

## **PALINGEO S.P.A.**

Registered office in Via Meucci n. 26 -25013 Carpenedolo (BS) Share capital Euro 1,381,534 i.v.

### **Disclaimer**

This Annual Financial Report, and in particular the Sections entitled "Outlook for Operations" and "Information on risks and uncertainties pursuant to art. 2428, paragraph 3, point 6-bis, of the Civil Code", contain forward-looking information. This information is based on the Company's current expectations and projections of future events and, by its nature, is subject to an inherent component of risk and uncertainty. They refer to events and depend on circumstances that may, or may not, occur or occur in the future. Actual results may differ materially from those contained in such statements as a result of a variety of factors, including volatility in capital and financial markets, changes in macroeconomic conditions and economic growth and other changes in business conditions, changes in the regulatory and institutional environment and many other factors, most of which are beyond the Company's control

## **Report on the management of the budget as at 31/12/2024**

Dear shareholders,

the year ended 31/12/2024 reports a positive result of Euro 7,619,708, we provide this Report on Operations prepared, pursuant to art. 2428 of the Italian Civil Code, with the aim of providing a faithful, balanced and exhaustive information framework regarding the Company's situation, as well as the performance and result of operations, referring to the Notes to the Financial Statements with regard to the explanations of the numerical data resulting from the Balance Sheet, the Income Statement and the Cash Flow Statement.

This document presents data compared with the results of the previous year for a better understanding of the development of the company's activity. Unless otherwise indicated, the values are expressed in units of Euro.

### **Operating conditions and business development**

Palingeo S.p.A. ("Palingeo" or "Company") with registered office in Carpendolo (BS), is an Italian company that has been operating for over 20 years in the geotechnical and geognostic sectors for the construction of building and infrastructural works and for the consolidation of foundation soils or for the support of excavation fronts. The Company boasts a consolidated

technical-professional, design and executive experience, with a solid background in appraisals, interventions for construction engineering works and geological consolidations.

Palingeo carries out its activity on order, in favor of private customers or public bodies. The acquisition of orders takes place, in most cases, by operating as a sub-contractor and, sometimes, through direct participation in tenders in temporary associations with other operators in the sector. The contracts stipulated by the Company have a variable duration depending on the type and characteristics of the specific site and can be annual or multi-year. Participation in public tenders and the acquisition of orders are handled by the Company's sales department, which constantly monitors development opportunities, researching and selecting tenders to participate in and collecting requests for quotes from private customers. Subsequently, the sales office, together with the technical office, identifies the best solution to be submitted to the customer, proceeding, once the assignment has been obtained, with the start of the specific construction site up to the final delivery of the project. The construction is monitored according to the progress of the work and, periodically, tests and checks are carried out on the state of the work, in addition to the final tests carried out at the time of delivery of the construction site.

Palingeo is specialized in various areas of processing and intervention and, in particular, in the construction of micropiles, mediopiles and anchors, jet grouting (tokenization), consolidation injections, diaphragms, bored piles, C.F.A. (Continuous Flight Auger) and C.S.P. (Cased Secant Piles) piles and threads. The Company carries out the aforementioned works in order to offer specialized construction services in the foundation sector, specifically geological and infrastructural services, including: waterproofing and consolidation of soils and rocks, the design and construction of infrastructure foundations (including underground parking lots), structural restoration and reorganization of territories, stabilization of landslides or embankments. In addition to these interventions, the activities carried out by the Company also include analysis and study services that are generally preparatory and/or ancillary to mainly operational activities, such as geological investigations and on-site tests, as well as the processing of technical data to support infrastructure execution activities. In order to operate in all these areas, Palingeo has equipped itself over time with an adequate number of complete groups of equipment that allow it to manage several construction sites at the same time.

The Company operates throughout the country, also thanks to the competence and reliability acquired and established over the years of activity, and oversees its business, as well as from the registered office in Carpendolo, through 4 local units (warehouses), two of which are in the province of Brescia, one in the province of Mantua and one in the province of Messina.

The Company's organization can count on a group of highly specialized professionals, whose wealth of technical knowledge is constantly updated, on high levels of innovation and on a fleet of machinery and drilling systems that allow it to propose itself as a cutting-edge partner. The service offered to the customer is complete and of high quality, including an initial pre-design consultancy on the feasibility of the work and the analysis of the expected costs, an integrated offer that includes geognostic and environmental investigation activities, in addition to the professional activity of geology and engineering and the attention to the customization of the project with respect to the customer's needs, made possible thanks to the highly qualified staff and the use of technological systems 4.0 integrated systems, which also allow an enhancement of the efficiency of the Company's processes.

The Company, in fact, is also attentive to technological development aimed at making the production process more efficient: to this end, it has equipped, on construction sites, with equipment with Industry 4.0 technology (interconnected) that allows remote connection with the technical office through special applications and which, through specific portals, allow the control of ordinary maintenance, machine efficiency and remote production. In this way, the Company has continuous supervision of the machines *(i)* promptly identifying the needs or problems of the machinery, *(ii)* intervening quickly so as to drastically reduce intervention times and *(iii)* speeding up the resumption of activities.

### Certifications

The Company boasts all the main quality certifications in the sector, including, in particular, the ISO 9001:2015 Quality Management System Certification, the ISO 14001:2015 Environmental Management Certification, the ISO 45001:2018 Occupational Health and Safety Management System Certification and the SA8000:2014 Ethical Certification which guarantees optimal working conditions. It should also be noted that Palingeo is registered in the National Register of Environmental Managers in category 9B (site remediation activities) and has been in possession, since 2001, of the CQOP SOA (Qualified Public Works Builders) qualification certificate, for construction engineering and geological consolidation works of the following categories:

	Category	Ranking	Amount levels
<b>OG1</b>	Civil and industrial buildings	<b>The</b>	up to <b>€ 258,000</b>
<b>OG3</b>	Roads, highways, bridges, viaducts, railways, subways	<b>Illa</b>	up to <b>€ 1,500,000</b>
<b>OG4</b>	Underground works of art	<b>The</b>	up to <b>€ 258,000</b>
<b>OG6</b>	Aqueducts, gas pipelines, oil pipelines, irrigation and sewage works	<b>IV-BIS</b>	up to <b>€ 3,500,000</b>
<b>OG8</b>	River, defence, hydraulic and reclamation works	<b>III</b>	up to <b>€ 1,033,000</b>
<b>OG12</b>	Reclamation and environmental protection works and plants	<b>The</b>	up to <b>€ 258,000</b>
<b>OS 21</b>	Special structural works	<b>VIII</b>	up to <b>€ 20,658,000</b>
<b>OS 34</b>	Noise abatement systems for mobility infrastructures	<b>IV</b>	up to <b>€ 2,582,000</b>

## ESG issues

Finally, the Company's attention to ESG issues should be noted. In particular, Palingeo is currently implementing some actions aimed at achieving an ESG rating and is engaged in the launch of its own energy community program aimed at the reorganization and energy efficiency of its logistics hub in the province of Mantua, aimed at achieving internal organizational automation and energy autonomy. At the same time, the Company, in collaboration with Green Future Project (Italian B-Corp), has joined the Climate Positive Subscription program, which allows you to partially offset your carbon footprint on the environment through the purchase of certified carbon credits.

## Company's share capital

The share capital of Palingeo S.p.A. amounts to Euro 1,381,534 and consists of 5,625,170 ordinary shares and 1,282,500 multiple-vote shares available to FLS Holding S.r.l..

The corporate structure as at 31.12.2024 is detailed as per the table below:

Members	No. of ordinary shares	No. of voting shares Multiple	% on Share s Ordinary	% of Voting Share Capital	% of Total Shares
FLS Holding S.r.l.	2.992.500	1.282.500	53,20%	72,21%	61,89%
Sergio Lippi	500.000		8,89%	5,28%	7,24%
RedFish Listing S.p.A.	225.000		4,00%	2,38%	3,26%
Market	1.314.520		33,91%	20,14%	27,61%
<i>of which Indépendance AM S.A.S.</i>	593.150		10,54%	6,26%	8,59%
<b>Total</b>	<b>5.625.170</b>	<b>1.282.500</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## Operating performance

### General economic performance

ISTAT data source

Despite the adverse shocks of a different and partially overlapping nature that have occurred in recent years, the global economy has shown good resilience in 2024. The scenario remains characterised by sound labour market conditions and falling inflation that in most economies is approaching (or has already reached) central bank targets. Furthermore, at the moment, despite some volatility and the persistence of geopolitical tensions, the risks of new price rises linked to increases in commodity prices remain moderate.

The major central banks have embarked on a process of easing monetary conditions during 2024. In June, September and October, the ECB cut its key interest rates by 25 basis points, while the Federal Reserve cut its federal funds rates in September and November by 50 basis points and 25 basis points, respectively. Further reductions in the cost of money are expected in the coming months, which in terms of timing and magnitude will be driven by the evolution of economic indicators and in particular those relating to inflation.

The most recent forecasts from the European Commission show a moderate but stable global GDP dynamic in 2024 and marginally accelerating in 2025 (+3.2% and +3.3% respectively), characterized by still heterogeneous performances across countries and regions.

In addition, the possible economic effects of the results of the presidential elections in the United States (i.e. the introduction of tariffs and tariffs on numerous countries/areas) represent a significant element of uncertainty for international trade in goods and services. In this context, despite possible downside risks related to protectionist pressures, world trade in goods and services in volume (which in 2024 marked a strong recovery compared to the previous year, with an expansion of +2.6%, from +0.5% in 2023) is expected by the European Commission to accelerate to 3.1% in 2025, driven largely by emerging economies, increased dynamism in the euro area and the positive effects on real incomes from the broad-based decline in inflation.

The euro area economy showed signs of recovery mainly due to the positive contribution of net exports. GDP grew in the third quarter by 0.4% on a quarterly basis, from 0.2% in the previous three months. This trend underpins an unexpected increase in cyclical terms in Germany (+0.2%, after -0.3% in the first and second quarters), an acceleration in France (+0.4%, from +0.2% in the previous two quarters) and the confirmation of a particular dynamism in Spain (+0.8%, +0.8%, +0.9% in the second and first quarters).

According to the European Commission, EMU economic activity will experience a gradual acceleration in 2024 (+0.8%) and 2025 (+1.3%), bucking the trend of the United States and China, whose economies are expected to slow. Among the main countries, Spain is expected to grow by 3.0% this year (+2.3% in 2025), France by 1.1% (+0.8%) while Germany is expected to mark a marginal decline in the current year (-0.1%) followed by a recovery in 2025 (+0.7%).

### **Forecasts for the Italian economy**

*ISTAT data source*

In the third quarter of this year, the level of GDP stagnated on a quarterly basis, as a result of a positive contribution from final consumption (+0.8 p.p.) and inventories (+0.2 p.p.), offset by the negative contribution from net foreign demand (-0.7 p.p.) and gross fixed capital formation (-0.3 p.p.) The acquired growth in 2024 is +0.5%.

The most dynamic component of domestic demand was the consumption expenditure of resident households and ISPs (+1.4% the cyclical change), while the contraction in investments (-1.2%) was driven by the decline in those in means of transport (-5.9%).

On the supply side, difficulties continue to be evident in industry (value added at basic prices decreased by 0.7% compared to the previous quarter) while services held up (+0.2%).

For 2025, while geopolitical uncertainties and risks related to protectionist pressures remain, global demand will stabilise and international trade will strengthen slightly. Private consumption would benefit from the gradual, albeit partial, recovery in wages and the continuation of employment, albeit at a slower pace than recently observed. The descent phase

inflation should have run its course, thanks also to the exhaustion of the decline in the energy component, but the return to price growth rates close to the objectives of the monetary authorities would have the effect of stabilizing the expectations of operators. In 2025, there would be a slight acceleration in the growth dynamics of the Italian economy (+0.8%), supported almost entirely by the contribution of domestic demand, against a zero contribution from net foreign demand and inventories.

The trend of the consumer price index for the whole nation (NIC), after having recorded values below unity for several months, stood at +1.4% in November, according to provisional data. This is the highest value in 2024, but the trend comparison is affected by the significant drop in prices that occurred in the same month of the previous year (-0.5% the cyclical change in November 2023). The NIC index has been stable since September; Acquired inflation for 2024 in November was +1.0%. Consumer inflation has reduced significantly over the course of 2023 and the decline has strengthened since October. The national consumer price index for the whole community, in trend terms, (NIC) fell progressively from 11.6% in December 2022 to 5.3% in September, after recording a sharp decline in October to 1.7% and decreased according to provisional data, to 0.8% in November, the lowest level since the second quarter of 2021.

The reduction in energy prices continued, albeit at a slower pace (-5.5% in November, after the -9% in October; the contraction was -20.5% in January); The dynamics of food prices, after having decreased in trend terms in the first eight months (from +5.6% in January to +0.8% in August), subsequently accelerated (+3% in November), mainly due to the strong growth of unprocessed food (+4.1% in November).

Inflation dynamics are also expected to decline on a prospective basis: among households, expectations of a reduction or stability in inflation in the following twelve months strengthened in November compared to the previous month. Among companies, the share of units declaring their intention to keep them stable remains largely prevalent (85.1% of manufacturing companies and 92.1% of construction companies).

Over the forecast horizon, the growth of the household consumption deflator is projected to be +1.1%, and then rise to +2% in 2025. The growth of the GDP deflator would be equal to +1.8% and +2.3% respectively.

### ***Development of demand and trends in the markets in which the company operates***

From the analysis of the Cresme economic and forecast report now in its XXXVII edition, the state and prospects of the construction market in Italy are noted.

The construction market recorded a total value of 292.1 billion euros in 2024, marking a decrease of 19 billion compared to 311 billion in 2023. Weighing on this contraction was above all the end of the Superbonus, which caused a significant reduction in extraordinary maintenance in the residential sector. Despite the end of the Superbonus, the maintenance market remains considered the pillar of the construction sector, maintenance, both extraordinary and ordinary, represents 72.9% of the total market value, compared to 24.7% for new constructions. The new buildings have

reached a value of 72.1 billion euros, recording an increase of 7.6% compared to 2023. However, this growth is not enough to offset the overall decline in the industry. Public works, driven by PNRR funds, reached a value of 63.6 billion euros, with a growth of 13.7% compared to 2023. **Despite these positive numbers, a slowdown is expected from 2025, with an expected increase of 7.5%.** Overall, for 2024, Cresme expects a drop in investments of 4.2% compared to the previous year. And the decline will continue in 2025, falling to -6.2%. The boom of the 2021-2023 period is therefore being followed by a contraction mainly due to the exhaustion of the "super boost" of the Superbonus. But it is also supported by spending on public works, which is expected to increase by 13.7% in 2024. Despite the decline in the private sector, the value of production for 2025 remains estimated at +20% compared to 2019. This is because the construction market will be driven by public works, now in full construction phase after the growth in contracts between 2019 and 2021.

Therefore, considering that Palingeo's reference market in recent years has been very focused on public works, the Company will not be affected by the contraction of the "Private" market, stabilizing its growth programs. The challenge of public works, now, lies in the executive capacity of companies, and to this end Palingeo is continuing its investment in machinery and personnel in order to be able to better deal with the contracted works.

#### ***Performance of operations in the sectors in which the company operates***

As far as your company is concerned, the past financial year must be considered substantially positive. The Company increased its market share thanks to an increasing number of shipyards acquired throughout the year.

The back-log acquired as of 31.12.2024 amounts to approximately Euro 118 million. The contracts acquired are mainly concentrated in inland-northern Italy; however, negotiations are underway to acquire further orders in southern Italy where, among other things, Palingeo already operates. The acquired back-log will be developed over the next three-year period 2025 - 2027.

#### ***Adequate organizational, accounting, administrative structure (Legislative Decree no. 14/2019)***

The Company, as required by Legislative Decree no. 14/2019 (Code of crisis and business insolvency), adopts an organizational, administrative and accounting structure appropriate to the nature of the company, also with a view to the timely detection of the business crisis and the taking of suitable initiatives.

#### **Summary of the financial statements (data in Euro)**

	<b>31.12.2024</b>	<b>31.12.2023</b>	<b>Variation</b>
Revenues	62.989.340	58.497.148	4.492.192
Gross operating margin (M.O.L. or Ebitda)	14.943.535	13.137.132	1.806.403
Net operating margin (MON or Ebit)	11.336.283	9.470.891	1.865.392
Profit (loss) for the year	7.619.708	6.705.640	914.068
Fixed assets	24.186.265	14.574.108	9.612.157

	31.12.2024	31.12.2023	Variation
Total Shareholders' Equity	41.442.315	24.162.446	17.279.869
Net financial position	(5.562.934)	(7.816.215)	2.253.281

The following table shows the results achieved in the last three years in terms of value of production, EBITDA and pre-tax profit.

	31.12.2024	31.12.2023	31.12.2022
Value of production	67.493.588	61.508.420	53.274.060
EBITDA	14.943.535	13.137.132	7.956.088
Profit before tax	10.683.299	8.958.564	5.317.004

During 2024, your Company continued to develop its core activities, increasing its presence on the market and confirming itself as a major player in the special foundations sector. During the three-year period 2022 - 2024, the growth of the main corporate drivers was significant, with a clear leap between 2022 and 2023 and further growth in 2024 due to the consolidation of the Company's position on the market, which allowed it to access some important processes for the development of the country system, as well as to become a reference subject in the request for offers for the realization of processes. Also at the equity level there was a general increase in the structure linked to the growth in work and the value of production which led to the acquisition of new machinery and equipment, as well as an increase in the structure of net working capital, with the exception of the net financial position which is down compared to the previous year mainly thanks to the injection of liquidity linked to the listing on EGM, liquidity that made it possible to support the acquisition of new machinery without access to the banking system.

### Key economic data

The reclassified income statement of the Company compared with that of the previous year is as follows (in Euro):

Income Statement	31.12.2024	31.12.2023	Var. 24 vs 23	Var. % 24 vs 23
Core business revenue	62.989.340	58.497.148	4.492.192	7,7%
Change of contract work in progress	2.309.808	-281.455	2.591.263	-920,7%
<b>Value of characteristic production</b>	<b>65.299.148</b>	<b>58.215.693</b>	<b>7.083.455</b>	<b>12,2%</b>
Other income and income	2.194.440	3.292.727	-1.098.287	-33,4%
<b>Value of production</b>	<b>67.493.588</b>	<b>61.508.420</b>	<b>5.985.168</b>	<b>9,7%</b>
Purchases and changes in inventories of raw materials, supplies,	21.826.594	21.797.101	29.493	0,1%
Consumption and goods				
Service fees	10.450.746	8.785.761	1.664.985	19,0%
Costs for the use of third-party assets	4.876.658	4.666.647	210.011	4,5%
Other operating costs	554.487	256.845	297.642	115,9%
<b>Value added</b>	<b>29.785.103</b>	<b>26.002.066</b>	<b>3.783.037</b>	<b>14,5%</b>



Income Statement	31.12.2024	31.12.2023	Var. 24 vs 23	Var. % 24 vs 23
Labor costs	14.841.568	12.864.934	1.976.634	15,4%
<b>Gross operating margin (EBITDA)</b>	<b>14.943.535</b>	<b>13.137.132</b>	<b>1.806.403</b>	<b>13,8%</b>
Depreciation, amortization and other provisions	3.107.252	2.231.746	875.506	39,2%
Provisions for risks	500.000	1.434.495	-934.495	-65,1%
<b>Operating profit (EBIT)</b>	<b>11.336.283</b>	<b>9.470.891</b>	<b>1.865.392</b>	<b>19,7%</b>
Financial income and expenses	-645.103	-495.922	-149.181	30,1%
Revaluations/write-downs of financial assets	-7.950	-16.405	8.455	-51,5%
<b>Profit before tax</b>	<b>10.683.230</b>	<b>8.958.564</b>	<b>1.724.666</b>	<b>19,3%</b>
Income taxes	3.063.521	2.252.923	810.598	36,0%
<b>Profit (loss) for the year</b>	<b>7.619.708</b>	<b>6.705.641</b>	<b>914.067</b>	<b>13,6%</b>

During the 2024 financial year, the Company recorded core revenues of Euro 63 million, an increase of 7.7% compared to Euro 58.5 million recorded in 2023, thanks to the consolidation of the Company's position on the market, which allowed it to access some important works for the development of the country system, as well as to become a reference subject in the request for offers for the construction of special foundation works. The value of production in 2024 stood at Euro 67.5 million, up 9.7% compared to the previous year, mainly due to the aforementioned results recorded in terms of revenues. In addition to sales revenues and the change in contract work in progress (the latter item included in the value of core production and positive, in 2024, for Euro 2.3 million), the total value of production is made up of other revenues, which go from Euro 3.3 million in 2023 to Euro 2.2 million in 2024 (-33.4% yoy). Other revenues are mainly represented by active leases of equipment and instrumental machinery, compensation for damages and insurance, contributions for capital goods.

Production costs amounted to a total of Euro 52.5 million (Euro 48.3 million in 2023), of which the main costs were for raw materials, service costs and personnel. In particular, raw material costs of Euro 21.8 million remain substantially in line with 2023 (Euro 21.7 million) because: (i) the new orders or at least the main ones provide for the purchase of processing materials to be made directly by the main contractor and (ii) there has been a progressive decrease in the price of processing materials which has positively affected the containment of expenses. Costs for services increased in 2024 compared to 2023 by 19% (from Euro 8.8 million in 2023 to Euro 10.5 million in 2024), due to the substantial increase in the provision of services directly related to the business both in terms of outsourced work and in terms of transport and travel. It should be noted that this item includes costs related to listing on the EGM market that amount to Euro 1 million, costs that will not recur in the coming years. Finally, personnel costs increased by 15.4% (from Euro 12.9 million in 2023 to Euro 14.8 million in 2024), following the entry of approximately 50 net new resources compared to 2023, made necessary in order to cope with the growing volume of business.

The growth of the business and the more than proportional containment of raw material costs translated into an increase in EBITDA, both in absolute value and in terms of margins calculated on the value of core production. In particular, the value of EBITDA in 2024 stands at Euro 14.9 million, up

compared to the previous year when it amounted to Euro 13.1 million (+Euro 1.8 million yoy; +13.8%); in terms of margins, the EBITDA margin calculated on the value of operating production rose from 21.4% in 2023 to 22.1% in 2024, denoting greater efficiency on the part of the Company, especially with reference to raw materials (the incidence of the item on the value of core production, in fact, went from 35.4% in 2023 to 32.3% in 2024). In line with the Company's business and structure, depreciation and amortization, amounting to approximately Euro 3.1 million in 2024 (Euro 2.2 million in 2023), mainly refers, in the case of intangible assets (Euro 0.46 million in 2024), to the trademark, while for tangible fixed assets, amounting to Euro 2.64 million, to the depreciation of plant and equipment. As already highlighted in the previous comments, the increase in depreciation and amortization, which in percentage terms is equal to 39.2% compared to 2023, is linked to the important acquisition of machinery in 2024 which amounts to approximately Euro 13.5 million. EBIT, after depreciation, amortization and provisions, amounted to Euro 11.3 million, a sharp increase compared to Euro 9.4 million in 2023 with a yoy increase of +19.7%.

For a better description of the Company's income situation, the table below shows some profitability ratios compared with the same ratios relating to the financial statements of previous years.

	31.12.2024	31.12.2023	Variation
ROE	18,39	27,75	-9,37
ROI	24,12	29,62	-5,50
ROS	17,36	16,27	1,09
INCIDENCE OF	1,16	1,00	0,12

The **ROE** (Return on Equity), given by the ratio of net profit for the year to equity, recognises the profitability of the Company's equity.

The **ROI** (Return on Investments), given by the ratio between EBIT and net invested capital, reports the return on invested capital through the typical management of the company: this profitability depends on the intensity of turnover, typical business costs and invested capital.

The **ROS** (Return on Sales), given by the ratio between EBIT and sales revenues, provides a measure of the percentage margin of operating income on sales, thus highlighting the relationship between selling prices and core operating costs.

The **Incidence of Financial Expenses**, given by the ratio between financial expenses and sales revenues, measures the impact of the cost of financial debt on sales.

The indicators show that in 2024 the Company has worsened in terms of ROE mainly due to the increase in Shareholders' equity following the listing and the increase in reserves of approximately Euro 9 million, the ROI also decreases due to the exponential increase in the CIN following the significant investments made during 2024, in the face of these reductions there is an improvement in ROS with a clear improvement in margins on production, the increase in investments weighed down the Company's financial structure, recording a slight increase in the incidence of financial charges.

The reclassified Balance Sheet of the Company compared with that of the previous year is shown below:

### Key balance sheet data

The reclassified balance sheet of the Company compared with that of the previous year is as follows (in Euro):

Balance Sheet	31.12.2024	31.12.2023	Var. 24 vs 23	Var. % 24 vs 23
Intangible assets	6.752.940	7.184.990	(432.050)	-6,0%
Tangible fixed assets	17.329.455	7.237.369	10.092.086	139,4%
Financial fixed assets	103.870	151.749	(47.879)	-31,6%
<b>Net fixed assets</b>	<b>24.186.265</b>	<b>14.574.108</b>	<b>9.612.157</b>	<b>66,0%</b>
Inventories	2.431.370	121.562	2.309.808	1900,1%
Trade Receivables	27.486.938	29.742.625	(2.255.687)	-7,6%
Trade payables	-13.388.875	-16.298.134	2.909.259	-17,9%
<b>Trade Working Capital</b>	<b>16.529.433</b>	<b>13.566.053</b>	<b>2.963.380</b>	<b>21,8%</b>
Other receivables	399.253	1.364.832	(965.579)	-70,7%
Other payables	-2.442.719	-3.539.159	1.096.440	-31,0%
Tax receivables and payables	4.458.031	4.969.388	(511.357)	-10,3%
Net accruals and deferrals	-817.166	-2.586.056	1.768.890	-68,4%
<b>Net Working Capital</b>	<b>18.126.832</b>	<b>13.775.058</b>	<b>4.351.774</b>	<b>31,6%</b>
Provisions for risks and charges	-2.191.359	-2.312.377	121.018	-5,2%
Long-term net working capital	8.832.953	7.739.731	1.093.222	14,1%
Severance indemnity fund	-1.949.442	-1.797.859	(151.583)	8,4%
<b>Net Invested Capital</b>	<b>47.005.249</b>	<b>31.978.661</b>	<b>15.026.588</b>	<b>47,0%</b>
Financial payables	14.568.822	15.604.105	(1.035.283)	-6,6%
Cash and cash equivalents	-9.005.888	-7.787.890	(1.217.998)	15,6%
<b>Net Financial Position</b>	<b>5.562.934</b>	<b>7.816.215</b>	<b>-2.253.281</b>	<b>-28,8%</b>
Share capital	1.381.534	1.000.000	381.534	38,2%
Reserves	32.441.072	16.456.806	15.984.266	97,1%
Profit (loss) for the year	7.619.708	6.705.641	914.067	13,6%
<b>Shareholders' equity (equity)</b>	<b>41.442.315</b>	<b>24.162.447</b>	<b>17.279.868</b>	<b>71,5%</b>
<b>Total Sources</b>	<b>47.005.249</b>	<b>31.978.662</b>	<b>15.026.587</b>	<b>47,3%</b>

The Company's reclassified balance sheet as at 31.12.2024 shows net fixed assets of Euro 24.2 million, up compared to Euro 14.6 million in the previous year. The change was determined

mainly due to the increase in net tangible fixed assets, which went from Euro 7.2 million in 2023 to Euro 17.3 million in 2024, mainly as a result of the additional purchases of machinery and instrumental equipment made during the year in order to cover the needs necessary for the development of the orders acquired and to renew the equipment and machinery portfolio. Intangible assets as of 2024 amounted to approximately Euro 6.7 million, substantially in line with the value as of 2023 (the reduction is related to the normal depreciation process), and consist mainly of the registered trademark owned, for approximately Euro 6.4 million; the remaining part relates to incremental maintenance on third-party properties. Financial fixed assets consist of investments in associates and other companies for Euro 0.77 million and derivative instruments for Euro 0.26 million.

Trade working capital increased by Euro 2.96 million compared to 2023 with a change of 21.8% yoy mainly due to the combined effect of the decrease in trade receivables by Euro 2.2 million yoy (from Euro 29.7 million in 2023 to Euro 27.5 million in 2024), the significant reduction in trade payables from Euro 16.3 million in 2023 to Euro 13.4 million in 2024, as well as the increase in inventories of Euro 2.3 million with an increase of 1,900.1%. This change is linked to the significant increase in work in progress, which amounted to Euro 2.3 million at the end of 2024.

Net working capital, also influenced by the changes reported above, grew by approximately Euro 4.4 million with a change of 31.6% yoy. The increase is due to the combined effect of the increase in other payables and net accruals and deferrals of approximately Euro 1 million and approximately Euro 1.7 million, respectively. The overall growth was offset by the reduction in other receivables of Euro 0.9 million and net tax receivables and payables of Euro 0.5 million.

No significant change in provisions for risks and charges and in severance pay; on the contrary, long-term working capital, which grew by approximately Euro 1 million, from Euro 7.7 million in 2023 to Euro 8.8 million in 2024, thanks to the increase in receivables for withholding taxes withheld on liquidated SALs.

Net financial debt amounted to Euro 5.6 million, compared to Euro 7.8 million in 2023; cash and cash equivalents, amounting to Euro 9 million, are up compared to Euro 7.8 million in 2023 due to the Company's ability to generate cash.

Overall, the reclassified Balance Sheet shows the Company's financial solidity.

To better describe the Company's financial solidity, the table below shows some balance sheet ratios relating both to (i) the methods of financing medium/long-term loans and (ii) to the composition of sources of financing, compared with the same ratios relating to the financial statements of previous years.

	31.12.2024	31.12.2023	Variation
Primary structure margin	17.256.050	9.588.339	7.667.711

	31.12.2024	31.12.2023	Variation
Primary structure quotient	1,71	1,66	0,06
Secondary structure margin	19.444.605	13.637.607	5.806.998
Secondary Structure Quotient	1,80	1,94	-0,13

The **primary structure ratio**, given by the ratio of shareholders' equity to fixed assets, indicates how much of the financial requirement generated by fixed assets is covered by equity; this ratio, which assumes values above one unit when the structure margin is positive and values below one in the opposite case, should assume, at least in the long term, values greater than or close to one. This ratio shows a fair ratio for the Company between shareholders' equity and fixed capital. With reference to this quotient, it should be noted that during 2024 this index remains at values greater than 1, highlighting the ability of the Company's shareholders' equity to cover fixed capital.

The **secondary structure quotient** verifies the extent to which the durable financial requirement, expressed by the total fixed assets, is covered by sources of financing with the same duration (equity + non-current financial debt). This ratio indicates a balanced match between assets and liabilities in the medium to long term for the Company. With reference to this quotient, it is evident that the substantial balance of companies remains unchanged during 2024, highlighting the ability to cover durable financial needs with similar sources of financing, despite the large investments made during 2024.

## Key Financials

The net financial position as at 31/12/2024 was as follows (in Euro):

Net financial debt	31.12.2024	31.12.2023	Var. 24 vs 23	Var. % 24 vs 23
A) Cash and cash equivalents	9.002.601	7.784.603	1.217.998	15,65%
B) Cash equivalents	3.287	3.287	0	0,00%
C) Other current financial assets	0	0	0	n.m.
<b>D) Liquidity (A+B+C)</b>	<b>9.005.888</b>	<b>7.787.890</b>	<b>1.217.998</b>	<b>15,64%</b>
E) Current financial receivable	0	0	0	n.m.
G) Current financial debt	8.862.640	7.987.978	874.662	10,95%
F) Current portion of non-current financial debt	3.517.627	3.566.859	(49.232)	-1,38%
H) Other current financial payables	0	0	0	n.m.
<b>I) Current financial debt (F+G+H)</b>	<b>12.380.267</b>	<b>11.554.837</b>	<b>825.430</b>	<b>7,14%</b>
<b>J) Net current financial debt (I-D-E)</b>	<b>3.374.379</b>	<b>3.766.947</b>	<b>(392.568)</b>	<b>-10,42%</b>
K) Non-current financial debt	2.114.892	3.945.562	(1.830.670)	-46,40%
L) Non-current bonds issued	0	0	0	n.m.

Net financial debt	31.12.2024	31.12.2023	Var. 24 vs 23	Var. % 24 vs 23
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M) Other non-current financial payables	73.663	103.706	(30.043)	-28,97%
<b>N) Non-current financial debt (K+L+M)</b>	<b>2.188.555</b>	<b>4.049.268</b>	<b>(1.860.713)</b>	<b>-45,95%</b>
<b>O) TOTAL FINANCIAL DEBT (I+N)</b>	<b>5.562.934</b>	<b>7.816.215</b>	<b>(2.253.281)</b>	<b>-28,83%</b>

	31.12.2024	31.12.2023	Variation
Debt ratio	1,13	1,32	-0,19
Financial debt ratio	0,35	0,65	-0,29

The debt ratio, also known as "leverage", highlights the ratio between net invested capital and equity. It allows you to verify the risk associated with the degree of dependence of a company on external sources of financing. A high level of debt compared to one's own capital tends to increase the entrepreneurial risk as a result of a lower degree of capital coverage of potential business losses and a greater weight of financial charges deriving from the use of other people's capital. The quotient recorded by the Company does not indicate an excessive dependence on external sources of financing for both reference periods.

The financial debt ratio, given by the ratio of gross financial debt to equity, should be less than or equal to one, so that the Company's financial sources are appropriately more than half the risk and less than half the loan. For both reference periods, the quotient recorded a value of less than one, highlighting an appropriate balancing of funding sources.

## Environmental and personnel information

Taking into account the social role of the company as also highlighted by the document on the report on operations of the National Council of Chartered Accountants and Accounting Experts, it is considered appropriate to provide the following information relating to the environment and personnel.

### Staff

The Company operates in all its environments in compliance with the provisions of Legislative Decree 81/08 for the safety of workers.

The activity carried out in this field includes:

- the training of employees and collaborators;
- the carrying out of periodic medical examinations;
- the organization and training of the intervention teams required by the legislation;
- the continuous company monitoring of the RSPP;
- the preparation and dissemination of the documents of Legislative Decree 81/08.

In particular, the following initiatives were taken during the year:

- updating of the company's Risk Assessment document;
- updating and drafting of procedures on safety and health in the workplace;
- training course for new hires.

	Organic	31.12.2024	31.12.2023
No. of employees		263	212

## **Environment**

During the year, our Company was fined 1 administrative fine for environmental damage.

The Company, in collaboration with Green Future Project (Italian B-Corp), has joined the Climate Positive Subscription program, which allows you to partially offset your carbon footprint on the environment through the purchase of certified carbon credits.

## **Investments**

The Company has always been active and dedicated to the use of the best technical solutions and systems to meet the varied needs and requirements of customers, with particular attention to quality and innovation, offering customers specialized services and making its know-how available to them in order to guarantee the best results in all phases of the construction and analysis processes.

During the year, in order to maintain high standards in the execution of ongoing orders, the Company made investments in machinery, plants and equipment necessary to optimize services and industrial operations. Investment planning is essential to ensure that the Company can compete and live up to an aggressive and difficult market, such as the infrastructure market. The implementation of these investments also allows the Company to increase its value over time and keep its assets in an efficient state. These investments benefited from the tax breaks provided for investments in capital goods.

During the year, investments were made in the following areas:

Fixed assets	Acquisitions during the year
Land and buildings	29.359
Plant and machinery	11.762.268
Industrial and commercial equipment	42.247
Other assets	1.025.353
Industrial and commercial equipment classified among the imm.in course and	133.904
Advances	
Software	31.500

It should be noted that in 2021 the Company availed itself of the opportunities to proceed with the revaluation of business assets, provided for by art. 1, paragraphs 696-704, of Law no. 160/2019. This is thanks to art. 12-ter of Legislative Decree no.

no. 23/2020 since, with this type of revaluation, it is possible to update the values of business assets for the financial years 2020, 2021 and 2022.

In order to identify the value constituting the maximum limit of the revaluation, the market value criterion was used, for the determination of which the Company made use of a specific appraisal prepared by an independent third-party professional, specifically appointed. The values recorded in the financial statements following the revaluation are in no case higher than the values actually attributable to the assets with regard to their consistency, their production capacity and the actual economic possibility of use in the company.

The revaluation was carried out in accordance with the provisions of the law and in compliance with the indications of the OIC interpretative document 7 and the accounting standards OIC 16, OIC 21, OIC 24, OIC 25 and OIC 28.

The accounting method used provides for the revaluation of the historical cost.

The higher values recorded in the assets are not recognized for tax purposes.

The information relating to the assets revalued during the year pursuant to Legislative Decree no. 104/2020 is indicated below:

Category	Historical Cost	Residual value before revaluation	Revaluation amount	Revaluation reserve	F.do deferred tax assets
Brands	0	0	8.000.000	5.768.000	2.232.000
<b>Total</b>	<b>0</b>	<b>0</b>	<b>8.000.000</b>	<b>5.768.000</b>	<b>2.232.000</b>

### Research and development activities

During the 2024 financial year, the Company did not incur costs for research and development activities.

### Relations with subsidiaries, associates, parent companies and sister companies

The Company owns interests in the following companies:

- Geminus Cup S.r.l., with registered office in Arese (MI), 5% shareholding;
- Tunnel 64 S.r.l., with registered office in Bologna, 20% stake;
- Valdadige Società Consortile, based in Imola (BO), 23% shareholding.

With regard to information on transactions with subsidiaries, associates and parent companies, please refer to the Notes to the Financial Statements in the paragraph "Information on transactions with related parties". Both commercial and financial transactions take place at market conditions.

### Treasury shares and shares/units of parent companies

The Company does not hold treasury shares and does not hold shares or quotas of parent companies.



## **Information relating to risks and uncertainties pursuant to Art. 2428, paragraph 3, point 6-bis, of the Civil Code**

It should be noted that, at the date of preparation of this document, in carrying out its activities, the Company is exposed to risks and uncertainties deriving from exogenous factors, related to the general macroeconomic context or specific to the operating sectors in which it operates, as well as to risks deriving from strategic choices and internal management risks.

The identification and mitigation of these risks was systematically carried out, allowing timely monitoring and control of the risks that have arisen.

In relation to the military conflict between Russia and Ukraine, it should be noted that the Company has no production activities or relationships with customers or suppliers in Russia or Ukraine. Although the Company is not directly impacted by the conflict and has no links with the countries affected by the conflict, it should be noted that inflationary pressures and supply difficulties have led to a generalized increase in raw material prices, consequently generating indirect impacts on the Company and on the companies operating in the sector.

However, despite the above, the Company's management believes that no significant risk elements are expected due to the absence of relations with the countries involved in the conflict.

Subsequently, pursuant to paragraph 1 of art. 2428 of the Italian Civil Code, the main areas of risk are illustrated:

### **LIQUIDITY RISK**

For a company, the availability of liquidity ensures that it meets deadlines and ensures healthy economic growth. The policy of the Companies is a careful planning of the company's cash flows through the implementation of tools for planning income and expenses, which allow control over them and to promptly recognize peaks in need. In addition, the Company aims to maintain adequate liquidity reserves to avoid non-fulfilment of maturing commitments.

### **CREDIT RISK**

Trade receivables management is an essential activity to define the maximum degree of exposure that the company considers reasonably bearable for a supply that involves deferred payment.

### **MARKET RISKS**

The Company operates in a highly competitive environment. The competitive pressure in the reference market is due to the largest players or those who have specific competitive advantages in the reference sectors. An increase in the number of competitors, their economies of scale or the aforementioned competitive advantages over the Company could have a negative effect on the market positioning, economic and financial situation of the Company itself. It should be noted that the aforementioned risks are constantly monitored and monitored.

### **RISKS INCREASE IN RAW MATERIAL PRICES**

With regard to the raw materials most used on construction sites, where possible, the risk of price fluctuations has been mitigated with the presence of contractual clauses that provide for a revision of the

prices according to certain economic parameters. In cases where the contracts do not provide for "price escalation" formulas, the Company takes precautions during the offer phase by using prices that take into account the various previous fluctuations and prospective analyses of the related prices together with appropriate contingencies for any unforeseeable increases.

#### INTEREST RATE RISK

The Company has a net financial position with variable interest rates; Therefore, in order to pursue the objective of containing the financial risks associated with the fluctuation of interest rates, the Administrative Office constantly monitors banking conditions and, where reasonable, subscribes to loans at fixed rates. There are also three interest rate risk hedging transactions with derivatives.

#### Outlook

In recalling what has been set out in the introductory part of the paragraph on information regarding the risks to which the Company is exposed, we are confident that the total volume of revenues will be confirmed and potentially increased in the financial year 2025, in consideration of the contractual relationships signed. Alongside the continuous effort aimed at obtaining new orders, the Company will continue to pay attention to the policy of structural investment in state-of-the-art machinery and systems, necessary for the optimization of services and works, as well as in the implementation of a management control system with the help of the new management software implemented from the first of January 2023.

Likewise, the constant commitment to a careful optimization of the various operating costs will continue.

#### CONCLUSION

In accordance with the agenda, you are called to resolve on the Board of Directors' report on operations and the financial statements for the year ended 31.12.2024.

Carpenedolo, 27 March 2025

THE BOARD OF DIRECTORS  
THE CHAIRMAN OF THE BOARD OF DIRECTORS  
(Leonardo Spada)

The undersigned SPADA LEONARDO, born in Uruguay on 12/11/1958, declares, aware of the criminal responsibilities provided for under art. 76 of Presidential Decree 445/2000 in the event of false or misleading declaration made pursuant to art. 47 of the same decree, that this document has been produced by optical scanning of the analogue original and that it has successfully carried out the comparison between it and the original document pursuant to art. 4 of the D.P.C.M. 13 November 2014.