



Press release

PALINGEO: THE BOARD OF DIRECTORS APPROVES THE HALF-YEAR FINANCIAL REPORT AS AT 30 JUNE 2025

**STRONG REVENUE GROWTH,
STABILITY OF MARGINS
CERTIFIED AT 20%
PROFIT DECLINE**

**SOLID FINANCIAL DEBT AND BACKLOG AS AT 30 JUNE 2025 UP
BY €144 MILLION**

Main economic and financial results

- **Value of Production: Euro 39.4 million, +13.8%** vs Euro 34.6 million as of 30.06.2024
- **Sales revenues: Euro 37.1 million, +12.2%** vs Euro 33.1 million as of 30.06.2024
- **EBITDA: Euro 7.8 million, +13.4%** vs Euro 6.9 million as of 30.06.2024
- **EBITDA margin: 19,9%** vs 20,0% al 30.06.2024
- **Net result for the period: Euro 2.3 million, -31.2%** vs Euro 3.3 million as of 30.06.2024
- **Net Financial Debt: Euro 6.7 million** vs Euro 5.5 million as of 31.12.2024
- **Backlog** as of 30.06.2025 of **Euro 144 million**, an **increase of Euro 41 million** compared to the same period of 2024.

Carpenedolo (BS), 30 September 2025 – The Board of Directors of **Palingeo S.p.A.** (ticker PAL, hereinafter the "**Company**" or "**Palingeo**"), a leading company in the geotechnical and geognostic sectors, today approved the half-year report as at 30 June 2025, voluntarily subject to a limited audit.

Luca Grillo, Chairman of the Board of Directors of **Palingeo**: *"In the first half of the year, we recorded a significant increase in production and an increase in absolute value of margins with the stabilization of margins. This success demonstrates the effectiveness of our strategies and the optimization of our processes. We have paid particular attention to the implementation of advanced technologies and the updating of production infrastructures, ensuring that we maintain high standards of quality and efficiency. In addition, the introduction of a new management control system has significantly improved our ability to monitor and manage operating costs, facilitating management control and stabilization of margins. Looking ahead to the second half of the year, we are confident that we can maintain this positive pace. We will continue to focus on expanding our customer base and discovering new strategic opportunities to further consolidate our market position."*

Main results as at 30 June 2025

During the first half of 2025, Palingeo recorded a **core production value of Euro 38.1**

million, an increase of **13.7%** compared to Euro 33.5 million recorded in the first half of 2024, thanks to the important boost generated by the acquisition of construction sites linked to tenders awarded for the construction of public works, as well as the acquisition of a significant number of machines that allowed to increase the Company's production capacity.

The **value of production** for the first half of 2025 was **Euro 39.4 million**, up **13.8%** compared to the same period of 2024. This increase was mainly due to the positive results recorded in terms of revenues.

This figure includes sales revenue and change in contract work in progress, as well as other income and income. The latter increased from **Euro 1.1 million** in the first half of 2024 to **Euro 1.3 million** in the first half of 2025 (**+16.9% yoy**) and consist mainly of active leases of equipment and instrumental machinery, damage and insurance compensation, and contributions for capital goods.

The growth of the business translated into an increase in **EBITDA** in absolute value, with a stabilization in terms of margins calculated on the value of core production. In particular, the value of **EBITDA** in the first half of 2025 amounted to **Euro 7.8 million**, up compared to the same period of 2024 when it amounted to **Euro 6.9 million** (+Euro 0.9 million yoy; **+13.4%**), the **EBITDA margin** calculated on the value of production went from **20.01%** in 2024 to **19.9%** in 2025.

EBIT, after depreciation, amortization and provisions, amounted to **Euro 3.5 million**, down sharply compared to **Euro 5 million** in 2024 with a decrease of **29.9%**.

Net profit for the period amounted to **Euro 2.3 million**, down **31.2%** compared to **Euro 3.3 million** as of June 30, 2024.

Financial debt amounted to **Euro 6.7 million**, compared to **Euro 5.5 million** as of December 31, 2024.

The Company's **shareholders' equity** as of June 30, 2025 amounted to **Euro 43.7 million**, an increase compared to **Euro 41.4 million** as of December 31, 2024.

Significant events during the first half of 2025

On **17 January 2025**, in a Temporary Joint Venture with Colombo Severo S.r.l., Palingeo announces the signing of a new contract with COIMA SGR S.p.A. for the execution of war reclamation, environmental remediation, provisional structural works and subsequent building excavations as part of the regeneration process of the area of the former Porta Romana railway yard, in Milan.

The total value of the contract is approximately 11 million euros, of which 5.3 million euros for works carried out by Palingeo.

On **29 January 2025**, the composition of the fully subscribed and paid-up share capital was changed following the assignment of 303,270 newly issued Palingeo ordinary shares, following the exercise of 1,213,080 Warrants during the first exercise period of the "Palingeo Warrants 2024-2026". As a result of the exercise of the Palingeo warrants, there are still 5,729,120 "Palingeo Warrants 2024-2026" in circulation.

On **07 February 2025**, pursuant to the "Transparency Regulations" and art. 17 of the Euronext Growth Milan Issuers' Regulation, Palingeo received the communication relating to the exceeding of a threshold of relevance in the shareholding structure by the shareholder Indépendance AM S.A.S., which exceeded 10% of the ordinary shares of the share capital.

On **21 March 2025**, the Company announced the award of three new contracts, which in

total exceed 14 million euros, of which approximately 7 million euros relating to 2025 and the remaining part relating to 2026.

On **16 June 2025**, the Company announced the signing between I.CO.P. S.p.A. Società Benefit

("ICOP"), one of the leading European operators in the microtunneling sector and special foundations, and F.L.S Holding S.r.l. ("FLS"), a vehicle of the founding partners of Palingeo, Leonardo Spada, Paolo Franzoni and Gianbattista Lippi, a binding agreement ("Framework Agreement") for the purchase of a stake equal to 61.89% of the share capital of Palingeo S.p.A., the completion of which will result in the obligation to launch a mandatory public tender offer for all the pursuant to art. 102, Legislative Decree 58/1998 and 13 of Palingeo's bylaws, on Palingeo ordinary shares, including newly issued shares resulting from any early exercise of the "Palingeo Warrants 2024-2026".

Significant events after 30 June 2025

On **04 August 2025**, the directors Leonardo Spada, Paolo Franzoni, Giambattista Lippi, Sergio Lippi and Alessio Minelli resigned from the office of Directors.

TRANSFER OF THE MAJORITY STAKE FROM FLS HOLDING S.R.L. TO I.CO. P S.P.A.

On **04 September 2025**, the reference share package held by F.L.S. Holding S.r.l. was transferred to I.CO. P S.p.A. in execution of the Framework Agreement signed between the parties on 16 June 2025. The transaction is part of a broader financial transaction aimed at making Palingeo S.p.A. 100% owned by I.CO. P S.p.A. thanks to a public tender offer on the remaining shares of Palingeo S.p.A. on the market.

As per the press release of 16 June 2025, the Framework Agreement is structured as follows:

- the purchase, by ICOP, of 1,539,000 Palingeo shares owned by FLS, of which 256,500 ordinary shares and 1,282,500 multiple-vote shares (which will be converted into ordinary shares upon completion of the transfer) at a price of €6.00 per share, for a total consideration of €9.2 million;
- the contribution in kind of 2,736,000 Palingeo ordinary shares by FLS to release an increase in ICOP's share capital, for a total amount of €16.4 million, including share premium, reserved for FLS, through the issue of 1,728,000 new ICOP ordinary shares, to be resolved by the extraordinary shareholders' meeting. In the context of the Transaction, Cifre S.r.l., the holding company of the Petrucco family, has undertaken to vote in favour of the aforementioned capital increase.

FLS will therefore enter the share capital of ICOP as an industrial investor, in a logic of strategic partnership and business continuity, becoming the owner of a stake equal to approximately 5.4% of the share capital. FLS will make a lock-up commitment with respect to the shares resulting from the contribution for a duration of 36 months.

Following the completion of the Transaction, ICOP will promote the Takeover Bid, aimed at the delisting of Palingeo from trading ("Delisting"), on all of Palingeo's ordinary shares - other than the FLS Shareholding and calculating the shares resulting from the possible early exercise of the Warrants - at a price of 6.00 (six) euros per Palingeo share.

On **04 September 2025**, the new board of directors was appointed, composed of Luca Grillo as Chairman and Chief Executive Officer, Leonardo Spada as Chief Executive Officer, Paolo Franzoni as Chief Executive Officer, Piero Petrucco as Chief Executive Officer, Paolo Copetti as Chief Executive Officer, Nicolò Albertini as Chief Executive Officer, Giacomo Petrucco as Chief Executive Officer, Alberto Dall'Acqua as Independent Director and Antonia Coppola as Independent Board Member.

Outlook

The Company expects the overall volume of revenues to remain stable in the second half of 2025, trusting in the confirmation and expansion of the contractual relationships currently in place. In addition to continuing its commitment to acquire new orders, the Company will continue to invest in state-of-the-art machinery and systems, essential for optimizing the services and works carried out. At the same time, the management control system will be enhanced with the new software implemented as of 1 January 2023. This effort will be accompanied by constant attention to the optimization of management costs, to ensure efficient and sustainable management of resources.

Filing of documentation

The half-year financial report will be made available to the public at the Company's registered office, on the www.palingeo.it's website, in the Investor Relations/Financial Statements and Reports section, as well as on the www.borsaitaliana.it website, in the Shares/Documents section, within the terms provided for by current regulations.

For the dissemination of regulated information, Palingeo uses the EMARKET Storage dissemination system available at address www.emarketstorage.it, managed by Teleborsa S.r.l. - with registered office in Rome, Piazza di Priscilla 4 - following the authorization and CONSOB resolutions no. 22517 and 22518 of 23 November 2022.

This press release is available on the Company's website www.palingeo.it in the Investor Relations/Press Releases section and on www.emarketstorage.it.

About Palingeo

Palingeo is an Italian company based in Carpenedolo, founded in 1999, specialized in the fields of geotechnics, soil consolidation and geognostics. It was born from the experience of professionals in the sector and has established itself as an Italian leader, offering services such as soil consolidation and waterproofing, foundation engineering, and land reorganization. The company operates on commission for private individuals and public bodies, acquiring projects through subcontracts or participating directly in calls for tenders, even in temporary association with other operators. Its presence extends throughout the country, with four local units distributed between the provinces of Brescia, Mantua and Messina. Palingeo holds the main quality certifications in the sector and focuses on construction specialized in the foundation sector, offering geological and infrastructural services. The Company is active in the public construction sector, basing its business model on the research, awarding and implementation of contracts through direct or indirect channels. To improve production efficiency, Palingeo has adopted Industry 4.0 technologies on construction sites, allowing remote connection with the Technical Office through dedicated applications and specific portals. The Company is oriented towards technological development to optimize production processes and ensure a high level of professionalism in the services offered.

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Attachments

The Company's main financial statements relating to the half-year financial report as at 30 June 2025 are shown below, compared with the corresponding comparative values in thousands of Euro and specifically:

- Reclassified Income Statement as at 30.06.2025 (vs Reclassified Income Statement as at 30.06.2024);
- Reclassified Balance Sheet as at 30.06.2025 (vs Reclassified Balance Sheet as at 31.12.2024);
- Net Financial Debt as of 30.06.2025 (vs Net Financial Debt as of 31.12.2024);
- Cash Flow Statement as at 30.06.2025 (vs Cash Flow Statement as at 31.12.2024).

RECLASSIFIED INCOME STATEMENT

Income Statement	30.06.25	30.06.24	Var. 25 vs 24	Var. % 25 vs 24
Core business revenue	37.184.916	33.131.886	4.053.030	12,2%
Change of contract work in progress	941.833	415.060	526.773	126,9%
Value of characteristic production	38.126.749	33.546.946	4.579.803	13,7%
Other income and income	1.286.981	1.100.724	186.257	16,9%
Value of production	39.413.730	34.647.670	4.766.060	13,8%
Purchases and changes in inventories of raw materials, supplies, consumables and goods	13.589.483	12.207.204	1.382.279	11,3%
Service fees	6.538.757	5.474.392	1.064.365	19,4%
Costs for the use of third-party assets	2.563.954	2.338.054	225.900	9,7%
Other operating costs	113.334	336.953	(223.619)	(66,4%)
Value added	16.608.202	14.291.067	2.317.135	16,2%
Labor costs	8.747.727	7.358.129	1.389.598	18,9%
Gross operating margin (EBITDA)	7.860.475	6.932.938	927.537	13,4%
Depreciation, amortization and other provisions	2.214.406	1.377.757	836.649	60,7%
Provisions for risks	2.100.000	500.000	1.600.000	320,0%
Operating profit (EBIT)	3.546.069	5.055.181	(1.509.112)	(29,9%)
Financial income and expenses	(257.398)	(285.902)	28.504	(10,0%)
Revaluations/write-downs of financial assets	(1.480)	(4.419)	2.939	(66,5%)
Profit before tax	3.287.191	4.764.860	(1.477.669)	(31,0%)
Income taxes	1.015.858	1.465.644	(449.786)	(30,7%)
Profit (loss) for the period	2.271.333	3.299.216	(1.027.883)	(31,2%)

RECLASSIFIED BALANCE SHEET

Balance Sheet	30.06.25	31.12.24	Var. 25 vs 24	Var. % 25 vs 24
Intangible assets	6.524.028	6.752.940	(228.912)	(3,4%)
Tangible fixed assets	22.226.819	17.329.455	4.897.364	28,3%
Financial fixed assets	94.782	103.870	(9.088)	(8,7%)
Net fixed assets	28.845.629	24.186.265	4.659.364	19,3%
Inventories	3.373.204	2.431.370	941.834	38,7%
Trade Receivables	27.387.920	27.486.938	(99.018)	(0,4%)
Trade payables	(14.431.564)	(13.388.875)	(1.042.689)	7,8%
Trade Working Capital	16.329.560	16.529.433	(199.873)	(1,2%)
Other receivables	406.462	399.253	7.209	1,8%
Other payables	(3.957.728)	(2.442.718)	(1.515.010)	62,0%
Tax receivables and payables	6.337.867	4.458.031	1.879.836	42,2%
Net accruals and deferrals	(2.495.604)	(817.166)	(1.678.438)	205,4%
Net Working Capital	16.620.557	18.126.833	(1.506.276)	(8,3%)
Provisions for risks and charges	(2.732.003)	(2.191.359)	(540.644)	24,7%
Long-term net working capital	9.785.228	8.832.953	952.275	10,8%
Severance indemnity fund	(2.059.824)	(1.949.442)	(110.382)	5,7%
Net Invested Capital	50.459.587	47.005.250	3.454.337	7,3%
Financial payables	18.301.435	14.568.822	3.732.613	25,6%
Cash and cash equivalents	(11.546.818)	(9.005.888)	(2.540.930)	28,2%
Net Financial Position	6.754.617	5.562.934	1.191.683	21,4%
Share capital	1.381.534	1.381.534	0	0,0%
Reserves	40.052.101	32.441.073	7.611.028	23,5%
Profit (loss) for the period/year	2.271.333	7.619.708	(5.348.375)	(70,2%)
Shareholders' equity (equity)	43.704.968	41.442.315	2.262.653	5,5%
Total Sources	50.459.585	47.005.249	3.454.336	7,3%

NET FINANCIAL DEBT

Net financial debt	30.06.25	31.12.24	Var. 25 vs 24	Var. % 25 vs 24
A) Cash and cash equivalents	11.533.980	9.002.601	2.531.379	28,12%
B) Cash equivalents	12.838	3.287	9.551	290,57%
C) Other current financial assets	0	0	0	Nm.
D) Liquidity (A+B+C)	11.546.818	9.005.888	2.540.930	28,21%
E) Current financial receivable	0	0	0	Nm.
G) Current financial debt	8.602.323	8.813.408	(211.085)	(2,40%)
F) Current portion of non-current financial debt	5.266.946	3.566.859	1.700.087	47,66%
H) Other current financial payables	0	0	0	Nm.
I) Current financial debt (F+G+H)	13.869.269	12.380.267	1.489.002	12,03%
J) Net current financial debt (I-D-E)	2.322.451	3.374.379	(1.051.928)	(31,17%)
K) Non-current financial debt	4.378.790	2.114.892	2.263.898	107,05%
L) Non-current bonds issued	0	0	0	Nm.
M) Other non-current financial payables	53.376	73.663	(20.287)	(27,54%)
N) Non-current financial debt (K+L+M)	4.432.166	2.188.555	2.243.611	102,52%
O) TOTAL FINANCIAL DEBT (I+N)	6.754.617	5.562.934	1.191.683	21,42%

STATEMENT OF CASH FLOWS

€/000

Cash Flow	2024	Jun-25
EBITDA	14.944	7.860
Taxes	(3.064)	1.016)
Self financing	11.880	6.845
Changes in inventories	(2.310)	(942)
Change in LV trade receivables	2.096	1.272
Change in trade receivables M/L	(1.343)	1.142)
Change in trade payables	(2.728)	1.078
CCN Change	4.285)	267
Change in other receivables/(payables)	(1.160)	287
Change in Net Working Capital	5.445)	554
Change in funds	(621)	(1.559)
Severance indemnity change	152	110
Gross Cash flows	5.966	5.950
Change in financial assets	48	9
Capex	(12.767)	(6.883)
Net Cash flows	(6.754)	(924)
Interest income / (expenses)	(653)	(259)
Δ Net Equity	9.660	(9)
Short-term payables to banks	825	1.489
Payables to banks at M/L	(1.831)	2.264
Payables to other lenders	(30)	(20)
Payables to financing shareholders	-	-
Financial receivables	-	(10)
Cash Flow available for debt service	7.972	3.455
Cash - BoP	7.785	9.003
Cash flow	1.218	2.531
Cash - EoP	9.003	11.534