INTERIM FINANCIAL STATEMENT AS AT 30 JUNE 2024

Carraro Finance SA

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To the Board of Directors of
Carraro Finance S.A.
11, rue Beaumont
L-1219 Luxembourg

Report on Review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim financial statements of Carraro Finance S.A. comprising the condensed interim statement of financial position as at 30 June 2024, and the related condensed interim income statement, the condensed interim statement of comprehensive income, the condensed interim statement of changes in shareholders' equity and the condensed interim statement of cash flows for the period from 1 January 2024 to 30 June 2024 ("the interim financial information"). The Board of Directors is responsible for the preparation and fair presentation of this interim financial information in accordance with the International Accounting Standard IAS 34 "*Interim Financial Statements*", as adopted by the European Union ("IAS 34"). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the company as at 30 June 2024 and of the results of its operations for the period from 1 January 2024 to 30 June 2024 in accordance with the IAS 34.

For Deloitte Audit, *Cabinet de révision agréé*

PP

Mael Garo

Marco Crosetto, *Réviseur d'entreprises agréé*
Partner

26 September 2024

Société à responsabilité limitée au capital de 360.000 €
RCS Luxembourg B67.895
Autorisation d'établissement 10022179

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INTERIM MANAGEMENT REPORT AS AT 30 JUNE 2024

BOARD OF DIRECTORS	ENRICO GOMIERO	Chairman
In office until approval of the 2026 financial statements	SERGIO MARUSSO	Chief Executive Officer
	FABIO MORVILLI	Director

INDEPENDENT AUDITORS	Deloitte Audit S.à r.l. Luxembourg

CONDESEND INTERIM INCOME STATEMENT AS AT 30.06.2024

(amounts in Euro)	30.06.2024	%	30.06.2023	%	Change 30.06.2024-30.06.2023
REVENUES FROM SALES	**631,521**	**100.00%**	**618,361**	**100.00%**	**13,160**
Purchases of goods and materials (net of changes in inventories)	-575	-0.09%	-1,798	-0.29%	1,224
Services and Use of third-party goods and services	-404,545	-64.06%	-799,415	-129.28%	349,870
Personnel costs	-348,147	-55.13%	-354,519	-57.33%	6,371
Amortisation, depreciation and impairment of assets	-137,539	-21.78%	-96,789	-15.65%	-40,750
Provisions for risks	-	-	-	-	-
Other income and expenses	-146,230	-23.16%	-92,283	-14.92%	-53,946
Internal construction	-	-	-	-	-
OPERATING COSTS	**-1,037,036**	**-164.21%**	**-1,344,804**	**-217.48%**	**307,768**
OPERATING PROFIT/(LOSS)	**-405,515**	**-64.21%**	**-726,443**	**-117.48%**	**320,938**
Income and expenses from equity investments	-	-	-	-	-
Other financial income	10,278,136	1,627.52%	7,826,155	1,265.63%	2,451,982
Financial costs and expenses	-9,757,183	-1,545.03%	-8,093,185	-1,308.81%	-1,663,998
Net gains/(losses) on foreign exchange	-	-	-	-	-
Value adjustments of financial assets	-	-	-	-	-
NET GAINS/(LOSSES) ON FINANCIAL ASSETS	**520,953**	**82.49%**	**-267,030**	**-43.18%**	**787,983**
PROFIT/(LOSS) BEFORE TAXES	**115,438**	**18.28%**	**-993,473**	**-160.66%**	**1,742,813**
Current and deferred income taxes	46,000	-	-	-	-
NET PROFIT/(LOSS)	**69,438**	**11.00%**	**-993,473**	**-160.66%**	**1,062,911**
EBITDA*	**-267,975**	**42.43%**	**-629,654**	**102.00%**	**361,679**

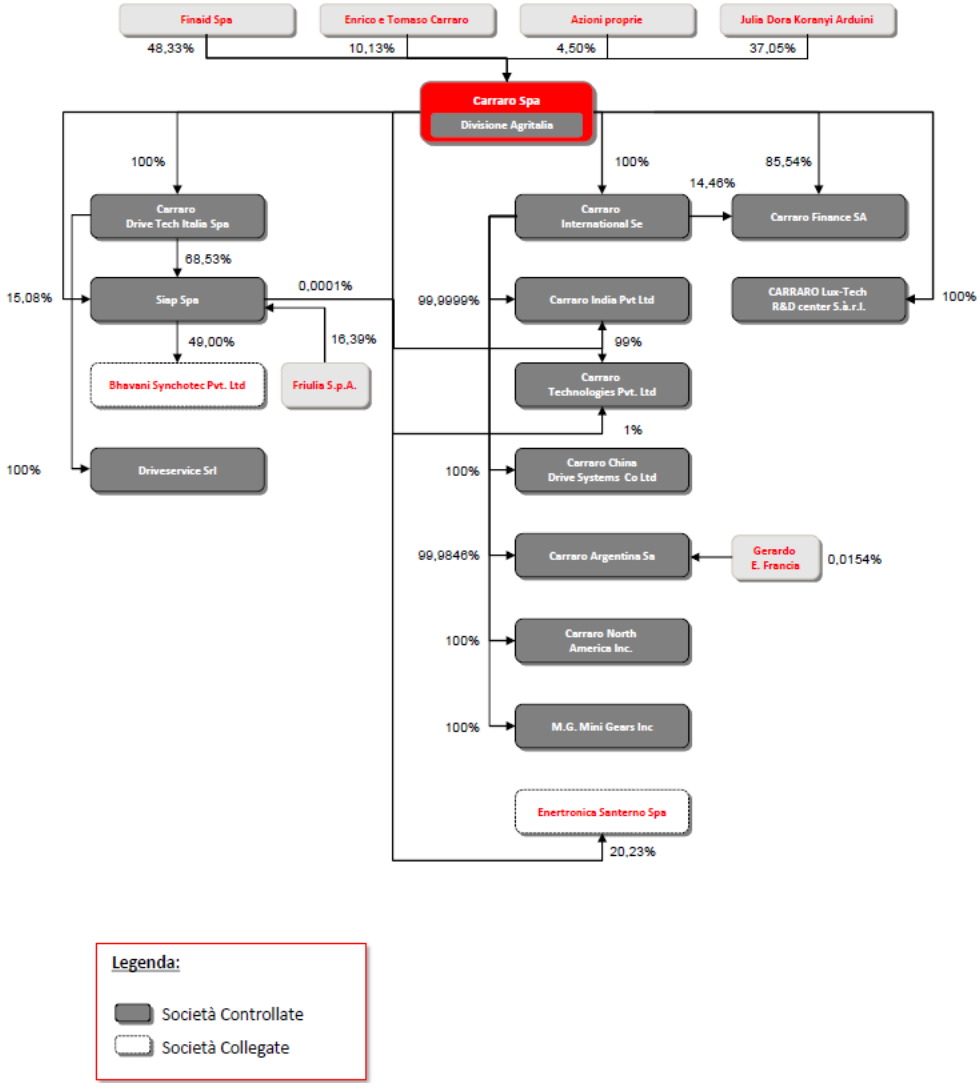
* for the reconciliation of the Alternative Performance Indicator please refer to the "Balance sheet and financial data" section and for its description, please refer to "Summary of the period up to 30 June 2024" section.

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30.06.2024

(amounts in Euro)	**30.06.2024**	**31.12.2023**
Property, plant and equipment	313,610	114,044
Intangible fixed assets	495,245	537,796
Financial assets	132,168,289	142,137,819
Deferred tax assets	554,000	600,000
Trade receivables and other receivables	87,255	90,635
NON-CURRENT ASSETS	**133,618,399**	**143,480,294**
Trade receivables and other receivables	24,470	22,369
Financial assets	27,283,745	18,625,785
Cash and cash equivalents	145,955,622	145,014,229
CURRENT ASSETS	**173,263,837**	**163,662,381**
TOTAL ASSETS	**306,882,236**	**307,142,676**
Share Capital	3,770,000	3,770,000
Other Reserves	-525,415	587,789
Profit/loss for the year	69,438	-1,113,204
SHAREHOLDERS' EQUITY	**3,314,023**	**3,244,585**
Financial liabilities	295,618,097	298,257,897
NON-CURRENT LIABILITIES	**295,618,097**	**298,257,897**
Financial liabilities	6,933,752	4,569,366
Trade payables and other payables	1,016,364	1,070,828
Current tax payables	-	-
Provisions for risks and liabilities	-	-
CURRENT LIABILITIES	**7,950,116**	**5,640,195**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**306,882,236**	**307,142,676**

CORPORATE STRUCTURE OF THE CARRARO GROUP

AS AT 30.06.2024



Key:
——— Subsidiaries
------ Associated Companies

Carraro Finance S.A. (the "Company" or "Carraro Finance") was incorporated on 30 October 2020 via Carraro International S.E. and subsequently, in January 2021, again via Carraro International S.E., a business unit concerning the finance and treasury function for the Carraro Group was transferred to it.

The Company belongs to the Carraro Group (the "Group"), leader in transmission systems for off-highway vehicles and specialised tractors, with Headquarters in Italy in Campodarsego (Padua).
As at 30 June 2024 Carraro Finance was 14.46% owned by Carraro International S.E. and 85.54% owned by Carraro S.p.A.

To date the Group's activities are divided into two Business Areas:

- **Drive systems**
  Through the Companies belonging to the Drivelines Business area, the Group designs, manufactures and sells transmission systems (axles, transmissions and drives) mainly for agricultural and construction equipment, and also markets a wide range of components and gears for very diverse sectors, from the automotive industry to material handling, agricultural applications and construction equipment.
- **Tractors**
  Through Carraro S.p.A.'s Divisione Agritalia, the Group designs and manufactures specialised tractors (for vineyards and orchards from 60 to 100 hp) for third-party brands, namely John Deere, Massey Ferguson and Claas, as well as a specialised "Carraro Tractors" range; Agritalia also provides engineering services for the design of innovative tractor ranges.

Summary of the period ending on 30 June 2024

In order to evaluate the Company's financial performance, management has identified the following Alternative Performance Measures (each an "APM"):

- EBITDA: the sum of operating profit/(loss) of the income statement, amortisation (including any adjustments), depreciation and impairment of fixed assets. The Company's management believes that EBITDA is a useful additional indicator that enables users to evaluate the Company's operating performance.

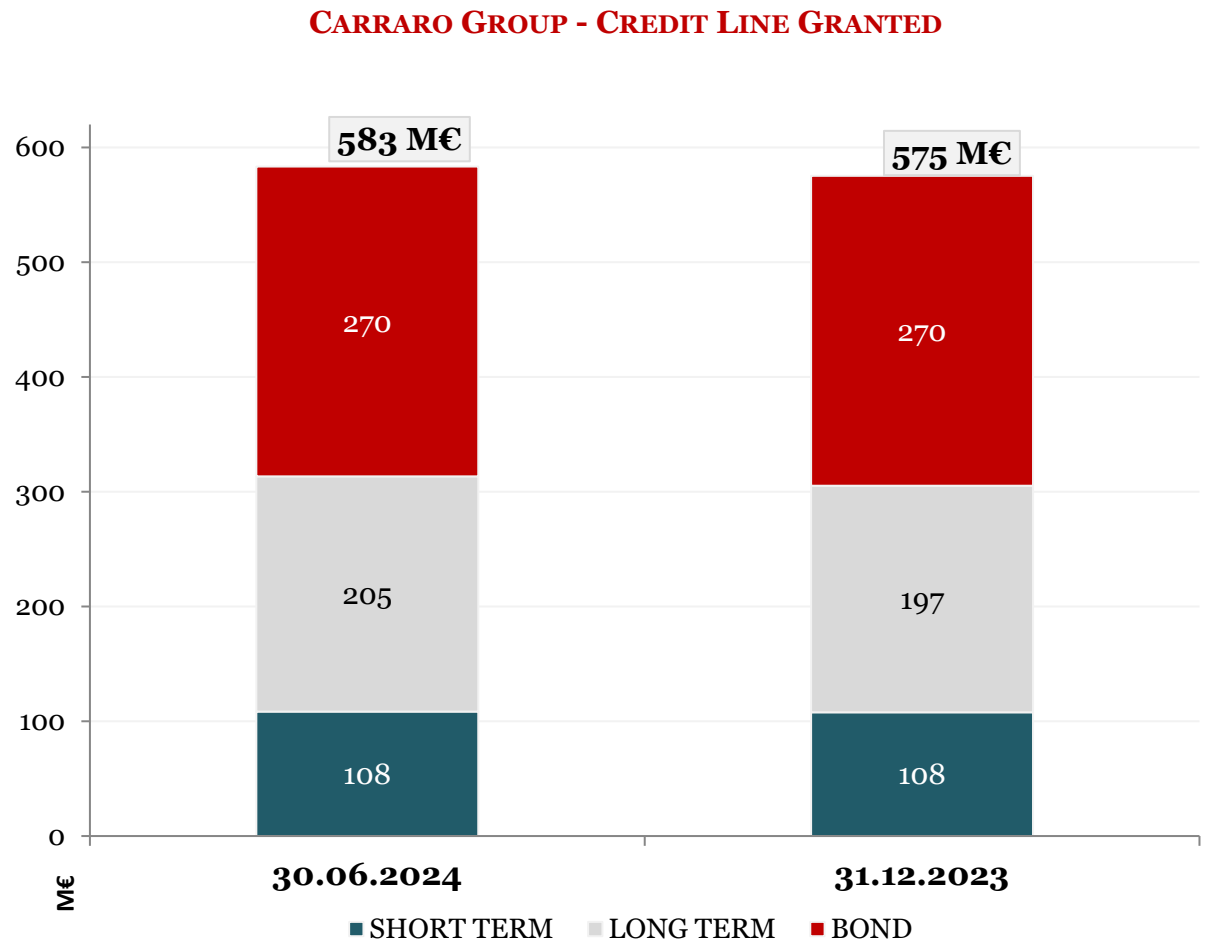
- Net financial position of operations: Net Debt determined in accordance with the recommendations contained in the ESMA document n. 32-382-1138 dated March 4, 2021, deducted, where applicable, non-current receivables and financial assets, in addition to the effects deriving from the first application of IFRS 16. The Company's management believes the Net financial position of operations is relevant to the enable users as it is a metric on the overall debt situation of a Company.

Performance

Carraro Finance S.A.is the treasury centre of Carraro Group and as such it's responsible to arrange and negotiate in order to make available to Carraro Group's Companies the resources necessary to cover their financial needs at the best possible conditions. In particular, the Company, complying with Group's policies:

- raises finance from third parties (through loans, bonds, other instruments) and grants short/long term loans to the Group's Companies allocating the funds also in respect of local country rules and local bank relationship.
- provides consulting services as, among others, the support to Group's Companies in the negotiation directly of their own credit facilities.
- coordinates the factoring activities Companies for the Group.
- manages the exchange rate risk hedging policies for all Group Companies.

The chart shows the credit facilities obtained by the Company in favour and on behalf of whole Consolidated Carraro Group.

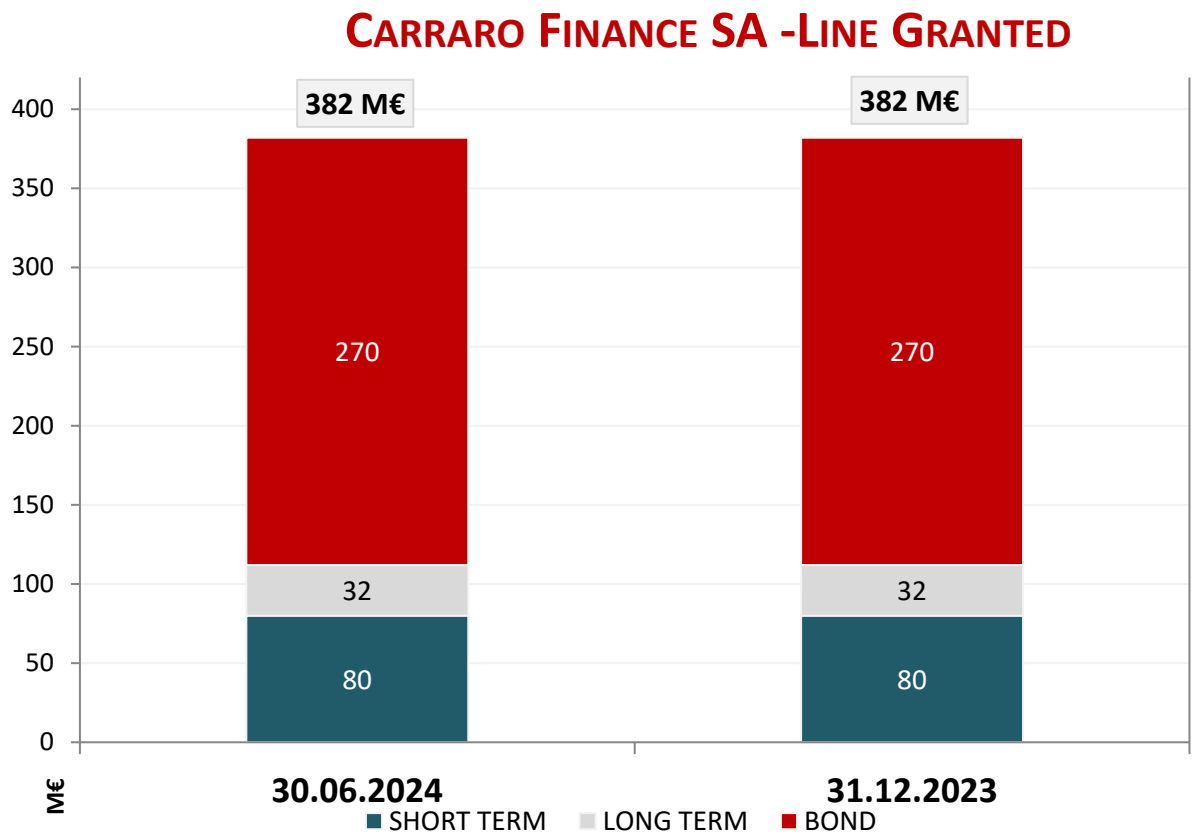


The credit lines granted by third parties at Group level, negotiated directly by Carraro Finance SA or through its consulting services, amounted to 583 million euros as at 30 June 2024, of which 270 million euros related to two bonds issued, 57 million euros related long term loan with EIB (European Investment Bank) and 256 million euros from financial institutions.

During the first half year 2024, revolving credit facilities (RCF) remain flat for 80 million euros. As at 30 June 2024, the Company did not use any of 80 million euros (RCF).

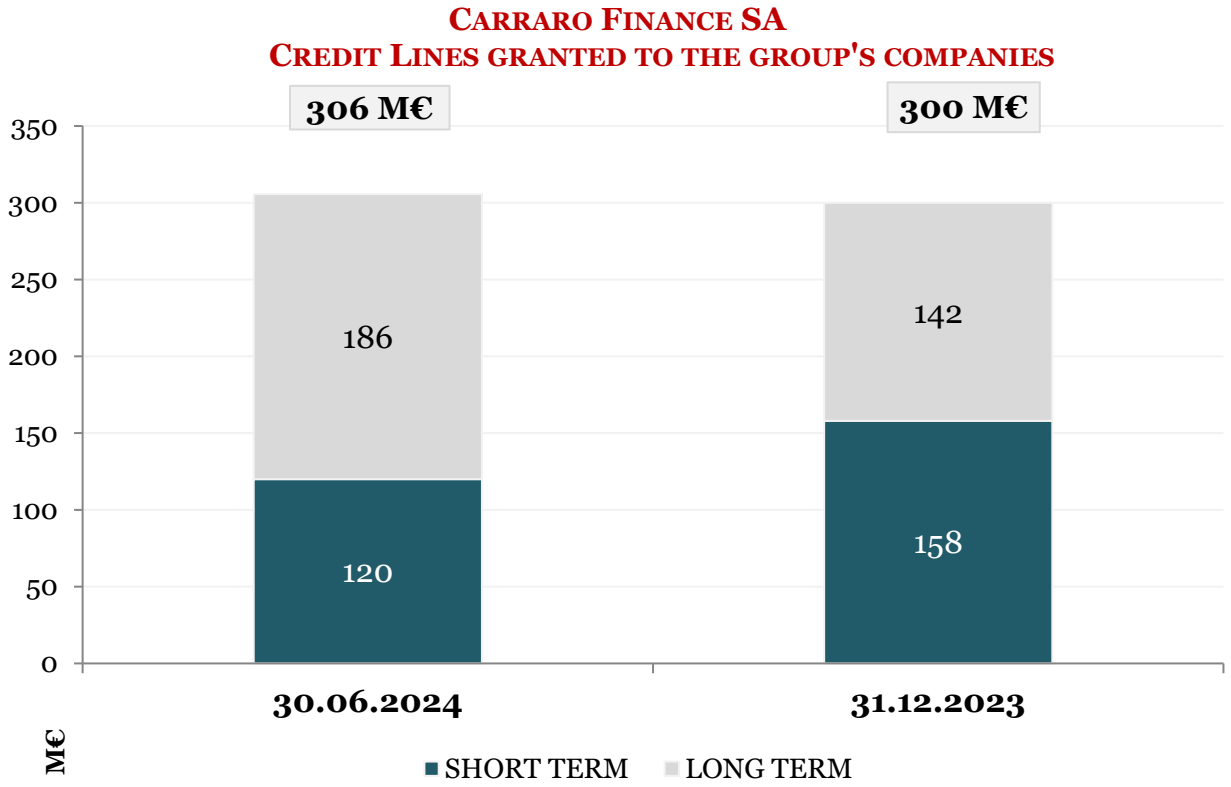
The funds raised by Carraro finance SA from third parties equal to 382 million euros as at 30 June 2024 grant funding to European Companies belonging to the Group and marginally also to the Indian one.

The chart shows the amount of credit facilities available to Carraro Finance SA from financial parties:



The average all-inclusive cost of funding during half year 2024 is between 5% and 6% and consider two Bonds, EIB loan and RCF.

The Credit Lines granted by Carraro Finance to Group's Companies are divided between short-term and long-term, as follows:



The Credit lines granted to the Group's Companies as at 30 June 2024 are equal to 306 million euros, of which 186 million euros were medium-and long-term and 120 million euros was short-term. The nominal amount of loans (the drawn amounts to the Group's Companies) is 150 million euros at the end of June 2024.

The limit of the Credit lines granted during the first half year 2024 compared with 2023 is due to a revision of the financial needs by Carraro S.p.A., Carraro Drive Tech Italia S.p.A., Carraro International S.E., SIAP S.p.A. and Carraro India Ltd.

Regarding Asian companies belonging to Group as mentioned before Carraro Finance plays a role of support in negotiating and obtaining of credit lines from local institutions.

The average all-inclusive remuneration of line of credit granted to Intercompany Loans are between 7% and 8% for short term and between 8% and 9.5% for long terms.

SIGNIFICANT EVENTS DURING THE PERIOD

On 1st of March 2024, the Company signed a financing agreement as Centralised Entity with the Carraro Group entities (Participants): Carraro S.p.A., SIAP S.p.A., DriveService S.r.l. and Drive Tech Italy S.p.A. for:

- an in-house banking system based on payment on behalf of (POBO) and receivables on behalf of (ROBO)
- a cash polling/cash management arrangement.

This financing agreement was created with a view to (i) allowing the Participants, to meet their respective financial and payment obligations and to settle intercompany debts in a manner more efficiently and (ii) coordinating the cash requirements and cash surpluses of the Participants with the aim of:

- balancing cash needs and cash surpluses between the Participants in the best possible way.
- minimizing the cost of funding and managing financial flows.
- increasing investments yield and safety.

SUBSEQUENT EVENTS

There are no subsequent events to report.

OVERVIEW OF THE COMPANY PERFORMANCE

Net financial position of operations

(amounts in Euro)	30.06.2024	31.12.2023	30.06.2023
Net financial position of operations *	**3,127,677**	**3,026,562**	**371,956**

* for the reconciliation of the Alternative Performance Indicator please refer to the "*Financial Liabilities (note 15)*" section and for its description, please refer to "Summary of the period up to 30 June 2024" section.

Net financial position from operations as at 30 June 2024 was positive for 3.128 million euros, rising compared to 31 December 2023 (3.027 million euros).

Here below are represented the Total Financial Gross Debts, Total Financial assets and Cash and cash equivalents:

(amounts in Euro)	30.06.2024	31.12.2023
Non-current bonds	-266,757,670	-266,319,169
Non-current loans payable	-28,860,427	-31.938,728
Other Financial liabilities	- 6,933752	- 4,569,366
Total Financial Gross Debts	**- 302,551,849**	**- 302,827,263**
Non-current loans and receivables	132,000,000	142,000,000
Current loans and receivables	26,773,529	18,111,571
Other financial assets	950,375	728,026
Total Financial assets:	**159,723,904**	**160,839,597**
Cash and cash equivalents:	145,955,622	145,014,229
***Net financial position of operations** *	**3,127,677**	**3,026,562**

Turnover

Carraro Finance SA derives its revenues from contracts with Carraro Group Companies for financial consulting services. The Company's turnover increased by 2% (from 618,361 euros as at 30.06.2023 to 631,521 euros as at 30.06.2024) mainly due to a change in the intercompany calculation's scheme.

EBITDA

(amounts in Euro)	30.06.2024	30.06.2023
Operating Profit (Loss)*	**-405,515**	**-726,443**
Amortization tangible assets	87,489	88,825
Amortization intangible assets	50,051	7,964
Depreciation Fixed assets	-	-
EBITDA	**-267,975**	**-629,654**

* For details, please refer to the Income Statement.

EBITDA corrected by 135% from a negative amount of 629,654 euros as at 30.06.2023 to a negative amount of 267,975 euros as at 30.06.2024.

Amortization and depreciation of fixed assets

(amounts in Euro)	30.06.2024	% on Turnover	30.06.2023	% on Turnover	Change %
Amortization and depreciation	**137,539**	**21.78%**	**96,789**	**16.0%**	**42.10%**

Net Gains/(Losses) on financial assets

(amounts in euro)	30.06.2024	30.06.2023
10) INCOME/EXPENSES FROM EQUITY INVESTMENTS	**-**	**-**
A) FROM FINANCIAL ASSETS	7,397,922	6,338,302
B) FROM BANK CURRENT ACCOUNTS AND DEPOSITS	2,350,850	1,307,942
C) FROM OTHER THAN THE ABOVE	-	-
D) INCOME OTHER THAN THE ABOVE	529,364	179,911
11) OTHER FINANCIAL INCOME	**10,278,136**	**7,826,155**
A) FROM FINANCIAL LIABILITIES	-8,349,789	-6,614,064
B) FROM BANK CURRENT ACCOUNTS AND DEPOSITS	-	-
C) EXPENSES OTHER THAN THE ABOVE	-1,407,394	-1,479,121
12) FINANCIAL COSTS AND EXPENSES	**-9,757,183**	**-8,093,185**
OTHER NET EXCHANGE RATE DIFFERENCES	-	-
13) NET GAINS/(LOSSES) ON FOREIGN EXCHANGE	**-**	**-**
14) VALUE ADJUSTMENTS OF FINANCIAL ASSETS	**-**	**-**
NET GAINS/(LOSSES) ON FINANCIAL ASSETS	**520,953**	**-267,030**

The Company reported a gain on its Net Financial Assets and Liabilities mainly due to the increase of the average utilization of the intra-group facilitated and to a change of conditions applied to transactions with intra-group Companies, in compliance with Arm's Length Principle.

Net profit/(loss)

As at 30 June 2024, the Company recorded a profit of 69.44 thousand euros.

(amounts in Euro)	Up to 30.06.2024	% of turnover	Up to 30.06.2023	% of turnover	Change %
EARNINGS BEFORE TAX	**115,438**	**18.28%**	**-993,473**	**-160.66%**	**111.62%**
Current and deferred income taxes	46,000	7.28%	-	-	4,63%
NET PROFIT/(LOSS)	**69,438**	**11.00%**	**-993,473**	**-160.66%**	**106.99%**

The profit is mainly related the remuneration of on financial assets and increase of revenue and an improved operating cost, due a decrease of the support by external professional and optimization of the company structure.

PERSONNEL

Workforce trend

(Workforce):	30.06.2024	31.12.2023	30.06.2023
Executive	1	1	1
Clerical Staff	4	4	4
Total	**5**	**5**	**5**

KEY RISKS AND UNCERTAINTIES TO WHICH CARRARO FINANCE IS EXPOSED

The main risks identified for Carraro Finance are listed below.

Strategic risks

Risks associated with the general economic conditions.

The Company's earnings, financial and equity situation is influenced by various factors within the general macroeconomic framework, such as changes in gross national product, the state of the agricultural and construction industries, the cost of raw materials and the level of business confidence in the various countries in which the Carraro Group operates, which affect the financial results of Carraro Group's Companies, thus ensuring the repayment of funds provided by Carraro Finance.

Significant macro-economic events, such as the evolution of the geopolitical circumstance following the conflict in Ukraine a generalised and significant increase in the prices of raw materials, enduring uncertainty and volatility of the financial and capital markets, falling interest rates and unfavourable changes in the exchange rates of the major currencies to which the Group is exposed are all negative factors for the Group's operations and future, as well as its economic results and its financial position.

The dynamics in the global economy and international trade in 2024 was characterised by instability in some areas of the world and related consequences on increasing cost of raw material and energy also due to the effects of global economic post pandemic recovery.

Risks related to the trends on the markets/industrial customers

The market sectors in which the associates operate are influenced to varying degrees by boom and recession cycles, and the dynamics are gradually becoming less predictable. The ways in which our main customers absorb these fluctuations in demand and pass them on throughout the production chain significantly impact the production volumes that the Group is required to fulfil. This has an effect on the purchasing and stock management policies and by implication, on the working capital requirement and the capacity to adequately absorb fixed costs.

Country risk

The Carraro Group operates in different countries and its exposure to them has gradually increased over the years. These markets show cyclical conditions of economic and political instability (for example in Turkey). This has affected and may continue to negatively affect the subsidiaries' situation and results. A global presence is fundamental for the Group, encompassing a strategy serving clients and seizing opportunities on new markets for its product range.

Financial risks

Risks associated with funding requirements

Carraro Finance's liquidity risk is mainly connected to the sourcing and maintenance of adequate funding to support the Group's industrial operations and its ability to service that funding through cash flow.

The raising of funds is intended to finance both Carraro Group working capital and investments in R&D and innovation, in line with the latest Group business plan, as well as investments in fixed assets necessary to ensure sufficient and technologically advanced production capacity. This requirement is directly proportional to the trend in customer orders and the resulting trend in the volume of business, and also to the Group's efforts in directing its research and innovation.

The cash flows envisaged for 2024 also include, besides the trend in working capital and operational investment management, the effects of the maturity of current liabilities and the short-term portion of medium-long term loans.

The management of finance, the need to fulfil funding requirements and to guarantee adequate cash flow for the Group, is the responsibility of Carraro Finance whose objective is to administer the available resources as efficiently as possible.

Liquidity management, the funding needs and cash-flow are managed directly by the treasury department of the Group that work with the goal to manage at the best the resources available.

Risks of fluctuating interest rates and exchange rates

Carraro Finance S.A. and the Group are also exposed to interest rate risks in relation to financial liabilities which are accepted either to fund core business, or, where applicable, to fund the Group's expansion through acquisitions. The Company is exposed to low-interest rate risk as described in note 19 to the interim financial statements. Changes in interest rates may have positive or negative effects on both the financial outcome and on cash flows.

The Company is not exposed in such rate risks because all the main transaction are made in Eur currency. However, if the Company will occur in some of those risks will follow the criteria set by the Groups policy in terms of the management of financial risks with appropriate initiatives to hedge or reduce the risks identified, using the instruments available on the market.

Credit risk

The Company is exposed to credit risk when a customer or counterparty in a financial transaction generates a financial loss by defaulting on a debt obligation; in the case of Carraro Finance this risk exists almost exclusively in relation to financial receivables.

In providing finance to the Group entities, the Company evaluates the cash flow forecasts, the financial balance and the feasibility of the subsidiaries' industrial plans, in order to take the most appropriate decisions with regard to fundraising and agreeing on the repayment plans.

Receivables are recognised in the accounts net of any write-downs determined by assessing the counterparty's risk of insolvency based on the information available.

In the last years the effects of the spread of the Covid-19 pandemic and the conflict in Ukraine did not have significant consequences on the overall operations of Carraro Group customers such as to jeopardize the continuity of cash flows from the sale of the Group's products.

Operational risks

Risks related to IT systems and cyber security.

IT systems have a major supporting role in business processes; it therefore follows that effective monitoring of the risks related to IT security is a significant matter for the Company.

Statistics from the last few years show a growing number of cyber-attacks on private Companies and public entities, not only large in scale, with sophisticated techniques to penetrate Company networks and which are more aggressive in causing harm to data and information archives.
One condition favouring these attacks may also be the expansion of Company networks, which has been necessary – in the recent circumstances caused by the pandemic – to provide access to all staff enabled to work remotely using connections not directly managed by the Company.

Control and risk management systems in relation to the financial reporting process

The following set of procedures, organisational structure and related activities aimed at ensuring, a timely and accurate reporting of financial data:

- An adequate organizational structure that establishes new procedures and set up a perception of control so that the flow of responsibilities and transactions is diversified among staff – as much as possible, as well through the control activities which include top-level reviews and segregation of duties.
- The Board of Directors oversight establishes the guidelines, evaluates management and supervisory activities, the budget and all other financial information and statements of the Company.
- A comprehensive process for the annual strategic and business planning process.
- An appropriate risk assessment, management, or mitigation of risk, including the use of control processes, information and communication systems; and processes for monitoring and reviewing their continuing effectiveness.

Environmental risks

The Company is not directly involved in this kind of risk, but the Group operates across 7 manufacturing sites in 4 different nations.

The manufacturing processes carried out at the Group's industrial sites are essentially mechanical processing of iron and steel and assembly of purchased components.

These processes have accessory materials such as packaging, lubricants, paints and solvents. The objective of limiting the impact of emissions into the environment has seen a significant improvement from 2008 onwards through an important investment in moving from solvent-based coatings to water-based paints that reduce atmospheric emissions.

Under the EH&S Management System, each site operates in compliance with local environmental regulations; as a result of relentless management engagement, most of the plants have acquired ISO 14001 Environmental Certification.

Particular attention has been paid to increasing the efficiency of processes in order to maximise energy savings.

Risks related to climate change

The pressure of conclusions reached in scientific circles has gradually led to climate change and its possible effects establishing itself as a topic of increasing importance for international bodies, national authorities, politicians and in public debate.

Faced with worrying signs, resulting in unpredictable climate changes whose root causes seem to have been identified (increased greenhouse gases, global warming), studies are ongoing into the possible consequences on the planet's equilibrium in terms of continuity of access to natural resources, the seasons, and the effect on agricultural, mining and more general productive activities.
The emerging picture of uncertainty leads to new hypothetical types of risks or, at least, risks of a different gradation to those currently identified, with a future direction that is still difficult to imagine and, moreover, quantify even roughly.

Given this situation, the Group has set out to collect and aggregate all the information that gradually becomes available, so as to conduct an analysis that will help to adapt the risk framework of its business segments to the new future of industrial activities in the agricultural and construction equipment sectors.

ACCOUNTING STANDARDS USED IN PREPARING THE FINANCIAL STATEMENTS

These financial statements are drawn up in compliance with the International Financial Reporting Standards (IFRS), as adopted by the European Union. Furthermore, these financial statements are based on the assumption that the Company is a going concern.

OTHER INFORMATION

The Company does not hold own shares, nor shares in parent Companies, not even through fiduciary Companies or intermediaries. During the past year, it has not carried out any operation in relation to such shares.

The Company does not hold any branch.

Transactions with related parties carried out during the period gave rise to relationships of a commercial, financial or advisory nature and were entered into at arm's-length conditions, in the economic interest of the individual Companies involved in the transactions.

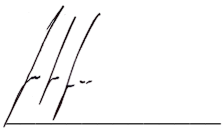
No transactions were carried out that were atypical or unusual with compared to normal business operations and the interest rates and terms applied to and by the Companies in their reciprocal financial relationships are in line with market terms.

The Company did not directly incur any research and development expenses.

The Company has not any branches.

The company did not use financial instruments other than financial liabilities mainly composed of bank loans and bonds.

For further detailed information on the transactions carried out with related parties, reference should be made to the Notes to the Financial Statements.



Sergio Marusso
Chief Executive Office

CONDENSED INTERIM FINANCIAL STATEMENTS AS AT 30.06.2024

BOARD OF DIRECTORS	ENRICO GOMIERO	Chairman
In office until approval of the 2026 financial statements	SERGIO MARUSSO	Chief Executive Officer
	FABIO MORVILLI	Director

INDEPENDENT AUDITORS	Deloitte Audit S.à r.l. Luxembourg

CONDENSED INTERIM INCOME STATEMENT AS AT 30.06.2024

(amounts in Euro)	NOTES	30.06.2024	30.06.2023
A) REVENUES FROM SALES			
1) Products		-	-
2) Services		631,521	618,361
3) Other revenues		-	-
TOTAL REVENUES FROM SALES	**1**	**631,521**	**618,361**
A bis) of which with related parties		631,521	618,361
B) OPERATING COSTS			
1) Purchases of goods and materials		575	1,798
2) Services		400,845	797,315
3) Use of third-party goods and services		3,700	2,100
4) Personnel costs		348,147	354,519
5) Amortisation, depreciation and impairment of assets		137,539	96,789
5.a) depreciation of property, plant and equipment		*87,488*	*88,825*
5.b) amortisation of intangible assets		*50,051*	*7,964*
6) Changes in inventories		-	-
7) Provision for risks and other liabilities		-	-
8) Other income and expenses		146,230	92,283
9) Internal Construction		-	-
TOTAL OPERATING COSTS	**2**	**1,037,036**	**1,344,804**
B-bis) of which with related parties		-	-
OPERATING PROFIT/(LOSS)		**-405,515**	**-726,443**
C) GAINS/(LOSSES) ON FINANCIAL INSTRUMENTS			
10) Income from equity investments		-	-
11) Other financial income		10,278,136	7,826,155
12) Financial costs and expenses		-9,757,183	-8,093,185
13) Net gains/(losses) on foreign exchange		-	-
14) Value adjustment of financial assets		-	-
NET GAINS/(LOSSES) ON FINANCIAL ASSETS	**3**	**520,953**	**-267,030**
C-bis) of which with related parties		*7,927,285*	*6,518,213*
PROFIT/(LOSS) BEFORE TAXES		**115,438**	**-993,473**
15) Current and deferred income taxes	**4**	46,000	-
NET PROFIT/(LOSS)		**69,438**	**-993,473**

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

(amounts in Euro)	30.06.2024	30.06.2023
NET PROFIT/(LOSS) FOR THE PERIOD	**69,438**	**-993,473**
Other income components that could be recognised in the income statement in subsequent periods:		
Total other income components that could be recognised in the income statement in subsequent periods:	-	-
Other income components that will not be recognised in the income statement in subsequent periods:		
Total other income components that will not be recognised in the income statement in subsequent periods:	-	-
OTHER COMPREHENSIVE INCOME COMPONENTS, NET OF TAX EFFECTS	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**69,438**	**-993,473**

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30.06.2024

(amounts in Euro)	NOTES	30.06.2024	31.12.2023
A) NON-CURRENT ASSETS			
1) Property, plant and equipment	**5**	313,610	114,044
2) Intangible fixed assets	**6**	495,245	537,796
3) Equity investments in associated Companies	**7**	-	-
4) Financial assets	**8**	132,168,289	142,137,819
4.1) Loans and receivables		*132,000,000*	*142,000,000*
4.2) Other financial assets		*168,289*	*137,819*
4-bis) of which with related parties		*132,000,000*	*142,000,000*
5) Deferred tax assets	**9**	554,000	600,000
6) Trade receivables and other receivables	**10**	87,255	90,635
6.1) Other receivables		*87,255*	*90,635*
TOTAL NON-CURRENT ASSETS		**133,618,399**	**143,480,294**
B) CURRENT ASSETS			
1) Closing inventory	**11**	-	-
2) Trade receivables and other receivables	**12**	24,470	22,369
2.2) Other receivables		*22,470*	*22,369*
3) Financial assets	**8**	27,283,745	18,625,785
3.1) Loans and receivables		*26,773,529*	*18,111,571*
3.2) Other financial assets		*510,216*	*514,213*
3-bis) of which with related parties		*26,773,529*	*18,111,571*
4) Cash and cash equivalents	**12**	145,955,622	145,014,229
4.1) Bank current accounts and deposits		*145,955,622*	*145,014,229*
TOTAL CURRENT ASSETS		**173,263,837**	**163,662,382**
TOTAL ASSETS		**306,822,236**	**307,142,676**

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30.06.2024

(amounts in Euro)	NOTES	30.06.2024	31.12.2023
A) SHAREHOLDERS' EQUITY	13		
1) Share Capital		3,770,000	3,770,000
2) Other Reserves		-	-
3) Profits/(Losses) brought forward		-525,415	587,789
4) Cash Flow hedge reserves		-	-
5) Provision for discounting employee benefits		-	-
6) Profit/(Loss) for the period		69,438	-1,113,204
TOTAL SHAREHOLDERS' EQUITY		**3,314,023**	**3,244,585**
B) NON-CURRENT LIABILITIES			
1) Financial liabilities	14	295,618,097	298,257,897
1.1) Bonds		*266,757,670*	*266,319,169*
1.2) Loans and Lease Liability		*28,860,427*	*31,938,728*
2) Trade payables and other payables		-	-
3) Deferred tax liabilities	9	-	-
4) Provision for employee benefits/retirement	17	-	-
5) Provisions for risks and liabilities	18		
TOTAL NON-CURRENT LIABILITIES		**295,618,097**	**298,257,897**
C) CURRENT LIABILITIES			
1) Financial liabilities	14	6,933,752	4,569,366
1.2) Loans and Lease Liability		*3,997,988*	*1,600,047*
1.3) Other		*2,935,764*	*2,969,319*
1-bis) of which with related parties		*615,717*	*1,533,244*
2) Trade payables and other payables	15	1,016,364	1,070,828
2.1) Trade payables		*360,140*	*314,981*
2.2) Other payables		*656,222*	*755,847*
2-bis) of which with related parties		*70,000*	*62,500*
3) Current taxes payables	16	-	-
TOTAL CURRENT LIABILITIES		**7,950,116**	**5,640,195**
TOTAL LIABILITIES		**303,568,213**	**303,898,092**
TOTAL SHAREHOLDER EQUITY AND LIABILITIES		**306,882,236**	**307,142,676**

CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(amounts in Euro)	Share Capital	Other Reserves	Retained Earnings (Accumulated losses)	Profit/(Loss) for the period	Total
Opening Balance as at 01.01.2023	**4,280,000**	**5,469,085**	**-4,997,840**	**-3,393,456**	**1,357,789**
Total Comprehensive income for the year				**-996,473**	**-996,473**
Allocation result 2022	-	-	-3,393.456	3,393,456	-
Dividend distribution	-	-	-	-	-
Other movements	-	-	-	-	-
Total transactions with Shareholders and other movements of the period:	-	-	**-3,393,456**	**3,393,456**	-
Balance as at 30.06.2023	**4,280,000**	**5,469,085**	**-8,391,296**	**-993,473**	**364,316**

(amounts in Euro)	Share Capital	Other Reserves	Retained Earnings (Accumulated losses)	Profit/(Loss) for the period	Total
Opening Balance as at 01.01.2024	**3,770,000**	**-**	**587,789**	**-1,113,204**	**3,244,585**
Total Comprehensive income for the year				**69,438**	**69,438**
Allocation result 2023	-	-	-1,113,204	1,113,204	-
Dividend distribution	-	-	-	-	-
Memorandum of Association – 11 September 2023	-	-	-	-	-
Reduction of share capital	-	-	-	-	-
Increase of Share capital	-	-	-	-	
Total transactions with Shareholders and other movements of the period:	**3,770,000**	**-**	**-525,415**	**-**	**3,244,585**
Balance as at 30.06.2024	**3,770,000**	**-**	**-525,415**	**69,438**	**3,314,023**

CONDENSED INTERIM STATEMENT OF CASH FLOWS

(amounts in Euro)	NOTES	30.06.2024	30.06.2023
Profit/(loss) for the year	13	69,438	-993,473
Current and deferred tax for the period	4	46,000	-
Profit/(loss) before taxes		***115,438***	***-993,473***
Depreciation of property, plant and equipment	2	87,488	88,825
Amortisation of intangible fixed assets	2	50,051	7,964
Net gains/(losses) on foreign exchange	3	-	21
Financial Income	3	-10,278,136	-7,826,155
Financial cost	3	9,757,183	8,093,185
Cash flows before changes in Net Working Capital		***-267,976***	***-629,654***
Change in trade receivables and other receivables	10	-2,111	-123,045
Change in trade payables and other payables	15	-54,466	-1,984
Interest income received		7,588,571	4,492,704
Interest expenses paid		-5,813,600	-6,616,244
Change in other financial asset		-607,082	-
Change in other financial liabilities		2,281,437	-
Cash flows from operating activities		***3,124,773***	***-2,878,222***
Investments in property, plant and equipment	5	-288,445	-6,982
Proceed from disposal of property, plant and equipment	5	1,391	-
Investments in intangible fixed assets	6	-420,873	-176,998
Proceed from disposal of intangible fixed assets		-	-
Net liquidity acquired/sold through assignment and transfer		-	-
Loans and advances granted to related parties	8	-167,735,940	-55,909,000
Repayments of loans by related parties	8	166,260,487	77,470,749
Cash flows from investing activities		***-2,183,380***	***21,377,769***
Proceeds from issuance of shares	13	-	-
Share premium reserve	13	-	-
Proceeds from issuance of new bond note	14	-	-
Repayment of bond note	14	-	-
Proceeds from other financial liabilities	14	-	-
Cash flows from financing activities		***-***	***-***
Total cash flows for the period		***941,393***	***18,499,547***
Opening cash and cash equivalents		***145,014,229***	***166,982,643***
Closing cash and cash equivalents		***145,955,622***	***185,482,190***

EXPLANATORY AND SUPPLEMENTARY NOTES

1. Introduction

Carraro Finance S.A. (hereinafter also "Company" or "Carraro Finance") is a Company incorporated under the Luxembourg law registered with the (R.C.S.) Luxembourg under no. B248536. The registered office of the Company is 11, rue de Beaumont L-1219 Luxembourg.

The Company is owned 14.46% owned by Carraro International S.E. and 85.54% owned by Carraro S.p.A
The Company is included in the consolidated financial statements of Carraro S.p.A. The register office of that company is located in Campodarsego, Padua (Italy), Via Olmo 37 and the consolidated accounts are available either on the company website being https://www.carraro.com/, either at the trade register of commerce of Padua.

The Company was incorporated on 30 October 2020 by notarial deed no. 17154 of 30 October 2020 and with effect from 1 February 2021 the parent Company, Carraro International S.E., transferred the business unit relating to the finance and treasury functions for the benefit of the Carraro Group to Carraro Finance, including the 2 Bonds issued for which Carraro Finance chose Luxembourg as the member state of origin pursuant to the Transparency Directive.
The financial instruments are currently listed on the Luxembourg stock exchange and in Italy on the Mercato Telematico delle Obbligazioni di Borsa Italiana (MOT).

These financial statements are expressed in euros and amounts are rounded to the nearest whole euro, unless otherwise indicated.

Carraro Finance S.A. provides financial, treasury and consulting services to subsidiaries, affiliates and to the parent Company, in line with the approved policies and the strategic needs of the Carraro Group.

Publication of the Financial Statements of Carraro Finance S.A. for the period from 1 January 2024 to 30 June 2024, was authorised by Board of Directors resolution dated 26 September 2024.

Reporting criteria and accounting principles

The interim financial statements of the Company as of 30 June 2024, have been prepared in accordance with International Accounting Standard ("IFRS") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union. The term IFRS also includes the revised International Accounting Standards (IAS) and all interpretations of the International Financial Reporting Interpretations Committee (IFRIC) previously known as the Standard Interpretation Committee (SIC). These standards are the same as those used for the Financial Statements as at December 31, 2023, with the exceptions described in the paragraph 2.2 "Accounting standards, amendments and interpretations not relevant for the company or not yet applicable and not adopted in advance by the company".
The interim financial statements were prepared in compliance with IAS 34 and assuming that the Company is a going concern.

2. Form and content of the financial statements

This document contains a number of "alternative performance indicators" not envisaged by the IFRS accounting standards:

- EBITDA: the sum of operating profit/(loss) of the income statement, amortisation (including any adjustments), depreciation and impairment of fixed assets. The Company's management believes that EBITDA is a useful additional indicator that enables users to evaluate the Company's operating performance.

- Net financial position of operations: Net Debt determined in accordance with the recommendations contained in the ESMA document n. 32-382-1138 dated March 4, 2021, deducted, where applicable, non-current receivables and financial assets, in addition to the effects deriving from the first application of IFRS 16. The Company's management believes Net financial position of operations is relevant to the enable users as it is a metric on the overall debt situation of a Company.

2.1 Accounting standards and measurement criteria

Income Statement

Items on the income statement are classified by their nature.

Statement of Comprehensive Income

The statement of comprehensive income includes items of income and costs that are not posted in the period income statement, as required or permitted by the IFRS, such as changes to the cash flow hedge reserve, changes to the provision for employee benefits, actuarial gains and losses and changes to the translation reserve.

Statement of financial position

The statement of the financial position is presented with separate disclosure of Assets, Liabilities and Shareholders' Equity.

Assets and Liabilities are presented in these financial statements according to their classification as "current" and "non-current".

Statement of Changes in Shareholders' Equity

The statement of changes in shareholders' equity is presented in accordance with the IAS, showing the profit (loss) for the period and all changes generated from transactions with shareholders.

Statement of Cash Flows

The cash flow statement illustrates the changes in cash and cash equivalents (as presented in the statement of financial position) divided by cash generating area in accordance with the "indirect method", as permitted by IAS 7.

Accounting schedules of transactions with related parties

With reference to the reporting of related-party transactions in the financial statements, balances of a significant amount are specifically indicated, to facilitate understanding of the assets and liabilities, financial position and results of the Company, in the table of section 9 below concerning related party transactions.

3. Accounting principles

3.1 Accounting standards and measurement criteria

IFRS accounting standards, amendments and interpretations adopted since 1 January 2024:

Amendments to IAS 1 "Presentation of Financial Statements: Classification of Liabilities as Current or Non-current"
(published on 23 January 2020)

The purpose of the document is to clarify how to classify short-term and long-term payables and other liabilities. The amendments entered into force on 1 January 2024. The adoption of this amendment had no effect on the financial statements of the Company.

Amendments to IAS 16 "Lease Liability in a Sale and Leaseback"

(published on 22 September 2022)

The purpose of this amendment requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.
The amendments will enter into force on 1 January 2024. The adoption of this amendment had no effect on the financial statements of the Company.

Amendments to IAS 1 "Presentation of Financial Statements: Non-Current Liabilities with Covenants"
(published on 31 October 2022)
The purpose of the document is to clarify how to classify short-term and long-term payables and other liabilities. The amendments will enter into force on 1 January 2024. The adoption of this amendment had no effect on the financial statements of the Company.

Amendments to IAS 12 "Income Taxes: International Tax Reform – Pillar Two Model Rules"

(published on 23 May 2023)

The document introduces a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date. The mandatory temporary exception – the use of which is required to be

disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.
For further details please refer to Note 10 "Deferred tax assets and liabilities".

IFRS standards, amendments and interpretations not yet endorsed by the European Union as at 30 June 2024:

Amendments to IAS 7 "Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements"
(published on 25 May 2023)

The document requires a new disclosure requirement in IFRS Standards to enhance the transparency and, thus, the usefulness of the information provided by entities about supplier finance arrangements. At the moment, the directors are considering the possible impacts of this amendment on the Group consolidated financial statements.

Amendments to IAS 21 "The Effects of Change in Foreign Exchange Rates: Lack of Exchangeability"
(published on 15 August 2023)
The purpose of the document is to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. The amendments will enter into force on 1 January 2025, with early application permitted. At the moment, the directors the possible impacts of this amendment on the Group consolidated financial statements.

Discretionary assessments, significant accounting estimates and key judgements

Estimates and assumptions

In the application of the accounting standards, the Directors have not made decisions based on discretionary evaluations (excluding those which involve estimates) having a significant effect on the values in financial statements.
We present below the key assumptions on the future and other significant sources of uncertainty in the estimates at the reporting date, which could bring about significant changes in the carrying amounts of assets and liabilities within the next financial year.

Deferred tax assets

Deferred tax assets are recognised in compliance with IAS 12, and they include retained tax losses, to the extent that it is likely there will be future tax profits to offset these losses with the returns of the temporary differences absorbed. A significant discretionary valuation is required of the Directors to determine the amount of the deferred tax assets that can be accounted for. They must estimate the probable timing and the amount of future taxable profits as well as a planning strategy for future taxation. The details are provided in note 10.

Bad debts provisions

Bad debts provision has to be estimated on the basis of expected credit losses (ECL) model, as required by IFRS 9 standard. In order to estimate expected losses on receivables a specific and an overall analysis need to be performed at each reporting date.

Fair value

IFRS 13 is the only reference source for fair value measurement and the related disclosures when this measurement is required or permitted by another standard. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This standard replaces and extends the disclosure required about fair value measurement in other standards, including IFRS 7 Financial instruments disclosures.
IFRS 13 establishes a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value in hierarchical order as follows:

• Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
• Level 2 inputs: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
• Level 3 inputs: unobservable inputs for the asset or liability.

With the exclusion of the Bonds for which a fixed rate is applied (please refer to note 15), the entity is not measuring its financial instruments at fair value. However, the fair value of medium- and long-term financial assets and liabilities, taking account of the fact that these are almost exclusively for variable-rate funding and that the terms renegotiated with the banking counterparties are in line with the average levels for the market and the segment – even considering the residual volatility of the markets and the relative uncertainty in identifying "reference" conditions – as measured is not significantly different overall from the carrying amounts.

4 Business segment

The primary business of the Company, is focused on financial consulting services provided to Carraro Group Companies; for this reason there is only one business segment.

4.1 Geographic areas

The activity carried out by Carraro Finance S.A. it is only financial and is located in Luxembourg.
Further information are better report in the management report.

a) Revenues

Carraro Finance operates in different geographical markets: Italy, India, China and Luxembourg. The following tables show the distribution of the Company's revenue based on the location of the customers for the half year ended 30 June 2024.

The breakdown of revenues from Group Companies by main geographic area is shown in the following table.

(amounts in euro)

Geographical Area	30.06.2024	%	30.06.2023	%
Italy	494,219	78.26%	484,335	78.33%
India	74,706	11.82%	75,299	12.18%
China	37,596	5.95%	37,894	6.13%
Luxembourg	25,000	3.96%	20,833	3.37 %
Total	**631,521**	**100.00%**	**618,361**	**100.00%**

5. Non recurring transactions

There are not non-recurring transactions to report.

6. Detailed explanatory notes

Revenues and costs

A) Revenues from sales (note 1)

(amounts in euro)	30.06.2024	30.06.2023
1) PRODUCTS	-	-
2) SERVICES	631,521	618,361
3) OTHER REVENUES	-	-
TOTAL REVENUES FROM SALES	**631,521**	**618,361**

The revenue increased by + 2% (from 618,361 euros as at 30.06.2023 to 631,521 euros as at 30.06.2024) compared with the previous FY as a result of:

- a change in the calculation's scheme of the price applied to transactions with intra-group Companies that increased the financial services charged to the Group Companies.

***B) Operating costs* (note 2)**

(amounts in Euro)	**30.06.2024**	**30.06.2023**
1) PURCHASES OF GOODS AND MATERIALS	**575**	**1,798**
A) EXTERNAL SERVICES FOR PRODUCTION	7,342	5,897
B) SUNDRY SUPPLIES	5,433	3,670
C) GENERAL OVERHEADS	1,076,522	1,023,814
D) COMMERCIAL COSTS	69,415	4,051
E) SALES EXPENSES	-	-
2) SERVICES	**400,845**	**797,315**
3) USE OF THIRD-PARTY GOODS AND SERVICES	**3,700**	**2,100**
A) WAGES AND SALARIES	301,397	311,435
B) SOCIAL SECURITY CONTRIBUTIONS	27,576	25,005
D) EMPLOYEE SEVERANCE INDEMNITY AND PENSIONS	-	-
E) OTHER COSTS	19,174	18,079
4) PERSONNEL COSTS	**348,147**	**354,519**
A) DEPREC. PROP., PLANT & EQUIPMENT	87,488	88,825
B) AMORT. INTANGIBLE ASSETS	50,051	7,964
C) IMPAIRMENT OF FIXED ASSETS	-	-
D) IMPAIRMENT OF RECEIVABLES	-	-
5) AMORTISATION, DEPRECIATION AND IMPAIRMENT OF ASSETS	**137,539**	**96,789**
6) CHANGES IN INVENTORIES	-	-
7) PROVISION FOR RISKS AND OTHER LIABILITIES	-	-
C) OTHER OPERATING EXPENSES	146,230	213,468
D) OTHER NON-ORDINARY OPERATING INCOME/EXPENSES	-	-
8) OTHER INCOME AND EXPENSES	**146,230**	**92,283**
TOTAL OPERATING COSTS	**1,037,036**	**1,344,804**

The operating costs have decreased compared with 30.06.2023 mainly due to:

- a decrease of general overheads by +23% from 1,344,804 euros as at 30.06.2023 to 1,037,036 euros as at 30.06.2024 mainly due a decrease of the support by external professional and optimization of the company structure.

***C) Net gains/(losses) on financial assets* (note 3)**

(amounts in euro)	30.06.2024	30.06.2023
10) INCOME/EXPENSES FROM EQUITY INVESTMENTS	**-**	**-**
A) FROM FINANCIAL ASSETS	7,397,922	6,338,302
B) FROM BANK CURRENT ACCOUNTS AND DEPOSITS	2,350,850	1,307,942
C) FROM OTHER THAN THE ABOVE	-	-
D) INCOME OTHER THAN THE ABOVE	529,364	179,911
11) OTHER FINANCIAL INCOME	**10,278,136**	**7,826,155**
A) FROM FINANCIAL LIABILITIES	-8,349,789	-6,614,064
B) FROM BANK CURRENT ACCOUNTS AND DEPOSITS	-	-
C) EXPENSES OTHER THAN THE ABOVE	-1,407,394	-1,479,121
12) FINANCIAL COSTS AND EXPENSES	**-9,757,183**	**-8,093,185**
OTHER NET EXCHANGE RATE DIFFERENCES	-	-
13) NET GAINS/(LOSSES) ON FOREIGN EXCHANGE	**-**	**-**
14) VALUE ADJUSTMENTS OF FINANCIAL ASSETS	**-**	**-**
NET GAINS/(LOSSES) ON FINANCIAL ASSETS	**520,953**	**-267,030**

The other financial income as at 30.06.2024 are mainly related to:

- Interests received from lending activities to intra-group Companies increased by +17% from 6.338 million euros at 30.06.2023 to 7.398 million euros at 30.06.2024 due to an increase of the average utilization of the intra-group facilities and to a change of conditions applied to transactions with intra-group Companies, in compliance with Arm's Length Principle.
- Income on terms deposits increased from 1.3 million euros at 30.06.2023 to 2.4 million euros at 30.06.2024 mainly due at strong negotiation of market condition on time deposit during the first half year 2024.
- Commitment fees on the facilities granted to group entities increased from 0.179 million euros at 30.06.2023 to 0.529 million euros as at 30.06.2024 due to the increase of the lines granted to group entities during the first half year 2024 compared with same period of 2023 and to a change of conditions applied to transactions with intra-group Companies, in compliance with Arm's Length Principle.

The financial costs and expenses are mainly related to:

- Accrued interest on financial instruments issued (ISIN IXS2215041513 and ISIN IT0006756438) for 8.345 million euros that increased by +26% compared to 30.06.2023 (6.614 million euros) and 61,691 euros of interest for the bank loan EIB (of 32 million of euros)
- Fees paid mainly related to the two financial instruments issued that are absorbed along the bond amortization schedule in application of the amortised cost method of accounting for 2.936 million euros and 0.615 million euros to pay to Carraro S.p.A. as guaranty.

Current and deferred income taxes (note 4)

The caption of 46,000 euros is referred to a portion of the reversal for the deferred income tax recorded as at 31 December 2023 for the amount of 600,000 euros.

Property, plant and equipment (note 5)

These items present a net balance of 313,610 euros as at 30.06.2024 compared with 114,045 euros as at 31.12.2023.
The breakdown is as follows:

Items *(amounts in Euro)*	**Land and buildings**	**Other assets**	**Total**
Historical cost	445,608	107,879	553,486
Provisions for amortisation and depreciations	-394,681	-44,761	-439,441
Net as at 31.12.2023	**50,927**	**63,118**	**114,045**
Movements of the period			
Increases	277,790	10,655	288,445
Decreases	-	-1,391	-1,391
Reclassification	-	-	-
Capitalisation	-	-	-
Business unit transfer	-	-	-
Depreciation and amortisation	-74,076	-13,413	-87,489
Net as at 30.06.2024	**254,641**	**58,969**	**313,610**
Made up of:			
Historical cost	277,790	115,441	393,231
Provisions for amortisation and depreciations	-23,149	-56,472	-79,621

As at 30.06.2024, property, plant and equipment are distributed by category as follows:

- Land and buildings (leased assets):23 thousand euros for rights of use (IFRS 16);
- Other assets: vehicles for 56 thousand euros for the rights of use (IFRS 16) and 41 thousand euros for office equipment.

Intangible fixed assets (note 6)

These items present a net balance of 495,245 euros as at 30.06.2024 compared with 537,796 euros as at 31.12.2023.
The breakdown is as follows:

Items *(amounts in Euro)*	Licence and Trademark	Invest.in prog. and deposit	Total
Historical cost	223,469	413,373	636,842
Provision for amortisation and depreciations	-99,046	-	-99,046
Net as at 31.12.2023	**124,423**	**413,373**	**537,796**
Movements of the period			
Increases	420,873	-	420,873
Capitalisation	-	-413,373	-413,373
Depreciation and amortisation	-50,051	-	-50,051
Net as at 30.06.2024	**495,245**	**-**	**495,245**
Made up of:			
Historical cost	644,342	-	644,342
Provisions for amortisation and depreciations	-149,097	-	-149,097

As at 30.06.2024, the intangible assets mainly relate to the accounting software implemented on July 2021 (SW SAP ERP Package ECC licenses, OS licences).
As at 30.06.2024, the investments in progress for 413,373 euros related to the cost sustained in relation to the new project of Payment & Collection Factory and Cash Pooling has been capitalised, as the activity started first half year 2024.

Equity investments in subsidiaries, associates and other investments (note 7)

The Company has no equity investments in subsidiaries.

Financial assets (note 8)

(amounts in Euro)	30.06.2024	31.12.2023
Non-current loan and receivable with related parties	132,000,000	142,000,000
LOANS AND RECEIVABLES	**132,000,000**	**142,000,000**
Other financial assets	168,289	137,819
OTHER FINANCIAL ASSETS	**168,289**	**137,819**
NON-CURRENT FINANCIAL ASSETS	**132,168,289**	**142,137,819**
Current Loans and Receivables with related parties	26,773,529	18,111,571
LOANS AND RECEIVABLES	**26,773.529**	**18,111,571**
Other financial assets	510,216	514,214
OTHER FINANCIAL ASSETS	**510,216**	**514,214**
CURRENT FINANCIAL ASSETS	**27,283,745**	**18,625,785**

Non-current loans and receivables

Non-current related-party loans and receivables refer to the medium/long-term portion (MTL) of receivables due from Carraro S.p.A., Carraro India Pvt Ltd, Carraro International S.E., Carraro Drive Tech Italia S.p.A. and SIAP S.p.A.

AMOUNTS OWED BY AFFILIATED UNDERTAKINGS					
	Credit Lines	CCY	Commitment as of 30.06.2024	Drawdown as of 30.06.2024	Final Maturity Date
Carraro SpA	MTL	EUR	91,000,000	91,000,000	31.12.2025
Carraro Drive Tech SpA	MTL	EUR	31,000,000	31,000,000	31.12.2025
Carraro India Pvt Ltd	MTL	EUR	5,000,000	5,000,000	31.07.2027
Carraro Internat.S.E.	MTL	EUR	5,000,000	5,000,000	31.05.2028
SIAP SpA	MTL	EUR	53,656,638	-	31.12.2028
		EUR	**185,656,638**	**132,000,000**	

Current loans and receivables

Current related party loans and receivables mainly refer to the short-term portion of receivables held vis à vis the Companies Carraro S.p.A., Carraro Drive Tech S.p.A., Carraro International S.E., SIAP S.p.A. for the amount of Eur 17,754,000; and accrued interests on the non-current and current loans granted to affiliated undertakings and of accrued financial services for the aggregate amount of 4,548,682 euros.

AMOUNTS OWED BY AFFILIATED UNDERTAKINGS

	Credit Lines	CCY	Commitment as of 30.06.2024	Drawdown as of 30.06.2024	Final Maturity Date
Carraro SpA	Revolving	EUR	60,000,000	2,520,000	31.12.2024
Carraro Drive Tech SpA	Revolving	EUR	30,000,000	12,050,000	31.12.2024
Carraro International SE	Revolving	EUR	25,000,000	3,184,000	31.12.2024
Siap SpA	Revolving	EUR	5,000,000	-	31.12.2024
		EUR	**120,000,000**	**17,754,000**	

OTHER AMOUNTS OWED BY AFFILIATED UNDERTAKINGS

	CCY	Receivable interests and financial services
Carraro S.p.A.	EUR	2,289,947
Carraro Drive Tech S.p.A.	EUR	1,362,276
Carraro International S.E.	EUR	309,123
Carraro Lux-Tech S.à r.l.	EUR	29,250
Carraro India	EUR	180,898
Carraro China	EUR	37,596
Siap S.p.A.	EUR	339,592
	EUR	**4,548,682**

On January 2024, the Company extended the existing contracts for the above credit lines until 31 December 2024. As a result of the assessment performed, we have determined that the expected credit losses on the balances are not significant and hence, no Expected Credit Loss ("ECL") has been recognized.

Deferred tax assets and liabilities (note 9)

As at 31 December 2023 Euro 600,000 of deferred tax asset was booked using the loss carryover in order to reduce future tax obligations. As at 30 June 2024 the caption is Euro 554,000.

The company holds tax losses carried forward for an amount equal to Euro 8.2 million. Based on the forecasts of taxable income for the next five years, deferred assets of Euro 0.6 million were booked, calculated on tax losses equal to Euro 1.9 million (deferred tax assets not booked equal to Euro 1.4 million upon tax losses carried forward of Euro 6 million).

The Company belongs to a multinational enterprise group that exceeds the annual revenue threshold of Euro 750 million in two of the four previous fiscal years. As a consequence, it falls within the scope of Second Pillar income taxes rules, in accordance with Directive 2022/2523, transposed in Luxembourg by the law of 23 December 2023. For this purpose, the Company received feedback from the ultimate parent entity Carraro S.p.A. regarding the fulfilment, for the Luxembourg jurisdiction, of the so-called "transitional safe harbours" tests, resulting that there are no significant effects deriving from the application of the Second Pillar rules upon the Company. Deferred taxes were not computed based on the tax rates calculated under the Second Pillar rules.

The tax losses carried-forward for which the Company has not recognised a deferred tax as at 30 June 2024 amount to Eur 6 million of which Eur 1.4 million available up the year 2038, Eur 3.85 million available up the year 2039 and Eur 0.8 million available up the year 2040.

Trade receivables and other receivables (note 10)

(amounts in euro)	**30.06.2024**	**31.12.2023**
NON CURRENT TRADE RECEIVABLES	**-**	**-**
Other receivables	87,255	90,635
OTHER NON-CURRENT RECEIVABLES	**87,255**	**90,635**
NON-CURRENT TRADE RECEIVABLES AND OTHER RECEIVABLES	**87,255**	**90,635**
CURRENT TRADE RECEIVABLES	**-**	**-**
Other receivables	24,470	22,369
OTHER CURRENT RECEIVABLES	**24,470**	**22,369**
CURRENT TRADE RECEIVABLES AND OTHER RECEIVABLES	**24,470**	**22,369**

The non-current other receivables are mainly composed by the caution deposits for the rent office.

The other current receivables due from third parties can be broken down as follows:

(amounts in Euro)	**30.06.2024**	**31.12.2023**
VAT credits	-	--
Receivables for current taxes	1,643	3,289
Receivables from employees	-	-41
Other receivables	22,827	19,121
OTHER CURRENT RECEIVABLES FROM THIRD PARTIES	**24,470**	**22,369**

The breakdown of the gross and net value of trade receivables is as follows:

(amounts in Euro)	**30.06.2024**	**31.12.2023**
NET CURRENT TRADE RECEIVABLES FROM THIRD PARTIES	-	-
NET CURRENT TRADE RECEIVABLES FROM RELATED PARTIES	-	-
Other current receivables from third parties	24,470	22,369
Provisions for Depreciation of other Receivables	-	-
NET CURRENT OTHER RECEIVABLES FROM THIRD PARTIES	**24,470**	**22,369**
NET CURRENT OTHER RECEIVABLES FROM RELATED PARTIES	-	-

The breakdown of trade and other receivables by maturity is shown in the following table:

(amounts in euro)	***31.12.2023***				
	PAST DUE		NET YET DUE		
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year	***TOTAL***
Trade Receivable	-	-	-	-	-
Other receivable	-	-	22,369	90,635	**113,004**
TOTAL	**-**	**-**	**22,369**	**90,635**	**113,004**

(amounts in euro)	***30.06.2024***				
	PAST DUE		NET YET DUE		
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year	***TOTAL***
Trade Receivable	-	-	-	-	-
Other receivable	-	-	24,470	87,255	**111,725**
TOTAL	**-**	**-**	**24,470**	**87,255**	**111,725**

As a result of the assessment performed, we have determined that the expected credit losses on the balances are not significant and hence, no Expected Credit Loss ("ECL") has been recognized.

Closing inventory (note 11)

The Company had no closing inventory.

Cash and cash equivalents (note 12)

(amounts in Euro)	**30.06.2024**	**31.12.2023**
Short-term deposits	40,000,000	95,000,000
Bank current accounts	105,955,622	50,014,229
TOTAL	**145,955,622**	**145,014,229**

The cash equivalents include bank accounts and short-term time deposits highly liquid. The balance is held with reputable banks with high credit rating.

Shareholders' equity (note 13)

(amounts in Euro)	30.06.2024	31.12.2023
1) Share Capital	3,770,000	3,770,000
2) Other Reserves	-	-
3) Profits/(Losses) brought forward	- 525,415	587,789
4) Profit/(Loss) for the period	69,438	-1,113,204
SHAREHOLDERS' EQUITY	**3,314,023**	**3,244,585**

Share capital

The share Capital was increased from its current amount of Eur 770 thousand to the amount of Eur 3,770 thousand fully paid up, consisting of 37,700 shares with a nominal value of 100 Eur each. The Shareholder Carraro International S.E. didn't want to participate at this increase and the subscription of the new shares was made only by Carraro S.p.A. changing the ownership of the Company as follow: Carraro International S.E. owns 14.46% and Carraro S.p.A. owns 85.54%.

Other reserves

For details of the item "other reserves", please refer to the following table:

Nature/description *(amounts in Euro)*	**30.06.2024**	**31.12.2023**
Share premium reserve	-	-
Other reserves	**-**	**-**

Financial liabilities (note 14)

The classification of financial liabilities as at 30.06.2024 is shown below.

(amounts in Euro)	30.06.2024	31.12.2023
NON-CURRENT BONDS	266,757,670	266,319,169
LOAN MEDIUM/LONG TERM	28,738,309	31,929,537
MEDIUM/LONG-TERM LEASE PAYABLES - IFRS16	122,118	9,191
NON-CURRENT FINANCIAL LIABILITIES	**295,618,096**	**298,257,897**
FINANCIAL PAYABLE	3,848,236	1,533,245
WITH RELATED PARTIES	615,717	1,533,245
LEASE PAYABLES FROM RIGHTS OF USE - IFRS16	149,752	66,802
CURRENT FINANCIAL LIABILITIES	**3,997,988**	**1,600,047**
OTHER CURRENT FINANCIAL LIABILITIES	**2,935,764**	**2,969,319**
CURRENT FINANCIAL LIABILITIES	**6,933,752**	**4,569,366**

As at 30 June 2024 the Company's has respected the financial parameters (covenants) provided by financial agreements and bonds.

Non-current financial liabilities

The non-current bond is represented by the two Bonds issued: (i) 120,000,000 euros 7,75 percent. Senior Unsecured Notes due 6.11.2028 and guaranteed by Carraro S.p.A. (ISIN: IT0006756438) (the "Bond 2023"); and (ii) 150,000,000 euros 3.75 percent. Senior Unsecured Notes due 25 September 2026 and guaranteed by Carraro S.p.A. (ISIN

XS2215041513) (the "Bond 2020" and, together with Bond 2023, the "Bonds"). The new name of the 2020 Bond is "Carraro Fin Tf 3,75% St26 Call Eur" and the name of the Bond 2023 is "CARRIM 7 3/4 11/06/28".

The financial instruments are currently listed on the Luxembourg stock exchange and in Italy on the Mercato Telematico delle Obbligazioni di Borsa Italiana (MOT) and the member state is Luxembourg.

The amortised cost method has been utilized for bonds' evaluation.

As at 30 June 2024, the effect of the amortised cost on these Bonds was as follows:

- ISIN XS2215041513 150 million euros: 1.209 million euros
- ISIN: IT0006756438 120 million euros: 2.033 million euros

As required by paragraph 25 of the IFRS 7 accounting standard, the following table shows the fair value of the two aforementioned bonds compared with the respective book value:

(amounts in Euro)	**Notional**	**Amortised cost 30.06.2024**	**Carrying amount 30.06.2024**	**Fair Value (level 1) 30.06.2024**
BOND 2020-2026 3.75%	150,000,000	-1,209,614	148,790,386	148,320,000
BOND 2023-2028 7.75%	120,000,000	-2,032,716	117,967,284	127,164,000
Total	**270,000,000**	**-3,242,330**	**266,757,670**	**279,075,000**

The long medium loan of 3,830,091 euros is mainly represented by a bank loan, granted to Carraro Finance S.A. and guaranteed by Carraro S.p.A., called "Carraro Group R&D and Digitalisation II" received by EIB (European Investment Bank) on December 21, 2022 for the amount of 32,000,000 euros.
Terms and conditions of the reimbursement are ten semi-annual instalments, to be paid in the period between June 2025 (first date of reimbursement) and December 2029 (maturity date).
The interest rate is variable set as Euribor 6 months plus spread.
This loan is valued using the amortised cost method.
As at 30 June 2024, the effect of the amortised cost is as follows:

- Carraro Group R&D and Digitalisation II loan of 32,000,000 euros: 61,691 euros

Current financial liabilities

The caption mainly represents the interests payable for the two bonds issued by the Company for 2,884,809 euros, and the guaranty to pay to Carraro S.p.A. for 615,717 euros. Residual is not commitment fees and IFRS16 transaction.

The **Financial Liabilities** are presented below, divided into short-term portion and medium-term portion.

(amounts in Euro)

up to one year	from 1 to 5 years	more than 5 years	Total 30.06.2024
6,933,752	295,618,097	-	**302,551,849**

The Company has in its disposal revolving credit facility for a total amount of 80 million euros not drawn down at 30 June 2024.

As required by IAS 7 paragraph 44A, disclosures on the changes in financial liabilities are presented below, with indication of cash and non-cash movements:

Financial liabilities

(amounts in Euro)	31.12.2023	Cash Flow Out	Cash Flow In	Other changes	IFRS16 effect	30.06.2024
Gross non-current loans payable	302,075,949	-	-	3,266,758	112,927	298,922,118
Gross current loans payable	1,600,047	-1,521,365	-	3,836,356	82,950	3,997,988
Total loans and lease liabilities	**303,675,996**	**-**	**-**	**569,599**	**195,877**	**302,920,106**
Amortised cost	-3,818,053	-	-	514,032	-	-3,304,021
Other non current financial liabilities	-	-	-	-	-	-
Other current financial liabilities	2.969.319	-2,969,319	-	- 2,935,764	-	2,935,764
Financial liabilities:	**302,827,263**	**-4,490,684**	**-**	**4,019,395**	**195,877**	**302,551,849**

The net financial position is broken down below:

Net financial position *(amounts in Euro)*	**30.06.2024**	**31.12.2023**
Non-current bonds	-266,757,670	-266,319,169
Bonds:	**-266,757,670**	**-266,319,169**
Non-current loans payable	-28,860,427	-31,938,728
Current payable	-3,848,236	-1,533,245
Current loans payable	-149,752	-66,803
Other current financial liabilities	-2,935,764	-2,969,319
Financial liabilities:	**-35,794,179**	**-36,508,094**
Current loans and receivables	26,773,529	18,111,571
Other current financial assets	510,216	514,214
Financial assets:	**27,283,745**	**18,625,785**
Bank current accounts and deposits	145,955,622	145,014,229
Cash and cash equivalents:	**145,955,622**	**145,014,229**
Net financial position*	**-129,312,482**	**-139,187,250**
Non-current loans and receivables	132,000,000	142,000,000
Other non-current financial assets	168,289	137,819
Non-current leases - IFRS 16	122,118	9,191
Current leases - IFRS 16	149,752	66,803
Net financial position of operations**	**3,127,677**	**3,026,562**
of which payables/(receivables):		
- non-current	-163,327,690	-156,110,887
- current	166,455,367	159,137,450

* Net financial debt draw-up in accordance with the framework provided for by Recommendation ESMA 32-382-1138 dated March 4, 2021

** For the description, please refer to “Summary of the period up to 30 June 2024” section.

Trade payables and other payables (note 15)

(amounts in Euro)	30.06.2024	31.12.2023
NON-CURRENT TRADE PAYABLES	-	-
OTHER NON-CURRENT PAYABLES	-	-
TRADE PAYABLES AND OTHER NON-CURRENT PAYABLES	-	-
FROM THIRD PARTIES	360,140	314,981
CURRENT TRADE PAYABLES	**360,140**	**314,981**
FROM RELATED PARTIES	70,000	62,500
FROM THIRD PARTIES	586,224	693,347
OTHER CURRENT PAYABLES	**656,224**	**755,847**
TRADE PAYABLES AND OTHER CURRENT PAYABLES	**1,016,364**	**1,070,828**

Other payables can be analysed as follows:

(amounts in Euro)	30.06.2024	31.12.2023
Amounts due to pensions agencies	20,879	35,575
Amounts due to employees	251,157	381,138
Board of Directors Fees (related parties)	70,000	62,500
Current tax payable	15,112	4,538
VAT payable	299,076	272,096
OTHER CURRENT PAYABLES	**656,224**	**755,847**

Current taxes payables (note 16)

As at 30 June 2024, the Company had no current tax payables.

Employee severance indemnities and retirement benefits (note 17)

The Company had no employee severance indemnities or retirement benefits.

Number of employees

The number of employees shown below is broken down by category:

Employees	31.12.2023	Changes for the period	30.06.2024
Executives	1	-	1
Clerical staff	4	-	4
Total	**5**	**-**	**5**

Provision for risks and liabilities (note 18)

The Company has no provisions for risks and charges.

Credit risks, Liquidity risks and Interest risks (note 19)

Liquidity risks occurs when Company is unable to meet own obligations because do not have sufficient liquid reserves or cash flow generate to meet its financial obligations.

The situations or scenarios represents a low risk for the Company for the following reasons:

- The Company has enough reserve of Cash to meet own obligations;
- The Company invests own cash liquidity in short period in time deposit held by reputable banks with high credit rating;
- No risk of default identified at the Company level.

Credit risks occurs when Debtors (for example Carraro Group Companies) is unable to meet own obligations because do not have sufficient liquid reserves or cash flow generate to meet its financial obligations.

The situations or scenarios represents a low risk for the Company for the following reasons:

- At headquarter Carraro Group is in place a constantly monitoring of performance for each Carraro Group entities and negative results or potential critical Issues are immediately communicated to Carraro Finance S.A. being the treasury center of the Group.
- No risk of default identified at the debtors level.

The interests Risk represent a low risk because the mainly financial asset and liabilities are negotiated with a fix long interest rate.

The residual exposure on short term does not represent a high risk since it is mitigated by average low exposure.

7. Commitments and risks

There are commitments referring the limit on short time facilities granted to Italian entities of the Carraro Group, not used time by time for the aggregate amount of Eur 120 million.

No other risks to be reported.

8. Financial derivatives

As at 30 June 2024 the Company did not hold any financial derivatives.

9. Transactions with related parties

As at 30 June 2024, Carraro Finance S.A. is 14.46% owned by Carraro International S.E. and 85.54% owned by Carraro S.p.A. Carraro S.p.A. is the ultimate controlling entity.

The following tables present information relating to transactions with related parties in accordance with the IAS 24 standard.

REMUNERATION OF THE MEMBERS OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

Person	Office held	Term of office	Annual Remuneration Euros/000
Gomiero Enrico	Chairman	3-year mandate 2024-2026	140
Marusso Sergio	Chief Executive Officer	3-year mandate 2024-2026	40
Morvilli Fabio	Director	3-year mandate 2024-2026	40

TRANSACTIONS OF CARRARO FINANCE S.A. WITH CARRARO GROUP COMPANIES UP TO 30.06.2024

Detail of transactions with related parties

Other related parties:

(amounts in Euro)	Financial receivables	Financial payable
Carraro S.p.A.	93,289,947	615,717
Carraro Drive tech Italia S.p.A.	32,362,276	-
Carraro Driveservice S.r.l.	-	-
Carraro India Ltd.	5,180,898	-
Carraro International S.E.	5,309,123	-
Carraro China Drive System Co. Ltd.	37,596	-
SIAP S.p.A.	29,250	-
Carraro Lux Tech R&D centre S.à r.l.	339,592	-
TOTAL	**136,548,682**	**615,717**

Detail of transactions with related parties

Other related parties:				
(amounts in Euro)	**Financial costs**	**Sales of services**	**Other financial income**	**Purchase of services**
Carraro S.p.A.	-	127,415	4,522,310	-11,880
Carraro Drive tech Italia S.p.A.	-	295,527	1,922,617	-
Carraro Driveservice S.r.l.	-	-	831	-
Carraro India Ltd.	-	74,707	212,674	-
Carraro International S.E.	-	25,017	617,889	-
Carraro China Drive System Co. Ltd.	-	37,596	-	-
SIAP S.p.A.	-	46,259	650,910	-
Carraro R&D Lux Tech S.à r.l.	-	25,00	-	-
TOTAL	**-**	**631,521**	**7,927,285**	**-11,880**

The transactions with related parties fall within the ordinary operations of the Company, relationships of a financial or advisory nature and intended on an arm's length basis and are entered into in the interests of the individual Companies concerned. The other financial income is mainly composed of interest income received on the loans granted to entities of the Carraro Group.
The Company has received by Carraro S.p.A. a guarantee regarding its bonds issued and EIB loan as explained at (Note 15 paragraph Non-current liabilities).

10. Events subsequent to the reporting date

There are no subsequent events to report.

Sergio Marusso
Chief Executive Officer

Directors' statement of responsibilities

1. The Directors of Carraro Finance S.A. hereby certify that the administrative and accounting procedures used to prepare the Interim Financial Statement as at 30 June 2024 are adequate, considering the profile of the Company, and that those procedures have been effectively applied.

2. In this regard no significant aspects emerged which require disclosure.

3. We can also certify that:

3.1 The condensed financial statements:

a) were prepared in conformity with the applicable international accounting standards endorsed by the European Community under the terms of Regulation (EC) No. 1606/2002 of the European Parliament and Council, of 19 July 2002;

b) correspond to the accounting records;

c) give a true and fair view of the assets, liabilities, financial position and profit or loss of the Issuer;

3.2 The interim management report includes a fair review of the development and performance of the business and the position of the Issuer, together with a description of the principal risks and uncertainties that it faces. The report on operations also includes a reliable analysis of significant operations with related parties.

Date: 26 September 2024

Sergio Marusso
Chief Executive Officer