



Press Release

**PALINGEO: THE BOARD OF DIRECTORS APPROVES THE SEMI-ANNUAL
FINANCIAL REPORT AS OF JUNE 30, 2024**

STRONG REVENUE GROWTH, MARGIN INCREASE TO 20%, AND PROFIT

SOLID FINANCIAL DEBT AND BACKLOG GROWTH OF 103 MILLION

AS OF JUNE 30, 2024

Key Economic and Financial Results

- **Production Value: €34.6 million, +27.1% vs €27.3 million as of June 30, 2023**
- **Sales Revenue: €33.1 million, +28.7% vs €25.7 million as of June 30, 2023**
- **EBITDA: €6.9 million, +66.2% vs €4.2 million as of June 30, 2023**
- **EBITDA margin: 20.0% vs 15.3% as of June 30, 2023**
- **Net Profit for the Period: €3.3 million, +70.8% vs €1.9 million as of June 30, 2023**
- **Net Financial Debt: €5.5 million vs €7.8 million as of December 31, 2023**
- **Backlog as of June 30, 2024: €103 million, an increase of €20.8 million compared to the same period in 2023.**

Carpinedolo (BS), September 27, 2024 – Palingeo S.p.A. (ticker PAL, hereinafter the “Company” or “Palingeo”), a leader in the fields of geotechnics and geognostics, today approved the semi-annual report as of June 30, 2024, voluntarily subjected to limited accounting review.

Leonardo Spada, CEO and co-founder of Palingeo: “In the first half of the year, we recorded a significant increase in production and profitability, fully aligning with the industrial plan presented to investors during the IPO. This success demonstrates the effectiveness of our strategies and optimization of our processes. We focused on implementing advanced technologies and updating production infrastructure to maintain high standards of quality and efficiency. Additionally, the introduction of a new management control system has greatly improved our ability to monitor and manage operational costs. Looking to the second half of the year, we are confident in maintaining this positive momentum. We will continue to focus on expanding our customer base and discovering new strategic opportunities to further strengthen our market position, as outlined in the industrial plan.”

Key Results as of June 30, 2024

In the first half of 2024, Palingeo reported revenues from core operations of €33.1 million, an increase of 28.7% compared to €25.7 million in the first half of 2023. This growth was significantly driven by the acquisition of projects linked to contracts awarded for the implementation of public works supported by the PNRR plan, as well as the acquisition of a substantial number of machines that enhanced the Company's production capacity.

The characteristic production value for the first half of 2024 amounted to **€33.5 million**, representing a **28%** increase compared to the same period in 2023. This growth was primarily attributed to the positive revenue results.

The total production value, which includes sales revenue and changes in work in progress on order, also comprises other revenues. The latter rose from **€1.06 million** in the first half of 2023 to **€1.10 million** in the first half of 2024 (+4.0% year-over-year) and mainly consists of active leases of equipment and machinery, damage and insurance reimbursements, and contributions for instrumental goods.

The growth of the business translated into an increase in EBITDA, both in absolute terms and in terms of margin calculated on the characteristic production value. Specifically, **EBITDA** for the first half of 2024 stands at **€6.9 million**, up from €4.2 million in the same period of 2023 (+€2.7 million year-over-year; **+66.2%**), with the EBITDA margin calculated on the characteristic production value rising from 15.3% in 2023 to 20.01% in 2024.

EBIT, after amortization, write-downs, and provisions, amounts to **€5 million**, a significant increase compared to **€2.7 million** in 2023, reflecting a year-over-year increase of **88.2%**.

The net profit for the period is **€3.3 million**, improving by **70.8%** compared to **€1.9 million** as of June 30, 2023

Financial debt stands at €5.5 million, down from **€7.8 million** as of December 31, 2023.

The Company's equity as of June 30, 2024, amounts to **€35.5 million**, marking an increase from €24.2 million as of December 31, 2023

Significant Events During the First Half of 2024

On **February 14, 2024**, the Company received the approval for the admission of its ordinary shares and the warrants named "Warrant PALINGEO 2024-2026" to trading on the Euronext Growth Milan market, a multilateral trading system organized and managed by Borsa Italiana S.p.A. Following the successful placement of its ordinary shares, which raised a total of €8.1 million through the issuance of 5,197,100 new ordinary shares, trading commenced on Friday, February 16, 2024. The operation also included the issuance of the warrants named "Warrant PALINGEO 2024-2026," under the terms and conditions outlined in the warrant regulation available on the Company's website at www.palingeo.it, in the dedicated Investor Relations > IPO section.

Between **January and March 2024**, the Company strengthened its administrative management team by hiring four highly specialized new positions, in line with the growth strategy announced during the IPO.

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, low-environmental-impact machines. This investment, in line with the objectives presented to investors during the IPO, will help consolidate the competitive position in the market and open new development opportunities. The new equipment, valued at approximately €3.5 million, includes specialized machines for micropiles, reinforced concrete/plastic diaphragm walls, and large-diameter piles, all equipped with advanced 4.0 technologies and low-emission "STAGE 5" engines. This investment not only improves remote control systems but also contributes to the environmental sustainability of the construction sites, representing a significant step towards greater efficiency, safety, and environmental respect 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 "Variant to S.S. 1 Aurelia 3rd lot between Felettino and the highway junction - 3rd functional section C of the San Venerio interchange to the Melara interchange." The project will utilize jet grouting techniques for ground stabilization. The second and third sites focus on the construction of the "New railway connection from Bergamo station to Orio al Serio Airport" and the execution of the "San Pietro Bridge and duplication of the Curno - Bergamo line," 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 an important highway project.

On April 9, 2024, the composition of the share capital was modified following the issuance of 124,200 ordinary shares related to the partial exercise of the Greenshoe option in the capital increase by the Global Coordinator Integrae SIM S.p.A., as part of the IPO operation on EGM. L'Assemblea del 29 aprile 2024 ha deliberato l'aumento del numero di amministratori da 5 a 7, la rideterminazione dei compensi del CDA e del Collegio Sindacale.

On May 15, 2024, the process for the allocation of the second tranche of the "Warrant Palingeo 2024-2026" was completed, with free distribution to all shareholders at the rate of one warrant for each ordinary share held, totaling 5,321,900 warrants. As of the date of this report, a total of 6,942,200 "Warrant Palingeo 2024-2026" are in circulation.

On June 21, 2024, the Company announced the signing of a new contract with Appalti Lavori e Costruzioni – S.A.L.C. S.p.A. for the execution of specialized foundation works within the project for the construction of the highway connection between the A/4 motorway and Val Trompia, section Ospitaletto - Sarezzo, stretch Concesio - Sarezzo (Brescia).

The total value of the contract is approximately €4.2 million, further strengthening Palingeo's order portfolio, which now amounts to about €96.5 million, with a timeline extending beyond the first half of 2026.

On June 27, 2024, the placement (off-market) of a total of 225,000 ordinary shares with regular enjoyment was completed, representing 3.42% of the share capital.

The sale of the Company's shares was carried out by shareholders Paolo Franzoni, Gianbattista Lippi, and Leonardo Spada ("Selling Shareholders"), who each sold 75,000 ordinary shares following the lifting of the lock-up agreement signed with Integrae SIM S.p.A. on February 9, 2024. The placement, reserved for Red Fish Listing S.p.A., closed at a price of €5.80 per share, resulting in a total consideration of €1,305,000. Red Fish Listing S.p.A. has taken over the lock-up obligation previously held by the Selling Shareholders, which expires in February 2027.

Significant Events After June 30, 2024

No significant events have been reported following the end of the period.

Expected Development of Operations

The Company expects an increase in total revenue in the second half of 2024, relying on the confirmation and expansion of existing contractual relationships. In addition to continuing efforts to acquire new contracts, the Company will keep investing in state-of-the-art machinery and equipment, which are essential for optimizing services and completed projects. Concurrently, the management control system will be enhanced with the new software implemented since January 1, 2023. This effort will be accompanied by a constant focus on optimizing management costs to ensure efficient and sustainable resource management.

Documentation Deposit

Documentation related to the items on the agenda will be made available to the public at the Company's registered office, on the website www.palingeo.it in the Investor Relations/Assemblies section, and on the website www.borsaitaliana.it in the Shares/Documents section, within the timeframes established by current regulations.

For the dissemination of regulated information, Palingeo uses the EMARKET Storage system, available at www.emarketstorage.it, managed by Teleborsa S.r.l. located in Rome, Piazza di Priscilla 4, following the authorization and resolutions by CONSOB nos. 22517 and 22518 dated November 23, 2022.

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

About Palingeo

Palingeo is an Italian company based in Carpenedolo, founded in 1999, specializing in geotechnics, soil stabilization, and geognostics. Born from the experience of industry professionals, it has established itself as a leading player in Italy, offering services such as soil stabilization and waterproofing, foundation engineering, and land reclamation. The company works on a contract basis for private clients and public entities, acquiring projects through subcontracting or by participating directly in tenders, often in temporary associations with other operators.

Palingeo has a nationwide presence with four local units distributed across the provinces of Brescia, Mantova, and Messina. The company holds key quality certifications in the sector and focuses on specialized construction

within the foundation segment, providing geological and infrastructural services. Active in the public construction sector, its business model is based on the research, award, and execution of contracts through direct or indirect channels.

To enhance production efficiency, Palingeo has adopted Industry 4.0 technologies on its construction sites, enabling remote connections with the Technical Office through dedicated applications and specific portals. The company is committed to technological development to optimize production processes and ensure a high level of professionalism in the services offered.

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Attachments

Below are the main financial statements of the Company related to the semiannual financial report as of June 30, 2024, compared with the corresponding comparative values in thousands of Euros

- Reclassified Income Statement as of June 30, 2024 (vs. Reclassified Income Statement as of June 30, 2023)
- Reclassified Balance Sheet as of June 30, 2024 (vs. Reclassified Balance Sheet as of December 31, 2023)
- Reclassified Balance Sheet as of June 30, 2024 (vs. Reclassified Balance Sheet as of December 31, 2023)

RECLASSIFIED INCOME STATEMENT

INCOME STATEMENT	30.06.2024	30.06.2023	Var. 24 vs 23	Var. % 24 vs 23
Revenue from core business	33.131.886	25.742.248	7.389.638	28.7%
Change in work in progress on orders	415.060	461.172	(46.112)	(10.0%)
Value of core production	33.546.946	26.203.420	7.343.526	28.0%
Other revenues and income	1.100.724	1.058.702	42.022	4.0%
Value of production	34.647.670	27.262.122	7.385.548	27.1%
Purchases and changes in raw materials, supplies, consumables and goods	12.207.204	10.840.141	1.367.063	12.6%
Costs for services	5.474.392	3.687.615	1.786.777	48.5%
Costs for the use of third-party assets	2.338.054	2.200.813	137.241	6.2%
Other operating costs	336.953	146.736	190.217	129.6%
Added value	14.291.067	10.386.817	3.904.250	37.6%
Labor costs	7.358.129	6.216.220	1.141.909	18.4%
Gross Operating Margin (EBITDA)	6.932.938	4.170.597	2.762.341	66.2%
Depreciation, write-downs and other provisions	1.377.757	1.083.892	293.865	27.1%
Provisions for risks	500.000	400.000	100.000	25.0%
Operating Income (EBIT)	5.055.181	2.686.705	2.368.476	88.2%
Financial income and expenses	(285.902)	(178.675)	107.227	60.0%
Revaluations/Write-downs of financial asset values	(4.419)	(6.086)	(1.667)	(27.4%)
Income before taxes	4.764.860	2.501.944	2.262.916	90.4%
Income taxes	1.465.644	570.856	894.788	156.7%
Net Income (Loss) for the Period	3.299.216	1.931.088	1.368.128	70.8%

RECLASSIFIED BALANCE SHEET

BALANCE SHEET	30/06/2024	31/12/2023	Var. 24 vs 23	Var. % 24 vs 23
Intangible Assets	6.985.981	7.184.990	(199.009)	(2.8%)
Tangible Assets	13.384.605	7.237.369	6.147.236	84.9%
Financial Assets	135.132	151.749	(16.617)	(11.0%)
Net Fixed Assets	20.505.718	14.574.108	5.931.610	40.7%
Inventories	536.622	121.562	415.060	341.4%
Trade Receivables	31.956.128	29.742.625	2.213.503	7.4%
Trade Payables	(18.436.672)	(16.298.134)	(2.138.538)	13.1%
Working Capital	14.056.078	13.566.053	490.025	3.6%
Other Receivables	754.625	1.364.832	(610.207)	(44.7%)
Other Payables	(2.751.143)	(3.539.159)	788.015	(22.3%)
Tax Receivables and Payables	4.729.746	4.969.388	(239.642)	(4.8%)
Accruals and Deferred Income	(518.608)	(2.586.056)	2.067.448	(79.9%)
Net Working Capital	16.270.698	13.775.058	2.495.639	18.1%
Provisions for Risks and Charges	(2.254.119)	(2.312.377)	58.258	(2.5%)
Long-Term Net Working Capital	8.272.298	7.739.731	532.567	6.9%
Severance Indemnity Fund (TFR)	(1.807.451)	(1.797.859)	(9.592)	0.5%
Net Invested Capital	40.987.144	31.978.661	9.008.482	28.2%
Financial Debts	14.098.329	15.604.105	(1.505.776)	(9.6%)
Cash and Cash Equivalents	(8.586.099)	(7.787.890)	(798.209)	10.2%
Net Financial Debt	5.512.230	7.816.215	(2.303.985)	(29.5%)
Share Capital	1.320.880	1.000.000	320.880	32.1%
Reserves	30.854.818	16.456.806	14.398.012	87.5%
Net Income (Loss) for the Period	3.299.216	6.705.641	(3.406.425)	(50.8%)
Equity (Own Funds)	35.474.914	24.162.447	11.312.467	46.8%
Total Sources	40.987.144	31.978.662	9.008.482	28.2%

NET FINANCIAL DEBT

Net financial debt	30.06.2024	31.12.2023	Var. 24 vs 23	Var. % 24 vs 23
A) Cash and Cash Equivalents	8.582.812	7.784.603	798.209	10.25%
B) Cash Equivalents	3.287	3.287	0	0.00%
C) Other Current Financial Assets	0	0	0	n.m.
D) Liquidity (A + B + C)	8.586.099	7.787.890	798.209	10.25%
E) Current Financial Receivables	0	0	0	n.m.
G) Current Financial Debt	6.409.909	7.987.978	-1.578.069	-19.76%
F) Current Portion of Non-Current Financial Debt	3.943.098	3.566.859	376.239	10.55%
H) Other Current Financial Debts	0	0	0	n.m.
I) Current Financial Indebtedness (F + G + H)	10.353.007	11.554.837	-1.201.830	-10.40%
J) Net Current Financial Indebtedness (I - D - E)	1.766.908	3.766.947	-2.000.039	-53.09%
K) Non-Current Financial Debt	3.663.574	3.945.562	-281.988	-7.15%
L) Non-Current Bonds Issued	0	0	0	n.m.
M) Other Non-Current Financial Debts	81.748	103.706	-21.958	-21.17%
N) Non-Current Financial Debt (K + L + M)	3.745.322	4.049.268	-303.946	-7.51%
O) TOTAL FINANCIAL DEBT (I + N)	5.512.230	7.816.215	-2.303.985	-29.48%