INTRED

Telecommunications

A Regional Champion Is Growing

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Intred is a telecom and cloud player with a 14,250 km proprietary next-generation fiber network and a strong foothold in Lombardy, serving over 56k clients across SMEs, wholesale, public entities and, more recently, also households. In FY24 Intred recorded €55.9mn Value of Production (11% CAGR$_{FY20-FY24}$) and €24.0mn EBITDA (~ 43% EBITDA Margin).

FAIR VALUE (€)	**13.50**
MARKET PRICE (€)	**9.68**
MARKET CAP (€mn)	**154.3**

Intred's Journey: A Decade of Transformation...

Intred's story is one of transformation. Born as a reseller, the Company anticipated the structurally deflationary path of the Italian TLC market and pivoted into an infrastructure-based model. Over the past decade, more than €180mn have been invested in proprietary fiber expansion, Infratel school tenders, and selective M&A, turning Intred into Lombardy's reference FTTH operator.

... To Build a Regional Leader with Durable Advantages

Thanks to these efforts, Intred now combines three strengths that define it as a regional leader with durable competitive positioning: (i) 14,250 km fully-owned network ensuring performance, resilience, and control; (ii) dominant footprint in Lombardy, Italy's economic engine with ~30% of SMEs; (iii) highly-visibile business model, underpinned by ~92% recurring revenues, <5% churn, and a lean organization.

Growth Playbook: Data Center, Upselling, M&A

Intred's strategy now focuses on monetizing its infrastructure backbone. Three levers drive the plan: (i) a new Tier IV modular data center in Brescia (€15mn capex, first revenues from 4Q27E, IRR >20%), (ii) upselling with cloud and cybersecurity services; (iii) on-net migration converting ADSL/FTTC to FTTH, raising ARPU, and anchoring multi-year public contracts. On top we expect a selective bolt-on M&A, consolidating Lombardy and unlocking synergies via traffic migration.

Looking Ahead: Growth, FCF, and Capital Return

Our base case on FY28E forecasts sees: Value of Production at €69.1mn (+5% CAGR$_{FY24-FY27E}$); EBITDA at €34.3mn (~50% margin, compounding at ~9% per year); OpFCF b.t. at €28.3mn (~70% of EBITDA), with ca. €58mn cumulated EBITDA – Capex figure (~38% of current Market Cap); Net Debt falling to €15.6mn as FCF inflects post-FY26 capex peak, and deleveraging opens up for dividends. M&A could add on top making the €100mn revenue threshold achievable.

Base Case Fair Value at €13.50 p/s, but Potential Upside

Our SOTP framework separates the core perimeter (€10.8 p/s, based on FY26E-FY27E peer multiples) from the Data Center Project (€2.7 p/s, DCF based). Combined, these components yield a fair equity value of €13.5 p/s. Such fair value is due to rise up to €18.4 p/s., (i.e. ca. 1.8x from current stock market price) 24 months from now as long as the data center rollout capex is done.

KEY FINANCIALS	FY24	FY25E	FY26E
VALUE OF PRODUCTION	55.9	57.0	60.7
EBITDA	24.0	25.7	28.2
EBIT	11.8	12.1	13.5
NET PROFIT	6.9	7.2	8.0
GROUP NET EQUITY	59.7	64.6	71.0
NET DEBT (-) / NET CASH (+)	-32.9	-38.2	-39.6
EPS ADJ.	0.43	0.45	0.50
DPS	0.10	0.10	0.11

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

RATIOS AND MULTIPLES	FY24	FY25E	FY26E
EBITDA MARGIN (%)	43.0	45.0	46.5
EBIT MARGIN (%)	21.0	21.2	22.2
NET DEBT / EBITDA (x)	1.4	1.5	1.4
NET DEBT / NET EQUITY (x)	0.6	0.6	0.6
ROE (%)	11.5	11.2	11.3
EV / SALES (x)	3.6	3.4	3.2
EV / EBITDA (x)	8.4	7.5	6.9
EV / EBIT (x)	17.2	15.9	14.4
P / E ADJ. (x)	24.6	21.3	19.2

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

STOCK DATA	
MARKET PRICE (€)	9.68
NOSH (mn)	15.9
MARKET CAP (€mn)	154.3
ENTERPRISE VALUE (€mn)	192.1
FREE FLOAT (%)	30.3
AVG L30D VOLUME ('000)	3,967
RIC / BBG	ITD.MI / ITD IM
52 WK MIN - MAX (€)	9.24 - 13.65

Source: Stock Market Data

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 14,250 km, serving more than 56k clients across SMEs, public institutions, and residential users, supported by a highly visible revenue model (~92% recurring and prepaid), and a churn rate consistently below 5%. The Company has delivered strong organic growth (backed by >€180mn 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 schools tenders.

Financial Highlights

KEY FINANCIALS (IT GAAP, €mn)	FY24	FY25E	FY26E	FY27E	FY28E
Value of Production	**55.9**	**57.0**	**60.7**	**64.3**	**69.1**
y/y (%)	*10.6%*	*2.0%*	*6.5%*	*5.9%*	*7.5%*
EBITDA	**24.0**	**25.7**	**28.2**	**31.1**	**34.3**
EBITDA Margin (%)	*43.0%*	*45.0%*	*46.5%*	*48.4%*	*49.6%*
EBIT	**11.8**	**12.1**	**13.5**	**15.3**	**17.3**
EBIT Margin (%)	*21.0%*	*21.2%*	*22.2%*	*23.9%*	*25.1%*
Net Profit	**6.9**	**7.2**	**8.0**	**9.4**	**11.1**
y/y (%)	*-15.9%*	*5.1%*	*10.9%*	*17.2%*	*17.6%*
Adj. Net Profit	**6.9**	**7.2**	**8.0**	**9.4**	**11.1**
y/y (%)	*-15.9%*	*5.1%*	*10.9%*	*17.2%*	*17.6%*
Net Fin. Position [Net Debt (-) / Cash(+)]	**-32.9**	**-38.2**	**-39.6**	**-31.2**	**-15.6**
Net. Fin. Pos. / EBITDA (x)	*1.4*	*1.5*	*1.4*	*1.0*	*0.5*
Capex	-31.8	-21.0	-21.0	-11.0	-8.0
OpFCF b.t.	**-0.8**	**2.0**	**5.9**	**16.4**	**24.2**
OpFCF b.t. / EBITDA (%)	*<0*	*7.8%*	*20.9%*	*52.9%*	*70.7%*

Source: Intred, Value Track Analysis

Investment Case

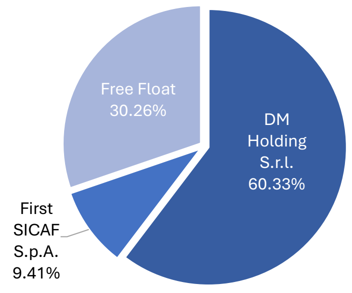
Strengths / Opportunities

- 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

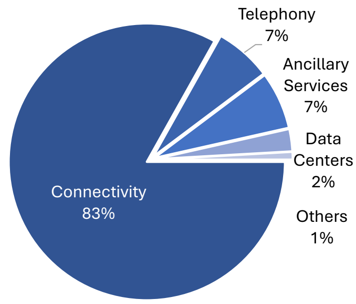
- Smaller scale vs. national incumbents;
- High SME exposure, making revenues more sensitive to economic swings;
- Managerial dependence;
- Limited M&A track record;
- Fast technology cycles need sustained capex to keep pace with innovation.

SHAREHOLDER STRUCTURE



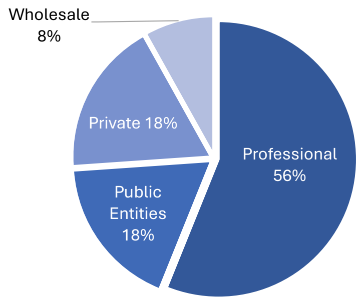
Source: Intred

REVENUES FROM SALES BY SERVICE



Source: Intred, 1H25

REVENUES FROM SALES BY CUSTOMER



Source: Intred, 1H25

STOCK MULTIPLES @ FV	FY25E	FY26E
EV / SALES (x)	4.4	4.2
EV / EBITDA (x)	9.9	9.0
EV / EBIT (x)	20.9	18.9
EV / CAP. EMPLOYED	2.5	2.3
OpFCF Yield (%)	0.8	2.3
P / E (x)	29.7	26.8
P / BV (x)	3.3	3.0
Dividend Yield (%)	0.7	0.8

Source: Intred

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Executive Summary

Intred at a Glance: Regional Fiber Optic Champion

Intred is a Brescia-based **telecom and cloud player** with a **14,250 km proprietary next-generation fiber network** and a strong foothold in **Lombardy**, serving **over 56k** clients across SMEs, wholesale, public entities and, more recently, also households.

In FY24 the company recorded **€55.9mn Value of Production** (11% $CAGR_{FY20\text{-}FY24}$) and **€24.0mn EBITDA** (ca. 43% EBITDA margin).

Planting the Seeds: a Transformative +€180mn Investment Phase

Intred story is one of transformation: initially born as a reseller, it has soon reckoned the structurally deflationary path of the Italian TLC market featured with persistent price pressure, both in the mobile and narrowband fixed-line services.

In order to gain a solid competitive angle and not to be forced to compete on prices, Intred has, later on, decided to become an infrastructure based player with the goal to be **Lombardy's reference FTTH operator.**

Such decision has triggered over the past decade, a **heavy investment cycle. More than €180mn** have been **invested**, with a strategic focus on proprietary network expansion and an opportunistic one on selective M&A.

Key highlights include:

1. **Proprietary Network Build-Out**: FTTH network expanded from 850 km in 2015 to 14,250 km by June 2025, supported by more than €180mn capex and long-term IRU contracts;
2. **Infratel School Tenders**: connection of >5,200 schools across Lombardy, accelerating roll-out, strengthening public body accreditation, and unlocking wholesale opportunities;
3. **Targeted M&A**: acquisitions of Qcom (2020) and Connecting Italia (2024), broadening Intred's offer and accelerating regional consolidation.

Intred as of Today: Strong and Focused

Thanks to the effort devoted in recent years, Intred has secured a **very strong competitive positioning**:

1. **Fully-Owned Next-Generation Infrastructure**: a proprietary next-generation network providing superior performance, resilience, and direct operational control, reinforced by redundancy across Lombardy;
2. **Strong Market Share in Strategic Territories**: an entrenched presence in Brescia, Bergamo, and Milan, leveraging first-mover advantage, strong brand awareness, and exposure to ~30% of Italian SMEs;
3. **Business Model with High Visibility and Lean Operating Structure** featuring:
   - Recurring revenues at ~92% under multi-year contracts (ultrabroadband fiber connectivity remaining the core growth engine, complemented by telephony, cloud/data centers, and ancillary services);
   - Loyal (churn rate <5%) and diversified customer base;
   - Localized salesforce, proprietary feasibility tools, and in-house customer care, ensuring both efficiency and long-term visibility.

The Growth Strategies Ahead: Monetization via Data Center, Upselling, M&A

With the network investment cycle largely completed, the growth strategy from now on should rest on **three levers**, each designed to exploit the foundations laid in the previous decade:

1. **Data Center**: a new modular Tier IV facility in Brescia is going to be rolled out, (total capex in the €15mn region), with initial revenues scheduled for 4Q27E.

   This brand new facility will enlarge Intred's offer beyond connectivity and opens up a structural annuity stream in data hosting, cloud computing services and cybersecurity ones.

   Designed for scalability, the project targets an IRR above 20% and positions the Company in high-value segments adjacent to its core fiber business;
2. **On-Net Migration and Upselling**: systematic conversion of ADSL/FTTC clients to FTTH, together with speed upgrades, bundled data/voice solutions, and multi-year contracts with public entities (notably School Tender ones), should:
   - Raise ARPU;
   - Extend customer lifetime;
   - Maximize returns on Intred's proprietary network;
3. **Selective M&A**: bolt-on acquisitions should densify Lombardy, accelerate customer base expansion, and unlock synergies via traffic migration onto Intred's infrastructure. Recent deals (Qcom, Connecting Italia) validate this playbook, combining geographic reinforcement with product breadth.

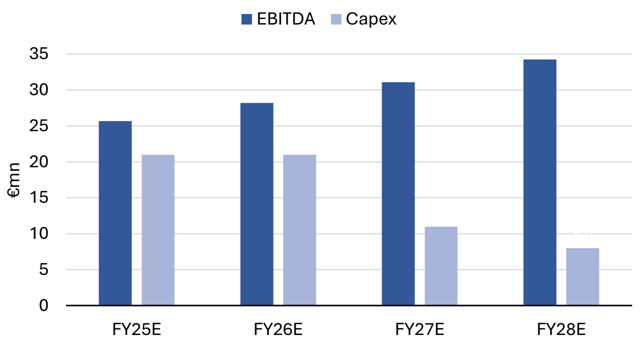
Harvesting Time Is Coming

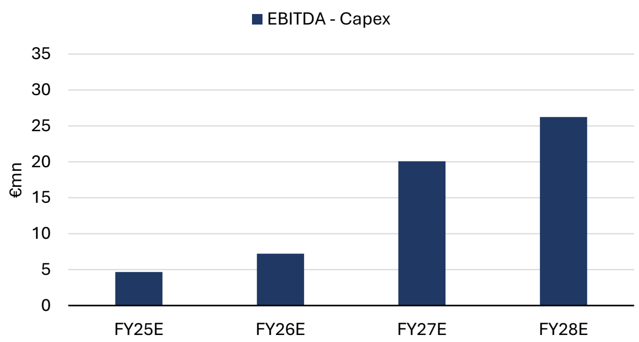
Financial wise, Intred is entering in the **monetization phase**, where **execution discipline** and **cash flow generation** take center stage.

Our base case forecasts scenario (all-organic plus the "Data Center Project") in **FY28E** outlines:

- **Value of Production** reaching **€69.1mn** (+5% $CAGR_{FY24-FY28E}$);
- **EBITDA** climbing to **€34.3mn** (~50% margin), compounding at ~9% per year;
- **$OpFCF_{b.t.}$** at **€28.3mn** (~70% of EBITDA), with some **€58mn cumulated EBITDA – Capex** figure, i.e. some 38% of current Market Cap;
- **Net Debt** falling to **€15.6mn** (~0.5x EBITDA), as FCF inflects post-FY26 capex peak, and deleveraging enabling shareholder remuneration (we currently forecast 22% dividend payout).

Intred: EBITDA, Capex, EBITDA- Capex FY25E-FY28E





Source: Intred, Value Track Analysis

As the strong cash flow generation expected can be deployed not only to deleverage, but also (better) to **accelerate growth via M&A** and to **remunerate shareholders**, we also framed an **"all-in" M&A acceleration scenario** from FY26E, assuming ~€10mn revenue acquisition per year (~6.0x entry multiple, asset-light targets).

Within this revamped scenario in FY28PF **Value of Production could climb up to >€100mn**, **EBITDA up to ~€40mn** with margins just under 40% during integration, and **Net Debt** would stand at ca. **€31mn** (~0.8x EBITDA), still leaving headroom for disciplined expansion.

Closing the Loop: Fair Equity Value at €13.5 p/s

Our valuation closes the loop on Intred's investment case. From heavy network investments to entrenched regional leadership and now to free cash flow monetization, **each phase translates into tangible equity value**.

To capture this, we adopt a **Sum-of-the-Parts framework**, separating the existing core business from the new data center initiative:

- **Core Perimeter** (excl. Data Center Project): valued through FY26E-27E peers' multiples (EV/EBIT, P/E, EV/(EBITDA–Capex)), which capture Intred's steady-state profile after the investment cycle.

  This yields a fair equity value of **€10.8 p/s**, broadly confirmed by intrinsic-value cross-checks (DCF and value mapping);
- **Data Center Project**: assessed via a dedicated DCF over FY26E-FY36E. The Tier IV modular facility in Brescia has a cash flow profile that is delayed in the early years and weighted toward the long term, reflecting the build-out phase and gradual scale-up of operations.

  Management targets an IRR above 20%. Its scalability, annuity-like revenue base, and strategic role as a regional digital hub contribute an additional **€2.7 p/s**.

Together, these components yield a **fair equity value of €13.5 p/s**, underscoring Intred's shift from infrastructure build-out to a phase where growth, cash flow, and capital returns come to the forefront.

In addition, we believe that ITD' fair value has the potential to rise up to **€18.4 p/s**., (i.e. ca. 1.8x from current stock market price) 24 months from now as long as the data center rollout capex is done.

Intred: SWOT Analysis

STRENGHTS	WEAKNESSES
1. **Fully-owned next-generation fiber network** ensuring capillarity, resilience, and versatility 2. **Full-scope portfolio of TLC services** with best-in-class performance across connectivity, telephony, and cloud 3. **First mover advantage in Lombardy**, a strategic region with strong economic potential 4. **Scalable business model** with **high visibility**, supported by long-term contracts, recurring revenues, lean operations 5. **Loyal and diversified customer base**, with low churn rate (<5%) and rising ARPU	1. **Smaller scale vs. national incumbents**, limiting bargaining power and brand visibility at national level 2. **High SME exposure**, making revenues more sensitive to local economic swings 3. **Managerial dependence**, with key decisions concentrated in a limited leadership pool 4. **Limited M&A track record**, with few completed transactions despite consolidation ambitions
OPPORTUNITIES	**THREATS**
1. **Data center expansion**, monetizing the proprietary fiber footprint into higher-value recurring services 2. **On-network upselling**, migrating legacy ADSL/FTTC clients to FTTH ultrabroadband 3. **Fiber adoption tailwinds in Lombardy**, with ~800k SMEs driving demand for advanced connectivity 4. **Disciplined bolt-on M&A**, accelerating network utilization 5. **School tenders service offer potential renewal** 6. **New large-scale projects**, for additional network leverage	1. **Fast technology cycles**, requiring sustained capex to keep pace with innovation 2. **Intense price competition**, with large incumbents pressuring ARPU 3. **Alternative connectivity technologies** (5G, FWA) potentially slowing fiber take-up. 4. **Regulatory tightening**, with stricter rules on pricing, concessions, or subsidies

Source: Value Track Analysis

Intred at a Glance

Intred is a Brescia-based telecom operator with a proprietary next-generation 14,250 km fiber network and a solid foothold in Lombardy, serving more than 56k clients across SMEs, households, wholesale and public entities. Its business model is underpinned by ~92% recurring revenues, rising ARPU and a churn rate consistently below 5%. (Ultrabroadband) connectivity remains the core engine, complemented by telephony, cloud/data centers and ancillary services. Being positioned as valuable infrastructure player, Intred now leverages its regional focus to unlock the next phase of value creation through data centers, opportunistic M&A and disciplined capital allocation.

Company Profile

Founded in 1996 and headquartered in Brescia, **Intred** is a vertically integrated, medium-sized **telecommunications operator** with a **strong regional focus in Lombardy**.

The Company offers a **full range of data and voice services** through a **next-generation proprietary fiber network** that now stretches over **14,250 km** (vs. 850 km in FY15). Intred serves more than **56k clients** (>4x vs. FY15), mainly SMEs, public institutions, and residential users, supported by a highly visible revenue model (**~92% recurring** and prepaid), and a **churn rate consistently below 5%.**

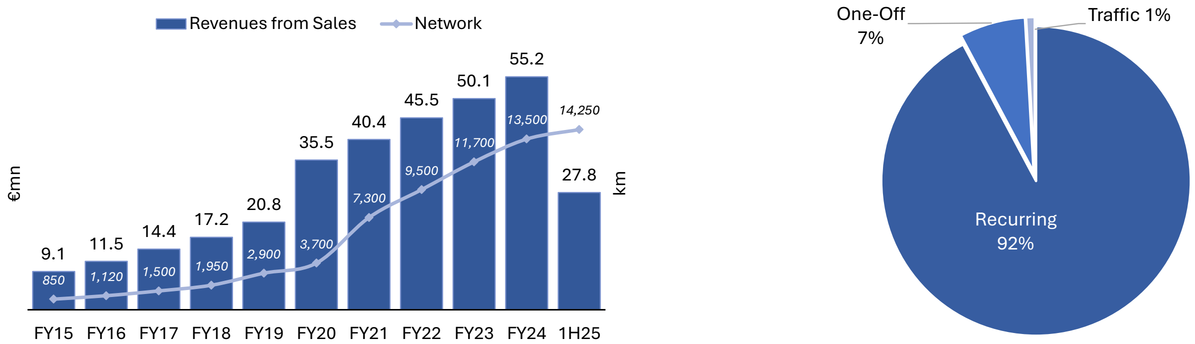
Listed on Euronext Growth Milan since 2018, the Company has delivered **strong organic growth** (backed by >€180mn in network investments) and completed **targeted acquisitions** (Qcom S.p.A. in 2020, Connecting Italia S.r.l. in 2024), while securing **major infrastructure contracts** such as the ~€60mn Infratel schools tenders.

With the most capital-intensive phase of network roll-out now completed, Intred is entering a new strategic phase focused on value creation: developing its **data center** strategy, exploring **new M&A** opportunities, and potentially initiating **shareholder remuneration**, all supported by **strong cash generation** and a **lean and scalable business model**.

Intred: Key Figures

Source: Intred

Intred: Revenues from Sales and Network Evolution, and 1H25 Revenues from Sales by Recurrency

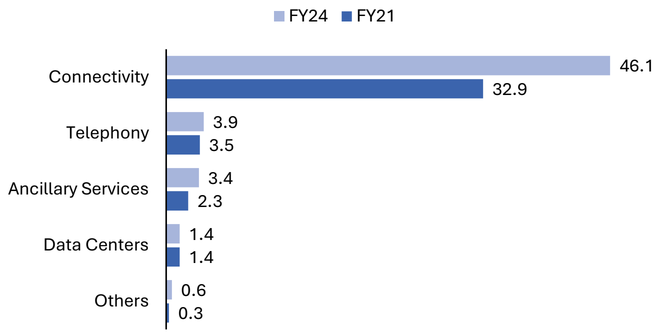


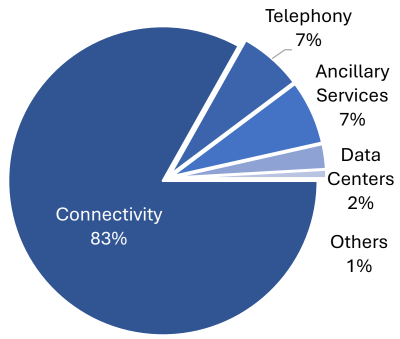
Source: Intred, Value Track Analysis

Full-Scope Telecommunications Services

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.

Intred: Revenues from Sales by Service FY21 vs. FY24 and 1H25 Breakdown





Source: Intred, Value Track Analysis

In more details, Intred offers:

- **Connectivity** (83% of 1H25 Revenues from Sales): 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** (61%): Intred's fiber network (FFTC 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** (4%): 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** (2%): professional copper-based connections (Asymmetric Digital Subscriber Lines, or ADSL) for customers with lower traffic volumes, ensuring quality and stability;
  - **Mobile Connectivity (4G)** (16%): when businesses need backup connections independent of the fixed network, a SIM card represents the ideal solution.
- **Telephony** (7%): 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** (2%): 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** (7%) and **Others** (1%): line termination equipment rental (routers and firewalls), technical support, accessory fees, and related solutions.

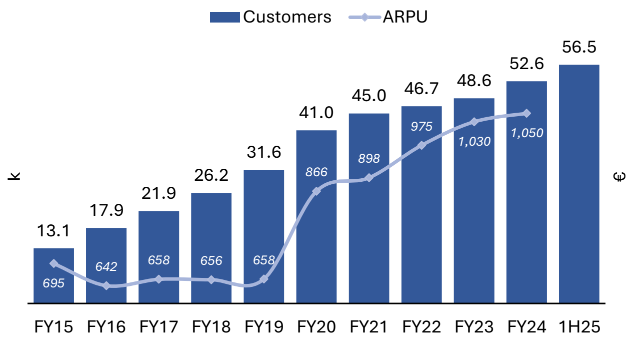
Loyal and Diversified Customer Base

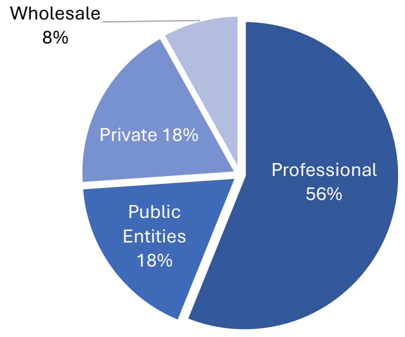
Intred’s ability to act as a strategic partner by delivering increasingly advanced and comprehensive communication services has enabled the Company to steadily expand its business customer base, reaching **56.5k active clients** as of June 2025, adding on average more than 4k accounts per year since FY15.

Even more importantly, we calculate that the annual average revenue per user (or “**ARPU**”) has consistently increased from ~€700 in FY15 to **~€1,050 in FY24**, 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 1H25).

Intred: Customers and ARPU Evolution, and 1H25 Revenues from Sales by Customers





Source: Intred, Value Track Analysis

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

- **Professional** (56% of 1H25 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%): 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%): 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** (18%): 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.

Regionally Focused Infrastructure-Based Business

In its early years from foundation, Intred operated mainly as a reseller, relying on third-party networks (primarily Telecom Italia) and expanding sales across Northern Italy through commercial agencies and individual agents.

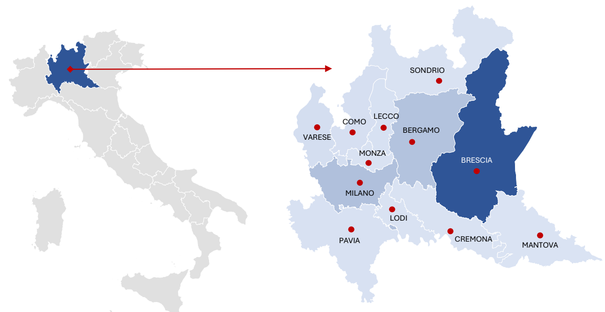
In 2010, the Company shifted strategy by investing in a **proprietary next-generation fiber-optic infrastructure**, first in the province of Brescia and later across other **Lombardy** process.

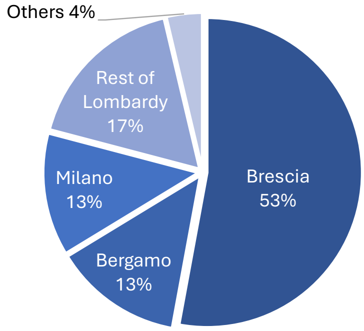
Owning the network has since become a decisive competitive advantage, enabling Intred to move beyond reselling, compete effectively on both price and service quality, and sustain profitability as its customer base expanded.

By June 2025, the infrastructure extended over 14,250 km of fiber, **capillarily** distributed across the region and designed to the **highest standards of modernity and performance**. The network features strong geographical and equipment redundancy, with diverse fiber routes ensuring **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.

Intred's strategy is deliberately regional, concentrating on one of Italy's most strategic economies to optimize resources, maximize return on infrastructure investments, and ensure direct customer support. A highly skilled sales force further reinforces this approach, while ongoing expansion into new provinces, notably through the Infratel school tenders, is steadily strengthening Intred's positioning as a **leading infrastructure-based operator in the region**.

Intred: Geographical Focus and 1H25 Revenues from Sales by Area





Source: Intred, Value Track Analysis

Planting the Seeds: The Investment Phase

In the latest years, Intred has undergone a deep investment phase driven by the need to roll out its state-of-the-art ultrabroadband network, and to strengthen its competitive positioning in Lombardy. The award of Infratel school tenders further accelerated capex but proved highly strategic, enabling widespread coverage across all provinces, stronger accreditation with public bodies, and wholesale development opportunities. Together with targeted M&A, these initiatives have laid the structural foundation for Intred's next stage of growth and value creation.

Strategic Pivot Through Heavy Investments

Intred's growth trajectory over the past decade has been shaped by a **strong investments commitment**. Indeed, back in 2010, after years of operating as a reseller, the Company made the strategic decision to build its own proprietary fiber optic network, a turning point that unlocked the ability to accelerate growth, achieve higher profitability, and secure a defensible market position. As a result, so far Intred has deployed over €180mn in capex, positioning itself as the reference telecom player in Lombardy and planting the seeds for long-term value creation.

These efforts have been articulated across three complementary vectors:

1. **Network Expansion**: more than €180mn dedicated to the roll-out of Intred's proprietary fiber network, steadily increasing scale and coverage;
2. **Strategic Projects**: leveraging one-off opportunities such as the Infratel Italia S.p.A. school tenders, which required an acceleration of the investment plan but unlocked transformative growth and visibility;
3. **Targeted M&A**: about €14mn allocated to the acquisitions of Qcom S.p.A. (2020) and Connecting Italia S.r.l. (2024), broadening Intred's market reach and accelerating market consolidation (further details in later chapters).

Strengthening the Proprietary Fiber Network

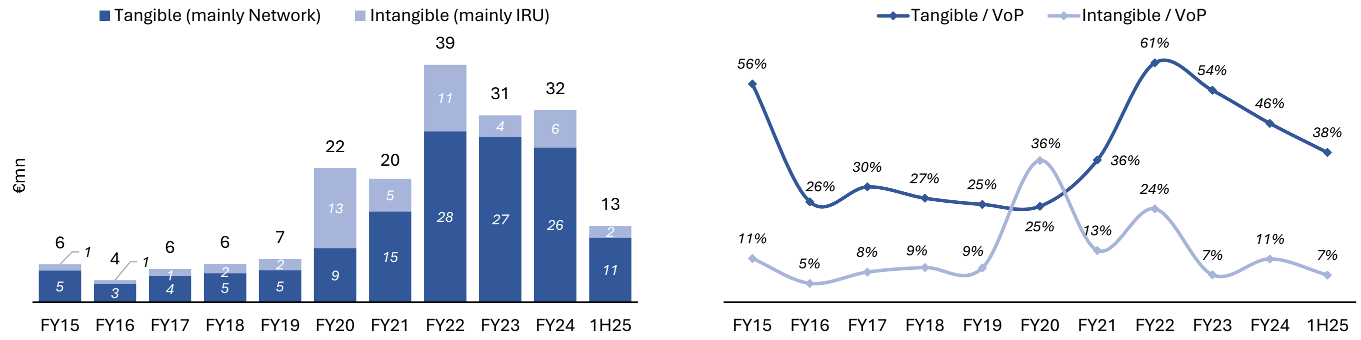
A key pillar of Intred's strategy has been the **systematic reinforcement of its fiber infrastructure**, which today represents its main competitive edge. Since FY16, **more than €180mn** have been invested, mainly in FTTH deployment across Lombardy. As a result, the network expanded from 850 km in FY15 to 14,250 km at June 2025.

The vast majority of spending relates to tangible assets (~75% of cumulated capex), including civil works for cable laying, fiber cables, shelters, manholes and active equipment. The remainder goes into intangible assets, mainly **IRU** (Indefeasible Rights of Use) contracts for dark fiber and ducts, typically with 15-22 year maturities. These long-term contracts provide cost-efficient access to capacity while avoiding the need to build all infrastructure directly. Importantly, Intred not only acquires but also monetizes IRUs, as shown by the 2023 multi-year agreement with Vodafone Italia granting access to Intred's fiber to connect mobile towers in Lombardy.

This investment cycle has been instrumental in:

- **Consolidating Lombardy FTTx market share**, reinforced by public contracts such as the school tenders;
- **Migrating from legacy broadband** (e.g. ADSL) **to ultrabroadband** (e.g. FTTH) services, improving profitability through proprietary infrastructure;
- **Expanding reach through IRU partnerships** with major operators (TIM, Fastweb, GTT, Retelit, Open Fiber).

Intred: Capex and Incidence on Top Line Evolution



Source: Intred, Value Track Analysis

Seizing One-Off Opportunities: The Infratel School Tenders

Alongside its structural investment in network roll-out, Intred has been able to capture one-off opportunities that **required accelerated investments but generated long-term strategic benefits**.

The most relevant examples are the **Infratel Italia S.p.A.** school tenders, where Intred was awarded lot 2 (Lombardy) in both 2021 and 2022 as sole bidder.

These projects not only added **incremental revenues** but also catalyzed the **extension** of Intred's network **into municipalities and provinces where its presence was previously limited**.

School Tender #1 (2021)

In March 2021, Intred was awarded the first tender to connect **>4,000 schools** across Lombardy with the supply of ultrafast broadband internet connectivity services (symmetric 1 Gbps fiber).

The contract also included the supply of termination and security devices, installation of WiFi networks for part of the schools, and ongoing technical support and maintenance.

Activation is expected to complete by 3Q25. As of December 2024, about 3,700 schools had been connected (>90% of total), generating a substantial contribution to revenues from public entities.

Schol Tender #2 (2022)

In June 2022, Intred secured a second tender to connect an additional **1,200 schools** in Lombardy that had been excluded from the first round. Falling under the Italian National Recovery and Resilience Plan (**PNRR**), the project provides for six years of connectivity, with works to be completed within four years from award. Activation is expected to be completed by 4Q26. By FY24, 700 schools had been connected (~58% of total).

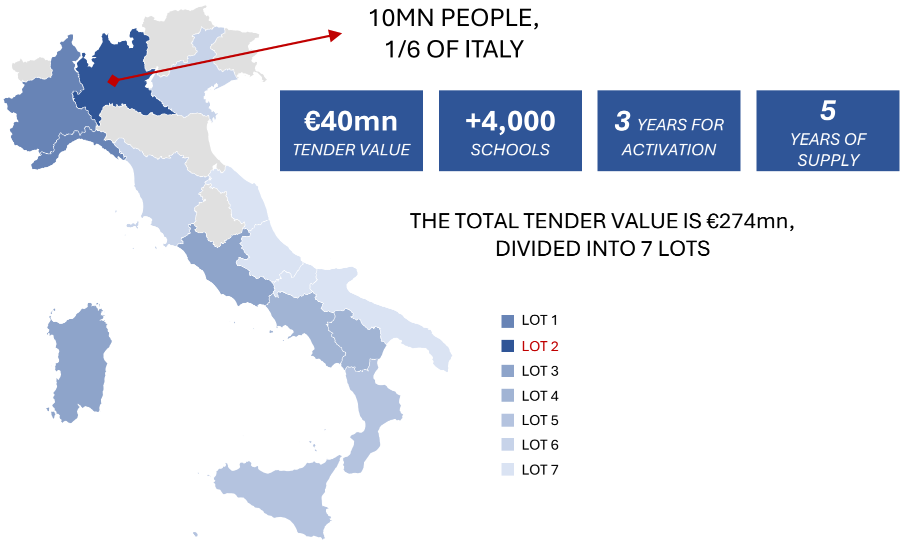
Together, the two tenders translated into **>4,400 schools activated** (~85% of total) as of 2024 year end, generating €8.8mn only considering FY24 revenues (split between one-off and recurring fees, equal to ~82% of total revenues from public entities).

Beyond their direct revenues, The award of the tenders has proven highly strategic by:

- **Extending coverage** across all Lombardy-based municipalities and provinces;
- Strengthening Intred's **accreditation with public bodies** and institutional reputation;
- Enabling **wholesale sales development** through the enlarged footprint.

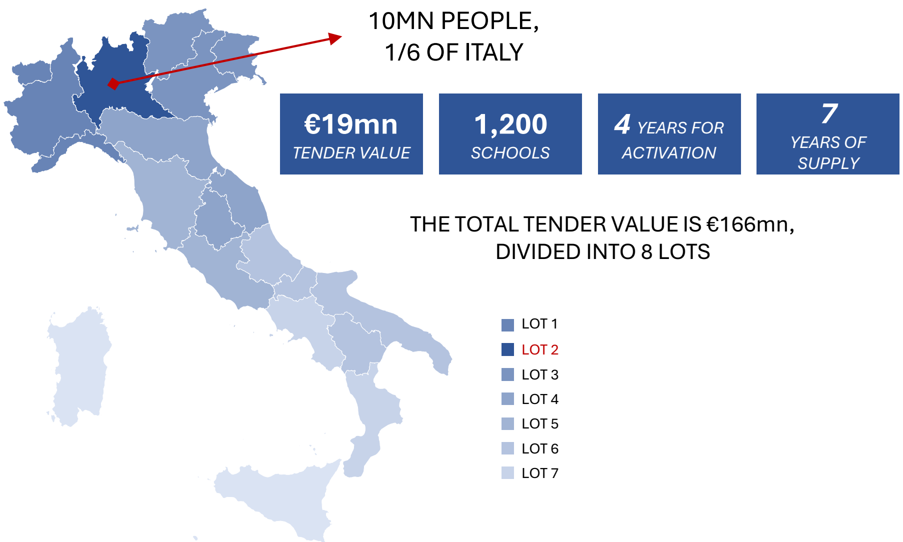
Crucially, the new infrastructure deployed for schools is now available to serve additional public administrations, SMEs, and residential clients, further multiplying the long-term return on these accelerated investments.

Intred: Infratel School Tender 1



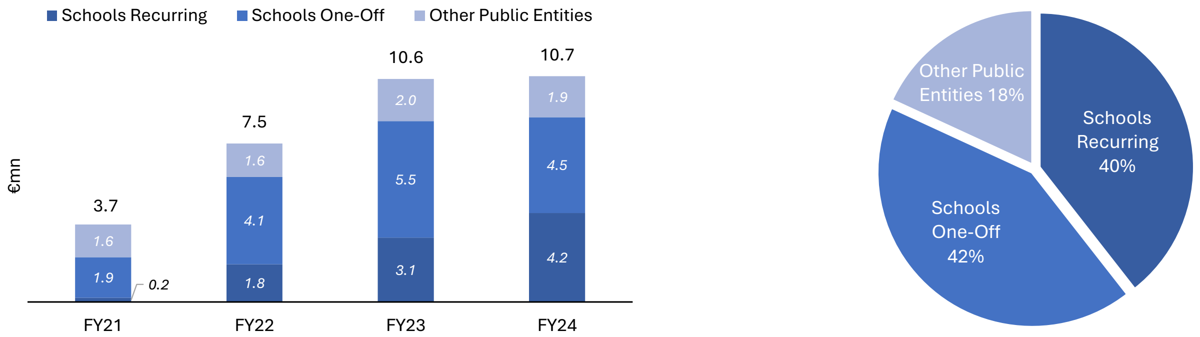
Source: Intred, Value Track Analysis

Intred: Infratel School Tender 2



Source: Intred, Value Track Analysis

Intred: Revenues from Sales from Public Entities Evolution and FY24 Breakdown



Source: Intred, Value Track Analysis

Securing the Roots: Market and Positioning

Italy's telecom market is undergoing a structural shift: B2C-B2B "legacy" revenues remain flat under persistent price pressure, while B2B infrastructure-based value added services such as cloud computing are gaining momentum. In Lombardy, Intred's core market, FTTH coverage stands at 74% but with wide provincial gaps, leaving ample room for regional challengers to scale. Within this fragmented and price-sensitive ecosystem, Intred leverages its proprietary next-generation fiber, a dominant local footprint, and a lean high-visibility model.

Reference Market with Lights and Shadows

Intred operates in a **sector undergoing a profound technological shift**, where policy momentum, fiber deployment, and competitive dynamics combine to create both opportunities and challenges.

The Broader View: European and Italian Digital Outlook

By expanding infrastructure and connectivity in Lombardy, Intred is directly contributing to Italy's digital transformation. The 2025 Digital Economy and Society Index ("DESI") highlights **Italian progress**: full-fibre coverage has broadly converged with EU standards, 5G is now widespread, and edge capacity is expanding, reinforcing both access and the compute layer that underpins advanced services.

Yet challenges persist, with regional disparities in adoption, slow enterprise uptake of frontier technologies, and a shortage of digital skills that may slow monetization.

Policy momentum remains supportive. The European Commission points to Italy's clear roadmap and sustained funding, while recommending continued fiber roll-out (especially in low-density areas) and stronger demand-side incentives. For regional operators with a strong local footprint, such as Intred, this environment provides a **favorable backdrop for growth**.

European Fiber Optic Market: Coverage and Adoption

Building on this policy-driven momentum, the **European fiber market is showing steady progress in both rollout and adoption**. Fiber broadband creates value for customers and operators alike: moving to full-fiber enables Gigabit offers for households, multi-Gigabit Industry 4.0 solutions, and 5G backhaul.

Although FTTx requires high upfront capex, it translates into stable, annuity-like cash flows over time. Its applications extend well beyond households, supporting transport networks, cloud-based entertainment, and smart-city infrastructure. Across the EU27+UK, rollout and adoption continue to expand:

- **Coverage**: 165mn homes are now passed (i.e., covered by fiber infrastructure, regardless of subscription), up +18mn y/y, equal to nearly three in four households.

  This growth is in line with last year's growth. In 24 out of 28 countries, coverage exceeds 50%, with an EU average of ~69%;
- **Subscriptions**: fiber subscribers reached 90mn (+12mn y/y). The take-up rate (subscribers as a percentage of homes passed) stands at ~55%.

  The penetration rate (subscribers as a percentage of all households) is ~38%, with only about one-third of countries above 50%. Italy and the UK recorded particularly strong gains.

More in details, we mention:

1. **Houses Passed**
   - By volume: UK (+4.2mn), Germany (+3.8mn), Italy (+3.1mn), France (+1.9mn), Poland (+1.3mn);
   - By %: Greece (+26%), Finland (+26%), Germany (+25%), UK (+25%), Italy (+19%).
2. **Subscribers**
   - By volume: France (+3.1mn), UK (+2.5mn), Italy (+1.2mn), Spain (+1.1mn), Germany (+0.8mn);
   - By %: Greece (+84%), Belgium (+47%), UK (+45%), Cyprus (+43%), Malta (+38%).

FTTx European Market

EU27+UK	Total Households (mn)	FTTx Homes (mn)	FTTx Coverage (%)	FTTx Subscriptions (mn)	Take Up Rate (%)	Penetration Rate (%)	Home Passed witout Sub. (mn)
France	31.4	28.2	*90%*	23.7	*84%*	*75%*	4.6
UK	30.2	21.4	*71%*	7.9	*37%*	*26%*	13.5
Italy	**31.2**	**20.1**	**66%**	**5.5**	***28%***	***18%***	**14.5**
Germany	44.0	18.7	*42%*	4.9	*26%*	*11%*	13.8
Spain	19.3	17.1	*89%*	15.6	*91%*	*81%*	1.5
Poland	15.4	10.9	*70%*	4.5	*41%*	*29%*	6.4
Netherlands	8.4	7.8	*93%*	3.0	*38%*	*35%*	4.9
Romania	7.5	7.1	*94%*	5.8	*82%*	*76%*	1.3
Sweden	5.0	4.4	*87%*	3.6	*82%*	*71%*	0.8
Portugal	4.2	3.8	*91%*	3.4	*90%*	*82%*	0.4
Hungary	4.6	3.7	*80%*	1.5	*41%*	*33%*	2.2
Bulgaria	2.9	2.6	*91%*	1.6	*60%*	*54%*	1.1
Denmark	2.9	2.6	*87%*	1.4	*56%*	*49%*	1.1
Czech Republic	4.9	2.1	*42%*	0.9	*45%*	*19%*	1.1
Austria	4.1	2.1	*50%*	0.5	*25%*	*12%*	1.5
Finland	2.9	1.9	*68%*	1.3	*66%*	*45%*	0.7
Greece	4.4	1.8	*40%*	0.5	*29%*	*11%*	1.3
Ireland	2.2	1.6	*71%*	0.8	*53%*	*37%*	0.7
Belgium	5.1	1.4	*28%*	0.5	*36%*	*10%*	0.9
Lithuania	1.6	1.3	*80%*	0.6	*48%*	*39%*	0.7
Slovakia	1.8	1.2	*66%*	0.8	*64%*	*42%*	0.4
Croatia	1.5	1.0	*66%*	0.3	*30%*	*20%*	0.7
Slovenia	0.9	0.7	*81%*	0.4	*48%*	*39%*	0.4
Latvia	0.9	0.6	*64%*	0.4	*68%*	*44%*	0.2
Estonia	0.7	0.6	*86%*	0.3	*44%*	*38%*	0.3
Cyprus	0.4	0.3	*85%*	0.2	*70%*	*59%*	0.1
Luxembourg	0.3	0.3	*85%*	0.2	*63%*	*53%*	0.1
Malta	0.2	0.2	*83%*	0.1	*63%*	*52%*	0.1

Source: FTTH Council Market Panorama (Sept. 2024)

However, significant headroom remains. Across the EU27+UK, around 74mn households are still not reached by fiber, with Germany, the UK, Italy, and Poland alone accounting for ~50mn.

At the same time, 75mn households already covered by fiber have not yet subscribed (equal to 45% of all homes passed), with the same four countries representing the largest unconverted pools.

This dual gap (build-out backlog and under-penetrated footprints) offers **substantial runway for further network expansion and subscriber growth**.

Italian Telecommunication Market: Structure and Trends

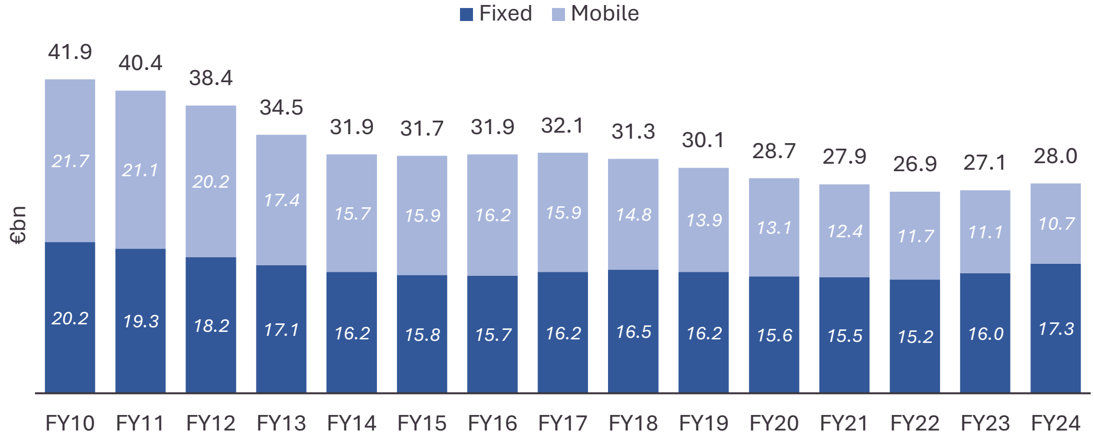
Within this European context, Italy's telecom market remains **structurally deflationary**, as persistent **price pressure** has more than offset traffic growth, keeping overall revenues broadly flat.

The market stood at €28.0bn in FY24, down 2.2% over FY20-FY24 (-€640mn), despite a ~3.4% y/y rebound in FY24 (+€940mn).

The overall contraction is entirely attributable to mobile, where revenues fell to €10.7bn (-€2.4bn / -18.1% vs FY20). By contrast, fixed-line services expanded to €17.3bn (+€1.7bn / +11.0% vs FY20), lifting their share of the market to ~62% (from 55% in FY20).

By customer segment, wholesale grew +9.9% y/y in FY24 but remains -5.4% over five years, while retail rose +1.9% y/y (-1.5% since FY20), holding steady at ~81% of total revenues.

Italian Telecommunication Market Evolution



Source: AGCOM

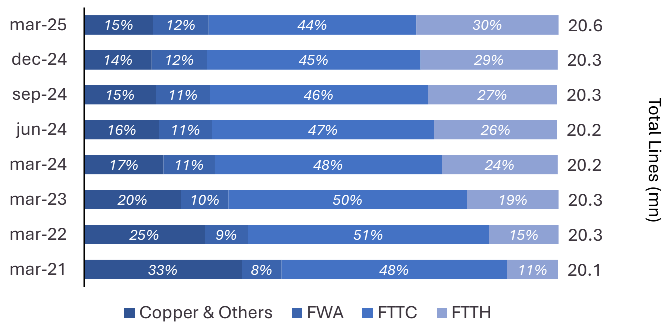
The sharper decline in mobile reflects harsh competition following **Iliad's 2018 entry as fourth Mobile Network Operator** ("MNO"), which drove aggressive repricing and ARPU erosion. Fixed-line dynamics have been more resilient, supported by the migration from legacy DSL to FTTx, enabling quality improvements and partial monetization.

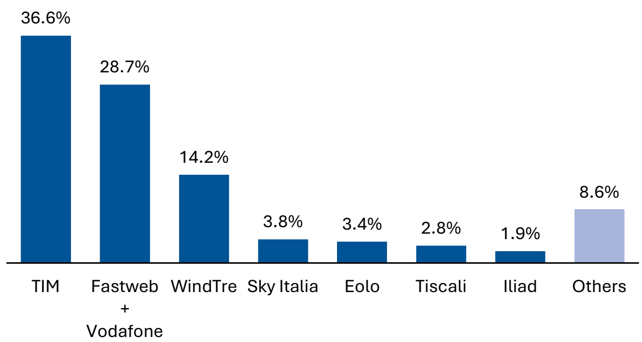
Italian Fixed Network Market: Migration to Fiber

Following the broader trends, the fixed-line segment is where Italy is seeing its most tangible transformation. As of March 2025, Italy's fixed-access mix of active lines is composed of 30% FTTH, 44% FTTC, 12% FWA, and 15% residual copper / other technologies. On a yearly basis, the market added ~316k lines, with growth concentrated in FTTH and, to a lesser extent, FWA.

Over the past four years, FTTH has almost tripled its share (from ~11% to 30%), while copper has collapsed (from ~33% to ~13%), marking a decisive shift toward full-fiber.

Fixed Network: Total Accesses by Technology and Market Share

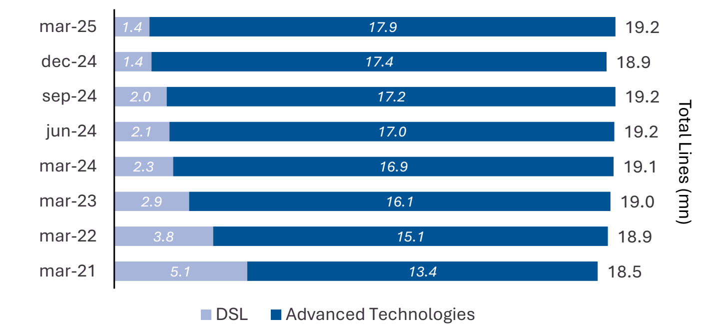


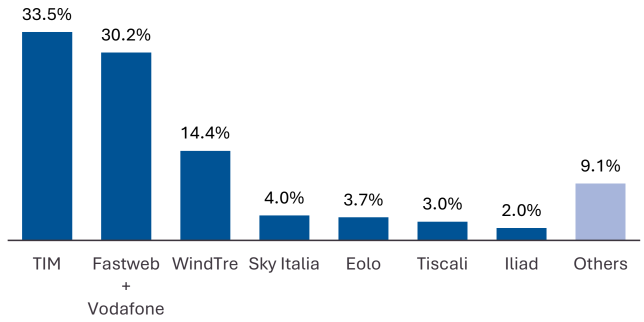


Source: AGCOM

Network performance is also improving as next-generation access expands. By March 2025, there were ~19.2mn active fixed lines: ~93% are now FTTC/FTTH/FWA, up from ~73% in 1Q21, while DSL has shrunk to ~7%. The trend is accelerating: in 1Q25 alone, DSL lines declined by ~40% YoY (-902k), underscoring the rapid copper-to-fiber migration.

Fixed Network: Broadband and Ultra-Broadband Accesses and Market Share



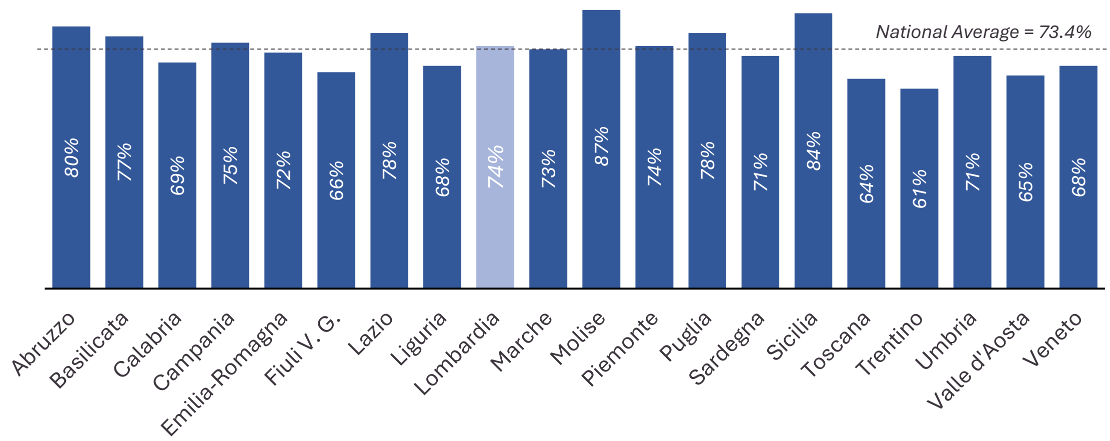


Source: AGCOM

Lombardy FTTH Market: Regional Spotlight

Against this national backdrop, Lombardy stands out as Intred's home market and core area of growth. According to AGCOM's July 2025 survey, FTTH coverage in the region reached 74% of households, slightly above the national average (~73%). The region ranks 9th nationwide, placing it mid-tier in coverage: a solid headline figure, but with marked differences across provinces.

FTTH Household Coverage by Region



Source: AGCOM

Key facts include:

- **Momentum**: since January 2025, Monza (+6.2bps) and Como (+5.2bps) have delivered the sharpest improvements in coverage;
- **Dispersion**: coverage remains above the regional average in Milan and Monza, while provinces such as Bergamo, Brescia, Como, Cremona, Lecco, Lodi, Mantua, Pavia, Sondrio, and Varese lag behind. Among these, AGCOM flags Bergamo, Como, Lecco, Lodi, Pavia, Sondrio, and Varese as the weakest performers.

Competitive Positioning: Intred in the Italian FTTH Landscape

Since the late-1990s liberalization, Italy's telecom market has evolved into a multi-operator ecosystem, more price-sensitive than most EU peers. A handful of national integrated players compete across both fixed and mobile, while a long tail of regional operators focuses on niche propositions.

Within this landscape, Intred combines best-in-class profitability with disciplined capital deployment, supported by last-mile ownership and a strong network footprint in Lombardy. The heavy investments and strategic choices of the past decade have not only expanded its infrastructure but also cemented a regional positioning that is difficult to replicate for larger, less focused players.

Intred's competitive strengths can be summarized in three 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. **Business Model with High Visibility and Lean Operating Structure**: predictable revenues, efficient operations, and a customer-centric approach supported by a localized and agile organization.

Intred: Competitive Positioning: Across Regional FTTH players (*)

		Company	Main Region	Sales (€mn)	EBITDA Margin	EBIT Margin	Fiber Optic Coverage
Lombardia	Large	open fiber	Everywhere	675.6	*40%*	*-17%*	nm
Lombardia	Large	FiberCop	Everywhere	2,577	*14%*	*n.a.*	nm
Lombardia	Large	FASTWEB	Everywhere	2,809	*31%*	*n.a.*	nm
Lombardia	Small-Medium	Planetel	Lombardia, Veneto, Campania	37.2	*25%*	*3%*	3,300+
Lombardia	Small-Medium	Mynet	Lombardia	33.1	*37%*	*17%*	32,000+
Lombardia	Small-Medium	FC CONNECT	Lazio, Lombardia	nm	*nm*	*nm*	4200
Lombardia	Small-Medium	Fiber Surf	Lombardia	nm	*nm*	*nm*	nm
Lombardia	Small-Medium	NEMO	Lombardia	15.1	*28%*	*23%*	nm
Other Regions		UNiDATA	Lazio	101.3	*27%*	*16%*	7,000+
Other Regions		VENTI ANNI ACANTHO *(Hera Group)*	Emilia Romagna	92.6	*15%*	*n.a.*	6,400
Other Regions		Convergenze	Campania	26.6	*19%*	*8%*	12,000+
Other Regions		BBBELL	Piemonte, Liguria	18.9	*39%*	*13%*	1,500+
Other Regions		estra	Toscana	15.6	*25%*	*13%*	n.a.
Other Regions		INFRANET	Trentino Alto Adige	13.7	*55%*	*15%*	2,000+
Other Regions		connesi *(DHH Group)*	Umbria	8.1	*23%*	*9%*	1,200+
Other Regions		terrecablate	Toscana	5.8	*29%*	*14%*	800
Other Regions		FIBRAWEB	Umbria, Marche	4.5	*29%*	*11%*	1,300
		INTRED	**Lombardia**	**55.9**	***43%***	***21%***	**14,000+**

Source: Factset, (*) FY24 data (or latest available FY figures)

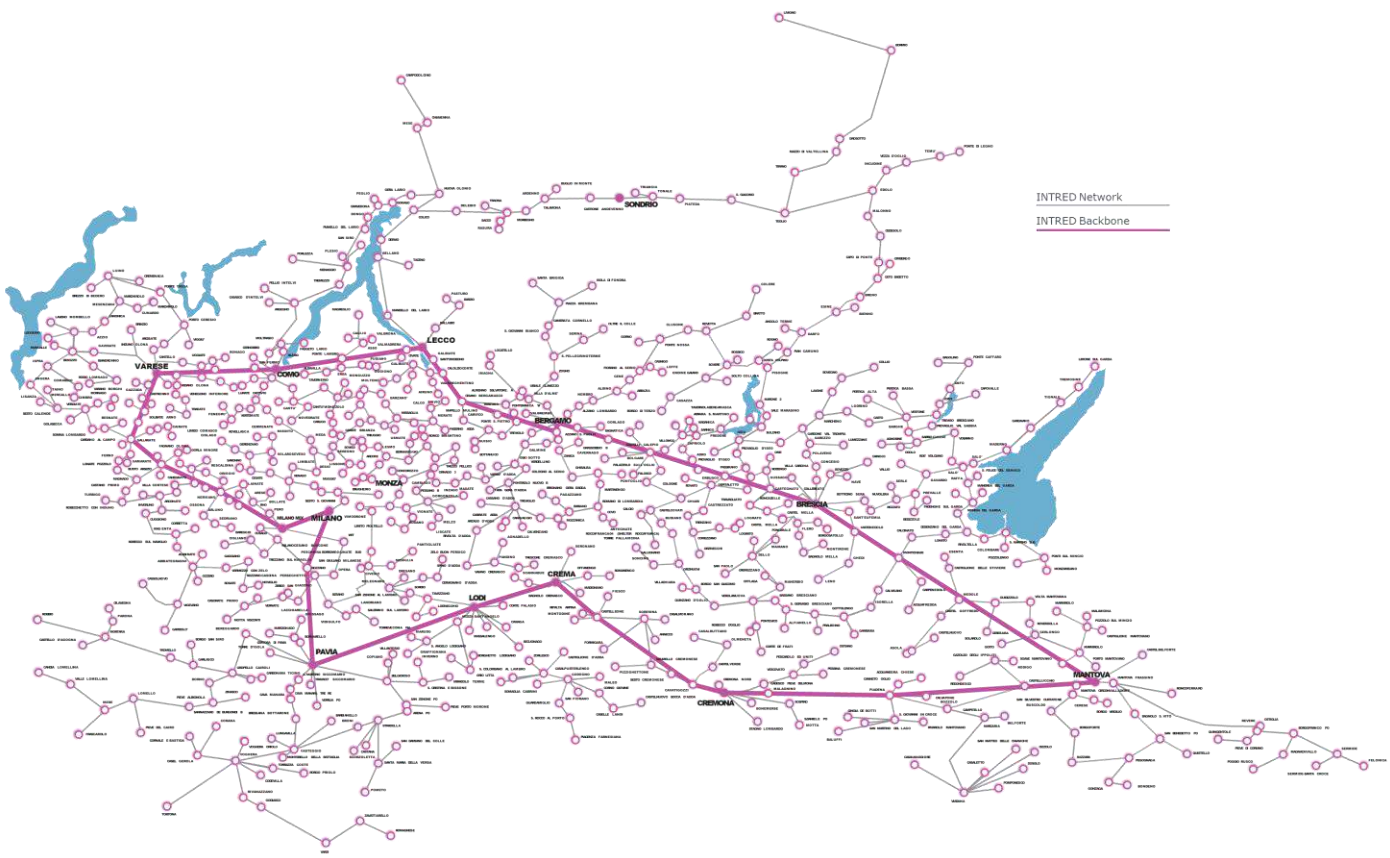
1. Fully-Owned Next-Generation Infrastructure

The infrastructure investments described in the previous chapter has enabled Intred to rely on a proprietary fiber-based network, which today represents the foundation of its competitive edge. This infrastructure 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.

Owning the network has proven to be a decisive advantage, positioning Intred as a reference player for reliable and high-quality connectivity in its region.

Intred: Network and Backbone Map



Source: Intred

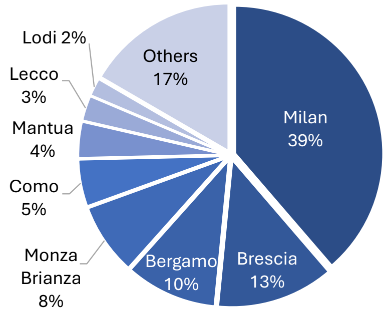
2. Strong Market Share in Strategic Territories

A second source of strength comes from Intred's 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. Business Model with 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**: ~ 92% 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. Efforts focus on fixed access and transport networks, platform development, and testing of next-generation terminals;
  - **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. Proprietary software supports these choices by mapping existing lines and accurately calculating deployment and setup costs;

- **Network Development**: if the decision is to "make," Intred deploys the network through internal teams or selected contractors, under the supervision of a dedicated technical manager and followed by performance testing. If the choice is "rent," the Company utilizes IRUs from third parties, ensuring optimal efficiency in capital allocation.

  Domestic and international suppliers provide civil works, fiber optic cables, cabinets, manholes, electronic equipment, termination devices, routers, and switches;
- **Sales & Marketing**: The Company has developed differentiated commercial channels depending on the type of customer.

  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. Significant investments in marketing (~€4mn considering only FY24, or ca. 7% of top line) have also strengthened **brand awareness**, differentiating Intred from national operators through its strong local roots and transparent contracts;
- **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.

Intred: Value Chain

Source: Intred, Value Track Analysis

Taken together, **recurring revenues, long-term visibility**, and a **lean yet comprehensive operating model** make Intred more resilient and competitively agile than larger national peers.

Historical Financial Profile: Scale Achieved

The key highlights from Intred's FY20-FY24 financial results are:

- **Value of Production growing at double digit annual rates** (11% CAGR), reaching **€55.9mn** in FY24;
- **EBITDA margin at 43%** (peak at 45% in FY23) i.e. **€24.0mn** in FY24;
- **Net Debt / EBITDA** 2024 year-end at **1.4x** i.e. **€32.9mn**.

Particularly, this performance was shaped by three key structural dynamics:

1. **Infratel school tenders** fueling revenues, with >€25m cumulative contribution over FY20–FY24;
2. **Margins up through FY20-FY24**, but FY24 softness from M&A & marketing;
3. **Cash absorption** due to stepped-up fiber-optic / IRUs investments.

Intred: Key Financials FY20-FY24

(IT GAAP, €mn)	FY20	FY21	FY22	FY23	FY24	y/y	CAGR$_{FY20-24}$
Value of Production	36.4	41.2	46.1	50.5	55.9	*11%*	*11%*
EBITDA	14.0	17.6	19.9	22.5	24.0	*7%*	*14%*
EBITDA Margin (%)	*38%*	*43%*	*43%*	*45%*	*43%*	*-163bps*	*463bps*
NFP [i.e. Net Debt (-) Cash (+)]	0.5	5.4	-11.5	-20.9	-32.9	*nm*	nm

Source: Intred, Value Track Analysis

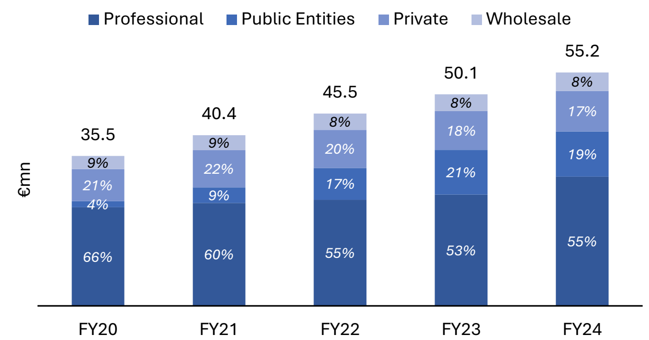
1. School tenders fueling Top Line, with >€25m cumulative contribution over FY20-FY24

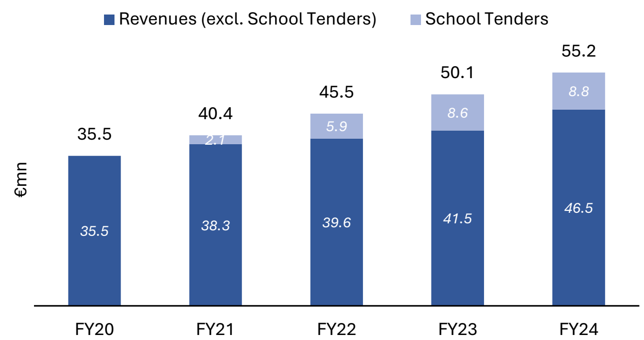
Intred delivered an **~11% CAGR$_{FY20-FY24}$**, reaching **Revenues from Sales** of **€55.2m in FY24** (o/w €2.7m from Connecting Italia S.r.l., merged in April 2024), i.e., +10.3% y/y or +4.9% on an organic basis, with Value of Production totaling €55.9m (+10.6% y/y). Customer base expanded to 52.6k in FY24, (with ARPU at €1,050), churn stood at 4.7%, and recurring services were 88.5% of total sales.

Main dynamics include:

- **Connectivity vs. Telephony:** Connectivity grew at a ~12% FY21-FY24 CAGR to €47.6m in FY24 (~83.4% share), i.e., ~1.5x its FY21 levels. Within Connectivity, ultra-broadband delivered €33.9m (+11.5% y/y) and is now the largest service line (~61.4% share vs. 51.1% in FY21). Telephony reached €3.9m (~7.0% share), vs. €3.5mn in FY21;
- **Infratel School Tenders**: >4,400 of ~5,000 schools have been activated, contributing €8.8m in FY24 (vs. €2.1mn, €5.9mn and €8.6mn in FY21, FY22 and FY23, respectively), accelerating penetration across Lombardy's PA and Professional segments and supporting wholesale opportunities;
- **Network Scale-Up**: Intred materially densified its proprietary fiber footprint across Lombardy - in FY24 ~13,500 km (~+15% y/y) - extending FTTH access and strengthening backhaul, with coverage reaching every municipality that hosts at least one school and enhancing resilience, latency and SLAs;

Intred: Revenues from Sales Evolution





Source: AGCOM

Intred: Revenue from Sales by Service (FY21-FY24)

(IT GAAP, €mn)	FY21	FY22	FY23	FY24	$CAGR_{FY21-24}$
Connectivity	**32.9**	**38.1**	**42.2**	**46.1**	***12%***
y/y (%)	*nm*	*16%*	*11%*	*9%*	*//*
Telephony	**3.5**	**3.5**	**3.6**	**3.9**	***4%***
y/y (%)	*nm*	*0%*	*3%*	*8%*	*//*
Ancillary Services	**2.3**	**2.3**	**2.6**	**3.4**	***14%***
y/y (%)	*nm*	*0%*	*14%*	*28%*	*//*
Data Centers	**1.4**	**1.3**	**1.4**	**1.4**	***0%***
y/y (%)	*nm*	*-5%*	*3%*	*1%*	*//*
Others	**0.3**	**0.3**	**0.3**	**0.6**	***17%***
y/y (%)	*nm*	*-20%*	*-1%*	*nm*	*//*
Revenues from Sales	**40.4**	**45.5**	**50.1**	**55.2**	***11%***
y/y (%)	***14%***	***13%***	***10%***	***10%***	***//***
o/w Una Tantum Revenues	3.7	5.7	6.9	6.4	*//*
o/w Recurring Revenues	36.7	39.8	43.2	48.9	*//*

Source: Intred, Value Track Analysis

- **End-Market Diversification**: the Company maintains strong positions across (i) Professional (€30.6m, +16.1% y/y), (ii) Residential (€9.6m, +4.6%), (iii) Wholesale (€4.2m, +9.1%), and (iv) Public Administration (€10.7m, +1.2%);
- **Geographic Rebalancing Within Lombardy**: Milan accelerated (+26% y/y in 2024) with the mix now outlining Brescia at 52.0%, Bergamo 12.9%, Milan 13.9%, alongside notable progress in Monza, Mantova, Pavia and Varese, consistent with the strategy to operate within a localized perimeter to optimize infrastructure investments.

Intred: FY24 Revenues from Sales by Customers and Area

Source: Intred, Value Track Analysis

As for the other FY24 VoP items (€653k, +63% y/y, broadly in line with the historical run-rate), comprising: (i) €118k capital grants, (ii) €31k operating grants, (iii) €417k positive adjustments mainly from prior-period invoices/credit notes issued by telecom operators, and (iv) €86k other income.

Intred: Value of Production b.down (FY20-FY24)

(IT GAAP, €mn)	FY20	FY21	FY22	FY23	FY24	$CAGR_{FY21-24}$
Revenues from Sales	**35.5**	**40.4**	**45.5**	**50.1**	**55.2**	***12%***
Other Revenues	0.9	0.8	0.6	0.4	0.7	*-9%*
Value of Production	**36.4**	**41.2**	**46.1**	**50.5**	**55.9**	***11%***

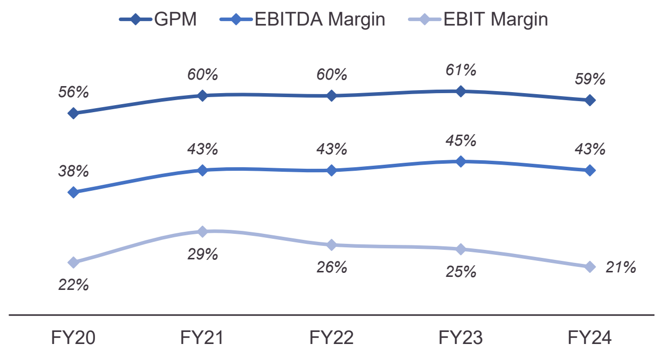
Source: Intred, Value Track Analysis

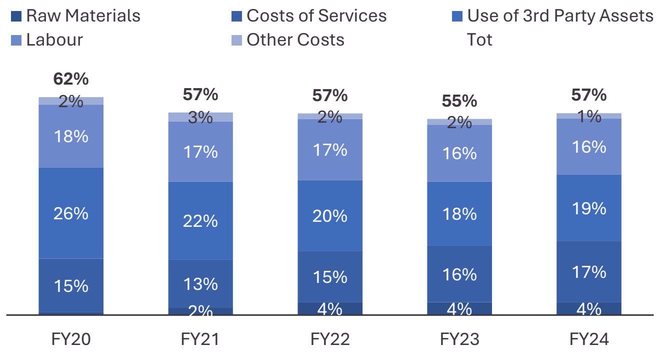
2. Margins up through FY20–FY24, but FY24 softness from M&A & marketing

Over FY20-FY24, Intred delivered ~1.5x sales growth and a clear step-up in profitability, underpinned by the expansion of its proprietary fibre network, a richer UBB-led recurring mix, and Labour-Cost leverage with tighter Use of 3rd Party Assets.

In **FY24**, Intred achieved a **€24.0mn EBITDA** ($CAGR_{FY20\text{-}FY24}$ at 14% and +7% y/y), with **EBITDA Margin** at **43.0%,** slightly down y/y chiefly on the lower-margin consolidation of Connecting Italia and a tactical marketing step-up. However, on a like-for-like basis, the margin would have been broadly unchanged vs. FY23 (at 44.5%);

Intred: Margin Evolution and Cost Structure (FY20-FY24)





Source: Intred, Value Track Analysis

In terms of cost structure, Use of 3rd Party Assets have the higher incidence on Sales, followed by Costs of Services and Personnel Costs. More in details, we note:

- **Use of 3rd Party Assets** down from 25.7% (FY20) to 18.7% (FY24), i.e., ~88% refers to network-infrastructure leases. This trend reflects deeper utilization of the backbone and better IRU economics;
- **Costs for Services** historically accounted for around 15% of VoP but increased to 17.4% in FY24, driven by ca. €735k higher marketing expenses (at 6.9% of VoP), i.e., brand relaunch, cross-media campaigns. The other main components include consulting (~2.4%), maintenance (~1.8%), telephony traffic (~1%), and ancillary personnel (~1%);
- **Personnel Costs** decreased from 17.8% to 15.9% of VoP (FY20-FY24) despite capability build-up (headcount rose from 126 in FY20 to 177 in FY24);
- **Other Costs** mainly G&A, raw materials and sundry items, with no material mix discontinuities disclosed.

Below the EBITDA line, we believe worth to highlight:

- **D&A** rose to €12.3mn in FY24 (vs. €9.9mn in FY23), reflecting a larger asset base after sustained network capex and the consolidation of Connecting Italia (higher D&A on fiber, electronics, IRU/rights);
- **Net Financial Charges** rose to €1.6mn (vs. €1.2mn in FY23), consistent with a higher average indebtedness profile during the capex/M&A phase;
- **Taxes** increased to €1.6mn (vs. €1.2mn), implying an effective rate in the ~28%-32% range.

As a result of the above, ITD's **EBIT** FY24 dropped 7% y/y down to **€11.8mn** (mirroring the above-trend D&A load), while **Net Profit** registered **€6.9mn** (profit of €8.2mn in FY23. i.e., -16% y/y).

Intred: P&L FY20-FY24

(IT GAAP, €mn)	FY20	FY21	FY22	FY23	FY24	y/y	CAGR$_{FY20-24}$
Value of Production	**36.4**	**41.2**	**46.1**	**50.5**	**55.9**	***11%***	***11%***
Raw Materials (incl. Δ Inventory)	-0.3	-0.9	-1.6	-1.8	-2.0	*26%*	*64%*
Costs of Services	-5.5	-5.5	-6.7	-8.0	-9.7	*21%*	*15%*
Use of 3rd Party Assets	-9.3	-9.1	-9.2	-9.2	-10.5	*14%*	*3%*
Other Costs	-0.8	-1.0	-0.7	-0.8	-0.8	*-5%*	*1%*
Gross Profit (VA)	**20.5**	**24.7**	**27.8**	**30.6**	**32.9**	***8%***	***13%***
Gross (VA) Margin (%)	56%	60%	60%	61%	59%	*-177bps*	*272bps*
Labour Costs	-6.5	-7.0	-7.9	-8.1	-8.9	*10%*	*8%*
EBITDA	**14.0**	**17.6**	**19.9**	**22.5**	**24.0**	***7%***	***14%***
EBITDA Margin (%)	*38%*	*43%*	*43%*	*45%*	*43%*	*-163bps*	*463bps*
D&A	-5.9	-5.8	-7.7	-9.9	-12.3	*24%*	*20%*
EBIT	**8.1**	**11.8**	**12.2**	**12.7**	**11.8**	***-7%***	***10%***
EBIT Margin (%)	*22%*	*29%*	*26%*	*25%*	*21%*	*-405bps*	*-125bps*
Total Fin Exp.	0.1	0.2	0.0	-1.2	-1.6	*40%*	*nm*
Pre-Tax Profit	**8.2**	**11.9**	**12.2**	**11.5**	**10.1**	*-12%*	***6%***
Taxes	-2.1	-3.3	-3.5	-3.3	-3.3	*-2%*	*12%*
Net Profit	**6.1**	**8.6**	**8.7**	**8.2**	**6.9**	***-16%***	***3%***
Net Margin (%)	*17%*	*21%*	*19%*	*16%*	*12%*	*-390bps*	*-445bps*

Source: Intred, Value Track Analysis

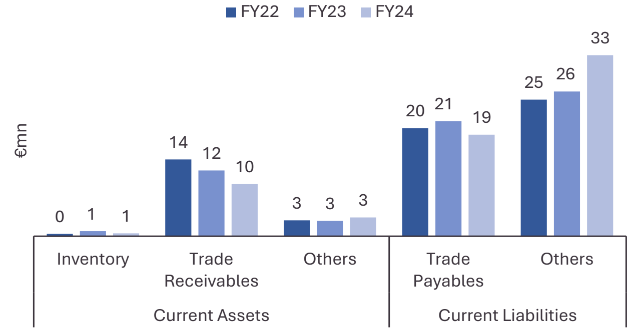
3. Cash absorption due to stepped-up fiber-optic / IRUs investments

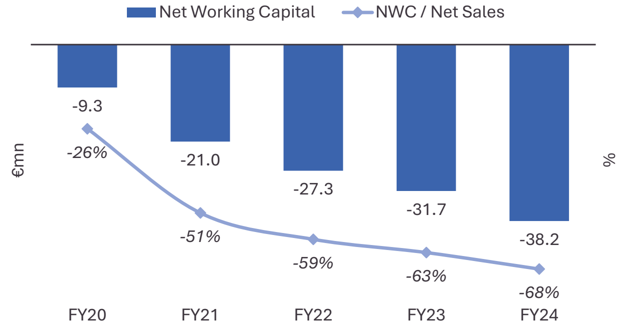
Intred's business model is inherently capital-intensive, with cash absorption driven by sustained investment in proprietary fiber infrastructure (FTTH access, backhaul and long-term IRU rights) to densify coverage and elevate service quality across Lombardy, while Net Working Capital is structurally negative and a consistent source of cash, and M&A remains selective and complementary to an organic, network-led growth strategy. As a consequence, **Net Debt** peaked at **€32.9mn** in **FY24**, following the these key drivers:

- **Capex**: since inception, Intred has invested >€180mn to scale its proprietary fiber network, out of which €32.2m in FY24 (ca. 25% of total), deployed primarily into FTTH access and backhaul across Lombardy, expanding the footprint +14.6% to ~13,500 km (from >11,700 km in FY23). As far as capex mix, in FY24 it stood ~80% tangible (civil works, fiber, shelters/manholes, electronics) and ~20% intangible IRU rights on dark fiber/ducts with 15-22 year terms;
- **Net Working Capital** stood at roughly −€38.2m (−68.4% of VoP vs −25.5% in FY20), reflecting: (i) near-zero inventories; (ii) €12.9m current assets (incl. ~€1.3mn invoices to issue to Infratel for activated schools); €51.5m other current liabilities (vs €17.2mn in FY20) driven by €30.6mn deferred revenues/accruals (cash received in advance) and long-dated accruals >5 years (€8.7mn: ~€5.9mn services, ~€2.3mn IRU sales, ~€0.5mn Infratel BUL Valle Sabbia);
- **Dividends** of ca €4.9mn (cumulative FY20-FY24), with a payout ratio rising from ~10% (FY20) to ~25% (FY24);
- **M&A**: in FY24, Intred has invested over €3.6mn across Connecting Italia S.r.l acquisition (FY23: Sales at €2.8mn; EBITDA margin (acquisition perimeter) >20%; Net Cash at €0.2mn) aimed at improving the acquired company's profitability through the gradual migration of its customer base onto the proprietary infrastructure;
- **Group Net Equity** increased y/y on earnings, modestly offset by ~€350k buyback in FY20-FY24.

As a result, as of FY24, Net Debt / EBITDA stood at 1.4x, well under control.

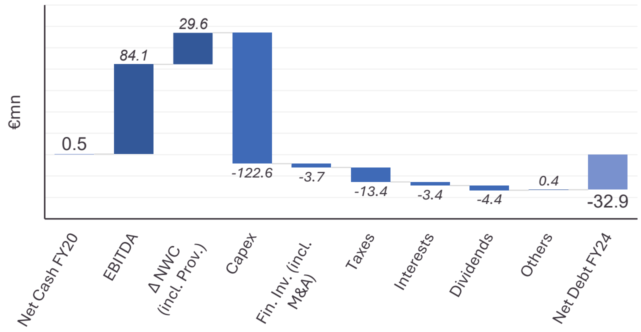
Intred: Net Working Capital Breakdown and Incidence on Net Sales (FY22-FY24)

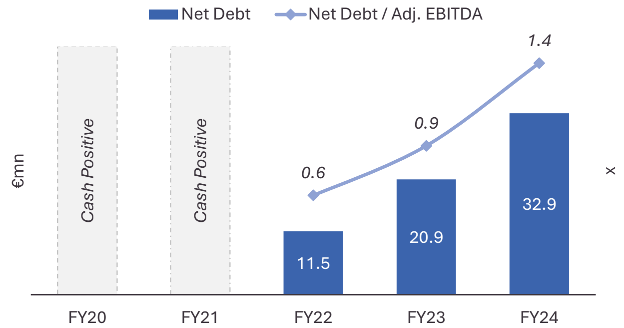




Source: Intred, Value Track Analysis

Intred: Cumulative Cash Flow and Net Debt Evolution (FY20-FY24)





Source: Intred, Value Track Analysis

Intred: Balance Sheet FY20-FY24

(IT GAAP, €mn)	FY20	FY21	FY22	FY23	FY24
Net Working Capital	-9.3	-21.0	-27.3	-31.7	-38.2
As a % of VoP	*-26%*	*-51%*	*-59%*	*-63%*	*-68%*
Net Fixed Assets	42.7	57.4	88.6	109.5	133.1
Provisions	1.6	1.6	1.8	1.9	2.3
Total Capital Employed	**31.8**	**34.9**	**59.5**	**75.9**	**92.6**
As a % of VoP	*87%*	*85%*	*129%*	*150%*	*166%*
Shareholders' Equity	32.3	40.3	48.0	55.0	59.7
Group Net Equity	**32.3**	**40.3**	**48.0**	**55.0**	**59.7**
NFP [i.e. Net Debt (-) Cash (+)]	**0.5**	**5.4**	**-11.5**	**-20.9**	**-32.9**

Source: Intred, Value Track Analysis

Intred: Cash Flow Statement FY20-FY24

(IT GAAP, €mn)	FY20	FY21	FY22	FY23	FY24
EBITDA	14.0	17.6	19.9	22.5	24.0
Δ Net Working Capital	9.3	11.7	6.3	4.4	6.5
Capex	-22.2	-20.5	-39.3	-31.0	-31.8
Δ Provisions	1.6	0.0	0.2	0.1	0.4
OpFCF b.t.	**2.7**	**8.8**	**-12.9**	**-4.0**	**-0.8**
As a % of EBITDA	*19%*	*50%*	*-65%*	*-18%*	*-3%*
Cash Taxes	-2.1	-3.3	-3.5	-3.3	-3.3
OpFCF a.t.	**0.6**	**5.5**	**-16.4**	**-7.3**	**-4.1**
Others (incl. Fin. Investments, Buyback)	0.2	-0.1	0.9	0.4	-4.3
Net Financial Charges	0.1	0.2	-0.2	-1.4	-1.9
Dividends Paid	-0.5	-0.6	-1.1	-1.1	-1.6
Δ Net Financial Position	**0.5**	**4.9**	**-16.9**	**-9.4**	**-12.0**

Source: Intred, Value Track Analysis

1H25 Financial Results

On September 25th, Intred reported its 1H25 results, delivering:

- **Value of Production** at **€27.9mn**, up +6.1% y/y and flattish q/q (vs. €26.3mn and €13.9mn in 1H24 and 1Q25, respectively);
- **EBITDA** at **€12.5mn**, and EBITDA Margin > 45% (ca. +120bps y/y);
- **EBIT** at **€6.0mn** with EBIT Margin close to 22% (ca. -70bps y/y), and **Net Profit** at **€3.6mn**, i.e., broadly in line with €3.5mn in 1H24, as higher D&A and finance costs (tied to increased leverage to finance the proprietary network rollout) offset operating gains;
- **Net Debt** at **€37.4mn** (vs. €27.4mn and €32.9mn in 1H24 and FY24, respectively), with leverage at ca. 1.5x (based on LTM 1H25 EBITDA), reflecting the school tenders capex cycle.

Intred: Key Financials 1H24-1H25

(IT GAAP, €mn)	1H24	1H25	y/y
Value of Production	**26.3**	**27.9**	***6%***
EBITDA	**11.5**	**12.5**	***9%***
EBITDA Margin (%)	*44%*	*45%*	*124bps*
EBIT	**5.8**	**6.0**	***3%***
EBIT Margin (%)	*22%*	*22%*	*-66bps*
Net Profit	**3.5**	**3.6**	***1.7%***
Capex	19.2	12.6	*-34%*
NFP [i.e. Net Debt (-) Cash (+)]	**-27.4**	**-37.4**	***-10.0***

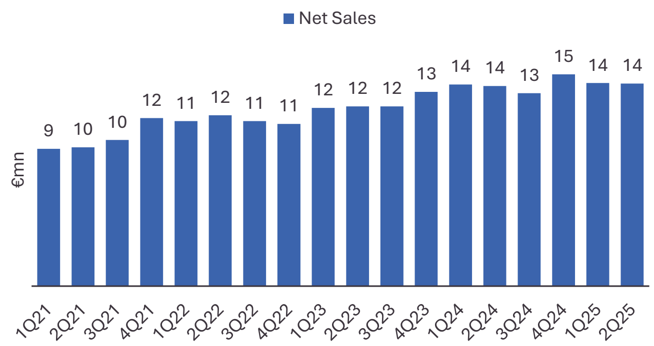
Source: Intred, Value Track Analysis

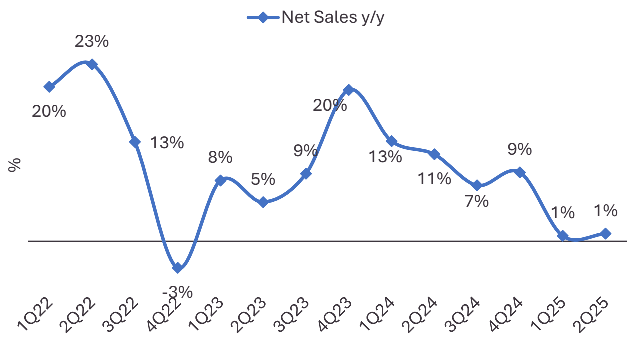
Key takeaways include:

- **Sales Mix & Visibility**: on a like-for-like basis, revenues were broadly stable (+0.9% y/y), shaped by (i) the tapering of one-off school-tender revenues launched in prior years (shifting 2025 toward recurring fees) and (ii) the new managerial strategy at Connecting, phasing out non-strategic/low-margin services to lift efficiency and margins. As of services, Connectivity (the Company's core) grew ~5% y/y, with UBB connections (€16.2mn) and Voice & Data (€5.0mn, +20.2% y/y) being the main contributors. By customer mix: (i) Private clients +5.9% to €5.0mn; (ii) Professional €15.6mn (+13.5% y/y and +6.8% organic); (iii) Public Entities slightly negative y/y (ca. -7%), but the recurring part grew +33.1%; (iv) Wholesale +7.8% to €2.2mn.

  Notably, we mention: (i) recurring subscription services accounted for ~92.2% of Sales (€25.6mn, +7.9% y/y); (ii) revenue churn rate at 4.4%, below market benchmarks; (iii) data-line users >56.5k (+11.4% y/y);
- **Profitability**: EBITDA all-time-high in both absolute and percentage terms, underscoring operating strength and the ability to fund sizeable capex while maintaining a balanced capital structure;
- **Investments & Network**: 1H25 capex totaled ca. €12.6mn, concentrated on strengthening the backhauling layer and expanding the FTTH access network (customer hookups) across Lombardy. The step-up in prior years' investment was required to meet school tenders commitments; importantly, this infrastructure can now be leveraged to activate additional connections for local PA, business, and residential users. As of 1H25, the proprietary network boasts >14,250 km (+9.9% y/y vs ~13,000 km at end-1H24).

Intred: Revenues from Sales Evolution by Quarters





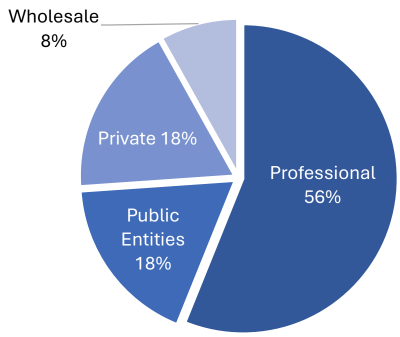
Source: Intred, Value Track Analysis

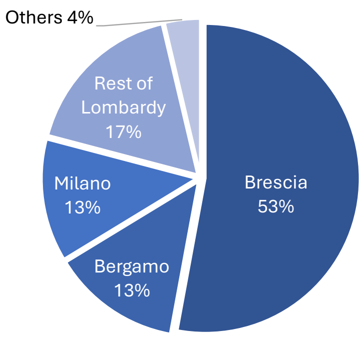
Intred: Revenue from Sales by Service (1H24-1H25)

(IT GAAP, €mn)	1H24	1H25	y/y
Connectivity	**21.8**	**23.0**	**5%**
y/y (%)	*6%*	*5%*	*//*
Telefonia	**1.8**	**1.8**	***4%***
y/y (%)	*0%*	*4%*	*//*
Ancillary Services	**1.5**	**1.9**	***29%***
y/y (%)	*14%*	*29%*	*//*
Data Centers	**0.7**	**0.7**	***8%***
y/y (%)	*6%*	*8%*	*//*
Others	**0.2**	**0.3**	***72%***
y/y (%)	*-48%*	*72%*	*//*
Revenues from Sales	**25.9**	**27.8**	***7%***
y/y (%)	*6%*	*7%*	*//*

Source: Intred, Value Track Analysis

Intred: 1H25 Revenues from Sales by Customers and Area





Source: Intred, Value Track Analysis

Intred: P&L 1H23 to 1H25

(IT GAAP, €mn)	1H23	2H23	1H24	2H24	1H25
Value of Production	**24.7**	**25.8**	**26.3**	**29.6**	**27.9**
Raw Materials (incl. Δ Inventory)	-1.1	-0.7	-1.1	-0.9	-0.5
Costs of Services	-3.4	-4.6	-4.3	-5.4	-4.7
Use of 3rd Party Assets	-4.9	-4.3	-4.6	-5.8	-5.2
Other Costs	-0.5	-0.4	-0.4	-0.4	-0.5
Gross Profit (VA)	**14.8**	**15.8**	**15.9**	**17.1**	**17.0**
Gross (VA) Margin (%)	**60%**	**61%**	**60%**	**58%**	**61%**
Labour Costs	-4.1	-4.0	-4.4	-4.5	-4.5
EBITDA	**10.7**	**11.8**	**11.5**	**12.6**	**12.5**
EBITDA Margin (%)	***44%***	***46%***	***44%***	***42%***	***45%***
D&A	-4.8	-5.1	-5.6	-6.7	-6.5
EBIT	**6.0**	**6.7**	**5.8**	**5.9**	**6.0**
EBIT Margin (%)	***24%***	***26%***	***22%***	***20%***	***22%***
Total Fin Exp.	-0.4	-0.7	-0.7	-0.9	-0.7
Pre-Tax Profit	5.5	6.0	5.1	5.0	5.3
Taxes	-1.6	-1.7	-1.6	-1.7	-1.7
Net Profit	**3.9**	**4.3**	**3.5**	**3.3**	**3.6**
Net Margin (%)	**16%**	**17%**	**13%**	**11%**	**13%**

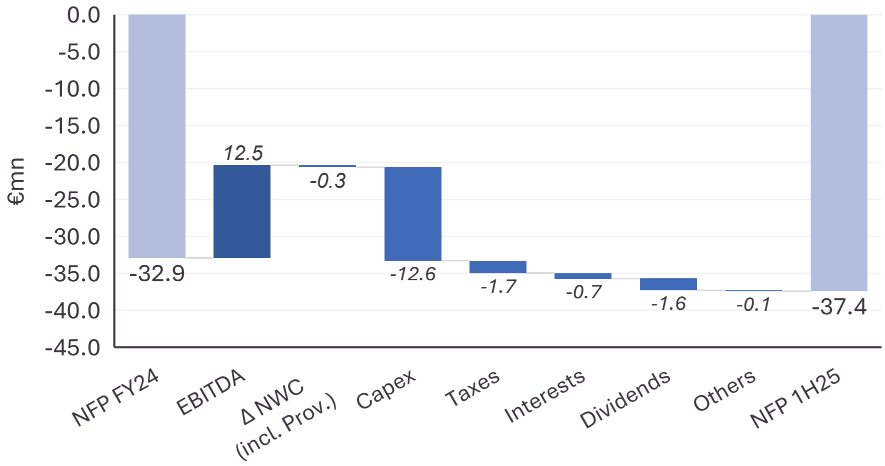
Source: Intred, Value Track Analysis

Intred: Balance Sheet from 1H23 to 1H25

(IT GAAP, €mn)	1H23	FY23	1H24	FY24	1H25
Net Working Capital	-28.2	-31.7	-39.9	-38.2	-37.7
As a % of VoP	*-114%*	*-123%*	*-152%*	*-129%*	*-135%*
Net Fixed Assets	100.0	109.5	126.3	133.1	139.3
Provisions	1.7	1.9	2.1	2.3	2.5
Total Capital Employed	**70.1**	**75.9**	**84.3**	**92.6**	**99.0**
Group Net Equity	**50.7**	**55.0**	**57.0**	**59.7**	**61.6**
NFP [i.e. Net Debt (-) Cash (+)]	**-19.3**	**-20.9**	**-27.4**	**-32.9**	**-37.4**

Source: Intred, Value Track Analysis

Intred: Cash Flow 1H25



Source: Intred, Value Track Analysis

Unlocking the Harvest: Execution & FCF

With the network build phase essentially completed, Intred is shifting to monetization and reweighting toward recurring, higher-margin services across three levers: (i) a brand new Tier IV, modular data center in Brescia with first revenues in 4Q27E and a management IRR target over 20%; (ii) systematic on-net upselling (from ADSL/FTTC to FTTH, speed upgrades, voice & data bundles) plus multi-year PA annuities from Infratel school tenders; and (iii) disciplined bolt-on M&A to densify Lombardy and migrate traffic on-net. As far as forecasts are concerned, on an organic base case, we expect: VoP at €69.1m by FY28E (+5% $CAGR_{FY24-FY28E}$), EBITDA at €34.3m (~50% margin), Net Profit at €11.1m, and Net Debt at ~€15.6m (~0.5x EBITDA), as FCF inflects after the ~€15m data center capex peak (~80% in FY26).

Strategic Execution Well on Track

With a sustained investment cycle largely behind it, Intred is pivoting from build to harvest, capitalizing on its proprietary network, strengthening recurring revenue, and redeploying targeted capex into three company-specific vectors:

1. **Data Center Project** - Cloud & Edge Infrastructure;
2. **Organic Proprietary-Network Monetization** - Structured Upselling;
3. **M&A-Led On-Net Revenue Capture** - Customer Migration at Scale.

1. Data Center Project

To monetize its on-net fiber and expand into higher-value recurring services for Professional and PA clients (through colocation, private cloud, backup/DR, and managed services), in September 2024 Intred signed a preliminary land agreement to develop a Tier IV, **modular data center on a >28,000 sqm site in Brescia**, securing building rights of ~6,000 sqm for the facility and ~4,000 sqm for offices where the new headquarters will be co-located.

Commercially, the Brescia location (close to Milan and at the heart of Intred's installed base in Brescia and Bergamo) supports **targeted cross-sell** and bundling into existing on-net customers and recent PA wins (including school tenders tails).

The proposition (local performance, data sovereignty, full SLA control) addresses mid-market needs often underserved by hyperscale footprints and should enhance retention and ARPU over time.

It's also worthy to consider that the backdrop is supportive: the Italian data center market is ~€3.7bn, expected to grow at ~14.4% $CAGR_{FY24–FY29E}$, and Intred's network-led (non-real-estate) approach with a fully interconnected backbone positions it well to capture demand.

As far as Data center project, we somewhat deviate from the sept-2024 "Strategic Plan" to reflect administrative delays on the project.

Under our revised phasing, we model **1st sales contribution in 4Q27E** and a clearer ramp through FY28E; consistent with this timing, we expect EBITDA to turn positive from FY28E (ITD's "Strategic Plan" indicated FY27E).

The investment aims at a target IRR >20%, predicated on bringing modules online against committed demand rather than ahead of it. Key financial anchors (our estimates):

- **Capex**: ~€15m over FY25E–FY27E (ca. 80% in FY26E);
- **Cumulative Sales**: >€70m over FY26E-FY36E;
- **Profitability**: EBITDA Margin ~55%-60% by FY29E.

Detailed P&L, Balance Sheet, and Cash Flow projections follow in the next section.

2. Organic Proprietary-Network Monetization

As we said before, over the past years, Intred has executed a network-first strategy in Lombardy, building its brand new high-performance proprietary backbone and FTTH access layer in one of Italy's most important economic regions.

With the physical asset now largely in place, the strategy pivots from build to harvest: connecting and enriching the installed base, raising utilization, and translating infrastructure into durable, higher-margin recurring revenue. Also, brand investments (>7% of FY24 sales, including the Andrea Pirlo campaign) have laid awareness and distribution foundations.

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.

For SMEs, we see room to layer cybersecurity and cloud/managed offerings as a logical adjacency to connectivity (not embedded in the "Strategic Plan", but a clear optionality lever given Intred's local presence and SLA control). On the public side, school tenders create multi-year annuities and a durable pipeline for recurring services, supporting low churn and backlog-like visibility.

3. 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 and, more recently, Connecting Italia (both have been merged into Intred):

- **Qcom** (FY20): Lombardy-focused connectivity provider with >4,300 business customers and a strong presence across Bergamo, Milan, Brescia, Monza e Brianza, Cremona, Varese.

  This is an acquisition that, at that time, nearly doubled Intred's B2B footprint and enabled broad cross-sell of broadband and ultra-broadband, consolidating the high-speed, high-capacity proposition across the region, with profitability expected to improve as customers were migrated onto Intred's proprietary network and an optional residential offer evaluated where coverage allowed;
- **Connecting Italia** (FY24): Milan-headquartered operator focused on fixed telephony and broadband/data transmission, selected for the quality of its customer base and asset-light profile.

  Again, the industrial thesis of the deal centered on migrating clients onto Intred's network and structured upselling of voice & data bundles and managed services, and with the integration of ~2,000 B2B customers providing immediate scale and a strong platform for on-net conversion and ARPC expansion.

Intred: M&A Recap

Target	Date	Stake	Value	Financials (€mn) (*)			EV/EBITDA (x)
				Sales	EBITDA	Net Debt	
Qcom	*09/01/2020*	*100%*	10.2	10.9	1.8	-0.8	5.2
Connecting Italia	*03/04/2024*	*100%*	3.6	2.8	0.6	0.2	6.0
Total	**//**	**//**	**13.8**	**13.7**	**2.4**	**-0.6**	**5.6**

Source: Intred, Value Track Analysis; (*)Last actual pre-acquisitions

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.

In our model (not the Company's guidance) we envisage roughly one ~€10mn-revenue acquisition per year by FY26E, 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. 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.

Financial Forecasts FY25E-FY28E

In light of the above, we frame Intred's outlook under two scenarios:

- **Scenario 1: base case (all-organic + data center)**. Mid-high single digit organic growth with EBITDA Margin in the low-50s, underpinned by data center rollout + organic network exploitation (upselling);
- **Scenario 2: M&A acceleration from FY26E**. Selective bolt-ons aimed at roughly doubling the top-line growth pace, assuming disciplined entry multiples, synergy capture via customer migration to Intred's proprietary network, and funding from FCF and BS headroom (no equity injection assumed).

1. Base case (all-organic + data center)

Anchored in the strategic execution drawn above, our base case's FY25E–28E forecasts are brief as follows:

- **Value of Production** reaching **€69.1mn**, with a $CAGR_{FY24-FY28E}$ of +5%;
- **EBITDA** growing compounded at ca. 9% per year to **€34.3mn**, with a ca. 650bps margin rise vs. FY24;
- **Net Debt** falling to **€15.6mn**, with leverage declining from 1.4x to 0.5x EBITDA.

Intred: Key Financials FY24-FY28E

(IT GAAP, €mn)	FY24	FY25E	FY26E	FY27E	FY28E	$CAGR_{FY24-28E}$
Value of Production	**55.9**	**57.0**	**60.7**	**64.3**	**69.1**	**5%**
EBITDA	**24.0**	**25.7**	**28.2**	**31.1**	**34.3**	**9%**
EBITDA Margin (%)	*43%*	*45%*	*47%*	*48%*	*50%*	*656bps*
NFP [i.e. Net Debt (-) Cash (+)]	**-32.9**	**-38.2**	**-39.6**	**-31.2**	**-15.6**	**nm**

Source: Intred, Value Track Analysis

Key supports to the trajectory include:

1. Recurring-led growth with school tenders, upselling and data center from 4Q27E;
2. Margins uplift as capex cycle rolls off & lower marketing / 3rd-party intensity;
3. FCF inflection in FY27E post-FY26 DC's capex peak, with deleveraging enabling M&A/dividends.

1. Recurring-led growth with school tenders, upselling and data center from 4Q27E

We forecast ITD's **Revenues from Sales** to reach **€68.4mn** in FY28E, driven by the combined effect of:

- **Professional segment uplift**:~€8.5mn increase vs FY24 by FY28E on deeper on-net reach and a structured upsell motion (higher-speed UBB, voice & data bundles, security/managed services), with local share headroom supporting penetration (Brescia ~15%, Bergamo ~6%);
- **Public channel expansion**: school tenders annuities (up to five years per activation with renewal options) and the cadence of new tenders, with Tender 1 tails to FY30 and Tender 2 tails to FY33, driving up to ~€5.5mn in FY28E; recurring PA revenues growth of ~33% in 1H25 underscores accelerating adoption of Intred's structural services in the sector;

Intred: Revenue from Sales by Service (FY24-FY28E)

(IT GAAP, €mn)	FY24	FY25E	FY26E	FY27E	FY28E	$CAGR_{FY24-28E}$
Professional Clients	**30.6**	**32.5**	**33.8**	**36.2**	**39.1**	**6%**
Public Clients	**10.7**	**11.0**	**11.2**	**11.7**	**12.2**	**3%**
o/w School "Recurring"	*4.2*	*5.3*	*5.5*	*5.5*	*5.5*	*7%*
School "Una Tantum"	*4.5*	*2.0*	*1.0*	*0.0*	*0.0*	*nm*
Other Public Clients	*1.9*	*3.7*	*4.7*	*6.2*	*6.7*	*36%*
Private Clients	**9.6**	**10.0**	**10.4**	**10.8**	**11.2**	**4%**
Wholesale	**4.2**	**4.5**	**4.7**	**5.0**	**5.9**	**9%**
Others	**0.1**	**-1.4**	**0.0**	**0.0**	**0.0**	***nm***
Revenues from Sales	**55.2**	**56.5**	**60.1**	**63.7**	**68.4**	**5%**

Source: Intred, Value Track Analysis

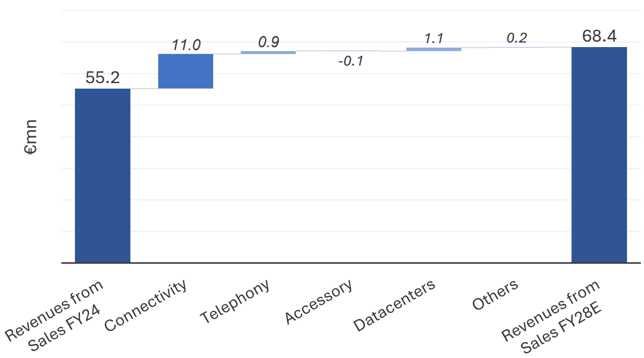
- **Data center contribution**: first revenues from 4Q27E, creating a local, low-latency platform to cross-sell co-location, cloud and managed services to Professional and PA customers, with cumulative Value of Production of ~€71.8mn over FY26E–FY36E *(P&L, Balance Sheet, and Cash Flow details to follow)*.

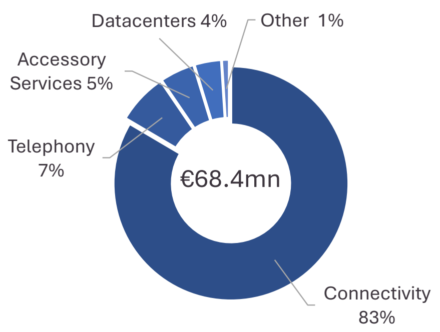
Intred: Revenue from Sales by Service (FY24-FY28E)

(IT GAAP, €mn)	FY24	FY25E	FY26E	FY27E	FY28E	CAGR FY24-28E
Connectivity	46.1	47.6	50.6	53.6	57.1	*6%*
Telephony	3.9	4.0	4.2	4.5	4.8	*5%*
Ancillary Services	3.4	2.9	3.1	3.3	3.3	*-1%*
Data Centers	1.4	1.5	1.6	1.7	2.5	*16%*
Other	0.6	0.6	0.6	0.6	0.7	*7%*
Revenues from Sales	**55.2**	**56.5**	**60.1**	**63.7**	**68.4**	**5%**
y/y (%)	***10%***	***2%***	***6%***	***6%***	***7%***	***//***
o/w Una Tantum Revenues	6.4	4.0	3.0	2.0	2.0	*//*
Organic (Recurring) Revenues	48.9	52.5	57.1	61.7	66.4	*//*

Source: Intred, Value Track Analysis

Intred: Net Sales Evolution and Breakdown in FY28E





Source: Intred, Value Track Analysis

2. Margins uplift as capex cycle rolls off & lower marketing / 3rd-party intensity

Also, we look ahead ITD to increase its profitability stage, due to:

- Putting past capex to work with greater on-net focus, shifting **volumes toward higher-margin proprietary infrastructure**; thus, 3rd-party asset costs trending from 18.7% of VoP (FY24) toward ~15.5% by FY28E;
- **Marketing calibrated to conversion**, ~€4.0m in FY24, ~€0.5mn lower in FY25E and ~€1.0mn lower in FY26E vs FY24;
- Operating leverage over headcount with **personnel costs broadly flat** in absolute value at €9mn-10mn.

Below EBITDA, despite higher D&A intensity (D&A / VoP from 22.0% in FY24 to 24.5%) partially offset by lower financial charges, there should be a bottom-line expansion. Specifically, we project:

- **EBIT** to **€17.3m by FY28E**, margin up to 25.1% from 21.0% in FY24;
- **Net Profit at €11.1mn** (vs. FY24 Net Profit of €6.9mn), with Net Margin at 16%.

Intred: P&L FY24A-FY28E

(IT GAAP, €mn)	FY24	FY25E	FY26E	FY27E	FY28E	CAGR$_{FY24-28E}$
Revenue from Sales	**55.2**	**56.5**	**60.1**	**63.7**	**68.4**	***5%***
Other Revenues	0.7	0.5	0.6	0.6	0.7	*2%*
Value of Production	**55.9**	**57.0**	**60.7**	**64.3**	**69.1**	***5%***
Raw Materials (incl. Δ Inventory)	-1.2	-1.0	-1.1	-1.2	-1.2	*1%*
Costs of Services	-9.7	-9.4	-9.8	-10.2	-11.0	*3%*
Use of 3rd Party Assets	-10.5	-10.2	-10.5	-10.4	-10.7	*1%*
Other Costs	-0.8	-1.6	-1.7	-1.8	-1.9	*25%*
Gross Profit (VA)	**32.9**	**34.7**	**37.7**	**40.7**	**44.2**	***8%***
Gross (VA) Margin (%)	**59%**	**61%**	**62%**	**63%**	**64%**	***506bps***
Labour Costs	-8.9	-9.1	-9.4	-9.6	-10.0	*3%*
EBITDA	**24.0**	**25.7**	**28.2**	**31.1**	**34.3**	***9%***
EBITDA Margin (%)	*43%*	*45%*	*47%*	*48%*	*50%*	656bps
D&A	-12.3	-13.6	-14.7	-15.8	-16.9	*8%*
EBIT	**11.8**	**12.1**	**13.5**	**15.3**	**17.3**	***10%***
EBIT Margin (%)	***21%***	***21%***	***22%***	***24%***	***25%***	*402bps*
Total Fin Exp.	-1.6	-1.5	-1.7	-1.5	-1.0	*-10%*
Pre-Tax Profit	**10.1**	**10.6**	**11.8**	**13.8**	**16.3**	***13%***
Taxes	-3.3	-3.4	-3.8	-4.4	-5.2	*12%*
Net Profit	**6.9**	**7.2**	**8.0**	**9.4**	**11.1**	***13%***
Net Margin (%)	***12%***	***13%***	***13%***	***15%***	***16%***	*369bps*

Source: Intred, Value Track Analysis

3. FCF inflection in FY27E post-FY26 data center's capex peak, with delev. enabling M&A/dividends

Cash conversion improves as the data center's capex cycle peaks and rolls off, taking **Net Debt** toward **~€15.6mn by FY28E** and leverage from ~1.4x (FY24) to ~0.5x. Going into details, we forecast:

- **Capex**: ca. €15m data center capex over FY25E-FY27E (ca. 80% in FY26E), thereafter a lean maintenance run-rate;
- **Net Working Capital**: structurally negative, however we model modest absorption with ΔNWC ~ €2.5mn p.a. over the plan as school tenders–related deferred revenues gradually taper/unwind;
- **Funding & Payout**: 4.5%-5.0% average cost of debt and ~22% payout, with residual FCF directed to deleveraging. Additionally, with ND/EBITDA <1.5x in FY26E, Intred regains flexibility for selective bolt-on M&A (*see dedicated section*).

Intred: Balance Sheet FY24A-FY28E

(IT GAAP, €mn)	FY24	FY25E	FY26E	FY27E	FY28E
Net Working Capital	-38.2	-35.7	-34.2	-30.4	-28.1
As a % of VoP	*-68%*	*-63%*	*-56%*	*-47%*	*-41%*
Net Fixed Assets	133.1	140.7	147.2	142.8	134.2
Provisions	2.3	2.2	2.3	2.5	2.7
Total Capital Employed	**92.6**	**102.8**	**110.6**	**109.9**	**103.3**
As a % of VoP	*166%*	*180%*	*182%*	*171%*	*149%*
Shareholders' Equity	59.7	64.6	71.0	78.7	87.7
Group Net Equity	**59.7**	**64.6**	**71.0**	**78.7**	**87.7**
NFP [i.e. Net Debt (-) Cash (+)]	**-32.9**	**-38.2**	**-39.6**	**-31.2**	**-15.6**

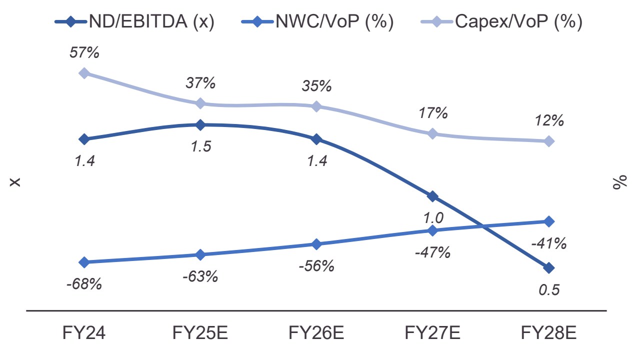
Source: Intred, Value Track Analysis

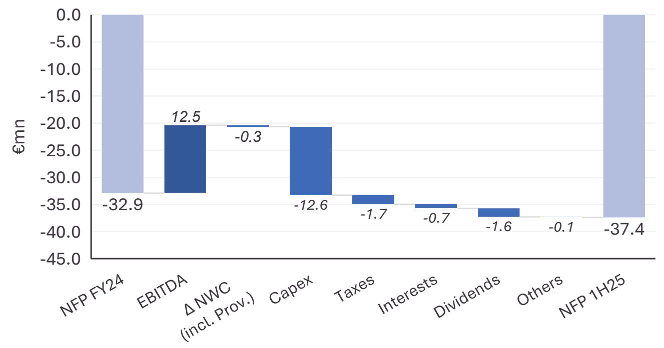
Intred: Cash Flow Statement FY24A-FY28E

(IT GAAP, €mn)	FY24	FY25E	FY26E	FY27E	FY28E
EBITDA	24.0	25.7	28.2	31.1	34.3
Δ Net Working Capital	6.5	-2.5	-1.5	-3.8	-2.2
Capex	-31.8	-21.0	-21.0	-11.0	-8.0
Δ Provisions	0.4	-0.2	0.2	0.2	0.2
OpFCF b.t.	**-0.8**	**2.0**	**5.9**	**16.4**	**24.2**
As a % of EBITDA	*-3%*	*8%*	*21%*	*53%*	*71%*
Cash Taxes	-3.3	-3.4	-3.8	-4.4	-5.2
OpFCF a.t.	**-4.1**	**-1.4**	**2.1**	**12.0**	**19.0**
Buyback	-0.2	-0.8	0.0	0.0	0.0
Others (incl. Fin. Investments)	-4.1	0.1	0.0	-0.1	-0.1
Net Financial Charges	-1.9	-1.7	-1.9	-1.8	-1.3
Dividends Paid	-1.6	-1.6	-1.6	-1.8	-2.1
Δ Net Financial Position	**-12.0**	**-5.4**	**-1.4**	**8.4**	**15.6**

Source: Intred, Value Track Analysis

Intred: Cash Flow Metrics and Cumulative Cash Flow FY24-FY28E





Source: Intred, Value Track Analysis

Focus on the Data Center Project

Below we highlight our standalone forecasts (P&L, Balance Sheet, and Cash Flow projections) for the Data Center Project, which – while not a separate legal entity – are useful to highlight the project's financial contribution within the Company.

Intred: Data center Project – P&L + BS FY25E-FY30E

(IT GAAP, €mn)	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E	FY26E-36E Cum.
Value of Production	**0.0**	**0.0**	**0.3**	**2.5**	**4.0**	**5.3**	**71.8**
Gross Profit (VA)	0.0	0.0	-0.2	1.1	2.3	3.4	48.1
Gross (VA) Margin (%)	*nm*	*nm*	*-50%*	*45%*	*59%*	*65%*	*67%*
EBITDA	**0.0**	**0.0**	**-0.2**	**0.8**	**1.9**	**2.8**	**39.5**
EBITDA Margin (%)	*nm*	*nm*	*-65%*	*33%*	*47%*	*53%*	*55%*
EBIT	**0.0**	**-0.1**	**-1.4**	**-0.4**	**0.1**	**1.3**	**26.3**
EBIT Margin (%)	*nm*	*nm*	*nm*	*nm*	*3%*	*25%*	*37%*
Net Profit	**-0.4**	**-0.2**	**-2.4**	**-1.4**	**-0.8**	**0.5**	**14.5**
NFP [i.e. Net Debt (-) Cash (+)]	**-1.0**	**-13.1**	**-16.3**	**-16.5**	**-15.6**	**-13.6**	**//**

Source: Value Track Analysis

Intred: : Data center Project – Cash Flow Statement FY25E-FY30E

(IT GAAP, €mn)	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
EBITDA	0.0	0.0	-0.2	0.8	1.9	2.8
Capex	-1.0	-12.0	-2.0	0.0	0.0	0.0
OpFCF b.t.	**-1.0**	**-12.0**	**-2.2**	**0.8**	**1.9**	**2.8**
As a % of EBITDA	*nm*	*nm*	*1126%*	*100%*	*100%*	*100%*
Cash Taxes	-0.1	0.0	-0.5	-0.3	-0.2	-0.1
OpFCF a.t.	**-1.1**	**-12.0**	**-2.7**	**0.5**	**1.7**	**2.7**
Others (incl. Fin. Investments)	0.4	0.0	0.0	0.0	0.0	0.0
Free Cash Flow to Firm	**-0.7**	**-12.0**	**-2.7**	**0.5**	**1.7**	**2.7**
Net Financial Charges	-0.3	0.0	-0.6	-0.7	-0.7	-0.7
Δ Net Financial Position	**-1.0**	**-12.1**	**-3.3**	**-0.2**	**1.0**	**2.0**

Source: Value Track Analysis

2. M&A acceleration from FY26E

To complement the organic plan and accelerate on-net utilization, M&A could be added as follows:

- **Cadence & Target Profile**: one ~€10mn revenue bolt-on per year starting FY26E, focused on asset-light targets with limited proprietary network to maximize on-net migration to Intred's fiber;
- **Entry Economics**: ca. €6.0m cash outlay per deal, implying EV/EBITDA FY0 of 6.0x on (EBITDA Margin at ~10%);
- **Post-Integration Path**: revenue compounding ~5% per annum and EBITDA Margin rising from ~10% to ~20% by year two, driven by on-net migration and efficiency gains.

As such, on a pro forma FY28E basis, the outcome would be: (i) Net Sales >€100m; (ii) EBITDA ~€40m with margin just under 40% given transitional mix; (iii) Net Debt ~€30.9m (~0.8x EBITDA), comfortably contained.

Intred: M&A Key Financials FY26E-FY31E

(IT GAAP, €mn)	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E
Value of Production	**10.0**	**20.5**	**31.5**	**43.1**	**45.3**	**47.5**
VoP Growth (%)	*nm*	*105%*	*54%*	*37%*	*5%*	*5%*
EBITDA	**1.0**	**2.6**	**4.8**	**7.1**	**8.5**	**9.5**
EBITDA Margin (%)	*10%*	*13%*	*15%*	*16%*	*19%*	*20%*
NFP [i.e. Net Debt (-) Cash (+)]	**-6.0**	**-11.2**	**-15.3**	**-18.3**	**-14.0**	**-9.3**

Source: Value Track Analysis

Intred: Intred Standalone Key Financials FY26E-FY31E

(IT GAAP, €mn)	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E
Value of Production	**60.7**	**64.3**	**69.1**	**74.7**	**80.9**	**87.8**
VoP Growth (%)	*6%*	*6%*	*7%*	*8%*	*8%*	*8%*
EBITDA	**28.2**	**31.1**	**34.3**	**37.4**	**40.9**	**44.6**
EBITDA Margin (%)	*46.5%*	*48.4%*	*49.6%*	*50.0%*	*50.5%*	*50.9%*
NFP [i.e. Net Debt (-) Cash (+)]	**-39.6**	**-31.2**	**-15.6**	**3.7**	**26.4**	**51.0**

Source: Value Track Analysis

Intred: Intred + M&A Key Financials FY26E-FY31E

(IT GAAP, €mn)	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E
Value of Production	**70.7**	**84.8**	**100.6**	**117.8**	**126.2**	**135.3**
VoP Growth (%)	*nm*	*20.0%*	*18.7%*	*17.1%*	*7.1%*	*7.2%*
EBITDA	**29.2**	**33.7**	**39.0**	**44.5**	**49.4**	**54.2**
EBITDA Margin (%)	*41.3%*	*39.7%*	*38.8%*	*37.8%*	*39.2%*	*40.0%*
NFP [i.e. Net Debt (-) Cash (+)]	**-45.6**	**-42.4**	**-30.9**	**-14.6**	**12.4**	**41.7**

Source: Value Track Analysis

Valuation

We initiate coverage on Intred with a Sum-of-the-Parts fair value of €13.5 p/s. Our SOTP combines the core perimeter (excluding the "Data Center Project") at €10.8 p/s, derived from FY26E-FY27E peers' average across EV/EBIT, P/E, and EV/(EBITDA–Capex), and the DC Project at €2.7 p/s, valued via a standalone DCF (2026E-2036E). As a cross-check on the core perimeter, we also ran a DCF (capturing the post-investment FCF ramp-up) and a peer value map linking EV/CE FY1 to ROIC FY1. In addition, we believe that ITD's fair value has the potential to rise up to €18.4 p/s., (i.e. ca. 1.8x from current stock market price) 24 months from now as long as the data center rollout capex is done.

Fair Equity Value at €13.5 p/s, Due to Grow

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:

1. **Core Perimeter** (existing business, excluding the "Data Center Project"): valued through market multiples, benchmarked against a panel of European TLC operators of comparable size and profile. Applying peer average multiples (12.2x-10.9x EV/EBIT, 17.7x-15.4x P/E, 11.1x-10.2x EV/(EBITDA–Capex) FY26E-FY27E) to Intred's projected metrics yields a fair equity value of **€10.8 p/s**. To validate the outcome, we also ran intrinsic-value cross-checks through a DCF and a peer-based value map (EV/CE vs ROIC);
2. **Data Center** assessed via a standalone DCF, which best captures the long-dated, back-ended cash-flow profile of this new initiative. The model indicates a fair equity value contribution of **€2.7 p/s**.

Overall, our SOTP valuation delivers a **combined fair equity value** of **€13.5 p/s**.

1. Intred Valuation Excluding the Data Center Project

Peers Analysis

Peers Selection

The peer group includes **nine operators**, predominantly **Italian** (over half the set), with listings mainly on domestic mid-cap venues (EGM, STAR, and Euronext Milan), complemented by two **Swedish** and one **German** company. These firms are somewhat larger on average than Intred, though not by an order of magnitude, and share a similar focus on regional infrastructure rollouts and SME-driven models.

We deliberately anchor our comparison to **FY26E-FY27E multiples**. FY25E still reflects elevated capex from the final phase of Intred's investment cycle (excluding the Data Center Project), while from FY26E the profile stabilizes, making these years the most consistent basis for benchmarking against steady-state peers. Accordingly, our relative valuation relies on **EV/EBIT**, **P/E**, and **EV/(EBITDA–Capex)** multiples. The Data Center Project is fully excluded from this perimeter (both operationally and financially) so the analysis isolates the performance of Intred's established businesses without incorporating the expected impact of the ~€15mn new investment.

Intred: Peers Description (1/2)

Unidata (UD-IT) – Italy-based telecom and digital-infrastructure operator across Fiber & Networking (FTTH/FTTB, dark fiber/wholesale), Cloud & Data Center (housing/hosting, storage, multi-cloud, edge), and IoT & Smart Solutions with carrier and enterprise clientele.

Planetel (PLN-IT) – Italy-based integrated telecom provider that operates FTTH networks and proprietary data centers, delivering high-speed broadband, VoIP, cloud/hosting, cybersecurity, and office-automation/managed services to retail, SME, and wholesale customers.

Convergenze (CVG-IT) – Italy-based dual-utility combining telecommunications (FTTH, fixed wireless, voice/data) with multi-energy retail (renewables and natural gas) and e-mobility under the patented EVO platform.

Source: Factset, Value Track Analysis

Intred: Peers Description (2/2)

Telecom Italia (TIT-IT) – Italy-based incumbent telecom group delivering nationwide fixed - mobile connectivity, wholesale access, cloud/ICT/enterprise solutions, underpinned by extensive last-mile infrastructure and spectrum holdings.

Rai Way (RWAY-IT) – Italy-based broadcast-tower and network-infrastructure operator managing Rai's terrestrial backbone and nationwide TV/radio transmission, offering terrestrial/satellite broadcasting, contribution and distribution networks, managed network services.

Bredband2 i Skandinavien (BRE2-SE) – Sweden-based broadband provider delivering high-speed fiber access, IP telephony, VPN/WAN and mobile broadband, plus data-center/hosting services for residential and business customers via open-access municipal networks.

Bahnhof (BAHN.B-SE) – Sweden-based ISP and data-center operator offering fiber broadband, carrier-neutral colocation and cloud/hosting, differentiated by strict privacy stance, in-house facilities and strong brand recognition among prosumers and SMEs.

1&1 (1U1-DE) – Germany-based challenger telecom operator providing mobile and fixed broadband across Access and 1&1 Mobile Network segments, rolling out a cloud-native, virtualized 5G network and bundling digital services.

WIIT (WIIT-IT) – Italy-based premium enterprise-cloud provider delivering hosted private/hybrid cloud and managed services for mission-critical applications (e.g., ERP), cybersecurity, and business continuity/DR, supported by Tier IV-grade data centers.

DHH (DHH-IT) – Cloud/hosting and connectivity platform aggregating multi-brand providers across Southern & CEE Europe, delivering domains, shared/VPS/cloud hosting, SMB digital-presence tools, ISP services, AI based Cloud infrastructure services.

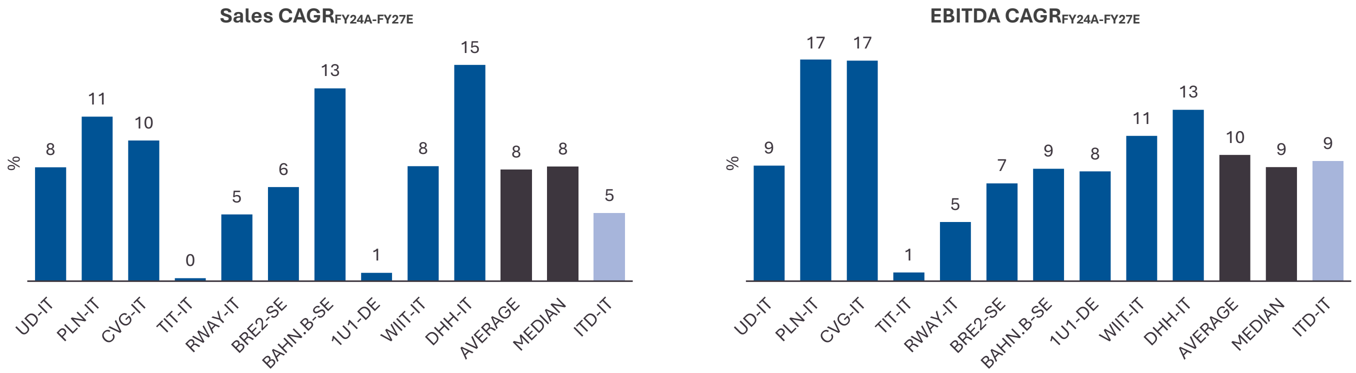
Source: Factset, Value Track Analysis

Operating Benchmark

Looking at the economic performance of Intred (ex-DC Project) compared to selected peers, we believe worth to highlight:

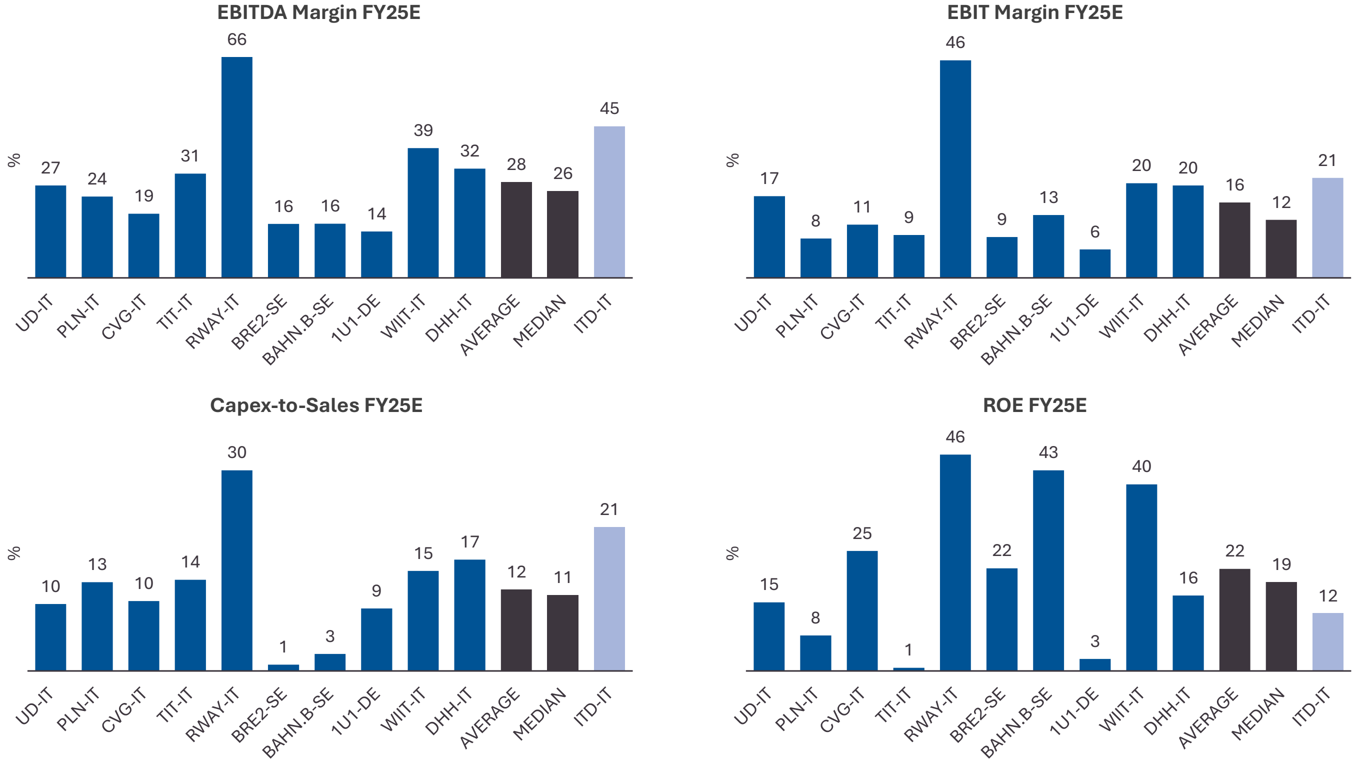
- **Growth**: Sales CAGR FY24A-27E is projected at 4.6%, below the peer median of 7.7%. While less aggressive, this reflects Intred's more mature footprint in Lombardy and disciplined market approach;
- **Profitability**: Intred is expected to deliver a 9.2% EBITDA CAGR, above the peer median (8.8%), and a 12.4% EBIT CAGR, broadly in line with peers (12.7%). More importantly, its FY25E EBIT margin of 21.2% is almost double the peer median of 12.3%, underscoring its superior efficiency in leveraging owned infrastructure;
- **Capital Efficiency**: the capex burden remains heavy, with an average Capex-to-Sales ratio of just above 20% over FY24E-FY27E (peaking at ~35% in FY25E), versus ~11% for peers. This capital intensity weighs on the three-year average ROE (13.5%), which lags the peer median of ~19%.

Intred (excl. DC Project): Economic Performance vs. Peers (1/2)



Source: Factset, Value Track Analysis

Intred (excl. DC Project): Economic Performance vs. Peers (2/2)



Source: Factset, Value Track Analysis

Stock Market Multiples Benchmark

The peer set trades at **12.2x-10.9x EV/EBIT**, **17.7x-15.4x P/E**, and **11.1x-10.2x EV/(EBITDA–Capex)** for **FY26E-FY27E**. Dispersion is significant: premium names such as WIIT, Bahnhof, Rai Way, and 1&1 trade at materially higher multiples (e.g., Bahnhof at 18.5x EV/EBIT FY25E, 24.9x P/E), while Unidata and Convergenze anchor the low end (6.2x-7.0x P/E).

We applied **peer averages without additional discounts**. The peer set already includes small-cap, EGM-listed operators trading at structural discounts, which provides sufficient conservatism. Applying these benchmarks to Intred's FY26E-FY27E figures yields a **fair equity value** of **€10.8 p/s** for the core perimeter.

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	84.6	5.2	4.4	6.2	5.6	5.3	4.3
Planetel	27.3	9.7	6.7	12.4	9.4	7.0	4.1
Convergenze	15.3	4.8	3.9	7.0	6.2	6.3	4.8
Telecom Italia	9,437.0	11.6	10.5	23.4	15.9	7.1	6.5
Rai Way	1,669.3	14.1	13.6	18.8	17.9	nm	18.4
Bredband2 i Skandinavien	278.3	15.4	14.8	20.1	19.5	9.4	9.3
Bahnhof	598.3	18.5	17.3	24.9	23.5	17.8	18.5
1&1	3,734.7	14.2	11.9	18.2	15.7	16.6	10.6
WIIT	512.7	17.0	14.6	25.3	21.3	15.3	13.8
DHH	120.0	12.0	10.8	20.8	18.7	14.9	11.7
Average	**1,647.8**	**12.2**	**10.9**	**17.7**	**15.4**	**11.1**	**10.2**
Median	**395.5**	**13.0**	**11.4**	**19.4**	**16.9**	**9.4**	**10.0**
Intred (excl. DC Project)	**154.3**	**13.3**	**10.1**	**18.8**	**13.0**	**9.4**	**7.6**
Discount vs. Average (%)	*-60%*	*8%*	*-7%*	*6%*	*-15%*	*-15%*	*-26%*

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)	12.2	10.9	17.7	15.4	11.1	10.2
Fair Enterprise Value	166.0	181.4			212.6	227.1
NFP [i.e. Net Debt (-) Cash (+)	-26.5	-14.9			-26.5	-14.9
EV Adjustments (*)	0.4	0.4			0.4	0.4
Fair Equity Value	**139.9**	**167.0**	**145.2**	**181.6**	**186.5**	**212.7**
Number of Shares (mn)	15.9					
Fair Equity Value p/s (€)	**8.8**	**10.5**	**9.1**	**11.4**	**11.7**	**13.3**
Avg. Fair Equity Value p/s (€)	**10.8**					

Source: Value Track Analysis; (*) Referring to around 46kTreasury Shares as of mid-Sept '25

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
10.00	6.6	5.6	13.7	10.4	19.5	13.5	9.7	7.8
10.20	6.7	5.7	13.9	10.6	19.8	13.8	9.8	8.0
10.40	6.8	5.8	14.2	10.8	20.2	14.0	10.0	8.1
10.60	6.9	5.9	14.4	11.0	20.6	14.3	10.2	8.2
10.80	**7.0**	**6.0**	**14.7**	**11.2**	**21.0**	**14.6**	**10.3**	**8.4**
11.00	7.2	6.1	14.9	11.4	21.4	14.8	10.5	8.5
11.20	7.3	6.2	15.1	11.6	21.8	15.1	10.7	8.7
11.40	7.4	6.3	15.4	11.8	22.2	15.4	10.8	8.8
11.60	7.5	6.4	15.6	12.0	22.6	15.6	11.0	9.0

Source: Value Track Analysis

Cross-Check 1: Discounted Cash Flow

As a cross-check, we run a DCF for Intred excluding the Data Center Project, complemented by a value map linking EV/CE FY1 to ROIC FY1.

Unlike market-based approaches, the DCF projects and discounts future FCF under two capital-structure setups: (i) a fixed leverage profile assuming a 10% target Net Debt / (Net Debt + Equity) ratio; (ii) a 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 negative FCF in FY25E (ongoing investments, excl. DC Project) and a sharp inflection from FY26E as capex normalizes, shifting the bulk of value into mid-cycle years.

On this basis, the DCF yields an average fair equity value of **€11.6 p/s** (range €11.9-€11.3, depending on capital-structure assumptions), above the €10.8 p/s estimate from peer multiples.

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

- **Fixed WACC** at **8.1%**, assuming 10% target leverage;
- **Rolling WACC** at **7.4%-8.4%**, 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 ~65% of EV, reflecting value concentration in post-capex years.

The WACC derives from a CAPM-based approach with the following inputs: (i) a 2.0% Risk-Free Rate, in line with the ECB's long-term inflation objective; (ii) a 5.37% Equity Risk Premium (ERP) for the Italian market;

(iii) an unlevered Beta of 0.53 (source: *Damodaran*), i.e., sector exposures (EU Telecommunication Services); (iv) a 3.5% company-specific risk premium, incorporated via an Expanded CAPM framework tailored for small-cap equities; (v) a resulting Cost of Equity (K_e) and Cost of Debt (K_d) equal to 8.6%-9.6% and 4.75%, respectively.

Under a target capital structure with 10% leverage, the implied fair equity value stands at €11.9 p/s; under the rolling structure, it is slightly lower at €11.3 p/s.

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

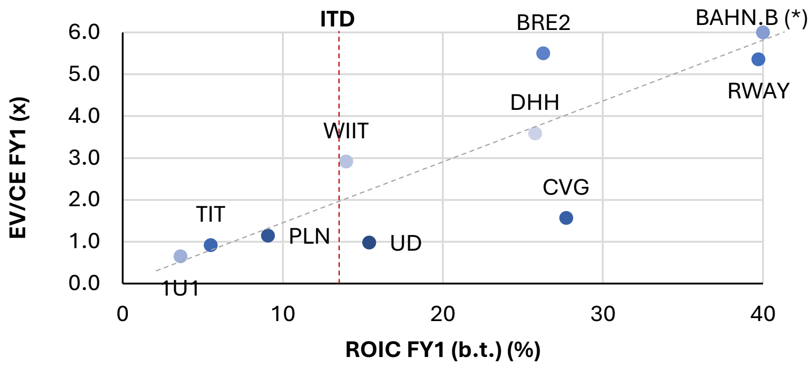
(€mn, g=3%)	Rolling WACC	Target WACC
PV of Future Cash-Flows 2026E-2036E	76.9	77.3
As a % of Enterprise Value	*35%*	*34%*
PV of Terminal Value 2036E	140.1	149.3
Fair Enterprise Value	**216.9**	**226.6**
Net Fin. Position 2025E	-37.2	
EV Adjustments (*)	0.4	
Fair Equity Value	**180.1**	**189.8**
Number of Shares (mn)	15.9	
Fair Equity Value p/s (€)	**11.3**	**11.9**

Source: Value Track Analysis; (*) Referring to around 46kTreasury Shares as of mid-Sept '25

Cross Check 2: Value Maps

From the value-mapping exercise (relating operating KPIs to peer multiples) Intred (excl. DC Project) screens fairly at 2.0x FY1 EV/CE, implying an EV of €203.7mn and equity of €166.4mn (about **€10.4 p/s**), closely aligned with our €10.8 p/s central estimate.

Intred: EV/CE – Value Map



Source: Factset, Value Track Analysis, (*) EV/CE FY1 > 6.0x and ROIC FY1 > 40%

2. Data Center Project Valuation

Discounted Cash Flow

Conversely, we value the Data Center Project through a standalone DCF, the most appropriate method to capture its long-dated profile and phased ramp-up. The model spans **FY26E-FY36E**, fully reflecting the timing of operational scale-up and the project's cash flow trajectory.

The valuation applies a **rolling WACC**, gradually increasing as leverage declines and the project becomes progressively self-financed. The WACC starts at **7.4%** in the initial years and rises to **8.4%** toward the end of the horizon.

Our DCF analysis indicates a **fair equity value** of €42.6mn, or **€2.7 p/s**, which is integrated into the overall valuation through a Sum-of-the-Parts framework..

Our key DCF assumptions are include:

- Risk-Free Rate: 2.0%, consistent with the ECB's medium-term inflation target;
- Unlevered Beta: 0.53, that one related to EU Telecommunications Services (Source: *Damodaran*);
- Italy's Implied Equity Risk Premium: 5.37% (Source: *Damodaran*);
- Company-Specific Risk Premium: 3.5% (small cap + low liquidity);
- Pre-Tax Cost of Debt: 4.75% and Corporate Tax Rate: 24.0%.

Intred: DC Project's DCF Model with Rolling WACC

(€mn)	g = 3.0%
PV of Future Cash-Flows 2026E-2036E	1.6
PV of Terminal Value 2036E	42.0
Fair Enterprise Value	**43.6**
Capex FY25E	-1.0
Fair Equity Value	**42.6**
Number of Shares (mn)	15.9
Fair Equity Value p/s (€)	**2.7**

Source: Value Track Analysis

Fair Value To Increase When Data Center Capex Is Done

To assess the value accretion expected post data center investment cycle, we conducted medium- to long-term valuation work comprising: (i) a **Rolling Valuation**; and (ii) a **DCF Model** using alternative base-year (FY0) calibrations across FY25E, FY26E, and FY27E.

1# Rolling Valuation

We performed a rolling valuation, assuming two different scenarios:

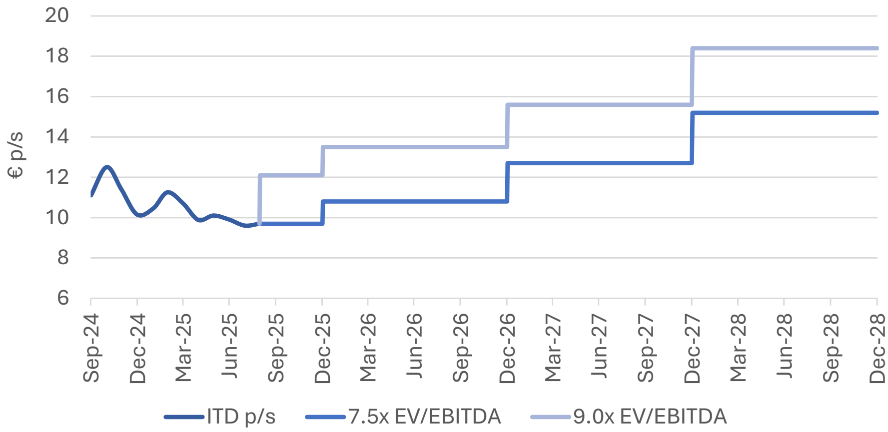
1. **Target Multiple**: We apply the current peer EV/EBITDA 2025E median (9.0x) to Intred's FY25E–FY28E financial bridge. On this basis, the implied equity value points to €12.1 p/s in FY25E (i.e., +25% vs €9.68) and €18.4 p/s in FY28E (+90%).
2. **Current Multiple**. Assuming Intred continues to trade at around 7.5x EV/EBITDA from FY25E-onwards, the rolling framework implies €17.9 p/s in three years (+85% vs €9.68).

Intred: Rolling Valuation

Rolling Multiple Valuation	Target Multiples				Current Multiples			
	FY25E	FY26E	FY27E	FY28E	FY25E	FY26E	FY27E	FY28E
Fair EV/EBITDA (x)	9.0	9.0	9.0	9.0	7.5	7.5	7.5	7.5
Fair Enterprise Value (€mn)	**231.0**	**254.0**	**279.8**	**308.3**	**192.5**	**211.6**	**233.2**	**256.9**
Net Financial Position (€mn)	-38.2	-39.6	-31.2	-15.6	-38.2	-39.6	-31.2	-15.6
Adjustments to EV (€mn)	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4
Fair Equity Value (mn)	**193.2**	**214.8**	**249.0**	**293.1**	**154.7**	**172.5**	**202.4**	**241.7**
Number of Shares (mn)	15.9	15.9	15.9	15.9	15.9	15.9	15.9	15.9
Fair Value p/s (€)	**12.1**	**13.5**	**15.6**	**18.4**	**9.7**	**10.8**	**12.7**	**15.2**

Source: Factset, Value Track Analysis

Intred: Rolling Valuation



Source: Factset, Value Track Analysis

2# Discounted Cash Flow

Consistent with the prior Intred standalone valuation, we retain the same target capital structure assumptions, **re-anchoring the model to successive FY_0 start points (FY25E, FY26E, FY27E)** over a forecast horizon spanning FY_0 to FY31E.

Particularly, the models are evaluated with fixed WACC at 8.1% (10% target leverage) that is CAPM-based with R_f 2.0%, ERP (Italy) 5.37%, unlevered beta 0.53 (EU Telecom Services), and a 3.5% additional small-cap premium, implying a Cost of Equity of 8.6% and a Cost of Debt of 4.75%.

Intred: DCF Model FY25E-FY27E (@ Target Capital Structure)

Base Year (€mn, g=3%)	FY25E	FY26E	FY27E
PV of Future Cash-Flows up to 2031E	71.8	76.3	70.6
PV of Terminal Value	185.1	200.2	216.4
Fair Enterprise Value	**256.9**	**276.49**	**287.0**
Net Financial Position	-38.2	-39.6	-31.2
EV Adjustments	0.4	0.4	0.4
Fair Equity Value	**219.1**	**237.3**	**256.2**
Number of Shares (mn)	15.9	15.9	15.9
Fair Equity Value p/s (€)	**13.7**	**14.9**	**16.1**

Source: Value Track Analysis

Appendix

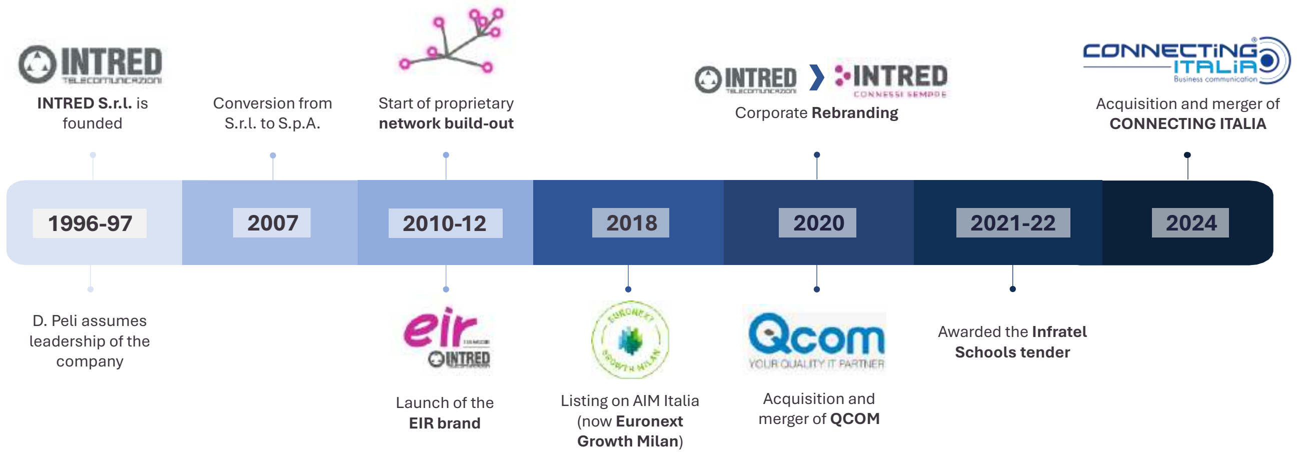
Corporate Profile

Historical Milestones

Intred's traces its origins to **1996** in **Milan** (Italy), founded by **Daniele Peli** (now Chairman and CEO) and two executives from the same listed multinational company. However, Peli later acquired the co-founders' stake, consolidating ownership and strategic control. Going more in details, selected milestones include:

- **1998** - Registered office relocated from Milan to Villa Carcina (Brescia);
- **2007** - Conversion from S.r.l. to S.p.A. and move of the registered office to Brescia;
- **2010-2011** - (i) Initiated the build-out of a proprietary fibre network, laying the groundwork for sustained top-line expansion; (ii) Approved a new headquarters in Brescia (capacity ~60 employees), with an on-site warehouse and two data centres;
- **2012** - (i) Entered the residential segment under the EIR brand, catalysing exponential customer growth; (ii) 2015–2017 delivered ~65% average annual revenue growth;
- **2017** - ~21,600 business & retail customers in Lombardy;
- **2018** – Admission to trading on AIM Italia (now Euronext Growth Milan) following a 2.5x oversubscribed placement (market debut on 18 July with IPO price at €2.27 p/s), raising around €11mn;
- **2020** - (i) Closing of the transaction to acquire 100% of the share capital of **Qcom S.p.A.** took place (amounted equal to €10.2mn); (ii) In 4Q, the Intred logo was rebranded to incorporate the EIR brand in order to strengthen the company's identity and consolidate brand awareness by focusing on territoriality and transparency in contractual conditions;
- **2021-2022** - Awarded the INFRATEL Schools Lombardy lot (worth a total of €60m) to connect >5,300 schools to fibre optics;
- **2024** - Closed the 100% acquisition of **Connecting Italia S.r.l**. share capital for €3.6mn.

Intred: Key Historical Milestones



Source: Intred

Group Structure

Intred operates as a single integrated entity, **Intred S.p.A.**, following the mergers by incorporation of **Qcom S.p.A.** (2020) and **Connecting Italia S.r.l.** (2024).

Management & Governance

Intred is led by an execution-driven **leadership team** that blends deep **technical expertise** with **strategic acumen**, hands-on in delivering key initiatives, operating programs, and product development:

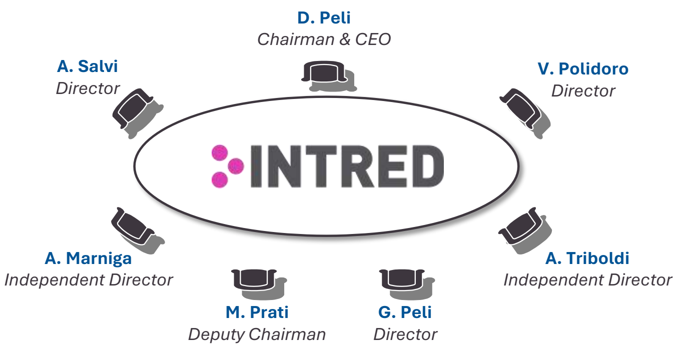
- **Daniele Peli** - *Founder, Chairman & CEO*. He earned a technical industrial diploma in 1979 and completed national service with the Carabinieri (1980–81). After early work in the arms sector, he joined SOL S.p.A. (1984), progressing from technical sales to coordinating Home Care in Northern Italy (1988) and launching the division across key European markets (from 1990). In 1996 he co-founded Intred;
- **Filippo Leone** - *Chief Financial Officer, Investor Relations & Legal Affairs*. A Bocconi University graduate (2001), he brings 15+ years in finance and accounting, over half at PwC. He joined Intred in 2018 to steer the listing process and now oversees Finance, IR, and Legal with a focus on governance, reporting, and market communication;
- **Alessandro Ballestriero** - *Chief Technology Officer*. He obtained a technical diploma and built a multi-year track record in designing and deploying service-provider telecom networks, earning certifications in optical transmission, IP, and mobile. He joined Intred in 2006 to lead data-centre and networking services, became Head of R&D in 2017, and was appointed CTO in January 2023;
- **Egon Zanagnolo** - *General Director*. With Intred since 1999, he advanced through the commercial ranks and, since 2011, has led the division, coordinating a 16-person team. He co-shapes commercial and marketing strategy with the CEO and manages relationships across enterprise and public-sector clients.

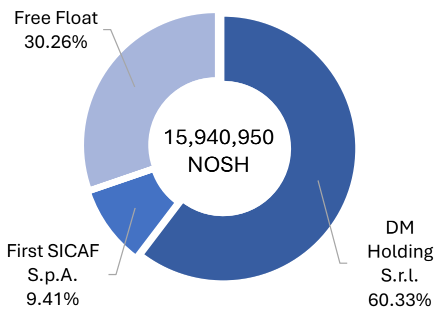
Intred's Board of Directors (chaired by Daniele Peli) includes: (i) **Marisa Prati** (Vice Chair; architect of the EIR brand and marketing); (ii) **Adalberto Salvi** (Director; Law & Economics; labour consultant and statutory auditor); (iii) **Alessandro Triboldi** (Independent Director; seasoned banking and public-infrastructure executive); (iv) **Vincenzo Polidoro** (Director; CEO of Value First SICAF, owning a private-equity and capital-markets background); (vi) **Alberta Marniga** (Independent Director; Chair of Euroacciai; Confindustria and non-profit roles); and (vii) **Giulia Peli** (Director; former Marketing Manager, Head of the Residential Business).

Ownership Structure

Intred has **15,940,950 shares** outstanding. Specifically, the founder–Chairman & CEO, Daniele Peli, together with Deputy Chair Marisa Prati (D. Peli's spouse), collectively controls **60.3%** via **DM Holding S.r.l.** (owned 67% by Peli and 33% by Prati). **First SICAF** holds **9.4%**, with the remaining **30.3%** constituting the **free-float** base.

Intred: Board of Directors and Ownership Structure





Source: Intred

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