

CARRON FINANCIAL STATEMENTS 2023

CARRON

CARRON



Dear Shareholders

We are really proud of our 2023 results. The year marking our 60th anniversary was a very good year, even despite the fact that it was still partly affected by that price increase suddenly generated in 2022 and not fully compensated for. Thanks to our experience on the market and our strive to improve profitability we were able to increase our production value from Euro 307 million to Euro 335 million with an Ebitda at 9.40% (compared to 7.05%) and a net profit of Euro 16.8 million. The Group's net financial position is +3.2 million.

For 2024 we aim to grow further by closing a better balance sheet both in terms of turnover, exceeding 350 million as a Group, and in terms of profit margin.

To do so, we firmly believe in our distinctive strategy of diversification. Operating in real estate, general contracting and public procurement at the same time proves to be a successful company policy, able to curb and balancing even significant market fluctuations, such as those that have occurred in recent years primarily in real estate.

And there is more. We will keep investing in training and safety for our human capital, aware of the high-risk factors involved by nature in our industry, but also of the evolution of technologies in the service of prevention. As a matter of fact, in 2023, 4% of our turnover was invested in health and safety costs, thus improving and implementing our facilities and providing more and more in-depth training for our employees.

At the same time, we continue on our path of sustainability, working on streamlining all company processes and promoting new, unprecedented responsibility to be taken, both internally and externally, throughout the entire supply chain.

Our history has always been associated with work, dedication, yet with excitement and trust. This is the path we will continue to walk on, building our tomorrow to be a solid, performing, dynamic company and above all a strong reference for all of our stakeholders

The Chairman
Diego Carron

A handwritten signature in black ink, appearing to be 'Diego Carron', written over a vertical dashed line.

THE GROUP

Company profile

Carron Group was established in 1964 and for over 60 years it has been committed in civil and infrastructure construction projects in Italy.

With over 300 employees and an indirect potential of over 1000 units, in 2023 the Group's annual production was about Euro 335 million.

The Group has grown over the years, including through external acquisitions, in terms of size, portfolio, orders and value of production, to become one of the top fifteen leading groups in Italy in the construction of large civil and infrastructure works; Carron Group is a building contractors and promoter under concession arrangements and public - private partnerships in the field of construction and infrastructure, as well as real estate developer.

Activities performed

In particular, Carron works in the following sectors:

- civil construction (airports, hospitals, schools, offices and commercial buildings, as well as restoration and renovation);
- road infrastructure;
- tunnels and underground works;
- specialized works (earthworks, projects involving cultural heritage);
- historic and artistic works, special finishes, waterproofing, prefabricated industrial structures;
- special structural works and components;
- self-promoted real estate projects in the residential, commercial, office and production sectors.

The Group has carried out major infrastructure and civil construction works, which enabled the company and its personnel to gain valuable experience in managing large projects in specialised sectors.

Sustainability

While performing its activities, the Carron Group has undertaken a policy of sustainable development that aims to improve the company's performance in compliance with the expectations of its stakeholders. These policies require significant financial and organisational effort and the adoption of certified and recognised safety, environmental and quality management systems and rigorous procedures that call upon all employees and partners to behave responsibly and fairly.

The Group is deeply committed to constantly improving the way in which it supports the interests of its major stakeholders: customers, employees, lenders and the communities it has the honour to work with.

The Group believes that its goals can only be achieved if it adopts business practices that are based on rigorous principles of sustainable and long-term development.

While carrying out their activities, all Group companies are inspired by the principles of health and safety of their personnel and the respect for the environment and the places where the Group operates.

We are proud of the many goals we have already achieved and confirm our firm and determined commitment to do our best to continue and possibly improve along this path.

Vision

In our relentless commitment to reaching ambitious goals, our multidisciplinary expertise makes sure that our customers, both in the private and public sector, obtain excellent results in terms of quality and timely delivery of the works, bearing in mind that our works will improve the daily lives of our clients.

For more than a decade, the Group has played a leading economic role in Northern Italy, a role that we intend to strengthen to support both the development of the region in which we conduct business and our own growth.



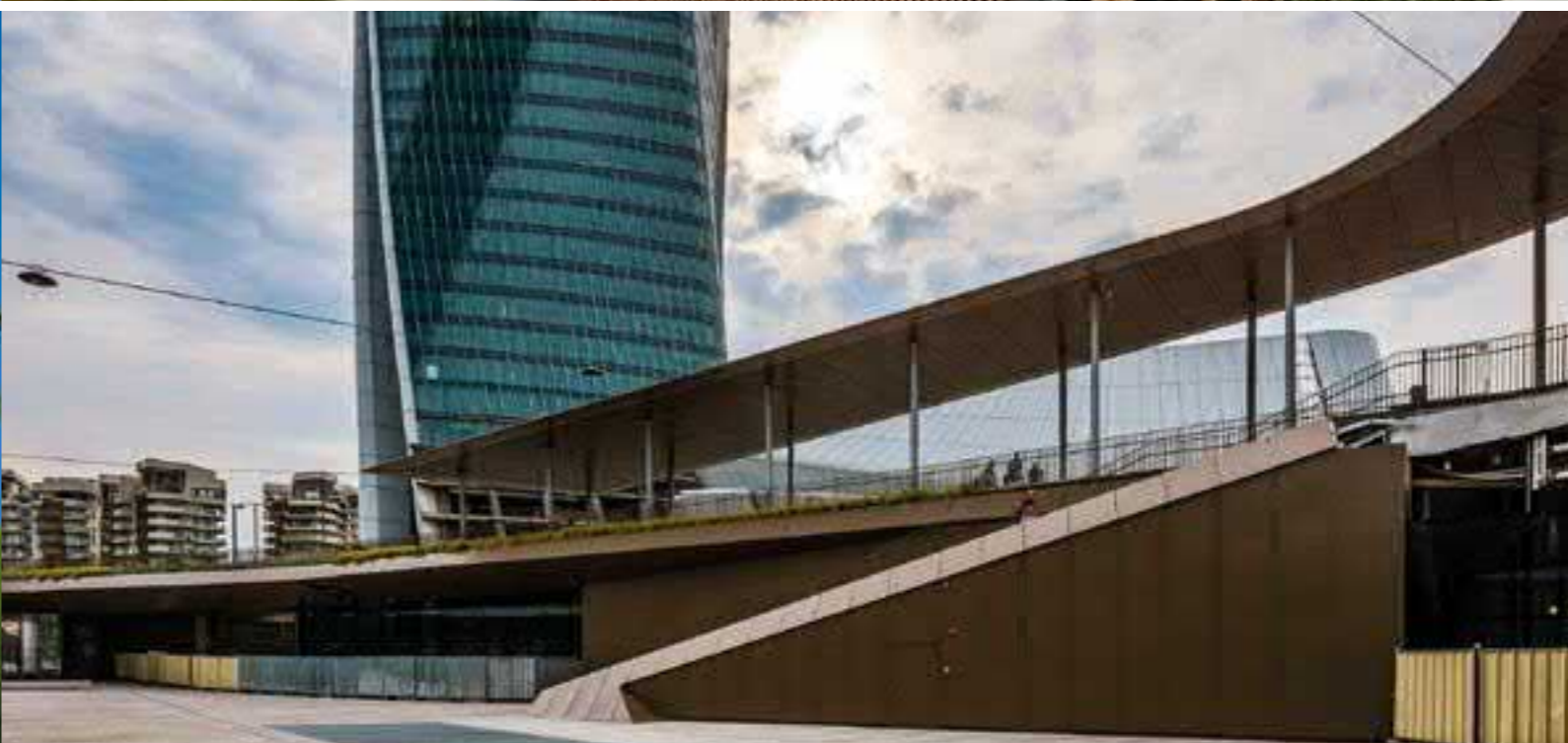


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COMPANY BODIES

BOARD OF DIRECTORS

Diego Carron	Chairman
Marta Carron	Vice-Chairman
Paola Carron	CEO
Arianna Carron	CEO
Barbara Carron	CEO

BOARD OF STATUTORY AUDITORS

Marco Contessotto	President
Primo Ceppellini	Acting Auditor
Alberto Da Dalto	Acting Auditor
Alessandra Poloniato	Alternate auditor
Paolo Girotto	Alternate auditor

SUPERVISORY BOARD *Leg.Decree 231/2001*

Francesco Schiavon	President
Marco Contessotto	Member
Andrea Dal Negro	Member

AUDIT FIRM

DELOITTE & TOUCHE



DIRECTORS' REPORT
CONSOLIDATED FINANCIAL STATEMENTS AT 31/12/2023



Introduction

Dear Shareholders,

The financial statements submitted for your approval are the clearest demonstration of the situation in which your company and Carron Group find themselves. Based on the results contained therein, I am able to express a favourable opinion on the company's results for the year ended 31/12/2023, with a profit of Euro 1,322,921 and consolidated profit of Euro 16,787,285, of which the Group's share was Euro 13,756,617.

This report concerns the management analysis according to Article 2428 of the (Italian) Civil Code and is intended to provide an overview of the company's situation and operating performance for the financial year at 31/12/2023; it also provides a management analysis based on the results of the Consolidated Financial Statements at 31/12/2023.

Except as otherwise specified, the amounts are presented in thousands of Euros in order to facilitate understanding and clarity.

MACRO-ECONOMIC FRAMEWORK

THE GLOBAL AND ITALIAN SITUATION AT 31 December 2023

Due to geopolitical tensions, inflation and restrictive monetary policy post-Covid recovery has slowed down, thus fuelling a climate of uncertainty.

In particular, 2023 saw the effects of rising interest rates fully impacting on the real economy, affected by robust inflation, which slowed down no later than in the second half of the year. At the same time, the international wars affecting different parts of the world negatively impacted on the demand from abroad.

Clearly, these factors have repercussions on the Italian economy, which slowed down as compared to 2022, with GDP increasing in 2023 by 0.9% against the 1.2% forecast.

Against this backdrop, the construction sector maintained the trend of previous years; ANCE (Italian association of Constructors) estimated a further +5% increase in construction investments in 2023.

An important contribution to the industry came from the incentives for energy and seismic upgrading of the buildings and from ordinary bonuses (renovation, sismabonus, etc.), while a further boost may be provided by the economic development policies defined in the PNRR, both for the large amount of public investment in infrastructure and for the important reforms envisaged in priority areas for building activity.

2024 forecasts are affected by a particularly uncertain macroeconomic environment, whose changes go hand in hand with the evolution of three key factors: inflation, monetary policy and geopolitical tensions.

These factors lead to a cautious assessment of the economic trend for the current year: for 2024, the main research institutes estimate a smaller increase in Italian GDP compared to what was forecast in the summer, which would be between +0.6% by the Bank of Italy and +0.9% by the European Commission.

With particular reference to the building industry, ANCE's forecast for 2024 is a 7.4% decrease in investments. This decrease takes into account the lack of extensive extraordinary maintenance (-27%) and, conversely, takes into account an important growth in investments in public works (+20%) linked to the necessary acceleration of investments in the NRP.

GROUP PERFORMANCE IN THE YEAR 2023

Against this general backdrop, the Carron Group recorded a very good operating budget with an approximately 9% increase in Value of Production, from 307 million in 2022 to 335 million in 2023.

The gross margin also increased significantly, by 45% from 7.05% of the value of production in 2022 to 9.40% in 2023.

Financial management, despite the increase in interest rates, maintains the incidence of financial charges below 1%, rising from 0.71% in 2022 to 0.93% in 2023.

Group net profit after tax amounted to Euro 16.8 million or 5.02% of Production.

The good trend in profitability is substantially due to two factors, firstly to the start of work orders that had been able to absorb the increase in the cost of procurement in the offer, and secondly for public contracts due to the effects of the price adjustment recognised by the various regulations introduced by the Government (Materials Decree etc.).

Business activity has been dynamic, which has allowed us to change our work portfolio by expanding the contribution of infrastructure works to the detriment of the 'sale of future assets' sector, which is currently suffering from the high cost of money.

BACKGROUND DESCRIPTION AND RESULTS OF THE PARENT COMPANY CARRON HOLDING SRL

The year covered by this report was a year in which the company continued its equity investment activity. In particular, attention should be drawn to the capital increase of 22 December 2023 finalised by the shareholders through the contribution in kind of the equity investment in Manus Srl, a company that holds stakes in companies with real estate development and management activities.

The reclassified financial statements are provided below.

CARRON HOLDING FINANCIAL STATEMENTS AT 31 DECEMBER 2023*(In thousands of Euros)*

DESCRIPTION	2023	2022	Difference
Fixed assets	10,210	7,857	2,353
Current assets over 12 months	0	750	-750
Total non-current assets	10,210	8,607	1,603
Current assets	979	5,425	
Current liabilities	-38	-4,690	
Net working capital	941	735	206
Provisions for liabilities, staff severance indemnity, long term liabilities	0	-7	7
Net invested capital	11,151	9,335	1,816
Equity	11,217	9,406	3,981
Payables (credit lines) vis-à-vis the banking system	-66	-71	67
Sources	11,151	9,335	4,048

Non-current assets amounted to €10.2 million, an increase by €2.35 million compared to 2022, due to the disbursement of a non-interest-bearing loan to Cabi Srl equal to €1.15 million and a capital contribution of €0.3 million, in addition to the value of the contribution of shares in Manus Srl equal to €0.5 million and a non-interest-bearing loan to the subsidiary Manus Srl for €0.4 million.

Current assets of Euro 0.9m consist of Euro 0.2m in deferred tax assets, Euro 0.03m in IRES credit and Euro 0.75m in residual credit for the sale of the 10% share of Carron Bau Srl in 2022. This receivable is secured by the lien on the assigned share.

Current liabilities of Euro 38,000 relate to payables to suppliers in the amount of Euro 34,000 and Euro 4,000 for withholding taxes as withholding agent.

DIRECTORS' REPORT - Consolidated Financial Statements**INCOME STATEMENT**

DESCRIPTION	2023	2022	Difference
Value of production	0	0	0
Production cost	-72	-55	-17
Difference between value and costs of production	-72	-55	-17
Financial income	1,964	6,748	-4,784
(Financial charges)	-280	-860	580
Revaluations (write-downs)	-290	-222	-68
Profit before tax	1,322	5,611	-4,289
income taxes	1	125	-124
Net profit for the year	1,323	5,736	-4,413

INFORMATION REQUESTED BY THE PROVISIONS OF (ITALIAN) LEG. DECREE 2428 OF THE ITALIAN CIVIL CODE

TABLE OF CONTENTS	2023	2022
Capital asset		
<i>Shareowner's equity - Fixed asset</i>	1,006,462	1,549,842
Ratio of current assets to current liabilities		
<i>Current assets/current liabilities</i>	22.76	1.17
Equity to fixed assets ratio		
<i>Shareholders' equity/Fixed assets</i>	1.10	1.09
Ratio of fixed assets to total assets		
<i>Fixed assets/net assets</i>	0.91	0.61

BACKGROUND DESCRIPTION AND RESULTS OF CARRON HOLDING GROUP

The results of the consolidated financial statements are now examined.

The financial year just ended recorded a profit of Euro 11.5 million Euro and a group production value of 308 million Euro.

The value of production recorded a significant increase compared to 2022, by about 9%, going from 308 to 335 million Euro, with a simultaneous improvement in profitability (EBITDA), from 31.5 (9.4% of the value of production), up to 21.7 million Euro, equal to 7.05% at 31/12/2022.

EBIT (gross operating margin) also increased from 19 million Euro or 6.19%, to 27.5 million Euro, or 8.24% of the value of production.

ACQUISITIONS

The Carron Group made important work acquisitions in 2023, both in the public works sector and from private customers.

The most important include:

Client	Subject of contract	Amount
Zabarella 2023 Srl	Residential Property Renovation in Padua	€ 24,300,000
Colliers Global Invest. REAM Sgr Spa	Redevelopment of the building complex Milano – Via Durando Building A to be used as a student residence	€ 21,200,000
Generali Real Estate Sgr	Redevelopment of office buildings in Milan - Via Bassi	€ 37,500,000
Metropolitana Milanese MM Spa	Redevelopment of a building to be used as a power-operated archive – Milan – Via Gregovius	€ 7,500,000
Coima Sgr Spa	Construction of an office building in Milano – Via Lorenzini	€ 55,000,000
Colliers Global Invest. REAM Sgr Spa	Renovation in Milan – Via Durando – Building B – to be used as a student residence	€ 37,000,000
Municipality of Venice	Bosco dello Sport – Urban infrastructure works	€ 31,400,000
Hotel Cristallo Spa	Hotel redevelopment, renovation and extension Cortina d'Ampezzo	€ 51,400,000
Heratech Srl	Extension of the waste to energy plant in Padua	€ 19,500,000
Veneto Strade Spa	Construction of the New regional road 10 - Padana Inferiore	€ 94,300,000
South Tirol Health Unit	Restructuring and expansion of Bolzano hospital - 2nd lot renovation of wards	€ 93,500,000
Elderly Centre Bressanone-Varna- Luson	Internal equipment and finishing works in the elderly centre S.Elisabetta a Varna (BZ)	€ 5,200,000
Municipality of Bolzano	Works for the renovation, adaptation to current standards, extension and energy refurbishment of the Archimede middle school in Bolzano	€ 14,000,000
'Sale of future assets' area		
Despar Srl	Construction of a new commercial building in Castelfranco Veneto (TV)	€ 9,200,000

DIRECTORS' REPORT - Consolidated Financial Statements**SALE OF FUTURE ASSETS FINALISED IN 2024**

Client	Subject of contract	Amount
Alba Leasing On behalf of ELLE EMME Spa	Commercial building in Turin	€ 1,200,000
HPF Italy 1 - BNPP	Residential care home 120 beds – Castelnuovo Garfagnana (LU)	€ 12,570,000
AZIMUT Libera impresa Sgr	Hotel and tourist residence – Senior Living in Siena (SI)	€ 17,930,000

SALES OF FUTURE ASSETS FINALISED IN 2023 FINANCIAL YEAR

Client	Subject of contract	Amount
ELLE EMME Spa	Commercial building in Turin	€ 4,000,000
Ream Sgr Spa	Residential care home, 290 beds – Varese (VA)	€ 26,500,000
Primonial Sgr	Residential care home, 160 beds – Castelfiorentino (FI)	€ 18,080,000
Primonial Sgr	Residential care home, 120 beds – Ponsacco (PI)	€ 13,900,000
Euryale Sgr	Residential care home, 180 beds – Bereguardo (PV)	€ 15,700,000
Euryale Sgr	Residential care home, 240 beds – Lentate sul Seveso (MB)	€ 23,500,000
Euryale Sgr	Residential care home, 120 beds San Genesio ed Uniti (PV)	€ 11,300,000
Despar Spa	Commercial building in Castelfranco Veneto (TV)	€ 9,200,000

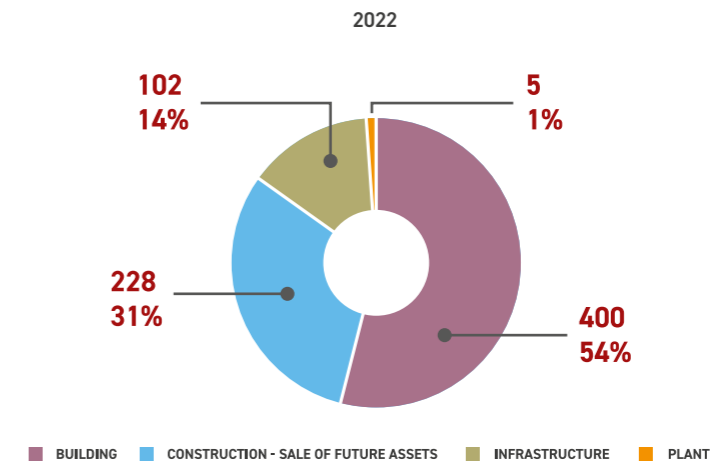


2022 ORDER BOOK

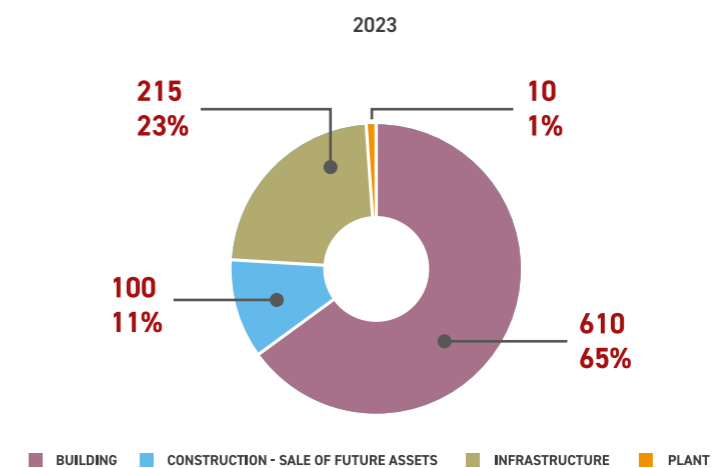
The Group's backlog at 31/12/2023 amounted to 935 million Euro, of which 610 million Euro was for tender contracts and the execution of civil construction works, 100 million Euro related to contracts for the purchase and sale of future goods, of which Euro 61 million were in progress and 39 million Euro awaiting start-up, 215 million Euro for the execution of infrastructure works and 10 million Euro related to systems.

The dynamism of the business activity and the opportunities also created by the NRP allowed for a different positioning of the portfolio with an increase in the construction sector, but especially in the infrastructure sector, from 102 million Euro in 2022 to 215 million Euro in 2023, to the detriment of the 'sale of future assets' sector.

ORDER BOOK AT 31/12/2022
(million/Euro)



ORDER BOOK AT 31/12/2023
(million/Euro)





**OVERVIEW OF MAIN PROJECT
UNDERWAY**

CLIENT

OSPEDAL GRANDO S.R.L. – LICENSEE PROJECT COMPANY

CONSTRUCTION OF THE "CITTADELLA SANITARIA" AT THE HOSPITAL IN TREVISO



- Activities performed: Completion of flooring, false ceilings, painting and interior doors, Installation of electro-medical equipment, Commissioning and testing.

CLIENT

MARCHE REGION

EXECUTIVE PLANNING AND EXECUTION OF THE WORKS NECESSARY FOR THE EFFECTIVE AND FUNCTIONAL CONSTRUCTION OF THE NEW HOSPITAL IN CAMPIGLIONE DI FERMO IN THE MUNICIPALITY OF FERMO, PROVINCE OF FERMO.



- New Hospital Complex in Campiglione di Fermo (FM): Hospital: Continuation of works, waterproofing, plasterboard works such as walls, partitions and ceilings, installation of elevator systems, mechanical and electrical systems (under the responsibility of temporary contractors), screeds and floors, finishing works such as resilient flooring, coverings and painting, and ordinary and fire-resistant internal doors;
- Exterior: Earthmoving and backfilling, underground utilities, paving and kerbs for car parks and roads; green works. Roads (complementary contract): construction site on hold.

CLIENT

MOTORWAY BRESCIA VERONA VICENZA PADOVA Spa – A4

COMPLETION OF THE NEW BUS TERMINAL IN MONTECCHIO MAGGIORE (VI) AND CONNECTIONS TO THE NON-MOTORWAY ROAD NETWORK



- Completion of the new toll station service building (construction and installation works);
- New A4 motorway and new A4-SPV junction: Temporary deviation of A4 direction for road embankments and foundations; construction of steel bridge on A4 (launching and casting slabs); completion of main and secondary works (Tunnels GA01 and 03, S02, P01, I03); in general, all road excavations and embankments completed, and the sub-services for the new road system completed; the entire road platform is almost completed, including the safety barriers and final signage; the exit and entrance toll gates are complete (metal covering structure, toll islands, hydraulic and electrical works, etc.); the M and N ramps are under construction, as well as the parking apron.
- Former toll area: excavation, remediation and construction of the apron embankments;
 - new winter services building: construction of foundation piles (CFA) and reinforced concrete foundations for the entire building; start of metal cladding laying and roofing structure; the reinforced concrete works in the office area are in progress;
 - garage building almost completed: foundation works, and prefabricated structures being finished; completion of insulation and installation of windows and doors;
- New roundabout: excavations and roundabout embankments have started; completion of retaining wall on former tollgate area.

CLIENT

PROVINCE OF TRENTO

EXECUTIVE DESIGN AND EXECUTION OF CONSTRUCTION WORK FOR THE 1ST EXPANSION STAGE OF THE TRENTO 3 WATER TREATMENT PLANT AND REGRADING OF STATE ROAD 12 OF ABETONE AND BRENNERO



- All the civil, finishing and plant engineering (electrical and mechanical) works of the entire purification plant have been completed, with the exception of some treatment plant parts and special equipment; the initial lifting has been completed in terms of both civil and plant engineering works and detailed finishing works; the external and green works have been completed; the electrical, mechanical and special systems are being tested.

CLIENT

KRYALOS S.G.R. S.p.A.

RENOVATION OF BUILDING FOR OFFICE USE IN VIALE REGINA GIOVANNA, MILAN



- Activities performed: demolition and excavation works; reinforced concrete works; consolidations; metal carpentry; masonry; plasterboard works; plastering; subfloors; industrial flooring; mechanical systems; electrical systems; doors and windows and ventilated façades; waterproofing; stoneware flooring; fire-resistance treatments. Functional tests and inspections for final handover to the client.

CLIENT

AZIMUT

TOURIST HOTEL RESIDENCE SCACCIAPENSIERI - SIENA



- Renovation of façades; Completion of car park building works; Restoration of lemon house and hunting lodge; Completion of the residence building works (flooring, plastering, doors, painting, etc.); Completion of electrical and mechanical installations; residence furnishing

CLIENT

PRIMONIAL

CONSTRUCTION OF THE RESIDENTIAL CARE HOME PONSACCO – 120 BEDS



- In 2023 all the internal and external works of the two residential care homes were completed and the property was handed over to the management.

CLIENT

HPF BNPP SGR PA

CONSTRUCTION OF RESIDENTIAL CARE HOME IN CASTELNUOVO GARFAGNANA (LU) - 120 BEDS



- In 2023 all the internal and external works of the two residential care homes were completed and the property was handed over to the management.

CLIENT

CDP Sgr Spa

REDEVELOPMENT OF EX DEMANIO-CENTRO SERVIZI SCANDICCI BUILDING COMPLEX, SCANDICCI (FI)



- Activities carried out: Buildings: plasterboard works, screeds, system works, finishing works; External areas: Remediation of asbestos-containing materials, earthmoving works, construction of underground tanks and underground utilities, construction of roadside containers and external lighting systems. Completion of works and property handover to the client.

CLIENT

CARRON CAV. ANGELO SPA

COMMERCIAL COMPLEX IN VIA LANCIA, TURIN



- Activities performed: Execution of urban infrastructure works and private external areas; testing and delivery of the units and external areas.

CLIENT

GRUPPO GHERON

CONSTRUCTION OF HEALTH CENTRE IN TURIN - VIA SERVAIS



- Activities performed: demolition, structural reinforcement in reinforced concrete, crawl spaces, creation of subfloors, start of plasterboard partitions and mechanical installations.

CLIENT

REAM SGR Spa

CONSTRUCTION OF RESIDENTIAL CARE HOME IN RAPAGNANO (FM) - 155 BEDS + 20 DAY BEDS



- Activities carried out: Reinforced concrete works such as elevations, floors; ventilated crawl spaces and underfloor systems; waterproofing, insulation and perimeter walls; plasterboard works such as walls, counter walls and ceilings, installation of elevator systems, mechanical and electrical systems (carried out by temporary consortia), screeds and floors, finishing works such as resilient flooring, cladding and painting, door and window frames and external façades, ordinary and fire resistant internal doors. External works and urbanisation: excavation and earthmoving, backfilling; road foundation packages, networks and underground utilities, paving and kerbs for car parks and roads.

CLIENT

REAM SGR Spa

CONSTRUCTION OF RESIDENTIAL CARE HOME IN VARESE (VA)



- Activities carried out: Completion of structural works; Completion of masonry works; Advanced unfinished building works (plasterboard, screeds, waterproofing); Construction of façades (cladding, PVC and aluminium windows and doors); Finishing works (ceramic floor and wall tiles, doors, paints); Urbanisation works and external arrangements.

CLIENT

COIMA Sgr Spa

PROPERTY REDEVELOPMENT IN VIA PIRELLI 35, MILAN



- Activities carried out: Demolition and excavation, reinforced concrete works, consolidation, metalwork, special foundations, masonry, plastering, mechanical installations, electrical installations, painting, industrial floors and reinforcement hoods, cellular façades, ventilated façades, mullion and transom façades, waterproofing, elevator systems, interior floor and wall coverings, plasterboard works, painting.

CLIENT

BULGARI GIOIELLI Spa

EXPANSION OF PRODUCTION HEADQUARTERS IN VALENZA (AL)



- Activities carried out: Construction of reinforced concrete works, pre-stressed precast concrete, waterproofing works, plasterboard works, external window and door frames and structural facades, industrial flooring, external urbanisation works.

CLIENT

EURYALE

CONSTRUCTION OF RESIDENTIAL CARE HOME IN BEREGUARDO (PV) - 180 BEDS



- Activities performed: drafting and delivery of the complete executive design, obtaining the PDC, setting up of the area, earth moving and perimeter backfill works, completion of reinforced concrete works such as foundations, elevations, floors, realisation of metal carpentry works, realisation of roof waterproofing, laying of roofing insulation and realisation of industrial flooring to protect the insulation, completion of perimeter curtain walls, start and completion of plasterboard works such as walls/counter walls and false ceilings, creation of all screeds and insulation, supply and installation of prefabricated bathrooms, creation and testing of all electrical and mechanical systems, creation and testing of elevator systems, creation of external cladding, creation of sheet metal work, creation of stoneware and PVC floor and wall coverings, creation of internal and external paintwork, installation of internal and external door and window frames, creation of locksmith work and internal glass walls, creation of external landscaping, irrigation and street furniture.

CLIENT

EURYALE

CONSTRUCTION OF RESIDENTIAL CARE HOME IN LENTATE (MB) - 240 BEDS



- Activities performed: drafting and delivery of the complete executive design, obtaining the PDC, carrying out the demolition of the buildings on the area and land reclamation (works contracted to the seller of the area), site preparation, construction of the leaking wells and excavation of the underground area, earth moving and perimeter backfill works, construction of reinforced concrete works such as foundations, elevations, floors, waterproofing of the roof, installation of roof insulation and construction of industrial flooring to protect the insulation, construction of perimeter curtain walling, start-up of plasterboard works such as walls/counter walls, construction of part of the screeds and insulation, supply and installation of prefabricated bathrooms, construction of sewage drainage lines, construction of part of the electrical and mechanical systems, start-up of the external cladding, start-up of floor and wall covering installation.

CLIENT

EURYALE

CONSTRUCTION OF RESIDENTIAL CARE HOME IN SAN GENESIO (PV) - 120 BEDS



- Site preparation, earthworks and perimeter backfill, completion of reinforced concrete works such as foundations, elevations, floors, waterproofing of roofing, part of curtain walling, start of plasterboard works such as walls/counter walls, supply and installation of part of screeds and insulation, supply and installation of prefabricated bathrooms, construction of mechanical, electrical and water systems, perimeter cladding.

CLIENTE

EURYALE

CONSTRUCTION OF RESIDENTIAL CARE HOME IN LODI VECCHIO (LO) - 240 BEDS



- Site preparation, earthworks and perimeter backfill, completion of reinforced concrete works such as foundations, elevations, floors, roof waterproofing, part of curtain walling, start of plasterboard works such as walls/counter walls, supply and installation of part of screeds and insulation, supply and installation of prefabricated bathrooms, start of mechanical, electrical and water systems, perimeter cladding with a coating system, external works relating to the urban infrastructure works;

CLIENT

ALFIERE SPA

REDEVELOPMENT OF THE "TORRI DELL'EUR" BUILDING COMPLEX - PHASE 1 - SHELL & CORE ROME



- Site set-up, excavation and demolition; micro piles and CFA foundation piles; micro piles for reinforcement of existing foundations; reinforced concrete structures; masonry work to accommodate metalwork; erection of metal structures in buildings A, C, C1, D, G3 and G4; seismic reinforcement of buildings A, C, C1, D and B; assembly of ventilated and glazed façades in building A; assembly of cellular façades in building C; insulation and waterproofing of roofs and external walls; rainwater and waste water collection and disposal networks; water collection tanks.

CLIENT

TRENTINO TRASPORTI (TN)

EXECUTIVE DESIGN AND EXECUTION OF WORKS FOR THE CONSTRUCTION OF THE NEW ROLLING STOCK MAINTENANCE WORKSHOP IN SPINI DI GARDOLO (TN)".



- Completion of the barracks, logistics areas and clearing out explosive devices left over from the war; Access road: excavation, embankments, interference resolution of underground utilities, perimeter walls and fences; Building area: construction of perimeter boundary walls; excavation and reclamation of area; construction of preloading embankment on workshop building footprint; displacement of interfering underground utilities; civil works to prepare for plant connection; start of apron embankments.

CLIENT

COLLIERS GLOBAL INVESTORS ITALY SGR SPA

VIA DURANDO A, MILAN



- Activities carried out: Excavation; structural works of the new building; structural work on the existing building (reinforcements, demolition, etc.) Start of masonry works.

CLIENT

COLLIERS GLOBAL INVESTORS ITALY SGR SPA

VIA DURANDO B, MILAN



- Excavation; Start of structural works (slab)

CLIENT

LIFENTO

CONSTRUCTION OF RESIDENTIAL CARE HOME IN CASTELFIORENTINO (FI) - 160 BEDS



- Activities performed: execution of reinforced concrete works such as foundations, elevations, floors, waterproofing of roofing, curtain walls, start of plasterboard works such as walls/counter walls, supply and installation of part of the screeds and insulation, supply and installation of prefabricated bathrooms, construction of sewage drainage lines within the building's crawl space, construction of part of the electrical and mechanical installations, installation of a technological control unit and AHU on the roof, construction of part of the coats, start of lift installation.

CLIENT

ZABARELLA 2023 SRL

RENOVATION AND REDEVELOPMENT OF CA' DEL CHIOSTRO (PD)



- Activities performed: execution of external works preparatory to the roadway for vehicle access to the site, site preparation, removal and demolition works, external scaffolding, works to reinforce the foundational system of the buildings.

CLIENT

MM SPA

CONSTRUCTION OF THE NEW CITTADELLA DEGLI ARCHIVI AT VIA GREGOROVIVUS IN MILAN



- Integrated contract: execution and delivery of the Executive Design to the S.A. for validation, performed war survey and static verifications on the existing structures that will remain in place.

CLIENT

COIMA Sgr Spa

CONSTRUCTION OF OFFICE, COMMERCIAL COMPLEX AND RELEVANT SPACES IN MILAN - VIA LORENZINI 8



- Activities carried out: Partial take-over of the areas (half of the site area), excavation of one of the crane plinths integrated into the foundations, reinforcement of the same.

CLIENT

GENERALI REAL ESTATE SPA

BASSI BUSINESS PARK BSS LOTS 3 AND 4



- Activities performed: completion of demolition work on all lots, jet grouting sub-foundations on new tower, construction of foundation slab and elevations up to ground floor of new tower, creation of double volumes on buildings 8A and 8B including column and slab edge hooping, investigation of slab crumbling.

CLIENT

UNIONBAU S.R.L.

CONSTRUCTION OF MECHANICAL SYSTEMS AT THE RESIDENTIAL CARE HOME IN CAMPO TURES



- In 2023, the systems for the west wing and the central section were completed while those for the east wing began.

CLIENT

PROVINCE OF BOLZANO

CONSTRUCTION OF THE NEW MERANO BYPASS CONNECTING TUNNEL



- In 2023, work will continue on the in-line tunnel on both the Tirol and Merano sides, the waterproofing of the rock part will be carried out, and the final lining with a concrete cap will be executed. In addition, the central pillar of the roundabout was finished, and work began on the widening and construction of the final roundabout.

CLIENT

NOI S.P.A.

CONSTRUCTION OF MECHANICAL SYSTEMS OF NEW BUILDING IN BRUNICO



- All the works on the mechanical systems were carried out and completed in 2023.

CLIENT

NOI S.P.A.

IMPLEMENTATION OF MECHANICAL SYSTEMS, LOT D2/D3

- In 2023, work began and progressed swiftly from the raw material, drains, technology stations to assembly and finishing. In 2024 the finishing and completion works will be carried out.

CLIENT

MUNICIPALITY OF FALZES

CONSTRUCTION OF CASA DELLE ASSOCIAZIONI IN FALZES



- The contract concerns the implementation of electrical and mechanical installations. All planned works were completed in 2023, and the work is awaiting acceptance.

CLIENT

PROVINCE OF BOLZANO

CONSTRUCTION OF THE CHIENES TUNNEL



- The shares in the tunnel were sold and the first two instalments of the amount were paid off, while the construction of the systems remains, which will begin in a few years when the tunnel is completed.

CLIENT

PROVINCE OF BOLZANO

RENOVATION AND EXPANSION OF CANTORE BARRACKS IN SAN CANDIDO



- In 2023, all finishing and exterior work is advanced. System works also continued; the state of works is very advanced and will be completed between May and June 2024. Most of the finishing work remains to be done.

CLIENT

MUNICIPALITY OF BOLZANO

RENOVATION AND MODERNISATION OF ADA NEGRI MIDDLE SCHOOL IN BOLZANO



- In 2023, the entire unfinished part of the new gymnasium was executed with the construction of the wooden roof. Strip-out work on the old school has also begun to allow for renovation and modernisation.

CLIENT

MUNICIPALITY OF SARENTINO

CONSTRUCTION OF A MIDDLE SCHOOL IN THE MUNICIPALITY OF SARENTINO



- The contract was awarded in 2023 as a temporary consortium for the implementation of finishes and systems. 2023 saw the start of the works we are responsible for, once the work of our members had been completed. These started towards the end of 2023 and are not many, mainly involving masonry screed work and masonry assistance to installations.

CLIENT

BRESSANONE-VARNA-LUSON CENTRE FOR THE ELDERLY

CONSTRUCTION OF THE NEW VILLAGGIO S. ELISABETTA CENTRE FOR THE ELDERLY IN VARNA



- In 2023, the construction site entered into full swing, carrying out all the excavation work and proceeding to the construction of the rough structure of the various blocks.

CLIENT

SOUTH TIROL HEALTH UNIT IN BOLZANO

REDEVELOPMENT OF SAN MAURIZIO HOSPITAL IN BOLZANO (FLOORS 4 TO 8)



- In 2023, the contract was awarded to be managed by S.C.A R.L. San Maurizio, in which CARRON BAU S.r.l. Has 63.71% share. In 2023 strip-out works and demolition of the relevant floors were carried out.

CLIENT

MUNICIPALITY OF BOLZANO

RENOVATION AND EXPANSION OF THE ARCHIMEDE MIDDLE SCHOOL IN BOLZANO



- At the end of the year 2023, the contract for the renovation and extension of the Archimede school in Bolzano was awarded. In 2023, only the construction site set-up works were carried out.

CLIENT
MUNICIPALITY OF CALDARO
RENOVATION OF CALDARO MIDDLE SCHOOL



- In 2023, all work on the demolition of the old gymnasium was carried out and substantially completed, as well as the connection to the new school. The remaining works will be completed in the first three months of 2024.

CLIENT
MUNICIPALITY OF CALDARO
CONSTRUCTION OF MECHANICAL SYSTEM AT CALDARO MIDDLE SCHOOL

- In 2023, all remaining work was carried out on the connection between the demolished old gymnasium and the new school.

CLIENT
MUNICIPALITY OF CALDARO
CONSTRUCTION OF ELECTRICAL SYSTEM AT CALDARO MIDDLE SCHOOL

- In 2023, all remaining work was carried out on the connection between the demolished old gymnasium and the new school.

CLIENT
MERANO PARKING CENTRUM S.P.A.
CONSTRUCTION OF UNDERGROUND CAR PARK

- In 2023, excavation work began on the hollowed space that will house the future garage. Specifically, the entire top ceiling was made using the explosive firing technique and its lining was executed.

CLIENT
MUNICIPALITY OF BOLZANO
RENOVATION AND EXPANSION OF THE DANTE SCHOOL IN BOLZANO

- In 2023 all the finishing works, the external works and the systems were completed.

CLIENT
LAIVES SOCIAL SERVICES ASSOCIATION
RENOVATION AND EXTENSION OF THE LAIVES RESIDENTIAL CARE HOME

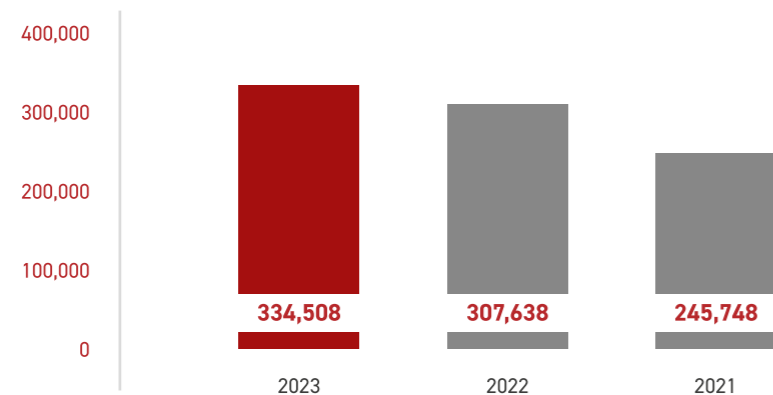
- In 2023, all work was completed on both the building part and the furniture part added later. The building was proven and tested and is currently operational.



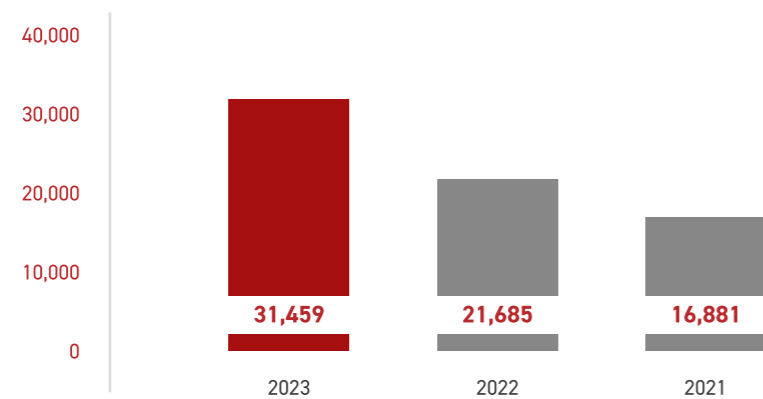
GROUP FINANCIAL HIGHLIGHTS AT 31 DECEMBER 2023

The economic and financial performance of the company, as presented below, is also evaluated based on certain indicators not defined within the reference accounting principles, including EBITDA and NFP.

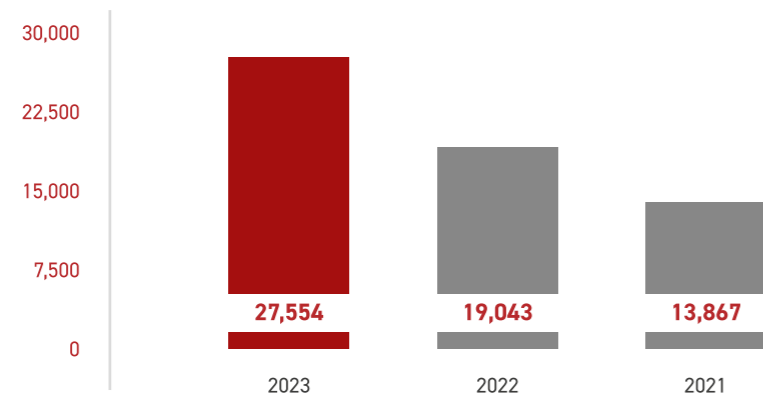
VALUE OF THE PRODUCTION (EURO / 1000)



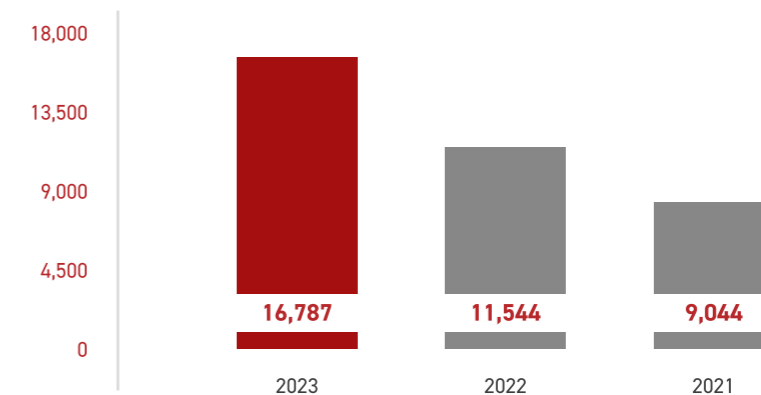
EBITDA (EURO / 1000)



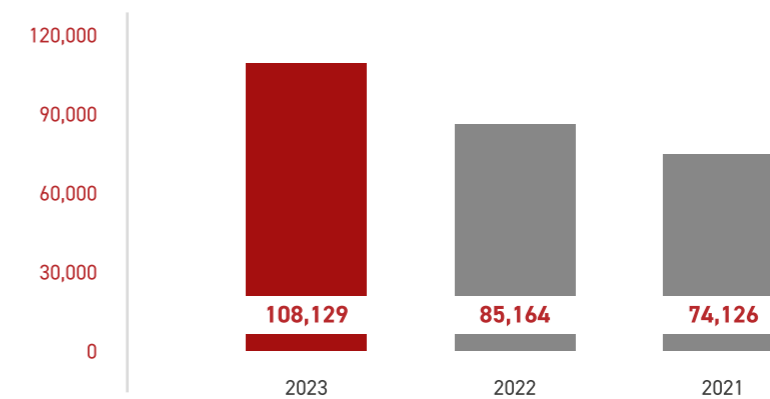
EBIT (EURO / 1000)



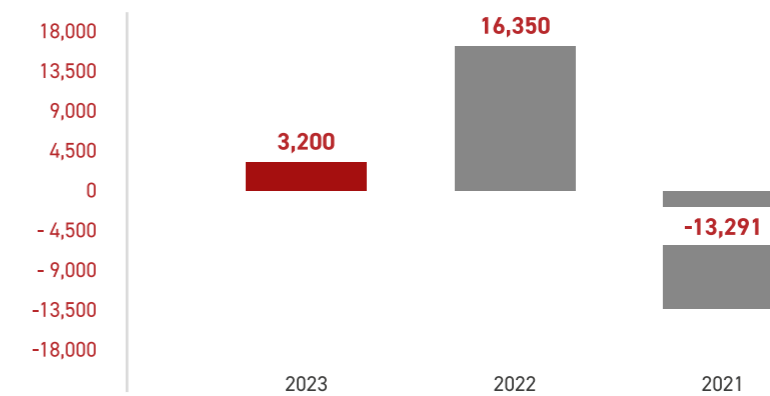
NET PROFIT (EURO / 1000)



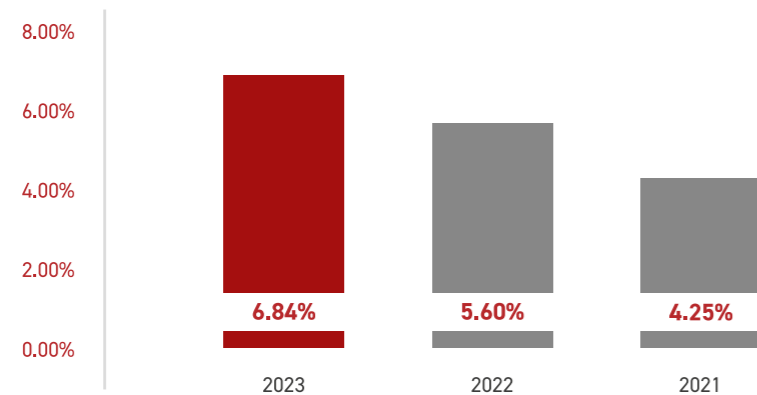
SHAREHOLDERS' EQUITY (EURO / 1000)



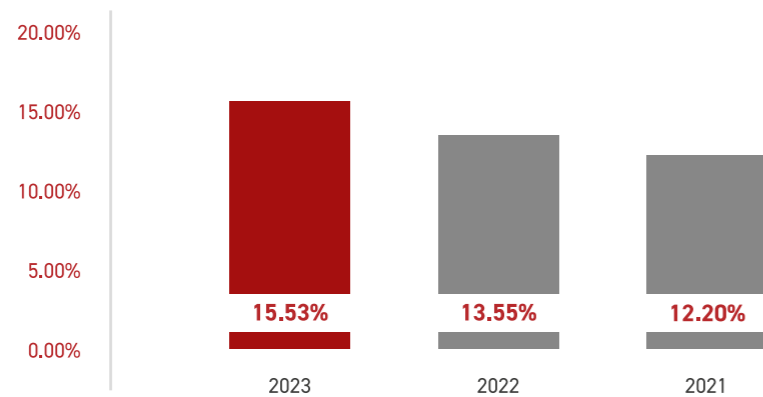
NET FINANCIAL POSITION VIS-À-VIS BANKING INSTITUTIONS (EURO / 1000)



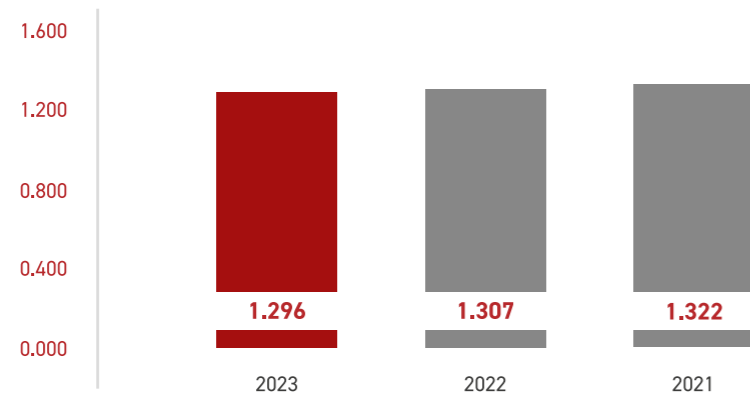
R.O.I.



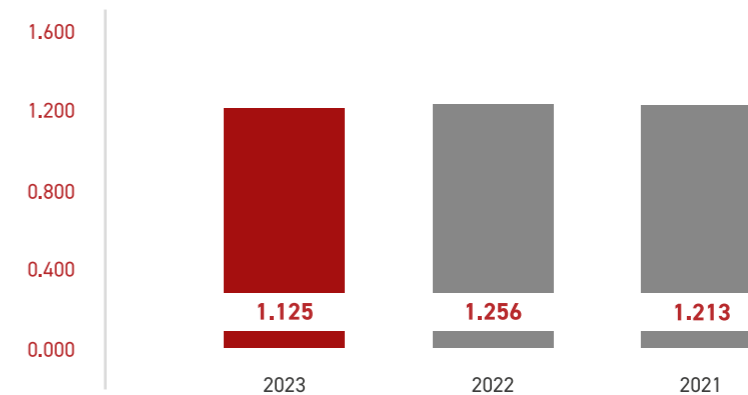
R.O.E.



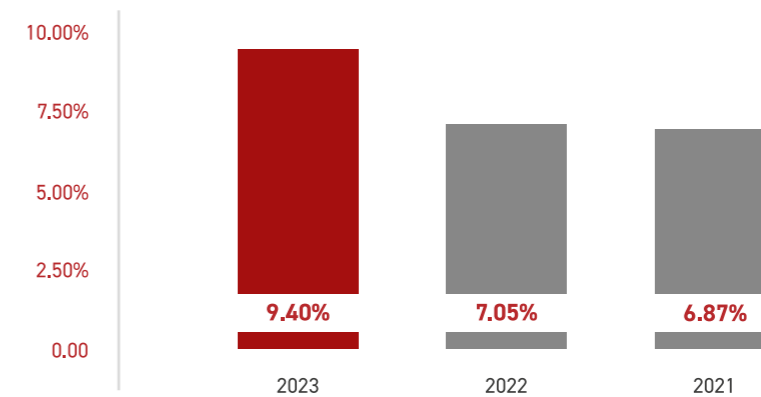
CURRENT RATIO
CURRENT ASSETS/CURRENT LIABILITIES



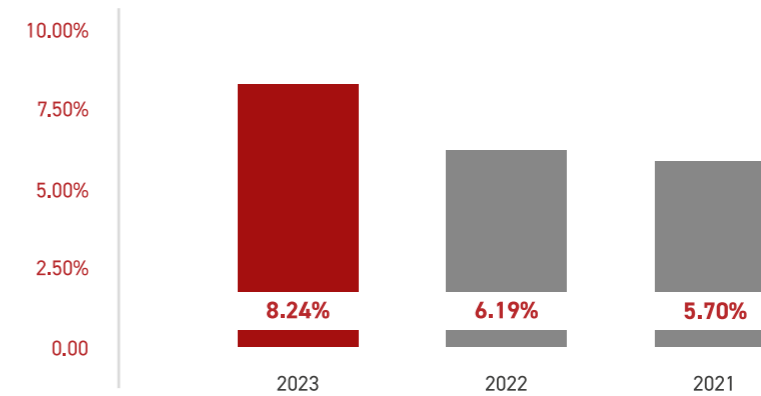
QUICK RATIO



EBITDA



EBIT



GROUP'S FINANCIAL STATEMENTS AT 31 DECEMBER 2023*(In thousands of Euro)*

DESCRIPTION	2023	2022	Difference
Intangible fixed assets	3,536	1,419	2,117
Tangible fixed assets	51,287	28,864	22,423
Financial fixed assets and other securities	14,416	4,072	10,344
Financial receivables after twelve months	5,783	14,489	(8,706)
Trade receivables and other receivables due after twelve months	1,307	12,637	(11,330)
Fixed assets	76,329	61,481	14,848
Net working capital	51,388	23,013	28,375
Provisions for liabilities, staff severance indemnity, long term liabilities	(22,789)	(15,681)	(7,108)
Net invested capital	104,928	68,813	36,115
Equity	108,128	85,164	22,964
Net financial position to the credit and banking system	(5,179)	(18,735)	13,556
Financial payables to leasing	1,979	2,384	(405)
Sources	104,928	68,813	36,115

FIXES ASSETS

For the purposes of reclassification of the financial statement values, non-current assets include intangible and tangible assets at their net value, as well as medium/long-term financial assets, typically represented by investments not included in the scope of consolidation, loan receivables and trade receivables due after 12 months.

At 31/12/2023 it amounted to Euro 76.3 million (Euro 61.5 million at 31/12/2022) of which Euro 3.5 million for intangible fixed assets (Euro 1.4 million at 31/12/2022), Euro 51.3 million for tangible fixed assets (Euro 28.9 million at 31/12/2022), Euro 14.4 million for financial assets and other securities (Euro 4.1 million at 31/12/2022), Euro 5.8 million for financial receivables over twelve months (Euro 14.5 million at 31/12/2022), Euro 1.3 million for trade and other receivables over twelve months (Euro 12.6 million at 31/12/2022), recording an overall increase, in relation to 31/12/2022, of Euro 14.8 million.

The detailed analysis of the changes occurred is contained in the specific illustrative section of the "Explanatory notes to the financial statements" to which reference is made.

DIRECTORS' REPORT - Consolidated Financial Statements**NET WORKING CAPITAL**

At 31.12.2022, the net working capital amounted to Euro 23 million, while at 31.12.2023 it amounted to Euro 51.4 million, recording an increase by Euro 28.3 million.

The trend of net working capital is impacted by the way in which the activity is carried out, which varies according to the specific conditions that govern the contracts of companies carrying out the works, of the contractual relationships with suppliers and subcontractors and, in general, of third parties with whom the company deals in carrying out activities.

It should be noted that net working capital is affected by the presence, in its composition, of works with a slow financial turnover related to the underlying nature of the contracts that regulate their execution, in this case referred to as 'sale of future assets', the final payment of which takes place when they come into existence and relative transfer by notary deed.

The increase was substantially influenced by the contribution of inventories by companies that entered the consolidation area and not least by the effect represented by the increase in inventories on 'Real Estate Closed' job orders, which reflect the natural trend of these job orders that are only reduced at the time of the notarial deed of sale. Over the financial year, work was started or continued on the realisation of numerous initiatives (RSAs), most of which will be concluded in 2024.

(In thousands of Euro)

DESCRIPTION	2023	2022	Difference
Inventories	42,963	10,792	32,171
Work in progress	117,007	99,397	17,610
Trade receivables	81,311	60,994	20,317
Receivables from consortium subsidiaries	6,193	556	5,637
Receivables from associated companies	9,954	7,814	2,140
Tax receivables	7,018	7,070	(52)
Receivables for prepaid taxes	421	75	346
Receivables from others	19,946	28,403	(8,457)
Short-term financial assets	70	92	(22)
Accruals and deferrals	985	962	23
Total current trade assets	285,868	216,155	69,713
Advances received	108,769	77,282	31,487
Trade payables	101,140	94,626	6,514
Payables due to subsidiaries	985	150	835
Payables due to associated companies	10,663	11,921	(1,258)
Tax payables	6,589	2,826	3,763
Payables due to pension and social security institutions	1,381	1,219	162
Other payables	4,009	4,652	(642)
Accruals and deferrals	943	466	477
Total current trade liabilities	234,479	193,142	41,338
Net working capital	51,389	23,013	28,375

NET INVESTED CAPITAL

Net invested capital amounted to Euro 104.9 million (Euro 68.8 million in 2022), an increase by Euro 32.8 million. The contribution made by the newly consolidated companies was significant, amounting to Euro 33.9 million, broken down as follows:

(In thousands of Euro)

DESCRIPTION	Amount
Inventories	34,887
Trade receivables	565
Tax receivables	111
Receivables due from others	140
Accruals and deferrals	44
Total current trade assets	35,747
Advances received	1,242
Trade payables	417
Tax payables	31
Payables due to pension and social security institutions	7
Other payables	89
Accruals and deferrals	86
Total current trade liabilities	1,872
Net working capital	33,875

CONSOLIDATED SHAREHOLDERS' EQUITY

At 31/12/2023 the Group consolidated shareholders' equity, consisting of the share capital and the legal and optional reserves, amounts to Euro 108,1 million, recording an increase by Euro 23 million compared with the figure at 31/12/2022 (Euro 85.2 million). For further information, please refer to the Explanatory notes.

DIRECTORS' REPORT - Consolidated Financial Statements**NET FINANCIAL POSITION**

(In thousands of Euro)

DESCRIPTION	2023	2022	Difference
Cash and cash equivalents	111	95	16
Cash and cash equivalents held in banks	40,410	62,156	(21,746)
Liquidity	40,521	62,251	(21,730)
Short-term financial payables	(17,353)	(19,870)	2,517
Long-term financial payables	(19,967)	(26,030)	6,063
Net financial position to the lending system and leasing	3,201	16,351	(13,150)
Receivables due from subsidiaries after 12 months	0	0	0
Receivables from associated companies after 12 months	5,616	4,361	1,255
Receivables due from other companies after 12 months	168	10,128	(9,960)
Financial position towards others	5,784	14,489	(8,705)
Total net financial position	8,985	30,840	(21,855)

The Group's financial position towards the banking system (credit institutions and leasing) improved by Euro 13.1 million, changing from (+) Euro 16.4 million at 31/12/2022 to (+) Euro 3,2 million at 31/12/2023. The overall position, which includes financial receivables and payables from/to other companies and from/to associated companies, amounted to Euro (+) 5.8 million, an increase of Euro 1.3 million compared with 31/12/2022 (Euro 30.8 million).

NOTES TO THE INCOME STATEMENT

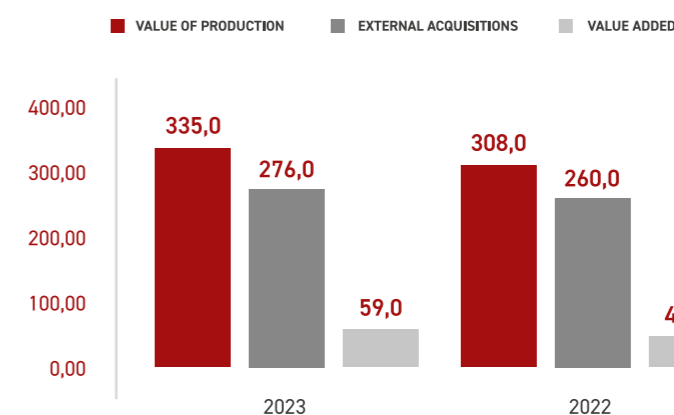
Reclassified income statement (value added approach)

The following reclassification highlights the intermediate results of economic management by highlighting the "Value added", the "Gross operating margin or Ebitda", the "Operating margin or Ebitd" and the result for the year:

(In thousands of Euro)

DESCRIPTION	2023	%	2022	%
VALUE OF PRODUCTION	334,508	100.00	307,638	100.00
Costs for external acquisitions	(275,647)	(82.40)	(259,298)	(84.29)
VALUE ADDED	58,861	17.60	48,340	15.71
Labour costs	(23,842)	(7.13)	(22,013)	(7.16)
Sundry operating expenses	(3,189)	(0.95)	(3,390)	(1.10)
Other provisions	(371)	(0.11)	(1,253)	(0.41)
EBITDA	31,459	9.40	21,684	7.05
Depreciation and amortisation	(2,701)	(0.81)	(2,413)	(0.78)
Provisions and write-downs	(1,204)	(0.36)	(228)	(0.07)
EBIT	27,554	8.24	19,043	6.19
Financial income (charges)	(3,106)	(0.93)	(2,485)	(0.81)
Revaluations (write-downs)	(204)	(0.06)	280	0.09
Profit before tax	24,244	7.25	16,838	5.47
Income taxes	(7,457)	(2.23)	(5,295)	(1.72)
Net profit for the year	16,787	5.02	11,543	3.75

INCOME STATEMENT



The volume of production at 31/12/2023 equal to Euro 335 million, marks a significant increase of 9% compared to the same period in 2022.

Costs for external acquisitions of goods and services amounted to Euro 276,0 million, accounting for 82.40% of the value of production (Euro 260,0 million, accounting for 84.29% in 2022).

Value added amounted to Euro 59,0 million, which corresponds to 15.71% of the value of production, against Euro 40,0 million in 2022 (16.30% of the value of production).

The operating result shows an improvement in profitability, particularly Ebitda - in relation to the value of production - shows an improvement from 7.05% (Euro 21.7 million) in 2022 to 9.40% (Euro 31.5 million) in 2023; therefore, also Ebit shows an improvement from 6.19% in 2022 to 8.24%.

Financial expenses increased from Euro 2.5 million in 2022 to Euro 3.1 million in 2023, with the increase due to the backlash of the increase in interest rates that began in the second half of 2022; thanks to the simultaneous reduction in exposure to the banking system, this increase was quite limited.

BREAKDOWN OF THE "VALUE OF PRODUCTION"

(In thousands of Euro)

DESCRIPTION	2023	2022	Difference
Sales and services revenues	306,648	334,341	(27,693)
Changes in work in progress	31,472	(28,260)	59,732
Changes in product inventories	(8,635)	(661)	(7,974)
In-house work	233	29	204
Other revenues and income	4,789	2,189	2,600
Total value of production	334,509	307,639	26,870

BREAKDOWN OF PRODUCTION COSTS*(In thousands of Euro)*

DESCRIPTION	2023	2022	Difference
Raw and ancillary materials	34,661	39,156	(4,495)
Provision of services	226,077	208,631	17,446
Use of third-party assets	8,319	5,052	3,267
Changes in stock	6,590	6,459	131
Total external purchases	275,647	259,298	16,349
Labour costs	23,842	22,013	1,829
Amortisation and depreciation, risk provision and write-downs	3,905	2,641	1,264
Other provisions	371	1,253	(882)
Sundry operating expenses	3,189	3,390	(201)
Total production costs	306,954	288,595	18,359

BREAKDOWN OF ADDED VALUE*(In thousands of Euro)*

DESCRIPTION	2023	2022	Difference
Added value	58,861	48,340	10,521
Compensation for work	(23,842)	(22,013)	(1,829)
Sundry operating expenses	(3,189)	(3,390)	201
Other provisions	(371)	(1,253)	882
EBITDA	31,459	21,684	9,775
Depreciation and amortisation	(2,701)	(2,413)	(288)
Provisions and write-downs	(1,204)	(228)	(976)
EBIT	27,554	19,043	8,511
Financial income and (charges)	(3,106)	(2,485)	(621)
Write-downs	(204)	280	(484)
Profit before tax	24,244	16,838	7,406
Taxes	(7,457)	(5,295)	(2,162)
Shareholders' equity of the group	16,787	11,543	5,244

The operating result shows an improvement in profitability, which was also generated by the start of work orders that had been able to absorb the increases in construction costs accrued in previous years (2021/2022) at the time of bidding. In previous years (2021/2022) margins had dropped due to the increase in procurement costs that we could not transfer, except in part, to our customers.

In particular, Ebitda - in relation to the value of production - improved from 7.05% (21,700 Euro) in 2022 to 9.40% (31,500 Euro) in 2023; therefore, Ebit improved from 6.19% in 2022 to 8.24%.

The financial management was not significantly affected by the increase in interest rates, as it was mitigated by the contraction of exposure to the credit system.

DIRECTORS' REPORT - Consolidated Financial Statements**INFORMATION REQUESTED BY (ITALIAN) LEG. DECREE 2428 OF THE ITALIAN CIVIL CODE**

INDICATOR	2023	2022
Ratio of current assets to current liabilities Current assets/current liabilities	1.296	1.307
Equity to fixed assets ratio Shareholders' equity/Fixed assets	1.42	1.38
Ratio of fixed assets to total assets Fixed assets/net assets	0.190	0.181
Flexibility of net assets Current assets/net assets	0.810	0.819
Overall debt ratio Shareholders' equity/Total liabilities	0.367	0.334
Debt to equity ratio Shareholders' equity/Net financial position vis-à-vis lenders	2.897	1.855
Acid test Current assets-stocks/Current liabilities	1.125	1.256
Financial debt/Ebitda Net financial position to lenders/gross operating margin	1.187	2.117

The following information is provided pursuant to Article 2428 of the (Italian) Civil Code:

The company does not own, directly or indirectly, shares or participations in parent companies.

During the year, the company did not dispose of shares or participations in parent companies, including through trust companies or intermediaries.

The company did not issue financial instruments and did not make use of derivative financial instruments.

OTHER INFORMATION**Status of the dispute**

The civil litigation situation regarding the group's activities, supported by the assessments of the designated lawyers, does not give rise to particular concerns, given that the pending litigations and their very modest value are not deemed to prejudice the economic and financial situation of the companies belonging to the Group.

Please refer in particular to what has already been indicated in the Notes to the Financial Statements under Provisions and Charges.

Tax situation

There were no pending tax disputes at 31/12/2023.

Risk management policies

The Carron Group's business is generally subject to various operational, counterparty and contract risks, as well as financial risks:

Operational risks

In this case, the risks that could affect the creation of value and due to an inefficient and/or ineffective management of business operations were taken into account, in particular those connected with the management of offers and the actual execution of orders. The various risk areas that fall into this category include the planning of offers, warehouse management and logistics, as well as risks related to the management of IT systems, planning and reporting, effective supply chain and personnel management, also with reference to health and safety, the environment, human rights and local communities. These risks may occur if, during the bidding and/or order implementation process, policies and procedures of the business entities are not sufficiently adequate to manage the risk factors arising from the degree of complexity of the project, or as a result of unforeseeable events. To this end, the activity carried out is aimed at controlling these risks from the analysis phase of the commercial initiative to be undertaken (bidding) with a view to assessing the risk-return of the project in case of award and its impact on the portfolio configuration, both in terms of concentration and overall risk profile. In this context, among other activities, a pre-bid assessment is carried out to identify potential risks and consequent impacts related to the project, as well as to identify the necessary mitigation and/or contingency measures to cover risks. The risk recognition activity is then performed again during the award phase and monitored and updated during execution of the order to swiftly detect evolution of the risk exposure and promptly adopt appropriate mitigation measures.

Counterparty risk

The counterparty identifies the potential problems connected with relations with customers, shareholders, subcontractors and suppliers of the Group companies, giving as complete a picture as possible of the characteristics of partners with whom to start or continue a collaboration. For each of these types of counterparties, the risk factors connected with financial and operational reliability take on more or less significance, in addition to the strategic role that may be assumed by a collaboration as opposed to a specific business initiative, as well as everything connected with legal, compliance and applicable standards (ethics, quality, health and safety, environment, human rights) to protect the regularity of the relationship.

DIRECTORS' REPORT - Consolidated Financial Statements**Order risk**

This aspect is crucial for an effective analysis of all the risks arising from the Group's core business, to define which instruments to use to identify and monitor the so-called order risks from the bidding phase, with a view to risk prevention as part of an in-depth risk assessment of opportunities linked to the pursuit of a specific initiative. It is also fundamental to constantly monitor risks once they have been understood by the management, by proactively and dynamically managing the resulting risk exposure and the continuous evolution that this may undergo over time.

Financial risks

These risks can be classified as follows:

- Market risk (price of raw materials and fluctuation of share prices)
- Credit risk
- Exchange rate risk
- Interest rate risk
- Liquidity risk

The management of the Group's financial risks is carried out within the framework of specific organisational directives that govern the management of the aforementioned risks and the control of all the operations that have strict relevance in the composition of financial and/or commercial assets and liabilities.

There are no specific financial, price, credit or liquidity risks other than those arising from operating activities.

The Group has a minimal exposure to interest rate risk related to financial concessions granted at variable rates. This risk is contained because each individual loan is directly or indirectly linked to a single transaction, thus limiting its exposure over time. There is no exposure to exchange rate risk as operations are carried out and revenues are produced exclusively in Italy, and the main costs incurred are in Euro.

There are no particularly significant credit risk areas; the operating procedures allow to control the credit risk, selecting the execution of contracts and/or services on behalf of customers who have an adequate level of credit and guarantees. Therefore, the maximum exposure to credit risk is represented by the book value in the financial statements.

Given the changed economic conditions compared to the past, the Group is significantly exposed to fluctuations in the price of raw materials and services; this risk is managed by resorting to a large supplier base, allowing to obtain the best market conditions, and, where possible, by entering into procurement contracts with clauses to contain risks related to raw material cost trends.

The risk areas relating to the protection of the health and safety of workers are managed in strict compliance with the laws and regulations.

Impact of the Russian-Ukrainian conflict

In the second half of February 2022, the Russian-Ukrainian conflict broke out. In relation to the complex scenario brought about by the ongoing conflict, the Company also reviewed its critical risks with regard to the macro-economic and geo-political implications of the Russian invasion of Ukraine and the sanctions imposed on Russia and Belarus, considering the significant business challenges and the high degree of uncertainty and knock-on effects. The outcome of the risk assessment carried out substantially confirmed the Company's limited exposure to financial and business impacts related to this specific risk, also in consideration of the fact that the Company does not have any procurement contracts in place with these countries, nor is it dependent on any strategic suppliers and not resident in these countries.

Quality – Environment– Safety

The tools that allow to increase the efficiency of the quality system have assumed an increasing importance within the Group and in the year 2022 maximum attention was placed on strengthening this aspect by implementing all the measures dictated by the regulations in force.

To this end, the operating companies (Carron Cav. Angelo S.p.A. and Carron Bau S.r.l.) consistently update the Integrated Management System (IMS) for quality, environment and safety. The system therefore complies with the new international standards UNI EN ISO 9001:2015, UNI EN ISO 14001:2015 and UNI ISO 45001:2018. The three management systems are certified in accordance with the standards for the construction sector, for the following activities:

- Design, construction, renovation and maintenance of construction, infrastructural (road and railway) and hydraulic engineering works;
- Restoration of real estate under protection.

The relevant certificates were issued by independent certification bodies in accordance with international standards ISO/IEC 17021). Certifications are maintained annually and renewed every three years.

The Group, through its operating companies, operates using a certified Quality Management System, also for environmental and safety matters.

The system has been pre-established in order to achieve general objectives with the aim of:

- Rationalising and optimising both management and executive activities consistent with the new organisation of the Group, by implementing the use of computerised processes;
- Minimising errors.
- Guaranteeing customer satisfaction, namely by assuring customers that the work, in technical and economic terms, is accomplished and maintained with the required quality, and also allowing external verification on the Integrated Management System.
- Orienting corporate culture towards environmentally friendly behaviour (control and rationalisation of the consumption of water and energy resources, correct management and separation of waste and waste produced) and operated in compliance with the binding legislation and the voluntary regulatory framework (UNI EN ISO 14001).
- Pursuing the best possible conditions in terms of health and safety in the workplace and hygiene of the environments in which the personnel operate, in compliance with the requirements of current legislation and the voluntary framework (BS OHSAS 18001).
- Managing activities also with the aim of preventing accidents, injuries and occupational diseases and safeguarding the health of workers, company assets, third parties and the community in which the companies belonging to the Group operate, thereby arranging the purchase, operation and maintenance of plant, machinery and equipment, the organisation of workplaces, and the definition of operating methods and organisational aspects, with a view to continuous improvement;
- Ensuring the widest possible dissemination of all information notices regarding health and safety risks in the workplace and the intervention procedures in emergency situations that may harm persons or the environment.

DIRECTORS' REPORT - Consolidated Financial Statements

- Reducing the general negative environmental impacts during the performance of activities through an assessment of the same already in the planning phase and through an accurate selection, assessment and awareness-raising of suppliers and contractors.
- Seeking clear and direct forms of internal and external communication that give evidence of transparent behaviour and are founded on respect and collaboration.
- Seeking the satisfaction of all internal and external stakeholders.
- Maintaining the certification of the company's Integrated Management System.

The Integrated Management System policy is based on compliance with several general concepts:

- Participation and involvement at all levels, based on the critical nature of the tasks and responsibilities of each operator.
- Continuous improvement, both in terms of satisfying customer requirements and the effectiveness of the Integrated Management System.
- Planning and review of company objectives.

In particular, the objectives and resources used to achieve them are defined yearly on a corporate basis following the review of the Integrated Management System and can be updated in relation to organisational and process changes, or strategic choices relating to the market policy of the company. The achievement of objectives is monitored on the basis of parametric values in order to objectively evaluate the achievement and take decisions based on factual information.

The company pays particular attention to the environmental and safety aspects in the workplace by applying the management system, with constant actions by all personnel involved, assisted by the internal prevention and protection service composed of a supervisor and 4 employees, as well as collaboration with external personnel for enhanced direct monitoring at the various construction sites.

The main actions are summarised as follows:

- Education, communication and training activities for all workers (office employees, labourers, technicians, supervisors, managers, emergency workers, workers with specific duties, prevention and protection service supervisor and staff, workers' representatives) in compliance with current legislation, including updates and supplementing with appropriate alternative training in order to improve knowledge and apply safety in the workplace;
- Supplier qualification, also and above all, in terms of legality and the absence of mafia infiltrations (through verification of registration to prefectural 'white lists' or through the Unindustria trade association by means of the legality protocol), and qualifying safety with a careful analysis of the documentation for verifying technical and professional suitability and the operational safety plan;
- Continuous maintenance and control of machines and equipment in compliance with current legislation, standards adopted and internal procedures in order to always have efficient machines and equipment and avoid accidents in the workplace.
- Management of chemical products through the acquisition of the relative safety data sheets, their updating, subsequent distribution and application of the requirements set out.
- Analysis of the planned work on site, drafting of the operational safety plans and subsequent updating according to the progress of the site.
- Systematic surveillance and monitoring in the workplace to comply with the provisions of the safety plans and the current legislation on safety in the workplace.
- Investigation of any accidents, injuries and dangerous behaviour or situations in order to establish the causes and implement appropriate preventive and corrective actions.

Human resources

The Group's dedicated departments pay constant attention to staff development by dedicating time and customised measures to improving know-how and skills, with the aim of enhancing customer satisfaction and initiating new projects and business areas.

The purpose of HR management is to guarantee the effective and efficient use of resources, with reference to both the quantitative and qualitative aspects of the personnel, providing mutual benefit for the companies and their people. For this to be effective, it is necessary to ensure, at the various levels of the organisation, that the individual, professional and organisational skills of those persons holding positions of responsibility correspond to and are consistent with expected performance.

Training and development

The objective of staff training is of significant importance, especially regarding aspects governed by regulations in relation to technical and professional skills and managerial behaviour.

2023 was marked by a significant increase in training and human resources development activities in the following 3 areas of activity:

- Construction site safety: the policy line implemented included a detailed analysis of the areas for functional and operational improvement of construction site safety. More functional equipment and operational processes have been put in place, also and above all through a training plan to maintain the specific qualifications foreseen, roles and responsibilities even more stringent than those regulated by law.
- Project Management Plan: to improve the behaviours and the implementation of technical processes, about 30 senior technical managers took part in a transversal Project Management course. Functional courses aimed at improving specific technical areas (BIM, Power B.I., corporate Erp, Cyber Security) involved many cross-cutting and interconnected roles.

Cybersecurity

The Carron Group is going through a digitisation phase that is having a major impact on business processes at all levels and involving all company departments.

The increasing use of IT tools to carry out daily operations and the progressive digitisation of processes, as well as remote work, require constant attention to data and information protection aspects.

That is why the Gruppo Carron's IT department, supported by strategic partners, addresses, implements and monitors the Group's information and data protection issues, based on the main relevant standards such as ISO 27001.

Gruppo Carron has envisaged some safety measures in addition to the ones already implemented with the aim of fully integrating all applications and infrastructures with the existing security systems, thus preventing cyberthreats.

These measures, implemented or soon to be implemented, concern:

- The definition of corporate Disaster Recovery plans through specific procedures (according to standard reference frameworks) and using dedicated infrastructures.
- Process and tool standardization.
- Adoption of the Security by Default approach for all new Group initiatives.
- IT infrastructure regular assessment using vulnerability tests to highlight any critical issue and suitable remediation plans accordingly.

DIRECTORS' REPORT - Consolidated Financial Statements

Another important strategy concerns the training and awareness-raising of employees on cybersecurity issues. The people, the users, the employees are the first element of defence against anyone trying to harm the company. In most cases, attempts to extort and damage corporate information assets are perpetrated through interactions with users.

To this purpose, awareness campaigns are organised at both central and peripheral levels, which, through short sessions delivered via a web platform, focus attention on topics such as phishing, privacy, data and workplace protection and much more, all accompanied by learning tests.

White list registration

The operating companies belonging to the Group are registered in the list of suppliers, service providers and operators not subject to mafia infiltration attempts, operating in the sectors most exposed to risk (the so-called white list) as identified in Article 1, Paragraphs 53 and 54 of Law no. 190 of 6 November 2012 and concerning the following sectors:

Section 1: environmental services, including collection, national and cross-border transport (also on behalf of third parties), waste treatment and disposal, as well as remediation and reclamation activities and other services related to waste management

Section 3: extraction, supply and transport of soil and inert materials

Section 4: packaging, supply and transport of concrete and bitumen

Section 5: bare machinery rentals

Section 6: supply of wrought iron

Section 7: operated equipment rentals

Section 8: road haulage on behalf of third parties

Registration on the white list, which is voluntary, fulfils the requirements of anti-mafia certification for carrying out the activities for which registration has been ordered and is therefore subject to the following conditions:

- no grounds for disqualification, suspension or prohibition referred to in Article 67 of Legislative Decree 159 of 6 September 2011, (Codice Antimafia).
- Absence of any mafia infiltration attempts designed to influence the company's choices and intentions pursuant to Art. 84, Paragraph 3, of the Anti-mafia Code.

Legality rating

The "Autorità Garante della Concorrenza e del Mercato" (the Italian Competition Authority) has attributed to the operating companies of the Carron Group a legality rating, which carries a maximum score of three stars.

The legality rating is a new tool introduced in 2012 for Italian companies, aimed at promoting and introducing principles of ethical behaviour by assigning a rating on compliance with the law to requesting companies and, more generally, on the level of attention paid to the proper management of business. A sufficient legality rating level can help companies obtain benefits in terms of the granting of public funding and easier access to bank lending.

ESG - Environmental – Sostenibility - Governance

2023 saw the third Report on Sustainability

In this latest 2023 report, we would like to confirm our preliminary commitment to fulfil future regulatory obligations under the new Corporate Sustainability Reporting Directive (CSRD). We want to show and prove our commitment to analysing and reporting on all ESG impacts of our activities in a transparent manner.

Our Sustainability Committee, consisting of the management and middle management, met regularly in order to adopt and implement the best strategic decisions in all those ESG areas deemed relevant and a priority for both the company and our stakeholders.

In 2023 we maintained and introduced several initiatives related to ESG issues. We continued to transparently communicate and disseminate our vision, mission and all corporate objectives with internal and external stakeholders.

We focussed on the topic of health and safety of our employees, which has always been a priority for our governance. We have done this both in offices and on active construction sites, through regular updating of the risk analysis and constant training. In addition, we have worked on gender equality, anti-corruption practices, road safety and sustainable procurement, obtaining the relevant certifications.

Since we started applying the principles of completeness and transparency in 2023, we have expanded our scope of sustainability reporting by structuring a system for tracking and monitoring environmental and social data for active construction sites. We did this by calculating the impacts on KPIs collected for each individual site. We have also continued to invest in emission reduction projects and activated new projects with local communities, actively contributing to the social and economic development of the territories where we work.

As far as future goals are concerned, we intend to put the reduction of carbon emissions at the centre of our actions and business investments, we will continue to favour the most sustainable and, whenever possible, certified building materials. Furthermore, we will strive to qualify our suppliers according to increasingly targeted environmental and social criteria and to share sustainability goals with them.



SIGNIFICANT EVENTS AFTER 31 December 2023

No significant events occurred after 31 December 2023.

It is also hereby specified that:

- The company does not own any treasury shares, neither directly nor through a trust company or third party.
- During the year, the company did not buy or sell treasury shares, neither directly nor through a trust company or third party.

DIRECTORS' REPORT - Consolidated Financial Statements**BUSINESS OUTLOOK**

Despite some foreseeable domestic GDP growth, the general economic scenario is still unstable due to inflationary pressures, high interest rates and ongoing military conflicts.

Based on the portfolio of works acquired, the commercial activity will still be focussed on selecting the best opportunities as general contractor, and as in the previous year, particular attention will be paid to public works that particularly benefit from the impact of the NRP.

-
The business area relating to real estate development and promotion, especially with regard to Assisted Living Facilities, will see completion with the signing of the deeds of sale of the initiatives launched in recent years. General market conditions are not favouring the start-up of new initiatives.

The expected value of production in 2024 is expected to stand at Euro 350 million with continued profitability.

As far as the financial area is concerned, the allocations granted by the banking system and the expected cash flows are deemed adequate for the needs.

San Zenone degli Ezzelini, 31 May 2024

The Sole Director of the consolidating company - Carron Holding S.r.l.

Marta Carron



CONSOLIDATED FINANCIAL STATEMENTS AT 31/12/2023
BALANCE SHEET AND INCOME STATEMENT

2023 CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

ASSETS	31/12/2023	31/12/2022
A RECEIVABLES DUE TO SHAREHOLDERS		0
B FIXED ASSETS		
I) Intangible fixed assets		
1 Start-up and expansion costs	7,803	1,925
3 Industrial patents and intellectual property rights	164,558	213,144
4 Concessions, licences, trademarks and similar rights	1,833,792	1,554
5 Goodwill	500,902	748,679
6 Assets under development and advances	500	0
7 Others	1,027,961	453,659
Total intangible fixed assets	3,535,516	1,418,961
II) Materials		
1 Land and buildings	41,695,688	14,731,246
2 Plants and machinery	4,958,754	2,940,602
3 Industrial and commercial equipment	2,711,754	2,497,063
4 Other assets	1,917,780	1,178,111
5 Assets under development and advances	3,325	7,517,349
Total tangible fixed assets	51,287,301	28,864,371
III) Financial		
1 Equity investments in:		
a) subsidiaries	0	5,200
b) associated companies	11,884,067	1,443,935
d) other companies	425,619	430,198
Total equity investments	12,309,686	1,879,333
2 Receivables:		
b) associated companies		
after twelve months	5,615,843	4,360,843
d-bis) other companies		
after twelve months	167,500	10,128,000
Total receivables	5,783,343	14,488,843
3 Other securities	2,050,000	2,050,000
4 Active financial assets	56,060	142,790
Total financial fixed assets	20,199,089	18,560,966
B) TOTAL FIXED ASSETS	75,021,906	48,844,298
C CURRENT ASSETS		
I) Inventories		
1 Raw, ancillary and consumable materials	3,784,374	10,460,911
3 Contract work in progress	117,006,985	99,396,954
4 Finished products and goods	37,178,604	331,156
5 Advances	2,000,000	0
Total inventories	159,969,963	110,189,021

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

ASSETS	31/12/2023	31/12/2022
II) Receivables		
1 Trade receivables		
before twelve months	81,311,315	60,994,149
after twelve months	0	8,787,000
2 From subsidiaries		
before twelve months	6,193,117	555,935
3 From associated companies		
before twelve months	9,954,413	7,813,803
after twelve months	0	2,145,067
5-bis For tax credits		
before twelve months	7,018,132	7,070,122
after twelve months	666,597	686,923
5-ter Prepaid taxes		
before twelve months	421,203	75,259
5-quater From others		
before twelve months	19,945,968	28,402,849
after twelve months	640,931	1,018,010
Total current receivables	126,151,676	117,549,117
III) Financial fixed assets that do not constitute assets		
1 Equity investments in subsidiaries	11,483	11,789
2 Equity investments in associated companies	58,498	80,141
Total financial fixed assets that do not constitute assets	69,981	91,930
IV) Cash and cash equivalents		
1 Bank and post office deposits	40,409,871	62,156,179
3 Cash and cash values	110,521	94,937
Cash and cash equivalents	40,520,392	62,251,116
TOTAL CURRENT ASSETS	326,712,012	290,081,184
D ACCRUALS AND DEFERRALS		
Miscellaneous	985,183	961,558
Total accruals and deferrals	985,183	961,558
TOTAL ASSETS	402,719,101	339,887,040

CONSOLIDATED BALANCE SHEET

LIABILITIES	31/12/2023	31/12/2022
A SHAREHOLDERS' EQUITY		
I Share capital	1,400,000	1,000,000
II Share premium account	87,591	0
III Revaluation reserves	1,682,105	1,682,105
IV Legal Reserve	200,000	200,000
VI Other reserves		
- Extraordinary reserve	8,206,134	2,469,878
- Euro conversion reserve	(5)	(6)
VIII Profits (losses) carried forward	73,096,192	62,819,801
IX Profit (loss) for the year	13,756,617	9,649,706
SHAREHOLDERS' EQUITY OF THE GROUP	98,428,634	77,821,484
Third-party capital and reserves	6,669,444	5,449,092
Third-party profit (loss) for the year	3,030,668	1,894,077
Total third-party's equity	9,700,112	7,343,169
TOTAL SHAREHOLDERS' EQUITY	108,128,746	85,164,653
B PROVISIONS FOR LIABILITIES AND CHARGES		
2 Tax provision	58,654	24,476
3 Derivative financial liabilities	0	0
4 Others	3,734,794	3,028,522
TOTAL PROVISIONS FOR LIABILITIES AND CHARGES	3,793,448	3,052,998
C STAFF SEVERANCE INDEMNITY	985,996	830,446
D PAYABLES		
1 Bonds		
within twelve months	0	0
after twelve months	5,000,000	3,000,000
4 Payables due to banks		
within twelve months	16,646,253	19,137,228
after twelve months	13,694,303	21,379,000
5 Payables due to other lenders		
within twelve months	706,431	732,739
after twelve months	1,272,736	1,651,282
6 Advances		
within twelve months	108,769,448	77,281,992
after twelve months	17,941,321	11,765,576
7 Trade payables		
within twelve months	101,140,221	94,626,215
9 Payables due to subsidiaries		
within twelve months	985,157	149,894

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

LIABILITIES	31/12/2023	31/12/2022
10 Payables due to associated companies		
within twelve months	10,663,289	11,920,636
12 Tax payables		
within twelve months	6,589,270	2,826,305
13 Payables due to pension and social security institutions		
within twelve months	1,381,086	1,218,757
14 Other payables		
within twelve months	4,009,347	4,651,583
after twelve months	68,670	32,070
TOTAL PAYABLES	288,867,532	250,373,277
E ACCRUALS AND DEFERRALS		
Miscellaneous	943,379	465,666
TOTAL ACCRUED LIABILITIES AND DEFERRED INCOME	943,379	465,666
TOTAL EQUITY AND LIABILITIES	402,719,101	339,887,040



CONSOLIDATED INCOME STATEMENT

	31/12/2023	31/12/2022	
A	VALUE OF THE PRODUCTION		
1	Sales and services revenues	306,648,166	334,340,695
2	Changes in inventories of work in progress, semi- finished and finished goods	(8,635,076)	(660,584)
3	Changes in contract work in progress	31,471,589	(28,260,234)
4	Increases in fixed assets for in-house production	233,382	29,310
5	Other revenues and income		
	- miscellaneous	4,789,476	2,188,999
	TOTAL VALUE OF PRODUCTION	334,507,537	307,638,186
B	COSTS OF PRODUCTION		
6	For raw and ancillary materials, consumables and goods	34,661,172	39,156,230
7	For services	226,076,800	208,631,364
8	For use of third-party assets	8,319,117	5,051,529
9	For personnel:		
	a) salaries and wages	17,224,745	15,995,030
	b) social securities contributions	5,237,673	4,841,260
	c) staff severance indemnity	1,101,312	991,965
	d) other costs	278,445	184,725
	Total personnel costs	23,842,175	22,012,980
10	Amortisation, depreciation and write-downs		
	a) amortisation of intangible fixed assets	443,399	435,976
	b) depreciation of tangible fixed assets	2,257,901	1,976,737
	c) other write-downs of fixed assets	573,056	0
	d) write-downs of current receivables and of cash and cash equivalents	0	85,243
	Total amortisation and depreciation	3,274,356	2,497,956
11	Changes in inventories of raw and ancillary materials, consumables and goods	6,589,829	6,458,781
12	Risk provision	630,716	143,247
13	Other provisions	370,873	1,252,582
14	Sundry operating expenses	3,188,637	3,390,139
	TOTAL PRODUCTION COSTS (B)	306,953,675	288,594,808
	DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION (A - B)	27,553,862	19,043,378
C	FINANCIAL INCOME AND CHARGES		
15	Income from equity investments:		
	Associated companies	147,000	0
	Total income from equity investments	147,000	0
16	Other financial income:		
	from other companies	727,960	750,987
	Total other financial income	727,960	750,987
	Total financial income (15 + 16)	874,960	750,987

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

	31/12/2023	31/12/2022	
17	Interest and other financial charges:		
	- associated companies	280,000	860,000
	- from other companies	3,700,904	2,375,980
	Total interest and other financial charges	3,980,904	3,235,980
	TOTAL FINANCIAL INCOME AND CHARGES (15 + 16 - 17)	(3,105,944)	(2,484,993)
D	VALUE ADJUSTMENTS TO FINANCIAL ASSETS		
18	Revaluations:		
	a) Of shares	330,820	503,184
	Total revaluations	330,820	503,184
19	Write-downs:		
	a) Of shares	534,868	223,273
	Total write-downs	534,868	223,273
	TOTAL VALUE ADJUSTMENTS TO FINANCIAL ASSETS	(204,048)	279,911
	RESULT BEFORE TAXES (A - B +/- C +/- D)	24,243,870	16,838,296
22	Income taxes for the year		
	a) current taxes	7,765,091	5,210,227
	B) deferred and prepaid taxes	3,260	12,580
	c) deferred and prepaid taxes	(311,766)	71,706
	Total income tax for the year	7,456,585	5,294,513
22	PROFIT (LOSS) FOR THE YEAR	16,787,285	11,543,783
	GROUP'S PROFIT (LOSS) FOR THE YEAR	13,756,617	9,649,706
	PROFIT (LOSS) FOR THE YEAR ATTRIBUTABLE TO THIRD PARTIES	3,030,668	1,894,077

CASH FLOW STATEMENT

DESCRIPTION	31/12/2023	31/12/2022
A Operating cash flow		
Profit (loss) for the year	16,787,285	11,543,783
Income taxes	7,456,585	5,281,933
Interest payable (Interest receivable)	3,252,944	2,484,993
(Dividends)	(600,000)	0
Increase or (decrease) in advances from customers	0	0
1 Profit (loss) for the year before income taxes, interest, dividends and dividends/losses from disposals	26,896,814	19,310,709
Adjustments for non-monetary items without an offsetting counterpart		
Allocations to provisions	1,155,438	2,387,794
Amortisation and depreciation of fixed assets	2,701,300	2,412,713
Write-downs due to value impairments	534,868	222,058
Other adjustments for non-monetary items	150,908	(602,154)
Total adjustments for non-monetary items	4,542,514	4,420,411
2 Cash flow before changes to net working capital	31,439,328	23,731,120
Changes to net working capital		
(Increase) or decrease in inventories	(14,886,298)	35,379,599
(Increase)/decrease in trade receivables	(16,597,583)	(19,680,412)
Increase/(Decrease) in trade payables	(14,731,535)	25,795,570
Increase/(Decrease) in accrued income and prepaid expenses	20,132	(133,956)
Increase/(Decrease) in advances from customers	36,421,546	(11,313,068)
(Increase) or decrease in accrued income and prepaid expenses	391,376	369,908
Other decreases/ (Other increases) in net working capital	10,940,081	(5,442,064)
Total changes in net working capital	1,557,719	24,975,577
3 Cash flow after changes to net working capital	32,997,047	48,706,697
Other adjustments		
Collected/(paid) interest	(3,252,944)	(1,702,493)
(Income taxes duly paid)	(6,695,107)	(3,995,197)
Collected dividends	0	0
(Use of provisions)	(631,025)	(1,237,617)
Total other adjustments	(10,579,076)	(6,935,307)
OPERATING CASH FLOW (A)	22,417,971	41,771,390
B Cash flows from financing activity		
Intangible fixed assets		
(Investments)	(12,745,532)	(8,733,294)
Divestment	0	1,661
(Repayment of loans)		
(Investments)	(760,058)	(81,585)
Divestment	399,127	0
Financial fixed assets and other securities		
(Investments)	(6,579,227)	(4,796,700)
Divestment	0	2,123,037

CONSOLIDATED FINANCIAL STATEMENTS

CASH FLOW STATEMENT

DESCRIPTION	31/12/2023	31/12/2022
Short-term financial assets		
(Investments)	0	0
Divestment	0	0
Acquisitions or sale of subsidiaries	0	0
Total remuneration paid or received	0	0
Cash and cash equivalents acquired or disposed of through the acquisition/sale of controlled companies	1,112,161	0
CASH FLOW FROM INVESTMENT ACTIVITY (B)	(18,573,529)	(11,486,881)
C Cash flows from financing activities		
Third party financing		
Increase (decrease) payables to banks and other lenders	(630,014)	(2,599,298)
Raising finance	2,225,160	7,874,000
(Repayment of loans)	(27,170,312)	(20,503,716)
Equity		
Paid share capital increase	0	1,469,602
Change in minority shareholdings	0	0
(Capital repayment)]	0	0
Other changes in assets	0	0
Dividends (and advances on dividends) paid by the parent company or to minority shareholders	0	(895,005)
CASH FLOW FROM INVESTMENT ACTIVITY (C)	(25,575,166)	(14,654,417)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+/-B+/-C)	(21,730,724)	15,630,092
INITIAL CASH AND CASH EQUIVALENTS	62,251,116	46,621,024
CASH AND CASH EQUIVALENTS	40,520,392	62,251,116
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(21,730,724)	15,630,092



EXPLANATORY NOTES
CONSOLIDATED FINANCIAL STATEMENTS AT 31/12/2023



Introduction

Carron Holding S.r.l. is the parent company carrying out the management and coordination activities of the subsidiaries operating in the construction industry, in line with the respective company purpose.

At the date of presenting these explanatory notes, the shareholders owning a stake in the share capital of Carron Holding S.r.l. are:

Diego Carron

Direct shareholding of 80%

Arianna Carron

Direct shareholding of 5%

Paola Carron

Direct shareholding of 5%

Marta Carron

Direct shareholding of 5%

Barbara Carron

Direct shareholding of 5%

PREPARATION AND ACCOUNTING CRITERIA USED FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements at 31 December 2023, made up of the Balance Sheet, Income Statement, Cash Flow Statement and these Explanatory Notes, have been drawn up in compliance with the provisions of (Italian) Legislative Decree no. 127/91, which implemented the VII Directive of the European Union in Italy, and are accompanied by the Directors' Report, which includes the tables with information on the reclassified balance sheet and income statement, in summary form, as well as the description of the nature of company activities, business outlook and all other information required by law.

To interpret and integrate legal provisions, reference was made to the national accounting standards issued by the "Organismo Italiano di Contabilità" (O.I.C. - the "Italian Accounting Board") and the relative documents issued.

Applying the principle of prudence has led to the individual assessment of elements making up the individual asset and liability items, in order to avoid any compensation among items that should be recognised and profits that should not be recognised as not yet realized.

For the purpose of accounting records and in compliance with the principle of accrual-basis accounting, the effect of transactions and other events is attributed to the year to which said transactions and events refer and not to the year in which the relative cash flows take place (collections and payments).

Continuing to use the same accounting criteria over time is necessary in order to allow for the Company's financial statements to be comparable over different years.

Pursuant to art. 2427, point 22-ter of the (Italian) Civil Code, it is hereby specified that the Group does not have any off-balance-sheet agreements in place that could lead to significant risks and/or benefits and which would otherwise need to be described in order to better understand the consolidated financial statements.

The consolidated financial statements are accompanied by the Directors' Report, prepared in accordance with article 2428 of the (Italian) Civil Code. Please refer to the Directors' Report for information about the nature of the company's activities, a description of events after the reporting date and the business outlook, as well as for all other information required by law.

Amounts are expressed in Euro, unless otherwise specified.

EXPLANATORY NOTES - Consolidated Financial Statements

EXCEPTIONS

Financial statement items were assessed without recourse to exceptions, pursuant to article 2423, paragraph 4, and article 2423-bis, paragraph 2, of the (Italian) Civil Code.

CONSOLIDATION PRINCIPLES

The consolidation principles adopted to draw up the consolidated financial statements are as follows:

- As part of the first consolidation, in accordance with the "line-by-line" consolidation method, the book value of consolidated equity investments was eliminated against the shareholders' equity of the investee companies valued at current values. The difference between the purchase cost of the equity investments and the relative portion of shareholders' equity, as at the time of purchase, was recorded under the specific asset and liability items based on the relevant valuations. Any negative residual difference was recorded under a shareholders' equity item called the "Consolidation reserve"; if positive, and unable to be allocated to specific asset and liability items in the balance sheet, this difference was recorded under "Goodwill" or, in the absence of a future useful life, charged to the Income Statement;
- Assets, liabilities, costs, expenses, revenues and income of companies included in the scope of consolidation using the "line-by-line" consolidation method, were recorded in full in the consolidated financial statements, regardless of the parent company's percentage shareholding.
- Dividends, revaluations and write-downs of equity investments included in the scope of consolidation, as well as capital gains and losses on intra-group sales of said equity investments were removed.
- When calculating the Group's shareholders' equity and result for the year, the amounts relating to third-party shareholders were highlighted in specific balance sheet and income statement items.
- Receivables, payables, costs, expenses, revenues and income relating to companies included in the scope of consolidation were subject to elimination, as were the guarantees, commitments and risks relating to the companies in question.
- Profits and losses deriving from transactions between companies included in the scope of consolidation that were not yet realized as at the reporting date, were subject to elimination. Profits and losses were not eliminated if the relative amounts were insignificant.
- No changes were made to the consolidation principles compared with the previous year.

In order to draw up the consolidated financial statements, the financial statements of all Group companies on 31 December 2023 were used, all of which had already been approved by the respective Boards of Directors, with any necessary adjustments being made in order to ensure uniform accounting criteria for consolidation purposes. Finally, there are no companies that have a financial year-end date different from the reference date of the consolidated financial statements; therefore, there is no need to prepare special annual interim financial statements.

SCOPE OF CONSOLIDATION**Subsidiaries**

The scope of consolidation includes the financial statements of the parent company and the companies over which it has direct or indirect control, pursuant to article 26 of (Italian) Legislative Decree no. 127/91.

At 31/12/2023, the Group comprises the following companies that are consolidated using the "full consolidation" method:

Company	Headquarters	% Shareholding
Carron Holding S.r.l. Holding and management of equity investments	San Zenone degli Ezzelini (TV)	Parent company
Carron Cav. Angelo S.p.A. Activity: construction of buildings and infrastructure on its own behalf and on behalf of third parties	San Zenone degli Ezzelini (TV)	100.00%
Carron BAU Srl Activity: construction of buildings and infrastructure on its own behalf and on behalf of third parties	Varna (BZ)	60.00%
OLM NATURE ESCAPE Società Agricola a r.l. Residence Management	Varna (BZ)	60.00% indirect
Senectus Srl Own real estate management activities	San Zenone degli Ezzelini (TV)	36.00% Indirect through Carron Bau Srl
Sans Souci Srl Own real estate management activities	San Zenone degli Ezzelini (TV)	100.00% Indirect through Carron Cav. Angelo S.p.A.
Manus Srl Equity investment management activities	San Zenone degli Ezzelini (TV)	100.00%
Immobilmarca Srl Buying and selling of own real estate	San Zenone degli Ezzelini (TV)	100.00% Indirect through Manus Srl
Aquapolis ssd rl Amateur Sports Activities - Swimming Pool Management	Bassano del Grappa (VI)	100.00% Indirect through Manus Srl

Compared to the previous year, the shareholding in Sans Souci Srl increased from 90% to 100%, and the consolidation area, following the contribution on 22/12/2023 of the shares of Manus Srl by the shareholders of Carron Holding Srl, expanded with the inclusion of Manus Srl, Immobilmarca Srl, and Aquapolis Ssd RL. These latter companies joined the group at the end of the financial year, in compliance with the provisions of OIC17, for the purpose of preparing the consolidated financial statements as of 31 December 2023; therefore, it was deemed appropriate to draft the consolidation of the Balance Sheet only.

Please find below the list of equity investments in subsidiaries not included in the scope of consolidation with the related reason for exclusion:

Company name	Headquarters	Capital	Share capital %	Reason for exclusion
Forte Joint Venture	Malta	10,000	52.00%	(4)

Reason for exclusion

- (1) Heterogeneity of the activity carried out.
- (2) Limitation in exercising control
- (3) Irrelevance of the controlled company
- (4) Company under liquidation or subject to bankruptcy proceedings
- (5) Shares or quotas held exclusively for subsequent sale.
- (6) Other

EXPLANATORY NOTES - Consolidated Financial Statements

The subsidiary Forte JV is excluded from the scope of consolidation due its irrelevance; no operational events have occurred during the year, in addition to the fact that the liquidation and cessation of business is in progress.

The scope of consolidation does not include the subsidiaries and associated companies established as a consortium among competitors who come together pursuant to article 93 of (Italian) Presidential Decree no. 207/2010, in order to carry out all or part of a given work contract as a single unit as their impact on the Group's consolidated financial statements seems to be irrelevant. It is also noted that through the cost and revenue offsetting mechanism, the economic/financial performances of the consortium companies are already reflected pro-quota in the financial statements of the shareholders and that these entities do not have significant financial debt to third parties in their balance sheets. The relative equity investments are valued at cost and are included among financial assets under "Current asset" items ("Current financial assets").

Pursuant to art. 37 of (Italian) Legislative Decree no. 127/91, there are joint ventures that need to be included in the scope of consolidation using the "proportional method".

No changes have been made to the consolidation principles compared with the previous year.

Associated companies

Associated companies are companies over which the Group exerts significant influence, which is presumed to exist if a shareholding involves between 20% and 50% of the voting rights.

Equity investments in associated companies are valued using the "Shareholders' Equity" method and are initially recorded at cost. Subsequent changes are recorded in the following way:

- book values of these equity investments are in line with the Shareholders' Equity and include the greater values attributed to the assets and liabilities and any goodwill identified upon acquisition.
- the profits or losses relating to the Group are recognised at the date on which the significant interest or joint control began and until the date when the significant influence or joint control ceased. If, due to losses, the company valued using the method in question records negative equity, the carrying amount of the equity investment is written off and any excess relating to the Group, where the latter is committed to fulfilling the legal or implicit obligations of the related undertaking, or in any case to covering its losses, shall be recorded in a dedicated provision. Any balance sheet changes for companies valued using the equity method that are not represented by the result of the income statement are recorded directly as an adjustment to equity reserves.

Company	Headquarters	% Shareholding
Consorzio Vie Del Mare	Mestre (VE)	25.00%
CABI Srl Real estate development and promotion	San Zenone degli Ezzelini (TV)	50.00%
Europont Srl Lease with installation of scaffolding for construction	Laives (BZ)	34.30%
Galileo Srl Construction of residential and non-residential buildings	Pozzuolo del Friuli (UD)	33.33% indirect through Manus Srl
Zabarella 2023 Srl Rental of own or leased property	Milano (MI)	35% indirect Through Carron SpA

Also following the contribution on 22/12/2023 of the shares of Manus Srl by the shareholders of Carron Holding Srl, the scope of associated consolidated companies was expanded to include Galileo S.r.l. using the equity method. Additionally, the subsidiary Carron Cav. Angelo S.p.A. acquired 35% shares in Zabarella 2023 S.r.l. during the year.

Other companies

Equity investments in other companies other than subsidiaries and associated companies (generally with a shareholding of less than 20%) are valued at cost, reduced to reflect any value impairment. These participations are valued using the cost method, reduced for impairment losses.

Company name	Headquarters	Capital	Share capital %	Asset net	Value record
Strada del Mare S.p.A.	Jesolo (VE)	720,000	4.55%	720,000	26,382
Parcheggio Piazza Vittoria S.r.l.	Milan	2,000,000	5.00%	1,882,530	97,423
Ospedal Grando S.r.l.	Padua	11,000,000	2.50%	39,679,294	275,000
Banca delle Terre Venete	Vedelago (TV)	6,591,848	0.00		1,032
Meran Central Parking Srl	Bolzano (BZ)	5,665,000	0.02%	6,311,371	877
Impianti Averau Srl	Cortina d'Amp. (BL)	508,000	5.5%	5,344,685	18,828
Consorzio Elettrico Cantuccio Soc. coop. A r.l.	Caminata di Tures (BZ)				6,077

USE OF ESTIMATES

When drawing up the consolidated financial statements, the Directors had to use accounting principles and methods which, in some circumstances, were based on difficult and subjective assessments and estimates based on past experience and assumptions that are considered reasonable and realistic on a case-by-case basis, depending on the relative circumstances. Using these estimates and assumptions affected the amounts reported in the Financial Statement tables, including the Balance Sheet, Financial Position and Income Statement, as well as the explanatory notes provided. The final results of the Financial Statement entries which used the aforementioned estimates and assumptions may differ from those reported in future financial statements, due to the uncertainty that characterises the assumptions and the conditions on which said estimates are based. The accounting principles and Financial Statement items that require greater subjectivity than others when making estimates and for which a change in the conditions underlying the assumptions may have a significant impact on the Group's consolidated financial statements, are as follows:

- **Taxes:** (current and deferred) income taxes are calculated in accordance with a prudent interpretation of applicable tax legislation. In turn, this process leads to complex estimates on the calculation of taxable income and the deductible and taxable temporary differences between book values and values for tax purposes. In particular, the assessment as to whether assets will be recovered for prepaid taxes, recorded in relation to both tax losses to be used in future years and deductible temporary differences, takes into account the estimate of expected future taxable amounts.
- **Write-down of receivables:** the recoverability of receivables is assessed by taking into account the risk of said receivables not being paid, how long they have been in place for and the losses on similar types of receivables recorded in the past.
- **Risks on work in progress:** the Group operates in business sectors with complex contractual schemes; to better support estimates, the Group uses management systems to analyse contract risks aimed at identifying, monitoring and quantifying the risks related to carrying out said contracts.
- **Legal disputes:** provisions for disputes are the result of a process based on an assessment of the likelihood of losing a case.
- **Revenues:** revenues are recognised based on the fees agreed in proportion to the progress of the work. The estimate of the expected contract margin is a complex valuation process which involves identifying the various risks inherent to operating activities, market conditions and all other elements necessary to quantify future costs and expected time frames to complete the project.

EXPLANATORY NOTES - Consolidated Financial Statements

In particular, the following accounting criteria were used to prepare the financial statements:

INTANGIBLE FIXED ASSETS

Subject to the prior consent of the Board of Statutory Auditors where necessary, intangible fixed assets are recorded at their acquisition cost or production cost, net of amortisation. Ancillary costs are included in the purchase cost. The production cost includes all costs directly attributable to the product and other costs, for the reasonably attributable portion, up to the time the asset is ready for use.

They consist of non-monetary, clearly identifiable assets without physical substance, controllable and capable of generating future economic benefits.

These elements are recorded at cost, inclusive of directly attributable ancillary costs necessary to make the assets available for use. The useful life of each intangible asset is determined at the time of initial recognition. The estimated useful life of an asset is reviewed annually and any adjustments, where necessary, are made on a prospective basis.

Intangible assets are shown net of accumulated amortisation and of any value impairments, as determined according to the methods described below. Amortisation begins when the asset is ready for use and is systematically allocated according to the residual possibility of using the asset, i.e. based on its useful life.

If an asset is sold, or when no future economic benefits are expected from its use, it is derecognised and any profit or loss (calculated as the difference between the sale value and the relative net book value) is recognised in the Income Statement in the year of derecognition.

TANGIBLE FIXED ASSETS

Property, plants and machinery, equipment and other assets are recorded at cost including any directly attributable ancillary costs which are necessary to make the asset ready for its intended use. If there are current obligations in place, the cost is increased by the current value of the estimated cost for the decommissioning and removal of the asset.

Expenses incurred for ordinary and/or recurring maintenance and repairs are directly charged to the Income Statement in the year in which they are incurred. Costs incurred for the expansion, modernisation or improvement of owned or third-party structural elements are only capitalised to the extent that they meet the requirements for being classified separately as an asset or part of an asset.

Property, plants and machinery are shown net of accumulated depreciation and of any value impairments, as determined based on the methods described below. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset, which is reviewed annually. Any adjustments, where necessary, are made on a prospective basis.

The estimated useful life of the main property, plants and machinery is indicated below:

	Useful life of the tangible asset
Buildings	33 years
General equipment	10 years
Operator machinery and specific equipment	7 years
Excavators and mechanical loaders	5 years
Light constructions	8 years
Metal formwork	4 years
Workshop equipment	10 years
Electrical and electronic instruments and levels	2.5 years
Miscellaneous minor equipment	2.5 years
Office furniture and ordinary office equipment	8 years

Electromechanical and electronic office equipment	5 years
Computers and electronic telephone systems	5 years
Transport vehicles	5 years
Cars	4 years

Land, whether free of constructions or annexed to civil and industrial buildings, is not depreciated as it has an unlimited useful life.

If an asset is sold, or when no future economic benefits are expected from its use, it is derecognised and any profit or loss (calculated as the difference between the sale value and the relative net book value) is recognised in the Income Statement in the year of derecognition.

Some categories of assets reflect the revaluations made under (Italian) Law no. 342/2000. The real estate assets recognised in the financial statements of the consolidated companies at 31/12/2007 as tangible fixed assets, whose recognition was also confirmed in the 2008 financial statements, were subject to revaluation pursuant to (Italian) Legislative Decree no. 185 of 29/11/2008, Article. 15. Paragraphs 16 and 22. Finally, it should be noted that certain categories of assets also include the revaluations made under (Italian) Law no. 104/2020.

Tangible fixed assets purchased by exercising the purchase option at the end of a financial lease are recognised at the amount paid to exercise said right.

Gains or losses on the sale of assets, if referring to the sale or write-off of relatively insignificant capital goods used in the company's ordinary activities, are recognised in the income statement under "other revenues" or "sundry operating expenses", respectively.

The Group has also adopted the principles of Italian accounting standard OIC 17, whereby leasing contracts are accounted for using the financial method. The costs of assets used through operating leases, in which the lessor substantially maintains all the risks and benefits associated with ownership of the assets, are recorded on a straight-line basis in the income statement throughout the life of the leasing contract.

INVENTORIES

Inventories are recorded at the lower of purchase or production cost, determined according to specific cost, and the value inferred from market trends, in accordance with the provisions of the relevant civil and tax laws. Purchase cost means the actual purchase price plus ancillary costs, excluding financial charges.

Buildings to be sold (finished products) and work in progress are valued at either their cost, calculated as above, or their normal market value, whichever is lower; if a preliminary agreement has been signed, the building has been completed and delivered to the other party, and provided that a significant cash flow has been received from the promissory buyers, the buildings to be sold are valued at the amounts agreed in the preliminary agreement.

Advances and deposits received from the parties to a preliminary agreement are recorded as liabilities in the balance sheet and are recognised as revenues at the time the notarial deed is concluded.

CONTRACT WORK IN PROGRESS

This item includes contracts that are valued based on fees accrued with reasonable certainty, according to the percentage of work completed, applying the cost-to-cost method. Any losses on contracts that are estimated with reasonable approximation are entirely deducted from the value of the work in progress in the year in which they become known.

If this loss exceeds the value of the work in progress, the Company makes a special provision for liabilities and charges that is equal to the excess loss. Any likely losses are recognised in the year in which they are foreseeable, on the basis of an objective and reasonable assessment of existing circumstances.

EXPLANATORY NOTES - Consolidated Financial Statements

Losses are recognised regardless of the stage of completion of the contract. No such losses have been offset with positive margins expected on other contracts. For the purpose of recognising losses, contracts are therefore considered individually. Additional fees are only included among contract revenues if the client has formally accepted the additional charges by the reporting date; or, if there is no formal acceptance, if it is highly probable as at the reporting date that the request for additional fees will be accepted on the basis of the most recent information available and past experience.

Sums received from customers while carrying out the work, which are a form of financial advance, are recorded as liabilities in the balance sheet, under the item Specific advances from customers, while those paid to subcontractors are recorded under "Other advances".

Contract work in progress is recognised net of any write-down provisions and/or final losses, as well as of the advances on the contract in progress, paid by Clients on the basis of duly accepted Work Progress Reports, the amounts of which are recognised as Revenues.

If the provision for final losses for an individual contract exceeds the value of the work recognised as an asset in the balance sheet, then this excess shall be allocated to the provisions for liabilities and charges.

Future charges for construction contracts related to repairs, penalties, guarantees and risks in general, are quantified and accrued in a specific risk provision.

Contract revenues include the contractually agreed fees, any work variations, price alterations, incentives and any claims, to the extent to which they are reasonably certain to arise and can be determined in a reliable way.

In this regard, the relative assessments were carried out with reference to:

- specific legislation on public works.
- contractual clauses.
- the progress of negotiations with the customer and the probability of said negotiations having a positive outcome.
- technical-legal investigations, if necessary due to the complexity of specific cases; these may be carried out with the help of external consultants and are aimed at confirming the validity of the assessments made.

CONTRACT COSTS

Contract costs include all costs directly relating to the contract, the costs that may be attributable to contract activities in general and that can be allocated to the contract itself, in addition to any other costs that may be specifically charged to the customer on the basis of contractual clauses. Costs also include:

- pre-operational costs, i.e. costs incurred in the initial phase of the contract before construction work begins (depending on the case in question, tendering costs, design costs, costs for organising and launching production, construction site installation costs).
- post-operating costs incurred after completing the contract (construction site removal, return of machinery/plants to the head office).
- Costs for services to be performed after completion of the works, remunerated as part of the contract referring to the contract activities (such as periodic maintenance, assistance and supervision in the initial periods of operation of the individual works).
- Future charges for construction contracts related to repairs, penalties, guarantees and risks in general, are quantified and accrued in a specific risk provision.

RECEIVABLES

Receivables are recorded in the financial statements based on the amortised cost method, taking into account the time factor and the presumable realizable value. The amortised cost method is not applied when the effects are irrelevant, i.e. when the transaction costs, commission paid between the parties and any other difference between the initial value and the value upon expiry are not very significant or if the receivables are short-term (meaning that they are due within 12 months). This criterion is not applied to payables that already existed before (Italian) Legislative Decree no. 139/2015 (the so-called financial statements decree) came into force, which still had an effect as of 01/01/2016. These receivables are recorded at their nominal value.

Some trade receivables, upon initial recognition, without the payment of interest, or bearing interest that is significantly different to market rates, and the related revenues, are initially recorded at the value calculated by discounting future cash flows to the market interest rate. The difference between the initial value recorded for the receivable, calculated in the above way, and the value when due is reported through a dedicated shareholders' equity reserve.

The value of receivables, as calculated above, is adjusted, if necessary, by a specific provision for impairment losses to directly reduce the value of the receivables themselves and adjust them to their estimated realisable value. The write-down amount at the reporting date is equal to the difference between the book value and the value of estimated future cash flows, reduced by the amounts that are not expected to be collected, discounted by the receivable's original effective interest rate (i.e. the effective interest rate calculated when the receivable was first recorded).

The write-down amount is recorded in the income statement.

CURRENT FINANCIAL ASSETS

Current financial assets are recorded at either their purchase cost, including ancillary costs, or their estimated realizable value, which is derived, where possible, from market performance or other market indicators. The item also includes:

- shareholdings in subsidiaries.
- shareholdings in associated companies.

These investments mainly refer to subsidiaries and associated companies established as a consortium. Information on their evaluation criteria has already been shown.

ACCRUED INCOME AND PREPAID EXPENSES

These are expressed on an accrual basis, in compliance with the principle of matching expenses and revenues.

PROVISIONS FOR LIABILITIES AND CHARGES

Provisions for liabilities represent liabilities of a specific nature whose existence is probable, the values of which are estimated, while the provisions for charges represent liabilities of a specific nature whose existence is certain, the amount or date of which is estimated, related to obligations already undertaken at the reporting date, but which will be paid in subsequent financial years. Provisions for liabilities and charges are recorded in the income statement under the operating items to which the transaction refers, as the criterion of classifying costs by nature applies. The amount of provisions is measured by reference

EXPLANATORY NOTES - Consolidated Financial Statements

to the best estimate of costs, including legal expenses, at each balance sheet date. If the measurement of provisions results in the determination of a range of variability of values, the provision represents the best feasible estimate between the upper and lower limits of the range of variability of values. The subsequent use of a provision is directly booked to the provision and is only recognised for the expenses and liabilities for which the provision was originally created. Any negative differences with respect to the charges actually incurred are recognised in the income statement in line with the original provision, while if the surplus is the result of positive business developments, the elimination or reduction of the excess provision is accounted for as income in the category of the same nature.

These Provisions for Liabilities and Charges include taxes, including deferred taxes, that reflect the expenses estimated to settle the ongoing tax dispute, and the deferred tax provision calculated in relation to income from short-term contracts, which, for statutory accounting purposes, is measured based on the percentage of completion of the work, but, for tax purposes, is subject to taxation upon completion of the contract.

The item "Other provisions" refers to:

- the costs estimated to complete contracts, which normally refer to:
 - costs for dismantling the construction site, i.e., costs for removing the installations.
 - costs for bringing machinery back to our headquarters.
 - costs for the transport of unused materials to another site or to our headquarters, including losses on abandoned materials.
- costs for testing the work carried out.
- charges for contractual penalties, for work that is redone according to customer specifications, for settling "claims" made by sub-contractors or sub-suppliers.
- post-delivery maintenance costs relating to the work, if stated in the contract.
- charges for contractual guarantees.
- and
 - costs for dealing with legal disputes.
 - costs for remedying any non-conformities and defects in relation to the works that arise within two years after provisional testing, which may be eliminated at the expense of the contractor (pursuant to articles 1667/1668 of the Italian Civil Code).
- losses expected on the subsidiaries.
- costs for extraordinary maintenance expected to be necessary in the future in fulfilment of contractual provisions on assets under concession.

STAFF SEVERANCE INDEMNITY PROVISION

The item "staff severance indemnity" shows the amount that employees would be entitled to receive if they ceased to be employed at the reporting date. The indemnities for length-of-service represented by this item, namely the provision for the year and the annual revaluation of the existing provision, are determined in accordance with applicable laws and regulations. Staff severance indemnity is recorded in the relevant liability item (C) and the relative provision is recorded in the corresponding income statement item (B9). It should be noted that the changes made to the staff severance indemnity regulations by (Italian) Law no. 296 ("2007 Budget Law") and the subsequent implementing Decrees and Regulations, had an impact on the accounting criteria applied to the shares of severance indemnity accrued at 31 December 2006 and to those accrued from 1 January 2007 for the consolidated Carron Cav. Angelo S.p.A. which, following the reform, recorded an increase in the item in question only as a result of the revaluation amount of the provision, due to the fact that, after 2007, almost all the indemnities were paid either to supplementary pension funds or to the Treasury Fund held at INPS (Italian National Social Security Institution), depending on the choice made by each individual worker. For the other companies of the Group, the legislation in question has not had any impact since, as provided for by the same legislation, for companies who at the date of entry into force of the legislation with fewer than 50 employees, both the TFR (severance pay) provisions accrued at 31 December 2006 and those accrued from 1 January 2007 continue to remain within the company for employees who did not opt to pay into a complementary fund.

PAYABLES

Payables are recorded based on the amortised cost method, taking into consideration the time factor. The amortised cost method is not applied to payables if their effects are irrelevant.

Effects are considered irrelevant for short-term payables (meaning that they are due within 12 months). For more details on the amortised cost method, please refer to the information provided in the section on receivables.

Payables for holidays accrued by employees and for deferred remuneration, inclusive of the amount due to social security institutions, are allocated on the basis of the amount that should be paid out in the event of employment being terminated at the reporting date.

REVENUES

Revenues generated by the sale of goods are recorded upon substantial and not formal transfer of ownership, taking the transfer of risks and benefits as reference criteria to define "substantial transfer".

Revenues generated by the sale of products and goods or service provision relating to the company's ordinary activities are recorded net of returns, discounts, rebates and bonuses, and net of taxes directly connected to the sale of products and provision of services.

Revenues for the provision of services, or related to services established in contracts, are recognised upon completion and/or accrual, or on the basis of duly approved and certified Work Progress Reports.

Transactions with related parties were carried out under normal market conditions.

COSTS

Costs are accounted for on an accrual basis, regardless of the date of collection and payment, net of returns, discounts, rebates and bonuses.

INCOME TAXES

Taxes for the year are calculated on the basis of a realistic estimate of taxes payable, in accordance with current tax regulations. Deferred and prepaid taxes are calculated on the temporary differences between the value attributed to an asset or liability according to statutory accounting criteria and the value attributed to said asset or liability for tax purposes.

Prepaid tax assets are only recorded if there is reasonable certainty that, in the years in which the deductible temporary differences will be reversed, the taxable income will not be less than the amount of the differences that they will use. Deferred taxes, on the other hand, are recorded even if it is not very likely that the relative payable shall arise.

Payables for deferred taxes and receivables for prepaid taxes, if recorded, are recorded, respectively, under the fund for liabilities and charges or under receivables due from others among current assets in the balance sheet.

EXPLANATORY NOTES - Consolidated Financial Statements**COMMITMENTS, GUARANTEES AND RISKS**

Personal guarantees, distinguished between sureties and other personal guarantees, are reported in the explanatory notes for the amount of the actual commitment; in addition to commitments and risks, transactions relating to all the commitments and risks existing at the reporting date are also reported. The details are shown in a specific table at the end of the comments in the "Balance Sheet Liabilities" section.

EMPLOYMENT FIGURES

The average number of employees of the companies consolidated on a line-by-line basis is shown separately by category.

Headcount	31/12/2023	31/12/2022	Changes
Management	7	7	0
Middle managers	12	9	3
White-collar workers	191	184	7
Blue-collar workers	82	79	3
Others	3	10	(7)
Total	295	289	6

The change is largely determined by the contribution of the newly consolidated companies.



BALANCE SHEET - ASSETS**INTANGIBLE FIXED ASSETS**

At 31/12/2023 this item amounted to 3,535,516 Euro, and its changes are listed below:

	Start-up and expansion costs	Industrial patent rights	Concessions, Licences Trademarks and similar	Goodwill	Assets under development and advances	Other intangible fixed assets	
Historical cost	7,847	694,590	1,894	1,327,716		888,008	2,920,055
Depreciation from previous years	(5,922)	(481,446)	(340)	(579,037)		(434,349)	(1,501,094)
Value at the beginning of the year	1,925	213,144	1,554	748,679	0	453,659	1,418,961
Increases for acquisitions		51,352			500	708,206	760,058
Decreases						(52,414)	(52,414)
Amortisation for the year	(1,569)	(99,939)	(98)	(247,777)		(94,017)	(443,399)
Changes from consolidation	7,448		1,832,336			12,526	1,852,310
Value at the end of the year	7,804	164,557	1,833,792	500,902	500	1,027,960	3,535,516

Intangible fixed assets specifically include costs for the acquisition and implementation of software, as well as costs related to the management and retention of SOA certification.

Regarding the item Goodwill, this reflects the value obtained during the initial consolidation of the subsidiaries OLM Nature Escape, which will be amortised over 10 years.

Following the contribution of Manus S.r.l., the item recorded an increase reported in the item 'changes due to consolidation' for Euro 1,852,310 mainly attributable to the item 'Concessions, licences, trademarks and similar rights' for Euro 1,832,336 recorded in the subsidiary Aquapolis ssd rl. This amount reflects the costs and charges incurred for the construction of the swimming facility in the municipality of Bassano del Grappa net of the grant paid by the Granting Body and the related depreciation fund. This fixed asset is depreciated in relation to the duration of the concession contract, which expires on 31/08/2035.

The following table presents a breakdown of the amortisation periods:

Business goodwill	Amortisation period	Initial value	Remaining amortisation
OLM Nature Escape	10 anni	834,838	500,902
Sans Souci Srl	3 anni	492,879	0

EXPLANATORY NOTES - Consolidated Financial Statements

TANGIBLE FIXED ASSETS

At 31/12/2023, they amount to Euro 51,287,300. The changes for each category of assets and the changes during the year as per the financial statements of the companies included in the scope of consolidation, are as follows:

	Land and buildings	Plants and machinery	Industrial and commercial equipment	Other assets	Assets under development and advances	Total
Historical cost	19,873,725	4,917,200	4,988,722	3,621,975	7,517,349	40,918,971
Depreciation from previous years	(5,142,479)	(1,976,598)	(2,491,659)	(2,443,864)	0	(12,054,600)
Value at the beginning of the year	14,731,246	2,940,602	2,497,063	1,178,111	7,517,349	28,864,371
Reclassifications	0	0	(189,976)	189,976	(7,517,349)	(7,517,349)
Increases for acquisitions	15,452,029	2,556,662	1,031,759	1,219,106	3,325	20,262,881
Decreases for divestments	(193,055)	(51,626)	(950)	(101,081)		(346,712)
Amortisation for the year	(522,020)	(517,579)	(636,616)	(581,686)		(2,257,901)
Changes Due to consolidation	12,227,488	30,695	10,474	13,354	-	12,282,011
Value at the end of the year	41,695,688	4,958,754	2,711,754	1,917,780	3,325	51,287,301

The balance of the item "land and buildings" also includes the value of plots of land which, in line with the tax provisions introduced by (Italian) Decree Law no. 232/2006, are no longer subject to depreciation.

The 15.5m Euro increase related to Land and Buildings was recorded after the completion of works and the start-up of the hotel business of the Eco Hotel OLM Nature Escape located in Campo Tures (BZ) through the subsidiary OLM Nature Escape.

Following the contribution by Manus S.r.l., the item recorded a €12,282,011 increase, reported in the item 'changes due to consolidation' mainly attributable to the item 'Land and Buildings' for €12,227,488 recorded in the subsidiary Immobiliarica S.r.l. and referring to buildings owned by the latter, some of which are rented out.

Total revaluations on tangible fixed assets at the end of the year

The amount of the revaluation carried out pursuant to Law 342/2000, Leg. Decree 185/2000 and Leg. Decree 104/2000 will flow into the corporate assets of the company Carron Cav. Angelo SpA, while the revaluation according to the Leg. Decree 104/2020 will flow into the assets of OLM Nature Escape GmbH and Immobiliarica Srl.

At 31/12/2023, therefore, the total value of revaluations made amounted to 6,854,581 Euro as summarised in the table below:

Description:	Total revaluations
Land and buildings	6,263,283
Plants and machinery	334,219
Industrial and commercial equipment	167,345
Other assets	89,734
Total	6,854,581

FINANCIAL FIXED ASSETS - EQUITY**INVESTMENTS**

The equity investments recorded under point III of the Balance Sheet are made up of the following:

Description	31/12/2023	31/12/2022	Difference
Subsidiaries	0	5,200	(5,200)
Associated companies	11,884,067	1,443,935	10,440,132
Other companies	425,619	430,198	(4,579)
Total	12,309,686	1,879,333	10,430,353

In detail, the changes are as follows:

Description	31/12/2022	Increases	Decreases	31/12/2023
Forte JV	5,200		(5,200)	0
Equity investments in subsidiaries	5,200	0	(5,200)	0
Cabi Srl	97,942	310,301		408,243
Consorzio Vie del Mare	18,228			18,228
Zabarella 2023 Srl		7,344,338		7,344,338
Europont Srl	1,327,765	330,820		1,658,585
Galileo Srl		2,454,673		2,454,673
Equity investments in associated companies	1,443,935	10,440,132	0	11,884,067
Ospedal Grando Srl	275,000			275,000
Strada del Mare Spa	26,382			26,382
Parcheggio Vittoria Srl	97,423			97,423
Consorzio Nogma under liquidation	30,000		(30,000)	0
Banca delle Terre Venete Spa	516			516
Meran Centrum Parking Spa	877			877
Imp. Averau Srl		18,828		18,828
Banca delle Terre Venete		516		516
Società cooperativa Cantuccio		6,077		6,077
Others	430,198	25,421	(30,000)	425,619
Total	1,879,333	10,465,553	(35,200)	12,309,686

Following the contribution on 22/12/2023 of the shares of Manus Srl by the shareholders of Carron Holding Srl, Galileo S.r.l. Also joined the Group.

With regard to the equity investment in Zabarella 2023 S.r.l., the subsidiary Carron Cav. Angelo S.p.A. signed an investment agreement with the company Covivio SA for the complete renovation and redevelopment, as well as the subsequent sale of the residential units resulting from the renovation, of a real estate complex located in Padua called Cà del Chiostro.

EXPLANATORY NOTES - Consolidated Financial Statements

According to the agreement,

- Covivio SA sold 49% of the equity investment in Zabarella 2023 Srl to Carron Spa; the transaction was signed in September 2023 for a consideration equal to €17,150.
- a contract was signed for the execution of the work.

Subsequently, with the aim of strengthening the assets available to the subsidiary:

- payments were made to the associate's extraordinary reserve totalling Euro 15.4 million, of which the portion attributable to the Company Euro 7,546,000.
- a paid capital increase from 10 thousand up to 17.8 thousand (with an expected premium of up to Euro 11.8 million) was resolved, divided into two tranches:
 - An indivisible tranche of Euro 4 thousand, plus the Euro 6 million premium, subscribed and already paid by Covivio Sa.
 - A divisible tranche of Euro 3,800 - plus a premium of Euro 5,765,000, to Carron Spa to be completed by 31 March 2025.

Therefore, as a result of the subscription and payment of the increase by Covivio Sa, the shareholding of Carron Spa was 35% of the share capital as of 31 December 2023.

Details of the carrying amount of the subsidiaries in relation to their respective shareholders' equity are provided below:

Company name	(a) value as of 31/12/2023	(b) net equity as of 31/12/2023	(c) profit (loss)	(d) % ownership	(e= b*d) value in share ratio	Difference (e-a)
Subsidiaries						
Forte JV (**)	0	0	0	52.00%	0	0
Total	0	0	0		0	0
Associated companies						
Cabi Srl	408,243	816,486	(579,397)	50.00%	408,243	(0)
Consorzio Vie del Mare	18,228	35,454	(2,998)	26.04%	9,232	(8,996)
Zabarella 2023 Srl	7,344,338	20,983,822	(433,982)	35.00%	7,344,338	(0)
Europont Srl	1,658,585	3,384,868	978,560	49.00%	1,658,585	0
Galileo Srl	2,454,673	7,364,756	129,850	33.33%	2,454,673	0

NON-CURRENT RECEIVABLES

As of 31/12/2023, receivables recorded under financial assets amounted to 5,783,343 Euro, a decrease by 8,705,500 Euro, and are broken down as follows:

This item is made up of the following:

Description	31/12/2022	Increases	Decreases	Difference in consolidation scope	31/12/2023
Consorzio Vie del Mare	30,800				30,800
Trento Tre Scarl	701,843				701,843
Officine Trento Scarl	138,200				138,200
Cabi Srl	3,490,000	1,155,000			4,645,000
Galileo Srl		100,000			100,000
From associated companies	4,360,843	1,255,000	0	0	5,615,843
Immobilmarca Srl	9,975,500			(9,975,500)	0
Ospedal Grando Srl	152,500				152,500
Winkel		15,000			15,000
Others	10,128,000	0	0	(9,975,500)	167,500
Total	14,488,843	1,270,000	0	(9,975,500)	5,783,343

The change in the amount of receivables from affiliated companies results from a non-interest-bearing loan to the affiliate CABI Srl, as well as the reduction in the receivable from Immobilmarca due to its inclusion in the consolidation scope and following elimination of the respective receivable.

OTHER SECURITIES

The 'other securities' item includes the share in "Salute 2" investment fund, equal to Euro 2,050,000 as well as the participation in the investment fund called 'Geminus', the value of which was written off in the previous year; there are no changes compared to the previous year.

Other securities	31/12/2023	31/12/2022	Change
Fondo investimento "Geminus"			-
Fondo d'investimento "Salute 2"	2,050,000	2,050,000	-
Total	2,050,000	2,050,000	-

EXPLANATORY NOTES - Consolidated Financial Statements

FINANCIAL ASSETS

The item reflects the mark-to-market value of a cash flow hedging derivative financial instrument, entered into in 2020 by the subsidiary Carron Cav. Angelo S.p.A.

Contract type	IRS (Interest Rate Swap O.T.C.)
Purpose	Interest rate risk hedging
Issuing counterparty	BNL BNP Paribas
Transaction date	30/06/2020
Start date	30/06/2020
Maturity date	30/06/2025
Notional Amount	Euro 5,000,000
Refund method	Quarterly instalments
Mark-to-market value	56,060

In the year 2023, the sum of Euro 86,729 was recognised under 'interest and other charges' to adjust the accounting presentation of the instrument to the Mark to Market value recorded under Financial Fixed Assets.

CURRENT ASSETS

At 31/12/2023, current assets were composed as follows:

Description	31/12/2023	31/12/2022	Change
Inventories	159,969,963	110,189,021	49,780,942
Receivables	126,151,676	117,549,117	8,602,559
Current financial assets	69,981	91,930	(21,949)
Cash and cash equivalents	40,520,392	62,251,116	(21,730,724)
Total	326,712,012	290,081,184	36,630,828

INVENTORIES

Inventories, after the elimination of intercompany balances, highlight the following movements:

Description	31/12/2023	31/12/2022	Changes	Changes following different consolidation scope
Raw, ancillary and consumable materials	3,784,373	10,460,911	(6,676,538)	6,875
Contract work in progress	117,006,985	99,396,954	17,610,031	
Finished products and goods	37,178,605	331,156	36,847,449	34,879,907
Advances	2,000,000	0	2,000,000	
Total	159,969,963	110,189,021	49,780,942	34,067,782

The item "Raw materials" includes the costs for the purchase of building areas on which real estate with direct construction of buildings will be carried out; the change is due to the fact that areas have been acquired on which construction activities will begin in the following years.

The increase in the item Contract work in progress is determined by the construction of works that are the subject of preliminary contracts for future sales, which, in accordance with the provisions of accounting standard OIC 23, point 5), are to be carried out on these areas, since the product realised on these areas can be configured as a normal contract of multi-year performance given the existence, at the start of the construction work, of preliminary sales contracts for these future properties.

Contract work in progress is performed for an average of 18 months and can be broken down in the following macro-categories:

Description	31/12/2023	31/12/2022	Changes
Work in progress - General Contractor	26,632,407	53,461,710	(26,829,303)
Work in progress - Sale of future assets	90,374,578	45,935,244	44,439,345
Total	117,006,985	99,396,954	17,610,031

It should be noted that the increase in Work in Progress referred to Sale of Future Assets, unlike the work in progress as General Contractor, does not provide for the invoicing of the work performed by progress stages; the proceeds will be obtained only when the notary deeds concerning the transfer of ownership to the purchasers are signed. Amounts paid by counterparties to contracts for the purchase and sale of future assets during the execution of works are allocated to liabilities under the heading 'Advances'. In particular, the amounts allocated to advances and referring to contracts for the purchase and sale of future assets amounted to Euro 63,848,058.

Finished goods and goods for resale include the stocks of materials at construction sites recognised at the end of the year, as well as properties intended for sale. The increase in the latter item is due in the amount of Euro 34,879,907 as a result of Immobiliarica Srl join the consolidation scope.

In detail, the Euro 34,879,907 change results from the following properties:

Description	Intended use	31/12/2023
Property in Ponsacco (PI) - Rented	Residential care Home	12,810,109
Properties in Riese Pio X	Residential	1,609,833
Properties in Silea (TV) - Rented	Retail and office building	18,480,000
Properties in Caorle (VE) - Rented	Retail	1,979,965
Total		34,879,907

RECEIVABLES

After the elimination of intercompany balances, receivables recorded as current assets show the following changes:

Description	31/12/2023	31/12/2022	Changes
Trade receivables	81,311,315	69,781,149	11,530,166
From subsidiaries not included in the scope of	6,193,117	555,935	5,637,182
From associated companies	9,954,413	9,958,870	(4,457)
For tax credits	7,684,729	7,757,045	(72,316)
For prepaid taxes	421,203	75,259	345,944
From others	20,586,899	29,420,859	(8,833,960)
Total	126,151,676	117,549,117	8,602,559

EXPLANATORY NOTES - Consolidated Financial Statements

The breakdown of receivables by due date is as follows:

Description	Due within the year	Due after the year	More than 5 financial years	Total
Trade receivables	81,311,315	-	-	81,311,315
From subsidiaries not included in the scope of	6,193,117	-	-	6,193,117
From associated companies	9,954,413	-	-	9,954,413
For tax credits	7,018,132	666,597	-	7,684,729
For prepaid taxes	421,203	-	-	421,203
From others	19,945,968	640,931	-	20,586,899
Total	124,844,148	1,307,528	-	126,151,676

TRADE RECEIVABLES

Trade receivables do not present significant concentrations of credit risk. There are no receivables due after five years. Trade receivables are reported net of credit notes and include the amounts for invoices yet to be issued, which are properly accounted for on an accrual basis. Trade receivables are mainly represented by receivables from contracting parties for work progress reports that have been invoiced or are yet to be invoiced, in accordance with contractual clauses. These are recorded net of the bad debt provision, the balance of which is broken down below:

Bad debt provision	Write-down provision pursuant to Art. 2426 Italian Civil Code	Write-down provision pursuant to Art. 106 Presidential Decree 917/1986	Total
Balance at 31/12/2022	20,939	915,787	936,726
Allocations during the year	0	0	0
Use during the year	0	(126,497)	(126,497)
Balance at 31/12/2023	20,939	789,290	810,229

RECEIVABLES FROM SUBSIDIARIES AND ASSOCIATED COMPANIES

Receivables due from subsidiaries and associated companies are made up of receivables from consortium companies that are excluded from the scope of consolidation. They mainly concern the business transactions for services rendered to the consortium companies themselves, i.e. credit entries from the collections made by the consortium companies against contractual payments made by the contracting entities by way of invoicing, however, by the consolidated companies (Carron Cav. Angelo SpA and Carron Bau Srl), in application of the so-called delegation of payment system in favour of the consortium companies to provide the required funding to carry out the works entrusted to them.

TAX CREDITS

Tax credits amount to Euro 7,684,729 and are broken down as follows:

Name	31/12/2023
Building bonus	53,128
VAT credit	1,211,755
VAT applied for refund	5,147,489
IRES (corp. Income tax) credit	68,492
IRAP (reg. Income tax) credit	22,677
Tax credit on capital goods	324,079
4.0 training credit	
Others	190,512
Within 12 months	7,018,132
Building bonus	412,400
Tax credit on capital goods	239,372
Others	14,825
After 12 months	666,597
Total	7,684,729

In particular, the amount of credits with a duration exceeding 5 years amounts to Euro 200,076.

RECEIVABLES DUE FROM OTHERS

From others credits amount to Euro 20,586,898 and are broken down as follows:

Receivables due from others	Totale
Within 12 months	
Advances to suppliers	8,267,067
Down payment to suppliers	459,220
Advances to suppliers' subcontracts	6,570,121
Receivables due from suppliers	3,680,241
Other receivables	969,319
Total within 12 months	19,945,968
After 12 months	
Other receivables	640,931
Total within 12 months as of 31/12/2023	640,931

The advances to suppliers and down payment to suppliers include Euro 7,997,356 in advances paid for the acquisition of developable areas on which future real estate is to be constructed.

EXPLANATORY NOTES - Consolidated Financial Statements

CURRENT FINANCIAL ASSETS

This item includes the values of equity investments in consortium companies which represent instruments through which the subsidiaries, in their capacity as principals or associates of A.T.I.s (temporary associations of companies), perform the services under the contracts in place with the respective contracting entities. The purpose of the consortium companies is to carry out contract work together with the other associates, thus primarily meeting organisational and operational requirements.

By their nature, consortium companies are non-profit organisations as they act in the exclusive interest of the companies grouped together in the temporary consortium ("A.T.I.") to which they "charge back" the entire cost of their operations without any remuneration for their work. The financial and earnings effects of operations are therefore entirely attributed to the participating companies in proportion to their shareholding.

For the above reasons, these equity investments are excluded from the scope of consolidation.

Name	Shareholders' equity in Euro	Shareholding in Euro	Shareholding in %	Book value or corresponding receivable
Equity investments in subsidiaries				
Ada Negri Scarl	10,000	5,112	51.12	5,112
San Maurizio Scarl	10,000	6,371	63.71	6,371
Sub-total subsidiaries				11,483
Equity investments in associated companies:				
Trento Tre Scarl	20,000	9,200	46.00	9,200
Farro Srl - in liquidazione	144,058	36,015	25.00	36,015
Montecchio Scarl	10,000	4,000	40.00	4,000
Officina Trentino Scarl	10,000	4,900	49.00	4,900
San Benedetto Merano Scarl	10,000	4,383	43.83	4,383
Sub-total associated companies				58,498
Current financial assets				69,981

CASH AND CASH EQUIVALENTS

Cash and cash equivalents refer to the balances of the current accounts held with credit institutions as well as cash and equivalents on hand. The change in cash and cash equivalents compared to the previous year is as follows:

Description (euro/1000)	31/12/2023	31/12/2022	Change
Bank and post office deposits	40.409.871	62.156.179	(21.746.308)
Cheques			0
Cash in hand	110.521	94.937	15.584
Total	40.520.392	62.251.116	(21.730.724)

Please refer to the cash flow statement for further explanations on the origin of the change in cash and cash equivalents.

ACCRUED INCOME AND PREPAID EXPENSES

These represent the portions of cost suspended in application of the accrual basis. They mainly relate to disbursements for insurance premiums paid in advance, or commissions for bank guarantees. No deferrals or accruals were recorded with a duration of over five years.

Name	31/12/2023
Prepaid expenses	760.676
Prepaid expenses for lease payments	125.936
Accrued income - rentals	8.333
Others	90.238
Total	985.183



BALANCE SHEET - LIABILITIES**SHAREHOLDERS' EQUITY****Reconciliation statement between the net result and shareholders' equity of the parent company and the corresponding values in the consolidated financial statements**

The Group's consolidated equity and consolidated net result at 31/12/2023 are reconciled with those of the parent company as follows:

	Shareholders' equity as of 31/12/2023	Result for the year 2023
Shareholders' equity and result for the year of the parent company Carron Holding S.r.l.	11,216,645	1,322,921
Removal of the book value of the equity investments held in investee companies:		
Book value of the equity investments	(22,213,343)	0
Pro-rata value of the group shareholders' equity eliminated	108,072,175	15,399,491
Consolidation difference allocated to assets	500,902	(547,777)
Difference between the book value of the equity investments and the pro-rata value of shareholders' equity	86,359,735	14,851,714
Other adjustments		
- Intra-group profits on work and the sale of assets	(7,862)	(772,217)
- intra-group dividends	0	(1,700,000)
- equity investments valued using the "shareholders' equity" method	834,446	112,008
- valuation of leasing contracts using the "financial lease" method	(184,951)	(62,180)
- other adjustments	210,623	40,347
Total other adjustments	852,256	(2,382,042)
Shareholders' equity and result for the year for the group	98,428,636	13,792,593
Third-party capital and result	9,700,114	2,994,692
Consolidated shareholders' equity	108,128,750	16,787,285

EXPLANATORY NOTES - Consolidated Financial Statements

Statement of changes in Group equity

Description	Share capital	Legal reserve	Revaluation reserve	Other reserves	Profit (loss) carried forward	Profit for the year	Equity attributable to minority interests	TOTAL
all' 01/01/2023	1,000,000	200,000	1,682,105	2,469,872	62,819,801	9,649,706	7,343,169	85,164,653
allocation	-	-	-	5,736,256	3,913,450	-9,649,706	-	-
Inclusion in the scope of consolidation	-	-	-	-	6,118,941	-	-	6,118,941
Participations	400,000	-	-	87,591	-	-	-	487,591
Other adjustments	-	-	-	-	244,000	-	-73,725	170,275
Distribution of dividends	-	-	-	-	-	-	-600,000	-600,000
Result	-	-	-	-	-	13,756,616	3,030,669	16,787,285
al 31/12/2023	1,400,000	200,000	1,682,105	8,293,719	73,096,192	13,756,616	9,700,112	108,128,746

PROVISIONS FOR LIABILITIES AND CHARGES

These provisions are made to cover taxes, including deferred taxes and possible costs for tax disputes regarding pending proceedings vis-à-vis the tax authorities, as well as estimated costs and charges to be incurred after completing contracts.

This item is made up of the following:

Description	31/12/2022	Increases	Decreases	Consolidation entries	31/12/2023
For taxes, also deferred	24,476	41,738	(7,560)	0	58,654
Derivative financial liabilities	0	0	0	0	0
others:					
- future contract charges	1,888,522	370,873	(619,601)	0	1,639,794
- post-testing contract risks	1,080,000	630,716	(290,716)	0	1,420,000
- legal disputes	60,000	0	0	0	60,000
- subsidiaries' future losses	0	380,000	0	0	380,000
- extraordinary maintenance	0	235,000	0	0	235,000
Total other provisions	3,028,522	1,616,589	(910,317)	0	3,734,794
Total	3,052,998	1,658,327	(917,877)	0	3,793,448

The **tax provision** includes the provision for deferred taxes.

The following costs and charges were allocated to the item **"Other provisions"**:

- Future contract costs estimated after contract completion, which normally relate to:
 - Site abandonment costs for removal of installations, return of machinery and disposal of unused materials;
 - costs for testing the work carried out.
 - charges for contractual penalties, for work that is redone according to customer specifications, for settling "claims" made by sub-contractors or sub-suppliers.
 - Financial Statements post-delivery maintenance costs relating to the work, if stated in the contract.
- Post-testing contract risks: estimated costs to be incurred after testing work, for remedying any non-conformities and defects in relation to the works that arise within two years after provisional testing, which may be eliminated at the expense of the contractor (pursuant to articles 1667/1668 of the Italian Civil Code).
- losses expected on the subsidiaries.
- costs for extraordinary maintenance expected to be necessary in the fulfilment of contractual provisions on assets under concession.

EXPLANATORY NOTES - Consolidated Financial Statements

Please note that the subsidiary Carron Cav. Angelo Spa, as a participant in the temporary association of companies executing the widening of the A4 motorway with the third lane for the Quarto D'Altino-San Donà di Piave section, is subject to proceedings for the preventive technical consultancy for the settlement of the dispute pursuant to Article 696-bis of the Italian Civil Code regarding the aforesaid works promoted by AUTOVIE VENETE S.p.A..

Part of this temporary association of company was Webuild S.p.A (as agent) IMPRESA DI COSTRUZIONI ING. E. MANTOVANI S.p.A. (under composition with creditors) - KOSTRUTTIVA S.C.p.A. (formerly CO.VE. CO. Consorzio Veneto Cooperativo) under composition with creditors - SO.CO.STRA.MO. S.r.l. in composition with creditors - CARRON CAV. ANGELO S.p.A. (the latter with a 7.5% share in the temporary association of companies) as agent. The Insurance Company (Generali Italia S.p.A.) is also subject to such proceedings.

The subject of the proceedings was the analysis of the alleged deterioration and cracks found on the pavement of the building, which, according to the counterparty, were attributable to the following causes: a serious construction defect attributable to the Contractor and not to failing in maintenance or to the presence, in the hydraulically-blended foundation layer, of aggregates of iron and steel origin (which would behave as expansive agents with consequent swelling phenomena if hydrated) or to the approach of the new road embankment to the pre-existing embankment, for which the Contractor is responsible. The opposing claim was contested by the agent. The insurance company (Generali), which issued a so-called post-contractual guarantee at the time, is a party to the lawsuit from the outset. Quite unexpectedly, the expert report ordered by the court-appointed expert witness turned out to be unfavourable to ATI as it focuses on different types of deterioration without going into the details of the causes. On the contrary, following some inspections carried out during the expert's operations, the motorway section was found to be in such good condition that the court-appointed expert had to state that the deteriorations found at present do not affect the performance of the service. For the restoration work, the court-appointed expert suggests to apply a membrane called Sami Armato on the entire motorway platform, for the laying of which the previous removal of the draining wear layer and the binder is necessary, so that the related costs are very significant (about 30 million euro in total for ATI). Since this is a so-called preventive instruction procedure and not an ordinary procedure, the court-appointed expert does not establish the liability of the temporary joint venture nor does it charge them with all the amounts as quantified above, but the report, which identifies an alleged erroneous choice in the executive design, certainly does not speak in favour of these companies, since it is an Integrated Contract. The proceedings as such are deemed to be concluded with the filing of the court-appointed expert's report on 3 December 2023. With a view to preventing the possible filing of an ordinary lawsuit, collegial evaluations are being carried out between the defendant parties to negotiate an amicable settlement with the plaintiff. However, in order to challenge the findings of the Court-appointed expert, the Agent appointed an influential consultant to draft a pro veritate opinion that could be helpful should negotiations start for an amicable settlement or in the event of the counterparty instituting ordinary proceedings, and this in order to attempt to challenge the conclusions of the Court-appointed expert in such forum(s).

Since some of the member companies of the ATI are currently involved in bankruptcy proceedings and that public procurement law provides for joint and several liability, the share of Carron Spa could rise to 17%.

In view of the preliminary stage of the proceedings and also according to the opinions of its experts, the Company has decided not to set aside any provisions in connection with these proceedings.

STAFF SEVERANCE INDEMNITY

The amount of the provision is sufficient to fulfil contractual and legal obligations and is shown net of any advances paid to employees. Details of the changes are provided below:

Description	31/12/2022	Increases	Decreases	31/12/2023
Staff severance fund, changes during the period	830,446	256,258	(100,708)	985,996

PAYABLES

Consolidated payables, after elimination of intragroup values, are valued at their nominal value and the maturity of the same is broken down as follows:

Description	31/12/2023	31/12/2022	Changes
Bonds	5,000,000	3,000,000	2,000,000
Payables due to banks	30,340,556	40,516,228	(10,175,672)
Payables due to other lenders	1,979,167	2,384,021	(404,854)
Advances	126,710,769	89,047,568	37,663,201
Trade payables	101,140,221	94,626,215	6,514,006
Payables from subsidiaries not included in the scope of consolidation	985,157	149,894	835,263
Payables due to associated companies	10,663,289	11,920,636	(1,257,347)
Tax payables	6,589,270	2,826,305	3,762,965
Payables due to pension and social security institutions	1,381,086	1,218,757	162,329
Other payables	4,078,017	4,683,653	(605,636)
Total	288,867,532	250,373,277	38,494,255

The breakdown of payables by due date is as follows:

Description	Within 12 months	After 12 months	After 5 years	Total
Bonds		5,000,000		5,000,000
Payables due to banks	16,646,253	8,498,949	5,195,354	30,340,556
Payables due to other lenders	706,431	1,272,736		1,979,167
Advances	108,769,448	17,941,321		126,710,769
Trade payables	101,140,221			101,140,221
Payables from subsidiaries not included in the scope of consolidation	985,157			985,157
Payables due to associated companies	10,663,289			10,663,289
Tax payables	6,589,270			6,589,270
Payables due to pension and social security institutions	1,381,086			1,381,086
Other payables	4,009,347	68,670		4,078,017
Total	250,890,502	32,781,676	5,195,354	288,867,532

EXPLANATORY NOTES - Consolidated Financial Statements**Bonds**

This is a loan represented by debt securities according to Article 2483 of the (Italian) Civil Code issued by the subsidiary OLM Nature Escape S.a.r.l. for a total amount of Euro 5,000,000. The loan has a variable interest rate equal to the 3-month Euribor plus a spread of 2.65.

The loan follows an amortisation schedule and requires repayment to commence in January 2025 and conclude in 2027.

Payables due to banks

Payables to banks represent overall exposure to the banking system at year end. The balance includes both payables referring to short-term loans, taken out to meet temporary operating requirements, and medium- to long-term payables in the form of both mortgage loans and unsecured loans. The changes are detailed below:

Description	31/12/2023	31/12/2022	Variazioni
- For current account overdrafts	83	1,014,884	(1,014,801)
- Unsecured loans due within 12 months	12,720,833	14,998,344	(2,277,511)
- Mortgage loans within 12 months	3,925,337	3,124,000	801,337
payables due to banks within 12 months	16,646,253	19,137,228	(2,490,975)
- Unsecured loans exceeding 12 months but within 5 years	1,622,984	21,379,000	(19,756,016)
- Unsecured loans exceeding 12 months but within 5 years	6,875,965	0	6,875,965
- Unsecured loans exceeding 5 years	4,323,044	0	4,323,044
- Unsecured loans exceeding 5 years	872,310		872,310
Payables due to banks after 12 months	13,694,303	21,379,000	(7,684,697)
Total	30,340,556	40,516,228	(10,175,672)

In detail, changes are as follows:

Description	31/12/2022	Incrementi	Decrementi	31/12/2023
- current account overdrafts	1,014,884	83	(1,014,884)	83
- unsecured loans with Sace/MCC guarantee	36,377,344	2,972,995	(23,031,511)	16,318,828
- Mortgage loans	3,124,000	12,272,151	(3,124,000)	12,272,151
- third party loans	0	1,749,494		1,749,494
Total	40,516,228	16,994,723	(27,170,395)	30,340,556

The increases do not relate to new loans or disbursements but to debts contributed by the new companies included in the consolidation scope.

In detail, the contributions referred to the new companies included in the consolidation area:

Description	31/12/2023
- Current account overdrafts	0
- Unsecured loans with Sace/MCC guarantee	2,972,995
- Mortgage loans	12,272,151
- Third party loans	1,749,494
Total	16,994,640

The loan with third-party guarantee relates to the unsecured loan issued to the subsidiary Aquapolis SSD with a guarantee provided by the concession grantor.

As for the rates, details can be found below:

Description	Within 12 months	After 12 months	Spread on Euribor
- Unsecured loans with Sace/MCC guarantee	14,799,015	1,622,985	Range da 42 a 136 punti base
- Mortgage loans	1,692,247	10,476,732	Range da 165 a 185 punti base
- Third party loans	154,908	1,594,586	Spread 150 punti base
- Current account overdrafts	83		
Total	16,646,253	13,694,303	

The covenants on the loans at year-end have been complied with.

Advances

Advances represent the amounts paid by customers by way of contractual advances, i.e. down payments and confirmation deposits in relation to contract work in progress and real estate purchases, respectively.

Description	31/12/2023	31/12/2022	Changes
Advances for work in progress to order	43,957,978	39,741,672	4,216,306
Advances from customers on property sales	64,721,558	31,158,320	33,563,238
Deposits from customers on property sales	0	6,330,000	(6,330,000)
Other deposits	89,912	52,000	37,912
Subtotal within 12 months	108,769,448	77,281,992	31,487,456
Customer advances on contracts	17,941,321	11,765,576	6,175,745
Advances from customers on property sales	0	0	0
Subtotal beyond 12 months	17,941,321	11,765,576	6,175,745

EXPLANATORY NOTES - Consolidated Financial Statements

Trade payables

These are mainly invoices received for subcontracted services and supplies of goods. The balance includes both the payable documented by invoices already recorded at the end of the reporting period, as well as the payable, for the year, resulting from invoices to be received and recorded the following year. The total amount is recorded net of trade discounts and rebates.

Payables to subsidiaries (consortium companies)

"Payables to subsidiaries" refer to commercial transactions, carried out under normal market conditions, with consortia and consortium companies set up to carry out the contract work acquired as temporary consortia ("ATI") together. They mainly arise from the charge-back of costs incurred by the investee consortium companies. They are not included in the scope of consolidation as their impact on the Group's consolidated financial statements is not relevant.

Payables due to associated companies

Payables due to associated companies show the values of commercial relationships held during the year with non-controlled consortium companies that are not included in the scope of consolidation, for the same reasons explained in the previous point.

Tax payables

Description	31/12/2023	31/12/2022	Changes
IRES payables	2,289,477	1,234,649	1,054,828
IRAP payables	323,640	321,494	2,146
Payables for Withholding Taxes	1,513,442	1,266,328	247,114
VAT payables	2,462,711	3,835	2,458,876
Total	6,589,270	2,826,306	3,762,964

Other payables

The item "Other payables" mainly includes:

- the payable for employees' holidays accrued but not yet taken;
- the amounts not yet paid to supplementary pension funds to which employees; staff severance indemnity is transferred;
- the payable for insurance premiums not yet paid to the respective insurance companies.

ACCRUED LIABILITIES AND DEFERRED INCOME

These represent the portions of cost suspended in application of the accrual basis. Accrued liabilities with a duration exceeding five years are recognised in the financial statements, amounting to Euro 643,379.

COMMITMENTS, GUARANTEES, RISKS AND CONTINGENT LIABILITIES

Pursuant to article 38, paragraph 1, of (Italian) Legislative Decree no. 127/91, the following table summarises any off-balance-sheet commitments, guarantees and contingent liabilities, specifying the nature of the collateral provided.

Description	31/12/2023	31/12/2022	Difference
Insurance guarantees for contractual advances	14,962	19,204	(4,242)
Insurance guarantees on work being carried out properly	22,757	20,484	2,273
Other insurance guarantees	29,804	17,088	12,716
Bank guarantees on work being carried out properly	41,458	39,583	1,875
Bank guarantees for contractual advances	11,625	6,459	5,166
Bid-bonds	0	0	0
Bank guarantees to secure closed real estate commitments	0	0	0
Bank guarantees and other securities	19,325	7,609	11,716
Total guarantees	139,931	110,427	29,504
Bank sureties on behalf of third parties	0	0	0
Sureties given on behalf of related parties	1,596	16,895	(15,299)
Sureties given on behalf of subsidiaries of the parent company	771	0	771
Sureties on behalf of subsidiaries and consortium companies	0	0	0
Pledge of company shares	619	619	0
Total	142,917	127,941	14,976

To further explain the content of the items, it is hereby specified that:

- **"Bank guarantees on work being carried out properly"**: The item is expressed net of bank guarantees amounting to Euro 13.3 million issued in our favour by other entities participating in the ATIs.
- **"Surety guarantees in the interest of related parties"**, this is a guarantee granted to a group company that overlaps the first mortgage granted by the investee company itself on the assets owned by them in favour of the lending institutions; in fact, it is a duplication of collateral.

Lastly, it should be noted that bank and insurance guarantees totalling 61.5 million Euro were issued against the liabilities included in the balance sheet under the item **Advance** payments and concern advances paid in fulfilment of preliminary contracts for future sales.



EXPLANATORY NOTES - INCOME STATEMENT

Before analysing the individual items, please note that comments on overall performance are provided in the Directors' Report, pursuant to article 2428 of the (Italian) Civil Code.

Given the analytical presentation of revenues and costs in the Income Statement and the previous comments on balance sheet items, only the main items are commented on below.

VALUE OF THE PRODUCTION

This item is made up of the following:

Description	31/12/2023	31/12/2022	Difference
Sales and services revenues	306,648,166	334,340,695	(27,692,529)
Changes in inventories of work in progress, semi- finished and finished goods	(8,635,076)	(660,584)	(7,974,492)
Changes in contract work in progress	31,471,589	(28,260,234)	59,731,823
Increases in fixed assets for in-house production	233,382	29,310	204,072
Other revenues and income	4,789,476	2,188,999	2,600,477
Total	334,507,537	307,638,186	26,869,351

Sales and service revenues are broken down as follows:

Description	31/12/2023	31/12/2022	Difference
Sale of real estate	33,224,760	94,717,859	(61,493,099)
Contract revenues (public contracts)	117,474,718	101,031,615	16,443,103
Contract revenues (private contracts)	147,595,964	131,679,884	15,916,080
Ancillary revenues from contracts	1,003,343	1,422,458	(419,115)
Revenues from chargeback of costs	2,922,641	2,658,957	263,684
Rental income	361,687		361,687
Others	4,065,053	2,829,922	1,235,131
Total	306,648,166	334,340,695	(27,692,529)

EXPLANATORY NOTES - Consolidated Financial Statements

COSTS OF PRODUCTION

Production costs are strictly linked to the specific section in the Directors' Report and to the performance of point A (Value of production) of the Income Statement.

Details of production costs are shown in the following tables.

Description	31/12/2023	31/12/2022	Difference
Raw and ancillary materials and goods	34,661,172	39,156,230	(4,495,058)
Services	226,076,800	208,631,364	17,445,436
Use of third-party assets	8,319,117	5,051,529	3,267,588
Salaries and wages	17,224,745	15,995,030	1,229,715
Pension and social security contributions	5,237,673	4,841,260	396,413
Staff severance indemnity	1,101,312	991,965	109,347
Other personnel costs	278,445	184,725	93,720
Amortisation of intangible fixed assets	443,399	435,976	7,423
Amortisation of tangible fixed assets	2,257,901	1,976,737	281,164
Other write-downs of fixed assets	573,056	0	573,056
Write-downs of receivables recorded under current assets	0	85,243	(85,243)
Changes in inventories of raw materials	6,589,829	6,458,781	131,048
Risk provision	630,716	143,247	487,469
Other provisions	370,873	1,252,582	(881,709)
Sundry operating expenses	3,188,637	3,390,139	(201,502)
Total	306,953,675	288,594,808	18,358,867

Raw and ancillary materials, consumables and goods

Purchases for raw materials, in addition to the costs incurred for the procurement of materials for the execution of site works, also include the costs incurred for the acquisition of building areas on which real estate developments already intended for sale are being constructed as part of preliminary contracts for future sales. The cost incurred for the purchase of these areas is allocated as inventories of raw materials in cases where construction work has not yet commenced at the reporting date, or as contract work in progress in cases where, with work already commenced, it can be classified to all intents and purposes as a contract.

Services

Description	31/12/2023	31/12/2022	Difference
Utilities	1,806,196	1,849,458	(43,262)
Outsourced services and work	202,896,043	186,342,519	16,553,524
Professional services	8,287,031	7,125,091	1,161,940
Other services	4,334,247	6,462,911	(2,128,664)
Travel, board and lodging	2,028,397	1,761,430	266,967
Insurance and banking services	2,612,802	1,294,792	1,318,010
Remuneration for corporate bodies	2,586,710	2,282,643	304,067
Legal, tax and notarial consulting services	1,525,375	1,512,520	12,855
Total	226,076,801	208,631,364	17,445,437

Use of third-party assets

This includes costs incurred for the hire of equipment and machinery for work activities at construction sites, as well as short- and long-term rental fees incurred for company cars and vehicles. The item relating to lease payments, included here for the purposes of preparing the statutory financial statements, has been reversed in application of accounting standard OIC 17.

Personnel costs

Description	31/12/2023	31/12/2022	Difference
Salaries and wages	17,224,745	15,995,030	1,229,715
Pension and social security contributions	5,237,673	4,841,260	396,413
Staff severance indemnity	1,101,313	991,965	109,348
Other personnel costs	278,445	184,725	93,720
Total	23,842,176	22,012,980	1,829,196

Amortisation, depreciation and write-downs

Description	31/12/2023	31/12/2022	Difference
Amortisation of intangible fixed assets	446,482	435,976	10,506
Depreciation of tangible fixed assets	2,258,125	1,976,737	281,388
Other write-downs of fixed assets	573,056	0	573,056
Credit risk provision	0	85,243	(85,243)
Total	3,277,663	2,497,956	779,707

During the year, write-downs were made on real estate in the amount of Euro 573,056. The write-down was carried out after special appraisals had been drawn up by real estate consultants.

EXPLANATORY NOTES - Consolidated Financial Statements

Changes in inventories of raw and ancillary materials, consumables and goods

The change expresses the amount of the value of building areas reallocated to 'work in progress' following the start of construction.

Other provisions

The item includes the provisions allocated for the adjustment of the provision for risks relating to potential costs and charges arising after testing the work carried out.

Sundry operating expenses

This item includes the costs incurred for taxes and duties other than income taxes, non-recurring losses and the costs incurred on behalf of third parties.

FINANCIAL INCOME AND CHARGES

At 31/12/2023, the financial management recorded an overall net burden of Euro 2,156,736 and is made up as follows:

Description	31/12/2023	31/12/2022	Difference
Income from equity investments	147,000	0	147,000
Other income	727,961	750,987	(23,026)
Interest and other financial charges	(3,980,904)	(3,235,980)	(744,924)
Total	(3,105,943)	(2,484,993)	(620,950)

The item income from participations includes the distribution of dividends by non-consolidated companies.

The following items are included in 'other financial proceeds':

Description	31/12/2023	31/12/2022	Difference
Interest amortised cost	338,500	77,500	261,000
Bank interest income	281,896	31,285	250,611
Derivative income	88,764	160,185	(71,421)
Interest income from others	-	378,331	(378,331)
Other income	18,800	103,686	(84,886)
Total other income	727,960	750,987	(23,027)

With regard to the item Interest and other financial charges, it is noted that the total amount of 3,980,904 Euro is broken down as follows:

Description	31/12/2023	31/12/2022	Difference
Interest payable to banks	285,011	21,977	263,034
Interest expenses on mortgages and unsecured loans	1,673,053	843,287	829,766
Interest on advances from customers	773,782	602,829	170,953
Commissions on guarantees issued to guarantee transactions of a financial nature	773,782	761,073	12,709
Financial charges for amortised cost	280,000	860,000	(580,000)
Others	195,276	146,814	48,462
Total	3,980,904	3,235,980	744,924

VALUE ADJUSTMENTS TO FINANCIAL ASSETS

The overall change is as follows:

Description	31/12/2023	31/12/2022	Difference
Revaluations	330,820	503,184	(172,364)
Write-downs	(534,868)	(223,273)	(311,595)
Total	(204,048)	279,911	(483,959)

Revaluation of equity investments

This item shows a balance of 330,820 Euro and refers to the revaluation resulting from the consolidation of investments in associated companies under the equity method.

Write-downs of equity investments

This item shows a balance of Euro 534,868 and refers to the write-down of equity investments accounted for using the equity method. In particular for:

- Euro 289,700 concerning Cabi Srl
- Euro 26,356 concerning Farro Srl under liquidation
- Euro 218,812 concerning Zabarella 2023 Srl

EXPLANATORY NOTES - Consolidated Financial Statements

INCOME TAXES FOR THE YEAR

Balance at 31/12/2023	Balance at 31/12/2022	Changes
7,456,585	5,294,513	2,162,072

Current income taxes for the year are calculated on the basis of estimated taxable income and in compliance with applicable legislation.

Deferred tax assets and liabilities are calculated on the temporary differences between the assets and liabilities recorded in the consolidated financial statements and the corresponding values recognised for tax purposes, based on the tax rates and tax legislation in force or substantially in force at the reporting date.

Prepaid taxes are recorded as assets when it is likely that they will be recovered, i.e. when it is expected that taxable amounts will become available in the future that are sufficient to recover the asset.

The recoverability of prepaid tax assets is reviewed at the close of each financial year.

Current and deferred taxes are recorded in the Income Statement, with the exception of those relating to items that are directly debited from or credited to Shareholders' Equity through the overall Income Statement, in which case the tax effect is directly recognised under Shareholders' Equity. Current and deferred taxes are compensated if income taxes are applied by the same tax authority, there is a legal right to compensation and the Net Balance is expected to be paid out.

Other taxes not referring to income, such as property taxes, are included among "Sundry operating expenses". Please find below a dedicated table containing the description of the temporary differences that led to deferred and prepaid taxes being recorded.

Description	31/12/2023	31/12/2022	Difference
CURRENT TAXES			
Current IRES (corporate income tax)	6,529,817	4,298,850	2,230,967
Current IRAP (regional income tax)	1,235,274	911,377	323,897
TOTAL CURRENT TAXES	7,765,091	5,210,227	2,554,864
TAXES FROM PREVIOUS YEARS	3,260	12,580	(9,320)
DEFERRED AND PREPAID TAXES			
Prepaid IRES	(86,581)	(195,205)	108,624
Deferred IRES	(7,560)	(97,849)	90,289
Prepaid IRAP	1,463	(2,230)	3,693
Deferred IRAP	0		0
Prepaid/deferred taxes from consolidation adjustments	(219,088)	366,990	(586,078)
TOTAL DEFERRED AND PREPAID TAXES	(311,766)	71,706	(383,472)
TOTAL TAXES	7,456,585	5,294,513	2,162,072

OTHER INFORMATION**Information relating to the fair value of derivative financial instruments**

Pursuant to Article 38, paragraph 1, point o-ter of (Italian) Legislative Decree 127/1991, it should be noted that the subsidiary Carron Cav. Angelo Spa took out a cash flow hedge, in place at the reporting date.

Type of contract	OTC IRS (Interest Rate Swap)
Purpose	Interest rate risk hedge on loan
Issuing counterparty	BNL BNP Paribas
Transaction date	30/06/2020
Start date	30/06/2020
Maturity date	30/06/2025
Notional amount	Euro 5.000.000
Refund method	Rate trimestrali
Mark-to-market value (*)	56.060

(*) values at 31/12/2023

The mark-to-market value for the amount shown in the table above was recognised in the income statement and recorded under financial asset

Information on transactions with related parties

Transactions carried out between "related parties", as identified by Accounting Standard no. 12 issued by the OIC (Italian Accounting Board), referred to by article 2427, no. 22-bis of the (Italian) Civil Code, were completed under normal market conditions.

Information on agreements not disclosed in the balance sheet

There were no agreements in place that have not been disclosed in the balance sheet.

EXPLANATORY NOTES - Consolidated Financial Statements**Information pursuant to Article 1, paragraph 125 of (Italian) law 124 dated 4 August 2017**

Pursuant to art. In compliance with the obligation of transparency pursuant to Article 1, Paragraph 125-bis of (Italian) Law no. 124 of 4 August 2017, it is noted that grants, subsidies, paid positions and in any case any kind of economic benefits, were received from the public administration.

Legislation	Granting authority	Project title	Nominal amount of aid
(ITALIAN) DECREE-LAW no. 23 of 8 April 2020 Urgent measures on access to credit and tax compliance for companies, (OG - 08-04-2020)	SACE S.P.A.	COVID-19: Sace Garanzia Italia	10,000,000,00
(ITALIAN) DECREE-LAW no. 23 of 8 April 2020 Urgent measures on access to credit and tax compliance for companies, (OG - 08-04-2020)	SACE S.P.A.	COVID-19: Sace Garanzia Italia	15,000,000,00
(ITALIAN) DECREE-LAW no. 23 of 8 April 2020 Urgent measures on access to credit and tax compliance for companies, (OG - 08-04-2020)	SACE S.P.A.	COVID-19: Sace Garanzia Italia	8,000,000,00
Mandate 315911	Corporate fund	Corporate processes	1,400
Mandate 345154	Corporate fund	Corporate processes	1,075
Budget Law 160/2019 Art. 1 par. 184 to 197 and 178/2022 Art.1 par. 1051 to 1063 as amended	Italian Tax Authority	Qualified personnel search	4,101
	Municipality Bassano del Grappa	Capital grant to support Covid-19 issues Pursuant to Law 10-bis LD 137/2020	300,000
	Prime Minister Dept. Sport	Contribution pursuant to Art. 9, par. 3 4/2022 (Conv. Law 25/2022 and Art. 7, par. 3 , LD. 17/2022.	171,600
	Prime Minister Sport Dept.	Grant pursuant to Art. 10, par. 3 and 4 , L.D. 73/2021 (conv. Law 106/2021)	3,913
	Municipality Bassano del Grappa	Grant	2,742
	Municipality of Cassola	Grant	1,220
	Veneto Region	Grant	1,580

It should also be noted that the group companies have made use of the tax credits resulting from (Italian) Law 178/2020 on incentives for the purchase of capital goods, as well as tax credits as a partial offset of the additional costs incurred for the purchase of electricity and gas for non- energy-intensive companies.

Information on the remuneration of the Sole Director and the Statutory Auditor

In accordance with the law, details are provided below of the total remuneration due to the Sole Director and the independent audit firm appointed to carry out the statutory audit of the parent company and the companies included in the scope of consolidation using the full consolidation method.

Corporate body	Remuneration
Directors	320,397
Independent audit firm	81,567
Total	401,964

SIGNIFICANT EVENTS OCCURED AFTER THE CLOSING OF THE FINANCIAL YEAR

For an analysis of the nature of the business and any significant events after 31/12/2023, business outlook and all other information concerning the financial statements, please refer to the Directors' Report.

These consolidated financial statements, which consist of the balance sheet, income statement and explanatory notes, provide a true and correct representation of the balance sheet and financial position as well as the result for the year and correspond to the results of accounting entries of the parent company and the information sent by the companies included in the scope of consolidation.

San Zenone degli Ezzelini, 31 May 2023

The Sole Director
Marta Carron



REPORT OF THE INDEPENDENT AUDITORS
TO THE CONSOLIDATED
FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Partners of
Carron Holding S.r.l.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Carron Holding S.r.l. and its subsidiaries (the "Group"), which comprise the consolidated balance sheet as at 31 December 2023, the consolidated statement of income and statement of cash flows for the year then ended and the explanatory notes.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Italian law governing financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Carron Holding S.r.l. (the "Company") in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Lonely Director for the Consolidated Financial Statements

The Lonely Director is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance the Italian law governing financial statements and, within the terms established by law, for such internal control as the Lonely Director determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Lonely Director is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless she has identified the existence of the conditions for the liquidation of the Company or the termination of the business or has no realistic alternatives to such choices.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion pursuant to art. 14, paragraph 2 (e), of Legislative Decree 39/10

The Directors of Carron Holding S.r.l. are responsible for the preparation of the report on operations of the Group as at 31 December 2023, including its consistency with the related consolidated financial statements and its compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations with the consolidated financial statements of the Group as at 31 December 2023 and on its compliance with the law, as well as to make a statement about any material misstatement.

In our opinion, the report on operations is consistent with the consolidated financial statements of the Group as at 31 December 2023 and is prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2 (e), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

Signed by
Cristiano Nacchi
Partner

Padua, Italy
14 June 2024

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

DIRECTORS' REPORT

CARRON S.P.A. FINANCIAL STATEMENTS AT 31/12/2023





Introduction

This report was prepared by the company's Board of Directors and approved with special resolution on 7 May 2024 and shows the operating performance for the year ended 31 December 2023.

Except as otherwise specified, the amounts are presented in thousands of Euros in order to facilitate understanding and clarity.

THE GLOBAL AND ITALIAN SITUATION AT 31 DECEMBER 2023

Due to geopolitical tensions, inflation and restrictive monetary policy post-Covid recovery has slowed down, thus fuelling a climate of uncertainty.

In particular, 2023 saw the effects of rising interest rates fully impacting on the real economy, affected by robust inflation, which slowed down no later than in the second half of the year. At the same time, the international wars affecting different parts of the world negatively impacted on the demand from abroad.

Clearly, these factors have repercussions on the Italian economy, which slowed down as compared to 2022, with GDP increasing in 2023 by 0.9% against the 1.2% forecast.

Against this backdrop, the construction sector maintained the trend of previous years; ANCE (Italian association of Constructors) estimated a further +5% increase in construction investments in 2023.

An important contribution to the industry came from the incentives for energy and seismic upgrading of the buildings and from ordinary bonuses (renovation, sismabonus, etc.), while a further boost may be provided by the economic development policies defined in the PNRR, both for the large amount of public investment in infrastructure and for the important reforms envisaged in priority areas for building activity.

2024 forecasts are affected by a particularly uncertain macroeconomic environment, whose changes go hand in hand with the evolution of three key factors: inflation, monetary policy and geopolitical tensions.

These factors lead to a cautious assessment of the economic trend for the current year: for 2024, the main research institutes estimate a smaller increase in Italian GDP compared to what was forecast in the summer, which would be between +0.6% by the Bank of Italy and +0.9% by the European Commission.

With particular reference to the building industry, ANCE's forecast for 2024 is a 7.4% decrease in investments. This decrease takes into account the lack of extensive extraordinary maintenance (-27%) and, conversely, takes into account an important growth in investments in public works (+20%) linked to the necessary acceleration of investments in the NRP.

COMPANY PERFORMANCE IN THE YEAR 2023

Against this general backdrop, Carron recorded a good operating budget with a 6.4 percentage point increase in Production Value from Euro 250m in 2022 to Euro 266m in 2023.

The gross margin also increased significantly, by 27% from 5.42% of the value of production in 2022 to 6.9% in 2023.

Financial management, despite the increase in interest rates, maintains the incidence of financial charges below 1%, rising from 0.72% in 2022 to 0.94% in 2023.

Net profit after tax amounted to Euro 9.6 million or 3.6% of Production.

It should be recalled that the financial year 2022 saw a contraction in margins despite an increase in production, due to the increase in the cost of raw materials, triggered both by the start of the Russo-Ukrainian conflict and the inflationary pressure generated by building bonuses.

In the financial year 2023, increased costs of raw material costs, which had had a significant impact on the contracts acquired (General Contractor Area) before the inflation explosion, was then mitigated by the start, at full capacity, of the contracts acquired subsequently, which had been able to take into account the increases in procurement when bidding.

Real estate, on the other hand, is the area that has been most affected by rising commodity costs and, above all, by the rise in interest rates by central banks.

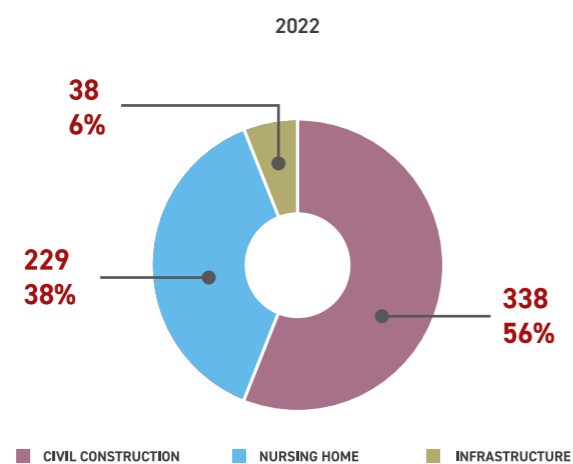
As a matter of fact, contracts for the sale of future assets under construction do not foresee any form of adjustment of the consideration to increases in the cost of construction. Additionally, due to the slow financial cycle typical of this business, there was a higher incidence of financial charges. Despite all these factors, the profitability of every single project, although reduced, stays positive.

A reduction in interest rates is therefore advisable in order to bring back interest in investments in real estate, especially in the field of Residential care Homes, an important requirement for Italy.

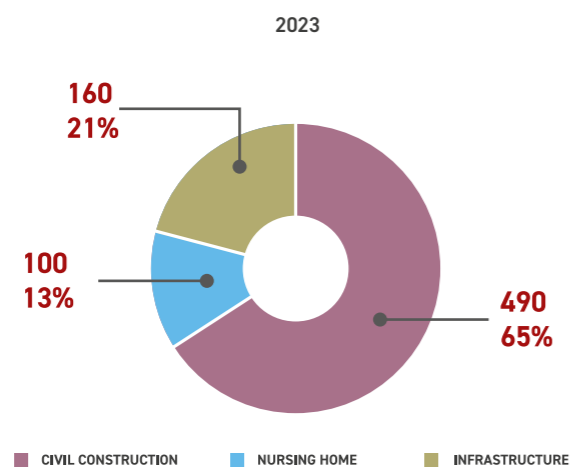
ORDER BOOK

Carron S.p.A.'s backlog of works at 31/12/2023 amounted to 750 million Euro, of which 490 million Euro was for tender contracts and the execution of civil construction works, 160 million Euro for the execution of infrastructure works, 60 million Euro for nursing homes under construction and 40 million Euro for nursing homes in the process of being authorised.

ORDER BOOK AT 31.12.2022
(million/Euro)



ORDER BOOK AT 31.12.2023
(million/Euro)



ACQUISITIONS

Client	Subject	Amount
Area General Contractor		
Zabarella 2023 Srl	Residential Property Renovation in Padua	€ 24,300,000
Colliers Global Invest. Italy Sgr Spa	Redevelopment of the building complex Milano – Via Durando Building A to be used as a student residence	€ 21,200,000
Generali Real Estate Sgr	Redevelopment of office buildings in Milan - Via Bassi	€ 37,500,000
Metropolitana Milanese MM Spa	Redevelopment of a building to be used as a power-operated archive – Milan – Via Gregovius	€ 7,500,000
Coima Sgr Spa	Construction of an office building in Milano – Via Lorenzini	€ 55,000,000
Colliers Global Invest. Italy Sgr Spa	Renovation in Milan – Via Durando – Building B – to be used as a student residence	€ 37,000,000
Municipality of Venice	Bosco dello Sport – Urban infrastructure works	€ 31,400,000
Hotel Cristallo Spa	Cortina d'Ampezzo Hotel redevelopment, renovation and extension	€ 51,400,000
Heratech Srl	Extension of the waste-to-energy plant in Padua	€ 19,500,000
Veneto Strade Spa	Construction of the new Regional Raod 10 - Padana Inferiore	€ 94,300,000
'Sale of future assets' area		
Despar Srl	Construction of a new commercial building in Castelfranco Veneto (TV)	€ 9,200,000

As far as the area of 'sale of future assets' is concerned, it turned out to be very sensitive to the rise in the cost of money. Following the significant slowdown in the market, there was no basis for further new initiatives.

DIRECTORS' REPORT - Carron SPA Financial Statements**SALES OF FUTURE ASSETS FINALISED IN THE 2023 YEAR**

Client	Subject	Amount
Alba Leasing x conto ELLE EMME Spa	Edificio Commerciale in Torino	€ 1,200,000

SALE OF FUTURE ASSETS FINALISED IN 2024

Client	Subject	Amount
ELLE EMME Spa	Commercial building in Turin	€ 4,000,000
Ream Sgr Spa	Residential care home, 290 beds – Varese (VA)	€ 26,500,000
Primonial Sgr	Residential care home, 160 beds – Castelfiorentino (FI)	€ 18,080,000
Euryale Sgr	Residential care home, 180 beds – Bereguardo (PV)	€ 15,700,000
Euryale Sgr	Residential care home, 240 beds – Lentate sul Seveso (MB)	€ 23,500,000
Euryale Sgr	Residential care home, 120 beds San Genesio ed Uniti (PV)	€ 11,300,000
Despar Spa	Commercial building in Castelfranco Veneto (TV)	€ 9,200,000

FOCUS ON CONSTRUCTION SITES**OSPEDAL GRANDO S.r.l. OSPEDAL GRANDO S.r.l. – Licensee project company****Construction of the “Cittadella Sanitaria” at the hospital in Treviso**

- Activities performed: Completion of flooring, false ceilings, painting and interior doors, Installation of electro-medical equipment, Commissioning and testing

MARCHE REGION**Executive design and execution of the works necessary for the complete and functional realisation of the new hospital structure at Campigione di Fermo in the municipality of Fermo (FM)**

- New Hospital in Campigione di Fermo (FM):
Hospital: Continuation of works, waterproofing, plasterboard works such as walls, partitions and ceilings, installation of elevator systems, mechanical and electrical systems (under the responsibility of temporary contractors), screeds and floors, finishing works such as resilient flooring, coverings and painting, and ordinary and fire-resistant internal doors.
- Exterior: Earthmoving and backfilling, underground utilities, paving and kerbs for car parks and roads; green works. Roads (complementary contract): construction site on hold.

PROVINCE OF TRENTO**Executive design and execution of construction work for the 1st expansion stage of the Trento 3 water treatment plant and regrading of S.S. (State Road) 12 of Abetone and Brennero**

- All the civil, finishing and plant engineering (electrical and mechanical) works of the entire purification plant have been completed, with the exception of some treatment plant parts and special equipment; the Initial Lifting has been completed in terms of both civil and plant engineering works and detailed finishing works; the external and green works have been completed; the electrical, mechanical and special systems are being tested.

AUTOSTRADA BRESCIA VERONA VICENZA PADOVA Spa – A4**Completion of the new bus terminal in Montecchio Maggiore (VI) and connections to the non-motorway road network**

- Completion of the new toll station service building (construction and installation works).
New A4 motorway stretch and new A4-SPV junction: Temporary deviation of A4 direction for road embankments and foundations; construction of steel bridge on A4 (launching and casting slabs); completion of main and secondary works (Tunnels GA01 and 03, S02, P01, I03); in general, all road excavations and embankments completed, and the sub-services for the new road system completed; the entire road platform is almost completed, including the safety barriers and final signage; the exit and entrance toll gates are complete (metal covering structure, toll islands, hydraulic and electrical works, etc.); the M and N ramps are under construction, as well as the parking apron.
- Former toll station area: excavation, reclamation and construction of embankments.
 - new winter services building: construction of foundation piles (CFA) and reinforced concrete foundations for the entire building; start of laying of metal cladding and roofing structure; the reinforced concrete works in the office area are in progress.
 - Garage building almost completed: completion of foundation works and prefabricated structures; completion of insulation and installation of windows and doors.
- New roundabout: start of excavation and embankment of roundabout; completion of retaining wall on former tollgate area side.

KRYALOS S.G.R. S.p.A.**Renovation of building for office use in Via Regina Giovanna, Milan**

- Activities performed: demolition and excavation work; reinforced concrete works; consolidations; metal carpentry; masonry; plasterboard works; plastering; subfloors; industrial flooring; mechanical systems; electrical systems; doors and windows and ventilated façades; waterproofing; stoneware flooring; fire-resistance treatments. Functional tests and inspections for final handover to the client.

DIRECTORS' REPORT - Carron SPA Financial Statements**SANS SOUCI SRL****Tourist residence Scacciapensieri - Siena**

- Activities carried out: Renovation of façades; Completion of car park; Restoration of lemon house and hunting lodge; Completion of building works (flooring, plastering, doors, painting, etc.); Completion of electrical and mechanical installations; Furnishing.

IMMOBILMARCA Srl**Residential Care Home in Ponsacco - 120 beds**

- In 2023 all the internal and external works of the two residential care homes were completed and the property was handed over to the management.

SENECTUS Srl**Construction of Residential Care Home in Castelnuovo Garfagnana (LU) - 120 beds**

- In 2023 all the internal and external works of the two residential care homes were completed and the property was handed over to the management.

CDP Sgr Spa**Redevelopment of ex Demanio-Centro Servizi Scandicci building complex, Scandicci (FI)**

- Activities carried out: Buildings: plasterboard works, screeds, system works, finishing works; External areas: Remediation of asbestos-containing materials, earthmoving works, construction of underground tanks and underground utilities, construction of roadside containers and external lighting systems. Completion of works and property handover to the client.

CARRON CAV. ANGELO SPA**Commercial complex in Via Lancia, Turin**

- Activities performed: Execution of urban infrastructure works and private external areas; testing and delivery of the units and external areas.

GRUPPO GHERON**Construction of Health Centre in via Servais - Turin**

- Activities performed: demolition, structural reinforcement in reinforced concrete, crawl spaces, creation of subfloors, start of plasterboard partitions and mechanical installations.

REAM SGR Spa**Construction of Residential Care Home in RAPAGNANO (FM) - 155 beds + 20 daybeds**

- Activities carried out: Reinforced concrete works such as elevations, floors; ventilated crawl spaces and underfloor systems; waterproofing, insulation and perimeter walls; plasterboard works such as walls, counter walls and ceilings, installation of elevator systems, mechanical and electrical systems (carried out by temporary consortia), screeds and floors, finishing works such as resilient flooring, cladding and painting, door and window frames and external façades, ordinary and fire resistant internal doors.
- External works and urbanisation: excavation and earthmoving, backfilling; road foundation packages, networks and underground utilities, paving and kerbs for car parks and roads.

REAM SGR Spa**Construction of Residential Care Home in VARESE (VA)**

- Activities carried out: Completion of structural works; Completion of masonry works; Advanced unfinished building works (plasterboard, screeds, waterproofing); Construction of façades (cladding, PVC and aluminium windows and doors); Finishing works (ceramic floor and wall tiles, doors, paints); Urbanisation works and external arrangements.

COIMA Sgr Spa**Property redevelopment in Via Pirelli 35, Milan**

- Activities carried out: Demolition and excavation, reinforced concrete works, consolidation, metalwork, special foundations, masonry, plastering, mechanical installations, electrical installations, painting, industrial floors and reinforcement hoods, cellular façades, ventilated façades, mullion and transom façades, waterproofing, elevator systems, interior floor and wall coverings, plasterboard works, painting.

BULGARI GIOIELLI Spa**Expansion of production headquarters in VALENZA (AL)**

- Activities carried out: Construction of reinforced concrete works, pre-stressed precast concrete, waterproofing works, plasterboard works, external windows and structural façades, industrial flooring, external urbanisation works.

EURYALE**Construction of Residential Care Home in BEREGUARDO (PV) - 180 beds**

- Activities performed: drafting and delivery of the complete executive design, obtaining the PDC, setting up of the area, earth moving and perimeter backfill works, completion of reinforced concrete works such as foundations, elevations, floors, realisation of metal carpentry works, realisation of roof waterproofing, laying of roofing insulation and realisation of industrial flooring to protect the insulation, completion of perimeter curtain walls, start and completion of plasterboard works such as walls/counter walls and false ceilings, creation of all screeds and insulation, supply and installation of prefabricated bathrooms, creation and testing of all electrical and mechanical systems, creation and testing of elevator systems, creation of external cladding, creation of sheet metal work, creation of stoneware and PVC floor and wall coverings, creation of internal and external paintwork, installation of internal and external door and window frames, creation of locksmith work and internal glass walls, creation of external landscaping, irrigation and street furniture.

EURYALE**Construction of Residential Care Home in LENTATE (MB) - 240 beds**

- Activities performed: drafting and delivery of the complete executive design, obtaining the PDC, carrying out the demolition of the buildings on the area and land reclamation (works contracted to the seller of the area), site preparation, construction of the leaking wells and excavation of the underground area, earth moving and perimeter backfill works, construction of reinforced concrete works such as foundations, elevations, floors, waterproofing of the roof, installation of roof insulation and construction of industrial flooring to protect the insulation, construction of perimeter curtain walling, start-up of plasterboard works such as walls/counter walls, construction of part of the screeds and insulation, supply and installation of prefabricated bathrooms, construction of sewage drainage lines, construction of part of the electrical and mechanical systems, start-up of the external cladding, start-up of floor and wall covering installation.

EURYALE**Construction of Residential Care Home in SAN GENESIO (PV) - 120 beds**

- Site preparation, earthworks and perimeter backfill, completion of reinforced concrete works such as foundations, elevations, floors, waterproofing of roofing, part of curtain walling, start of plasterboard works such as walls/counterwalls, supply and installation of part of screeds and insulation, supply and installation of prefabricated bathrooms, construction of mechanical, electrical and water systems, perimeter cladding.

EURYALE**Construction of Residential Care Home in LODI VECCHIO (LO) - 240 beds**

- Site preparation, earthworks and perimeter backfill, completion of reinforced concrete works such as foundations, elevations, floors, waterproofing of roofing, part of curtain walling, start of plasterboard works such as walls/counterwalls, supply and installation of part of screeds and insulation, supply and installation of prefabricated bathrooms, construction of mechanical, electrical and water systems, perimeter cladding, urban works.

ALFIERE SPA**Redevelopment of the "TORRI DELL'EUR" building complex - Phase 1 - Shell & Core ROME**

- Activities carried out: Site set-up, excavation and demolition; micro piles and CFA foundation piles; micro piles for reinforcement of existing foundations; reinforced concrete structures; masonry work to accommodate metalwork; erection of metal structures in buildings A, C, C1, D, G3 and G4; seismic reinforcement of buildings A, C, C1, D and B; assembly of ventilated and glazed façades in building A; assembly of cellular façades in building C; insulation and waterproofing of roofs and external walls; rainwater and waste water collection and disposal networks; water collection tanks.

TRENTINO TRASPORTI (TN)**Executive design and execution of works for the construction of the new rolling stock maintenance workshop in SPINI DI GARDOLO (TN)**

- Completion of the barracks, logistics areas and clearing out explosive devices left over from the war; Access road: excavation, embankments, interference resolution of underground utilities, perimeter walls and fences; Building area: construction of perimeter boundary walls; excavation and reclamation of area; construction of preloading embankment on workshop building footprint; displacement of interfering underground utilities; civil works to prepare for plant connection; start of apron embankments.

COLLIERS GLOBAL INVESTORS ITALY SGR SPA**Via Durando A, Milano**

- Activities carried out: Excavation; structural works of the new building; structural work on the existing building (reinforcements, demolition, etc.) Start of masonry works.

COLLIERS GLOBAL INVESTORS ITALY SGR SPA**Via Durando B, Milano**

- Activities carried out: Excavation; structural works started (foundations)

LIFENTO**Construction of Residential care home in Cecina (FI) - 160 beds**

- Activities performed: execution of reinforced concrete works such as foundations, elevations, floors, waterproofing of roofing, curtain walls, start of plasterboard works such as walls/counter walls, supply and installation of part of the screeds and insulation, supply and installation of prefabricated bathrooms, construction of sewage drainage lines within the building crawl space, construction of part of the electrical and mechanical installations, installation of a technological control unit and AHU on the roof, construction of part of the coats, start of lift installation.

ZABARELLA 2023 SRL**Restoration and renovation of Ca' del Chiostro (PD)**

- Activities performed: execution of external works preparatory to the roadway for vehicle access to the site, site preparation, removal and demolition works, external scaffolding, works to reinforce the foundational system of the buildings.

MM SPA**Construction of the New Cittadella degli Archivi at Via Gregorovius in Milano**

- Integrated contract: execution and delivery of the Executive Design to the S.A. for validation, performed war survey and static verifications on the existing structures that will remain in place.

COIMA Sgr Spa**Construction of office and commercial complex and land belonging to the property in Milan - Via Lorenzini 8**

- Activities carried out: Partial take-over of the areas (half of the site area), excavation of one of the crane plinths integrated into the foundations, reinforcement of the same.

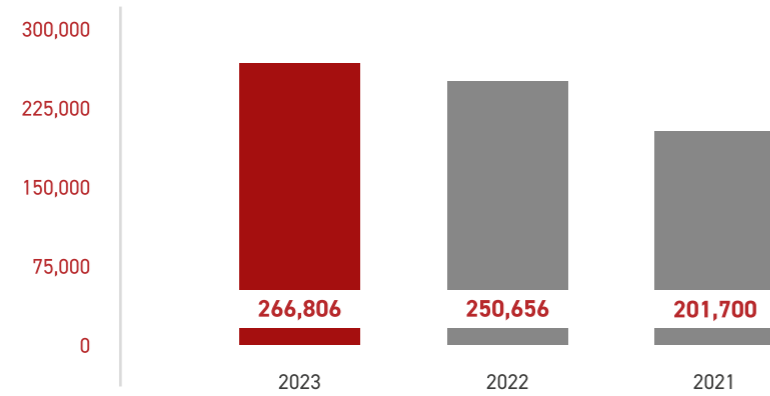
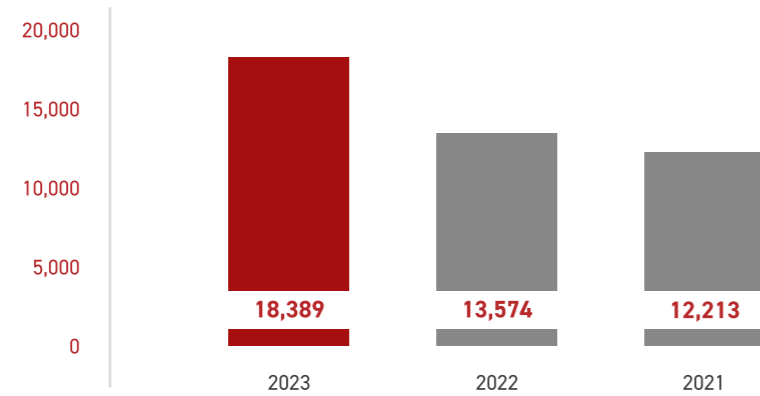
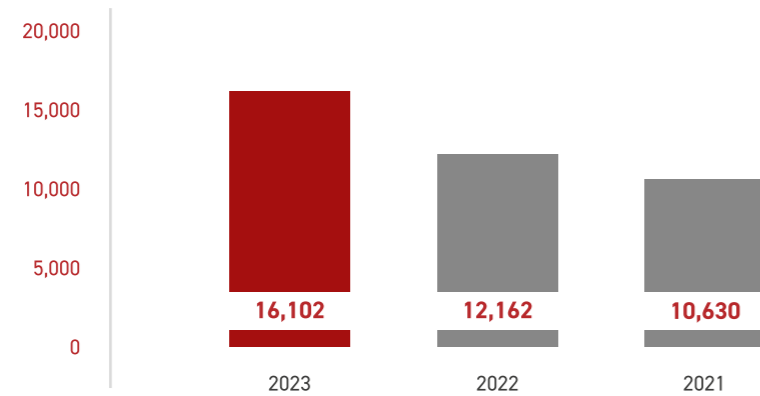
GENERALI REAL ESTATE SPA**Bassi Business Park BSS lots 3 and 4**

- Activities performed: completion of demolition work on all lots, jet grouting sub-foundations on new tower, construction of foundation slab and elevations up to ground floor of new tower, creation of double volumes on buildings 8A and 8B including column and slab edge hooping, investigation of slab crumbling.

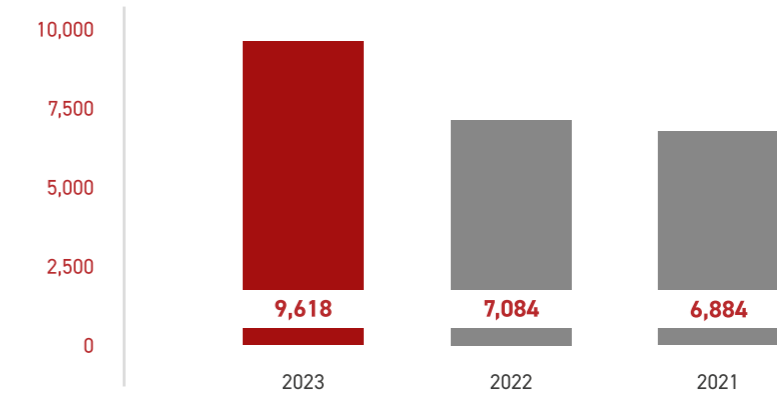
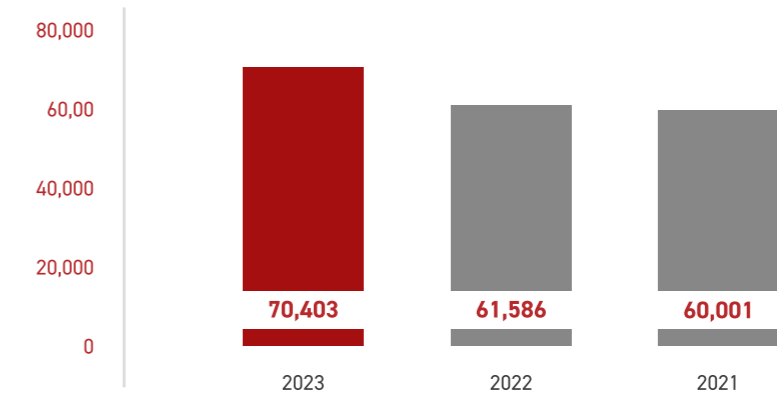
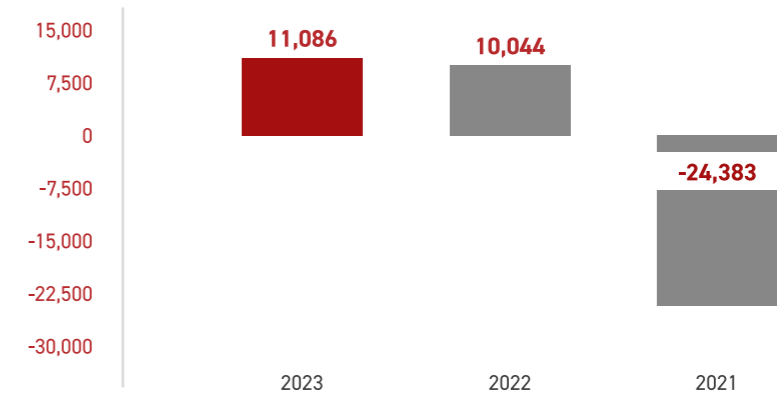


GROUP FINANCIAL HIGHLIGHTS ON 31 DECEMBER 2023

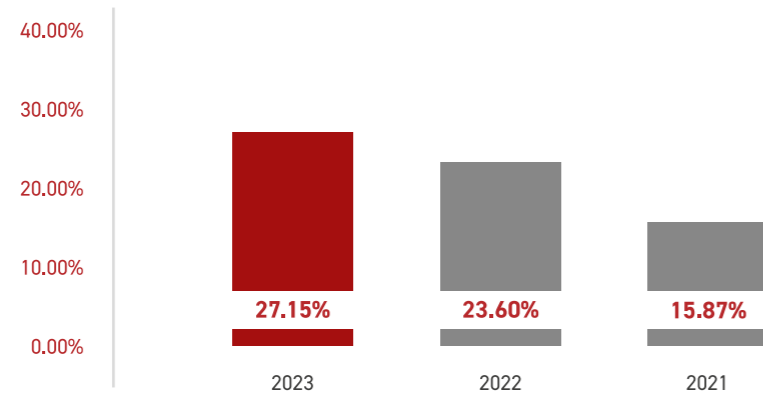
The economic and financial performance of the company, as presented below, is also evaluated based on certain indicators not defined within the reference accounting principles, including EBITDA and NFP.

VALUE OF THE PRODUCTION
(EURO / 1000)**EBITDA**
(EURO / 1000)**EBIT**
(EURO / 1000)

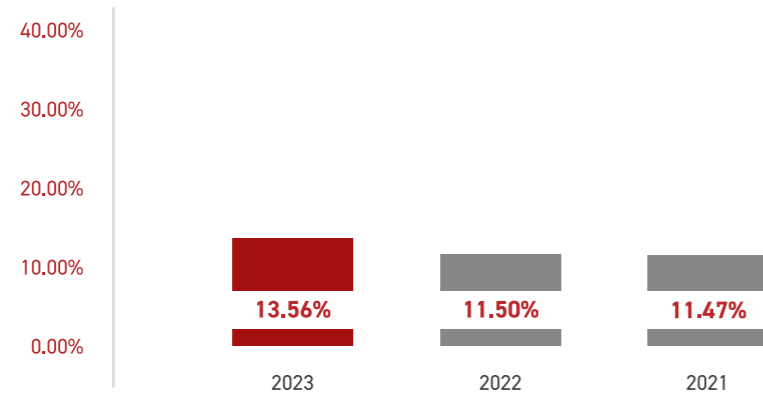
DIRECTORS' REPORT - Carron SPA Financial Statements

NET PROFIT
(EURO / 1000)**SHAREHOLDERS' EQUITY**
(EURO / 1000)**NET FINANCIAL POSITION**
(EURO / 1000)

R.O.I.

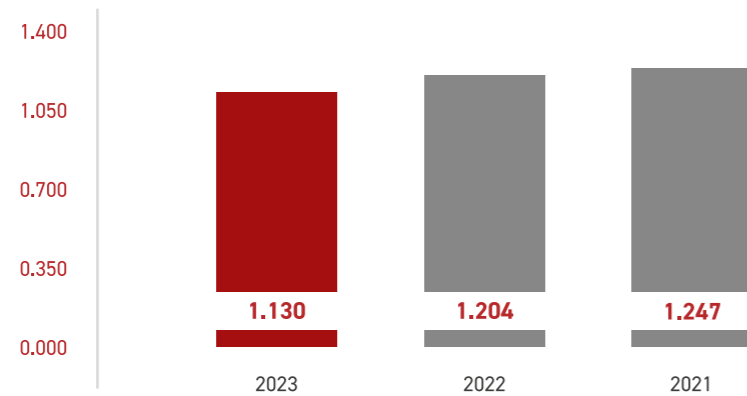


R.O.E.



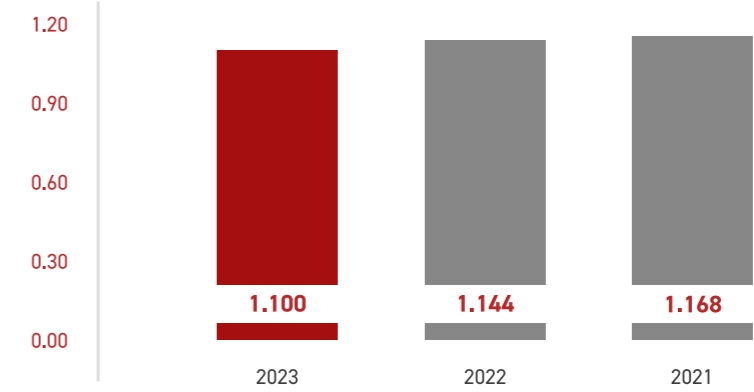
CURRENT RATIO

CURRENT ASSET/CURRENT LIABILITIES (-) STOCK/ CURRENT LIABILITIES

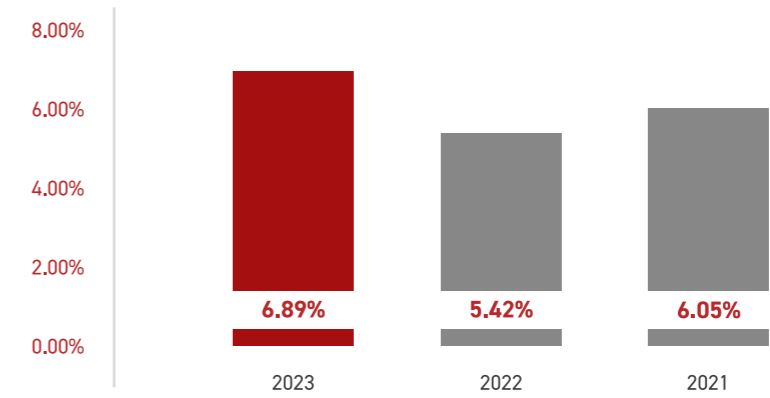


QUICK RATIO

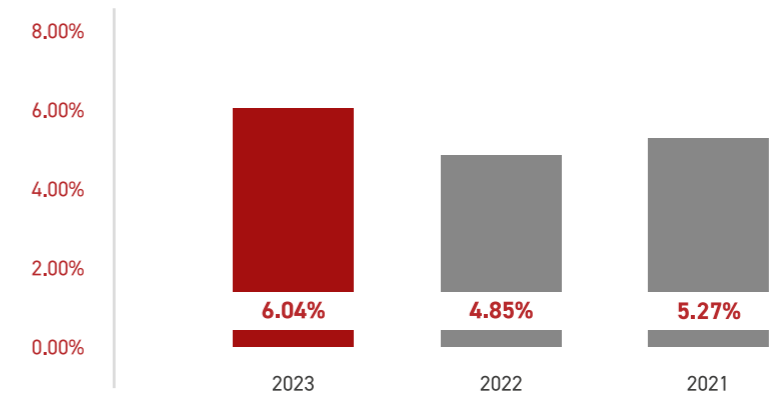
CURRENT ASSETS/CURRENT LIABILITIES



EBITDA



EBIT



BALANCE SHEET AND FINANCIAL DATA AT 31 DECEMBER 2023*(In thousands of Euros)*

Description	2023	2022	Difference
Fixed assets	27,852	31,655	(3,803)
Financial receivables from associated companies due after 12 months	19,164	15,799	3,365
Total non-current assets	47,016	47,454	(438)
Net working capital	15,488	7,247	8,241
Provisions for liabilities, staff severance indemnity, net long-term debt	(3,187)	(3,159)	(28)
Net invested capital	59,317	51,542	7,775
Equity	70,403	61,586	8,817
Payables (credit lines) vis-à-vis the banking system	(11,086)	(10,044)	(1,042)
Sources	59,317	51,542	7,775

FIXED ASSETS

For the purposes of reclassification of the financial statement values, non-current assets include intangible and tangible assets at their net value, as well as medium/long-term financial assets, typically represented by investments not included in the scope of consolidation, loan receivables and trade receivables due after 12 months.

At 31/12/2023 it amounted to Euro 47.0 million (Euro 47.5 million at 31/12/2022), of which Euro 0.5 million for intangible fixed assets (Euro 0.6 million at 31/12/2022), Euro 16.5 million for tangible assets (Euro 17.2 million at 31/12/2022), Euro 20.9 million for financial assets (Euro 17.9 million at 31/12/2022), as well as receivables beyond twelve months totalling Euro 9.1 million (Euro 17.8 million at 31/12/2022), recording an overall decrease, in relation to 31/12/2022, of 0.4 million Euro.



NET WORKING CAPITAL

Net working capital, given by the difference between trade working capital, amounting to Euro 217.5 million (receivables, inventories, work in progress and other assets) and current trade liabilities, amounting to Euro 202.0 million (suppliers, advances from principals and promissory purchasers of real estate, trade and other payables) amounts to Euro 15.5 million and is as follows:

(In thousands of Euros)

DESCRIPTION	2023	2022	Difference
Inventories	5,860	10,478	(4,618)
Work in progress	120,803	73,285	47,518
Trade receivables	64,003	48,479	15,524
Receivables from subsidiaries	4	2,932	(2,928)
Receivables from associated companies	7,581	3,775	3,806
Receivables from Parent companies	7	1,621	(1,614)
Receivables due from subsidiaries by the parent company	292	165	127
Tax receivables	485	311	174
Receivables for prepaid taxes	34	34	0
Receivables from others	17,698	25,344	(7,646)
Short-term financial assets	54	82	(28)
Accruals and deferrals	672	898	(226)
Total current trade assets	217,493	167,404	50,089
Advances received	92,535	61,245	31,290
Trade payables	91,908	85,239	9,226
Payables due to subsidiaries	800	0	800
Payables due to parent company	0	630	(630)
Payables due to associated companies	8,183	7,121	(1,496)
Payables to subsidiaries from the parent company	0	4	(4)
Tax payables	3,860	1,593	2,267
Payables due to pension and social security institutions	1,025	941	84
Other payables	3,032	2,969	62
Accruals and deferrals	665	415	250
Total current trade liabilities	202,007	160,157	41,849
Net commercial working capital at 31/12/2023	15,486	7,247	8,240

At 31/12/2022, the net working capital amounted to Euro 7.2 million, while at 31/12/2023 it amounted to Euro 15.5 million, recording an increase by Euro 8.2 million. The increase in this item is largely due to the increase in inventories, net of advances paid by customers/buyers, which reflect the natural progression of works represented by 'completed real estate' contracts that are only offloaded at the time of the notarial deed of sale. In the financial year just ended, the construction in real estate (Residential Care Homes) continued, most of which will be sold in the financial year 2024 with a consequent reduction in advances and inventories for work in progress.

DIRECTORS' REPORT - Carron SPA Financial Statements**NET INVESTED CAPITAL**

DESCRIPTION	2023	2022	Difference
Fixed assets	27,852	31,655	(3,803)
Financial receivables from associated companies due after 12 months	19,164	15,799	3,365
Total non-current assets	47,016	47,454	(438)
Net working capital	15,488	7,247	8,241
Provisions for liabilities, staff severance indemnity, net long-term debt	(3,187)	(3,159)	(28)
Net invested capital	59,317	51,542	7,775

Net invested capital amounts to Euro 59.3 million (Euro 51.5 million in 2022), an increase by Euro 7.8 million. The increase is mainly attributable to the increase in net working capital, largely due to the increase in inventories, net of advances paid by customers/buyers, which reflect the natural trend of works represented by 'completed real estate' contracts that are only settled upon the signature of the notary deed of sale.

SHAREHOLDERS' EQUITY

At 31/12/2023, equity, consisting of share capital and legal and optional reserves, amounted to Euro 70.4 million, an increase by Euro 8.8 million compared to 31/12/2022 (Euro 61.6 million), resulting from the profit for the year of Euro 9.6 million, after deducting dividends of Euro 0.8 million.

NET FINANCIAL POSITION

(In thousands of Euros)

DESCRIPTION	2023	2022	Difference
Cash and cash equivalents	65	68	(3)
Cash and cash equivalents held in banks	24,367	43,366	(18,999)
Liquidity	24,432	43,434	(19,002)
Short-term bank debt	(12,721)	(15,015)	2,294
Non-current bank loans	(625)	(18,375)	17,750
Net financial position towards the lending system	11,086	10,044	1,042
Receivables due from subsidiaries after 12 months	0	4,800	(4,800)
Receivables from associated companies after 12 months	871	871	0
Receivables due from subsidiaries by parent company after 12 months	10,027	0	10,027
Receivables due from other companies after 12 months	153	10,128	(9,975)
Financial position towards others	11,051	15,799	(4,748)
Total net financial position	22,137	25,843	(3,706)

The company's net financial position increased by 1.0 million Euro.

The company's financial debt position towards the banking system saw a significant decrease by 2.3 million Euro, from Euro (-) 15.0 million at 31/12/2022 to Euro (+) 12.7 million at 31/12/2023. The overall position, which includes financial receivables and payables from/to other companies and from/to subsidiaries and associated companies, amounts to (+) 22.1 million Euro, a decrease by (-) 3.7 million Euro compared to 31/12/2022.

For changes in non-current bank loans, refer to the appropriate section of the Notes to the Financial Statements.

NOTES TO THE INCOME STATEMENT

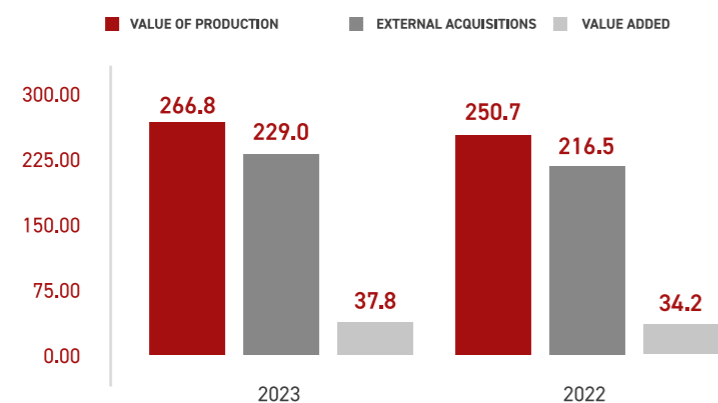
Reclassified income statement (value added approach)

The following reclassification highlights the intermediate results of economic management by highlighting the "Value added", the "Gross operating margin", the "Operating margin" and the result for the year:

(In thousands of Euros)

DESCRIPTION	2023	%	2022	%
value of production	266,806	100.00	250,656	100.00
Costs for external acquisitions	(228,979)	(85.82)	(216,581)	(86.41)
Added value	37,827	14.18	34,075	13.59
Labour costs	(16,695)	(6.26)	(16,076)	(6.41)
sundry operating expenses	(2,371)	(0.89)	(3,198)	(1.28)
other provisions	(371)	(0.14)	(1,228)	(0.49)
Ebitda	18,389	6.89	13,573	5.42
Depreciation and amortisation	(1,563)	(0.59)	(1,350)	(0.54)
Provisions and write-downs	(725)	(0.27)	(62)	(0.02)
Ebit	16,102	6.04	12,161	4.85
Financial income (charges)	(2,501)	(0.94)	(1,816)	(0.72)
Revaluations (write-downs)	(26)	(0.01)	(1)	(0.00)
Profit before tax	13,574	5.09	10,344	4.13
income taxes	(3,957)	(1.48)	(3,260)	(1.30)
Net profit for the year	9,617	3.60	7,084	2.83

Income statement



Production in 2023 recorded a significant increase by 6.5% compared to the previous year, from Euro 250.7 million to Euro 266.8 million.

Costs for external acquisitions of goods and services amounted to Euro 229,0 million, accounting for 85.82% of the value of production (Euro 216,6 million, accounting for 86.41% in 2022).

Value added amounted to Euro 37,8 million, which corresponds to 14.18% of the value of production, against Euro 34,1 million in 2022 (13.59% of the value of production).

DIRECTORS' REPORT - Carron SPA Financial Statements

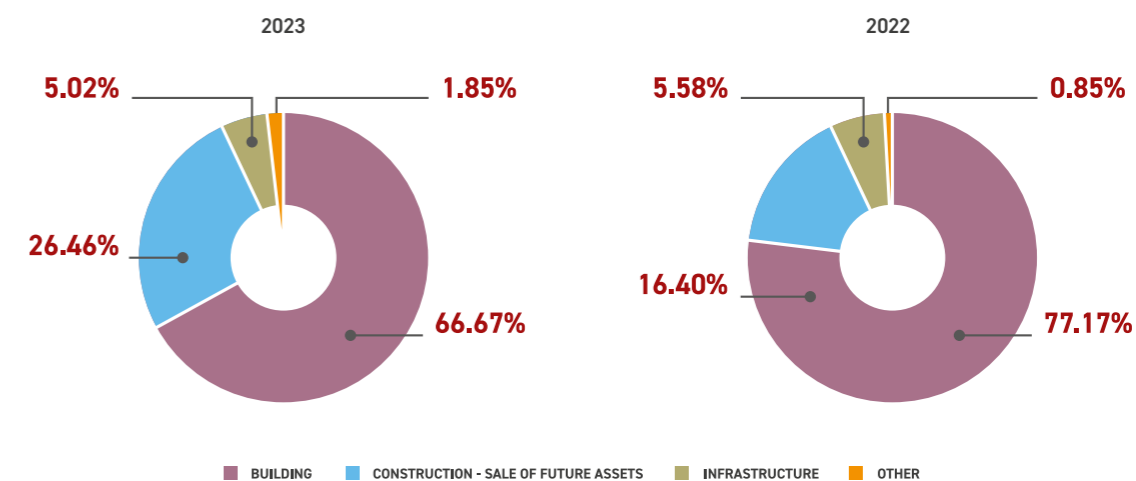
The item "value of production" is broken down as follows:

(In thousands of Euros)

DESCRIPTION	2023	2022	Difference
Sales and services revenues	212,939	290,320	(77,381)
Changes in work in progress	47,518	(40,853)	88,370
Changes in product inventories	1,874	(661)	2,535
In-house work	-	-	-
Other revenues and income	4,476	1,849	2,626
Total value of production	266,806	250,657	16,149

Ripartizione del valore della produzione per settore

DESCRIZIONE	2023	%	2022	%
Civil building	177,903	66.68%	193,430	77.17%
Construction- future sales	70,587	26.46%	41,106	16.40%
Infrastructure	13,386	5.02%	13,986	5.58%
Other	4,931	1.85%	2,134	0.85%
Total value of production	266,807	100%	250,657	100%



The trend in production sees an increase in production related to construction - sale of future assets from 16.40% to 26.46%, in line with planned activities, as the year saw the completion of work on initiatives started in previous years; in the next financial year, this proportion should fall below 20%, while the share related to infrastructure should increase based on planning.

Breakdown of public/private production value

DESCRIPTION	2023	%	2022	%
Private	229,621	86.06%	179,847	71.75%
Public	37,186	13.94%	70,808	28.25%
Total value of production	266,807	100%	250,656	100%

The item "production costs" is broken down as follows:*(In thousands of Euros)*

DESCRIPTION	2023	2022	Difference
Raw and ancillary materials	24,815	31,267	(6,452)
Provision of services	191,053	178,379	12,674
Use of third-party assets	6,620	3,581	3,039
Changes in stock	6,492	3,354	3,138
Total external purchases	228,980	216,581	12,399
Labour costs	16,695	16,076	619
Amortisation and depreciation, risk provision and write-downs	2,658	2,640	18
Sundry operating expenses	2,371	3,198	(827)
Total production costs	250,704	238,495	12,209

Composition of profit for the year*(In thousands of Euros)*

DESCRIPTION	2023	2022	Difference
Added value	37,827	34,075	3,752
Compensation for work	(16,695)	(16,076)	(619)
Sundry operating expenses	(2,371)	(3,298)	827
Other provisions	(371)	(1,228)	857
Ebitda	18,389	13,573	4,816
Depreciation and amortisation	(1,563)	(1,350)	(213)
Provisions and write-downs	(725)	(62)	(662)
Ebit	16,102	12,161	3,941
Financial income and (charges)	(2,501)	(1,816)	(685)
Write-downs	(26)	(1)	(25)
Profit before tax	13,574	10,344	3,230
Taxes	(3,957)	(3,260)	(697)
Shareholder's net income	9,617	7,084	2,533

DIRECTORS' REPORT - Carron SPA Financial Statements

The operating result shows an improvement in profitability, which was also generated by the start of work orders that had been able to incorporate the increases in construction costs accrued in previous years (2021/2022) at the time of bidding. As a matter of fact, in previous years (2021/2022) margins had dropped due to the increase in procurement costs that we could not be transferred, except in part, to our customers.

In particular, EBITDA improved, with an increase from 5.42% (Euro 12,213.000) in 2022 to 6.89% (Euro 13,573.000) in 2023. Similarly, EBIT also increased, moving from 4.85% in 2022 to 6.04%.

The financial management was not significantly affected by the increase in interest rates, as it was mitigated by the contraction of exposure to the credit system.

INFORMATION REQUESTED BY THE PROVISIONS OF (ITALIAN) LEG. 32/2007 IMPLEMENTING DIRECTIVE 2003/51/EC AMENDING ARTICLE 2428 OF THE ITALIAN CIVIL CODE

TABLE OF CONTENTS	2023	2022
Fixed assets coverage ratio	1.56	1.36
Fixed assets/Permanent capital		
Ratio of current assets to current liabilities	1.127	1.204
Current assets/current liabilities		
Equity to fixed assets ratio	1.5	1.3
Shareholders' equity/Fixed assets		
Ratio of fixed assets to total assets	0.16	0.18
Fixed assets/net assets		
Flexibility of net assets	0.837	0.816
Current assets/net assets		
Overall debt ratio	0.322	0.313
Shareholders' equity/Total liabilities		
Debt to equity ratio	n.d.	n.d.
Shareholders' equity/Net financial position vis-à-vis lenders		
Acid test	1.1	1.144
Current assets-stocks/Current liabilities		
Overall debt ratio	3.104	3.194
Total liabilities/ Shareholders' equity		
Financial debt/Ebitda	0.726	0.54
EFinancial exposure to lenders/gross operating margin		

OTHER INFORMATION

Status of the dispute

The civil litigation situation regarding the group's activities, supported by the assessments of the designated lawyers, does not give rise to concerns, given that the pending litigations and their very modest value are not deemed to influence or prejudice the economic and financial situation of the company.

Please refer to what has already been indicated in the Notes to the Financial Statements under Provisions and Charges.

Tax situation

At 31/12/2023 there were no tax disputes.

Risk management policies

The company's business is generally subject to various operational, counterparty and contract risks, as well as financial risks.

Operational risks

In this case, the risks that could affect the creation of value and due to an inefficient and/or ineffective management of business operations were taken into account, in particular those connected with the management of offers and the actual execution of orders. The various risk areas that fall into this category include the planning of offers, warehouse management and logistics, as well as risks related to the management of IT systems, planning and reporting, effective supply chain and personnel management, also with reference to health and safety, the environment, human rights and local communities. These risks may occur if, during the bidding and/or order implementation process, policies and procedures of the business entities are not sufficiently adequate to manage the risk factors arising from the degree of complexity of the project, or as a result of unforeseeable events. To this end, the Company controls these risks from the analysis phase of the commercial initiative to be undertaken (bidding) with a view to assessing the risk-return of the project in case of award and its impact on the portfolio configuration, both in terms of concentration and overall risk profile. In this context, among other activities, a pre-bid assessment is carried out to identify potential risks and consequent impacts related to the project, as well as to identify the necessary mitigation and/or contingency measures to cover risks. The risk recognition activity is then performed again during the award phase and monitored and updated during execution of the order to swiftly detect evolution of the risk exposure and promptly adopt appropriate mitigation measures.

Counterparty risk

The counterparty identifies the potential problems connected with relations with customers, shareholders, subcontractors and suppliers of the company, giving as complete a picture as possible of the characteristics of partners with whom to start or continue a collaboration. For each of these types of counterparties, the risk factors connected with financial and operational reliability take on more or less significance, in addition to the strategic role that may be assumed by a collaboration as opposed to specific business initiative, as well as everything connected with legal, compliance and applicable standards (ethics, quality, health and safety, environment, human rights) to protect the regularity of the relationship.

Order risk

This aspect is crucial for an effective analysis of all the risks arising from the company's core business, to define which instruments to use to identify and monitor the so-called order risks from the bidding phase, with a view to risk prevention as part of an in-depth risk assessment of opportunities linked to the pursuit of a specific initiative. It is also fundamental to constantly monitor risks once they have been understood by the management, by proactively and dynamically managing the resulting risk exposure and the continuous evolution that this may undergo over time.

Financial risks

These risks can be classified as follows:

- Market risk (price of raw materials and fluctuation of share prices)
- Credit risk
- Exchange rate risk
- Interest rate risk
- Liquidity risk

The management of the Group's financial risks is carried out in the framework of specific organisational directives that govern the management of the aforementioned risks and the control of all the operations that have strict relevance in the composition of financial and/or commercial assets and liabilities.

There are no specific financial, price, credit or liquidity risks other than those arising from operating activities. The company has minimal exposure to interest rate risk related to the use of financing for the development of Residential Care Home initiatives. In any case, the operating procedures allow for minimising this exposure, in consideration of the fact that the duration and amount of the same is strictly related to the needs for the completion of projects.

There is no direct exposure to exchange rate risk as operations are carried out and revenues are produced exclusively in Italy, and the main costs incurred are in Euro.

The company has no particularly significant areas of credit risk. Operating procedures allow for credit risk control through the selection of contracts and/or services on behalf of customers with an adequate level of creditworthiness and guarantees. Therefore, the maximum exposure to credit risk is represented by the book value in the financial statements.

Given the changed economic conditions compared to the past, the company is significantly exposed to fluctuations in the prices of raw materials and services. This risk is managed through the use of a large pool of suppliers, which allows for obtaining the best market conditions, and through the inclusion, where possible, of clauses in the tender contracts to contain the risks associated with the trend in raw material costs.

The risk areas relating to the protection of the health and safety of workers are managed in strict compliance with the laws and regulations.

Impacts of the Russian-Ukrainian war

In the second half of February 2022, the Russian-Ukrainian conflict broke out. In relation to the complex scenario brought about by the ongoing conflict, the Company also reviewed its critical risks with regard to the macro-economic and geo-political implications of the Russian invasion of Ukraine and the sanctions imposed on Russia and Belarus, considering the significant business challenges and the high degree of uncertainty and knock-on effects. The outcome of the risk assessment carried out substantially confirmed the Company's limited exposure to financial and business impacts related to this specific risk, also in consideration of the fact that the Company does not have any procurement contracts in place with these countries, nor is it dependent on any strategic suppliers and not resident in these countries.

Quality – Environment– Safety

Tools to increase the efficiency of the quality system have become increasingly important in the company, and in the year 2023, too, the utmost attention was paid to its strengthening by implementing all measures dictated by current regulations.

To this end, the company has updated the "Integrated Management System (IMS) - Quality, Environment and Safety". The system therefore complies with the international standards UNI EN ISO 9001:2015, UNI EN ISO 14001:2015 e UNI ISO 45001:2018. The three management systems are certified in accordance with the standards for the construction sector, for the following activities:

- Design, construction, renovation and maintenance of construction, infrastructural (road and railway) and hydraulic engineering works.
- Restoration of real estate under protection.

The certificates were issued by AMTIVO ITALIA S.r.l. (International Certification Body). Certifications are maintained annually and renewed every three years.

The Group companies operate using the certified Quality Management System, also regarding the Environment and Safety.

The system has been pre-established to achieve general objectives with the aim of:

- Rationalising and optimising both management and executive activities consistent with the new company organisation, by implementing the use of computerised processes.
- Minimising errors.
- Guaranteeing customer satisfaction, namely by assuring customers that the work, in technical and economic terms, is accomplished and maintained with the required quality, and also allowing external verification on the Integrated Management System.
- Orienting corporate culture towards environmentally friendly behaviour (control and rationalisation of the consumption of water and energy resources, correct management and separation of waste and waste produced) and operated in compliance with the binding legislation and the voluntary regulatory framework (UNI EN ISO 14001:2015).
- Pursuing the best possible conditions in terms of health and safety in the workplace and hygiene of the environments in which the personnel operate, in compliance with the requirements of current legislation and the voluntary framework (UNI ISO 45001:2018).
- Managing their activities also with the aim of preventing accidents, injuries and work-related diseases and safeguarding the health of workers, company assets, third parties and the community in which the company operates, thereby arranging the purchase, operation and maintenance of machines, plants and equipment, the organisation of workplaces, and the definition of operating methods and organisational aspects, with a view to continuous improvement;
- Ensuring the widest possible dissemination of all information notices regarding health and safety risks in the workplace and the intervention procedures in emergency situations that may harm persons or the environment.
- Reducing the general negative environmental impacts during the performance of company activities through an assessment of the same already in the planning phase and through an accurate selection, assessment and awareness-raising of suppliers and contractors.
- Seeking clear and direct forms of internal and external communication that give evidence of transparent behaviour and are founded on respect and collaboration.
- Seeking the satisfaction of all internal and external stakeholders.
- Maintaining the certification of the company's Integrated Management System.

DIRECTORS' REPORT - Carron SPA Financial Statements

The Integrated Management System policy is based on compliance with several general concepts:

- Participation and involvement at all levels, based on the critical nature of the tasks and responsibilities of each operator.
- Continuous improvement, both in terms of satisfying customer requirements and the effectiveness of the Integrated Management System.
- Planning and review of company objectives.

In particular, the objectives and resources used to achieve them are defined yearly on a corporate basis following the review of the Integrated Management System and can be updated in relation to organisational and process changes, or strategic choices relating to the market policy of the company. The achievement of objectives is monitored on the basis of parametric values in order to objectively evaluate the achievement and take decisions based on factual information.

The company pays particular attention to the environmental and safety aspects in the workplace by applying the management system, with constant actions by all personnel involved, assisted by the internal prevention and protection service composed of a supervisor and 5 employees, as well as collaboration with external personnel for enhanced direct monitoring at the various construction sites.

The main actions are summarised as follows:

- Education, communication and training activities for all workers (office employees, labourers, technicians, supervisors, managers, emergency workers, workers with specific duties, prevention and protection service supervisor and staff, workers' representatives) in compliance with current legislation, including updates and supplementing with appropriate alternative training in order to improve knowledge and apply safety in the workplace;
- Supplier qualification, also and above all, in terms of legality and the absence of mafia infiltrations (through verification of registration to prefectural 'white lists' or through the Unindustria trade association by means of the legality protocol), and qualifying safety with a careful analysis of the documentation for verifying technical and professional suitability and the operational safety plan;
- Continuous maintenance and control of machines and equipment in compliance with current legislation, standards adopted and internal procedures in order to always have efficient machines and equipment and avoid accidents in the workplace.
- Management of chemical products through the acquisition of the relative safety data sheets, their updating, subsequent distribution and application of the requirements set out.
- Analysis of the planned work on site, drafting of the operational safety plans and subsequent updating according to the progress of the site.
- Systematic surveillance and monitoring in the workplace to comply with the provisions of the safety plans and the current legislation on safety in the workplace.
- Investigation of any accidents, injuries and dangerous behaviour or situations in order to establish the causes and implement appropriate corrective actions.

Human resources

Carron pays constant attention to staff development by dedicating time and customised measures to improving know-how and skills, with the aim of enhancing customer satisfaction and initiating new projects and business areas.

The purpose of HR management is to guarantee the effective and efficient use of resources, with reference to both the quantitative and qualitative aspects of the personnel, providing mutual benefit for the group and its people. For this to be effective, it is necessary to ensure, at the various levels of the organisation, that the individual, professional and organisational skills of those persons holding positions of responsibility correspond to and are consistent with expected performance.

Training and development

Staff training plays an important role, especially regarding aspects governed by regulations in relation to technical and professional skills and managerial behaviour.

2023 was marked by a significant increase in training and human resources development activities in the following 3 areas of activity:

- Construction site safety: the policy line implemented included a detailed analysis of the areas for functional and operational improvement of construction site safety. More functional equipment and operational processes have been put in place, also and above all through a training plan to maintain the specific qualifications foreseen, roles and responsibilities even more stringent than those regulated by law.
- Project Management Plan: in order to improve the behaviours and the implementation of technical processes, about 30 senior technical managers took part in a transversal Project Management course.
- Functional courses aimed at improving specific technical areas (BIM, Power B.I., corporate Erp, Cyber Security) involved many cross-cutting and interconnected roles

Cybersecurity

The company is going through a digitisation phase that is having a major impact on business processes at all levels and involving all company departments.

The increasing use of IT tools to carry out daily operations and the progressive digitisation of processes, as well as remote work, require constant attention to data and information protection aspects.

The IT department, supported by strategic partners, plays an important role in addressing, implementing and monitoring information and data protection issues, according to the main relevant standards, such as ISO 27001.

In addition to the existing ones, more safety measures were adopted in order to fully integrate all the applications and infrastructures to the safety systems and protect them from cyberthreats.

These measures, implemented or soon to be implemented, concern:

- The definition of corporate Disaster Recovery plans through specific procedures (according to standard reference frameworks) and using dedicated infrastructures.
- Process and tool standardization.
- The adoption of the Security by Default approach for all new initiatives.
- IT infrastructure regular assessment using vulnerability tests to highlight any critical issue and suitable remediation plans accordingly.

DIRECTORS' REPORT - Carron SPA Financial Statements

Another important strategy concerns the training and awareness-raising of employees on cybersecurity issues. The people, the users, the employees are the first element of defence against anyone trying to harm the company. In most cases, attempts to extort and damage corporate information assets are perpetrated through interactions with users.

To this purpose, awareness campaigns are organised at both central and peripheral levels, which, through short sessions delivered via a web platform, focus attention on topics such as phishing, privacy, data and workplace protection and much more, all accompanied by learning tests.

White list registration

The company is registered in the list of suppliers, service providers and operators not subject to mafia infiltration attempts, operating in the sectors most exposed to risk (the so-called white list) as identified in Article 1, Paragraphs 53 and 54 of (Italian) Law no. 190 of 6 November 2012 and concerning the following sectors:

Section 1: environmental services, including collection, national and cross-border transport (also on behalf of third parties), waste treatment and disposal, as well as remediation and reclamation activities and other services related to waste management.

Section 3: extraction, supply and transport of soil and inert materials.

Section 4: packaging, supply and transport of concrete and bitumen.

Section: bare rental

Section 6: supply of wrought iron

Section 7: operated equipment rental

Section 8: road haulage on behalf of third parties

Registration on the white list, which is voluntary, fulfils the requirements of anti-mafia certification for carrying out the activities for which registration has been ordered and is therefore subject to the following conditions:

- no grounds for disqualification, suspension or prohibition referred to in Article 67 of Legislative Decree 159 dated 6 September 2011, (Antimafia Code).
- no attempts of mafia infiltration aimed at influencing the choices and directions of the company referred to in art. 84, par. 3 of the Antimafia Code.

Legality rating

The Italian Competition and Market Authority has awarded Carron Cav. Angelo S.p.A. a 'Legality Rating', symbolically consisting of the maximum measure of 'three stars'.

The legality rating is a new tool introduced in 2012 for Italian companies, aimed at promoting and introducing principles of ethical behaviour by assigning a rating on compliance with the law to requesting companies and, more generally, on the level of attention paid to the proper management of business. A sufficient legality rating level can help companies obtain benefits in terms of the granting of public funding and easier access to bank lending.

ESG - Environmental – Sostenibility - Governance

2023 saw the third Report on Sustainability

In this latest 2023 report, we would like to confirm our preliminary commitment to fulfil future regulatory obligations under the new Corporate Sustainability Reporting Directive (CSRD). We want to show and prove our commitment to analysing and reporting on all ESG impacts of our activities in a transparent manner.

Our Sustainability Committee, consisting of the management and middle management, met regularly in order to adopt and implement the best strategic decisions in all those ESG areas deemed relevant and a priority for both the company and our stakeholders.

In 2023 we maintained and introduced several initiatives related to ESG issues.

We continued to transparently communicate and disseminate our vision, mission and all corporate objectives with internal and external stakeholders.

We focussed on the topic of health and safety of our employees, which has always been a priority for our governance. We have done this both in offices and on active construction sites, through regular updating of the risk analysis and constant training. In addition, we have worked on gender equality, anti-corruption practices, road safety and sustainable procurement, obtaining the relevant certifications.

Since we started applying the principles of completeness and transparency in 2023, we have expanded our scope of sustainability reporting by structuring a system for tracking and monitoring environmental and social data for active construction sites. We did this by calculating the impacts on KPIs collected for each individual site. We have also continued to invest in emission reduction projects and activated new projects with local communities, actively contributing to the social and economic development of the territories where we work.

As far as future goals are concerned, we intend to put the reduction of carbon emissions at the centre of our actions and business investments, we will continue to favour the most sustainable and, whenever possible, certified building materials. Furthermore, we will strive to qualify our suppliers according to increasingly targeted environmental and social criteria and to share sustainability goals with them.

It is also hereby specified that:

- The company does not own any treasury shares, neither directly nor through a trust company or third party.
- Over the course of the year, the company did not buy or sell treasury shares, neither directly nor through a trust company or third party.

SIGNIFICANT EVENTS AFTER 31 DECEMBER 2023

Please refer to the "Business Outlook" paragraph for information on the events that occurred after the closing of the financial year.

BUSINESS OUTLOOK

Despite a foreseeable Italian GDP growth, the general economic situation is still unstable due to inflationary pressures, high interest rates and ongoing military conflicts,

Based on the portfolio of works acquired, commercial activity will continue to be directed at selecting the best opportunities as general contractor, and as in the previous year, particular attention will be paid to public works that particularly benefit from the impact of the NRP.

The business area relating to real estate development and promotion, especially with regard to Assisted Living Facilities, will see completion with the signing of the deeds of sale of the initiatives launched in recent years. General market conditions are not favouring the start-up of new initiatives. The value of production expected in 2024 should be at 300 million Euro while maintaining profitability.

As far as the financial area is concerned, the allocations granted by the banking system and the expected cash flows are deemed adequate for the needs.

San Zenone degli Ezzelini, 7 May 2024

The Board of Directors

The Chairman
Arch. Diego Carron

FINANCIAL STATEMENTS AT 31/12/2023
CARRON CAV. ANGELO S.P.A.



STATUTORY FINANCIAL STATEMENTS 2023

BALANCE SHEET

ASSETS	31/12/2023	31/12/2022	
B	FIXED ASSETS		
I)	Intangible fixed assets		
3	Industrial patents and intellectual property rights	142,860	212,552
4	Concessions, licences, trademarks and similar rights	1,456	1,554
6	Assets under development and advances	500	
7	Others	368,648	353,567
	TOTAL INTANGIBLE FIXED ASSETS	513,464	567,673
II)	Tangible fixed assets		
1	Lands and buildings	12,825,852	13,475,317
2	Plants and machinery	2,323,474	2,702,152
3	Industrial and commercial equipment	602,869	125,485
4	Other assets	786,769	912,041
	TOTAL TANGIBLE FIXED ASSETS	16,538,964	17,214,995
III)	Financial fixed assets		
1	Equity investments in:		
	a) subsidiaries	800,000	505,200
	b) associated companies	7,581,378	18,228
	d-bis) other companies	399,321	429,321
	Total equity investments	8,780,699	952,749
2	Receivables:		
	a) from subsidiaries		
	due after one year		4,800,000
	Total receivables due from subsidiaries		4,800,000
	b) from associated companies		
	due after one year	870,843	870,843
	Total receivables from associated companies	870,843	870,843
	D) From companies subject to the control of parent companies		
	due after one year	10,026,500	
	Total receivables from companies subject to the control of parent companies	10,026,500	
	d-bis) others		
	due after one year	152,500	10,128,000
	Total receivables from others	152,500	10,128,000
	Total receivables	11,049,843	15,798,843
3	Other securities	1,000,000	1,000,000
4	Derivative financial assets	56,060	142,790
	TOTAL FINANCIAL FIXED ASSETS	20,886,602	17,894,382
	TOTAL FIXED ASSETS (B)	37,939,030	35,677,050
C	CURRENT ASSETS		
I)	Inventories		
1	Raw, ancillary and consumable materials	3,736,442	10,228,085
3	Contract work in progress	120,803,092	73,285,302
4	Finished products and goods	2,124,032	250,074
	TOTAL INVENTORIES	126,663,566	83,763,461

STATUTORY FINANCIAL STATEMENTS

BALANCE SHEET

ASSETS	31/12/2023	31/12/2022	
II)	Receivables		
1	From customers		
	due within one year	64,003,158	48,478,936
	due after one year		8,787,000
	Total trade receivables	64,003,158	57,265,936
2	From subsidiaries		
	due within one year	4,121	2,932,161
	Total receivables due from subsidiaries	4,121	2,932,161
3	From associated companies		
	due within one year	7,581,090	3,775,338
	due after one year		2,145,067
	Total receivables from associated companies	7,581,090	5,920,405
4	From parent companies		
	due within one year	6,868	1,621,226
	Total receivables from parent companies	6,868	1,621,226
5	From companies subject to the control of parent companies		
	due within one year	291,757	165,187
	due after one year	8,114,500	
	Total receivables from companies subject to the control of parent companies	8,406,257	165,187
5-bis	For tax credits		
	due within one year	484,899	311,432
	due after one year	534,084	675,105
	Total tax credits	1,018,983	986,537
5-ter	Prepaid taxes		
		34,093	34,093
5-quater	From others		
	due within one year	17,697,863	25,343,571
	due after one year	429,125	167,119
	Total receivables from others	18,126,988	25,510,690
	TOTAL RECEIVABLES	99,181,558	94,436,235
III)	Financial fixed assets that do not constitute assets		
1	Equity investments in subsidiaries		6,677
2	Equity investments in associated companies	54,115	75,758
	TOTAL FINANCIAL FIXED ASSETS THAT DO NOT CONSTITUTE ASSETS	54,115	82,435
IV)	Cash and cash equivalents		
1	Bank and post office deposits	24,366,529	43,365,754
3	Cash and cash equivalents on hand	65,581	68,178
	TOTAL CASH IN HAND	24,432,110	43,433,932
	TOTAL CURRENT ASSETS	250,331,349	221,716,063
D	ACCRUALS AND DEFERRALS		
		672,266	898,306
	TOTAL ASSETS	288,942,645	258,291,419

BALANCE SHEET

LIABILITIES	31/12/2023	31/12/2022
A SHAREHOLDERS' EQUITY		
I Share capital	10,000,000	10,000,000
III Revaluation reserves	3,873,657	3,873,657
IV Legal reserve	2,000,000	2,000,000
VI Other reserves with corresponding details		
Extraordinary reserve	44,911,879	38,627,498
Miscellaneous other reserves	1	(1)
Total other reserves	44,911,880	38,627,497
IX Profit (loss) for the year	9,617,676	7,084,382
TOTAL SHAREHOLDERS' EQUITY	70,403,213	61,585,536
B PROVISIONS FOR LIABILITIES AND CHARGES		
4 Other	2,688,419	2,623,522
TOTAL PROVISIONS FOR LIABILITIES AND CHARGES	2,688,419	2,623,522
C STAFF SEVERANCE INDEMNITY	486,845	523,956
D PAYABLES		
4 Payables due to banks		
due within one year	12,720,916	15,014,884
due after one year	625,000	18,375,000
Total payables due to banks	13,345,916	33,389,884
6 Advances		
due within one year	92,534,924	61,245,308
Total advances	92,534,924	61,245,308
7 Trade payables		
due within one year	91,907,993	85,238,610
Total trade payables	91,907,993	85,238,610
9 Payables due to subsidiaries		
due within one year	800,000	
Total payables due to subsidiaries	800,000	
10 Payables due to associated companies		
due within one year	8,182,531	7,121,069
Total payables due to associated companies	8,182,531	7,121,069
11 Payables due to parent companies		
due within one year		630,000
Total payables due to parent companies		630,000
11bis Payables due to companies subject to the control of parent companies		
due within one year		3,592
Total payables due to companies subject to the control of parent companies		3,592

STATUTORY FINANCIAL STATEMENTS

BALANCE SHEET

LIABILITIES	31/12/2023	31/12/2022
12 Tax payables		
due within one year	3,859,881	1,592,667
Total tax payables	3,859,881	1,592,667
13 Payables due to pension and social security institutions		
due within one year	1,024,568	941,024
Total payables due to pension and social security institutions	1,024,568	941,024
14 Other payables		
due within one year	3,031,917	2,969,365
due after one year	11,920	12,070
Total other payables	3,043,837	2,981,435
TOTAL PAYABLES	214,699,650	193,143,589
E ACCRUALS AND DEFERRALS	664,518	414,816
TOTAL LIABILITIES	288,942,645	258,291,419
Miscellaneous other reserves		
Euro rounding difference	1	(1)

INCOME STATEMENT

		31/12/2023	31/12/2022
A	VALUE OF THE PRODUCTION		
1	Sales and services revenues	212,938,607	290,319,928
2	Changes in inventories of work in progress, semi-finished and finished goods	1,873,958	(660,584)
3	Changes in contract work in progress	47,517,790	(40,852,506)
5	Other revenues and income		
	Grants for current expenses	193,873	436,244
	Others	4,282,019	1,413,233
	Total other revenues and income	4,475,892	1,849,477
	TOTAL VALUE OF PRODUCTION	266,806,247	250,656,315
B	COSTS OF PRODUCTION		
6	For raw and ancillary materials, consumables and goods	24,814,586	31,266,596
7	For services	191,052,930	178,378,815
8	For use of third-party assets	6,619,941	3,581,104
9	For personnel:		
	a) salaries and wages	12,156,211	11,686,924
	b) social security contributions	3,621,279	3,472,340
	c) staff severance indemnity	765,060	767,777
	e) other costs	152,862	149,116
	Total personnel costs	16,695,412	16,076,157
10	Amortisation, depreciation and write-downs		
	a) amortisation of intangible fixed assets	140,594	139,675
	b) depreciation of tangible fixed assets	1,421,935	1,209,917
	c) other depreciation of intangible fixed assets	193,056	
	Total amortisation and depreciation	1,755,585	1,349,592
11	Changes in inventories of raw and ancillary materials, consumables and goods	6,491,643	3,354,124
12	Risk provisions	531,723	62,363
13	Other provisions	370,873	1,227,582
14	Sundry operating expenses	2,371,450	3,198,317
	TOTAL PRODUCTION COSTS	250,704,143	238,494,650
	DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION (A - B)	16,102,104	12,161,665
C	FINANCIAL INCOME AND CHARGES		
16	Other financial income		
	d) income other than the above		
	others	323,750	642,859
	Total other financial income	323,750	642,859
	Total other financial income	323,750	642,859
17	Interest and other financial charges		
	others	2,825,187	2,459,148
	Total interest and other financial charges	2,825,187	2,459,148
	TOTAL FINANCIAL INCOME AND CHARGES (15 + 16 - 17 + - 17-bis)	(2,501,437)	(1,816,289)

STATUTORY FINANCIAL STATEMENTS

INCOME STATEMENT

		31/12/2023	31/12/2022
D	VALUE ADJUSTMENTS TO FINANCIAL ASSETS AND LIABILITIES		
19	Write-downs		
	a) Of shares	26,356	1,215
	Total write-downs	26,356	1,215
	Total value adjustments of financial assets and liabilities (18 - 19)	(26,356)	(1,215)
	RESULT BEFORE TAXES (A-B+C+D)	13,574,311	10,344,161
20	Current, deferred and prepaid income taxes for the year		
	Current taxes	3,955,575	3,372,059
	Taxes relating to previous years	1,060	(6,871)
	Deferred and prepaid taxes		(105,409)
	Total current, deferred and prepaid income tax for the year	3,956,635	3,259,779
21	Profit (loss) for the year	9,617,676	7,084,382

Chairman of the Board of Directors

Diego Carron

CASH FLOW STATEMENT

	31/12/2023	31/12/2022
A CASH FLOW FROM OPERATING ACTIVITIES (INDIRECT METHOD)		
Profit (loss) for the year	9,617,676	7,084,382
Income taxes	3,956,635	3,259,779
Interest payable/ (Interest receivable)	2,501,437	1,816,289
(Gains)/Losses from the disposal of assets	61,151	(193)
1 Profit (loss) for the year before income taxes, interest, dividends and dividends/losses from disposals	16,136,899	12,160,257
Adjustments for non-monetary items without an offsetting counterpart in net working capital		
Allocations to provisions	920,264	1,270,706
Amortisation and depreciation of fixed assets	1,562,529	1,349,592
Write-downs for impairment losses	198,256	
Other upward/downward adjustments for non-monetary items	34,896	(93,176)
Total adjustments for non-monetary items without an offsetting counterpart in net working capital	2,715,945	2,527,122
2 Cash flow before changes in net working capital	18,852,844	14,687,379
Changes to net working capital		
Decrease/(Increase) in inventories	(42,900,105)	44,867,214
Decrease/(increase) in trade receivables	(6,737,222)	(10,333,730)
Increase/(Decrease) in trade payables	6,669,383	19,078,442
Decrease/(increase) in accrued income and prepaid expenses	226,040	(121,800)
Increase/(decrease) in accrued liabilities and deferred income	249,702	340,645
Other decreases/ (Other increases) in net working capital	36,904,811	(24,036,807)
Total changes in net working capital	(5,587,391)	29,793,964
3 Cash flow after changes in net working capital	13,265,453	44,481,343
Other adjustments		
Collected/(paid) interest	(2,501,437)	(1,816,289)
(Income taxes duly paid)	(4,108,901)	(2,808,073)
(Use of provisions)	(891,644)	(371,859)
Total other adjustments	(7,501,982)	(4,996,221)
CASH FLOW FROM OPERATING ACTIVITIES (A)	5,763,471	39,485,122

STATUTORY FINANCIAL STATEMENTS

CASH FLOW STATEMENT

	31/12/2023	31/12/2022
B CASH FLOW FROM INVESTMENT ACTIVITY		
Tangible fixed assets		
(Investments)	(992,611)	(1,796,645)
Divestment	19,070	193
Intangible fixed assets		
(Investments)	(112,956)	(49,747)
Financial fixed assets		
(Investments)	(7,863,150)	(476,700)
Divestment	4,830,000	2,123,037
Short-term financial assets		
Divestment	28,320	11,832
CASH FLOW FROM INVESTMENT ACTIVITY (B)	(4,091,327)	(188,030)
C CASH FLOW FROM FINANCING ACTIVITIES		
Loan capital		
Increase/(Decrease) in short-term payables due to banks		(2,015,988)
Raising finance	800,000	
(Repayment of loans)	(20,043,968)	(19,185,000)
Equity		
Paid share capital increase	1	
(Dividends and advances on paid dividends)	(1,430,000)	(4,870,000)
CASH FLOW FROM FINANCING ACTIVITY (C)	(20,673,967)	(26,070,988)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A ± B ± C)	(19,001,823)	13,226,104
Cash and cash equivalents at the beginning of the year		
Bank and post office deposits	43,365,754	30,160,764
Cash and equivalents on hand	68,178	47,063
TOTAL CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	43,433,932	30,207,827
Cash and cash equivalents at the end of the year		
Bank and post office deposits	24,366,529	43,365,754
Cash and equivalents on hand	65,581	68,178
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	24,432,110	43,433,932

The Chairman of the Board of Directors

Arch. Diego Carron



EXPLANATORY NOTES
CARRON S.P.A. FINANCIAL STATEMENTS AT 31/12/2023

NOTES TO THE FINANCIAL STATEMENTS - INITIAL SECTION**INTRODUCTION**

The company CARRON CAV. ANGELO S.p.A., whose financial statements at 31/12/2023 are henceforth analysed, including these explanatory notes which form an integral and substantial part thereof, is subject to the rules on the management and coordination of companies by the parent company Carron Holding S.r.l., pursuant to Articles 2497 et seq.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

For a description of the significant figures, news and events that characterised the company's activities during the year, please see the Directors' Report drafted by the Board of Directors and attached to the financial statements for the year ended 31/12/23.

ACCOUNTING PRINCIPLES

The financial statements for the year ended 31 December 2023 have been prepared in accordance with the rules of the Italian Civil Code, as interpreted and supplemented by the accounting principles and criteria developed by the Organismo Italiano di Contabilità (OIC) ("Italian Accounting Board") and, if not provided, by the standards issued by the International Standards on Accounting Board (IASB), to the extent that they are not in conflict with Italian rules and accounting principles.

The financial statements have been drawn up on a going concern basis, as there are no doubts regarding this assumption.

The financial statements are made up of the balance sheet, income statement, cash flow statement (prepared in accordance with the tables provided by articles 2424 and 2424 bis of the Italian civil code, articles 2425 and 2425 bis of the Italian civil code and article 2425 ter of the Italian civil code, respectively) and these explanatory notes.

The purpose of these explanatory notes is to illustrate, analyse and, in some cases, supplement financial statement data; they contain the information required by articles 2427 and 2427 bis of the Italian Civil Code and other provisions of the Italian Civil Code as well as other prior laws. They also provide all the additional information that is considered necessary to provide the most transparent and complete representation possible, even if this is not required by specific legal provisions.

For an analysis of the nature of the business and any significant events after 31.12.2023, business outlook and all other information concerning the financial statements, please refer to the Directors' Report.

Amounts are expressed in Euro, unless otherwise specified.

Financial statement items were reported and presented taking into account the scope of the transaction or of the contract.

EXCEPTIONAL CASES PURSUANT TO ART. 2423, PAR. 5 OF THE ITALIAN CIVIL CODE

No exceptional cases have occurred requiring recourse to the exceptions provided for by Article 2423, paragraph 5 of the (Italian) Civil Code.

EXPLANATORY NOTE - Carron SPA Financial Statement**EVALUATION CRITERIA APPLIED****INTANGIBLE ASSETS**

Intangible fixed assets are recorded at purchase or production cost, including any ancillary and directly attributable costs, and do not include any financial charges. They are systematically amortised in each financial year on a straight-line basis. The rates applied are as follows:

Classification	Type of Asset	% Amortisation
Concessions, licences, trademarks and similar rights	SOA certification	20.00%
	Trademark	5.56%
	Software	20.00% - 33.33%
Altre		5.05%

If, irrespective of any amortisation already recorded, the value of the asset is impaired, then the asset is written-down accordingly; if, in subsequent years, the reasons justifying the write-down no longer apply, the original value shall be restored, up to the value that the asset would have had if the value adjustment had never occurred, except for the items "Goodwill" and "Long-term Charges" referred to by point 5 of art. 2426 of the (Italian) Civil Code.

TANGIBLE FIXED ASSETS

Tangible fixed assets are recorded at the purchase or internal construction cost, net of the depreciation applied during the current and previous years. The cost includes the ancillary costs and direct and indirect costs for the portion reasonably attributable to the asset, relating to the construction period and up to the moment when the asset can be used. Likewise, the cost may include the financial charges incurred to finance the (internal or external) construction up to the moment when the asset is ready for use, within the limit of its recoverable value. Tangible fixed assets can only be revalued if special laws so require or permit.

Fixed assets recorded at cost in a foreign currency are reported using the exchange rate at the time of their purchase or at the lower exchange rate at the financial year-end, if the reduction is considered to be long-lasting. Fixed assets are systematically depreciated each year on a straight-line basis, based on the rates established by applicable tax laws, which are considered to reflect the assets' residual useful life. The rates applied are detailed below:

Classification	Type of Asset	% Amortisation
Buildings	Buildings	3.00%
	Light constructions	12.50%
Plants and machinery	General equipment	10.00%
	Specific equipment	15.00%
Equipment	Metal formwork	25.00%
	Small equipment	40.00%
Other assets	Office furniture and office equipment	12.00%
	Electronic machines	20.00%
	Vehicles	20.00%
	Cars	25.00%
	Work vehicles	20.00%

For fixed assets that came into operation during the year, rates are reduced by 50%, based on the assumption that purchases are evenly distributed throughout the year.

If, irrespective of any depreciation already recorded, the value of the asset is impaired, then the asset is written-down accordingly; if, in subsequent years, the reasons justifying the write-down no longer apply, the original value shall be restored, up to the value that the asset would have had if the value adjustment had never occurred.

Ordinary maintenance and repair costs are fully charged to the income statement. Incremental maintenance costs are attributed to the assets to which they refer and are depreciated in relation to their residual useful life.

Costs incurred to expand, modernise or improve the structural elements of a tangible asset are only capitalised if they produce a significant and measurable increase in the production capacity, safety or useful life of the asset. If these costs do not produce these effects, they are treated as routine maintenance and charged to the income statement.

Once intangible fixed assets are destined for sale, they are reclassified in a specific item under current assets and are valued at either their net book value or their realizable value based on market trends, whichever is lower. Assets destined for sale are no longer subject to depreciation.

Spare parts can be distinguished into:

- parts with a low unit cost and low total value that are used on a recurring basis, which are recognised as costs at the time of purchase.
- spare parts with a high unit cost that are not used on a recurring basis, which are classified as tangible fixed assets and depreciated over a period of time that is equal to either the residual useful life of the asset to which they refer or their own useful life, calculated by estimating the period of use, whichever is shorter;
- parts with a high unit cost that are used on a very recurring basis, which are included among inventories and charged to the income statement based on consumption.

FINANCIAL FIXED ASSETS

Financial assets consist of:

- Equity investments;
- Financial receivables;
- Other securities

Equity investments and other securities are recorded at purchase or formation cost. Purchase cost means the actual purchase price including any ancillary charges.

If the value of an asset is impaired, then said asset is written down accordingly. Equity investments recorded under fixed assets represent the company's long-term and strategic investments in other companies whose activities are strictly linked to its own core business.

For Financial receivables recorded as financial assets, refer to the criteria summarised in the Receivables paragraph below.

FINANCIAL LEASING TRANSACTIONS

Financial leasing transactions are recorded in the financial statements in accordance with the "equity method", recording the rental paid in the income statement on an accrual basis. A dedicated section in these Explanatory Notes provides the additional information required by (Italian) Law with reference to the recording of financial leasing contracts pursuant to the "financial method".

EXPLANATORY NOTE - Carron SPA Financial Statement

INVENTORIES

Inventories are recorded at either the purchase or production cost, calculated based on the specific cost, whichever is lower. Purchase cost means the actual purchase price plus ancillary costs, excluding financial charges.

Buildings to be sold (finished products) are valued at either the cost, calculated as above, or the normal market value, whichever is lower.

Advances and deposits received from the parties to a preliminary agreement are recorded as liabilities in the balance sheet and are recognised as revenues at the time the notarial deed is concluded.

CONTRACT WORK IN PROGRESS

This item includes contracts that are valued based on fees accrued with reasonable certainty, considering the percentage of work completed, applying the cost-to-cost method. Any losses on contracts that are estimated with reasonable approximation are entirely deducted from the value of the work in progress in the year in which they become known. If this loss exceeds the value of the work in progress, the Company makes a special provision for liabilities and charges that is equal to the excess loss. Any likely losses are recognised in the year in which they are foreseeable, based on an objective and reasonable assessment of existing circumstances. Losses are recognised regardless of the stage of completion of the contract. These losses have not been offset with positive margins expected on other contracts. For the purpose of recognising losses, contracts are therefore considered individually. Additional fees are only included among contract revenues if the client has formally accepted them by the reporting date; or, if there is no formal acceptance, if it is highly probable as at the reporting date that the request for additional fees will be accepted based on the most recent information available and past experience.

Sums received from the customer while carrying out the work, which are a form of financial advance, are recorded as liabilities under the specific item Advances from customers.

Contract work in progress is recognised net of any write-down provisions and/or final losses, as well as of the advances on the contract in progress, paid by Clients based on duly accepted Work Progress Reports, the amounts of which are recognised as Revenues.

If the provision for final losses for an individual contract exceeds the value of the work recognised as an asset in the balance sheet, then this excess shall be allocated to the provisions for liabilities and charges.

Future charges for construction contracts related to repairs, penalties, guarantees and risks in general, are quantified and accrued in a specific risk provision.

RECEIVABLES

Receivables are recorded in the financial statements based on the amortised cost method, taking into account the time factor and the presumable realizable value. The amortised cost method is not applied when the effects are irrelevant, i.e. when the transaction costs, commission paid between the parties and any other difference between the initial value and the value upon expiry are not very significant or if the receivables are short-term (meaning that they are due within 12 months).

The difference between the initial value recorded for the receivable, calculated in the above way, and the value when due is reported in the income statement as financial income throughout the duration of the receivable, using the effective interest rate criterion. The difference between the initial value recorded for the receivable, calculated in the above way, and the value when due is reported in the income statement as financial income throughout the duration of the receivable, using the effective interest rate criterion.

The value of receivables, as calculated above, is adjusted, if necessary, by a specific provision for impairment losses to directly reduce the value of the receivables themselves and adjust them to their estimated realisable value. The write-down amount at the reporting date is equal to the difference between the book value and the value of estimated future cash flows, reduced by the amounts that are not expected to be collected,

discounted by the receivable's original effective interest rate (i.e. the effective interest rate calculated when the receivable was first recorded).

The write-down amount is recorded in the income statement.

CURRENT FINANCIAL ASSETS

This item includes equity investments that are instrumental to the company's core business at their purchase value, such as those related to consortium companies set up specifically to execute contracted works as a single entity (with other partners as part of a temporary association of companies). These are therefore not long-term investments as they only last for the amount of time it takes to complete the work to which they refer. In view of the foregoing, these equity investments are recorded under this item and not under financial assets.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents at year-end are recognized at their nominal value. Cash and cash equivalents in a foreign currency are valued using the year-end exchange rate.

ACCRUALS AND DEFERRALS

The "accruals and deferrals" item includes the portion of costs and revenues that refer to the year but are payable/receivable in future years, as well as the portion of costs and revenues that are paid/collected in the current financial year but actually refer to future years, in accordance with the accrual principle.

PROVISIONS FOR LIABILITIES AND CHARGES

Provisions for liabilities and charges are set aside to cover specific losses or payables whose existence is certain or probable, but for which it is not possible to determine either the actual amount or date of occurrence at the financial year-end. The provisions made reflect the best estimate possible on the basis of the information available. Risks for which the occurrence of a liability is only possible are described in the explanatory notes on the provisions, without setting aside any provision for liabilities and charges. Provisions for liabilities and charges are primarily recognised as cost items in the income statement, under the relevant classes (B, C or D). Should it not be possible to make a correlation between the nature of the provision and one of the items to the aforementioned classes, the provisions for liabilities and charges are recognized under items B12 and B13 of the income statement.

The separate item "Other provisions" includes the costs estimated after completing contracts, which normally relate to:

- costs for dismantling the construction site, i.e. costs for removing installations, for bringing the machinery back to our headquarters, for the transport of unused materials to another site or to our headquarters, including any losses on abandoned materials;
- costs for testing the work carried out;
- charges for contractual penalties, for work that is redone according to customer specifications, for settling "claims" made by sub-contractors or sub-suppliers;
- Financial Statements post-delivery maintenance costs relating to the work, if stated in the contract;
- charges for contractual guarantees.
- post-testing charges, i.e. provision for costs that may be incurred for guarantees due under Articles 1669 and 1667 of the Civil Code.

Costs are allocated based on the company's past experiences.

EXPLANATORY NOTE - Carron SPA Financial Statement

STAFF SEVERANCE INDEMNITY PROVISION

The item "staff severance indemnity" shows the amount that employees would be entitled to receive if they ceased to be employed at the reporting date. The indemnities for length-of-service represented by this item, namely the provision for the year and the annual revaluation of the existing provision, are determined in accordance with applicable laws and regulations. Staff severance indemnity is recorded in the relevant liability item and the relative provision is recorded in the corresponding income statement item. With the reform of regulation for supplementary pension schemes and severance pay, which came into force on 01/01/2007 through (Italian) Legislative Decree no. 252/2005, this item only increased as a result of the revaluation at 31/12/2006, since the remaining part of the cost shown in the income statement, starting from the year 2007, was paid either to supplementary pension funds or to the Treasury Fund held at INPS (Italian National Institute for Social Security), depending on the choice made by each individual employee.

PAYABLES

Payables are recorded in the balance sheet according to the amortised cost criterion, taking into account the time factor and estimated realisable value. The amortised cost method is not applied when the effects are irrelevant, i.e. when the transaction costs, commission paid between the parties and any other difference between the initial value and the value upon expiry are not very significant or if the receivables are short-term (meaning that they are due within 12 months).

Payables due after 12 months from initial recognition, without interest payments, or with interest significantly different from market interest rates, and related costs, are initially recorded at the value determined by discounting future cash flows at the market interest rate. The difference between the initial value recorded for the receivable, calculated in the above way, and the value when due is reported in the income statement as financial income throughout the duration of the receivable, using the effective interest rate criterion.

Payables for holidays accrued by employees and for deferred remuneration, inclusive of the amount due to social security institutions, are allocated on the basis of the amount that should be paid out in the event of employment being terminated at the reporting date.

DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments, even if incorporated into other financial instruments, are initially recorded when the Company acquires the relative rights and obligations; they are then valued at fair value at both the initial reporting date and at every financial year closing date. Changes in fair value compared to the previous year are recorded in the balance sheet under item D18 or D19.

Derivative financial instruments with a positive fair value are recognised in the asset side of the balance sheet. Their classification as fixed or current assets depends on the nature of the instrument:

- A derivative financial instrument hedging the cash flow or fair value of an asset follows the classification, in current or fixed assets, of the hedged asset;
- A derivative financial instrument hedging the cash flow or fair value of a liability within a financial year, an irrevocable commitment or highly probable planned transaction is classified as a current asset;
- A derivative financial instrument hedging the cash flow and fair value of a liability due after one year is classified as a fixed asset;
- A non-hedging derivative financial instrument is classified as a current asset within the next financial year.

Derivative financial instruments with a negative fair value are recognised in the balance sheet under Provisions for risks and charges. The provisions contained in the accounting principle for derivative financial instruments have been applied retrospectively.

REVENUES

Revenues generated by the sale of goods are recorded upon substantial and not formal transfer of ownership, taking the transfer of risks and benefits as reference criteria to define "substantial transfer".

Revenues generated by the sale of products and goods or service provision relating to the company's ordinary activities are recorded net of returns, discounts, rebates and bonuses, and net of taxes directly connected to the sale of products and provision of services.

Revenues for the provision of services, or related to services established in contracts, are recognised upon completion and/or accrual, or based on duly approved and certified Work Progress Reports.

Transactions with related parties were carried out under normal market conditions.

COSTS

Costs are accounted for on an accrual basis, regardless of the date of collection and payment, net of returns, discounts, rebates and bonuses.

FINANCIAL INCOME AND CHARGES

Financial income and charges are recorded on an accrual basis. Costs for the disposal of receivables in any form (with recourse and without recourse) and of any kind (commercial, financial, other) are recorded in the year to which they refer.

INCOME TAXES

Income taxes are recorded based on estimated taxable income in accordance with applicable regulations, considering any tax exemptions and tax credits to which the company is entitled.

Deferred tax assets and liabilities are calculated on the temporary differences between the values of assets and liabilities based on statutory accounting criteria and the corresponding amounts recognised for tax purposes. They are valued by considering the presumable tax rate that the Company is expected to pay in the year when these differences shall contribute to the formation of the tax result, considering the tax rates already in force or issued at the reporting date. They are reported, respectively, in the "deferred tax provision" item under liabilities, among the "provisions for liabilities and charges", and in the "receivables for prepaid taxes" item under current assets.

Prepaid tax assets are recognised for all deductible temporary differences, in compliance with the principle of prudence, if there is reasonable certainty that, in the years in which such differences will be reversed, the taxable income will not be less than the differences that they will cancel.

In contrast, deferred tax liabilities are recognised for all taxable temporary differences.

Deferred taxes relating to reserves that are subject to tax upon distribution are not recognised if it is unlikely that said reserves will be distributed to shareholders. (Ref. Art. 2426, paragraph 1, no. 10, of the Italian Civil Code)

OTHER INFORMATION

As provided for by (Italian) Legislative Decree no. 14/2019 (Business Crisis and Insolvency Code), the Company adopts an organisational, administrative and accounting structure that is appropriate to the nature of the business, also in terms of the timely detection of business crisis and the taking of appropriate initiatives.



EXPLANATORY NOTES

ASSETS

FIXED ASSETS

INTANGIBLE FIXED ASSETS

Balance at 31/12/2023	Balance at 31/12/2022	Changes
513,464	567,673	(54,209)

Changes in intangible fixed assets

These amounted to 513,464 Euro at 31/12/2023, a decrease of 54,209 Euro compared to the previous year. Intangible fixed assets specifically include costs for the acquisition and implementation of software, as well as costs related to the management and release of SA8000 and ISO 37.001 certifications and retention of SOA certification.

Description	Industrial patents and intellectual property rights	Concessions, licences, trademarks and similar	Intangible fixed assets under development and advances	Other intangible fixed assets	Total intangible fixed assets
<i>(euro)</i>					
Value at the beginning of the year					
Cost	682,403	1,894		639,324	1,323,621
Depreciation and amortisation (accumulated amortisation)	469,851	340		285,757	755,948
Book value	212,552	1,554		353,567	567,673
Changes during the year					
Increases for acquisitions	18,821		500	93,635	112,956
Decreases due to disposals and divestments (of book value)				26,570	26,570
Amortisation for the year	88,513	98		51,984	140,594
Total changes	(69,692)	(98)	500	15,081	(54,209)
Value at the end of the year					
Cost	701,224	1,894	500	649,021	1,352,639
Depreciation and amortisation (accumulated amortisation)	558,364	438		280,373	839,175
Book value	142,860	1,456	500	368,648	513,464

In particular, costs for obtaining 'SA8000' Social Accountability management certifications were recorded under Other fixed assets.

EXPLANATORY NOTE - Carron SPA Financial Statement

TANGIBLE FIXED ASSETS

These amounted to 16,538,964 Euro at 31/12/2023, a decrease by 676,031 Euro compared to the previous year.

Balance at 31/12/2023	Balance at 31/12/2022	Changes
16,538,964	17,214,995	(676,031)

Changes in tangible fixed assets

Description	Land and buildings	Plants and machinery	Industrial and commercial equipment	Other tangible fixed assets	Total intangible fixed assets
Value at the beginning of the year					
Cost	18,500,691	4,666,200	1,087,909	2,836,465	27,091,265
Depreciation and amortisation (accumulated amortisation)	5,025,374	1,964,048	962,424	1,924,424	9,876,270
Book value	13,475,317	2,702,152	125,485	912,041	17,214,995
Changes during the year					
Increases for acquisitions	17,091	153,283	644,743	177,494	992,611
Decreases due to disposals and divestments (of book value)		51,626	950	1,075	53,651
Amortisation for the year	473,500	480,335	166,409	301,691	1,421,935
Other changes	(193,056)				(193,056)
Total changes	(649,465)	(378,678)	477,384	(125,272)	(676,031)
Value at the end of the year					
Cost	18,517,782	4,715,322	1,676,371	2,882,317	27,791,792
Depreciation and amortisation (accumulated amortisation)	5,498,874	2,391,848	1,073,502	2,095,548	11,059,772
Write-downs	193,056				193,056
Book value	12,825,852	2,323,474	602,869	786,769	16,538,964

At 31/12/2023, the item "Land and buildings" includes the value of land, for Euro 3,891,800 which is not subject to depreciation as a result of the tax provisions introduced by (Italian) Decree Law no. 223/2006.

During the year, this item increased by a total of €992,611, of which the largest increase related to industrial and commercial equipment and, in particular, to the purchase of a new perimeter protection system for about half a million Euro to upgrade the protection equipment already owned by the Company, which bears witness to the Company's focus in this area.

The item 'Other changes' includes the write-down of a property located in Castelfranco Veneto. The amount of this write-down was determined based on a special appraisal.

Total revaluations on tangible fixed assets at the end of the year

Pursuant to Article 10 of Law No. 72/1983, we list below the tangible fixed assets recorded in the company's financial statements as of 31/12/2023 on which monetary revaluations and deviations from civil law valuation criteria or pursuant to former Law No. 342/2000, Legislative Decree No. 185/2008 and Decree-Law No. 104/2020 have been performed.

Description	Legal revaluations	Total revaluations
Land and buildings	2,898,063	2,898,063
Plants and machinery	334,219	334,219
Industrial and commercial equipment	167,345	167,345
Other assets	89,734	89,734
Total	3,489,361	3,489,361

FINANCIAL LEASING

The Company has a series of financial lease agreements in place for some of which the following information is provided pursuant to Article 2427, first paragraph, point 22 of the (Italian) Civil Code:

Description	Importo
Total amount of assets held under financial leasing at the end of the year	1,841,019
Amortisation that would have been recorded during the year	564,226
Value adjustments/write-down reversals that would have been recorded during the year	(89,727)
Current value of outstanding payment instalments at the end of the year	1,845,339
Financial charges for the year based on the actual interest rate	248,709

In detail:

ACTIVITIES	
A) Ongoing contracts	
a1) Value of leased assets at the end of the previous year	
of which gross value	3,815,930
of which accumulated depreciation	1,462,554
of which adjustments	0
of which value reinstatements	0
Total	2,353,376
a2) assets purchased during the year	51,868
a3) assets for which purchase option was exercised during the year	10,400
a4) share of depreciation for the year	553,826
a5) adjustments	0

EXPLANATORY NOTE - Carron SPA Financial Statement

a6) revaluations of assets	0
a7) Value of leased assets at the end of the current year	
of which gross value	3,815,798
of which accumulated depreciation	1,974,779
of which adjustments	0
of which value reinstatements	0
Total	1,841,019
a8) reversal of prepaid expenses for financial leasing transactions	89,727
B) Redeemed assets	
b1) difference in value of assets for redeemed assets, calculated according to the "finance lease" method, compared to their net book value at the end of the year	-521
C) LIABILITIES	
c1) lease liabilities at the end of the previous year	
of which due during the next year	714,207
of which due between 1 and 5 years	1,598,967
of which due after 5 years	0
Total	2,313,174
c2) lease liabilities arising during the year	46,681
c3) reductions for capital repayment	513,997
c4) reductions for purchase options exercised during the year	521
c5) lease liabilities at the end of the year	
of which due during the next year	669,650
of which due between 1 and 5 years	1,175,689
of which due after 5 years	0
Total	1,845,339
c6) reversal of accruals on financial leasing fees	0
D) total gross effect at year-end	-94,568
E) net tax effect	18,158
F) effect on shareholders' equity at year-end	-112,726
INCOME STATEMENT	
Reversal of fees on financial leasing transactions	816,433
(Of which financial charges)	0
Depreciation recorded on contracts in place	553,826
Depreciation recorded on assets for which purchase option was exercised	10,400
Financial charge on leasing transactions recorded	248,709
Adjustments / value reinstatements on leased assets	613
Effect on pre-tax result	4,111
Tax effect recorded	43,884
Effect on the result for the year	-39,773

In particular, the contracts outstanding at the end of the year 2023, totalling €1,841,019, related to 'Plant and Machinery' for €1,709,000 and 'Other Assets' for €132,019.

FINANCIAL FIXED ASSETS

Financial assets amounted to 20,886,602 Euro at 31/12/2023, with an increase of 2,992,220 Euro compared to the previous year.

Balance at 31/12/2023	Balance at 31/12/2022	Changes
20,886,602	17,894,382	2,992,220

Changes in equity investments, other securities and derivative financial fixed assets

Description	Equity investments in subsidiaries	Equity investments in associated companies	Equity investments in other companies	Total equity investments	Other securities	Derivative financial assets
Value at the beginning of the year						
Cost	505,200	18,228	429,321	952,749	1,000,000	142,790
Book value	505,200	18,228	429,321	952,749	1,000,000	142,790
Changes during the year						
Increases for acquisitions	300,000	7,563,150				
Decreases for sales (of the book value)			30,000	30,000		
Write-downs occurred in the year	5,200			5,200		
Other changes						(86,730)
Total changes	294,800	7,563,150	(30,000)	7,827,950		(86,730)
Value at the end of the year						
Cost	800,000	7,581,378	399,321	8,780,699	1,000,000	56,060
Book value	800,000	7,581,378	399,321	8,780,699	1,000,000	56,060

EQUITY INVESTMENTS IN SUBSIDIARIES

At 31/12/2023, this item included the value of the equity investment Sans Souci S.r.l. for Euro 800,000 and the value of the equity investment in the joint venture Forte JV EEIG, headquartered in Malta, a company under liquidation and awaiting closure, which was written down in the full amount of Euro 5,200.

Company name	Value at 31/12/2022	Increases	Liquidations	Sales	Write-downs	Value at 31/12/2023
Forte JV	5,200				(5,200)	-
Sans Souci Srl	500,00	300,000				800,000
Total	505,200	300,000			(5,200)	800,000

Sans Souci S.r.l. is a company whose shareholding was acquired during the 2021 financial year, and which built a tourist hotel residence in Siena, sold in 2023. During the year, the remaining 10% of the company's shares were acquired from third parties for a consideration of Euro 300,000. As of 31 December 2023, the Company therefore holds 100% of its share capital.

EXPLANATORY NOTE - Carron SPA Financial Statement**EQUITY INVESTMENTS IN ASSOCIATED COMPANIES**

At 31/12/2023, this item included the value of the equity investment in the company Consorzio Vie del Mare amounting to Euro 18,228, in addition to the equity investment in Zabarella 2023 Srl equal to Euro 7,563,150.

Company name	Value at 31/12/2022	Increases	Liquidations	Sales	Write-downs	Value at 31/12/2023
Consorzio Vie del Mare	18,228					18,228
Zabarella 2023 Srl	-	7,563,150				7,563,150
Totale	18,228	7,563,150				7,581,378

As for the equity investment in Zabarella 2023, an investment agreement was signed with the company Covivio SA for the complete renovation and enhancement, as well as the following sale of the residential units resulting from the renovation of a real estate complex in Padua called Cà del Chiostro.

The agreement provides for:

- the sale by Covivio SA of 49% of the equity investment in Zabarella 2023 Srl to Carron Spa, a transaction finalised in September 2023 for a consideration of €17,150;
- the signing of a contract for the execution of the work. Afterwards, with the aim of strengthening the capital resources available to the investee company:
 - payments were made to the associate's extraordinary reserve totalling €15.4 million, of which the portion attributable to the Company €7,546,000;
 - a paid capital increase from 10 thousand up to 17.8 thousand (with an expected premium of up to Euro 11.8 million) was resolved, divided into two tranches:
 - an indivisible tranche of Euro 4 thousand, plus the Euro 6 million premium, subscribed and already paid by Covivio Sa;
 - a divisible tranche of €3.8 thousand, plus a premium of €5.765 million, to Carron Spa to be completed by 31 March 2025.

Therefore, following the subscription and payment of the increase by Covivio Sa, the shareholding of Carron Spa was 35% of the share capital as of 31 December 2023.

EQUITY INVESTMENTS IN OTHER COMPANIES

The balance sheet item consists of the following items:

Company name	Value at 31/12/2022	Increases	Liquidations	Sales	Write-downs	Value at 31/12/2023
Ospedal Grando Srl	275,000					275,000
Strada del Mare Spa	26,382					26,382
Parc. Piazza Vittoria Srl	97,423					97,423
Consorzio Nog.ma in liquidazione	30,000		(30,000)			-
Banca delle Terre Venete	516					516
Totale	429,321		(30,000)			399,321

The changes relate to the conclusion of the liquidation and thus dissolution of the Nog.ma Consortium.

DERIVATIVE FINANCIAL INSTRUMENTS

Balance at 31/12/2023	Balance at 31/12/2022	Changes
56,060	142,790	(86,730)

It recognises the MTM value of an Interest Rate Swap contract, which will be detailed subsequently.

CHANGES AND DUE DATE OF NON-CURRENT RECEIVABLES

At 31/12/2023, receivables recorded under financial assets amounted to 11,049,843 Euro, a decrease by 4,749,000 Euro as compared to the previous year. They are broken down as follows:

Description	Non-current receivables from subsidiaries	Non-current receivables from associated companies	Non-current receivables from companies subject to the control of parent companies	Non-current receivables from others	Total non-current receivables
Value at the beginning of the year	4,800,000	870,843		10,128,000	15,798,843
Changes during the year	(4,800,000)		10,026,500	(9,975,500)	(4,749,000)
Value at the end of the year		870,843	10,026,500	152,500	11,049,843
Amount due after the year		870,843	10,026,500	152,500	11,049,843

The following changes were recorded during the year:

Description	31/12/2022	Acquisitions	Reclassifications	Sales/Decreases	31/12/2023
Subsidiaries	4,800,000			4,800,000	
Associated companies	870,843				870,843
Companies subject to the control of Parent companies			10,026,500		10,026,500
Other	10,128,000	51,000	(10,026,500)		152,500
Total	15,798,843	51,000		4,800,000	11,049,843

The change in receivables from subsidiaries reflects the disbursement of a non-interest-bearing loan to the subsidiary Sans Souci Srl.

The reclassification from 'Receivables from others' to 'Receivables from companies subject to the control of parent companies' was made necessary by the contribution of shares in the context of group reorganisation. This item reflects, in the amount of €10,026,500, the amount of loans granted to Immobiliarica Srl, disbursed during the period of execution of works for the construction of the commercial complex in the municipality of Silea (TV).

EXPLANATORY NOTE - Carron SPA Financial Statement

Details of the changes that occurred in the year and their value:

Description	31/12/2022	Increases	Decreases	Reclassifications	31/12/2023
Sans Souci Srl	4,800,000		4,800,000		-
Subsidiaries	4,800,000		4,800,000		-
Consorzio Vie del Mare	30,800				30,800
Trento Tre Scarl	701,843				701,843
Officina Trentino Scarl	138,200				138,200
Associated companies	870,843				870,843
Immobiliarica Srl				10,026,500	10,026,500
Companies subject to the control of parent companies				10,026,500	10,026,500
Immobiliarica Srl	9,975,500	51,000		(10,026,500)	-
Ospedal Grando Srl	152,500				-
Others	10,127,500	51,000		(10,026,500)	152,500
Total	15,798,843	51,000	(4,800,000)	0	11,049,843

Regarding the information required by Article 2427, paragraph 1, no. 6 of the (Italian) Civil Code, it is reported that all receivables are within the following geographical area: Italy.

Information on equity investments in subsidiaries recorded under fixed assets.

Name	City, if in Italy or foreign country	Tax code (for Italian companies)	Share capital in Euro	Profit (loss) for the last year	Equity in Euro	Share in Euro	Share in %	Book value or receivables
San Souci Srl	San Zenone degli Ezzelini (TV)	01520660521	10,500	1,063,088	940,668	940,668	100%	800,000
Forte JV EEIG	Malta		10,000		10,000		52%	
Total								800,000

Information on equity investments in associated companies recorded under fixed assets.

Name	City, if in Italy or foreign country	Tax code (for Italian companies)	Share capital in Euro	Profit (loss) for the last year	Equity in Euro	Share in Euro	Share in %	Book value or receivables
Consorzio Vie del Mare Scarl	Mestre	03758460277	50,000	(2,793)	38,452	10,012	26.04%	18,228
Zabarella 2023 Srl	Milan	10933840968	14,000	(433,982)	20,983,822	7,344,338	35%	7,563,150
Total								7,581,378

Zabarella S.r.l. is a company whose shareholding was acquired during the 2023 financial year, and which has a project in place for the development of a valuable home in Padua. Although the carrying value of the equity investment exceeds the respective fraction of shareholders' equity, the Directors believe that the carrying value of the associated company can be recovered through the cash flows that will be generated from the sale of the property that is currently being completed and that will be finished in 2025.

CURRENT ASSETS

Current assets as of 31 December 2023 totalled Euro 250,331,349; changes during the year are analysed in detail below.

INVENTORIES

The total value of inventories amounted to 126,663,566 Euro at 31/12/2023, a change of 42,900,105 Euro compared to the previous year.

Balance at 31/12/2023	Balance at 31/12/2022	Changes
126,663,566	83,763,461	42,900,105

Description	Value at the beginning of the year	Changes during the year	Value at the end of the year
Raw, ancillary and consumable materials	10,228,085	(6,491,643)	3,736,442
Contract work in progress	73,285,302	47,517,790	120,803,092
Finished products and goods	250,074	1,873,958	2,124,032
Total inventories	83,763,461	42,900,105	126,663,566

RAW AND ANCILLARY MATERIALS AND CONSUMABLES

The amount of 3,736,442 Euro at 31/12/2023 includes costs incurred for the purchase of land, including ancillary charges, on which construction activities will commence in subsequent years. The decrease reflects the start of construction activities in Castelfiorentino (FI), Lentate sul Seveso (MB), Lodi Vecchio (LO) and the acquisition of land in Quarrata (PT).

EXPLANATORY NOTE - Carron SPA Financial Statement

CONTRACT WORK IN PROGRESS

The value of Contract work in progress at 31/12/2023 was 120,803,092 Euro, with an increase of 47,517,790 Euro over the previous year.

This item includes the value of services provided at 31/12/2023 but not yet invoiced to customers.

Work in progress can be divided into the following two macro-categories:

Type	Year 2023	Year 2022
Work in progress – General Contractor	30,428,514	45,450,683
Work in progress – Sale of Future Assets	90,374,579	27,834,619
Total	120,803,092	73,285,302

The increase in Work in Progress referred to Sale of Future Assets, is attributable to the execution of the works for the construction of Residential Care Homes, which, contrary to the work in progress as General Contractor, does not provide for the invoicing of the works performed by stages of progress, but the achievement of the proceeds will only occur when the notary deeds for the transfer of the properties to the purchasers are signed. Amounts paid by counterparties to contracts for the purchase and sale of future assets during the execution of works are allocated to liabilities under the heading 'Advances'. The amounts allocated to advances and referring to contracts for the purchase and sale of future assets amounted to Euro 63,185,016.

FINISHED PRODUCTS AND GOODS

This item includes the value of several real estate units located in the municipality of Castelfranco Veneto and two properties to be used as commercial buildings in Turin.

CURRENT RECEIVABLES

Current asset receivables, analysed in detail in the following tables, amounted to 99,181,558 Euro at 31/12/2023, a change of 4,745,323 Euro compared to the previous year.

Balance at 31/12/2023	Balance at 31/12/2022	Changes
99,181,558	94,436,235	4,745,323

CHANGES TO AND DUE DATE OF CURRENT RECEIVABLES

Description	Value at the beginning of the year	Changes during the year	Value at the end of the year	Amount due within the year	Amount due after the year
Current trade receivables in current assets	57,265,936	6,737,222	64,003,158	64,003,158	
Receivables from parent recorded under current assets	2,932,161	(2,928,040)	4,121	4,121	
Receivables from associated companies	5,920,405	1,660,685	7,581,090	7,581,090	
Receivables from parent companies recorded under current assets	1,621,226	(1,614,358)	6,868	6,868	
Receivables from companies-subject to the control of parent companies recorded under current assets	165,187	8,241,070	8,406,257	291,757	8,114,500
Tax credits recorded under current assets	986,537	32,446	1,018,983	484,899	534,084
Receivables for prepaid taxes recorded under current assets	34,093		34,093		
Other accounts receivable recorded under current assets	25,510,690	(7,383,702)	18,126,988	17,697,863	429,125
Total current receivables	94,436,235	4,745,323	99,181,558	90,069,756	9,077,709

The following information is provided to support the above table.

TRADE RECEIVABLES

The change in receivables due within 12 months is part of the ordinary variations due to the performance of orders. This item is shown net of the provision for bad debts of Euro 669,290.

BAD DEBT PROVISION

The nominal value of receivables was adjusted using a specific bad debt provision, which underwent the following changes over the course of the financial year:

Description	Write-down provision pursuant to Article 106 Presidential Decree 917/1986	Total
Balance at 31/12/2022	795,787	795,787
Use during the year	126,497	126,497
Balance at 31/12/2023	669,290	669,290

EXPLANATORY NOTE - Carron SPA Financial Statement**RECEIVABLES FROM ASSOCIATED COMPANIES**

The amount refers to receivables from jointly controlled consortium companies. These are mainly trade receivables arising from the charging of invoices for costs incurred, and partly financial receivables disbursed to consortium companies to support them in meeting temporary cash requirements.

RECEIVABLES FROM PARENT COMPANIES

Receivables due from the Parent company Carron Holding refers to services performed and equals to Euro 6,868.

RECEIVABLES FROM COMPANIES SUBJECT TO THE CONTROL OF PARENT COMPANIES

The amount 'within 12 months' reflects receivables from companies for services rendered during the year in the amount of €218,182, as well as receivables for work performed in the amount of €73,575.

The 'after 12 months' receivable, in the amount of Euro 8,114,000, which last year was allocated to 'Receivables from customers after 12 months' shows a reduction of about Euro 700,000. The receivable relates to the residual consideration for contract services rendered to the company Immobiliarica Srl.

TAX CREDITS

The tax receivables due within 12 months include Euro 53,128 for tax credits related to tax bonuses, Euro 241,807 for tax credits on capital goods, and the remainder for other tax receivables. Receivables due beyond 12 months, on the other hand, include the tax credit from the tax authorities resulting from application of the rule set forth in (Italian) Law 160/2019 and (Italian) Law 178/2020 on investment incentives, amounting to Euro 121,719. Additionally, there are tax credits related to the so-called 'building bonuses' amounting to Euro 400,028 that will be utilised over the next 10 years. Specifically, the amount of receivables over 5 years amounts to Euro 195,437.

RECEIVABLES FOR PREPAID TAXES

Prepaid taxes refer to deductible temporary differences; they are described in the relative table in the last section of these explanatory notes.

RECEIVABLES DUE FROM OTHERS

The largest item refers to Advances to suppliers showing advances and deposits paid for the purchase of land and as fees paid for the assignment of preliminary contracts for the sale of buildings to be used as nursing home facilities.

BREAKDOWN OF CURRENT RECEIVABLES BY GEOGRAPHIC AREA

The breakdown of receivables at 31/12/2023 by geographic area is shown in the following table (article 2427, first paragraph, no. 6 of the Italian Civil Code).

Geographic area	Trade receivables recorded under current assets	Receivables from subsidiaries recorded as current assets	Receivables from associated companies recorded as current assets	Receivables due from parent companies recorded as current assets	Receivables from companies Subject to the control of parent companies under current assets
Italy	64,003,158	4,121	7,581,090	6,868	8,406,257
Total	64,003,158	4,121	7,581,090	6,868	8,406,257

Geographic area	Tax credits under current assets	Receivables for prepaid taxes recorded under current assets	Other accounts receivable recorded under current assets	Total receivables recorded as current assets
Italy	1,018,983	34,093	18,126,988	99,181,558
Total	1,018,983	34,093	18,126,988	99,181,558

CURRENT FINANCIAL ASSETS**Changes in current financial assets**

	Balance at 31/12/2023	Balance at 31/12/2022	Changes
	54.115	82.435	(28.320)

Description	Value at the beginning of the year	Changes in the year	Value at the end of the year
Current equity investments in subsidiaries	6,677	(6,677)	
Current equity investments in associated companies	75,758	(21,643)	54,115
Total financial fixed assets	82,435	(28,320)	54,115

This item includes equity investments in consortium companies specifically set up to carry out works, pursuant to the provisions of Article 2602 et seq. of the (Italian) Civil Code. These companies are non-profit as they are specifically set up to perform work contracted out, together with other associates.

The Consortium Companies therefore implement a shared organisation of the member companies for the purpose of regulating and performing the work covered by the contract. In accordance with the provisions of the Articles of Association governing the consortium companies, all direct and indirect costs incurred by said companies in carrying out their activities are charged to the member companies, in proportion to the share held by each of them during the period.

The other equity investments recorded in this category and listed in the following table and are shown net of the write-down provision set aside to adjust the carrying amount, where necessary.

EXPLANATORY NOTE - Carron SPA Financial Statement

Below is a detailed breakdown of the changes that occurred between the various categories during the year:

DETAILS OF EQUITY INVESTMENTS IN SUBSIDIARIES RECORDED AS CURRENT ASSETS**Subsidiaries**

As of 31.12.2023, there were no shareholdings in subsidiaries. Compared to last year, Beato Pellegrino Scarl under liquidation was closed and removed from the companies register.

Associated companies

Name	City, if in Italy or foreign country	Tax code (for Italian companies)	Share capital in Euro	Profit (loss) for the last year	Equity in Euro	Share in Euro	Share in %	Book value or receivables
Trento Tre Scarl	Ravenna	02560550390	20,000		20,000	9,200	46%	9,200
Farro Srl in liquidazione	Riese Pio X (TV)	02461690261	62,400	(13,192)	130,866	32,716	25%	36,015
Montecchio Scarl	Vicenza	04226660241	10,000		10,000	4,000	40%	4,000
Officina Trentino Scarl	Lavis (TN)	02584980227	10,000		10,000	4,900	49%	4,900
Totale								54,115

For the sake of full disclosure, we report that the liquidation of the company Valdastico 14 Scarl was completed during the year.

CASH AND CASH EQUIVALENTS

Balance at 31/12/2023	Balance at 31/12/2022	Changes
24,432,110	43,433,932	(19,001,822)

Description	Value at the beginning of the year	Changes during the year	Value at the end of the year
Bank and post office deposits	43,365,754	(18,999,225)	24,366,529
Cash and cash equivalents	68,178	(2,597)	65,581
Total cash and cash equivalents	43,433,932	(19,001,822)	24,432,110

The balance shows cash and cash equivalents and the existence of cash and assets at the reporting date.

ACCRUED INCOME AND PREPAID EXPENSES

Balance at 31/12/2023	Balance at 31/12/2022	Changes
672,266	898,306	(226,040)

They measure income and expenses whose accrual is in advance or deferred with respect to the actual date of payment and/or of the document; they are irrespective of the date of payment or collection of the related income and expenses, are common to two or more financial years, and are allocated on an accrual basis. For these items, too, the criteria adopted in the valuation and conversion of values expressed in foreign currencies are given in the first part of these notes.

As of 31.12.2023, there were no accruals with a duration of more than five years.

Description	Accrued income	Prepaid expenses	Total accrued income and prepaid expenses
Value at the beginning of the year	103,055	795,251	898,306
Changes during the year	(12,656)	(213,385)	(226,040)
Value at the end of the year	90,399	581,866	672,266

This item is broken down as follows (Article 2427, Paragraph 1, No. 7, of the Italian Civil Code).

Description	Amount
Sundry prepaid expenses	513,509
Prepaid expenses for lease payments	68,358
Accrued income- Leases	8,333
Other	82,066
Total	672,266



EXPLANATORY NOTES - LIABILITIES AND SHAREHOLDERS' EQUITY

SHAREHOLDERS' EQUITY

(Ref. Art. 2427, paragraph 1, no. 4, 7 and 7-bis of the Italian Civil Code)

Balance at 31/12/2023	Balance at 31/12/2022	Changes
70,403,213	61,585,536	8,817,677

CHANGES IN SHAREHOLDERS' EQUITY ITEMS

Description	Value at the beginning of the year	Allocation of previous year's profit		Result for the year	Value at the end of the year
		Allocation of dividends	Other allocations		
Capital	10,000,000				10,000,000
Revaluation reserve	3,873,657				3,873,657
Legal reserve	2,000,000				2,000,000
Extraordinary reserve	38,627,498	800,000	7,084,381		44,911,879
Miscellaneous other reserves	(1)		2		1
Total other reserves	38,627,497	800,000	7,084,383		44,911,880
Profit (loss) for the year	7,084,382		(7,084,382)	9,617,676	9,617,676
Total shareholders' equity	61,585,536	800,000	1	9,617,676	70,403,213

AVAILABILITY AND USE OF SHAREHOLDERS' EQUITY

The following table shows each component of equity, indicating its origin, possibility of use, distribution and how it has been used in the previous three years (Article 2427, paragraph 1, no 7-bis of the (Italian) Civil Code).

Description	Amount	Possible use	Available share
Capital	10,000,000	B	
Revaluation reserve	3,873,657	A,B	3,873,657
Legal reserve	2,000,000	A,B	2,000,000
Other reserves			
Extraordinary reserve	44,911,879	A,B,C,D	44,911,879
Miscellaneous other reserves	1		
Total other reserves	44,911,880		44,911,879
Totale	60,785,537		50,785,536
Residual distributable amount			50,785,536

Key: A: for capital increase B: to hedge losses C: for distribution to shareholders D: for other statutory restrictions E: other

EXPLANATORY NOTE - Carron SPA Financial Statement

FORMATION AND USE OF SHAREHOLDERS' EQUITY ITEMS

As provided for by Article 2427, paragraph 1, point 4) of the (Italian) Civil Code, the following information is provided:

Description	Share capital	Legal reserve	Other reserves	Result for the year	Total
At the beginning of the previous year	10,000,000	2,000,000	41,117,215	6,883,942	60,001,157
Allocation of profit for the year					
Allocation of dividends			5,500,000		5,500,000
Other allocations			6,883,939	(6,883,942)	(3)
Result from the previous year				7,084,382	
At the end of the previous year	10,000,000	2,000,000	42,501,154	7,084,382	61,585,536
Allocation of profit for the year					
Distribution of dividends			800,000		800,000
Other allocations			7,084,383	(7,084,382)	1
Result for the current year				9,617,676	
At the end of the previous year	10,000,000	2,000,000	48,785,537	9,617,676	70,403,213

The following additional information on revaluation reserves is provided. They amounted to Euro 3,873,657 at the beginning of the year.

As can be seen in the summary table below, the revaluation reserve set aside in the 2001, 2002 and 2005 financial years pursuant to (Italian) Law 342/2000, amounting to a total of 5,502,030 Euro, was fully incorporated into the share capital.

Instead, the revaluation reserve recognised pursuant to (Italian) Law 185/2008 was incorporated into the company's share capital in the amount of 3,931,000 Euro, while 2,658,000 Euro was transferred to the beneficiaries Manus Srl and Five Srl following the demerger in 2017. Of this reserve, the amount of 2,191,000 Euro remains on the balance sheet.

During the financial year 2020, a revaluation operation was carried out pursuant to (Italian) Legislative Decree 104/2020. The revaluation in question concerned part of the company's assets, recording an increase in their value of 1,729,371 Euro, from which the amount of the substitute tax calculated at 3% of the gross amount, equal to 51,881 Euro, must be subtracted; the net increase in the revaluation reserve is therefore 1,677,490 Euro. During the year 2021 following the sale of certain revalued assets, the reserve was adjusted for the amount equal to the substitute of 4,616 Euro.

The total value of revaluation reserves recognised in the balance sheet at 31/12/2023 was 3,873,657 Euro.

Description	Revaluation amount	Use	Reserve balance
Revaluation pursuant to (Italian) Law 342/2000			
year 2001 - revaluation	4,136,962		4,136,962
(-) 19% substitute tax	(786,023)		(786,023)
year 2002 - utilisation of reserve for share capital increase		(1,983,543)	(1,983,543)
year 2003 - revaluation	1,362,399		1,362,399
(-) 19% substitute tax	(258,856)		(258,856)
year 2005 - revaluation	1,190,395		1,190,395
(-) 19% substitute tax	(142,847)		(142,847)
year 2006 - utilisation of reserve for share capital increase		(2,470,939)	(2,470,939)
year 2009 - utilisation of reserve for share capital increase		(1,047,548)	(1,047,548)
Revaluation reserve subtotal pursuant to (Italian) Law 342/2000	5,502,030	5,502,030	-
Revaluation pursuant to (Italian) Law 185/2008			
year 2008 - revaluation	8,953,870		8,953,870
(-) substitute tax	(173,789)		(173,789)
(+) substitute tax recovered on sales of real estate	22,496		22,496
year 2009 - utilisation of reserve for share capital increase		(3,952,452)	(3,952,452)
year 2017 - demerger and transfer to the beneficiary MANUS Srl		(1,415,220)	(1,415,220)
Year 2017 demerger and transfer to the beneficiary FIVE Srl		(1,243,353)	(1,243,353)
Sub-total revaluation reserve pursuant to law 185/2008	8,802,577	(6,611,025)	2,191,552
evaluation pursuant to (Italian) Decree Law 104/2020			
Year 2020 - revaluation	1,729,371		
(-) 3% substitute tax 3%	(51,881)		
(+) substitute tax recovered on sales of real estate	4,616		
Revaluation reserve subtotal pursuant to (Italian) Decree Law 104/2020	1,682,106		1,682,106
BALANCE SHEET AT 31/12/2023			3,873,657

For tax purposes, in the event of distribution, the taxable amount is the revaluation amount gross of substitute tax.

EXPLANATORY NOTE - Carron SPA Financial Statement

The following items are recorded under shareholders' equity:

RESERVES OR OTHER PROVISIONS WHICH, IN THE EVENT OF DISTRIBUTION, FORM PART OF THE COMPANY'S TAXABLE INCOME, REGARDLESS OF THE PERIOD OF FORMATION

Shareholders' equity includes revaluation reserves that, in the event of distribution, contribute to the company's taxable income, regardless of the period of formation. Specifically, these are the revaluation reserves pursuant to Decree-Law No. 185/2008 and Decree-Law No. 104/2020 recorded in the financial statements for a total of €3,873,657, of which €550,679 is unrestricted and, therefore, will not contribute to forming the company's taxable income in the event of distribution.

Reserves	Value
Revaluation pursuant to (Italian) Legislative Decree 185/2008 - Restricted	1,794,740
Revaluation pursuant to (Italian) Legislative Decree 185/2008 - Restricted	1,528,238
Total	3,322,978

RESERVES INCORPORATED INTO THE SHARE CAPITAL

The following reserves have been used for share capital free increases and, regardless of the period in which they originated, they would contribute to the company's taxable income in the event of distribution.

Reserves	Value
Reserve pursuant to (Italian) Law 342/2000 used for share capital increase	2,583,396
Reserve pursuant to (Italian) Law 185/2008 set aside at 31/12/2008	1,855,815
Total	4,439,211

PROVISIONS FOR LIABILITIES AND CHARGES

Provisions have been made for legal disputes, for estimated costs and charges to be incurred after the completion of contracts, and for costs that may arise after acceptance of works.

Balance at 31/12/2023	Balance at 31/12/2022	Changes
2,688,419	2,623,522	64,897

Description	Other provisions	Total provisions for liabilities and charges
Value at the beginning of the year	2,623,522	2,623,522
Changes in the year		
Allocations during the year	909,810	909,810
Use during the year	844,913	844,913
Total changes	64,897	64,897
Value at the end of the year	2,688,419	2,688,419

The increases refer to provisions of the year. The decreases relate to utilisations in the year mainly attributable to the provision for future contractual obligations.

The item Other provisions, totalling 2,688,419 Euro at 31/12/2023, is broken down as follows:

- Provision for future charges on job orders for euro 1,628,419
- Provision for post-testing risks on job orders in the amount of euro 1,000,000
- Provision for risks on legal disputes for 60,000 Euro

Please note that the as a participant in the temporary association of companies executing the widening of the A4 motorway with the third lane for the Quarto D'Altino-San Donà di Piave section, is subject to proceedings for the preventive technical consultancy for the settlement of the dispute pursuant to Article 696-bis of the Italian Civil Code regarding the aforesaid works promoted by AUTOVIE VENETE S.p.A.

Part of this temporary association of company was Webuild S.p.A (as agent) IMPRESA DI COSTRUZIONI ING. E. MANTOVANI S.p.A. (under composition with creditors) - KOSTRUTTIVA S.C.p.A. (formerly CO.VE.CO. Consorzio Veneto Cooperativo) under composition with creditors - SO.CO.STRA.MO. S.r.l. in composition with creditors - CARRON CAV. ANGELO S.p.A. (the latter with a 7.5% share in the temporary association of companies) as agent. The Insurance Company (Generali Italia S.p.A.) is also subject to such proceedings.

The subject of the proceedings was the analysis of the alleged deterioration and cracks found on the pavement of the building, which, according to the counterparty, were attributable to the following causes: a serious construction defect attributable to the Contractor and not to failing in maintenance or to the presence, in the hydraulically-blended foundation layer, of aggregates of iron and steel origin (which would behave as expansive agents with consequent swelling phenomena if hydrated) or to the approach of the new road embankment to the pre-existing embankment, for which the Contractor is responsible. The opposing claim was contested by the agent. The insurance company (Generali), which issued a so-called post-contractual guarantee at the time, is a party to the lawsuit from the outset. Quite unexpectedly, the expert report ordered by the court-appointed expert witness turned out to be unfavourable to ATI as it focuses on different types of deterioration without going into the details of the causes. On the contrary, following some inspections carried out during the expert's operations, the motorway section was found to be in such good condition that the court-appointed expert had to state that the deteriorations found at present do not affect the performance of the service. For the restoration work, the court-appointed expert suggests applying a membrane called Sami Armato on the entire motorway platform, for the laying of which the previous removal of the draining wear layer and the binder is necessary, so that the related costs are very significant (about 30 million euro

EXPLANATORY NOTE - Carron SPA Financial Statement

in total for ATI). Since this is a so-called preventive instruction procedure and not an ordinary procedure, the court-appointed expert does not establish the liability of the temporary joint venture nor does it charge them with all the amounts as quantified above, but the report, which identifies an alleged erroneous choice in the executive design, certainly does not speak in favour of these companies, since it is an Integrated Contract. The proceedings as such are deemed to be concluded with the filing of the court-appointed expert's report on 3 December 2023. With a view to preventing the possible filing of an ordinary lawsuit, collegial evaluations are being carried out between the defendant parties to negotiate an amicable settlement with the plaintiff. however, in order to challenge the findings of the Court-appointed expert, the Agent appointed an influential consultant to draft a pro-veritate opinion that could be helpful should negotiations start for an amicable settlement or in the event of the counterparty instituting ordinary proceedings, and this in order to attempt to challenge the conclusions of the Court-appointed expert in such forum(s). Since some of the member companies of the ATI are currently involved in bankruptcy proceedings and that public procurement law provides for joint and several liability, the share of Carron Spa could rise to 17%. In view of the preliminary stage of the proceedings and also according to the opinions of its experts, the Company has decided not to set aside any provisions in connection with these proceedings.

STAFF SEVERANCE INDEMNITY

Balance at 31/12/2023	Balance at 31/12/2022	Changes
486,845	523,956	(37,111)

Description	Staff severance indemnity
Value at the beginning of the year	523,956
Changes during the year	
Allocations during the year	10,454
Use during the year	46,731
Total changes	(37,111)
Value at the end of the year	486,845

This provision represents the company's actual payable due to employees at 31/12/2023, net of any advances paid.

It should be noted that as the company is one of the entities obliged to pay the accrued severance indemnity to the envisaged forms of supplementary pensions, it pays the amount to the relevant pension funds on a case-by-case basis, therefore the residual amount is represented by the residual debt of the severance indemnity present as of 31 December 2006 not transferred and revalued from year to year.

PAYABLES

Balance at 31/12/2023	Balance at 31/12/2022	Changes
214,699,650	193,143,589	21,556,061

CHANGES AND DUE DATE OF PAYABLES

Due dates of payables are broken down as follows (art. 2427, first paragraph, no. 6, of the Italian Civil Code).

Description	Value at the beginning of the year	Changes during the year	Value at the end of the year	Amount due within the year	Amount due after the year
Payables due to banks	33,389,884	(20,043,968)	13,345,916	12,720,916	625,000
Advances	61,245,308	31,289,616	92,534,924	92,534,924	
Trade payables	85,238,610	6,669,383	91,907,993	91,907,993	
Payables due to subsidiaries		800,000	800,000	800,000	
Payables due to associated companies	7,121,069	1,061,462	8,182,531	8,182,531	
Payables due to parent companies	630,000	(630,000)			
Payables due to companies subject to the control of parent companies	3,592	(3,592)			
Tax payables	1,592,667	2,267,214	3,859,881	3,859,881	
Payables due to pension and social security institutions	941,024	83,544	1,024,568	1,024,568	
Other payables	2,981,435	62,402	3,043,837	3,031,917	11,920
Total changes	193,143,589	21,556,061	214,699,650	214,062,730	636,920

None of the above payables have a residual maturity of more than five years.

A description of the main debt items follows.

EXPLANATORY NOTE - Carron SPA Financial Statement

PAYABLES DUE TO BANKS

The debt exposure to the banking system amounted to a total of Euro 13,345,916 as of 31.12.2023, with a decrease of Euro 20,043,968 compared to the previous year due to the payment of capital instalments.

Payables due to banks within twelve months amount to 12,720,916 Euro as of 31 December 2023, substantially corresponding to the capital portion of medium-/long-term loans due within the next financial year.

Instead, the portion maturing beyond twelve months amounted to 625,000 Euro at 31/12/2023, which does not extend beyond five years.

The position reflects the debt for medium- to long-term financing granted to the company.

Description	31/12/2023	31/12/2022	Difference
Short-term portion of mortgages and loans	12,720,834	14,000,000	-1,279,167
Short-term current account credit lines	83	1,014,884	-1,014,802
Total payables to banks within 12 months	12,720,916	15,014,884	-2,293,968
Long-term portion of mortgages and loans (within 5 years)	625,000	18,375,000	-17,750,000
Long-term portion of mortgages and loans (beyond 5 years)	0	0	0
Payables banks beyond 12 months	625,000	18,375,000	-17,750,000
Total payables due to banks	13,345,916	33,389,884	-20,043,968

In detail, payables for medium- and long-term mortgages and loans are broken down as follows:

Description	31/12/2023	31/12/2022	Difference
Mortgage-backed loans	-	-	-
Unsecured loans	-	-	-
Loans backed by MCC or SACE guarantee	13,345,834	32,375,000	(19,029,166)
Total loans with guarantee	13,345,834	32,375,000	(19,029,166)

The covenants on the loans at year-end have been complied with.

ADVANCES

These amounted to 92,534,924 Euro at 31/12/2023, a decrease by 31,289,617 Euro compared to the previous year.

It's the amount paid by customers by way of advance on contract work in progress, as well as advances and deposits from customers on consignment of future sale of real estate. Advances related to contract work in progress, paid by Customers while work is still being carried out and normally ascertained through Work Progress Reports, are recorded under the item "revenues".

Detail of the change is provided below:

Description	31/12/2023	31/12/2022	Difference
Advances from customers on contract work in progress	29,349,908	30,374,988	(1,025,080)
Advances from customers on property sales	61,860,016	29,523,320	32,336,696
Deposits from customers on property sales	1,325,000	1,295,000	30,000
Other deposits	0	52,000	(52,000)
Total advances	92,534,924	61,245,308	31,289,616

For the sake of clarity, it should be noted that against advances and deposits on property sales amounting to 63,185,016 Euro, the valuation of completed works, amounting to 90,374,579 Euro, is correspondingly allocated to assets under Contract work in progress.

TRADE PAYABLES

These amount to 91,907,993 Euro as of 31/12/2023, an increase of 6,669,383 compared to the previous year. The balance includes both the payable to suppliers documented by invoices already registered at 31/12/2023 and the payable resulting from invoices to be received that are registered the following year. The total amount is recorded net of trade discounts and rebates.

PAYABLES TO PARENT COMPANIES

It refers to the interest-bearing loan granted by the subsidiary Sans Souci Srl.

PAYABLES DUE TO ASSOCIATED COMPANIES

These amounted to 8,182,531 Euro as of 31/12/2023, an increase by +1,061,461 Euro compared to the previous year.

Amounts due to companies jointly controlled with others are allocated to this item; the item includes both trade and financial payables.

The table below shows the breakdown of the balance as of 31/12/2023.

Counterparty description	Amount as 31/12/2023	Amount as 31/12/2022
Montecchio Scarl	4,871,741	4,886,386
Trento Tre Scarl	1,586,267	2,072,605
Consorzio Vie del Mare	8,073	8,073
Valdastico 14 Scarl	0	44,516
Officina Trentino Scarl	1,716,450	109,490
Total	8,182,531	7,121,070

PAYABLES DUE TO PARENT COMPANY

There are no payables to the parent company as of 31.12.2023; a change of Euro (630,000) was recorded compared to the previous year.

EXPLANATORY NOTE - Carron SPA Financial Statement

TAX PAYABLES

These amounted to 3,859,881 Euro as of 31/12/2023, an increase by 2,267,214 Euro compared to the previous year.

The item includes the balance of the payable to the tax authorities for direct and indirect taxes, in addition to the taxes the company pays as withholding agent.

The most significant items are the payable to the tax authorities for VAT, IRPEF (personal income tax) deductions from remuneration paid to employees and the IRES payable.

PAYABLES DUE TO PENSION AND SOCIAL SECURITY INSTITUTIONS

These amounted to 1,024,568 Euro at 31/12/2023, a change of +83,544 Euro compared to the previous year.

The item includes payables to social security institutions such as INPS (Italian National Institute for Social Security), INAIL (National Institute for Insurance against Accidents at Work) and the Cassa Edile (Special Construction Workers' Fund).

OTHER PAYABLES

These amounted to 3,031,629 Euro at 31/12/2023, a change of +62,264 Euro compared to the previous year.

The most significant item included here relates to payables to employees in respect of accrued holidays and leave not yet taken and December wages and salaries paid in January.

BREAKDOWN OF PAYABLES BY GEOGRAPHIC AREA

The breakdown of Payables at 31/12/2023 by geographic area is shown in the table below (article 2427, first paragraph, no. 6, of the Italian Civil Code).

Geographic area	Payables due to banks	Advances	Trade payables
Italy	13,345,916	92,534,924	91,907,993
Total	13,345,916	92,534,924	91,907,993

Geographic area	Payables to subsidiaries	Payables to associated companies	Tax Payables	Payables due to pension and social security institutions	Other payables	Payables
Italy	800,000	8,182,531	3,859,881	1,024,568	3,043,837	214,699,650
Total	800,000	8,182,531	3,859,881	1,024,568	3,043,837	214,699,650

PAYABLES BACKED BY REAL GUARANTEES ON COMPANY ASSETS

There are no payables secured by real guarantees on company.

ACCRUED LIABILITIES AND DEFERRED INCOME

Balance at 31/12/2023	Balance at 31/12/2022	Changes
664,518	414,816	249,702

Description	Accrued liabilities	Deferred income	Total accrued liabilities and deferred income
Value at the beginning of the year	22,688	392,128	414,816
Changes during the year	33,326	216,377	249,702
Value at the end of the year	56,014	608,505	664,518

This item is broken down as follows (Article 2427, Paragraph 1, No. 7, of the Italian Civil Code).

Description	Amount
Accrued liabilities for interest	12,629
Accrued liabilities	43,384
Others	23,678
Tax credit on capital goods	584,827
Total	664,518

These refer to adjusting entries for the year recorded on an accrual basis. As of 31.12.2023, there were no accruals with a duration of more than five years.



EXPLANATORY NOTES. INCOME STATEMENT

INFORMATION AND CLARIFICATIONS ABOUT THE INCOME STATEMENT

Before analysing the individual items, please note that comments on overall performance are provided in the Directors' Report, pursuant to article 2428 of the (Italian) Civil Code.

Given the analytical presentation of revenues and costs in the Income Statement and the previous comments on balance sheet items, only the main items are commented on below.

VALUE OF THE PRODUCTION

Balance at 31/12/2023	Balance at 31/12/2022	Changes
266,806,247	250,656,315	16,149,932

Description	31/12/2023	31/12/2022	Variazioni
Sales and services revenues	212,938,607	290,319,928	(77,381,321)
Changes in product inventories	1,873,958	(660,584)	2,534,542
Changes in work in progress to order	47,517,790	(40,852,506)	88,370,296
Other revenues and income	4,475,892	1,849,477	2,626,415
Total	266,806,247	250,656,315	16,149,932

Please refer to the Directors' Report for further information on the reasons behind this change.

Breakdown of sales and services revenues by business category

Business category	Current year value
Sales of products	2,723,326
Sales of accessories	69,742
Provision of services	208,309,220
Rental income	288,687
Others	1,547,632
Total	212,938,607

Breakdown of sales and services revenues by geographic area

Geographic area	Sales	Service provision	Current year value
Italy	2,793,068	210,145,539	212,938,607
Total	2,793,068	210,145,539	212,938,607

EXPLANATORY NOTE - Carron SPA Financial Statement

COSTS OF PRODUCTION

Production costs are strictly linked to the specific section in the Directors' Report and to the performance of point A (Value of production) of the Income Statement.

Details of production costs are shown in the following tables:

Balance at 31/12/2023	Balance at 31/12/2022	Changes
250,704,143	238,494,650	12,209,493

Description	31/12/2023	31/12/2022	Changes
Raw and ancillary materials and goods	24,814,586	31,266,596	(6,452,010)
Services	191,052,930	178,378,815	12,674,115
Use of third-party assets	6,619,941	3,581,104	3,038,837
Salaries and wages	12,156,211	11,686,924	469,287
Pension and social security contributions	3,621,279	3,472,340	148,939
Staff severance indemnity	765,060	767,777	(2,717)
Other personnel costs	152,862	149,116	3,746
Amortisation of intangible fixed assets	140,594	139,675	919
Amortisation of tangible fixed assets	1,421,935	1,209,917	212,018
Other write-downs of fixed assets	193,056		193,056
Changes in inventories of raw materials	6,491,643	3,354,124	3,137,519
Risk provision	531,723	62,363	469,360
Other provisions	370,873	1,227,582	(856,709)
Sundry operating expenses	2,371,450	3,198,317	(826,867)
Total	250,704,143	238,494,650	12,209,493

COSTS FOR RAW MATERIALS, CONSUMABLES AND GOODS

These are strictly linked to the specific section in the Directors' Report and to the performance of point A (Value of production) of the Income Statement.

PERSONNEL COSTS

This item includes all employee expenses, including merit salary increases, promotions, automatic cost-of-living adjustments, cost of unused leave and provisions required by law and collective agreements.

DEPRECIATION OF TANGIBLE AND INTANGIBLE FIXED ASSETS

It is hereby specified that amortisation and depreciation have been calculated on the basis of the remaining useful life of the relevant assets and their general wear and tear.

OTHER WRITE-DOWNS OF FIXED ASSETS

During the year, a property located in Castelfranco Veneto was written down in the number of Euro 193,056.

The write-down was carried out after special appraisals had been drawn up by real estate consultants.

RISK PROVISION

Among the provisions made at 31/12/2023 was the adjustment to the provision for risks related to costs and charges arising after works testing, amounting to 531,723 Euro. Instead, Other provisions include the allocation for charges on completed contracts that will be incurred in the following year, in the amount of 370,873 Euro.

SUNDRY OPERATING EXPENSES

At 31/12/2023, they amount to Euro 2,371,450 and are detailed as follows:

Description	31/12/2023	31/12/2022
Non-income-related taxes and charges	28,307	21,544
Stamp duty	9,654	4,424
Municipal property tax	207,874	303,283
Registration, mortgage and cadastral taxes	79,042	477,881
Road tax	26,528	39,676
Other taxes and charges	1,394,276	757,562
Membership fees	26,225	18,900
Donations	47,750	36,605
Capital losses on sale of assets	61,221	92
Non-recurring expenses	3,773	46,935
Pro rata VAT	0	59,603
Reimbursement of damages to third parties	26,689	12,226
Fines and penalties	64,265	69,165
Severance payments	360,000	1,285,505
Sundry operating expenses	8,092	49,491
Various non-deductible costs	27,754	12,423
Rounding/allowances	0	0
Total	2,371,450	3,195,315

EXPLANATORY NOTE - Carron SPA Financial Statement**FINANCIAL INCOME AND CHARGES**

Balance at 31/12/2023	Balance at 31/12/2022	Changes
(2,501,437)	(1,816,289)	(685,148)

In detail, it is composed as follows:

Description	31/12/2023	31/12/2022	Changes
Income other than the above	323,750	642,859	(319,109)
(Interest and other financial charges)	(2,825,187)	(2,459,148)	(366,039)
Total	(2,501,437)	(1,816,289)	(685,148)

BREAKDOWN OF INTEREST AND OTHER FINANCIAL CHARGES BY TYPE OF PAYABLE

(Ref. Art. 2427, paragraph 1, no. 12, of the Italian Civil Code)

Description	Interest and other financial charges
Payables due to banks	1,977,519
Others	847,668
Total	2,825,187

Description	Altre	Totale
Bank interest	12,629	12,629
Other interests	847,668	847,668
Medium-term credit interests	1,354,307	1,354,307
Financial charges	610,583	610,583
Total	2,825,187	2,825,187

The following tables provide a detailed breakdown.

Description	31/12/2023	31/12/2022
Interest payable to banks on ordinary credit	12,629	19,491
Interest payable on loans	1,354,307	766,995
Commissions on bank guarantees on advances	297,936	381,966
Commissions on guarantees on advances	225,919	300,986
Ancillary financial charges on loans	86,729	-
Interest expenses on other debts	847,667	602,829
Other financial charges	-	386,881
Total	2,825,187	2,459,148

OTHER FINANCIAL INCOME

Description	31/12/2023	31/12/2022
Interest income on bank and postal accounts	156,481	7,353
Interest income on sundry receivables	5	397,821
Interest income on application of amortised cost	78,500	77,500
Income from IRS – BNL contract	88,764	160,185
Total	323,750	642,859

RETTIFICHE DI VALORE DI ATTIVITÀ E PASSIVITÀ FINANZIARIE

Balance at 31/12/2023	Balance at 31/12/2022	Changes
(26,356)	(1,215)	(25,141)

SVALUTAZIONI

Description	31/12/2023	31/12/2022	Changes
In participations	26,356	1,215	25,141
Total	26,356	1,215	25,141

The investments in the subsidiary Forte Jv were written down in the amount of Euro 5,200, and the investment in Farro Srl in liquidation in the amount of Euro 18,643; the remaining amount of Euro 2,512 related to losses on investments at the time of their closing.

CURRENT, DEFERRED AND PREPAID INCOME TAXES FOR THE YEAR

It was not deemed necessary to account for deferred tax assets and liabilities.



EXPLANATORY NOTES - OTHER INFORMATION

The additional information required by Article 2427 of the (Italian) Civil Code is provided below:

- At 31/12/2023, the company had no receivables or payables related to transactions involving repurchase agreement obligations for the buyer.
- At 31/12/2023, the company had not attributed any financial charges to any value recorded under assets in the balance sheet.
- At 31/12/2023, there were no commitments regarding pension liabilities and similar obligations, nor any commitments undertaken vis-à-vis subsidiaries, associated companies, parent companies or companies subject to the control of parent companies, other than as indicated in the section below entitled 'Commitments, Guarantees and Contingent Liabilities not stated in the Balance Sheet'.
- The financial statements at 31/12/2023 do not include income from equity investments, other than the dividends referred to by article 2425, no. 5, of the (Italian) Civil Code
- The financial statements at 31/12/2023 do not include cost items of exceptional size or incidence.
- The company did not issue any financial instruments.
- Transactions carried out with related parties are disclosed in the relevant section of these Explanatory Notes.
- There are no off-balance-sheet economic agreements in place.

EMPLOYMENT FIGURES

Compared with the previous year, the average headcount, broken down by category, underwent the following changes:

Organico	31/12/2023	31/12/2022	Changes
Management	6	6	
Middle managers	9	6	3
White-collar workers	149	149	
Blue-collar workers	46	44	2
Total	210	205	5

The labour contract that governs relationships with employees is the one for the construction industry and similar industries in force at the reporting date.

	Management	Middle managers	White-collar workers	Blue-collar workers	Total employees
Average number	6	9	149	46	210

EXPLANATORY NOTE - Carron SPA Financial Statement**REMUNERATION, ADVANCES AND CONTRIBUTIONS GRANTED TO DIRECTORS AND STATUTORY AUDITORS AND COMMITMENTS MADE ON THEIR BEHALF**

	Directors	Auditors
Remuneration	1,018,778	52,024

REMUNERATION TO THE STATUTORY AUDITOR OR AUDIT FIRM

In accordance with the law, fees are shown for services provided during the year by the statutory auditor/independent audit firm and entities belonging to its network:

	Value
External audit of annual accounts	45,580
Total remuneration due to the external auditor or audit firm	45,580

COMMITMENTS, GUARANTEES AND CONTINGENT LIABILITIES NOT DISCLOSED IN THE BALANCE SHEET

Pursuant to article 2427, paragraph 1, point 9, of the (Italian) Civil Code, the following table summarises any off-balance-sheet commitments, guarantees and contingent liabilities, specifying the nature of the collateral provided.

In accordance with accounting standard no. 12 issued by the OIC (Italian Accounting Board), the sureties issued to third parties in the interest of the company are reported below:

Description (Euro thousand)	31/12/2023	31/12/2022	Difference
Insurance guarantees for contractual advances	14,962	19,204	(4,242)
Insurance guarantees on work being carried out properly	18,677	16,844	1,833
Other insurance guarantees	24,754	16,314	8,440
Bank guarantees on work being carried out properly	41,446	39,298	2,148
Bank guarantees for contractual advances	11,625	6,459	5,166
<i>Bid bonds issued by banks</i>	0	0	0
Other bank guarantees	11,946	7,465	4,481
Total guarantees issued within the context of the core business	123,410	105,584	17,826
Surety guarantees in the interest of related parties	1,596	11,434	(9,838)
Surety guarantees in the interest of subsidiaries by the parent company	8,519	0	8,519
Pledge of shares in investee companies	619	619	0
Total other guarantees	10,734	12,053	(1,319)
TOTAL COMMITMENTS AND GUARANTEES	134,144	117,637	16,507

Explanation of the content of the items:

- the item **"bank guarantees for the proper performance of works"** in the amount of Euro 41.446 million expresses the total value of guarantees issued net of guarantees issued to Carron Spa by participants in Temporary Associations of Companies (ATI) or third-party contractors in particular:
 - the Euro 18 million guarantee issued to the contractor Ospedal Grando S.r.l. for the execution of the works of the Cittadella Sanitaria of Treviso was acknowledged net of Euro 4 million having the same content and issued in favour of the Company by the other member of ATI, ARCO LAVORI soc. coop;
 - the Euro 10.300 million guarantee issued to the client Alfiere Spa for the execution of the 'Eur Towers' works in Rome was recognised net of Euro 7.968 million having the same content and issued in our favour by the other contractor companies, Focchi Spa and MBM Spa;
 - the Euro 2.594 million guarantee issued to the client Bulgari Gioielli Spa for the execution of the 'Bulgari factory expansion' works in Valenza; net of the guarantee of Euro 0.620 million having the same content and issued in our favour by the other member of ATI, Simic Spa.
 - The Euro 10.3 million guarantee issued to the client GENERALI R.E. for the execution of works in Milan; was recognised net of the bank guarantee of euro 0.756 million with the same content and issued in our favour by the other member of ATI Cefla.
- with regard to **"Surety guarantees in the interest of related parties "**and **"Surety guarantees in the interest of companies subject to the control of parent companies"**, the amount of Euro 10,115 million refers to guarantees given to companies that were subject to a demerger on 02/10/2017 and are in addition to the first priority mortgage guarantees issued by the investee companies on assets belonging to them in favour of the lenders; these guarantees therefore represent a second, ancillary guarantee.

It is also noted that the above table does not include guarantees amounting to Euro 61.472 issued against liabilities shown in the balance sheet under the item **"Advances"**.

Specifically, the amount of Euro 61.472 million was guaranteed for Euro 47.440 million by banking institutions and Euro 14.0 million by insurance companies.

INFORMATION ON AGREEMENTS NOT DISCLOSED IN THE BALANCE SHEET

The company has no off-balance-sheet agreements in place affecting its balance sheet amounts or financial position, other than those already disclosed in the Directors' Report.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

Please refer to the *"Business Outlook"* paragraph in the Directors' Report for information on the events that occurred after the closing of the financial year.

EXPLANATORY NOTE - Carron SPA Financial Statement

COMPANIES THAT PREPARE THE FINANCIAL STATEMENTS OF THE LARGEST/SMALLEST GROUP OF COMPANIES OF WHICH THEY ARE SUBSIDIARIES

Pursuant to the law, the information referred to in Article 2427, first paragraph, no. 22 quinquies and sexies) of the (Italian) Civil Code is highlighted.

	Stronger together
Company name	Carron Holding Srl
City (if in Italy) or foreign country	San Zenone degli Ezzelini (TV)
(TV) Tax code (for Italian companies)	04930970266
Place where the consolidated financial statements are filed	San Zenone degli Ezzelini (TV)

INFORMATION ON DERIVATIVE FINANCIAL INSTRUMENTS PURSUANT TO ART. 427-BIS OF THE (ITALIAN) CIVIL CODE

During the year 2020, the company took out a cash flow hedge, in place at the reporting date, the details of which are given below:

Type of contract	OTC IRS (Interest Rate Swap)
Purpose	Interest rate risk hedging Interest on loan
Issuing counterparty	BNL BNP Paribas
Transaction date	30/06/2020
Start date	30/06/2020
Maturity date	30/06/2025
Notional amount	Euro 5.000.000
Refund method	Quarterly instalments
Mark-to-market value (*)	56.060

(*) values at 31/12/2023

In the financial year 2023, in order to adjust the accounting presentation of the instrument to the mark-to-market value indicated in the table above, the amount recorded under Financial Fixed Assets - Other Securities was reduced by Euro 86,729.

This amount was recognised under 'Interest and other financial securities - Other'.

SUMMARY OF THE FINANCIAL STATEMENTS OF THE COMPANY CARRYING OUT MANAGEMENT AND COORDINATION ACTIVITIES

	Last year	Previous year
Date of the last approved financial statements	31/12/2022	31/12/2021
B) Fixed assets	7,857,291	4,855,064
C) Current assets	6,247,192	4,035,913
Total assets	14,104,483	8,890,977
A) Equity		
Share capital	1,000,000	1,000,000
Reserves	2,669,877	4,423,540
Profit (loss) for the year	5,736,256	1,743
Total shareholders' equity	9,406,133	5,425,283
B) provision for liabilities and charges	7,560	-
D) Payables	4,690,790	3,465,694
Total liabilities	14,104,483	8,890,977

	Last year	Previous year
Date of the last approved financial statements	31/12/2022	31/12/2021
B) Production costs	54,996	24,568
C) Financial income and charges	5,888,334	26,311
D) Value adjustments to financial assets	(222,058)	-
Income taxes for the year	(124,976)	-
Profit (loss) for the year	5,736,256	1,743

EXPLANATORY NOTE - Carron SPA Financial Statement**INFORMATION PURSUANT TO ART. 1, PARAGRAPH 125 OF (ITALIAN) LAW NO.**

Pursuant to art. In compliance with the obligation of transparency pursuant to Article 1, Paragraph 125-bis of (Italian) Law no. 124 of 4 August 2017, it is noted that grants, subsidies, paid positions and in any case any kind of economic benefits, were received from the public administration.

Legislation	Granting authority	Project title	Nominal amount of aid
(ITALIAN) DECREE-LAW no. 23 of 08 April 2020 Urgent measures on access to credit and tax compliance for companies, (OG - General Series no. 94 of 08/04/2020)	SACE S.P.A.	COVID-19: Sace Garanzia Italia	10,000,000,00 €
(ITALIAN) DECREE-LAW no. 23 of 08 April 2020 Urgent measures on access to credit and tax compliance for companies, (OG - General Series no. 94 of 08/04/2020)	SACE SPA	COVID-19: Sace Garanzia Italia	15,000,000,00 €
(ITALIAN) DECREE-LAW no. 23 of 08 April 2020 Urgent measures on access to credit and tax compliance for companies, (OG - General Series no. 94 of 08/04/2020)	SACE S.P.A.	COVID-19: Sace Garanzia Italia	8,000,000,00 €

The nominal amounts with the granting authority SACE SpA refer to the amount of the bank facilities.

PROPOSAL FOR THE ALLOCATION OF PROFITS OR COVERAGE OF LOSSES

It is proposed that the Shareholders' Meeting resolve to allocate the profit for the year, in the amount of 9,617,676 Euro, in full to the extraordinary reserve.

These explanatory notes have been drawn up in accordance with the provisions of the (Italian) civil code and accounting standards. In order to comply with publication requirements in the Company Register, once approved, the note will be converted into XBRL format; therefore, some formal changes may be necessary to make it compatible with the filing format.

These financial statements, which consist of the **Balance Sheet, Income Statement, Explanatory Notes and Cash Flow Statement**, provide a true and correct representation of the balance sheet and financial position as well as the result for the year and correspond to the results of accounting entries.

San Zenone degli Ezzelini, 7 May 2024

The Chairman of the Board of Directors
Arch. Diego Carron

REPORT
OF THE BOARD OF STATUTORY AUDITORS
TO CARRON S.P.A. FINANCIAL STATEMENT



CARRON CAV. ANGELO SPA sole proprietorship

Registered office: Via BOSCO 14/1 – SAN ZENONE DEGLI EZZELINI (TV)

Registered in the Register of Companies of TREVISO

Tax id. Nr. and registration nr.: 01835800267

Registered in the Economic and Administrative Index No. 171597

Issued and fully paid-up share capital: Euro 10,000,000.00

VAT Nr. 01835800267

Company subject to management and coordination of Carron Holding S.r.l.

Board of Statutory Auditors' Report Annual Report as of 31/12/2023

To the shareholders of the Company CARRON CAV. ANGELO S.p.A.

Report of the Board of Statutory Auditors to the Shareholders' Meeting on the Approval of the Financial Statements for the Year Ended 31 December 2023 Drafted Pursuant to Article 2429 Section Two of the Civil Code

During the financial year ended 31 December 2023, our activities were guided by the provisions of the law and the rules of conduct of the Board of Statutory Auditors of unlisted companies issued by the National Council of Certified Public Accountants and Accounting Experts.

We hereby inform you of this activity and the results achieved.

The financial statements of the CARRON CAV. ANGELO SpA as of 31 December 2023, approved by the board of directors on 7 May 2024, prepared in accordance with the Italian regulations governing their preparation, have been submitted for your examination and show a profit for the year of EUR 9,617,676.00. The financial statements have been made available to us with our consent in derogation of the time limit set forth in Article 2429 of the Italian Civil Code.

The board of statutory auditors, not being entrusted with the legal audit, has carried out the supervisory activities on the financial statements provided for in rule 3.8 of the "rules of conduct for the board of statutory auditors of unlisted companies", consisting of an overall summary control aimed at verifying that the financial statements have been properly drawn up the verification of compliance with the accounting data is, in fact, the responsibility of the person entrusted with the legal audit.

The firm in charge of the statutory audit, the auditing firm Deloitte e Touche SpA, has already delivered its report dated 30 May 2024, with no irregularities being found and/or references to information.

According to the report of the independent auditor, the financial statements for the year ended 31 December 2023 give a true and fair view of the financial position, results of operations and cash flows of your company and have been prepared in accordance with the regulations governing their preparation.

Supervisory activities pursuant to Article 2400 0 3 and subsequent amendments

We monitored compliance with the law of the articles of association, respect for the principles of proper administration and the adequacy of the administrative and accounting organisation adopted by the company and its actual functioning.

We have obtained from the board of directors, well in advance and also during the meetings held, information on the general performance of management and its foreseeable development, as well as on the most significant operations, due to their size or characteristics, carried out by the company and its subsidiaries, and based on the information obtained, we have no particular observations to report.

We exchanged data and information relevant to the performance of our supervisory activities with the statutory auditor in a timely manner.

We met with the supervisory body, set up pursuant to Legislative Decree 231/ 2001, and examined the report prepared by it on the activities carried out in 2023; no critical issues emerged with regard to the proper implementation of the organisational model that need to be highlighted in this report.

We have monitored the adequacy of the organisational, administrative and accounting structure and its actual functioning also by collecting information from the heads of functions and in this regard, we have no particular observations to report.

We have acquired knowledge of and supervised, to the extent of our competence, the adequacy and functioning of the administrative and accounting system, as well as the reliability of the latter to correctly represent management events, by obtaining information from the heads of functions and examining company documents, and in this regard, we have no particular observations to report.

No complaints have been received from shareholders pursuant to Article 2408 of the Civil Code or Article 2409 of the Civil Code.

We have not filed complaints with the court pursuant to Article 2409 of the Civil Code.

We have not made any reports to the board of directors or pursuant to Article 25g of Legislative Decree No. 14 of 12 January 2019.

We have not received any reports from public creditors within the meaning of Article 25-novies of Legislative Decree No. 14 of 12 January 2019.

During the financial year, the Board of Statutory Auditors did not issue any opinions or observations as required by law.

Observations on the annual accounts

According to the report of the person in charge of the statutory audit, the financial statements give a true and fair view of the financial position of CARRON CAV. ANGELO as of 31/12/2023, the results of operations and cash flows for the year then ended in accordance with Italian regulations governing the criteria for their preparation.

To the best of our knowledge, the directors, in preparing the financial statements, have not departed from the provisions of Article 2423 paragraph 5 of the Civil Code.

As to the revaluations of assets made in past years, we certify that they do not exceed the value actually attributable to the assets themselves as determined pursuant to Article 11 paragraph 2 of the same Law No. 342 of 21 November 2000.

The shareholders have expressly waived the time limits set forth in Article 2429 of the Italian Civil Code for the filing of this report, releasing us from any dispute.

Observations and proposals regarding the approval of the financial statements

Considering the results of the work performed by the Board of Directors and the opinion expressed in the audit report issued by the independent auditors, we do not find any reasons to prevent the shareholders from approving the financial statements for the year ended 31 December 2023, as prepared by the Board of Directors.

The board agrees with the proposal for the allocation of the year's result made by the administrative body in the notes to the financial statements.

Treviso, 30th May 2024

The Board of Statutory Auditors

DR. MARCO CONTESSOTTO

DR. ALBERTO DA DALTO

DR. PRIMO CEPPELLINI



EXTERNAL
AUDITOR'S REPORT TO
CARRON S.P.A. FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Lonely Shareholder of
Carron Cav. Angelo S.p.A. S.p.A.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Carron Cav. Angelo S.p.A. S.p.A. (the "Company"), which comprise the balance sheet as at 31 December 2023, the statement of income and statement of cash flows for the year then ended and the explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with the Italian law governing financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the Italian law governing financial statements, and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or the termination of the business or have no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion pursuant to art. 14, paragraph 2 (e) of Legislative Decree 39/10

The Directors of Carron Cav. Angelo S.p.A. S.p.A. are responsible for the preparation of the report on operations of the Company as at 31 December 2023, including its consistency with the related financial statements and its compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 7208 in order to express an opinion on the consistency of the report on operations with the financial statements of Carron Cav. Angelo S.p.A. S.p.A. as at 31 December 2023 and on its compliance with the law, as well as to make a statement about any material misstatement.

In our opinion, the report on operations is consistent with the financial statements of Carron Cav. Angelo S.p.A. S.p.A. as at 31 December 2023 and is prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2 (e), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

Signed by
Cristiano Nacchi
Partner

Padua, Italy
30 May 2024

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.



ATTACHMENTS

CARRON HOLDING S.R.L.'S FINANCIAL STATEMENTS

BALANCE SHEET

ASSETS		31/12/2023	31/12/2022
B	INTANGIBLE FIXED ASSETS		
III)	Financial fixed assets	10,210,183	7,857,291
	TOTAL FIXED ASSETS (B)	10,210,183	7,857,291
C	CURRENT ASSETS		
II)	Receivables		
	due after one year	1,186,420	5,246,273
	due after the next year	-	750,000
	Prepaid taxes	183,445	179,605
	Total receivables	969,865	6,175,878
IV)	Cash and cash equivalents	66,250	71,314
	TOTAL CURRENT ASSETS (C)	1,036,155	6,247,192
D	ACCRUALS AND DEFERRALS	8,172	-
	TOTAL ASSETS	11,254,470	14,104,483
LIABILITIES		31/12/2023	31/12/2022
A	SHAREHOLDERS' EQUITY		
I)	Share capital	1,400,000	1,000,000
II)	Share premium account	87,591	-
IV)	Legal reserve	200,000	200,000
VI)	Other reserves	8,206,133	2,469,877
IX)	Profit (loss) for the year	1,322,921	5,736,256
	TOTAL SHAREHOLDERS' EQUITY	11,216,645	9,406,133
B	PROVISIONS FOR LIABILITIES AND CHARGES	-	7,560
D	PAYABLES		
	due after one year	37,825	4,690,790
	Total payables	37,825	4,690,790
	TOTAL LIABILITIES	11,254,470	14,104,483

CARRON BAU S.R.L. - G.M.B.H.'S FINANCIAL STATEMENTS

INCOME STATEMENT

		31/12/2023	31/12/2022
A	VALUE OF PRODUCTION		
1)	sales and services revenues	0	0
5)	Other revenues and income		
	others	2	-
	Total other revenues and income	2	-
	TOTAL VALUE OF PRODUCTION (A)	2	0
B	PRODUCTION COSTS		
7)	for services	70,260	51,943
14)	sundry operating expenses	1,871	3,053
	TOTAL PRODUCTION COSTS (B)	72,131	54,996
	DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION (A - B)	(72,129)	(54,996)
C	FINANCIAL INCOME AND CHARGES		
15)	income from equity investments		
	from subsidiaries	1,700,000	6,664,286
	Total income from equity investments	1,700,000	6,664,286
16)	other financial income		
	d) income other than the above		
	others	264,000	84,196
	Total other income	264,000	84,196
	Total other financial income	264,000	84,196
17)	interest and other financial charges		
	others	280,001	860,148
	Total interest and other financial charges	280,001	860,148
	TOTAL FINANCIAL INCOME AND CHARGES (15 + 16 - 17)	1,683,999	5,888,334
D	VALUE ADJUSTMENTS TO FINANCIAL ASSETS AND LIABILITIES		
19)	write-downs		
	a) Of shares	289,700	222,058
	Total write-downs	289,700	222,058
	Total value adjustments of financial assets and liabilities (18 - 19)	(289,700)	(222,058)
	RESULT BEFORE TAXES (A - B + -C + -D)	1,322,170	5,611,280
20)	current, deferred and prepaid income tax for the year		
	deferred and prepaid taxes	10,649	47,069
	deferred and prepaid taxes	(11,400)	(172,045)
	Total current, deferred and prepaid income taxes for the year	(751)	(124,976)
21)	Profit (loss) for the year	1,322,921	5,736,256

CARRON BAU S.R.L. - G.M.B.H.'S FINANCIAL STATEMENTS

BALANCE SHEET

ASSETS	31/12/2023	31/12/2022
B INTANGIBLE FIXED ASSETS		
I) Intangible fixed assets		
3) industrial patents and intellectual property rights	12	592
7) others	122,286	100,092
Total	122,298	100,684
II) Tangible fixed assets		
1) lands and buildings	1,227,267	1,255,929
2) plants and machinery	213,350	238,450
3) industrial and commercial equipment	31,913	28,602
4) other assets	388,932	161,647
Total	1,861,462	1,684,628
III) Financial fixed assets		
1) equity investments in:		
a) subsidiaries	14,500,000	5,794,398
b) associated companies	900,000	900,000
d)bis other companies	877	877
Total	15,400,877	6,695,275
2) receivables b) due after one year	3,723,377	4,200,000
3) other securities	1,050,000	1,050,000
Total	20,174,254	11,945,275
TOTAL FIXED ASSETS (B)	22,158,014	13,730,587

CARRON BAU S.R.L. - G.M.B.H.'S FINANCIAL STATEMENTS

BALANCE SHEET

ASSETS	31/12/2023	31/12/2022
C CURRENT ASSETS		
I) inventories		
1) raw, ancillary and consumable materials	0	232,826
3) ontract work in progress	5,273,225	8,011,027
Total	5,273,225	8,243,853
II) Receivables		
1) trade receivables: a) due within one year	16,715,895	12,895,571
2) from subsidiaries: a) due within one year	6,335,581	451,869
3) from associated companies a) due within one year	2,373,323	4,038,465
4) from subsidiaries: a) due within one year	0	1,430,316
5) to companies subject to the control of parent companies: a) due within one year	0	3,592
5-bis) For tax credits		
a) due within one year	4,538,434	24,136
b) due after one year	550	11,818
5-ter) prepaid taxes	127,254	122,387
5-quater) From others		
a) due within one year	1,316,433	509,278
b) due after one year	93,806	100,891
Total	31,501,276	19,588,323
III) Financial fixed assets that do not constitute assets		
equity investments in subsidiaries	11,483	5,112
equity investments in associated companies	4,383	4,383
Total	15,866	9,495
IV) Cash and cash equivalents		
1) bank and post office depo	13,605,180	17,124,692
3) Cash in hand	34,666	26,759
Total	13,639,846	17,151,451
TOTAL CURRENT ASSETS (C)	50,430,213	44,993,122
D ACCRUALS AND DEFERRALS	250,785	163,102
TOTAL ASSETS	72,839,012	58,886,811

CARRON BAU S.R.L. - G.M.B.H.'S FINANCIAL STATEMENTS

BALANCE SHEET

LIABILITIES	31/12/2023	31/12/2022
A SHAREHOLDERS' EQUITY		
I Share capital	4,000,000	3,500,000
IV Legal reserve	700,000	624,061
VI Other reserves		
- Extraordinary reserve	12,042,347	9,865,329
- euro rounding difference	(1)	0
VIII Profits (losses) carried forward	0	0
IX Profit (loss) for the year	8,266,302	4,252,958
TOTAL SHAREHOLDERS' EQUITY (A)	25,008,648	18,242,348
B PROVISIONS FOR LIABILITIES AND CHARGES		
2) Provision for taxes, including deferred taxes	0	0
4) others	431,375	405,000
TOTAL PROVISIONS FOR LIABILITIES AND CHARGES (B)	431,375	405,000
C STAFF SEVERANCE INDEMNITY	391,659	306,490
D PAYABLES		
4) Payables due to banks		
a) due within one year	0	998,344
b) due after one year	0	3,004,000
6) Advances		
a) due within one year	14,608,070	9,366,684
b) due after one year	17,941,321	11,765,576
7) Trade payables		
a) due within one year	7,304,367	7,614,088
9) Payables due to subsidiaries		
a) due within one year	1,113,444	169,885
10) Payables due to associated companies		
a) due within one year	2,480,758	4,799,567
11-bis) Payables due to companies subject to the control of parent companies		
a) due within one year	174,063	163,824
12) Tax payables		
a) due within one year	2,297,096	1,128,206
13) Payables due to pension and social security institutions		
a) due within one year	318,161	277,733
14) Other payables		
a) due within one year	732,855	603,581
b) due after one year	20,000	20,000
TOTAL PAYABLES (D)	46,990,135	39,911,488
E ACCRUALS AND DEFERRALS	17,195	21,485
TOTAL LIABILITIES	72,839,012	58,886,811



CARRON BAU S.R.L. - G.M.B.H.'S FINANCIAL STATEMENTS

STATUTORY INCOME STATEMENT

	31/12/2023	31/12/2022
A	VALUE OF THE PRODUCTION	
1)	74,909,529	53,225,352
3)	(2,737,802)	(1,194,614)
4)	0	0
5)		
- grants for current expenses	13,603	76,534
- miscellaneous	260,416	218,668
TOTAL VALUE OF PRODUCTION (A)	72,445,746	52,325,940
B	COSTS OF PRODUCTION	
6)	9,723,357	7,888,295
7)	40,288,234	29,621,355
8)	2,540,718	2,171,385
9)		
a) salaries and wages	4,981,345	4,308,106
b) social security contributions	1,589,044	1,368,920
c) staff severance indemnity	328,217	224,188
d) other costs	125,583	35,609
Total	7,024,189	5,936,823
10)		
a) amortisation of intangible fixed assets	40,939	46,955
b) depreciation of tangible fixed assets	176,412	127,386
c) write-downs of current receivables and of cash and cash equivalents	0	85,243
Total	217,351	259,584
11)	232,826	38,568
12)	98,993	80,884
13)	0	25,000
14)	200,468	169,075
TOTAL PRODUCTION COSTS (B)	60,326,136	46,190,969
DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION (A - B)	12,119,610	6,134,971

CARRON BAU S.R.L. - G.M.B.H.'S FINANCIAL STATEMENTS

STATUTORY INCOME STATEMENT

	31/12/2023	31/12/2022
C	FINANCIAL INCOME AND CHARGES	
15)		
b) associated companies	147,000	49,000
Total	147,000	49,000
16)		
d) income other than interest receivable	123,889	23,906
Total	123,889	23,906
17)		
From others	(177,374)	(142,856)
Total	(177,374)	(142,856)
TOTAL FINANCIAL INCOME AND CHARGES (15 + 16 - 17)	93,515	(69,950)
D	VALUE ADJUSTMENTS TO FINANCIAL ASSETS	
19)		
a) of shares	60,000	0
B) financial fixed assets	346,623	0
Total	406,623	0
TOTAL VALUE ADJUSTMENTS TO FINANCIAL ASSETS (D)	(406,623)	0
TOTAL PROFIT (LOSS) BEFORE TAXES (A - B +/-C +/-D)	11,806,502	6,065,021
20)		
a) current	3,414,387	1,790,450
b) previous year	2,393	19,451
c) deferred/prepaid	(4,867)	(17,830)
d) income (charges) from adhering to the tax consolidation / tax transparency scheme	128,287	19,992
Total	3,540,200	1,812,063
21) Profit (Loss) for the year	8,266,302	4,252,958

CARRON BAU S.R.L. - G.M.B.H.'S FINANCIAL STATEMENTS

CASH FLOW STATEMENT

DESCRIPTION	31/12/2023	31/12/2022
A CASH FLOW FROM OPERATING ACTIVITIES (INDIRECT METHOD)		
Profit (loss) for the year	8,266,302	4,252,958
+ Income taxes	3,540,200	1,812,063
+/- Interest payable/ (Interest receivable)	53,484	118,950
- (Dividends)	(147,000)	(49,000)
+/- (Gains)/Losses from the disposal of assets		
of which tangible fixed assets	13,978	0
of which intangible fixed assets	25,845	0
1 Profit (loss) for the year before taxes and interests	11,752,810	6,134,971
Adjustments for non-monetary items without an offsetting counterpart in net working capital		
+ Provision for staff severance indemnity	138,312	100,386
+ Amortisation and depreciation of fixed assets	217,351	174,341
+ Allocations to provisions	98,993	105,884
+ Depreciation of financial fixed assets	406,623	0
+ Other adjustments for non-monetary items	(128,287)	(19,992)
Total adjustments for non-monetary items	732,992	360,619
2 Cash flow before changes to net working capital	12,485,802	6,495,590
Changes to net working capital		
(Increase)/decrease in inventories of raw and ancillary materials	232,826	38,568
(Increase)/decrease in inventories of work in progress to order	2,737,802	1,194,614
(Increase)/decrease in trade receivables	(3,820,324)	(9,802,552)
Increase/(Decrease) in trade payables	(309,721)	151,596
(Increase)/decrease in in tax credits	(4,507,897)	(36,426)
Increase/(decrease) in payables to subsidiaries	943,559	146,676
(Increase)/decrease in payables due to associated companies	(2,318,809)	3,476,338
(Increase)/decrease in payables due to companies subject to the control of parent companies to the control of parent companies	10,239	(37,879)
(Increase)/Decrease in accrued liabilities and deferred income	(4,290)	18
Increase/(Decrease) in accrued income and prepaid expenses	(87,683)	46,471
Increase/(Decrease) in receivables from subsidiaries	(5,883,712)	(451,869)
Increase/(Decrease) in receivables from associated companies	1,665,142	839,722
Increase/(Decrease) in receivables from parent companies	1,430,316	859,162
(Increase)/decrease in payables due to companies subject to the control of parent companies	3,592	8,882
Increase/(Decrease) in receivables from others	(800,070)	92,134
Increase/(Decrease) in advances from customers	11,417,131	5,332,964
Increase/(Decrease) in tax payables	265,943	118,285
Increase/(Decrease) in payables due to pension and social security institutions	40,428	12,937
Increase/(Decrease) in other payables	129,274	35,683
Total changes to the net working capital	1,143,746	2,025,324

CARRON BAU S.R.L. - G.M.B.H.'S FINANCIAL STATEMENTS

CASH FLOW STATEMENT

DESCRIPTION	31/12/2023	31/12/2022
3 Financial flow after changes to the net working capital	13,629,548	8,520,914
Other adjustments		
Collected/(paid) interest	(53,485)	(118,950)
(Income taxes duly paid)	(2,508,969)	(1,187,123)
Collected dividends	147,000	49,000
(Use of the warranty provision)	(72,618)	(40,884)
(Use of the provision for staff severance indemnity)	(53,143)	(19,466)
Total other adjustments	(2,541,215)	(1,317,423)
OPERATING CASH FLOW (A)	11,088,333	7,203,491
B CASH FLOW FROM INVESTMENT ACTIVITY		
Tangible fixed assets		
(Investments)	(410,271)	(370,259)
Divestment	43,047	0
Intangible fixed assets		
(Investments)	(88,397)	(31,839)
Divestment	0	0
Financial fixed assets		
(Investments)	(9,765,602)	(2,220,000)
Divestment	1,130,000	470,123
Short-term financial assets		
(Investments)	(6,371)	(5,439)
Divestments realizable price	0	0
Cash flow from investment activity (B)	(9,097,594)	(2,157,413)
C CASH FLOW FROM FINANCING ACTIVITIES		
Third party financing		
Increase/(Decrease) in short-term payables to banks	0	0
Raising finance	0	0
Repayment of loans	(4,002,344)	(1,318,716)
Equity		
Shareholders' payment (repayment) for future capital increases	0	0
Release of receivables from shareholders for subscribed capital	0	0
(Dividends and advances on paid dividends)	(1,500,000)	(500,002)
CASH FLOW FROM FINANCING ACTIVITY (C)	(5,502,344)	(1,818,718)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+/-B+/-C)	(3,511,605)	3,227,360
01/01/2023 INITIAL CASH AND CASH EQUIVALENTS	17,151,451	13,924,092
31.12.23 FINAL CASH AND CASH EQUIVALENTS	13,639,846	17,151,451



Photos: Carron Archive



Carron Cav. Angelo S.p.A.

Via Bosco 14/1 - 31020 San Zenone degli Ezzelini (TV)
Tel. 0423 9657 - E-mail info@carron.it

Piazzetta del Liberty 8 - 20121 Milan
Tel. 02/86998023 - E-mail info@carron.it

www.carron.it

Carron Bau S.r.l.

Via Forch 3 - 39040 Varna (BZ)
Tel. 0472 832395 - E-mail info@carronbau.com

www.carronbau.com

www.carron.it