

INTERIM CONSOLIDATED FINANCIAL REPORT AT 31 MARCH 2025

TESMEC
draw the way forward



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 2025, Euro 15,702,162

Milan Register of Companies no. 314026

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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)

Chairman	Nicola Gavazzi
Members	Emanuela Teresa Basso Petrino
	Gianluca Bolelli

Director in charge of the internal control and risk management system

Caterina Caccia Dominioni

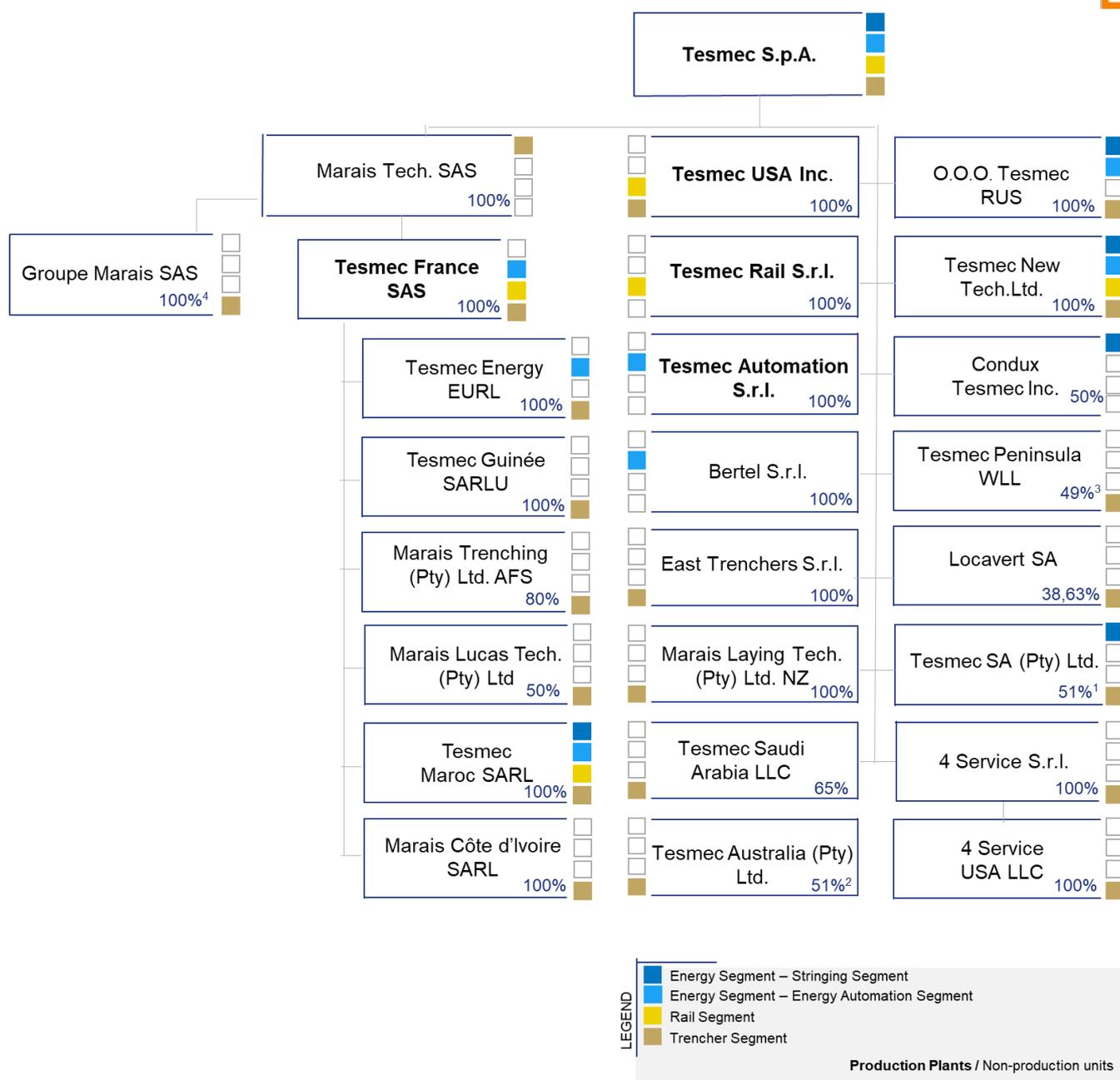
Manager responsible for preparing the Company's financial statements

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

INTERIM CONSOLIDATED 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 MTA (screen-based share market) STAR Segment 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 a leader in the design, production and marketing of special products and integrated solutions for the construction, maintenance and streamlining of infrastructures relating to the transmission of electrical power, data and material transport.

Founded in Italy in 1951 and managed by the Chairman Ambrogio Caccia Dominioni, the Group, as from its listing on the Stock Exchange on 1 July 2010, has pursued the stated objective of diversification of the types of products in order to offer a complete range of integrated solutions grouped into three main areas of business: Energy, Trencher and Rail. The structure has more than 900 employees and has production plants located in Grassobbio (Bergamo), Sirone (Lecco) and Monopoli (Bari) in Italy, Alvarado (Texas) in the USA and Durtal in France. Furthermore, after the reorganisation of the Automation segment, Tesmec Automation has 3 additional operating units available in Fidenza, Padua and Patrica (Frosinone). The Group has a global commercial structure, with a direct presence on different continents, through foreign companies and sales offices in the USA, South Africa, Russia, Qatar, China, France, Australia, New Zealand, Côte d'Ivoire and Saudi Arabia.

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

1.1 Energy segment

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

1.2 Trencher segment

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

1.3 Rail segment

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

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

2 Reference context

2.1 Tesmec Group in the first quarter of 2025

A. Introduction

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

The figures for the first quarter of 2025 have been prepared in accordance with IFRS 5, which has entailed the line-by-line deconsolidation – both in the Income Statement and the Balance Sheet – of the results of the Rental business of Groupe Marais. This business, starting from the end of 2024, has been the subject of a capital increase by OT Engineering, a recognised player in the French market, which during the current financial year will come to hold a 50% stake in Groupe Marais. These results have therefore been reclassified under specific headings related to Assets held for sale. In line with IFRS 5 requirements, and to allow for more effective comparison, the Income Statement figures for the first quarter of 2024 have been appropriately reclassified to ensure comparability with those for the first quarter of 2025.

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

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

<i>(In millions of Euro)</i>	First Quarter 2025 IFRS 5	First Quarter 2024 Actual	First Quarter 2024 Restated IFRS 5
Revenues	61.4	59.3	55.8
EBITDA	9.5	9.0	9.1
<i>EBITDA margin</i>	15.5%	15.2%	16.4%
Net result from continuing operations	0.1	n/a	0.1
Net result from discontinued operations	(1.5)	n/a	(1.2)
Net result	(1.4)	(1.1)	(1.1)
Net Financial Indebtedness	152.6	167.1	N/A

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

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

- achieved revenue growth of approximately 10% compared to the first quarter of 2024, with industrial margins increasing in absolute terms compared to 2024, although slightly lower in percentage terms as of 31 March 2024. This was due to a different mix for the period and destocking activities, with a normalisation expected in the remainder of the year;
- continued to implement management actions aimed at containing operating costs, which led to a further reduction in these costs compared to 2024. More importantly, their incidence as a percentage of revenue also decreased, thus contributing to continued efficiency gains through the use of operating leverage.

As a result of the above, EBITDA for the first quarter of 2025 increased by around 4% compared to 2024, with improved profitability relative to revenue.

B. Results of the first quarter of 2025

Consolidated Revenues for the first quarter of 2025 amounted to Euro 61.4 million, up 10% compared to Euro 55.8 million in the first quarter of 2024 restated, with EBITDA which reached Euro 9.5 million, up Euro 0.4 million compared to EBITDA for the same period in 2024 (+3.9%).

More precisely:

- as regards the Energy sector, Revenues for the first quarter of 2025 amounted to Euro 20.0 million, up 13.7% compared to Euro 17.6 million in the first quarter of 2024, thanks to a significant acceleration in volumes in the Stringing segment and a less marked increase in the Energy Automation segment. Specifically, the Stringing segment recorded Revenues of Euro 12.7 million, a considerable increase compared to Euro 10.6 million in the first quarter of 2024, while the Energy Automation segment recorded Revenues of Euro 7.3 million, also up compared to Euro 7.0 million in the same period of the previous year. EBITDA for the Energy sector in the first quarter of 2025 reached Euro 3.2 million (with an EBITDA margin of 15.8%), up from Euro 2.9 million in the first quarter of 2024 (when the EBITDA margin was 16.4%). These results were influenced by:

- for the Energy Automation segment, a product mix that does not yet reflect the impact of new orders, the contribution of which is expected to increase progressively over the coming quarters;
- for the Stringing segment, growth in the performance of the Condux joint venture, alongside a reduction in operating costs.

As at 31 March 2025, the order backlog for the Energy business stood at approximately Euro 177 million (compared to around Euro 163 million as at 31 December 2024), of which approximately Euro 31 million related to the Stringing segment (up from Euro 26 million at the end of 2024) and Euro 146 million to the Energy Automation segment (up from approximately Euro 121 million in December 2024);

- as regards the Trencher segment, Revenues in the first quarter of 2025 amounted to Euro 31.8 million, up by 3.3% compared to Euro 30.7 million in the first quarter of 2024 restated. This moderate revenue growth was primarily due to higher volumes in the United States (showing a strong recovery compared to 2024), Africa and Australia, which more than offset lower volumes in Middle Eastern markets – though the latter region is expected to recover over the course of the year.

EBITDA for the Trencher division in the first quarter of 2025 reached Euro 5.5 million, an increase of approximately 13% compared to the same period in 2024, with the EBITDA margin also rising from 15.7% to 17.2%. This improvement was driven by ongoing efforts to reduce operating costs, which more than offset a slightly less favourable product mix (also influenced by destocking activities).

As at 31 March 2025, the order backlog for the Trencher sector stood at approximately Euro 68 million, in line with the level recorded in 2023;

- as for the Rail segment, Revenues for the first quarter of 2025 amounted to Euro 9.6 million, up from Euro 7.5 million in the first quarter of 2024, thanks to progress on contracts awarded in the past, albeit with delays due to the late definition of certain technical aspects by the contracting authority. As at 31 March 2025, the sector's EBITDA amounted to Euro 0.9 million, with an EBITDA margin of 9.1%, down from Euro 1.4 million in the first quarter of 2024 (when the EBITDA margin stood at 19.0%). This decrease was mainly due to a product mix for the period that did not align with that of the first quarter of 2024. A recovery is expected over the course of the year.

The order backlog for the Rail division as at 31 March 2025 – which, it should be noted, is multi-year in nature – stood at approximately Euro 114 million, compared to around Euro 122 million as at 31 December 2024. This decrease appears to be temporary and linked to tenders currently in progress. As a result, the Group expects to realise its full potential in the coming quarters through the acquisition of new work orders.

Excluding approximately Euro 0.9 million in lower depreciation and amortisation, the Operating Result (EBIT) for the first quarter of 2025 was Euro 4.3 million, an improvement of 9.4% compared to Euro 4.0 million in the restated 2024 figures.

From a financial perspective, in the first quarter of 2025, the Tesmec Group recorded a level of net interest expense broadly in line with that of the restated 2024 figures (Euro -4.1 million versus Euro -4.0 million). However, there was a negative impact from exchange rate differences – largely unrealised – amounting to Euro -0.9 million, compared to a positive contribution of Euro 0.2 million as at 31 March 2024. This was due to the recent strengthening of the Euro, mainly against the US Dollar.

As a result of the above, the Tesmec Group closed the first quarter of 2025 with a pre-tax loss of Euro -0.7 million, compared to a pre-tax profit of Euro 0.2 million in the restated first quarter of 2024. It should be noted that this level of pre-tax result was significantly affected by exchange rate differences, for a combined negative impact of approximately Euro 2 million.

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

- a Net Result from continuing operations showing a marginal profit (Euro 0.1 million), substantially in line with that of 2024 restated;
 - a negative Net Result from discontinued operations of approximately Euro -1.5 million,
- which, together, resulted in a negative Net Result for the period of Euro 1.4 million.

Based on the comments provided on the performance of the individual divisions, it should be noted that the Tesmec Group's total backlog at 31 March 2025 stood at approximately Euro 359 million, compared to approximately Euro 351 million at 31 December 2024, with a significant increase in the Energy Business Unit (which acquired important contracts both in Italy and abroad, confirming the growth cycle initiated in this segment) and Trencher segments, and a reduction in the Rail segment, which is expected to recover later in the year.

Furthermore, at geographical level, Tesmec is confirmed as a group strongly oriented towards international markets, with approximately 82% of Consolidated Revenues for the period generated outside Italy, with a growing contribution of sales in North America and Africa.

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

- compared to 31 March 2024:
 - a sharp reduction in invested capital, from Euro 245.7 million in 2024 to Euro 225.9 million as at 31 March 2025, benefiting from the deconsolidation of the rental business unit of Groupe Marais;
 - a significant decrease in the Net Financial Position, from Euro 167.1 million in 2024 to Euro 152.6 million as at 31 March 2025, thus confirming the strong discontinuity already observed as at 31 December 2024 compared to the previous quarters;
- compared to 31 December 2024:
 - an increase in invested capital of Euro 1.3 million to Euro 225.9 million, compared to Euro 224.6 million as at 31 December 2025, due to the usual infra-annual increase in working capital;
 - a Net Financial Position of Euro 152.6 million, an increase of approximately Euro 5.6 million compared to that as at 31 December 2024.

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

1. the Net financial position consists of:
 - Euro 103.0 million (approximately 67% of total NFP) of operating debt against consolidated Working Capital;
 - Euro 30.5 million (approximately 20% of total NFP) of the recognition of a loan relating to IFRS 16, largely against leasing contracts for part of the Group's trenching machines and the value of rents;
 - the residual Euro 19.1 million (approximately 13% of total NFP) of Industrial Debt for the portion of the fixed assets not directly covered by Equity;
2. the duration of the Net Financial Position, which includes medium/long-term payables of Euro 70.7 million and IFRS 16 items of Euro 30.5 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 49.6 million.
3. As at 31 March 2025, the Group had liquidity of Euro 26.1 million, which, together with expected cash flows for the year and the negotiation and obtaining of medium/long-term credit lines, net of those due to expire, is estimated to guarantee financial continuity for the next 12 months and the implementation of ongoing development programmes.

C. Outlook for 2025

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

3 Significant events during the period

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

- in accordance with the binding contractual agreements entered into in 2024 through the signing of a Binding Termsheet with OT Engineering, a French company belonging to the Comergy Group and headquartered in Meylan (Grenoble), on 7 January 2025, as part of the reorganisation of the French subsidiary Groupe Marais SAS, the latter transferred its business unit related to the production and sale of trenchers to its subsidiary

Tesmec France SAS. This business unit also includes all the equity interests held by Groupe Marais SAS in its African subsidiaries as at 31 December 2024. On the same date, Philippe Todesco (previously Chairman of the Board of OT Engineering) became Chairman of the Board of Directors of Groupe Marais SAS.

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

On 27 March 2025, OT Engineering filed a plan for the transfer of its “Greenpose” business unit – operating in the trencher rental sector – into Groupe Marais SAS, thereby establishing a specialised hub focused on this specific business area. The transfer will take effect on 12 May 2025. As a result, the French company Groupe Marais SAS will remain focused on its core rental business, having already transferred its trencher production and sales operations to Tesmec France SAS as previously mentioned. Further activities are underway to increase OT Engineering’s stake in Groupe Marais SAS to 50%. It is noted that advance payments totalling Euro 700 thousand have already been made in view of a future capital increase.

- On 7 February 2025, the subsidiary Tesmec Automation S.r.l. was awarded one lot of the tender called Enedis, a company belonging to the EDF (Electricité de France) group that manages the French electricity distribution network, for the supply of new generation equipment for the remote control and automation of the electricity network, for an amount of more than Euro 40 million and a duration of 8 years (of which 3 are optional). After an initial project development phase, in which Tesmec will meet Enedis’ technical qualification requirements, a massive and continuous deployment is planned throughout France over the duration of the contract. This award will be managed in coordination with Tesmec France SAS, thereby initiating the aforementioned integration activities.
- On 5 March 2025, in order to strengthen its subsidiary Tesmec Automation S.r.l. in light of significant industrial developments linked to the awarded tenders, the parent company Tesmec S.p.A. waived a Euro 3 million interest-bearing loan in favour of a capital contribution, thereby increasing shareholders’ equity by the same amount.

3.1 Assets and liabilities held for sale

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

Indeed, the French subsidiary Groupe Marais SAS, which focuses on the core rental business, signed an agreement with OT Engineering (a French company of the Comergy group) to acquire 50% of its share capital.

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

As required by International Financial Reporting Standards (IFRS 5), since the assets in question are classified as held for sale as at 31 March 2025 - in view of the binding nature of the termsheet signed in December 2024, which provides for the finalisation of the transaction by 2025 - the Group reclassified the economic and financial items in the Income Statement, Statement of Financial Position and Cash Flow Statement.

With regard to the Income Statement, in particular, the revenues and costs pertaining to the activities in question were reclassified as "Net loss for the year of assets held for sale".

With regard to the Balance Sheet, the relevant assets and liabilities were reclassified as “assets held for sale” and “liabilities held for sale”.

Similar reclassifications were made to the items of both the Income Statement for the quarter 2024 and the Balance Sheet for 31 December 2024.

4 Activities, reference market and operating performance for the first three months of 2025

The consolidated financial statements of Tesmec have been prepared in accordance with the International Financial Reporting Standards (hereinafter the "IFRS" or the "International Accounting Standards"), endorsed by the European Commission, in effect as at 31 December 2024. The following table shows the Group's major economic and financial indicators for the first three months of 2025 and the financial indicators as at 31 March 2025 compared with the same period of 2024 and as at 31 December 2024.

OVERVIEW OF RESULTS		
31 March 2024 restated	Key income statement data (Euro in millions)	31 March 2025
55.8	Operating Revenues	61.4
9.1	EBITDA	9.5
4.0	Operating Income	4.3
0.2	Net foreign exchange gains/losses	(0.9)
(1.1)	Group Net Result	(1.5)
957	Number of employees	901
31 December 2024	Key financial position data (Euro in millions)	31 March 2025
224.6	Net Invested Capital	225.9
77.6	Shareholders' Equity	73.3
147.0	Group net financial indebtedness	152.6
21.0	Net investments in property, plant and equipment, intangible assets and rights of use	(3.7)

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 2025, it generated revenues of Euro 15,442 thousand (Euro 10,751 thousand in the quarter of 2024). The presence in the United States is completed through the subsidiary 4 Service USA, Inc., also based in Alvarado (Texas) and operating in the trencher rental business. During the 2025 quarter, the two companies generated revenues of Euro 13,444 thousand (Euro 10,751 thousand in the 2024 quarter).
- 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 2024, it generated revenues of Euro 9,621 thousand (Euro 7,491 thousand in the quarter of 2024).
- Groupe Marais SAS, with registered office in Durtal (France), indirectly controlled by Tesmec S.p.A., through the holding company Marais Technologies SAS, a company 100% owned by Tesmec S.p.A. 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 2025, it generated revenues of Euro 3,056 thousand (Euro 4,526 thousand in the quarter of 2024). It should be noted that this company was subject to a spin-off of its trencher production activities to Tesmec France and a joint venture with OT Engineering is being created.
- 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 2025, it generated revenues of Euro 7,245 thousand (Euro 7,031 thousand in the quarter of 2024).

Joint Ventures

- Condux Tesmec Inc, a joint venture that is 50% owned by Tesmec S.p.A. and 50% by American shareholder Condux, based in Mankato (USA), has been active since June 2009 in selling products for the North American stringing equipment market. The company is consolidated using the equity method and generated total revenues of Euro 4,557 thousand in the 2025 quarter (Euro 2,775 thousand in the 2024 quarter).

5 Summary of income statement and balance sheet situation as at 31 March 2025

5.1 Alternative performance measures

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

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

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

5.2 Income from operations

Consolidated income statement

The comments provided below refer to the comparison of the consolidated income statement figures as at 31 March 2025 with those as at 31 March 2024.

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

<i>(Euro in thousands)</i>	Quarter ended 31 March				2025 vs 2024
	2025	% of revenues	2024 restated	% of revenues	
Revenues from sales and services	61,378	100.0%	55,833	100.0%	5,545
Cost of raw materials and consumables	(28,642)	-46.7%	(25,013)	-44.8%	(3,629)
Costs for services	(11,041)	-18.0%	(9,992)	-17.9%	(1,049)
Payroll costs	(13,646)	-22.2%	(13,886)	-24.9%	240
Other net operating costs/revenues	(1,490)	-2.4%	(1,319)	-2.4%	(171)
Depreciation	(5,166)	-8.4%	(5,184)	-9.3%	18
Development costs capitalised	2,617	4.3%	3,520	6.3%	(903)
Portion of losses/(gains) from operational Joint Ventures evaluated using the equity method	315	0.5%	(7)	0.0%	322

Total operating costs	(57,053)	-93.0%	(51,881)	-92.9%	(5,172)
Operating income	4,325	7.0%	3,952	7.1%	373
Net financial income/expenses	(4,098)	-6.7%	(3,957)	-7.1%	(141)
Net foreign exchange gains/losses	(868)	-1.4%	171	0.3%	(1,039)
Portion of losses/(gains) from valuation of the associated companies and non-operational Joint Ventures evaluated using the equity method	(35)	-0.1%	-	0.0%	(35)
Pre-tax profit/(loss)	(676)	-1.1%	166	0.3%	(842)
Income tax	795	1.3%	(23)	0.0%	818
Net profit/(loss) for the period of continuing operations	119	0.2%	143	0.3%	(24)
Net loss for the period of assets held for sale	(1,566)	-2.6%	(1,231)	-2.2%	(335)
Net profit/(net loss) for the period	(1,447)	-2.4%	(1,088)	-1.9%	(359)
Profit/(loss) attributable to non-controlling interests	21	0.0%	53	0.1%	(32)
Group profit/(loss)	(1,468)	-2.4%	(1,141)	-2.0%	(327)

Revenues

Total revenues as at 31 March 2025, compared to the corresponding period of the previous year, recorded an increase of 9.9%.

	Quarter ended 31 March				
	2025	% of revenues	2024 restated	% of revenues	2025 vs 2024
<i>(Euro in thousands)</i>					
Sales of products	43,256	70.5%	40,758	73.0%	2,498
Services rendered	9,152	14.9%	2,823	5.1%	6,329
Changes in work in progress	8,970	14.6%	12,252	21.9%	(3,282)
Total revenues from sales and services	61,378	100.0%	55,833	100.0%	5,545

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 (81,6%) and in particular in non-EU countries. The revenue analysis by area is indicated below with the comparison of the figures for the first quarter of 2025 with those for the first quarter of 2024. Growth in North and Central America and Africa was driven by sales in the Trencher sector, while Railways and Energy-Automation remain the key sectors on the Italian market, although development is underway on foreign markets.

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

	Quarter ended 31 March				
	2025	% of revenues	2024 restated	% of revenues	2025 vs 2024
<i>(Euro in thousands)</i>					
Italy	11,295	18.4%	11,895	21.3%	(600)
Europe	14,286	23.3%	12,707	22.8%	1,579
Middle East	4,866	7.9%	8,489	15.2%	(3,623)
Africa	8,313	13.5%	5,208	9.3%	3,105
North and Central America	13,762	22.4%	9,616	17.2%	4,146
BRIC and Others	8,856	14.4%	7,918	14.2%	938
Total revenues	61,378	100.0%	55,833	100.0%	5,545

Operating costs net of depreciation and amortisation

<i>(Euro in thousands)</i>	Quarter ended 31 March				
	2025	% of revenues	2024 restated	% of revenues	2025 vs 2024
Cost of raw materials and consumables	(28,642)	-46.7%	(25,013)	-44.8%	(3,629)
Costs for services	(11,041)	-18.0%	(9,992)	-17.9%	(1,049)
Payroll costs	(13,646)	-22.2%	(13,886)	-24.9%	240
Other net operating costs/revenues	(1,490)	-2.4%	(1,319)	-2.4%	(171)
Development costs capitalised	2,617	4.3%	3,520	6.3%	(903)
Portion of losses/(gains) from operational Joint Ventures evaluated using the equity method	315	0.5%	(7)	0.0%	322
Operating costs net of depreciation and amortisation	(51,887)	-84.5%	(46,697)	-83.6%	(5,190)

The table shows an increase in operating costs of Euro 5,190 thousand (11.1%). 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 positive performance of the associate Condux Tesmec Inc..

EBITDA

As a result of the foregoing, EBITDA amounted to Euro 9,491 thousand, up compared to the figure recorded in the first quarter of 2024 when it was equal to Euro 9,136 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				
	2025	% of revenues	2024 restated	% of revenues	2025 vs 2024
Operating income	4,325	7.0%	3,952	7.1%	373
+ Amortisation/depreciation	5,166	8.4%	5,184	9.3%	(18)
EBITDA	9,491	15.5%	9,136	16.4%	355

The increase in gross operating margin was generated by the combined effect, on the one hand, of industrial margins, which were affected by a different mix, also influenced by destocking activities but expected to improve during the year, on the other hand, by a lower incidence of operating expenses, thanks to the continuation of the management efficiency initiatives launched at the end of 2023.

Financial Management

<i>(Euro in thousands)</i>	Quarter ended 31 March				
	2025	% of revenues	2024 restated	% of revenues	2025 vs 2024
Net financial income/expenses	(4,100)	-6.7%	(3,984)	-7.1%	(116)
Net foreign exchange gains/losses	(868)	-1.4%	171	0.3%	(1,039)
Fair value adjustment of derivative instruments	2	0.0%	27	0.0%	(25)
Portion of losses/(gains) from the valuation of equity investments using the equity method	(35)	-0.1%	-	0.0%	(35)
Total net financial income/expenses	(5,001)	-8.1%	(3,786)	-6.8%	(1,215)

The net financial management result decreased compared to the same period in the previous financial year by a total of Euro 1,215 thousand, due to:

- a negative impact from Foreign exchange gains/losses of Euro 1,039 thousand, resulting from the unfavourable trend of exchange rates as at 31 March 2025 compared to 31 December 2024, which resulted in net losses totalling Euro 868 thousand (largely unrealised) compared to net profit of Euro 171 thousand (also largely unrealised).

- the negative impact of net financial income/expense of Euro 116 thousand due to the increase in rates applied to a higher level of indebtedness.

5.3 Income Statement by segment

Revenues by segment

The tables below show the income statement figures as at 31 March 2025 compared to those as at 31 March 2024, broken down by the three operating segments.

<i>(Euro in thousands)</i>	Quarter ended 31 March				2025 vs 2024
	2025	% of revenues	2024 restated	% of revenues	
Energy	20,022	32.6%	17,606	31.5%	2,416
Trencher	31,764	51.8%	30,744	55.1%	1,020
Rail	9,592	15.6%	7,483	13.4%	2,109
Total Revenues	61,378	100.0%	55,833	100.0%	5,545

In the first three months of 2025, the Group recorded consolidated revenues of Euro 61,378 thousand, an increase of Euro 5,545 thousand (9.9%) compared to Euro 55,833 thousand in the same period of the previous year.

As regards the Energy sector, revenues amounted to Euro 20,022 thousand, an increase of approximately 13.7% compared to Euro 17,606 thousand recorded as at 31 March 2024 thanks to a significant acceleration in volumes in the Energy-Stringing segment and growth in the Energy-Automation segment. More specifically, it should be noted that the Energy-Stringing segment achieved Revenues of Euro 12,733 thousand in the first quarter of 2025 compared to Euro 10,583 thousand in the same period of 2024 (+20.3%), while the Energy-Automation segment achieved Revenues of Euro 7,289 thousand, compared to Euro 7,023 thousand as at 31 March 2024 (+3.8%).

In detail, the turnover of the Trencher segment as at 31 March 2025 was Euro 31,764 thousand, up compared to Euro 30,744 thousand as at 31 March 2024. The change is mainly attributable to the positive contribution of African markets and the recovery of the US market compared to the same quarter of the previous year, which offset lower volumes in the Middle East market.

The Rail segment recorded revenues of Euro 9,592 thousand, up compared to Euro 7,483 thousand as at 31 March 2024. This result is mainly attributable to progress on contracts awarded, which were launched with delays due to the late definition of technical aspects by the contracting authority.

EBITDA by segment

The tables below show the income statement figures as at 31 March 2025 compared to those as at 31 March 2024, broken down by the three operating segments:

<i>(Euro in thousands)</i>	Quarter ended 31 March				2025 vs 2024
	2025	% of revenues	2024 restated	% of revenues	
Energy	3,168	15.8%	2,889	16.4%	279
Trencher	5,450	17.2%	4,822	15.7%	628
Rail	873	9.1%	1,425	19.0%	(552)
EBITDA	9,491	15.5%	9,136	16.4%	355

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

- Energy: EBITDA rose from Euro 2,889 thousand at 31 March 2024 to Euro 3,168 thousand at 31 March 2025. This increase was made possible, on the one hand, for Energy-Automation, by a mix that does not yet reflect the new orders for Energy-Automation (whose contribution is expected in the coming quarters), while the Energy-Stringing segment showed an increase in gross operating margin compared to the first quarter of 2024, thanks to the reduction in operating costs and the positive contribution of the joint venture in the USA;

- Trencher: EBITDA rose from Euro 4,822 thousand at 31 March 2024 to Euro 5,450 thousand at 31 March 2025, despite despite de-stocking activities that impacted the industrial margin, thanks also to the containment of operating costs;
- Rail: reduction in EBITDA, from Euro 1,425 thousand in the first quarter of 2024 to Euro 873 thousand in 2025. The change is mainly due to a period mix not in line with that of the first quarter of 2024, with normalization expected during the year.

5.4 Balance sheet and financial profile

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

<i>(Euro in thousands)</i>	As at 31 March 2025	As at 31 December 2024	2025 vs 2024
USES			
Net working capital	102,966	99,817	3,149
Fixed assets	105,201	106,880	(1,679)
Other long-term assets and liabilities	22,811	21,941	870
Assets and liabilities held for sale	(5,089)	(4,075)	(1,014)
Net invested capital	225,889	224,563	1,326
SOURCES			
Net financial indebtedness	152,602	146,951	5,651
Shareholders' equity	73,287	77,612	(4,325)
Total sources of funding	225,889	224,563	1,326

A) Net working capital

The table below shows the breakdown of "Net Working Capital" as at 31 March 2025 and 31 December 2024:

<i>(Euro in thousands)</i>	As at 31 March 2025	As at 31 December 2024	2025 vs 2024
Trade receivables	61,172	55,429	5,743
Work in progress contracts	40,641	36,734	3,907
Inventories	94,200	96,134	(1,934)
Trade payables	(86,276)	(79,905)	(6,371)
Other current assets/(liabilities)	(6,771)	(8,575)	1,804
Net working capital	102,966	99,817	3,149

Net working capital amounted to Euro 102,966 thousand, marking an increase of Euro 3,149 thousand (equal to 3.2%) compared to 31 December 2024. This performance is mainly due to the increase in the item "Trade receivables" for Euro 5.743 thousand, mainly due to sales in March.

B) Fixed assets

The table below shows the breakdown of "Fixed assets" as at 31 March 2025 and 31 December 2024:

<i>(Euro in thousands)</i>	As at 31 March 2025	As at 31 December 2024	2025 vs 2024
Intangible assets	42,577	42,238	339
Property, plant and equipment	33,803	34,160	(357)
Rights of use	21,656	23,373	(1,717)
Equity investments in associates	7,122	7,066	56
Other equity investments	43	43	-
Fixed assets	105,201	106,880	(1,679)

Total fixed assets recorded a net decrease of Euro 1,679 thousand compared to 31 December 2024, mainly due to the decrease in Rights of use of Euro 1,717 thousand.

C) Net financial indebtedness

The table below shows the breakdown of “Net financial indebtedness” as at 31 March 2025 and 31 December 2024:

<i>(Euro in thousands)</i>	As at 31 March 2025	<i>of which with related parties and group</i>	As at 31 December 2024	<i>of which with related parties and group</i>
Cash and cash equivalents	(26,053)		(29,559)	
Current financial assets	(31,580)	(1,595)	(35,740)	(1,496)
Current financial liabilities	108,822	1,081	98,135	1,081
Current financial liabilities from rights of use	9,293	2,951	10,454	2,714
Current portion of derivative financial instruments	(2)		47	
Current financial indebtedness	60,480	2,437	43,337	2,299
Non-current financial liabilities	70,730	1,899	80,124	1,899
Non-current financial liabilities from rights of use	21,236	2,784	23,314	3,781
Non-current portion of derivative financial instruments	156		176	
Trade payables and other non-current payables	-		-	
Non-current financial indebtedness	92,122	4,683	103,614	5,680
Net financial indebtedness pursuant to ESMA 32-382-1138 Communication	152,602	7,120	146,951	7,979
Trade payables and other non-current payables	-		-	
Group net financial indebtedness	152,602	7,120	146,951	7,979

The net financial indebtedness prior to the application of IFRS 16, as at 31 March 2025, is equal to Euro 122,073 thousand with an increase of Euro 8,890 thousand compared to the end of 2024.

The net financial indebtedness of the Group as at 31 March 2025 increased by Euro 5,651 thousand compared to the end of 2024 (3.8%).

The table below shows the breakdown of the changes:

- increase in current financial indebtedness of Euro 17.143 thousand due to the:
 - decrease in cash and cash equivalents and current financial assets of Euro 7.666 thousand;
 - increase in current financial liabilities of Euro 10,687 thousand due to the effect of the short-term reclassification of the portions to be reimbursed in 2025 offset by the reimbursement of portions in the period;
- decrease in medium/long-term financial indebtedness of Euro 11,492 relating to the short-term reclassification mentioned 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.

6 Management and types of financial risk

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

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

In compliance with the CONSOB communications of 20 February 1997, 27 February 1998, 30 September 1998, 30 September 2002 and 27 July 2006, it should be noted that during the first quarter of the 2025 financial year, no transactions took place with related parties of a 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 2025, including the employees of companies that are fully consolidated, is 901 persons compared to 957 in 2024.

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 29 April 2025, the Shareholders' Meeting of Tesmec Rail S.r.l. approved the distribution of dividends in the amount of Euro 1 million;
- on 30 April 2025, the Ordinary Shareholders' Meeting of Tesmec S.p.A. met electronically in a single call and:
 - 1) approved the Financial Statements as at 31 December 2024 and the allocation of the Net Profit. During the Shareholders' Meeting, the Consolidated Financial Statements as at 31 December 2024 of the Tesmec Group and the related reports were presented, including the Consolidated Sustainability Report;
 - 2) appointed the new Board of Directors that will remain in office until the shareholders' meeting that will be called to approve the financial statements for the year ended 31 December 2027, composed of Gianluca Bolelli, Caterina Caccia Dominioni, Carlo Caccia Dominioni, Simone Andrea Crolla, Emanuela Teresa Basso Petrino, Anna Casiraghi, Nicola Gavazzi, Francesca Marino and Antongiulio Marti, as well as Ambrogio Caccia Dominioni, who was confirmed as Chairman of the Board of Directors;
 - 3) appointed the new Board of Statutory Auditors that will also remain in office until the shareholders' meeting that will be called to approve the 2027 financial statements, composed of the Statutory Auditors Simone Cavalli (Chairman), Alice Galimberti and Attilio Massimo Franco Marcozzi and by the Alternate Auditors Alessandra Butini and Adelio Bollini;
- on 30 April 2025, the Board of Directors resolved to appoint:
 - as members of the Control and Risk, Sustainability and Related Party Transactions Committee, the directors Emanuela Teresa Basso Petrino (Chairman), Francesca Marino and Antongiulio Marti;
 - as members of the new Remuneration and Appointments Committee, the directors Nicola Gavazzi (Chairman), Emanuela Teresa Basso Petrino and Gianluca Bolelli;
- on 9 May 2025, the Board of Directors resolved to appoint Caterina Caccia Dominioni and Carlo Caccia Dominioni as chief executive officers.

Business outlook

In the first quarter of 2025, Tesmec continued its strategy of development in highly dynamic markets with significant growth prospects, offering solutions for digitalization and the creation of telecommunications networks, as well as for the development of the mining segment. In the Trencher segment, investments in infrastructure, electrical networks, and Fiber to the Home projects are still growing, driven by government incentives and the increasing demand for connectivity. The railway segment looks to the future with confidence, thanks to substantial investments

aimed at reducing road traffic congestion, promoting sustainable mobility, and improving railway transport safety through diagnostic and maintenance interventions on the lines. Finally, the energy transition still represents an important opportunity for Tesmec, with a growing focus on adapting electrical networks to the new needs generated by the use of renewable energy.

Regarding 2025, in light of the uncertainty posed by the current geopolitical and macroeconomic context and in continuity with the managerial and strategic change initiated in 2024, the Company expects growth driven by opportunities in segments led by the energy transition, with significant prospects related to the backlog of the Energy-Automation segment, the growing demand for Stringing solutions, the internalization strategy of the Railway segment, and the positive prospects of cable laying and surface mining technologies for the Trencher segment. Thanks to its international presence and current production setup with plants both in Italy and the USA, the Company also believes it has the necessary flexibility to face the challenges posed by the current external scenario. Furthermore, the management's commitment continues to prioritize profitability and cash generation over volumes, while simultaneously pursuing strategic opportunities aimed at industrial strengthening and capital efficiency.

Therefore, for the entire 2025 fiscal year, the Tesmec Group expects growth in the main income statement indicators and a reduction of net financial position compared to 2024.



CONSOLIDATED FINANCIAL STATEMENTS

(Not audited by the Independent Auditors)

Consolidated statement of financial position as at 31 March 2025 and as at 31 December 2024

<i>(Euro in thousands)</i>	31 March 2025	31 December 2024
NON-CURRENT ASSETS		
Intangible assets	42,577	42,238
Property, plant and equipment	33,803	34,160
Rights of use	21,656	23,373
Equity investments in associates evaluated using the equity method	7,122	7,066
Other equity investments	43	43
Financial receivables and other non-current financial assets	10,205	9,731
Derivative financial instruments	58	72
Deferred tax assets	15,661	14,748
Non-current trade receivables	2,389	2,912
Other non-current assets	7	8
TOTAL NON-CURRENT ASSETS	133,521	134,351
CURRENT ASSETS		
Work in progress contracts	40,641	36,734
Inventories	94,200	96,134
Trade receivables	61,172	55,429
<i>of which with related parties:</i>	743	1,830
Tax receivables	2,659	2,666
Financial receivables and other current financial assets	31,580	35,740
<i>of which with related parties:</i>	1,595	1,496
Other current assets	13,519	13,728
Derivative financial instruments	2	13
Cash and cash equivalents	26,053	29,559
TOTAL CURRENT ASSETS	269,826	270,003
TOTAL ASSETS HELD FOR SALE	16,736	19,597
TOTAL ASSETS	420,083	423,951
SHAREHOLDERS' EQUITY		
GROUP SHAREHOLDERS' EQUITY		
Share capital	15,702	15,702
Reserves/(deficit)	56,070	64,007
Group net profit/(loss)	(1,468)	(5,181)
TOTAL GROUP SHAREHOLDERS' EQUITY	70,304	74,528
Capital and reserves/(deficit) attributable to non-controlling interests	2,962	2,720
Net profit/(loss) for the period attributable to non-controlling interests	21	364
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	2,983	3,084
TOTAL SHAREHOLDERS' EQUITY	73,287	77,612
NON-CURRENT LIABILITIES		
Medium/long-term loans	63,154	72,548
<i>of which with related parties:</i>	1,899	1,899
Non-current bond issue	7,576	7,576
Non-current financial liabilities from rights of use	21,236	23,314
<i>of which with related parties:</i>	2,784	3,781
Derivative financial instruments	156	176
Employee benefit liability	3,947	3,915
Deferred tax liabilities	1,562	1,615
TOTAL NON-CURRENT LIABILITIES	97,631	109,144
CURRENT LIABILITIES		
Interest-bearing financial payables (current portion)	108,822	98,135
<i>of which with related parties:</i>	1,081	1,081
Current financial liabilities from rights of use	9,293	10,454
<i>of which with related parties:</i>	2,951	2,714
Derivative financial instruments	-	60

Trade payables	86,276	79,905
<i>of which with related parties:</i>	3,190	2,630
Advances from customers	4,772	3,247
Income taxes payable	3,409	3,190
Provisions for risks and charges	2,557	2,609
Other current liabilities	12,211	15,923
TOTAL CURRENT LIABILITIES	227,340	213,523
TOTAL LIABILITIES HELD FOR SALE	21,825	23,672
TOTAL LIABILITIES	346,796	346,339
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	420,083	423,951

Consolidated income statement for the quarter ended 31 March 2025 and 2024

	Quarter ended 31 March	
	2025	2024 restated
<i>(Euro in thousands)</i>		
Revenues from sales and services	61,378	55,833
<i>of which with related parties:</i>	2,261	1,255
Cost of raw materials and consumables	(28,642)	(25,013)
<i>of which with related parties:</i>	(7)	(203)
Costs for services	(11,041)	(9,992)
<i>of which with related parties:</i>	(28)	(34)
Payroll costs	(13,646)	(13,886)
Other net operating costs/revenues	(1,490)	(1,319)
<i>of which with related parties:</i>	59	(39)
Depreciation	(5,166)	(5,184)
Development costs capitalised	2,617	3,520
Portion of losses/(gains) from operational Joint Ventures evaluated using the equity method	315	(7)
Total operating costs	(57,053)	(51,881)
Operating income	4,325	3,952
Financial expenses	(5,822)	(4,798)
<i>of which with related parties:</i>	(92)	(150)
Financial income	856	1,012
<i>of which with related parties:</i>	6	30
Portion of losses/(gains) from valuation of the associated companies and non-operational Joint Ventures evaluated using the equity method	(35)	-
Pre-tax profit/(loss)	(676)	166
Income tax	795	(23)
Net profit/(loss) for the period of continuing operations	119	143
Net loss for the period of assets held for sale	(1,566)	(1,231)
Net profit/(net loss) for the period	(1,447)	(1,088)
Profit/(loss) attributable to non-controlling interests	21	53
Group profit/(loss)	(1,468)	(1,141)
Basic and diluted earnings/(losses) per share	(0.0024)	(0.0019)

Consolidated statement of comprehensive income for the quarter ended 31 March 2025 and 2024

<i>(Euro in thousands)</i>	Quarter ended 31 March	
	2025	2024
NET PROFIT/(LOSS) FOR THE PERIOD	(1,447)	(1,088)
<i>Other components of comprehensive income:</i>		
Exchange differences on conversion of foreign financial statements	(4,242)	1,060
Other changes	1,305	401
Total other profit/(loss) after tax	(2,937)	1,461
Total comprehensive income (loss) after tax	(4,384)	373
<i>Attributable to:</i>		
Shareholders of Parent Company	(4,283)	266
Non-controlling interests	(101)	107

Statement of consolidated cash flows for the quarters ended 31 March 2025 and 2024

	Quarter ended 31 March	
	2025	2024 restated
<i>(Euro in thousands)</i>		
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) for the period of continuing operations	119	143
<i>Adjustments to reconcile net income for the period with the cash flows generated by (used in) operating activities:</i>		
Depreciation	5,166	5,966
Provisions for employee benefit liability	479	459
Allocations for risks and charges/inventory obsolescence/doubtful account provisions	414	586
Employee benefit payments	(447)	(411)
Payments for provisions for risks and charges	(13)	(5)
Net change in deferred tax assets and liabilities	(1,061)	(726)
Change in fair value of financial instruments	(56)	(27)
<i>Change in current assets and liabilities:</i>		
Trade receivables	(4,573)	(12,735)
<i>of which with related parties:</i>	1,087	1,962
Inventories and work in progress contracts	(3,825)	1,544
Trade payables	8,220	7,892
<i>of which with related parties:</i>	560	307
Other current assets and liabilities	(3,225)	(3,143)
NET CASH FLOW GENERATED BY OPERATING ACTIVITIES (A)	1,198	(457)
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in property, plant and equipment	(3,436)	(1,650)
Investments in intangible assets	(2,856)	(3,728)
Investments in rights of use	(975)	(10,934)
(Investments)/disposals of financial assets	2,766	(1,739)
<i>of which with related parties:</i>	(99)	(625)
Assets held for sale	(443)	-
Sale of property, plant and equipment, intangible assets and rights of use	3,551	3,356
NET CASH FLOW USED IN INVESTING ACTIVITIES (B)	(1,393)	(14,695)
CASH FLOW FROM FINANCING ACTIVITIES		
Disbursement of medium/long-term loans	-	-
<i>of which with related parties:</i>	-	-
Recognition of financial liabilities from rights of use	1,819	12,897
<i>of which with related parties:</i>	(997)	1,982
Repayment of medium/long-term loans	(10,600)	(8,265)
Repayment of financial liabilities from rights of use	(5,039)	(5,904)
Net change in short-term financial debt	12,491	(9,801)
<i>of which with related parties:</i>	237	1,235
Other changes	(1,246)	401
NET CASH FLOW GENERATED BY/(USED IN) FINANCING ACTIVITIES (C)	(2,575)	(10,672)
NET CASH FLOW GENERATED BY/(USED IN) ASSETS/LIABILITIES HELD FOR SALE (D)	(552)	(1,231)
TOTAL CASH FLOW FOR THE YEAR (E=A+B+C+D)	(3,322)	(27,055)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS (F)	(184)	56
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (G)	29,559	53,680
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (H=E+F+G)	26,053	26,681
Additional information:		
Interest paid	4,452	4,010
Income tax paid	72	58

Statement of changes in consolidated shareholders' equity for the quarters ended 31 March 2025 and 2024

	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

	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 2024	15,702	2,348	39,215	(2,341)	2,132	21,614	(2,969)	75,701	2,543	78,244
Profit/(loss) for the period	-	-	-	-	-	-	(1,141)	(1,141)	53	(1,088)
Other profits/(losses)	-	-	-	-	1,407	-	-	1,407	54	1,461
Total comprehensive income/(loss)							(1,141)	266	107	373
Allocation of the result for the period	-	-	-	-	-	(2,969)	2,969	-	-	-
Balance as at 31 March 2024	15,702	2,348	39,215	(2,341)	3,539	18,645	(1,141)	75,967	2,650	78,617

Explanatory notes

Accounting policies adopted in preparing the consolidated financial statements as at 31 March 2025

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 MTA STAR Segment 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 2025 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 2024.

The accounting standards adopted in preparing this interim consolidated report on operations as at 31 March 2025 are those adopted for preparing the consolidated financial statements as at 31 December 2024 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 2025 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 2025 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 2024 for the statement of financial position and the first quarter of 2024 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 2024.

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 2025 was authorised by the Board of Directors on 9 May 2025.

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 2025. The accounting standards and consolidation methods adopted in preparing this interim consolidated report on operations as at 31 March 2025 are those adopted for preparing the consolidated financial statements as at 31 December 2024 to which reference is made for full details.

As at 31 March 2025, the scope of consolidation changed as follows compared to 31 December 2024:

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

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

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

Translation of foreign currency financial statements and of foreign currency items

The exchange rates used to determine the value in Euros of the financial statements of subsidiary companies 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	
	2025	2024	2025	2024
US Dollar	1.0523	1.0858	1.0815	1.0811
Russian Rouble	97.3500	98.4985	89.6553	99.5299
Qatari Riyal	3.8305	3.9523	3.9367	3.9352
South African Rand	19.4580	20.5069	19.8782	20.5226
Renminbi	7.6551	7.8048	7.8442	7.8144
Australian Dollar	1.6772	1.6511	1.7318	1.6607
Algerian Dinar	141.7726	146.0107	144.7616	145.6456
New Zealand Dollar	1.8537	1.7717	1.9035	1.8092
Tunisian Dinar	3.3250	3.3802	3.3620	3.3798
CFA Franc	655.957	655.957	655.957	655.957
GNF Franc	9,057.8376	9,236.2540	9,308.0525	9,193.6512
Saudi Riyal	3.9463	4.0717	4.0556	4.0541
Moroccan Dinar	10.426	10.884	10.417	10.965

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.

<i>(Euro in thousands)</i>	Quarter ended 31 March							
	2025				2024 restated			
	Energy	Trencher	Rail	Consolidated	Energy	Trencher	Rail	Consolidated
Revenues from sales and services	20,022	31,764	9,592	61,378	17,606	30,744	7,483	55,833
Operating costs net of depreciation and amortisation	(16,854)	(26,314)	(8,719)	(51,887)	(14,717)	(25,922)	(6,058)	(46,697)
EBITDA	3,168	5,450	873	9,491	2,889	4,822	1,425	9,136
Depreciation	(1,539)	(2,354)	(1,273)	(5,166)	(1,345)	(2,926)	(913)	(5,184)
Total operating costs	(18,393)	(28,668)	(9,992)	(57,053)	(16,062)	(28,848)	(6,971)	(51,881)
Operating income	1,629	3,096	(400)	4,325	1,544	1,896	512	3,952
Net financial income/(expenses)				(5,001)				(3,786)
Pre-tax profit/(loss)				(676)				166
Income tax				795				(23)
Net profit/(loss) for the period of continuing operations				119				143
Net profit/(loss) for the period of assets held for sale				(1,566)				(1,231)
Net profit/(loss) for the period				(1,447)				(1,088)
Profit/(loss) attributable to non-controlling interests				21				53
Group profit/(loss)				(1,468)				(1,141)

The directors monitor separately the results achieved by the business units in order to make decisions on resources, allocation and performance assessment. Segment performance is assessed based on operating income. Group financial management (including financial income and charges) and income tax are managed at Group level and are not allocated to the individual operating segments.

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

<i>(Euro in thousands)</i>	As at 31 March 2025					As at 31 December 2024				
	Energy	Trencher	Rail	Not allocated	Consolidated	Energy	Trencher	Rail	Not allocated	Consolidated
Intangible assets	15,996	11,708	14,873	-	42,577	15,590	11,707	14,941	-	42,238
Property, plant and equipment	3,610	23,238	6,955	-	33,803	3,641	23,428	7,091	-	34,160
Rights of use	2,439	16,520	2,697	-	21,656	2,761	17,942	2,670	-	23,373
Financial assets	6,442	8,705	2,281	-	17,428	6,334	8,297	2,281	-	16,912
Other non-current assets	1,065	16,165	827	-	18,057	1,045	16,006	617	-	17,668
Total non-current assets	29,552	76,336	27,633	-	133,521	29,371	77,380	27,600	-	134,351
Work in progress contracts	5,356	-	35,285	-	40,641	5,284	-	31,450	-	36,734
Inventories	25,143	60,666	8,391	-	94,200	24,112	63,762	8,260	-	96,134
Trade receivables	13,097	41,789	6,286	-	61,172	8,899	39,636	6,894	-	55,429
Other current assets	1,139	35,753	10,868	-	47,760	1,438	36,702	14,007	-	52,147
Cash and cash equivalents	3,845	13,494	5,777	2,937	26,053	3,099	21,375	3,317	1,768	29,559
Total current assets	48,580	151,702	66,607	2,937	269,826	42,832	161,475	63,928	1,768	270,003
Total assets held for sale	-	16,736	-	-	16,736	-	19,597	-	-	19,597

Total assets	78,132	244,774	94,240	2,937	420,083	72,203	258,452	91,528	1,768	423,951
Group shareholders' equity	-	-	-	70,304	70,304	-	-	-	74,528	74,528
Shareholders' equity attributable to non-controlling interests	-	-	-	2,983	2,983	-	-	-	3,084	3,084
Total shareholders' equity	-	-	-	73,287	73,287	-	-	-	77,612	77,612
Non-current financial liabilities	568	432	9,805	60,081	70,886	660	838	10,560	68,242	80,300
Non-current financial liabilities from rights of use	579	12,849	2,886	4,922	21,236	706	13,774	3,054	5,780	23,314
Other non-current liabilities	1,460	1,902	2,147	-	5,509	1,437	2,007	2,086	-	5,530
Non-current liabilities	2,607	15,183	14,838	65,003	97,631	2,803	16,619	15,700	74,022	109,144
Current financial liabilities	8,194	2,378	21,755	76,495	108,822	10,261	2,628	14,838	70,468	98,195
Current financial liabilities from rights of use	276	4,192	1,041	3,784	9,293	334	4,855	1,488	3,777	10,454
Trade payables	21,721	45,611	18,944	-	86,276	21,512	40,797	17,596	-	79,905
Other current liabilities	6,331	10,784	5,834	-	22,949	5,257	12,984	6,728	-	24,969
Total current liabilities	36,522	62,965	47,574	80,279	227,340	37,364	61,264	40,650	74,245	213,523
Total liabilities held for sale	-	21,825	-	-	21,825	-	23,672	-	-	23,672
Total liabilities	39,129	99,973	62,412	145,282	346,796	40,167	101,555	56,350	148,267	346,339
Total shareholders' equity and liabilities	39,129	99,973	62,412	218,569	420,083	40,167	101,555	56,350	225,879	423,951

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 2025					Quarter ended 31 March 2024				
	Revenues	Cost of raw materials	Costs for services	Other operating (costs)/revenues, net	Financial income and expenses	Revenues	Cost of raw materials	Costs for services	Other operating (costs)/revenues, net	Financial income and expense
<i>(Euro in thousands)</i>										
Associates:										
Locavert S.A.	10	-	-	-	-	21	-	-	(24)	-
Subtotal	10	-	-	-	-	21	-	-	(24)	-
Joint Ventures:										
Condux Tesmec Inc.	1,996	(2)	-	69	1	911	(203)	-	69	30
Subtotal	1,996	(2)	-	69	1	911	(203)	-	69	30
Related parties:										
Ambrosio S.r.l.	-	-	-	(1)	-	-	-	-	(1)	-
Dream Immobiliare S.r.l.	-	-	-	(13)	(59)	-	-	-	(84)	(117)
TTC S.r.l.	-	-	(26)	-	-	-	-	(30)	-	-
M.T.S. Officine meccaniche S.p.A.	255	(5)	(2)	4	(23)	323	-	(2)	1	(28)
RX S.r.l.	-	-	-	-	(5)	-	-	-	-	(5)
TCB Sport S.r.l.	-	-	-	-	-	-	-	(2)	-	-
Subtotal	255	(5)	(28)	(10)	(87)	323	-	(34)	(84)	(150)
Total	2,261	(7)	(28)	59	(86)	1,255	(203)	(34)	(39)	(120)

	31 March 2025							31 December 2024						
	Trade receiv.	Current financial receiv.	Financial payables Non-current	Non-current liabilities from rights of use	Current financial payables	Current liabilities from rights of use	Trade payables	Trade receiv.	Current financial receiv.	Financial payables Non-current	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.	45	-	-	-	-	-	-	35	-	-	-	-	-	-
Subtotal	45	-	-	-	-	-	-	35	-	-	-	-	-	-
Joint Ventures:														
Condux Tesmec Inc.	357	3	-	-	-	-	-	1,222	310	-	-	-	-	86
Marais Lucas	-	794	-	-	-	-	-	-	794	-	-	-	-	-
Subtotal	357	797	-	-	-	-	-	1,222	1,104	-	-	-	-	86
Relates parties:														
Dream Immobiliare S.r.l.	-	77	-	2,784	-	2,951	2,935	-	77	-	3,781	-	2,714	2,199
Ambrosio S.r.l.	-	-	-	-	-	-	24	-	-	-	-	-	-	39
Fi.ind.	12	-	-	-	-	-	-	12	-	-	-	-	-	-
TTC S.r.l.	-	-	-	-	-	-	75	-	-	-	-	-	-	75
M.T.S. Officine meccaniche S.p.A.	320	721	1,686	-	200	-	36	552	315	1,686	-	200	-	117
RX S.r.l.	9	-	213	-	881	-	120	9	-	213	-	881	-	114
Subtotal	341	798	1,899	2,784	1,081	2,951	3,190	573	392	1,899	3,781	1,081	2,714	2,544
Total	743	1,595	1,899	2,784	1,081	2,951	3,190	1,830	1,496	1,899	3,781	1,081	2,714	2,630

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 2025.

2. We also certify that:

2.1 the Interim consolidated report on operations as at 31 March 2025:

- 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, 9 May 2025

Mr Ambrogio Caccia Dominioni

Chairman
of the Board of Directors

Mr Ruggero Gambini

Manager responsible for
preparing the Company's
financial statements



Tesmec S.p.A.

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