



# Quarterly Financial Report at March 31, 2025

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# 1. CORPORATE BOARDS

## Board of Directors

*Office held until the approval of the 2026 annual accounts*

<u>Chairperson</u>	Daniele Conti
<u>Chief Executive Officer</u>	Massimo Mauri
<u>Directors</u>	Michele Secciani
	Claudio Catania
	Luciano Lomarini
	Kurt Tosja Zywiets
	Valentina Montanari
	Anna Zattoni
	Valentina Beatrice Manfredi
	Paolo Lavatelli

## Board of Statutory Auditors

*Office held until the approval of the 2026 annual accounts*

<u>Statutory Auditors</u>	Cesare Beolchi (Chairperson)
	Pierpaolo Guzzo
	Micaela Badiali
<u>Alternate Auditors</u>	Prospero Accogli
	Edda Delon

## Executive Officer for

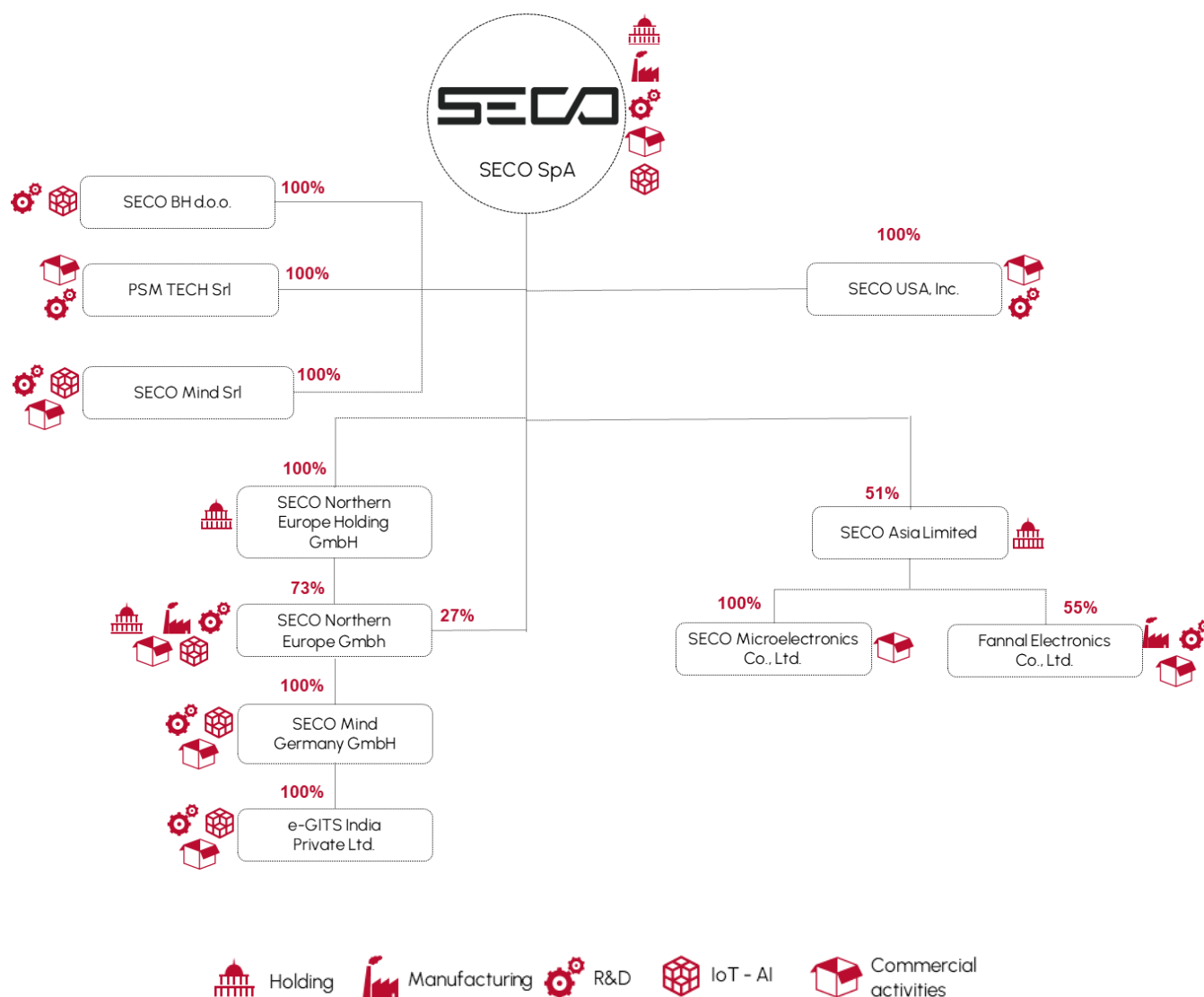
<b>Financial Reporting</b>	Lorenzo Mazzini
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<b>Independent Audit Firm</b>	Deloitte & Touche S.p.A.
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*Office held until the approval of the 2029 annual accounts*

## 2. THE GROUP AND ITS OPERATIONS

The SECO Group (hereinafter also referred to as the "Group" or "SECO") consists of the parent company SECO S.p.A., hereinafter also referred to as the "Company" or "Parent Company", and its subsidiaries, as presented below:



The Company's registered office is located in Arezzo (AR), via Achille Grandi 20.

SECO is a high-tech Group that develops and delivers cutting-edge solutions for the digitization of industrial products and processes. SECO's hardware and software offerings enable B2B enterprises to introduce edge computing, Internet of Things, data analytics and artificial intelligence into their businesses. Within a quickly and broadly evolving marketplace, SECO's technologies encompass many fields of application, with innovative and customized solutions provided to its more than 450 customers, in sectors such as the Medical, Industrial Automation, Fitness, Vending and Transportation areas, in addition to many others.

## Market overview

Global monetary policy in Q1 2025 was more expansionary than in the previous year, with the main central banks cutting rates to stimulate a general economic recovery. Normalizing inflation, particularly in Europe, has enabled Europe's central banks to gradually ease their restrictive monetary policies, spurring a return of investment and particularly benefitting the industrial component.

The global economic environment in the period was in addition impacted by the geopolitical and the global trade tensions, particularly in terms of possible short to medium-term effects. Customs duties in fact may be a critical factor for the current set-up of global supply chains. The highly globalized embedded sector may be particularly affected by restrictive trade policies, due to the geographic spread of the supply chain and its dependence on international procurement, particularly of semi-conductors - whose manufacturing is heavily concentrated in areas such as Taiwan, South Korea, the USA - and of passive components.

Within this environment, the embedded electronics segment may however constitute a key element for technological innovation: the digitalization of devices and processes in fact may significantly contribute to boosting productivity and industrial efficiency, which are essential elements not only for companies' competitiveness, but also their very survival.

Business process digital transformation is enabled by adopting smart solutions that integrate hardware and software components, facilitating the establishment of new business models and the creation of further development opportunities. The increasingly widespread adoption of digital technologies is extending also to traditionally more analogue segments: many companies are investing to improve the user experience and functionality of their products, adapting them to an increasingly interconnected and cutting-edge environment.

Against this backdrop, the main sector growth trends center on factors such as: the development of increasingly innovative technologies for Edge computing and embedded AI, linked to the integration of energy-efficient microcontrollers capable of supporting AI features, the growing interest in hardware and firmware security, against increasing cyber threats, through the development guidelines for embedded cybersecurity technologies, the expansion of IoT technologies, through the spread of real-time operative open source systems and the direct connection of intelligent devices in the industrial area. The integration of IoT-data analytics and artificial intelligence solutions within edge computing devices is also likely to accelerate the launch of new high value-added services and an evolution in the way that businesses deal with the creation, delivery and use of ICT products and services.

In addition, digitization can play a key role within a landscape in which climate change and raw material and energy supply issues make it increasingly necessary to adopt solutions that can accelerate the energy transition. In particular, by enabling the local execution of increasingly complex computational models, tools can be developed through Edge AI that can increasingly monitor and optimize the power consumption of industrial and home-use devices.

## Operational overview

In terms of market dynamics, the growth emerging in Q4 2024 of edge computing and IoT solutions among operators within the various verticals in which the Group operates gradually expanded in the period. This reflects gradually normalizing inflation, particularly in Europe, which has enabled the central banks to adopt a moderately expansive monetary policy, benefitting (although not immediately) enterprise investment appetite, the related rebuilding of stocks and therefore the demand for Seco's products.

The development of new Edge computing products and new features of the Clea software suite continued. Clea represents a further development of SECO's strategy to leverage over 40 years of Edge computing know-how, with the goal of increasing value for customers, through the offer of end-to-end, integrated, customizable solutions based on micro-computing, human-machine interfaces and software platforms.

Also through long-term partnerships with the major silicon vendors, SECO has always committed to innovating its hardware proposal (e.g. with the launch of new dedicated Edge AI and Computer vision products), while continuing to work closely with its customers, supporting them through the digital evolution of their devices.

Along this strategic line of action, we are committed at SECO to further strengthening our presence and position in the Edge-IoT market through a number of major agreements to add weight to our commercial offerings and technology. We in particular highlight the partnership launched in January with Nayax Ltd. to offer IoT-integrated payment solutions for OEMs. The goal of the partnership is to integrate Nayax's payment infrastructure into SECO's products, enabling companies to manage payments and automated self-service points of sale through Clea, offering a joint value proposition featuring lower operating costs, advanced telematics and flexible integrated payments for customers in industries such as vending, coffee, and electric vehicle charging equipment.

## **Research and Development and Technological Innovation**

SECO's main objective is to anticipate the needs of its customers, utilizing frontier technologies and supporting them in the digital transition of their business, while adding value to their solutions. SECO continues with its ongoing investment to ensure high levels of innovation, integration and added value in the solutions built according to the specific needs of customers operating in multiple verticals.

The constant push for innovation by all the players in a given sector can quickly render a competitive advantage obsolete. As such, SECO continues to dedicate significant resources to Research and Development, which concerned the development of new products and of off-the-shelf solutions to be sold on the market, in addition to the co-development and co-engineering of customized products, working hand-in-hand with the customer.

The SECO Group R&D departments are responsible for developing and designing technological solutions based on integrated systems, standard and custom solution modules and IoT and AI software solutions for SECO's customers and target markets. Research and development is a key aspect of SECO's business model and is carried out both in-house and through partnerships with world-class technology enterprises and research institutes and university hubs worldwide.

The technological development in which SECO has invested in recent years has positioned the Group as a leading player in the combined provision of both hardware and software. The technological challenge that the Group continues to take on is that of developing high-performance hardware, with a particular emphasis on strengthening edge computing capacity by creating new products able to run inference models locally, taking advantage of edge processing capacity directly and creating an optimal integration of hardware and the CLEA software platform.

Our strong partnerships with the primary technology leaders in the electronics industry enable the Group to implement our technology strategy on hardware products by gaining early access to some of the most cutting-edge technologies being developed.

In terms of software development, strategic alliances with global technology leaders are helping to consolidate the market positioning of the Group's AI edge solutions.

### **SECO on the stock exchange**

SECO S.p.A. shares are traded on the Milan Euronext Star market organized and managed by Borsa Italiana S.p.A. At March 31, 2025, the SECO S.p.A. (IOT:MI) stock price was Euro 1.934, with a capitalization therefore of Euro 257.2 million.

### 3. CONSOLIDATED BALANCE SHEET AND CONSOLIDATED INCOME STATEMENT AT MARCH 31, 2025

#### CONSOLIDATED BALANCE SHEET

(Euro thousands)	Note	31/03/2025	31/12/2024
Property, plants and equipments	1	17,101	17,271
Intangible assets	2	102,251	102,392
Right-of-Use	3	10,146	9,833
Goodwill	4	157,108	157,108
Non-current financial assets	5	12,804	10,839
Deferred tax assets	6	2,933	3,051
Other non-current assets	7	1,931	1,525
<b>Total non-current assets</b>		<b>304,275</b>	<b>302,020</b>
Inventories	8	72,375	72,647
Trade receivables	9	39,514	31,886
Tax receivables	10	6,253	6,974
Other receivables	11	5,196	4,816
Cash and cash equivalents	12	61,665	72,586
<b>Total current assets</b>		<b>185,003</b>	<b>188,908</b>
<b>TOTAL ASSETS</b>		<b>489,278</b>	<b>490,928</b>
Share capital		1,296	1,296
Share premium reserve		232,036	232,036
Reserves		41,271	59,609
Group Net Profit		(2,022)	(21,034)
<b>Total Group Equity</b>		<b>272,581</b>	<b>271,907</b>
Minorities Equity and Reserves		19,280	16,453
Minorities profit for the period		771	3,371
<b>Minorities Equity</b>		<b>20,051</b>	<b>19,824</b>
<b>Total Equity</b>	13	<b>292,632</b>	<b>291,731</b>
Employee benefits	14	3,867	3,728
Provisions for risks	15	1,284	1,279
Deferred tax liabilities	16	23,434	23,717
Non-current financial payables	17	96,836	97,734
Non-current lease liabilities	18	6,851	6,752
Other non-current liabilities	19	8	8
<b>Total non-current liabilities</b>		<b>132,279</b>	<b>133,218</b>
Current financial liabilities	20	6,799	8,023
Current part of N-C Financial Liabilities	21	10,183	10,212
Current lease liabilities	22	2,510	2,358
Trade payables	23	32,566	31,713
Other current liabilities	24	10,440	10,845
Tax payables	25	1,869	2,827
<b>Total current liabilities</b>		<b>64,367</b>	<b>65,978</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>489,278</b>	<b>490,928</b>



## CONSOLIDATED INCOME STATEMENT

(In Euro thousands)	Note	Q1 2025	Q1 2024
Net sales		47,156	47,217
Other revenues and income		1,021	1,162
<b>Total revenues and operating income</b>	(6)	<b>48,177</b>	<b>48,379</b>
Costs for services, goods and other operating costs		(29,929)	(29,368)
Personnel costs		(10,632)	(9,855)
<b>Total costs and other operating charges</b>	(7)	<b>(40,561)</b>	<b>(39,223)</b>
Amortization & depreciation	(8)	(6,081)	(5,364)
Provisions and write-downs		(5)	-
<b>Operating Profit</b>		<b>1,529</b>	<b>3,792</b>
Financial income and charges		(1,990)	(2,017)
Exchange gains/(losses)		(376)	336
<b>Profit/(loss) before tax</b>		<b>(837)</b>	<b>2,112</b>
Income taxes		(415)	(1,677)
<b>Profit/(loss) for the period</b>		<b>(1,252)</b>	<b>435</b>
Non-controlling interests profit		771	342
<b>Group profit/(loss)</b>		<b>(2,022)</b>	<b>93</b>
Basic earnings per share		0.00	0.00
Diluted earnings per share		0.00	0.00

## CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

(In Euro thousands)	Q1 2025	Q1 2024
<b>Profit/(loss) for the period</b>	<b>(1,252)</b>	<b>435</b>
<b>Other comprehensive income/(expense) which may be subsequently reclassified to the income statement:</b>	<b>(782)</b>	<b>339</b>
Translation differences	(782)	339
Gain/(loss) on Cash Flow Hedge	-	-
<b>Other comprehensive income/(expense) which may not be subsequently reclassified to the income statement:</b>	<b>-</b>	<b>-</b>
Discounting employee benefits	-	-
Tax effect discounting employee benefits	-	-
<b>Total comprehensive income/(expense)</b>	<b>(782)</b>	<b>339</b>
Non-controlling interests	231	488
Parent company shareholders	(2,264)	285
<b>Total comprehensive income/(expense)</b>	<b>(2,033)</b>	<b>774</b>

## CONSOLIDATED CASH FLOW STATEMENT

(In Euro thousands)	31/03/2025	31/03/2024
<b>Profit/(loss) for the period</b>	<b>(1,252)</b>	<b>435</b>
Income taxes	415	1,677
Amortization & depreciation	6,081	5,364
Change in employee benefits	139	104
Financial income/(charges)	1,990	2,017
Exchange gains/(losses)	375	(336)
Costs for share-based payments	1,821	1,070
Other non-monetary revenues and income	124	-
<b>Cash flow before working capital changes</b>	<b>9,693</b>	<b>10,330</b>
Change in trade receivables	(10,210)	(1,786)
Change in inventories	272	(3,887)
Change in trade payables	1,494	1,270
Other changes in tax receivables and payables	264	1,051
Other changes in current receivables and payables	(785)	(4,220)
Other changes in non-current receivables and payables	(571)	(69)
Use of provisions for risks, receivables and inventories	5	-
Interest collected	135	65
Interest paid	(620)	(361)
Exchange gains/(losses) realized	(433)	66
Income taxes paid	(916)	-
<b>Cash flow from operating activities (A)</b>	<b>(1,672)</b>	<b>2,458</b>
(Investments) /Disposals of property, plant and equipment	(1,979)	(1,367)
(Investments) /Disposals of intangible assets	(3,022)	(4,626)
(Investments) /Disposals of financial assets	8	193
Acquisition of business units net of cash and cash equivalents	-	-
Acquisition of subsidiaries net of cash and cash equivalents	-	-
<b>Cash flow from investing activities (B)</b>	<b>(4,992)</b>	<b>(5,799)</b>
New loan drawdowns	-	-
(Repayment) of bank loans	(927)	(942)
Change in current financial liabilities	(2,729)	710
Repayment lease liabilities	157	(629)
Dividends paid	-	-
Paid-in capital increase	-	(1)
Acquisition of treasury shares	-	-
Acquisition of shares from minorities	-	-
<b>Cash flows from financing activities (C)</b>	<b>(3,500)</b>	<b>(860)</b>
<b>Increase (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(10,164)</b>	<b>(4,202)</b>
<b>Cash &amp; cash equivalents at beginning of the period</b>	<b>72,586</b>	<b>74,816</b>
Conversion differences	(757)	226
<b>Cash &amp; cash equivalents at end of the period</b>	<b>61,665</b>	<b>70,840</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(In Euro thousands)	01/01/2025	Share capital increase	Allocation result	Dividends paid	Other movements	Comprehensive Profit/(Loss)	31/03/2025
Share capital	1,297	-	-	-	-	-	1,297
Legal reserve	289	-	-	-	-	-	289
Share premium reserve	232,035	-	-	-	-	-	232,035
Other reserves	59,119	-	(21,034)	-	2,937	-	41,022
Translation reserve	382	-	-	-	-	(242)	140
FTA Reserve	(371)	-	-	-	-	-	(371)
Discounting employee benefits	189	-	-	-	-	-	189
Group Net Profit	(21,034)	-	21,034	-	-	(2,022)	(2,022)
<b>Group Equity</b>	<b>271,908</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,937</b>	<b>(2,264)</b>	<b>272,581</b>
Minorities Equity and Reserves	16,452	-	3,372	-	(3)	(540)	19,280
Discounting of employee benefits (non-cont. interests)	-	-	-	-	-	-	-
Non-controlling interests profit	3,372	-	(3,372)	-	-	771	772
<b>Minorities Equity</b>	<b>19,824</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3)</b>	<b>231</b>	<b>20,052</b>
<b>Total Equity</b>	<b>291,732</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,934</b>	<b>(2,033)</b>	<b>292,633</b>

## 4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### (1) Total non-current assets

Non-current assets increased from Euro 302,020 thousand at December 31, 2024 to Euro 304,275 thousand at period-end, increasing Euro 2,255 thousand. The increase mainly concerns the increase in non-current financial assets of Euro 1,965 thousand, mainly due to the subscription of the capital increase in Laserwall S.r.l. for Euro 2,000 thousand. The share capital increase in Laserwall S.r.l. was approved on February 26, 2025 by SECO S.p.A.. Following this subscription, SECO S.p.A.'s holding amounts to 17.02% of the share capital of Laserwall S.r.l. For disclosure purposes, we indicate that Laserwall is a customer of the company with innovative solutions in the quickly-expanding smart cities sector that the Board of Directors of this Company has decided to support at both the business and financial levels.

### (2) Total current assets

Total current assets decreased from Euro 188,908 thousand at December 31, 2024 to Euro 185,003 thousand at March 31, 2025, a reduction of Euro 3,904 thousand. This movement mainly followed:

- Increase in Trade Receivables of Euro 7,628 thousand, due mainly to the increased revenues on the previous quarter.
- Decrease in cash and cash equivalents for Euro 10,920 thousand. For further details, reference should be made to the cash flow statement.

### (3) Total Group Equity

Group Equity of Euro 272,581 thousand at March 31, 2025 increased by Euro 674 thousand as a combined effect of: the increase in Reserves for Euro 18,338 thousand, mainly due to the allocation to the prior year loss reserve, and the Group net result, which was a loss of Euro 2,022 thousand in Q1 2025, against a loss of Euro 21,034 thousand in 2024.

### (4) Total non-current liabilities

Total Non-current liabilities decreased from Euro 133,218 thousand at December 31, 2024 to Euro 132,279 thousand at March 31, 2025, a reduction of Euro 939 thousand. This decrease is mainly due to the decrease of Non-current financial liabilities of Euro 898 thousand, mainly due to the repayment of loan instalments in the period;

### (5) Total current liabilities

Total Current liabilities decreased from Euro 65,978 thousand at December 31, 2024 to Euro 64,367 thousand at March 31, 2025, a decrease of Euro 1,611 thousand - mainly due to:

- Decrease in Current financial liabilities of Euro 1,224 thousand. The account includes credit lines, current account overdrafts, credit card payables, payables for advances on invoices

and short-term loans falling due within one year for operational purposes existing at March 31, 2025.

- Increase in Trade Payables of Euro 853 thousand, as a result of the increase in business volumes and thus the greater procurement volumes of electronic components.
- Decrease in Tax payables of Euro 958 thousand.

#### **(6) Total revenues and operating income**

Net sales decreased from Euro 47,217 thousand in 2024 to Euro 47,156 thousand in 2025, a reduction of 0.13% on the same period of the previous year. Reference should be made to the "Net sales by region" paragraph for further details.

Other revenues and income totaled Euro 1,021 thousand in Q1 2024, mainly concerning the recognition of income for:

- The operating grant tax credit for the purchase by SECO S.p.A. of capital goods under "Industry 4.0" amounting to Euro 356 thousand;
- Operating grant tax credit for research and development amounting to Euro 216 thousand of the Italian companies Seco S.p.A., PSM Tech S.r.l. and Seco Mind S.r.l.;
- Pro-rata contribution relating to the participation of the Group companies in the PNRR (National Recover and Resilience Plan) tender for Euro 112 thousand.

#### **(7) Total costs and other operating charges**

Costs for services, goods and other operating costs totaled Euro 29,929 thousand, compared to Euro 29,368 thousand in the same period of the previous year, an increase of Euro 561 thousand. This decrease is the result of the combined effect of:

- the increase in the cost of raw materials, ancillaries, consumable and goods, net of the change in inventories, of Euro 1,279 thousand, on the basis of the different product-to-sales mix compared to the same period of the previous year;
- the decrease in Service costs of Euro 440 thousand on the same period of the previous year, mainly due to the decrease in transport costs and outsourcing costs due to the production process streamlining actions at the Group companies;
- the decrease in other operating costs of Euro 278 thousand compared to the same period of the previous year, mainly due to the transaction to cease operations of Seco Mind USA Llc., which took place between Q4 2024 and Q1 2025.

Personnel costs rose Euro 777 thousand on the same period of the previous year. The movement in the period mainly concerns the expansion of the Group workforce in view of the hires necessary to execute the Group strategic development plans, in addition to the recognition of the cost of the stock option plans allocated to the management team and to the employees of the Group companies.

#### **(8) Amortization and depreciation**

Amortization and depreciation in the period of Euro 6,081 thousand rose Euro 718 thousand on the same period of the previous year, due to new capitalizations which are accrued period-by-period.

## 5. OPERATING PERFORMANCE TO MARCH 31, 2025

The Q1 2025 results consolidate the signs of gradual recovery emerging in Q4 2024 in demand for edge computing and IoT solutions among the players operating in the various verticals in which the Group operates. The Group's revenues have benefitted from this recovery thanks mainly to the maintenance of close relationships with customers and its consolidated technology leadership strategy, with varying impacts among the regions in which they operate. Sales revenues remain substantially stable on the same period of the previous year, decreasing 0.13%.

While the result for the period was negatively impacted by the different product-to-sales mix compared to the same period of the previous year, it also benefited from the focus on stabilizing and optimizing operating costs.

The Group retains its strategic positioning, so as to maintain its sector leadership in terms of both technology and the marketplace, mainly through strengthening the workforce and investing in technological development.

### NET SALES BY REGION

As required by IFRS 8, information on the geographical distribution of net sales is provided below. Specifically, four regions have been identified: EMEA, USA, APAC and ROW. The breakdown of revenues by region is provided below:

(in Euro thousands)	Q1 2025	Q1 2024	Changes	%
EMEA	34,910	40,897	(5,986)	-14.64%
of which Italy	18,737	16,643	2,094	12.58%
USA	6,618	4,161	2,457	59.06%
APAC	3,462	2,143	1,319	61.57%
Rest of the world	2,165	16	2,149	13430.62%
<b>Net sales by region</b>	<b>47,156</b>	<b>47,217</b>	<b>(61)</b>	<b>-0.13%</b>

Net sales decreased from Euro 47,217 thousand in Q1 2024 to Euro 47,156 thousand in Q1 2025, a reduction of 0.13% on the same period of the previous year.

The sales in the period consolidate the gradual recovery in demand compared to the final two quarters of the previous year.

The substantial stability on the first quarter of the previous year is due to a differing growth mix in the various regions in which the Group operates. In particular: in the USA revenues increased from Euro 4,161 thousand in Q1 2024 to Euro 6,618 thousand in Q1 2025, with the increase stemming from higher sales volumes to existing Group customers operating in the Medical and Industrial Automation sectors. In the APAC area, revenues rose from Euro 2,143 thousand in Q1 2024 to Euro 3,462 thousand in Q1 2025 as a result of better performances, particularly related to Industrial Automation and Transport sector customers. In the Rest of the World, Q1 2025 revenues amount to Euro 2,165 thousand, increasing on the previous year as a result in particular of the orders from Latin-American customers. Revenues in EMEA in Q1 2025 totaled Euro 34,910 thousand, compared to Euro 40,897 thousand in the same period of the

previous year, despite the contraction due to the decrease in volumes to existing customers, particularly within the Vending Segment. Growth was reported in Italy as a result of increased sales volumes to existing customers within the Fitness and Industrial Automation sectors.

## ALTERNATIVE OPERATING PERFORMANCE MEASURES

**EBITDA** - This measure is used by the Group as a financial target and is useful for assessing operating performance. EBITDA is calculated as profit or loss for the year before income taxes, financial income and charges, and amortization and depreciation.

(in Euro thousands)	Q1 2025	Q1 2024	Change	Change %
Total revenues and operating income	48,177	48,379	(202)	-0.42%
Costs for services, goods, other operating costs & exchange gains or losses	(30,310)	(29,032)	(1,278)	4.40%
Personnel costs	(10,632)	(9,855)	(777)	7.88%
<b>EBITDA</b>	<b>7,235</b>	<b>9,492</b>	<b>(2,257)</b>	<b>-23.78%</b>

(\*) Costs for services, goods and other operating costs include the following income statement items: costs of raw, ancillary, consumable materials and goods; changes to inventory; service costs; the doubtful debt provision and provisions for risks; other operating costs; exchange gains and losses.

The decrease between the two periods (Euro -2,257 thousand, -23.78%) is mainly due to higher costs for services, goods, other operating costs and exchange gains or losses (Euro -1,278 thousand) and higher personnel costs (Euro -777 thousand).

**Adjusted EBITDA** - Adjusted EBITDA is a measure to assess the Group's operating performance. It is calculated as the profit before income taxes, financial charges and income, amortization and depreciation, exchange gains or losses, extraordinary and/or non-recurring revenue items.

The Group considers that the extraordinary and/or non-recurring items subject to adjustment have been identified in a manner that presents the Group's true operating performance.

(in Euro thousands)	Q1 2025	Q1 2024	Change	Change %
<b>EBITDA</b>	<b>7,235</b>	<b>9,492</b>	<b>(2,257)</b>	<b>-23.78%</b>
Exchange gains/(losses)	376	(336)	712	-211.90%
Income/charges from non-core business activities	1,828	1,251	577	46.12%
Non-recurring income/charges from core business activities	8	-	8	0.00%
<b>Adjusted EBITDA</b>	<b>9,447</b>	<b>10,407</b>	<b>(960)</b>	<b>-9.22%</b>

The Group reports Q1 2025 Adjusted EBITDA of Euro 9,447 thousand, decreasing 9.22% on the same period of the previous year.

Income/charges from non-core business activities of Euro 1,828 thousand mainly refer to the allocation of stock options to managers and Directors of Euro 1,823 thousand (Euro 1,070 thousand in Q1 2024).

Non-recurring income/charges from core business activities amount to Euro 8 thousand.



## ALTERNATIVE FINANCIAL PERFORMANCE MEASURES

**Net financial debt** - This measure indicates the Group's financial debt, net of cash and cash equivalents.

The breakdown of the net financial debt at March 31, 2025 compared with December 31, 2024 is presented below, determined in accordance with "Reminder No. 5/21" dated April 29, 2021 issued by Consob, which refers to ESMA Guideline 32038201138 dated March 4, 2021.

At March 31, 2025, the Group net financial debt was Euro 61,514 thousand, compared to Euro 52,494 thousand at December 31, 2024.

(in Euro thousands)	31/03/2025	31/12/2024	Change	Change %
A. Cash	14	14	(0)	-1.49%
B. Cash equivalents	61,651	72,571	(10,920)	-15.05%
C. Other current financial assets	-	-	-	0.00%
<b>D. Cash and cash equivalents (A) + (B) + (C)</b>	<b>61,665</b>	<b>72,586</b>	<b>(10,920)</b>	<b>-15.04%</b>
E. Current financial debt	(9,309)	(10,381)	1,072	-10.33%
F. Current portion of the non-current debt	(10,183)	(10,212)	29	-0.28%
<b>G. Current financial debt (E)+(F)</b>	<b>(19,492)</b>	<b>(20,593)</b>	<b>1,101</b>	<b>-5.35%</b>
<b>H. Net current financial debt (G) + (D)</b>	<b>42,173</b>	<b>51,992</b>	<b>(9,819)</b>	<b>-18.89%</b>
I. Non-current financial debt	(103,687)	(104,486)	800	-0.77%
J. Debt instruments	-	-	-	0.00%
K. Trade payables and other non-current payables	-	-	-	0.00%
<b>L. Non-current financial debt (I) + (J) + (K)</b>	<b>(103,687)</b>	<b>(104,486)</b>	<b>800</b>	<b>-0.77%</b>
<b>M. Total financial debt (H) + (L)</b>	<b>(61,514)</b>	<b>(52,494)</b>	<b>(9,020)</b>	<b>17.18%</b>

The overall net financial debt increased Euro 9,020 thousand, mainly due to the reduction in cash equivalents.

**Adjusted Net financial debt** – The Adjusted net financial debt indicates the Group's capacity to meet its financial obligations.

The Adjusted net financial debt is obtained by adjusting the Net financial debt calculated according to the "Reminder No. 5/21" dated April 29, 2021 issued by Consob, which refers to ESMA Guideline 32038201138 dated March 4, 2021, with the VAT receivable, the current and non-current financial receivables deriving from leases and recognized under IFRS 16 and the effect of the recognition of the MTM of the derivatives where liabilities.

The Adjusted net financial debt was Euro 50,191 thousand at March 31, 2025, compared to Euro 41,309 thousand at December 31, 2024. The increase is due mainly to the effects analyzed in the previous paragraph and a combined effect of: i) the lower VAT receivable at March 31, 2025 compared to the previous year; ii) the increased current and non-current lease liabilities.

(in Euro thousands)	31/03/2025	31/12/2024	Change	Change %
<b>Net financial debt</b>	<b>(61,514)</b>	<b>(52,494)</b>	<b>(9,020)</b>	<b>17.18%</b>
(+) VAT receivables	1,962	2,075	(113)	-5.43%
(-) Current lease liabilities	(2,510)	(2,358)	(152)	6.45%
(-) Non-current lease liabilities	(6,851)	(6,752)	(99)	1.46%
(-) Derivative financial instruments	-	-	-	0.00%
<b>Adjusted net financial debt</b>	<b>(50,191)</b>	<b>(41,309)</b>	<b>(8,881)</b>	<b>21.50%</b>

## 6. SUBSEQUENT EVENTS

No significant events occurred after the end of the reporting period.

## 7. OUTLOOK

SECO is continuing to acquire new design wins and customers, strengthening the foundation for our future development. Recent partnerships with technology leaders such as NXP, Google Cloud, Qualcomm and Raspberry Pi open up new opportunities, and SECO's strategic positioning will enable it to take full advantage of the multiple growth trajectories offered by digitization.

The gradual normalization of inflation, particularly in Europe, which has enabled central banks here to gradually loosen monetary policy over the second half of 2024 is beginning to have an impact on the investment appetite of businesses. Within this landscape, we are seeing a gradual rebuilding of inventories and a consequent recovery in the demand for hardware. Market sentiment, at the date of this report, in the various regions and markets in which the Group operates, bodes well for business growth over the coming months.

The market is at the beginning of a digital revolution, where digitization and the use of Artificial Intelligence algorithms "at the Edge" assume a key role for the future technological development of enterprises. The growing demand for smart solutions increasingly concerns the introduction of Artificial Intelligence, directly on the device locally, to enable the launch of new high value-added services, leveraging field data and introducing new business models. SECO's unique, comprehensive and integrated technology proposition focused on Edge computing and IoT-data analytics, is designed to meet these needs and enable customers to tap into the digitization opportunities emerging across all sectors.

In this volatile general economic environment, SECO will continue to work as always in meeting commitments and targets, maintaining a consistent focus on the efficient management of its financial structure to respond in an agile and prompt manner to the challenges and uncertainties of 2025.

***The Executive Officer for Financial Reporting, Lorenzo Mazzini, declares in accordance with Article 154 bis, paragraph 2, of the Consolidated Finance Act, that the accounting information contained in this document corresponds to the underlying accounting documents, records and accounting entries.***

Arezzo, May 8, 2025

For the Board of Directors  
The Chief Executive Officer  
Massimo Mauri



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