

TESMEC



**INTERIM CONSOLIDATED
FINANCIAL REPORT
AS AT 31 MARCH 2026**



Investor Relator

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Tesmec S.p.A.

Registered Office: Piazza Sant' Ambrogio, 16 – 20123 Milan
Fully paid-up share capital as at 31 March 2026 Euro 15,702,162
Milan Register of Companies no. 1360673
Tax and VAT code: 10227100152

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COMPOSITION OF THE CORPORATE BODIES

Board of Directors

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

Chairman	Ambrogio Caccia Dominioni
Vice Chairman	Gianluca Bolelli
Chief Executive Officer	Caterina Caccia Dominioni
Chief Executive Officer	Carlo Caccia Dominioni
	Simone Andrea Crolla (*)
	Emanuela Teresa Basso Petrino (*)
	Anna Casiraghi (*)
	Nicola Gavazzi (*)
	Francesca Marino (*)
	Antongiulio Marti

(*) Independent Directors

Board of Statutory Auditors

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

Chairman	Simone Cavalli
Statutory auditors	Attilio Massimo Franco Marcozzi Alice Galimberti
Alternate auditors	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	Emanuela Teresa Basso Petrino
Members	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	Nicola Gavazzi
Members	Emanuela Teresa Basso Petrino Gianluca Bolelli

Director in charge of the internal control and risk management system

Caterina Caccia Dominioni

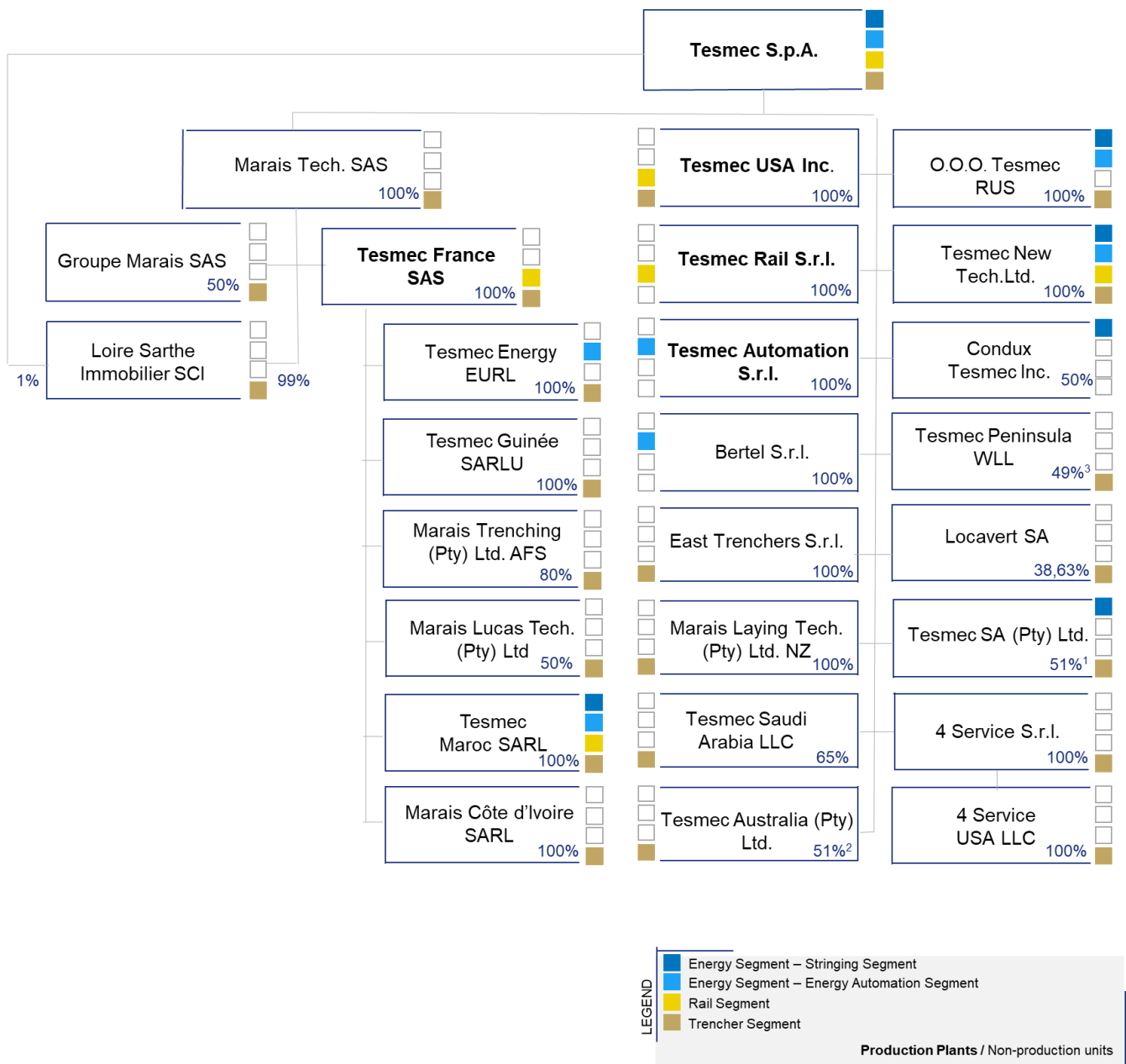
Manager responsible for preparing the Company's financial statements

Ruggero Gambini

Independent Auditors

Deloitte & Touche S.p.A.

GROUP STRUCTURE



- (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 a 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%.

INTERIM CONSOLIDATED REPORT ON OPERATIONS

(Not audited by the Independent Auditors)

1 The Tesmec Group

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

The Tesmec Group is an international industrial group that specialises in developing technologies and solutions for the construction, maintenance and management of strategic infrastructure in the energy, telecommunications, rail and natural resources sectors. Thanks to its tradition of innovation and proven industrial expertise, the Group supports operators and utilities in their transition to more efficient, resilient and sustainable infrastructure.

Listed on the STAR segment of the Italian Stock Exchange since 2010, the Group operates under a robust governance model, with a constant commitment to creating value in the long term.

The Group has over 900 people and a diversified industrial base comprising seven plants across Italy, France and the United States, ensuring production capacity, technological expertise and operational flexibility. The Group's extensive commercial presence across Europe, the United States, the Middle East, Africa and the Asia-Pacific region enables it to remain close to key global markets and meet the needs of its customers.

The Group is led by Chairman Ambrogio Caccia Dominioni and Chief Executive Officers Caterina Caccia Dominioni and Carlo Caccia Dominioni.

Over the course of its seventy-five-year history, Tesmec has established a distinctive position within its sectors of reference, evolving from a manufacturing company into an integrated technology player for strategic infrastructure, through a growth strategy based on the synergistic diversification of its Energy, Rail and Trencher businesses. From the very beginning, Tesmec's journey has been guided by one central theme: using energy to drive technological innovation and sustainable development.

The Group currently operates through three highly specialised Business Units. Each unit focuses on a specific infrastructure sector, and they are all united by a high degree of technological integration and a strong industrial focus:

1.1 Energy Segment: Integrated solutions for more efficient, secure and digital power lines.

- Energy-Stringing: integrated stringing equipment solutions for the construction and maintenance of infrastructure for the transport and distribution of energy
- Energy-Automation: solutions for the automation, streamlining, management and monitoring of power lines and sub-substations (smart grid solutions)

1.2 Trencher & Surface Miners Segment: a complete range of solutions for the main infrastructure projects worldwide

- High-power trenchers for in-line excavation of oil pipelines, gas pipelines, water systems; telecommunication networks and installation of fibre optics, underground power lines
- Surface miners for earthworks and surface mines
- Specialised excavation services and rental solutions

1.3 Rail Segment: Technologies for catenary wire system and rail infrastructure diagnostics to support the safety, reliability and efficiency of rail transport

- Integrated solutions for the installation railway catenary wire system
- Specialised working vehicles for catenary wire system and track maintenance
- Vehicles and systems for rail infrastructure diagnostics.

The Group offers a unique vertically integrated model that combines products, electronics, software and specialised services. From design to commissioning up to maintenance and training activities, it guarantees reliable, high-quality solutions. This integrated approach helps to build long-term relationships with customers, supporting competitive and sustainable growth over time.

2 Reference context

2.1 Introduction

During the first quarter of 2026, the Tesmec Group continued to implement its strategy of:

- international and technological development in the highest value-added segments of its reference markets, with an increase in production volumes, which are in turn expected to grow further during the financial year;
- improving efficiency in terms of fixed costs (SG&A and Technical Departments) compared to turnover;
- strategic and business strengthening through an increased backlog;
- financial strengthening, in terms of reducing financial indebtedness and improving the key ratios associated with it.

In general, despite the challenging geopolitical context (due to the well-known international conflicts and tensions) and the challenging macroeconomic context (due to the effects in terms of uncertainty regarding inflation, GDP, interest rates and exchange rates), Tesmec has recorded an increase in Revenues and EBITDA, accompanied by a profit for the period and a further reduction in NFP, confirming positive expectations later in the financial year.

<i>(In millions of Euro)</i>	Q1-2026 Balance	Q1-2025 Balance	Differences
Revenues	65.9	61.4	+7.4%
EBITDA	10.1	9.5	+6.4%
<i>EBITDA margin</i>	15.3%	15.5%	
Pre-tax and pre-changes in exchange rate profit/(loss)	1.2	0.2	+ 1.0€M
<i>Changes in exchange rates</i>	0.7	(0.9)	
<i>Tax</i>	(0.8)	0.8	
<i>IFRS5 effect Groupe Marais</i>	-	(1.6)	
Net result	1.1	(1.4)	+2.5€M
Net Financial Position	126.0	152.6	-17.4%

More specifically, the final consolidated financial statements as at 31 March 2026 show:

- **revenues increasing by 7.4%** compared to the same period of 2025, with performance varying across different segments. In fact, the increase in Revenues was driven by a **strong growth in the Energy segment** (with the turnover of Stringing equipment and Energy Automation rising by approximately 44% and 11%, respectively, and a backlog in the Automation segment entering the execution phase), with a substantial consolidation of the Rail division (which has yet to reflect the contribution of new orders acquired between the end of 2025 and the beginning of 2026), and a decline of approximately 7% in the Trencher segment, which is, however, expected to recover in the second quarter, thanks to rising production volumes and order acquisition;
- **EBITDA increased by 6.4% compared to 2025** (Euro 10.1 million compared to Euro 9.5 million), with a slight reduction in margins compared to Revenues (15.3% compared to 15.5%). This performance reflected the trend in volumes and was the result of an **increase in margins and profitability in the Energy segment**, both in absolute terms and in terms of margins compared to Revenues, against a trend in the profitability of the Rail division, which has yet to fully reflect the contribution of new orders and the performance of the Trencher segment, which was lower than in the first quarter of 2025 but is also expected to recover in the second quarter, both due to a recovery in production volumes and the acquisition of new orders;
- a **Pre-tax and pre-change in exchange rate profit of Euro 1.2 million**, compared to Euro 0.2 million in the first quarter of 2025, and a **Pre-tax profit of Euro 1.9 million**, a significant improvement on the loss of Euro -0.7 million in 2025, thanks to lower financial expenses and a positive contribution from exchange-rate changes;
- **net result amounted to Euro 1.1 million, compared to a loss of Euro -1.4 million in the first quarter of 2025**. It should be noted that, as at 31 March 2025, losses of approximately Euro -1.4 million were recorded in relation to the discontinued operations of Groupe Marais;
- a **Net financial position as at 31 March 2026** of Euro 126.0 million, **an improvement of Euro 26.6 million compared to 31 March 2025 and of Euro 4.4 million compared to 31 December 2025**;
- a **backlog that reached approximately Euro 474 million**, compared to approximately Euro 416 million as at 31 December 2025 and Euro 359 million as at 31 March 2025, with a sharp increase in the Rail and Stringing equipment segments, and more pronounced growth in the Trencher division than in the same period last year, thus confirming expectations of growth later in the financial year.

As a whole, the above trends support a **positive outlook for the current financial year**, with the Energy segment continuing to grow structurally, the Rail division expanding, and the Trencher segment recovering and returning to growth. Therefore, for the entire year of 2026, the Tescmec Group confirms its expectations of growth in major economic indicators and a further reduction in Net Financial Indebtedness, with a gradual acceleration over the year compared to the first quarter, supported by a strong competitive position and favourable prospects in the Energy and Infrastructure markets.

2.2 Results of the first half of 2026

Consolidated Revenues for the first quarter of 2026 amounted to Euro 65.9 million, up 7.4% compared to Euro 61.4 million in 2025, with EBITDA standing at Euro 10.1 million, an increase of 6.4% compared to the same period last year. More specifically:

- With regard to the **Energy segment**, Revenues for the first quarter of 2026 amounted to Euro 26.4 million, up 31.9% compared to Euro 20.0 million as at 31 March 2025. This positive performance was mainly driven by significant growth in the Stringing equipment segment, underpinned by a robust and expanding demand in a market with favourable prospects, where Tescmec's solutions are well positioned, and by a strong commercial pipeline. The Automation segment also made a positive contribution, with an increase in turnover resulting from the gradual implementation of the backlog, on the wake of the process started in previous financial years. In particular, in the first quarter of 2026, the Stringing equipment segment recorded revenues of Euro 18.3 million, up 43.8% compared to Euro 12.7 million as at 31 March 2025, while the Energy-Automation segment recorded revenues of Euro 8.1 million, up 11.1% compared to Euro 7.3 million as at 31 March last year. EBITDA for the Energy segment reached Euro 5.9 million (with an EBITDA margin of 22.4%), up 86.4% compared to Euro 3.2 million in the first three months of 2025 (when the EBITDA margin was 15.8%). The improvement in margins was mainly driven by the Stringing equipment segment, which recorded an increase in EBITDA of 125.4% compared to 2025, with an EBITDA margin increasing from 15.5% as at 31 March 2025 to 24.3% as at 31 March 2026. This result was made possible by (i) an improved mix, (ii) efficiency measures implemented along the supply chain and at operations level, with the concentration of production in the Stringing equipment segment at the Grassobbio plant, which continued to help improve industrial margins, (iii) the operating leverage effect generated by higher volumes, with a substantially stable fixed cost structure, as well as (iv) growth in the profit generated by the 50% joint venture Condux International, operating in the United States, which is 50% consolidated on the basis of its Net result attributable to the Group. The Automation segment also benefited from a positive impact in terms of both mix and operating leverage, expecting to reap the benefits of the new multi-year contracts acquired in 2025 in the coming quarters, while also aiming to capitalise on further market opportunities; in particular, quarterly EBITDA for the Energy-Automation segment reached Euro 1.4 million, up 21.7% compared to Euro 1.2 million in the same period of 2025, with an EBITDA margin increasing from 16.3% to 17.9%.

In parallel, the commercial activities of the Energy segment confirm a growing trend, with an order backlog of approximately Euro 240 million as at 31 December 2025, compared to approximately Euro 177 million as at 31 March 2025 and to approximately Euro 227 million as at 31 December 2025, of which approximately Euro 185 million refer to the Energy-Automation segment (with a multi-year duration, confirming the expected growth of this segment in the medium term), in line with 31 December 2025 but already in the implementation phase, and approximately Euro 55 million refer to the Stringing equipment segment (traditionally with a short-term duration), increasing significantly compared to approximately Euro 42 million as at 31 December 2025.

- With regard to the **Trencher segment**, Revenues as at 31 March 2026 amounted to Euro 29.5 million, down 7.2% compared to Euro 31.8 million as at 31 March 2025. This change reflects mixed trends across strategic markets, with a weak start to the year in Australia (as a carry-over effect from late 2025) and West Africa, only partially offset by positive performance in Europe and South America, while sales in the Arabian Peninsula were broadly in line with those in 2025. EBITDA for the period amounted to Euro 3.5 million (with an EBITDA margin of 11.8%), down from Euro 5.5 million as at 31 March 2025 (when the EBITDA margin was 17.2%), due to (i) volume trends and (ii) the unfavourable contribution from the JV in France, only partially offset by (iii) a strong recovery in margins in the United States.

It should also be noted that the figures for the Trencher division show an improving trend in the first quarter of 2026 compared to the fourth quarter of 2025; this, together with the growing production volumes and the acquisition of new orders, supports expectations of a recovery in the segment later in the year across the main strategic markets.

The order backlog of the Trencher division is growing, standing at approximately Euro 73 million as at 31 March 2026, compared to Euro 68 million as at 31 March 2025 and approximately Euro 72 million as at 31 December 2025.

2025. It should be noted that the backlog in the Trencher segment is essentially short-term in nature and therefore largely within the current financial year.

- Compared to the **Rail segment**, Revenues as at 31 March 2026 stood at Euro 10.0 million, up 4.7% compared to Euro 9.6 million recorded as at 31 March 2025, a figure that does not yet fully reflect the expected contribution from the recently acquired new orders, especially in terms of margins, and which has also been adversely affected in terms of work in progress by longer lead times for the delivery of certain materials. In fact, the EBITDA for the segment as at 31 March 2026 amounted to Euro 0.7 million, with an EBITDA margin of 7.0% (compared to Euro 0.9 million and 9.1% as at 31 March 2025). The multi-year order backlog as at 31 March 2026 amounted to approximately Euro 161 million, a sharp increase compared to approximately Euro 114 million as at 31 March 2025 and Euro 117 million as at 31 December 2025. Furthermore, Tesmec believes that the trend of acquiring new tenders is likely to lead to further acceleration later in the year.

The 2025 results show a gradual rebalancing of contributions from the various Divisions to the consolidated results, with the Energy segment making a greater contribution than in 2025, increasing its share of consolidated EBITDA from 33% in 2024 to 58% in 2025.

	% Revenues out of total		% EBITDA out of total	
	Q1-2026	Q1-2025	Q1-2026	Q1-2025
Trencher	44.7%	51.8%	34.6%	57.4%
Energy	40.1%	32.6%	58.4%	33.3%
Rail	15.2%	15.6%	7.0%	9.2%
Total	100.0%	100.0%	100.0%	100.0%

The Group's operating income (EBIT) as at 31 March 2026 amounted to Euro 4.7 million, up 8.8% compared to Euro 4.3 million in 2024, despite higher amortisation and depreciation for the period.

In terms of financial components, in the first quarter of 2025, the Tesmec Group recorded a lower level of net interest expense compared to 2024 (Euro -3.5 million compared to Euro -4.1 million in 2025), thereby generating a **Pre-tax and pre-change in exchange rate profit of approximately Euro 1.2 million**, compared to Euro 0.2 million as at 31 March 2025.

Taking into account the impact of exchange rate differences – as usual, largely unrealised – amounting to a positive contribution of Euro 0.7 million as at 31 March 2025, a recovery from the loss of Euro -0.9 million in 2025, the Tesmec Group closed the 2025 financial year with a **Pre-tax profit of Euro 1.9 million**, compared to a gross loss of Euro -0.7 million as at 31 March 2025, thus recording an improvement of approximately Euro 2.6 million.

Finally, the Income Statement for the first quarter of 2026 closed with a **Net profit of Euro 1.1 million**, a significant improvement compared to the loss of Euro -1.4 million recorded in the first quarter of 2025 (a period that had included a loss of Euro -1.6 million from discontinued operations).

Based on the comments made about the performance of the individual divisions, note that the Tesmec Group's total backlog as at 31 March 2025 stood at approximately Euro 474 million, representing a significant increase compared to both the approximately Euro 380 million recorded as at 31 March 2025 and the approximately Euro 416 million recorded as at 31 December 2025.

With reference to the financial results as at 31 December 2025, the following changes were noted compared to 31 December 2025:

- a decrease in Net invested capital of Euro 2.4 million, from Euro 204.2 million as at 31 December 2025 to Euro 201.8 million as at 31 March 2026. More specifically:
 - against a Net fixed capital and Other medium to long-term assets and liabilities remaining largely stable (and amounting to Euro 116.4 million and Euro 15.4 million, respectively, as at 31 March 2026, compared to Euro 116.8 million and Euro 15.5 million as at 31 December 2025);
 - working capital decreased by Euro 1.8 million compared to 31 December 2025. This decrease was due to the changes in the various items of Working capital, with inventories (including work in progress) decreasing by Euro 14.3 million, largely offset by an increase in trade receivables. Note that the Stringing equipment segment has historically operated with negative Working capital and has therefore improved the mix, as did the Rail segment, which has benefited from collections from new orders;

- a further improvement in the Net Financial Position, from Euro 130.4 million as at 31 December 2025 to Euro 126.0 million as at 31 March 2025.

Moreover, with regard to the Net Financial Position as at 31 March 2026:

- note that it has improved by Euro 26.6 million compared to 31 March 2025 (when it amounted to Euro 152.4 million);
- note that it has improved by Euro 57.6 million compared to the peak of 30 June 2024 (when it amounted to Euro 183.6 million).

With reference to Tesmec's financial structure as at 31 December 2025, it should be noted that:

1. the Net Financial Position consists of:
 - Euro 70.0 million (approximately 55% of total NFP) of operating debt¹, i.e. essentially self-liquidating, against the consolidated Working capital;
 - Euro 26.1 million (approximately 21% of total NFP) against the recognition of a loan relating to IFRS 16, mainly against lease contracts for part of the Group's trenching machines and the value of rents;
 - the residual Euro 29.9 million (approximately 24% of total NFP) of Industrial Debt², i.e. not self-liquidating, against 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 79.2 million – a figure already net of instalments due for repayment over the next 12 months – and IFRS 16 items of Euro 26.1 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 56.0 million;
3. as at 31 March 2026, the Group had liquidity of Euro 30.8 million, which, together with expected cash flows for the year and the negotiation and obtaining of credit lines, net of those due to expire, and guarantees for advance payments, is estimated to guarantee business continuity for the next 12 months and the implementation of ongoing development programmes.

2.3 Outlook for 2026

With reference to 2026, despite the uncertainty caused by the current international geopolitical and macroeconomic context, the expectation that growth will be driven by opportunities in sectors led by the energy transition remains unchanged, 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, it is also believed that it will be able to respond with the necessary flexibility to the challenges posed by the current evolving situation in the country, which is characterised by considerable uncertainty.

Given the recent tensions in the Persian Gulf, it is difficult to predict the potential impact on logistics, energy costs and local investment due to the highly volatile nature of the situation. It should also be noted that the Group has already started to diversify its port operations in order to minimise delays and is working with customers to share the additional logistics costs, while, in terms of energy, Tesmec is not an energy-intensive company and benefits from the 1.8 MW photovoltaic system in Grassobbio, which reduces its exposure to market prices.

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 2026 financial year, the Tesmec Group confirms its expectations of growth in the main income statement indicators and a further reduction in the net financial indebtedness compared to 2025.

3 Significant events during the period

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

¹ Operating debts are short-term liabilities arising from normal business operations; they do not constitute a direct loan but rather a deferral of payment that serves as an operating source of finance.

² Industrial debt measures the ability of a company to measure its industrial operations (production, investments, working capital) using borrowed capital.

- On 5 March 2026, the subsidiary Tesmec Rail S.r.l. was awarded two contracts with SŽ-Infrastruktura d.o.o., the company responsible for traffic management, maintenance and the operation of the public rail network in Slovenia.

The two contracts with a duration of 4.5 years and a total value of Euro 71 million, cover the supply of 21 technological vehicles to support the management, maintenance and safety of Slovenia's rail infrastructure, in line with European standards. The orders confirm the Group's ability to transform the know-how gained in Italy into competitive solutions on a European scale, capitalising on the investments made on the platform, which is now used as a modular and scalable product across multiple markets in the rail segment.

4 Activities, reference market and operating performance for the first three months of 2026

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"), endorsed by the European Commission, in effect as at 31 December 2025. The following table shows the Group's major economic and financial indicators for the first three months of 2026 and the financial indicators as at 31 March 2026 compared to the same period of 2025 and as at 31 December 2025.

OVERVIEW OF RESULTS		
31 March 2025	Key income statement data (Euro in millions)	31 March 2026
61.4	Operating Revenues	65.9
9.5	EBITDA	10.1
4.3	Operating Income	4.7
(0.9)	Net foreign exchange gains/losses	0.7
(1.5)	Group Net Result	1.0
901	Number of employees	929
31 December 2025	Key financial position data (Euro in millions)	31 March 2026
204.2	Net Invested Capital	201.8
73.7	Shareholders' Equity	75.8
130.4	Group net financial indebtedness	126.0
21.0	Net investments in property, plant and equipment, intangible assets and rights of use	(4.4)

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

Main 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. During the quarter of 2026, it generated revenues of Euro 10,856 thousand (Euro 15,442 thousand in the quarter of 2025).
- Tesmec Rail S.r.l., a 100% subsidiary of Tesmec S.p.A., with registered office in Monopoli (BA), operates in the Rail sector. During the quarter of 2026, it generated revenues of Euro 9,225 thousand (Euro 9,621 thousand in the quarter of 2025).
- Tesmec Automation S.r.l., a company 100% owned by Tesmec S.p.A., with registered office in Grassobbio (BG), specialised in the design and sale of integrated fault detectors and measurement sensors and devices for medium voltage power lines. During the quarter of 2026, it generated revenues of Euro 8,087 thousand (Euro 7,245 thousand in the quarter of 2025).

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 is consolidated using the equity method and generated total revenues of Euro 8,480 thousand in the quarter of 2026 (Euro 4,557 thousand in the quarter of 2025).

- Groupe Marais SAS, with registered office in Durtal (France), a Joint Venture indirectly owned 50% by Tesmec S.p.A., through the holding company Marais Technologies SAS. The French company is a leader in the construction of machines for infrastructures and in services for telecommunications, electricity and gas. During the quarter of 2026, it generated revenues of Euro 2,945 thousand (Euro 3,056 thousand in the quarter of 2025).

5 Summary of income statement and balance sheet situation as at 31 March 2026

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 and 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 no. 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 31 March 2026 with those as at 31 March 2025.

The main accounting figures for the first three months of 2026 and 2025 are presented in the table below:

<i>(Euro in thousands)</i>	Quarter ended 31 March				2025 vs 2026
	2026	% of revenues	2025	% of revenues	
Revenues from sales and services	65,943	100.0%	61,378	100.0%	4,565
Cost of raw materials and consumables	(31,445)	-47.7%	(28,642)	-46.7%	(2,803)
Costs for services	(11,904)	-18.1%	(11,041)	-18.0%	(863)
Payroll costs	(13,983)	-21.2%	(13,646)	-22.2%	(337)
Other net operating costs/revenues	(1,220)	-1.9%	(1,490)	-2.4%	270
Amortisation/Depreciation	(5,392)	-8.2%	(5,166)	-8.4%	(226)
Development costs capitalised	2,744	4.2%	2,617	4.3%	127

Portion of losses/(gains) from operational Joint Ventures evaluated using the equity method	(39)	-0.1%	315	0.5%	(354)
Total operating costs	(61,239)	-92.9%	(57,053)	-93.0%	(4,186)
Operating income	4,704	7.1%	4,325	7.0%	379
Net financial income/expenses	(3,517)	-5.3%	(4,098)	-6.7%	581
Net foreign exchange gains/losses	665	1.0%	(868)	-1.4%	1,533
Portion of losses/(gains) from valuation of the associated companies and non-operational Joint Ventures evaluated using the equity method	9	0.0%	(35)	-0.1%	44
Pre-tax profit/(loss)	1,861	2.8%	(676)	-1.1%	2,537
Income tax	(803)	-1.2%	795	1.3%	(1,598)
Net profit/(loss) for the period of continuing operations	1,058	1.6%	119	0.2%	939
Net loss for the period of assets held for sale	-	0.0%	(1,566)	-2.6%	1,566
Net profit/(net loss) for the period	1,058	1.6%	(1,447)	-2.4%	2,505
Profit/(loss) attributable to non-controlling interests	45	0.1%	21	0.0%	24
Group profit/(loss)	1,013	1.5%	(1,468)	-2.4%	2,481

Revenues

Total revenues as at 31 March 2026, compared to the corresponding period of the previous year, recorded an increase of 7.4%.

<i>(Euro in thousands)</i>	Quarter ended 31 March				
	2026	% of revenues	2025	% of revenues	2025 vs 2026
Sales of products	50,997	77.3%	43,256	70.5%	7,741
Services rendered	8,015	12.2%	9,152	14.9%	(1,137)
Changes in work in progress	6,931	10.5%	8,970	14.6%	(2,039)
Total revenues from sales and services	65,943	100.0%	61,378	100.0%	4,565

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 (80,1%) and in particular in non-EU countries. The revenue analysis by area is indicated below with the comparison of the figures for the first quarter of 2026 with those for the first quarter of 2025.

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

<i>(Euro in thousands)</i>	Quarter ended 31 March				
	2026	% of revenues	2025	% of revenues	2025 vs 2026
Italy	15,524	23.5%	11,295	18.4%	1,829
Europe	12,289	18.6%	14,286	23.3%	(1,997)
Middle East	6,560	9.9%	4,866	7.9%	4,094
Africa	6,874	10.4%	8,313	13.5%	(1,439)
North and Central America	10,242	15.5%	13,762	22.4%	(3,520)
BRIC and Others	14,454	21.9%	8,856	14.4%	5,598
Total revenues	65,943	100.0%	61,378	100.0%	4,565

Operating costs net of depreciation and amortisation

<i>(Euro in thousands)</i>	Quarter ended 31 March				
	2026	% of revenues	2025	% of revenues	2025 vs 2026
Cost of raw materials and consumables	(31,445)	-47.7%	(28,642)	-46.7%	(2,803)
Costs for services	(11,904)	-18.1%	(11,041)	-18.0%	(863)
Payroll costs	(13,983)	-21.2%	(13,646)	-22.2%	(337)
Other net operating costs/revenues	(1,220)	-1.9%	(1,490)	-2.4%	270
Development costs capitalised	2,744	4.2%	2,617	4.3%	127
Portion of losses/(gains) from operational Joint Ventures evaluated using the equity method	(39)	-0.1%	315	0.5%	(354)
Operating costs net of depreciation and amortisation	(55,847)	-84.7%	(51,887)	-84.5%	(3,960)

The table shows an increase in operating costs of Euro 3,960 thousand (7.6%). This increase in cost 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 negative performance of the associate Groupe Marais SAS.

EBITDA

As a result of the foregoing, EBITDA amounted to Euro 10,096 thousand, up compared to the figure recorded in the first quarter of 2025 when it was equal to Euro 9,491 thousand.

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

<i>(Euro in thousands)</i>	Quarter ended 31 March				
	2026	% of revenues	2025	% of revenues	2025 vs 2026
Operating income	4,704	7.1%	4,325	7.0%	379
+ Amortisation/depreciation	5,392	8.2%	5,166	8.4%	226
EBITDA	10,096	15.3%	9,491	15.5%	605

The increase in gross operating margin is driven by an increase in margins and profitability in the Energy segment, both in absolute terms and in terms of margins compared to Revenues, against a trend in the profitability of the Rail segment, which has yet to fully reflect the contribution of new orders and the performance of the Trencher segment, which was lower than in the first quarter of 2025 but is also expected to recover in the coming quarters.

Financial Management

<i>(Euro in thousands)</i>	Quarter ended 31 March				
	2026	% of revenues	2025	% of revenues	2025 vs 2026
Net financial income/expenses	(3,959)	-6.0%	(4,100)	-6.7%	141
Net foreign exchange gains/losses	665	1.0%	(868)	-1.4%	1,533
Fair value adjustment of derivative instruments	442	0.7%	2	0.0%	440
Portion of losses/(gains) from the valuation of equity investments using the equity method	9	0.0%	(35)	-0.1%	44
Total net financial income/expenses	(2,843)	-4.3%	(5,001)	-8.1%	2,158

The net financial management result increased compared to the same period in the previous year by a total of Euro 2.158 thousand, due to:

- a positive impact from Foreign exchange gains/losses of Euro 1,533 thousand, resulting from the favourable trend of exchange rates as at 31 March 2026 compared to 31 December 2025, which resulted in the net profit totalling Euro 665 thousand (largely unrealised) compared to net losses of Euro 868 thousand (also largely unrealised);
- a positive impact of net financial income/expenses of Euro 141 thousand.

5.3 Income Statement by segment

Revenues by segment

The tables below show the income statement figures as at 31 March 2026 compared to those as at 31 March 2025, broken down by the three operating segments.

<i>(Euro in thousands)</i>	Quarter ended 31 March				
	2026	% of revenues	2025	% of revenues	2025 vs 2026
Energy	26,417	40.1%	20,022	32.6%	6,395
Trencher	29,485	44.7%	31,764	51.8%	(2,279)
Rail	10,041	15.2%	9,592	15.6%	449
Total Revenues	65,943	100.0%	61,378	100.0%	4,565

In the first three months of 2026, the Group recorded consolidated revenues of Euro 65,943 thousand, an increase of Euro 4,565 thousand (7.4%) compared to Euro 61,378 thousand in the same period of the previous year.

With regard to the Energy segment, revenues amounted to Euro 26,417 thousand, up by approximately 31.9% compared to the figure of Euro 20,022 thousand as at 31 March 2025. This positive performance was mainly driven by significant growth in the Energy-Stringing segment, underpinned by a robust and expanding demand in a market with favourable prospects – where Tesmec’s solutions are well positioned – and by a strong commercial pipeline. The Energy-Automation segment also made a positive contribution, with an increase in turnover resulting from the gradual implementation of the backlog, on the wake of the process started in previous financial years. More specifically, it should be noted that the Energy-Stringing segment achieved Revenues of Euro 18,315 thousand in the first quarter of 2026 compared to Euro 12,733 thousand in the same period of 2025 (+43.8%), while the Energy-Automation segment achieved revenues of Euro 8,102 thousand, compared to Euro 7,289 thousand as at 31 March 2025 (+11.2%).

In detail, the turnover of the Trencher segment as at 31 March 2026 was Euro 29,485 thousand, slightly down compared to Euro 31,764 thousand as at 31 March 2025. This change reflects mixed trends across strategic markets, with a weak start to the year in Australia (as a carry-over effect from late 2025) and West Africa, only partially offset by positive performance in Europe and South America, while sales in the Arabian Peninsula were broadly in line with those in 2025.

The Rail segment recorded revenues of Euro 10,041 thousand, up compared to Euro 9,592 thousand as at 31 March 2025. This result does not yet fully reflect the expected contribution from the new orders recently acquired.

EBITDA by segment

The tables below show the income statement figures as at 31 March 2026 compared to those as at 31 March 2025, broken down by the three operating segments:

<i>(Euro in thousands)</i>	Quarter ended 31 March				
	2026	% of revenues	2025	% of revenues	2025 vs 2026
Energy	5,905	22.4%	3,168	15.8%	2,737
Trencher	3,489	11.8%	5,450	17.2%	(1,961)
Rail	702	7.0%	873	9.1%	(171)
EBITDA	10,096	15.3%	9,491	15.5%	605

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

- Energy: EBITDA decreased from Euro 3,168 thousand as at 31 March 2025 to Euro 5,905 thousand as at 31 March 2026. This result was made possible by (i) an improved mix, (ii) efficiency measures implemented along the supply chain and at operations level, with the concentration of production in the Energy-Stringing segment at the Grassobbio plant, which continued to help improve industrial margins, (iii) the operating leverage effect generated by higher volumes, with a substantially stable fixed cost structure, as well as (iv) growth in the profit generated by the 50% JV Condux International, operating in the United States. The Energy-Automation segment also benefited from a positive impact in terms of both mix and operating leverage, expecting to reap the benefits of the new multi-year contracts acquired in 2025 in the coming quarters, while also aiming to capitalise on further

market opportunities. Specifically, it should be noted that the Energy-Stringing segment achieved EBITDA of Euro 4,457 thousand in the first half of 2026 compared to Euro 1,978 thousand in the same period of 2025 (+125.3%), while the Energy-Automation segment achieved EBITDA of Euro 1,448 thousand, compared to Euro 1,190 thousand as at 31 March 2025 (+21.7%).

- Trencher: EBITDA decreased from Euro 5,450 thousand as at 31 March 2025 to Euro 3,489 thousand as at 31 March 2026 due to (i) volume trends and (ii) the unfavourable contribution from the JV in France, only partially offset (iii) by a strong recovery in margins in the United States.
- Rail: reduction in EBITDA, from Euro 873 thousand in the first quarter of 2025 to Euro 702 thousand in 2026. As described in the previous paragraph, this result does not yet fully reflect the expected contribution from the recently acquired new orders, especially in terms of margins, and which has also been adversely affected in terms of work in progress by longer lead times for the delivery of certain materials.

5.4 Statement of financial position and financial profile

Information is provided below on the Group's main equity indicators as at 31 March 2026 compared to 31 December 2025. In particular, the following table shows the reclassified funding sources and uses of the consolidated balance sheet as at 31 March 2026 and as at 31 December 2025:

<i>(Euro in thousands)</i>	As at 31 March 2026	As at 31 December 2025	2026 vs 2025
USES			
Net working capital	70,011	71,798	(1,787)
Fixed assets	116,444	116,847	(403)
Other long-term assets and liabilities	15,379	15,520	(141)
Net invested capital	201,834	204,165	(2,331)
SOURCES			
Net financial indebtedness	126,000	130,435	(4,435)
Shareholders' equity	75,834	73,730	2,104
Total sources of funding	201,834	204,165	(2,331)

A) Net working capital

The table below shows the breakdown of "Net Working Capital" as at 31 March 2026 and 31 December 2025:

<i>(Euro in thousands)</i>	As at 31 March 2026	As at 31 December 2025	2026 vs 2025
Trade receivables	79,955	61,089	18,866
Work in progress contracts	11,920	34,251	(22,331)
Inventories	95,716	87,664	8,052
Trade payables	(104,667)	(103,782)	(885)
Other current assets/(liabilities)	(12,913)	(7,424)	(5,489)
Net working capital	70,011	71,798	(1,787)

Net working capital amounted to Euro 70,011 thousand, marking a decrease of Euro 1,787 thousand (equal to 2.5%) compared to 31 December 2025. This decrease was due to the decrease in the items "Work in progress on contracts" and "Inventories" of Euro 14,279 thousand, largely offset by an increase in the item "Trade receivables". Note that the Energy-Stringing segment has historically operated with negative Working capital and has therefore contributed to the improvement of the mix, as has the Rail segment, which has benefited from collections from new orders, thereby offsetting the usual seasonal increase in working capital in view of sales in the second and third quarters.

B) Fixed assets

The table below shows the breakdown of "Fixed assets" as at 31 March 2026 and 31 December 2025:

<i>(Euro in thousands)</i>	As at 31 March 2026	As at 31 December 2025	2026 vs 2025
Intangible assets	46,571	46,430	141
Property, plant and equipment	37,490	37,384	106
Rights of use	19,005	19,826	(821)
Equity investments in associates	13,336	13,165	171
Other equity investments	42	42	-
Fixed assets	116,444	116,847	(403)

The total of *fixed assets* remained essentially stable compared to 31 December 2025, having decreased slightly by Euro 403 thousand.

C) Net financial indebtedness

The table below shows the breakdown of “Net financial indebtedness” as at 31 March 2026 and 31 December 2025:

<i>(Euro in thousands)</i>	As at 31 March 2026	of which with related parties and group	As at 31 December 2025	of which with related parties and group
Cash and cash equivalents	(30,469)		(40,560)	
Current financial assets	(44,617)	(6,805)	(22,384)	(6,178)
Current financial liabilities	95,629	2,516	83,891	2,516
Current financial liabilities from rights of use	9,334	2,566	9,624	3,042
Current portion of derivative financial instruments	-		-	
Current financial indebtedness	29,877	(1,723)	30,571	(620)
Non-current financial liabilities	79,247	-	81,762	-
Non-current financial liabilities from rights of use	16,803	220	18,019	490
Non-current portion of derivative financial instruments	73		83	
(Trade payables and other non-current payables)	-		-	
Non-current financial indebtedness	96,123	220	99,864	490
Net financial indebtedness pursuant to ESMA 32-382-1138 Communication	126,000	(1,503)	130,435	(130)
(Trade payables and other non-current payables)	-		-	
Group net financial indebtedness	126,000	(1,503)	130,435	(130)

The net financial indebtedness prior to the application of IFRS 16, as at 31 March 2026, is equal to Euro 99,863 thousand with a decrease of Euro 2,929 thousand compared to the end of 2025.

The net financial indebtedness of the Group as at 31 March 2026 decreased by Euro 4,435 thousand compared to the end of 2025 (3.4%).

The table below shows the breakdown of the changes:

- decrease in current financial indebtedness of Euro 694 thousand due to the:
 - decrease in cash and cash equivalents and current financial assets of Euro 10,091 thousand;
 - increase in current financial liabilities of Euro 11,738 thousand due to the effect of the short-term reclassification of the portions to be reimbursed in 2026, offset by the reimbursement of portions in the period;
- decrease in medium/long-term financial indebtedness of Euro 3.741 thousand, 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 31 March 2026, these parameters were met.

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 2025, 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 quarter of the 2026 financial year, no transactions took place with related parties of an atypical or unusual nature, outside of normal company operations or such as to harm the profits, balance sheet or financial results 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 quarter of 2026, including the employees of companies that are fully consolidated, is 929 persons compared to 901 in 2025.

9 Other information

Events occurring after the end of the reporting period

In particular, the effects occurring after the close of the quarter include the following:

- on 21 April 2026, the Shareholders' Meeting of Tesmec Rail S.r.l. approved the distribution of dividends in the amount of Euro 800 thousand;
- on 22 April 2026, the Shareholders' Meeting of Tesmec Automation S.r.l. approved the distribution of dividends in the amount of Euro 500 thousand;
- on 23 April 2026, the Ordinary Shareholders' Meeting of Tesmec S.p.A. met electronically in a single call and approved the Financial Statements as at 31 December 2025 and the allocation of the Net Profit. During the Shareholders' Meeting, the Consolidated Financial Statements as at 31 December 2025 of the Tesmec Group and the related reports were presented, including the Consolidated Sustainability Report.

Business outlook

In the current global economic environment, the Tesmec Group confirms its strategic commitment to the energy and strategic infrastructure segments, driven by structural macro trends such as electrification, digitalization, and network modernization. These dynamics represent key drivers for sustainable and innovation-led growth, which the Group is pursuing with a long-term vision and rigorous operational discipline. The combination of solid industrial know-how and continuous investment in R&D activities enables Tesmec to develop high value-added solutions characterized by sustainability, safety, and end-to-end digitalization. The increase in investments in energy infrastructures – both traditional and renewable – represents a concrete opportunity for the Group, which benefits from a distinctive positioning thanks to its proprietary technologies for overhead and underground stringing and for smart grids, which are becoming increasingly central to ensuring efficient, safe and digital power networks. In the railway segment, Tesmec continues to strengthen its international presence, benefiting from global network modernization programs and the growing demand for the digitalization of related infrastructures. In this context, the Group's solutions – particularly those dedicated to diagnostics – are assuming a key role in supporting the segment's transformation. Regarding Trencher's distinctive technologies, end-use markets maintain positive prospects, supported by robust growth in solar and wind energy, the expansion of underground power cables,

increasing connectivity linked to data centers and robust demand for transport infrastructure, pipelines, and tunnelling. In this scenario, significant opportunities are emerging in mechanized laying and in safer and more sustainable mining technologies, areas in which Tesmec enjoys a unique positioning. At the same time, the Group continues to strengthen its business model by increasing the contribution of services and recurring revenues. This evolution is supported by a synergic diversification of activities, a structured international presence and strong proximity to customers in key markets, with selective expansion in countries offering the most favorable conditions for long-term projects and sustainable value creation. The ESG strategy, fully integrated into the operating model, also represents a cross-cutting lever for competitiveness, innovation, and value creation, strengthening the Group's ability to operate sustainably in its reference markets. Overall, Tesmec is addressing global challenges with a clear, consistent, and forward-looking strategy, focusing on technological innovation, geographic selectivity, and flexibility in adapting to rapidly evolving environments.

In 2026, despite the current geopolitical environment marked by uncertainty and volatility, Tesmec expects to continue its path of sustainable growth, leveraging an order backlog that ensures solidity, visibility, and continuity of revenues. The revenue mix will continue to evolve towards higher value-added solutions and projects. From an operational standpoint, the Group anticipates further improvements in efficiency, supporting margins and the increasing scalability of its industrial model. Financial discipline remains a strategic pillar: the optimized management of working capital, together with the expected growth in profitability, is aimed at the continuous improvement of the net financial position and the further strengthening of the Group's overall financial soundness. Thanks to its manufacturing footprint spanning Italy and the United States, its extensive international presence, and a solid order backlog across all Business Units, Tesmec also believes it has the necessary flexibility to decisively address the challenges of the current environment. Accordingly, for FY 2026, the Tesmec Group expects growth in its main income statement indicators compared to 2025 and a further reduction in Net Financial Indebtedness compared to March 31, 2026, with a progressive acceleration over the course of the year compared to the first quarter. These forecasts reflect the Group's current assessments and therefore remain subject to the evolution of the macroeconomic environment and geopolitical risks, which continue to be closely monitored, also in light of recent tensions in the Middle East as well as uncertainties linked to inflationary dynamics, with respect to which the Group continues to implement careful monitoring actions aimed at mitigating potential impacts on its cost structure.

CONSOLIDATED FINANCIAL STATEMENTS

(Not audited by the Independent Auditors)

Consolidated statement of financial position as at 31 March 2026 and as at 31 December 2025

<i>(Euro in thousands)</i>	31 March 2026	31 December 2025
NON-CURRENT ASSETS		
Intangible assets	46,571	46,430
Property, plant and equipment	37,490	37,384
Rights of use	19,005	19,826
Equity investments in associates measured using the equity method	13,336	13,165
Other equity investments	42	42
Financial receivables and other non-current financial assets	5,600	6,000
Derivative financial instruments	453	21
Deferred tax assets	13,914	13,825
Non-current trade receivables	1,336	1,476
Other non-current assets	7	6
TOTAL NON-CURRENT ASSETS	137,754	138,175
CURRENT ASSETS		
Work in progress contracts	11,920	34,251
Inventories	95,716	87,664
Trade receivables	79,955	61,089
<i>of which with related parties:</i>	4,712	4,670
Tax receivables	1,960	2,011
Other available-for-sale securities	302	302
Financial receivables and other current financial assets	44,315	22,082
<i>of which with related parties:</i>	6,805	6,178
Other current assets	13,744	16,241
Cash and cash equivalents	30,469	40,560
TOTAL CURRENT ASSETS	278,381	264,200
TOTAL ASSETS	416,135	402,375
SHAREHOLDERS' EQUITY		
GROUP SHAREHOLDERS' EQUITY		
Share capital	15,702	15,702
Reserves/(deficit)	56,044	53,362
Group net profit/(loss)	1,013	1,691
TOTAL GROUP SHAREHOLDERS' EQUITY	72,759	70,755
Capital and reserves/(deficit) attributable to non-controlling interests	3,030	2,539
Net profit/(loss) attributable to non-controlling interests	45	436
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	3,075	2,975
TOTAL SHAREHOLDERS' EQUITY	75,834	73,730
NON-CURRENT LIABILITIES		
Medium/long-term loans	73,392	75,907
Non-current bond issue	5,855	5,855
Non-current financial liabilities from rights of use	16,803	18,019
<i>of which with related parties:</i>	220	490
Derivative financial instruments	73	83
Employee benefit liability	4,026	3,934
Deferred tax liabilities	1,905	1,874
TOTAL NON-CURRENT LIABILITIES	102,054	105,672
CURRENT LIABILITIES		
Interest-bearing financial payables (current portion)	93,727	81,989
<i>of which with related parties:</i>	2,516	2,516
Current bond issue	1,902	1,902
Current financial liabilities from rights of use	9,334	9,624
<i>of which with related parties:</i>	2,566	3,042
Trade payables	104,667	103,782
<i>of which with related parties:</i>	12,056	12,853

Advances from customers	8,660	7,650
Income taxes payable	2,179	1,493
Provisions for risks and charges	2,700	2,583
Other current liabilities	15,078	13,950
TOTAL CURRENT LIABILITIES	238,247	222,973
TOTAL LIABILITIES	340,301	328,645
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	416,135	402,375

Consolidated income statement for the quarter ended 31 March 2026 and 2025

<i>(Euro in thousands)</i>	Quarter ended 31 March	
	2026	2025
Revenues from sales and services	65,943	61,378
<i>of which with related parties:</i>	2,020	2,261
Cost of raw materials and consumables	(31,445)	(28,642)
<i>of which with related parties:</i>	(2)	(7)
Costs for services	(11,904)	(11,041)
<i>of which with related parties:</i>	(65)	(28)
Payroll costs	(13,983)	(13,646)
Other net operating costs/revenues	(1,220)	(1,490)
<i>of which with related parties:</i>	(72)	59
Amortisation/Depreciation	(5,392)	(5,166)
Development costs capitalised	2,744	2,617
Portion of losses/(gains) from operational Joint Ventures evaluated using the equity method	(39)	315
Total operating costs	(61,239)	(57,053)
Operating income	4,704	4,325
Financial expenses	(5,302)	(5,822)
<i>of which with related parties:</i>	(70)	(87)
Financial income	2,450	856
<i>of which with related parties:</i>	49	1
Portion of losses/(gains) from valuation of the associated companies and non-operational Joint Ventures evaluated using the equity method	9	(35)
Pre-tax profit/(loss)	1,861	(676)
Income tax	(803)	795
Net profit/(loss) for the period of continuing operations	1,058	119
Net loss for the period of assets held for sale	-	(1,566)
Net profit/(net loss) for the period	1,058	(1,447)
Profit/(loss) attributable to non-controlling interests	45	21
Group profit/(loss)	1,013	(1,468)
Basic and diluted earnings/(losses) per share	0.0017	(0.0024)

Consolidated statement of comprehensive income for the quarter ended 31 March 2026 and 2025

<i>(Euro in thousands)</i>	Quarter ended 31 March	
	2026	2025
NET PROFIT/(LOSS) FOR THE PERIOD	1,058	(1,447)
<i>Other components of comprehensive income:</i>		
Exchange differences on conversion of foreign financial statements	(194)	(4,242)
Other changes	1,261	1,305
Total other profit/(loss) after tax	1,067	(2,937)
Total comprehensive income (loss) after tax	2,125	(4,384)
<i>Attributable to:</i>		
Shareholders of Parent Company	2,025	(4,283)
Non-controlling interests	100	(101)

Statement of consolidated cash flows for the quarters ended 31 March 2026 and 2025

<i>(Euro in thousands)</i>	Quarter ended 31 March	
	2026	2025
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) for the period of continuing operations	1,058	119
<i>Adjustments to reconcile net income for the period with the cash flows generated by (used in) operating activities:</i>		
Amortisation/Depreciation	5,392	5,166
Provisions for employee benefit liability	487	479
Provisions for risks and charges/inventory obsolescence/doubtful accounts	587	414
Employee benefit payments	(395)	(447)
Payments for provisions for risks and charges	-	(13)
Net change in deferred tax assets and liabilities	13	(1,061)
Change in fair value of financial instruments	(442)	(56)
<i>Change in operating assets and liabilities:</i>		
Trade receivables	(17,280)	(4,573)
<i>of which with related parties:</i>	(42)	1,087
Inventories and work in progress contracts	14,634	(3,825)
Trade payables	(1,199)	8,220
<i>of which with related parties:</i>	(797)	560
Other current assets and liabilities	4,332	(3,225)
NET CASH FLOW GENERATED BY OPERATING ACTIVITIES (A)	7,187	1,198
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in property, plant and equipment	(817)	(3,436)
Investments in intangible assets	(2,684)	(2,856)
Investments in rights of use	(1,212)	(975)
(Investments)/disposals of financial assets	(21,703)	2,766
<i>of which with related parties:</i>	(627)	(99)
Assets held for sale	-	(443)
Sale of property, plant and equipment, intangible assets and rights of use	341	3,551
NET CASH FLOW USED IN INVESTING ACTIVITIES (B)	(26,075)	(1,393)
CASH FLOW FROM FINANCING ACTIVITIES		
Disbursement of medium/long-term loans	1,565	-
Recognition of financial liabilities from rights of use	330	1,819
<i>of which with related parties:</i>	(270)	(997)
Repayment of medium/long-term loans	(3,465)	(10,600)
Repayment of financial liabilities from rights of use	(1,853)	(5,039)
<i>of which with related parties:</i>	(747)	-
Net change in short-term financial debt	10,825	12,491
<i>of which with related parties:</i>	(476)	237
Other changes	1,240	(1,246)
NET CASH FLOW GENERATED BY/(USED IN) FINANCING ACTIVITIES (C)	8,642	(2,575)
NET CASH FLOW GENERATED BY/(USED IN) ASSETS/LIABILITIES HELD FOR SALE (D)	-	(552)
TOTAL CASH FLOW (E=A+B+C+D)	(10,246)	(3,322)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS (F)	155	(184)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (G)	40,560	29,559
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (H=E+F+G)	30,469	26,053
Additional information:		
Interest paid	4,607	4,452
Income tax paid	60	74

Statement of changes in consolidated shareholders' equity for the quarters ended 31 March 2026 and 2025

	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
<i>(Euro in thousands)</i>										
Balance as at 1 January 2026	15,702	2,684	39,215	(2,341)	(923)	14,727	1,691	70,755	2,975	73,730
Profit/(loss) for the period	-	-	-	-	-	-	1,013	1,013	45	1,058
Other profits/(losses)	-	-	-	-	1,012	-	-	1,012	55	1,067
Total comprehensive income/(loss)							1,013	2,025	100	2,125
Allocation of the result for the period	-	-	-	-	-	1,691	(1,691)	-	-	-
Other changes	-	-	-	-	-	(21)	-	(21)	-	(21)
Balance as at 31 March 2025	15,702	2,684	39,215	(2,341)	89	16,397	1,013	72,759	3,075	75,834

	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
<i>(Euro in thousands)</i>										
Balance as at 1 January 2025	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	-	-	-	-	-	-	(1,468)	(1,468)	21	(1,447)
Other profits/(losses)	-	-	-	-	(2,815)	-	-	(2,815)	(122)	(2,937)
Total comprehensive income/(loss)							(1,468)	(4,283)	(101)	(4,384)
Allocation of the result for the period	-	-	-	-	-	(5,181)	5,181	-	-	-
Other changes	-	-	-	-	-	59	-	59	-	59
Balance as at 31 March 2025	15,702	2,516	39,215	(2,341)	3,478	13,202	(1,468)	70,304	2,983	73,287

Explanatory Notes

Accounting policies adopted in preparing the consolidated financial statements as at 31 March 2026

1 Company information

The Parent Company Tesmec S.p.A. (hereinafter "Parent Company" or "Tescmec") 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 EURONEXT STAR Milan of the Milan Stock Exchange since 1 July 2010. The registered office of the Tesmec Group (hereinafter "Group" or "Tescmec Group") is in Milan, Piazza S. Ambrogio 16.

2 Reporting standards

The interim consolidated report on operations as at 31 March 2026 was prepared in condensed form. Since the interim consolidated report on operations does not disclose all the information required in preparing the consolidated annual financial statements or interim financial statements in accordance with IAS 34, it must be read together with the consolidated financial statements as at 31 December 2025.

The accounting standards adopted in preparing this interim consolidated report on operations as at 31 March 2026 are those adopted for preparing the consolidated financial statements as at 31 December 2025 in compliance with IFRS, to which reference is made for full details. Note that the standards and interpretations approved by the European Union and that came into force for the first time on 1 January 2026 have no particular relevance for the Group. Moreover, the Group has not adopted in advance any other principle, interpretation or modification published but not yet in force.

The interim consolidated report on operations as at 31 March 2026 comprises the consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, statement of changes in consolidated shareholders' equity and statement of consolidated cash flows. The presentation of these statements report, as comparative figures, the figures as at 31 December 2025 for the statement of financial position and the first quarter of 2025 for the consolidated income statement, consolidated statement of comprehensive income, statement of changes in shareholders' equity and cash flow statement.

More precisely, 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 are drawn up in extended form and are in the same format adopted for the Consolidated financial statements as at 31 December 2025.

The interim consolidated report on operations is presented in Euro. The balances in the financial statements and notes to the financial statements are expressed in thousands of Euro, unless specifically indicated.

Disclosure of the interim consolidated report on operations of the Tesmec Group for the period ended 31 March 2026 was authorised by the Board of Directors on 8 May 2026.

3 Consolidation methods and area

The interim consolidated report on operations comprises the interim reports on operations of Tesmec S.p.A. and its subsidiaries as at 31 March 2026. The accounting standards and consolidation methods adopted in preparing this interim consolidated report on operations as at 31 March 2026 are those adopted for preparing the consolidated financial statements as at 31 December 2025 to which reference is made for full details.

As at 31 March 2025, no changes have taken place in the consolidation area in comparison with 31 December 2025.

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 quarter ended 31 March		End-of-period exchange rate as at 31 March	
	2026	2025	2026	2025
Australian Dollar	1.6841	1.6772	1.6693	1.7318
Renminbi	8.1032	7.6551	7.9341	7.8442
Algerian Dinar	152.6838	141.7726	153.3109	144.7616
GNF Franc	10,223.0312	9,057.8376	10,047.9167	9,308.0525
Moroccan dinar	10.7910	10.4260	10.7870	10.4170
New Zealand Dollar	1.9846	1.8537	2.0061	1.9035
Qatari Riyal	4.2598	3.8305	4.1853	3.9367
Russian Rouble	91.7295	97.3500	93.4369	89.6553
Saudi Riyal	4.3885	3.9463	4.3118	4.0556
Tunisian Dinar	3.3782	3.3250	3.3805	3.3620
US Dollar	1.1703	1.0523	1.1498	1.0815
CFA Franc	655.957	655.957	655.957	655.957
South African Rand	19.137	19.458	19.627	19.878

4 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, monitoring and automation of low, 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 the 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.

	Quarter ended 31 March							
	2026				2025			
(Euro in thousands)	Energy	Trencher	Rail	Consolidated	Energy	Trencher	Rail	Consolidated
Revenues from sales and services	26,417	29,485	10,041	65,943	20,022	31,764	9,592	61,378
Operating costs net of depreciation and amortisation	(20,512)	(25,996)	(9,339)	(55,847)	(16,854)	(26,314)	(8,719)	(51,887)
EBITDA	5,905	3,489	702	10,096	3,168	5,450	873	9,491

Amortisation/Depreciation	(1,520)	(2,419)	(1,453)	(5,392)	(1,539)	(2,354)	(1,273)	(5,166)
Total operating costs	(22,032)	(28,415)	(10,792)	(61,239)	(18,393)	(28,668)	(9,992)	(57,053)
Operating income	4,385	1,070	(751)	4,704	1,629	3,096	(400)	4,325
Net financial income/(expenses)				(2,843)				(5,001)
Pre-tax profit/(loss)				1,861				(676)
Income tax				(803)				795
Net profit/(loss) for the period of continuing operations				1,058				119
Net profit/(loss) for the period of assets held for sale				-				(1,566)
Net profit/(loss) for the period				1,058				(1,447)
Profit/(loss) attributable to non-controlling interests				45				21
Group profit/(loss)				1,013				(1,468)

Management monitors the operating income of its business units separately for the purpose of making decisions on resource, 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 business segment as at 31 March 2026 and as at 31 December 2025:

	As at 31 March 2025					As at 31 December 2024				
	Energy	Trencher	Rail	Not allocated	Consolidated	Energy	Trencher	Rail	Not allocated	Consolidated
<i>(Euro in thousands)</i>										
Intangible assets	18,015	12,484	16,072	-	46,571	17,641	12,605	16,184	-	46,430
Property, plant and equipment	3,200	27,762	6,528	-	37,490	3,231	27,475	6,678	-	37,384
Rights of use	2,064	14,456	2,485	-	19,005	2,187	15,165	2,474	-	19,826
Financial assets	6,708	12,711	12	-	19,431	5,913	13,302	13	-	19,228
Other non-current assets	966	13,293	998	-	15,257	1,036	13,551	720	-	15,307
Total non-current assets	30,953	80,706	26,095	-	137,754	30,008	82,098	26,069	-	138,175
Work in progress contracts	7,099	-	4,821	-	11,920	5,301	-	28,950	-	34,251
Inventories	27,059	61,301	7,356	-	95,716	23,926	57,279	6,459	-	87,664
Trade receivables	13,699	56,439	9,817	-	79,955	10,200	44,864	6,025	-	61,089
Other current assets	3,011	28,408	28,902	-	60,321	2,073	29,725	8,838	-	40,636
Cash and cash equivalents	5,371	23,127	1,971	-	30,469	7,663	23,096	6,750	3,051	40,560
Total current assets	56,239	169,275	52,867	-	278,381	49,163	154,964	57,022	3,051	264,200
Total assets	87,192	249,981	78,962	-	416,135	79,171	237,062	83,091	3,051	402,375
Group shareholders' equity	-	-	-	72,759	72,759	-	-	-	70,755	70,755
Shareholders' equity attributable to non-controlling interests	-	-	-	3,075	3,075	-	-	-	2,975	2,975
Total shareholders' equity	-	-	-	75,834	75,834	-	-	-	73,730	73,730
Non-current financial liabilities	186	413	6,380	72,341	79,320	262	313	6,597	74,673	81,845
Non-current financial liabilities from rights of use	629	11,827	2,031	2,316	16,803	640	12,321	2,253	2,805	18,019
Other non-current liabilities	1,464	2,089	2,378	-	5,931	1,429	2,097	2,282	-	5,808
Non-current liabilities	2,279	14,329	10,789	74,657	102,054	2,331	14,731	11,132	77,478	105,672
Current financial liabilities	13,626	3,321	12,071	66,611	95,629	9,841	1,891	10,104	62,055	83,891
Current financial liabilities from rights of use	310	4,393	1,128	3,503	9,334	260	4,346	1,037	3,981	9,624
Trade payables	32,123	59,940	12,604	-	104,667	31,465	56,279	16,038	-	103,782
Other current liabilities	10,149	12,572	5,896	-	28,617	6,655	12,838	6,183	-	25,676
Total current liabilities	56,208	80,226	31,699	70,114	238,247	48,221	75,354	33,362	66,036	222,973
Total liabilities	58,487	94,555	42,488	144,771	340,301	50,552	90,085	44,494	143,514	328,645
Total shareholders' equity and liabilities	58,487	94,555	42,488	220,605	416,135	50,552	90,085	44,494	217,244	402,375

5 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:

	Quarter ended 31 March 2026					Quarter ended 31 March 2025				
	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
<i>(Euro in thousands)</i>										
Associates:										
Locavert S.A.	15	-	-	-	-	10	-	-	-	-
Subtotal	15	-	-	-	-	10	-	-	-	-
Joint Ventures:										
Condux Tesmec Inc.	1,003	(1)	-	81	-	1,996	(2)	-	69	1
Groupe Marais SAS	796	-	(43)	(144)	49	-	-	-	-	-
Subtotal	1,799	(1)	(43)	(63)	49	1,996	(2)	-	69	1
Related parties:										
Ambrosio S.r.l.	-	-	-	(1)	(1)	-	-	-	(1)	-
Dream Immobiliare S.r.l.	-	-	-	(9)	(43)	-	-	-	(13)	(59)
TTC S.r.l.	-	-	(22)	-	-	-	-	(26)	-	-
M.T.S. Officine meccaniche S.p.A.	206	(1)	-	1	(21)	255	(5)	(2)	4	(23)
RX S.r.l.	-	-	-	-	(5)	-	-	-	-	(5)
TCB Sport S.r.l.	-	-	-	-	-	-	-	-	-	-
Subtotal	206	(1)	(22)	(9)	(70)	255	(5)	(28)	(10)	(87)
Total	2,020	(2)	(65)	(72)	(21)	2,261	(7)	(28)	59	(86)

	31 March 2026						31 December 2025					
	Trade receivables	Current financial receivables	Non-current liabilities from rights of use	Current financial payables	Current liabilities from rights of use	Trade payables	Trade receivables	Current financial receivables	Non-current liabilities from rights of use	Current financial payables	Current liabilities from rights of use	Trade payables
<i>(Euro in thousands)</i>												
Associates:												
Locavert S.A.	15	-	-	-	-	-	17	-	-	-	-	-
Subtotal	15	-	-	-	-	-	17	-	-	-	-	-
Joint Ventures:												
Condux Tesmec Inc.	1,559	-	-	-	-	-	1,830	-	-	-	-	65
Groupe Marais SAS	2,790	5,934	-	-	-	7,994	2,460	5,307	-	-	-	8,623
Marais Lucas	-	794	-	-	-	-	-	794	-	-	-	-
Subtotal	4,349	6,728	-	-	-	7,994	4,290	6,101	-	-	-	8,688
Related parties:												
Dream Immobiliare S.r.l.	8	77	220	-	2,566	3,755	8	77	490	-	3,042	3,800
Ambrosio S.r.l.	-	-	-	-	-	10	-	-	-	-	-	5
Fi.ind.	16	-	-	-	-	-	16	-	-	-	-	-
TTC S.r.l.	-	-	-	-	-	134	-	-	-	-	-	134
M.T.S. Officine meccaniche S.p.A.	311	-	-	1,422	-	22	326	-	-	1,422	-	90
RX S.r.l.	11	-	-	1,094	-	141	11	-	-	1,094	-	136
TCB Sport S.r.l.	2	-	-	-	-	-	2	-	-	-	-	-
Subtotal	348	77	220	2,516	2,566	4,062	363	77	490	2,516	3,042	4,165
Total	4,712	6,805	220	2,516	2,566	12,056	4,670	6,178	490	2,516	3,042	12,853

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

1. The undersigned Ambrogio Caccia Dominioni 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 adopted to prepare the Interim consolidated report on operations as at 31 March 2026.
2. We also certify that:
 - 2.1 the Interim consolidated report on operations as at 31 March 2026:
 - corresponds to the amounts shown in the Company's accounts, books and records;
 - gives a current 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 three months of the financial period and their impact on the Interim consolidated report on operations, together with a description of the main risks and uncertainties for the nine remaining months of the financial period. The interim report on operations also includes a reliable analysis of information on significant transactions with related parties.

Grassobbio, 8 May 2026

Mr Ambrogio Caccia Dominioni

Chairman
of the Board of Directors

Mr Ruggero Gambini

Manager responsible for
preparing the Company's
financial statements

TESMEC



Tesmec S.p.A.

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