

INTERIM FINANCIAL STATEMENT AS AT 30 JUNE 2025
AND REPORT OF THE RÉVISEUR D'ENTREPRISES AGRÉÉ

INTERIM MANAGEMENT REPORT AS AT 30 JUNE 2025

BOARD OF DIRECTORS

In office until approval of the 2026 financial statements

ENRICO GOMIERO

SERGIO MARUSSO

FABIO MORVILLI

Chairman

Chief Executive Officer

Director

INDEPENDENT AUDITORS

Deloitte Audit S.à r.l. Luxembourg

CONDENSED INTERIM STATEMENT OF PROFIT or LOSS AS AT 30.06.2025

(amounts in Euro)	30.06.2025	%	30.06.2024	%	Change 30.06.2025- 30.06.2024
REVENUES FROM SALES	952,640	100.00%	631,521	100.00%	321,119
Purchases of goods and materials (net of changes in inventories)	-2,027	-0.21%	-575	-0.09%	-1,452
Services and Use of third-party goods and services	-441,468	-46.34%	-404,545	-64.06%	-36,923
Personnel costs	-395,717	-41.54%	-348,147	-55.13%	-47,570
Amortisation, depreciation and impairment of assets	-135,655	-14.24%	-137,539	-21.78%	1,884
Provisions for risks	-	-	-	-	-
Other income and expenses	-48,315	-5.07%	-146,230	-23.15%	97,915
Internal construction	-	-	-	-	-
OPERATING COSTS	-1,023,182	-107.40%	-1,037,036	-164.21%	13,854
OPERATING LOSS	-70,542	-7.40%	-405,515	-64.21%	334,974
Income and expenses from equity investments	-	-	-	-	-
Other financial income	9,828,671	1,031.73%	10,278,136	1,627.52%	-449,465
Financial costs and expenses	-16,887,349	-1,772.69%	-9,757,183	-1,545.03%	-7,130,166
Net gains/(losses) on foreign exchange	-	-	-	-	-
Value adjustments of financial assets	-	-	-	-	-
NET FINANCIAL GAINS/(LOSSES)	-7,058,678	-719.36%	520,953	82.49%	-7,579,631
PROFIT/(LOSS) BEFORE TAXES	-7,129,220	-726.77%	115,438	18.28%	-7,244,658
Current and deferred income taxes	-45,720	4.80%	-46,000	7.28%	-280
NET PROFIT/(LOSS)	-7,174,940	-753.16%	69,438	11.00%	-7,244,378
EBITDA*	65,113	6.84%	-267,975	42.43%	333,089

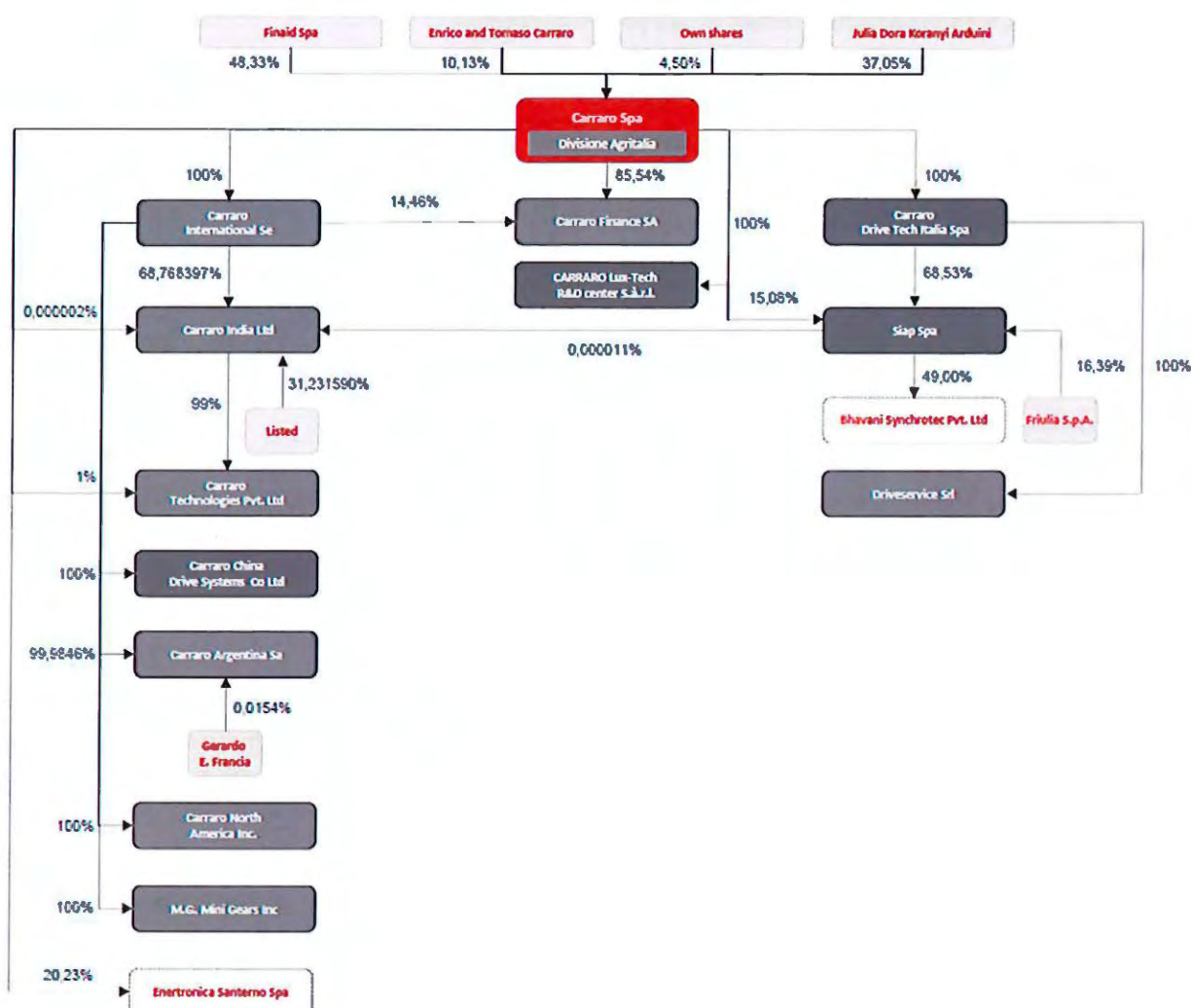
* for the reconciliation of the Alternative Performance Indicator please refer to the "Balance sheet and financial data" section and for its description, please refer to "Summary of the period up to 30 June 2025" section.

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30.06.2025

<i>(amounts in Euro)</i>	30.06.2025	31.12.2024
Property, plant and equipment	160,133	233,225
Intangible fixed assets	411,476	463,527
Financial assets	160,238,310	145,191,834
Deferred tax assets	371,489	371,489
Trade receivables and other receivables	86,628	84,475
NON-CURRENT ASSETS	161,268,036	146,344,550
Trade receivables and other receivables	145,069	48,210
Financial assets	81,102,316	85,015,363
Cash and cash equivalents	283,435,975	85,118,760
CURRENT ASSETS	364,683,360	170,182,333
TOTAL ASSETS	525,951,396	316,526,883
Share Capital	3,770,000	3,770,000
Other Reserves	-262,911	-525,415
Profit/loss for the year	-7,174,940	262,504
SHAREHOLDERS' EQUITY	-3,667,851	3,507,089
Financial liabilities	295,618,097	292,823,925
NON-CURRENT LIABILITIES	335,701,858	292,823,925
Financial liabilities	192,668,300	19,312,006
Trade payables and other payables	1,249,089	883,863
Current tax payables	-	-
Provisions for risks and liabilities	-	-
CURRENT LIABILITIES	193,917,389	20,195,869
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	525,951,396	316,526,883

CORPORATE STRUCTURE OF THE CARRARO GROUP

AS AT 30.06.2025



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 2025 Carraro Finance was 14.46% owned by Carraro International S.E. and 85.54% owned by Carraro S.p.A.

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

– **Drive systems**

Through the Companies belonging to the Drivelines Business area, the Group designs, manufactures and sells transmission systems (axles, transmissions and drives) mainly for agricultural and construction equipment, and also markets a wide range of components and gears for very diverse sectors, from the automotive industry to material handling, agricultural applications and construction equipment.

– **Tractors**

Through Carraro S.p.A.’s Divisione Agritalia, the Group designs and manufactures specialized tractors (for vineyards and orchards from 60 to 100 hp) for third-party brands, namely John Deere, Massey Ferguson and Claas, as well as a specialized “Carraro Tractors” range; 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 year ended 31 December 2024. 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 2025, 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 2024, 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 2025

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

- EBITDA: the sum of operating profit/(loss) of the income statement, amortisation (including any adjustments), depreciation and impairment of fixed assets. The Company's management believes that EBITDA is a useful additional indicator that enables users to evaluate the Company's operating performance.
- Net financial position of operations: Net Debt determined in accordance with the recommendations contained in the ESMA document n. 32-382-1138 dated March 4, 2021, deducted, where applicable, non-current receivables and financial assets, in addition to the effects deriving from the first application of IFRS 16. The Company's management believes the Net financial position of operations is relevant to the enable users as it is a metric on the overall debt situation of a Company.

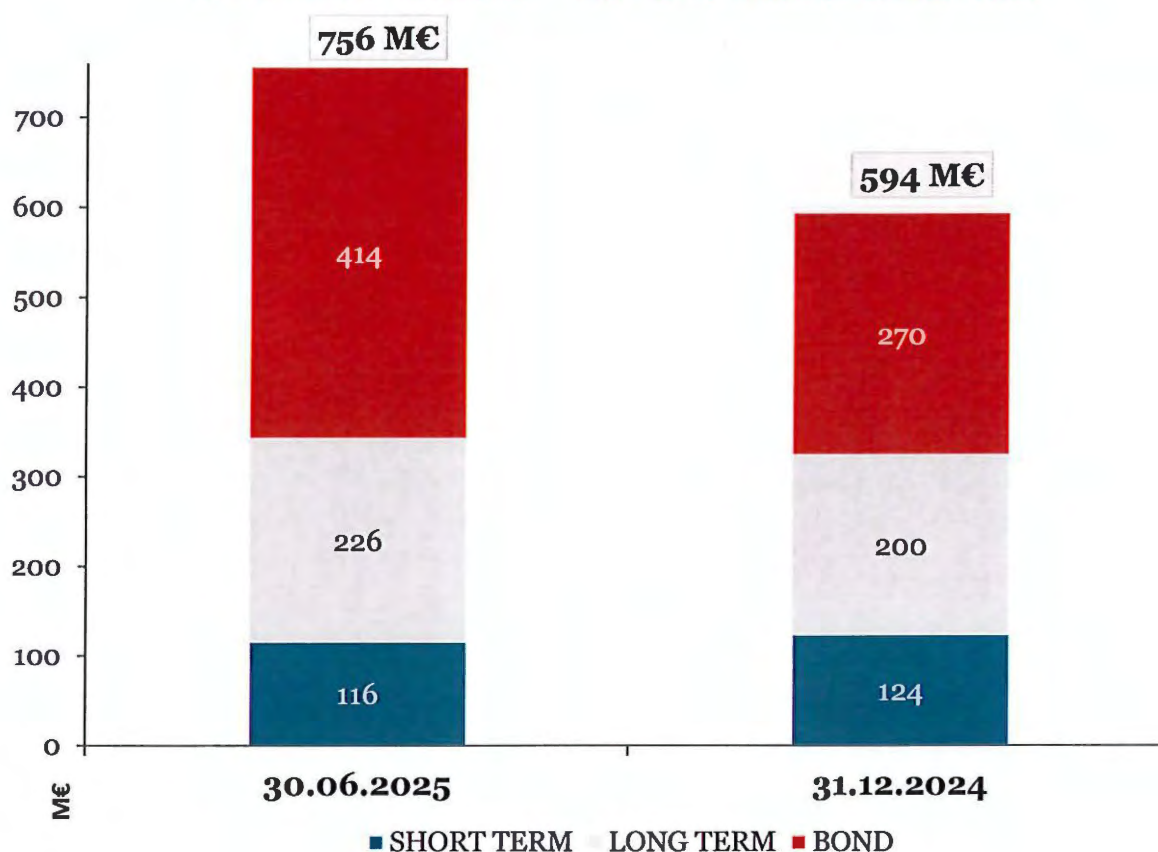
Performance

Carraro Finance S.A. is the treasury 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

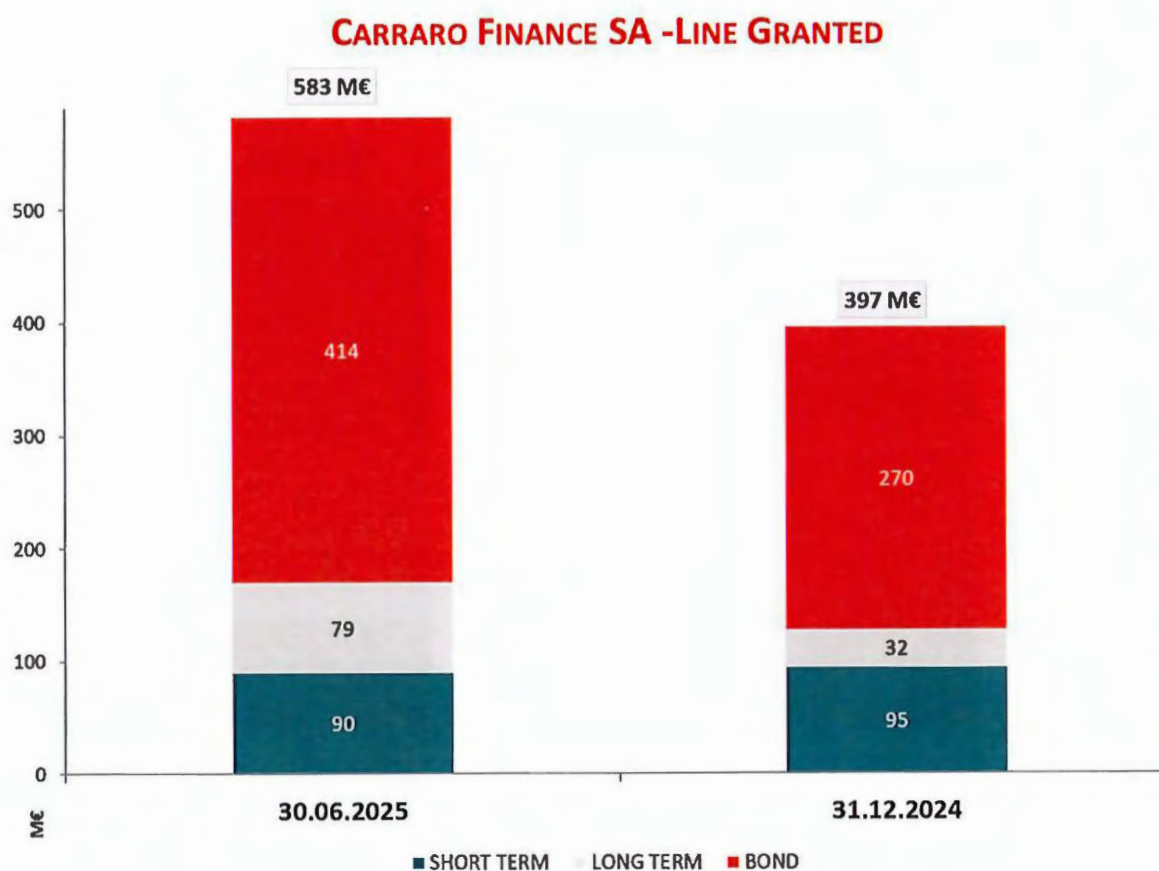


The credit lines granted by third parties at Group level, negotiated directly by Carraro Finance S.A. or through its consulting services, amounted to 756 million euros as of 30 June 2025, of which 414 million euros related to two bonds issued, 45 million euros related long term loan with EIB (European Investment Bank) and 297 million euros from financial institutions.

During the first half year 2025, revolving credit facilities (RCF) have decreased to 90 million euros. As at 30 June 2025, the Company did not use any of 90 million euros (RCF).

The funds raised by Carraro Finance S.A. from third parties equal to 583 million euros as at 30 June 2025 grant funding to European Companies belonging to the Group and marginally also to the Indian one.

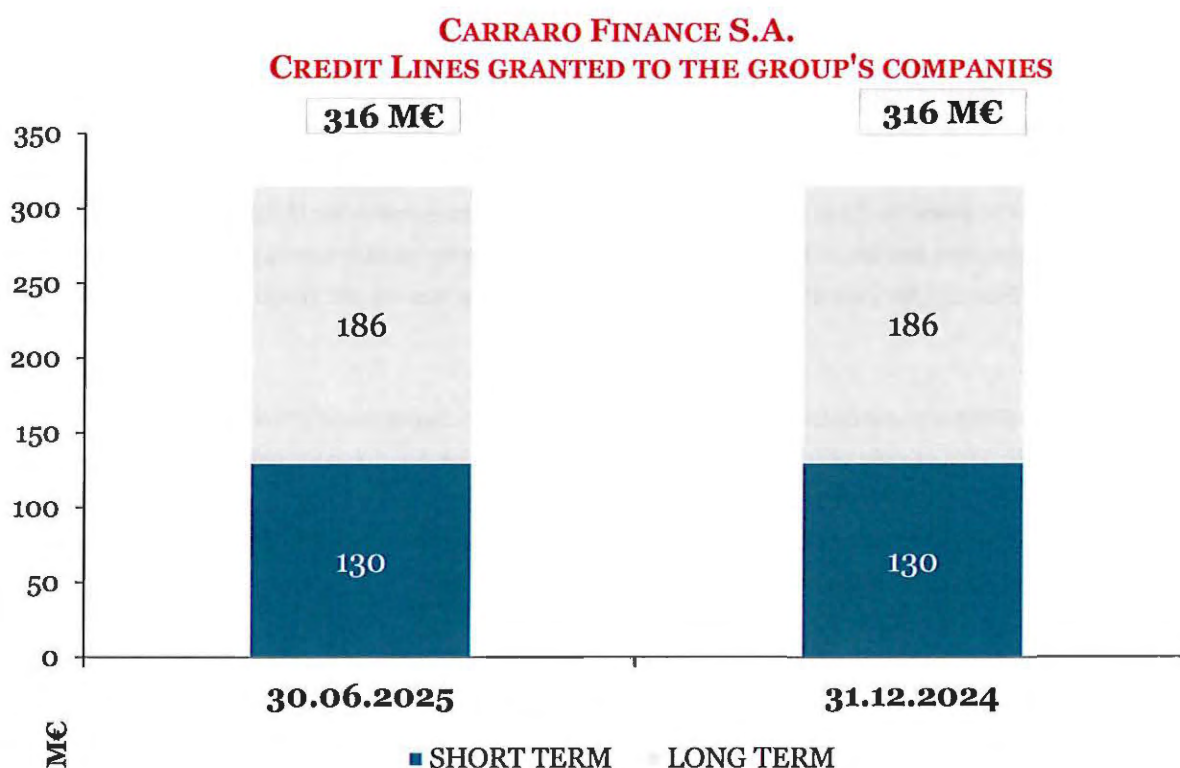
The chart shows the amount of credit facilities available to Carraro Finance S.A. from financial parties:



The average all-inclusive cost of funding during half year 2025 is between 5% and 6% and consider two Bonds, EIB loan and RCF.

The total Bond volume of 414 million euros include the Bond 150 million euros that was early redeem on 4th of August 2025, as detailed in the Subsequent Events section.

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 2025 are equal to 316 million euros, of which 186 million euros were medium-and long-term and 130 million euros was short-term. The nominal amount of loans (the amount drawn to the Group's Companies) is 230 million euros at the end of June 2025.

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

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

These Credit lines granted to the Group's Companies will be reviewed in the next months after the finalization of the Carraro Group Business Plan.

SIGNIFICANT EVENTS DURING THE PERIOD

On 24 March 2025, the Shareholder Meeting authorized the Management of the Company to proceed to a bond issue for a maximum amount of 300,000,000 euros, in the context of the refinancing of the Company.

The Company intended to use the net proceeds from the offering of the Notes towards refinancing existing indebtedness, including the Euro 150,000,000.00 senior unsecured unrated and non-convertible bond, due September 2026 and Euro 120,000,000.00 senior unsecured unrated and non-convertible bond, due November 2028.

On 17 April 2025 the Company finalized the issuance of the new senior unsecured note (ISIN: IT0006756438) in the amount of Euro 120,000,000 and on 30 June 2025 a new TAP to increase for another Euro 139,801,000 consolidating in only one Bond for Euro 265,801,000 at a fixed interest rate of 5.25% per annum, the maturity date of the Notes will be 17 April 2030.

On 26 May 2025 the Company communicated to the holders of the Euro 120,000,000 Fixed Rate Senior Unsecured Notes due 2028 (ISIN: IT0006756438) the intention to exercise the option for the early redemption in whole of the Notes pursuant to Condition 7(c) (Redemption at the option of the Issuer).

The Notes were redeemed on 20 June 2025 at the redemption price of 103% of their principal amount outstanding, together with accrued and unpaid interest outstanding to the Redemption Date.

SUBSEQUENT EVENTS

On 4 July 2025 the Company communicated to the holders of the Euro 150,000,000 Fixed Rate Senior Unsecured Notes due 2026 (ISIN: XS2215041513) the intention to exercise the option for the early redemption in whole of the Notes pursuant to Condition 7(c) (Redemption at the option of the Issuer).

The Notes has been redeemed in whole on 4 August 2025 at the redemption price of 100.938 % of their principal amount outstanding, together with accrued and unpaid interest outstanding to the Redemption Date.

OVERVIEW OF THE COMPANY PERFORMANCE

Net financial position of operations

<i>(amounts in Euro)</i>	30.06.2025	31.12.2024	30.06.2024
Net financial position of operations *	-3,471,395	3,388,123	3,127,677

* for the reconciliation of the Alternative Performance Indicator please refer to the “Financial Liabilities (note 15)” section and for its description, please refer to “Summary of the period up to 30 June 2025” section.

Net financial position from operations as at 30 June 2025 was negative for 3.471 million euros, decreased compared to 31 December 2024 (positive 3.388 million euros).

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

<i>(amounts in Euro)</i>	30.06.2025	31.12.2024
Non-current bonds	-263,638,553	-267,227,981
Non-current loans payable	-72,063,305	-25,595,944
Current bonds	-147,017,473	-
Other Financial liabilities	- 45,650,827	-19,312,006
Total Financial Gross Debts	- 528,370,158	- 312,135,931
Non-current loans and receivables	160,100,000	145,100,000
Current loans and receivables	79,226,122	84,594,468
Other financial assets	2,136,666	710,826
Total Financial assets:	241,462,788	230,405,294
Cash and cash equivalents:	283,435,975	85,118,760
Net financial position of operations *	-3,471,395	3,388,123

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 increased by 34% (from 631,521 euros as at 30.06.2024 to 952,640 euros as at 30.06.2025) due to the increase of volume in transactions for payment on behalf of (POBO) and receivables on behalf of (ROBO) services.

EBITDA

<i>(amounts in Euro)</i>	30.06.2025	30.06.2024
Operating Profit (Loss)*	-70,542	-405,515
Amortization tangible assets	83,604	87,489
Amortization intangible assets	52,051	50,051
Depreciation Fixed assets	-	-
EBITDA	65,113	-267,975

* For details, please refer to the Income Statement.

EBITDA increased by 124% from a negative amount of 267,975 euros as at 30.06.2024 to a positive amount of 65,113 euros as at 30.06.2025.

Amortization and depreciation of fixed assets

<i>(amounts in Euro)</i>	30.06.2025	% on Turnover	30.06.2024	% on Turnover	Change %
Amortization and depreciation	135,655	14.24%	137,539	21.78%	1.37%

Net Financial Gains/(Losses)

<i>(amounts in euro)</i>	30.06.2025	30.06.2024
10) INCOME/EXPENSES FROM EQUITY INVESTMENTS	-	-
A) FROM FINANCIAL ASSETS	8,482,043	7,397,922
B) FROM BANK CURRENT ACCOUNTS AND DEPOSITS	1,101,485	2,350,850
C) FROM OTHER THAN THE ABOVE	-	-
D) INCOME OTHER THAN THE ABOVE	245,143	529,364
11) OTHER FINANCIAL INCOME	9,828,671	10,278,136
A) FROM FINANCIAL LIABILITIES	-12,928,053	-8,349,789
B) FROM BANK CURRENT ACCOUNTS AND DEPOSITS	-10	-
C) EXPENSES OTHER THAN THE ABOVE	-3,959,286	-1,407,394
12) FINANCIAL COSTS AND EXPENSES	-16,887,349	-9,757,183
OTHER NET EXCHANGE RATE DIFFERENCES	-	-
13) NET GAINS/(LOSSES) ON FOREIGN EXCHANGE	-	-
14) VALUE ADJUSTMENTS OF FINANCIAL ASSETS	-	-
NET GAINS/(LOSSES) ON FINANCIAL ASSETS	-7,058,678	520,953

The Company reported a loss on its Net Financial Assets and Liabilities mainly due to the early redemption premium of the Bond 2023-2028 (ISIN: IT0006756438), its residual amount of the amortized and interest costs and charges for the future early closure of a pre-existing bond of 150,000,000 euros settled ahead of its amortization plan.

On 17 April 2025 the Company finalized the issuance of the new senior unsecured note (ISIN: IT0006756438) in the amount of 120,000,000 euros and on 30 June 2025 a new TAP to increase for another 139,801,000 consolidating in only one Bond for 265,801,000 euros at a fixed interest rate of 5,25% per annum, the maturity date of the Notes will be 17 April 2030. The Company has used the net proceeds from the Offering towards refinancing existing indebtedness, including the Euro 150,000,000.00 senior unsecured unrated and non-convertible bond, due September 2026 and Euro 120,000,000.00 senior unsecured unrated and non-convertible bond, due November 2028.

It should be noted that, had the Company not incurred 7.2 million euros in the extraordinary financial costs, the Net Gains/(Losses) would have been positive.

Net profit/(loss)

As at 30 June 2025, the Company recorded a loss of 7.2 million euros.

<i>(amounts in Euro)</i>	Up to 30.06.2025	% of turnover	Up to 30.06.2024	% of turnover	Change %
EARNINGS BEFORE TAX	-7,129,220	-748.36%	115,438	18.28%	-6,275.80%
Current and deferred income taxes	-45,720	-4.80%	-46,000	-7.28%	-0.61%
NET PROFIT/(LOSS)	-7,174,940	-753.16%	69,438	11.00%	-6,276.41%

The loss is mainly related to the early redemption premium of the Bond 2023-2028 (ISIN: IT0006756438) its residual amount of the amortized and interest costs and charges for the future early closure of a pre-existing bond of 150,000,000 euros settled ahead of its amortization plan.

It should be noted that, had the Company not incurred 7.2 million euros in the extraordinary financial costs, the result of the half year ended 30 June 2025 would have been a profit.

PERSONNEL

Workforce trend

<i>(Workforce):</i>	30.06.2025	31.12.2024	30.06.2024
Executive	1	1	1
Clerical Staff	5	5	4
Total	6	6	5

KEY RISKS AND UNCERTAINTIES TO WHICH CARRARO FINANCE IS EXPOSED

The main risks identified for Carraro Finance are listed below.

Strategic risks

Risks associated with the general economic conditions.

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

Significant macro-economic events, such as the evolution of the geopolitical circumstance following the conflict in Ukraine a 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 2024 also include, besides the trend in working capital and operational investment management, the effects of the maturity of current liabilities and the short-term portion of medium-long term loans.

The management of finance, the need to fulfil funding requirements and to guarantee adequate cash flow for the Group, is the responsibility of Carraro Finance, whose objective is to administer the available resources as efficiently as possible. Liquidity management, the funding needs and cash-flow are managed directly by the treasury department of the Group that work with the goal 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. The Company is exposed to low-interest rate risk as described in note 19 to the condensed interim financial statements. Changes in interest rates may have positive or negative effects on both the financial outcome and on cash flows.

The Company is not exposed in such rate risks because all the main transaction are made in Euro currency. However, if transactions other than the Euro occur the Company will mitigate the currency risk with appropriate hedging activities following the criteria set out by the Carraro Group policy.

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 IFRS Accounting Standards, 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 has not any branches.

The company did not use financial instruments other than financial liabilities mainly composed of bank loans and bonds. For further detailed information on the transactions carried out with related parties, reference should be made to the Notes to the Condensed Interim Financial Statements.


 Sergio Marusso
 Chief Executive Office

CONDENSED INTERIM FINANCIAL STATEMENTS AS AT 30.06.2025

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
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CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AS AT 30.06.2025

<i>(amounts in Euro)</i>	NOTES	30.06.2025	30.06.2024
A) REVENUES FROM SALES			
1) Products		-	-
2) Services		952,640	631,521
3) Other revenues		-	-
TOTAL REVENUES FROM SALES	1	952,640	631,521
A bis) of which with related parties		952,640	631,521
B) OPERATING COSTS			
1) Purchases of goods and materials		2,027	575
2) Services		434,743	400,845
3) Use of third-party goods and services		6,725	3,700
4) Personnel costs		395,717	348,147
5) Amortisation, depreciation and impairment of assets		135,655	137,539
5.a) depreciation of property, plant and equipment		83,604	87,488
5.b) amortisation of intangible assets		52,051	50,051
6) Changes in inventories		-	-
7) Provision for risks and other liabilities		-	-
8) Other income and expenses		48,315	146,230
9) Internal Construction		-	-
TOTAL OPERATING COSTS	2	1,023,182	1,037,036
B-bis) of which with related parties		-	-
OPERATING PROFIT/(LOSS)		-70,542	-405,515
C) GAINS/(LOSSES) ON FINANCIAL INSTRUMENTS			
10) Income from equity investments		-	-
11) Other financial income		9,828,671	10,278,136
12) Financial costs and expenses		-16,887,349	-9,757,183
13) Net gains/(losses) on foreign exchange		-	-
14) Value adjustment of financial assets		-	-
NET FINANCIAL GAINS/(LOSSES)	3	-7,058,678	520,953
C-bis) of which with related parties		8,727,185	7,927,285
(LOSS)/PROFIT BEFORE TAXES		-7,129,220	115,438
15) Current and deferred income taxes	4	-45,720	-46,000
NET (LOSS)/PROFIT		-7,174,940	69,438

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 7,174,940 euros.

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

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30.06.2025

<i>(amounts in Euro)</i>	NOTES	30.06.2025	31.12.2024
A) NON-CURRENT ASSETS			
1) Property, plant and equipment	5	160,133	233,225
2) Intangible fixed assets	6	411,476	463,527
3) Real estate investments	7	-	-
4) Equity investments in associated Companies	8	-	-
5) Financial assets	9	160,238,310	145,191,834
5.1) Loans and receivables with related parties		160,100,000	145,100,000
5.2) Other financial assets		138,310	91,834
6) Deferred tax assets	10	371,489	371,489
7) Trade receivables and other receivables	11	86,628	84,475
7.1) Other receivables		86,628	84,475
TOTAL NON-CURRENT ASSETS		161,268,036	146,344,550
B) CURRENT ASSETS			
1) Closing inventory	12	-	-
2) Trade receivables and other receivables	11	145,069	48,210
2.2) Other receivables		145,069	48,210
3) Financial assets	9	81,102,316	85,015,363
3.1) Loans and receivables		79,226,122	84,594,468
3.2) Other financial assets		1,876,194	420,895
3-bis) of which with related parties		79,226,122	84,594,468
4) Cash and cash equivalents	13	283,435,975	85,118,760
4.1) Bank current accounts and deposits		283,435,975	85,118,760
TOTAL CURRENT ASSETS		364,683,360	170,182,333
TOTAL ASSETS		525,951,396	316,526,883

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

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30.06.2025

<i>(amounts in Euro)</i>	NOTES	30.06.2025	31.12.2024
A) SHAREHOLDERS' EQUITY	14		
1) Share Capital		3,770,000	3,770,000
2) Profits/(Losses) brought forward		-262,911	-525,415
3) Profit/(Loss) for the period		-7,174,940	262,504
TOTAL SHAREHOLDERS' EQUITY		-3,667,851	3,507,089
B) NON-CURRENT LIABILITIES			
1) Financial liabilities	15	335,701,858	292,823,925
1.1) Bonds		263,638,553	267,227,981
1.2) Loans and Lease Liability		72,063,305	25,595,944
2) Trade payables and other payables	16	-	-
3) Deferred tax liabilities	10	-	-
4) Provision for employee benefits/retirement	18	-	-
5) Provisions for risks and liabilities	19	-	-
TOTAL NON-CURRENT LIABILITIES		335,701,858	292,823,925
C) CURRENT LIABILITIES			
1) Financial liabilities	15	192,668,300	19,312,006
1.1) Bonds		147,017,473	-
1.2) Loans and Lease Liability		39,767,187	16,356,356
1.3) Other		5,883,640	2,955,650
1-bis) of which with related parties		33,245,025	9,806,897
2) Trade payables and other payables	16	1,249,089	883,863
2.1) Trade payables		443,746	464,489
2.2) Other payables		805,343	419,374
2-bis) of which with related parties		70,000	70,320
3) Current taxes payables	17	-	-
TOTAL CURRENT LIABILITIES		193,917,389	20,195,869
TOTAL LIABILITIES		529,619,247	313,019,794
TOTAL SHAREHOLDER EQUITY AND LIABILITIES		525,951,396	316,526,883

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

CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share Capital	Other Reserves	Retained Earnings (Accumulated losses)	Profit/(Loss) for the period	Total
<i>(amounts in Euro)</i>					
Opening Balance as at 01.01.2024	3,770,000	-	587,789	-1,113,204	3,244,585
Total Comprehensive income for the year				69,438	69,438
Allocation result 2023	-	-	-1,113,204	1,113,204	-
Total transactions with Shareholders and other movements of the period:	-	-	-1,113,204	1,113,204	-
Balance as at 30.06.2024	3,770,000	-	-525,415	69,438	3,314,023

	Share Capital	Other Reserves	Retained Earnings (Accumulated losses)	Profit/(Loss) for the period	Total
<i>(amounts in Euro)</i>					
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	-
Increase of Share capital	-	-	-	-	-
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

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

CONDENSED INTERIM STATEMENT OF CASH FLOWS*(amounts in Euro)*

	NOTES	30.06.2025	30.06.2024
Profit/(loss) for the year	14	-7,174,940	69,438
Current and deferred tax for the period	4	45,720	46,000
Profit/(loss) before taxes		-7,129,220	115,438
Depreciation of property, plant and equipment	2	83,604	87,488
Amortisation of intangible fixed assets	2	52,051	50,051
Net gains/(losses) on foreign exchange	3	-	-
Financial Income	3	-9,828,671	-10,278,136
Financial cost	3	16,887,349	9,757,183
Cash flows before changes in Net Working Capital		65,113	-267,976
Change in trade receivables and other receivables	11	-20,743	-2,111
Change in trade payables and other payables	16	286,957	-54,466
Interest income received		6,381,997	7,588,571
Interest expenses paid		-9,321,375	-5,813,600
Change in other financial asset		-4,793,616	-607,082
Change in other financial liabilities		-2,883,889	2,281,437
Cash flows from operating activities		-10,285,556	3,124,773
Investments in property, plant and equipment	5	-10,512	-288,445
Proceed from disposal of property, plant and equipment	5	-	1,391
Investments in intangible fixed assets	6	-	-420,873
Loans and advances granted to related parties	9	-276,925,296	-167,735,940
Repayments of loans by related parties	9	294,618,579	166,260,487
Cash flows from investing activities		17,682,771	-2,183,380
Proceeds from issuance of shares	14	-	-
Proceeds from issuance of new bond note	15	265,801,000	-
Repayment of bond note	15	-121,681,000	-
Repayments of loans and borrowings	15	-3,200,000	-
Proceeds from loans and borrowings	15	50,000,000	-
Proceeds from other financial liabilities	15	-	-
Cash flows from financing activities		190,920,000	-
Total cash flows for the period		198,317,215	941,393
Opening cash and cash equivalents		85,118,760	145,014,229
Closing cash and cash equivalents		283,435,975	145,955,622

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 de Beaumont L-1219 Luxembourg.

The Company is owned 14.46% owned by Carraro International S.E. and 85.54% owned by Carraro S.p.A

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

The Company was incorporated on 30 October 2020 by notarial deed no. 17154 of 30 October 2020 and with effect from 1 February 2021 the parent Company, Carraro International S.E., transferred the business unit relating to the finance and treasury functions for the benefit of the Carraro Group to Carraro Finance, including the 2 Bonds issued for which Carraro Finance chose Luxembourg as the member state of origin pursuant to the Transparency Directive.

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

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

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

Publication of the Condensed Interim Financial Statements of Carraro Finance S.A. for the period from 1 January 2025 to 30 June 2025, was authorized by Board of Directors resolution dated 29 September 2025.

Reporting criteria and material accounting principles

The interim financial statements of the Company as of 30 June 2025, have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union. The term IFRS also includes the revised International Accounting Standards (IAS) and all interpretations of the International Financial Reporting Interpretations Committee (IFRIC) previously known as the Standard Interpretation Committee (SIC). These standards are the same as those used for the Financial Statements as at December 31, 2023, with the exceptions described in the paragraph 2.2 "Accounting standards, amendments and interpretations not relevant for the company or not yet applicable and not adopted in advance by the company".

The condensed interim financial statements were prepared in compliance with IAS 34 and assuming that the Company is a going concern.

In respect to the going concern, the net equity of the Company as at 30 June 2025 is negative as a result of the losses generated by the early redemption fees and the release in the profit and loss of the amortized cost resulting from the early repayment of the bonds (Note 3). In accordance with the Luxembourgish law, the Board of Directors of the Company held a board meeting on 30th July 2025 which resolved to call the meeting of the shareholders of the Company, pursuant to article 480-2 of the law dated August 10, 1915, *On commercial companies*, as amended. On 6th of August 2025 the Shareholders meeting resolves that the Company continues to conduct its business.

After this meeting, the shareholders expressed their interest in transferring funds to the Company, as an immediate capital contribution to the Company, and the Company expressed its interest in receiving such contribution, with a view to resolving the financial situation of the Company. The Company and its shareholders agreed to a capital contribution for which the documentation was approved by the Board of Directors on 29th of September 2025.

The Company will receive by latest 3rd of October 2025 a total capital contribution of Euro 9,300,000 as follows: Euro 7,955,220 from Carraro S.p.A. and Euro 1,344,780 from Carraro International S.E.

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

2.1 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 9 below concerning related party transactions.

3. Material accounting principles

3.1 Accounting standards and measurement criteria

New standards, interpretations and amendments adopted by the Company

The accounting policies adopted in the preparation of the condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

One amendment applies for the first time in 2025 but does not have an impact on the condensed interim financial statements of the Company.

Amendments to IAS 21 "The Effects of Change in Foreign Exchange Rates: Lack of Exchangeability" (published on 15 August 2023)

The purpose of the document is to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. The amendments entered into force on 1 January 2025.

The amendments did not have a material impact on the Company's condensed interim financial statements.

Discretionary assessments, significant accounting estimates and key judgements

Estimates and assumptions

In the application of the accounting standards, the Directors have not made decisions based on discretionary evaluations (excluding those which involve estimates) having a significant effect on the values in financial statements.

We present below the key assumptions on the future and other significant sources of uncertainty in the estimates at the reporting date, which could bring about significant changes in the carrying amounts of assets and liabilities within the next financial year.

Deferred tax assets

Deferred tax assets are 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 10.

Bad debts provisions

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

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 2025.

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 15, table "Net Financial Position".

Gearing ratio

(amounts in Euro)	30.06.2025	31.12.2024
Gross Debts	-528,370,158	-312,135,931
Financial assets:	241,462,787	230,405,294
Cash and cash equivalents:	283,435,975	85,118,760
Net financial position of operations	-3,471,396	3,388,123
Equity	-3,667,851	3,507,089
Net debt to equity ratio	-106%	104%

The cash flows envisaged for 2025 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 9 and 15 relating respectively to non-current financial receivables and non-current financial liabilities.

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.

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

4. Business segment

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

4.1 Geographic areas

The activity carried out by Carraro Finance S.A. is only financial and is in Luxembourg. Further information is further disclosed in the management report.

a) Revenues

Carraro Finance operates in different geographical markets: Italy, India, China and Luxembourg. The following tables show the distribution of the Company's revenue based on the location of the customers for the half year ended 30 June 2025.

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

(amounts in euro)

Geographical Area	30.06.2025	%	30.06.2024	%
Italy	777,091	81.57%	494,219	78.26%
India	85,956	9.02%	74,706	11.83%
China	39,593	4.16%	37,596	5.95%
Luxembourg	50,000	5.25%	25,000	3.96%
Total	952,640	100.00%	631,521	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)	30.06.2025	30.06.2024
1) PRODUCTS	-	-
2) SERVICES	952,640	631,521
3) OTHER REVENUES	-	-
TOTAL REVENUES FROM SALES	952,640	631,521

The revenue increased by + 34% (from 631,521 euros as at 30.06.2024 to 952,640 euros as at 30.06.2025) 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 increased the financial services charged to the Group Companies.
- to the increase in volume of transactions for payment on behalf of (POBO) and receivables on behalf of (ROBO) services.

B) Operating costs (note 2)

<i>(amounts in Euro)</i>	30.06.2025	30.06.2024
1) PURCHASES OF GOODS AND MATERIALS	2,027	575
A) EXTERNAL SERVICES FOR PRODUCTION	720	3,379
B) SUNDRY SUPPLIES	1,028	2,836
C) GENERAL OVERHEADS	430,947	392,827
D) COMMERCIAL COSTS	2,048	1,803
E) SALES EXPENSES	-	-
2) SERVICES	434,743	400,845
3) USE OF THIRD-PARTY GOODS AND SERVICES	6,725	3,700
A) WAGES AND SALARIES	353,480	301,397
B) SOCIAL SECURITY CONTRIBUTIONS	27,856	27,576
D) EMPLOYEE SEVERANCE INDEMNITY AND PENSIONS	-	-
E) OTHER COSTS	14,381	19,174
4) PERSONNEL COSTS	395,717	348,147
A) DEPREC. PROP., PLANT & EQUIPMENT	83,604	87,488
B) AMORT. INTANGIBLE ASSETS	52,051	50,051
C) IMPAIRMENT OF FIXED ASSETS	-	-
D) IMPAIRMENT OF RECEIVABLES	-	-
5) AMORTISATION, DEPRECIATION AND IMPAIRMENT OF ASSETS	135,655	137,539
6) CHANGES IN INVENTORIES	-	-
7) PROVISION FOR RISKS AND OTHER LIABILITIES	-	-
C) OTHER OPERATING EXPENSES	48,315	146,230
D) OTHER NON-ORDINARY OPERATING INCOME/EXPENSES	-	-
8) OTHER INCOME AND EXPENSES	48,315	146,230
TOTAL OPERATING COSTS	1,023,182	1,037,036

The operating costs have decreased compared with 30.06.2024 mainly due to:

- a decrease of general overheads by 1% from 1,037,036 euros as at 30.06.2024 to 1,023,182 euros as at 30.06.2025 mainly due to a decrease of mixed support by external professionals, and other operating expenses, resulting from the optimization of the company structure.

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

<i>(amounts in euro)</i>	30.06.2025	30.06.2024
10) INCOME/EXPENSES FROM EQUITY INVESTMENTS	-	-
A) FROM FINANCIAL ASSETS	8,482,043	7,397,922
B) FROM BANK CURRENT ACCOUNTS AND DEPOSITS	1,101,485	2,350,850
C) FROM OTHER THAN THE ABOVE	-	-
D) INCOME OTHER THAN THE ABOVE	245,143	529,364
11) OTHER FINANCIAL INCOME	9,828,671	10,278,136
A) FROM FINANCIAL LIABILITIES	-12,928,053	-8,349,789
B) FROM BANK CURRENT ACCOUNTS AND DEPOSITS	-10	-
C) OTHER EXPENSES	-3,959,286	-1,407,394
12) FINANCIAL COSTS AND EXPENSES	-16,887,349	-9,757,183
OTHER NET EXCHANGE RATE DIFFERENCES	-	-
13) NET GAINS/(LOSSES) ON FOREIGN EXCHANGE	-	-
14) VALUE ADJUSTMENTS OF FINANCIAL ASSETS	-	-
NET FINANCIAL GAINS/(LOSSES)	-7,058,678	520,953

The other financial income as at 30.06.2025 is mainly related to:

- Interests received from lending activities to intra-group Companies increased by +13% from 7.398 million euros at 30.06.2024 to 8.482 million euros at 30.06.2025 due to an increase in the average utilization of the intra-group facilities and to a change of conditions applied to transactions with intra-group Companies, in compliance with Arm's Length Principle.
- Income on terms deposits decreased from 2.4 million euros at 30.06.2025 to 1.1 million euros at 30.06.2025 mainly due to a reduction of market condition on time deposit during the first half year 2025.
- Commitment fees on the facilities granted to group entities decreased from 0.529 million euros at 30.06.2024 to 0.245 million euros as at 30.06.2025 due to the decrease of the lines granted to group entities during the first half year 2025 compared with same period of 2024.

The financial costs and expenses are mainly related to:

- Accrued interest on financial instruments issued (ISIN IXS2215041513 and ISIN IT0006768151) for 8.489 million euros that increased by +14% compared to 30.06.2024 (7.447 million euros), 0.634 million euros of interest for the bank loan EIB (of 32 million of euros) and 0.102 million euros of interest for the bank loan BNL (of 50 million euros).
- Fees paid mainly related to the three financial instruments issued that are absorbed along the bond amortization schedule in application of the amortized cost method of accounting for 2.828 million euros (of which 1.704 million euros referred to the remain amortized cost of the bond ISIN IT0006756438 reimbursed, 1.054 million euros to bond ISIN XS2215041513 ahead of its amortization plan due to future early closure and 0.07 million euros for bond ISIN IT0006768151) and 0.598 million euros to pay to Carraro S.p.A. as guaranty.
- Early redemption price cost for the financial instrument ISIN IT0006756438 for 3.6 million euros recorded under the caption "Other expenses".

Current and deferred income taxes (note 4)

The caption of 45,720 euros at as 30.06.2025 is due to the withholding tax paid that the company cannot recovery on its receivables. The caption of 46,000 euros as at 30.06.2024 is referred to a portion of the reversal for the deferred income tax recorded as at 31 December 2023 for the amount of 600,000 euros.

Property, plant and equipment (note 5)

These items present a net balance of 160,133 euros as at 30.06.2025 compared with 233,225 euros as at 31.12.2024. 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	-	-	96,115	-	541,723
Increases	-	-	-	11,763	-	11,763
Provisions for amortisation and depreciations	-394,681	-	-	-44,761	-	-439,442
Net as at 31.12.2023	50,927	-	-	63,117	-	114,044
Movements of the period						
Increases	277,789	-	-	13,838	-	291,627
Decreases	-	-	-	-1,393	-	-1,393
Reclassification	-	-	-	-	-	-
Capitalisation	-	-	-	-	-	-
Business unit transfer	-	-	-	-	-	-
Depreciation and amortisation	-143,523	-	-	-27,530	-	-171,053
Net as at 31.12.2024	185,193	-	-	48,032	-	233,225
Movements of the period						
Increases	-	-	-	10,512	-	10,512
Decreases	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-
Capitalisation	-	-	-	-	-	-
Business unit transfer	-	-	-	-	-	-
Depreciation and amortisation	-69,447	-	-	-14,157	-	-83,604
Net as at 30.06.2025	115,746	-	-	44,387	-	160,133
Made up of:						
Historical cost	277,789	-	-	129,132	-	406,921
Provisions for amortisation and depreciations	-162,043	-	-	-84,745	-	-246,788

As at 30.06.2025, property, plant and equipment are distributed by category as follows:

- Land and buildings (leased assets): 116 thousand euros for rights of use (IFRS 16);
- Other assets: vehicles for 42 thousand euros for office equipment and 2 thousand euros for the rights of use (IFRS 16).

Intangible fixed assets (note 6)

These items present a net balance of 411,476 euros as at 30.06.2025 compared with 463,527 euros as at 31.12.2024.

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	189,535	-	413,004
Increases	-	-	-	-	223,838	-	223,838
Depreciation and amortisation	-	-	-	-99,046	-	-	-99,046
Net as at 31.12.2023	-	-	-	124,423	413,373	-	537,796
Movements of the period							
Increases	-	-	-	440,873	7,500	-	448,373
Capitalisation	-	-	-	-	-420,873	-	-420,873
Depreciation and amortisation	-	-	-	-101,769	-	-	-101,769
Net as at 31.12.2024	-	-	-	463,527	-	-	463,527
Movements of the period							
Increases	-	-	-	-	-	-	-
Capitalisation	-	-	-	-	-	-	-
Depreciation and amortisation	-	-	-	-52,051	-	-	-52,051
Net as at 30.06.2025	-	-	-	411,476	-	-	411,476
Made up of:							
Historical cost	-	-	-	664,342	-	-	664,342
Provisions for amortisation and depreciations	-	-	-	-252,866	-	-	-252,866

As at 30.06.2025, 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.

Real estate investments (note 7)

The Company has no real estate investments.

Equity investments in subsidiaries, associates and other investments (note 8)

The Company has no equity investments in subsidiaries.

Financial assets (note 9)

<i>(amounts in Euro)</i>	30.06.2025	31.12.2024
Non-current loan and receivable with related parties	160,100,000	145,100,000
LOANS AND RECEIVABLES	160,100,000	145,100,000
Other financial assets	138,310	91,834
OTHER FINANCIAL ASSETS	138,310	91,834
NON-CURRENT FINANCIAL ASSETS	160,238,310	145,191,834
Current Loans and Receivables with related parties	79,226,122	84,594,468
LOANS AND RECEIVABLES	79,226,122	84,594,468
Other financial assets	1,876,194	420,895
OTHER FINANCIAL ASSETS	1,876,194	420,895
CURRENT FINANCIAL ASSETS	81,102,316	85,015,363

Non-current loans and receivables

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

AMOUNTS OWED BY AFFILIATED UNDERTAKINGS

	Credit Lines	CCY	Commitment as of 30.06.2025	Drawdown as of 30.06.2025	Final Maturity Date
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 Drive Tech S.p.A.	MTL	EUR	31,000,000	31,000,000	31.12.2030
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
SIAP S.p.A.	MTL	EUR	53,656,638	28,100,000	31.12.2028
		EUR	185,656,638	160,100,000	

Current loans and receivables

Current related party loans and receivables mainly refer to the short-term portion of receivables held vis à vis the Companies Carraro S.p.A., Carraro Drive Tech S.p.A., Carraro International S.E., SIAP S.p.A. for the amount of 69,644,000 euros; and accrued interests on the non-current and current loans granted to affiliated undertakings and of accrued financial services for the aggregate amount of 9,582,122 euros.

AMOUNTS OWED BY AFFILIATED UNDERTAKINGS

	Credit Lines	CCY	Commitment as of 30.06.2025	Drawdown as of 30.06.2025	Final Maturity Date
Carraro S.p.A.	Revolving	EUR	60,000,000	37,720,000	31.12.2025
Carraro Drive Tech S.p.A.	Revolving	EUR	39,000,000	15,850,000	31.12.2025
Carraro International S.E.	Revolving	EUR	25,000,000	16,074,000	31.12.2025
Siap S.p.A.	Revolving	EUR	5,500,000	-	31.12.2025
		EUR	129,500,000	69,644,000	

OTHER AMOUNTS OWED BY AFFILIATED UNDERTAKINGS

	CCY	Receivable interests and financial services
Carraro S.p.A.	EUR	4,851,620
Carraro Drive Tech S.p.A.	EUR	2,517,282
Carraro Driveservice S.r.l.	EUR	28,097
Carraro International S.E.	EUR	757,805
Carraro Lux-Tech S.à r.l.	EUR	61,600
Carraro India Pvt Ltd	EUR	129,113
Carraro China	EUR	39,594
Siap S.p.A.	EUR	1,197,011
	EUR	9,582,122

In January 2025, the Company extended the existing contracts for the above credit lines until 31 December 2025.

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

Deferred tax assets and liabilities (note 10)

Effective from 01/01/2024, the Carraro Group, as a Multinational Group exceeding the revenue threshold of EUR 750 million 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 (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 Pillar Two income taxes as of 30/06/2025 is assumed to be zero, based on the latest available financial data (as of 31/12/2024).

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 31 December 2023 Euro 600,000 of deferred tax asset was booked using the loss carryover in order to reduce future tax obligations. As at 30 June 2025 the caption is Euro 371,489.

The company holds tax losses carried forward as at 30 June 2025 for an amount equal to Euro 15.5 million.

Based on the forecasts of taxable income for the next four years, the caption deferred tax assets is Euro 0.37 million as at 30 June 2025 calculated tax losses equal to Euro 3.9 million (deferred tax assets not booked equal to Euro 3.5 million upon tax losses carried forward of Euro 14 million).

The tax losses carried forward for which the Company has not recognized a deferred tax as at 30 June 2025 amount to 14 million of which Euro 1.6 million available up the year 2038, Euro 3.8 million available up the year 2039, Euro 1 million available up the year 2040 and Euro 7.4 million available up the year 2042.

Trade receivables and other receivables (note 11)

<i>(amounts in euro)</i>	30.06.2025	31.12.2024
NON-CURRENT TRADE RECEIVABLES	-	-
Other receivables	86,628	84,475
OTHER NON-CURRENT RECEIVABLES	86,628	84,475
NON-CURRENT TRADE RECEIVABLES AND OTHER RECEIVABLES	86,628	84,475
CURRENT TRADE RECEIVABLES	-	-
Other receivables	145,069	48,210
OTHER CURRENT RECEIVABLES	145,069	48,210
CURRENT TRADE RECEIVABLES AND OTHER RECEIVABLES	145,069	48,210

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:

<i>(amounts in Euro)</i>	30.06.2025	31.12.2024
VAT credits	-	-
Receivables for current taxes	24,710	1,643
Receivables from employees	-47	-233
Other receivables	120,406	46,800
OTHER CURRENT RECEIVABLES FROM THIRD PARTIES	145,069	48,210

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

<i>(amounts in Euro)</i>	30.06.2025	31.12.2024
NET CURRENT TRADE RECEIVABLES FROM THIRD PARTIES	-	-
NET CURRENT TRADE RECEIVABLES FROM RELATED PARTIES	-	-
Other current receivables from third parties	145,069	48,210
Provisions for impairment of other receivables	-	-
NET CURRENT OTHER RECEIVABLES FROM THIRD PARTIES	145,069	48,210
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)	31.12.2024				TOTAL
	PAST DUE		NET YET DUE		
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year	
Trade Receivable	-	-	-	-	-
Other receivable	-	-	48,210	84,475	132,685
TOTAL	-	-	48,210	84,475	132,685

(amounts in euro)	30.06.2025				
	PAST DUE		NET YET DUE		TOTAL
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year	
Trade Receivable	-	-	-	-	-
Other receivable	-	-	145,069	86,628	231,697
TOTAL	-	-	145,069	86,628	231,697

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

Closing inventory (note 12)

The Company had no closing inventory.

Cash and cash equivalents (note 13)

<i>(amounts in Euro)</i>	30.06.2025	31.12.2024
Short-term deposits	-	35,000,000
Bank current accounts	283,435,975	50,118,760
TOTAL	283,435,975	85,118,760

The balance is held with reputable banks with high credit ratings.

Shareholders' equity (note 14)

<i>(amounts in Euro)</i>	30.06.2025	31.12.2024
1) Share Capital	3,770,000	3,770,000
2) Other Reserves	-	-
3) Profits/(Losses) brought forward	-262,911	- 525,415
4) Profit/(Loss) for the period	-7,174,940	262,504
SHAREHOLDERS' EQUITY	-3,667,851	3,507,089

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%.

Financial liabilities (note 15)

The classification of financial liabilities as at 30.06.2025 is shown below.

<i>(amounts in Euro)</i>	30.06.2025	31.12.2024
NON-CURRENT BONDS	263,638,553	267,227,981
LOAN MEDIUM/LONG TERM	72,063,305	25,547,306
MEDIUM/LONG-TERM LEASE PAYABLES - IFRS16	-	48,638
NON-CURRENT FINANCIAL LIABILITIES	335,701,858	292,823,925
CURRENT BONDS	147,017,473	-
FINANCIAL PAYABLE	39,645,025	16,206,897
WITH THIRD PARTIES	6,400,000	6,400,000
WITH RELATED PARTIES	33,245,025	9,806,897
LEASE PAYABLES FROM RIGHTS OF USE - IFRS16	122,162	149,459
CURRENT FINANCIAL LIABILITIES	186,784,660	16,356,356
OTHER CURRENT FINANCIAL LIABILITIES	5,883,640	2,955,650
CURRENT FINANCIAL LIABILITIES	192,668,300	19,312,006

As at 30 June 2025 the Company's has respected the financial covenants provided by financial agreements.

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 Bond 120,000,000 euros 7.75 percent. Senior Unsecured Notes due 6 November 2028 and guaranteed by Carraro S.p.A. (ISIN: IT0006756438) (the "Bond 2023") was redeemed on 20 June 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.

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

As at 30 June 2025, the effect of the amortized cost on the "Bond 2025" was as follows:

- ISIN: IT0006768151 265 million euros: 2.162 million euros.

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

<i>(amounts in Euro)</i>	Notional	Amortized cost 30.06.2025	Carrying amount 30.06.2025	Fair Value (level 1) 30.06.2025
BOND 2025-2030 5.25%	265,801,000	-2,162,447	263,638,553	270,133,556
Total	265,801,000	-2,162,447	263,638,553	270,133,556

The long medium loan of 72,063,305 euros is mainly represented by:

- a bank loan, granted to Carraro Finance S.A. and guaranteed by Carraro S.p.A., called "Carraro Group R&D and Digitalisation II" received by EIB (European Investment Bank) on 21 December 2022 for the amount of 32,000,000 euros. Terms and conditions of the reimbursement are ten semi-annual instalments, between June 2025 (first date of reimbursement) and December 2029 (maturity date).
- a bank loan, granted to Carraro Finance S.A, received by 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 ten semi-annual instalments, between December 2027 (first date of reimbursement) and June 2031 (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 2025, the effect of the amortized costs is as follows:

- Carraro Group R&D and Digitalisation II loan of 32,000,000 euros: 43,003 euros
- Banca Nazionale del Lavoro loan of 50,000,000 euros: 293,693 euros

Current financial liabilities

The caption mainly represents:

-the reclassification of the "Bond 2020" 150,000,000 euros 3.75 percent. Senior Unsecured Notes due 25 September 2026 and guaranteed by Carraro S.p.A. (ISIN XS2215041513) that will be redeemed in whole on 4 August 2025 from Long Term to Short Term for 140,017,473 euros (nominal amount 150,000,000 euros less repurchased notes 1,681,000 euros and amortized costs of 1,301,527 euros),

- the cash pooling position with the group companies for 32,647,477 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 interests payable for the two bonds issued by the Company for 4,297,413 euro,
- the early redemption fee of "Bond 2020" for 1,407,000 euros,
- the guaranty to pay Carraro S.p.A. for 597,549 euros.

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

As at 30 June 2025, the effect of the amortized cost on the "Bond 2020" was as follows:

- ISIN XS2215041513 150 million euros: 1.302 million euros.

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

<i>(amounts in Euro)</i>	Notional	Amortized cost 30.06.2025	Carrying amount 30.06.2025	Fair Value (level 1) 30.06.2025
BOND 2020-2026 3.75%	148,319,000	-1,301,527	147,017,473	148,526,647
Total	148,319,000	-1,301,527	147,017,473	148,526,647

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

<i>(amounts in Euro)</i>				Total 30.06.2025
	up to one year	from 1 to 5 years	more than 5 years	
	192,140,289	336,229,869	-	528,370,158

The Company has at its disposal revolving credit facility for a total amount of 90 million euros not drawn down at 30 June 2025, as follows:

- 30,000,000 euros from Intesa Sanpaolo Bank Luxembourg S.A.
- 20,000,000 euros from Banca Popolare di Milano S.p.A.
- 20,000,000 euros from Banque Internationale à Luxembourg S.A.
- 10,000,000 euros from CiviBank, Banca di Cividale S.p.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						
<i>(amounts in Euro)</i>	31.12.2024	Cash Flow Out	Cash Flow In	Other changes	IFRS16 effect	30.06.2025
Gross non-current loans payable	295,675,949	-120,000,000	265,801,000	-150,217,473	-48,638	291,210,838
Gross current loans payable	16,329,044	-4,881,000	50,000,000	173,655,602	-27,297	235,076,349
Total loans and lease liabilities	312,004,993	-124,881,000	315,801,000	23,438,129	-75,935	526,287,187
Amortized cost	-2,824,712	-	-	-975,957	-	-3,800,669
Other non-current financial liabilities	-	-	-	-	-	-
Other current financial liabilities	2,955,650	-2,955,650	-	5,883,640	-	5,833,640
Financial liabilities:	312,135,931	-127,836,650	315,801,000	28,345,812	-75,935	528,370,158

The net financial position is broken down below:

Net financial position (amounts in Euro)	30.06.2025	31.12.2024
Non-current bonds	-263,638,553	- 267,227,981
Current bonds	-147,017,473	-
Bonds:	-410,656,026	-267,227,981
Non-current loans payable	-72,063,305	- 25,595,944
Current payable	-39,645,025	-16,206,897
Current loans payable	-122,162	-149,459
Other current financial liabilities	-5,883,640	-2,955,650
Financial liabilities:	-117,714,132	-44,907,950
Current loans and receivables	79,226,122	84,594,468
Other current financial assets	1,876,194	420,895
Financial assets:	81,102,316	85,015,363
Bank current accounts and deposits	283,435,975	85,118,760
Cash and cash equivalents:	283,435,975	85,118,760
Net financial position*	-163,831,867	-142,001,808
Non-current loans and receivables	160,100,000	145,100,000
Other non-current financial assets	138,310	91,834
Non-current leases - IFRS 16	-	48,638
Current leases - IFRS 16	122,162	149,459
Net financial position of operations**	-3,471,395	3,388,123
of which payables/(receivables):		
- non-current	-175,463,548	-147,583,453
- current	171,992,153	150,971,576

* 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 2025" section.

Trade payables and other payables (note 16)

<i>(amounts in Euro)</i>	30.06.2025	31.12.2024
NON-CURRENT TRADE PAYABLES	-	-
OTHER NON-CURRENT PAYABLES	-	-
TRADE PAYABLES AND OTHER NON-CURRENT PAYABLES	-	-
FROM THIRD PARTIES	443,746	464,489
CURRENT TRADE PAYABLES	443,746	464,489
FROM RELATED PARTIES	70,000	70,320
FROM THIRD PARTIES	735,343	349,054
OTHER CURRENT PAYABLES	805,343	419,374
TRADE PAYABLES AND OTHER CURRENT PAYABLES	1,249,089	883,863

Other payables can be analyzed as follows:

<i>(amounts in Euro)</i>	30.06.2025	31.12.2024
Amounts due to pensions agencies	50,244	48,349
Amounts due to employees	186,740	239,418
Board of Directors Fees (related parties)	70,000	70,320
Current tax payable	-	-
VAT payable	476,294	25,472
Taxes withheld from employer contribution	22,065	35,815
OTHER CURRENT PAYABLES	805,343	419,374

Current taxes payables (note 17)

As at 30 June 2025, the Company had no current tax payable.

Employee severance indemnities and retirement benefits (note 18)

The Company had no employee severance indemnities or retirement benefits.

Number of employees

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

Employees	30.06.2025	Changes for the period	31.12.2024
Executives	1	-	1
Clerical staff	5	-	5
Total	6	-	6

Provision for risks and liabilities (note 19)

The Company has no provisions for risks and charges.

Credit risks, Liquidity risks and Interest risks (note 20)

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 148,646,230 euros.

A change in the interest rate of 1% results in a change in the total financial assets of 1,486,462 euros.

Residual exposure in the short term does not represent a high risk since it is mitigated by average low exposure.

Commitments and risks (Note 21)

There are commitments referring the limit on short time facilities granted to Italian entities of the Carraro Group, not used time by time for the aggregate amount of 130 million euros.

No other risks to be reported.

Financial derivatives (Note 22)

As at 30 June 2025, the Company did not hold any financial derivatives.

Transactions with related parties (Note 23)

As at 30 June 2025, 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 30.06.2025
Detail of transactions with related parties
Other related parties:

<i>(amounts in Euro)</i>	Nature of the related party	Financial receivables	Financial payable
Carraro S.p.A.	Parent	133,571,620	17,901,703
Carraro Drive tech Italia S.p.A.	Affiliated	49,367,282	13,565,938
Carraro Driveservice S.r.l.	Affiliated	28,097	1,289
Carraro India Ltd.	Affiliated	5,129,113	-
Carraro International S.E.	Parent	21,831,805	-
Carraro China Drive System Co. Ltd.	Affiliated	39,594	-
SIAP S.p.A.	Affiliated	29,297,011	1,776,095
Carraro Lux Tech R&D centre S.à r.l.	Affiliated	61,600	-
TOTAL		239,326,122	33,245,025

Detail of transactions with related parties
Other related parties:

<i>(amounts in Euro)</i>	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	Other financial income
Carraro S.p.A.	Parent	597,549	168,443	72,910	- 36,463	4,598,402
Carraro Drive tech Italia S.p.A.	Affiliated	-	380,963	30,388	-36,431	2,095,315
Carraro Driveservice S.r.l.	Affiliated	-	-	1,686	1,155	-
Carraro India Ltd.	Affiliated	-	85,956	-	-	176,427
Carraro International S.E.	Parent	-	20,994	-	-	736,811
Carraro China Drive System Co. Ltd.	Affiliated	-	39,594	-	-	-
Carraro R&D Lux Tech S.à r.l.	Affiliated	-	50,000	-	-	-
SIAP S.p.A.	Affiliated	-	79,596	22,110	62,867	1,025,620
TOTAL		597,549	825,546	127,094	8,872	8,632,575

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.

The Company has received from Carraro S.p.A. a guarantee regarding its bonds issued and EIB loan as explained at (Note 15 paragraph Non-current liabilities).

Events subsequent to the reporting date (Note 24)

On 4 July 2025 the Company communicated to the holders of the 150,000,000 euros Fixed Rate Senior Unsecured Notes due 2026 (ISIN: XS2215041513) the intention to exercise the option for the early redemption in whole of the Notes pursuant to Condition 7(c) (Redemption at the option of the Issuer).

The Notes have been redeemed in whole on 4 August 2025 at the redemption price of 100.938 % of their principal amount outstanding, together with accrued and unpaid interest outstanding to the Redemption Date. The costs recorded subsequent to 30 June 2025 in the Statement of Profit or Loss for this transaction amount to 3.3 million euros.



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 2025 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: 29th September 2025


 Sergio Marusso
 Chief Executive Officer

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

Report on Review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim financial statements of Carraro Finance S.A. comprising the condensed interim statement of financial position as at 30 June 2025, 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 period from 1 January 2025 to 30 June 2025 ("the interim financial information"). The Board of Directors is responsible for the preparation and fair presentation of this interim financial information in accordance with the International Accounting Standard IAS 34 "Interim Financial Statements", as adopted by the European Union ("IAS 34"). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the company as at 30 June 2025 and of the result of its operations for the period from 1 January 2025 to 30 June 2025 in accordance with the International Accounting Standard IAS 34 "Interim Financial Statements", as adopted by the European Union.

For Deloitte Audit, *Cabinet de révision agréé*

Marco Crosetto, *Réviseur d'entreprises agréé*
Partner

29 September 2025