

PRESS RELEASE

Franchetti S.p.A. approves Consolidated Half-Year Report at June 30, 2025

Value of production (+62%) and EBITDA (+68%) up significantly in H1

The investments and acquisitions made complete the end-to-end supply of services offered

H1 2025 Consolidated Highlights:

- **Value of Production:** Euro 5.7 million, +62% (H1 2024: Euro 3.5 million)
- **EBITDA:** Euro 1.8 million, +68% (H1 2024: Euro 1.0 million)
- **Net result:** profit of Euro 0.3 million (H1 2024: Euro 0.4 million)
- **Net financial debt:** Euro 0.3 million cash position (December 2024: Euro 1.1 million cash position)
- **Backlog¹** at 15.09.2025 of Euro 43.7 million with visibility to 2029.

Arzignano (VI), September 29, 2025 - The Board of Directors of **Franchetti S.p.A.** (Ticker BIT: FCH), a company listed on the Euronext Growth Milan segment of the Italian Stock Exchange and parent of the multinational software development and engineering design Group of the same name, in a meeting chaired today by Paolo Franchetti, reviewed and the Consolidated Half-Year Financial Report at June 30, 2025, subject voluntarily to limited audit.

¹ Included in the backlog with underlying signed contract.

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Paolo Franchetti, Chairperson and CEO of Franchetti S.p.A., stated: *"The half-year results reflect a clear strategic choice: to integrate, within the Group's offer, those technological services that complete its range and that today allow us to propose end-to-end solutions on a global scale - from diagnostics to therapy. We may therefore position ourselves as a partner of choice in flanking the infrastructure sector on their ongoing digital transformation process. The completion of our technology proposal required an additional push, but it has enabled us to take the final step to put in place an integrated and fully competitive platform.*

The market, nationally and internationally, is experiencing ongoing exponential growth, characterized by the transformation of real assets into digital assets (with particular reference to existing structures). The Group's highly specialized know-how in this area is key to strengthening our competitive position and establishing trusted relationships with public and private partners.

Franchetti's path is also supported by a constant focus on innovation, which guides us in the development of new digital and predictive solutions that can meet increasingly complex and long-term needs.

We are capitalizing on the opportunities presented by the evolution of the industry, integrating the most recent acquisitions with a significant degree of determination, extending the portfolio of services offered, and geographically expanding the business proposition with projects of major strategic value.

The results achieved align with our development model, based on the ability to combine strategic vision and innovation with operational scalability in Italy and overseas.

The goal remains clear: to establish the Franchetti Group as a key player in the smart, safe and sustainable management of existing infrastructure, creating tangible and lasting value for all our stakeholders".

H1 2025 Key Financial Highlights

Income Statement

The Value of Production in H1 totaled Euro 5.7 million, up 62% from Euro 3.5 million in H1 2024, driven by significant volume growth.

It comprises revenues from sales of Euro 2.4 million, up 36% on the same period of the previous year, and includes not only invoices issued but also the amount allocated for invoices to be issued, i.e. referring to work completed and delivered but for which authorization for issuance is awaited from the contracting party.

The value of the change in inventories is a further Value of Production item, which has almost doubled on the first half of 2024 - reaching Euro 3.1 million compared to Euro 1.7 million (+89%) - and refers to the increase in value of the expected revenue from orders not yet completed and delivered or the start of orders received thanks to the expansion of the digital offer, as a result of the new acquisitions and the new software and the progressive start of projects within the company's significant backlog. An insurance reimbursement to the parent company comprises a significant item within other operating income

Breaking down the value of production by geographic area:

- Italy totals Euro 4.4 million (+59%), compared to Euro 2.8 million in the same period of 2024;
- Brazil totaled Euro 1.3 million (+76% of the total), compared to Euro 0.7 million in H1 2024.

Both markets in which the Group is present confirmed their roles as a driver for growth, supported by the urgent need to complete works on the highly obsolescent infrastructure network. This factor will persist into the future and in Italy is largely decoupled from the National Recovery and Resilience

Plan (PNRR) funds. This thus provides the Group with a stable and advantageous position to tap into recurring business revenues.

Following the recognition of costs of production of Euro 3.9 million, increasing from Euro 2.5 million for the same period of the previous year, an increase mainly attributable to the rise in Service costs from external suppliers and higher personnel expense - who at June 30, 2025 numbered 128 between employees and collaborators - **EBITDA** was Euro 1.8 million. The EBITDA margin (calculated on the value of production) thus reaches 31%, improving on 30% in the first half of 2024, in which EBITDA was Euro 1.0 million. Overall, the Group reports a 68% increase in absolute value and an improvement of approx. 100 basis points in the EBITDA margin, confirming its growing operational efficiency and an ability to absorb the increased overheads.

The significant increase in the amortization of intangible assets, amounting to Euro 0.7 million compared to Euro 0.3 million in the comparable period, can be attributed to the significant capitalizations made in this area by both the parent company and the Brazilian subsidiary during the current and previous years. The most significant assets depreciated include internally developed software and deferred costs related to investments and M&A transactions. In view of these movements, **EBIT** was Euro 1.0 million, up 28% from the Euro 0.8 million in the first half of 2024.

The **Net profit** of Euro 0.3 million compared to Euro 0.4 million in the first half of 2024. The result was impacted by the share (66.67%) of the loss in the period of the associated company Strucinspect GmbH, amounting to Euro 255,121, which is consolidated at equity. The Directors consider the investment in Strucinspect GmbH to be strategic in nature in view of the potential of the Austrian start-up. The loss recognized is expected and typical of the start-up phase. It is therefore not considered as “long-term” in view of the development prospects and the business plan shared with management that presents concrete opportunities for growth and value creation in the near future.

Balance Sheet

Net Working Capital at the end of June 2025 was Euro 8.4 million, up from Euro 7.4 million at December 31, 2024. The increase is mainly attributable to the increase in inventories which totaled Euro 7.3 million, compared with Euro 4.2 million measured at estimated realizable value, in line with the accounting standards applied.

Gross Capital Employed strengthened from Euro 17.6 million (December 31, 2024) to Euro 13.9 million. This movement reflects an increase of Euro 0.9 million related to intangible assets and 1.6 million concerning financial assets.

In terms of intangible assets, we highlight that the Group continues to invest strategically in developing and innovating its suite of proprietary software, with the overarching goal of preserving and enhancing its internal expertise. This strategy enables it to respond promptly to changes in the market, customer needs, and the increasing digitalization of physical assets.

The Group has therefore begun on a major program of industrial restructuring and modernization of its IT suite. This process is much more than a simple technical upgrade: it seeks to deliver a strategic software transformation. By adopting cloud-ready architectures, the goal is to substantially improve system performance, security, scalability, and integration capability. The process is designed to ensure that the Group's technology offerings remain aligned with the latest market standards at all times.

The Group is also investing in the development of innovative software solutions, based on high-tech prototypes. These are designed to meet concrete and lasting needs of customers and technological partners. One of the main areas of emphasis is Building Information Modeling (BIM), with projects geared toward creating digital twins of existing buildings and infrastructure. These tools allow high-fidelity three-dimensional models to

be created and enhanced with information critical to the management, maintenance and optimization of physical assets.

This intensive R&D confirms the Group's commitment to continuous innovation, which is a key element in maintaining its competitiveness and offering advanced technological solutions that are sustainable over the long term.

With regard to financial assets, the increase is a result of the reclassification to goodwill of the investment in Matildi + Partners S.r.L. and the Austrian company Strucinspect GmbH, in addition to the increased capitalizations for investments in software and M&A transactions.

The **Net financial debt** was a surplus (cash) position of Euro 0.3 million, compared to cash of Euro 1.1 million at December 31, 2024. The decrease in cash and cash equivalents of Euro 0.7 million is mainly attributable to the cash outlay for the acquisition of the 66.67% stake in the Austrian company Strucinspect GmbH.

Shareholders' Equity amounted to Euro 17.7 million, up 20% on Euro 14.8 million at December 31, 2024.

For further details on the changes in the period, see the Directors' Report to the Franchetti S.p.A. Group half-year report which shall be made available to the public in accordance with law.

Significant events in the period

- **On January 30, 2025**, Franchetti S.p.A. announced the completion of the closing of the transaction announced on December 23, 2024, regarding the acquisition of a 66.67% stake in the Austrian company Strucinspect GmbH.
- **On March 24**, Franchetti S.p.A. approved a capital increase with the exclusion of pre-emptive rights for a maximum of Euro 4 million, with the simultaneous subscription of a first tranche of Euro 2.8 million by leading qualifying investors and institutional investors.

Significant events after period-end

No significant events subsequent to period-end are highlighted

Outlook

In view of the information currently available, the size of the backlog and the strength of the organizational structure, in addition to the recent acquisitions made, the Group expects an operating performance for the current year in line with management's positive expectations.

Consistent with the outlined growth path, the plan for corporate transactions (M&A) will continue throughout the year with the goal of integrating new technologies, specialized skills and high value-added entities operating in markets that are synergistic or contiguous to the Group's current sphere of operations. These transactions are focused on further strengthening the competitive positioning, in addition to expansion and quality improvements.

The capital increase finalized in 2024 and in March 2025 provided the Parent Company with immediately available financial resources to support the

business plan and, in particular, to quickly tap into any market opportunities which match the acquisition-led growth strategy currently being evaluated. Regarding the global macroeconomic and geopolitical environment, although tensions and conflicts have emerged in certain regions, management - in consultation with the Independent Directors - does not assess any significant impact on the Group's activities at present, due to the absence of exposure in the crisis areas.

Overall, the outlook confirms the Group's good prospects for organic and acquisition-led growth, consistent with the long-term strategic trajectory, based on technological innovation, international expansion and sustainable value creation.

Filing of documentation

The documentation concerning the half-year report at June 30, 2025, required by the applicable regulation, shall be made available to the public at the registered office of the Issuer, and also published on the company website www.franchetti.tech, in the “Investor Relations/ Financial Statements and Reports” section, in accordance with law, and on the website www.borsaitaliana.it, in the Shares/Documents section and on www.linfo.it.

Franchetti S.p.A.

Franchetti S.p.A. heads the Franchetti Group, a pioneer in the management, diagnostics and predictive maintenance of infrastructure (bridges and viaducts in particular). Founded in 2013 in Arzignano (VI), with subsidiaries in Brazil and Canada and operations in the US and India, Franchetti is an innovative SME that has worked on over 40,000 equivalent motorway and railway bridges worldwide. The Group boasts a technical and scientific track record that places it among the industry's leading international experts. Operations are broken into two main business lines: diagnosis and planning for infrastructure maintenance, with inspections and assessments, intervention planning and construction management and ICT services for the predictive programming of infrastructure maintenance. Franchetti has in fact developed two proprietary software programs that leverage the potential of artificial intelligence and predictive data analysis: Argan® can estimate an infrastructure's life cycle and automatically assess safety levels over time for a range of maintenance scenarios and contexts, Pathwork® ensures the optimized management of road and highway works on infrastructure and to support sustainable mobility, while SIDECHECK® can intelligently compare collected data related to inspections, inspectors, schedules, and work estimates to make the evaluation process as objective and complete as possible.

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Consolidated Income Statement

In Euro

Franchetti Group Income Statement (€)	30/06/2025	30/06/2024	Change	Cge. %
Revenues	2,445,198	1,803,981	641,217	36%
Changes in inventories	3,146,003	1,665,320	1,480,683	89%
Other operating revenues	123,326	50,395	72,931	145%
VALUE OF PRODUCTION	5,714,527	3,519,696	2,194,831	62%
Costs for raw materials and consumables	(57,067)	(377,455)	320,388	(85%)
Service costs	(2,647,186)	(1,324,304)	(1,322,882)	100%
Costs for the use of third party assets	(235,737)	(145,566)	(90,171)	62%
Personnel	(895,588)	(539,580)	(356,008)	66%
Other operating expenses	(102,953)	(77,969)	(24,984)	32%
EBITDA	1,775,996	1,054,822	721,174	68%
EBITDA Margin	31%	30%		
Amortization	(730,566)	(261,662)	(468,904)	179%
Depreciation	(39,915)	(8,326)	(31,589)	379%
Write-downs	(3,736)	-	(3,736)	-
EBIT	1,001,779	784,834	216,945	28%
EBIT Margin	18%	22%		
Financial income	50,416	392	50,024	12761%
Financial expenses & financial asset adjustments	(368,278)	(153,638)	(214,640)	140%
RESULT BEFORE TAXES	683,917	631,588	52,329	8%
Income taxes	(343,669)	(179,975)	(163,694)	91%
PROFIT	340,248	451,613	(111,365)	(25%)

Consolidated Balance Sheet

In Euro

Franchetti Group Balance Sheet (€)	30/06/2025	31/12/2024	Change	Cge. %
Inventories	7,306,227	4,171,102	3,135,125	75%
Trade receivables	6,964,501	7,507,860	(543,359)	(7%)
Trade payables	(2,902,181)	(1,939,408)	(962,773)	50%
Commercial working capital	11,368,547	9,739,554	1,628,993	17%
Other Assets	1,646,494	1,070,625	575,869	54%
Other Liabilities	(4,607,245)	(3,397,336)	(1,209,909)	36%
Net Working Capital	8,407,796	7,412,843	994,953	13%
Intangible assets	6,956,454	6,012,977	943,477	16%
Tangible fixed assets	373,380	246,743	126,637	51%
Financial assets	1,869,340	234,128	1,635,212	698%
Gross Capital Employed	17,606,971	13,906,691	3,700,280	27%
Post-employment benefits	(160,029)	(160,995)	966	(1%)
Provisions	-	-	-	-
Net Capital Employed	17,446,942	13,745,696	3,701,246	27%
Bank payables (short-term)	5,095,188	4,999,683	95,505	2%
Bank payables (medium/long-term)	43,825	102,273	(58,448)	(57%)
Financial payables	5,139,013	5,101,956	37,057	1%
Cash	(5,446,694)	(6,163,657)	716,963	(12%)
Other financial assets	-	-	-	-
Net financial debt	(307,681)	(1,061,701)	754,020	71%
Share Capital	453,035	430,387	22,648	5%
Reserves	16,961,340	12,869,720	4,091,620	32%
Net result	340,248	1,507,289	(1,167,040)	(77%)
Total SE	17,754,623	14,807,397	2,947,226	20%
Total sources	17,446,942	13,745,696	3,701,246	27%

Consolidated Net Financial Debt

(table drawn up in accordance with the ESMA Guidelines)

In Euro

Group net financial debt Franchetti €	30/06/2025	31/12/2024	Change	Cge. %
A) Liquidity	5,446,694	6,163,657	(716,963)	(12%)
B) Cash and cash equivalents		-	-	-
C) Other current financial assets		-	-	-
C) Other current assets		-	-	-
D) Liquidity (A+B+C)	5,446,694	6,163,657	(716,963)	(12%)
E) Current financial debt	5,095,188	4,999,683	95,505	2%
F) Current portion of non-current financial debt		-	-	-
F) Other current liabilities		-	-	-
G) Current financial debt (E+F)	5,095,188	4,999,683	95,505	2%
H) Net current financial debt (G-D)	(351,506)	(1,163,974)	812,468	70%
I) Non-current financial debt	43,825	102,273	(58,448)	(57%)
J) Debt instruments		-	-	-
K) Trade payables and other non-current payables		-	-	-
L) Non-current financial debt (I+J+K)	43,825	102,273	(58,448)	(57%)
M) TOTAL FINANCIAL DEBT (H+L)	(307,681)	(1,061,701)	754,020	71%
N) Non-current financial assets	(250,457)	(234,128)	(16,329)	7%
O) Overdue Tax Payables	1,270,168	957,417	312,751	33%
TOTAL ADJ NET FINANCIAL DEBT (M+N+O)	712,030	(338,412)	1,050,442	310%

Cash Flow Statement, indirect method

	30-06-2025	31-12-2024
Cash flow statement (indirect method)		
A) Cash flow from operating activities (indirect method)		
Net profit/(loss)	340,248	1,507,290
Income taxes	343,669	402,014
Interest charges/(income)	62,741	365,138
(Dividends)	-	-
(Gains)/losses on sale of assets	-	-
1) Profit/(loss) for the year before taxes, interest, dividends and gains/losses from disposals	746,658	2,274,442
Non-cash adjustments not impacting working capital		
Provisions	3,736	34,072
Amortization & depreciation	770,481	1,089,284
Impairments	-	-
Adjustments to non-cash financial instrument assets and liabilities	-	-
Other non-cash adjustments	46,104	100,243
Total non-cash adjustments not impacting working capital	820,321	1,223,599
2) Cash flow before changes in net working capital	1,566,979	3,498,041
Change in net working capital		
Decrease/(Increase) in inventories	(3,135,125)	(3,247,562)
Decrease/(Increase) in trade receivables	539,623	(1,773,309)
Increase/(Decrease) in trade payables	962,773	597,509
Decrease/(Increase) in prepayments and accrued income	44,469	(49,215)
Increase/(decrease) in accrued liabilities and deferred income	(170,350)	58,602
Other Decreases/(Other Increases) in net working capital	873,895	1,838,397
Total changes in working capital	(884,715)	(2,575,578)
3) Cash flow after changes in net working capital	682,264	922,463
Other adjustments		
Interest received/(paid)	(62,741)	(365,138)
(Income taxes paid)	(457,643)	(602,348)
Dividends received	-	-

(Utilization of provisions)	-	-
Other receipts/(payments)	(47,070)	(3,847)
Total other adjustments	(567,454)	(971,333)
Cash flow from operating activities (A)	114,810	(48,870)
B) Cash flow from investing activities		
Tangible fixed assets		
(Investments)	(166,552)	(211,766)
Divestments	-	-
Intangible assets		
(Investments)	(1,674,043)	(4,804,243)
Divestments	-	-
Financial assets		
(Investments)	(1,635,213)	(202,426)
Disposal of business units net of cash and cash equivalents	-	-
Cash flow from investing activities (B)	(3,475,808)	(5,218,435)
C) Cash flow from financing activities		
Third party funds		
Increase/(Decrease) in short-term bank payables	95,505	2,211,790
New loans	(58,448)	(130,888)
(Repayment of loans)	-	-
Own funds		
Paid-in share capital increase	(371,255)	453,859
(Repayment of capital)	-	-
Disposal/(Acquisition) of treasury shares	-	-
(Dividends and interim dividends paid)	2,978,233	6,293,923
Cash flow from financing activities (C)	2,644,035	8,828,684
Increase (decrease) in cash and cash equivalents (A ± B ± C)	(716,963)	3,561,379
Exchange rate effect on cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of period		
Bank and postal deposits	6,157,645	2,601,905
Cheques	-	-
Cash in hand and similar	6,012	373

Total opening cash and cash equivalents	6,163,657	2,602,278
Of which not freely usable	-	-
Cash and cash equivalents at the end of period		
Bank and postal deposits	5,437,671	6,157,645
Cheques	-	-
Cash in hand and similar	9,023	6,012
Total closing cash and cash equivalents	5,446,694	6,163,657
Of which not freely usable	-	-

