

An aerial photograph of a construction site. In the center, a large white drilling rig is positioned on a dirt road. To its left, a white truck is parked. The site is bordered by a red safety fence on the left and a building with a red roof in the background. The ground is uneven and shows signs of excavation and drilling. The text 'PALINGEO S.p.A.' is overlaid in large green letters across the center of the image.

PALINGEO S.p.A.
Paliificazioni Iniezioni Geognostica

October 4, 2024

Palingeo S.p.A.

1H2024 Investor Report Update

Agenda

1. **Leadership Team**
2. **Company Overview**
3. **Azionariato, Corporate Governance e Andamento del titolo**
4. **Achievements**
5. **Financial Highlights**
6. **Linee Strategiche 2024-2025**

1. Leadership Team



Leonardo Spada
Presidente CdA e
Consigliere delegato

- Graduated in Geological Sciences from the University of Turin (1982)
- Registered with the Order of Geologists of Lombardy (No. 552) and the Register of Technical Consultants of the Brescia Court (No. 293)
- **Founding member of Palingeo**, with valuable experience in the specialized construction sector
- He provides Palingeo with his expertise in managing client relationships, negotiating new contracts, and planning operational site activities



Gianbattista Lippi
Consigliere delegato

- He obtained a diploma as a surveyor (1997)
- **Founding member of Palingeo**, he has gained extensive experience in the sector.
- He provides the company with his technical expertise, focusing on project scheduling, organizing project start-ups, supervising construction sites, and researching and negotiating the purchase of construction equipment



Paolo Franzoni
Consigliere delegato

- Graduated in Civil Engineering with a focus on Transportation at the University of Pavia (1988)
- Registered with the Order of Engineers of Cremona under number 752 since 1990.
- **Founding member of Palingeo**, he has gained extensive experience in the field.
- He makes available to the Company his managerial skills and technical knowledge, focusing on site management, handling relationships with clients and designers, and verifying executive projects.



Alessio Minelli
Consigliere delegato
CFO

- CFO of Palingeo since 2023.
- Chartered accountant and statutory auditor.
- He has gained significant experience in corporate restructuring, crisis management, extraordinary operations, appraisals and business valuations, mergers & acquisitions, and due diligence.
- He has served as a corporate and tax consultant for public entities and in-house companies of public entities

2. Company Overview

Palingeo, **founded in 1999** in Carpenedolo (BS), is an Italian company that is a **leader** in the fields of **geotechnics and geognostics**, specializing in the **construction of building and infrastructure works**, as well as in the consolidation of foundation and excavation soils. Born from the experience of professionals in the sector, **Palingeo has over twenty years of experience**, establishing itself as an innovative partner capable of offering **waterproofing services, foundation engineering, structural restoration, and land reclamation**. The company works on contracts for private clients and public entities, acquiring jobs both as a subcontractor and through public tenders. It has a national presence with five operational units in **Brescia, Mantova, and Messina**, and stands out for its focus on continuous improvement and the **modernization of technologies**, machinery, and drilling systems. Palingeo holds all the main quality certifications, ensuring reliability and compliance with industry standards



Leader in the fields of geotechnics and geognostics

Market player

+100 Clients

of which over 90% are recurring.
An important player in its reference market in Italy.

25 years

of experience in the sector.

Locations and staff

5 Operation Units

240 Employees

with a high level of specialization (data as of June 30, 2023)



Moncler Render New Hq Milano

Realizzazione di strutture in calcestruzzo armato per il progetto di riqualificazione immobiliare Symbiosis (Zona Scaio-Romana-Ripamonti).



Nodo ferroviario Casalecchio di Reno

Realizzazione di opere speciali (pali trivellati, micropali e tiranti) per nodo ferroviario



Nodo ferroviario Torino, colleg. Torino-Ceres con rete R.F.I.

Realizzazione di (i) opere specialistiche di fondazione (pali e micropali per collegamento linea Torino-Ceres con la rete R.F.I. Pali secanti



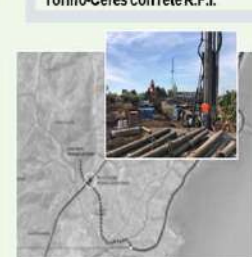
Tratta AV/AC Verona-Padova, 1° lotto funzionale Verona-Bivio Vicenza

Realizzazione in ATI di opere civili e di armamento ferroviario.



Genova Waterfront Lotto 2.1

Realizzazione pali trivellati e micropali di fondazione di diverso diametro e attività di jet grouting.



Raddoppio linea ferroviaria Messina-Catania (tratte specifiche)

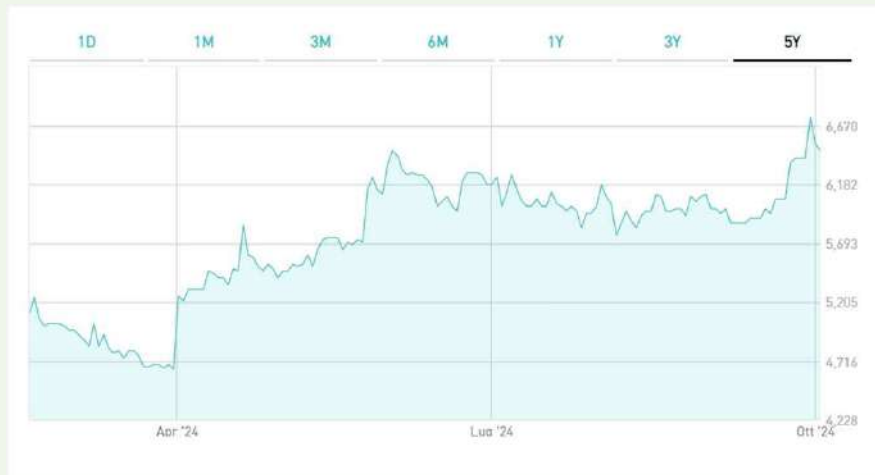
Realizzazione di opere speciali (pali trivellati, micropali, jet grouting) per raddoppio linea ferroviaria

3. Shareholding, Corporate Governance, and Stock Performance

Shareholding Structure

- Palingeo S.p.A., with a share capital of €1,296,040 divided into 5,321,900 Ordinary Shares and 1,282,500 Multiple Voting Shares, is controlled by F.L.S. Holding S.r.l., which owns 2,992,500 Ordinary Shares and 1,282,500 Multiple Voting Shares. Sergio Lippi holds 500,000 Ordinary Shares, representing 9.40% of the ordinary capital. RedFish Listing S.p.A. owns 225,000 Ordinary Shares, equal to 4.23% of the ordinary capital, while the market holds 1,604,400 Ordinary Shares, corresponding to 30.15% of the ordinary capital, of which Indépendance AM S.A.S. owns 288,000 shares, representing 5.41% of the ordinary shares.

Stock Performance



- IPO: €5,00
- Price 03/10/2024: €6,36
- Average Volume (3m): 5.345
- Performance dall'IPO: 27%

Fonte: Borsa Italiana

Corporate Governance

BOARD OF DIRECTORS

The Board of Directors consists of 7 members, who will remain in office until the approval of the financial statements for the fiscal year ending December 31, 2025

Leonardo Spada - Chairman and Board member
Paolo Franzoni – Board member
Gianbattista Lippi – Board member
Alessio Minelli – Board member
Sergio Lippi – Board member
Alberto Dell'Acqua - Independent Board member
Antonia Coppola - Independent Board member

SUPERVISORY BODY

The Company adopted the Organization, Management, and Control Model (also known as the **Organizational Model 231/2001**) and an **Ethical Code** in 2018. Additionally, the Company has established a **Supervisory Body (OdV)**, which operates autonomously and independently from the management body and is responsible for overseeing the functioning, effectiveness, and compliance with the Organizational Model 231/2001

Elena Vecchio - Chair
Raffaele Caso - Member
Alberto Repetto - Member

Board of Statutory Auditors

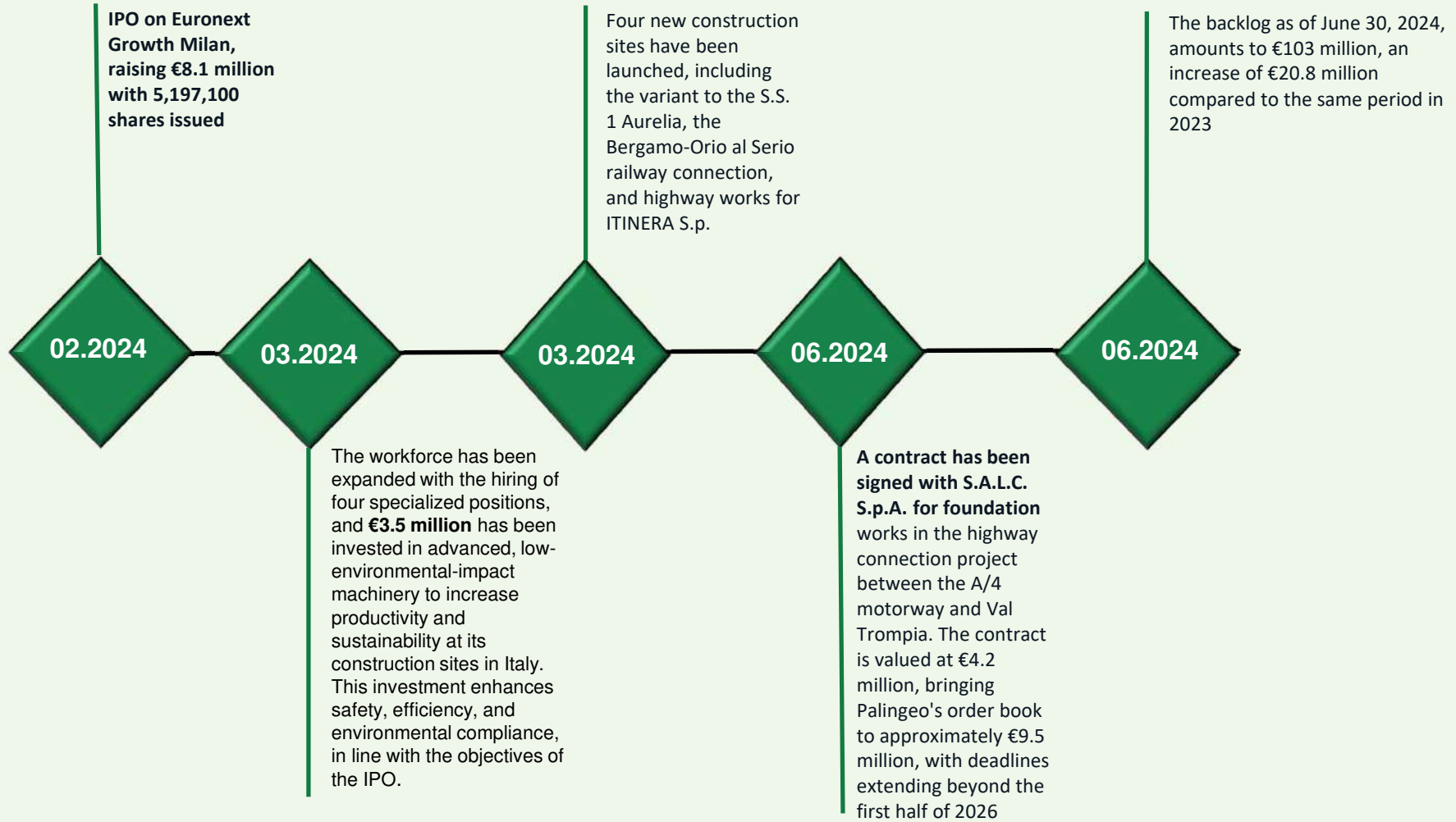
The **Board of Statutory Auditors** will remain in office until the approval of the financial statements for the year ending **December 31, 2025**

Luigi Vannini – President of Statutory Auditor
Ramona Corti - Statutory Auditor
Francesco Gitti - Statutory Auditor
Laura Fioravanti - Alternate Auditor
Nicola Brangi - Alternate Auditor

AUDIT FIRM

The statutory audit of the accounts is entrusted to WPartners S.r.l. for the three-year period 2023/2025, until the approval of the financial statements for the year ending December 31, 2025.

4. Achievements



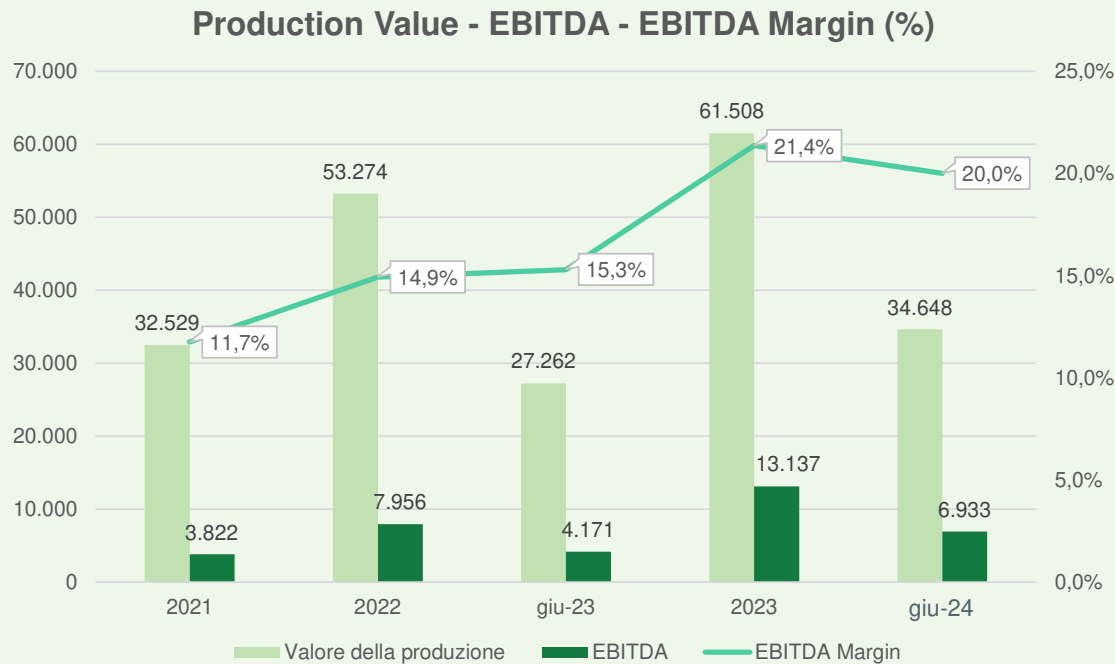
5. Financial Highlights 30.06.2024

- ✓ **Production value** amounts to €34.6 million, an increase of 27.1% compared to €27.2 million as of June 30, 2023
- ✓ **EBITDA** is €6.9 million, up 66.2% from €4.1 million as of June 30, 2023. EBITDA margin stands at 20.0% (15.3% for H1 2023)
- ✓ **EBIT** is €5 million, an increase of 88.2% compared to €2.7 million as of June 30, 2023
- ✓ **Net Profit** is €3.3 million, up 70.8% from €1.9 million as of June 30, 2023
- ✓ **Net Financial Indebtedness** stands at €5.5 million compared to €7.8 million as of December 31, 2023, due to an increase in cash reserves and a reduction in current financial debt. Cash reserves have risen from €7.8 million to €8.6 million, thanks to the strong performance of the business, which has generated cash flow
- ✓ **Total equity** amounts to €35.5 million, an increase of 46.8% compared to €24.2 million as of December 30, 2023
- ✓ **Acquired Backlog** As of June 30, 2024, the backlog amounts to approximately €103 million. The acquired backlog is expected to be realized in the second half of 2024 for about €36 million, in 2025 for approximately €53.5 million, and in 2026 for around €13.5 million.

The business growth strategy continues, focusing on the acquisition of skills and technologies with a strong emphasis on environmental sustainability

5. Financial Highlights

Overview of Financial Data



Production value: Euro 34.6 million, an increase of 27.1% compared to the Euro 27.2 million recorded on June 30, 2023. This growth was driven by the acquisition of projects related to public works, supported by the PNRR, which significantly contributed to the company's growth

EBITDA Euro 6.9 million, an increase of 66.2% compared to the Euro 4.1 million for the same period in 2023. The EBITDA margin rose to 20.0% (up from 15.3% on June 30, 2023), thanks to improved management of raw materials and greater operational efficiency

EBIT: Euro 5.1 million, an increase of 88.2% compared to the Euro 2.7 million from the previous year. This growth was driven by an increase in orders and improved cost management.

Net Profit: Euro 3.3 million, a growth of 70.8% compared to Euro 1.9 million as of June 30, 2023, confirming a positive trend across all key areas of the company's financial statements

Net financial debt has decreased to Euro 5.5 million compared to Euro 7.8 million as of December 31, 2023, highlighting an optimized management of resources and the company's ability to generate cash, also as a result of the funds raised through the IPO.

5. Financial Highlights

Summary data for the first half of 2024.

	30/06/24	30/06/23	Variazione
Revenue	33.131.886	25.742.248	7.389.638
Gross operating margin (EBITDA)	6.932.938	4.170.597	2.762.341
Net operating margi (EBIT)	5.055.181	2.686.705	2.368.476
Operating Profit (Los)	3.299.216	1.931.088	1.368.128
	30/06/24	31/12/23	Variazione
Fixed assets	20.505.718	14.574.108	5.931.610
Total equity	35.474.914	24.162.447	11.312.467
Net Financial Position.(PFN)	(5.512.230)	(7.816.215)	2.303.985

	30/06/24	30/06/23
Value of Production	34.647.670	27.262.122
Gross operating margin (EBITDA)	6.932.938	4.170.597
Profit Before Taxes	4.764.860	2.501.944

5. Financial Highlights

Income Statement

Income statement	30.06.2024	30.06.2023	Var. 24 vs 23	Var. % 24 vs 23
Revenue from core operations	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 income and revenues	1.100.724	1.058.702	42.022	4,0%
Total production value	34.647.670	27.262.122	7.385.548	27,1%
Purchases and changes in inventories of raw materials, ancillary materials, consumables, and goods	12.207.204	10.840.141	1.367.063	12,6%
Service costs	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, amortization, 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 profit (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/Devaluations of financial assets	(4.419)	(6.086)	1.667	(27,4)%
Profit before taxes	4.764.860	2.501.944	2.262.916	90,4%
Income tax	1.465.644	570.856	894.788	156,7%
Net profit (loss) for the year	3.299.216	1.931.088	1.368.128	70,8%

In the first half of 2024, the Company recorded revenues of €33.1 million, an increase of +28.7% compared to €25.7 million in the first half of 2023, thanks to significant momentum generated by the acquisition of projects related to tenders awarded for the implementation of public works supported by the PNRR plan. Production costs amounted to €27.7 million (compared to €23.1 million in the first half of 2023). Raw material costs rose to €12.2 million in the first half of 2024, up from €10.8 million in the first half of 2023. This increase was due to: (i) some new contracts including the supply of materials for foundation works, and (ii) a progressive increase in the number of projects, leading to higher expenses for acquiring materials for managing construction sites. Service costs increased from €3.7 million in the first half of 2023 to €5.4 million in the first half of 2024, primarily due to a significant rise in services directly related to the business, both in terms of outsourced work and transportation and travel. It is also important to note that this category includes costs incurred by the Company for the listing process on the EGM market. Personnel costs amounted to €7.4 million in the first half of 2024, compared to €6.2 million in the first half of 2023, following the hiring of approximately 18 new employees, which was necessary to cope with the substantial increase in contracts awarded during 2023/2024 and the consequent projects to be started and managed. Lastly, costs for the use of third-party assets were €2.3 million, an increase from €2.2 million in the first half of 2023, reflecting the trend associated with acquiring new machinery and equipment through leasing, as well as new rentals of machinery and equipment necessary for carrying out activities at construction sites; this increase is a result of business growth. Consistent with the business and structure of the Company, depreciation, amounting to approximately €1.4 million in the first half of 2024 (compared to €1.1 million in the first half of 2023), mainly pertains to intangible assets (€0.2 million in the first half of 2024) related to the brand revalued in 2021, while for tangible assets, amounting to €1.1 million, it relates to the depreciation of plants and machinery.

5. Financial Highlights

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%
Net 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)	(3,539,158)	788,015	-22.3%
Tax Receivables and Payables	4,729,746	4,969,388	(239,642)	-4.8%
Accruals and Deferrals	(518,608)	(2,586,056)	2,067,448	-79.9%
Net Working Capital	16,270,698	13,775,059	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 (1)	8,272,298	7,739,731	532,567	6.9%
TFR Fund	(1,807,451)	(1,797,859)	(9,592)	0.5%
Net Invested Capital	40,987,144	31,978,662	9,008,482	28.2%
Financial Debts	(14,098,329)	(15,604,105)	1,505,776	-9.6%
Liquid Assets and Cash Equivalents	(8,586,099)	(7,787,890)	(798,209)	10.2%
Net Financial Position	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%
Profit (Loss) for the Year	3,299,216	6,705,641	(3,406,425)	-50.8%
Net 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%

Note (1): This item primarily relates to receivables for withholding guarantees, which are typical of the Company's business

Net Fixed Assets, for all the periods considered, mainly consist of (i) intangible assets, whose value is almost entirely related to the owned brand, revalued in 2021 for a total of €8.0 million, and (ii) tangible assets, which have been consistently growing in line with the business evolution, primarily related to the purchase of machinery and equipment for the development of construction sites. Financial assets, on the other hand, mainly consist of investments in joint venture companies for the execution of ongoing construction work

In relation to the dynamics of working capital, there is a notable increase in both commercial working capital and net working capital, primarily attributed to the business growth experienced between 2023 and the first half of 2024

In particular, during the first half of 2024, **commercial working capital** was primarily impacted by an increase in trade receivables of approximately €2.2 million, correlating with the growth in completed work, and a reduction in trade payables of €2.1 million due to a decrease in Days Payable Outstanding (DPO) for some strategic suppliers, as well as the lack of material supplies on many construction sites where materials are supplied directly by the main client.

The change in **net working capital** between the first half of 2024 and 2023 was also primarily influenced by a reduction in tax receivables, mainly due to a decrease in tax credits for investments in tangible assets, amounting to approximately €2.1 million. This was coupled with a reduction in the accruals and deferrals line item, which was fully justified by the decrease in deferred income for services rendered as of June 30, 2024.

The net financial indebtedness improved in the first half of 2024, mainly due to better cash availability and an improved structure of bank debt.

Net equity shows consistent growth, primarily due to positive results achieved during the period, increasing from €24.1 million on December 31, 2023, to €35.4 million on June 30, 2024. The increases are linked to the good results obtained from the company's activities and also to the capital increase related to the listing on EGM, amounting to approximately €8 million..

5. Financial Highlights

Cash Flow Statement

Cash Flow	2023	Jun-24
EBITDA	13,137	6,933
Taxes	(2,253)	(1,466)
Self Financing	10,884	5,467
Change in Inventories	580	(415)
Change in Trade Receivables (Short-Term)	(5,951)	(2,520)
Change in Trade Receivables (Medium/Long-Term)	-	(769)
Change in Trade Payables	(1,959)	2,249
Change in Working Capital	(7,330)	(1,455)
Change in Other Receivables/(Payables)	-252	(1,573)
Change in Net Working Capital	(7,582)	(3,028)
Change in Provisions	(1,561)	(558)
Change in TFR (Severance Pay)	98	10
Gross Cash Flows	1,838	1,890
Change in Financial Assets	79	17
Capex	(2,515)	(7,326)
Net Cash Flows	(597)	(5,419)
Interest Income / (Expenses)	(512)	(291)
Change in Net Equity	(48)	8,013
Short-Term Bank Debt	5,146	(1,202)
Medium/Long-Term Bank Debt	(352)	(282)
Debt to Other Lenders	(5)	(22)
Debt to Shareholders	-	-
Financial Receivables	(1)	-
Cash Flow Available for Debt Service	4,228	6,217
Cash - Beginning of Period	4,154	7,785
Cash Flow	3,631	798
Cash - End of Period	7,785	8,583

In the first half of 2024, the strong growth of Palingeo's business positively impacted operating cash flow, which, net of investments in fixed assets amounting to approximately €7.3 million, generated a cash absorption of about €5.4 million.

The cash absorption is linked to the increase in trade receivables and the reduction in trade payables, resulting in a cash absorption from working capital management of approximately €1.5 million and a total cash absorption on net working capital of around €3 million. The overall cash absorption, including investments and changes in funds, amounts to about €5.4 million.

Financial management, through the subscription of new short-term financing, net of repayments made during the period and cash generation related to the paid capital increase for the Company's listing on EGM (with a positive cash flow from financial management of €6.2 million), resulted in an overall cash generation of €0.8 million.

5. Financial Highlights

Net Financial Indebtedness

Net Financial Indebtedness	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) Total Liquidity (A+B+C)	8,586,099	7,787,890	798,209	10.25%
E) Current Financial Receivables	0	0	0	n.m.
F) Current Financial Debt	6,409,909	7,987,978	(1,578,069)	(19.76%)
G) 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) Total 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) Total Non-Current Financial Indebtedness (K+L+M)	3,745,322	4,049,268	(303,946)	(7.51%)
O) TOTAL FINANCIAL INDEBTEDNESS (J+N)	5,512,230	7,816,215	(2,303,985)	(29.48%)

As of June 30, 2024, financial indebtedness amounts to €5.5 million, an improvement of €2.3 million compared to €7.8 million in the previous financial year. This improvement is primarily due to an increase in cash and cash equivalents, which rose from €7.8 million on December 31, 2023, to €8.6 million on June 30, 2024. This increase is attributed to the strong performance of the business, which allowed for significant cash generation. Financial management has enabled cash generation, leading to an overall improvement in the Net Financial Position (NFP) at the end of the period, with a percentage change of 29.5%

6. Strategic Lines 2024-2025

The Company is confident in the confirmation and potential growth of overall revenue, considering the signed contractual agreements. Alongside the ongoing efforts to secure new contracts (with a growing backlog compared to the end of 2023), the Company will continue to focus on a policy of structural investment in advanced machinery and equipment. An infrastructure investment plan is underway, which will enable the Company to handle the volume of signed contracts and potentially those yet to be signed. This is necessary for optimizing the services and projects delivered, as well as for implementing a management control system with the aid of new management software introduced as of January 1, 2023, and hiring new specialized personnel for the management and execution of acquired contracts. Similarly, the Company will maintain its constant commitment to carefully optimizing various operational costs.

Q&A