



PRESS RELEASE

THE BOARD OF DIRECTORS APPROVES THE BUDGET PROJECT AS OF DECEMBER 31, 2023 DOUBLE-DIGIT REVENUE GROWTH AND STRONG EXPANSION OF MARGIN FINANCIAL STRENGTH AND RECORD NUMBERS FOR 2023

Key results as of December 31, 2023:

- Value of Production amounting to Euro 61.5 million, up by 15.46% compared to Euro 53.27 million as of December 31, 2022.
- EBITDA at Euro 13.14 million, a growth of 65.12% compared to Euro 7.96 million as of December 31, 2022. EBITDA Margin at 21.36% (14.9% FY22).
- EBIT at Euro 9.47 million, up by 74.65% compared to Euro 5.42 million as of December 31, 2022.
- Net profit amounting to Euro 6.71 million, an increase of 84.28% compared to Euro 3.64 million as of December 31, 2022.
- Net Financial Position at Euro 7.8 million compared to Euro 6.7 million as of December 31, 2022, due to the subscription of new financing. Cash Availability increased from Euro 4.1 million to Euro 7.8 million, thanks to the positive performance of the business, which allowed significant cash generation.
- Total Equity amounting to Euro 24.2 million, up by 32.35% compared to Euro 17.5 million as of December 31, 2022.
- Backlog acquired as of December 31, 2023, amounting to approximately Euro 84 million, with new construction sites acquired during the first quarter of 2024 amounting to Euro 19 million. The acquired backlog is expected to develop both in 2024 for approximately Euro 61.5 million and in 2025 for about Euro 22.5 million.
- The business growth strategy continues through the acquisition of skills and technologies with a strong focus on environmental sustainability.

Carpenedolo (BS), March 28, 2024 - **Palingeo S.p.A.** (ticker PAL, hereinafter also referred to as the "**Company**" or "**Palingeo**"), a leading company in the fields of geotechnics and geognostics for the construction of buildings, infrastructure, and the consolidation of foundation or excavation support lands, met today to examine and approve the budget project as of December 31, 2023.

Leonardo Spada, Paolo Franzoni, and Gianbattista Lippi, co-founders of Palingeo, state: "*We are pleased to announce the record results of 2023, characterized by a significant increase in turnover and margin expansion. These results reflect the good health of the reference market and the solidity of our business strategy. Looking ahead with confidence, we will continue to lead the company towards new milestones, fueled by innovation, the dedication of our employees, and our sustainable approach.*"

KEY ECONOMIC-FINANCIAL RESULTS AS OF DECEMBER 31, 202

The **Backlog** acquired as of December 31, 2023 amounts to approximately EUR 84 million, with new construction sites acquired during the first quarter of 2024 totaling EUR 19 million. The acquired backlog will further develop both in 2024, amounting to approximately EUR 61.5 million, and in 2025, amounting to approximately EUR 22.5 million, providing extensive visibility on revenues for the next 2 fiscal years.

I **Ricavi** al 31 dicembre 2023 si attestano a € 58,5 milioni, in incremento del 14,65% rispetto a Euro 51,0 milioni registrati nell'esercizio 2022. L'incremento è da imputarsi principalmente alla importante spinta data dall'acquisizione dei cantieri legati a bandi di gara aggiudicati per la realizzazione delle opere pubbliche sostenute dal piano PNRR che ha dato, nel corso del 2023, un forte impulso nelle lavorazioni in cui la Società è specializzata.

Revenues as of December 31, 2023, amounted to €58.5 million, showing an increase of 14.65% compared to €51.0 million recorded in the 2022 fiscal year. The increase is primarily attributed to the significant boost provided by the acquisition of construction sites related to tender bids awarded for the implementation of public works supported by the PNRR plan, which provided a strong momentum in the operations specialized by the Company during 2023.

The **Value of production** in 2023 amounted to €61.5 million, showing a growth of 15.46% compared to the previous fiscal year, primarily due to the mentioned results recorded in terms of revenues. Comprising the overall value of production, besides sales revenues and the variation of works in progress on order (the latter included in the characteristic production value and negative, in 2023, by €0.28 million), are other revenues, which increased from €2.6 million in 2022 to €3.3 million in 2023 (24.01% annually). These revenues mainly include active leases of equipment and instrumental machinery, damage and insurance compensations, and contributions for instrumental goods.

I **Costi di produzione** nel 2023, sono pari a complessivi Euro 48,4 milioni (Euro 45,3 milioni nel 2022). Le componenti più rilevanti per la Società risultano essere i costi per materie prime, i costi per servizi ed i costi per il personale. In particolare, i costi per materie prime sono aumentati nel 2023 del 1,00% (da Euro 21,6 milioni nel 2022 a Euro 21,8 milioni nel 2023) la crescita contenuta rispetto all'andamento del valore della produzione caratteristica è legata all'acquisizione di cantieri in subappalto nei quali la fornitura dei materiali di lavorazione viene fatta dall'appaltatore principale. Il contenuto aumento dei prezzi sconta, inoltre, il progressivo calo del prezzo dei materiali di lavorazione che ha influito positivamente sul contenimento di valore di tale posta. I costi per servizi sono aumentati nel 2023 rispetto al 2022 del 13,41% (da Euro 7,7 milioni nel 2022 a Euro 8,8 milioni nel 2023), in ragione del sostanziale incremento delle prestazioni di servizi direttamente correlate al business sia in termini di lavorazioni esternalizzate sia in termini di trasporti e trasferte. In ultimo, i costi per il personale sono aumentati del 15,89% (da Euro 11 milioni del 2022 a Euro 12,9 milioni nel 2023), a seguito dell'ingresso di circa 18 nuove risorse, reso necessario al fine di far fronte all'importante incremento delle commesse aggiudicate nel corso del 2023 e, quindi, dei conseguenti cantieri da avviare e presidiare.

The **Production Costs** in 2023 amounted to a total of €48.4 million (€45.3 million in 2022). The most significant components for the Company include raw material costs, service costs, and personnel costs. Specifically, raw material costs increased by 1.00% in 2023 (from €21.6 million in 2022 to €21.8 million in 2023). The moderate growth compared to the characteristic production value is linked to the acquisition of subcontracted construction sites where the supply of processing materials is provided by the main contractor. Additionally, the slight increase in prices offsets the progressive decrease in the price of processing materials, which positively affected the containment of this cost item. Service costs increased by 13.41% in 2023 compared to 2022 (from €7.7 million in 2022 to €8.8 million in 2023), due to a substantial increase in service provision directly related to the business, both in terms of outsourced work and transportation and travel expenses. Finally, personnel costs increased by 15.89% (from €11 million in 2022 to €12.9 million in 2023), following the recruitment of approximately 18 new

resources necessary to cope with the significant increase in awarded contracts during 2023 and, consequently, the subsequent construction sites to be initiated and managed.

The **EBITDA** has increased due to the business growth, both in absolute value and in terms of margin calculated on the characteristic production value. Specifically, the EBITDA value in 2023 amounted to €13.1 million, showing growth compared to the previous fiscal year when it was €7.9 million (+€5.2 million annually; +65.12%). In terms of margin, the EBITDA margin calculated on the operational production value increased from 14.9% in 2022 to 21.36% in 2023, indicating greater efficiency by the Company, especially regarding raw materials (the incidence of this item on the characteristic production value decreased from 40.5% in 2022 to 34.8% in 2023).

The **Operating Result (EBIT)** amounts to €9.5 million, a significant increase compared to €5.4 million in 2022, representing an annual increase of +74.65%.

The **Net Result for the period** stands at €6.71 million, showing growth of 84.28% compared to €3.64 million as of December 31, 2022.

The **financial indebtedness**, as detailed below, shows an increase and amounts to €7.8 million, compared to €6.7 million as of December 31, 2022. Liquidity available as of December 31, 2022, shows a significant increase compared to the figure as of December 31, 2022, amounting to €7.8 million (compared to €4.1 million as of December 31, 2022), as a result of substantial improvement in business and the Company's ability to generate cash.

The **Net Equity** amounts to €24.2 million, an increase compared to €17.5 million from the previous year, attributable to the profits generated during the fiscal year 2023.

PRINCIPALI FATTI DI RILIEVO AVVENUTI DURANTE L'ESERCIZIO 2023

During the first half of 2023, a new CRM system was introduced, and the implementation process for internal management control using selected software was initiated. This implementation process will enable the company to conduct better and more timely analysis of ongoing contracts, with margin verification and alignment of deviations

During the first half of 2023, the company initiated its first contacts with a software development firm for implementing a unified and organic platform capable of managing production data collected from drilling machines. The project aims to ensure constant monitoring of machine work, facilitated by the installation of monitoring sensors on board the machines. Additionally, the development of site control software commenced, which upon completion will be able to track individuals and hours worked on each site using a QR code system. The software implementation also aims to mark and map machinery on-site, again using QR codes.

During the **second semester**, the Company strengthened its position in the reference market, recording a significant increase in the value of acquired contracts, which reached 82.2 million euros by the end of the fiscal year. This outcome highlighted a positive growth trend from both an economic and financial perspective, confirming the solidity and competitiveness of the company in the relevant sector.

MAJOR EVENTS OCCURRED AFTER THE CLOSE OF THE 2023 FISCAL YEAR

During the first quarter, new construction sites were acquired for a total value of Euro 19 million. The newly acquired contracts span across the entire central-northern Italy.

On **February 14, 2024**, the Company received approval for the admission to trading of its ordinary shares and warrants named "Warrant PALINGEO 2024-2026" on the Euronext Growth Milan market, a multilateral trading facility organized and managed by Borsa Italiana S.p.A. After successfully completing the placement of its ordinary shares, raising a total of Euro 8.1 million through the issuance of 5,197,100 new ordinary shares, trading began on Friday, February 16, 2024. The operation also involved the issuance of warrants named "Warrant PALINGEO 2024-2026", under the terms and conditions specified in the warrant regulations available on the Company's website www.palingeo.it, in the dedicated section Investor Relations > IPO.

Between **January and March 2024**, the Company expanded its administrative management team by hiring four new highly specialized professionals, aligning with the growth strategy announced during the IPO phase.

On **March 18, 2024**, the Company announced a significant enhancement in the productivity and efficiency of its construction sites in Italy through the acquisition of five new state-of-the-art, environmentally friendly machinery. This investment, aligning with the objectives presented to investors during the IPO, will consolidate the company's competitive positioning in the market and open up new development prospects. The new equipment, totaling approximately 3.5 million Euros, includes specialized machinery for micropiles, reinforced concrete/plastic diaphragm walls, and large-diameter piles, all equipped with advanced 4.0 technologies and "STAGE 5" low-emission engines. This investment not only improves remote control systems but also contributes to the environmental sustainability of construction sites, representing a significant step towards greater efficiency, safety, and environmental responsibility in construction operations in Italy.

On **March 21, 2024**, the Company announced the commencement of work on four new construction sites. The first site, commissioned by D'Agostino Angelo Antonio Costruzioni Generali S.p.A., involves the construction of the "Variante alla S.S. 1 Aurelia 3° lotto tra Felettino ed il raccordo autostradale-3° stralcio funzionale C dello svincolo di San Venerio allo svincolo Melara". The project includes the use of the Jet grouting technique for soil consolidation. The second and third sites focus on the construction of the "Nuovo collegamento ferroviario stazione di Bergamo - Aeroporto Orio al Serio" and the execution of the "Ponte San Pietro e raddoppio linea Curno - Bergamo", requiring advanced techniques such as micropiles and CFA piles.

The fourth site, commissioned by ITINERA S.p.A., involves the installation of large-diameter piles for a significant highway project.

PREDICTED MANAGEMENT EVOLUTION

The Company remains confident in the confirmation and potential growth of the overall revenue volume, considering the contractual agreements in place. Alongside the ongoing effort to secure new contracts, the Company will continue to focus on its policy of structural investment in cutting-edge machinery and facilities, necessary for optimizing the services and works provided. Additionally, there will be a focus on implementing a management control system with the assistance of the new management software implemented since January 1, 2023, and the recruitment of new specialized personnel for the management and execution of acquired contracts. Similarly, the Company will continue its constant commitment to careful optimization of various operational costs.

PROPOSED ALLOCATION OF NET INCOME

The Board of Directors has resolved to propose to the Shareholders' Meeting to allocate the net income for the year ended December 31, 2023, amounting to Euro 6,739,811, to the Extraordinary Reserve.

OTHER RESOLUTIONS OF THE BOARD OF DIRECTORS

Definition of quantitative and qualitative criteria of significance for potentially relevant relationships for the assessment of independence pursuant to Article 6-bis of the Euronext Growth Milan Issuers Regulation.

In order to comply with the recent amendments to the Euronext Growth Milan Issuers Regulation ("EGM Issuers Regulation") as per the notice of Borsa Italiana S.p.A. no. 43747 dated November 17, 2023, which came into effect on December 4, 2023, particularly with reference to the provisions contained in Article 6-bis regarding the appointment of independent directors, considering the elimination of the obligation on the Euronext Growth Advisor to assess the independence requirements of candidates for the position of independent director of all companies already admitted to the EGM market, the Board of Directors has, among other things, noted the need to repeal the "Procedure for submitting the evaluation of the independent director to the Euronext Growth Advisor" previously adopted by the Company. Therefore, in compliance with the provisions of Article 6-bis of the EGM Issuers Regulation currently in force, aligned with the regulations currently applicable to companies listed on the regulated market, the responsibility for assessing the independence requirements remains with the Board of Directors of Palingeo after the appointment and subsequently once a year, based on the information provided by the interested party or available to the Company itself. To this end, the Board of Directors approved today the quantitative and qualitative criteria to be taken into account for the purpose of conducting this annual assessment (the "Policy"), which will be valid until the expiration of the current mandate, and verified the existence of these criteria in relation to the current Independent Director of Palingeo. The Policy is available on the Company's website at www.palingeo.it, in the Governance section.

Convening of the Shareholders' Meeting and Filing of Documentation

The Board of Directors has resolved to convene the Ordinary Shareholders' Meeting on April 29, 2024, in a single session, at the times and locations that will be communicated in the respective notice of convocation to be published in accordance with the methods and terms provided for by applicable laws and regulations. The notice convening the Meeting, which will be published within the legal and statutory deadlines, will also indicate the procedures for participating in the assembly.

The documentation relating to the items on the agenda will be made available to the public at the company's headquarters, on the website www.palingeo.it, under the Investor Relations > Meetings section, as well as on the website www.borsaitaliana.it, under the Stocks/Documents section, within the deadlines prescribed by current regulations.

Please note that this press release is available on the website www.palingeo.it and on www.emarketstorage.it.

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

About Palingeo

Palingeo is an Italian company based in Carpenedolo, founded in 1999, specialized in geotechnics, soil consolidation, and geognostics. Born from the experience of industry professionals, it has emerged as an Italian leader, offering services such as soil consolidation, waterproofing, foundation engineering, and land reorganization. The company works on commission for individuals and public entities, acquiring projects through subcontracting or participating directly in tenders, even in temporary association with other operators. Its

presence extends throughout the national territory, with four local units distributed in the provinces of Brescia, Mantova, and Messina. Palingeo holds the main quality certifications in the industry and focuses on specialized construction in the foundations sector, providing geological and infrastructural services. The Company is active in the public construction sector, basing its business model on research, award, and implementation of contracts through direct or indirect channels. To improve production efficiency, Palingeo has adopted Industry 4.0 technologies on construction sites, allowing remote connection with the Technical Office through dedicated applications and specific portals. The Company is oriented towards technological development to optimize production processes and ensure a high level of professionalism in the services offered.

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In Allegato:

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1. Reclassified Income Statement as of December 31, 2023 (vs. Income Statement as of December 31, 2022)

Conto Economico	31.12.2023	31.12.2022	Var. 23 vs 22	Var. % 23 vs 22
Revenue from core operations	58.497.148	51.020.946	7.476.202	14,65%
Change in work in progress on orders	-281.455	-364.577	83.122	-22,80%
Value of characteristic production	58.215.693	50.656.369	7.559.324	14,92%
Changes in inventories of work in progress, semi-finished, and finished product	0	-37.500	37.500	-100,00%
Other revenues and income	3.292.727	2.655.191	637.536	24,01%
Valore della produzione	61.508.420	53.274.060	8.234.360	15,46%
Purchases and changes in inventories of raw materials, consumables, and goods	21.797.101	21.581.960	215.141	1,00%
Service costs	8.785.761	7.747.002	1.038.759	13,41%
Costs for the use of third-party assets	4.666.647	3.992.092	674.555	16,90%
Other operating costs	256.845	902.870	-646.025	-71,55%
Value added	26.002.066	19.050.136	6.951.930	36,49%
Salaries and Wages	12.864.934	11.094.047	1.770.887	15,96%
EBITDA	13.137.132	7.956.089	5.181.043	65,12%
Amortisations and depreciations	2.231.746	2.133.350	98.396	4,61%
Allocations for risks	1.434.495	400.000	1.034.495	258,62%
EBIT	9.470.891	5.422.739	4.048.152	74,65%
Income and financials charges	-495.922	-133.203	-362.719	272,31%
Revaluations/Impairments of financial assets	-16.405	27.469	-43.874	-159,72%
Total reserves before taxation	8.958.564	5.317.005	3.641.559	68,49%
Taxes	2.252.923	1.678.249	574.674	34,24%
Profit (loss) for the Year	6.705.641	3.638.756	3.066.885	84,28%

2. Reclassified Balance Sheet as of December 31, 2023 (vs. Balance Sheet as of December 31, 2022)

Stato Patrimoniaie	31.12.2023	31.12.2022	Var. 23 vs 22	Var. % 23 vs 22
Intangible assets	7.184.990	7.996.958	-811.968	-10,15%
Tangible fixed assets	7.237.369	6.142.465	1.094.904	17,83%
Financial assets	151.749	230.998	-79.249	-34,31%
Net fixed assets	14.574.108	14.370.421	203.687	1,42%
Inventory	121.562	701.570	-580.008	-82,67%
Trade receivable	29.742.625	27.439.738	2.302.887	8,39%
Trade payables	-16.298.134	-18.514.904	2.216.770	-11,97%
Commercial Working Capital	13.566.053	9.626.404	3.939.649	40,93%
Other Receivables	1.166.906	950.014	216.892	22,83%
Other Payables	-3.539.159	-1.887.504	-1.651.655	87,50%
Tax receivables and payables	4.969.388	2.433.813	2.535.575	104,18%
Net Accruals and Pyables	-2.586.056	-523.202	-2.062.854	394,27%
Net Working Capital	13.577.132	10.599.525	2.977.607	28,09%
Provision for risk and charges	-2.312.377	-2.439.059	126.682	-5,19%
Long-term net working capital	7.937.657	3.334.994	4.602.663	138,01%
Severance benefits	-1.797.859	-1.700.348	-97.511	5,73%
Net Invested Capital	31.978.661	24.165.533	7.813.128	32,33%
Financials payables	15.604.105	10.814.486	4.789.619	44,29%
Cash and Cash Equivalents	-7.787.890	-4.153.522	-3.634.368	87,50%
Net Financial position	7.816.215	6.660.964	1.155.251	17,34%
Share Capital	1.000.000	1.000.000	0	0,00%
Reserves	16.456.806	12.865.814	3.590.992	27,91%
Profit (loss) for the Year	6.705.641	3.638.755	3.066.886	84,28%
Shareolders equity	24.162.447	17.504.569	6.657.878	38,04%
Total Provision	31.978.662	24.165.533	7.813.129	32,33%

3. Net Financial Debt as of December 31, 2023 (vs. Net Financial Debt as of December 31, 2022)

Net Financial Debt	31.12.2023	31.12.2022	Var. 23 vs 22	Var. % 23 vs 22
A) Cash	7.784.603	4.153.522	3.631.081	87,42%
B) Cash Equivalents	3.287	1.810	1477	81,60%
C) Other financial activity	0	0	0	n.m.
D) Liquidity (A+B+C)	7.787.890	4.155.332	3.632.558	87,42%
E) Current Financial Receivables	0	0	0	n.m.
G) Current Financial Liabilities	7.987.978	4.825.964	3.182.058	66,21%
F) Current Portion of Non-current Financial Liabilities	3.566.859	1.582.453	1.984.362	125,39%
H) Other Current Financial Liabilities	0	0	0	n.m.
I) Current Financial Indebtedness (F+G+H)	11.554.837	6.428.417	5.166.420	80,87%
J) Net Current Financial Indebtedness (I-D-E)	3.766.947	2.273.085	1.533.862	68,69%
K) Non-current Financial Liabilities	3.945.562	4.297.575	-352.013	-8,19%
L) Non-current Issued Bonds	0	0	0	n.m.
M) Other Non-current Financial Liabilities	103.706	108.494	-4.788	-4,41%
N) Non-current Financial Indebtedness (K+L+M)	4.049.268	4.406.069	-356.801	-8,10%
O) NET FINANCIAL DEBT (I+N)	7.816.215	6.679.154	1.177.061	17,73%