ELEN™
THE FUTURE IN A BEAM

Quarterly Financial Report as of March 31st, 2025

EL.EN. S.p.A.

Headquarters in Calenzano (FI) – Via Baldanzese 17
Share capital underwritten and deposited: EUR 2.604.270,50(*)
Registered with the Florence Business Register no. 03137680488

(*) At the date of the approval of this document

CORPORATE BOARDS OF THE PARENT COMPANY

(as of the date of approval of the quarterly management report of 31 March 2025)

Board of Directors

CHAIRMAN AND MANAGING DIRECTOR

Gabriele Clementi

MANAGING DIRECTOR

Andrea Cangioli

BOARD MEMBERS

Fabia Romagnoli

Michele Legnaioli

Alberto Pecci

Roberta Pecci

Giovanna D'Esposito

Board of Statutory Auditors

CHAIRMAN

Carlo Carrera

STATUTORY AUDITORS

Paolo Caselli

Rita Pelagotti

Executive officer responsible for the preparation of the financial statements in compliance with Law 262/05

Enrico Romagnoli

Executive in charge of sustainability statement pursuant to It. Leg. D. 125/24

Caterina Delibassis

Independent Auditor
EY S.p.A.

EL.EN. GROUP

QUARTERLY MANAGEMENT REPORT

AS AT 31 MARCH 2025

Quarterly management report

Introduction

This intermediate management report as at 31 March 2025 of El.En. Group was drafted in compliance with the Regulations of the Italian Stock Exchange for companies listed in the Euronext STAR Milan segment (article 2.2.3 paragraph 3) which mandates the publication of the intermediate management report within 45 days from the end of each quarter of the financial year, taking into account notice 7587 of 21 April 2016 of the Italian Stock Exchange. Therefore, as set forth by the above-mentioned notice, with regard to the content of this intermediate management report as at 31 March 2025, reference was made to the provisions of the previous paragraph 5 of art. 154 ter of Italian Legislative Decree of 24 February 1998, no. 58. This document also contains the information already included by the issuer in the previous quarterly reports.

The quarterly data and information were not examined by the Independent Auditor, because, to date, such an appointment was not given (because not mandatory).

The results as at 31 March 2025 are set out in comparison with those of the corresponding period of the previous financial year. All amounts are expressed in thousands of Euros, unless indicated otherwise.

The economic situation as at 31 March does not envisage line-by-line consolidation of the Chinese division being divested under IFRS 5 for either Q1 2025 or Q1 2024. Furthermore, as usual, it is shown up to the income/loss before taxes and does not include the result from discontinued operations as required by IFRS 5 referring to the Chinese division being divested.

For more details on the restatement of these balances in accordance with IFRS 5, please refer to the Annual Financial Report as at 31 December 2024.

Alternative non-GAAP measures

El.En. Group uses certain alternative non-GAAP measures that are not identified as accounting measures within the IFRS, to allow for a better assessment of the performance of the Group. Therefore, the determination criteria applied by the group might not be consistent with those adopted by other groups and the result obtained might not be comparable with that determined by the latter.

These alternative non-GAAP measures, determined in compliance with what is established by the Guidelines on alternative performance measures issued by ESMA/2015/1415 and adopted by CONSOB with notice no. 92543 of 3 December 2015, only refer to the performance of the accounting period this document refers to and to the periods compared.

The Group uses the following alternative non-GAAP measures to assess the economic performance:

- **value of production**: determined by the sum of revenue, the variation in finished goods, semi-finished goods, work in progress and capitalisation and other income;
- **gross margin**: which is an indicator of the margins of sales determined by adding the entry “Other operating services and charges” to the Added Value;
- **added value**: determined by adding the entry “Staff costs” to the EBITDA;
- the **earnings before income taxes, devaluations, depreciations and amortizations** or “EBITDA”: it is an operational performance indicator and is determined by adding the entry “Depreciation, amortization and other accruals” to the EBIT;
- the **earnings before interest and income taxes,** or “EBIT”, represents the difference between revenue and other income, production costs, other operating costs and depreciation, amortization and other accruals;
- the impact that the various entries of the income statement had on revenue.

The Group uses the following alternative non-GAAP measures to assess its ability to meet financial obligations:

- the **net financial position** understood as: cash and cash equivalents + securities included in current assets + current financial receivables - current financial debts and liabilities - non-current financial liabilities - other non-current payables (prepared in line with the ESMA Guidelines which, as of 5 May 2021, amended the references contained in previous CONSOB communications, including the references in Communication no. DEM/6064293 of 28-7-2006 on net financial position).

Description of the group’s business

Founded in 1981 on an idea by a University professor and one of his students, El.En. has developed over the years into a structured and dynamic industrial group specialised in the production, research and development, distribution and sales of laser systems.

The laser, acronym of “**Light Amplification by Stimulated Emission of Radiation**”, a fascinating technology invented in 1960, is the technological core of the Group. This light emission with such particular characteristics (mono-chromaticity, coherence, brightness) has an ever growing number of applications which have given rise to actual industrial sectors and have radically changed the way other sectors operate. Telecommunications, sensors, printers, lithography, atmospheric detection, advanced vision systems, a variety of processes in industrial manufacturing, as well as medical and aesthetic applications have benefited from the innovations made possible by the versatility, precision and reliability of laser systems. Scientific research and applied industrial research will still find innovative applications for laser technology, which we will take advantage of both directly and indirectly.

Among the variety of types of laser sources and applications developed to date, the group is specialised in producing systems for two sectors: laser systems for medicine and aesthetic, which we call the Medical sector, and laser systems for manufacturing processes, which we call Industrial sector. Each of the two sectors includes a variety of differentiated segments for the specific application of the laser system, and therefore for the specific underlying technologies and for the type of user. As a result, the group’s business, generically defined as production of laser sources and systems, includes a considerable variety of products catering for many types of customers, also by virtue of the global presence of the group that leads it to adapt to the peculiarities of every region of the world in using our technologies.

Over time, the group has taken on the current structure by setting up new companies and taking over others. The activities are conducted by this structured group of companies that operates in the production, research and development, distribution and sales of laser systems. Specific businesses, sometimes related to a single geographic market, sometimes targeting a particular product niche, and sometimes a broader scope of activities across technologies, applications and geographic markets are managed by specially committed operating structures and companies. The activities of the group companies are coordinated by the parent company so that adequate resources are made available to each business in order to best serve the relevant markets by exploiting the dynamism and flexibility of individual business units, without losing the advantages of managing certain resources in a coordinated manner.

The comprehensiveness of supply and the ability to segment certain markets in order to maximise the total share held by the group, together with the opportunity of involving managerial skills in their capacity as minority shareholders, underlie the group’s corporate structure. The number of member companies must always be related to the linear division of the business, which we identify, for reporting but above all for strategical purposes, as follows:

MEDICAL SECTOR	INDUSTRIAL SECTOR
Aesthetic	Cutting
Surgical	Marking
Physiotherapy	Laser sources
Medical Service	Restoration
	Industrial Service

The sale of systems is associated to the after-sales service, essential support to installation, maintenance and correct use of our laser systems and significant source of revenues for spare parts, consumables and technical assistance services. The sale of surgical consumables, specifically sterile optical fibres used in urological surgeries, is becoming an increasingly important part of after-sales revenues.

The structure of the group into numerous companies also reflects the strategy of product distribution and of organisation of research and development and marketing activities. In the medical sector, the integration strategy of the companies acquired or set up over the years (Deka, Asclepion, Quanta System and Asa) has followed an approach that is typical of our sector: each of these group companies has maintained its own specific characterisation in terms of the elective technologies developed and product range, with its own brands and distribution networks independent of the other group companies, thereby making up a true business unit with its own strategic and market positioning. Furthermore, each company has been able to take advantage of the *cross fertilisation* offered by each research hub, making their elective technologies available also to the other companies in the Group. This strategy, though a bit complex to manage, allowed the Group to grow, making it one of the most important, well-structured entities on the market. Aware of the importance that the multi-brand and multi-R&D approach has had on the group's growth, we feel the need to make the activities of the business units in the medical sector more closely co-ordinated with each other, while fostering, as circumstances allow, joint activities in distribution as well, such as in Italy, where the “Renaissance” brand brings together Deka, Quanta System and Asclepion in a single organisation, and in the DACH area, where Asclepion has created distribution networks alsotargeting the sale of systems by Quanta System and Deka.

Although laser technology is a common factor, as several strategical components and some R&D and production activities are shared, the two Medical and Industrial sectors target very different markets. The activities that they perform are organised so as to meet the profoundly different customer requirements of the two sectors. Furthermore, each market features specific dynamics of the demand and growth expectation linked to different key factors.
The medium-term growth forecasts are positive for both sectors. The demand for aesthetic and medical treatments by a population that is ageing on average and seeking to limit the effects of ageing ever more is in constant growth in the medical sector. The demand is also growing for technologies that can minimise operating and hospitalisation timeframes in some surgical procedures or that can enhance their effectiveness, reducing their impact on the patient (minimal invasiveness) and overall costs. For the industrial sector, laser systems are an ever more essential tool for manufacturing, making flexible and innovative technologies available for companies competing on international markets and who want to raise their quality standards and increase productivity. Therefore, while part of the traditional manufacturing market, laser systems make up a high-tech component which, thanks to constant innovation of the laser product and of the processes which lasers allow to develop, continues to feature interesting growth prospects.

Overall, considering the excellent growth outlook of the target markets on the medium and long-term, the group is able to acquire market shares and to create new application niches thanks to innovation. The breadth of the range of products offered, the ability to continuously innovate it to adapt it to market requirements and still better to create new ones, are our critical factors for success. El.En. Group was and still is able to excel in this business. The section dedicated to research and development documents and bears witness to its importance in the Group’s activities and to the great attention paid in allocating appropriate resources needed to guarantee the prosperity of the Group in years to come.

Group financial highlights

The progression that had characterised 2024 also extended to this first part of 2025, and the excellent results of the first quarter show consolidated revenue of EUR 140,9 million, up 8,8% compared to the first quarter of 2024, and an EBIT of EUR 17,4 million, also growing rapidly on the result of 2024, with a ratio of 12,4%, higher than that of the corresponding quarter.

The trend in revenues was positive in both the medical sector (+8,2%) and the industrial sector (+10,2%). In both cases, the performance was slightly better than expected.

In the medical sector, the strongest performances were achieved by Deka's sales in the foreign market, by Quanta System in the surgical sector (+5%) and especially in after-sales thanks to fibre optics for urology (+29,5%), and by Esthelogue in aesthetics in Italy (+13,5%). In the industrial segment, the Cutting segment (which no longer includes the Chinese companies) grew by 14%, primarily attributable to the excellent result in Brazil, but also to the inorganic contribution of Nexam, a company dedicated to the manufacture of automation systems for Cutlite laser plants, the majority of which was acquired in early 2025. The performance of Lasit was also solid, with the increased weight of the subsidiaries and Ot-las; the performance of the El.En. industrial area was weaker.

The situation in our markets during Q1, well reflected by the positive results, showed a very good customer disposition towards our products. Order intake also maintained a positive trend, particularly in the Italian industrial applications market, which was expected to recover after a very difficult 2024, and in international markets in the medical sector. We had direct proof of the excellent perception of our product and brand positioning in the market during the numerous conference and trade fair events that characterised the beginning of the year and which saw us in the spotlight. The main ones were IMCAS in Paris and AWMC in Munich and the American AAD held this year in Orlando for aesthetic medicine, AUA in Las Vegas for urology and just last week Lamiera in Milan for sheet metal cutting. At AWMC in Munich, Deka earned recognition for its Red Touch pro as the world's best laser rejuvenation system, while the Discovery Pico laser system with Variopulse Technology from Quanta System was accredited as "best innovation in treatment protocols". Such awards increase product and brand visibility in the marketplace, and position our sophisticated technologies at the top end of the range available on the market, paying tribute to the extensive scientific, technical, application and clinical research work that has made the development and market launch of these innovative laser systems possible.

As producers of "capital goods", i.e. goods that constitute a medium-term investment for our customers, which is often very important from a financial point of view, we are favoured by economic phases with less uncertainty and low interest rates, two elements that contribute significantly to the determination to invest in our technologies. The last few months have not been in our favour in this respect. "Liberation Day" started a phase of uncertainty in international relations that has no recent precedent and, independently of the import duties, it worsened the terms of trade with the US with the weakening of the dollar and the application of import duties, and kept inflation expectations and thus interest rates high. It is still too early to assess how our businesses will be impacted by the consequences of the US's actions; for the time being we can only register a still favourable trend in order intake which bodes well for our ability to overcome the difficulties thanks to the quality of our product range and business relationships built up over the years. What is certain is that a dogged pursuit of import duty policy would have some consequences for our sales to the US, which is the group's largest export market. We can counter this with the means that characterise our product range, uniqueness and differentiation.

The trend in cash generation was essentially neutral during the period, and thus very positive when compared to the seasonal trend in the net financial position in Q1. The cash generated by the result from current assets was mostly absorbed by the expansion of working capital items and fixed investments for the period, which absorbed less than the seasonal trend and forecast. At the end of the quarter, the net financial position was approximately EUR 107 million, down by only EUR 3 million compared to the result at the end of 2024.

As for the Chinese business being divested, the performance was in line with the most recent quarters, with revenue declining to 16 million. Information on the current divestment is provided in the appropriate section of this report.

During the quarter, the Group continued and further consolidated the activities undertaken in the area of sustainability, which are one of the performance indicators relevant to the Management incentive schemes. Let us recall that the year 2024 represented the first year of reporting for the El.En. Group in accordance with the provisions of (It.) Legislative

Decree of 6 September 2024, no. 125, which implements the European CSRD Directive 2022/2464 and includes the information required by Regulation (EU) 2020/852 (Taxonomy Regulation).

The Sustainability Plan 2023-2027, now in its third year of implementation, was supplemented at the end of last year with a number of specific and measurable objectives, aligned with the latest European regulatory provisions, with particular reference to the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). The Plan continues to focus on strategic issues, such as combating climate change, circular economy, promoting a responsible supply chain, enhancing human capital and contributing to local communities, reaffirming the El.En. Group's commitment to sustainable development in which environmental and social responsibility is an integral part of the business model.

Below please find the results of the Income Statement relating to the first quarter of the financial year 2025, compared with the same results of the previous financial year.

Income Statement	**31/03/2025**	**Inc %**	**31/03/2024**	**Inc %**	**Var %**
Revenue	140.900	100,0%	129.555	100,0%	8,76%
Change in inventory of finished goods and WIP	(3.205)	-2,3%	5.698	4,4%	
Other revenues and income	1.528	1,1%	2.847	2,2%	-46,31%
Value of production	**139.223**	**98,8%**	**138.099**	**106,6%**	**0,81%**
Purchase of raw materials	67.334	47,8%	68.926	53,2%	-2,31%
Change in inventory of raw material	(3.668)	-2,6%	(730)	-0,6%	402,45%
Other direct services	12.610	8,9%	12.222	9,4%	3,17%
Gross margin	**62.947**	**44,7%**	**57.680**	**44,5%**	**9,13%**
Other operating services and charges	15.132	10,7%	14.368	11,1%	5,32%
Added value	**47.814**	**33,9%**	**43.312**	**33,4%**	**10,39%**
Staff cost	26.088	18,5%	23.395	18,1%	11,51%
EBITDA	**21.726**	**15,4%**	**19.917**	**15,4%**	**9,08%**
Depreciation, amortization and other accruals	4.316	3,1%	4.372	3,4%	-1,28%
EBIT	**17.410**	**12,4%**	**15.544**	**12,0%**	**12,00%**
Net financial income (charges)	(1.111)	-0,8%	423	0,3%	
Share of profit of associated companies	19	0,0%	15	0,0%	26,75%
Other net income and charges	0	0,0%	(29)	0,0%	
Income (loss) before taxes	**16.318**	**11,6%**	**15.954**	**12,3%**	**2,28%**

The economic situation as at 31 March does not envisage line-by-line consolidation of the Chinese division being divested under IFRS 5 for either Q1 2025 or Q1 2024. For this principle, the contribution of this division is summarised in the result from discontinued operations.

As usual, the quarterly income statement is presented up to the income/loss before taxes and therefore does not include the result from discontinued operations, which would be positive for EUR 381 thousand as at 31 March 2025 and negative for EUR 1,3 million for the corresponding period in 2024.

The following table details the net financial position of the group:

	Net financial position	31/03/25	31/12/24
A	Cash and cash equivalents	142.621	147.470
B	Cash equivalents		
C	Other current financial assets	9.886	11.020
D	**Liquidity (A + B + C)**	**152.507**	**158.490**
E	Current financial debt	(19.393)	(19.858)
F	Current portion of non-current financial debt	(3.155)	(3.389)
G	**Current financial indebtedness (E + F)**	**(22.548)**	**(23.246)**
H	**Net current financial position (D + G)**	**129.959**	**135.244**
I	Non-current financial debt	(9.700)	(13.500)
J	Debt instruments	(11.713)	(9.998)
K	Non-current trade and other payables	(987)	(1.186)
L	**Non-current financial indebtedness (I + J + K)**	**(22.401)**	**(24.684)**
M	**Net Financial Position (H + L)**	**107.558**	**110.559**

Comment on management performance

The following table breaks down the revenue in the first three months of 2025 in the work sectors of the group, compared with the similar division for the same period in the previous financial year:

	31/03/2025	Inc %	31/03/2024	Inc %	Var %
Medical	99.204	70,41%	91.704	70,78%	8,18%
Industrial	41.696	29,59%	37.850	29,22%	10,16%
Total revenue	**140.900**	**100,00%**	**129.555**	**100,00%**	**8,76%**

Consolidated revenue increased by 8,8%, exceeding 10% growth in the industrial sector.

From the perspective of the geographical distribution of revenue, the performance of the period is illustrated in the following tables:

	31/03/2025	Inc %	31/03/2024	Inc %	Var %
Italy	30.331	21,53%	23.631	18,24%	28,35%
Europe	41.324	29,33%	37.543	28,98%	10,07%
Row	69.245	49,14%	68.380	52,78%	1,26%
Total revenue	**140.900**	**100,00%**	**129.555**	**100,00%**	**8,76%**

Medical sector

	31/03/2025	Inc %	31/03/2024	Inc %	Var %
Italy	10.975	11,06%	7.145	7,79%	53,60%
Europe	31.262	31,51%	29.044	31,67%	7,64%
Row	56.968	57,42%	55.515	60,54%	2,62%
Total revenue	**99.204**	**100,00%**	**91.704**	**100,00%**	**8,18%**

Industrial sector

	31/03/2025	Inc %	31/03/2024	Inc %	Var %
Italy	19.356	46,42%	16.486	43,55%	17,41%
Europe	10.062	24,13%	8.500	22,46%	18,38%
Row	12.277	29,44%	12.865	33,99%	-4,57%
Total revenue	**41.696**	**100,00%**	**37.850**	**100,00%**	**10,16%**

The fast-growing revenue in Italy show a recovery from the weak performance at the start of 2024, in both the medical and industrial sectors. It was the laser cutting segment in the industrial sector and the aesthetic segment in the medical sector, both in professional aesthetics and aesthetic medicine, that recorded the largest increases respectively.

On the international markets, the industrial sector performed well, especially in Europe, thanks to the increased coverage and penetration provided by the new subsidiaries: the Lasit ones are already firmly established, while the Cutlite ones are in the process of being launched. In ROW, Cutlite is suffering from the uncertainties in its relations with US customers created at the end of 2024 by the M&A activities on the cutting sector and the uncertainties on the import policy at the beginning of the year.
In addition to the excellent result in Italy, the medical sector is also experiencing good growth in its main markets, the international ones, both in Europe and in the ROW.

Within the medical and aesthetic systems sector, which represents over 70% of the group's revenue, the sales performance of the various segments is illustrated in the following table:

	31/03/2025	Inc %	31/03/2024	Inc %	Var %
Aesthetic	52.602	53,02%	48.370	52,75%	8,75%
Surgery	21.823	22,00%	20.020	21,83%	9,01%
Physiotherapy	4.225	4,26%	3.739	4,08%	12,98%
Others	321	0,32%	471	0,51%	-31,79%
Total medical systems	**78.972**	**79,61%**	**72.600**	**79,17%**	**8,78%**
Medical service	20.233	20,39%	19.104	20,83%	5,91%
Total medical revenue	**99.204**	**100,00%**	**91.704**	**100,00%**	**8,18%**

The table shows positive results in all the main areas of activity.

The trend in aesthetic was very satisfactory, especially in the Italian territory and in the rejuvenation (anti-ageing) application segment practised with CO_2 mini-ablative technology: the "*coolpeel*" treatment, which is performed with Deka's sophisticated Tetra Pro equipment, equipped with high-precision scanning systems, represents the worldwide reference standard for this type of method. The result in the hair removal sector in the Italian and European markets was excellent, while in non-European markets the segment remained less satisfactory than in the past.

The volume of sales of surgical systems accelerated further; in this sector, the urology segment continued to be the driving force with its applications for benign prostate hyperplasia and stone removal. Sales were also good for surgical applications of CO_2 lasers, in ENT and gynaecology.

The growth rate of the therapy segment, led in the group by Asa from Vicenza, is double-digit, thus launching a financial year that it is foreseen to go back to interesting growth once more.

The decrease in the "other" residual sector is solely due to sales in the dental sector in the US market that are still being slowed down by the reorganisation of our distributor structure.

In revenue for medical services, we report the services and goods sold following the systems' sale. The contribution to this revenue item from optical fibre sales used as consumables in urological surgery is solid; such sales are now accounting for approximately 50% of the segment's revenue. Despite the continued expansion of optic fibre sales, the segment shows a lower growth rate than the rest of the medical sector, due to the removal of the Japanese subsidiary Withus - whose contribution accounts for approximately 5% of revenues for services in the first quarter of 2024 - from the scope of consolidation as of March.
In this regard, it should be noted that Quanta System is planning to build a new and larger clean room dedicated to the production of fibre optics at its Samarate plant to increase the production capacity of this medical device.

For the sector of industrial applications, the following table details the revenue according to the market segments the Group works in.

	31/03/2025	Inc %	31/03/2024	Inc %	Var %
Cutting	29.340	70,37%	25.655	67,78%	14,37%
Marking	6.953	16,68%	6.369	16,83%	9,18%
Laser sources	876	2,10%	1.316	3,48%	-33,46%
Conservation	136	0,32%	99	0,26%	37,28%
Total industrial systems	**37.305**	**89,47%**	**33.438**	**88,34%**	**11,56%**
Industrial service	4.390	10,53%	4.412	11,66%	-0,50%
Total Industrial revenue	**41.696**	**100,00%**	**37.850**	**100,00%**	**10,16%**

In this quarter, revenue in the industrial sector returned to significant, double-digit growth in systems revenue.

The recovery in the main segment, cutting, reverberates on the result of the entire sector. In cutting, we are seeing the expected recovery in the Italian market and the Brazilian subsidiary performed brilliantly. Marking activities also did very well, with an overall growth of almost 10%. On the other hand, there was a decline in the sale of laser sources. The trend in sales per service was stationary in the quarter, while it is expected to increase in the coming quarters.

Very good, in its own small way, is the performance of the restoration sector, better defined as conservation of artistic heritage. In fact, the Group’s technologies make it possible to perform conservation operations that respect the historical authenticity of each work, enhancing its original beauty and ensuring that it is also usable for future generations.

Recently, our technologies contributed to the major restoration work carried out in the Grotto of Diana in the garden of the Villa d’Este in Tivoli. The large rustic multicoloured and multi-material mosaic with shells, glass pastes, semi-precious stones, stone fragments and tartar flakes has been restored to its original state of brilliance. The following image is a true representation of the precision and effectiveness of the laser system in selectively removing the patina created over the centuries on the polychrome surfaces of the cave.

Let us now move on to comment the entries of the Income Statement.

The gross margin was EUR 62.947 thousand, up 9% from EUR 57.680 thousand as at 31 March 2024, with the margin increasing from 44,5% in the first quarter of 2024 to 44,7% in the first quarter of 2025.

With the marginality of sales essentially unchanged, the increase in the gross margin stems essentially from the higher sales volume.
It should also be noted that, in the first quarter of 2024, the group had recorded other income due to insurance refunds related to the damage caused by the November 2023 flood in Campi Bisenzio, amounting to approximately EUR 1,9 million, or 1,5% of the revenue of Q1 2024. In the first quarter of 2025, however, margins were also supported by an income of approximately EUR 650 thousand or 0,54% of revenue, due to a contribution received from the German company Asclepion. Excluding this non-recurring income, the sales margin improved by about one percentage point on sales in 2025, attributable to the improved sales mix in the medical sector.

Other operating services and charges amounted to EUR 15.132 thousand, up from EUR 14.368 thousand as at 31 March 2024, with an effect on revenue that, however, decreased from 11,1% to 10,7%. Among the cost items leading to an increase in costs during the quarter was the group's commitment to adopting information systems for the more streamlined, proactive and modern management of production, reporting and sales activities.

At EUR 26.088 thousand, staff expenses were up 11,5% from EUR 23.395 thousand as at 31 March 2024, with the percentage of revenue increasing slightly (18,1% in Q1 2024, 18,5% in Q1 2025). The notional costs for stock option plans in favour of employees amount to EUR 519 thousand in the period against EUR 507 thousand as at 31 March 2024.

As at 31 March 2025, the group had 2.081 employees, substantially unchanged from 2.080 as at 31 December 2024.
Of these, as at 31 March 2025, 698 refer to Penta Laser Zhejiang, which is in the process of being divested, as explained in the appropriate section of this report.

A considerable amount of staff costs is absorbed by research and development, for which the Group also receives funds and reimbursements of expenses in view of specific contracts signed with the appropriate bodies.

EBITDA amounted to EUR 21.726 thousand, up 9% from EUR 19.917 thousand as at 31 March 2024. The incidence on revenue is unchanged at 15,4%.

Costs for depreciation, amortisation and accruals remained stable from EUR 4.372 thousand as at 31 March 2024 to EUR 4.316 thousand as at 31 March 2025, thus decreasing their incidence on revenue from 3,4 to 3,1%. This slight variation was caused by the net effect of higher depreciation and amortisation, risk provisions and lower bad debt provisions.

As a result, the EBIT amounted to EUR 17.410 thousand, up from EUR 15.544 thousand in the first quarter of 2024, with the incidence on revenue increasing from 12% to 12,4%.

Financial charges amounted to EUR 1.111 thousand compared to the income of EUR 423 thousand recorded in the same period last year. In detail, interest income generated by liquidity in the quarter amounted to about EUR 820 thousand, while interest expense on debt amounted to about EUR 420 thousand. Exchange rate differences had a strongly negative result of EUR 530 thousand. In addition, foreign exchange losses of a further EUR 980 thousand were recorded following the release of the cumulative translation adjustment arising from the sale of the majority stake in the Japanese subsidiary Withus. This release reflects the amount of foreign exchange differences accumulated over the years in a specific shareholders' equity reserve and is particularly negative due to the recent performance of the Japanese yen.

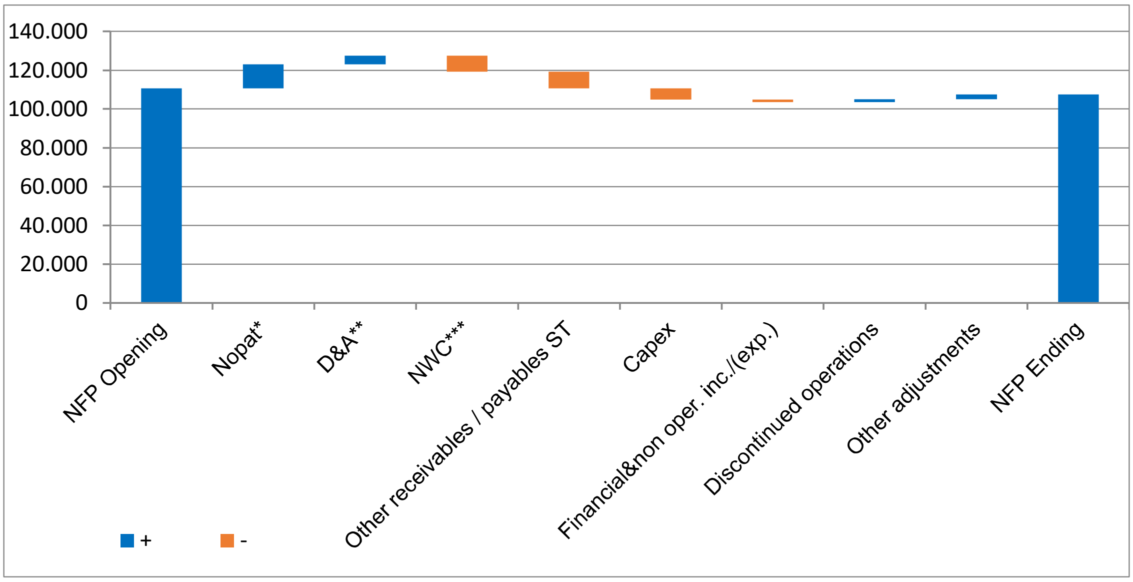
Income/loss before taxes presented a positive result of EUR 16.318 thousand, higher than the EUR 15.954 thousand of 31 March 2024.

Financial position and investments

Comment on the evolution of the net financial position

The net financial position recorded a decrease of approximately EUR 3,0 million during the period, from 110,5 million of 31 December 2024 to 107,5 million of 31 March 2025.

The graph below represents the main components of cash flows in this first quarter of 2025. The increase in net working capital absorbed about EUR 8,1 million, while about EUR 8,6 million was absorbed by the variation in other debit and credit items, including the decrease in down payments received from customers and the increase in VAT receivables from the tax authorities. Investments amounted to approximately 5,7 million.



* Nopat =Ebit-Income tax

**D&A= Depreciation, Accruals and Devaluation

***NWC= Net Working Capital

There were no significant cash flows from non-recurring or extraordinary transactions during the period.
It should also be noted that the result as at 31 March 2025 of the fair value of liquidity invested in insurance-type financial instruments that, due to their nature, require recognition as non-current financial assets, amounted to EUR 7,6 million, of which EUR 2,4 million in El.En. Spa and EUR 5,2 million in Deka Mela. Being medium-term liquidity investments, these amounts do not form part of the net financial position.

Gross investments performed in the quarter

The gross investments performed in the period of reference are illustrated below.

THOUSANDS OF EUROS

	31/03/2025	31/03/2024
Intangible assets	116	527
Tangible assets	5.511	3.576
Financial fixed assets	74	
Total	**5.700**	**4.103**

Capital expenditure in the period totalled around EUR 5,7 million, a marked increase compared to the previous year. Approximately half of the investments for the period are related to the purchase by Cutlite Penta, a company operating in the industrial sector, of a plant located in the municipality of Certaldo (FI) and destined for the production and development of new innovative product lines in the area of laser cutting systems for sheet metal. There are no other individual investments of particular importance, and investments continue to be made in the modernisation and equipping of the plants in Calenzano (El.En.), Samarate (Quanta System) and Prato (Cutlite Penta and affiliated companies).

Comment on research and development activities

El.En. Group is currently among the few in the world who develop, manufacture and market products based on the widest spectrum of available laser technologies, including: solid-state lasers, semi conductor lasers, active fibre lasers, colouring lasers, CO_2 lasers, in addition to various frequency conversion systems, including OPO and Raman, capable of providing solutions from infrared to ultraviolet with different levels of power and emission duration, to fulfil a wide range of applications. In addition to laser technology, El.En. is active in other technologies, always in the field of electromagnetic energy forms, including, in particular, radiofrequency, microwaves, and high-intensity electromagnetic fields. Therefore, Research and Development is addressed to numerous and different systems, subsystems and accessories.

Intense Research and Development activity was also carried out during the first quarter of 2025 according to the strategy of pursuing continual innovation, aimed at opening new laser applications or of other energy sources, both in the medical and industrial sector (also including applications for the preservation of cultural heritage) and to place innovative products on the market from the point of view of applications, performance of the devices and technologies used.

In particular, the first quarter of 2025 was characterised by a layered activity to finetune the new platforms of the PRO range: Motus PRO, Tetra PRO, SmartXide PRO and TORO as well as the Again PRO, RedTouch PRO and Onda PRO systems, oriented towards achieving, through optimisation of the systems and their accessories, maximum treatment effectiveness and continuous improvement of the quality and reliability of the new products.

The PRO series represents a total innovation in the high-range Energy Based Devices sector, and suggests many recognisable new elements, both in terms of a renewed aesthetic design of the equipment and graphic interfaces, which are absolutely innovative and user friendly, and in terms of increased performance, which confirm a continuous and constant focus on the needs of doctors and the benefits of operators and patients.

During the first quarter of 2025, the Medical Division's R&D activity finalised the development of sophisticated sensors. Various ingenious technological solutions have been adopted to solve a problem that combines ergonomic, usability and safety requirements and contributes to potentially broadening the areas of use of some of our leading technologies, such as the ultra-short pulse technologies that underpin the operation of TORO systems.

As far as body contouring products based on the lipolysis process are concerned, the CE MDR certification of ONDA PRO has been completed, thanks also to the implementation of special temperature sensors, and is targeted for market release in the coming months.

Also in the area of lipolysis treatment products, the first quarter of 2025 saw the adaptation of the PhysiQ 360° system, initially intended for the American market only, to the requirements and specifications that will allow it to be marketed in the European market.

For more in-depth information on El.En. Group's research and development activities for laser systems and applications for aesthetic medicine and surgery, for industry and for restoration, please refer to the extensive Research and Development section in the Annual Financial Report as at 31 December 2024.

Thousands of euros	**31/03/2025**	**31/03/2024**
Staff costs and general expenses	4.178	4.168
Equipment	82	95
Costs for testing and prototypes	473	870
Consultancy fees	127	87
Other services	12	15
Total	**4.872**	**5.235**

As per consolidated company practice, the expenses listed in the table have for the most part been recorded under operating costs, in the absence of a reasonable return of investment estimate.
The amount of the expenses incurred corresponds to approximately 3% of the consolidated revenue of the group. The expenses incurred by El.En. S.p.A. are also equal to approximately 4% of its revenue.

Performance of El.En. shares.

The share performance is shown in the chart below:

Other information

Please note that on 3 October 2012 the Board of Directors of El.En. S.p.A. decided to join the opt-out scheme envisaged respectively by articles 70, paragraph 8 and 71, paragraph 1-*bis* of Consob Issuers' Regulation 11971/99, exercising the right to waive from the obligations to publish the required information documents in the event of significant extraordinary transactions involving mergers, demergers, capital increases through contributions in kind, acquisitions and divestments.

Significant events that occurred during the quarter

At the end of February 2025, the group sold a 46% stake in its Japanese subsidiary Withus, thereby transferring control to the minority shareholders who had founded the company with El.En. in 2007. The direct distribution in Japan of professional aesthetic systems produced in Italy had been discontinued for several years, and the company now mainly services the installed base and sells locally sourced beauty products. Within this scope, the commercial relationship with the parent company became of secondary importance. Following the financial crisis of Withus' main customers, the accumulated losses and the less than encouraging outlook of the business conducted so far suggested to leave the burden and the opportunity to relaunch Withus' activities on a new basis to the local management. By virtue of the 33% residual share retained by the group, starting from March 2025 the equity investment will be integrated in the consolidated financial statements using the Shareholders' equity method.

Potential developments of the "Laser Cut" business unit

During 2024, the group suspended and then interrupted the IPO process for the laser cutting sector; on 29 August 2024, Cutlite Penta was brought back under the control of Ot-las Srl, which bought it back from Penta Laser Zhejiang, which was then able to liquidate the equity investments of the private equity funds that had entered the company's capital in 2022, thus bringing the IPO process to a halt.

Abandoning the IPO project, El.En. then entered into negotiations with Yangtze Optical Fibre and Cable Joint Stock Limited Company (YOFC of Wuhan) to negotiate the sale of the majority of the companies active in the laser cutting business, thus including Cutlite Penta S.r.l. and Cutlite do Brasil Ltda. Updates on the negotiations were provided by El.En. on 8 November 2024 and 2 January 2025.
On 31 March 2025, El.En. announced that it had signed the agreement to sell the majority stake in Penta Laser Zhejiang to YOFC. Ot-las s.r.l. will therefore sell a total of 28.698.288 shares of the company Penta Laser Zhejiang Ltd., Co. to YOFC for a consideration of approximately RMB 240 million.
The sale and purchase agreement requires the fulfilment of certain conditions and is subject to the authorisation procedure with the Italian Prime Minister's Office pursuant to Italian Decree-Law no. 21/2012 (so-called "Golden Power").
Cutlite Penta Spa of Prato remains excluded from the sale. Assessments of the transaction's market impacts and governance complexities suggested that the agreements that initially envisaged the transfer of the controlling stake in Cutlite to YOFC and then only a minority stake to Cutlite be postponed.

The consideration agreed for the sale of the equity interest in PLZ was determined based on a value of the company of RMB 405 million with reference to the draft 2024 financial statement and taking into account, among other things, the liability of RMB 13,7 million for the tax on the capital gain obtained by PLZ on the sale of Cutlite Penta to Ot-las Srl which took place on 28 August 2024 and other provisions which reduced the price compared to the price at the time envisaged for the sale of the Chinese company under the preliminary agreements signed in November 2024.

The contract signed includes both a clause relating to the possible reduction of the price by 5% of its value in relation to the financial results of the Chinese group in the three-year period 2025-2027, and a liability of the seller in relation to certain findings of the due diligence process conducted by YOFC as of June 2024 for which a maximum limit of compensation of up to 10% of the price received is envisaged, subject to two specific cases that may give rise to indemnities without limit.
Following the completion of the divestiture transaction, YOFC will own approximately 59,2% of PLZ, while El.En. Group, through Ot-las Srl, will continue to hold an equity investment of approximately 19,2%.

The agreements also envisage the non-transferability of Ot-las's remaining equity investment in PLZ until the approval of the 2027 financial statement, as well as the right of first refusal and/or co-sale in the event of a transfer after that date, and the right of Ot-las and other minority shareholders of PLZ to sell their shares to YOFC, after the approval of the 2027 financial statement, at a price corresponding to the company's valuation of 1,05 times its shareholders' equity at the end of 2027.

The closing will result in the exit of the sold assets from the consolidation scope of El.En. Group.

In 2024, the divested assets developed revenue of EUR 81,8 million, with an EBIT of EUR -7,1 million, while the NFP showed a net positive result of EUR 9,8 million as at 31 December 2024.

Referring to the values recorded in the financial statements as at 31 December 2024, also in prudential consideration of the restatement clause, the consideration envisaged for the sale of the equity investment in Penta Laser Zhejiang Ltd., Co. would imply a consolidated gross capital gain of approximately EUR 6 million.

At the time of the closing, which is expected within 90 days of the sale and purchase agreement, the gross capital gain could be modified as a result of both the price adjustment and indemnification clauses in the agreements and the different book value of the investment due to the net result for the period.

Subsequent events

On 29 April, the Ordinary Shareholders' Meeting of the parent company approved the financial statement for the year 2024, which showed a net income of EUR 33.988.152,00, and also resolved:
- to distribute to the shares outstanding on the ex-dividend of coupon no. 4 on 19 May 2025 - in compliance with the provisions set forth by Art. 2357-ter, second paragraph, of the Italian Civil Code, a dividend, equal to EUR 0,22 gross per outstanding share for a total amount as of the date of the resolution of EUR 17.607.464,60, it being understood that said amount could be increased by any new amounts required for the distribution of the dividend to the shares outstanding as of the ex-dividend date resulting from the exercise of the 2016-2025 stock option plan in the period between the date of the resolution and the record date of 20 May 2025;

- to accrue the residual amount equal, as of the date of the resolution, to EUR 16.380.687,40 to the extraordinary reserve, it being understood that this amount could be decreased by any new amounts required for the distribution of the dividend from the shares outstanding as of the ex-dividend date resulting from the exercise of the 2016-2025 stock option plan in the period between the date of the resolution and the record date of 20 May 2025;
- to pay the above dividend from 21 May 2025.

The Ordinary Shareholders' Meeting also:
- approved the Remuneration Report and the compensation paid, in accordance with Art. 123-*ter* T.U.F. paragraph *3-bis* and Art. 123-*ter* T.U.F. paragraph 6.

- appointed the Board of Statutory Auditors for the three-year period 2025-2027 and thus until the approval of the financial statements as at 31 December 2027, appointing Carlo Carrera as Chairman and appointing Rita Pelagotti and Paolo Caselli as Statutory Auditors and Gino Manfriani and Elisa Raoli as Alternate Auditors. Statutory auditors Paolo Caselli and Rita Pelagotti and alternate auditor Gino Manfriani were drawn from the list of candidates submitted by shareholder Andrea Cangioli (list no. 1); the Chairman, Carlo Carrera, and the Alternate Auditor, Elisa Raoli, were drawn from the list submitted by a grouping of asset management companies and other institutional investors (list no. 2).
The elected candidates have declared that they meet the independence requirements of Article 148, TUF, and the other requirements of the law and the Articles of Association.
The regular members of the Board of Statutory Auditors declared that they held the following equity investments as at 31 December 2024:

- Carlo Carrera: no equity investment
- Paolo Caselli: no equity investment
- Rita Pelagotti: no equity investment

- resolved to set, for the entire duration of the appointment, the annual remuneration of the standing members of the Board of Statutory Auditors, to a total annual amount of EUR 34.000,00 for the Chairman and to a total annual amount of EUR 24.000,00 for each of the Statutory Auditors.

- resolved, subject to revocation for the unused portion of the authorisation granted by the same shareholders' meeting on 29 April 2024, to authorise the purchase and disposal of treasury stock pursuant to Articles 2357 and 2357-*ter* of the Italian Civil Code, Art. 132 of Italian Decree Law no. 58 of Art. 144-bis of the Consob regulation.
Treasury stock will be purchased as a result of the following possible, competing or alternative purposes: allocations or distributions to employees and/or collaborators and/or members of the administration or control bodies of the company or its subsidiaries; exchanges or swaps of equity investments within the scope of and on the occasion of strategic transactions.
The authorisation was granted for the period of 18 months from the date of the resolution, for the purchase, in one or more instalments, of a maximum number of ordinary shares of the company, the only category of financial instruments currently issued by the company, which in any case does not exceed one-tenth of the share capital. Treasury stock must be purchased in compliance with the criteria of equal treatment of shareholders according to that established by Art. 132 T.U.F. and by art. 144-bis Issuers' Regulation. Shareholders authorised the purchase at a minimum price that is not lower than the price that the stock recorded in the trading session on the day preceding the completion of each single transaction, decreased by 10%, and at a maximum price no higher than 10% of the official trading price recorded on the day preceding the purchase.
The Board was given authorisation to sell or dispose of, within 10 years of the resolution, the purchased shares at a price, or countervalue in the case of corporate transactions, of no less than 95% of the average of the official trading prices recorded in the five days preceding the sale or disposition.

- resolved upon the guidelines of a "Compensation Plan based on financial instruments in favour of employees and collaborators of the Company and its Subsidiaries" intended for the persons identified by the Board at its discretion, after the approval of the Plan by the Shareholders' Meeting, among the Employees deemed deserving of incentives and recognition and who hold or are destined to hold positions deemed of key or strategic importance within the Company and the Group on the basis of management and strategic considerations. On the basis of the instructions of the Remuneration Committee subsequently approved by the Board of Directors on 18 March 2025, collaborators and employees (belonging to the category of executives, middle managers and white collar workers) of the Issuer and/or Subsidiaries who, in the unchallengeable and discretionary judgment of the Board of Directors, play a key role, thereby actively contributing to the development of the Group's business and the creation of long-term value, may be Beneficiaries of the Plan.

The 2025-2028 Stock Grant Plan provides for the free assignment to the identified Beneficiaries of the right to receive, also free of charge, El.En. ordinary shares. Treasury stock owned by the Company will be used for the Plan, pursuant to Articles 2357 et seq. of the It. Civil Code.
Specifically, the Shareholders' Meeting determined the maximum total number of El.En. ordinary shares to service the 2025-2028 Stock Grant Plan at 200.000 Shares, equal to 0,249% of the Company's current share capital ordinary shares all with no express par value.
The Plan is divided into 4 (four) Accrual Periods:
(1) from 15 May 2025 to 31 December 2025 (the "2025 Accrual Period");
(2) from 1 January 2026 to 31 December 2026 (the "2026 Accrual Period");
(3) from 1 January 2027 to 31 December 2027 (the "2027 Accrual Period");
(4) from 1 January 2028 to 31 December 2028 (the "2028 Accrual Period").

- approved the "Compensation plan based on financial instruments for the general manager of the Company" pursuant to Art. 114-bis of (It.) Legislative Decree no. 58/1998, intended exclusively for the Company's General Manager, Paolo Salvadeo, identified by the Board of Directors as a key figure for the definition and achievement of the Company's strategic and performance objectives with reference to the achievement of the Group's objectives.
The 2025-2028 Stock Grant Plan for the General Manager of El.En. s.p.a. provides for the free assignment to the General Manager, of El.En. shares. A maximum of 136.000 Shares will be allocated to serve the Plan, or 0,169% of the Company's current share capital, through the use of treasury stock in the Company's portfolio and/or new shares purchased on the market.

Lastly, the Extraordinary Shareholders' Meeting resolved to amend Art. 20 (Operating rules of the Board of Directors) sections E (Delegation of powers) and G (Professionalism Requirements of the Executive in Charge of Preparation of the Company's Accounting Documents) of the Articles of Association and also resolved the provision of the procedures for the appointment of the Executive in charge of sustainability reporting and the requirements of integrity and professionalism.

On 2 April 2025, "Liberation Day", the President of the United States of America announced and then implemented the imposition of import duties on the import of goods, duties involving products exported by El.En. Group to the United States. The initially high rate of 20% was temporarily reduced to 10%. The confirmation of significant import duties could burden our sales to the US market, the most important export market for El.En. group.

Current outlook

The outlook for the financial year 2025 remains good. In light of the first quarter's performance and current market conditions, management confirms the annual growth target for revenue to 2024. In the absence of external phenomena and events in the coming months that could hinder the good order intake seen so far, El.En. also aims to improve its EBIT in 2025.

For the Board of Directors

Managing Director
Andrea Cangioli, engineer

Appendix "A": List of consolidated companies as at 31 March 2025

Subsidiaries

Company name	Headquarters	Percentage held			Consolidated percentage
		Direct	Indirect	Total	
Parent company					
El.En. S.p.A.	Calenzano (ITA)				
Subsidiaries					
Ot-Las S.r.l.	Calenzano (ITA)	98,89%		98,89%	98,89%
Deka Mela S.r.l.	Calenzano (ITA)	85,00%		85,00%	85,00%
Esthelogue S.r.l.	Calenzano (ITA)	50,00%	50,00%	100,00%	100,00%
Deka Sarl	Vaux en Velin (FR)	100,00%		100,00%	100,00%
Lasit S.p.A.	Torre Annunziata (ITA)	70,00%		70,00%	70,00%
Quanta System S.p.A.	Milano (ITA)	100,00%		100,00%	100,00%
Asclepion GmbH	Jena (GER)	50,00%	50,00%	100,00%	100,00%
ASA S.r.l.	Arcugnano (ITA)		60,00%	60,00%	51,00%
BRCT Inc.	New York (USA)	100,00%		100,00%	100,00%
Penta-Laser (Wuhan) Co., Ltd	Wuhan (CHINA)		100,00%	100,00%	77,59%
Cutlite do Brasil Ltda	Blumenau (BRA)		98,27%	98,27%	97,17%
Pharmonia S.r.l.	Calenzano (ITA)	100,00%		100,00%	100,00%
Deka Japan Co., Ltd	Tokyo (JAP)	55,00%		55,00%	55,00%
Penta Laser Zhejiang Co., Ltd	Wenzhou (CHINA)		78,46%	78,46%	77,59%
Merit Due S.r.l.	Calenzano (ITA)		100,00%	100,00%	98,89%
Cutlite Penta S.p.A.	Calenzano (ITA)		100,00%	100,00%	98,89%
Galli Giovanni & C. S.r.l.	Cassano Magnago (ITA)		70,00%	70,00%	70,00%
Penta Laser Technology (Shangdong) Co., Ltd.	Linyi (CHINA)		100,00%	100,00%	77,59%
Penta Laser Middle East (FZE)	Sharjah (UAE)		100,00%	100,00%	77,59%
Lasit Laser Polska	Tychy (POL)		65,00%	65,00%	45,50%
Lasit Laser Iberica, S.L.	Saragoza (SPA)		65,00%	65,00%	45,50%
Shenzhen KBF Laser Tech Co., Ltd	Shenzhen (CHINA)		60,00%	60,00%	46,55%
Lasit Laser Deutschland GmbH	Immendingen (GER)		70,00%	70,00%	49,00%
HL S.r.l.	Calenzano (ITA)		100,00%	100,00%	98,89%
Lasit Laser Uk Ltd	Solihull (GB)		70,00%	70,00%	49,00%
Cutlite Penta USA, Inc.	Dover (USA)		100,00%	100,00%	100,00%
Nexam S.r.l.	Prato (ITA)		51,00%	51,00%	50,43%
Cutlite Poland sp. z o.o	Breslavia (POL)		100,00%	100,00%	98,89%
Lasit Laser France Sas	Saint Cyr Au Mont d'Or (FR)		60,00%	60,00%	42,00%

Associated companies

Company name	Headquarters	Percentage held			Consolidated percentage
		Direct	Indirect	Total	
With Us Co., Ltd	Tokyo (JAP)		33,29%	33,29%	33,29%
Immobiliare Del.Co. S.r.l.	Solbiate Olona (ITA)	30,00%		30,00%	30,00%
Elesta S.p.A.	Calenzano (ITA)	24,86%		24,86%	24,86%
Actis S.r.l.	Calenzano (ITA)	12,00%		12,00%	12,00%
ZheJiang Monochr Laser Intelligent Equipment Co., ltd.	Wenzhou (CHINA)		32,71%	32,71%	25,38%

Appendix "B": DECLARATION IN COMPLIANCE WITH ART. 154BIS, PARAGRAPH 2, IT. LEGISLATIVE DECREE No.58 / 1998

The undersigned Enrico Romagnoli, in his position as Executive officer responsible for the preparation of the financial statements of El.En. S.p.A. declares, pursuant to paragraph 2 of art. 154-bis of It. Legislative Decree no. 58 of 24 February 1998, that the accounting information contained in this document matches the documentary evidence, books and accounting records.

Calenzano, 15 May 2025

The Executive Officer
Enrico Romagnoli