INTERIM CONSOLIDATED FINANCIAL REPORT
AT 30 SEPTEMBER 2024

TESMEC
draw the way forward

Investor Relator
Fjorela Puce
Tel: 035.4232840 - Fax: 035.3844606
E-mail: ir@tesmec.com

Tesmec S.p.A.
Registered Office: Piazza Sant'Ambrogio, 16 – 20123 Milan
Fully paid-up share capital as at 30 September 2024 Euro 15,702,162
Milan Register of Companies no. 314026
Tax and VAT code: 10227100152

Website: www.tesmec.com
Switchboard: 035.4232911

TABLE OF CONTENTS

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 2024)

Chairman and Chief Executive Officer	Ambrogio Caccia Dominioni
Vice Chairman	Gianluca Bolelli
Directors	Caterina Caccia Dominioni
	Lucia Caccia Dominioni
	Paola Durante (*)
	Simone Andrea Crolla (*)
	Emanuela Teresa Basso Petrino (*)
	Guido Luigi Traversa (*)
	Antongiulio Marti
	Nicola Iorio

(*) 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 2024)

Chairman	Simone Cavalli
Statutory auditors	Attilio Massimo Franco Marcozzi
	Laura Braga
Alternate auditors	Alice Galimberti
	Maurizio Parni

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 2024)

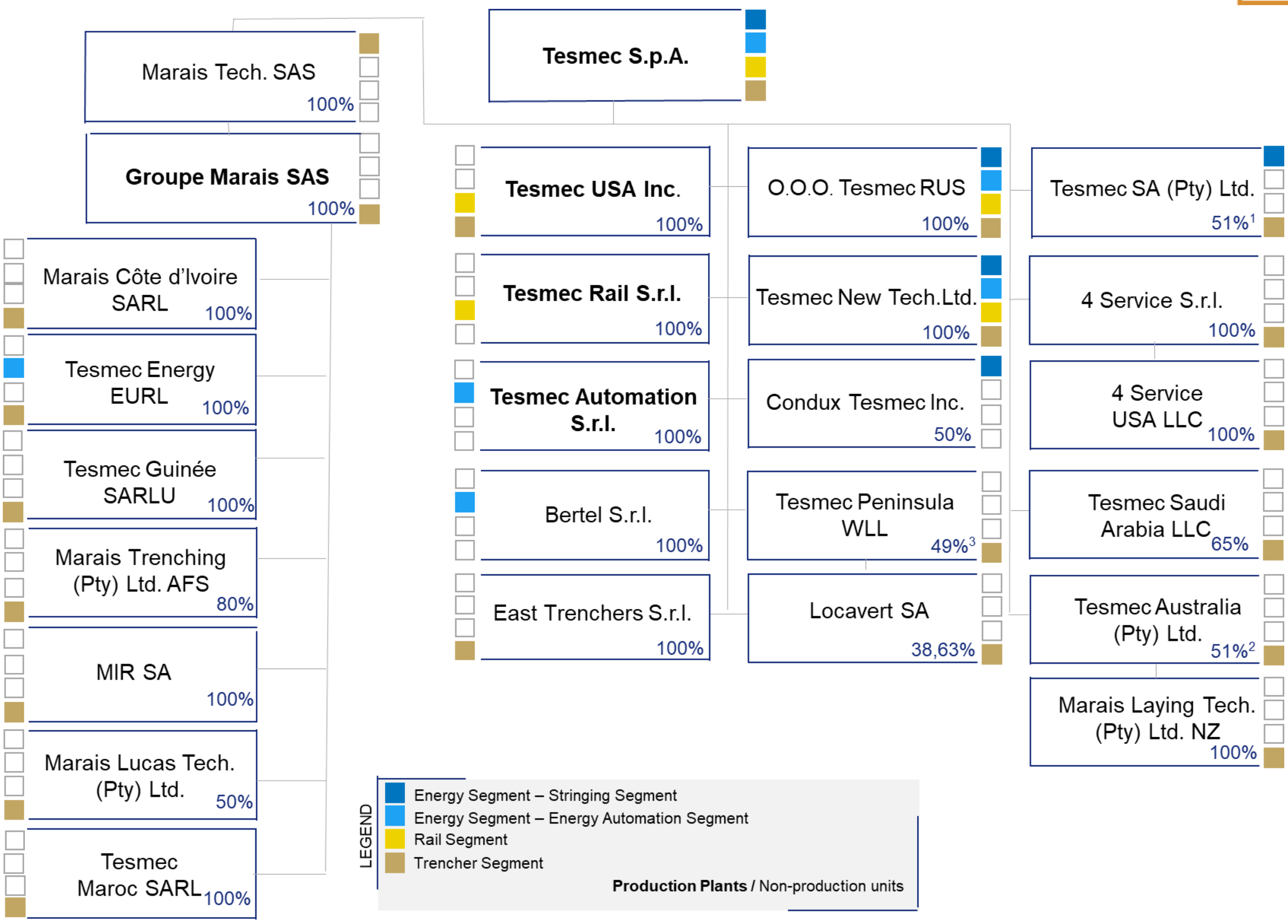
Chairperson	Emanuela Teresa Basso Petrino
Members	Simone Andrea Crolla
	Guido Luigi Traversa

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 2024)

Chairperson	Emanuela Teresa Basso Petrino
Members	Antongiulio Marti
	Simone Andrea Crolla

Lead Independent Director	Paola Durante
Director in charge of the internal control and risk management system	Ambrogio 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 an 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%.

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 "Tesmec") 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 "Tesmec 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 and Chief Executive Officer 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 1,000 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 as at 30 September 2024

A. <u>Introduction</u>

The results of the Tesmec Group for the period January-September 2024 appear in substantial continuity with the lines highlighted as of 30 June last, with total sales volumes slightly lower than those of 2023 and consolidated revenues equal to approximately 189 million compared to approximately 194 million in same period as the previous financial year; in parallel, this consolidation of volumes was accompanied by actions to significantly reduce operating costs, in line with the strategic approach of Value over Volumes underlying the 2024 Budget, which made it possible to absorb, among others, still unfavorable conditions on some markets.

More specifically, the reduction in operating costs was the result of efficiency recovery initiatives launched between the end of 2023 and the first quarter of 2024, better specified below, which are estimated to bring further benefits during the last quarter of the financial year (period for which it is expected that they will also be accompanied by a recovery in turnover growth compared to 2023).
The aforementioned reduction in operating costs generated an increase in productivity and efficiency indexes and, as anticipated, more than compensated for the effects of a still adverse trend on some specific markets, the lower contribution from the Condux Tesmec joint venture, operating in the stringing sector in the United States, and lower contributions to Research and Development, thus still allowing an improvement in Ebitda and Ebitda margin.

On the other hand, the greater weight of interest expense resulted in a loss before tax of approximately 2 million as at 30 September and, together with an unfavorable tax mix for the period, in a negative net result for the period of approximately 4 million.

From a balance sheet point of view, a series of factors - including (i) the need to fully respond to the backlog and commercial opportunities in progress, thus avoiding stock-out situations in a challenging international logistics context, and (ii) the concentration of sales in the final part of the period - resulted in Working Capital levels still higher than those of 31 December 2023, although decreasing compared to the peak of last 30 June, a trend which is estimated to continue and strengthen in the fourth quarter.

Based on the results of the first nine months of 2024, considering the prospects of the Group's businesses, which remain positive even if behind the initial estimates, and in light of an evolving external context, for the entire 2024 financial year Tesmec confirms the expectation of an improved EBITDA margin compared to that of the previous financial year, with revenues decreasing compared to the value of 270 million euro previously communicated, although improving compared to the previous financial year, and a Net Financial Debt substantially aligned with 31 December 2023.

B. Results of first nine months of 2024

Consolidated revenues in the first nine months of 2024 amounted to Euro 189.0 million, a a slightly lower level compared to Euro 193.5 million in the first nine months of 2023 (-2.3%), with a differentiated breakdown by Business Units. With reference to the Revenues of the individual Divisions:

- Revenues in the Energy division of Euro 58.2 million grew by 18.1% compared to the first nine months of 2023, driven by continued robust demand and the commercial success of the products and technology solutions developed by the Tesmec Group, both in the Energy Stringing segment and in the Energy Automation segment; in the Energy segment, Tesmec continues to have a significant order backlog of approximately Euro 103 million as at 30 September 2024, of which approximately Euro 82 million related to the Energy Automation segment (with a multi-year duration, confirming expectations of further growth in this segment in the medium term), while the remainder is related to the Energy Stringing segment (traditionally with a short duration);
- Revenues from the Trencher division of Euro 96.5 million were down by 9.1%, reflecting the specific performance of certain markets and in line with the Group's overall strategy, which, as mentioned above, aims to prioritise maximum profitability over volumes in the current year. In fact, as will be seen in the comments on Divisional EBITDA below, the Trencher Business Unit has successfully finalized a significant containment of operating expenses, with a consequent recovery of profitability. More specifically, Revenues in the Trencher segment in the first nine months of 2024 suffered from a negative performance in the French, Australian and North American markets, which was only partially offset by a growth performance in the African and in the Middle Eastern markets, which have recorded an important development trajectory starting from 2023. The backlog of the Trencher division stood at Euro 73 million as at 30 September 2024, with a rich portfolio of opportunities that, together with the order backlog itself, support expectations of a robust growth in Revenues in the last quarter of the year;
- Revenue from the Rail division of Euro 34.3 million, down 9.9% compared to 2023 due to the still high weight of old orders and the delay in the execution of new orders. Revenues of the Rail division amounted to Euro 34.3 million, a decrease of 9.9% compared to 2023 due to the still high weight of old orders and the delay in the execution of new orders. In this regard, however, signs of recovery were recorded in the third quarter compared to 30 June last, in a context of positive expectations for the rest of 2024, also in the face of important investment programs by the main Italian and international players. The backlog of the Rail division as of 30 September 2024 amounted to approximately Euro 187 million, with a medium-term duration which corroborates, together with the

forecast of obtaining new orders, the expectation of a significant recovery in revenues over the next quarters. In the last few years, the Rail segment developed cutting-edge technologies, not only in the maintenance segment, but also in the strategic and high-tech rail diagnostics segment, which continues to represent a powerful driver for the Group's future growth, in particular though international development.

On the basis of what is stated above, the overall backlog of the Tesmec Group as at 30 September 2024 stood at Euro 363 million, a reduction compared to Euro 402 million as at 31 December 2023, while still at historically very significant values, and which, however, are not yet affected by the acquisition of new orders in the Energy (especially in the Automation segment), Railway (both for line maintenance and diagnostics) and the Trencher segments for areas expected to experience the most rapid development (Africa and the Middle East).

Furthermore, at geographical level, Tesmec is confirmed as a group strongly oriented towards international markets, with 78% of Consolidated revenues generated outside Italy, with a growing contribution of sales in Africa and the Middle East.

In terms of operating results, consolidated EBITDA reached the level of Euro 29.0 million, with a slight increase (+2.3%) compared to Euro 28.5 million in the first nine months of 2023. At the same time, the consolidated EBITDA margin increased from 14.7% to 15.4%, reaching levels in line with those already recorded as of 30 June 2023. This stability of EBITDA despite lower volumes was achieved, on the one hand, thanks to the aforementioned strong reduction in operating costs, partly offset, on the other hand, by a lower contribution to the gross operating margin of the Condux Tesmec joint venture, active in the United States in the Stringing sector, and of lower capitalization. With specific reference to management actions to contain operating costs, they were represented by:

- the transfer of the Endine Gaiano plant and the concentration of Stringing equipment production activities at the Grassobbio plant, which has become this segment's global hub;
- the launch of a temporary lay-off scheme programme at the Sirone plant, dedicated to precision mechanics processing, together with an industrial relaunch plan for the site;
- management actions to contain the workforce and related costs at the Group's Italian companies;
- the control of fixed operating charges and corporate governance actions at the Group's foreign companies, which, in addition to a more effective local management of the commercial development activities, also led to a reduction in personnel costs.

More specifically, EBITDA at divisional level:

- in the Energy segment, reached Euro 8.8 million (with an EBITDA margin of 15.2%), up 18.0% from Euro 7.5 million in 2023 (when the EBITDA margin was 15.2%). These increases in EBITDA and EBITDA margin were made possible by (a) the higher turnover for the period and the related effect in terms of operating leverage, (b) an improved sales mix, especially in the Automation segment and (c) lower operating costs, which, as a whole, have more than offset, on the one hand, the lower contribution compared to 2023 of the JV Condux Tesmec, operating in the stringing equipment segment in the United States and, on the other hand, a significantly lower capitalisation for the period compared to the first nine months of 2023;
- the Trencher segment generated an EBITDA of Euro 14.7 million (with an EBITDA margin of 15.2%), up 5.4% from Euro 13.9 million in 2023 (when the EBITDA margin was 13.1%). These improvements in EBITDA and EBITDA margin were driven by both a improvement in the mix of machines sold and the implementation of management actions to deliver strong efficiency recovery which made it possible to cover still unfavorable conditions on the French, Australian and North American markets;
- the Rail segment had an EBITDA of Euro 5.6 million (with an EBITDA margin of 16.4%), down by approx.. 20% from Euro 7.1 million in 2023 (when the EBITDA margin was 18.6%). These decreases in EBITDA and EBITDA margin compared to 2023 reflect what was already highlighted as of 30 June last and were caused by the still high weight of the old contracts being closed, with a lower margin, while the new contracts, with higher added value, are expected to express their full potential in the coming quarters. Furthermore, it should also be noted that starting from the third quarter, a beginning of recovery in profitability was observed, which, although as mentioned positioned at lower levels compared to 2023, appears to be recovering compared to the first half of the financial year. The Group estimates that this trend may strengthen during the fourth quarter, with a further recovery compared to 2023.

In terms of operating income, EBIT reached Euro 11.4 million in the first nine months of 2024, up 57.8% compared to Euro 11.3 million in 2023, due to the leverage of depreciation and amortisation, which increased by 3% respect to 2023.

In terms of financial components, net financial charges amounted to Euro -13.5 million, with a huge increase compared to the value of Euro -10.5 million in the first nine months of 2023 due to:

- on the one hand, net interest expense of Euro -13.3 million, up by Euro -4.2 million compared to Euro -9.1 million in the first nine months of 2023, following the increase in rates, which are now considered to have peaked, applied to a higher level of invested capital (and therefore of debt) on a half-yearly basis;
- on the other hand, net losses from changes in exchange rates for Euro -0.3 million, up by Euro 1.1 million compared to exchange rates losses of approximately Euro -1.4 million as at 30 September 2023.

As a direct effect of the aforementioned increase in the weight of financial charges, the Profit before taxes for the nine months of 2024 recorded a consolidated loss of -2.1 million Euros compared to a profit before taxes for the nine months of 2023 of 0.9 million. Finally, net of greater provisions for taxes, dependent on a different mix in the two periods, the net result for the period was a loss of -4.0 million, compared to the situation of substantial break-even (0.2 million) in the same period of the last financial year.

With reference to the balance sheet results as at 30 September 2024:
- compared to 31 December 2023 and 30 September 2023, the net invested capital increased respectively by Euro 17.9 and 16.3 million, attributable to the changes in working capital and to the fleet;
- compared to 30 June 2024, the net invested capital decreased by Euro 11.7 million, mainly attributable to the gradual reduction in inventory levels, decreased by Euro 10.6 million.

In this regard, management confirms its expectations regarding (a) the exceeding of the working capital peak of 30 June 2024 and (b) with reference to the fourth quarter of 2024, the expectation of a further significant reduction in inventory levels (for the expectations respectively of warehouse unloading deriving from the quarterly turnover and of significant payments especially for orders in the Rail sector) and of trade receivables (thanks to robust collection forecasts in the final part of the year especially in the Trencher sector, unlike what happened at the end of 2023, when an unexpected slowdown occurred in particular in the North American market).

More specifically, compared to the value as at 31 December 2023, the increase of the net invested capital was generated:
- for Euro 15.4 million, by the growth in Working capital, mainly due to the increase in trade receivables and in other current assets/(liabilities), which compensated the decrease of inventory levels;
- for Euro 5.4 million, by the increase in Net Fixed Assets, entirely attributable to the change in assets related to the application of the IFRS 16 standard, which increased by Euro 7.1 million. This increase relating to IFRS 16 items is attributable for approximately Euro 3.1 million to the adjustments of the rent accruals for the coming years of the Grassobbio site, where, in line with the Group's strategy, the production activities relating to the Stringing segment have been concentrated, and, for the remaining part, to the operating leases of Trencher machines and other factory equipment;
- partially offset by a decrease in other medium/long-term assets of Euro -2.9 million.

Similarly, the Net Financial Position as at 30 September 2024 was Euro 176.0 million, an increase compared to the value of Euro 153.5 million as at 31 December 2023 and to the value of 149.0 million as at 30 September 2023, but a decrease compared to the value of 183.6 million as at 30 June 2024.

With reference to Tesmec financial structure, it is noted that:
1. the Net Financial Position as at 30 September 2024 can be broken down as follows:
   - Euro 102.2 million (approx. 58%) of Operating Debt, entirely against consolidated Working Capital;
   - Euro 48.3 million (approx. 27%) due to IFRS 16 accounting standards, largely against leasing contracts for part of the Group's trencher machine fleet
   - residual Euro 25.5 million (approx. 15%), of Industrial Debt against the portion of residual invested capital not directly covered by Equity;
2. the duration of the Net Financial Position, which includes medium/long-term payables of approximately Euro 81 million, together with medium-term IFRS 16 items of Euro 48 million, appears more than adequate compared to the duration of the portion of medium/long-term Assets not directly covered by Shareholders' Equity, amounting to a total of approximately Euro 74 million.
3. as at 30 September 2024, the Group's liquidity stood at Euro 17.5 million, that is estimated to guarantee, together with the cash flows expected in the rest of the year and with the ordinary business of negotiating and obtaining medium and long-term credit lines to partially replace those expiring, going concern over the next 12 months and the implementation of the development programmes underway.

C. Outlook for 2024

Based on the results of the first nine months of 2024, considering the prospects of the Group's businesses, which remain positive even if behind the initial estimates, and in light of an evolving external context, for the entire 2024 financial year Tesmec confirms the expectation of an improved EBITDA margin compared to that of the previous financial year, with revenues decreasing compared to the value of 270 million euro previously communicated, although improving compared to the previous financial year, and a Net Financial Debt substantially aligned with 31 December 2023.

3 Significant events during the period

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

- on 4 March 2024, the Shareholders' Meeting of East Trenchers S.r.l. approved the distribution of dividends in the amount of Euro 50 thousand;
- on 4 March 2024, the Shareholders' Meeting of Bertel S.r.l. approved the distribution of dividends in the amount of Euro 700 thousand;
- on 16 April 2024, the Shareholders' Meeting of Tesmec Rail S.r.l. approved the distribution of dividends in the amount of Euro 2 million;
- on 16 April 2024, the Shareholders' Meeting of 4Service S.r.l. approved the distribution of dividends in the amount of Euro 500 thousand;
- on 18 April 2024, the Ordinary Shareholders' Meeting of Tesmec S.p.A. met electronically in a single call and approved the Financial Statements as at 31 December 2023 and the allocation of the Net Profit. Therefore, during the Shareholders' Meeting, the Consolidated Financial Statements as at 31 December 2023 of the Tesmec Group and the related reports were presented, including the Consolidated Non-Financial Statement; in addition, in the extraordinary session, the amendments to Article 5 and Article 9 of the Articles of Association were approved for the purpose of introducing increased voting rights and the amendments relating to the “Shareholders' Meeting” chapter of the Articles of Association;
- in June 2024, the transfer of production in the stringing equipment segment from the Endine Gaiano factory, whose lease had expired, to the Grassobbio production site was completed.
- on 13 June 2024, the subsidiary Tesmec Rail S.r.l. signed a loan agreement of Euro 5 million with Solution Bank S.p.A. This loan has a duration of six years, expiring on 30 June 2030 and bears a floating rate benchmarked to the 3-month Euribor index plus a spread of 4.79%;
- on 20 June 2024, on the occasion of World Refugee Day 2024, the Tesmec Group announced that it had received the "Welcome. Working for Refugee Integration" award, which is assigned every year by UNHCR Italy (United Nations High Commissioner for Refugees) to companies that, according to their capabilities, have distinguished themselves by hiring new beneficiaries of international protection, or in any case by promoting their concrete employment and social integration, as well as to companies that have promoted the creation of self-employment activities by beneficiaries of international protection;
- on 23 July 2024, the parent company Tesmec S.p.A. signed a loan agreement of Euro 10 million with ICCREA. This loan has a duration of 3 years, expiring on 30 June 2027, and bears a floating rate benchmarked to the 3-month Euribor index plus a spread of 1.95%;
- on 13 September 2024, the parent company Tesmec S.p.A. signed a loan agreement of Euro 3 million with Banca Ifis S.p.A.. This loan has a duration of 5 years, expiring on 30 September 2029, and bears a floating rate benchmarked to the 3-month Euribor index plus a spread of 4.05%.

4 Activity, reference market and operating performance for the first nine months of 2023

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 2023. The following table shows the Group's major economic and financial indicators for the first nine months of 2024 and the financial indicators as at 30 September 2024 compared with the same period of 2023 and as at 31 December 2023.

30 September 2023 restated	OVERVIEW OF RESULTS **Key income statement data** (Euro in millions)	30 September 2024
193.5	Operating Revenues	189.0
28.5	EBITDA	29.2
11.3	Operating Income	11.4
(0.2)	Net foreign exchange gains/losses	(4.4)
(1.4)	Group Net Result	(0.3)
1,019	Number of employees	987
31 December 2023	**Key financial position data** (Euro in millions)	**30 September 2024**
231.7	Net Invested Capital	249.6
78.2	Shareholders' Equity	73.7
153.5	Net Financial Indebtedness	176.0
31.2	Net investments in property, plant and equipment, intangible assets and rights of use	23.0

5 Income statement and balance sheet situation as at 30 September 2024

5.1 Restatement of the figures of the previous financial year

Starting from the end of the 2023 financial year, the Group recognises as financial expenses the costs incurred with credit institutions for the issue of guarantees required for the performance of multi-year work orders, previously shown as costs for services, as the Group believes that this classification more clearly represents the economic substance of the case, which is the financial commitment made by the Group for the completion of work orders in progress.

In order to allow an improved comparison of the financial statement data, in this document the data referring to the previous period (30 September 2023), when these costs were equal to Euro 1,017 thousand, have been reclassified.

With reference to the balance sheet, for the purposes of an improved comparison of the two periods, some items of other current assets and liabilities have been reclassified.

5.2 Alternative performance measures

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

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

- EBITDA: it is represented by the operating income including amortisation/depreciation and can be directly inferred from the consolidated income statement.
- Net working capital: it is calculated as current assets net of current liabilities excluding financial assets and financial liabilities, and can be directly inferred from the consolidated statement of financial position.
- Net invested capital: it is calculated as net working capital plus fixed assets and other long-term assets less non-current liabilities and can be directly inferred from the consolidated statement of financial position.
- Group net financial indebtedness: this is a good indicator of the Tesmec Group's financial structure. It is calculated as the sum of cash and cash equivalents, current financial assets, non-current and current financial liabilities (including right-of-use liabilities) and fair value of hedging instruments.

- Net financial indebtedness pursuant to ESMA 32-382-1138 communication: it corresponds to the Group's net financial indebtedness as defined above and also includes trade payables and other non-current payables, which have a significant implicit or explicit financing component (e.g. trade payables with a maturity of more than 12 months), and any other non-interest-bearing loans (as defined in the "Guidelines on disclosure requirements under the Prospectus Regulation" published by ESMA on 4 March 2021 with the "ESMA 32- 382-1138" document and incorporated by CONSOB in its communication 5/21 of 29 April 2021).

5.3 Income statement

Consolidated income statement

The comments provided below refer to the comparison of the consolidated income statement figures as at 30 September 2024 with those as at 30 September 2023.

The main accounting figures for the first nine months of 2024 and 2023 are presented in the table below:

(Euro in thousands)	As at 30 September				
	2024	**% of revenues**	**2023 restated**	**% of revenues**	**2024 vs 2023**
Revenues from sales and services	**189,023**	**100.0%**	**193,507**	**100.0%**	**(4,484)**
Cost of raw materials and consumables	(86,200)	-45.6%	(84,247)	-43.5%	(1,953)
Costs for services	(33,416)	-17.7%	(37,319)	-19.3%	3,903
Payroll costs	(43,881)	-23.2%	(47,374)	-24.5%	3,493
Other net operating costs/revenues	(4,864)	-2.6%	(5,889)	-3.0%	1,025
Amortisation/Depreciation	(17,717)	-9.4%	(17,168)	-8.9%	(549)
Development costs capitalised	8,369	4.4%	9,033	4.7%	(664)
Portion of losses/(gains) deriving from the valuation of operational Joint Ventures	119	0.1%	787	0.4%	(668)
Total operating costs	**(177,590)**	**-94.0%**	**(182,177)**	**-94.1%**	**4,587**
Operating income	**11,433**	**6.0%**	**11,330**	**5.9%**	**103**
Net financial income/expenses	(13,262)	-7.0%	(9,044)	-4.7%	(4,218)
Net foreign exchange gains/losses	(285)	-0.2%	(1,403)	-0.7%	1,118
Portion of losses/(gains) deriving from the valuation of associated companies and non-operational Joint Ventures	4	0.0%	(14)	0.0%	18
Pre-tax profit/(loss)	**(2,110)**	**-1.1%**	**869**	**0.4%**	**(2,979)**
Income tax	(1,934)	-1.0%	(680)	-0.4%	(1,254)
Profit/(loss) for the period	**(4,044)**	**-2.1%**	**189**	**0.1%**	**(4,233)**
Profit/(loss) attributable to non-controlling interests	371	0.2%	438	0.2%	(67)
Group profit/(loss)	**(4,415)**	**-2.3%**	**(249)**	**-0.1%**	**(4,166)**

Revenues

Total revenues as at 30 September 2024, compared to the corresponding period of the previous year, recorded a decrease of 2.3%.

(Euro in thousands)	As at 30 September				
	2024	**% of revenues**	**2023**	**% of revenues**	**2024 vs 2023**
Sales of products	162,092	85.8%	144,699	74.8%	17,393
Services rendered	32,152	17.0%	35,726	18.5%	(3,574)
Changes in work in progress	(5,221)	-2.8%	13,082	6.8%	(18,303)
Total revenues from sales and services	**189,023**	**100.0%**	**193,507**	**100.0%**	**(4,484)**

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 (77.7%) and in particular in non-EU countries. Growth was observed in the Middle Eastern and African markets thanks to the contribution of sales in the Trencher sector, while the Rail and Energy-Automation sectors remain the reference sectors for the Italian market. The revenue analysis by area is indicated below with the comparison of the figures for the first nine months of 2024 with those for the first nine months of 2023. 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.

(Euro in thousands)	As at 30 September				
	2024	**% of revenues**	**2023**	**% of revenues**	**2024 vs 2023**
Italy	42,143	22.3%	40,828	21.1%	1,315
Europe	45,708	24.2%	46,511	24.0%	(803)
Middle East	29,837	15.8%	28,417	14.7%	1,420
Africa	20,015	10.6%	8,049	4.2%	11,966
North and Central America	22,666	12.0%	37,694	19.5%	(15,028)
BRIC and Others	28,654	15.2%	32,008	16.5%	(3,354)
Total revenues	**189,023**	**100.0%**	**193,507**	**100.0%**	**(4,484)**

Operating costs net of depreciation and amortisation

Operating costs net of depreciation and amortisation as at 30 September 2024, compared to the corresponding period of the previous year, recorded a decrease of 3.1%.

(Euro in thousands)	As at 30 September				
	2024	**% of revenues**	**2023 restated**	**% of revenues**	**2024 vs 2023**
Cost of raw materials and consumables	(86,200)	-45.6%	(84,247)	-43.5%	(1,953)
Costs for services	(33,416)	-17.7%	(37,319)	-19.3%	3,903
Payroll costs	(43,881)	-23.2%	(47,374)	-24.5%	3,493
Other net operating costs/revenues	(4,864)	-2.6%	(5,889)	-3.0%	1,025
Development costs capitalised	8,369	4.4%	9,033	4.7%	(664)
Portion of losses/(gains) deriving from the valuation of operational Joint Ventures	119	0.1%	787	0.4%	(668)
Operating costs net of depreciation and amortisation	**(159,873)**	**-84.6%**	**(165,009)**	**-85.3%**	**5,136**

The table shows a decrease in operating costs of Euro 5,136 thousand. This decrease is mainly due to the reduction in costs for services and labour costs resulting from the efficiency recovery initiatives launched between the end of 2023 and the first quarter of 2024, both in terms of operating structure and industrial structure, which resulted in:

- the transfer of the Endine Gaiano plant and the concentration of Stringing equipment production activities at the Grassobbio plant, which has become this segment's global hub;
- the launch of a temporary lay-off scheme programme at the Sirone plant, dedicated to precision mechanics processing, together with an industrial relaunch plan for the site;
- management actions to contain the workforce and related costs at the Group's Italian companies;
- the control of fixed operating charges and corporate governance actions at the Group's foreign companies, which, in addition to a more effective local management of the commercial development activities, also led to a reduction in personnel costs.

EBITDA

As a result of the foregoing, EBITDA amounted to Euro 29,150 thousand, up on the figure recorded in the first nine months of 2023 when it was equal to Euro 28,498 thousand.
A restatement of the income statement figures representing the performance of EBITDA is provided below:

(Euro in thousands)	As at 30 September				
	2024	**% of revenues**	**2023 restated**	**% of revenues**	**2024 vs 2023**
Operating income	11,433	6.0%	11,330	5.9%	103
+ Amortisation/depreciation	17,717	9.4%	17,168	8.9%	549
EBITDA	**29,150**	**15.4%**	**28,498**	**14.7%**	**652**

The increase in EBITDA, despite lower volumes was achieved, on the one hand, thanks to the aforementioned strong reduction in operating costs, partly offset, on the other hand, by a lower contribution to the gross operating margin of the Condux joint venture, active in the United States in the Stringing segment.

Financial Management

	As at 30 September				
(Euro in thousands)	**2024**	**% of revenues**	**2023 restated**	**% of revenues**	**2024 vs 2023**
Net financial income/expenses	(13,056)	-6.9%	(8,864)	-4.6%	(4,192)
Net foreign exchange gains/losses	(285)	-0.2%	(1,403)	-0.7%	1,118
Fair value adjustment of derivative instruments on exchange rates	(206)	-0.1%	(180)	-0.1%	(26)
Portion of losses/(gains) deriving from the valuation of associated companies and non-operational Joint Ventures	4	0.0%	(14)	0.0%	18
Total net financial income/expenses	**(13,543)**	**-7.2%**	**(10,461)**	**-5.4%**	**(3,082)**

The net financial management result increased compared to the same period in the previous financial year by a total of Euro 3.082 thousand, due to:

- the negative impact of net financial income/expense of Euro 4,192 thousand following the increase in rates, which are now considered to have peaked, applied to a higher level of invested capital (and therefore of debt) on a half-yearly basis.
- a positive impact from exchange gains/losses of Euro 1,118 thousand, deriving from the favourable exchange rate trend as at 30 September 2024 compared to 30 September 2023, which resulted in net gains totalling Euro 285 thousand in the first nine months of 2024 compared to net losses of Euro 1,403 thousand in the first nine months of 2023.

5.4 Income Statement by segment

Revenues by segment

The tables below show the income statement figures as at 30 September 2024 compared to those as at 30 September 2023, broken down into three operating segments.

(Euro in thousands)	As at 30 September				
	2024	**% of revenues**	**2023**	**% of revenues**	**2024 vs 2023**
Energy	58,230	30.8%	49,305	25.5%	8,925
Trencher	96,504	51.1%	106,164	54.9%	(9,660)
Rail	34,289	18.1%	38,038	19.7%	(3,749)
Total Revenues	**189,023**	**100.0%**	**193,507**	**100.0%**	**(4,484)**

In the first nine months of 2024, the Group consolidated revenues of Euro 189,023 thousand, with a decrease of Euro 4,484 thousand (equal to 2.3%) compared to Euro 193,507 thousand in the same period of the previous year.

- With regard to the Energy segment, revenues amounted to Euro 58,230 thousand, up by approximately 18.1% compared to the figure of Euro 49,305 thousand as at 30 September 2023, driven by continued robust demand and the commercial success of the products and technology solutions developed by the Tesmec Group, both in the Energy Stringing segment and in the Energy Automation segment. More specifically, it should be noted that the Energy-Stringing segment achieved revenues of Euro 37,967 thousand in the first nine months of 2024 compared to Euro 32,349 thousand in the same period of 2023 (+17.4%), while the Energy-Automation segment achieved revenues of Euro 20,263 thousand, compared to Euro 16,956 thousand as at 30 September 2023 (+19.5%).
- Revenues of the Trencher segment as at 30 September 2024 was Euro 96,504 thousand, with a decrease compared to Euro 106,164 thousand as at 30 September 2023, reflecting the specific performance of certain markets and in line with the Group's overall strategy, which, as mentioned above, aims to prioritise maximum profitability over volumes in the current year. More specifically, Revenues in the Trencher segment in the first nine months of 2024 suffered from a negative performance in the French, Australian and North American markets, which was only partially offset by a growth performance in the African and in the Middle Eastern markets, which have recorded an important development trajectory starting from 2023.
- Revenues of the Rail segment amounted to Euro 34,289 thousand, down compared to Euro 38,038 thousand as at 30 September 2023. This result is due to the still high weight of old orders and the delay in the execution of new orders. In this regard, however, signs of recovery were recorded in the third quarter compared to 30 June last, in a context of positive expectations for the rest of 2024, also in the face of important investment programs by the main Italian and international players.

EBITDA by segment

The table below shows EBITDA figures as at 30 September 2024 compared to those as at 30 September 2023, broken down into three operating segments:

(Euro in thousands)	As at 30 September				
	2024	% of revenues	2023 restated	% of revenues	2024 vs 2023
Energy	8,824	15.2%	7,477	15.2%	1,347
Trencher	14,689	15.2%	13,936	13.1%	753
Rail	5,637	16.4%	7,085	18.6%	(1,448)
EBITDA	**29,150**	**15.4%**	**28,498**	**14.7%**	**652**

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

- the Energy segment reached an EBITDA of Euro 8,824 thousand (or 15.2% of sales), an increase of Euro 1,347 thousand compared to Euro 7,477 thousand in the first nine months of 2023. This increase was made possible by (a) the higher turnover for the period and the related effect in terms of operating leverage, (b) an improved sales mix, especially in the Automation segment and (c) lower operating costs, which, as a whole, have more than offset, on the one hand, the lower contribution compared to 2023 of the JV Condux Tesmec, operating in the stringing equipment segment in the United States. Specifically, the Energy-Stringing segment reported an EBITDA of Euro 4,961 thousand, substantially in line with Euro 4,505 thousand in the first nine months of 2023, while the Energy-Automation segment reported an EBITDA of Euro 3,863 thousand, up Euro 891 thousand compared to Euro 2,972 thousand in the first nine months of 2023;

- The Trencher segment generated an EBITDA of Euro 14,689 thousand (or 15.2% of Revenues), up to Euro 753 thousand compared to Euro 13,936 thousand (13.1% of Revenue) in the first nine months of 2023. This improvement was driven by both an improvement in the mix of machines sold and the implementation of management actions to contain operating costs in all the main markets;

- the Rail segment had an EBITDA of Euro 5,637 thousand (or 16.4% of Revenues), down Euro 1,448 thousand from Euro 7,085 thousand as at 30 September 2023. This reduction reflects what was already highlighted as of 30 June last and were caused by the still high weight of the old contracts being closed, with a lower margin, while the new contracts, with higher added value, are expected to express their full potential in the coming quarters. Furthermore, it should also be noted that starting from the third quarter, a beginning of recovery in profitability was observed, which, although as mentioned positioned at lower levels compared to 2023, appears to be recovering compared to the first half of the financial year.

5.5 Balance sheet and financial profile

Information is provided below on the Group's main equity indicators as at 30 September 2024 compared to 31 December 2023. In particular, the following table shows the reclassified funding sources and uses from the consolidated statement of financial position as at 30 September 2024 and as at 31 December 2023:

(Euro in thousands)	**As at 30 September 2024**	**As at 31 December 2023**	**2024 vs 2023**
USES			
Net working capital	102,217	86,835	15,382
Fixed assets	125,006	119,622	5,384
Other long-term assets and liabilities	22,409	25,284	(2,875)
Net invested capital	**249.632**	**231,741**	**17,891**
SOURCES			
Net financial indebtedness	175,982	153,497	22,485
Shareholders' equity	73,650	78,244	(4,594)
Total sources of funding	**249,632**	**231,741**	**17,891**

A) Net working capital

The table below shows a breakdown of “Net Working Capital” as at 30 September 2024 and 31 December 2023:

(Euro in thousands)	**As at 30 September 2024**	**As at 31 December 2023**	**2024 vs 2023**
Trade receivables	64,483	45,643	18,840
Work in progress contracts	32,508	29,247	3,261
Inventories	102,746	110,621	(7,875)
Trade payables	(86,350)	(82,842)	(3,508)
Other current assets/(liabilities)	(11,170)	(15,834)	4,664
Net working capital	**102,217**	**86,835**	**15,382**

Net working capital amounted to Euro 102,217 thousand, marking an increase of Euro 15,282 thousand (equal to 17.7%) compared to 31 December 2023. This performance is mainly due to the increase in the item “Trade receivables” for Euro 18,840 thousand, mainly due to a concentration of shipments and sales at the end of the period and whose reduction is expected in the fourth quarter of 2024.

B) Fixed assets

The table below shows a breakdown of “Fixed assets” as at 30 September 2024 and 31 December 2023:

(Euro in thousands)	**As at 30 September 2024**	**As at 31 December 2023**	**2024 vs 2023**
Intangible assets	42,033	39,348	2,685
Property, plant and equipment	40,361	45,081	(4,720)
Rights of use	36,008	28,868	7,140

Equity investments in associates	6,561	6,285	276
Other equity investments	43	40	3
Fixed assets	**125,006**	**119,622**	**5,384**

Total fixed assets recorded a net increase of Euro 5,384 thousand compared to 31 December 2023, mainly due to the increase in Rights of use of Euro 7,140 thousand.

C) Net financial indebtedness

The table below shows a breakdown of "Net financial indebtedness" as at 30 September 2024 and 31 December 2023:

(Euro in thousands)	**As at 30 September 2024**	***of which with related parties and group***	**As at 31 December 2023**	***of which with related parties and group***
Cash and cash equivalents	(17,524)		(53,680)	
Current financial assets	(40,447)	*(1,394)*	(27,888)	*(2,605)*
Current financial liabilities	104,787	*1,081*	103,811	*1,081*
Current financial liabilities from rights of use	11,318	*2,457*	9,398	*1,794*
Current portion of derivative financial instruments	(37)		-	
Current financial indebtedness	**58,097**	***2,144***	**31,641**	***270***
Non-current financial liabilities	80,948	*1,899*	92,007	*1,899*
Non-current financial liabilities from rights of use	36,937	*4,866*	29,849	*4,154*
Non-current portion of derivative financial instruments	-		-	
Trade payables and other non-current payables	-		-	
Non-current financial indebtedness	**117,885**	***6,765***	**121.856**	***6,053***
Net financial indebtedness pursuant to ESMA 32-382-1138 Communication	**175,982**	***8,909***	**153,497**	***6,323***
(Trade payables and other non-current payables)	-		-	
Group net financial indebtedness	**175,982**	***8,909***	**153,497**	***6,323***

The net financial indebtedness prior to the application of IFRS 16, as at 30 September 2024, is equal to Euro 127,727 thousand with an increase of Euro 13,477 thousand compared to the end of 2023. This change is mainly due to higher working capital (which increased mainly due to an increase in trade receivables against sales for the period).

The Group's net financial indebtedness as at 30 September 2024, including the effect of the application of IFRS 16, increased by Euro 22,485 thousand compared to the value recorded at the end of 2023 due to the rent adjustment of the building of Grassobbio, in line with the strategy of concentrating production activities and to the leased Trencher fleet, in addition to what has already been commented on above.

The existing loan agreements and bond issues contractually provide for the 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.

Moreover, the loan agreement of the subsidiary Tesmec USA, Inc. provides for financial covenants to be calculated quarterly on the combined financial statements of the Group's US subsidiaries; the loan agreement of the subsidiary Marais Laying New Zealand (Pty) Ltd. provides for financial covenants to be calculated quarterly on the local financial statement data. As at 30 September 2024, these parameters were met.

6 Management and types of financial risk

For the management of financial risks, please see the paragraph "Financial risk management policy" contained in the Explanatory Notes to the Annual Financial Report for 2023, 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 nine months of the 2024 financial year, no transactions took place with related parties of an atypical or unusual nature, outside of normal company operations or such as to harm the profits, balance sheet or financial results of the Group.
For significant intercompany and related party information, please see the paragraph "Related party transactions" in the Explanatory Notes.

8 Group employees

The number of Group employees in the first nine months of 2024, including the employees of companies that are fully consolidated, is 987 persons compared to 1,019 in the first nine months of 2023.

9 Other information

Events occurring after the end of the reporting period

The following significant events occurred after the end of the period:

- on 7 October 2024, the subsidiary Tesmec Rail S.r.l. received the tender award for the delivery, installation and commissioning of a peripheral system for a towed diagnostic vehicle of SBB, with the scope to ensure high security and availability of the Swiss railway network and significantly contribute to the maintenance of the Swiss railway infrastructure. This award is strategic for the Company as it marks Tesmec's entry into the Swiss market, which is characterized by high technological standards, although it should be noted that the economic value of the order does not significantly affect the consolidated results;

- on 21 October 2024, the Tax Court of Milan accepted the appeal of the parent company Tesmec S.p.A. against the assessment notice received during the year and in relation to the 2017 tax year relating to the disputed deductibility of costs relating to the relationships then in place with SIMEST S.p.A., a public company that was then a partner of the Group in foreign investments in the USA and France. The company therefore saw its actions recognized as correct.

Business outlook

In the first nine months of 2024, Tesmec continued its strategy of geographical and sectoral diversification, in strategic markets with high dynamism and wide growth prospects, through the offer of solutions for digitalization and the creation of telecommunications networks, as well as for the development of the mining sector. In the Trencher sector, investments in infrastructure, electrical networks, and Fiber to the Home projects are growing, driven by government incentives and the increasing demand for connectivity. The railway sector 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 represents an important opportunity for Tesmec, with a growing focus on adapting electrical networks to the new needs generated using renewable energy.

On the basis of the results for the first nine months of 2024, considering the outlook for the Group's businesses, which remains positive even if behind initial estimates, and in light of an evolving external environment, for the full year 2024 Tesmec confirms its expectation of an EBITDA margin improving compared to that of the previous year, with revenues down from the previously communicated Euro 270 million, albeit an improvement over the previous year, and a Net Financial Indebtedness substantially in line with 31 December of last year.

CONSOLIDATED FINANCIAL STATEMENTS

(Not audited by the Independent Auditors)

Consolidated statement of financial position as at 30 September 2024 and as at 31 December 2023

(Euro in thousands)	**30 September 2024**	**31 December 2023 restated**
NON-CURRENT ASSETS		
Intangible assets	42,033	39,348
Property, plant and equipment	40,361	45,081
Rights of use	36,008	28,868
Equity investments in associates evaluated using the equity method	6,561	6,285
Other equity investments	43	40
Financial receivables and other non-current financial assets	8,557	11,658
Derivative financial instruments	92	335
Deferred tax assets	21,831	21,939
Non-current trade receivables	2,844	2,575
Other non-current assets	717	717
TOTAL NON-CURRENT ASSETS	**159,047**	**156,846**
CURRENT ASSETS		
Work in progress contracts	32,508	29,247
Inventories	102,746	110,621
Trade receivables	64,483	45,643
of which with related parties:	*1,015*	*2,926*
Tax receivables	3,937	3,179
Financial receivables and other current financial assets	40,447	27,888
of which with related parties:	*1,394*	*2,605*
Other current assets	15,096	14,098
Derivative financial instruments	37	
Cash and cash equivalents	17,524	53,680
TOTAL CURRENT ASSETS	**276,778**	**284,356**
TOTAL ASSETS	**435,825**	**441,202**
SHAREHOLDERS' EQUITY		
GROUP SHAREHOLDERS' EQUITY		
Share capital	15,702	15,702
Reserves/(deficit)	59,488	62,968
Group net profit/(loss)	(4,415)	(2,969)
TOTAL GROUP SHAREHOLDERS' EQUITY	**70,775**	**75,701**
Capital and reserves/(deficit) attributable to non-controlling interests	2,504	2,272
Net profit/(loss) for the period attributable to non-controlling interests	371	271
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	**2,875**	**2,543**
TOTAL SHAREHOLDERS' EQUITY	**73,650**	**78,244**
NON-CURRENT LIABILITIES		
Medium/long-term loans	80,948	92,007
of which with related parties:	*1,899*	*1,899*
Non-current financial liabilities from rights of use	36,937	29,849
of which with related parties:	*4,866*	*4,154*
Employee benefit liability	4,037	4,110
Deferred tax liabilities	7,595	7,830

TOTAL NON-CURRENT LIABILITIES	**129,517**	**133,796**
CURRENT LIABILITIES		
Interest-bearing financial payables (current portion)	104,787	102,565
of which with related parties:	*1,081*	*1,081*
Bond issue	-	1,246
Current financial liabilities from rights of use	11,318	9,398
of which with related parties:	*2,457*	*1,794*
Trade payables	86,350	82,842
of which with related parties:	*2,743*	*1,240*
Advances from customers	7,015	2,611
Income taxes payable	4,484	3,051
Provisions for risks and charges	2,912	2,837
Other current liabilities	15,792	24,612
TOTAL CURRENT LIABILITIES	**232,658**	**229,162**
TOTAL LIABILITIES	**362,175**	**362,958**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**435,825**	**441,202**

Consolidated income statement as at 30 September 2024 and 30 September 2023

(Euro in thousands)	As at 30 September 2024	2023 restated
Revenues from sales and services	**189,023**	**193,507**
of which with related parties:	*2,527*	*8,833*
Cost of raw materials and consumables	(86,200)	(84,247)
of which with related parties:	*(4)*	*(190)*
Costs for services	(33,416)	(37,319)
of which with related parties:	*(177)*	*(54)*
Payroll costs	(43,881)	(47,374)
Other net operating costs/revenues	(4,864)	(5,889)
of which with related parties:	*120*	*98*
Amortisation/Depreciation	(17,717)	(17,168)
Development costs capitalised	8,369	9,033
Portion of losses/(gains) deriving from the valuation of operational Joint Ventures	119	787
Total operating costs	**(177,590)**	**(182,177)**
Operating income	**11,433**	**11,330**
Financial expenses	(16,460)	(13,979)
of which with related parties:	*(381)*	*(301)*
Financial income	2,913	3,532
of which with related parties:	*85*	*55*
Portion of losses/(gains) deriving from the valuation of associated companies and non-operational Joint Ventures	4	(14)
Pre-tax profit/(loss)	**(2,110)**	**869**
Income tax	(1,934)	(680)
Net profit/(loss) for the period	**(4,044)**	**189**
Profit/(loss) attributable to non-controlling interests	371	438
Group profit/(loss)	**(4,415)**	**(249)**
Basic and diluted earnings/(losses) per share	**(0.0073)**	**(0.0004)**

Consolidated statement of comprehensive income as at 30 September 2024 and 30 September 2023

(Euro in thousands)	Notes	As at 30 September	
		2024	2023
NET PROFIT/(LOSS) FOR THE PERIOD		**(4,044)**	**189**
Other components of comprehensive income:			
Other components of comprehensive income that will be subsequently reclassified to net income/(loss) for the period:			
Exchange differences on conversion of foreign financial statements		(369)	693
Other changes		(237)	128
Other components of comprehensive income that will not be subsequently reclassified to net income/(loss) for the period:			
Actuarial profit/(loss) on defined benefit plans		73	-
Income tax		(17)	-
		56	-
Total other income/(losses) after tax		**(550)**	**821**
Total comprehensive income (loss) after tax		**(4,594)**	**1,010**
Attributable to:			
Shareholders of Parent Company		(4,965)	551
Non-controlling interests		371	459

Statement of consolidated cash flows as at 30 September 2024 and 30 September 2023

(Euro in thousands)	As at 30 September	
	2024	2023
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) for the period	(4,044)	189
Adjustments to reconcile net income for the period with the cash flows generated by (used in) operating activities:		
Amortisation/Depreciation	17,717	17,168
Provisions for employee benefit liability	1,224	1,277
Allocations for risks and charges/inventory obsolescence/doubtful account provisions	1,704	2,401
Employee benefit payments	(1,224)	(1,161)
Payments for provisions for risks and charges	(6)	(851)
Net change in deferred tax assets and liabilities	(147)	(1,166)
Change in fair value of financial instruments	206	180
Change in operating assets and liabilities:		
Trade receivables	(14,791)	(10,026)
of which with related parties:	*1,911*	*(1,756)*
Inventories	3,088	(22,325)
Trade payables	3,690	13,399
of which with related parties:	*1,503*	*41*
Other current assets and liabilities	(9,116)	(7,279)
NET CASH FLOW GENERATED BY OPERATING ACTIVITIES (A)	**(1,699)**	**(8,194)**
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in property, plant and equipment	(4,158)	(8,323)
Investments in intangible assets	(8,705)	(10,035)
Investments in Rights of use	(14,544)	(2,987)
(Investments)/disposals of financial assets	(10,346)	(8,355)
of which with related parties:	*1,211*	*1,016*
Sale of property, plant and equipment, intangible assets and rights of use	4,457	6,894
NET CASH FLOW USED IN INVESTING ACTIVITIES (B)	**(33,296)**	**(22,806)**
CASH FLOW FROM FINANCING ACTIVITIES		
Disbursement of medium/long-term loans	19,500	32,754
of which with related parties:	-	*(1,899)*
Recognition of financial liabilities from rights of use	21,737	3,311
of which with related parties:	*3,250*	-
Repayment of medium/long-term loans	(30,822)	(29,789)
Repayment of financial liabilities from rights of use	(12,727)	(6,047)
Net change in short-term financial debt	1,400	15,240
of which with related parties:	*663*	*(3,063)*
Other changes	(237)	128
NET CASH FLOW GENERATED BY /(USED IN) FINANCING ACTIVITIES (C)	**(1,149)**	**15,597**
TOTAL CASH FLOW FOR THE YEAR (D=A+B+C)	**(36,144)**	**(15,403)**
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS (E)	(12)	(215)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD (F)	53,680	50,987
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (G=D+E+F)	**17,524**	**35,369**
Additional information:		
Interest paid	13,449	8,750
Income tax paid	410	1,138

Statement of changes in consolidated shareholders' equity as at 30 September 2024 and 30 September 2023

(Euro in thousands)	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
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	-	-	-	-	-	-	(4,415)	(4,415)	371	(4,044)
Other changes	-	-	-	-	(237)	56	-	(181)	-	(181)
Other profits/(losses)	-	-	-	-	(330)		-	(330)	(39)	(369)
Total comprehensive income/(loss)	**-**	**-**	**-**	**-**	**(567)**	**56**	**(4,415)**	**(4,926)**	**332**	**(4,594)**
Allocation of profit for the period	-	168	-	-	-	(3,137)	2,969	-	-	-
Balance as at 30 September 2024	**15,702**	**2,516**	**39,215**	**(2,341)**	**1,565**	**18,533**	**(4,415)**	**70,775**	**2,875**	**73,650**

(Euro in thousands)	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
Balance as at 1 January 2023	**15,702**	**2,141**	**39,215**	**(2,341)**	**3,873**	**14,402**	**7,862**	**80,854**	**2,523**	**83,377**
Profit/(loss) for the period	-	-	-	-	-	-	(249)	(249)	438	189
Other changes	-	-	-	-	128	-	-	128	-	128
Other profits/(losses)	-	-	-	-	672	-	-	672	21	693
Total comprehensive income/(loss)	**-**	**-**	**-**	**-**	**800**	**-**	**(249)**	**551**	**459**	**1,010**
Allocation of profit for the period	-	-	-	-	-	7,862	(7,862)	-	-	-
Balance as at 30 September 2023	**15,702**	**2,141**	**39,215**	**(2,341)**	**4,673**	**22,264**	**(249)**	**81,405**	**2,982**	**84,378**

Explanatory notes

Accounting policies adopted in preparing the interim consolidated report on operations as at 30 September 2024

1 Company information

The Parent Company Tesmec S.p.A. (hereinafter "Parent Company" or "Tesmec") 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 "Tesmec Group") is in Milan, Piazza S. Ambrogio 16.

2 Reporting standards

The interim consolidated report on operations as at 30 September 2024 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 2023.

The accounting standards adopted in preparing this interim consolidated report on operations as at 30 September 2024 are those adopted for preparing the consolidated financial statements as at 31 December 2023 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 2024 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 30 September 2024 comprises the consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, statement of changes in consolidated shareholders' equity, consolidated statement of cash flows. Comparative figures are disclosed (31 December 2023 for the statement of financial position and the third quarter of 2023 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 2023.

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, except where specifically indicated.

Disclosure of the interim consolidated report on operations of the Tesmec Group for the period ended 30 September 2024 was authorised by the Board of Directors on 8 November 2024.

3 Consolidation methods and area

As at 30 September 2024, the consolidation area did not change with respect to that as at 31 December 2023.

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 half-year ended 30 September		End-of-period exchange rate as at 30 September	
	2024	2023	2024	2023
Australian Dollar	1.0871	1.0833	1.1196	1.0594
Renminbi	97.9912	90.4650	103.4694	103.1631
Algerian Dinar	20.0747	19.8865	19.2258	19.9813
GNF Franc	7.8248	7.6235	7.8511	7.7352
Moroccan dinar	3.9571	3.9432	4.0753	3.8562
New Zealand Dollar	145.9231	147.3679	147.9558	145.6579
Qatari Riyal	3.3753	3.3499	3.3833	3.3518
Russian Rouble	1.6415	1.6205	1.6166	1.6339
Saudi Riyal	1.7832	1.7547	1.7616	1.7575
Tunisian Dinar	4.077	4.062	4.199	3.973
US Dollar	655.9570	655.9570	655.9570	655.9570
CFA Franc	9,272.9847	9,224.1791	9,613.0591	8,991.3535
South African Rand	10.806	10.961	10.852	10.917

4 New accounting standards, interpretations and amendments adopted by the Group

The accounting standards adopted for the preparation of the interim condensed consolidated financial statements are the same as those adopted for the preparation of the consolidated financial statements for the year ended 31 December 2023, with the exception of the adoption as of 1 January 2024 of the new standards and amendments. The Group has not adopted in advance any new standard, interpretation or amendment issued but not yet in force.

Several amendments are applied for the first time in 2024 but have no impact on the Group's interim condensed consolidated financial statements.

- On 23 January 2020, the IASB published an amendment called "***Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current***" and on 31 October 2022, it published an amendment called "***Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants***". The purpose of these amendments is to clarify how to classify payables and other short or long-term liabilities. The amendments also improve the information that an entity discloses when its right to defer settlement of a liability for at least twelve months is conditional on certain parameters being met (i.e. covenants). The adoption of these amendments did not have any effect on the Group's consolidated financial statements.

- On 22 September 2022, the IASB published an amendment called "***Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback".*** The document requires the seller-lessee to measure the lease liability arising from a sale and leaseback transaction in such a way that no income or loss is recognised in respect of the retained right of use. The adoption of these amendments did not have any effect on the Group's consolidated financial statements.

- On 25 May 2023, the IASB published an amendment called "***Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements***". The document requires an entity to provide additional disclosures about reverse factoring arrangements that enable users of financial statements to evaluate how financial arrangements with suppliers may affect the entity's liabilities and cash flows and to understand the effect of those arrangements on the entity's exposure to liquidity risk. The adoption of these amendments did not have any effect on the Group's consolidated financial statements.

Accounting standards, amendments and ifrs interpretations not yet approved by the european union

As at the date of this document, the competent bodies of the European Union have not yet completed the approval process required for the adoption of the amendments and standards described below.

- On 30 May 2024, the IASB published the document "***Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7***". The document clarifies a number of problematic issues that emerged from the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary when ESG objectives are met (i.e. green bonds). In particular, the amendments aim to:
  - clarify the classification of financial assets with variable returns and linked to environmental, social and corporate governance (ESG) objectives and the criteria to be used for the SPPI test;
  - determine that the settlement date of liabilities through electronic payment systems is the date on which the liability is extinguished. However, an entity is permitted to adopt an accounting policy that, under certain specified conditions, allows a financial liability to be derecognised before cash is delivered on the settlement date.

  With these amendments, the IASB also introduced additional disclosure requirements for investments in equity instruments designated as FVOCI.

  The amendments will apply as from the financial statements for years beginning on or after 1 January 2026. The directors do not expect a significant effect on the Group's consolidated financial statements through the adoption of this amendment.

- On 9 April 2024, the IASB published a new standard ***IFRS 18 Presentation and Disclosure in Financial Statements***, which will replace *IAS 1 Presentation of Financial Statements*. The new standard aims to improve the presentation of the main financial statements and introduces significant changes to the income statement. In particular, the new standard requires:
  - revenues and costs to be classified into three new categories (operating, investing and financing sections), in addition to the tax and discontinued operations categories already present in the income statement;
  - Present two new sub-totals, operating income and earnings before interest and taxes (i.e. EBIT).

  The new standard also:

  - requires more information on the performance indicators defined by management;
  - introduces new criteria for the aggregation and disaggregation of information; and,
  - introduces a number of changes to the cash flow statement, including the requirement to use the operating income as the starting point for the presentation of the cash flow statement prepared using the indirect method and the derecognition of certain classification options for some items that currently exist (such as interest paid, interest received, dividends paid and dividends received).

  The new standard will become effective as from 1 January 2027, but early application is permitted. The directors are currently assessing the possible effects of the introduction of this new standard on the Group's consolidated financial statements.

- On 15 August 2023, the IASB published an amendment called "***Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability***". The document requires an entity to apply a consistent method for checking whether one currency can be converted into another and, if not, how to determine the exchange rate to be used and the disclosures to be made in the explanatory notes. The amendment will apply beginning on 1 January 2025, but early application is permitted. The directors are currently assessing the possible effects of the introduction of this amendment on the Group's consolidated financial statements.

- On 30 January 2014, the IASB published ***IFRS 14 – Regulatory Deferral Accounts***, which allows only those who adopt IFRS for the first time to continue to recognise amounts relating to Rate Regulation Activities in accordance with the previously adopted accounting standards. Since the Group is not a first-time adopter, this standard is not applicable.

Restatement of the figures of the previous financial year

Starting from the end of the 2023 financial year, the Group recognises as financial expenses the costs incurred with credit institutions for the issue of guarantees required for the performance of multi-year work orders, previously shown as costs for services, as the Group believes that this classification more clearly represents the economic substance of the case, which is the financial commitment made by the Group for the completion of work orders in progress.

In order to allow an improved comparison of the financial statement data, in this document the data referring to the previous period (30 September 2023), when these costs were equal to Euro 1.017 thousand, have been reclassified.

With reference to the balance sheet, for the purposes of an improved comparison of the two periods, some items of other current assets and liabilities have been reclassified.

5 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 and monitoring of 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 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.

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.

(Euro in thousands)	As at 30 September							
	2024				2023 restated			
	Energy	Trencher	Rail	Consolidated	Energy	Trencher	Rail	Consolidated
Revenues from sales and services	58,230	96,504	34,289	189,023	49,305	106,164	38,038	193,507
Operating costs net of depreciation and amortisation	(49,406)	(81,815)	(28,652)	(159,873)	(41,828)	(92,228)	(30,953)	(165,009)
EBITDA	**8,824**	**14,689**	**5,637**	**29,150**	**7,477**	**13,936**	**7,085**	**28,498**
Amortisation/Depreciation	(4,352)	(10,454)	(2,911)	(17,717)	(3,591)	(10,514)	(3,063)	(17,168)
Total operating costs	**(53,758)**	**(92,269)**	**(31,563)**	**(177,590)**	**(45,419)**	**(102,742)**	**(34,016)**	**(182,177)**
Operating income	**4,472**	**4,235**	**2,726**	**11,433**	**3,886**	**3,422**	**4,022**	**11,330**
Net financial income/(expenses)				(13,543)				(10,461)
Pre-tax profit/(loss)				**(2,110)**				**869**
Income tax				(1,934)				(680)
Net profit/(loss) for the period				**(4,044)**				**189**
Profit/(loss) attributable to non-controlling interests				371				438
Group profit/(loss)				**(4,415)**				**(249)**

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 operating segment as at 30 September 2024 and as at 31 December 2023:

(Euro in thousands)	As at 30 September 2024					As at 31 December 2023 restated				
	Energy	Trencher	Rail	Not allocated	Consolidated	Energy	Trencher	Rail	Not allocated	Consolidated
Intangible assets	15,647	11,377	15,009	-	42,033	14,942	11,165	13,241	-	39,348
Property, plant and equipment	3,520	27,330	9,511	-	40,361	3,413	31,610	10,058	-	45,081
Rights of use	3,105	32,611	292	-	36,008	788	27,425	655	-	28,868
Financial assets	5,828	6,702	2,723	-	15,253	5,557	9,032	3,729	-	18,318
Other non-current assets	1,120	23,359	913	-	25,392	1,212	23,222	797	-	25,231
Total non-current assets	**29,220**	**101,379**	**28,448**	**-**	**159,047**	**25,912**	**102,454**	**28,480**	**-**	**156,846**
Work in progress contracts	5,242	-	27,266	-	32,508	4,462	-	24,785	-	29,247
Inventories	26,085	65,808	10,853	-	102,746	26,451	68,581	15,589	-	110,621
Trade receivables	13,297	43,611	7,575	-	64,483	8,484	29,527	7,632	-	45,643
Other current assets	1,877	43,945	13,695	-	59,517	2,729	33,763	8,673	-	45,165
Cash and cash equivalents	2,939	11,988	1,497	1,100	17,524	5,562	37,983	5,589	4,546	53,680
Total current assets	**49,440**	**165,352**	**60,886**	**1,100**	**276,778**	**47,688**	**169,854**	**62,268**	**4,546**	**284,356**
Total assets	**78,660**	**266,731**	**89,334**	**1,100**	**435,825**	**73,600**	**272,308**	**90,748**	**4,546**	**441,202**
Group shareholders' equity	-	-	-	70,775	70,775	-	-	-	75,701	75,701
Shareholders' equity attributable to non-controlling interests	-	-	-	2,875	2,875	-	-	-	2,543	2,543
Total Shareholders' equity	**-**	**-**	**-**	**73,650**	**73,650**	**-**	**-**	**-**	**78,244**	**78,244**
Non-current financial liabilities	747	3,534	11,567	65,100	80,948	1,044	5,574	9,542	75,847	92.007

Non-current financial liabilities from rights of use	778	28,350	164	7,645	36,937	583	22,041	214	7,011	29.849
Other non-current liabilities	1,396	8,178	2,058	-	11,632	1,015	9,148	1,777	-	11.940
Non-current liabilities	**2,921**	**40,062**	**13,789**	**72,745**	**129,517**	**2,642**	**36,763**	**11,533**	**82,858**	**133,796**
Current financial liabilities	10,278	3,920	15,971	74,618	104,787	14,564	4,197	13,548	71,502	103,811
Current financial liabilities from rights of use	327	7,397	117	3,477	11,318	234	6,249	151	2,764	9,398
Trade payables	21,970	49,364	15,016	-	86,350	27,605	39,481	15,756	-	82,842
Other current liabilities	6,813	15,688	7,702	-	30,203	1,295	20,156	11,660	-	33,111
Total current liabilities	**39,388**	**76,369**	**38,806**	**78,095**	**232,658**	**43,698**	**70,083**	**41,115**	**74,266**	**228,067**
Total liabilities	**42,309**	**116,431**	**52,595**	**150,840**	**362,175**	**46,340**	**106,846**	**52,648**	**157,124**	**362,958**
Total shareholders' equity and liabilities	**42,309**	**116,431**	**52,595**	**224,490**	**435,825**	**46,340**	**106,846**	**52,648**	**235,368**	**441,202**

6 Related party transactions

The following table gives 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 current shareholders:

	As at 30 September 2024					As at 30 September 2023				
(Euro in thousands)	Revenues	Cost of raw materials	Costs for services	Other operating costs/ revenues, net	Financial income and expenses	Revenues	Cost of raw materials	Costs for services	Other operating costs/ revenues, net	Financial income and expenses
Associates:										
Locavert S.A.	57	-	-	(25)	-	105	-	-	-	-
Subtotal	**57**	**-**	**-**	**(25)**	**-**	**105**	**-**	**-**	**-**	**-**
Joint Ventures:										
Condux Tesmec Inc.	1,545	(2)	(76)	206	85	7,698	(190)	(1)	208	53
Subtotal	**1,545**	**(2)**	**(76)**	**206**	**85**	**7,698**	**(190)**	**(1)**	**208**	**53**
Related parties:										
Ambrosio S.r.l.	-	-	-	(3)	(1)	-	-	-	(3)	(2)
TTC S.r.l.	-	-	(97)	6	-	-	-	(41)	16	-
Dream Immobiliare S.r.l.	-	-	-	(82)	(279)	-	-	-	(151)	(220)
FI.IND	-	-	-	3	-	-	-	-	7	-
M.T.S. Officine meccaniche S.p.A.	925	(2)	(2)	10	(85)	999	-	(12)	11	(60)
ICS Tech. S.r.l.	-	-	-	1	-	31	-	-	3	-
TCB Sport S.r.l.	-	-	(2)	2	-	-	-	-	2	-
RX S.r.l.	-	-	-	2	(16)	-	-	-	5	(17)
Subtotal	**925**	**(2)**	**(101)**	**(61)**	**(381)**	**1,030**	**-**	**(53)**	**(110)**	**(299)**
Total	**2,527**	**(4)**	**(177)**	**120**	**(296)**	**8,833**	**(190)**	**(54)**	**98**	**(246)**

(Euro in thousands)	30 September 2024							31 December 2023						
	Trade receiv.	Current financial receiv.	Non-current financial payables	Non-current liabilities from rights of use	Current financial payables	Current liabilities from rights of use	Trade payables	Trade receiv.	Current financial receiv.	Non-current financial payables	Non-current liabilities from rights of use	Current financial payables	Current liabilities from rights of use	Trade payables
Associates:														
Locavert S.A.	44	-	-	-	-	-	26	17	-	-	-	-	-	1
Subtotal	**44**	**-**	**-**	**-**	**-**	**-**	**26**	**17**	**-**	**-**	**-**	**-**	**-**	**1**
Joint Ventures:														
Condux Tesmec Inc.	333	523	-	-	-	-	-	2,056	1,734	-	-	-	-	-
Marais Lucas	-	794	-	-	-	-	-	-	794	-	-	-	-	-
Subtotal	**333**	**1,317**	**-**	**-**	**-**	**-**	**-**	**2,056**	**2,528**	**-**	**-**	**-**	**-**	**-**
Related parties:														
Dream Immobiliare S.r.l.	4	77	-	4,866	-	2,457	2,404	-	77	-	4,154	-	1,794	1,021
Ambrosio S.r.l.	-	-	-	-	-	-	34	-	-	-	-	-	-	39
FI.IND	12	-	-	-	-	-	-	8	-	-	-	-	-	-
TTC S.r.l.	8	-	-	-	-	-	82	-	-	-	-	-	-	-
MTS Officine meccaniche S.p.A.	502	-	1,686	-	200	-	86	739	-	1,686	-	200	-	87
RX S.r.l.	9	-	213	-	881	-	109	6	-	213	-	881	-	92
ICS Tech. S.r.l.	101	-	-	-	-	-	-	100	-	-	-	-	-	-
TCB Sport S.r.l.	2	-	-	-	-	-	2	-	-	-	-	-	-	-
Subtotal	**638**	**77**	**1,899**	**4,866**	**1,081**	**2,457**	**2,717**	**853**	**77**	**1,899**	**4,154**	**1,081**	**1,794**	**1,239**
Total	**1,015**	**1,394**	**1,899**	**4,866**	**1,081**	**2,457**	**2,743**	**2,926**	**2,605**	**1,899**	**4,154**	**1,081**	**1,794**	**1,240**

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

1. The undersigned Ambrogio Caccia Dominioni and Ruggero Gambini, as the Chief Executive Officer 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 30 September 2024.

2. We also certify that:

2.1 the Interim consolidated report on operations as at 30 September 2024:

- correspond to the amounts shown in the Company's accounts, books and records;
- gives a 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 nine 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 three remaining months of the financial period. The interim report on operations also includes a reliable analysis of information on significant transactions with related parties.

Grassobbio, 8 November 2024

Mr. Ambrogio Caccia Dominioni	Mr. Ruggero Gambini
Chief Executive Officer	Manager responsible for preparing the Company's financial statements

TESMEC
draw the way forward

Tesmec S.p.A.

Registered Office
Piazza S. Ambrogio, 16
20123 Milano - Italy

Share Capital Euro 15.702.162 fully paid
VAT identification code IT10227100152
Milan Register of companies no. 1360673

www.tesmec.com