongside 1H26 results, Intred delivered its **2026–2029 Strategic Plan**, which confirms the growth path already embedded in our forecasts. The Plan targets **€72–78mn Revenues and €36–39mn EBITDA by 2029** (margin >49%), with ~€45mn cumulative capex and Net Debt below €4mn, i.e. some **€38mn deleverage** (~25% of current market cap) **in 4 years**. Against this backdrop, we leave FY26E broadly unchanged and slightly raise our estimates from FY27E onwards, supported by a stronger commercial push, cost optimization, and lower tax burden. Consistent with the Plan, the Data Center Project is now excluded from our base case. Thus, by FY29E, we expect: i) VoP growing at 7.5% CAGR FY25A–29E to ~€75.1mn; ii) EBITDA/EBIT growing more than proportionally, i.e. 9.5% and 12.5% CAGR FY25A–29E, with EBITDA-EBIT Margins 2029E at ~49%/27%; iii) Net Debt 2029E down to ~€3mn.

Fair Value at €13.1 p/s (from €13.5)

Our Fair Value moves to €13.1 p/s (from €13.5), as a result of: 1) Upgrade of the core business fair value to €12.1 p/s (from €11.5), driven by slightly improved estimates and higher peer multiples; 2) Removal of the Data Center Project from the valuation. To be more precise, as we believe the DC project is not aborted but only delayed, we cut its fair value by 50% (down to €1.0 p/s, from €1.9), but we're ready to get back to full value when the project will be resumed. Our FV implies 8.8x/7.7x EV/EBITDA FY26E-27E and ~45% upside from current levels. Such fair value is set to rise to €19.0 p/s by FY29E (ex-DC Project), as the Plan delivers EBITDA growth and near-full deleveraging.

KEY FINANCIALS	FY25A	FY26E	FY27E
VALUE OF PRODUCTION	56.3	60.4	65.0
EBITDA	25.5	27.9	30.5
EBIT	12.4	13.8	15.4
NET PROFIT	8.3	8.6	10.3
GROUP NET EQUITY	67.9	74.6	82.9
NET DEBT (-) / NET CASH (+)	-42.1	-41.6	-32.0
EPS ADJ.	0.52	0.54	0.64
DPS	0.12	0.13	0.13

Source: Intred (historical figures), Value Track (estimates)

RATIOS AND MULTIPLES	FY25A	FY26E	FY27E
EBITDA MARGIN (%)	45.4	46.2	47.0
EBIT MARGIN (%)	22.1	22.9	23.7
NET DEBT / EBITDA (x)	1.6	1.5	1.0
NET DEBT / NET EQUITY (x)	0.6	0.6	0.4
ROE (%)	11.5	12.4	13.0
EV / SALES (x)	3.6	3.0	2.7
EV / EBITDA (x)	7.9	6.6	5.7
EV / EBIT (x)	16.2	13.2	11.3
P / E ADJ. (x)	19.2	16.5	14.1

Source: Intred (historical figures), Value Track (estimates)

STOCK DATA	
MARKET PRICE (€)	9.08
NOSH (mn)	16.0
MARKET CAP (€mn)	145.0
ENTERPRISE VALUE FY26E (€mn)	182.9
FREE FLOAT (%)	27.7
AVG L30D VOLUME ('000)	3,888
RIC / BBG	ITD.MI / ITD IM
52 WK MIN - MAX (€)	8.32 - 10.95

Source: Stock Market Data

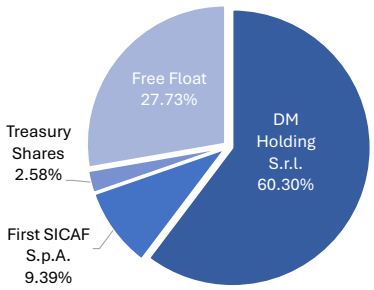
NOT FOR DISTRIBUTION IN OR INTO THE UNITED STATES, CANADA, JAPAN OR AUSTRALIA

Description

Founded in 1996 and headquartered in Brescia, Intred is a vertically integrated, telecom and cloud operator with a strong regional focus in Lombardy. Intred offers a full range of data and voice services through a next-generation proprietary fiber network that now stretches over 15,000 km, serving more than 57k clients across SMEs, public institutions, and residential users, supported by a highly visible revenue model (~90/95% recurring and prepaid), and a churn rate consistently below 5%.

The Company has delivered strong organic growth (backed by >€190mn in network investments) and completed targeted acquisitions (Qcom S.p.A., Connecting Italia S.r.l.), while securing major infrastructure contracts such as the Infratel "School Tenders".

SHAREHOLDER STRUCTURE



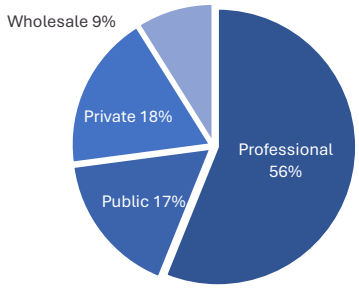
Source: Intred

Financial Highlights

KEY FINANCIALS (IAS/IFRS, €mn)	FY25	FY26E	FY27E	FY28E	FY29E
Value of Production	**56.3**	**60.4**	**65.0**	**69.8**	**75.1**
YoY (%)	*0.8%*	*7.2%*	*7.6%*	*7.5%*	*7.6%*
EBITDA	**25.5**	**27.9**	**30.5**	**33.4**	**36.5**
EBITDA Margin (as a % of VoP)	*45.4%*	*46.2%*	*47.0%*	*47.8%*	*48.6%*
EBIT	**12.4**	**13.8**	**15.4**	**17.6**	**19.9**
EBIT Margin (as a % of VoP)	*22.1%*	*22.9%*	*23.7%*	*25.2%*	*26.6%*
Net Profit	**8.3**	**8.6**	**10.3**	**12.1**	**14.1**
YoY (%)	*20.5%*	*3.6%*	*19.6%*	*17.8%*	*16.3%*
Adj. Net Profit	**8.3**	**8.8**	**10.3**	**12.1**	**14.1**
YoY (%)	*20.5%*	*5.6%*	*17.3%*	*17.8%*	*16.3%*
Net Fin. Position [Net Debt (-) / Cash(+)]	**-42.1**	**-41.6**	**-32.0**	**-18.7**	**-3.0**
Net. Fin. Pos. / EBITDA (x)	*1.6*	*1.5*	*1.0*	*0.6*	*0.1*
Capex	-21.8	-14.0	-12.0	-10.0	-9.0
OpFCF b.t.	**2.0**	**8.6**	**16.9**	**21.2**	**24.0**
OpFCF b.t. / EBITDA (%)	*7.7%*	*30.7%*	*55.4%*	*63.5%*	*65.8%*

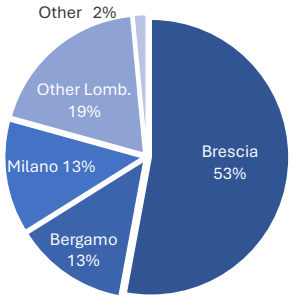
Source: Intred, Value Track Analysis

REVENUES FROM SALES BY CUSTOMER



Source: Intred, FY25

REVENUES FROM SALES BY AREA



Source: Intred, FY25

Investment Case

Strengths / Opportunities

- Fully-owned next-generation fiber network;
- Full-scope portfolio of TLC services with best-in-class performance;
- First mover advantage in Lombardy, a strategic and rich region;
- Scalable business model with high visibility;
- Loyal and diversified customer base;
- Data center expansion and on-network up-selling;
- Disciplined bolt-on M&A opportunities.

Weaknesses / Risks

- Smaller scale vs. national incumbents;
- High SME exposure, making revenues more sensitive to economic swings;
- Managerial dependence;
- Limited M&A track record;
- Fast technology cycles need sustained capex to keep pace with innovation.

STOCK MULTIPLES @ FV	FY26E	FY27E
EV / SALES (x)	4.1	3.6
EV / EBITDA (x)	8.8	7.7
EV / EBIT (x)	17.8	15.3
EV / CAP. EMPLOYED	2.1	2.1
OpFCF Yield (%)	4.9	8.4
P / E (x)	23.9	20.3
P / BV (x)	2.8	2.5
Dividend Yield (%)	1.0	1.0

Source: Value Track

1H26 Financials

On September 24th, Intred reported its **1H26 results**. Particularly, we flag:

- **Value of Production** at **€29.5mn**, up +5.7% YoY (vs. €27.9mn in 1H25);
- **EBITDA** at **€13.3mn**, up +4.3% YoY, with EBITDA Margin at ~45.3% (~-60bps YoY) entirely reflecting one-off costs related to the uplisting project (around €260k); **Adjusted EBITDA** at **€13.5mn** (+6.3% YoY), with Adj. EBITDA Margin up to 46.2% (~+30bps YoY);
- **EBIT** at **€6.4mn**, flat YoY, with EBIT Margin at ~21.8% (~-130bps YoY), and **Net Profit** at **€4.0mn**, broadly in line with €4.1mn in 1H25, as higher D&A (+9.0%) and a higher tax rate (27.7% vs. 26.6%) offset operating gains, while net finance costs were broadly unchanged;
- **Net Debt** at **€44.1mn** (vs. €42.1mn at FY25), with leverage at ~1.7x (based on LTM 1H26 EBITDA), reflecting €7.7mn of capex, a €4.3mn NWC absorption and ~€1.9mn of dividends (€0.95mn paid in 1H26 and a €0.96mn second tranche payable in December); post-period, the €3.2mn partial tender offer on own shares (settled July 17) will weigh on 2H26.

Intred: Key Financials 1H25-1H26

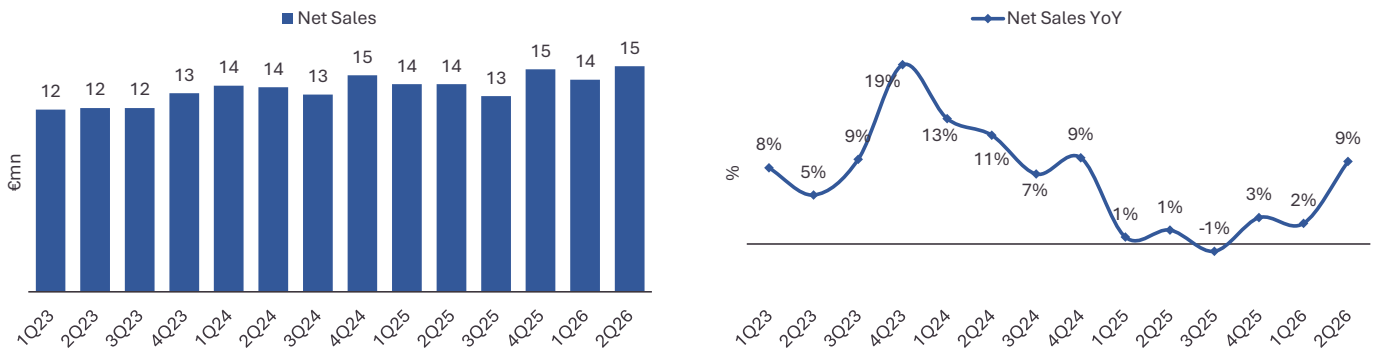
(IAS/IFRS, €mn)	1H25	1H26	YoY
Value of Production	**27.9**	**29.5**	***6%***
EBITDA	**12.7**	**13.3**	***4%***
EBITDA Margin (as a% VoP)	*46%*	*45%*	*-61bps*
EBIT	**6.4**	**6.4**	***0%***
EBIT Margin (as a% VoP)	*23%*	*22%*	*-133bps*
Net Profit	**4.1**	**4.0**	***-2%***
Capex	-12.6	-7.7	*-39%*
NFP [i.e. Net Debt (-) Cash (+)]	**-37.4** (*)	**-44.1**	***-6.7***

Source: Intred, Value Track Analysis; (*) Italian GAAP, not directly comparable

Key takeaways include:

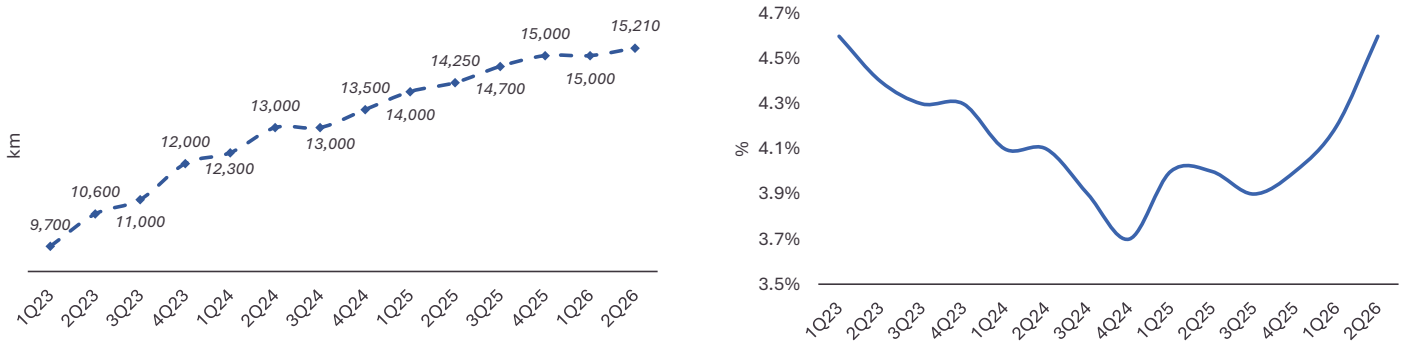
- **Sales Mix & Visibility:** revenues grew +5.6% YoY to €29.3mn, with a clear acceleration in 2Q26 (~+9% YoY vs. +2.0% in 1Q26, when core revenues ex-school tenders grew +6.8% YoY, reflecting the tapering of one-off school-tender revenues and, as flagged at 1Q26, the phase-out of low-margin/non-strategic services following the Connecting Italia integration). As of services, Fibre connections remained the main growth driver at €17.4mn (+7.7% YoY), accounting for ~59% of Sales. By customer mix: (i) Wholesale posted the strongest growth, +10.5% to €2.5mn; (ii) Public Entities +8.8% to €5.4mn; (iii) Private clients +5.0% to €5.2mn; (iv) Professional €16.2mn (+3.8% YoY), still the largest segment (~55% of Sales) but the slowest-growing. Notably, we mention: (i) recurring subscription services accounted for 92.0% of Sales (€27.0mn, ~+5.5% YoY); (ii) revenue churn rate at 4.6% (vs. 4.4% in 1H25), still well below market benchmarks; (iii) data-line users >59k (+4.4% YoY);
- **Cost Structure**: operating costs rose +6.9% YoY to €16.2mn, with personnel costs the largest contributor to the increase (+12.4% to €5.2mn, ~17.6% of Sales vs. ~16.5% in 1H25), while costs for services grew in line with revenues (+5.2%, stable at ~35% of Sales). Excluding one-off uplisting costs, margins still improved YoY;
- **Investments & Network**: 1H26 capex totaled ~€7.7mn (vs. ~€12.6mn in 1H25, ~-40% YoY), mainly focused on strengthening the fibre network infrastructure, upgrading technological equipment and evolving IT and monitoring systems. The proprietary network can be further leveraged to reach new customers through last-mile connections. As of 1H26, the network boasts >15,200 km (+6.7% YoY vs. ~14,250 km at end-1H25).

Intred: Net Sales by Quarters



Source: Intred, Value Track Analysis

Intred: Optic Fiber Network Extension (km) and Churn Rate Trend (%)



Source: Intred, Value Track Analysis

Intred: 1H26 Revenues from Sales by Customers and Area



Source: Intred, Value Track Analysis

Intred: P&L 1H25-1H26

(IAS/IFRS, €mn)	1H25	1H26	YoY
Value of Production	**27.9**	**29.5**	***6%***
Raw Materials (incl. Δ Inventory)	-0.5	-0.4	*-26%*
Costs of Services	-9.8	-10.3	*5%*
Use of 3rd Party Assets	0.0	0.0	*nm*
Other Costs	-0.2	-0.4	*43%*
Gross Profit (VA)	**17.3**	**18.4**	***6%***
Gross (VA) Margin (as a% VoP)	***62%***	***63%***	***44bps***
Labour Costs	-4.6	-5.2	*12%*
EBITDA	**12.7**	**13.3**	***4%***
EBITDA Margin (as a% VoP)	***46%***	***45%***	***-61bps***
D&A	-6.3	-6.9	*9%*
EBIT	**6.4**	**6.4**	***0%***
EBIT Margin (as a% VoP)	***23%***	***22%***	***-133bps***
Total Fin Exp.	-0.8	-0.8	*-1%*
Pre-Tax Profit	5.6	5.6	*0%*
Taxes	-1.5	-1.5	*4%*
Net Profit	**4.1**	**4.0**	***-2%***
Net Margin (as a% VoP)	***15%***	***14%***	***-105bps***

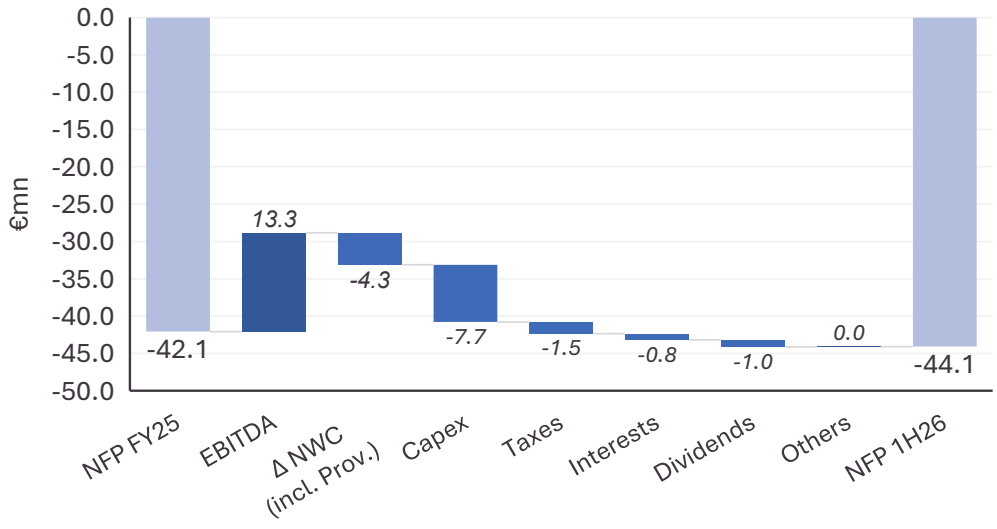
Source: Intred, Value Track Analysis

Intred: Balance Sheet from 1H25 to 1H26

(IAS/IFRS, €mn)	1H25	FY25	1H26
Net Working Capital	-37.7	-34.3	-30.6
As a % of VoP	*-68%*	*-61%*	*-52%*
Net Fixed Assets	139.3	145.9	146.2
Provisions	2.5	1.6	1.6
Total Capital Employed	**99.0**	**110.0**	**114.1**
Group Net Equity	**61.6**	**67.9**	**70.0**
NFP [i.e. Net Debt (-) Cash (+)]	**-37.4** (*)	**-42.1**	**-44.1**

Source: Intred, Value Track Analysis; (*) Italian GAAP, not directly comparable

Intred: Cash Flow 1H26



Source: Intred, Value Track Analysis

2026-2029 Strategic Plan

Intred has presented its **new 2026-2029 Strategic Plan**, which supersedes the previous 2024-2027 plan and related guidance. The new plan excludes the Data Center project, whose launch has been postponed due to longer-than-expected permitting and administrative procedures, although the company confirms its willingness to go on with it. The plan focuses on organic growth and cash generation, alongside greater operating efficiency. The main financial targets are:

- **Revenues**: expected to increase from €55.8mn in 2025 to €72-78mn in 2029 – implying a high-single-digit CAGR – supported by further leveraging the proprietary fibre network through last-mile connections, strengthening the company's presence in provinces already covered, developing the PA segment through contract renewals and new tenders, and gradually expanding the wholesale offering;
- **EBITDA**: expected to rise from €25.5mn in 2025 to €36-39mn in 2029, with EBITDA Margin to increase from 45.8% in 2025 to >49% in 2029, thanks to a review of operating processes aimed at increasing efficiency and productivity, including through the use of AI tools and the contribution of a dedicated team of four software developers;
- **Net Debt**: expected to decline from €42.1mn in 2025 to <€4mn by 2029. The plan assumes around €45mn of cumulative capex over 2026-2029, at levels below the past, and dividend distributions consistent with recent years. It does not envisage additional financing or the issuance of new debt instruments over the plan period, while existing debt will follow its contractual amortisation schedule.

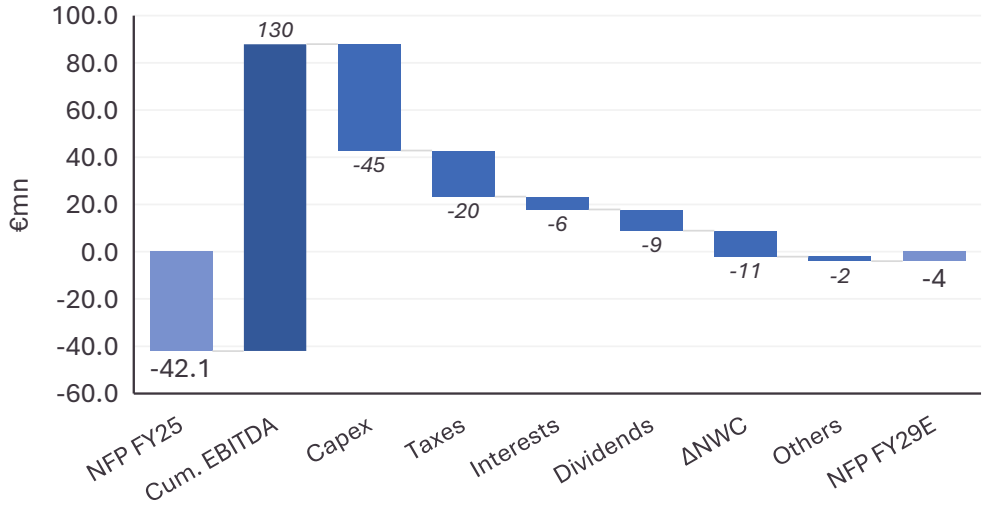
Intred: New Strategic Plan FY26E-FY29E

(IAS/IFRS, €mn)	FY25	FY26E	FY27E	FY28E	FY29E	$CAGR_{FY25-29E}$
Revenues	**55.8**	**58-61**	//	//	**72-78**	***6.6%-8.7%***
EBITDA	**25.5**	**26-29**	//	//	**36-39**	***9.0%-11.2%***
EBITDA Margin (as a % of Revenues)	*45.8%*	*>46%*	//	//	*>49%*	*+300bps*
NFP [i.e. Net Debt (-) Cash (+)]	**-42.1**	//	//	//	**<-4**	***~+38***
Cumulative Capex			~45			

Source: Intred

Based on the targets disclosed by the company, we have built an illustrative cash flow bridge to assess how cumulative EBITDA generation over 2026-2029 could translate into the targeted deleveraging.

Intred: Illustrative Net Debt Bridge FY25-FY29E implied from B. Plan targets



Source: Intred, Value Track Analysis

FY26E-29E Estimates Update

Following 1H26 results and the presentation of the 2026–2029 Strategic Plan, we fine-tune our estimates. While our previous forecasts were already well aligned with the new guidance, we revise them slightly upwards from FY27E onwards and introduce FY29E, previously not covered. Most notably, consistent with the new Plan, we remove the data center project from our base case, as its start has been postponed due to longer authorization procedures, although the Company has confirmed its intention to proceed with it. In particular, we highlight:

- **VoP** unchanged in FY26E and revised slightly upwards from FY27E, reflecting continued FTTH-driven growth, a stronger commercial push in the provinces already covered, and further expansion of the PA and wholesale segments;
- **EBITDA and EBIT** broadly confirmed in FY26E and marginally revised upwards thereafter, supported by top-line growth and the cost optimization initiatives outlined in the Plan (process review, AI tools and an in-house software team). The EBIT upgrade is more pronounced, as lower capex translates into a lighter D&A burden;
- **Net Profit** revised upwards more markedly (~+10% in FY27E and ~+16% in FY28E), driven not only by the operating upgrade but also by a lower tax rate assumption, in light of the tax rate reported in 1H26;
- **Capex** materially reduced following the exclusion of the data center project, and now in line with the ~€45mn cumulative 2026–2029 envelope indicated by the Company, mainly devoted to FTTH network development and IT systems;
- **Net Financial Position** broadly in line in FY26E, but significantly improved from FY27E onwards. M&A remains a potential upside lever, more likely after the uplisting, and is still excluded from our base case.

Intred: New vs. Old Estimates

New vs Old	FY26E			FY27E			FY28E			FY29E		
	Old	New	Change	Old	New	Change	Old	New	Change	Old	New	Change
Value of Production	**60.4**	**60.4**	***0%***	**63.4**	**65.0**	***2%***	**67.1**	**69.8**	***4%***	//	**75.1**	//
EBITDA	**28.0**	**27.9**	***0%***	**30.1**	**30.5**	***2%***	**32.4**	**33.4**	***3%***	//	**36.5**	//
EBITDA Margin (%)	*46%*	*46%*	*-10bps*	*47%*	*47%*	*-40bps*	*48%*	*48%*	*-57bps*	//	*49%*	//
EBIT	**13.9**	**13.8**	***0%***	**15.3**	**15.4**	***1%***	**16.4**	**17.6**	***7%***	//	**19.9**	//
EBIT Margin (%)	*23%*	*23%*	*-10bps*	*24%*	*24%*	*-40bps*	*24%*	*25%*	*73bps*	//	*27%*	//
Net Profit	**8.3**	**8.6**	***4%***	**9.4**	**10.3**	***10%***	**10.4**	**12.1**	***16%***	//	**14.1**	//
Capex	-16.0	-14.0	*2.0*	-32.0	-12.0	*20.0*	-15.0	-10.0	*5.0*	//	-9.0	//
Net Financial Position	**-39.9**	**-41.6**	***-1.6***	**-44.7**	**-32.0**	***12.6***	**-42.9**	**-18.7**	***24.2***	//	**-3.0**	//

Source: Value Track Analysis

Here's a snapshot of our **FY26E–FY29E forecasts**:

- **Top-line growth remaining solid**, with VoP expected to rise from €56.3mn in FY25 to €75.1mn by FY29E (~7.5% CAGR), at the midpoint of the €72–78mn guidance range;
- **Operating profitability steadily improving**, with EBITDA expected to increase from €25.5mn to €36.5mn over the same period (~9.5% CAGR), and the EBITDA Margin expanding from 46% to ~49%. EBIT is projected to grow from €12.4mn to €19.9mn (~12.5% CAGR), with the EBIT Margin rising from 22% to ~27%;
- **Strong cash generation**, with the Company expected to remain cash generative over the whole plan horizon. Net Debt is expected to decline from €42.1mn in FY25 to ~€3mn by end-FY29E, i.e. almost Net Cash, in line with the <€4mn guidance and after assuming a dividend distribution consistent with previous years.

Intred: P&L FY25A-FY29E

(IAS/IFRS, €mn)	FY25	FY26E	FY27E	FY28E	FY29E	$CAGR_{FY25-29E}$
Value of Production	**56.3**	**60.4**	**65.0**	**69.8**	**75.1**	***7%***
Raw Materials (incl. Δ Inventory)	-0.8	-0.9	-1.0	-1.0	-1.1	*8%*
Costs of Services	-20.2	-21.3	-22.7	-24.4	-26.3	*7%*
Other Costs	-0.6	-0.7	-0.7	-0.8	-0.8	*8%*
Gross Profit (VA)	**34.7**	**37.5**	**40.6**	**43.6**	**46.9**	***8%***
Gross (VA) Margin (% on VoP)	*62%*	*63%*	*63%*	*63%*	*63%*	*40bps*
Labour Costs	-9.2	-9.6	-10.0	-10.2	-10.4	*3%*
EBITDA	**25.5**	**27.9**	**30.5**	**33.4**	**36.5**	***9%***
EBITDA Margin	*46%*	*46%*	*47%*	*48%*	*49%*	*295bps*
D&A	-13.1	-14.1	-15.1	-15.8	-16.5	*6%*
EBIT	**12.4**	**13.8**	**15.4**	**17.6**	**19.9**	***13%***
EBIT Margin	*22.3%*	*23%*	*24%*	*25%*	*27%*	*435bps*
Total Fin Exp.	-1.6	-1.3	-1.1	-0.8	-0.4	*-30%*
Pre-Tax Profit	**10.8**	**11.9**	**14.3**	**16.8**	**19.6**	***16%***
Taxes	-2.5	-3.3	-4.0	-4.7	-5.5	*21%*
Net Profit	**8.3**	**8.6**	**10.3**	**12.1**	**14.1**	***14%***
Net Margin (%)	*15%*	*14%*	*16%*	*17%*	*19%*	*393bps*

Source: Intred, Value Track Analysis

Intred: Balance Sheet FY25A-FY29E

(IAS/IFRS, €mn)	FY25	FY26E	FY27E	FY28E	FY29E
Net Working Capital	-34.3	-28.4	-26.6	-24.2	-20.5
As a % of VoP	*-61%*	*-47%*	*-41%*	*-35%*	*-27%*
Net Fixed Assets	145.9	146.7	143.9	138.4	131.1
Provisions	1.6	2.1	2.3	2.6	2.8
Total Capital Employed	**110.0**	**116.2**	**114.9**	**111.6**	**107.8**
Group Net Equity	**67.9**	**74.6**	**82.9**	**92.9**	**104.8**
NFP [i.e. Net Debt (-) Cash (+)]	**-42.1**	**-41.6**	**-32.0**	**-18.7**	**-3.0**

Source: Intred, Value Track Analysis

Intred: Cash Flow Statement FY25A-FY29E

(IAS/IFRS, €mn)	FY25	FY26E	FY27E	FY28E	FY29E
EBITDA	25.5	27.9	30.5	33.4	36.5
Δ Net Working Capital	-3.9	-5.8	-1.8	-2.4	-3.7
Capex	-21.8	-14.0	-12.0	-10.0	-9.0
Δ Provisions	2.2	0.5	0.2	0.2	0.2
OpFCF b.t.	**2.0**	**8.6**	**16.9**	**21.2**	**24.0**
As a % of EBITDA	*8%*	*31%*	*55%*	*63%*	*66%*
Cash Taxes	-2.5	-3.3	-4.0	-4.7	-5.5
OpFCF a.t.	**-0.5**	**5.2**	**12.9**	**16.5**	**18.5**
Others (incl. Fin. Investments)	-2.6	-1.3	0.0	0.0	-0.1
Net Financial Charges	-1.6	-1.5	-1.4	-1.0	-0.6
Dividends Paid	-1.6	-1.9	-2.0	-2.1	-2.2
Δ Net Financial Position	**-6.4**	**0.5**	**9.5**	**13.3**	**15.7**

Source: Intred, Value Track Analysis

Valuation

Fair Equity Value at €13.1 p/s

We set our Fair Value at €13.1 p/s (from €13.5). The upgrade of the core business, driven by the rerating of peer multiples and our revised estimates, is more than offset by a more prudent treatment of the Data Center Project, which we now include at a 50% discount.

We remind that for Intred's valuation, we adopt a Sum-of-the-Parts (SOTP) framework, which treats each asset cluster as a distinct contributor within the Company perimeter. This approach is particularly suitable for Intred, as it captures the different maturity stages, risk-return profiles, and cash-flow visibility of its core business and new growth initiatives.

The analysis is structured along two blocks:

- **Core Perimeter** (existing business, fully reflected in our base case estimates): valued through market multiples, benchmarked against a panel of European TLC operators of comparable size and profile. Applying peer average multiples (15.9x / 12.6x EV/EBIT, 28.2x / 18.8x P/E, 16.4x / 11.3x EV/(EBITDA-Capex)) to Intred's FY26E–FY27E metrics yields a fair equity value of €12.1 p/s (from €11.5). To validate the outcome, we also ran intrinsic-value cross-checks through a DCF;
- **Data Center Project**: assessed via a standalone DCF, which best captures the long-dated, back-ended cash-flow profile of this initiative. Although the project is no longer included in the 2026–2029 Strategic Plan, nor in our estimates, the Company has confirmed its intention to proceed with it. We therefore keep it in our SOTP, but apply a 50% discount to reflect the uncertainty on timing and execution, including the expiry of the conditions precedent under the preliminary land agreement. This results in a risk-adjusted contribution of ~€1.0 p/s (from €1.9/€2.0).

1# Intred Base Case Valuation (ex-DC Project)

Peers Analysis

Peers Selection

The peer group now includes **seven operators**, predominantly Italian, with listings mainly on domestic mid-cap venues (EGM, STAR and Euronext Milan), **plus one German name**.

Overall, peers remain somewhat larger than Intred, though not by an order of magnitude, and still provide a relevant benchmark in terms of infrastructure intensity, regional footprint and SME exposure.

We continue to anchor our comparison to **FY26E–FY27E multiples**, which we still view as the most appropriate basis for benchmarking Intred against steady-state peers. Our relative valuation therefore continues to rely on EV/EBIT, P/E and EV/(EBITDA–Capex). Consistently with our estimates, the Data Center Project is excluded from this perimeter, so as to isolate the value of Intred's core business.

Stock Market Multiples Benchmark

The peer set now trades at **15.9x / 12.6x EV/EBIT, 28.2x / 18.8x P/E and 16.4x / 11.3x EV/(EBITDA-Capex)** on **FY26E-FY27E**, reflecting a further rerating vs. our previous report. Dispersion remains meaningful, with premium names such as WIIT and 1&1 trading at materially higher multiples, while Convergenze and Unidata continue to anchor the low end of the range.

We continue to apply peer averages without additional discounts, as the set already includes small-cap and EGM-listed operators trading at structural discounts, which we view as sufficiently conservative.

Applying these updated benchmarks to Intred's FY26E-FY27E figures yields a fair equity value of **€12.1 p/s** for the core perimeter.

Since our IOC (end-September 2025), the peer group has rerated sharply, with FY26E EV/EBITDA up across all names. This was driven by a mix of higher share prices and lower earnings expectations: FY26E EBITDA was cut for six of seven peers, materially so for the smaller ones, and in some cases (Planetel, Convergenze) multiples expanded even as share prices fell. Intred moved the other way. Its FY26E estimates are broadly unchanged and backed by the new Plan, yet the stock is ~5% lower and its FY26E EV/EBITDA has contracted. We see this de-rating as not reflected in estimate revisions, and it may rather reflect the uncertainty on the DC Project.

Intred (excl. DC Project): Peers Trading Multiples

Peers	Market Cap. (€mn)	EV/EBIT (x)		P/E (x)		EV/(EBITDA-Capex) (x)	
		FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Unidata	106.4	8.5	7.5	12.8	9.5	10.3	8.3
Planetel	25.7	15.9	10.3	28.5	13.5	23.1	6.5
Convergenze	12.4	6.3	4.7	8.1	6.4	6.8	5.0
Telecom Italia	16,164.3	16.1	13.7	39.3	25.6	9.9	8.7
1&1	4,294.9	21.8	18.1	26.7	19.5	24.8	18.3
WIIT	751.3	25.4	20.1	48.5	31.6	21.2	17.9
DHH	144.6	17.6	13.8	33.2	25.1	19.0	14.6
Average	**3,071.4**	**15.9**	**12.6**	**28.2**	**18.8**	**16.4**	**11.3**
Median	**144.6**	**16.1**	**13.7**	**28.5**	**19.5**	**19.0**	**8.7**
Intred (excl. DC Project)	**145.0**	**13.2**	**11.3**	**16.9**	**14.1**	**13.2**	**9.3**
Discount vs. Average (%)	*//*	*-17%*	*-11%*	*-40%*	*-25%*	*-20%*	*-18%*

Source: Factset, Value Track Analysis

Intred (ex-DC Project): Multiples-Based Valuation Triangulation, FY26E–FY27E

(€mn)	EV/EBIT (x)		P/E (x)		EV/(EBITDA-Capex) (x)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Fair Multiples (Average)	15.9	12.6	28.2	18.8	16.4	11.3
Fair Enterprise Value	220.4	194.2			228.5	210.1
NFP [i.e. Net Debt (-) Cash (+)	-41.6	-32.0			-41.6	-32.0
EV Adjustments (*)	3.7	3.7			3.7	3.7
Fair Equity Value	**182.6**	**165.9**	**242.2**	**192.8**	**190.6**	**181.8**
Number of Shares (mn)	16.0					
Fair Equity Value p/s (€)	**11.4**	**10.4**	**15.2**	**12.1**	**11.9**	**11.4**
Avg. Fair Equity Value p/s (€)	**12.1**					

Source: Value Track Analysis; (*) Referring to Treasury Shares

Intred (ex-DC Project): Multiples Sensitivity at Various Stock Price Levels

Fair Equity Value p/s (€)	EV/EBITDA (x)		EV/EBIT (x)		P/E (x)		EV/(EBITDA-Capex) (x)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
11.50	7.9	6.9	16.0	13.8	21.0	17.9	15.9	11.4
11.70	8.1	7.0	16.3	14.0	21.3	18.2	16.2	11.6
11.90	8.2	7.2	16.5	14.2	21.7	18.5	16.4	11.8
12.10	**8.3**	**7.3**	**16.7**	**14.4**	**22.0**	**18.8**	**16.6**	**11.9**
12.30	8.4	7.4	17.0	14.6	22.4	19.1	16.9	12.1
12.50	8.5	7.5	17.2	14.8	22.8	19.4	17.1	12.3
12.70	8.6	7.6	17.4	15.0	23.1	19.7	17.3	12.5

Source: Value Track Analysis

Cross-Check: Discounted Cash Flow

As a cross-check, we run a DCF for Intred excluding the Data Center Project.

Unlike market-based approaches, the DCF projects and discounts future FCF under two capital-structure setups:

(i) Fixed leverage profile assuming a 10% target Net Debt / (Net Debt + Equity) ratio;

(ii) Rolling profile that adjusts annually with the forecasted evolution of capital employed.

Both frameworks are analytically robust and produce outcomes broadly consistent with market-realistic benchmarks, capturing a sustained FCF generation from FY26E onwards as capex normalizes towards ~€9–12mn per year.

On this basis, the DCF yields an average fair equity value of **€14.5 p/s** (range €14.1–€14.9, depending on capital-structure assumptions), above the €12.1 p/s estimate from peer multiples.

Going into more details, our DCF applies two WACC configurations:

- **Fixed WACC** at **7.9%**, assuming 10% target leverage;
- **Rolling WACC** at **7.2%-8.1%**, adjusted annually as the capital structure evolves.

Forecasts span FY26E-FY36E, with terminal value calculated at FY36E using a 3.0% perpetual growth rate, appropriate for Intred's infrastructure model, capital intensity, regional scope, and long-duration cash flows. In both cases, the terminal value accounts for ~70% of EV, reflecting value concentration in post-capex years.

The WACC derives from a CAPM-based approach with the following inputs:

(i) 2.0% Risk-Free Rate, in line with the ECB's long-term inflation objective;

(ii) 4.95% Equity Risk Premium (ERP) for the Italian market;

(iii) Unlevered Beta of 0.53 (source: *Damodaran*), i.e., sector exposures (EU Telecommunication Services);

(iv) 3.5% company-specific risk premium, incorporated via an Expanded CAPM framework tailored for small-cap equities;

(v) Resulting Cost of Equity (K_e) and Cost of Debt (K_d) equal to 8.4%-9.2% and 4.75%, respectively.

Under a target capital structure with 10% leverage, the implied fair equity value stands at €14.9 p/s; under the rolling structure, it is slightly lower at €14.1 p/s.

Intred (ex-DC Project): DCF Model with Rolling / Target WACC

(€mn, g=3%)	Rolling WACC	Target WACC
PV of Future Cash-Flows 2026E-2036E	68.4	68.7
PV of Terminal Value 2036E	198.3	211.0
Fair Enterprise Value	**266.7**	**279.6**
Net Fin. Position 2025A	-42.1	
EV Adjustments (*)	0.5	
Fair Equity Value	**225.0**	**238.0**
Number of Shares (mn)	16.0	
Fair Equity Value p/s (€)	**14.1**	**14.9**

Source: Value Track Analysis; (*) Referring to Treasury Shares as of FY25

2# Data Center Project Valuation

Discounted Cash Flow

Although the Data Center Project has been excluded from the 2026–2029 Strategic Plan, the Company has confirmed its intention to proceed with it, and we therefore continue to include it in our SOTP. We keep our standalone DCF unchanged, as the underlying business plan remains a sound reference for the project's economics. However, given the lack of visibility on timing, authorizations and site, we apply a **50% discount to its fair value**.

The model spans FY27E-FY37E and applies a rolling WACC ranging from 7.3% to 8.1%, gradually increasing as leverage declines and the project becomes progressively self-financed.

Our DCF analysis indicates a **fair equity value of €1.9 p/s, which becomes ~€1.0 p/s after the 50% discount**, integrated into our overall valuation through the Sum-of-the-Parts framework.

Our key DCF assumptions include:

- Risk-Free Rate: 2.0%, consistent with the ECB's medium-term inflation target;
- Unlevered Beta: 0.53, in line with EU Telecommunications Services (Source: Damodaran);
- Italy Implied Equity Risk Premium: 4.95%;
- Company-Specific Risk Premium: 3.5% (small cap + low liquidity);
- Pre-Tax Cost of Debt: 4.75%, with a Corporate Tax Rate of 24.0%.

Intred: DC Project's DCF Model with Rolling WACC

(€mn)	g = 3.0%
PV of Future Cash-Flows 2027E-2037E	-11.1
PV of Terminal Value 2037E	41.8
Fair Equity Value	**30.8**
Number of Shares (mn)	16.0
Fair Equity Value p/s (€) – Pre Discount	**1.9**
Discount Applied	*50%*
Fair Equity Value p/s (€)	**1.0**

Source: Value Track Analysis

Fair Value Set to Rise as Deleveraging Unfolds

To assess the value accretion embedded in the 2026–2029 Strategic Plan, we ran a **Rolling Valuation** of Intred's core perimeter. Consistently with our base case, it excludes the Data Center Project. With capex normalising towards €9–12mn per year and no new debt envisaged, the plan relies on two self-funded levers: EBITDA growth (from €27.9mn in FY26E to €36.5mn in FY29E) and rapid deleveraging (Net Debt from €41.6mn to ~€3mn).

1# Rolling Valuation

We applied a constant EV/EBITDA multiple to Intred's FY26E–FY29E financial bridge under two scenarios:

- **Target Multiple.** We apply our target EV/EBITDA multiple (8.3x). On this basis, the implied equity value points to €12.1 p/s in FY26E (~+30% vs. the current share price of €9.08) and €19.0 p/s in FY29E (+100%);
- **Current Multiple.** Assuming Intred keeps trading at around 6.5x EV/EBITDA, i.e. its current multiple, the rolling framework still implies €14.9 p/s by FY29E (~+70% vs. €9.08). This is well above today's price even with no rerating.

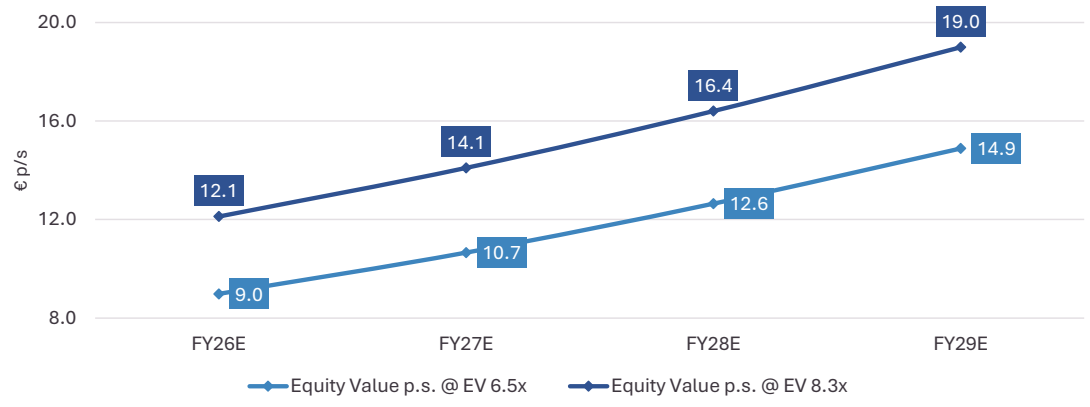
Under the Current Multiple scenario, the ~€5.9 p/s uplift over FY26E–FY29E comes ~60% from EBITDA growth and ~40% from deleveraging alone, limiting exposure to top-line execution risk. We view the constant-multiple assumption as prudent: as capex declines, the implied EV/(EBITDA–Capex) keeps falling, making a rerating a natural outcome of the plan.

Intred: Rolling Valuation

Rolling Multiple Valuation	Target Multiples				Current Multiples			
	FY26E	FY27E	FY28E	FY29E	FY26E	FY27E	FY28E	FY29E
Fair EV/EBITDA (x)	8.3	8.3	8.3	8.3	6.5	6.5	6.5	6.5
Fair Enterprise Value (€mn)	**231.5**	**253.5**	**277.0**	**302.7**	**181.3**	**198.5**	**216.9**	**237.1**
Net Financial Position (€mn)	-41.6	-32.0	-18.7	-3.0	-41.6	-32.0	-18.7	-3.0
Adjustments to EV (€mn)	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7
Fair Equity Value (mn)	**193.7**	**225.2**	**262.0**	**303.4**	**143.4**	**170.2**	**201.9**	**237.7**
Number of Shares (mn)	16.0							
Fair Value p/s (€)	**12.1**	**14.1**	**16.4**	**19.0**	**9.0**	**10.7**	**12.6**	**14.9**

Source: Factset, Value Track Analysis

Intred: Rolling Valuation



Source: Factset, Value Track Analysis

Appendix #1: Intred Investment Case

Intred's Investment Case relies on several noteworthy pillars:

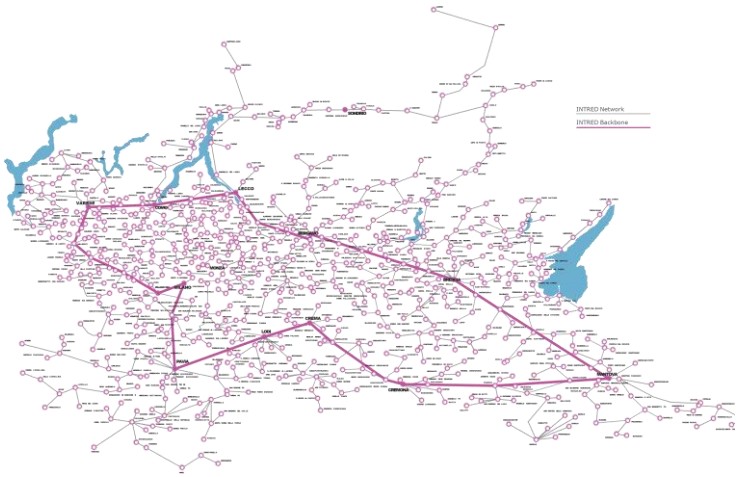
1. **Fully-Owned Next-Generation Infrastructure**: proprietary fiber network designed to deliver superior performance, resilience, and scalability;
2. **Strong Market Share in Strategic Territories**: established presence in Lombardy's most dynamic provinces, leveraging first-mover advantage and strong brand awareness;
3. **Loyal and Diversified Customer Base:** Intred has steadily expanded its customer base, surpassing **59k users** with data lines as of June 2026, with a structurally **low churn rate (4.6% in 1H26);**
4. **High Visibility and Lean Operating Structure**: predictable revenues, efficient operations, and a customer-centric approach supported by a localized and agile organization;
5. **Growth strategy based on both organic and M&A levers**.

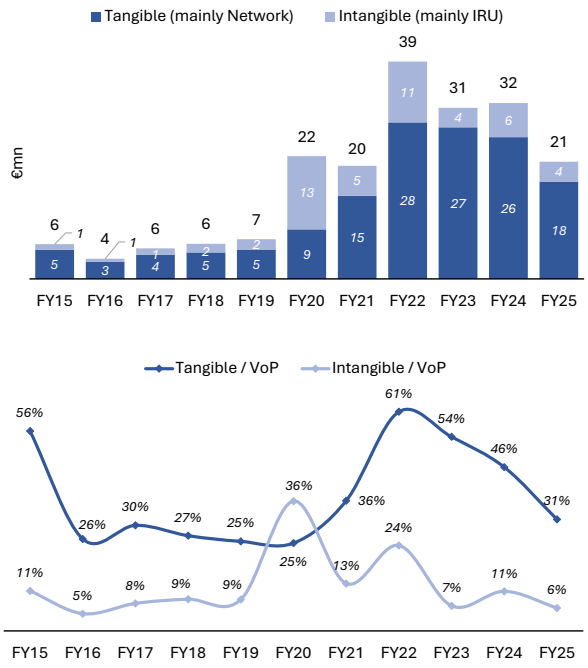
1. Fully-Owned Next-Generation Infrastructure

More than €190mn cumulated infrastructure investments (mainly in FTTH deployment across Lombardy), have enabled Intred to rely on a proprietary fiber-based network, which today represents the foundation of its competitive edge. The network stands at ~15,210 km as of end of June 2026 (+6.7% YoY) and is characterized by:

- **Cutting Edge Technology**: designed to the highest standards of modernity and performance to deliver ultrabroadband connectivity at scale;
- **Capillarity**: a capillary distribution across Lombardy with strong geographical and equipment redundancy, including rural areas often overlooked by larger operators;
- **Resilience and Continuity**: full ownership and direct management also translate into faster and more efficient maintenance, supported by a qualified technical staff and a network operations center that continuously monitors performance and carries out preventive maintenance to minimize disruptions;
- **Versatility**: a network designed to serve both SMEs and residential customers, allowing faster return on investment for each local deployment and maximizing asset utilization.

Intred: Network and Backbone Map, Capex and Incidence on Top Line Evolution





Source: Intred, Value Track Analysis

2. Strong Market Share in Strategic Territories

Intred boasts a deliberate focus on Lombardy, Italy's economic powerhouse. Concentrating operations within this well-defined perimeter has delivered clear competitive benefits, supported by a strong local brand awareness built over time:

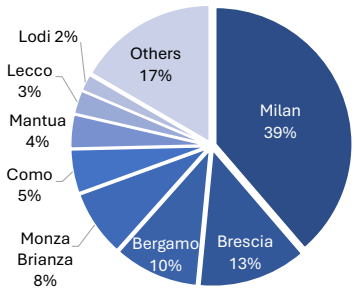
- **Economic Potential**: Lombardy contributes ~23% of Italy's GDP (~€490bn), representing the first region for contribution. It also accounts for ~30% of all Italian active companies (~800k), making it the ideal market for Intred's SME-driven model;
- **Efficient Resource Allocation**: a localized footprint enables rational deployment of capital, faster infrastructure roll-out, and direct customer service tailored to regional needs.

  Limiting operations to a defined perimeter allows Intred to monitor investments more effectively and maintain closer relationships with its customer base;
- **First Mover Advantage**: while national incumbents concentrate on Tier 1 cities, Intred penetrates underserved provincial areas where ultrabroadband adoption is still at an early stage.

  This strategy has consolidated its market share and built strong brand awareness across Brescia, Bergamo, and Milan, reinforcing its role as the regional reference operator.

Intred: Active Companies in Lombardy vs. Italy

Geographical Area	Population (mn)	Active Companies (k)
Milan	> 3.24	> 300
Brescia	> 1.26	> 100
Bergamo	> 1.11	> 80
Como and Lecco	> 0.93	> 60
Monza Brianza	> 0.87	> 60
Lombardy	**> 10**	**> 800**
Italy	**> 59**	**> 2,650**



Source: Intred, Value Track Analysis

3. Loyal and Diversified Customer Base

Intred has steadily expanded its customer base, **reaching >57k active clients as of December 2025** and exceeding 59k users with data lines as of June 2026 (+4.4% YoY), adding on average more than 4k accounts per year since FY15.

Even more importantly, we calculate that the annual average revenue per user (or "**ARPU**") has consistently increased from ~€700 in FY15 to **~€1,000 in FY25**, reflecting Intred's stronger positioning in advanced technological solutions and its ability to monetize infrastructure investments through premium services.

The customer base is **highly fragmented yet remarkably loyal**, boasting a very low **churn rate consistently below 5%** (4.4% in FY25 and 4.6% in 1H26).

More in details, we can distinguish the following types of clients:

- **Professional** (56.1% of FY25 Revenues from Sales): mainly SMEs in Lombardy, acquired through a direct sales force.

  Contracts typically have fixed terms with automatic renewal: one year for less complex services (e.g. ADSL), and three to five years for FTTH connections given the upfront investments required;
- **Private** (18.2%): individuals and families, acquired through online subscriptions and distributors. Contracts have an indefinite duration, as required by law.

  The residential offer, launched in 2012 under the "EIR" brand, unlocked an additional growth lever and enabled substantial margin expansion by exploiting existing infrastructure with limited incremental cost;

- **Wholesale** (8.9%): other telecom operators renting access to Intred's proprietary network.

  These agreements usually have an indefinite term for simpler services and three years for fiber-based services;
- **Public Entities** (16.8%): primarily schools under the Infratel tenders (+4,400 activated as of FY24), as well as other public administrations in Lombardy.

  Customer acquisition is driven by public tenders or direct assignment.

4. High Visibility and Lean Operating Structure

Beyond its infrastructure and geography, Intred benefits from a business model designed for visibility and efficiency. Its strength lies in:

- **Recurring Revenues**: > 90% of turnover is generated from recurring fees and traffic revenues, ensuring stable cash inflows.

  This predictability allows for efficient financial control and disciplined planning of future development initiatives;
- **Contractual Visibility**: contracts typically cover a medium-to-long-term horizon, averaging three years (longer for FTTH connections), anchoring revenues and supporting consistent investment strategies over time;
- **Lean and Agile Organization**: Intred's operations are structured across clearly defined functions, each contributing to efficiency and customer satisfaction:
  - **Research & Development**: core cross-functional driver of **technological innovation**, with significant resources allocated to internal teams, vendor collaborations (e.g., Cisco, Huawei), and external consultants. The in-house team of four software developers is now also tasked with evolving IT systems, including through AI-based tools;
  - **Feasibility Analysis**: the Company adopts a flexible "**make-or-rent**" approach. For medium- and long-distance routes, it may rely on third-party networks through IRU agreements, while in other cases it invests directly in its own access network to ensure higher margins, quality, and control;
  - **Network Development**: if the decision is to "make," Intred deploys the network through internal teams or selected contractors.

    If the choice is "rent," the Company utilizes IRUs from third parties, ensuring optimal efficiency in capital allocation;
  - **Sales & Marketing**: while SMEs are served through a dedicated, highly skilled sales force with annual targets and a strong focus on building long-term relationships, Residential clients are reached through online channels, telephone sales, and trusted partner retailers (mainly multi-brand telecom shops), widely distributed in core provinces;
  - **Customer Care**: assistance is managed internally through a **dedicated call center**, ensuring higher quality and faster response times compared to outsourced models.

    The Company's regional focus further supports personalized and effective customer service.

5. Growth strategy based on both organic and M&A levers

Intred's growth strategy rests on the following company-specific vectors:

1. **On-net network migration** - Structured Upselling;
2. **M&A-Led On-Net Revenue Capture** - Customer Migration at Scale;
3. **Data Center Project** - Cloud & Edge Infrastructure.

The 2026–2029 Strategic Plan focuses on the first one, targeting organic growth and cash generation with ~€45mn cumulative capex, below historical levels.

1. On-net network migration

With the proprietary network now largely in place, Intred aims to connect and enrich the installed base, raising utilization, and translating infrastructure into durable, higher-margin recurring revenue.

The commercial playbook prioritizes on-net upselling: migrating legacy ADSL/FTTC to FTTH ultrabroadband, stepping customers up in speed tiers, and bundling fixed-line telephony and voice & data with value-added services. This is complemented by:

- the extension of the last mile to reach new clients along the existing network;
- a larger sales force and stronger marketing in the provinces already covered;
- the renewal of expiring school contracts and participation in new public tenders;
- the progressive expansion of the wholesale offer to other operators.

2. M&A-Led On-Net Revenue Capture

Intred's M&A agenda has historically been selective and industrial, aimed at accelerating on-net utilization, densifying the customer base in Lombardy, and lifting margins by migrating acquired traffic from leased infrastructure to Intred's proprietary fiber. This philosophy underpinned prior bolt-ons: most notably Qcom (FY20) and Connecting Italia (FY24).

Looking ahead, we view bolt-on M&A as a disciplined lever to accelerate on-net utilization, deepen SME/PA reach in Lombardy, and compound margin by migrating acquired traffic to Intred's fiber. The upcoming uplisting to Euronext Milan (STAR segment) could further support this lever by enhancing visibility and access to capital.

In our "M&A added" model (not the Company's guidance and not included in our base case), we envisage roughly one ~€10mn-revenue acquisition per year post-uplisting. These would be priced at mid-single-digit EV/EBITDA with earn-outs tied to migration and retention milestones, targeting asset-light ISPs/MSPs with dense customer books and limited proprietary network in complementary catchments.

In this scenario, value creation comes from rapid on-net migration over 12–24 months and structured upsell of speed tiers, voice & data, and managed services, lifting entry EBITDA margins of ~10% toward ~20% by year two.

3. Data Center Project

To monetize its on-net fiber and expand into higher-value recurring services for Professional and PA clients, Intred has been working since 2024 on the development of a Tier IV, modular data center in Brescia.

Due to the lengthening of the authorization and administrative procedures, the project start has been postponed and is not included in the 2026–2029 Strategic Plan. In July 2026, the terms for the conditions precedent under the preliminary land agreement signed in September 2024 expired.

Nevertheless, the Company has confirmed its intention to proceed with the project, which therefore remains part of Intred's long-term strategy. Consistently, we exclude it from our base case and consider it a potential upside to our estimates.

Appendix #2: Intred Service Offer Portfolio

Intred offers **cutting-edge telecommunications solutions** with high technological content and **best-in-class performance**. It provides business and retail customers with a **complete portfolio of data and voice services**: broadband, ultra-broadband and wireless connectivity, landline and mobile telephony, cloud solutions, and ancillary services.

In more details, Intred offers:

- **Connectivity**: Intred provides a full suite of connectivity solutions, ranging from next-generation fiber to wireless and mobile access, designed to ensure speed, reliability, and flexibility, such as:
  - **Ultra-Broadband Connectivity**: Intred's fiber network (FTTC and FTTH) delivers the highest transmission speeds and capacity available today, ensuring maximum reliability and connection continuity even over long distances and with multiple users per line: (i) Fiber To The Cabinet (**FTTC**): fiber reaches the street cabinet, while copper connects the cabinet to the customer. Suitable for residential users and SMEs, with download speeds from 30 Mbps up to 100-200 Mbps depending on copper length and transmission technology; (ii) Fiber To The Home (**FTTH**): fiber reaches the customer premises. Two architectures are available: (a) Gigabit Passive Optical Network (**GPON**), based on shared fiber lines with passive splitters, cost-effective for small businesses and residential users; or (b) Point-To-Point (**PTP**), providing a dedicated line for each user, with guaranteed bandwidth and superior performance at higher cost, ideal for SMEs and large enterprises managing large amount of data. Download speeds range from 100 Mbps up to 10 Gbps;
  - **Wireless Connectivity**: where cable is not available, Intred provides high-performance Fixed Wireless Access (FWA), which delivers broadband using wireless technology instead of fixed lines;
  - **Broadband Connectivity**: professional copper-based connections (Asymmetric Digital Subscriber Lines, or ADSL) for customers with lower traffic volumes, ensuring quality and stability;
  - **Mobile Connectivity (4G)**: when businesses need backup connections independent of the fixed network, a SIM card represents the ideal solution.
- **Telephony:** Intred is a licensed telco operator with its own switching center interconnected to the national network, enabling both traditional and advanced telephony services across Italy, including:
  - WLR (Wholesale Line Rental): resale of another operator's lines under Intred's brand;
  - ULL (Unbundling Local Loop): direct use of the "last mile" copper line, fully managed by Intred;
  - VoIP (Voice over IP): voice services delivered over the internet;
  - Cloud PBX (Cloud-based Private Branch Exchange): virtual switchboards hosted in the cloud;
  - NNG: management of proprietary numbering resources and migration from other operators.
- **Cloud Services / Data Centers**: Intred is active in seven state-of-the-art data centers in Lombardy, including two proprietary facilities. Constantly upgraded, these infrastructures allow clients to rely on secure, high-performance environments without the need to invest in their own hardware and without the risk of obsolescence, with all solutions provided "as a service", such as:
  - Hosting: secure hosting of websites and applications;
  - Email & PEC: standard and certified email solutions for legal compliance;
  - Domain Registration: management and registration of internet domains;
  - Virtual Servers: flexible and scalable virtual machine environments;
  - Colocation: safe housing of clients' physical servers in Intred's facilities;
  - Cloud SecureBox: encrypted cloud storage for sensitive business data;
  - Cloud Backup: reliable off-site backup and disaster recovery solutions;
  - Cloud PBX**:** cloud-based virtual switchboards replacing traditional hardware.
- **Ancillary Services** and **Other Services**: line termination equipment rental (routers and firewalls), technical support, accessory fees, and related solutions.

DISCLAIMER

THIS DOCUMENT IS PREPARED BY VALUE TRACK VT S.R.L. THIS DOCUMENT IS BEING FURNISHED TO YOU SOLELY FOR YOUR INFORMATION ON A CONFIDENTIAL BASIS AND MAY NOT BE REPRODUCED, REDISTRIBUTED OR PASSED ON, IN WHOLE OR IN PART, TO ANY OTHER PERSON. IN PARTICULAR, NEITHER THIS DOCUMENT NOR ANY COPY THEREOF MAY BE TAKEN OR TRANSMITTED OR DISTRIBUTED, DIRECTLY OR INDIRECTLY, INTO CANADA OR JAPAN OR AUSTRALIA TO ANY RESIDENT THEREOF OR INTO THE UNITED STATES, ITS TERRITORIES OR POSSESSIONS. THE DISTRIBUTION OF THIS DOCUMENT IN OTHER JURISDICTIONS MAY BE RESTRICTED BY LAW AND PERSONS INTO WHOSE POSSESSION THIS DOCUMENT COMES SHOULD INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTION. ANY FAILURE TO COMPLY WITH THESE RESTRICTIONS MAY CONSTITUTE A VIOLATION OF THE LAWS OF ANY SUCH OTHER JURISDICTION. THIS DOCUMENT DOES NOT CONSTITUTE OR FORM PART OF, AND SHOULD NOT BE CONSTRUED AS, AN OFFER, INVITATION OR INDUCEMENT TO SUBSCRIBE FOR OR PURCHASE ANY SECURITIES, AND NEITHER THIS DOCUMENT NOR ANYTHING CONTAINED HEREIN SHALL FORM THE BASIS OF OR BE RELIED ON IN CONNECTION WITH OR ACT AS AN INVITATION OR INDUCEMENT TO ENTER INTO ANY CONTRACT OR COMMITMENT WHATSOEVER. THIS DOCUMENT HAS NOT BEEN PUBLISHED GENERALLY AND HAS ONLY BEEN MADE AVAILABLE TO INSTITUTIONAL INVESTORS. IN MAKING AN INVESTMENT DECISION, POTENTIAL INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND ITS GROUP INCLUDING THE MERITS AND RISKS INVOLVED. ANY DECISION TO PURCHASE OR SUBSCRIBE FOR SECURITIES IN ANY OFFERING MUST BE MADE SOLELY ON THE BASIS OF THE INFORMATION CONTAINED IN THE ADMISSION DOCUMENT (*DOCUMENTO DI AMMISSIONE*) IN ITALIAN LANGUAGE (AND ANY SUPPLEMENTS THERETO) ISSUED IN CONNECTION WITH SUCH OFFERING. THIS DOCUMENT IS FOR DISTRIBUTION IN OR FROM THE UNITED KINGDOM ONLY TO PERSONS WHO: (I) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (AS AMENDED, THE "**FINANCIAL PROMOTION ORDER**"), (II) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) ("HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS ET~") OF THE FINANCIAL PROMOTION ORDER, (III) ARE OUTSIDE THE UNITED KINGDOM, OR (IV) ARE PERSONS TO WHOM AN INVITATION OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY (WITHIN THE MEANING OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000) IN CONNECTION WITH THE ISSUE OR SALE OF ANY SECURITIES MAY OTHERWISE LAWFULLY BE COMMUNICATED OR CAUSED TO BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "**RELEVANT PERSONS**"). THIS DOCUMENT IS DIRECTED ONLY AT RELEVANT PERSONS AND MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS DOCUMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. IN ITALY THIS DOCUMENT IS BEING DISTRIBUTED ONLY TO, AND IS DIRECTED AT QUALIFIED INVESTORS WITHIN THE MEANING OF ARTICLE 100 OF LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998, AS AMENDED, AND ARTICLE 34-*TER*, PARAGRAPH 1, LETTER B), OF CONSOB REGULATION ON ISSUERS NO. 11971 OF MAY 14, 1999, AS SUBSEQUENTLY AMENDED (THE "**ISSUERS' REGULATION**") PROVIDED THAT SUCH QUALIFIED INVESTORS WILL ACT IN THEIR CAPACITY AND NOT AS DEPOSITARIES OR NOMINEES FOR OTHER SHAREHOLDERS, SUCH AS PERSONS AUTHORISED AND REGULATED TO OPERATE IN FINANCIAL MARKETS, BOTH ITALIAN AND FOREIGN, I.E.: A) BANKS; B) INVESTMENT FIRMS; C) OTHER AUTHORISED AND REGULATED FINANCIAL INSTITUTIONS; D) INSURANCE COMPANIES; E) COLLECTIVE INVESTMENT UNDERTAKINGS AND MANAGEMENT COMPANIES FOR SUCH UNDERTAKINGS; F) PENSION FUNDS AND MANAGEMENT COMPANIES FOR SUCH FUNDS; G) DEALERS ACTING ON THEIR OWN ACCOUNT ON COMMODITIES AND COMMODITY-BASED DERIVATIVES; H) PERSONS DEALING EXCLUSIVELY ON THEIR OWN ACCOUNT ON FINANCIAL INSTRUMENTS MARKETS WITH INDIRECT MEMBERSHIP OF CLEARING AND SETTLEMENT SERVICES AND THE LOCAL COMPENSATORY AND GUARANTEE SYSTEM; I) OTHER INSTITUTIONAL INVESTORS; L) STOCKBROKERS; (2) LARGE COMPANIES WHICH AT INDIVIDUAL COMPANY LEVEL MEET AT LEAST TWO OF THE FOLLOWING REQUIREMENTS: — BALANCE SHEET TOTAL: 20,000,000 EURO, — NET REVENUES: 40,000,000 EURO, — OWN FUNDS: 2,000,000 EURO; (3) INSTITUTIONAL INVESTORS WHOSE MAIN ACTIVITY IS INVESTMENT IN FINANCIAL INSTRUMENTS, INCLUDING COMPANIES DEDICATED TO THE SECURITISATION OF ASSETS AND OTHER FINANCIAL TRANSACTIONS (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "**RELEVANT PERSONS**"). ANY PERSON WHO IS NOT A RELEVANT PERSON SHOULD NOT ACT OR RELY ON THIS DOCUMENT OR ANY OF ITS CONTENTS. THIS DOCUMENT IS NOT ADDRESSED TO ANY MEMBER OF THE GENERAL PUBLIC IN ITALY. UNDER NO CIRCUMSTANCES SHOULD THIS DOCUMENT CIRCULATE AMONG, OR BE DISTRIBUTED IN ITALY TO (I) A MEMBER OF THE GENERAL PUBLIC, (II) INDIVIDUALS OR ENTITIES FALLING OUTSIDE THE DEFINITION OF "QUALIFIED INVESTORS" AS SPECIFIED ABOVE OR (III) DISTRIBUTION CHANNELS THROUGH WHICH INFORMATION IS OR IS LIKELY TO BECOME AVAILABLE TO A LARGE NUMBER OF PERSONS. THIS DOCUMENT IS BEING DISTRIBUTED TO AND IS DIRECTED ONLY AT PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA ("**EEA**") WHO ARE "QUALIFIED INVESTORS" WITHIN THE MEANING OF THE PROSPECTUS DIRECTIVE (DIRECTIVE 2017/1129), ("**QUALIFIED INVESTORS**"). ANY PERSON IN THE EEA WHO RECEIVES THIS DOCUMENT WILL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT IT IS A QUALIFIED INVESTOR. ANY SUCH RECIPIENT WILL ALSO BE DEEMED TO HAVE REPRESENTED AND AGREED THAT IT HAS NOT RECEIVED THIS DOCUMENT ON BEHALF OF PERSONS IN THE EEA OTHER THAN QUALIFIED INVESTORS OR PERSONS IN THE UK, ITALY AND OTHER MEMBER STATES (WHERE EQUIVALENT LEGISLATION EXISTS) FOR WHOM THE INVESTOR HAS AUTHORITY TO MAKE DECISIONS ON A WHOLLY DISCRETIONARY BASIS. THE COMPANY, VALUE TRACK VT S.R.L. AND THEIR AFFILIATES, AND OTHERS WILL RELY UPON THE TRUTH AND ACCURACY OF THE FOREGOING REPRESENTATIONS AND AGREEMENTS. ANY PERSON IN THE EEA WHO IS NOT A QUALIFIED INVESTOR SHOULD NOT ACT OR RELY ON THIS DOCUMENT OR ANY OF ITS CONTENTS. THE EXPRESSION "PROSPECTUS DIRECTIVE" MEANS DIRECTIVE 2017/1129 (AND AMENDMENTS THERETO), AND INCLUDES ANY RELEVANT IMPLEMENTING MEASURE IN THE RELEVANT MEMBER STATE. **INTRED S.P.A.** (THE "**COMPANY**") **IS A RESEARCH CLIENT OF VALUE TRACK VT S.R.L.** HOWEVER, THIS DOCUMENT HAS BEEN PRODUCED INDEPENDENTLY OF THE COMPANY AND ITS SHAREHOLDERS, AND ANY FORECASTS, OPINIONS AND EXPECTATIONS CONTAINED HEREIN ARE ENTIRELY THOSE OF VALUE TRACK VT S.R.L. AND ARE GIVEN AS PART OF ITS NORMAL RESEARCH ACTIVITY AND SHOULD NOT BE RELIED UPON AS HAVING BEEN AUTHORISED OR APPROVED BY ANY OTHER PERSON. VALUE TRACK VT S.R.L. HAS NO AUTHORITY WHATSOEVER TO MAKE ANY REPRESENTATION OR WARRANTY ON BEHALF OF THE COMPANY, ITS SHAREHOLDERS, ANY OF ITS ADVISORS, OR ANY OTHER PERSON IN CONNECTION THEREWITH. WHILE ALL REASONABLE CARE HAS BEEN TAKEN TO ENSURE THAT THE FACTS STATED HEREIN ARE ACCURATE AND THAT THE FORECASTS, OPINIONS AND EXPECTATIONS CONTAINED HEREIN ARE FAIR AND REASONABLE, VALUE TRACK VT S.R.L. HAS NOT VERIFIED THE CONTENTS HEREOF AND ACCORDINGLY NONE OF VALUE TRACK VT S.R.L., THE COMPANY, ITS SHAREHOLDERS, ANY ADVISORS TO THE COMPANY OR ITS SHAREHOLDERS OR ANY OTHER PERSON IN CONNECTION THEREWITH NOR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS OR EMPLOYEES, SHALL BE IN ANY WAY RESPONSIBLE FOR THE CONTENTS HEREOF AND NO RELIANCE SHOULD BE PLACED ON THE ACCURACY, FAIRNESS, OR COMPLETENESS OF THE INFORMATION CONTAINED IN THIS DOCUMENT. NO PERSON ACCEPTS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM THE USE OF THIS DOCUMENT OR OF ITS CONTENTS OR OTHERWISE ARISING IN CONNECTION THEREWITH. TO THE EXTENT PERMITTED BY LAW AND BY REGULATIONS, VALUE TRACK VT S.R.L. (OR ITS OFFICERS, DIRECTORS OR EMPLOYEES) MAY HAVE A POSITION IN THE SECURITIES OF (OR OPTIONS, WARRANTS OR RIGHTS WITH RESPECT TO, OR INTEREST IN THE SHARES OR OTHER SECURITIES OF) THE COMPANY.