



**OUTLINES OF THE HALF-YEAR FINANCIAL REPORT
AS AT
JUNE 30, 2025**

Balance sheet	30/06/2025	31/12/2024
Active		
B) Fixed assets		
I - Intangible assets		
2) Development costs	35	70
4) Grants, licenses, trademarks and similar rights	6.201.644	6.400.000
6) assets under construction and payments on account	31.500	31.500
7) Other	290.849	321.370
Total intangible assets	6.524.028	6.752.940
II - Tangible fixed assets		
1) land and buildings	197.445	187.296
2) plant and machinery	20.194.571	15.567.340
3) Industrial and commercial equipment	33.552	44.079
4) Other assets	1.773.189	1.358.232
5) assets under construction and payments on account	28.062	172.508
Total tangible fixed assets	22.226.819	17.329.455
III - Financial fixed assets		
1) Shareholdings in		
b) Associated companies	25.800	22.300
(d-bis) other undertakings	55.525	55.150
Total equity investments	81.325	77.450
4) active derivative financial instruments	13.457	26.420
Total financial assets	94.782	103.870
Total fixed assets (B)	28.845.629	24.186.265
C) Current assets		
I - Inventories		
3) Custom work in progress	3.263.204	2.321.370
4) Finished products and goods	110.000	110.000
Total inventories	3.373.204	2.431.370
Tangible fixed assets held for sale		
II - Credits		
1) to customers		
due within the following financial year	27.387.920	27.486.938
payable beyond the following financial year	9.904.677	8.762.925
Total receivables from customers	37.292.597	36.249.863
(3) To related undertakings		
due within the following financial year	2.031	0
Total receivables from customers	2.031	0
5-bis) tax credits		
due within the following financial year	7.493.972	4.837.637
payable beyond the following financial year	153.862	307.723
Total tax receivables	7.647.834	5.145.360
5-ter) Deferred tax assets	1.075.762	571.762
5-quarter) to others		
due within the following financial year	226.298	201.327
payable beyond the following financial year	178.133	197.926
Total receivables from others	404.431	399.253
Total receivables	46.422.655	42.366.238
III - Financial assets that do not constitute fixed assets		
4) Other equity investments	12.838	3.287

Total financial assets that do not constitute fixed assets	12.838	3.287
IV - Cash and cash equivalents		
1) bank and postal deposits	11.529.843	8.998.124
3) money and cash equivalents	4.137	4.477
Total cash and cash equivalents	11.533.980	9.002.601
Total current assets (C)	61.342.677	53.803.496
D) Accruals and deferrals	1.421.909	1.190.647
Total assets	91.610.215	79.180.408
Passive		
A) Shareholders' equity		
I - Capital	1.381.534	1.381.534
II - Share premium reserve	9.658.451	9.658.451
III - Revaluation reserves	5.768.000	5.768.000
IV - Legal reservation	200.000	200.000
VI - Other reserves, separately indicated		
Extraordinary reserve	24.416.095	16.796.387
Miscellaneous other reserves	1	
Total other reserves	24.416.096	16.796.387
VII - Reserve for hedging operations of expected cash flows	9.555	18.235
IX - Profit (loss) for the year	2.271.333	7.619.708
Total Shareholders' Equity	43.704.969	41.442.315
B) Provisions for risks and charges		
2) for taxes, including deferred taxes	1.733.276	1.791.359
4) Other	998.727	400.000
Total provisions for risks and charges	2.732.003	2.191.359
C) Employee severance pay	2.059.824	1.949.442
D) Debts		
4) payables to banks		
due within the following financial year	13.869.269	12.380.267
payable beyond the following financial year	4.378.790	2.114.892
Total payables to banks	18.248.059	14.495.159
5) payables to other lenders		
due within the following financial year	36.461	
payable beyond the following financial year	16.915	73.663
Total payables to other lenders	53.376	73.663
6) Down payments		
due within the following financial year	1.713.218	537.994
Total advance payments	1.713.218	537.994
7) payables to suppliers		
due within the following financial year	14.431.564	13.388.875
payable beyond the following financial year	273.311	237.695
Total payables to suppliers	14.704.875	13.626.570
12) Tax debts		
due within the following financial year	2.231.867	951.368
Total tax payables	2.231.867	951.368
13) Payables to social security institutions		
due within the following financial year	924.112	715.671
Total payables to social security institutions	924.112	715.671
14) Other payables		
due within the following financial year	1.320.399	1.189.054
Total other payables	1.320.399	1.189.054

Total payables	39.195.906	31.589.479
E) Accruals and deferrals	3.917.513	2.007.813
Total liabilities	91.610.215	79.180.408

Income Statement	30/06/25	30/06/24
A) Value of production		
1) revenues from sales and services	37.184.916	33.131.886
3) Variations of custom work in progress	941.833	415.060
5) other revenues and income		
Operating grants	18.280	47.715
Other	1.268.701	1.053.009
Total other revenues and income	1.286.981	1.100.724
Total value of production	39.413.730	34.647.670
B) Production costs		
6) for raw materials, ancillary, consumer and goods	13.589.483	12.207.204
7) For services	6.538.757	5.474.392
8) for the use of third-party assets	2.563.954	2.338.054
9) For staff		
a) Wages and salaries	5.865.150	5.035.933
b) social security contributions	2.460.214	1.963.595
c) severance pay	394.911	334.001
d) retirement benefits and the like	27.452	24.600
Total personnel costs	8.747.727	7.358.129
10) Depreciation, amortization and write-downs		
a) Depreciation of intangible assets	228.912	230.509
b) depreciation of tangible fixed assets	1.985.494	1.147.248
d) write-downs of receivables included in current assets and Cash equivalents	1.501.273	500.000
Total depreciation, amortization and impairment losses	3.214.406	1.877.757
12) provisions for risks	598.727	0
14) Miscellaneous management charges	113.334	336.953
Total production costs	35.867.661	29.592.489
Difference between value and costs of production (A - B)	3.546.069	5.055.181
C) Financial income and expenses		
15) income from equity investments		
other	235	99
Total income from equity investments	235	99
16) Other financial income		
d) income other than the above		
Other	12.979	70.214
Total income other than the above	12.979	70.214
Total other financial income	12.979	70.214
17) interest and other financial charges		
other	270.612	356.215
Total interest and other borrowing costs	270.612	356.215
Total financial income and expenses (15 + 16 - 17 + - 17-bis)	(257.398)	(285.902)
D) Value adjustments of financial assets and liabilities		
18) Revaluations		
a) shareholdings	62	0
19) Devaluations		
d) derivative financial instruments	1.542	4.419

Total write-downs	1.542	4.419
Total impairment losses on financial assets and liabilities (18 - 19)	(1.480)	(4.419)
Profit before taxes (A - B + - C + - D)	3.287.191	4.764.860
20) Income taxes for the year, current, deferred and prepaid		
Current taxes	1.574.359	1.673.295
Taxes referring to previous years	840	
Deferred and deferred tax assets	(559.341)	(207.651)
Total income taxes for the year, current, deferred and prepaid	1.015.858	1.465.644
21) Profit (loss) for the year	2.271.333	3.299.216

Cash flow statement, indirect method	30/06/25	30/06/24
A) Cash flows from operating activities (indirect method)		
Profit (loss) for the year	2.271.333	3.299.216
Income taxes	1.015.858	1.465.644
Interest expense/(income)	257.398	285.902
(Capital gains)/Losses on the sale of assets	0	(186.549)
1) Profit (loss) for the year before income taxes, interest, dividends and capital gains/losses on disposals	3.544.589	4.864.213
Adjustments for non-monetary items that have not been offset in net working capital		
Provisions for funds	2.210.382	834.001
Depreciation of fixed assets	2.214.406	1.377.757
Other up/(down) adjustments for non-monetary items	(8.680)	4.419
Total adjustments for non-monetary items that were not offset in net working capital	4.416.108	2.216.177
2) Cash flow before changes in net working capital	7.960.697	7.080.390
Changes in net working capital		
Decrease/(Increase) in inventories	(941.833)	(415.060)
Decrease/(Increase) in receivables from customers	(1.042.734)	(3.193.131)
Increase/(decrease) in payables to suppliers	1.078.305	2.249.094
Decrease/(Increase) in accrued income and deferred income	(231.262)	(482.008)
Increase/(decrease) in accrued income and deferred income	1.909.700	(1.585.437)
Other decreases/(Other Increases) in net working capital	(218.174)	(1.333.833)
Total changes in net working capital	554.002	(4.760.375)
3) Cash flow after changes in net working capital	8.514.699	2.320.015
Other adjustments		
Interest received/(paid)	(257.398)	(238.341)
(Income taxes paid)	(1.015.858)	0
(Use of funds)	(1.559.356)	(324.409)
Total other corrections	(2.832.612)	(562.750)
Cash flow from operating activities (A)	5.682.087	1.757.265
B) Cash flows from investment activities		
Tangible fixed assets		
(Investments)	(7.050.153)	(7.345.351)
Divestments	167.295	(50.868)
Intangible assets		
(Investments)	0	(31.500)
Divestments	0	0
Financial fixed assets		
(Investments)	0	0
Divestments	9.088	0
Cash flow of investment activity (B)	(6.873.770)	(7.427.719)
C) Cash flows from financing activities		
Third-party means		
Increase/(decrease) in short-term payables to banks	(166.503)	(1.625.631)

Financing	6.400.000	2.500.000
(Repayment of loans)	(2.510.435)	(2.427.706)
Equity		
Paid capital increase	0	8.022.000
Cash flow of financing activities (C)	3.723.062	6.468.663
Increase (decrease) in cash and cash equivalents (A ± B ± C)	2.531.379	798.209
Cash and cash equivalents at the beginning of the year		
Bank and postal deposits	8.998.124	7.784.585
Money and cash equivalents	4.477	18
Total cash and cash equivalents at the beginning of the year	9.002.601	7.784.603
Cash and cash equivalents at the end of the year		
Bank and postal deposits	11.529.843	8.580.539
Money and cash equivalents	4.137	2.273
Total cash and cash equivalents at the end of the year	11.533.980	8.582.812

EXPLANATORY NOTE HALF-YEAR FINANCIAL REPORT AT JUNE 30, 2025

Premise

Dear Shareholders,

this Explanatory Note is prepared to accompany the half-year financial report as at 30/06/2025 which also consists of the Balance Sheet, Income Statement and Cash Flow Statement. These elements make up a single, inseparable document. In particular, the Explanatory Note has the function of highlighting information useful for commenting, integrating, detailing the quantitative data presented in the half-year financial report, in order to provide the information necessary to have a true and fair representation of the Company's balance sheet, income statement and financial situation for the period ended 30/06/2025.

The data shown in the half-year financial report as at 30/06/2025, for the Balance Sheet are compared with the data referring to the year ended 31/12/2024, while for the Income Statement they are compared with the data referring to the period ended 30/06/2024. The amounts are shown in Euros (unless otherwise indicated).

This half-year financial report has been subject to a voluntary limited audit by the auditing firm WPartners S.r.l..

Significant events during the reporting period

During the period under review, the activity was carried out regularly, the Company consolidated its position in the reference market, increasing the volume of orders acquired (backlog of 144 million as at 30/06/2025 with an increase of 41 million compared to the same period of 2024) and confirming the positive growth trend both in economic and financial terms. The development and acquisition of new orders is fostering the continuous growth of the Company which, even during the interim period of reference, has made new investments in equipment and machinery, stabilizing the operating structure with the staff remaining unchanged compared to 31/12/2024.

On **17 January 2025**, in a Temporary Grouping of Companies with Colombo Severo S.r.l., 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 of a binding agreement between I.CO.P. S.p.A. Società Benefit ("ICOP"), one of the leading European operators in the microtunneling and special foundations sector, and F.L.S Holding S.r.l. ("FLS"), a vehicle of the founding shareholders of Palingeo, Leonardo Spada, Paolo Franzoni and Gianbattista Lippi, for the purchase of a stake equal to 61.89% of the share capital ("FLS Shareholding") of Palingeo S.p.A. ("Palingeo"), the completion of which will result in the obligation to launch a mandatory public tender offer ("OPA"), pursuant to art. 102, Legislative Decree 58/1998 ("TUF") and 13 of the Articles of Association of Palingeo, on the ordinary shares of Palingeo ("Transaction"), including the newly issued shares resulting from the possible early exercise of the "Palingeo Warrants 2024-2026" ("Warrants").

No further significant facts are reported whose knowledge is necessary for a better understanding of the differences between the items of the 2024-2025 half-year financial reports. Furthermore, it is not considered necessary to provide any further information beyond that required by specific legal provisions in order to give a true and fair representation of the Company's financial position and the economic result for the period.

Structure of the Half-Year Financial Report

The Company's half-year financial report as at 30/06/2025 has been prepared in accordance with the criteria for the preparation of interim financial statements provided for by accounting standard OIC 30 issued by the Italian Accounting Body.

The structure of the half-year financial report complies with that outlined by the Italian Civil Code in articles 2424 and 2425, the Cash Flow Statement complies with art. 2425-ter of the Italian Civil Code and shows the changes, positive or negative, in cash and cash equivalents that occurred during the period and was prepared using the indirect method using the format provided for by accounting standard OIC 10, while the Explanatory Note complies with the content provided for by Articles 2427, 2427-bis, and all the other provisions that refer to it; it also contains all the information useful for providing a correct interpretation of the half-yearly report.

For further details on the Company's activities and operating performance, please refer to the Directors' Report on Operations, prepared by the Company's Directors accompanying this half-year financial report.

It should be noted that, pursuant to art. 2497 et seq. of the Italian Civil Code, the Company is not subject to management and coordination activities by third parties.

The half-year financial report has been prepared on the assumption of business continuity.

The gains/losses shown are only those realised at the end of the half-year.

Structure of the Balance Sheet and Income Statement

The descriptions of the items in the half-year financial report faithfully reflect the format provided for by articles 2423-ter, 2424, 2424-bis, 2425 and 2425 bis, of the Italian Civil Code as referred to in art. 2435 bis.

Especially:

- no element of the assets or liabilities falls under more than one item in the scheme;
- the Balance Sheet and the Income Statement are drawn up in units of euro, rounding the amounts up or down in accordance with the provisions of the EC Regulation; the reconciliation of the half-year financial reports was carried out by allocating the differences arising from the Balance Sheet to item A) VI Other Reserves. Also in the Explanatory Note, the amounts are expressed in units of euro as they guarantee a better intelligibility of the document.

Drafting principles

In formulating this half-yearly report, no derogation has been made from the drafting principles referred to in art. 2423-bis, of the Italian Civil Code. More precisely:

- The valuation of the items was carried out with a view to the continuation of the business. It should be noted that the assumption of business continuity is a fundamental principle in the preparation of the half-year financial report. On this basis, the company is normally considered to be able to continue to carry out its business in the foreseeable future (at least 12 months from the reference date of the half-year financial report) without there being either the intention or the need to put it into liquidation, to cease its activity or to subject it to insolvency proceedings as required by law or regulations. Assets and liabilities are therefore accounted for on the basis that the company is able to carry on its business and meet its liabilities during the normal course of business activities. Since the assumption of business continuity is a fundamental principle for the preparation of the half-year financial report, the Company's Management assumed responsibility for this assessment, from which no elements were identified that highlight a possible state of risk;
- the principle of the prevalence of substance over the form of the transaction or contract has been followed;
- The principle of prudence was followed and, therefore, only the profits made at the end of the period were indicated in the half-yearly report, while the risks and losses attributable to them were taken into account even if they were known after the end of the period. The application of the accrual principle has meant that the effect of the transactions has been recognised in the accounts and attributed to the intermediate period to which these transactions refer and not to the one in which the related receipts and payments were made;
- in the drafting of the document, due account was also taken of the risks and losses pertaining to the intermediate period, even if known after the end of the latter;
- the heterogeneous elements included in the individual items were evaluated separately;
- During the interim period, there were no exceptional cases that made it necessary to resort to the derogation from the evaluation criteria, referred to in art. 2423, paragraph 5, of the Italian Civil Code, as they are incompatible with the truthful and correct representation of the Company's financial position and the economic result. No revaluations of assets have also been carried out pursuant to special laws on the subject;

- In application of the principle of relevance, referred to in art. 2425 of the Italian Civil Code, the obligations regarding recognition, valuation, presentation and disclosure have not been complied with when their compliance has irrelevant effects in order to give a true and fair representation of the half-year financial report. In particular, the criteria identified to implement the principle of materiality are linked both to qualitative conditions (significance of the information) and to quantitative conditions;
- The preparation of the half-year financial report requires the making of estimates that have an effect on the values of assets and liabilities and on the related disclosure of the half-year financial report. The results that will be finalized may differ from these estimates. Estimates are reviewed periodically and the effects of changes in estimates, if not resulting from incorrect estimates, are recognised in the income statement of the interim period in which the changes occur, if they affect only that interim period, and also in subsequent periods if the changes affect both the current and subsequent periods;
- the principles adopted allow a clear, fair and truthful representation of the balance sheet and financial position and the result of the interim period;
- the evaluation criteria referred to in art. 2426, of the Italian Civil Code, have been observed and are the same as the half-year financial report as at 30/06/2024.

It should be noted that the Company has exercised the right not to apply the amortised cost method to receivables and payables recorded in the half-year financial report prior to 1 January 2016. The Company applies amortised cost only to transactions arising after that date, unless the application is insignificant.

Evaluation criteria applied

The half-year financial report as at 30/06/2025 has been prepared in accordance with the provisions of EU Directive no. 34 of 2013, transposed in Italy by Legislative Decree 139 of 18/08/2015 and which amended the provisions on financial statements of Legislative Decree 127/91 as well as on the basis of the application of the documents issued by the Italian Accounting Body (OIC) updated in subsequent years.

The valuation criteria adopted in the half-year financial report, described below for the main items, are the same as those used in the preparation of the half-year financial report as at 30/06/2023. The accounting principles adopted for the preparation of this half-year report are illustrated below.

Intangible assets

Intangible assets are recorded at purchase cost including directly attributable ancillary charges and carried forward net of depreciation and amortisation determined systematically in relation to their residual possibility of future economic use. Depreciation begins from the moment the fixed asset is available and ready for use. The rates are detailed when commenting on the items in the Balance Sheet. There were no changes in depreciation rates compared to the previous year.

Other capitalised charges of a multi-year nature consist of expenses incurred on third-party real estate, amortised for the remaining period of the contract that allows the asset to be available.

Intangible assets such as industrial patent rights and intellectual property rights, as well as concessions, licences and trademarks and similar rights, are depreciated over a five-year period, or a shorter period in relation to the residual future usefulness.

Improvements to third-party assets are depreciated on the basis of the shorter period between the period of future utility of the expenses incurred and the residual period of the right on the basis of which the company uses the third-party assets subject to the interventions.

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. 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 special appraisal prepared by an independent third-party professional, specifically appointed. The values recorded in the half-year financial report 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 main information relating to the assets revalued pursuant to Legislative Decree no. 104/2020 is indicated below:

Category	Cost Historical	Residual value before revaluation	Amount revaluation	Reserve from revaluation	F.do taxes Deferred
Brands	0	0	8.000.000	5.768.000	1.733.276
Total	0	0	8.000.000	5.768.000	1.733.276

Tangible fixed assets

Tangible fixed assets are recorded at purchase cost with reference to the date on which the risks and rewards associated with the asset acquired are transferred and shown net of depreciation and amortisation systematically determined in each year on a straight-line basis on the basis of economic and technical rates determined in relation to their residual usability.

The values of the half-year financial report determined in this way do not exceed those that can be inferred from reasonable expectations of utility that can be drawn from individual assets and that their historical cost can be recovered in future years.

The rates are detailed when commenting on the items in the Balance Sheet. There were no changes in depreciation rates compared to the previous year. Ancillary costs are also included in the purchase cost.

For fixed assets purchased during the period, the depreciation rates have been reduced by half in relation to the lower use of the assets, as the depreciation rate obtained does not differ significantly from the portion calculated from the time the fixed asset is available and ready for use. Costs incurred for the purchase of small equipment and other fast-moving consumer goods, with a unit value not exceeding € 516, are charged to the Income Statement for the period.

Ordinary maintenance and repair costs are charged in full to the Income Statement; those of an incremental nature are attributed to the assets to which they refer and depreciated in relation to the residual possibilities of use.

In the first half of the year, there were no situations in which the payment of tangible fixed assets, acquired during the period, was deferred under conditions other than those normally applied on the market; therefore, the amortised cost method was not applied, as provided for by OIC 16 par. 33. Tangible fixed assets carried out under finance leases are recorded in the

half-yearly financial statements according to the equity method. In relation to the significance of the effects that would have been determined, both on equity and on the economic result, if the financial recognition method had been adopted, the specific statement provides the information required by art. 2427, no. 22, of the Italian Civil Code.

Financial fixed assets

Equity investments are valued at purchase or subscription cost, including directly attributable ancillary charges. If at the end of the period the investment is of a lower value for a long time, it is correspondingly written down; the original value is restored in subsequent periods if the reasons for the write-down no longer exist.

Financial receivables are valued at their nominal value because the effects of the application of amortised cost are insignificant or because the effective interest rate does not differ from the market rate.

Derivative financial instruments

Derivative financial instruments are recognised from the date of signing of the contract, starting from when the Company is subject to the relevant rights and obligations.

Pursuant to the provisions of Article 2426, paragraph 1, number 11-bis, of the Italian Civil Code and OIC 32, derivative financial instruments, even if incorporated into other financial instruments, are measured at fair value both at the date of initial recognition and at any subsequent closing date of the half-year financial report. The recognition and change in fair value compared with the previous year are recognised in the half-year financial report in different ways depending on whether the transaction in derivative financial instruments qualifies (and is actually designated) as a hedging transaction for financial risks or not.

Transactions that do not qualify (or are not designated) as hedging

If the transaction does not qualify (or is not designated) as a hedging transaction, changes in fair value are recognised in the income statement in section D) "Adjustments to the value of financial assets and liabilities". As provided for in Article 2426, paragraph 1, number 11-bis, of the Italian Civil Code, the profits deriving from the valuation of derivative financial instruments not designated as hedging are allocated to non-distributable equity reserves.

Transactions that qualify (and are designated) as hedging transactions

The Company engages in derivative financial instruments to hedge against the following risks: interest rate risk, exchange rate risk, price risk, credit risk (excluding the Company's own credit risk). These transactions are accounted for in the Balance Sheet Assets in section B) III 4) Derivative financial instruments assets, in the item Equity in section VII Reserve for hedging transactions of expected cash flows and in the Balance Sheet in section B) 2) for taxes, including deferred taxes.

Pursuant to art. 2427-bis of the Italian Civil Code, and in application of OIC no. 32, the Explanatory Note provides, for each category of derivative financial instrument, information on:

- their fair value;
- their size and nature (including significant terms and conditions that may affect their amount, maturities and the certainty of future cash flows);
- the fundamental assumptions on which valuation models and techniques are based, where fair value has not been determined on the basis of market evidence;

- changes in value recorded directly in the income statement, as well as those charged to equity reserves;
- changes in fair value reserves during the period.

Inventories

The evaluation criteria provided for by art. 2426 of the Civil Code have been maintained unchanged compared to those adopted in the previous year, with the exception of the valuation of contract work in progress, for which it was decided to use the method based on the measurement of the production carried out and, more specifically, the method of physical measurements, for the assessment of the progress of the works.

Raw materials

Starting from the financial year ended 31/12/2023, mainly for technical reasons and the insignificance of the value of the raw materials present on the construction sites, the Company has deemed it appropriate not to proceed with the valuation of this item.

For comparative purposes, it is acknowledged that the effect of this change is not significant. For this reason, it was not considered necessary to report the effects of the change.

Finished Products

Inventories of finished products, represented by real estate, were recorded at the lower of the purchase cost, including directly attributable ancillary charges, and the estimated realisable value, which can be inferred from market trends.

Roadworks

Contractual assets and contractual liabilities from the valuation of contracts are recorded on the basis of contractual considerations, defined with reasonable certainty with the clients, in relation to the progress of the works (SAL). In consideration of the nature of the contracts and the type of work that are not valued and contracted as a whole, but are evaluated and contracted to measure, progress is determined through the use of a method based on the physical measurement of the quantities produced at the date of preparation of the half-year financial report (method of physical measurements). Alternatively, if the contract prices do not reasonably reflect the same percentage of margin in relation to the related production costs, the progress is determined by the use of the cost-to-cost method.

Requests for new works or increases in contracted works deriving from changes to the contractually planned works (*change orders*) are considered in the total amount of the fees and will participate in the definition of the total value of the order to be related to the value of the production actually charged in the half-year financial report.

Advances and advances are recorded under liabilities in item D.6 "Advances". Withholding taxes, retained by the customer upon payment of SALs, represent long-term receivables that will be collected at the end of the work.

Credits

The Company has applied the amortised cost method to receivables arising from 1 January 2016 if the effects are significant. The Company assumes that these effects are not relevant when the maturity of the receivables is within twelve months, taking into account all the contractual and substantive clauses in place at the time the receivable is recognised or when the transaction costs and any difference between the initial value and the nominal value at maturity are insignificant.

Receivables are recorded at their estimated realisable value (equal to their nominal value), net of the appropriate adjustment provisions. The application of the amortised cost method is irrelevant for the Company because all receivables are short-term or because the effects of the application of the amortised cost method are of little significance. In such cases, interest has been calculated at the nominal rate and any transaction costs are recorded under deferred income and distributed, on an accrual basis, over the life of the receivable, as an adjustment to nominal interest income.

Financial assets that do not constitute fixed assets

Equity investments and securities with a predetermined income, not intended to remain permanently in the company's assets, are valued at the lower of the specific purchase cost, including ancillary charges, and the realisable value that can be inferred from market trends.

To determine the market value, the Company uses the average of the share prices for the month of December or, for unlisted securities, the communications of the issuing bodies or custodian banks.

Considering that the securities are held in the portfolio presumably for a period of less than twelve months and that in this case the effects are presumed to be insignificant, the Company has not applied the amortised cost method in the measurement of financial assets.

Cash equivalents

The cash on hand or on deposit with credit institutions is recorded at nominal value.

Accruals and deferrals

Accruals and deferrals are portions of costs and revenues, common to two or more years, recorded to implement the accrual economic principle. In the registration, as well as in the review, of the deferred income with a duration of several years, the existence or permanence of the temporal condition was verified.

Provisions for risks and charges

Provisions for risks and charges are allocated to cover charges of certain or probable existence of which the amount or date of occurrence cannot be determined at the end of the period. The appropriations reflect the best estimate on the basis of the available evidence.

In the valuation of these funds, the principles of prudence and competence were respected and no generic risk funds were set up, without economic justification. The Provision for taxes includes both deferred tax liabilities, determined on the basis of taxable temporary differences, and liabilities for probable taxes, having an undetermined amount or date of occurrence, deriving from disputes by the Tax Authorities.

Employee severance pay

The employee severance indemnity represents the debt accrued at the end of the period to employees in accordance with the law and the company's collective bargaining and supplementary agreements.

The liability is recognised net of advances paid and any sums relating to terminated employment relationships whose payment has already expired or will expire within the following year.

This liability is subject to revaluation by means of indices.

Debts

Payables are recorded using the amortised cost method, taking into account the time factor. The criterion is not applied if the effects of the application are insignificant compared to the nominal value which is shown net of premiums, discounts, allowances, and includes, where applicable, interest accrued and payable at the end of the period.

As previously reported for receivables, the Company has applied the amortised cost method to payables arising from 1 January 2016 if the effects are material.

The Company assumes that these effects are not relevant when the maturity of the debts is within twelve months, taking into account all the contractual and substantial clauses in place at the time the debt is recognized, or when the transaction costs and any difference between the initial value and the nominal value at maturity are of an insignificant amount.

Payables are recorded at nominal value. The application of the amortised cost method is irrelevant for the Company because all payables are short-term or because the effects of the application of the amortised cost method are of little significance. In this case, interest has been calculated at nominal value and any transaction costs are recorded under deferrals and allocated on an accrual basis over the duration of the debt, increasing nominal interest expenses.

Revenue and costs

Income and income, costs and expenses are recorded on an accrual basis net of returns, discounts, allowances and premiums as well as taxes directly related to the sale of products and the provision of services. In particular, revenues from the provision of services are recognised when the service is rendered or the provision is carried out, in accordance with the relevant contracts. Proceeds from the sale of goods are recognised at the time of the substantial transfer of risks and rewards, which normally coincides with the delivery or shipment of the movable property or with the date of conclusion of the contract for immovable property. Financial income and expenses are recognised on an accrual basis. Dividends are accounted for on an accrual basis, when the relevant right to collection arises. Income and expenses relating to foreign currency transactions are determined at the exchange rate in force on the date on which the relevant transaction is completed. Income and expenses relating to purchase and sale transactions with an obligation to retrocede forward are recorded for the portions pertaining to the period.

Operating grants are recorded in the half-yearly financial report according to the principle of accrual and legal certainty of being entitled to them, regardless of their actual receipt.

Income taxes, current, deferred and prepaid

Income taxes for the period are charged on an accrual basis; This results in the recognition of current taxes and deferred tax assets and liabilities in the presence of temporary differences between the statutory result and the taxable income, as well as depending on any tax losses that can be carried forward.

Current taxes are determined on the basis of a realistic forecast of the charges to be incurred in application of current tax legislation and are shown at the end of the income statement and under liabilities in the balance sheet.

Deferred and deferred tax assets are determined on the basis of the tax rates provided for the taxation of income in the years in which the temporary differences will be cancelled.

The amounts of deferred and deferred tax assets are restated if the tax rates originally considered change.

Commitments, guarantees, contingent liabilities and contingent assets

The total amount of commitments, guarantees and contingent liabilities not shown in the balance sheet is set out in specific paragraphs of this Explanatory Note.

Commitments represent obligations assumed by the Company towards third parties that originate from legal transactions with certain binding effects but not yet performed by either party. The commitments category includes both commitments whose performance and their amount are certain and commitments whose execution is certain but not their amount. The amount of the commitments is the nominal value that can be deduced from the relevant documentation. If the commitment cannot be quantified, information is provided in the notes to the financial statements.

Guarantees include guarantees, both real and personal, provided by the Company. These guarantees are those issued by the Company with reference to its own or others' obligation. The value of the guarantee corresponds to the value of the guarantee provided or, if not determined, to the best estimate of the risk assumed in the light of the situation existing at that time.

Contingent liabilities not shown in the balance sheet include those considered probable, but the amount of which cannot be determined except in a random and arbitrary manner, and those considered possible.

Similarly, the appropriate paragraph indicates the assets and potential profits considered probable that have not been recognised in the half-year financial report for compliance with the principle of prudence.

Using Estimates

The preparation of the half-year financial report requires the making of estimates that have an effect on the values of assets and liabilities and the related information reported therein. The results that will be finalized may differ from these estimates. Estimates are reviewed periodically and the effects of changes in estimates, if not resulting from incorrect estimates, are recognised in the income statement of the period in which the changes occur, if they affect only that period, and also in subsequent periods if the changes affect both the current and subsequent years

Other information

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

Transactions with a retrocession obligation

The Company, pursuant to Article 2427 no. 6-ter of the Italian Civil Code, certifies that during the period it has not carried out any transaction subject to the obligation of forward retrocession.

Explanatory note, assets

Fixed assets Intangible

assets

Movements in intangible assets

The breakdown of intangible assets and the changes that occurred during the period under review are shown in the following table:

	Set-up and expansion costs	Develop ment costs	Grants, licenses, trademarks, and similar rights	Assets under construction and payments on account	Other intangible assets	Total intangible assets
31/12/2024						
Cost	2.324	22.437	8.000.000	31.500	990.059	9.046.320
Depreciation and amortization (Provision for depreciation)	2.324	22.367	1.600.000	-	668.689	2.293.380
Balance sheet value	-	70	6.400.000	31.500	321.370	6.752.940
Variations of period						
Increments for Acquisitions	-	-	-	-	-	-
Decreases for disposals and Divestments	-	-	-	-	-	-
Depreciation of period	-	35	198.356	-	30.521	228.912
Bottom grinding Depreciation for disposals	-	-	-	-	-	-
Total changes	-	(35)	(198.356)	-	(30.521)	(228.912)
30/06/2025						
Cost	2.324	22.437	8.000.000	31.500	990.059	9.046.320
Depreciation and amortization (Provision for depreciation)	2.324	22.402	1.798.356	-	699.210	2.522.292
Value at 30.06.2025	-	35	6.201.644	31.500	290.849	6.524.028

Intangible assets, totalling Euro 6,524,028, mainly relate to the "Palingeo" brand, for Euro 6,201,644, classified under "concessions, licences and trademarks" and improvements to third-party assets, for Euro 290,849, classified under "other intangible assets".

Depreciation has been calculated on a straight-line basis, namely: (i) 5% for the brand and (ii) the shorter period between the period of future utility and the residual duration of the right under which the Company uses the third-party asset for improvements.

In 2021, the Company availed itself of the provisions of Legislative Decree 104/2020 for the revaluation of business assets and, on the basis of the expertise of a professional, revalued the registered trademark owned by the company for a total of Euro 8,000,000.

The changes recorded during the period refer to the decrease resulting from the ordinary depreciation process.

Tangible fixed assets

Movements in tangible assets

The breakdown of tangible fixed assets and the changes that occurred during the period under review are shown in the following table:

	Land and buildings	Plant and machinery	Equipment Industrial and commercial	Other Fixed assets	Fixed assets materials in progress and advances	Total Fixed assets
31/12/2024						
Cost	374.022	26.622.567	1.364.185	2.397.605	172.508	30.930.887
Depreciation (Accumulated depreciation)	186.726	11.055.227	1.320.106	1.039.373	-	13.601.432
Balance sheet value	187.296	15.567.340	44.079	1.358.232	172.508	17.329.455
Variations of period						
Increments for Acquisitions	20.554	6.357.175	3.276	649.148	-	6.741.261
Decreases for Disposals and disposals	-	175.131	4.000	11.750	144.446	335.327
Amortization of period	10.405	1.728.270	13.803	233.016	-	1.985.494
Adjustment of accumulated depreciation for alienations	-	173.457	4.000	10.575	-	188.032
Total changes	10.149	4.627.231	(10.527)	414.957	(144.446)	4.897.364
30/06/2025						
Cost	394.576	32.801.324	1.363.461	3.038.290	28.062	37.625.713
Depreciation (Accumulated depreciation)	197.131	12.606.753	1.329.909	1.265.101	-	15.398.894
Value at 30.06.2025	197.445	20.194.571	33.552	1.773.189	28.062	22.226.819

Land and buildings

The item mainly refers to land, buildings and light constructions. In particular, the increases in the half-year relate to the purchase of light construction for Euro 20,554. Depreciation is calculated on a straight-line basis and equal to Euro 10,405 for the half-year.

Plant and machinery

The item mainly refers to machinery used for work on construction sites (drilling machines, mechanical shovels, etc.). The growing number of construction sites has required new investments in plant and machinery necessary to carry out social activity. In particular, the increases in the half-year amounting to a total of Euro 6,357,175 relate to the purchase of plant for Euro 190,315, machinery for Euro 5,882,860, excavators for Euro 284,000; the decrease, on the other hand, equal to a total of Euro

175,131 concerns the sale of machinery for Euro 145,131 and excavators and mechanical loaders for Euro 30,000. Amortization is calculated on a straight-line basis and equal to Euro 1,728,270 for the half-year.

Industrial and commercial equipment

The item mainly refers to equipment for construction sites (pneumatic hammers, generators, etc.). During the first half of the year, the main change, which increased, concerned the acquisition of equipment necessary for the management of construction sites. In particular, new equipment was purchased for Euro 3,276. The decrease concerns the sale of small equipment for Euro 4,000, and the ordinary depreciation process. Depreciation is calculated on a straight-line basis and equal to Euro 13,803 for the half-year.

Other tangible assets

The item mainly refers to vehicles, furniture and furnishings as well as office machinery. During the first half of the year, the main change, which increased, concerned the acquisition of new vehicles and new office equipment. The increases relate to the purchase of electronic office machines for Euro 16,976, transport vehicles for Euro 630,908 and telephone and mobile phone systems for Euro 1,264; the decreases, on the other hand, concern the sale of trucks for Euro 11,750 and the decrease resulting from the ordinary depreciation process. Depreciation is calculated on a straight-line basis and amounts to Euro 233,016 for the half-year.

Tangible assets under construction and payments on account

The item, amounting to Euro 28,062, relates to advances paid for the acquisition of machinery and equipment scheduled for delivery in 2025, the decrease in the period equal to Euro 144,446 is due to the receipt of machinery and equipment for which an advance had been paid.

Finance leasing transactions

The following table contains the information required by the Legislator in order to represent, albeit in an extra-accounting way, the implications deriving from the accounting of leasing transactions with the financial method instead of with the equity method. Using the financial method, in fact, the user company would recognise the asset leased under fixed assets, calculating the related depreciation rates on that asset, while at the same time it would recognise the debt for the principal portion of the rents to be paid. In this case, in the

income statement, the portion of interest and the portion of amortization pertaining to the period would be recognized.

	Amount
Total amount of assets leased at the end of the period	5.461.695
Depreciation and amortization that would have been attributable to the period	645.304
Adjustments and reversals of impairment that would have been attributable to the period	-
Present value of undue rent instalments at the end of the period	2.660.828
Financial charges for the period on the basis of the effective interest rate	50.862

The Company holds 33 assets under finance lease agreements, which involve the transfer of the majority of the risks and rewards inherent in the assets that are the subject of them to the Company itself. The contracts refer to machinery, operating machinery, cars and trucks. During the first half of 2025, 7 leases were redeemed early, the transaction was financed with the opening of a new medium-term loan with Banca MPS.

Financial fixed assets

Movements in equity investments, other securities and derivative financial instruments Fixed assets

The following are the changes in the amount of financial assets pursuant to number 2, paragraph 1 of art. 2427 of the Italian Civil Code:

	Shareholdings in Associated companies	Investments in other enterprises	Total Investments	Financial instruments Active derivatives
31/12/2024				
Cost	22.300	55.150	77.450	26.420
Balance sheet value	22.300	55.150	77.450	26.420
Variations of period				
Increments for Acquisitions	3.500	375	3.875	-
Other variations	-	-	-	(12.963)
Total changes	-	-	-	(12.963)
30/06/2025				
Cost	25.800	55.525	81.325	13.457
Value at 30.06.2025	25.800	55.525	81.325	13.457

Details of non-current investments in associated companies

Denomination	City	Tax code	Capital in euros	Profit (loss) for the last year in euro	Shareholders' equity in euros	Share held in euros	Share owned in %	Value as at 30.06.25
TUNNEL 64 SRL	BOLOGNA	03990761201	100.000	n.a.	100.000	20.000	20%	20.000
VALDADIGE SOC. CONSORTIUM	IMOLA	02499131201	10.000	n.a.	10.000	2.300	23%	2.300
CURTAIN SCARL	UDINE	03162190304	10.000	n.a.	10.000	3.500	35%	3.500
Total								25.800

The company Tunnel 64 S.r.l. is a consortium company; the investment was acquired on 06.12.2021 for the execution of consolidation works planned at the construction site: "S.S. 64 Porrettana" - railway road junction of Casalecchio di Reno (BO).

The stake in the Valdadige Società Consortile consortium was acquired in March 2009, for the execution of works at the Verona RFI construction site. The carrying value of the equity investments is aligned with the shareholders' equity at the time.

The Cortina Scarl company is a consortium company; the stake was acquired in 2025 for the execution of works in view of the Cortina 2026 Winter Olympics.

Details of non-current investments in other companies

Denomination	City	Tax code	Capital in euros	Profit (loss) for the last year in euro	Shareholders' equity in euros	Share held in euros	Share owned in %	Value as of 30.06.2025
GEMINUS CUP SRL	ARESE	9119760966	20.000	n.a.	977.981	1.000	5%	55.525
Total								55.525

The company Geminus CUP S.r.l. is a real estate company and the stake was acquired on 30/10/2015. The carrying value of the investment in Geminus CUP S.r.l. is higher than the pro-rata shareholders' equity of Euro 6,251, a difference not considered durable. The increase is linked to a capital payment by shareholders.

Derivative financial instruments

Balance as of 30/06/25	Balance as of 31/12/24	Variations
13.457	26.420	(12.963)

For information on the extent and nature of each category of derivative financial instruments carried out by the Company, please refer to the specific section of this explanatory note ("Information relating to derivative financial instruments pursuant to Article 2427-bis of the Italian Civil Code").

Current assets Inventories

	31/12/24	Change in period	30/06/25
Custom work in progress	2.321.370	941.834	3.263.204
Finished Products & Goods	110.000	-	110.000
Total inventories	2.431.370	941.834	3.373.204

Custom work in progress

This item refers to the valuation of orders in progress at the end of the period, based on the measurement of production carried out and more specifically the method of physical measurements.

Finished Products & Goods

The item refers to real estate held by the Company, placed among the inventories as they are available for sale.

Receivables booked to current assets

Changes and maturity of receivables booked to current assets

	31/12/2024	Change during the period	30/06/25	Poor Fee Within 30/06/26	Poor share over 30/06/26
Receivables from registered customers in current assets	36.249.863	1.042.734	37.292.597	27.387.920	9.904.677
Receivables from associated companies recorded in current assets	-	2.031	2.031	2.031	-
Tax receivables recognised as assets circulating	5.145.360	2.502.474	7.647.834	7.493.972	153.862
Deferred tax assets recognised in current assets	571.762	504.000	1.075.762	-	-
Receivables from other assets circulating	399.253	5.178	404.431	226.298	178.133
Total receivables booked to assets circulating	42.366.238	4.056.417	46.422.655	35.110.221	10.236.672

The table shows the details of the changes and maturity of receivables recorded in current assets compared to 31/12/2024.

The item receivables from customers is as follows:

Description	30/06/25	31/12/24	Variation
Receivables from customers	27.295.134	25.138.726	2.156.408
Invoices to be issued	2.443.906	3.001.437	(557.531)
SBF Effects	1.132.493	1.329.116	(196.623)

Description	30/06/25	31/12/24	Variation
Total within 12 months	30.871.533	29.469.279	1.402.254
Receivables from customers	2.389.597	2.015.891	373.706
Withholding taxes	7.515.080	6.747.034	768.046
Total over 12 months	9.904.677	8.762.925	1.141.752
Total	40.776.210	38.232.204	2.544.006
- Provision for doubtful accounts	(3.483.613)	(1.982.340)	(1.501.273)
Total	37.292.597	36.249.864	1.042.733

The change in receivables from customers compared to 31/12/2024 amounting to Euro 2,156,408 is closely related to the turnover generated during the first half of 2025. The dynamics of corporate receivables, also linked to the financing of the company's working capital hops, shows substantial stability in the credit structure.

The invoices to be issued, amounting to Euro 2,443,906, relate to allocations made on the basis of services provided during the first half of 2025. On the date of formation of this document, all the invoices allocated have been issued.

Receivables from customers maturing after 30/06/2026, amounting to Euro 9,904,667, relate to withholding taxes for Euro 7,515,080 and services already invoiced to customers for Euro 2,389,597 but retained by them until the end of the works and whose collection is expected after 30/06/2026.

This item is stated net of the provision for doubtful accounts of Euro 3,483,613. During the first half of the year, the fund was increased by Euro 1,501,273. No decrease for use.

The item receivables from associated companies breaks down as follows:

Description	30/06/25	31/12/24	Variation
Loans and advances to associated companies	2.031	-	2.031
Total	2.031	-	2.031

The change is due to the loan issued in favor of the newly established consortium Cortina Scarl.

The item tax receivables is as follows:

Description	30/06/25	31/12/24	Variation
VAT credit	6.532.158	4.628.073	1.904.085
Tax credits	958.174	145.018	813.156
Other tax receivables	3.640	64.548	(60.908)
Total within 12 months	7.493.972	4.837.638	2.656.334
Tax credits	153.862	307.723	(153.862)
Total over 12 months	153.862	307.723	(153.862)
Total	7.647.833	5.145.361	2.502.472

The VAT credit increased by Euro 1,904,085 mainly as a result of the increase in turnover generated during the first half of 2025. The increase in tax credits, amounting to Euro 813,156, is mainly due to the formation of new tax credits linked to the acquisition of new machinery that has the characteristics to benefit from the tax relief.

Tax credits beyond the year, amounting to Euro 153,862, relate to the purchase of Superbonus credits.

Deferred tax receivables breaks down as follows:

Description	30/06/25	31/12/24	Variation
Deferred tax credits	1.075.762	571.762	504.000
Total	1.075.762	571.762	504.000

Deferred tax assets are calculated on the provision for doubtful accounts taxed for Euro 3,483,613 and the provision for legal expenses of Euro 998,727.

The item receivables from others is as follows:

Description	30/06/25	31/12/24	Variation
Advances / Advances to suppliers	49.490	10.372	39.118
CAPE advances	98.197	91.388	6.809
Security deposits	34.311	41.534	(7.223)
Minor miscellaneous credits	44.300	58.033	(13.733)
Total within 12 months	226.298	201.327	24.971
Receivables from beyond the year	178.133	197.926	(19.793)
Total over 12 months	178.133	197.926	(19.793)
Total	404.431	399.253	5.178

The item "Advances to suppliers", amounting to Euro 49,490, relates to advances paid to suppliers for the purchase of goods and materials.

The item "CAPE advances", amounting to Euro 98,197, relates to advances paid by the Company to employees of the Construction Fund, which will proceed with the reimbursement in favour of the Company.

The item "Security deposits", amounting to Euro 34,331, refers to security deposits paid for the use of utilities (water, gas, electricity, etc.).

"Miscellaneous minor receivables" amounting to Euro 44,300 mainly relates to prepaid salaries and loans made to employees.

Receivables beyond the year, amounting to Euro 178,133, are tax receivables arising from the purchase of new capital goods using the benefits provided for by the Sabatini Law.

It should be noted that the breakdown of receivables recorded in current assets by geographical area is not provided as it is not significant.

Financial assets that do not constitute fixed assets

Variations of activity Financial who Not constitute fixed assets

Description	31/12/24	Variations of period	30/06/25
Other non-fixed equity investments	3.287	9.551	12.838
Total financial assets that do not constitute fixed assets	3.287	9.551	12.838

These are shares of the BCC of Brescia. The change is linked to a capital increase of the Bank with the allocation of shares to shareholders free of charge.

Cash equivalents

Description	31/12/24	Variations of period	30/06/25
Bank and postal deposits	8.998.124	2.507.781	11.505.905
Cash and other cash equivalents	4.477	-340	4.137
Total cash and cash equivalents	9.002.601	2.507.441	11.510.042

The balance represents cash and cash equivalents and the existence of cash and values as of 30/06/2025. The balances on bank accounts are reconciled with the related account statements as at 30/06/2025.

Accrued income and deferred income

Description	Deferred income	Total deferred income
31/12/2024	1.190.647	1.190.647
Change during the period	231.262	231.262
30/06/2025	1.421.909	1.421.909

The table shows the details of the changes in accrued income and deferred income. Accruals and deferrals have been calculated on an accrual basis. There are no deferrals with a duration of more than five years.

Deferred income is as shown in the following table:

Description	30/06/2025	31/12/2024	Variation
Expenditure on motor vehicles	27.148	8.518	18.630
Insurance	896.299	256.516	639.783

Leasing fees	413.185	869.527	(456.342)
--------------	---------	---------	-----------

Description	30/06/2025	31/12/2024	Variation
Service charges	83.281	53.469	29.812
Interest expense	1.996	2.616	(620)
Total	1.421.909	1.190.647	231.262

Notes to the financial statements, liabilities

and shareholders' equity Shareholders'

equity

Changes in equity

Analysis of changes in equity items

With reference to the amount of equity items, pursuant to Article 2427 of the Italian Civil Code, the changes that occurred during the period (paragraph 1, number 4) as well as the composition of the item Other reserves (paragraph 1, number 7) are indicated below.

	31/12/2024	Allocation of the result of the previous year	Other variations	Result of period	30/06/2025
		Other destinations	Increases/Decrements		
Capital	1.381.534				1.381.534
Reserve from surcharge of actions	9.658.451				9.658.451
Revaluation reserves	5.768.000				5.768.000
Legal reserve	200.000				200.000
Extraordinary reserve	16.796.387	7.619.708			24.416.095
Total other reserves	16.796.387	7.619.708			24.416.095
Cash flow hedging reserve Expected	18.235		(8.680)		9.555
Profit (loss) for the period	7.619.708	(7.619.708)		2.271.333	2.271.333
Total Shareholders' Equity	41.442.315		(8.680)	2.271.333	43.704.969

Share capital

On 09 November 2023, with a notarial deed by the Notary Alessandra Radaelli, the Company was transformed from a limited liability company to a joint-stock company with a share capital of Euro 1,000,000 consisting of 5,000,000 ordinary shares with a nominal value of Euro 0.20 each. The share capital is fully paid-up.

On 16 February 2024, with the admission to listing on the EGM market, 1,620,300 ordinary shares were issued, all newly issued, of which:

- 1,480,200 reserved for the capital increase for the market;
- 140,100, corresponding to approximately 8.6% of the offer, reserved for the capital increase with the "Greenshoe" option.

Following the partial exercise of the Greenshoe option (124,200 shares out of 140,100 available) the total number of ordinary shares subscribed was 1,604,400; consequently, the share capital increased by Euro 320,880.

On 13 December 2024, the first exercise period of the "Palingeo Warrants 2024-2026" ended. In the period under review, 303,270 newly issued Palingeo Shares were subscribed. The Company's post-placement capital consists of 6,907,670 shares with no par value, for a total value of Euro 1,381,534.

Share premium reserve

The change in the share premium reserve for Euro 9,308,451 is entirely attributable to the capital increases linked to the listing on EGM and the issue of the first tranche of shares linked to the exercise of the Warrants.

Extraordinary reserve

The change in the extraordinary reserve, amounting to Euro 7,619,708, is entirely attributable to the allocation of the profit for the year realized as of 31/12/2024, as per the shareholders' resolution of April 30, 2025.

Cash flow hedging reserve

The change is due to changes in the fair value of the effective component of derivative financial instruments.

Changes in the reserve for hedging operations of expected cash flows

	Hedging reserve of expected cash flows
31/12/2024	18.235
Changes during the period	
Release to income statement	(8.680)
30/06/2025	9.555

Revaluation reserve

The revaluation reserve, unchanged compared to the previous year, amounted to Euro 5,768,000. This reserve relates to the revaluation of the brand (Euro 8,000,000) carried out in 2021 and is shown net of the provision for deferred tax liabilities of Euro 2,232,000.

Availability and use of equity

The table below the items in Shareholders' equity are detailed and distinguished according to their origin, possibility of use and distribution:

	Amount	Origin / nature	Possible uses	Available Quota
Capital	1.381.534	Capital	B	1.381.534
Share premium reserve	9.658.451	Profits/Capital	A,B,C,D	9.658.451
Revaluation reserves	5.768.000	Useful	A,B	5.768.000
Legal reserve	200.000	Useful	A,B	200.000
Other reserves				
Extraordinary reserve	24.416.095	Useful	A,B,C,D	24.416.095
Total other reserves	24.416.095			24.416.095
Reserve for flow hedging operations expected financial statements	9.555	Useful	A,B,C,D	9.555
Total	41.433.635			41.433.635

Key: A: for capital increase B: for loss coverage C: for distribution to shareholders D: for other statutory restrictions E: other

Provisions for risks and charges

	Tax Fund also deferred	Other funds	Total funds for Risks and charges
31/12/2024	1.791.359	400.000	2.191.359
Changes during the period			
Billeting	-	598.727	598.727
Utilization	58.083	-	58.083
Other variations	-	-	
Total changes	(58.083)	598.727	540.644
30/06/2025	1.733.276	998.727	2.732.003

This item mainly consists of the balance of the provision for deferred tax liabilities of Euro 1,733,276. The provision for deferred tax assets was allocated for the recognition of the value of the brand revalued for statutory purposes only and of the hedging derivative financial instruments. The tax effect was accounted for as a direct reduction of the revaluation reserve DL 104/2020 and the reserve for hedging transactions of expected cash flows. The item also includes a provision for risks of Euro 998,727 for probable losses in transactions with third parties.

Employee severance pay

	Employee severance pay
31/12/2024	1.949.442
Changes during the period	
Billeting	394.911
Utilization	(284.529)
Total changes	110.382
30/06/2025	2.059.824

The amount of this debt, in compliance with current legislation, corresponds to that of the indemnities to be paid to employees in the event of termination of the employment relationship on 30 June 2025. The use of Euro 284,529 relates to the settlement of fees related to dismissals and resignations.

Debts

Changes and maturity of debts

Pursuant to art. 2427, paragraph 1, number 6 of the Italian Civil Code, the overall breakdown of the debts recorded in the liabilities by type and on the basis of their maturity is reported:

	31/12/24	Change during the period	30/06/25	Quota expiring by 30/06/26	Quota Poor over 30/06/26
Payables to banks	14.495.159	3.752.900	18.248.059	13.869.269	4.378.790
Payables to other lenders	73.663	(20.287)	53.376	36.461	16.915
Advances	537.994	1.175.224	1.713.218	1.713.218	
Payables to suppliers	13.626.570	1.078.361	14.704.931	14.431.620	273.311
Tax debts	951.368	1.288.399	2.239.767	2.239.767	
Payables to social security and security institutions social	715.671	208.441	924.112	924.112	
Other payables	1.189.054	131.345	1.320.399	1.320.399	
Total payables	31.589.479	7.614.383	39.203.862	34.534.846	4.669.016

The table provides an analysis of the changes and maturity of debts, with evidence of debts whose maturity is beyond 30 June 2025. No debt has a maturity of more than 5 years, including loans outstanding as of 30/06/2025.

The item payables to banks by and after 30/06/2025 is as follows:

Description	30/06/25	31/12/24	Variation
Passive current accounts	20.993	767.010	(746.017)
Bank advance invoices	8.532.000	7.980.234	551.766
Credit/prepaid cards	8.967	4.742	4.225
Short-term mortgages	5.266.946	3.517.629	1.749.317
Accruing interest expense	40.364	110.653	(70.289)
Total within 12 months	13.869.269	12.380.267	1.489.002
Long-term mortgages	4.378.790	2.114.892	2.263.898
Total over 12 months	4.378.790	2.114.892	2.263.898
Total	18.248.059	14.495.159	3.752.900

The loans/mortgages outstanding as of 30/06/2025 are as follows:

Description	Subscription date	Expiry date	Face value	By 30.06.26	Over 30.06.26
BCC Brescia Mortgage No. 1062359	22/02/21	01/10/26	800.000	228.571	114.286
BPM Financing No. 04886613	02/11/20	02/11/26	500.000	101.951	51.999
Banca Intesa Mortgage No. 11222876	28/01/21	28/01/27	1.300.000	327.787	192.633
CREDEM Loan No. 7563530	06/04/21	06/04/26	450.000	90.890	-
MPS Financing No. 994148952	06/05/21	30/04/27	650.000	130.000	108.334
Loan AL VIA Banca Intesa n. 88044	23/06/21	01/09/27	510.000	96.050	144.075
BPM Funding No. 05657541	16/06/22	31/05/27	1.000.000	236.182	223.956

Description	Subscription date	Expiry date	Face value	By 30.06.26	Over 30.06.26
Intesa Financing No. 110500	26/02/23	31/12/26	1.000.000	250.000	125.000
BPM Funding No. 07209711	12/03/23	31/12/24	1.000.000	173.433	-
Intesa Loan No. 1018981497	10/05/23	30/06/24	1.000.000	1.065.982	-
BPER Mortgage No. 5444818	17/01/25	17/05/26	1.500.000	1.376.596	-
MPS Financing No. 0994387912	03/03/25	31/03/28	1.900.000	619.122	1.128.965
Intesa Loan n.216080	16/03/25	26/03/30	3.000.000	570.380	2.289.543
Total				5.266.946	4.378.790

Mortgages and loans are all unsecured. Below are the interest rates for each mortgage outstanding as of 30/06/2025:

Description	Rate applied
BCC Brescia Mortgage No. 1062359	2% + EUR 6 M (360)
Banco BPM loan no. 04886613	1.5% Fixed
Banca Intesa Mortgage no. 11222876	1.5% + EUR 1 M (360)
CREDEM Loan No. 7563530	0.6% Fixed
MPS Financing No. 994148952	1% + EUR 6 M (360)
Banca Intesa Loan No. 88044	2.8% + EUR 6 M (365)
Banco BPM Loan No. 05657541	1.55% + EUR 3 M (360)
Intesa Financing No. 110500	1.65% + EUR 3 M (360)
Banco BPM Loan No. 07209711	1.05% + EUR 3 M (360)
Intesa Loan No. 1018981497	4% Fixed
BPER Mortgage No. 5444818	2.8% Fixed
MPS Financing No. 0994387912	2.99% Fixed
Intesa Loan n.216080	2.85% Fixed

Mortgages are unsecured and none have a maturity of more than five years.

The item payables to other lenders, amounting to Euro 53,376, refers to suppliers of capital goods who have granted, directly or through a financial company, the loan for the purchase of the asset.

The item on account of Euro 1,713,218 refers to advances received from customers for the execution of works in progress, which will be cancelled with the issue of the progress of the works that will be invoiced to customers.

The item payables to suppliers is composed as follows:

Description	30/06/25	31/12/24	Variation
Suppliers	10.300.015	12.249.376	(1.949.361)
Invoices to be received	4.463.719	1.437.831	3.025.888
Credit notes to be received	(332.171)	-298.333	(33.838)
Total within 12 months	14.431.564	13.388.875	1.042.689
Suppliers over 30.06.25	273.311	237.695	35.616
Total over 12 months	273.311	237.695	35.616
Total	14.704.875	13.626.570	1.078.305

The increase compared to the previous year is closely related to the greater number of construction sites in progress, as well as to the acquisition of some processes for which the supply of materials such as pipes, iron cages is envisaged, which have an important value in the construction of the work.

The invoices to be received, amounting to Euro 4,463,719, at the date of this explanatory note have almost all been received.

The item suppliers over 12 months, amounting to Euro 273,311, relates to withholding taxes that will be paid after the testing of the works carried out.

The item "tax payables" is composed as follows:

Description	30/06/25	31/12/24	Variation
Withholding professionals	12.467	18.776	(6.309)
Employee withholdings	512.494	434.604	77.890
Taxes	1.706.731	496.960	1.209.771
Other minor taxes	175	1.028	(853)
Total within 12 months	2.231.867	951.368	1.280.499

The item taxes includes IRES for Euro 1,261,634 and IRAP for Euro 312,725 net of IRES advances paid for Euro 172,051, IRAP paid for Euro 42,509 and withholding taxes suffered for Euro 453.

The item "payables to social security institutions" is composed as follows:

Description	30/06/25	31/12/24	Variation
INPS debt	432.494	347.036	85.458
INAIL debt	160.076	151.729	8.347
Debt v/other pension funds	151.964	118.325	33.639
Contribution charges	179.578	98.580	80.998
Total within 12 months	924.112	715.671	208.441

The stability in the number of employees leads to substantial stability in the cost configuration with small deviations.

The item "miscellaneous payables" is composed as follows:

Description	30/06/25	31/12/24	Variation
Payables for wages and reimbursements	922.235	668.289	253.946
Payables for accrued wages	389.848	324.640	65.208
Payables to third parties	8.266	19.188	(10.922)

Accrual charges payables	-	176.877	(176.877)
--------------------------	---	---------	-----------

Description	30/06/25	31/12/24	Variation
Miscellaneous minor debts	49	60	(11)
Total within 12 months	1.320.399	1.189.054	131.345

Payables for remuneration and reimbursements, amounting to Euro 922,235, at the date of this explanatory note, have been paid in full.

It should be noted that the breakdown of payables recorded in liabilities by geographical area is not provided as it is not significant.

Debts secured by collateral on company assets

As of 30/06/2025 there are no debts secured by any type of collateral on corporate assets.

Accrued expenses and deferred income

	Accrued expenses	Deferred income	Total accruals and Deferred income
31/12/2024	15.006	1.992.807	2.007813
Change during the period	20.794	1.888.906	1.909.700
30/06/2025	35.800	3.881.713	3.917.513

Accrued expenses and deferred income mainly refer to the table below:

Accrued expenses - Description	30/06/2025	31/12/2024	Variation
Insurance	3.168	4.945	(1.777)
Passive leases	13.619	1.343	12.276
Vehicles	495	2.605	(2.110)
Other lower accruals	17.348	-	17.348
Leasing fees	1.171	6.113	(4.942)
Total	35.800	15.006	20.794

Deferred income - Description	30/06/2025	31/12/2024	Variation
Deferred tax credit for capital goods investments	3.646.740	1.956.450	1.690.290
Deferred contribution "Sabatini"	167.309	36.357	130.952
Deferrals from the evaluation of works in progress	66.957	-	66.957
Other minor deferrals	707	-	707
Total	3.881.713	1.992.807	1.888.906

Accruals and deferrals with a duration of more than five years are not recorded.

Notes to the financial statements,

income statement Value of

production

Balance as of 30/06/2025	Balance as of 30/06/2024	Variations
39.413.730	34.647.670	4.766.060

Description	30/06/2025	30/06/2024	Variations
Revenues, sales and services	37.184.916	33.131.886	4.053.030
Custom Work in Progress Variations	941.833	415.060	526.773
Other income and income	1.286.981	1.100.724	186.257
Total	39.413.730	34.647.670	4.766.060

The change is commented on in the Report on Operations to which reference is made.

Breakdown of sales and performance revenues by business category

The breakdown of revenues and services from the Company's typical operations (Article 2427, no. 10, of the Italian Civil Code) is entirely related to the execution of contract works in progress relating to piling activities.

Subdivision Of Revenues of sales and of performance for Region

In accordance with the provisions of point 10) of art. 2427, it is specified that revenues from sales and services are entirely made in Italy.

Breakdown of other income and income

Other income and income is detailed below:

Description	30/06/25	30/06/24	Variation	Variation %
Capital goods contributions - capital account	401.822	260.421	141.401	54,30%
Excise duty refunds	119.464	128.006	(8.541)	(6,67%)
Active leases	360.928	144.455	216.474	149,86%
Capital gains	190.325	187.234	3.091	1,65%
Contingent assets	145.110	282.571	(137.461)	(48,65%)
Insurance compensation and reimbursement	27.556	59.054	(31.498)	(53,34%)
Seconded Personal Reimbursement	0	10.204	(10.204)	(100,00%)
Other miscellaneous revenues	41.775	28.781	12.994	45,15%

	Total	1.286.980	1.100.724	186.257	16,92%
--	-------	-----------	-----------	---------	--------

The item leases receivable, amounting to Euro 360,928, refers to the lease of machinery owned by the Company to third parties. These machines are leased to third-party companies that need to carry out certain processes, but which do not have the appropriate equipment and machinery; therefore, Palingeo rents some machinery to third parties so that the tenants can carry out the work, in many cases preparatory to the construction sites in which Palingeo is involved.

The item contingent assets, for a value of Euro 145,110, is mainly attributable to the acquisition of tax receivables at a value lower than their nominal value and to adjustments on taxes from previous years.

Capital gains, amounting to Euro 190,325, refer to the sale of the Company's assets.

Production costs

Production costs, amounting to a total of Euro 29,591,801, are broken down as follows:

B)	Production costs:	30/06/25	30/06/24	Variation	Variation %
6)	for raw materials, supplies, consumables and goods	13.589.483	12.207.204	1.382.280	11,32%
7)	for services	6.538.757	5.474.392	1.064.365	19,44%
8)	for the use of third-party assets	2.563.955	2.338.054	225.901	9,66%
9)	For staff:				
	a) Wages and salaries	5.865.150	5.035.933	829.217	16,47%
	b) social security contributions	2.460.214	1.963.595	496.619	25,29%
	c) severance pay	394.911	334.001	60.910	18,24%
	d) retirement benefits and the like	27.452	24.600	2.852	11,60%
	e) other costs	-	-	-	
10)	Depreciation, amortization and write-downs:				
	a) Depreciation of intangible assets	228.912	230.509	(1.597)	(0,69%)
	b) depreciation of tangible fixed assets	1.985.494	1.147.248	838.246	73,07%
	d) write-down of current assets	1.501.273	500.000	1.001.273	200,25%
11)	Changes in inventories of MP, subs., cons.	-	-	-	
12)	Provisions for risks	598.727	-	598.727	0,00%
14)	Miscellaneous operating costs	113.333	336.954	(223.621)	(66,37%)
	Total production costs	35.867.661	29.592.488	6.275.173	21,21%

Costs for raw materials, supplies, consumables and goods

The following table shows the details of the costs of raw materials, supplies, consumables and goods:

Description	30/06/25	30/06/24	Variation	Variation %
Production materials	8.528.153	8.026.712	501.441	6,25%
Other purchases	43.214	38.300	4.913	12,83%
Packaging	2.376	1.257	1.120	89,11%
Maintenance purchases	1.944.673	1.306.328	638.346	48,87%
Fuels	2.998.435	2.770.031	228.404	8,25%
Other assets	20.434	7.688	12.747	165,81%
Cleaning materials and work clothes	44.537	44.451	86	0,19%
Stationery	7.660	12.438	(4.778)	(38,41%)
Costs for raw materials, supplies, consumables and goods	13.589.483	12.207.204	1.382.280	11,32%

Costs for raw materials, supplies, consumables and goods increased by Euro 1,382,280 compared to the same period of 2024 for two reasons: (i) growth in the volume of activity (new construction sites) and (ii) increase in the purchase of maintenance materials due to the increase in the number of machines available to the company. Fuel expenditure increased compared to the previous year due to the growth in the number of vehicles used in production and the growth in the volume of activities, this is linked to the purchase of new, more performing machinery with reduced consumption as well as the decrease in the price of diesel. The other changes remained substantially in line with the previous year.

Service fees

The following table shows the details of the costs per service:

Description	30/06/25	30/06/24	Variation	Variation %
Utilities	62.011	68.216	(6.206)	(9,10%)
Other expenses	54.249	15.788	38.461	243,61%
Transport	439.059	282.251	156.808	55,56%
Insurance	1.260.472	806.435	454.037	56,30%
Car / vehicle expenses	129.503	154.142	(24.639)	(15,98%)
Reimbursement of expenses	286.995	280.633	6.361	2,27%
Advertising, promotions, and research	10.147	51.978	(41.831)	(80,48%)
Entertainment expenses, business trips and travel	1.346.567	1.076.992	269.576	25,03%
Data processing fees	109.061	119.828	(10.767)	(8,99%)
Security surveillance and expenses	14.062	19.306	(5.244)	(27,16%)
Cleanliness	5.172	4.725	447	9,46%
Waste disposal	24.482	42.111	(17.629)	(41,86%)
Bank charges	38.231	55.787	(17.556)	(31,47%)
Third-party processing	725.385	8.556	716.829	8378,22%
Personnel expenses	159.707	143.507	16.200	11,29%

Description	30/06/25	30/06/24	Variation	Variation %
Directors and statutory auditors	402.848	386.061	16.787	4,35%
Legal and notary fees	-	8.219	(8.219)	(100,00%)
Maintenance	854.614	384.105	470.509	122,49%
Professional fees to third parties	616.192	1.565.749	(938.754)	(60,65%)
Service fees	6.538.757	5.474.392	1.064.365	19,44%

Costs for services increased by Euro 1,064,365 compared to the same period of 2024; This is due to the growth in the company's turnover. The most significant increase is in the fees paid for the work of third parties for the construction of construction sites, maintenance costs are also increasing due to the growth in the number of vehicles used in production, transport is also growing significantly due to the increase in the number of construction sites managed and insurance. Travel costs are also on the rise. Of note is the reduction in professional fees to third parties.

Costs for the use of third-party assets

Costs for the use of third-party assets amounted to Euro 2,563,955, an increase of Euro 225,901 compared to the same period of 2024. The following table shows the details:

Description	30/06/25	30/06/24	Variation	Variation %
Passive leases of real estate	131.610	109.180	22.430	20,54%
Rentals	1.733.356	1.462.245	271.111	18,54%
Leasing	698.873	765.887	(67.014)	(8,75%)
Software licenses	116	741	(626)	(84,39%)
Other costs for the use of third-party assets	131.610	109.180	22.430	20,54%
Use of third-party assets	2.563.955	2.338.054	225.901	9,66%

The item includes: (i) the cost for the use of third-party assets relating to real estate leases for the structures in which the Company carries out its activities, (ii) the costs for the rental of construction machinery and (iii) the cost for lease payments taken out for the acquisition of construction machinery and vehicles. Despite the increase in the number of construction sites in progress, rentals remain substantially stable as the Company has purchased new machinery that has progressively replaced those rented. The cost of leases is in line with that of 30/06/2024.

Personnel costs

Personnel costs amounted to Euro 8,747,728, an increase of Euro 1,389,599 compared to the same period of 2024.

The following table shows the details of personnel costs:

Description	30/06/25	30/06/24	Variation	Variation %
Wages and salaries	5.865.150	5.035.933	829.217	16,47%
Social security contributions	2.460.214	1.963.595	496.619	25,29%
TFR	394.911	334.001	60.910	18,24%
Treatment of quiescence and the like	27.452	24.600	2.852	11,60%
Personnel costs	8.747.728	7.358.129	1.389.599	18,89%

The item includes the entire expenditure for employees including changes in category, contingency steps, cost of accrued and unused holidays and provisions for law and collective agreements. The increase in the number of construction sites open at the same time has made it necessary to increase the number of employees engaged on the construction sites, providing for several hires during the period under review.

Amortization of intangible assets, tangible assets and provisions

Depreciation, amortization and write-downs amounted to Euro 2,714,406, an increase of Euro 836,649 compared to the same period of 2024.

The following table shows the details of depreciation, amortization and write-downs:

Description	30/06/25	30/06/24	Variation	Variation %
Depreciation of intangible assets	228.912	230.509	(1.597)	(0,69%)
Depreciation of tangible assets	1.985.494	1.147.248	838.246	73,07%
Downs	1.501.273	500.000	1.001.273	200,25%
Depreciation, amortization and impairment losses	3.715.679	1.877.756	1.837.922	97,88%

The increase in the depreciation of tangible fixed assets compared to the same period of 2024, amounting to Euro 838,246, is due to the purchase of machinery and equipment necessary for the execution of the works.

The allocation of Euro 1,501,273 to the provision for risks on receivables was made to adjust the provision currently in place to the growing volume of receivables from customers on the balance sheet.

Provisions for risks

During the first half of 2025, it was deemed necessary to allocate a fund for probable risks.

Miscellaneous operating costs

Other operating expenses amounted to Euro 113,333, down by Euro 223,621 compared to the same period of 2024.

The following table shows the details of the other operating costs:

Description	30/06/25	30/06/24	Variation	Variation %
Registration taxes	389	400	(11)	(2,86%)
Car taxes	10.340	6.696	3.645	54,43%
Taxes and stamps	6.591	2.901	3.690	127,18%
Excise duties	9.845	711	9.134	1285,07%
Local taxes	1.069	2.386	(1.317)	(55,20%)
Other taxes	6.564	0	6.564	100,00%
Other expenses	4.215	3.175	1.040	32,74%
Membership fees	61	0	61	100,00%
Refunds	6.403	122.375	(115.972)	(94,77%)
Sanctions	28.039	9.086	18.953	208,59%
Fines and Fines	23.237	12.610	10.627	84,27%
Contingencies payable	11.263	165.611	(154.348)	(93,20%)
Rounding	20	321	(300)	(93,70%)
Liberality	5.000	10.681	(5.681)	(53,19%)
Losses	298	2	296	19763,33%
Miscellaneous operating costs	113.333	336.954	(223.621)	(66,37%)

The item decreased significantly, mainly due to the decrease in reimbursements for damages caused to third parties during the performance of construction site activities and the decrease in contingent liabilities, which decreased by Euro 154,348 compared to the same period of 2024.

Financial income and expenses

Breakdown of income from equity investments

Introduction, breakdown of participation income

(Ref. art. 2427, first paragraph, no. 11, of the Italian Civil Code)

Other income from equity investments

	Non-dividend income		
	30/06/25	30/06/24	Variation
By others	235	99	136
Total	235	99	136

Breakdown of interest and other financial charges by type of debt

(Ref. art. 2427, first paragraph, no. 12, of the Italian Civil Code)

	Interest and other financial charges		
	30/06/25	30/06/24	Variation
Payables to banks	230.623	272.044	(41.421)
Other	39.990	47.814	(7.824)
Total	270.612	319.858	(49.246)

Details of interest and other financial charges are as follows:

Description	30/06/2025	30/06/2024
Bank interest	104.870	74.044
Average credit interest	123.740	190.844
Financial rebates or charges	2.013	7.156
Interest on loans	1.162	1.548
Other charges on financial transactions	38.827	46.266
Total	270.612	319.858

The value of bank interest expense is reduced by interest subsidies of Euro 33,706.

Income taxes for the period, current, deferred and prepaid

Balance as of 30/06/2024	Balance as of 30/06/2023	Variations
1.015.858	1.465.644	(449.786)

Taxes	Balance as of 30/06/24	Balance as of 30/06/23	Variations
Current taxes:	1.574.359	1.673.295	(98.936)
IRES	1.261.634	1.319.723	(58.089)
IRAP	312.725	353.572	(40.847)
Taxes for previous years	840	-	840
Deferred tax assets (deferred)	(559.341)	(207.651)	(315.690)
IRES	(559.341)	(207.651)	(315.690)
IRAP	-	-	-
Total	1.015.858	1.465.644	(449.786)

The taxes for the period have been recorded.

As regards IRES and IRAP, the tax liability is recognised under Tax payables net of advances paid, withholding taxes incurred and, in general, tax credits.

Pursuant to Article 2427, first paragraph no. 14, of the Italian Civil Code, the information required on deferred and deferred taxation is highlighted:

Deferred / anticipated taxation

The table summarises the total amount of deferred tax assets and liabilities recorded in the financial statements. Deferred tax assets have been calculated (on the cumulative amount of all temporary differences) by applying the rates in force at the time they are reversed (the rates in force in the current year).

The main temporary differences that led to the recognition of deferred and deferred tax assets are shown in the table below together with the related effects.

Recognition of deferred and deferred tax assets and consequent effects

	financial year 30/06/2025	financial year 30/06/2025	financial year 30/06/2025	financial year 30/06/2025	financial year 30/06/2024	financial year 30/06/2024	financial year 30/06/2024	financial year 30/06/2024
	Amount of temporary differences IRES	IRES tax effect	Amount of temporary differences IRAP	IRAP tax effect	Amount of temporary differences IRES	IRES tax effect	Amount of temporary differences IRAP	IRAP tax effect
Taxes Early:								
F.do Risks	998.727	239.694			400.000	96.000		
Legal								
F.do risks on Credits	3.483.613	836.067			2.068.984	493.176		
Total	4.482.340	780.256			2.468.984	589.176		
Taxes Deferred:								
Amm.to brand	6.201.644	1.488.395	6.201.644	241.864	6.601.093	1.584.262	6.601.093	257.443
IRS Reserve	13.457	3.230			51.724	12.414		
Total	6.215.101	1.491.625	6.201.644	241.864	6.652.817	1.596.676	6.601.093	257.443
Deferred tax assets (deferred) Net		415.864		241.864		1.007.500		257.443

	IRES	IRAP
A) Temporary differences		
Total deductible temporary differences	4.482.340	-
Total taxable temporary differences	6.215.101	6.201.644
Net temporary differences	1.732.761	6.201.644
B) Tax effects		
Provision for deferred (deferred) tax assets at the beginning of the year	1.007.500	257.443
Deferred tax assets (deferred) for the year	(591.636)	(15.579)
Provision for deferred (deferred) tax assets at the end of the year	415.864	241.864

Detail of deductible temporary differences

Description	Amount at the end of the previous year 31.12.2024	Change occurred during the year	Amount at the end of the year	IRES rate	IRES tax effect	IRAP rate	IRAP tax effect
F.do risks leagli	400.000	598.727	998.727	24%	239.694		
F.do risks on receivables	2.068.984	1.414.629	3.483.613	24%	836.067		

Breakdown of taxable temporary differences

Description	Amount at the end of the previous year 31.12.2024	Change occurred during the year	Amount at the end of the year	IRES rate	IRES tax effect	IRAP rate	IRAP tax effect
A.mmtto brand	6.601.093	(399.449)	6.201.644	24%	1.488.395	3,90%	241.864
Reserve IRS	51.724	(38.267)	13.457	24%	3.230		

Notes to the financial statements,

other information Employment data

(Ref. art. 2427, first paragraph, no. 15, of the Italian Civil Code)

The average company workforce, broken down by category, has undergone the following changes compared to the same period in 2023.

Organic	30/06/2025	30/06/2024	Variations 06/25 vs 06/24	31/12/2024	Variations 06/25 vs 12/24
Employees / Executives	72	68	4	68	4
Workers	172	145	27	183	(11)
Other	19	18	1	12	7
Total	263	231	32	263	0

The average employees are a total of 231, of which more than 50% are blue-collar workers

Remuneration, advances and credits granted to directors and statutory auditors and commitments undertaken on their behalf

	Administrators June 2025	Mayors June 2025	Administrators June 2024	Mayors June 2024
Compensation	379.348	23.500	374.311	11.750

Remuneration to the statutory auditor or auditing firm

In accordance with the law, the fees for the period for the services rendered by the independent auditors and entities belonging to its network are highlighted:

	June 2025	June 2024
Limited audit of accounts	15.000	15.000
Other services other than audit	24.697	22.500
Total fees due to the independent auditors	39.697	37.500

Classes of shares issued by the company

The share capital as at 30.06.2025 is composed as follows (Article 2427, first paragraph, nos. 17 and 18, of the Italian Civil Code).

Shares/Units	Number	Nominal value in Euro
Ordinary Shares	6.907.670	1.381.534
Total	6.907.670	1.381.534

The par value of one share is equal to Euro 0.20.

The following table shows the changes for the period:

Description	No. of shares subscribed in the period	No. of shares subscribed in the value period nominal	Initial consistency, number	Final consistency, number	Initial consistency, nominal value	Final consistency, nominal value
Actions Ordinary	303.279	60.654	6.604.400	6.907.670	1.320.880	1.381.534
Total	303.279	60.654	6.604.400	6.907.670	1.320.880	1.381.534

Securities issued by the company

On 13 December 2024, the first exercise period of the "Palingeo Warrants 2024-2026" ended. In the period under review, 303,279 newly issued Palingeo Shares were subscribed. The Company's post-placement capital consists of 6,907,670 shares with no par value, for a total value of Euro 1,381,534.

Shares and securities issued by the society	Number	Expiration	Rights granted
Common shares	6.907.670		All rights of holders of ordinary shares without limitation. Are also including 1,282,500 ordinary shares with multiple votes.
Warrants	5.729.120	15/12/2026	Warrant holders will be entitled to subscribe for Conversion Shares in the ratio of 1 (one) Conversion Share for every 4 (four) Warrants submitted. The Maturity Terms for the exercise of the Warrants are 31/12 of each year until 2026.

Commitments, guarantees and contingent liabilities not shown in the balance sheet

The Company has insurance policies in place to guarantee the correct execution of the construction sites for which it is operating. As a rule, these policies cover a share that can vary between 5 and 10% of the contractual amount of the construction site. There is also a bank guarantee to cover the advance linked to the most important construction site currently managed by the company. This guarantee fully covers the value of the advance received.

In addition to the above, there are no other guarantees provided by the company in favour of related

parties or

third parties.

The guarantees are composed as follows:

Guarantor	Guaranteed value June 2025	Guaranteed value December 2024	Guaranteed value June 2024	Beneficiary
MPS	578.111	578.111	578.111	SALCEF S.p.A.
CREDEM	28.987	28.987	28.987	CO. CIV
UNICREDIT	250.296	250.296	250.296	COL.ME.TO S.c.a.r.l.

Information on assets and loans for a specific business

Assets allocated to a specific business

It is hereby certified that as of 30 June 2025 there are no assets intended for a specific business referred to in no. 20 of art. 2427 of the Civil Code.

Financing for a specific business

It is hereby certified that as of 30 June 2025 there are no loans intended for a specific deal referred to in no. 21 of art. 2427 of the Civil Code.

Information on transactions with related parties

Information on transactions with related parties is presented below:

RECEIVABLES/PAYABLES June 2025	SINGEA	INGEO	Study Associated
Trade receivables	-	208.826	-
Trade payables	887.687	-	-
Trade payables for invoices receivable	154.000	-	-

COSTS June 2025	SINGEA	INGEO	Study Associated
Passive leases of assets	462.000	-	-
Job Administration	1.366	-	-
Passive leases of real estate	-	121.260	-

REVENUES June 2025	SINGEA	INGEO	Study Associated
Postings	638	-	-
Other service revenues	-	-	-

RECEIVABLES/PAYABLES December 2024	SINGEA	INGEO	Study Associated
Trade receivables	-	208.826	-
Trade payables	894.009	-	-
Advances to suppliers	-	-	1.603
Trade payables for invoices receivable	110.300	20.159	182.676

COSTS December 2024	SINGEA	INGEO	Study Associated
Third-party processing	30.056	-	-
Compensation to third parties	1.079.274	-	-
Passive leases of assets	86.194	-	-
Job Administration	-	203.977	-
Passive leases of real estate	30.056	-	-
Professional fees	-	-	33.280

REVENUES December 2024			
Postings	638	-	-
Other service revenues	-	-	90.000

During the first half of 2025, the Company did not enter into transactions at abnormal market conditions with the members of the Board of Directors, nor with the controlling or dominant shareholders or with the companies in which they hold shareholdings.

Transactions with related parties relate to: (i) the lease by Ingeo S.r.l. of the real estate structures in which the Company carries out its activities, (ii) the lease of machinery owned by S.In.Ge.A. S.r.l., which, in some situations, takes place with the secondment of employees and (iii) to the consultancy and design activities carried out by Studio Associato Geo Tecnica. With reference to the Associated Firm, the reports relate to technical consultancy activities related to design, development of calculations, load tests and tests.

Information on agreements not reflected in the balance sheet

There are no agreements or other acts in place whose effects are not represented in the Balance Sheet and which may expose the Company to risks or generate significant benefits and knowledge of which is useful for an assessment of the Company's financial position and results of operations.

Information on significant events occurring after 30 June 2025

Overall, the Company also operated regularly in the first months following the closing date of this half-year financial report.

Information relating to derivative financial instruments pursuant to Article 2427-bis of the Italian Civil Code

Pursuant to art. 2427-bis, paragraph 1, point 1) of the Italian Civil Code, the fair value and information on the amount and nature of each category of derivative financial instruments carried out by the Company are indicated below, broken down by class, taking into account aspects such as the characteristics of the instruments themselves and the purposes of their use.

Derivative financial instruments are subscribed for the sole purpose of hedging the risks underlying changes in interest rates; however, for the purposes of the accounting treatment, only 2 of them were treated as hedging in accordance with the simplified valuation methodology allowed by the accounting standard of reference. These instruments were issued by Banca Intesa and MPS and are measured at fair value using the mark-to-market value at the end date of the half-yearly report.

The company has signed 1 IRS contract with Banca Intesa and 2 IRS contract with MPS, which are detailed in the following table:

Bank	Contr act No.	Purpose	Hedged assets/liabilities	Underlying financial risk	Beginnin g	End Date	Notional value	Capital in life at the 30.04.24	Fair value at the end of the year period	Hedging accounting treatment
Underst anding	39315782	Cover	Mutual	Badger interest	1/2/21	28/1/27	1.300.000	520.420	8.539	YES
MPS	231717	Cover	Mutual	Badger interest	1/6/21	1/6/26	442.275	-	885	
MPS	231718	Cover	Mutual	Badger interest	31/5/21	31/3/27	650.000	238.333	4.033	YES
Total									13.457	12.572

Summary statement of the financial statements of the company that carries out the management and coordination activity

The Company is not subject to the direction and coordination of other companies.

Information pursuant to Article 1, paragraph 125-bis, of Law No. 124 of 4 August 2017

With reference to Article 1, paragraph 125-bis, of Law no. 124/2017, it should be noted that the Company did not receive, in the period from 01/01/2024 to 30/06/2024, any grants, subsidies, advantages, contributions or public aid in cash or in kind, not of a general nature.

Carpenedolo 30/09/2025
For the Board of Directors
Luca Grillo



Half-year financial report as at 30 June 2025

PALINGEO S.p.A.

Registered office: VIA MEUCCI N. 26, 25013 CARPENEDOLO (BS)

Registered in the Business Register of the

CHAMBER OF COMMERCE OF BRESCIA Tax

Code, Imp. Reg. Number: 02075900981 Registered

in the R.E.A. n. BS - 412748

VAT number: 02075900981

Share Capital Euro 1.381.534 i.v.

Website: www.palingeo.it

COMPOSITION OF CORPORATE BODIES

At the date of this report, the composition of the corporate bodies is as follows:

Board of Directors

Luca Grillo (Chairman and Chief Executive Officer)
Leonardo Spada (Chief Executive Officer)
Paolo Franzoni (Managing Director) Piero
Petrucchio (Director)
Paolo Copetti (Director) Nicolò
Albertini (Director) Giacomo
Petrucchio (Director)
Alberto Dall'Acqua (Independent Director)
Antonia Coppola (Independent Director)

Board of Statutory Auditors

Luigi Vannini (Chairman of the Board of Statutory
Auditors) Francesco Gitti (Standing Auditor)
Ramona Corti (Standing Auditor)
Nicola Brangi (Alternate Auditor) Laura
Fioravanti (Alternate Auditor)

Independent Auditors

WPartners S.r.l.

Supervisory Body Organisational Model 231/01

Elena Vecchio (President of the
Supervisory Board) Raffaele Caso
Alberto Repetto

Disclaimer

This Half-Year 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 from those contained in these statements as a result of a variety of factors, such as 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.

DIRECTORS' REPORT AS AT 30/06/2025

Dear shareholders,

In support of the Company's half-year financial report for the period ended 30/06/2025, which reports a positive result of Euro 2,271,333, 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 compares data with the balance sheet as at 31/12/2024 and with the income statement as at 30/06/2024 for a better understanding of the performance of the company's activities. 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 25 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 consultation 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 integrated technological systems 4.0, 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
OG3	Roads, highways, bridges, viaducts, railways, subways	II	up to € 516,000
OG4	Underground works of art	II	up to € 516,000
OG6	Aqueducts, gas pipelines, oil pipelines, irrigation and sewage works	IV-BIS	up to € 3,500,000
OG8	River, defence, hydraulic and reclamation works	III	up to € 1,033,000
OG12	Reclamation and environmental protection works and plants	The	up to € 258,000
OS 21	Special structural works	VIII	up to € 20,658,000
OS 34	Noise abatement systems for mobility infrastructures	IV	up to € 2,582,000

ESG aspects

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 (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 6,907,670 ordinary shares, of which 1,282,500 multiple-vote shares are held by FLS Holding S.r.l. The corporate structure as of 30/06/2025 is detailed as per the table below:

Members	N. Shares	Face value	% share capital
FLS Holding S.r.l.	4.275.000	855.000	61,89%
Sergio Lippi	500.000	100.000	7,24%
RedFish Listing S.p.A.	225.000	45.000	3,26%
Indépendance AM S.A.S.	593.150	118.630	8,59%
Market	1.314.520	262.904	27,61%
Total	6.907.670	1.381.534 €	100%

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 be

slowing down. 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

Italian GDP is expected to grow by 0.6% in 2025 and 0.8% in 2026, after increasing by 0.7% in the previous two years.

The increase in GDP, in the two-year forecast period, is expected to be supported entirely by domestic demand net of inventories (+0.8 and +0.9 percentage points respectively), while net foreign demand is expected to provide a negative contribution in both years (-0.2 and -0.1 p.p.). The outlook for net foreign demand is pricing in the assumption that uncertainty over the direction of US trade policy will ease in the second half of 2025. However, a negative impact of tariffs on world trade and international growth prospects is assumed.

Private consumption is expected to continue to grow at a moderate but stable pace (+0.7% in both years) on the one hand favored by the continuation of wage and employment growth, on the other hand held back by an increase in the propensity to save. Investment growth in 2025 (+1.2%), accelerating from +0.5% in 2024, would be favored by the good performance recorded in the first quarter and then mark a further slight acceleration in 2026 (+1.7%) in conjunction with the final phase of the PNRR.

Employment, measured in terms of work units (AWU), would mark an increase higher than that of GDP (+1.1% in 2025 and +1.2% in 2026), but decelerating compared to previous years which would be accompanied by a further decline in the unemployment rate (6.0% this year and 5.8% in 2026).

After the rise in prices between the end of 2024 and the first months of 2025, a more moderate inflation dynamic is expected during the year, favored by the decline in energy prices and the weakening of the demand outlook. The increase in the deflator of resident household expenditure in 2025 would be in line with these trends (+1.8%), with a new slight reduction in 2026 (+1.6%).

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. New construction reached a value of **72.1 billion euros**, 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

deal with contracted jobs in the best possible way.

Performance of operations in the sectors in which the company operates

As far as your company is concerned, the first half of 2025 should be considered substantially positive. The Company increased its market share thanks to a growing number of shipyards acquired throughout 2024 and in the first half of 2025, with the acquisition of important shipyards.

The back-log acquired as of 30/06/2025 amounts to approximately Euro 144 million. The contracts acquired are mainly concentrated in central and 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 develop both in the second half of 2025 for approximately Euro 36 million, in 2026 for approximately Euro 63 million and in 2027 for approximately Euro 45 million.

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

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

Summary of the half-year financial report (data in Euro)

	30.06.25	30.06.24	Variation
Core business revenue	37.184.916	33.131.886	4.053.030
Gross operating margin (M.O.L. or Ebitda)	7.860.475	6.932.938	927.537
Net operating margin (M.O.N. or Ebit)	3.546.069	5.055.181	(1.509.112)
Profit (loss) for the period	2.271.333	3.299.216	(1.027.883)
	30.06.25	31.12.24	Variation
Fixed assets	28.845.629	24.186.265	4.659.364
Total Shareholders' Equity	43.704.968	41.442.315	2.262.653
Net financial position	(6.754.617)	(5.562.934)	(1.191.683)

The following table shows the results achieved in the last two half-year reports in terms of value of production, EBITDA and profit before taxes.

	30.06.25	30.06.24
Value of production	39.413.730	34.647.670
EBITDA	7.860.475	6.932.938
Profit before tax	3.287.191	4.764.860

During the first half of 2025, 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. In the period between the two financial reports as at 30/06/2024 and 30/06/2025, the growth of the main corporate drivers was significant, with a percentage growth of 13.8% for the value of production and a percentage growth of 4.74% for EBITDA. The contraction in the MON is mainly linked to two main factors, the first is due to the increase in the depreciation and amortization of tangible fixed assets, the result of the significant investments made during 2024 and the first half of 2025, the second is linked to provisions for credit risks and litigation risks that have been allocated at a prudential level.

Also at the equity level there was a general increase in the structure linked to the growth of 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. The net financial position saw a limited increase despite the investments made during the first half of 2025, mainly thanks to cash generation linked to the Company's core business, which made it possible to limit access to bank financing to support growth.

Key economic data

The reclassified income statement of the company compared with that of the previous financial report is as follows (in Euro):

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%)

During the first half of 2025, the Company recorded core revenues of Euro 37.2 million, an increase of 12.2% compared to Euro 33.1 million recorded in the first half of 2024, growth linked to the Company's affirmation in the reference sector that led to the acquisition of new important shipyards, as well as the acquisition of a significant number of machines that allowed the Company to increase its production capacity.

The value of production in the first half of 2025 amounted to Euro 39.4 million, up 13.8% compared to the same period of 2024, 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 the first half of 2025, for Euro 0.9 million), the total value of production is made up of other revenues, which go from Euro 1.1 million in

first half of 2024 to Euro 1.3 million in the first half of 2025 (16.9% yoy). Other revenues are mainly represented by active leases of equipment and instrumental machinery, compensation for damages and insurance, contributions for capital goods.

Operating production costs amounted to a total of Euro 31.5 million (Euro 27.7 million in the first half of 2024), of which the main costs are those for raw materials, service costs and personnel. In particular, raw material costs amounted to Euro 13.6 million and increased compared to the first half of 2024 (Euro 12.2 million) because: (i) some new orders also provided for the supply of material for the construction of piles and (ii) there was a progressive increase in the number of works and consequently in expenses for the acquisition of materials for site management. Service costs increased in the first half of 2025 compared to 2024 by 19.4% (from Euro 5.5 million in 2024 to Euro 6.5 million in 2025), 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, as well as maintenance on new machinery. Finally, personnel costs increased by 18.9% (from Euro 7.4 million in the first half of 2024 to Euro 8.7 million in the first half of 2025), following the entry of approximately 32 new resources, made necessary in order to cope with the growing volume of activity.

The growth of the business translated into an increase in EBITDA, both in absolute terms and 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%); in terms of margins, the EBITDA margin calculated on the value of operating production remained stable at 20%, indicating stability in the achievement of margins by the Company.

In line with the Company's business and structure, depreciation and amortisation, amounting to approximately Euro 2.2 million in the first half of 2025 (Euro 1.4 million in 2024), mainly refers, in the case of intangible assets (Euro 0.2 million in 2025), to the trademark, while for tangible fixed assets, amounting to Euro 2 million, to the depreciation of plant and equipment. As a precautionary measure, the company has set aside a provision for credit risks of Euro 1.5 million with the ultimate aim of adjusting the provision for doubtful accounts to the increase in receivables posted in the financial statements and a provision for ongoing lawsuits in order to adjust the provision for risks already allocated to potential future disputes. EBIT, after depreciation, amortization and provisions, amounted to Euro 3.5 million, down compared to 2024 with a decrease of -29.9%.

To better describe 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.

	30.06.25	30.06.24	Variation
ROE	5,2%	9,3%	(4,1%)
ROI	7,0%	12,3%	(5,3%)
ROS	9,3%	15,1%	(5,8%)
INCIDENCE O.F.	0,73%	0,97%	(0,24%)

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 the first half of 2025 the Company significantly worsened its profitability in relation to the investments made, provisions for risks that compress the profitability of sales also had a negative impact, the incidence of financial charges further improved, thanks to the increase in core business and the reduction in charges borne by the Company thanks to falling interest rates and a average financial for the period contained.

The reclassified Balance Sheet of the Company compared with that of the previous half-year financial report 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	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%

The Company's reclassified balance sheet as at 30/06/2025 shows net fixed assets of Euro 28.8 million, up compared to Euro 24.1 million in the year ended 31/12/2024. The change was mainly due to the increase in net tangible fixed assets, which went from Euro 17.3 million as of 31/12/2024 to 22.2 million as of 30/06/2025, mainly as a result of the additional purchases of machinery and instrumental equipment made in the first half of 2025 in order to cover the requirements necessary for the development of the contracts acquired. Intangible assets as of 30/06/2025 amounted to approximately Euro 6.5 million, substantially in line with the value as of 31/12/2024 (the reduction is related to the normal depreciation process), and consist mainly of the registered trademark owned, for approximately Euro 6.2 million; the remaining part relates to incremental maintenance on third-party properties and to assets in progress. Financial fixed assets consist of investments in associates and other companies for Euro 0.8 million and derivative instruments for Euro 0.1 million.

Trade working capital decreased by Euro 0.2 million compared to 31/12/2024 with a change of 1.2% in the half-year, mainly due to the combined effect of the stability of trade receivables from Euro 27.4 million as of 31/12/2024 to Euro 27.3 million as of 30/06/2025, the increase in trade payables from Euro 13.4 million as of 31/12/2024 to Euro 14.4 million as of 30/06/2025 and the increase in inventories from Euro 2.4 million as of 31/12/2024 to Euro 3.4 million million of 30/06/2025.

Net working capital, also influenced by the changes reported above, decreased by approximately Euro 1.5 million, with a change of 8.3% in the first half of the year. The decrease is due to the combined effect of the increase in net tax receivables of approximately Euro 1.8 million, the growth of other payables of approximately Euro 1.5 million, offset by the growth of net accruals and deferrals of approximately Euro 1.6 million, respectively.

No significant net change in provisions for risks and charges and in severance pay; on the contrary, long-term working capital increased by approximately Euro 1.0 million, from Euro 8.8 million as of 31/12/2024 to Euro 9.8 million as of 30/06/2025, thanks to the increase in receivables for withholding taxes withheld on liquidated SALs.

Financial debt amounted to Euro 6.8 million, compared to Euro 5.6 million as of 31/12/2024; cash and cash equivalents, amounting to Euro 11.5 million, increased compared to Euro 9 million as of 31/12/2024 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 as at 31/12/2024.

	30.06.25	31.12.24	Variation
Primary structure margin	14.859.339	17.256.050	(2.396.711)
Primary structure quotient	1,52	1,71	(0,20)
Secondary structure margin	19.291.505	19.444.605	(153.100)
Secondary Structure Quotient	1,67	1,80	(0,14)

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. It should be noted that during the first half of 2025 this index weakened compared to 31/12/2024, highlighting the activity

investment capital of the Company and the continuing ability of the Company's shareholders' equity to cover the 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. It should be noted that during the first half of 2025 this index is almost unchanged compared to 2024, highlighting the ability to cover durable financial needs with similar sources of financing.

Key Financials

The net financial position as at 30/06/2025 compared to the position as at 31/12/2024 is as follows (in Euro):

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	n.m.
D) Liquidity (A+B+C)	11.546.818	9.005.888	2.540.930	28,21%
E) Current financial receivable	0	0	0	n.m.
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	n.m.
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	n.m.
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%

	30.06.25	31.12.24	Variation
Debt ratio	1,15	1,13	0,01
Financial debt ratio	0,42	0,35	0,07

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 period:

- 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	30.06.25	31.12.24
No. of	263	263

Environment

During the first half of 2025, no administrative penalties were imposed on our company 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 first half of 2025, 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

The implementation of these investments also allows the Company to increase its value over time and keep its assets in an efficient state.

During the first half of 2025, investments were made in the following areas:

Fixed assets	Acquisitions during the period
Land and buildings	20.553
Plant and machinery	6.073.175
Industrial and commercial equipment	3.277
Other assets	933.148

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. 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 special 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 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	1.733.276
Total	0	0	8.000.000	5.768.000	1.733.276

Research and development activities

During the first half of 2025, 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 and between Israel and Palestine, it should be noted that the Company has no production activities or relationships with customers or suppliers in these countries. 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 guarantees compliance with the expected deadlines and healthy growth

economic. 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 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, PER pursues the objective of containing the financial risks associated with fluctuations in interest rates, through interest rate risk hedging operations with derivatives and by means of a control system managed by the Administrative Department.

Outlook

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 FLS 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.

OUTLOOK FOR OPERATIONS

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 overall volume of revenues will be confirmed and that in the second half of 2024 there will be a potential increase, 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 half-year financial report as at 30/06/2025.

Carpenedolo, 30 September
2025

THE BOARD OF DIRECTORS
THE CHAIRMAN OF THE BOARD OF DIRECTORS
(Luca Grillo)

LIMITED AUDIT REPORT

PALINGEO S.p.A

CONDENSED HALF-YEAR FINANCIAL REPORT AS AT 30 JUNE 2025

AUDITING AND ACCOUNTING ORGANIZATION COMPANY

Registered Office: Via M. Melloni, 10 – 20129 Milan
Milan Business Register Tax Code and VAT number: 06513430964 – Registered in the Register of Auditors
under no. 156101 Registered with PCAOB

To the Board of Directors of Palingeo S.p.A

Report on the limited audit of the Condensed Half-Year Financial Report as at 30 June 2025

Introduction

1. We have carried out the limited audit of the condensed half-year Financial Report, consisting of the balance sheet, income statement, cash flow statement and related explanatory note of the company Palingeo S.p.A. as at 30 June 2025. The Directors are responsible for preparing the abbreviated half-year Financial Report in accordance with accounting standard OIC 30. It is our responsibility to express a conclusion on the Condensed Half-Year Financial Report based on the limited audit carried out.

Scope of the limited audit

2. Our work has been carried out in accordance with the *International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*. The limited audit of the condensed half-year financial report consists of conducting interviews, mainly with the company's personnel responsible for financial and accounting matters, financial statement analysis and other limited audit procedures. The scope of a limited audit is substantially lower than that of a full audit conducted in accordance with International Auditing Standards (ISA) and, as a result, does not allow us to be confident that we have become aware of all significant facts that could be identified by conducting a full audit. Therefore, we do not express an opinion on the condensed half-year Financial Report.

Conclusions

3. On the basis of the limited audit carried out, we have not received any evidence that would lead us to believe that the Condensed Half-Year Financial Report of the company Palingeo S.p.A. as at 30 June 2025 has not been prepared, in all significant respects, in accordance with Accounting Standard OIC 30.

Milan, 30 September 2025

WPartners S.r.l



Cesare Claudio Sala
(Statutory Auditor)