INTERIM FINANCIAL STATEMENT AS AT 30 JUNE 2026

AND REPORT OF THE *RÉVISEUR D'ENTREPRISES AGRÉÉ*

Carraro Finance SA

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CARRARO Finance

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INTERIM MANAGEMENT REPORT AS AT 30 JUNE 2026

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

CARRARO Finance

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AS AT 30.06.2026

(amounts in Euro)	30.06.2026	%	30.06.2025	%	Change 30.06.2026-30.06.2025
REVENUES FROM SALES	**933,552**	**100.00%**	**952,640**	**100.00%**	**-19,088**
Purchases of goods and materials (net of changes in inventories)	-1,900	-0.20%	-2,027	-0.21%	127
Services and Use of third-party goods and services	-460,315	-49.31%	-441,468	-46.34%	-18,847
Personnel costs	-391,501	-41.94%	-395,717	-41.54%	4,216
Amortisation, depreciation and impairment of assets	-140,784	-15.08%	-135,655	-14.24%	-5,129
Other income and expenses	-49,586	-5.31%	-48,315	-5.07%	-1,271
OPERATING COSTS	**-1,044,086**	**-111.84%**	**-1,023,182**	**-107.40%**	**-20,904**
OPERATING LOSS	**-110,534**	**-11.84%**	**-70,542**	**-7.40%**	**-39,992**
Other financial income	10,558,928	1,131.05%	9,828,671	1,031.73%	730,257
Financial costs and expenses	-10,647,869	-1,140.58%	-16,887,349	-1,772.69%	6,239,480
Net gains/(losses) on foreign exchange	-162	-0.02%	-	-	-162
NET FINANCIAL GAINS/(LOSSES)	**-89,103**	**-9.55%**	**-7,058,678**	**-740.96%**	**6,969,575**
PROFIT/(LOSS) BEFORE TAXES	**-199,637**	**-21.39%**	**-7,129,220**	**-748.36%**	**6,929,583**
Current and deferred income taxes	-283,341	-30.35%	-45,720	-4.80%	-237,621
NET PROFIT/(LOSS)	**-482,978**	**-51.74%**	**-7,174,940**	**-753.16%**	**6,691,962**
EBITDA*	**30,250**	**3.24%**	**65,113**	**6.84%**	**-34,863**

* 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 2026" section.

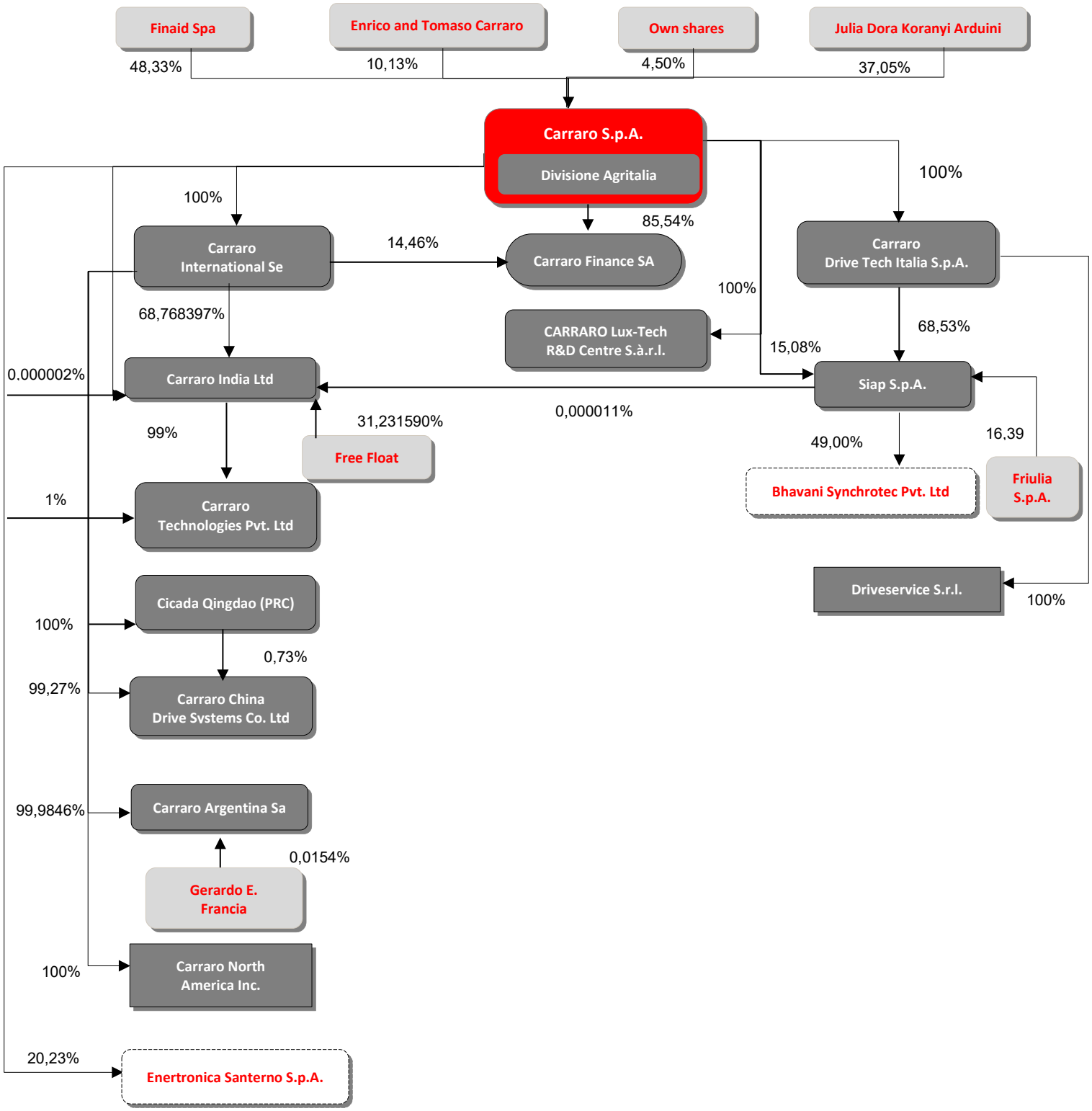
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30.06.2026

(amounts in Euro)	**30.06.2026**	**31.12.2025**
Property, plant and equipment	198,269	80,201
Intangible fixed assets	307,373	359,424
Financial assets	259,100,000	226,125,023
Deferred tax assets	371,489	371,489
Trade receivables and other receivables	86,074	86,338
NON-CURRENT ASSETS	**260,063,205**	**227,022,475**
Trade receivables and other receivables	43,024	24,874
Financial assets	91,845,559	116,484,137
Cash and cash equivalents	124,556,576	64,252,364
CURRENT ASSETS	**216,445,159**	**180,761,375**
TOTAL ASSETS	**476,508,364**	**407,783,850**
Share Capital	3,770,000	3,770,000
Other Reserves	666,646	9,300,000
Profits/(Losses) brought forward	-262,911	-262,911
Profit/loss for the year	-482,978	-8,633,354
SHAREHOLDERS' EQUITY	**3,690,757**	**4,173,735**
Financial liabilities	449,209,965	392,529,086
NON-CURRENT LIABILITIES	**449,209,965**	**392,529,086**
Financial liabilities	22,785,242	10,216,130
Trade payables and other payables	702,128	864,899
Current tax payables	120,272	-
CURRENT LIABILITIES	**23,607,642**	**11,081,029**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**476,508,364**	**407,783,850**

CARRARO Finance

CORPORATE STRUCTURE OF THE CARRARO GROUP

AS AT 30.06.2026



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 specialized tractors, with Headquarters in Italy in Campodarsego (Padua).
As at 30 June 2026 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 the Vehicles Business Area (Agritalia), the Group designs and manufactures specialised tractors (for vineyards and orchards from 60 to 120 HP) for third-party brands, namely Antonio Carraro, Claas, John Deere, Massey Ferguson and Valtra; Agritalia also provides engineering services for the design of innovative tractor ranges.

Corporate Governance Statement of Compliance

The Company is hereby presenting a statement of compliance with the Code of Principles of Good Corporate Governance ("the Principles" or "the Code") for the first half year 2026. Good corporate governance is the responsibility of the Board of Directors ("the Board"), which adopts the Principles and endorses them accordingly.

Principle One: The Board

The Board is composed of two (2) executive directors and one (1) non-executive director. All the Directors, individually and collectively, are of the appropriate caliber with the necessary skills, diversity of knowledge and experience to assist them in providing leadership, integrity and judgement in directing the Company.

Principle Two: Chairman and Chief Executive

The roles of the Chairman and the CEO are kept separate. The Company adopts a structure of division of responsibilities between the running of the Board and the management of the Company's business. The Chairman is responsible to lead and set the agenda of the Board. The Chairman ensures that the Board's members are all actively engaged in discussions and receive precise, timely and objective information so that the Directors can take judicious and rigorous decisions to be able to effectively monitor the performance of the Company. The Chairman is also responsible for communicating with shareholders. During 2026, the position of Chairman was occupied by Mr. Enrico Gomiero.
The CEO takes care of the day-to-day running of the Company's business. During 2026, this position was occupied by Mr. Sergio Marusso.

Principle Three: Composition of the Board

The Board is currently composed of two (2) executive directors and one (1) non-executive independent director. In determining the independence or otherwise of its Directors, the Board has considered, amongst others, the Principles

relating to independence contained in the Code, the Company's own practice as well as general good practice. The appointment of directors to the Board is reserved exclusively to the Company's shareholders.

Principle Four: The Responsibility of the Board

The Board is entrusted with establishing the long-term strategy, objectives and policies of the Company and ensuring that these are pursued within the parameters of the relevant laws and regulations and best business practices. The Board has the first level responsibility of executing the four basic roles of corporate governance namely accountability, monitoring, strategy formulation and policy development. The Board regularly reviews and evaluates corporate strategy, major operational and financial plans, risk policy and the performance of the Company.

Principle Five: Board Meetings

Meetings of the Board are held as frequently as necessary and are notified by the Company Secretary with appropriate notice before the meeting. Each agenda for the forthcoming meeting is accompanied by such papers and documents as are necessary to make directors informed of the issues to be discussed and in particular the decisions they are expected to take. After each Board meeting and before the next, minutes that faithfully record attendance and decisions are circulated to all directors. Mr. Sergio Marusso occupies the position of Company Secretary.

Principle Six: Relations with Shareholder, Market, and Institutional Shareholders

At the Company's Annual General Meeting (AGM), the Board assures that information is communicated to the shareholders in a transparent and accountable manner. The ordinary business at the AGM is to consider the financial statements of the Company, the directors' and auditors' report for the period, to approve any dividend recommendation by the directors, to elect the directors and to appoint the auditors. The Board also considers the Annual Report to be an effective document which, in addition to statutory disclosures, contains detailed information about the Company and its performance.

The Board discharges its obligations under the Memorandum and Articles of Association, legislation, rules and regulations by having in place formal procedures for dealing with potentially price-sensitive information and ensuring the proper conduct of its officers and staff in this regard.

The Company's presence is also on the worldwide web through its website at www.carrarofinance.lu, which contains information and news about the Company, its products, developments and activities.

Principle Seven: Conflict of Interest

The Directors are strongly aware of their responsibility to always act in the interest of the Company and its shareholders, and of their obligation to avoid conflicts of interest, irrespective of whoever appointed them to the Board. In accordance with the provisions of the Articles of Association of the Company, any actual, potential or perceived conflict of interest must be immediately declared by a director to the other members of the Board, who then decides whether such a conflict exists. If the Board perceives such interest to be conflicting with the director's duties, the conflicting director is required to leave the meeting and both the discussion on the matter and the vote, if any, on the matter concerned, are conducted in the absence of the conflicted director. At the next General Meeting, this matter shall be specifically reported to the Company's shareholder.

Summary of the period ending on 30 June 2026

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 that the Net financial position of operations is relevant to the users as it is a metric on the overall debt situation of the Company.

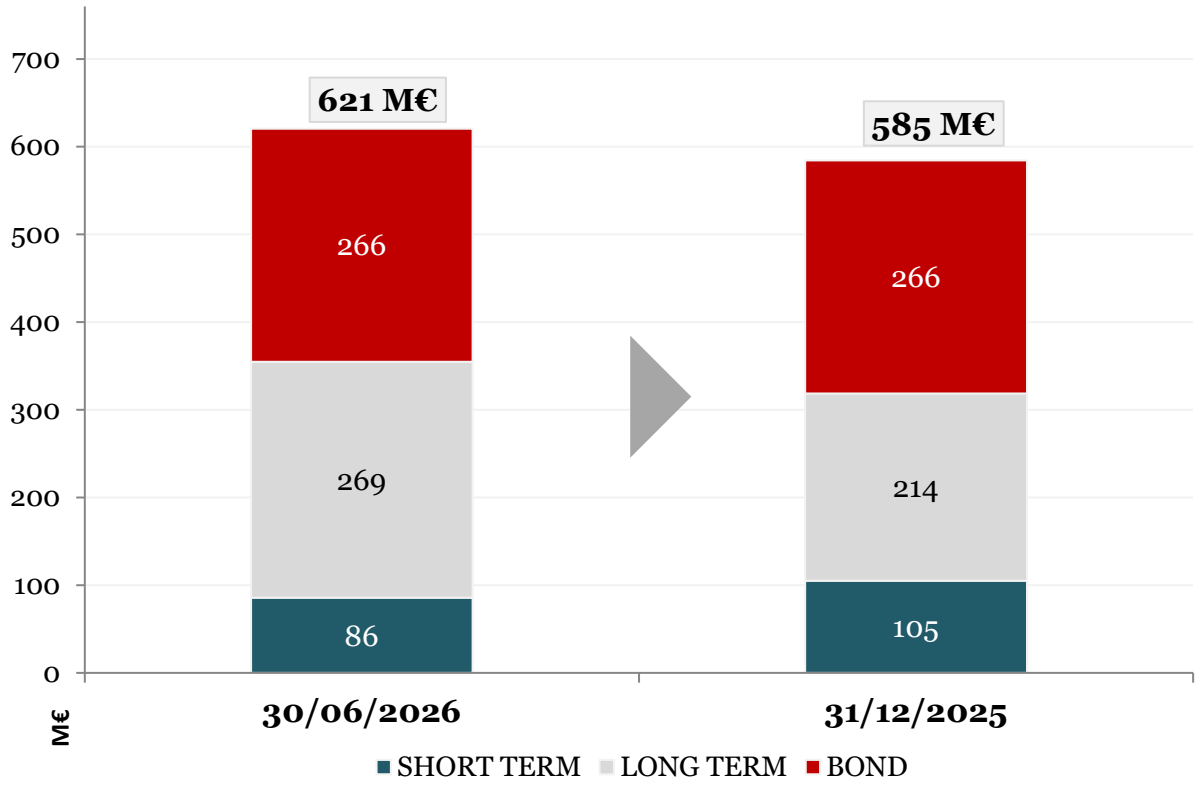
Performance

Carraro Finance S.A. is the treasury center 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 favor and on behalf of whole Consolidated Carraro Group.

CARRARO GROUP - CREDIT LINE GRANTED



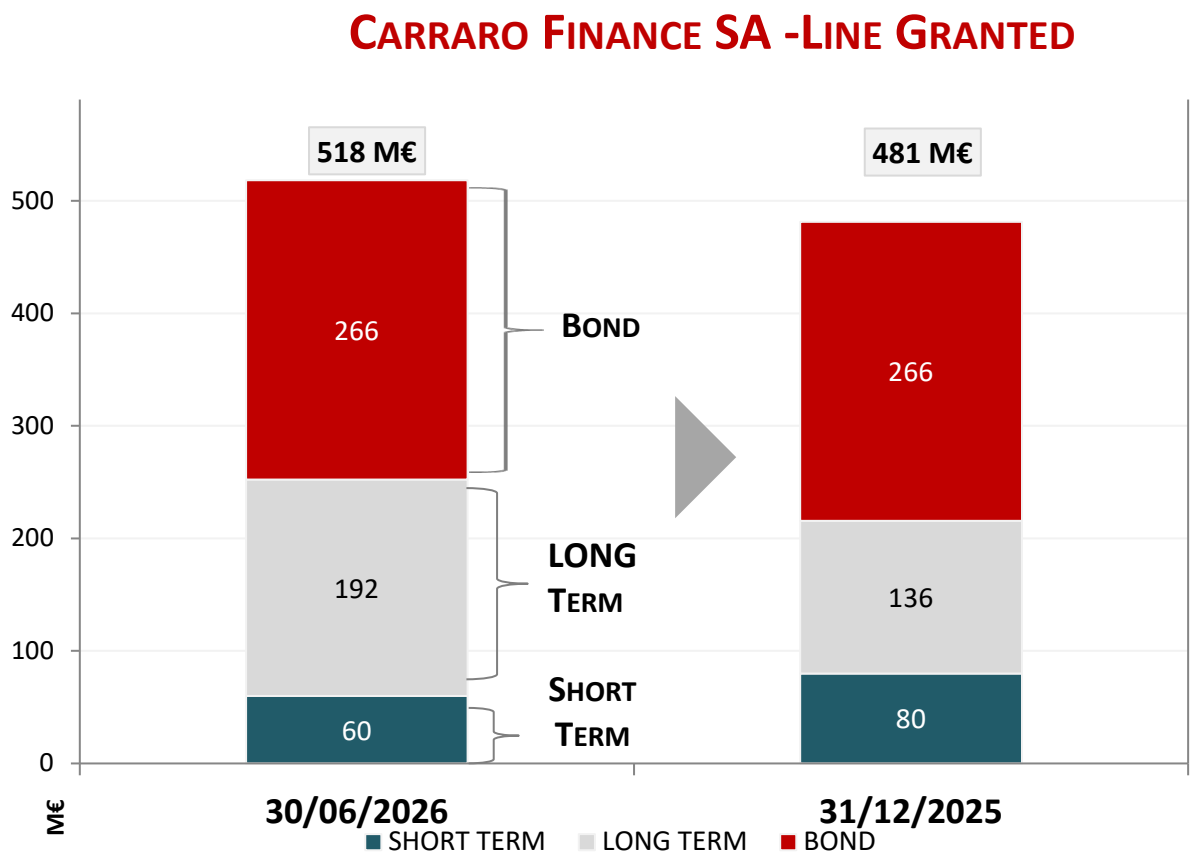
The credit lines granted by third parties at Group level, negotiated directly by Carraro Finance S.A. or through its consulting services, amounted to 621 million euros as of 30 June 2026, of which 266 million euros related to the bond issued in 2025, 324 million euros from financial institutions and 31 million euros related long term loan with EIB (European Investment Bank).

During the first half year 2026, the long term facilities increased by 55 million euros. As at 30 June 2026, the Company did not use any of 60 million euros (RCF).

The funds raised by Carraro Finance S.A. from third parties equal to 518 million euros as at 30 June 2026 grant funding to European Companies belonging to the Group and marginally also to the Indian company.

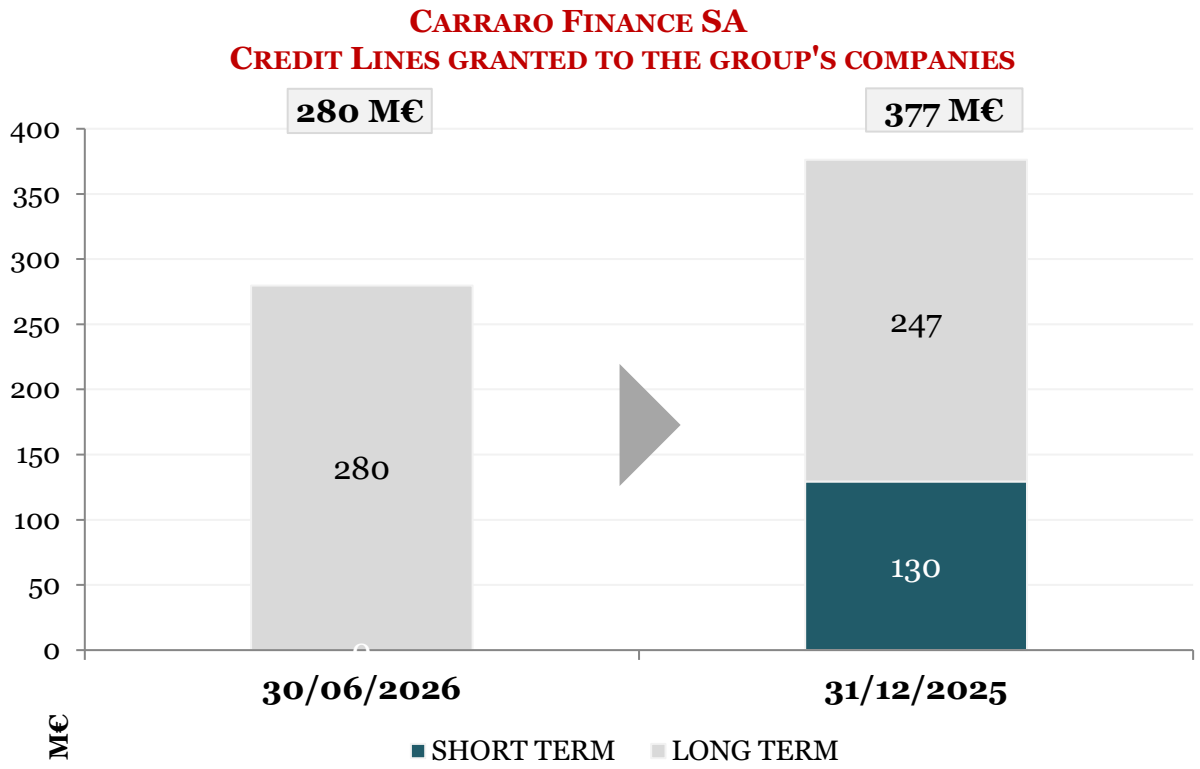
During first half year 2026, the Company obtained new long-term facilities from new lender , Intesa SanPaolo Bank Luxembourg S.A. for a total of 60 million euros, with tenor two years grace period and four years amortizing.

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



The average all-inclusive cost of funding decreased from 4.94% in 2025 to 4.87% , due to Company's renegotiations of the facilities.

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



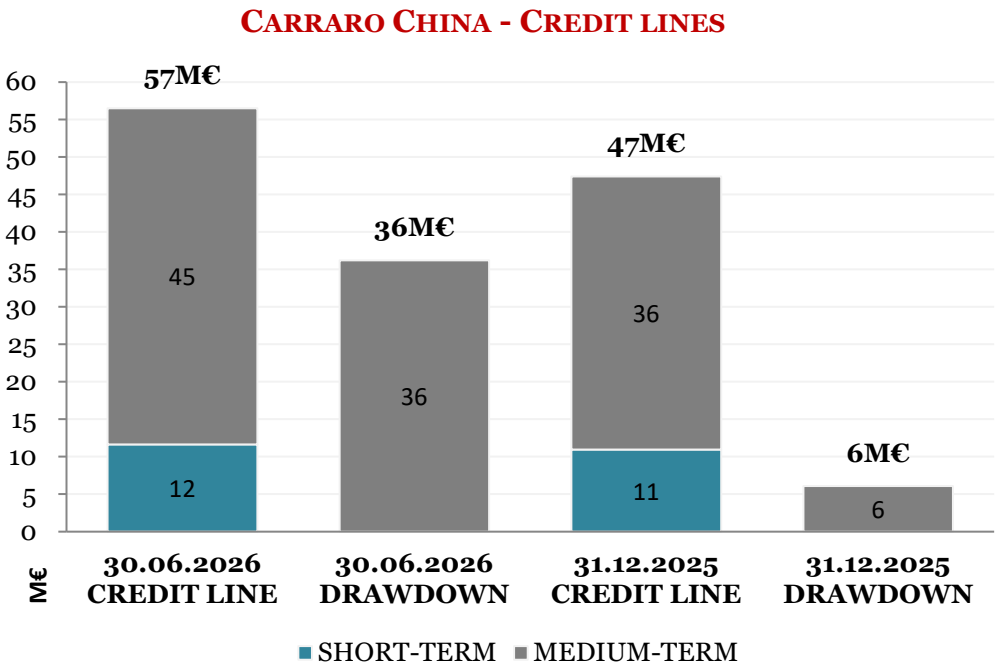
The Credit lines granted to the Group's Companies as at 30 June 2026 of 280 million euros were medium-and long-term, as Company has no short term lines. The nominal amount of loans (the amount drawn to the Group's Companies) is 251 million euros at the end of June 2026. In April 2026, the Company assessed the structure of the intercompany position and received the refund and cancelation of the short-term loans .

The limit of the Credit lines granted during 2026 compared with 2025 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.

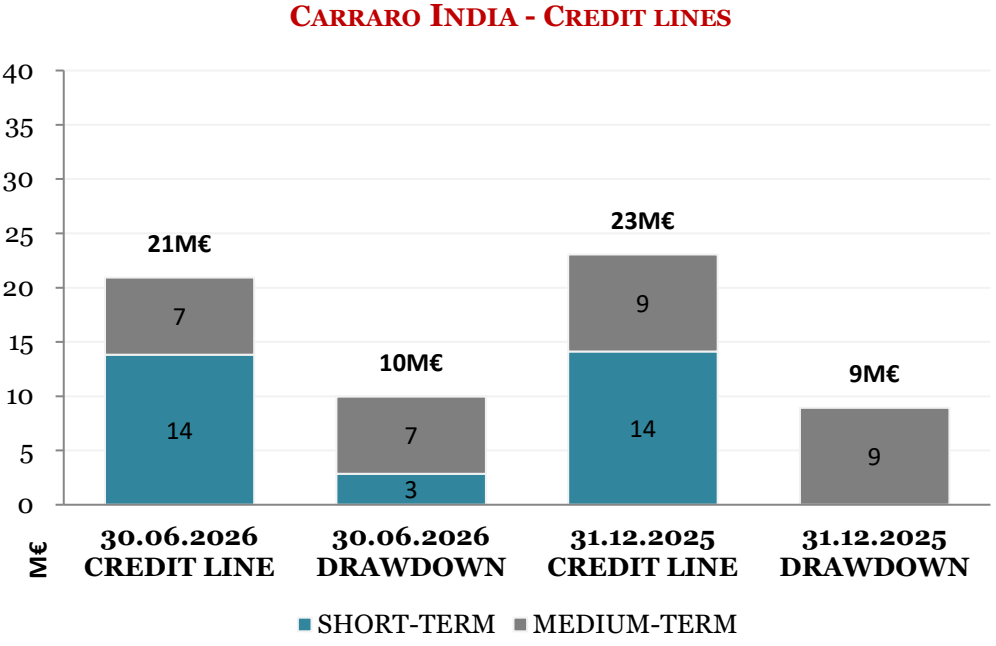
Regarding Asian companies belonging to Group as mentioned before Carraro Finance plays a role of support in negotiating and obtaining of credit lines from local institutions.

The average all-inclusive remuneration of line of credit granted to Intercompany Loans are 6.40% for long term.

As at 30 June 2026, Carraro China had credit lines with local banks for a total of 57 million euros, of which 36 million euros were used.



As at 30 June 2026, Carraro India had credit lines with local banks for a total of 21 million euros, of which 10 million euros were used.



SIGNIFICANT EVENTS DURING THE PERIOD

The strategic support of Carraro Finance S.A. in favor of Carraro Group continued during the first half year 2026, with reference to financial coverage on asset investments and financial service.

During the first half year 2026, Carraro Finance S.A also achieved new financial support from banks with long-term lines of credit to support the working capital requirement. The Company also increased the transactional volume of the payment on behalf of (POBO) and receivables on behalf of (ROBO) reaching to 234 million euros, compared with 182 million euros as at 30.06.2025.

SUBSEQUENT EVENTS

There are no subsequent events to report.

OVERVIEW OF THE COMPANY PERFORMANCE

Net financial position of operations

(amounts in Euro)	30.06.2026	31.12.2025	30.06.2025
Net financial position of operations *	**3,680,383**	**4,164,990**	**-3,471,395**

* for the reconciliation of the Alternative Performance Indicator please refer to the "*Financial Liabilities (note 12)*" section and for its description, please refer to "Summary of the period up to 30 June 2026" section.

Net financial position from operations as at 30 June 2026 was positive for 3.680 million euros, decreased compared to 31 December 2025 (positive 4.165 million euros).

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

(amounts in Euro)	30.06.2026	31.12.2025
Non-current bonds	-264,000,125	-263,799,054
Non-current loans payable	-185,209,840	-128,730,032
Other Financial liabilities	-22,785,242	-10,216,130
Total Financial Gross Debts	**- 471,995,206**	**- 402,745,216**
Non-current loans and receivables	259,100,000	226,100,000
Current loans and receivables	15,883,740	116,326,245
Other financial assets	76,135,274	231,597
Total Financial assets:	**351,119,014**	**342,657,842**
Cash and cash equivalents:	124,556,576	64,252,364
Net financial position of operations *	**3,680,383**	**4,164,990**

Turnover

Carraro Finance S.A. derives its revenues from contracts with Carraro Group Companies for financial consulting services and payment on behalf of (POBO) and receivables on behalf of (ROBO) services.
The Company's turnover decreased by 2% (from 952,640 euros as at 30.06.2025 to 933,552 euros as at 30.06.2026) due a change in the calculation scheme of the price applied to transactions with intra-group Companies.

EBITDA

(amounts in Euro)	30.06.2026	30.06.2025
Operating Profit (Loss)*	**-110,534**	**-70,542**
Amortization tangible assets	88,733	83,604
Amortization intangible assets	52,051	52,051
EBITDA	**30,250**	**65,113**

* For details, please refer to the Income Statement.

EBITDA decreased by 54% from a positive amount of 65,113 euros as at 30.06.2025 to a positive amount of 30,250 euros as at 30.06.2026.

Amortization and depreciation of fixed assets

(amounts in Euro)	30.06.2026	% on Turnover	30.06.2025	% on Turnover	Change %
Amortization and depreciation	**140,784**	**15.08%**	**135,655**	**14.24%**	**3.78%**

Net Financial Gains/(Losses)

(amounts in euro)	30.06.2026	30.06.2025
10) INCOME/EXPENSES FROM EQUITY INVESTMENTS	**-**	**-**
A) FROM FINANCIAL ASSETS	9,331,514	8,482,043
B) FROM BANK CURRENT ACCOUNTS AND DEPOSITS	1,011,747	1,101,485
C) INCOME OTHER THAN THE ABOVE	215,667	245,143
11) OTHER FINANCIAL INCOME	**10,558,928**	**9,828,671**
A) FROM FINANCIAL LIABILITIES	-10,010,352	-12,928,053
B) FROM BANK CURRENT ACCOUNTS AND DEPOSITS	-6	-10
C) EXPENSES OTHER THAN THE ABOVE	-637,511	-3,959,286
12) FINANCIAL COSTS AND EXPENSES	**-10,647,869**	**-16,887,349**
OTHER NET EXCHANGE RATE DIFFERENCES	-162	-
13) NET GAINS/(LOSSES) ON FOREIGN EXCHANGE	**-162**	**-**
NET GAINS/(LOSSES) ON FINANCIAL ASSETS	**-89,103**	**-7,058,678**

The net loss on financial assets and liabilities was driven by the oversize volume of financial debts and their cost of funding and the volume of financial assets with their related remuneration that don't compensate the gap.
This imbalance is due to Carraro Group funding strategy to have more cash available for the future business operations.

Net profit/(loss)

As at 30 June 2026, the Company recorded a loss of 0.4 million euros.

(amounts in Euro)	Up to 30.06.2026	% of turnover	Up to 30.06.2025	% of turnover	Change %
EARNINGS BEFORE TAX	**-199,637**	**-21.38%**	**-7,129,220**	**-748.36%**	**-97.20 %**
Current and deferred income taxes	-283,341	-30.35%	-45,720	-4.80%	519.74%
NET PROFIT/(LOSS)	**-482,978**	**-51.73%**	**-7,174,940**	**-753.16%**	**-93,27%**

The loss is related to unrecoverable withholding taxes , more consultants costs to support the business and the net loss from financial activities.

PERSONNEL

Workforce trend

(Workforce):	30.06.2026	31.12.2025	30.06.2025
Executive	1	1	1
Clerical Staff	5	5	5
Total	**6**	**6**	**6**

KEY RISKS AND UNCERTAINTIES TO WHICH CARRARO FINANCE IS EXPOSED

The main risks identified for Carraro Finance S.A are listed below, those are mainly based on Carraro Group risks considering Carraro Finance main activity is to provide financing to the Carraro Group.

Strategic risks

The company is the treasury entity for the Group

The Company is a treasury centre for the Group and intends to service and repay the Notes out of receivables due from other current and future Group companies under intercompany loans at short, medium and long term, cash pooling activities and centralization of POBO/ROBO (payments on behalf of/receivables on behalf of) ("Centralized Financial and Treasury Activities"), comprising interest and commission payments falling due to the Issuer from those Group companies, as well as repayment of principal. The Issuer's ability to service and repay the Notes therefore depends on the ability of other Group companies to pay in full all amounts due under the Centralized Financial and Treasury Activities extended to them by the Issuer. In the event that any Group subsidiary fails to pay the Issuer any such amounts, the Issuer may not be able to meet its obligations under the Notes when due.

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 generalized and significant increase in the prices of raw materials, enduring uncertainty and volatility of the financial and capital markets, falling interest rates and unfavorable 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 were characterized 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.

The continuation of conflicts in various parts of the world and the tightening of U.S. customs policies have created an atmosphere of instability that has negatively affected the procurement strategies of major global manufacturers of agricultural and earth-moving machinery. Based on the analysis conducted by the Board of Directors, considering the expected income flows according to the most recent forecasts, the type of clients served, and the trend in orders received, no significant uncertainties currently emerge regarding the recoverability of the value of existing assets or the need to allocate specific risk provisions.

Risks associated with protectionist regulations in various countries in terms of customs and embargoes.

The Group is exposed to the risk of protectionist policies in the countries where it operates, which take the form of customs duties. In other cases, the risk may arise from constraints or bans resulting from international agreements that restrict free trade conditions (e.g. embargoes). To deal with all the risks mentioned above, the Group constantly monitors:

- macroeconomic variables, with particular regard to the supply of commodities and final destination of products (agriculture, public works and construction);
- the direction of government decisions that could have effects in sales markets;
- the evolution of protectionist policies;

Through the collection of information and forecasts by its central and local sales and tax offices, in order to take any measures to mitigate potential negative effects.

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 market 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 to the Group's efforts in directing its research and innovation.

The cash flows envisaged for 2026 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 of managing 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.
Changes in interest rates may have positive or negative effects on both the financial outcome and on cash flows.

The Company is not exposed to exchange rate risks because all the main transaction are made in Euro currency. However, if the Company will enter in transactions in currencies other than euro the potential risks which might arise will be managed following the criteria set out 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 regarding fundraising and agreeing on the repayment plans.
Receivables are recognized in the accounts net of any write-downs determined by assessing the counterparty's risk of insolvency based on the information available.

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 favoring 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, organizational structure and related activities aimed at ensuring timely and accurate reporting of financial data:

- An adequate organizational structure that establishes new procedures and sets 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 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 to maximize 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 CONDENSED INTERIM FINANCIAL STATEMENTS

These condensed interim financial statements are drawn up in compliance with the International Accounting Standard IAS 34 on Interim Financial Statements, as adopted by the European Union. Furthermore, these condensed interim 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 branches.

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 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 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 Condensed Interim Financial Statements.

Sergio Marusso
Chief Executive Officer

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

Report on Review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Carraro Finance S.A. as at June 30, 2026, and the related condensed interim statement of profit or loss, 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 six month period then ended and the notes to the condensed interim financial statements, including material accounting policy information and other explanatory information ("the interim financial information"). The Board of Directors is responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standard IAS 34 on 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.

Société à responsabilité limitée au capital de 360.000 €
RCS Luxembourg B 67.895
Autorisation d'établissement 10022179

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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 June 30, 2026 and of the results of its operations for the six month period then ended in accordance with the International Accounting Standard IAS 34 on Interim Financial Statements, as adopted by the European Union.

For Deloitte Audit, *Cabinet de révision agréé*

Marco Crosetto, *Réviseur d'entreprises agréé*
Partner

September 21, 2026

CONDENSED INTERIM FINANCIAL STATEMENTS AS AT 30.06.2026

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 STATEMENT OF PROFIT OR LOSS AS AT 30.06.2026

(amounts in Euro)	NOTES	30.06.2026	30.06.2025
A) REVENUES FROM SALES			
1) Services		933,552	952,640
TOTAL REVENUES FROM SALES	**1**	**933,552**	**952,640**
A bis) of which with related parties		933,552	952,640
B) OPERATING COSTS			
1) Purchases of goods and materials		1,900	2,027
2) Services		455,515	434,743
3) Use of third-party goods and services		4,800	6,725
4) Personnel costs		391,501	395,717
5) Amortisation, depreciation and impairment of assets		140,784	135,655
5.a) depreciation of property, plant and equipment		*88,733*	*83,604*
5.b) amortisation of intangible assets		*52,051*	*52,051*
6) Other income and expenses		49,586	48,315
TOTAL OPERATING COSTS	**2**	**1,044,086**	**1,023,182**
B-bis) of which with related parties		-	-
OPERATING PROFIT/(LOSS)		**-110,534**	**-70,542**
C) GAINS/(LOSSES) ON FINANCIAL INSTRUMENTS			
7) Other financial income		10,558,928	9,828,671
8) Financial costs and expenses		-10,647,869	-16,887,349
9) Net gains/(losses) on foreign exchange		-162	-
NET FINANCIAL GAINS/(LOSSES)	**3**	**-89,103**	**-7,058,678**
C-bis) of which with related parties		*9,297,339*	*8,727,185*
(LOSS)/PROFIT BEFORE TAXES		**-199,637**	**-7,129,220**
10) Current and deferred income taxes	**4**	-283,341	-45,720
NET (LOSS)/PROFIT		**-482,978**	**-7,174,940**

The accompanying notes form an integral part of these condensed interim financial statements.

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

The entity has no components of other comprehensive income in the current period. Total comprehensive loss for the period is 482,978 euros.

The accompanying notes form an integral part of these condensed interim financial statements.

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30.06.2026

(amounts in Euro)	NOTES	30.06.2026	31.12.2025
A) NON-CURRENT ASSETS			
1) Property, plant and equipment	**5**	198,269	80,201
2) Intangible fixed assets	**6**	307,373	359,424
3) Financial assets	**7**	259,100,000	226,125,023
3.1) Loans and receivables with related parties		*259,100,000*	*226,100,000*
3.2) Other financial assets		-	*25,023*
4) Deferred tax assets	**8**	371,489	371,489
5) Trade receivables and other receivables	**9**	86,074	86,338
5.1) Other receivables		*86,074*	*86,338*
TOTAL NON-CURRENT ASSETS		**260,063,205**	**227,022,475**
B) CURRENT ASSETS			
1) Trade receivables and other receivables	**9**	43,024	24,874
1.1) Other receivables		*43,024*	*24,874*
2) Financial assets	**7**	91,845,559	116,484,137
2.1) Loans and receivables		*15,883,740*	116,326,245
2.2) Other financial assets		*75,961,819*	*157,892*
2-bis) of which with related parties		*15,883,740*	*116,326,245*
3) Cash and cash equivalents	**10**	124,556,576	64,252,364
3.1) Bank current accounts and deposits		*124,556,576*	*64,252,364*
TOTAL CURRENT ASSETS		**216,445,159**	**180,761,375**
TOTAL ASSETS		**476,508,364**	**407,783,850**

The accompanying notes form an integral part of these condensed interim financial statements.

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30.06.2026

(amounts in Euro)	NOTES	30.06.2026	31.12.2025
A) SHAREHOLDERS' EQUITY	11		
1) Share Capital		3,770,000	3,770,000
2) Other Reserves		666,646	9,300,000
3) Profits/(Losses) brought forward		-262,911	-262,911
4) Profit/(Loss) for the period		-482,978	-8,633,354
TOTAL SHAREHOLDERS' EQUITY		**3,690,757**	**4,173,735**
B) NON-CURRENT LIABILITIES			
1) Financial liabilities	12	449,209,965	392,529,086
1.1) Bonds		*264,000,125*	*263,799,054*
1.2) Loans and Lease Liability		*185,209,840*	*128,730,032*
TOTAL NON-CURRENT LIABILITIES		**449,209,965**	**392,529,086**
C) CURRENT LIABILITIES			
1) Financial liabilities	12	22,785,242	10,216,130
1.1) Loans and Lease Liability		*19,533,048*	*7,250,759*
1.2) Other		*3,252,194*	*2,965,371*
1-bis) of which with related parties		*12,983,644*	*802,077*
2) Trade payables and other payables	13	702,128	864,899
2.1) Trade payables		*238,539*	*211,396*
2.2) Other payables		*463,589*	*653,503*
2-bis) of which with related parties		*210,000*	*160,000*
3) Current taxes payables	14	120,272	-
TOTAL CURRENT LIABILITIES		**23,607,642**	**11,081,029**
TOTAL LIABILITIES		**472,817,607**	**403,610,115**
TOTAL SHAREHOLDER EQUITY AND LIABILITIES		**476,508,364**	**407,783,850**

The accompanying notes form an integral part of these condensed interim financial statements.

CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(amounts in Euro)	Share Capital	Other Reserves	Profits/(Losses) brought forward	Profit/(Loss) for the year	Total
Opening Balance as at 01.01.2025	**3,770,000**	**-**	**-525,415**	**262,504**	**3,507,089**
Total Comprehensive income for the year				**-7,174,940**	**-7,174,940**
Allocation result 2024	-	-	262,504	-262,504	-
Total transactions with Shareholders and other movements of the period:	**-**	**-**	**262,504**	**-262,504**	**-**
Balance as at 30.06.2025	**3,770,000**	**-**	**-262,911**	**-7,174,940**	**-3,667,851**

(amounts in Euro)	Share Capital	Other Reserves	Profits/(Losses) brought forward	Profit/(Loss) for the year	Total
Opening Balance as at 01.01.2026	**3,770,000**	**9,300,000**	**-262,911**	**-8,633,354**	**4,173,735**
Total Comprehensive income for the year				**-482,978**	**-482,978**
Allocation result 2025	-	-	-8,633,354	8,633,354	-
Loss cover from other reserves	-	-8,633,354	8,633,354	-	-
Total transactions with Shareholders and other movements of the period:	**-**	**-8,633,354**	**-**	**8,633,354**	**-**
Balance as at 30.06.2026	**3,770,000**	**666,646**	**-262,911**	**-482,978**	**3,690,757**

The accompanying notes form an integral part of these condensed interim financial statements.

CONDENSED INTERIM STATEMENT OF CASH FLOWS

(amounts in Euro)	NOTES	30.06.2026	30.06.2025
Profit/(loss) for the year	11	-482,978	-7,174,940
Current and deferred tax for the period	4	283,341	45,720
Profit/(loss) before taxes		***-199,637***	***-7,129,220***
Depreciation of property, plant and equipment	2	88,733	83,604
Amortisation of intangible fixed assets	2	52,051	52,051
Net gains/(losses) on foreign exchange	3	162	-
Financial Income	3	-10,558,928	-9,828,671
Financial cost	3	10,647,869	16,887,349
Cash flows before changes in Net Working Capital		***30,250***	***65,113***
Change in trade payables	13	27,142	-20,743
Change in other receivables/payables	9,13	-172,029	286,957
Income taxes paid		-	-
Interest income received		5,882,787	6,381,997
Interest expenses paid		-9,895,356	-9,321,375
Change in other financial assets		-154,425,267	-4,793,616
Change in other financial liabilities		3,007,374	-2,883,889
Cash flows from operating activities		***-155,545,099***	***-10,285,556***
Investments in property, plant and equipment	5	-206,801	-10,512
Proceed from disposal of property, plant and equipment	5	277,790	-
Change in fixed-term deposits	7	75,000,000	-
Loans and advances granted to related parties	7	-478,873,946	-276,925,296
Repayments of loans by related parties	7	562,852,268	294,618,579
Cash flows from investing activities		***159,049,311***	***17,682,771***
Proceeds from issuance of new bond note	12	-	265,801,000
Repayment of bond note	12	-	-121,681,000
Repayments of loans and borrowings	12	-3,200,000	-3,200,000
Proceeds from loans and borrowings	12	60,000,000	50,000,000
Cash flows from financing activities		***56,800,000***	***190,920,000***
Total cash flows for the period		***60,304,212***	***198,317,215***
Opening cash and cash equivalents		***64,252,364***	***85,118,760***
Closing cash and cash equivalents		***124,556,576***	***283,435,975***

The accompanying notes form an integral part of these condensed interim financial statements.

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 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).

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 Condensed Interim Financial Statements of Carraro Finance S.A. for the period from 1 January 2026 to 30 June 2026, was authorized by Board of Directors resolution dated 21 September 2026.

Reporting criteria and material accounting principles

The interim financial statements of the Company as of 30 June 2026, have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union.

These standards are the same as those used for the Financial Statements as at December 31, 2025, 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 condensed interim financial statements were prepared in compliance with IAS 34 and assuming that the Company is a going concern which assumes the Company will be able to discharge its liabilities as they fall due.

In confirming the validity of the going concern basis of preparation, the Company has considered the following specific factors:

- The Company had an excess of current assets over current liabilities of 192,837,517 euros;
- The Company had positive cash ending at 124,556,576 euros;
- The financial structure of the Company, that includes gross debt and net cash, is monitored on a daily and weekly basis;
- The management prepares an annual budget and longer-term strategic plan, including an assessment of cash flow requirements, and continues to monitor actual performance against budget and plan throughout the reporting period .

Based on these factors, management has a reasonable expectation that the Company has and will have adequate resources to continue in operational existence for the foreseeable future.

2. Form and content of the condensed interim 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, amortization (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 that the Net financial position of operations is relevant to the users as it is a metric on the overall debt situation of the Company.

2.1. Material accounting standards and measurement criteria

Profit or loss

Items on the profit or loss 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 profit or loss, as required or permitted by the IFRS Accounting Standards, as adopted by the EU, 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. The same accounting policies and methods of computation are followed in the condensed interim financial statements as compared with the most recent annual financial statements.

Accounting schedules of transactions with related parties

With reference to the reporting of related-party transactions in the condensed interim 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 7 below concerning related party transactions.

3. Material accounting principles

3.1 Accounting standards and measurement criteria

IFRS accounting standards, amendments and interpretations adopted since 1 January 2026:
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

(published on 15 August 2023)

The document requires an entity to use a consistent methodology for verifying whether one currency can be converted into another and, when this is not possible, how to determine the exchange rate to be used and the disclosures to be made in the notes to the financial statements.
The adoption of this amendment had no effect on the Company's financial statements.

Amendments to the Classification and Measurement of Financial Instruments-Amendments to IFRS 9 and IFRS 7
(published on 30 May 2024)

The paper clarifies a number of problematic issues that emerged from the post implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary when ESG objectives are met (i.e. green bonds). In particular, the amendments aim to:

- clarify the classification of financial assets with variable returns and features linked to environmental, social and corporate governance (ESG) objectives and the criteria to be used for the SPPI test;
- determine that the date of settlement of liabilities through electronic payment systems is the date on which the
- liability is derecognised. However, an entity is permitted to adopt an accounting policy to allow a financial liability to be derecognised before the cash transfer takes place through an electronic payment system and specific conditions are met.

With these amendments, the IASB also introduced additional disclosure requirements with regard to investments in equity instruments designated as FVOCI.
The directors do not expect a significant effect in the Company's financial statements from the adoption of this amendment.

Annual Improvements to IFRS Accounting Standards — Volume 11
(published on 18 July 2024)
The document includes clarifications, simplifications, corrections and changes designed to improve the consistency of various IFRS. The following standards were changed:

- -IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and related guidelines on the implementation of IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash Flows.

The amendments will apply from 1 January 2026, but early application is permitted.
At the moment, the directors are considering the possible impacts of these amendments on the Company's financial statements.

Contracts Referencing Nature-dependent Electricity -Amendment to IFRS 9 and IFRS 7

(published on 18 December 2024)

The purpose of the document is to support entities in reporting the financial effects of agreements for the purchase of power from renewable sources (often structured as Power Purchase Agreements).

Based on these agreements, the amount of electricity generated and purchase may vary based on uncontrollable factors such as the weather conditions.

The IASB has made amendments to IFRS 9 and IFRS 7. The amendments include:

- a clarification concerning the adoption of "own use" requirements to this type of contract;
- -the criteria to allow for the recognition of these contracts as hedging instruments; and,
- new disclosure requirements to enable users of financial statements to understand the effects of these contracts on the financial performance and cash flows of an entity.

The amendment will apply from 1 January 2026, but early application is permitted.

The directors do not expect a significant effect in the Company's financial statements from the adoption of this amendment.

IFRS standards, amendments and interpretations issued by the European Union as at 30 June 2026, but not yet effective

IFRS 18 Presentation and Disclosures in Financial Statements

(issued on 9 April 2024 will replace IAS 1 Presentation of Financial Statements)

The new standard aims to improve the presentation of the main financial statements and introduces important changes regarding the structure of the income statement. In particular, the new standard requires to :

- classify revenues and expenses to be classified into three new categories (operating, investing and financing); in addition to the tax and discontinued operations categories already present in the income statement layout;present two new sub-totals: operating profit and profit before finance income/costs and tax (i.e., EBIT);
- provide disclosure on management-defined performance measures;
- introduce new criteria for the aggregation and disaggregation of information;
- introduce certain amendments to the statement of cash flows, including the requirement to use operating profit as the starting point for presenting the statement of cash flows prepared under the indirect method, and the elimination of some currently existing classification options for certain items (such as interest paid, interest received, dividends paid, and dividends received).

The new standard will apply from 1 January 2027, but early application is permitted.

At the moment, the directors are assessing the potential impact of introducing this new standard on the Company's financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

(published on 4 May 2024)

The new standard introduces some simplifications with respect to the disclosures required by other IAS.

This principle can be applied by an entity that meets the following main criteria:

- it is a subsidiary;
- has not issued equity or debt instruments listed on a market and is not in the process of issuing them;
- has its own parent company that prepares consolidated financial statements in accordance with IFRS.

The new standard will apply from 1 January 2027, but early application is permitted.

This accounting standard is not applicable to the Company as Carraro Finance S.A. is a public interest entity.

Discretionary assessments, significant accounting estimates and key judgements

Estimates and assumptions

In the application of the accounting standards, the Directors are required to make judgements, estimates, and assumptions about the carrying amounts of assets and liabilities. Except for the significant accounting judgements made regarding the classification of financial assets (detailed below), the Directors have not made decisions based on discretionary evaluations having a significant effect on the values in the 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.

Significant accounting judgements: Classification of Issued Bonds

Management has exercised judgement in determining that the entity's issued fixed-rate bonds meet the criteria to be classified and measured at amortised cost under IFRS 9. Under IFRS 9, financial liabilities are measured at amortised cost unless they are designated at Fair Value Through Profit or Loss (FVTPL) to eliminate an accounting mismatch or if they contain embedded derivatives that require separation.

Management has evaluated the terms of the bond issuance and judged that:

- No significant accounting mismatch arises that would warrant a fair value designation.
- The bond does not contain any embedded derivatives or characteristics requiring it to be managed and evaluated on a fair value basis.

Consequently, management concluded that the bonds are appropriately measured at amortised cost. As their fair value differs from this carrying amount, the fair value metrics are disclosed exclusively for informational purposes in Note 12.

Deferred tax assets

Deferred tax assets are recognized 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 8.

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 needs to be performed at each reporting date.

Credit risk

Credit control provides for periodic monitoring of the main economic and financial information relating to the Carraro Group's subsidiaries and associates.

Except in special circumstances to do with country or counterparty risk, guarantees are not normally obtained on credit.

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.

Liquidity risk

The company's liquidity risk is mainly linked to the activation and maintenance of sufficient funding to support industrial operations and Group Companies. The group's overall strategy stays unchanged from 2026.

The raising of funds, consistent with the company's short- and medium-term development plans, is intended to finance both working capital and investments in fixed assets necessary to ensure sufficient and technologically advanced production capacity of subsidiaries. This requirement is directly proportional to the trend in customer orders and the consequent trend in business volumes.
Net financial position is defined as total gross debt after deducting financial assets, cash and cash equivalents, as indicated in Note 12, table "Net Financial Position".

Gearing ratio

(amounts in Euro)	**30.06.2026**	**31.12.2025**
Gross Debts	-471,995,207	-402,745,216
Financial assets:	351,119,014	342,657,842
Cash and cash equivalents:	124,556,576	64,252,364
Net financial position of operations	**3,680,383**	**4,164,990**
Equity	**3,690,757**	**4,173,735**
Net debt to equity ratio	**100%**	**100%**

The cash flows envisaged for 2026 include, besides the trend in working capital and investments, the effects of current liabilities and the short-term portions of medium- and long-term loans reaching maturity.
The company envisages meeting the needs arising from all the above with the flows deriving from operations, from available liquidity and from the availability of the above credit facilities.
The management of liquidity, funding requirements and cash flows are under the direct control and management of the Group Treasury, which operates with the aim of managing the resources available as efficiently as possible.
Lastly, although the company has continued refinancing its debts with the support of its banking counterparties and the financial markets, a situation could arise in which it would have to seek additional financing in less favorable market conditions, with the limited availability of such sources and an increase in financial expenses.
The maturity features of the company's liabilities and financial assets are shown in notes 7 and 12 relating respectively to non-current financial receivables and non-current financial liabilities.

Interest rate risk

The Company is also exposed to interest-rate risk in relation to financial liabilities undertaken for loans for both ordinary operations and investments. Changes in interest rates may have positive or negative effects on both the financial outcome and on cash flows.
The strategy adopted pursues the basic objective of achieving a balance between floating-rate and fixed-rate debt. The fixed-rate debt equals to 58% of the total debt, while the floating-rate to 42% . The interest-rate risk on the floating portion is then reduced via specific hedging operations.

Transactions with related parties

Pursuant to the IAS 24 standard, it should be noted that:

a) intragroup transactions and transactions with related parties during the period gave rise to trade, financial or consulting relations, and were carried out at arm's length conditions, in the financial interest of the individual Companies involved;
b) the interest rates and terms applied (paid and received) in financial relationships between the various Companies are in line with market terms.

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 categorizes 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.

All financial instruments are measured at amortised cost, including bonds; however, its fair value is disclosed separately as it differs from the carrying amount. 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 business of the Company, is focused on financial consulting services (payment on behalf of, collection on behalf of, financial support services, bookkeeping services for Carraro R&D Lux Tech S.à r.l) 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 in Luxembourg. Further information is further disclosed in the management report.

a) Revenues

Carraro Finance provides financing to Carraro Group subsidiaries that 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 2026.

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

(amounts in euro)

Geographical Area	30.06.2026	%	30.06.2025	%
Italy	733,181	78.54%	777,091	81.57%
India	88,802	9.50%	85,956	9.02%
China	61,569	6.60%	39,593	4.16%
Luxembourg	50,000	5.36%	50,000	5.25%
Total	**933,552**	**100.00%**	**952,640**	**100.00%**

5. Non recurring transactions

There are no non-recurring transactions to report.

6. Detailed explanatory notes

Revenues and costs

A) Revenues from sales (note 1)

(amounts in euro)	30.06.2026	30.06.2025
1) PRODUCTS	-	-
2) SERVICES	933,552	952,640
3) OTHER REVENUES	-	-
TOTAL REVENUES FROM SALES	**933,552**	**952,640**

The revenue decreased by 2% (from 952,640 euros as at 30.06.2025 to 933,352 euros as at 30.06.2026) compared with the previous financial period as a result of a change in the calculation scheme of the price applied to transactions with intra-group Companies that decreased the financial services charged to the Group Companies.

B) Operating costs (note 2)

(amounts in Euro)	30.06.2026	30.06.2025
1) PURCHASES OF GOODS AND MATERIALS	**1,900**	**2,027**
A) EXTERNAL SERVICES FOR PRODUCTION	290	720
B) SUNDRY SUPPLIES	1,031	1,028
C) GENERAL OVERHEADS	451,741	430,947
D) COMMERCIAL COSTS	2,453	2,048
E) SALES EXPENSES	-	-
2) SERVICES	**455,515**	**434,743**
3) USE OF THIRD-PARTY GOODS AND SERVICES	**4,800**	**6,725**
A) WAGES AND SALARIES	340,377	353,480
B) SOCIAL SECURITY CONTRIBUTIONS	34,545	27,856
D) EMPLOYEE SEVERANCE INDEMNITY AND PENSIONS	-	-
E) OTHER COSTS	16,579	14,381
4) PERSONNEL COSTS	**391,501**	**395,717**
A) DEPREC. PROP., PLANT & EQUIPMENT	88,733	83,604
B) AMORT. INTANGIBLE ASSETS	52,051	52,051
C) IMPAIRMENT OF FIXED ASSETS	-	-
D) IMPAIRMENT OF RECEIVABLES	-	-
5) AMORTISATION, DEPRECIATION AND IMPAIRMENT OF ASSETS	**140,784**	**135,655**
6) CHANGES IN INVENTORIES	-	-
7) PROVISION FOR RISKS AND OTHER LIABILITIES	-	-
C) OTHER OPERATING EXPENSES	49,586	48,315
D) OTHER NON-ORDINARY OPERATING INCOME/EXPENSES	-	-
8) OTHER INCOME AND EXPENSES	**49,586**	**48,315**
TOTAL OPERATING COSTS	**1,044,086**	**1,023,182**

The operating costs increased by 2% compared with 30.06.2025 from 1,023,182 euros as at 30.06.2025 to 1,044,086 euros as at 30.06.2026 due to higher consultancy fees. The increased professional fees are driven by non-recurring legal and compliance matters, mainly regarding compliance with the European NIS2 cybersecurity directive.

C) Net financial gains/(losses) (note 3)

(amounts in euro)	30.06.2026	30.06.2025
10) INCOME/EXPENSES FROM EQUITY INVESTMENTS	**-**	**-**
A) FROM FINANCIAL ASSETS	9,331,514	8,482,043
B) FROM BANK CURRENT ACCOUNTS AND DEPOSITS	1,011,747	1,101,485
C) FROM OTHER THAN THE ABOVE	-	-
D) INCOME OTHER THAN THE ABOVE	215,667	245,143
11) OTHER FINANCIAL INCOME	**10,558,928**	**9,828,671**
A) FROM FINANCIAL LIABILITIES	-10,010,352	-12,928,053
B) FROM BANK CURRENT ACCOUNTS AND DEPOSITS	-6	-10
C) OTHER EXPENSES	-637,511	-3,959,286
12) FINANCIAL COSTS AND EXPENSES	**-10,647,869**	**-16,887,349**
OTHER NET EXCHANGE RATE DIFFERENCES	-162	-
13) NET GAINS/(LOSSES) ON FOREIGN EXCHANGE	**-162**	**-**
14) VALUE ADJUSTMENTS OF FINANCIAL ASSETS	**-**	**-**
NET FINANCIAL GAINS/(LOSSES)	**-89,103**	**-7,058,678**

The other financial income as at 30.06.2026 is mainly related to:

- Interests received from lending activities to intra-group Companies increased by +9% from 8.482million euros at 30.06.2025 to 9.332 million euros at 30.06.2026 due to an increase in the average utilization of the intra-group facilities.
- Income on terms deposits decreased by 8% from 1.1 million euros at 30.06.2025 to 1 million euros at 30.06.2026 mainly due to a reduction of market condition on time deposit during the first half year 2026.
- Commitment fees on facilities granted to Group entities decreased by 12% from 0.245 million euros at 30.06.2025 to 0.216 million euros as at 30.06.2026. The variance is attributable to changes in the composition of short- and long-term intercompany lending and their remuneration rates.

The financial costs and expenses are mainly related to:

- Accrued interest on financial instrument issued (ISIN IT0006768151) for 6.977 million euros that decreased by 18% compared to 30.06.2025 (8.489 million euros)
- Bank loans interests of 2.984 million euros with different external lenders
- Fees paid mainly related to the financial instrument issued (ISIN IT0006768151) that are absorbed along the bond amortization schedule in application of the amortized cost method of accounting for 0.3 million euros;
- Commitment fees paid on banks revolving credit lines not used for 0.3 million euros and 45 thousand euros to pay to Carraro S.p.A. as guarantee fee.

Current and deferred income taxes (note 4)

The caption of 283,341 euros as at 30.06.2026 and 45,720 euros at as 30.06.2025 is due to the withholding tax on its receivables.

Property, plant and equipment (note 5)

These items present a net balance of 198,269 euros as at 30.06.2026 compared with 80,201 euros as at 31.12.2025.

The breakdown is as follows:

Items *(amounts in Euro)*	**Land and buildings**	**Plant and machinery**	**Industrial equipment**	**Other assets**	**Advance for fixed asset in progress**	**Total**
Historical cost	445,608	-	-	107,878	-	553,486
Increases	277,789	-	-	13,838	-	291,627
Decreases	-	-	-	-1,393	-	-1,393
Provisions for amortisation and depreciations	-538,204	-	-	-72,291	-	-610,495
Net as at 31.12.2024	**185,193**	**-**	**-**	**48,032**	**-**	**233,225**
Movements of the period						
Increases	-	-	-	14,503	-	14,503
Decreases	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-
Capitalisation	-	-	-	-	-	-
Business unit transfer	-	-	-	-	-	-
Depreciation and amortisation	-138,895	-	-	-28,632	-	-167,527
Net as at 31.12.2025	**46,298**	**-**	**-**	**33,903**	**-**	**80,201**
Movements of the period						
Increases	160,517	-	-	46,284	-	206,801
Decreases	-277,790	-	-	-	-	-277,790
Reclassification	-	-	-	-	-	-
Capitalisation	-	-	-	-	-	-
Business unit transfer	-	-	-	-	-	-
Depreciation and amortisation	204,739	-	-	-15,682	-	189,057
Net as at 30.06.2026	**133,764**	**-**	**-**	**64,505**	**-**	**198,269**
Made up of:						
Historical cost	883,914	-	-	182,503	-	1,066,417
Provisions for amortisation and depreciations	-750,150	-	-	-117,998	-	-868,148

As at 30.06.2026, property, plant and equipment are distributed by category as follows:

- Land and buildings (leased assets): 134 thousand euros for rights of use (IFRS 16);
- Other assets: vehicles for 39 thousand euros for the rights of use (IFRS 16) and 26 thousand euros for office equipment.

Intangible fixed assets (note 6)

These items present a net balance of 307,373 euros as at 30.06.2026 compared with 359,424 euros as at 31.12.2025.

The breakdown is as follows:

Items *(amounts in Euro)*	Goodwill	Development cost	Royalties and patents	License and Trademark	Invest.in prog. and deposit	Other intangible assets	Total
Historical cost	-	-	-	223,469	413,373	-	636,842
Increases	-	-	-	440,873	7,500	-	448,373
Capitalisation	-	-	-	-	-420,873	-	-420,873
Depreciation and amortisation	-	-	-	-200,815	-	-	-200,815
Net as at 31.12.2024	**-**	**-**	**-**	**463,527**	**-**	**-**	**463,527**
Movements of the period							
Increases	-	-	-	-	-	-	-
Depreciation and amortisation	-	-	-	-104,103	-	-	-104,103
Net as at 31.12.2025	**-**	**-**	**-**	**359,424**	**-**	**-**	**359,424**
Movements of the period							
Increases	-	-	-	-	-	-	-
Capitalisation	-	-	-	-	-	-	-
Depreciation and amortisation	-	-	-	-52,051	-	-	-52,051
Net as at 30.06.2026	**-**	**-**	**-**	**307,373**	**-**	**-**	**307,373**
Made up of:							
Historical cost	-	-	-	664,342	-	-	664,342
Provisions for amortisation and depreciations	-	-	-	-356,969	-	-	-356,969

As at 30.06.2026, the intangible assets mainly relate to the accounting software implemented on July 2021 (SW SAP ERP Package ECC licenses, OS licenses) and the project of Payment & Collection Factory and Cash Pooling that was capitalized in 2024.

Financial assets (note 7)

(amounts in Euro)	30.06.2026	31.12.2025
Non-current loan and receivable with related parties	259,100,000	226,100,000
LOANS AND RECEIVABLES	**259,100,000**	**226,100,000**
Other financial assets	-	25,023
OTHER FINANCIAL ASSETS	**-**	**25,023**
NON-CURRENT FINANCIAL ASSETS	**259,100,000**	**226,125,023**
Current Loans and Receivables with related parties	15,883,740	116,326,245
LOANS AND RECEIVABLES	**15,883,740**	**116,326,245**
Financial assets at amortised cost	75,000,000	-
Other financial assets	961,819	157,892
OTHER FINANCIAL ASSETS	**75,961,819**	**157,892**
CURRENT FINANCIAL ASSETS	**91,845,559**	**116,484,137**

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 Drive Tech Italia S.p.A. ,Carraro India Pvt Ltd, Carraro International S.E. and SIAP S.p.A.

AMOUNTS OWED BY AFFILIATED UNDERTAKINGS

	Credit Lines	CCY	Commitment as of 30.06.2026	Drawdown as of 30.06.2026	Final Maturity Date
Carraro S.p.A.	MTL	EUR	61,000,000	61,000,000	31.12.2030
Carraro S.p.A.	MTL	EUR	54,000,000	54,000,000	31.12.2030
Carraro S.p.A.	MTL	EUR	37,000,000	37,000,000	31.12.2028
Carraro S.p.A.	MTL	EUR	17,000,000	17,000,000	31.12.2031
SIAP S.p.A.	MTL	EUR	53,656,638	33,100,000	31.12.2028
Carraro Drive Tech S.p.A.	MTL	EUR	31,000,000	31,000,000	31.12.2030
Carraro Drive Tech S.p.A.	MTL	EUR	16,000,000	16,000,000	31.12.2031
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	31.12.2028
		EUR	**279,656,638**	**259,100,000**	

Current loans and receivables

Current related party loans and receivables refers to the accrued interests on the non-current and current loans granted to affiliated undertakings and of accrued financial services for the aggregate amount of 15,883,740 euros as at 30.06.2026 and 116,326,245 euros as at 31.12.2025.

The short-term portion of receivables vis a vis the Companies Carraro S.p.A., Carraro Drive Tech S.p.A., Carraro International S.E., SIAP S.p.A. is zero as at 30.06.2026, compared with 92,274,000 euros as at 31.12.2025.

In January 2026, the Company provisionally extended the existing contracts for the short-term credit lines until 31 December 2026. In April 2026, following a strategic review of Group requirements, the Company assessed its short term intercompany position and subsequently received the full repayment and cancelation of the line of credit.

OTHER AMOUNTS OWED BY AFFILIATED UNDERTAKINGS

	CCY	Receivable interests and financial services
Carraro S.p.A.	EUR	9,975,436
Carraro Drive Tech S.p.A.	EUR	2,064,235
Carraro Driveservice S.r.l.	EUR	485,988
Carraro International S.E.	EUR	912,523
Carraro Lux-Tech S.à r.l.	EUR	117,000
Carraro India Pvt Ltd	EUR	172,560
Carraro China	EUR	61,569
Siap S.p.A.	EUR	2,094,429
	EUR	**15,883,740**

Other financial assets refers to financial assets held to maturity with external banks for time deposits maturing between 90 to 365 days. These time deposits in amount of 75 million euros are placed with high-credit-quality Italian banks.
A 12-month Expected Credit Loss (ECL) allowance has been assessed under Stage 1. Due to the low default risk of the counterparties, the allowance is low/immaterial.
As a result of the assessment performed, the Directors determined that the expected credit losses on the balances are not significant and hence, no Expected Credit Loss ("ECL") has been recognized.
The carrying amount of the financial assets corresponds approximately to their fair value.

Deferred tax assets and liabilities (note 8)

Effective from 01.01.2024, the Carraro Group, as a Multinational Group exceeding the revenue threshold of 750 million euros for two of the four preceding fiscal years, falls within the scope of the OECD Pillar Two income tax rules as provided by Directive 2022/2523, adopted in Luxembourg by Law of December 22, 2023, aimed at ensuring a global minimum tax level for multinational enterprise groups.
The Company Carraro Finance belonging to the Group, therefore, qualifies as a Constituent Entity under the scope of the GloBE Rules (GMT or Pillar 2). In accordance with the international consensus based on OECD guidelines and, more specifically, the provisions of the aforementioned EU Directive 2022/2523, the cited Law of December 22, 2023 stipulates that any additional tax under Pillar Two in Luxembourg is to be collected through the Qualified Domestic Minimum Top-up Tax (QDMTT), applicable to enterprises of a multinational or national group located in the country and subject to low taxation.
Based on known or reasonably estimable information, the Carraro Group's exposure to GMT P2 income taxes as of 30.06.2026 is assumed to be zero for the Luxembourg Jurisdiction, based on the latest available financial data (as of 31.12.2025). Carraro Finance S.A. has no impact.
It is specified that the aforementioned estimate has been made in accordance with the provisions of the OECD Guidelines (so-called GloBE Rules) concerning the so-called "Transitional Safe Harbour". Specifically, the "transitional simplified regimes" have been applied in the jurisdiction by performing the three prescribed tests (i.e., De Minimis, Simplified ETR Test, Routine Profit Test). In light of passing one of the aforementioned tests, in accordance with the Pillar Two regulations, the additional tax due for the relevant period is assumed to be zero, and consequently, it was not necessary to perform detailed calculations for determining the additional tax ("Top-up Tax" or "TuT") ("full compliance").
As at 30 June 2026, 371,489 euros of deferred tax asset was booked using the loss carryover in order to reduce future tax obligations.
The company holds tax losses carried forward as at 30 June 2026 for an amount equal to 11.4 million euros.
Based on the forecasts of taxable income for the next two years, the caption deferred tax assets is 0.37 million euros as at 30 June 2026 calculated on tax losses equal to 1.5 million euros (deferred tax assets not booked equal to Euro 2.5 million upon tax losses carried forward of 9.9 million euros).
The tax losses carried-forward for which the Company has not recognized a deferred tax as at 30 June 2026 amount to 9.9 million euros of which 1.5 million euros available up the year 2038, 3.8 million euros available up the year 2039, 1.3 million euros available up the year 2040, 2.9 million euros available up the year 2042 and 0.4 million euros available up the year 2043.
Accordingly with the interest limitation rule Article 168bis of the LITL limits the deductibility of "exceeding borrowing costs"; as at 30 June 2026, the company holds 5.5 million euros exceeding borrowing costs; the latter are non-deductible in accordance with the interest limitation rules, such non-deductible interest expenses may be carried forward without time limitation and deducted in subsequent tax years. The company has not recorded any deferred tax asset on such interest carry forwards (deferred tax assets not booked equal to Euro 1.4 million).

Trade receivables and other receivables (note 9)

(amounts in euro)	30.06.2026	31.12.2025
NON-CURRENT TRADE RECEIVABLES	-	-
Other receivables	86,074	86,338
OTHER NON-CURRENT RECEIVABLES	**86,074**	**86,338**
NON-CURRENT TRADE RECEIVABLES AND OTHER RECEIVABLES	**86,074**	**86,338**
CURRENT TRADE RECEIVABLES	-	-
Other receivables	43,024	24,874
OTHER CURRENT RECEIVABLES	**43,024**	**24,874**
CURRENT TRADE RECEIVABLES AND OTHER RECEIVABLES	**43,024**	**24,874**

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

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

(amounts in Euro)	30.06.2026	31.12.2025
VAT credits	-	-
Receivables for current taxes	791	-
Receivables from employees	-	-
Other receivables	42,233	24,874
OTHER CURRENT RECEIVABLES FROM THIRD PARTIES	**43,024**	**24,874**

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

(amounts in Euro)	30.06.2026	31.12.2025
NET CURRENT TRADE RECEIVABLES FROM THIRD PARTIES	-	-
NET CURRENT TRADE RECEIVABLES FROM RELATED PARTIES	-	-
Other current receivables from third parties	43,024	24,874
Provisions for impairment of other receivables	-	-
NET CURRENT OTHER RECEIVABLES FROM THIRD PARTIES	**43,024**	**24,874**
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)	***31.12.2025***				
	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	-	-	24,874	86,338	**111,212**
TOTAL	-	-	**24,874**	**86,338**	**111,212**

(amounts in euro)	30.06.2026				
	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	-	-	43,024	86,074	**129,098**
TOTAL	**-**	**-**	**43,024**	**86,074**	**129,098**

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

Cash and cash equivalents (note 10)

(amounts in Euro)	**30.06.2026**	**31.12.2025**
Short-term deposits	81,800,000	8,000,000
Bank current accounts	42,756,576	56,252,364
TOTAL	**124,556,576**	**64,252,364**

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

Shareholders' equity (note 11)

(amounts in Euro)	**30.06.2026**	**31.12.2025**
1) Share Capital	3,770,000	3,770,000
2) Other Reserves	666,646	9,300,000
3) Profits/(Losses) brought forward	-262,911	-262,911
4) Profit/(Loss) for the period	-482,978	-8,633,354
SHAREHOLDERS' EQUITY	**3,690,757**	**4,173,735**

Share capital

The share capital is in amount of 3,770 euros thousand fully paid up, consisting of 37,700 shares with a nominal value of 100 euros each. The ownership of the Company is as follow: Carraro International S.E. owns 14,46% and Carraro S.p.A. owns 85,54%.

Other reserves

On 29th September 2025, a capital contribution agreement was signed between the Company and its shareholders, which stipulates that Carraro S.p.A. and Carraro International S.E. agreed to irrevocably and unconditionally contribute and transfer an amount totalling 9,300,000 euros split as 7,955,220 euros from Carraro S.p.A. and 1,344,780 euros from Carraro International S.E. The capital contributions funds are not considered as loans and no new shares were issued.
At the Annual General Meeting of the Shareholders held on 31st of March 2026, the Meeting resolved to allocate the Other Reserves of the Company recorded in the financial statements of the Company as at December 31, 2025, in the amount of 9,300,000 euros to offset the losses brought forward of 8,633,354 euros of the Company, and the remaining amount of 666,646 euros to be kept as Other reserves.

Financial liabilities (note 12)

The classification of financial liabilities as at 30.06.2026 is shown below.

(amounts in Euro)	**30.06.2026**	**31.12.2025**
NON-CURRENT BONDS	264,000,125	263,799,054
LOAN MEDIUM/LONG TERM	185,185,789	128,730,032
MEDIUM/LONG-TERM LEASE PAYABLES - IFRS16	24,051	-
NON-CURRENT FINANCIAL LIABILITIES	**449,209,965**	**392,529,086**
FINANCIAL PAYABLE	19,383,644	7,202,077
WITH THIRD PARTIES	*6,400,000*	*6,400,000*
WITH RELATED PARTIES	*12,983,644*	*802,077*
LEASE PAYABLES FROM RIGHTS OF USE - IFRS16	149,404	48,682
CURRENT FINANCIAL LIABILITIES	**19,533,048**	**7,250,759**
OTHER CURRENT FINANCIAL LIABILITIES	**3,252,194**	**2,965,371**
CURRENT FINANCIAL LIABILITIES	**22,785,242**	**10,216,130**

As at 30 June 2026 the Company has complied with the financial covenants provided by financial agreements (covenant of Consolidated Net Leverage Ratio below 3.5, calculated as net consolidated financial position of operations divided by EBITDA adjusted) provided by financial agreements and bonds.
The carrying amount of the financial liabilities, except the Bond, corresponds approximately to their fair value.
The Bond is measured at amortized cost. However, the fair value of this Bond is disclosed because it differs from the carrying amount.

Non-current financial liabilities

The non-current bond is represented by Bond issued: 265,801,000 euros 5.25 percent. Senior Unsecured Notes due 17 April 2030 (ISIN IT0006768151) (the "Bond 2025").

The financial instrument is 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.

As at 30 June 2026, the effect of the amortized cost of this Bond was 1.801 million euros.
As required by paragraph 25 of the IFRS 7 accounting standard, the following table shows the fair value of the one aforementioned bond compared with the respective book value:

(amounts in Euro)	**Notional**	**Amortized cost 30.06.2026**	**Carrying amount 30.06.2026**	**Fair Value (level 1) 30.06.2026**
BOND 2025-2030 5.25%	265,801,000	-1,800,875	264,000,125	273,137,108
Total	**265,801,000**	**-1,800,875**	**264,000,125**	**273,137,108**

The long medium loan of 185,185,789 euros is mainly represented by:

- MPS (Banca Monte dei Paschi di Siena S.p.A.) on 04 July 2025 for the amount of 60,000,000 euros. Terms and conditions of the reimbursement are eighteen semi-annual instalments, between December 2027 (first date of reimbursement) and March 2032 (maturity date);
- ISP (Intesa SanPaolo Bank Luxembourg S.A.) on 27 May 2026 for the amount of 60,000,000 euros. Terms and conditions of the reimbursement are eighteen semi-annual instalments, between November 2028 (first date of reimbursement) and May 2032 (maturity date);
- BNL (Banca Nazionale del Lavoro S.p.A.) on 11 June 2025 for the amount of 50,000,000 euros. Terms and conditions of the reimbursement are eight semi-annual instalments, between December 2027 (first date of reimbursement) and June 2031 (maturity date);

- EIB (European Investment Bank) and guaranteed by Carraro S.p.A. on 21 December 2021, called "Carraro Group R&D and Digitalisation II" 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 and these loans are valued using the amortized cost method. As at 30 June 2026, the effect of the amortized costs is as follows:

- Banca Monte dei Paschi di Siena loan of 60,000,000 euros: 147,351 euros;
- Intesa SanPaolo Bank loan of 60,000,000 euros:403,567 euros;
- Banca Nazionale del Lavoro loan of 50,000,000 euros: 236,269 euros;
- European Investment Bank Carraro Group R&D and Digitalisation II loan of 32,000,000 euros: 27,025 euros.

Current financial liabilities

The caption mainly represents:

- the cash pooling position with the group companies for 12,938,164 euros;
-the reclassification of the "Carraro Group R&D and Digitalisation II" received by EIB from Long Term to Short Term for 6,400,000 EUR as it is due for payment within 1 year;
- the accrued interests payable for the bond issued by the Company for 2,829,673 euros;
-the accrued interests payable for the loans for 370,729 euros;
- the guarantee fee to be paid to Carraro S.p.A. for 45,480 euros.

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

(amounts in Euro)

up to one year	from 1 to 5 years	more than 5 years	Total 30.06.2026
22,512,855	449,482,352	-	**471,995,207**

The Company has at its disposal revolving credit facility for a total amount of 60 million euros not drawn down at 30 June 2026, as follows:

- 30,000,000 euros from Intesa Sanpaolo Bank Luxembourg S.A.
- 20,000,000 euros from Banque Internationale à Luxembourg S.A.
- 10,000,000 euros from Banca del Fucino S.p.A.

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)	31.12.2025	Cash Flow Out	Cash Flow In	Other changes	IFRS16 effect	30.06.2026
Gross non-current loans payable	291,428,312	-	-	-3,200,000	24,051	288,252,363
Gross current loans payable	110,823,447	-3,200,000	60,000,000	15,381,567	100,723	183,105,737
Total loans and lease liabilities	**402,251,759**	**-3,200,000**	**60,000,000**	**12,181,567**	**124,774**	**471,358,100**
Amortized cost	-2,471,914	-	-	-143,173	-	-2,615,087
Other non-current financial liabilities	-	-	-	-	-	-
Other current financial liabilities	2,965,371	-2,965,371	-	3,252,194	-	3,252,194
Financial liabilities:	**402,745,216**	**-6,165,371**	**60,000,000**	**15,290,588**	**124,774**	**471,995,207**

The net financial position is broken down below:

Net financial position *(amounts in Euro)*	30.06.2026	31.12.2025
Non-current bonds	-264,000,125	-263,799,054
Bonds:	**-264,000,125**	**-263,799,054**
Non-current loans payable	-185,209,840	-128,730,032
Current payable	-19,383,644	-7,202,077
Current loans payable	-149,404	-48,682
Other current financial liabilities	-3,252,194	-2,965,371
Financial liabilities:	**-207,995,082**	**-138,946,162**
Current loans and receivables	15,883,740	116,326,245
Other current financial assets	75,961,819	157,892
Financial assets:	**91,845,559**	**116,484,137**
Bank current accounts and deposits	124,556,576	64,252,364
Cash and cash equivalents:	**124,556,576**	**64,252,364**
Net financial position*	**-255,593,072**	**-222,008,715**
Non-current loans and receivables	259,100,000	226,100,000
Other non-current financial assets	-	25,023
Non-current leases - IFRS 16	24,051	-
Current leases - IFRS 16	149,404	48,682
Net financial position of operations**	**3,680,383**	**4,164,990**
of which payables/(receivables):		
- non-current	-190,085,913	-166,404,063
- current	193,766,296	170,569,053

* 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 2026" section.

Trade payables and other payables (note 13)

(amounts in Euro)	30.06.2026	31.12.2025
NON-CURRENT TRADE PAYABLES	-	-
OTHER NON-CURRENT PAYABLES	-	-
TRADE PAYABLES AND OTHER NON-CURRENT PAYABLES	-	-
FROM THIRD PARTIES	238,539	211,396
CURRENT TRADE PAYABLES	**238,539**	**211,396**
FROM RELATED PARTIES	210,000	160,000
FROM THIRD PARTIES	253,589	493,503
OTHER CURRENT PAYABLES	**463,589**	**653,503**
TRADE PAYABLES AND OTHER CURRENT PAYABLES	**702,128**	**864,899**

Other payables can be analyzed as follows:

(amounts in Euro)	30.06.2026	31.12.2025
Amounts due to pensions agencies	47,972	45,591
Amounts due to employees	175,516	173,356
Board of Directors Fees (related parties)	210,000	160,000
Other tax	4,815	4,024
VAT payable	25,286	270,532
Taxes withheld from employer contribution	-	-
OTHER CURRENT PAYABLES	**463,589**	**653,503**

Current taxes payables (note 14)

As at 30 June 2026, the Company has 120,272 euros withholding tax to pay for its loan interest receivables with SIAP S.p.A and zero euros as at 30 June 2025.

Number of employees (Note 15)

The number of employees (full time employees) shown below is broken down by category:

Employees	30.06.2026	Changes for the period	31.12.2025
Executives	1	-	1
Clerical staff	5	-	5
Total	**6**	**-**	**6**

Credit risks, Liquidity risks and Interest risks (note 16)

Liquidity risks occur when Company is unable to meet own obligations because it does not have sufficient liquid reserves or cash flow generated to meet its financial obligations.

The situations or scenarios represent 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 occur when Debtors (for example Carraro Group Companies) are unable to meet own obligations because they do not have sufficient liquid reserves or cash flow generated to meet their financial obligations.

The situations or scenarios represent 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 debtor's level.

The maximum exposure to credit risk is reflected by the financial assets presented in the condensed interim statement of financial position.

The Company has limited exposure to currency risk because the transactions are mainly performed in Eur. However, if the Company enters in transactions in currencies other than euro the potential risks which might arise will be managed following the criteria set out 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. The interests risk represents a risk because the financial asset is mainly negotiated with a floating rate and long-term liabilities with a fixed interest rate.

The total financial assets exposed to floating interest rate amount to 174,585,622 euros.

A change in the interest rate of 1% results in a change in the total financial assets of 1,745,856 euros.

Commitments and risks (Note 17)

As at 30 June 2026, the Company has no commitments, as there are no short time facilities granted to the entities of the Carraro Group. No other risks to be reported.

Financial derivatives (Note 18)

As at 30 June 2026, the Company did not hold any financial derivatives.

Transactions with related parties (Note 19)

As at 30 June 2026, 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 30.06.2026

Detail of transactions with related parties

Other related parties:

(amounts in Euro)	Nature of the related party	Financial receivables	Financial payable
Carraro S.p.A.	Parent	178,975,436	58,218
Carraro Drive tech Italia S.p.A.	Affiliated	49,064,235	8,194,345
Carraro Driveservice S.r.l.	Affiliated	485,988	1,058
Carraro India Ltd.	Affiliated	5,172,560	-
Carraro International S.E.	Parent	5,912,523	-
Carraro China Drive System Co. Ltd.	Affiliated	61,569	-
SIAP S.p.A.	Affiliated	35,194,429	4,730,023
Carraro Lux Tech R&D centre S.à r.l.	Affiliated	117,000	-
TOTAL		**274,983,740**	**12,983,644**

Detail of transactions with related parties

Other related parties:

(amounts in Euro)	Nature of the related party	Financial costs	Sales of services	Payment on behalf of (POBO) and receivables on behalf of (ROBO) services	Cash Pooling Net income/(cost)	Other financial income
Carraro S.p.A.	Parent	45,480	121,718	76,974	100,920	5,815,488
Carraro Drive tech Italia S.p.A.	Affiliated	-	322,106	77,463	23,858	1,617,978
Carraro Driveservice S.r.l.	Affiliated	-	-	2,089	4,444	-
Carraro India Ltd.	Affiliated	-	88,802	-	-	165,245
Carraro International S.E.	Parent	-	8,497	-	-	541,398
Carraro China Drive System Co. Ltd.	Affiliated	-	61,569	-	-	-
Carraro R&D Lux Tech S.à r.l.	Affiliated	-	50,000	-	-	-
SIAP S.p.A.	Affiliated	-	69,932	54,401	26,431	1,202,710
TOTAL		**45,480**	**722,624**	**210,927**	**155,653**	**9,342,819**

The transactions with related parties fall within the ordinary operations of the Company, relationships of a financial or advisory nature and services provided for the in-house banking system based on payment on behalf of (POBO) and receivables on behalf of (ROBO). These transactions are 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 and of the interest received for the cash pooling/cash management arrangement.

These transactions terms and conditions are done by a transfer price study documentation, are considered unsecured and no guarantee was given or received in relation to them. There are no settlement done and no provision for doubtful debts related to them and recognised in the financial statements.

The Company has received from Carraro S.p.A. a guarantee regarding its bonds issued and EIB loan as explained at (Note 12 paragraph Non-current liabilities).

Events subsequent to the reporting date (Note 20)

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 2026 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 interim 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: 21st September 2026

Sergio Marusso
Chief Executive Officer