

# HALF-YEAR CONSOLIDATED FINANCIAL REPORT AT JUNE 2025

**TESMEC**  
*draw the way forward*



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Fully paid-up share capital as at 30 June 2025 Euro 15,702,162  
Milan Register of Companies no. 314026  
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## **COMPOSITION OF THE CORPORATE BODIES**

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**Board of Directors**

(in office until the date of the Shareholders' Meeting convened to approve the financial statements as at 31 December 2027)

Chairperson  
Vice Chairperson  
Chief Executive Officer  
Chief Executive Officer

Ambrogio Caccia Dominion  
Gianluca Bolelli  
Caterina Caccia Dominion  
Carlo Caccia Dominion  
Simone Andrea Crolla (\*)  
Emanuela Teresa Basso Petrino (\*)  
Anna Casiraghi (\*)  
Nicola Gavazzi (\*)  
Francesca Marino (\*)  
Antongiulio Marti

(\*) Independent Directors

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**Board of Statutory Auditors**

(in office until the date of the Shareholders' Meeting convened to approve the financial statements as at 31 December 2027)

Chairperson  
Statutory auditors  
  
Alternate auditors

Simone Cavalli  
Attilio Massimo Franco Marcozzi  
Alice Galimberti  
  
Alessandra Butini  
Adelio Bollini

**Members of the Control and Risk, Sustainability and Related Parties Transactions Committee**

(in office until the date of the Shareholders' Meeting convened to approve the financial statements as at 31 December 2027)

Chairperson  
Members

Emanuela Teresa Basso Petrino  
Francesca Marino  
Antongiulio Marti

**Members of the Remuneration and Appointments Committee**

(in office until the date of the Shareholders' Meeting convened to approve the financial statements as at 31 December 2027)

Chairperson  
Members

Nicola Gavazzi  
Emanuela Teresa Basso Petrino  
Gianluca Bolelli

**Director in charge of the internal control and risk management system**

Caterina Caccia Dominion

**Manager responsible for preparing the Company's financial statements**

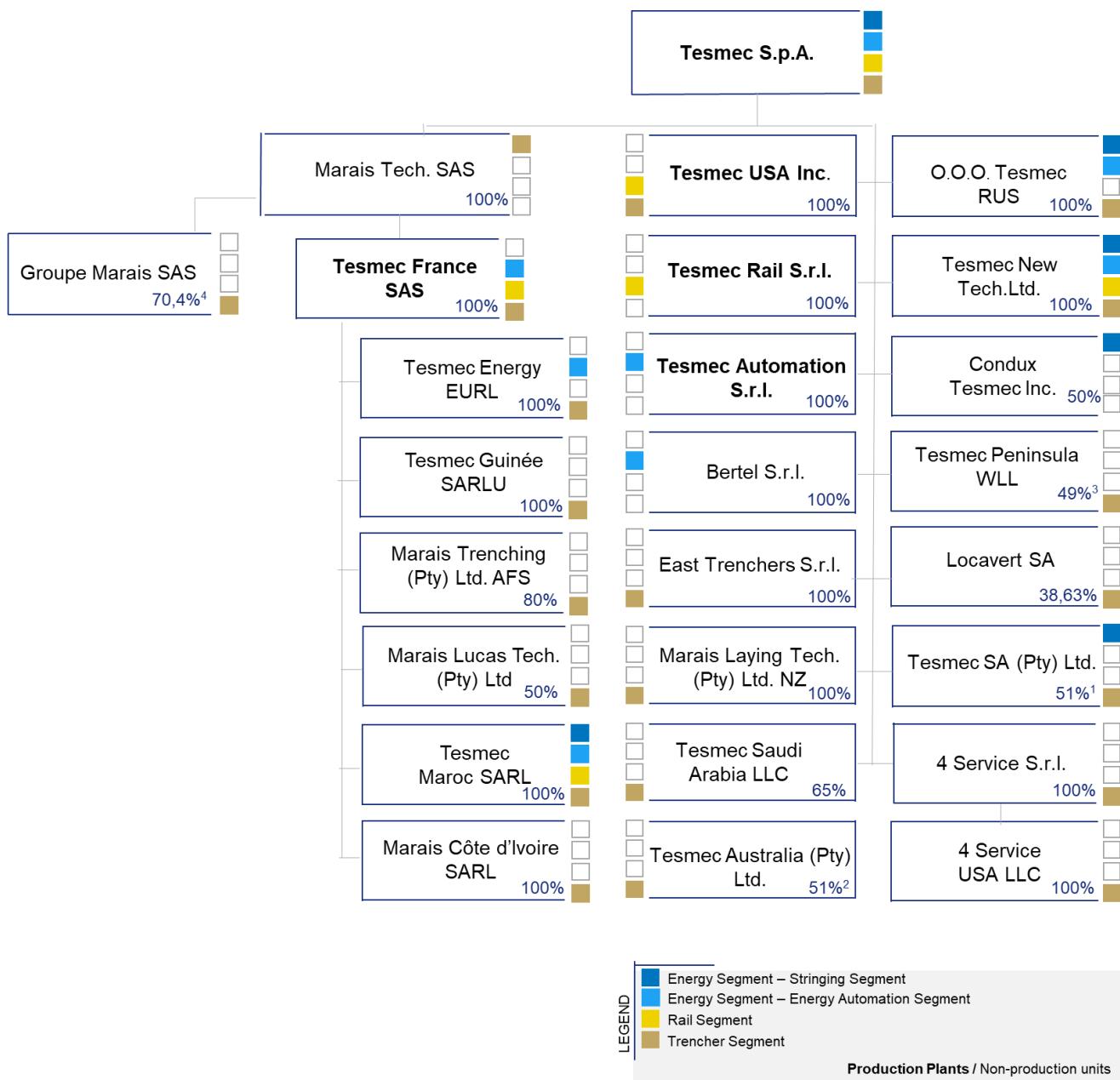
Ruggero Gambini

**Independent Auditors**

Deloitte & Touche S.p.A.

## GROUP STRUCTURE

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- (1) The remaining 49% is held by Simest S.p.A. Since Tesmec has an obligation to buy back the portion held by Simest S.p.A., for accounting purposes the equity investment in Tesmec SA is consolidated on an 100% basis.
- (2) The remaining 49% is held by Simest S.p.A. Since Tesmec has an obligation to buy back the portion held by Simest S.p.A., for accounting purposes the equity investment in Tesmec Australia (Pty) Ltd. is consolidated on a 100% basis.
- (3) The remaining 51% is held by Fusion Middle East Services WLL. By virtue of de facto control, for accounting purposes the equity investment in Tesmec Peninsula WLL is consolidated at 99%.
- (4) As required by international accounting standards (IFRS 5), the assets and liabilities of Groupe Marais SAS are classified as held for sale. For more details, please refer to paragraph 3.1 Assets and liabilities held for sale.

## **INTERIM CONSOLIDATED FINANCIAL REPORT**

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## 1 The Tesmec Group

The Parent Company Tesmec S.p.A. (hereinafter "Parent Company" or "Tsmec") is a legal entity organised in accordance with the legal system of the Italian Republic. The ordinary shares of Tesmec are listed on the MTA (screen-based share market) STAR Segment of the Milan Stock Exchange. The registered office of the Tesmec Group (hereinafter "Group" or "Tsmec Group") is in Milan, Piazza S. Ambrogio 16.

The Tsmec Group is a leader in the design, production and marketing of special products and integrated solutions for the construction, maintenance and streamlining of infrastructures relating to the transmission of electrical power, data and material transport.

Founded in Italy in 1951 and managed by the Chairperson Ambrogio Caccia Dominion, the Group, as from its listing on the Stock Exchange on 1 July 2010, has pursued the stated objective of diversification of the types of products in order to offer a complete range of integrated solutions grouped into three main areas of business: Energy, Trencher and Rail. The structure has more than 1.000 employees and has production plants located in Grassobbio (Bergamo), Sirone (Lecco) and Monopoli (Bari) in Italy, Alvarado (Texas) in the USA and Durtal in France. Furthermore, after the reorganisation of the Automation segment, Tsmec Automation has 3 additional operating units available in Fidenza, Padua and Patrica (Frosinone). The Group has a global commercial structure, with a direct presence on different continents, through foreign companies and sales offices in the USA, South Africa, Russia, Qatar, China, France, Australia, New Zealand, Côte d'Ivoire and Saudi Arabia.

Through the different types of product, the Group is able to offer:

### 1.1 Energy segment

- Machines and integrated systems for overhead and underground powerlines stringing works and fibre optic cables.
- Integrated solutions for the streamlining, management and monitoring of medium and high voltage power lines (smart grid solutions).

### 1.2 Trencher segment

- High-efficiency crawler trenching machines for excavation with a set section for the construction of infrastructures for the transport of data, raw materials and gaseous and liquid products in the various segments: energy, farming, chemical and public utilities.
- Crawler trenching machines for works on surface mines and earth moving works (Rock Hawg).
- Rental of said trenching machines.
- Specialised consultancy and excavation services on customer request.
- The Trencher segment also includes the excavation services for power networks and fibre optic cables.

### 1.3 Rail segment

- Works vehicles and integrated solutions for the installation, renewal and maintenance of the railway catenary wire system.
- Vehicles and systems for rail infrastructure diagnostics.

The know-how achieved in the development of specific technologies and innovative solutions and the presence of a team of highly-skilled engineers and technicians allow the Tsmec Group to directly manage the entire production chain: from the design, production and marketing or rental of machinery to the supply of know-how relating to the use of systems and optimisation of work, to all pre- and post-sales services related to machinery and the increase in site efficiency.

## 2 Tsmec Group as at 30 June 2025

### 2.1 Introduction

During the first half of 2025, the Tsmec Group continued to implement its international and technological development strategy, seizing growth opportunities in its reference markets while also pursuing management actions aimed at improving efficiency.

The figures for the first half of 2025 have been prepared in accordance with IFRS 5, which has entailed the line-by-line deconsolidation – both in the Income Statement and the Statement of Financial Position – of the results of the Rental business of Groupe Marais. This business, starting from the end of 2024, has been the subject of a capital increase by OT Engineering, a recognised player in the French market, which during the current year will come to hold a 51% stake in Groupe Marais. These results have therefore been reclassified under specific headings related to Assets held for sale. In line with IFRS 5 requirements, and to allow for more effective comparison, the Income Statement figures for the first half of 2024 have been appropriately reclassified to ensure comparability with those for the first half of 2025.

It should be noted that, as part of its international growth strategy, Tesmec seeks strategic opportunities aimed at attracting industrial partners to individual markets or Group companies through dedicated capital increases in those specific entities. The transaction related to the French market represents the first of such initiatives. These transactions are aimed at: (i) developing local businesses by leveraging synergies brought by the partner; (ii) strengthening the capital structure through the aforementioned capital increases in the individual entities, in order to fund further growth initiatives; and (iii) the potential recognition of capital gains, due to the difference between the fair value of the individual entities and their book value as recorded in the consolidated assets of the Tesmec Group.

For ease of comparison, the final figures for the first half of 2025 are summarised below and compared with both the actual and IFRS 5-reclassified figures for the same period of the previous year. It is also noted that the reclassification of comparative figures under IFRS 5 only affects the Income Statement figures, as required by the relevant accounting standard.

(In millions of Euro)	First Half of 2025 IFRS 5	First Half of 2024 Balance	First Half of 2024 Restated IFRS 5
Revenues	128.6	124.2	117.7
EBITDA	21.2	19.0	19.4
<i>EBITDA margin</i>	16.5%	15.3%	16.4%
Net result from continuing operations	(0.1)	(2.2)	0.6
Net result from discontinued operations	(0.4)	N/A	(2.8)
Net result	(0.5)	(2.2)	(2.2)
Net Financial Position	146.4	183.6	165.5

The following comments relate to the comparison of the Income Statement figures for the first half of 2025 with the corresponding figures for the first half of 2024, reclassified in accordance with IFRS 5, unless otherwise specified.

From an overall perspective, in the first half of 2025, the Tesmec Group:

- generated higher Revenues with improved operating results by seizing opportunities in its operating sectors, particularly in the Energy and Railway segments;
- continued its management actions to restore efficiency, with a lower impact of operating costs on revenues;
- compared to the first half of 2024, achieved a significantly improved financial performance, with a Net Financial Position that was not affected by intra-annual peaks in working capital, as was previously the case. Instead, it recorded values that were substantially in line with those of 31 December last year.

The Results for the first half-year, achieved in an external environment characterised by high levels of uncertainty and unfavourable exchange rates for the Euro against the US dollar, in particular, together with the growing backlog and favourable prospects for the reference markets, confirm the expectation of growth in 2025 compared to 2024.

## 2.2 Results of the first half of 2025

Consolidated Revenues for the first half of 2025 amounted to Euro 128.6 million, up 9.2% compared to Euro 117.7 million in the first half of 2024 restated, with EBITDA that reached Euro 21.2 million, up Euro 1.8 million compared to the restated EBITDA for the same period in 2024 of Euro 19.4 million (+9.4%).

More specifically:

- with regard to the Energy segment, Revenues amounted to Euro 43.4 million as at 30 June 2025, up by 12.4% compared to Euro 38.6 million achieved as at 30 June 2024. In particular, the Stringing equipment segment recorded revenues of Euro 28.6 million, up by 20.3% compared to Euro 23.8 million as at 30 June 2024, while

the Energy-Automation segment recorded revenues of Euro 14.8 million, in line with Euro 14.8 million as at 30 June 2024. EBITDA for the Energy segment reached Euro 7.9 million (with an EBITDA margin of 18.2%), up by more than 20% from Euro 6.5 million as at 30 June 2024 (when the EBITDA margin was 16.7%), thanks to the Stringing equipment segment, which recorded higher margins compared to the first half of 2024, while the benefits from the new major multi-year contracts acquired by the Energy-Automation segment have yet to be achieved, with their contribution expected in the coming quarters. The commercial activities of the sector confirm a growing trend, with an order backlog of Euro 227.4 million as at 30 June 2025, an increase compared to Euro 104.3 million as at 30 June 2024, of which Euro 193.9 million refer to the Energy-Automation segment (with a multi-year duration, confirming the expected growth of this segment in the medium term) and Euro 33.5 million relating to the Stringing equipment segment (traditionally with a short-term duration);

- with reference to the Trencher segment, Revenues as at 30 June 2025 amounted to Euro 60.2 million, in line with Euro 59.5 million as at 30 June 2024 pro-forma. In particular, the recovery of the US market compared to the same period last year and the positive contribution of African markets positively offset the slowdown in the Middle Eastern markets and the delay in the start of projects in New Zealand. Significant developments are taking place in the mining sector of this segment, particularly in African markets, thanks to a strategic project in Guinea involving the use of Tesmec's advanced technological solutions. The segment also achieved an EBITDA of Euro 9.1 million (and an EBITDA margin of 15.1%), down by approximately 14% compared to Euro 10.6 million in the first half of 2024 pro-forma (when the EBITDA margin was 17.8%), in the presence of a less favorable mix that has impacted industrial margins, compared to an improvement in production planning processes, with a related improvement in fixed capital. As at 30 June 2025, the order backlog for the Trencher segment amounted to approximately Euro 65.7 million, up from Euro 57.4 million as at 30 June 2024 pro-forma, excluding the backlog of Groupe Marais activities that were discontinued following the joint venture agreement, which will nevertheless continue to contribute to the development of the Trencher business;
- in the Rail segment, Revenues as at 30 June 2025 amounted to Euro 25.0 million, up 27.6% compared to Euro 19.6 million recorded as at 30 June 2024, thanks to progress on awarded contracts and the positive impact of the strategic changes adopted, with a focus on projects with a higher added value in diagnostic systems and diversification in foreign markets. In particular, diagnostic vehicles are a key element in the digitalisation of rail infrastructure, and preliminary testing is currently underway for the approval of Tesmec's "TYPE 4" dual-mode diagnostic vehicle, a milestone that confirms Tesmec's technological leadership and strategic positioning with its main institutional customers. As a result of the above, EBITDA for the segment as at 30 June 2025 amounted to Euro 4.2 million, with an EBITDA margin of 16.9%, significantly up compared to Euro 2.3 million as at 30 June 2024 (when the EBITDA margin was 11.8%). The order backlog amounted to Euro 102.9 million as at 30 June 2025, compared to Euro 193.6 million as at 30 June 2024 and Euro 122 million as at 31 December 2024, and does not yet reflect new tenders in which the Company intends to participate during the year. Note that the order backlog for the Rail segment is multi-year in nature and involves leading national and international operators.

With reference to the Operating Income (EBIT) for the first half of 2025, this amounted to Euro 10.8 million, marking growth of 17.7% compared to Euro 9.1 million in 2024 restated.

From a financial perspective, in the first half of 2025, the Tesmec Group recorded a level of net interest expense broadly in line with that of 2024 restated (Euro -7.8 million versus Euro -8.0 million). However, there was a negative impact from exchange rate differences – largely unrealised – amounting to Euro -2.8 million, compared to a positive contribution of Euro 1.1 million as at 30 June 2024. This was due to the recent strengthening of the Euro, mainly against the US Dollar.

As a result of the above, the Tesmec Group closed 2025 with a substantially break-even Pre-tax profit/(loss), a profit of Euro 0.1 million, compared to a pre-tax profit of Euro 2.2 million in the first half of 2024. It should be noted that this level of pre-tax profit/(loss) was significantly affected by exchange rate differences for a combined negative impact that, as seen above, amounted to approximately Euro 4 million: therefore, net of this change, the Pre-tax profit/(loss) would have increased by just under Euro 2 million compared to that of the first half of 2024 restated.

Finally, the Income Statement for the first half of 2025 closed with:

- a Net result from continuing operations showing a slight loss (approximately Euro -0.1 million), compared to the figure of Euro 0.5 million for the first half of 2024 restated;
- a negative Net Result from discontinued operations of approximately Euro -0.4 million, which, together, resulted in a negative Net Result for the period of Euro 0.5 million.

Based on the comments provided on the performance of the individual divisions, it should be noted that the Tesmec Group's total backlog as at 30 June 2025 stood at approximately Euro 396 million, increased significantly compared to approximately Euro 351 million as at 31 December 2024, with a significant increase in the Energy Business Unit (which acquired important contracts both in Italy and abroad, confirming the growth cycle initiated in this segment) segments, and a reduction in the Rail segment, which is expected to recover later in the year, while the Trencher segment remained substantially stable.

Furthermore, at geographical level, Tesmec is confirmed as a group strongly oriented towards international markets, with approximately 77% of Consolidated Revenues for the period generated outside Italy, with a growing contribution of sales in North America and Africa.

With reference to the financial results as at 30 June 2025, the following changes were noted:

- compared to 30 June 2024:
  - a sharp reduction in invested capital, from Euro 261.4 million in 2024 to Euro 220.5 million as at 30 June 2025, benefiting from the deconsolidation of the rental business unit of Groupe Marais and measures to reduce working capital;
  - a significant decrease in the Net Financial Position, from Euro 165.5 million in 2024 to Euro 146.4 million as at 30 June 2025, thus confirming the strong discontinuity already observed as at 31 December 2024 compared to the previous quarters;
- compared to 31 December 2024:
  - a decrease in invested capital of Euro 4.5 million compared to Euro 224.6 million as at 31 December 2024, due to a reduction in working capital, resulting from high material consumption for sales during the period, while new supplies acquired since the end of June for significant production expected in the second half of the year are not yet due;
  - a Net Financial Position of Euro 146.4 million, slightly up compared to Euro 147.0 million as at 31 December 2024.

With reference to Tesmec's financial structure as at 30 June 2025, it should be noted that:

1. the Net Financial Position consists of:
  - Euro 93.7 million (approximately 64% of total NFP) of Operating Debt against consolidated Working Capital;
  - Euro 30.7 million (approximately 21% of total NFP) of the recognition of a loan relating to IFRS 16, largely against lease contracts for part of the Group's trenching machines and the value of rents;
  - the residual Euro 22.0 million (approximately 15% of total NFP) of Industrial Debt for the portion of the fixed assets not directly covered by Equity;
2. the duration of the Net Financial Position, which includes medium/long-term payables of Euro 56.9 million and IFRS 16 items of Euro 30.7 million, appears more than consistent with the duration of the portion of medium/long-term Assets not covered by Shareholders' Equity, amounting to a total of Euro 52.8 million;
3. as at 30 June 2025, the Group had liquidity of Euro 26.1 million, which, together with expected cash flows for the year and the negotiation and obtaining of medium/long-term credit lines, net of those due to expire, is estimated to guarantee financial continuity for the next 12 months and the implementation of ongoing development programmes.

### 2.3 Outlook for 2025

With reference to 2025, despite the uncertainty caused by the current international geopolitical and macroeconomic context, the Company expects growth to be driven by opportunities in sectors led by the energy transition, with significant prospects related to the backlog of the Energy Automation segment, the growing demand for Stringing solutions, the internalisation strategy of the Rail segment and the positive outlook for cable laying and surface mining technologies for the Trencher segment. Thanks to its international presence and current production structure with plants in both Italy and the USA, the Company also believes that it will be able to respond with the necessary flexibility to the challenges posed by the current external scenario, which is characterised by considerable uncertainty. Management remains committed to prioritising profitability and cash generation over volume, while continuing to pursue strategic initiatives to strengthen the industrial base and increase the efficiency of invested capital. Therefore, for the entire 2025 financial year the Tesmec Group expects growth in the main income statement indicators and a reduction in net financial debt compared to 2024.

### 3 Significant events during the period

The significant events that occurred during the period are reported below:

- in accordance with the binding contractual agreements entered into in 2024 through the signing of a Binding Termsheet with OT Engineering, a French company belonging to the Comergy Group and headquartered in Meylan (Grenoble), on 7 January 2025, as part of the reorganisation of the French subsidiary Groupe Marais SAS, the latter transferred its business unit related to the production and sale of trenchers to its subsidiary Tesmec France SAS. This business unit also includes all the equity interests held by Groupe Marais SAS in its African subsidiaries as at 31 December 2024. On the same date, Philippe Todesco (previously Chairperson of the Board of OT Engineering) became Chairperson of the Board of Directors of Groupe Marais SAS.

Subsequently, on 7 March 2025, Groupe Marais SAS sold its entire equity investment in Tesmec France SAS to Marais Technologies SAS for a price of Euro 3,747 thousand.

On 14 May 2025, the Shareholders' Meeting of Groupe Marais SAS approved an initial capital increase reserved for OT Engineering, for a total amount of Euro 5,300 thousand, which was paid up through the contribution of the "Greenpose" business unit, operating in the trencher rental sector, for Euro 4,600 thousand, and the remaining Euro 700 thousand in cash. Therefore, at the date of this Report, OT Engineering owns 29.6% of the share capital of Groupe Marais SAS. Pursuant to the existing agreements, further corporate formalities are being completed, upon completion of which OT Engeneering's stake is expected to be equal to 51% of Groupe Marais SAS's capital. In this regard, OT Engeneering has already made a further payment for a future capital increase totalling Euro 500 thousand, in compliance with these agreements, and the increase is expected to be completed by December 31, 2025;

- on 7 February 2025, the subsidiary Tesmec Automation S.r.l. was awarded one lot of the tender called Enedis, a company belonging to the EDF (Électricité de France) group that manages the French electricity distribution network, for the supply of new generation equipment for the remote control and automation of the electricity network, for an amount of more than Euro 40 million and a duration of 8 years (of which 3 are optional). After an initial project development phase, in which Tesmec will meet Enedis' technical qualification requirements, a massive and continuous deployment is planned throughout France over the duration of the contract. This award will be managed in coordination with Tesmec France SAS, thereby initiating the aforementioned integration activities;
- on 5 March 2025, in order to strengthen its subsidiary Tesmec Automation S.r.l. in light of significant industrial developments linked to the awarded tenders, the Parent Company Tesmec S.p.A. allocated a Euro 3 million interest-bearing loan in favour of a capital contribution, thereby increasing shareholders' equity by the same amount;
- on 29 April 2025, the Shareholders' Meeting of Tesmec Rail S.r.l. approved the distribution of dividends in the amount of Euro 1 million;
- on 30 April 2025, the Ordinary Shareholders' Meeting of Tesmec S.p.A. met electronically in a single call and:
  - 1) approved the Financial Statements as at 31 December 2024 and the allocation of the Net Profit. During the Shareholders' Meeting, the Consolidated Financial Statements as at 31 December 2024 of the Tesmec Group and the related reports were presented, including the Consolidated Sustainability Report;
  - 2) appointed the new Board of Directors that will remain in office until the Shareholders' Meeting that will be called to approve the financial statements for the year ended 31 December 2027, composed of Gianluca Bolelli, Caterina Caccia Dominion, Carlo Caccia Dominion, Simone Andrea Crolla, Emanuela Teresa Basso Petrino, Anna Casiraghi, Nicola Gavazzi, Francesca Marino and Antongiulio Marti, as well as Ambrogio Caccia Dominion, who was confirmed as Chairperson of the Board of Directors;
  - 3) appointed the new Board of Statutory Auditors that will also remain in office until the Shareholders' Meeting that will be called to approve the 2027 financial statements, composed of the Statutory

Auditors Simone Cavalli (Chairperson), Alice Galimberti and Attilio Massimo Franco Marcozzi and by the Alternate Auditors Alessandra Butini and Adelio Bollini;

- on 30 April 2025, the Board of Directors resolved to appoint:
  - as members of the Control and Risk, Sustainability and Related Party Transactions Committee, the directors Emanuela Teresa Basso Petrino (Chairperson), Francesca Marino and Anton Giulio Marti;
  - as members of the new Remuneration and Appointments Committee, the directors Nicola Gavazzi (Chairperson), Emanuela Teresa Basso Petrino and Gianluca Bolelli;
- on 9 May 2025, the Board of Directors appointed Caterina Caccia Dominioni and Carlo Caccia Dominioni as Chief Executive Officers with full and separate powers.

### 3.1 Assets and liabilities held for sale

As described in the previous paragraph, in December 2024, the Parent Company Tesmec S.p.A. started to develop a series of strategic initiatives in France to further strengthen the Group's competitive position and to increase the synergies between the different divisions for the further development of the local market.

Indeed, the French subsidiary Groupe Marais SAS, which focuses on the core rental business, signed an agreement with OT Engineering (a French company of the Comergy Group) which provides for the achievement in several phases by OT Engineering of a stake equal to 51% of its share capital .

In particular, Tesmec reorganised its French subsidiary, Groupe Marais SAS, to focus its activities on the rental of its fleet of machines as part of its mechanised cable-laying services, while the production and sale of Trenchers was transferred to a new company, Tesmec France SAS, wholly owned by Tesmec, which will also develop the Rail and Automation business in France.

As required by International Financial Reporting Standards (IFRS 5), qualifying, as already done when preparing the financial statements as of 31 December 2024, also as of 30 June 2025 the assets in question are classified as held for sale as at 30 June 2025 – in view of the binding nature of the Binding Termsheet signed in December 2024, which provides for the finalisation of the transaction by 2025 – the Group reclassified the economic and financial items in the Income Statement, Statement of Financial Position and Statement of Cash Flows.

With regard to the Income Statement, representing the rental business of Groupe Marais SAS one of the main business lines, the revenues and costs pertaining to the activities in question were reclassified as "Net loss for the year of assets held for sale".

With regard to the Statement of financial position, the relevant assets and liabilities were reclassified as "assets held for sale" and "liabilities held for sale".

Similar reclassifications were made to the items of both the Income Statement for the 2024 half-year and the Statement of Financial Position as at 31 December 2024.

## 4 Activity, reference market and operating performance for the first six months of 2025

The consolidated financial statements of Tesmec have been prepared in accordance with the International Financial Reporting Standards (hereinafter the "IFRS" or the "International Accounting Standards"), issued by the International Accounting Standards Board and adopted by the European Union, in effect as at 31 December 2024. The following table shows the Group's major income statement indicators for the first six months of 2025 and the financial position indicators as at 30 June 2025 compared with the same period of 2024 and as at 31 December 2024.

OVERVIEW OF RESULTS		
30 June 2024 restated	Key income statement data (Euro in millions)	30 June 2025
117.7	Operating Revenues	128.6
19.4	EBITDA	21.2

9.1	Operating Income	10.8
1.1	Net foreign exchange gains/losses	(2.8)
(2.7)	Group Net Result	(0.2)
1,011	Number of employees	1,013
<b>31 December 2024</b>	<b>Key financial position data (Euro in millions)</b>	<b>30 June 2025</b>
224.6	Net Invested Capital	220.5
77.6	Shareholders' Equity	74.1
147.0	Net Financial Indebtedness	146.4
21.0	Net investments in property, plant and equipment, intangible assets and rights of use	8.6

The information on the operations of the main subsidiaries in the reference period is shown. In order to provide a clearer picture of the production volume of the individual subsidiaries, the following turnover values are reported at the aggregate level, also including intercompany transactions:

#### Subsidiaries

- Tesmec USA Inc., a company that is 100% owned by Tesmec S.p.A., is based in Alvarado (Texas) and operates in the Trencher segment and in the stringing equipment/rail division. In the first half of 2025, it generated revenues of Euro 21,743 thousand (Euro 16,294 thousand as of 30 June 2024). The presence in the United States is completed through the subsidiary 4 Service USA, Inc., also based in Alvarado (Texas) and operating in the trencher rental business.
- Tesmec Rail S.r.l., a 100% subsidiary of Tesmec S.p.A. and with registered office in Monopoli (BA), operates in the Rail segment. In the first half of 2025, it generated revenues of Euro 25,105 thousand (Euro 19,637 thousand as of 30 June 2024).
- Groupe Marais SAS, with registered office in Durtal (France), indirectly controlled by Tesmec S.p.A., through the holding company Marais Technologies SAS, a company 100% owned by Tesmec S.p.A. but in the process of being decommissioned. The French company is a leader in the construction of machines for infrastructures and in services for telecommunications, electricity and gas. In the first half of 2025, it generated revenues of Euro 5,954 thousand (Euro 8,822 thousand as of 30 June 2024). It should be noted that this company was subject to a spin-off of its trencher production activities to Tesmec France and a 50/50 joint venture with OT Engineering is being established.
- Tesmec Automation S.r.l., a company 100% owned by Tesmec S.p.A. and with registered office in Grassobbio (BG), is specialised in the design and sale of integrated fault detectors and measurement sensors and devices for medium voltage power lines. In the first half of 2025, it generated revenues of Euro 14,798 thousand (Euro 14,939 thousand as of 30 June 2024).
- Tesmec Peninsula WLL, a 99% de facto subsidiary of Tesmec S.p.A., based in Doha (Qatar), is active in the business of renting and selling trenchers in the Middle Eastern market. In the first half of 2025, it generated revenues of Euro 6,727 thousand (Euro 6,072 thousand as of 30 June 2024).
- Tesmec Saudi Arabia LLC, a 65% owned subsidiary of Tesmec S.p.A. based in Ryad (Saudi Arabia), is active in the business of renting trenchers in the market of the Arabian Peninsula. In the first half of 2025, it generated revenues of Euro 5,002 thousand (Euro 9,048 thousand as of 30 June 2024).

#### Joint Ventures

- Condux Tesmec Inc, a joint venture that is 50% owned by Tesmec S.p.A. and 50% by American shareholder Condux, based in Mankato (USA), has been active since June 2009 in selling products for the North American stringing equipment market. The company has been consolidated using the equity method and during the

first half of 2025 generated revenues totalling Euro 6,668 thousand (Euro 5,091 thousand as of 30 June 2024).

## 5 Income statement and statement of financial position situation as at 30 June 2025

### 5.1 Alternative performance measures

In this section, a number of Alternative Performance Measures not envisaged by IFRS (non-GAAP measures) and used by the directors in order to allow a better assessment of the Group's operating performance are illustrated. The Alternative Performance Measures are constructed exclusively from the Group's historical accounting data and are determined in accordance with the provisions of the Guidelines on Alternative Performance Measures issued by ESMA/2015/1415 as per CONSOB Communication no. 92543 of 3 December 2015.

The Alternative Performance Measures shown below are not audited and should not be interpreted as indicators of the Group's future performance:

- EBITDA: it is represented by the operating income including amortisation/depreciation and can be directly inferred from the consolidated income statement.
- Net working capital: it is calculated as current assets net of current liabilities excluding financial assets and financial liabilities and can be directly inferred from the consolidated statement of financial position.
- Net invested capital: it is calculated as net working capital plus fixed assets and other long-term assets less non-current liabilities and can be directly inferred from the consolidated statement of financial position.
- Group net financial indebtedness: this is a good indicator of the Tesmec Group's financial structure. It is calculated as the sum of cash and cash equivalents, current financial assets, non-current financial liabilities (including right-of-use liabilities) and fair value of hedging instruments.
- Net financial indebtedness pursuant to ESMA 32-382-1138 communication: it corresponds to the Group's net financial indebtedness as defined above and also includes trade payables and other non-current payables, which have a significant implicit or explicit financing component (e.g. trade payables with a maturity of more than 12 months), and any other non-interest-bearing loans (as defined in the "Guidelines on disclosure requirements under the Prospectus Regulation" published by ESMA on 4 March 2021 with the "ESMA 32-382-1138" document and incorporated by CONSOB in its communication 5/21 of 29 April 2021).

### 5.2 Income from operations

#### Consolidated income statement

The comments provided below refer to the comparison of the consolidated income statement figures as at 30 June 2025 with those as at 30 June 2024.

The main accounting figures for the first six months of 2025 and 2024 are presented in the table below:

(Euro in thousands)	Half-year ended 30 June			
	2025	% of revenues	2024 restated	% of revenues
<b>Revenues from sales and services</b>	<b>128,584</b>	<b>100.0%</b>	<b>117,704</b>	<b>100.0%</b>
Cost of raw materials and consumables	(58,297)	-45.3%	(53,943)	-45.8%
Costs for services	(23,799)	-18.5%	(20,344)	-17.3%
Payroll costs	(27,332)	-21.3%	(26,820)	-22.8%
Other net operating costs/revenues	(3,439)	-2.7%	(2,664)	-2.3%
Amortisation/Depreciation	(10,403)	-8.1%	(10,207)	-8.7%
Development costs capitalised	5,156	4.0%	5,542	4.7%
Portion of losses/(gains) deriving from the measurement of operational Joint Ventures	291	0.2%	(122)	-0.1%
<b>Total operating costs</b>	<b>(117,823)</b>	<b>-91.6%</b>	<b>(108,558)</b>	<b>-92.2%</b>
<b>Operating income</b>	<b>10,761</b>	<b>8.4%</b>	<b>9,146</b>	<b>7.8%</b>
				<b>1,615</b>

Net financial income/expenses	(7,803)	-6.1%	(7,989)	-6.8%	186
Net foreign exchange gains/losses	(2,832)	-2.2%	1,078	0.9%	(3,910)
Portion of losses/(gains) deriving from the measurement of associated companies and non-operational Joint Ventures	(34)	0.0%	-	0.0%	(34)
<b>Pre-tax profit/(loss)</b>	<b>92</b>	<b>0.1%</b>	<b>2,235</b>	<b>1.9%</b>	<b>(2,143)</b>
Income tax	(192)	-0.1%	(1,651)	-1.4%	1,459
<b>Net profit/(loss) for the period of continuing operations</b>	<b>(100)</b>	<b>-0.1%</b>	<b>584</b>	<b>0.5%</b>	<b>(684)</b>
<b>Net loss for the period of assets held for sale</b>	<b>(439)</b>	<b>-0.3%</b>	<b>(2,807)</b>	<b>-2.4%</b>	<b>2,368</b>
<b>Profit/(loss) for the period</b>	<b>(539)</b>	<b>-0.4%</b>	<b>(2,223)</b>	<b>-1.9%</b>	<b>1,684</b>
Profit/(loss) attributable to non-controlling interests	(344)	-0.3%	520	0.4%	(864)
<b>Group profit/(loss)</b>	<b>(195)</b>	<b>-0.2%</b>	<b>(2,743)</b>	<b>-2.3%</b>	<b>2,548</b>

## Revenues

Total revenues as at 30 June 2025, compared to the corresponding period of the previous year, recorded an increase of 9.2%.

(Euro in thousands)	Half-year ended 30 June				
	2025	% of revenues	2024 restated	% of revenues	2025 vs 2024
Sales of products	85,028	66.1%	113,313	96.3%	(28,285)
Services rendered	19,900	15.5%	17,066	14.5%	2,834
Changes in work in progress	23,656	18.4%	(12,675)	-10.8%	36,331
<b>Total revenues from sales and services</b>	<b>128,584</b>	<b>100.0%</b>	<b>117,704</b>	<b>100.0%</b>	<b>10,880</b>

Services rendered mainly concern the trencher segment and are represented by the machine rental business carried out in the United States, France, Africa and Oceania.

## Revenues by geographic area

The Group's turnover is mainly produced abroad (by 76.6%) and in particular in non-EU countries. The revenue analysis by area is indicated below with the comparison of the figures for the first half of 2025 with those for the first half of 2024. Growth in North and Central America and Africa was driven by sales in the Trencher segment, while Railways and Energy-Automation remain the key segments on the Italian market, although they are also developing on foreign markets.

It is emphasised that the segmentation by geographic area is determined by the country where the customer is located, regardless of where project activities/sales are organised.

(Euro in thousands)	Half-year ended 30 June				
	2025	% of revenues	2024 restated	% of revenues	2025 vs 2024
Italy	30,138	23.4%	20,812	17.7%	9,326
Europe	23,137	18.0%	28,176	23.9%	(5,039)
Middle East	15,422	12.0%	21,020	17.9%	(5,598)
Africa	19,971	15.5%	12,567	10.7%	7,404
North and Central America	20,433	15.9%	15,706	13.3%	4,727
BRIC and Others	19,483	15.2%	19,423	16.5%	60
<b>Total revenues</b>	<b>128,584</b>	<b>100.0%</b>	<b>117,704</b>	<b>100.0%</b>	<b>10,880</b>

## Operating costs net of depreciation and amortisation

Operating costs net of depreciation and amortisation as at 30 June 2025, compared to the corresponding period of the previous year, recorded an increase of 9.2%.

(Euro in thousands)	Half-year ended 30 June			
	2025	% of revenues	2024 restated	% of revenues
Cost of raw materials and consumables	(58,297)	-45.3%	(53,943)	-45.8%
Costs for services	(23,799)	-18.5%	(20,344)	-17.3%
Payroll costs	(27,332)	-21.3%	(26,820)	-22.8%
Other net operating costs/revenues	(3,439)	-2.7%	(2,664)	-2.3%
Development costs capitalised	5,156	4.0%	5,542	4.7%
Portion of losses/(gains) deriving from the measurement of operational Joint Ventures	291	0.2%	(122)	-0.1%
<b>Operating costs net of depreciation and amortisation</b>	<b>(107,420)</b>	<b>-83.5%</b>	<b>(98,351)</b>	<b>-83.6%</b>
				<b>(9,069)</b>

The table shows an increase in operating costs of Euro 9,069 thousand. This increase in costs reflects:

- with regard to raw materials, consumables and services, the increase in sales, with different product mixes;
- with regard to results from Joint Ventures, the positive performance of the associate Condux Tesmec Inc.

## EBITDA

As a result of the foregoing, EBITDA amounted to Euro 21,164 thousand, up compared to the figure recorded in the first half of 2024 when it was equal to Euro 19,353 thousand.

A restatement of the income statement figures representing the performance of EBITDA is provided below:

(Euro in thousands)	Half-year ended 30 June			
	2025	% of revenues	2024 restated	% of revenues
Operating income	10,761	8.4%	9,146	7.8%
+ Amortisation/depreciation	10,403	8.1%	10,207	8.7%
<b>EBITDA</b>	<b>21,164</b>	<b>16.5%</b>	<b>19,353</b>	<b>16.4%</b>
				<b>1,811</b>

The increase in gross operating margin was generated by the combined effect, on the one hand, of industrial margins, which were affected by a less favourable sales mix due to improved production planning processes, with a related improvement in fixed capital, and, on the other hand, a lower incidence of operating expenses on revenues, thanks to the continuation of management efficiency initiatives launched starting from the end of 2023.

## Financial Management

(Euro in thousands)	Half-year ended 30 June			
	2025	% of revenues	2024 restated	% of revenues
Net financial income/expenses	(7,794)	-6.1%	(7,944)	-6.7%
Net foreign exchange gains/losses	(2,832)	-2.2%	1,078	0.9%
Fair value adjustment of derivative instruments on exchange rates	(9)	0.0%	(45)	0.0%
Portion of losses/(gains) deriving from the measurement of associated companies and non-operational Joint Ventures	(34)	0.0%	-	0.0%
<b>Total net financial income/expenses</b>	<b>(10,669)</b>	<b>-8.3%</b>	<b>(6,911)</b>	<b>-5.9%</b>
				<b>(3,758)</b>

The net financial management result decreased compared to the same period in the previous year by a total of Euro 3,758 thousand, due to:

- a negative impact from Foreign exchange gains/losses of Euro 3,910 thousand, resulting from the unfavourable trend of exchange rates as at 30 June 2025 compared to 31 December 2024, which resulted in net losses totalling Euro 2,832 thousand (largely unrealised) compared to net profit of Euro 1,078 thousand (also largely unrealised);
- the positive impact of net financial income/expense of Euro 150 thousand.

### 5.3 Income Statement by segment

#### Revenues by segment

The tables below show the income statement figures as at 30 June 2025 compared to those as at 30 June 2024, broken down into the three operating segments.

(Euro in thousands)	Half-year ended 30 June				
	2025	% of revenues	2024 restated	% of revenues	2025 vs 2024
Energy	43,369	33.7%	38,569	32.8%	4,800
Trencher	60,176	46.8%	59,513	50.6%	663
Rail	25,039	19.5%	19,622	16.7%	5,417
<b>Total Revenues</b>	<b>128,584</b>	<b>100.0%</b>	<b>117,704</b>	<b>100.0%</b>	<b>10,880</b>

In the first six months of 2025, the Group consolidated revenues of Euro 128,584 thousand, with an increase of Euro 10,880 thousand (equal to 9.2%) compared to Euro 117,704 thousand in the same period of the previous year.

- The Energy segment recorded Revenues of Euro 43,369 thousand, an increase of approximately 12.4% compared to Euro 38,569 thousand recorded as at 30 June 2024, thanks to the Energy-Stringing segment, which recorded higher margins compared to the first half of 2024, while the benefits from the new major multi-year contracts acquired by the Energy-Automation segment have yet to be achieved, with their contribution expected in the coming quarters. More specifically, it should be noted that the Energy-Stringing segment achieved revenues of Euro 28,589 thousand in the first half of 2025 compared to Euro 23,768 thousand in the same period of 2024 (+20.3%), while the Energy-Automation segment achieved revenues of Euro 14,780 thousand, compared to Euro 14,801 thousand as at 30 June 2024 (-0.1%).
- The Trencher segment recorded revenues of Euro 60,176 thousand, up by 1.1% compared to Euro 59,513 thousand as at 30 June 2024. In particular, the recovery of the US market compared to the same period last year and the positive contribution of African markets positively offset the slowdown in the Middle Eastern markets and the delay in the start of projects in New Zealand.
- The Rail segment recorded revenues of Euro 25,039 thousand, an increase of approximately 27.6% compared to Euro 19,622 thousand as at 30 June 2024. Thanks to progress on awarded contracts and the positive impact of the strategic changes adopted, with a focus on projects with a higher added value in diagnostic systems and diversification in foreign markets.

#### EBITDA by segment

The tables below show the income statement figures as at 30 June 2025 compared to those as at 30 June 2024, broken down into the three operating segments:

(Euro in thousands)	Half-year ended 30 June				
	2025	% of revenues	2024 restated	% of revenues	2025 vs 2024
Energy	7,878	18.2%	6,450	16.7%	1,428
Trencher	9,058	15.1%	10,587	17.8%	(1,529)
Rail	4,228	16.9%	2,316	11.8%	1,912
<b>EBITDA</b>	<b>21,164</b>	<b>16.5%</b>	<b>19,353</b>	<b>16.4%</b>	<b>1,811</b>

This result is the combined effect of different trends in the three segments:

- Energy: EBITDA increased from Euro 6,450 thousand as at 30 June 2024 to Euro 7,878 thousand as at 30 June 2025, as described in the previous paragraph, thanks to the Energy-Stringing segment, which recorded higher margins compared to the first half of 2024, while the benefits from the new major multi-year contracts acquired by the Energy-Automation segment have yet to be achieved, with their contribution expected in the coming quarters;
- Trencher: EBITDA decreased from Euro 10,587 thousand as at 30 June 2024 to Euro 9,058 thousand as at 30 June 2025, in the presence of a less favourable sales mix that has impacted industrial margins, compared to an improvement in production planning processes, with a related improvement in fixed capital;
- Rail: EBITDA increased from Euro 2,316 thousand as at 30 June 2024 to Euro 4,228 thousand as at 30 June 2025 thanks, as described in the previous paragraph, to progress on awarded contracts and the positive impact of the strategic changes adopted, with a focus on projects with a higher added value in diagnostic systems and diversification in foreign markets.

#### 5.4 Statement of financial position and financial profile

Information is provided below on the Group's main equity indicators as at 30 June 2025 compared to 31 December 2024. In particular, the following table shows the reclassified funding sources and uses of the consolidated statement of financial position as at 30 June 2025 and as at 31 December 2024:

(Euro in thousands)	As at 30 June 2025	As at 31 December 2024	2025 vs 2024
<b>USES</b>			
Net working capital	93,321	99,817	(6,496)
Fixed assets	102,488	106,880	(4,392)
Other long-term assets and liabilities	21,634	21,941	(307)
Assets and liabilities held for sale	3,054	(4,075)	7,129
<b>Net invested capital</b>	<b>220,497</b>	<b>224,563</b>	<b>(4,066)</b>
<b>SOURCES</b>			
Net financial indebtedness	146,443	146,951	(508)
Shareholders' equity	74,054	77,612	(3,558)
<b>Total sources of funding</b>	<b>220,497</b>	<b>224,563</b>	<b>(4,066)</b>

##### A) Net working capital

The table below shows a breakdown of "Net Working Capital" as at 30 June 2025 and as at 31 December 2024:

(Euro in thousands)	As at 30 June 2025	As at 31 December 2024	2025 vs 2024
Trade receivables	56,011	55,429	582
Work in progress contracts	44,287	36,734	7,553
Inventories	96,778	96,134	644
Trade payables	(93,801)	(79,905)	(13,896)
Other current assets/(liabilities)	(9,954)	(8,575)	(1,379)
<b>Net working capital</b>	<b>93,321</b>	<b>99,817</b>	<b>(6,496)</b>

Net working capital, amounting to Euro 93,321 thousand, decreased by Euro 6,496 thousand (equal to -6.5%) compared to 31 December 2024. This performance is mainly due to the increase in the item " Trade payables " of Euro 13,896 thousand offset by the increase in the item " Work in progress contracts " of Euro 7,553 thousand.

## B) Fixed assets

The table below shows a breakdown of "Fixed assets" as at 30 June 2025 and as at 31 December 2024:

(Euro in thousands)	As at 30 June 2025	As at 31 December 2024	2025 vs 2024
Intangible assets	43,049	42,238	811
Property, plant and equipment	30,727	34,160	(3,433)
Rights of use	22,290	23,373	(1,083)
Equity investments in associates	6,380	7,066	(686)
Other equity investments	42	43	(1)
<b>Fixed assets</b>	<b>102,488</b>	<b>106,880</b>	<b>(4,392)</b>

Total fixed assets recorded a net decrease of Euro 4,392 thousand compared to 31 December 2024 mainly due to the decrease in Property, plant and equipment of Euro 3,433 thousand.

## C) Net financial indebtedness

The table below shows a breakdown of "Net financial indebtedness" as at 30 June 2025 and as at 31 December 2024:

(Euro in thousands)	As at 30 June 2025	of which with related parties and group	As at 31 December 2024	of which with related parties and group
Cash and cash equivalents	(26,109)		(29,559)	
Current financial assets	(25,227)	(872)	(35,740)	(1,496)
Current financial liabilities	110,105	881	98,135	1,081
Current financial liabilities from rights of use	9,223	2,914	10,454	2,714
Current portion of derivative financial instruments	(2)		47	
<b>Current financial indebtedness</b>	<b>67,990</b>	<b>2,923</b>	<b>43,337</b>	<b>2,299</b>
Non-current financial liabilities	56,851	1,635	80,124	1,899
Non-current financial liabilities from rights of use	21,445	1,766	23,314	3,781
Non-current portion of derivative financial instruments	157		176	
Trade payables and other non-current payables	-		-	
<b>Non-current financial indebtedness</b>	<b>78,453</b>	<b>3,401</b>	<b>103,614</b>	<b>5,680</b>
<b>Net financial indebtedness pursuant to ESMA 32-382-1138 Communication</b>	<b>146,443</b>	<b>6,324</b>	<b>146,951</b>	<b>7,979</b>
Trade payables and other non-current payables	-		-	
<b>Group net financial indebtedness</b>	<b>146,443</b>	<b>6,324</b>	<b>146,951</b>	<b>7,979</b>

The net financial indebtedness prior to the application of IFRS 16, as at 30 June 2025, is equal to Euro 115,775 thousand with an increase of Euro 2,592 thousand compared to the end of 2024.

The net financial indebtedness of the Group as at 30 June 2025 decreased by Euro 508 thousand compared to the end of 2024 (-0.3%).

The table below shows the breakdown of the changes:

- increase in current financial indebtedness of Euro 24,653 thousand due to the:
  - decrease in cash and cash equivalents and current financial assets of Euro 13,963 thousand;

- increase in current financial liabilities of Euro 11,970 thousand due to the effect of the short-term reclassification of the portions to be reimbursed in 2025, offset by the reimbursement of portions in the period;
- decrease in medium/long-term financial indebtedness of Euro 25,161, due to the short-term reclassification referred to in the previous point.

Some existing loan agreements and bond issues contractually provide for the annual calculation of the financial covenants based on net financial indebtedness calculated on the consolidated financial statements as at 31 December and prior to the application of IFRS 16.

The loan agreement of the subsidiary Tesmec USA, Inc. also provides for financial covenants to be calculated quarterly on the data of the combined financial statements of the Group's US subsidiaries. As at 30 June 2025, these parameters were met.

Please refer to the following paragraph *16 Medium/long-term loans* of the Explanatory notes on the forward-looking assessment carried out to assess the Group's ability to meet its contractually agreed financial parameters as at 31 December 2024.

## 6 Management and types of financial risk

For the management of financial risks, please see the paragraph "Financial risk management policy" contained in the Explanatory Notes to the Annual Financial Report for 2024, where the Group's policies in relation to the management of financial risks are presented.

## 7 Atypical and/or unusual and non-recurring transactions with related parties

In compliance with the CONSOB communications of 20 February 1997, 27 February 1998, 30 September 1998, 30 September 2002 and 27 July 2006, it should be noted that during the first half-year of 2025, no transactions took place with related parties of an atypical or unusual nature, outside of normal company operations or such as to harm the economic, equity, and financial situation of the Group.

For significant intercompany and related party information, please see the paragraph "Related party transactions" in the Explanatory Notes.

## 8 Group employees

The number of Group employees in the first half of 2025, including the employees of companies that are fully consolidated, is 1,013 persons compared to 1,011 in 2024.

## 9 Other information

### Events occurring after the end of the reporting period

In particular, the events occurring after the half-year include the following:

- on 14 July 2025, following a qualified tender procedure, the subsidiary Tesmec Automation S.r.l. announced the signing of a framework agreement worth a total of Euro 54 million (Euro 36 million, plus the option of an additional Euro 18 million) with Terna Rete Italia S.p.A., a Terna Group company that operates, maintains and develops the national electricity transmission grid, for the supply and installation of RTN "SAS 2021" Electrical Station Automation Systems.

### Business outlook

In the current global economic context, the Group reaffirms its strategic commitment to the energy sector, recognized as one of the fundamental pillars for sustainable and innovation-oriented growth. Investments in energy

infrastructure, both traditional and renewable, therefore represent a concrete opportunity that the Group is seizing with strategic vision and operational determination. Furthermore, in line with a responsible growth strategy, Tesmec activities are primarily directed toward politically and economically stable countries, capable of offering a favorable environment for the development of long-term projects and the creation of lasting value. At the same time, the Group is paying close attention to emerging economies, such as India, among the most dynamic globally. Despite the complexities related to competitive positioning, the Indian market offers interesting prospects in terms of industrial growth and infrastructure demand. In the Railway segment, the Group is experiencing increasing diversification in foreign markets, where the modernization of networks and the push toward infrastructure digitalization are accelerating. The advanced technological solutions developed by the Group, particularly in the fields of diagnostics and predictive maintenance, are establishing themselves as key elements to support this transformation. Overall, the Group is facing global challenges with a clear, consistent, and forward-looking strategy, focusing on innovation, geographic selectivity, and the ability to adapt to constantly evolving contexts.

Regarding 2025, in light of the uncertainty posed by the current geopolitical and macroeconomic context and in continuity with the managerial and strategic change initiated in 2024, the Company expects growth driven by opportunities in segments led by the energy transition, with significant prospects related to the backlog of the Energy-Automation segment, the growing demand for Stringing solutions, the internalization strategy of the Railway segment, and the positive prospects of cable laying and surface mining technologies for the Trencher segment. Thanks to its international presence and current production setup with plants both in Italy and the USA, the Company also believes it has the necessary flexibility to face the challenges posed by the current external scenario. Furthermore, the management's commitment continues to prioritize profitability and cash generation over volumes, while simultaneously pursuing strategic opportunities aimed at industrial strengthening and capital efficiency. Therefore, for the full year 2025, the Tesmec Group expects growth in the main income statement indicators and a reduction in Net Financial Indebtedness compared to 2024. A positive contribution is also expected from the finalization of the joint venture operation in France.

# **INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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Consolidated financial statements

# Consolidated statement of financial position as at 30 June 2025 and as at 31 December 2024

(Euro in thousands)	Notes	30 June 2025	31 December 2024
<b>NON-CURRENT ASSETS</b>			
Intangible assets	7	43,049	42,238
Property, plant and equipment	8	30,727	34,160
Rights of use	9	22,290	23,373
Equity investments in associates measured using the equity method		6,380	7,066
Other equity investments		42	43
Financial receivables and other non-current financial assets	10	6,595	9,731
Derivative financial instruments	21	42	72
Deferred tax assets		15,087	14,748
Non-current trade receivables		5,507	2,912
Other non-current assets		7	8
<b>TOTAL NON-CURRENT ASSETS</b>		<b>129,726</b>	<b>134,351</b>
<b>CURRENT ASSETS</b>			
Work in progress contracts	11	44,287	36,734
Inventories	12	96,778	96,134
Trade receivables	13	56,011	55,429
<i>of which with related parties:</i>	13	2,276	1,830
Tax receivables		2,640	2,666
Financial receivables and other current financial assets	14	25,227	35,740
<i>of which with related parties:</i>	14	872	1,496
Other current assets		12,696	13,728
Derivative financial instruments	21	2	13
Cash and cash equivalents		26,109	29,559
<b>TOTAL CURRENT ASSETS</b>		<b>263,750</b>	<b>270,003</b>
<b>TOTAL ASSETS HELD FOR SALE</b>	6	<b>23,487</b>	<b>19,597</b>
<b>TOTAL ASSETS</b>		<b>416,963</b>	<b>423,951</b>
<b>SHAREHOLDERS' EQUITY</b>			
<b>GROUP SHAREHOLDERS' EQUITY</b>			
Share capital	15	15,702	15,702
Reserves/(deficit)	15	55,458	64,007
Group net profit/(loss)	15	(195)	(5,181)
<b>TOTAL GROUP SHAREHOLDERS' EQUITY</b>		<b>70,965</b>	<b>74,528</b>
Capital and reserves/(deficit) attributable to non-controlling interests		3,433	2,720
Net profit/(loss) attributable to non-controlling interests		(344)	364
<b>TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS</b>		<b>3,089</b>	<b>3,084</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>74.054</b>	<b>77,612</b>
<b>NON-CURRENT LIABILITIES</b>			
Medium/long-term loans	16	50,043	72,548
<i>of which with related parties:</i>	16	1,635	1,899
Non-current bond issue		6,808	7,576
Non-current financial liabilities from rights of use		21,445	23,314
<i>of which with related parties:</i>		2,028	3,781

Derivative financial instruments	21	157	176
Employee benefit liability		3,878	3,915
Deferred tax liabilities		1,726	1,615
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>84,057</b>	<b>109,144</b>
<b>CURRENT LIABILITIES</b>			
Interest-bearing financial payables (current portion)	17	109,207	98,135
<i>of which with related parties:</i>	17	881	1,081
Bond issue		898	0
Current financial liabilities from rights of use		9,223	10,454
<i>of which with related parties:</i>		2,968	2,714
Derivative financial instruments	21	-	60
Trade payables	18	93,801	79,905
<i>of which with related parties:</i>		3,993	2,630
Advances from customers		4,037	3,247
Income taxes payable		3,684	3,190
Provisions for risks and charges		2,501	2,609
Other current liabilities		15,068	15,923
<b>TOTAL CURRENT LIABILITIES</b>		<b>238,419</b>	<b>213,523</b>
<b>TOTAL LIABILITIES HELD FOR SALE</b>	<b>6</b>	<b>20,433</b>	<b>23,672</b>
<b>TOTAL LIABILITIES</b>		<b>342,909</b>	<b>346,339</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>416,963</b>	<b>423,951</b>

## Consolidated income statement for the half-year ended 30 June 2025 and 2024

(Euro in thousands)	Notes	Half-year ended 30 June	
		2025	2024 restated
<b>Revenues from sales and services</b>	19	<b>128,584</b>	<b>117,704</b>
<i>of which with related parties:</i>	19	3,121	1,989
Cost of raw materials and consumables		(58,297)	(53,943)
<i>of which with related parties:</i>		(8)	166
Costs for services		(23,799)	(20,344)
<i>of which with related parties:</i>		(79)	(158)
Payroll costs		(27,332)	(26,820)
Other net operating costs/revenues		(3,439)	(2,664)
<i>of which with related parties:</i>		52	30
Amortisation/Depreciation		(10,403)	(10,207)
Development costs capitalised		5,156	5,542
Portion of losses/(gains) deriving from the measurement of operational Joint Ventures		291	(122)
<b>Total operating costs</b>	20	<b>(117,823)</b>	<b>(108,558)</b>
<b>Operating income</b>		<b>10,761</b>	<b>9,146</b>
Financial expenses		(13,365)	(9,212)
<i>of which with related parties:</i>		(187)	(304)
Financial income		2,730	2,301
<i>of which with related parties:</i>		12	71
Portion of losses/(gains) deriving from the measurement of associated companies and non-operational Joint Ventures		(34)	-
<b>Pre-tax profit/(loss)</b>		<b>92</b>	<b>2,235</b>
Income tax		(192)	(1,651)
<b>Net profit/(loss) for the period of continuing operations</b>		<b>(100)</b>	<b>584</b>
<b>Net loss for the period of assets held for sale</b>	6	<b>(439)</b>	<b>(2,807)</b>
<b>Net profit/(net loss) for the period</b>		<b>(539)</b>	<b>(2,223)</b>
<b>Profit/(loss) attributable to non-controlling interests</b>		<b>(344)</b>	<b>520</b>
<b>Group profit/(loss)</b>		<b>(195)</b>	<b>(2,743)</b>
<b>Basic and diluted earnings/(losses) per share</b>		<b>(0.0003)</b>	<b>(0.0045)</b>

## Consolidated statement of comprehensive income for the half-year ended 30 June 2025 and 2024

(Euro in thousands)	Notes	Half-year ended 30 June	
		2025	2024 restated
<b>NET PROFIT/(LOSS) FOR THE PERIOD</b>		(539)	(2,223)
<i>Other components of comprehensive income:</i>			
Other components of comprehensive income that will be subsequently reclassified to net income/(loss) for the period:			
Exchange differences on conversion of foreign financial statements		(4,689)	1,131
Other changes		(3,329)	585
Other components of comprehensive income that will not be subsequently reclassified to net income/(loss) for the period:			
Actuarial profit/(loss) on defined benefit plans		60	73
Income tax		(14)	(17)
		46	56
<b>Total other income/(losses) after tax</b>		(7,972)	1,772
<b>Total comprehensive income (loss) after tax</b>		(8,511)	(451)
<i>Attributable to:</i>			
Shareholders of Parent Company		(8,167)	(971)
Non-controlling interests		(344)	520

# Consolidated statement of cash flows for the half-year ended 30 June 2025 and 2024

(Euro in thousands)	Notes	Half-year ended 30 June	
		2025	2024 restated
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit/(loss) for the period of continuing operations		(100)	584
<i>Adjustments to reconcile net income for the period with the cash flows generated by (used in) operating activities:</i>			
Amortisation/Depreciation	7-8-9	10,403	11,869
Provisions for employee benefit liability		841	743
Provisions for risks and charges/inventory obsolescence/doubtful accounts		1,035	1,332
Employee benefit payments		(817)	(763)
Payments for provisions for risks and charges		(13)	(6)
Net change in deferred tax assets and liabilities		(593)	419
Change in fair value of financial instruments	21	(38)	46
<i>Change in operating assets and liabilities:</i>			
Trade receivables	13	(4,852)	(21,872)
<i>of which with related parties:</i>	13	(446)	1,132
Inventories	11-12	(13,862)	(5,444)
Trade payables	18	20,116	4,949
<i>of which with related parties:</i>		1,363	1,217
Other current assets and liabilities		832	(4,775)
<b>NET CASH FLOW GENERATED BY OPERATING ACTIVITIES (A)</b>		<b>12,952</b>	<b>(12,918)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Investments in property, plant and equipment	8	(3,825)	(2,613)
Investments in intangible assets	7	(5,912)	(5,933)
Investments in Rights of use	9	(3,115)	(14,851)
(Investments)/disposals of financial assets		11,610	(1,694)
<i>of which with related parties:</i>		624	608
Sale of property, plant and equipment, intangible assets and rights of use	7-8-9	4,205	5,493
<b>NET CASH FLOW USED IN INVESTING ACTIVITIES (B)</b>		<b>2,963</b>	<b>(19,598)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Disbursement of medium/long-term loans	16	-	6,348
Recognition of financial liabilities from rights of use		5,249	21,496
<i>of which with related parties:</i>		(1,753)	1,261
Repayment of medium/long-term loans	16	(18,978)	(16,963)
Repayment of financial liabilities from rights of use		(8,299)	(9,743)
Net change in short-term financial debt	16	9,340	(652)
<i>of which with related parties:</i>		(210)	1,045
Other changes		1,624	585
<b>NET CASH FLOW GENERATED BY/(USED IN) FINANCING ACTIVITIES (C)</b>		<b>(11,064)</b>	<b>1,071</b>
<b>NET CASH FLOW GENERATED BY/(USED IN) ASSETS/LIABILITIES HELD FOR SALE (D)</b>		<b>(7,568)</b>	<b>(2,807)</b>
<b>TOTAL CASH FLOW (E=A+B+C+D)</b>		<b>(2,717)</b>	<b>(34,252)</b>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS (F)</b>		<b>(733)</b>	<b>175</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (G)</b>		<b>29,559</b>	<b>53,680</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (H=E+F+G)</b>		<b>26,109</b>	<b>19,603</b>
<b>Additional information:</b>			
Interest paid		7,730	8,544
Income tax paid		446	270

## Statement of changes in consolidated shareholders' equity for the half-year ended 30 June 2025 and 2024

(Euro in thousands)	Share capital	Legal reserve	Share premium reserve	Reserve of treasury shares	Translation reserve	Other reserves	Profit/(loss) for the period	Total Group shareholders' equity	Total shareholders' equity attributable to non-controlling interests	Total shareholders' equity
<b>Balance as at 1 January 2024</b>	15,702	2,348	39,215	(2,341)	2,132	21,614	(2,969)	75,701	2,543	78,244
Profit/(loss) for the period	-	-	-	-	-	-	(2,743)	(2,743)	520	(2,223)
Other changes	-	-	-	-	585	-	-	585	-	585
Other profits/(losses)	-	-	-	-	1,045	56	-	1,101	86	1,187
<b>Total comprehensive income/(loss)</b>	-	-	-	-	1,630	56	(2,743)	(1,057)	606	(451)
Allocation of profit for the year	-	168	-	-	-	(3,137)	2,969	-	-	-
<b>Balance as at 30 June 2024</b>	15,702	2,516	39,215	(2,341)	3,762	18,533	(2,743)	74,644	3,149	77,793

(Euro in thousands)	Share capital	Legal reserve	Share premium reserve	Reserve of treasury shares	Translation reserve	Other reserves	Profit/(loss) for the period	Total Group shareholders' equity	Total shareholders' equity attributable to non-controlling interests	Total shareholders' equity
<b>Balance as at 1 January 2025</b>	15,702	2,516	39,215	(2,341)	6,293	18,324	(5,181)	74,528	3,084	77,612
Profit/(loss) for the period	-	-	-	-	-	-	(195)	(195)	(344)	(539)
Other changes	-	-	-	-	(3,329)	-	-	(3,329)	-	(3,329)
Other profits/(losses)	-	-	-	-	(4,338)	46	-	(4,292)	(351)	(4,643)
<b>Total comprehensive income/(loss)</b>	-	-	-	-	(7,667)	46	(195)	(7,816)	(695)	(8,511)
Allocation of Profit/(Loss) for the year	-	168	-	-	-	(5,349)	5,181	-	-	-
Other changes	-	-	-	-	-	(263)	-	(263)	(142)	(405)
Change in the consolidation area	-	-	-	-	-	4,516	-	4,516	842	5,358
<b>Balance as at 30 June 2025</b>	15,702	2,684	39,215	(2,341)	(1,374)	17,274	(195)	70,965	3,089	74,054

# Explanatory Notes

## Accounting policies adopted in preparing the consolidated financial statements as at 30 June 2025

### 1 Company information

The Parent Company Tesmec S.p.A. (hereinafter "Parent Company" or "Tsmec") is a legal entity organised in accordance with the legal system of the Italian Republic. The ordinary shares of Tesmec have been listed on the MTA STAR Segment of the Milan Stock Exchange since 1 July 2010. The registered office of the Tesmec Group (hereinafter "Group" or "Tsmec Group") is in Milan, Piazza S. Ambrogio 16.

### 2 Reporting standards

The interim condensed consolidated financial statements as at 30 June 2025 have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and adopted by the European Union in condensed form, by using the methods for preparing the interim financial reporting provided by IAS 34 Interim financial reporting.

The accounting standards adopted in preparing the interim condensed consolidated financial statements as at 30 June 2025 are those adopted for preparing the consolidated financial statements as at 31 December 2024, in compliance with IFRS, except as indicated in paragraph 4 *New accounting standards, interpretations and amendments adopted by the Group*.

It should be noted that the preparation of the interim condensed consolidated financial statements requires Directors to make estimates and assumptions that affect the values of revenues, costs, assets and liabilities in the financial statements and the information regarding potential assets and liabilities on the date of the interim condensed consolidated financial statements. Should these estimates and assumptions, which are based on the Directors' best assessments, deviate from actual circumstances in the future, they will be amended appropriately at the time the circumstances change. It should also be noted that some measurement processes relating to the estimate of revenues and progress of job orders, the calculation of any impairment of non-current assets and the estimate of adjustment funds of current assets are generally carried out in full only when the annual financial statements are prepared, when all of the information that may be required is available, unless – for what concerns the calculation of any impairment of non-current assets – there are impairment indicators that require the immediate measurement of any impairment loss.

The consolidated statement of financial position, income statement, comprehensive income statement, statement of changes in shareholders' equity and statement of cash flows are drawn up in extended form and are in the same format adopted for the consolidated financial statements as at 31 December 2024. The explanatory notes to the financial statements below are in condensed form and therefore do not include all the information required for annual financial statements. In particular, as provided by IAS 34, in order to avoid repeating already disclosed information, the notes refer exclusively to items of the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in shareholders' equity and the consolidated statement of cash flows whose breakdown or change, with regard to amount, type or unusual nature, are essential to understand the economic and financial situation of the Group.

In the interim condensed consolidated financial statements, the income statement and statement of cash flows data for the half-year is compared with that for the same period of the previous year, appropriately reclassified in accordance with IFRS 5 as described in paragraph 6 Assets and liabilities held for sale. The net financial position and the items of the consolidated statement of financial position as at 30 June 2025 are compared with the corresponding final data as at 31 December 2024.

Since the interim consolidated financial statements do not disclose all the information required in preparing the consolidated annual financial statements, it must be read together with the consolidated financial statements as at 31 December 2024.

The interim condensed consolidated financial statements as at 30 June 2025 comprise the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the

consolidated statement of changes in shareholders' equity, the consolidated statement of cash flows and related explanatory notes. Comparative figures are disclosed as required by IAS 34 (31 December 2024 for the statement of financial position, and the first half of 2024 for the consolidated income statement, the consolidated statement of comprehensive income, the statement of changes in shareholders' equity and the statement of cash flows).

The interim condensed consolidated financial statements as at 30 June 2025 were prepared on a going concern basis, as the Directors checked the ability of the Company and the Group to meet their obligations in the foreseeable future of at least 12 months by preparing a forecast document examined by the Board of Directors on 6 August 2025, on the basis of which the Budget forecasts have been confirmed. In the light of the Forecast projections and the related sensitivity analyses, the Board of Directors made a positive assessment of the existence of the company's ability to continue as a going concern on the basis of which the interim report was prepared and approved, as the financial covenants are also met on a prospective basis and there are no significant uncertainties about the company's ability to continue as a going concern. Trends differing from the company's Forecast projections and related sensitivity analyses, with special reference to the lack of effectiveness of the measures expected to be implemented to optimise working capital, or possible slowdowns in the realisation of the order backlog and consequently in the recognition of revenues, could lead to the achievement of results that are lower than expected with possible effects on the Company's and the Group's ability to comply with financial covenants. In this regard, it should be noted that the Group has sufficient cash and cash equivalents at the end of the reporting period for the possible repayment of loans with more restrictive parameters than those contractually envisaged as at 31 December 2024.

The interim condensed consolidated financial statements are presented in Euro. The balances in the financial statements and notes to the financial statements are expressed in thousands of Euro, except where specifically indicated.

The issue of the interim condensed consolidated financial statements of the Tesmec Group for the period ended 30 June 2025 was authorised by the Board of Directors on 6 August 2025.

At the financial statement date, there are outstanding debts owed to the exchequer which were subsequently subject to regularization.

### **3 Consolidation methods and area**

The interim condensed consolidated financial statements comprise the interim report on operations of Tesmec S.p.A. and its subsidiaries as at 30 June 2025. The accounting standards and consolidation methods adopted in preparing these interim condensed consolidated financial statements as at 30 June 2025 are those adopted for preparing the consolidated financial statements as at 31 December 2024 to which reference is made for full details.

As at 30 June 2025, the consolidation area changed with respect to that as at 31 December 2024:

- on 7 January 2025, Groupe Marais SAS transferred to its subsidiary Tesmec France SAS the business unit relating to the production and sale of trenchers. This unit also includes all of the equity investments held by Groupe Marais SAS in all of its African subsidiaries as at 31 December 2024;
- subsequently, on 7 March 2025, the company Groupe Marais SAS sold its entire equity investment in Tesmec France SAS to Marais Technologies SAS at the price of Euro 3,747 thousand.

However, these transactions did not change the scope of consolidation, but only resulted in a shift within the Group's organisational chart.

- On 10 January 2025, the company MIR SA was sold as it was no longer considered strategic and consequently excluded from the scope of consolidation.

### **Translation of foreign currency financial statements and of foreign currency items**

The exchange rates used to determine the value in Euros of the financial statements of subsidiaries expressed in foreign currency (exchange rate to Euro 1) are shown below:

	Average exchange rates for the half-year ended 30 June		End-of-period exchange rate as at 30 June	
	2025	2024	2025	2024
Australian Dollar	1.7229	1.5989	1.7948	1.6079
Renminbi	7.9238	7.4894	8.3970	7.7748
Algerian Dinar	145.6799	147.0336	151.6252	144.0192
GNF Franc	9,413.8422	9,209.3886	10,108.1102	9,133.2246
Moroccan dinar	10.4600	11.0210	10.5820	10.6550
New Zealand Dollar	1.8827	1.7318	1.9334	1.7601
Qatari Riyal	3.9776	3.9336	4.2661	3.8966
Russian Rouble	94.5010	83.6510	92.2785	92.4184
Saudi Riyal	4.0978	4.0525	4.3950	4.0144
Tunisian Dinar	3.3526	3.3389	3.3917	3.3661
US Dollar	1.0927	1.0807	1.1720	1.0705
CFA Franc	655.9570	655.9570	655.9570	655.9570
South African Rand	20.0823	19.679	20.8411	19.497

## 4 New accounting standards, interpretations and amendments adopted by the Group

The accounting standards adopted for the preparation of the interim condensed consolidated financial statements are the same as those adopted for the preparation of the consolidated financial statements for the year ended 31 December 2024, with the exception of the adoption as from 1 January 2025 of the new standards and amendments. The Group has not adopted in advance any new standard, interpretation or amendment issued but not yet in force.

### New IFRS accounting standards, amendments and interpretations applied from 1 January 2025

The following IFRS Accounting Standards, amendments and interpretations were applied by the Group for the first time on 1 January 2025.

- On 15 August 2023, the IASB published an amendment called "**Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability**". The document requires an entity to identify a consistent method for checking whether one currency can be converted into another and, if not, how to determine the exchange rate to be used and the disclosures to be made in the explanatory notes. The adoption of this amendment did not have any effect on the Group's consolidated financial statements.

### New IFRS Accounting standards, amendments and interpretations not yet approved by the European Union, not yet mandatorily applicable and not early adopted by the Group as at 30 June 2025

At the date of this document, the competent bodies of the European Union completed the approval process required for the adoption of the amendments and standards described below, but these standards are not mandatorily applicable and have not been adopted in advance by the Group as at 31 December 2024.

- On 30 May 2024, the IASB published the document "**Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7**". The document clarifies a number of problematic issues that emerged from the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary when ESG objectives are met (i.e. green bonds). In particular, the amendments aim to:
  - clarify the classification of financial assets with variable returns and linked to environmental, social and corporate governance (ESG) objectives and the criteria to be used for the SPPI test;
  - determine that the settlement date of liabilities through electronic payment systems is the date on which the liability is extinguished. However, an entity is permitted to adopt an accounting policy that,

under certain specified conditions, allows a financial liability to be derecognised before cash is delivered on the settlement date.

With these amendments, the IASB also introduced additional disclosure requirements for investments in equity instruments designated as FVOCI.

The amendments will apply as from the financial statements for years beginning on or after 1 January 2026. The directors do not expect a significant effect on the Group's consolidated financial statements through the adoption of this amendment.

- On 18 December 2024, the IASB published an amendment called "**Contracts Referencing Nature-dependent Electricity – Amendment to IFRS 9 and IFRS 7**". The purpose of this document is to assist entities in reporting the financial effects of contracts to purchase electricity from renewable sources (often structured as Power Purchase Agreements). Based on these contracts, the amount of electricity generated and purchased can vary due to uncontrollable factors such as the weather. The IASB has made targeted amendments to IFRS 9 and IFRS 7. The amendments include:
  - clarifying the application of "own use" requirements to this type of contract;
  - criteria permitting hedge accounting if these contracts are used as hedging instruments; and,
  - adding new disclosure requirements to enable users of financial statements to understand the effect of these contracts on an entity's financial performance and cash flows.

The amendment will apply beginning on or after 1 January 2026, but early application is permitted. The directors do not expect a significant effect on the Group's consolidated financial statements through the adoption of this amendment.

#### **New IFRS Accounting standards, amendments and interpretations not yet approved by the European Union**

As at the date of this document, the competent bodies of the European Union have not yet completed the approval process required for the adoption of the amendments and standards described below.

- On 18 July 2024, the IASB published a document called "**Annual Improvements Volume 11**". The document contains clarifications, simplifications, corrections and amendments to improve the consistency of various IFRS Accounting Standards. The amended standards are:
  - IFRS 1 First-time Adoption of International Financial Reporting Standards;
  - IFRS 7 Financial Instruments: Disclosures and the related guidelines on the implementation of IFRS 7;
  - IFRS 9 Financial Instruments;
  - IFRS 10 Consolidated Financial Statements; and
  - IAS 7 Statement of Cash Flows.

The amendments will apply beginning on or after 1 January 2026, but early application is permitted. The directors do not expect a significant effect on the Group's consolidated financial statements through the adoption of these amendments.

- On 9 April 2024, the IASB published a new standard **IFRS 18 Presentation and Disclosure in Financial Statements**, which will replace IAS 1 *Presentation of Financial Statements*. The new standard aims to improve the presentation of financial statements, with particular reference to the income statement. In particular, the new standard requires:
  - revenues and costs to be classified into three new categories (operating, investing and financing sections), in addition to the tax and discontinued operations categories already present in the income statement;
  - present two new sub-totals, operating income and earnings before interest and taxes (i.e. EBIT).

The new standard also:

- requires more information on the performance indicators defined by management;
- introduces new criteria for the aggregation and disaggregation of information; and,
- introduces a number of changes to the statement of cash flows, including the requirement to use the operating income as the starting point for the presentation of the statement of cash flows prepared using the indirect method and the derecognition of certain classification options for some items that currently exist (such as interest paid, interest received, dividends paid and dividends received).

The new standard will become effective as from 1 January 2027, but early application is permitted. The directors are currently assessing the possible effects of the introduction of this new standard on the Group's consolidated financial statements.

- On 9 May 2024, the IASB published a new standard ***IFRS 19 Subsidiaries without Public Accountability: Disclosures***. The new standard introduces some simplifications to the information required by the IFRS Accounting Standards in the financial statements of a subsidiary that meets the following requirements:
  - it has not issued, nor is it in the process of issuing, any equity or debt instruments listed on a regulated market;
  - its parent company prepares consolidated financial statements in accordance with IFRS.

The new standard will become effective as from 1 January 2027, but early application is permitted. The directors do not expect a significant effect on the Group's consolidated financial statements through the adoption of this amendment.

- On 30 January 2014, the IASB published ***IFRS 14 – Regulatory Deferral Accounts***, which allows only those who adopt IFRS for the first time to continue to recognise amounts relating to Rate Regulation Activities in accordance with the previously adopted accounting standards. Since the Group is not a first-time adopter, this standard is not applicable.

## 5 Impairment Test

As required by IAS 36, the Group assesses at least at each reporting date whether there are any indicators that the carrying amount of non-current assets may have been impaired. In such cases, the recoverable amount of the asset is estimated and compared to its carrying amount. In evaluating whether one or more Cash Generating Units (CGUs) may have suffered a permanent impairment, the Group considers indications from both internal and external sources of information.

For the preparation of this condensed consolidated interim financial report, it is noted that the carrying amount of consolidated equity (€73.6 million) exceeds the market capitalization as of the reporting date (€32.1 million). This circumstance, confirmed by the performance of the stock after the end of the semester, was considered an impairment indicator under IAS 36. Consequently, the impairment test previously carried out for the financial statements as of December 31, 2024, was updated.

In accordance with IAS 36, the carrying amount of non-current assets was subjected to an impairment test, which was specifically approved by the Board of Directors on August 6, 2025.

According to IAS 36, the recoverable amount is the higher of fair value less costs of disposal and value in use.

Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants, net of directly attributable disposal costs. Depending on the circumstances, this value is determined based on the agreed price in a binding sale agreement between independent parties (net of disposal costs), or based on the market price, less selling costs, if the asset is traded in an active market. Conversely, value in use is calculated by discounting the expected future cash flows using an appropriate rate (equal to the weighted average cost of capital). The impairment loss is measured as the excess of the carrying amount of the asset over its recoverable amount.

The estimation of these cash flows incorporates assumptions made by the Directors that are consistent with the Group's strategy in the respective businesses and markets in which it operates. These assumptions also depend on external variables beyond management's control, such as exchange and interest rate trends, infrastructure investments in the countries where the Group operates, and macro-political or social factors with local or global impact.

Based on these cash flows, the value in use of the CGUs was estimated using the Discounted Cash Flow (DCF) method, i.e., the discounting of future operating cash flows over the useful life of the asset. The net operating cash flows estimated for this purpose were determined using the commonly adopted "unlevered" approach, whereby cash flows are calculated independently of the company's financial structure.

The Weighted Average Cost of Capital (WACC) used to discount the operating cash flows during the explicit forecast period and to calculate the terminal value was set at 12.7%, unchanged from the WACC used in the impairment test as of December 31, 2024.

For the estimation of cash flows beyond the explicit forecast period, the terminal value was determined using a growth rate (g) of 1%.

As a result of the impairment test, no permanent impairment losses were identified.

With regard to individual CGUs, considering the performance of the main subsidiaries corresponding to the CGUs identified at the consolidated financial statement level, no impairment indicators were identified. Therefore, no impairment test was required. In fact, as of June 30, 2025, the Group's results, as well as those of the CGUs, are substantially in line with the budget for the period, and the analyses carried out in the presence of variances do not reveal any triggering events compared to the assessment made as of the previous December 31.

## **6 Assets and liabilities held for sale**

On 20 December 2024, a Binding Termsheet was signed with a third party, OT Engineering (a French company belonging to the Comergy Group), based in Meylan (Grenoble) and operating in the trencher rental sector, which provides, in successive steps, for OTE to acquire a stake in the capital of Groupe Marais SA and for the latter to contribute its fleet of trenchers in order to create a centre specialised in this specific field of activity. On the same date, 20 December 2024, OTE acquired a stake in Groupe Marais and the Shareholders' Meeting decided to appoint Philippe Todesco, former Chairperson of the Board of Directors of OTE, as Chairperson of the Board of Directors with effect from 7 January 2025. On 14 May 2025, the Shareholders' Meeting of Groupe Marais SAS approved an initial capital increase reserved for OT Engineering, for a total amount of Euro 5,300 thousand, which was paid up through the contribution of the "Greenpose" business unit, operating in the trencher rental sector, for Euro 4,600 thousand, and the remaining Euro 700 thousand in cash. Therefore, at the date of this Report, OT Engineering owns 29.6% of the share capital of Groupe Marais SAS. Other activities are underway, in accordance with the original agreements, to increase OT Engineering's stake to 51% and, at this point, it should be noted that an additional payment has already been made towards a future capital increase for a total of Euro 500 thousand. Completion of all the steps defined in the Binding Termsheet to complete the transaction is expected by the end of the 2025 financial year.

This strategic agreement is aimed at further strengthening the Group's competitive position and increasing synergies between the various divisions to further develop the local market.

As at 30 June 2025, the transfer of control of Group Marais by the Tesmec Group has not yet been completed; however, in the light of the contractual provisions contained in the Binding Termsheet, the successful completion of the transaction is highly probable, as confirmed by the fulfilment, after the reporting period, of further requirements contained in the aforementioned Binding Termsheet. This circumstance leads us to conclude that the assets and liabilities of Group Marais should be presented on a single line in the statement of financial position of the consolidated financial statements specifically provided for assets and liabilities held for sale.

From another point of view, considering the strategic importance of the French rental business for the Group and for the Group's Trencher segment, the impact of its revenues on the rental revenues of the Trencher segment (approximately 25.3%) and on the total revenues of the Trencher segment (approximately 8.5%), as well as the relevance of the impact of the net result of the assets held for sale (net loss of Euro 439 thousand) compared to the net result of the continuing operations (net loss of Euro 100 thousand), it is considered that the trencher rental business operating in France represents a "major line of business" as it represents an important autonomous business operating in a specific geographical area and as it is part of a single coordinated programme for the divestment of an important autonomous business operating in a specific geographical area for the Group and as required by IFRS 5, as the likelihood of a sale in the short term is high, the economic elements subject to sale were reclassified from specific revenue/costs to "Net loss for the year of assets held for sale".

The economic and financial values of the assets held for sale are shown below:

## Income statement of assets held for sale

(Euro in thousands)	Half-year ended 30 June	
	2025	2024
<b>Revenues from sales and services</b>	<b>5,593</b>	<b>6,531</b>
Cost of raw materials and consumables	(86)	(1,349)
Costs for services	(1,930)	(1,951)
Payroll costs	(2,613)	(3,004)
Other net operating costs/revenues	(721)	(624)
Amortisation/Depreciation	-	(1,662)
<b>Total operating costs</b>	<b>(5,350)</b>	<b>(8,590)</b>
<b>Operating income</b>	<b>243</b>	<b>(2,059)</b>
Financial expenses	(650)	(812)
Financial income	25	37
<b>Pre-tax profit/(loss)</b>	<b>(382)</b>	<b>(2,834)</b>
Income tax	(57)	27
<b>Net loss for the year of assets held for sale</b>	<b>(439)</b>	<b>(2,807)</b>

## Statement of financial position of assets/liabilities held for sale

(Euro in thousands)	30 June 2025	31 December 2024
<b>NON-CURRENT ASSETS</b>		
Intangible assets	4,936	720
Property, plant and equipment	5,228	5,030
Rights of use	6,821	5,692
Financial receivables and other non-current financial assets	614	615
Deferred tax assets	1,394	1,413
<b>TOTAL NON-CURRENT ASSETS</b>	<b>18,993</b>	<b>13,470</b>
<b>CURRENT ASSETS</b>		
Inventories	355	124
Trade receivables	2,606	4,117
Other current assets	893	726
Cash and cash equivalents	640	1,160
<b>TOTAL CURRENT ASSETS</b>	<b>4,494</b>	<b>6,127</b>
<b>TOTAL ASSETS</b>	<b>23,487</b>	<b>19,597</b>
<b>NON-CURRENT LIABILITIES</b>		
Medium/long-term loans	1,821	2,817
Non-current financial liabilities from rights of use	7,625	8,000
Employee benefit liability	142	142
Deferred tax liabilities	537	567
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>10,125</b>	<b>11,526</b>
<b>CURRENT LIABILITIES</b>		
Interest-bearing financial payables (current portion)	3,241	3,343
Current financial liabilities from rights of use	3,037	2,627
Trade payables	3,165	4,476
Advances from customers	14	7
Provisions for risks and charges	256	256
Other current liabilities	595	1,437

<b>TOTAL CURRENT LIABILITIES</b>	<b>10,308</b>	<b>12,146</b>
<b>TOTAL LIABILITIES</b>	<b>20,433</b>	<b>23,672</b>
<b>NET ASSETS HELD FOR SALE</b>	<b>3,054</b>	<b>(4,075)</b>

### Cash flows: assets/liabilities held for sale

(Euro in thousands)	Half-year ended 30 June	
	2025	
<b>Net profit/(loss) for the year of assets held for sale</b>	<b>(439)</b>	
Net cash flow generated by operating activities (A)		(1,483)
Net cash flow generated by investing activities (B)		(5,542)
Net cash flow generated by/(used in) financing activities (C)		6,505
<b>NET CASH FLOW GENERATED BY/(USED IN) ASSETS/LIABILITIES HELD FOR SALE (D)</b>	<b>(520)</b>	

## 7 Intangible assets

The breakdown and changes in "Intangible assets" for the period ended 30 June 2025 are shown in the table below:

(Euro in thousands)	1 January 2025	Increases due to purchases	Reclassifications	Decreases	Amortisation	Exchange rate differences	30 June 2025
Start-up and expansion costs	7	-	-	-	(1)	-	6
Development costs	28,566	247	333	-	(3,874)	-	25,272
Rights and trademarks	3,203	8	-	-	(797)	(48)	2,366
Other intangible assets	2,721	130	-	-	(360)	(7)	2,484
Goodwill	3,014	-	-	-	-	-	3,014
Assets in progress	4,727	5,527	(333)	-	-	(14)	9,907
<b>Total intangible assets</b>	<b>42,238</b>	<b>5,912</b>	<b>-</b>	<b>-</b>	<b>(5,032)</b>	<b>(69)</b>	<b>43,049</b>

As at 30 June 2025, *intangible assets* totalled Euro 43,049 thousand, up Euro 811 thousand on the previous year net of total amortisation of Euro 5,032 thousand. The change mainly refers to:

- assets in progress of Euro 5,527 thousand relating mainly to development projects in progress. These costs mainly refer to diagnostic projects related to the rail segment, where a new innovative vehicle is being developed;
- development costs, which increased by Euro 247 thousand in the first six months of 2025, and amortisation for the period of Euro 3,874 thousand. The increases in the period relate to assets in progress that have been completed and started to be amortised.

## 8 Property, plant and equipment

The breakdown and changes in "Property, plant and equipment" for the period ended 30 June 2025 are shown below:

(Euro in thousands)	1 January 2025	Increases due to purchases	Reclassifications	Decreases	Depreciation	Exchange rate differences	30 June 2025
Land	4,090	-	-	-	-	(25)	4,065
Buildings	12,352	-	-	-	(249)	(565)	11,538
Plant and machinery	3,625	123	-	-	(328)	(65)	3,355
Equipment	1,542	58	69	-	(288)	(55)	1,326
Other assets	10,900	3,416	538	(3,361)	(1,200)	(1,117)	9,176
Assets in progress	1,651	228	(607)	(1)	-	(4)	1,267
<b>Total property, plant and equipment</b>	<b>34,160</b>	<b>3,825</b>	<b>-</b>	<b>(3,362)</b>	<b>(2,065)</b>	<b>(1,831)</b>	<b>30,727</b>

As at 30 June 2025, property, plant and equipment totalled Euro 30,727 thousand, down compared to the previous year by Euro 3,433 thousand.

The change is mainly due to the decrease in "Other assets" of Euro 3,361 thousand mostly related to the sale of trenchers previously recorded in the fleet.

## 9 Rights of use

The breakdown and changes in "Rights of use" for the period ended 30 June 2025 are shown in the table below:

(Euro in thousands)	1 January 2025	Increases due to purchases	Reclassifications	Decreases	Depreciation	Exchange rate differences	30 June 2025
Buildings - rights of use	7,176	346	-	(354)	(1,723)	(37)	5,408
Plant and machinery - rights of use	2,572	83	-	-	(158)	-	2,497
Equipment - rights of use	935	109	-	-	(215)	-	829
Other assets - rights of use	12,690	2,577	-	(489)	(1,210)	(12)	13,556
<b>Total rights of use</b>	<b>23,373</b>	<b>3,115</b>	<b>-</b>	<b>(843)</b>	<b>(3,306)</b>	<b>(49)</b>	<b>22,290</b>

The item Rights of use as at 30 June 2025 amounted to Euro 22,290 thousand and decreased by Euro 1,083 thousand compared to the previous year in relation to the signing of lease contracts for the fleet of trenching machines.

## 10 Financial receivables and other non-current financial assets

The following table sets forth the breakdown of the item financial receivables and other non-current financial assets as at 30 June 2025 compared with 31 December 2024:

(Euro in thousands)	30 June 2025	31 December 2024
Guarantee deposits	28	25
Financial receivables from third parties	6,567	9,706
<b>Financial receivables and other non-current financial assets</b>	<b>6,595</b>	<b>9,731</b>

Financial receivables from third parties decreased by Euro 3,136 thousand compared to the previous year, mainly due to the reclassification in the short-term of amounts due within 12 months.

Financial receivables from third parties are shown net of a write-down of Euro 982 thousand (Euro 900 thousand as at 31 December 2024). This provision is due to the partial write-down of some of these receivables, the positions of which were the subject matter of financially onerous payment plans in previous years that were not fully or partially fulfilled. The impaired receivables refer to certain counterparties in the trencher segment operating mainly in African countries. In this regard, actions are underway to recover outstanding receivables as well as – more generally – to monitor the Group's exposure to this type of counterparty.

## 11 Work in progress contracts

The following table sets forth the breakdown of Work in progress contracts as at 30 June 2025 and as at 31 December 2024:

(Euro in thousands)	30 June 2025	31 December 2024
Work in progress (Gross)	87,389	67,808
Advances from contractors	(43,102)	(31,074)
<b>Work in progress contracts</b>	<b>44,287</b>	<b>36,734</b>

"Work in progress" refers mainly to the Rail segment where the machinery is produced in accordance with specific customer requirements. "Work in progress" is recognised as an asset if, on the basis of an analysis carried out for each contract, the gross value of work in progress is greater than advances from customers; it is recognised as a liability if the advances are greater than the related work in progress.

If the advances are not collected at the reporting date, the corresponding amount is recognised as trade receivables.

## 12 Inventories

The following table provides a breakdown of Inventories as at 30 June 2025 compared to 31 December 2024:

(Euro in thousands)	30 June 2025	31 December 2024
Raw materials and consumables	63,608	60,466
Work in progress	6,331	10,211
Finished products and goods for resale	24,769	22,610
Advances to suppliers for assets	2,070	2,847
<b>Total inventories</b>	<b>96,778</b>	<b>96,134</b>

Inventories as at 31 December 2024 are substantially in line with the previous year.

The changes in the provisions for inventory obsolescence for the half-year ended 30 June 2025 compared with that as at 31 December 2024 are shown below:

(Euro in thousands)	30 June 2025	31 December 2024
Value as at 1 January	8,681	8,095
Provisions	855	2,360
Reclassifications	-	33
Uses	(646)	(1,948)
Exchange rate differences	(296)	150
<b>Total provisions for inventory obsolescence</b>	<b>8,594</b>	<b>8,690</b>

The value of the provisions for inventory obsolescence decreased also by Euro 96 thousand compared to the amount as at 31 December 2024. The adequacy of the provision is assessed on a regular basis to constantly monitor the actual level of inventories recovered through sales.

## 13 Trade receivables

The following table provides a breakdown of "Trade receivables" as at 30 June 2025 and as at 31 December 2024:

(Euro in thousands)	30 June 2025	31 December 2024
Trade receivables from third-party customers	53,735	53,599
Trade receivables from related parties	2,276	1,830
<b>Total trade receivables</b>	<b>56,011</b>	<b>55,429</b>

The changes in the provisions for doubtful accounts for the half-year ended 30 June 2025 compared with that as at 31 December 2024 are shown below:

(Euro in thousands)	30 June 2025	31 December 2024
Value as at 1 January	9,861	9,745

Increases	-	2,401
Provisions	83	319
IFRS 5 reclassification	1,492	(2,109)
Change in the consolidation area	(7)	-
Uses	(175)	(407)
Reclassifications	35	-
Exchange rate differences	(638)	(88)
<b>Total provisions for doubtful accounts</b>	<b>10,651</b>	<b>9,861</b>

Uses and provisions related to the provisions for doubtful accounts are included in "other operating costs/revenues, net" of the income statement.

## 14 Financial receivables and other current financial assets

The following table provides a breakdown of financial receivables and other current financial assets as at 30 June 2025 and as at 31 December 2024:

(Euro in thousands)	30 June 2025	31 December 2024
Financial receivables from related parties	872	1,496
Financial receivables from third parties	23,431	34,160
Other current financial assets	924	84
<b>Total financial receivables and other current financial assets</b>	<b>25,227</b>	<b>35,740</b>

The decrease in *financial receivables and other current financial assets* from Euro 35,740 thousand to Euro 25,227 thousand is mainly due to the decrease in credit positions relating to specific contracts signed with third parties on which an interest rate is applied and repayable within 12 months.

Financial receivables from third parties are shown net of a write-down of Euro 625 thousand (Euro 659 thousand as at 31 December 2024). This provision is due to the partial write-down of some of these receivables, the positions of which were the subject matter of financially onerous payment plans in previous years that were not fully or partially fulfilled. The impaired receivables refer to certain counterparties in the trencher segment operating mainly in African countries. In this regard, actions are underway to recover outstanding receivables as well as – more generally – to monitor the Group's exposure to this type of counterparty.

## 15 Share capital and reserves

The following table provides a breakdown of Other reserves as at 30 June 2025 and as at 31 December 2024:

(Euro in thousands)	30 June 2025	31 December 2024
Revaluation reserve	86	86
Extraordinary reserve	36,292	36,292
Reserve for first-time adoption of IFRS 9	(491)	(491)
Severance indemnity valuation reserve	(230)	(276)
Network reserve	825	825
Other reserves	(19,207)	(18,112)
<b>Total other reserves</b>	<b>17,275</b>	<b>18,324</b>

As a result of the resolution of 30 April 2025, with the approval of the 2024 financial statements, the Shareholders' Meeting of Tesmec S.p.A. decided to carry forward the profit for the year of the Parent Company of Euro 3,356 thousand and allocate it to the legal reserve for Euro 168 thousand.

## 16 Medium/long-term loans

*Medium/long-term loans* include medium/long-term loans from banks and payables to other providers of finance. The following table shows the breakdown thereof as at 30 June 2025 and as at 31 December 2024, with separate disclosure of total loans and current portion:

(Euro in thousands)	30 June 2025	of which current portion	31 December 2024	of which current portion
Domestic fixed-rate bank loans	23,783	11,087	29,751	11,432
Domestic floating-rate bank loans	44,019	20,829	54,987	20,412
Foreign fixed-rate bank loans	1,247	885	2,356	1,519
Foreign floating-rate bank loans	11,314	997	13,443	1,243
Shareholder loan	1,635	-	2,099	200
<b>Total medium/long-term loans</b>	<b>81,998</b>	<b>33,798</b>	<b>102,636</b>	<b>34,806</b>
less current portion	(33,798)		(34,806)	
<b>Non-current portion of medium/long-term loans</b>	<b>48,200</b>		<b>67,830</b>	
Medium/long-term loan due to Simest	4,718	2,875	4,718	-
less current portion	(2,875)		-	
<b>Medium/long-term loan due to Simest</b>	<b>1,843</b>		<b>4,718</b>	
<b>Total medium/long-term loans</b>	<b>50,043</b>		<b>72,548</b>	

Some loan contracts, the residual value of which at the end of the reporting period amounted to Euro 49.2 million, contain financial covenant provisions. In particular, they require that parameters, calculated on the basis of the financial statements of the Group, have to be met; they are verified on an annual basis and their non-compliance could result in the termination of the benefit of the time limit.

In general, covenants are based on compliance with certain levels, which differ between loan agreements, of the following ratios:

- Net Financial Position/EBITDA;
- Net Financial Position/Shareholders' equity.

The loan agreement of the subsidiary Tesmec USA, Inc. also provides for financial covenants to be calculated quarterly on the data of the combined financial statements of the Group's US subsidiaries. As at 30 June 2025, these parameters were met.

Prospectively, the Directors verified the Company's and the Group's ability to meet their obligations in the foreseeable future of at least 12 months and, in particular, the ability to comply, also for 2025, with the covenants related to the most relevant loans subject to this verification, developing for this purpose alternative forecast scenarios reflecting the impact of possible trends that differ from those envisaged in the forecast document examined by the Board of Directors on 6 August 2025. As a result of this analysis, the Directors concluded that there are no significant uncertainties regarding compliance with the covenants. Trends differing from the company's Forecast projections and related sensitivity analyses, with special reference to the lack of effectiveness of the measures expected to be implemented to optimise working capital, or possible slowdowns in the realisation of the order backlog and consequently in the recognition of revenues, could lead to the achievement of results that are lower than expected with possible effects on the Company's and the Group's ability to comply with financial covenants. In this regard, it should be noted that the Group has sufficient cash and cash equivalents at the end of the reporting period for the possible repayment of loans with more restrictive parameters than those contractually envisaged as at 31 December 2025.

The payable to Simest S.p.A. of Euro 4,718 thousand consists of the amount relative to the capital shares held by Simest S.p.A. in the subsidiaries Tesmec SA Ltd. (Pty) and Tesmec Australia (Pty) Ltd, which, by virtue of Tesmec's

obligation to repurchase the corresponding shares at the expiry of the contract, are treated as a loan. For accounting purposes, the respective equity investments are 100% consolidated.

## 17 Interest-bearing financial payables (current portion)

The following table provides details of this item as at 30 June 2025 and as at 31 December 2024:

(Euro in thousands)	30 June 2025	31 December 2024
Advances from banks against invoices and bills receivables	55,987	52,339
Payables due to factoring companies	15,564	10,005
Current account overdrafts	102	104
Financial payables due to Simest	2,875	-
Current portion of medium/long-term loans	33,798	34,606
Financial payables to related parties	881	1,081
<b>Total interest-bearing financial payables (current portion)</b>	<b>109,207</b>	<b>98,135</b>

*Interest-bearing financial payables (current portion)* increased by Euro 11,072 thousand, mainly due to a greater use of the export advance lines of Euro 3,648 thousand, the increase in payables due to factoring companies of Euro 5,559 thousand and the increase in the current portion of payables to Simest of Euro 2,875 due to the short-term reclassification of the portions to be repaid in 2025.

Payables due to factoring companies include both advances received for transfers with recourse of the Group's trade receivables and payables arising from supplies received and transferred using reverse factoring, the deferral conditions of which determine the representation of a financial liability.

## 18 Trade payables

The breakdown of *Trade payables* as at 30 June 2025 and as at 31 December 2024, respectively, is indicated in the table below:

(Euro in thousands)	30 June 2025	31 December 2024
Trade payables due to third-party suppliers	89,808	77,275
Trade payables due to related parties	3,993	2,630
<b>Total trade payables</b>	<b>93,801</b>	<b>79,905</b>

*Trade payables* as at 30 June 2025 increased by Euro 13,896 thousand, 17.4% compared to the previous financial period as a result of a greater procurement to meet the increase in sales.

This figure includes payables related to the Group's normal course of business, in particular the purchase of raw materials and outsourced works.

This item also includes payables originating from supplies received and sold in accordance with the reverse factor that maintain commercial deferment conditions.

Note also that there are no payables with maturity exceeding five years at the above dates.

## 19 Revenues from sales and services

The table below shows the breakdown of Revenues from sales and services as at 30 June 2025 and as at 30 June 2024:

(Euro in thousands)	Half-year ended 30 June	
	2025	2024
Sales of products	85,028	113,313

Services rendered	19,900	17,066
Changes in work in progress	23,656	(12,675)
<b>Total revenues from sales and services</b>	<b>128,584</b>	<b>117,704</b>

In the first six months of 2025, the Group consolidated revenues of Euro 128,584 thousand, with an increase of Euro 10,880 thousand (equal to 9.2%) compared to Euro 117,704 thousand in the same period of the previous year.

- The Energy segment recorded Revenues of Euro 43,369 thousand, an increase of approximately 12.4% compared to Euro 38,569 thousand recorded as at 30 June 2024, thanks to the Energy-Stringing segment, which recorded higher margins compared to the first half of 2024, while the benefits from the new major multi-year contracts acquired by the Energy-Automation segment have yet to be achieved, with their contribution expected in the coming quarters. More specifically, it should be noted that the Energy-Stringing segment achieved revenues of Euro 28,589 thousand in the first half of 2025 compared to Euro 23,768 thousand in the same period of 2024 (+20.3%), while the Energy-Automation segment achieved revenues of Euro 14,780 thousand, compared to Euro 14,801 thousand as at 30 June 2024 (-0.1%).
- The Trencher segment recorded revenues of Euro 60,176 thousand, up by 1.1% compared to Euro 59,513 thousand as at 30 June 2024. In particular, the recovery of the US market compared to the same period last year and the positive contribution of African markets positively offset the slowdown in the Middle Eastern markets and the delay in the start of projects in New Zealand.
- The Rail segment recorded revenues of Euro 25,039 thousand, an increase of approximately 27.6% compared to Euro 19,622 thousand as at 30 June 2024. Thanks to progress on awarded contracts and the positive impact of the strategic changes adopted, with a focus on projects with a higher added value in diagnostic systems and diversification in foreign markets.

In the half-year ended 30 June 2025, revenues of Euro 9 million (Euro 14.7 million at 30 June 2024) relating to completed machinery (mainly trenchers) and not yet shipped to the customer (bill and hold) as of 30 June were recognized 2025 for reasons that do not depend on the will of the Group. These revenues were recognized in the income statement since the provisions of IFRS 15 were respected, including the presence of a substantial reason (such as the customer request motivated by objective and substantial circumstances), as well as the circumstance that the product has been identified separately and therefore ready to be transferred to the customer without the Group having the right to use it or allocate it to other customers. The determination of these aspects involved a subjective assessment by the Management of the elements to be considered and their scope in relation to the operation considered.

## 20 Operating costs

The item *operating costs* amounted to Euro 117,823 thousand, an increase of 8.5% compared to the previous year, less than the performance in revenues (+9.2%).

This increase is mainly due to higher costs for raw materials and consumables and higher costs for services due to a less favorable sales mix which has affected industrial margins, in the face of an efficiency of production planning processes, with a related improvement in fixed capital.

## 21 Disclosures: categories of financial assets and liabilities according to IFRS 7

The following tables show the book values for each class of financial assets and liabilities identified by IFRS 9.

The value expressed in the financial statements of derivative financial instruments, whether assets or liabilities, corresponds to their fair value, as explained in these Explanatory notes.

The value expressed in the financial statements of cash and cash equivalents, financial receivables and trade receivables, suitably adjusted for impairment in accordance with IFRS 9, approximates the estimated realisable value and therefore the fair value.

All financial liabilities, including fixed-rate financial payables, are recorded in the financial statements at a value that approximates their fair value.

(Euro in thousands)	Current/Non-current assets	
	30 June 2025	31 December 2024
<b>NON-CURRENT ASSETS:</b>		
Receivables and other financial assets	6,595	9,731
Derivative financial instruments	42	72
Non-current trade receivables	5,507	2,912
<b>CURRENT ASSETS:</b>		
Trade receivables	56,011	55,429
Financial receivables and other current financial assets	25,227	35,740
Derivative financial instruments	2	13
Cash and cash equivalents	26,109	29,559
(Euro in thousands)	Current/non-current liabilities	
	30 June 2025	31 December 2024
<b>NON-CURRENT LIABILITIES:</b>		
Medium/long-term loans	50,043	72,548
Bond issue	6,808	7,576
Non-current financial liabilities and rights of use	21,445	23,314
Derivative financial instruments	157	176
<b>CURRENT LIABILITIES:</b>		
Interest-bearing financial payables (current portion)	109,207	98,135
Bond issue	898	-
Current financial liabilities and rights of use	9,223	10,454
Derivative financial instruments	-	60
Trade payables	93,801	79,905
Advances from customers	4,037	3,247

### Management and types of risks

Within its scope of operations, the Group is exposed, to a greater or lesser extent, to certain types of risk that are managed as follows.

The Group does not hold derivatives or similar products for purely speculative purposes.

For a more detailed discussion on the management of financial risks, please see the paragraph "Financial risk management policy" contained in the Explanatory Notes to the Annual Financial Report for 2024, where the Group's policies in relation to the management of financial risks are presented.

### Exchange rate risk

The Tesmec Group carries out a significant part of its activities in countries other than the Eurozone and, therefore, revenues and costs of part of the activities of the Tesmec Group are denominated in currencies other than the Euro. The main transaction currencies used for the Group's sales are the Euro and the US dollar, although other currencies such as the Australian dollar, South African rand, Chinese renminbi and Russian rouble are also used. The Group also prepares its consolidated financial statements in Euro, although some subsidiaries prepare their financial statements and accounting documents in currencies other than the Euro.

Due to these circumstances, the Tesmec Group is exposed to the following risks related to variations in exchange rates:

- i) the economic exchange rate risk, i.e. the risk that revenues and costs denominated in currencies other than the Euro take on different values with respect to the time at which the price conditions were defined;
- ii) the translational exchange rate risk, deriving from the fact that the Parent Company, even though it prepares its financial statements in Euro, holds controlling interests in companies that prepare their financial statements in different currencies and, consequently, carries out conversions of assets and liabilities expressed in currencies other than the Euro;
- iii) the transactional exchange rate risk, deriving from the fact that the Group carries out investment, conversion, deposit and/or financing transactions in currencies other than the reporting currency.

The fluctuation in currency markets has had, historically, a significant impact on the Group's results. In relation to the policies adopted for the management of exchange rate risks, the forward sale of foreign currency is adopted as

the only hedging instrument. However, this hedging is carried out only for part of the total exposure in that the timing of the inflow of the receipts is difficult to predict at the level of the individual sales invoice.

Forward sale instruments for fixing the exchange rate at the moment of the order are mainly used for covering the risk of the US dollar exposure deriving from the marketing in the US or Middle Eastern countries of machines produced in Italy. Moreover, for part of the sales in US dollars, the Group uses the production of the American factory with costs in US dollars by creating in this way a sort of natural hedging of the currency exposure.

Despite the adoption of the above strategies aimed at reducing the risks arising from fluctuation of exchange rates, the Group cannot exclude that future changes thereof may affect the results of the Group.

### **Liquidity/cash flow variation risks**

Financial requirements and related risks (mainly interest rate risks, liquidity and exchange rate risks) are managed by the Group based on guidelines defined by the Group General Management and approved by the Chief Executive Officer of the Parent Company.

The main purpose of these guidelines is to guarantee the presence of a liability structure always in equilibrium with the one of the assets, in order to keep a very sound statement of financial position structure.

Forms of financing most commonly used are represented by:

- medium/long-term loans with multi-year redemption plan to cover the investments in fixed assets and to finance expenses related to several development projects;
- short-term loans, advances on export, transfers of trade receivables, and reverse factoring agreements to finance the working capital.

The Group uses various external sources of financing, obtaining both short and medium-long term loans and is therefore subject to the cost of money and to the volatility of interest rates, with a special reference to contracts that provide for variable interest rates, which, therefore, do not make it possible to predict the exact amount of the interest payable during the duration of the loan. The average cost of indebtedness is benchmarked to the trend of the 1/3-month Euribor rates for short-term loans and the 3/6-month Euribor rates for medium to long-term loans. When taking out loans at variable rates, mainly in relation to medium-term loans, the Tesmec Group considers managing the risk of interest rate fluctuations through hedging transactions (in particular, through swaps, collars and caps), with a view to minimising any losses related to interest rate fluctuations. However, it is not possible to ensure that the hedging transactions entered into by the Group are suitable to fully neutralise the risk related to interest rate fluctuations, or that no losses will result from such transactions.

As mentioned above, existing loans envisage compliance with certain covenants, both income based and asset based, which are checked periodically throughout the entire duration of the related loans, thus exposing the Group to the risk of non-compliance with these parameters.

### **Risks related to business performance and financial situation of the Group**

In the first half of 2025, the Tesmec Group's gross financial indebtedness decreased from Euro 146.9 million as at 31 December 2024 to Euro 146.4 million as at 30 June 2025. On 6 August 2025, the Board of Directors approved the Forecast document, which envisages a reduction in financial indebtedness at the end of the period (31 December 2025).

It should be noted that the Business Plan of the Group is based on the assumption that the Tesmec Group will be able to comply with the covenants of the financial contracts in place throughout the period of the plan, by virtue of the expected generation of cash flows that are consistent in time with respect to cash outflows, or, in case of non-compliance, on the assumption that the Group will be able to obtain the relevant waivers from the banks. In the event that the lending banks demand full repayment of their loans before the contractual expiry, the Group will use part of its cash resources to repay these positions.

Based on the updated forecasts regarding the expected income and profit performance of the Group for 2025, in the opinion of the Directors, these parameters are expected to be met at the date of the next covenant compliance audit (i.e. approval of the financial statements as at 31 December 2025).

If market conditions were to deteriorate or the Group's operating results were to decline, a number of negative consequences could result, including the need to use cash flows from operations to repay debt and a significant limitation or impairment of the Group's ability to borrow new money, refinance its debt and provide collateral to support its business, resulting in a reduced ability to take advantage of business opportunities or make acquisitions or investments.

## Credit risk

With reference to the credit risk, the same is closely related to the sale of products on the market. In particular, the extent of the risk depends on both technical and commercial factors and the purchaser's solvency.

From a commercial viewpoint, the Group is not exposed to high credit risk insofar as it has been operating for years in markets where payment on delivery or letter of credit issued by a prime international bank are usually used as payment methods. For customers located in the European region, the Group mainly uses factoring without recourse. The provisions for doubtful accounts are considered to be a good indication of the extent of the overall credit risk.

## Operational risks

### Risks related to the Group's international business

The Tesmec Group earns its revenues mainly abroad. The Group carries out its production in 5 industrial plants (3 of which are located in Italy, 1 in France and 1 in the United States) and carries out its commercial business in about 135 countries worldwide. In particular, the Tesmec Group operates in several countries in Europe, the Middle East, Africa, North and Central America as well as the BRIC area (Brazil Russia India China). Moreover, the Group not only has a strong international presence but intends to continue to expand its business geographically, exploring opportunities in markets that it believes can help improve its risk profile. When deciding whether to undertake initiatives or maintain its strategic presence in foreign markets, the Group assesses political, economic, legal, operational, financial and security risks and development opportunities.

The Group is exposed to risks typical of countries with unstable economic and political systems, including (i) social, economic and political instability; (ii) boycotts, sanctions and embargoes that could be imposed by the international community against the countries in which the Group operates; (iii) significant recession, inflation and depreciation of the local currency; (iv) internal social conflicts that result in acts of sabotage, attacks, violence and similar events; (v) various kinds of restrictions on the establishment of foreign subsidiaries or on the acquisition of assets or on the repatriation of funds; (vi) significant increase in customs duties and tariffs or, in general, in applicable taxes. The occurrence of the events subject to the above-mentioned risks could have significant negative impacts on the Group's operating results, financial position and cash flows.

Moreover, demand for the Group's products is related to the cycle of investments in infrastructure (in particular power lines, data transmission systems, aqueducts, gas pipelines, oil pipelines and railway catenary wire system) in the various countries in which it operates. The annual amount of investments in infrastructures is related to the general macroeconomic scenario. Therefore, strong changes in the macroeconomic scenario in the countries where the Group is present or other events that are able to adversely affect the level of infrastructure investments, such as changes in laws and regulations or unfavourable changes in government policies, can have an adverse effect on the Group's operating results, financial position and cash flows.

With reference to the issue of the new tariff policy followed by the United States Administration, as of 30 June 2025 it has still had completely limited effects. The Company is keeping the situation carefully monitored and has launched a task force to evaluate its effects and above all its mitigation actions, particularly starting from the second half of the year. From this point of view, Tesmec expects to be able to mitigate the impacts deriving from the imposition of import duties by the USA, on the one hand, through the increase in sales prices, which are considered to present elements of flexibility also in light of inflation levels in that country and, on the other hand, by leveraging its productive presence in the United States. In fact, Tesmec has a factory in Alvarado (Texas) which will be able to play an important role in the assembly activities of Tesmec machines.

### Risks related to operations through the awarding of tenders

The Group, in relation to the activities carried out in the Rail segment and in the Energy segment, is exposed to risks deriving from the amount, frequency, requirements and technical-economic conditions of the call for tenders for contracts issued by the public administration, by public law bodies and other contractors, as well as the possible failure in winning them and/or the failure or delay in the awarding of the related work orders. Moreover, these segments are structurally characterised by a limited number of customers, given that the Rail segment is usually related to the existence, in each country, of a single national player managing the network and that, in the Energy-Automation segment of the Energy segment, the customers commissioning the work are the main owners of the individual national power networks or the main utility companies.

The limited number of customers commissioning work from the Group in these segments, as well as the fact that most of them are public entities, exposes the Group to the risk that these customers' investment programmes may

be changed due to regulatory updates or emergency situations, resulting in possible changes in framework agreements with Group companies.

### **Risks related to the possible impairment of work in progress**

In some multi-year tender contracts entered into by the Group in the Rail segment, the consideration is determined during the tender process following a detailed and accurate budgeting exercise, both with reference to the supply of machines and to the maintenance service, further supplemented by risk assessments to cover any areas of uncertainty, carried out with the aim of mitigating any higher costs and contingencies (costs estimated in relation to operational risks). The correct determination of the consideration offered in such contracts is fundamental to the Group's profitability as it is required to bear the full amount of all costs for completing work orders, unless there are additional requests from the customer.

However, the costs and, consequently, the profit margins that the Group makes on multi-year work orders can vary, even significantly, from the estimates made during the tender process. As a result of this increase in work order operating costs, the Group may incur a reduction in or loss of estimated profits with reference to the individual work order.

The Group periodically monitors the costs related to the completion of work orders and the resulting profitability in order to minimise the risk of contingencies and to identify, where necessary, the need to enter into negotiations with customers for the signing of specific agreements supplementary to the tender contracts aimed at recognising increases in the consideration originally agreed upon.

### **Supply risk and risk of fluctuation in purchase prices**

The Group, while retaining the management and organisation of the most important phases of its business model in-house, turns to suppliers for the purchase of semi-finished goods and finished components required for the manufacture of its products. The manufacture of some of the main products of the Group requires skilled labour, semi-finished goods, finished goods, components and high-quality raw materials. Therefore, the Group is exposed to the risk of encountering difficulties in obtaining the supplies it needs to carry out its activities, as well as the risk related to fluctuations in their prices.

In particular, in carrying out its production, the Group mainly uses semi-finished goods in steel and aluminium and semi-finished goods in nylon. The price of raw materials for these semi-finished goods – and, in particular, of steel – can be volatile due to several factors beyond the Group's control and which are difficult to predict. Moreover, for the supply of some components, the Group uses high-end suppliers for which it is not a strategic customer.

The Tesmec Group put in place a purchasing policy aimed at diversifying the suppliers of components that have unique characteristics in terms of purchased volumes or high added value. The Group's price risk is mitigated by having multiple suppliers and by the inherent heterogeneity of raw materials and components used in the production of Tesmec machines. Moreover, in consideration of the nature of semi-finished goods and the importance of the technological content of the purchased components, their commodity price only partially affects the costs of purchase. However, in consideration of the current market context, characterised by increasing trends in the cost of energy and, more generally, in the procurement costs of raw materials, by rigidity in the global supply chain, by difficulties of the global logistics sector in meeting the requirements of the reference markets, especially for long-haul shipments, by the persistence of the pandemic crisis albeit with forms and methods that often have less impact on economic activities, as well as, lastly, by the onset – after the reporting year – of the Russian-Ukrainian conflict with possible effects not only on commercial relations with these markets, but in theory with impacts on the global macroeconomic scenario, the Group cannot exclude that future changes in prices and scenarios in procurement markets may negatively affect results.

### **Risks related to disputes**

Any unfavourable outcome of disputes in which the Group is involved or the occurrence of new disputes (also regardless of the outcome), could have a possibly significant reputational impact on the Group, with possible significant negative effects on the operating results, financial position and cash flows of the Company and of the Group.

The estimate of charges that might reasonably be expected to occur as well as the extent of provisions are based on information available at the date of approval of the financial statements, but involve significant elements of uncertainty, not least because of the many variables linked to legal proceedings. Where it is possible to reliably estimate the amount of the possible loss and this is considered probable, provisions are made in the financial statements to an extent deemed appropriate in the circumstances, also with the support of specific opinions

provided by the Group's consultants and in accordance with the international accounting standards applicable from time to time.

At the end of the reporting period, different types of legal and arbitration proceedings involving the Company and the Group's subsidiaries were pending, and two tax audits were in progress. The main cases are described in Note 24 Legal and tax disputes below.

#### Disclosures: hierarchy levels of fair value measurement

In relation to financial instruments measured at fair value, the following table shows the classification of such instruments on the basis of the hierarchy of levels required by IFRS 13, which reflects the significance of the inputs used in measuring the fair value. The levels are broken down as follows:

- level 1 – quoted prices without adjustment recorded in an active market for measured assets or liabilities;
- level 2 – inputs other than quoted prices included within level 1 that are observable in the market, either directly (as in the case of prices) or indirectly (i.e. when derived from the prices);
- level 3 - inputs that are not based on observable market data.

The following table shows the assets and liabilities that are measured at fair value as at 30 June 2025, divided into the three levels defined above:

(Euro in thousands)	Book value as at 30 June 2025	Level 1	Level 2	Level 3
<b>Financial assets:</b>				
Derivative financial instruments	42	-	42	-
<b>Total non-current</b>	<b>42</b>	-	<b>42</b>	-
Derivative financial instruments	2	-	2	-
<b>Total current</b>	<b>2</b>	-	<b>2</b>	-
<b>Total assets</b>	<b>44</b>	-	<b>44</b>	-
<b>Financial liabilities:</b>				
Derivative financial instruments	157	-	157	-
<b>Total non-current</b>	<b>157</b>	-	<b>157</b>	-
<b>Total liabilities</b>	<b>157</b>	-	<b>157</b>	-

## 22 Segment Reporting

For management purposes, the Tesmec Group is organised into strategic business units identified based on the goods and services provided, and presents three operating segments for disclosure purposes:

#### Energy segment

- Machines and integrated systems for overhead and underground powerlines stringing works and fibre optic cables.
- Integrated solutions for the streamlining, management and monitoring of medium and high voltage power lines (smart grid solutions).

## Trencher segment

- High-efficiency crawler trenching machines for excavation with a set section for the construction of infrastructures for the transport of data, raw materials and gaseous and liquid products in the various segments: energy, farming, chemical and public utilities.
- Crawler trenching machines for works on surface mines and earth moving works (Rock Hawg).
- Rental of said trenching machines.
- Specialised consultancy and excavation services on customer request.
- The Trencher segment also includes the excavation services for power networks and fibre optic cables.

## Rail segment

- Works vehicles and integrated solutions for the installation, renewal and maintenance of the railway catenary wire system.
- Vehicles and systems for rail infrastructure diagnostics.

No operating segment has been aggregated in order to determine the indicated operating segments that are the subject of the reporting.

(Euro in thousands)	Half-year ended 30 June							
	2025				2024 restated			
	Energy	Trencher	Rail	Consolidated	Energy	Trencher	Rail	Consolidated
Revenues from sales and services	43,369	60,176	25,039	128,584	38,569	59,513	19,622	117,704
Operating costs net of depreciation and amortisation	(35,491)	(51,118)	(20,811)	(107,420)	(32,119)	(48,926)	(17,306)	(98,351)
<b>EBITDA</b>	<b>7,878</b>	<b>9,058</b>	<b>4,228</b>	<b>21,164</b>	<b>6,450</b>	<b>10,587</b>	<b>2,316</b>	<b>19,353</b>
Amortisation/Depreciation	(3,071)	(4,724)	(2,608)	(10,403)	(2,832)	(5,491)	(1,884)	(10,207)
<b>Total operating costs</b>	<b>(38,562)</b>	<b>(55,842)</b>	<b>(23,419)</b>	<b>(117,823)</b>	<b>(34,951)</b>	<b>(54,417)</b>	<b>(19,190)</b>	<b>(108,558)</b>
<b>Operating income</b>	<b>4,807</b>	<b>4,334</b>	<b>1,620</b>	<b>10,761</b>	<b>3,618</b>	<b>5,096</b>	<b>432</b>	<b>9,146</b>
Net financial income/(expenses)				(10,669)				(6,911)
<b>Pre-tax profit/(loss)</b>				<b>92</b>				<b>2,235</b>
Income tax				(192)				(1,651)
<b>Net profit/(loss) for the period of the year of continuing operations</b>				<b>(100)</b>				<b>584</b>
<b>Net profit/(loss) for the period of the year of assets held for sale</b>				<b>(439)</b>				<b>(2,807)</b>
Profit/(loss) attributable to non-controlling interests				(344)				520
<b>Group profit/(loss)</b>				<b>(195)</b>				<b>(2,743)</b>

The directors monitor separately the results achieved by the business units in order to make decisions on resources, allocation and performance assessment. Segment performance is assessed based on operating income.

Group financial management (including financial income and charges) and income tax are managed at Group level and are not allocated to the individual operating segments.

The following table shows the consolidated statement of financial position by operating segment as at 30 June 2025 and as at 31 December 2024:

(Euro in thousands)	As at 30 June 2025					As at 31 December 2024				
	Energy	Trencher	Rail	Not allocated	Consolidated	Energy	Trencher	Rail	Not allocated	Consolidated
Intangible assets	16,449	11,803	14,797	-	43,049	15,590	11,707	14,941	-	42,238
Property, plant and equipment	3,618	20,303	6,806	-	30,727	3,641	23,428	7,091	-	34,160
Rights of use	2,255	17,428	2,607	-	22,290	2,761	17,942	2,670	-	23,373

Financial assets	5,682	7,374	3	-	13,059	6,334	8,297	2,281	-	16,912
Other non-current assets	1,062	18,143	573	823	20,778	1,045	16,006	617	-	17,668
<b>Total non-current assets</b>	<b>29,066</b>	<b>75,051</b>	<b>24,786</b>	<b>823</b>	<b>129,726</b>	<b>29,371</b>	<b>77,380</b>	<b>27,600</b>	-	<b>134,351</b>
Work in progress contracts	4,277	-	40,010	-	44,287	5,284	-	31,450	-	36,734
Inventories	28,710	60,698	7,370	-	96,778	24,112	63,762	8,260	-	96,134
Trade receivables	11,525	41,320	3,166	-	56,011	8,899	39,636	6,894	-	55,429
Other current assets	3,026	30,271	7,268	-	40,565	1,438	36,702	14,007	-	52,147
Cash and cash equivalents	5,626	12,079	6,834	1,570	26,109	3,099	21,375	3,317	1,768	29,559
<b>Total current assets</b>	<b>53,164</b>	<b>144,368</b>	<b>64,648</b>	<b>1,570</b>	<b>263,750</b>	<b>42,832</b>	<b>161,475</b>	<b>63,928</b>	<b>1,768</b>	<b>270,003</b>
<b>Total assets held for sale</b>	-	<b>23,487</b>	-	-	<b>23,487</b>	-	<b>19,597</b>	-	-	<b>19,597</b>
<b>Total assets</b>	<b>82,230</b>	<b>242,906</b>	<b>89,434</b>	<b>2,393</b>	<b>416,963</b>	<b>72,203</b>	<b>258,452</b>	<b>91,528</b>	<b>1,768</b>	<b>423,951</b>
Group shareholders' equity	-	-	-	-	70,965	70,965	-	-	-	74,528
Shareholders' equity attributable to non-controlling interests	-	-	-	-	3,089	3,089	-	-	-	3,084
<b>Total shareholders' equity</b>	-	-	-	-	<b>74,054</b>	<b>74,054</b>	-	-	-	<b>77,612</b>
Non-current financial liabilities	481	362	8,853	47,312	57,008	660	838	10,560	68,242	80,300
Non-current financial liabilities from rights of use	537	14,079	2,656	4,173	21,445	706	13,774	3,054	5,780	23,314
Other non-current liabilities	1,430	1,999	2,175	-	5,604	1,437	2,007	2,086	-	5,530
<b>Non-current liabilities</b>	<b>2,448</b>	<b>16,440</b>	<b>13,684</b>	<b>51,485</b>	<b>84,057</b>	<b>2,803</b>	<b>16,619</b>	<b>15,700</b>	<b>74,022</b>	<b>109,144</b>
Current financial liabilities	8,034	2,295	14,857	84,919	110,105	10,261	2,628	14,838	70,468	98,195
Current financial liabilities from rights of use	249	4,097	1,047	3,830	9,223	334	4,855	1,488	3,777	10,454
Trade payables	25,633	49,136	19,032	-	93,801	21,512	40,797	17,596	-	79,905
Other current liabilities	5,631	11,440	6,937	1,282	25,290	5,257	12,984	6,728	-	24,969
<b>Total current liabilities</b>	<b>39,547</b>	<b>66,968</b>	<b>41,873</b>	<b>90,031</b>	<b>238,419</b>	<b>37,364</b>	<b>61,264</b>	<b>40,650</b>	<b>74,245</b>	<b>213,523</b>
<b>Total liabilities held for sale</b>	-	<b>20,433</b>	-	-	<b>20,433</b>	-	<b>23,672</b>	-	-	<b>23,672</b>
<b>Total liabilities</b>	<b>41,995</b>	<b>103,841</b>	<b>55,557</b>	<b>141,516</b>	<b>342,909</b>	<b>40,167</b>	<b>101,555</b>	<b>56,350</b>	<b>148,267</b>	<b>346,339</b>
<b>Total shareholders' equity and liabilities</b>	<b>41,995</b>	<b>103,841</b>	<b>55,557</b>	<b>215,570</b>	<b>416,963</b>	<b>40,167</b>	<b>101,555</b>	<b>56,350</b>	<b>225,879</b>	<b>423,951</b>

## 23 Related party transactions

The following tables give details of economic and equity transactions with related parties. The companies listed below have been identified as related parties as they are linked directly or indirectly to the applicable shareholders:

(Euro in thousands)	Half-year ended 30 June 2025					Half-year ended 30 June 2024				
	Revenues	Cost of raw materials	Costs for services	Other operating costs/ revenues, net	Financial income and expenses	Revenues	Cost of raw materials	Costs for services	Other operating costs/ revenues, net	Financial income and expenses
<b>Associates:</b>										
Locavert S.A.	28	-	-	-	-	24	-	-	(24)	-
<b>Subtotal</b>	<b>28</b>	-	-	-	-	<b>24</b>	-	-	<b>(24)</b>	-
<b>Joint Ventures:</b>										
Condux Tesmec Inc.	2,587	(3)	(26)	69	-	1,305	166	(75)	139	71
<b>Subtotal</b>	<b>2,587</b>	<b>(3)</b>	<b>(26)</b>	<b>69</b>	-	<b>1,305</b>	<b>166</b>	<b>(75)</b>	<b>139</b>	<b>71</b>
<b>Related parties:</b>										
Ambrosio S.r.l.	-	-	-	(2)	(1)	-	-	-	(2)	(1)
TTC S.r.l.	-	-	(51)	-	-	-	-	(79)	-	-

Dream Immobiliare S.r.l.	-	-	-	(22)	(128)	-	-	-	(84)	(236)
FI.IND	-	-	-	-	-	-	-	-	-	-
M.T.S. Officine meccaniche S.p.A.	506	(5)	(2)	7	(35)	660	-	(2)	1	(56)
TCB Sport S.r.l.	-	-	-	-	-	-	-	(2)	-	-
RX S.r.l.	-	-	-	-	(11)	-	-	-	-	(11)
<b>Subtotal</b>	<b>506</b>	<b>(5)</b>	<b>(53)</b>	<b>(17)</b>	<b>(175)</b>	<b>660</b>	<b>-</b>	<b>(83)</b>	<b>(85)</b>	<b>(304)</b>
<b>Total</b>	<b>3,121</b>	<b>(8)</b>	<b>(79)</b>	<b>52</b>	<b>(175)</b>	<b>1,989</b>	<b>166</b>	<b>(158)</b>	<b>30</b>	<b>(233)</b>

(Euro in thousands)	30 June 2025						31 December 2024						
	Trade receiv.	Current financial receiv.	Non-current financial payables	Non-current liabilities from rights of use	Current financial payables	Current liabilities from rights of use	Trade payab.	Trade receiv.	Current financial receiv.	Non-current financial payables	Non-current liabilities from rights of use	Current financial payables	Current liabilities from rights of use
<b>Associates:</b>													
Locavert S.A.	5	-	-	-	-	-	-	35	-	-	-	-	-
<b>Subtotal</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Joint Ventures:</b>													
Condux Tesmec Inc.	1,775	-	-	-	-	-	-	1,222	310	-	-	-	86
Marais Lucas	-	794	-	-	-	-	-	-	794	-	-	-	-
<b>Subtotal</b>	<b>1,775</b>	<b>794</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,222</b>	<b>1,104</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>86</b>
<b>Related parties:</b>													
Ambrosio S.r.l.	-	-	-	-	-	-	5	-	-	-	-	-	39
TTC S.r.l.	-	-	-	-	-	-	119	-	-	-	-	-	75
Dream Immobiliare S.r.l.	-	78	-	2,028	-	2,968	3,697	-	77	-	3,781	-	2,714
FI.IND	12	-	-	-	-	-	-	12	-	-	-	-	-
M.T.S. Officine meccaniche S.p.A.	475	-	1,422	-	-	-	47	552	315	1,686	-	200	-
RX S.r.l.	9	-	213	-	881	-	125	9	-	213	-	881	-
<b>Subtotal</b>	<b>496</b>	<b>78</b>	<b>1,635</b>	<b>2,028</b>	<b>881</b>	<b>2,968</b>	<b>3,993</b>	<b>573</b>	<b>392</b>	<b>1,899</b>	<b>3,781</b>	<b>1,081</b>	<b>2,714</b>
<b>Total</b>	<b>2,276</b>	<b>872</b>	<b>1,635</b>	<b>2,028</b>	<b>881</b>	<b>2,968</b>	<b>3,993</b>	<b>1,830</b>	<b>1,496</b>	<b>1,899</b>	<b>3,781</b>	<b>1,081</b>	<b>2,714</b>
													<b>2,630</b>

## 24 Legal and tax disputes

At the end of the reporting period, the Tesmec Group is party to a number of tax disputes.

The scope of assessment for ongoing tax audits described below totals approximately Euro 2.3 million, with respect to which, with the support of the opinion of the appointed tax advisors, provisions of about Euro 200 thousand were set aside.

Following a tax audit for the 2015, 2016 and 2017 financial years, in December 2019, the subsidiary Groupe Marais SAS received an assessment from the French tax authority mainly concerning the calculation of the R&D tax credit. This audit was subsequently extended to the 2018 financial year. In particular, the French tax authorities contested mainly the applicability of the tax relief regulations of the projects for a total amount of approximately Euro 700 thousand, which were used to justify the recognition of the tax credit not yet used. The subsidiary believes that it has correctly applied the tax regulations also in relation to the validations obtained at the time of the accrual of the tax credit and has appealed against this assessment, with the help of its tax advisors. The Company, supported in this by the opinion of its tax advisors, considers its behaviour to be well-founded; however, considering the uncertainty related to the outcome of a judgement before the Administrative Court, a provision was made to mitigate the risk of losing the case.

In 2023, the subsidiary Tesmec Automation S.r.l. received a deed of collection, issued by the Italian Inland Revenue for misuse to offset the research and development tax credit for the 2015 and 2016 tax years totalling Euro 191

thousand, plus penalties and interest. The Company, believing its actions to be correct also on the basis of the opinions received, immediately appealed against the aforementioned deed of collection. On 14 December 2023, the Tax Court of Bergamo upheld the appeal of Tesmec Automation S.r.l. in full. The Italian Inland Revenue appealed against the decision of the Tax Court of Bergamo. The Company lodged an Appeal, and the case is scheduled for a hearing in September.

In January 2025, this Company received from the Italian Inland Revenue the notices of assessment relating to the tax audit carried out on the 2018 financial year and for which the subsidiary had received a report on findings in 2022. In line with the above assessment, the Italian Inland Revenue challenged the Company's undue utilisation of R&D tax credit totalling Euro 1.1 million. The Company believes it has acted correctly in this case too and has filed its counterclaims with the assistance of its advisors. The hearing is scheduled for next October. In relation to the latter dispute, in July 2025, the Company received a deed of collection for misuse to offset in 2020 the Research and Development tax credit for the 2018 tax year totalling Euro 120 thousand, plus penalties and interest. The Company, believing its actions to be correct also on the basis of the opinions received, is preparing an appeal.

On 19 March 2024, the Parent Company Tesmec S.p.A. received a notice of assessment from the Italian Inland Revenue for the 2017 tax year, following a cross-examination that began with a questionnaire received by the Italian Inland Revenue in September 2023. In this regard, the Italian Inland Revenue disputed the deductibility of the costs related to the then existing relationship with SIMEST S.p.A., a public company that was at the time the Group's partner in foreign investments in the United States and France, and assessed a higher tax of Euro 150 thousand, plus penalties and interest. The Company, believing its actions to be correct also on the basis of the opinions received, immediately appealed against the aforementioned notice. On 21 October 2024, the Tax Court of Milan upheld the appeal of Tesmec S.p.A. in full. The Italian Inland Revenue appealed against the decision of the Tax Court of Milan.

## 25 Guarantees given, commitments and risks

### Guarantees

The Group uses guarantees issued by banks and insurance companies in favour of the operating companies for the requirements relating to the performance of contracts in progress. In general, these are guarantees for the satisfactory performance of contracts (known as performance bonds) or guarantees issued upon receipt of payment by the contractor in the form of advance/down payment on contracts in progress (advanced payment bonds). As at 30 June, the value of these guarantees was Euro 173,476 thousand.

### Commitments

At the date of this report, the main investments being made by the Group are as follows:

- investments concerning activities related to research and development projects following the approved business plan;
- the implementation of a single Group ERP (Enterprise Resource Planning, consisting of a system to control and manage all business processes), aimed at increasing the efficiency of business processes.

### Risks

There are no additional risks to report other than those indicated in paragraph 24 Legal and tax disputes above.

## 26 Significant events occurred after the end of the period

In particular, the events occurring after the half-year include the following:

- on 14 July 2025, following a qualified tender procedure, the subsidiary Tesmec Automation S.r.l. announced the signing of a framework agreement worth a total of Euro 54 million (Euro 36 million, plus the option of an additional Euro 18 million) with Terna Rete Italia S.p.A., a Terna Group company that operates, maintains and develops the national electricity transmission grid, for the supply and installation of RTN "SAS 2021" Electrical Station Automation Systems.

## **Certification pursuant to Article 154-bis of Italian Legislative Decree no. 58/98**

1. The undersigned Ambrogio Caccia Dominion and Ruggero Gambini, as the Chairman of the Board of Directors and the Manager responsible for preparing the Company's financial statements of Tesmec S.p.A., respectively, hereby certify, also taking into consideration the provisions of Article 154-bis, paragraphs 3 and 4, of Italian Legislative Decree no. 58 of 24 February 1998:

- the adequacy in relation to the characteristics of the business and
- the actual application

of the administrative and accounting procedures for preparing the Condensed Consolidated Financial Statements as at 30 June 2025.

2. We also certify that:

2.1 the condensed consolidated financial statements as at 30 June 2025:

- have been prepared in accordance with IFRS as endorsed by the European Union, as provided by Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
- correspond to the amounts shown in the Company's accounts, books and records;
- give a true and fair view of the financial position, the results of the operations and of the cash flows of the issuer and of its consolidated companies.

2.2 the interim report on operations refers to the important events that took place during the first six months of the year and their impact on the Condensed Consolidated Financial Statements, together with a description of the main risks and uncertainties for the six remaining months of the year. The interim report on operations also includes a reliable analysis of information on significant transactions with related parties.

Grassobbio, 6 August 2025

Mr Ambrogio Caccia Dominion

Chairman  
of the Board of Directors

Mr Ruggero Gambini

Manager responsible for  
preparing the Company's  
financial statements



## **INDEPENDENT AUDITOR'S REPORT**

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## REPORT ON REVIEW OF THE HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**To the Shareholders of  
Tesmec S.p.A.**

### Introduction

We have reviewed the accompanying half-yearly condensed consolidated financial statements of Tesmec S.p.A. and subsidiaries (the “Tsmec Group”), which comprise the statement of financial position as of June, 30 2025 and the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the six month period then ended, and the related explanatory notes. The Directors are responsible for the preparation of the half-yearly condensed consolidated financial statements in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and adopted by the European Union. Our responsibility is to express a conclusion on the half-yearly condensed consolidated financial statements based on our review.

### Scope of Review

We conducted our review in accordance with the criteria recommended by the Italian Regulatory Commission for Companies and the Stock Exchange (“Consob”) for the review of the half-yearly financial statements under Resolution n° 10867 of July 31, 1997. A review of half-yearly condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona  
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## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying half-yearly condensed consolidated financial statements of the Tesmec Group as at June 30, 2025 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and adopted by the European Union.

DELOITTE & TOUCHE S.p.A.

Signed by  
**Lorenzo Rossi**  
Partner

Milan, Italy  
August 8, 2025

*This report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.*



**Tesmec S.p.A.**

**Registered Office**

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