General Information on the Company

Company details

Company name:	TECHBAU S.P.A.
Offices:	PIAZZA GIOVINE ITALIA 3 - MILAN (MI)
Share capital:	10,050,000.00
Share capital fully paid-up:	yes
Chamber of Commerce code:	MI
VAT No.:	06336690968
Tax Code:	06336690968
REA (Register of Economic & Administrative information) number:	1922561
Legal form:	JOINT-STOCK COMPANY
Classification of Economic Activity (ATECO):	412000
Company in liquidation:	no
Sole-shareholder company:	no
Company subject to third party management and coordination:	no
Name of company or body which exercises management and coordination:	
Group membership:	yes
Name of group parent company:	TECHBAU S.P.A.
Country of group parent company:	ITALY
Registration identification number in cooperatives register:	

Financial Statements as at 30/06/2024

Ordinary Statement of Financial Position

	30/06/2024	30/06/2023
Assets		
B) Fixed Assets		
I - Intangible fixed assets	-	-
3) Industrial patent and intellectual property rights	8,487	25,476
4) Concessions, licenses, trademarks and similar rights	1,351	1,442
5) Goodwill	-	-
7) other	3,730,991	4,127,998
Total intangible fixed assets	*3,740,829*	*4,154,916*
II - Tangible fixed assets	-	-
1) Land and buildings	1,180,011	1,217,835
3) Industrial and commercial equipment	15,855	22,615
4) other assets	633,774	649,959
Total tangible fixed assets	*1,829,640*	*1,890,409*
III - Financial fixed assets	-	-
1) equity investments in:	-	-
a) subsidiary companies	37,038,851	9,574,036
b) affiliated companies	18,674,297	3,879,465
Total equity investments	*55,713,148*	*13,453,501*
2) Receivables	-	-
a) from subsidiaries	19,112,560	10,987,427
due within the next year	60,000	4,535,427
due beyond the next year	19,052,560	6,452,000
b) from affiliated companies	6,320,000	-
due beyond the next year	6,320,000	-
Total receivables	*25,432,560*	*10,987,427*
4) derivative financial instruments assets	320,917	558,598
Total financial fixed assets	*81,466,625*	*24,999,526*
Total fixed assets (B)	*87,037,094*	*31,044,851*
C) Current assets		
I - Inventories	-	-
3) Contract work in progress	466,982,156	251,336,097
5) Advances	8,843,100	18,078,263

	30/06/2024	30/06/2023
Total inventories	*475,825,256*	*269,414,360*
II - Receivables	-	-
1) from customers	118,231,267	71,961,678
due within the next year	118,231,267	71,961,678
2) from subsidiaries	22,971,170	8,123,403
due within the next year	22,971,170	8,123,403
5-bis) tax receivables	9,210,507	1,634,019
due within the next year	3,767,750	573,562
due beyond the next year	5,442,757	1,060,457
5-ter) prepaid taxes	248,417	981,466
5-quater) other receivables	9,420,194	8,455,394
due within the next year	7,366,913	1,969,884
due beyond the next year	2,053,281	6,485,510
Total receivables	*160,081,555*	*91,155,960*
III - Financial assets that are not fixed assets	-	-
4) other equity investments	2,503,725	-
6) other securities	11,304,851	8,960,145
Total financial assets not classified as fixed assets.	*13,808,576*	*8,960,145*
IV - Cash and cash equivalents	-	-
1) Bank and post office deposits	108,270,043	129,289,290
3) cash and other valuables on hand	5,190	1,762
Total cash and cash equivalents	*108,275,233*	*129,291,052*
Total current assets (C)	*757,990,620*	*498,821,517*
D) Accruals and deferrals	**372,242**	**323,093**
Total assets	*845,399,956*	*530,189,461*
Liabilities		
A) Shareholders' Equity	**120,201,500**	**83,278,126**
I - Share Capital	10,050,000	10,050,000
II - Share premium reserve	759,852	759,852
IV - Legal reserve	2,010,000	2,010,000
VII - Other reserves, specified separately	-	-
Extraordinary reserve	70,033,738	39,542,300
Sundry other reserves	(1)	1
Total other reserves	*70,033,737*	*39,542,301*

	30/06/2024	30/06/2023
VII - Reserve for expected cash flow hedging transactions	243,897	424,534
IX - Profit (loss) for the year	37,104,014	30,491,439
Total shareholders' equity	120,201,500	83,278,126
B) Provisions for risks and charges		
2) reserves for taxes, including deferred	77,020	134,063
4) other	1,035,069	1,100,000
Total provisions for risks and charges	*1,112,089*	*1,234,063*
C) Employees' severance pay	**15,082**	**20,886**
D) Payables		
4) Payables to banks	173,381,696	60,111,039
due within the next year	108,893,609	29,212,495
due beyond the next year	64,488,087	30,898,544
6) Advances	343,807,228	198,526,447
due within the next year	343,807,228	198,526,447
7) payables to suppliers	191,494,713	155,309,108
due within the next year	191,494,713	155,309,108
9) payables to subsidiaries	2,557,404	3,448,447
due within the next year	2,557,404	3,448,447
12) Tax payables	3,111,007	15,663,852
due within the next year	3,111,007	15,663,852
13) payables to Pension and Social Security Institutions	1,303,612	947,671
due within the next year	1,303,612	947,671
14) other payables	4,758,066	6,908,604
due within the next year	4,155,464	6,908,604
due beyond the next year	602,602	-
Total payables	*720,413,726*	*440,915,168*
E) Accruals and deferrals	**3,657,559**	**4,741,218**
Total liabilities	*845,399,956*	*530,189,461*

Ordinary Income Statement

	30/06/2024	30/06/2023
A) Value of production		
1) revenues from sales and services	304,088,833	287,722,306
3) changes in work-in-progress on order	215,646,059	92,767,014
5) other revenues and income	-	-
others	4,780,026	3,674,874
Total other revenues and income	*4,780,026*	*3,674,874*
Total value of production	*524,514,918*	*384,164,194*
B) Cost of production		
6) raw and ancillary materials, consumables and goods	106,589,962	98,738,049
7) services	336,867,646	233,334,756
8) use of third-party assets	7,751,529	5,184,869
9) personnel	-	-
a) salaries and wages	12,080,182	9,301,762
b) social security charges	3,607,632	2,827,135
c) employee severance pay	727,305	577,584
e) other costs	231,035	100,775
Total personnel costs	*16,646,154*	*12,807,256*
10) amortisation/depreciation and write-downs	-	-
a) Amortisation of intangible fixed assets	415,146	430,131
b) depreciation of tangible fixed assets	272,020	257,671
d) Write-downs of receivables included in current assets and of cash and cash equivalents	709,708	419,805
Total amortisation/depreciation and write-downs	*1,396,874*	*1,107,607*
14) other operating expenses	4,605,423	1,769,975
Total costs of production	*473,857,588*	*352,942,512*
Difference between value and costs of production (A - B)	**50,657,330**	**31,221,682**
C) Financial income and expenses		
15) Income from equity investments	-	-
from subsidiary companies	3,500,000	5,114,880
from affiliated companies	1,834,441	7,157,741
Total income from equity investments	*5,334,441*	*12,272,621*
16) other financial income	-	-

	30/06/2024	30/06/2023
c) from securities classified as current assets which are not equity investments	165,732	38,279
d) Income other than the above	-	-
others	2,400,881	590,833
Total income other than the above	*2,400,881*	*590,833*
Total other financial income	*2,566,613*	*629,112*
17) interests and other financial charges	-	-
others	6,688,620	2,386,919
Total interests and other financial charges	*6,688,620*	*2,386,919*
17 bis) currency exchange gains and losses	146	(379)
Total financial income and expenses (15+16-17+-17-bis)	*1,212,580*	*10,514,435*
D) Value adjustments on financial assets and liabilities		
18) revaluations	-	-
a) of equity investments	5,906	-
c) of securities included under current assets which are not equity investments	40,148	-
Total revaluations	*46,054*	*-*
19) write-downs	-	-
a) of equity investments	101,781	38,434
c) of securities classified as current assets which are not equity investments	858,935	19,107
Total write-downs	*960,716*	*57,541*
Total valuation adjustments to financial assets and liabilities (18-19)	*(914,662)*	*(57,541)*
Result before taxes (A-B+-C+-D)	**50,955,248**	**41,678,576**
20) Income taxes for the year (current, deferred and prepaid)		
current taxes	13,118,184	11,187,137
deferred and prepaid taxes	733,050	-
Total income taxes for the year (current, deferred and prepaid)	*13,851,234*	*11,187,137*
21) Profit (loss) for the year	**37,104,014**	**30,491,439**

Cash flow statement, indirect method

	Amount as at 30/06/2024	Amount as at 30/06/2023
A) Financial flows deriving from operating activities (indirect method)		
Profit (loss) for the year	37,104,014	30,491,439
Income taxes	13,851,234	11,187,137
Interest expenses/(interest income)	5,189,318	1,788,278
(Dividends)	(4,854,441)	(11,918,408)
(Capital gains)/Capital losses from transfer of assets	(605,146)	(403,851)
1) Profit (loss) for the year before income taxes, interest, dividends and capital gains/losses from disposals	*50,684,979*	*31,144,595*
Adjustments for non-monetary items that had no counterpart in net working capital		
Allocations to reserves	714,448	421,852
Amortisation and depreciation of fixed assets	687,166	687,802
Write-downs due to impairment	960,716	57,541
Adjustments of the value of financial assets and liabilities of derivative financial instruments that do not involve monetary transactions	237,681	(44,406)
Other increases/(decreases) for non-monetary items	346,669	(945,038)
Total adjustments for non-monetary items with no contra-entry in net working capital	*2,946,680*	*177,751*
2) Financial flow before variations of the net working capital	*53,631,659*	*31,322,346*
Changes in net working capital		
Decrease/(increase) of inventories	(206,410,896)	(106,017,866)
Decrease/(increase) of receivables from customers	(57,981,174)	(34,847,142)
Increase/(decrease) of payables to suppliers	35,294,562	33,423,866
Decrease/(increase) in accrued income and prepaid expenses	(49,149)	131,594
Increase/(decrease) of accrued expenses and deferred income	(1,083,659)	302,240
Other decreases/(other increases) in net working capital	121,912,341	103,608,479
Total variations in net working capital	*(108,317,975)*	*(3,398,829)*
3) Financial flow after variations of the net working capital	*(54,686,316)*	*27,923,517*
Other adjustments		
Interest received/(paid)	(4,262,319)	(1,908,380)
(Income tax paid)	(13,812,978)	(9,571,474)
Dividends received	4,854,441	11,918,409
(Uses of the funds)	(4,951,795)	(361,214)
Other collections/(payments)	246,715	120,102

	Amount as at 30/06/2024	Amount as at 30/06/2023
Total other adjustments	*(17,925,936)*	*197,443*
Financial flow of operating activities (A)	***(72,612,252)***	***28,120,960***
B) Financial flows deriving from investment activities		
Tangible fixed assets		
(Investments)	(218,901)	(335,742)
Disinvestments	1,900	22,387
Intangible fixed assets		
(Investments)	(1,060)	(26,451)
Financial fixed assets		
(Investments)	(80,611,803)	(22,167,718)
Disinvestments	21,463,376	6,196,559
Current financial assets		
(Investments)	(7,246,939)	(980,397)
Disinvestments	4,939,203	1,286,890
Financial flow of investment activity (B)	***(61,674,224)***	***(16,004,472)***
C) Cash flows from financing activities		
Third-party financing		
Increase (decrease) in short-term payables to banks	(55)	(7,820)
Loans taken out	142,474,101	63,287,080
(Loans repayment)	(29,203,389)	(73,543,171)
Cash flow of financing activity (C)	***113,270,657***	***(10,263,911)***
Increase (decrease) of cash and cash equivalents (A ± B ± C)	***(21,015,819)***	***1,852,577***
Cash and cash equivalents at year start		
Bank and postal deposits	129,289,290	127,432,875
Cash and equivalents on hand	1,762	5,600
Total cash and cash equivalents at year start	129,291,052	127,438,475
Cash and cash equivalents at year end		
Bank and postal deposits	108,270,043	129,289,290
Cash and equivalents on hand	5,190	1,762
Total cash and cash equivalents at year end	108,275,233	129,291,052
Balancing difference		

Notes to the Cash Flow Statement

The cash flow statement provides information useful for assessing the company's financial position, including liquidity and solvency, in the year under review, as well as its development in subsequent years.
The examination of the cash flow statement shows that the company has liquidity of EUR 108,275,233, a decrease of EUR 21,015,819 compared to the previous financial year. This change is the combined result of changes in the flows of operating, investing and financing activities. Specifically, cash flows related to investments activities were negative for a total of EUR 61,674,224 and were mainly characterised by investments in financial fixed assets (EUR 80,611,803), reflecting purchases and/or increases in equity investments destined to remain in the company's assets on a long-term basis.
Cash flows from financing activities are positive in the amount of EUR 113,270,656, as a result of new loans received from third parties to support, mainly, working capital activities and the progress of existing real estate projects, net of repayments made.

Notes to the financial statements, first part

These Notes to the financial statements form an integral part of the financial statements for the year ended 30/06/2024.
The year under review closed with a profit of EUR 37,104,014, which compares with the previous year's profit of EUR 30,491,439. This result is shown net of depreciation and amortisation of EUR 687,166, write-downs of EUR 709,708 and taxes of EUR 13,851,234. Shareholders' Equity amounts to EUR 120,201,500.
The Financial Statements are compliant with the provisions of articles 2423 et seq. of the Italian Civil Code and with the national accounting standards as published by the Organismo Italiano di Contabilità (Italian Accounting Organisation); therefore they provide a clear, truthful representation of the equity and financial position of the company and the operating result for the period.
The contents of the statement of financial position and of the income statement are those envisaged by Articles 2424 and 2425 of the Italian Civil Code, while the Cash flow statement was drawn up in compliance with Art. 2425-ter.
The Notes to the financial statements, drawn up in accordance with Art. 2427 of the Italian Civil Code, also contain all the information to provide a correct interpretation of the Financial Statements.

Significant events during the year

Please refer to the information provided in the Management Report for an examination and analysis of the significant events that occurred during the year.

Criteria for the preparation of the financial statements

Preparation of the financial statements

The information contained in this document is presented in the order in which the relative items are indicated in the statement of financial position and in the income statement.
With reference to what is indicated in the introductory part of these Notes to the financial statements, we certify that, pursuant to Art.2423, paragraph 3 of the Italian Civil Code, if the information required by specific provisions of the law is not sufficient to give a true and fair view of the company's situation, the additional information deemed necessary for the purpose is provided.
The Financial statements for the year including these Notes to the financial statements have been drawn up in Euro units.

Accounting principles

The valuation of the items in the Financial Statements was carried out in accordance with the principle of conservatism, materiality and on a going concern basis. Pursuant to Article 2423-bis, paragraph 1, point 1-bis, of the Italian Civil Code, items are recognised and presented taking into account the substance of the transaction or contract. In the preparation of the Financial Statements, proceeds and expenses have been recorded on an accruals basis regardless of the actual date of payment and only the profits realised at the end of the financial year have been indicated. Moreover, the risks and losses relating to the financial year have been considered even if they only became known after its end.
The valuation of the elements comprising the individual items of assets or liabilities was carried out separately, in order to avoid the possibility that the capital gains of some elements could offset the capital losses of others.
Where offsetting is permitted by law, the gross amounts subject to offsetting are disclosed in the Notes to the Financial Statements.

Structure and contents of the Financial Statements

The Statement of Financial Position, Income Statement and Cash Flow Statement and the accounting information contained in these Notes to the financial statements are consistent with the company's books, from which they were directly derived.
In the presentation of the Statement of Financial Position and Income Statement, items preceded by Arabic numerals have not been grouped together, as optionally required by Article 2423 ter of the Italian Civil Code.
In accordance with art. 2424 of the Italian Civil Code, we can confirm that there are no items on the assets or liabilities that fall under more than one item of the Financial Statements.

Exceptional cases pursuant to Article 2423, paragraph 5, of the Italian Civil Code

There were no exceptional cases that made it necessary to make use of the derogations provided for in Article 2423, paragraphs 4 and 5 of the Italian Civil Code.

Changes in accounting principles

There were no exceptional cases that made it necessary to resort to derogations pursuant to Article 2423-bis paragraph 2 of the Italian Civil Code.

Correction of material misstatements

There were no cases of errors that could be defined as material in accordance with the provisions of accounting standard OIC 29.

Comparability and adaptation issues

All financial statement items were comparable with the previous year, pursuant to Article 2423 ter of the Italian Civil Code.

Valuation criteria applied

The criteria applied in the valuation of the items of the financial statements and value adjustments comply with the provisions of the Italian Civil Code and the indications given in the accounting standards issued by the Organismo Italiano di Contabilità (Italian Accounting Organisation). These have not changed from last year.
Pursuant to Article 2427, paragraph 1, no. 1 of the Italian Civil Code, we illustrate the most significant valuation criteria adopted in compliance with the provisions of Article 2426 of the Italian Civil Code, with particular reference to those Financial Statements items for which the legislator allows different valuation and adjustment criteria or for which no specific criteria are envisaged.
The company held no assets in foreign currencies at the end of the year;
Book values expressed in foreign currencies during the previous year were recorded, after conversion into euros at the exchange rate prevailing at the time of their recognition, namely at the exchange rate as at the accounts closing date in accordance with accounting standard OIC 26.

Going concern

These Financial Statements have been prepared on a going concern basis.
The risks related to the business are described in the Management Report, just as the initiatives aimed at pursuing the objectives and increasing the value of the Company are highlighted in the same document.
The valuation of the items in the Financial Statements was carried out on a going concern basis and therefore taking into account the fact that the company constitutes a functioning economic complex, destined, at least for a foreseeable future period of not less than twelve months from the Financial Statements date, to produce income. No significant uncertainties arose in the forward-looking assessment of the going concern basis, even taking into account the prospective order book.

Intangible fixed assets

Intangible fixed assets are recognised as assets when they are individually identifiable and their cost can be estimated with sufficient reliability.
Intangible fixed assets are recorded under assets, with the consent of the Board of Statutory Auditors, where applicable, at purchase cost, including ancillary charges, net of the related amortisation charge, calculated taking into account the long-term usefulness of the assets, and in any case for a period not exceeding five years.
The “Other Intangible Fixed Assets” item consist of “Leasehold Expenses” and are amortised over the term of the relevant lease agreement, as this principle is expressly provided for in Art. 103 par. 2 Presidential Decree 917/86, also consistent with O.I.C. Accounting Standard No. 24.

The intangible fixed asset amortisation criterion has been applied systematically each year, in relation to the residual useful economic life of each individual asset or expense.
In accordance with and pursuant to art. 10 of law no. 72 of 19 March 1983, and as also mentioned by the subsequent monetary adjustment laws, we specify that for the intangible assets that continue to comprise the assets, no monetary adjustments have ever been made.
It should be noted that there were no write-downs on these capitalised expenses pursuant to Art. 2426 paragraph 1 no. 3 of the Italian Civil Code since, as envisaged by accounting standard OIC 9, there were no indicators of potential permanent losses in the value of intangible fixed assets.

Tangible fixed assets

Tangible fixed assets are recorded at purchase cost, including any ancillary charges, adjusted by appropriate depreciation taking into account the technical and economic deterioration over time.
Ordinary maintenance costs were charged in full to the Income Statement in the year in which they were incurred.
The depreciation criteria for tangible fixed assets have not changed with respect to those applied in the previous year. The amortisation rates applied are as follows:

Commercial Buildings	3%
Industrial and commercial equipment	40%
Ordinary office machines and furniture	12%
Electronic office machines	20%
Mobile telephony	20%
Vehicles	20%
Motor vehicles	25%
Other tangible assets	12.50%

Disposals of assets (sales, scrapping, etc.) during the year resulted in the elimination of their residual value. Any difference between book value and disposal value was recognised in the income statement.
For fixed assets acquired during the year, the aforementioned rates have been reduced by half as the depreciation allowance thus obtained does not differ significantly from the amount calculated from the moment in which the asset is available and ready for use.
Pursuant to and for the effects of Art. 10 of law no. 72 of 19 March 1983, as also incorporated into subsequent monetary revaluation laws, it is specified that no monetary revaluation was effected in equity with regards to the Company's tangible assets.

It should be noted that no write-downs were required pursuant to Art. 2426 paragraph 1 no. 3 of the Italian Civil Code since, as envisaged by accounting standard OIC 9, there were no indicators of potential permanent losses in value of tangible fixed assets.

Land and buildings

The company has separately accounted for the part of the land underneath the owned commercial buildings and no depreciation has been applied for it, as these are assets for which no exhaustion of future usefulness is foreseen

Write-downs due to impairment

Write-downs due to impairment of tangible and intangible fixed assets, should the prerequisites occur, would be accounted for in accordance with the provisions of accounting standard OIC 9.
If these assumptions were met, the company would estimate the recoverable amount of the fixed asset.
In particular, if the recoverable amount of an asset (i.e. the higher of its value in use and its fair value less costs to sell) were lower than its carrying amount, the asset would be recognised at this lower value and the difference would be recognised in the Income Statement under item B10 C) as an impairment.
If, in subsequent years, the reasons for the write-down should no longer apply, the original value would be restored, adjusted only for depreciation. Reversals of impairment would be recognised under item A5.

Financial fixed assets

Equity investments

Equity investments recorded as financial fixed assets are intended to remain in the Company's assets on a long-term basis, otherwise they would be recorded as current assets.
Equity investments in companies are recorded and valued at purchase or incorporation cost, including any ancillary charges. The cost incurred at the time of purchase of a long-term equity investment is maintained in the Financial Statements of subsequent years, unless an impairment occurs. The Company assesses at the end of each financial year whether there are any indicators that a fixed asset may be impaired. The impairment is determined by comparing the carrying amount of the equity investment with its recoverable amount, determined on the basis of the future benefits expected to accrue to the investor company. The write-down for impairment is not maintained if the conditions for the adjustment are no longer met.

Receivables

The receivables recorded among the financial fixed assets have been recognised in the financial statements according to the amortised cost method, as defined by Article 2426, paragraph 2, of the Italian Civil Code, taking into account the time factor and the estimated recoverable amount, in accordance with Article 2426, paragraph 1, No. 8, of the Italian Civil Code. The adjustment to the assumed realisable value is carried out through the allocation of a provision for doubtful accounts.

For all receivables for which application of the amortised cost and/or discounting method was found to be irrelevant, the principle of reporting on the basis of the presumed realisable value was maintained in order to provide a truthful, accurate representation of the company's equity and financial position. This circumstance occurred for example in the presence of receivables due before twelve months or, with reference to the criterion of amortised cost, if transaction costs, commissions and any other difference between initial value and maturity value were immaterial or also, in the case of discounting, in the presence of an interest rate (inferable from the contractual terms) that is not significantly different from the market interest rate.

Financial derivative instruments assets

In accordance with the provisions of Accounting Standard OIC 32, it includes the positive fair value measurement of derivative contracts hedging interest rate risk, outstanding at year end.

Derivative financial instruments are activated by the company to hedge underlying interest rate risks. The instruments qualify as simple hedges and are therefore valued using the simplified method.

A derivative financial instrument hedging the cash flow or fair value of an asset follows the classification of the hedged asset in current or fixed assets; a derivative financial instrument hedging the cash flow or fair value of a liability, firm commitment or highly probable forecast transaction is classified in current assets, as is a non-hedging derivative financial instrument. In the event of a negative fair value, these instruments are recognised as liabilities under provisions and risks.

Changes in the fair value of derivative financial instruments are shown in the Income Statement in section D) "Value adjustments to financial assets and liabilities", while changes in the fair value of the effective component of cash flow hedging derivative financial instruments are recognised in Shareholders' Equity, under the item Reserve for expected cash flow hedging transactions.

Finance leasing operations

As Italian legislation requires, assets acquired under financial leasing contracts are entered in the books in accordance with the equity method, with the leasing charges included in the operating costs. Please refer to the specific paragraph for details.

Inventories

Contract work in progress is measured by applying the percentage of completion method if all the following requirements of Accounting Standard OIC 23 are met:

- there is a contract binding on the parties that clearly defines their obligations and, in particular, the contractor's right to consideration;
- there is a right to consideration for the entity performing the work, which accrues with reasonable certainty progressively as the work is performed;
- there are no situations of uncertainty relating to contractual conditions or external factors of such a magnitude as to make the ability of the contractors to meet their obligations doubtful;
- the result of the order can be reliably measured.

Contract work in progress is valued on the basis of contractual payments accrued with reasonable certainty.
Specifically, job orders are valued according to the percentage-of-completion criterion (cost-to-cost).
According to this criterion, the valuation of inventories for contract work in progress is carried out to the extent of the revenue accrued at the end of each financial year, determined with reference to the stage of progress of the work, which gives the certainty that the revenue accrued will be definitively recognised to the contractor as consideration for the value of the work performed.
The value of works or services performed during the financial year is represented in the value of production and calculated as the sum of revenues from sales and services (item A1), which reflect work definitively paid for during the financial year, and the change in contract work in progress (item A3). The change in work in progress is the change in inventories for work performed and not yet definitively settled at the beginning and end of the financial year, respectively.
Advances and payments on account are recognised as a liability under item D6 'Advances'. Revenue recognition is effected only when there is certainty that the accrued revenue will be definitively recognised as consideration for the value of the work performed.
In the case of final invoicing of works, advances and payments on account are reversed from liabilities as a balancing entry to revenue recognition under item A1 'Revenue from sales and services'.
The value of contract work in progress with an agreed contractual price in a currency other than the Euro is first determined in the contractual currency using the percentage of completion method and then converted into Euro at the invoice exchange rate. If the invoiced portion is less than the value of the works, the surplus is converted into Euro at the year-end exchange rate.
Formalised design variations are recognised as an increase in the contractual value and are included in contract work in progress only if, by the Financial Statements date, their recognition and determination is certain or reasonably certain, i.e. when there is formal acceptance or it is highly probable that there will be acceptance based on the latest information and historical experience.

Pre-operating costs (e.g. design costs and costs for contract-specific studies) incurred after the acquisition of the contract are recognised as contract costs. On the other hand, costs incurred prior to the acquisition of the contract are included in contract costs only if they are specifically attributable and the acquisition of the contract takes place, or becomes reasonably certain, in the same financial year in which the costs are incurred or between the year-end date and the date of preparation of the Financial Statements, and these costs are reliably measurable and recoverable through the order margin.
Costs to be incurred after the completion of the contract are included in the contract costs and in the cost estimate; after the completion of the contract, appropriate provisions for risks and charges are made for the amount of these costs not yet incurred.
If there is a probability that the estimated total costs of an individual contract exceed the estimated total revenues, the probable loss on completion of the contract is recognised as a decrease in contract work in progress in the period of the probable loss.

Receivables booked as current assets

Receivables recognised in the Financial Statements represent rights to collect, at an identified or identifiable maturity, fixed or determinable amounts of cash and cash equivalents from customers or other parties.
Receivables arising from the sale of goods and services are recognised in accordance with the requirements set out in the commentary paragraph on revenues.
Receivables are stated in the financial statements at amortised cost, taking account of the timing factor, and within their presumable realisable value, and are therefore reported in the statement of financial position net of the relevant write-down reserve deemed to be appropriate to cover losses from reasonably certain bad debts.
The Company assumes that the effects of applying amortised cost and discounting are immaterial when the maturity of the receivables is within 12 months, taking into account all contractual and material considerations existing at the time of recognition of the receivable, and the transaction costs and any difference between the initial value and the nominal value at maturity are of insignificant amount. In this case, discounting was omitted, interest was computed at nominal value, and transaction costs were recognised as deferrals and amortised on a straight-line basis over the life of the receivable as an adjustment to the nominal interest income.

Tax Receivables and Prepaid taxes
The item "Tax Receivables" includes certain and definite amounts arising from receivables for which a right to realisation has arisen through reimbursement or offsetting.
The item “Assets for prepaid taxes” includes prepaid taxes determined according to the temporary deductible differences or the carryforward of tax losses, applying the estimated rate in force at the time when it is considered that these differences will arise.

Financial assets not classified as fixed assets

Other securities

Current securities of a fungible nature were valued at the lower valued between initial recognition cost and realisable value based on market trends. The LIFO (last-in, first-out) method was adopted for the valuation of initial recognition cost, as an alternative to specific cost.

Cash and cash equivalents

Cash and cash equivalents are valued according to the following criteria:

- money, at nominal value;
- bank deposits and cashier's cheques, at estimated realisable value. In this case, the realisation value is the nominal value.

Accrued income and prepaid expenses

Accruals and deferrals have been calculated on an accrual basis, by distributing the revenues and/or costs common to more than one year.
In the recognition, as in the review of prepaid expenses over several years, the existence or permanence of the time condition was verified.

Shareholders' Equity

This item includes all transactions of an equity nature between the company and persons exercising their rights and duties as shareholders. Increases in share capital are recognised in the accounts only after the transaction has been entered in the Companies Register, as governed by Article 2444, paragraph 2, of the Italian Civil Code. In this case, the corresponding amount is recognised in a separate Shareholders' Equity item (other than "Capital"), which accommodates the amounts of capital subscribed by shareholders, which will be subsequently reclassified when the conditions described above occur.
The items have been entered at book value, as indicated in accounting standard OIC 28.

Provisions for risks and charges

The provisions for risks and charges were established to cover the liabilities the existence of which is considered certain or probable, the amount or date of occurrence of which could not be established as at the end of the financial year.

The funds were established on the basis of the prudence and accrual principles, in accordance with the provisions of accounting standard OIC 31. The correlated allocations are entered in the Income Statement for the relative year under the criterion of classification of costs “by nature”.
The provision for deferred taxes includes the recognition of the tax effect arising from the fair value recognition of interest rate risk hedging derivative contracts, outstanding at year end.

Employees’ severance pay

TFR (Employees’ Severance Pay) is calculated in compliance with art. 2120 of the Italian Civil Code, taking into account all provisions of law and contract specifications and those of professional categories, and includes the annual shares matured and revaluations carried out on the basis of ISTAT statistical coefficients.
The amount of this reserve is stated net of advances paid and shares used for any termination of employment that may have taken place during the year, and represents the certain debt due to employees at the accounts closing date.

Payables

Payables arising from the acquisition of assets are recognised in the Statement of Financial Position when significant risks, charges and rewards of ownership are transferred in substance. The liabilities associated with services are reported when the services have been rendered. The financial liabilities arising from loan operations and payables arising for various reasons from the acquisition of goods and services are reported when the company has an obligation to the counterparty identified on the basis of legal and contractual standards. The payables are recognised in the financial statements at amortised cost, on an accrual basis.
The classification of debts among the various debt items is made on the basis of their nature (or origin) with respect to ordinary operations, regardless of the time period within which the liabilities are to be settled.
The company presumes the effects of applying amortised cost and discounting to be immaterial when the maturity of debts within 12 months, taking into account all material contractual considerations existing at the time of debt recognition, fees paid between the parties and transaction costs, and any difference between the initial value and the nominal value at maturity, are of insignificant amount. In that case, discounting is omitted. When the effects are deemed immaterial, the debt is initially recorded at a value equal to its nominal value, net of all transaction costs and all premiums, discounts and rebates directly arising from the transaction that generated the debt and separated according to time period.

Accrued expenses and deferred income

Accruals and deferrals have been calculated on an accruals basis, by means of dividing up costs and/or revenues common to several years.
In the entry as well as in the review of deferred income with a multi-year duration, the existence or permanence of the time condition was verified. Where this condition has changed, the appropriate changes have been made, which are highlighted below.

Recognition of costs and revenues

Revenues are recorded in the financial statements on an accrual basis, net of returns, allowances, discounts and premiums, as well as the taxes directly related to them.
With regard to the sale of assets, the related revenues are recorded when the substantial and non-formal change of the title of ownership has occurred, assuming as a benchmark, for the substantial change, the transfer of risks and benefits.
Revenues from the delivery of services are recognised when the service is delivered, i.e. when the service has been performed; in the particular case of continuous services, the related revenues are deemed realised and may be allocated to sales when it is certain that the accrued revenue will be definitively recognised as consideration for the value of the work performed.
Costs are stated according to the principles of prudence and accrual. The costs of raw materials, consumables and goods for resale include the ancillary purchase costs (transport, insurance, loading and unloading, etc.) if included by the supplier in the purchase price of the same, otherwise they are entered separately under costs for services according to their nature.
Not only costs of a certain amount are recognised as costs, but also those not yet documented for which the transfer of ownership has already taken place or the service has already been received.
Financial income and charges are recognised on an accrual accounting basis.

Dividends

Dividends are recognised when, as a result of the resolution passed by the shareholders' meeting of the investee company to distribute the profit or any reserves, the right to collect them arises by the investor company. The dividend is recognised as financial income, regardless of the nature of the reserves being distributed. The investor company verifies that, following the distribution, the recoverable amount of the equity investment has not decreased to such an extent that an impairment loss must be recognised.

Income taxes

Income taxes for the year are accrued on an accrual basis, and are determined in accordance with the laws in force and on the basis of estimated taxable income; in the Statement of Financial Position payables are recognised under "Tax payables" and receivables are recognised under "Tax Receivables".
The calculation of income taxes took into account the effects resulting from the transposition into Italian tax law of the so-called "principle of derivation" of the corporate income taxable basis from the statutory financial statements, introduced by Article 13-bis of Decree-Law No. 244/2016 which radically amended the content of Article 83 of the Consolidated Income Tax Act. With reference to the recognition of the tax effects arising from timing differences between the presentation of economic components in the Financial Statements and the time at which they are recognised for tax purposes, we specify the following. Deferred taxes have been calculated on the basis of taxable temporary differences by applying the tax rate that is deemed to be in force at the time when such temporary differences will generate an increase in the taxable base.
In accordance with the conservatism principle, prepaid taxes have been calculated on deductible temporary differences by applying the tax rate that is deemed to be in effect at the time these differences will generate a decrease in taxable income, based on the principle of the reasonable certainty of the existence of future taxable income sufficient to absorb the above changes.
The amount of prepaid taxes is reviewed annually in order to verify the continued reasonable certainty of future taxable income such that the full amount of prepaid taxes will be recovered.
The amount of deferred and prepaid taxes is also subject to restatement in the event of a change in the tax rates originally considered.
It should be noted that the company acts as consolidating company for the corporate income tax (IRES) settlement, within the national tax consolidation, together with the subsidiary Milano Sviluppo S.r.l.

Other information

Transactions with term repurchase agreement

Pursuant to Article 2427 No. 6-ter of the Italian Civil Code, the company certifies that during the year it did not enter into any transactions subject to repurchase obligation at maturity.

Notes to the Financial Statements Assets

The changes to the individual items in the financial statements are analysed in detail below, in compliance with current legislation.

Fixed assets

Intangible fixed assets

Changes to intangible fixed assets

After recording the amortisation expenses for the year in the income statement, amounting to EUR 415,146 and primarily related to the amortisation of improvements on third-party assets, intangible fixed assets amount to EUR 3,740,829, representing a decrease of EUR 414,086 compared to the previous year.

The table shows the changes that occurred during the year:

	Industrial patents and intellectual property rights	Concessions, licenses, trademarks and similar rights	Goodwill	Other intangible fixed assets	Total intangible fixed assets
Year-start value					
Cost	345,700	1,622	2,728,000	5,615,321	8,690,643
Amortisation and depreciation (Provision for amortisation and depreciation)	320,224	180	2,728,000	1,487,323	4,535,727
Book Value	25,476	1,442	-	4,127,998	4,154,916
Changes in the year					
Increases through acquisitions	1,060	-	-	-	1,060
Amortisation/depreciation for the year	18,049	90	-	397,007	415,146
Total changes	*(16,989)*	*(90)*	-	*(397,007)*	*(414,086)*
Year-end value					
Cost	346,760	1,622	2,728,000	5,615,321	8,691,703
Amortisation and depreciation (Provision for amortisation and depreciation)	338,273	271	2,728,000	1,884,330	4,950,874
Book Value	8,487	1,351	-	3,730,991	3,740,829

The increases concerned only the improvement of the computer software system.

Tangible fixed assets

Changes in tangible fixed assets

Tangible fixed assets, gross of accumulated depreciation, amounted to EUR 3,550,323. Depreciation funds amounted to EUR 1,720,683.

After recording the depreciation for the year, amounting to EUR 272,020, the net value of tangible fixed assets amounted to EUR 1,829,640, representing a decrease of EUR 60,769 compared to the previous year.

The following table shows the movements of the fixed assets in question.

	Land and buildings	Industrial and commercial equipment	Other tangible fixed assets	Total tangible fixed assets
Year-start value				
Cost	1,264,312	306,435	1,795,494	3,366,241
Amortisation and depreciation (Provision for amortisation and depreciation)	46,477	283,820	1,145,535	1,475,832
Book Value	1,217,835	22,615	649,959	1,890,409
Changes in the year				
Increases through acquisitions	-	8,153	210,158	218,311
Reductions for disposals and divestments (of book value)	6,840	-	220	7,060
Amortisation/depreciation for the year	30,984	14,913	226,123	272,020
Total changes	*(37,824)*	*(6,760)*	*(16,185)*	*(60,769)*
Year-end value				
Cost	1,257,472	314,588	1,978,263	3,550,323
Amortisation and depreciation (Provision for amortisation and depreciation)	77,461	298,733	1,344,489	1,720,683
Book Value	1,180,011	15,855	633,774	1,829,640

The increases relate to planned investments, mainly in industrial and IT equipment, furnishings and vehicles.

Finance leasing operations

The following table provides the information required by Italian law to offer an off-balance-sheet representation of the implications arising from the accounting difference compared to the financial method, under which the lessee would include the asset held under the lease in its fixed assets and calculate the relevant depreciation on the asset, while recognising the principal portion of the lease payments as a liability. In this case, the amount of the interest and repayments for the year concerned would be entered in the income statement.

	Amount
Total amount of financially leased assets at year end	346,000
Depreciation that should have been recognised during the year	69,200
Current value of the instalments not yet due at year end	46,272
Financial charges accruing to the year on the basis of the effective interest rate	3,691

Financial fixed assets

Financial fixed assets amounted to EUR 81,466,625, an increase over the previous year of EUR 56,467,099.

Changes of equity investments, other securities and derivative financial instruments classified as non-current assets

The table below shows changes to the fixed assets above.

	Equity investments in subsidiary companies	Equity investments in affiliated companies	Total equity investments	Financial derivative instruments assets
Year-start value				
Cost	9,837,936	3,879,465	13,717,401	558,598
Write-downs	263,900	-	263,900	-
Book Value	9,574,036	3,879,465	13,453,501	558,598
Changes in the year				
Increases through acquisitions	27,593,374	18,674,295	46,267,669	-
Reclassifications (of the book value)	-	(3,359,463)	(3,359,463)	(237,681)
Decreases for disposals or divestments (of book value)	32,684	520,000	552,684	-
Revaluations during the	5,906	-	5,906	-

	Equity investments in subsidiary companies	Equity investments in affiliated companies	Total equity investments	Financial derivative instruments assets
year				
Write-downs during the year	101,781	-	101,781	-
Total changes	27,464,815	14,794,832	42,259,647	(237,681)
Year-end value				
Cost	37,398,626	18,674,297	56,072,923	320,917
Revaluations	5,906	-	5,906	-
Write-downs	365,681	-	365,681	-
Book Value	37,038,851	18,674,297	55,713,148	320,917

The increase in the value of equity investments recorded during the year mainly concerned:

- the acquisition of the company Euro S.r.l., in which your company holds 100% of the share capital, recorded in the financial statements in the amount of EUR 16,945,419. In May 2024, the plan for the merger by incorporation of Euro S.r.l. into Techbau S.p.A. was approved and registered, and the merger became effective in August;
- the subscription to the capital increase of the subsidiary Fabrica X S.r.l. for a total of EUR 9,688,356, thereby bringing your Company's shareholding in the share capital to 89.802%.
- the purchase of units in the FIA TBGO 1 Fund, recorded in the financial statements in the amount of EUR 18,674,295, for the development of common synergies;
- The subscription, in June, of the entire share capital of two newly incorporated companies, with a cost in the financial statements of EUR 10,000 each, intended for the development of new projects. These are the companies TB12 S.r.l. and Rubattino Retail S.r.l.

The increase of EUR 939,600, distributed among the various subsidiaries, represents the amount of increase in the cost of the various equity investments against the various capital contribution payments and additional share capital account payments, or the waiver of repayment of part of the loans previously granted in favour of the subsidiaries;

Decreases in the value of equity investments recorded during the year, on the other hand, relate to the liquidation and sale of equity investments no longer deemed strategic:

- the conclusion of the liquidation process of the company Gallarate Sviluppo S.r.l., resulting in its dissolution, led to the liquidation of the relevant shareholding;
- the sale of the entire shareholding in the company MTM Hotels S.r.l.

It should be noted that the company Progetto La Vigna S.p.A., at the end of the financial year, was wholly owned by the company Castelli Holding S.r.l., in which your company holds a 60% stake in the share capital. With effect from

3 July 2023, both Progetto La Vigna S.p.A. and Castelli Holding S.r.l. were merged by incorporation into Aurelia Garden S.p.A., in which your company holds a 60% shareholding.

More detailed information on the activities of the various investee companies is provided in the Management Report, to which we refer.

Furthermore, financial fixed assets also included the positive fair value of two interest rate hedging derivative contracts related to medium- and long-term bank loans.

Variations and due dates of non-current receivables

The table below shows changes to the fixed assets above.

	Year-start value	Changes in the year	Year-end value	Portion due within the year	Portion due beyond the year
Receivables from subsidiaries	10,987,427	8,125,133	19,112,560	60,000	19,052,560
Receivables from affiliated companies	-	6,320,000	6,320,000	-	6,320,000
Total	**10,987,427**	**14,445,133**	**25,432,560**	**60,000**	**25,372,560**

The non-current receivables consist exclusively of interest-free and interest-bearing loans granted to companies directly or indirectly controlled or affiliated, to meet temporary liquidity needs. The change from the previous year reflects disbursements made to group companies to develop their respective projects, in addition to reimbursements received during the year and waivers of reimbursement of part of these receivables, to favour the capitalisation of certain subsidiaries. Details of the amounts are provided below:

Company	Amount	Type
Euro Srl	60,000	Non-interest Bearing Loan
Aurelia Garden SpA	1,050,000	Non-interest Bearing Loan
Techbau Green Energy Srl	310,000	Non-interest Bearing Loan
TB01 Srl	40,000	Non-interest Bearing Loan
Via Bombay n. 1 Srl	385,427	Non-interest Bearing Loan
Corte dei Principi Srl	6,790,000	Non-interest Bearing Loan
Aurelia Garden SpA	402,000	Interest-bearing Loan
Via Bombay n. 1 Srl	10,075,133	Interest-bearing Loan
SP Techbau PEC3 LLC	6,320,000	Interest-bearing Loan
Total	**25,432,560**	

Details of equity investments held as fixed assets in subsidiary companies

The following table shows equity investments relating to subsidiary companies, as well as the additional information required by art. 2427 of the Italian Civil Code.

Name	City, if in Italy, or foreign country	Tax code (for Italian businesses)	Share capital in euros	Profit (loss) from last year in Euro	Shareholders' equity in Euro	Stake held in euros	Stake % held	Book value or corresponding receivable
TECHBAU GREEN ENERGY S.R.L.	MILAN (MI)	10144400966	200,000	(258,066)	451,493	200,000	100.000	947,934
LOGI-TECH S.R.L.	MILAN (MI)	01922050032	20,000	(12,226)	22,180	12,000	60.000	13,308
AURELIA GARDEN SPA	MILAN (MI)	10396080961	100,000	44,390	10,228,790	60,000	60.000	5,710,917
TB06 S.R.L.	MILAN (MI)	10705760964	10,000	(1,828)	12,034	10,000	100.000	12,034
TB07 S.R.L.	MILAN (MI)	10803250967	10,000	(7,737)	11,813	10,000	100.000	11,813
FABRICA X SRL	MILAN (MI)	10803660967	12,563,356	(113,585)	12,439,341	11,282,106	89,802	11,287,506
TB01 S.R.L.	MILAN (MI)	10144390969	10,000	(31,272)	3,482	10,000	100.000	3,482
MILANO SVILUPPO SRL	MILAN (MI)	05634280969	90,000	1,390,800	1,499,042	90,000	100.000	501,000
CORTE DEI PRINCIPI SRL	MILAN (MI)	12067100961	10,000	(25,262)	13,468	10,000	100.000	13,468
VIA BOMBAY N. 1 SRL	MILAN (MI)	12067230966	19,608	(96,765)	31,052	10,000	51.000	75,998
CASTORE S.A.S. DI CAPITAL SOLUTION SRL	MILAN (MI)	93521740725	100,000	(200,461)	175,044	79,920	79.920	1,425,972
RUBATTINO 87 - SOCIETA' A RESPONSABILITA' LIMITATA [LIMITED LIABILITY COMPANY]	MILAN (MI)	03066720172	500,000	134,722	366,868	500,000	100.000	70,000
EURO SRL	BOLOGNA (BO)	04894520487	10,000	(42,968)	22,139,913	10,000	100.000	16,945,419
TB 12 S.R.L.	MILAN (MI)	13600340965	10,000	-	10,000	10,000	100.000	10,000
RUBATTINO RETAIL S.R.L.	MILAN (MI)	13600820966	10,000	-	10,000	10,000	100.000	10,000
Total								37,038,851

For all companies, an assessment was made as to whether there was a congruity between the value recorded in the Financial Statements for the equity investment held and the Shareholders' equity of the investee company. Where there were negative results, it was assessed whether the loss was to be considered structural and what the operating profitability of the company was.

For the following equity investments recorded in the Financial Statements, the valuation was made by applying the cost method, where cost is understood to be the charge incurred for the purchase, regardless of the method of payment, including any ancillary charges. These are: MILANO SVILUPPO S.r.l., AURELIA GARDEN S.p.A. (formerly TB04 S.r.l.), CASTORE S.a.s. DI CAPITAL SOLUTION S.r.l., RUBATTINO 87 S.r.l., EURO S.r.l., TB12 S.r.l. and RUBATTINO RETAIL S.r.l..

In particular, regarding the valuation of the equity investments held in the companies MILANO SVILUPPO S.r.l., RUBATTINO 87 S.r.l., AURELIA GARDEN S.p.A. (formerly TB04 S.r.l.), and EURO S.r.l., the carrying amount recorded in the financial statements at the end of the financial year is lower than the share of Shareholders' Equity held in these companies.

As for the valuation of the equity investments held in the companies "TECHBAU GREEN ENERGY S.r.l.", "VIA BOMBAY N.1 S.r.l." (formerly TB11 S.r.l.), and "FABRICA X S.r.l.", these companies have significant strategic development plans that justify the difference between the book value determined at cost and the Shareholders' Equity of the investee company.

With regard to the following companies, it was deemed prudent to adjust the carrying value of the equity investment to the shareholders' equity value of the share held, making a specific write-down, as the process of evaluating and selecting the projects to which they will be allocated is still ongoing.

These are: TB01 S.r.l., TB06 S.r.l., TB07 S.r.l., CORTE DEI PRINCIPI S.r.l. (formerly TB10 S.r.l.) and LOGI-TECH S.r.l.

The write-downs recognised amount to a total of EUR 359,775 and show the effect of adjusting the value of the equity investments in these subsidiaries to their respective share of shareholders' equity held.

With regard to the activities carried out by the various subsidiaries, please refer to the relevant section of the Management Report.

Details of equity investments held as fixed assets in affiliated companies

The following table shows equity investments in affiliated companies, as well as the additional information required by Article 2427 of the Italian Civil Code.

Name	City, if in Italy, or foreign country	Stake held in euros	Stake % held	Book value or corresponding receivable
SP TECHBAU PEC 3 LLC	USA	1	20.000	1
SP TECHBAU LLC	USA	1	20.000	1
FIA TBGO 1	ITALY	1,842	30,000	18,674,295

Name	City, if in Italy, or foreign country	Stake held in euros	Stake % held	Book value or corresponding receivable
Total				18,674,297

During the year, units of the Italian Closed-end Alternative Investment Fund (AIF), known as FIA TBGO 1, were purchased. The unit value of each of the units held as at 30 June 2024, is higher than the unit value resulting from the half-yearly management report.

During the year, the shareholding in the company MTM Hotels S.r.l. was sold.

Instead, the investment in the company "ABITAREIN S.p.A.", previously recorded until the prior year, has been more appropriately reclassified among those listed in current assets.

With regard to the activities carried out by the various subsidiaries, please refer to the relevant section of the Management Report.

Breakdown of lnon-current receivables by geographic area

The following table shows the breakdown by geographic area of receivables recognised as financial fixed assets.

Geographical area	Non-current receivables from subsidiaries	Non-current receivables from affiliates	Total non-current receivables
ITALY	19,112,560	6,320,000	25,432,560
Total	**19,112,560**	**6,320,000**	**25,432,560**

Value of financial fixed assets

Financial fixed assets in the Financial Statements have not been recorded at a value higher than their fair value, except for certain equity investments, for which specific reasons have already been provided in the previous paragraphs.

Current assets

Inventories

The following table shows the information on changes to inventories.

	Year-start value	Changes in the year	Year-end value
contract work in progress	251,336,097	215,646,059	466,982,156

	Year-start value	Changes in the year	Year-end value
advances	18,078,263	(9,235,163)	8,843,100
Total	*269,414,360*	*206,410,896*	*475,825,256*

Contract work in progress is valued in accordance with current accounting principles, recognising contractual revenues according to the concept of percentage of completion and relating them to the costs incurred during the year (i.e. the percentage of completion is determined as a percentage and in proportion to the ratio of costs actually incurred to estimated project costs). Revenues for contracts in progress are recognised when it is certain that the accrued revenue will be definitively recognised as consideration for the value of the work performed. This certainty normally occurs when the state of progress reports (SAL) prepared in consultation with the client are accepted by the latter. Contractually determined invoices generally constitute financial advances and are therefore accounted for under liabilities as advances from customers; however, when they correspond to the value of the work performed, they are recognised as revenue within the limits of that value if it is certain that the revenue accrued will be definitively recognised to the contractor. The progress of orders is therefore recognised as a change in contract work in progress, while invoices issued to customers in accordance with contractual agreements are regarded as payments on account. In the year in which the accrued revenue is definitively recognised to the Company by the counterparty, i.e. in the year of completion of all contract activities, advances received, net of progress already accounted for, are recognised in the value of production under revenues from sales and services. Projected contract cost estimates are continually reviewed and any operating margin losses are recognised immediately in the year in which they become certain or probable and determinable.
During the year, it was not deemed necessary to set aside provisions to adjust the value of inventories.
The item "Advances" includes amounts paid as advances to suppliers for the purchase of goods and for contracts for the supply of goods and services, which will be delivered and executed after the end of the financial year.

Receivables booked as current assets

Receivables recorded under current assets amount to a total of EUR 160,081,555, of which EUR 7,496,038 are due beyond the next year.

Changes and due date of the receivables booked as current assets

The following table provides information on changes in receivables recognised as current assets, as well as information on their maturity.

	Year-start value	Change in the year	Year-end value	Portion due within the year	Portion due beyond the year	Of which with a residual duration of more than 5 years
Receivables from customers	71,961,678	46,269,589	118,231,267	118,231,267	-	-
Receivables from subsidiaries	8,123,403	14,847,767	22,971,170	22,971,170	-	-
Tax receivables	1,634,019	7,576,488	9,210,507	3,767,750	5,442,757	3,720
Prepaid taxes	981,466	(733,049)	248,417	-	-	-
Receivables from others	8,455,394	964,800	9,420,194	7,366,913	2,053,281	-
Total	**91,155,960**	**68,925,595**	**160,081,555**	**152,337,100**	**7,496,038**	**3,720**

“Receivables from customers” amounted to EUR 118,231,267 compared to EUR 71,961,678 in the previous year. These are shown net of credit notes to be issued and the relevant provision for doubtful accounts, totalling EUR 739,172.

The following table shows the changes in the doubtful debts allowance during the year:

Provision for write-down of receivables	Amount in euro
Opening balance as at 30.06.2023	3,875,353
Allocations	709,708
Utilisation	3,845,889
Closing balance as at 30.06.2024	739,172

The item "Receivables from subsidiaries" amounting to EUR 22,971,170 represents receivables from subsidiaries accrued for work performed on projects implemented by them and for services rendered.

Tax receivables" amounted to EUR 9,210,507 as of 30 June 2024 (EUR 1,634,019 at the close of the previous financial year), of which EUR 5,442,757 are available for use beyond the next financial year. The increase is mainly due to the recognition of tax credits acquired during the year.

The item “Receivables for prepaid taxes” as at 30.06.2024 relates to prepaid taxes, set aside against differences, of a temporary nature, between the results taxable according to tax regulations and the figures determined according to the Italian Civil Code. Details of prepaid tax assets are summarised in the table in the “Deferred and prepaid taxes” section of these Notes to the financial statements.

As in the previous year, prepaid taxes were recognised and/or maintained on tax items arising from temporary differences, as these are an expression of timing misalignments in the preparation criteria which, assuming the

company is a going concern, will occur in future years. These differences mainly relate to write-downs related to certain contracts whose work in progress has been suspended and to write-downs of doubtful receivables. The visibility of the expected results for future years allows the Directors to consider these receivables recoverable in future years, against the generation of future taxable income.

The item "Receivables from others" includes, inter alia, receivables related to:

- Advances paid to suppliers in the amount of EUR 321,112;
- Miscellaneous guarantee deposits amounting to EUR 461,109;
- Guarantee deposits in the amount of EUR 6,846,641, relating to transactions in progress and subject to conditions; the deposits are almost entirely backed by a surety guarantee covering the potential repayment obligation;
- Advances to employees in the amount of EUR 134,250, the reimbursement of which follows the agreed instalment plan.
- Other sundry receivables totalling Euro 1,657,082.

Breakdown of receivables included in current assets by geographical area

The table below sets out the breakdown of the receivables included in the current assets by geographical area.

Geographical area	Trade receivables recognised under current assets	Receivables from subsidiary companies recognised as current assets	Tax receivables booked as current assets	Prepaid tax assets booked as current assets	Receivables due from others booked as current assets	Total receivables booked as current assets
ITALY	117,299,169	22,971,170	9,209,861	248,417	9,420,194	159,148,811
ABROAD	932,098	-	646	-	-	932,744
Total	**118,231,267**	**22,971,170**	**9,210,507**	**248,417**	**9,420,194**	**160,081,555**

Receivables from foreign entities relate to trade receivables from foreign customers and tax receivables for VAT refund requests made to countries of the European Community.

Financial assets not classified as fixed assets

Variations in financial assets not classified as fixed assets

The following table provides information on changes in financial assets not classified as fixed assets

Item description	Year-start value	Changes in the year	Year-end value

Item description	Year-start value	Changes in the year	Year-end value
other shareholdings	-	2,503,725	2,503,725
other securities	8,960,145	2,344,706	11,304,851
Total	*8,960,145*	*4,848,431*	*13,808,576*

As prescribed by the accounting standard OIC 20, financial assets not classified as fixed assets include temporary investments of liquidity in securities and financial products, which increased during the year by EUR 4,848,431 and totalled EUR 13,808,576, valued at the lower of cost and realisable value.
Among the other equity investments, the value of the 2.35% stake in the company "Abitare.In S.p.A.", listed on the Italian Euronext Star Milan market, is recorded. The carrying value has been aligned with the market value, resulting in a write-down of EUR 855,738.

Cash and cash equivalents

The following table shows the information on changes in cash and cash equivalents.

	Year-start value	Changes in the year	Year-end value
bank and postal deposits	129,289,290	(21,019,247)	108,270,043
cash and equivalents on hand	1,762	3,428	5,190
Total	*129,291,052*	*(21,015,819)*	*108,275,233*

The amounts refer to cash on hand and current account positive balances, free of encumbrances and fully available.
It should also be noted that the item "Bank and Postal Deposits" as at 30 June 2024 included approximately EUR 13,763 related to prepaid credit card balances.
For a more detailed analysis of the elements that generated or absorbed financial resources, please refer to the Cash flow statement.

Accrued income and prepaid expenses

The following table provides information on changes in accrued income and prepaid expenses.

	Year-start value	Change in the year	Year-end value
Accrued income	-	6,073	6,073
Prepaid expenses	323,093	43,076	366,169
Total accrued income and prepayments	**323,093**	**49,149**	**372,242**

The following table shows the break-down of the items in question, as they are recorded in the financial statements.

Description	Detail	Current year amount
ACCRUALS AND DEFERRALS		
	Interest on current assets securities	6,073
	Prepaid expenses	348,887
	Multi-year prepaid expenses	17,282
	Total	**372,242**

Prepaid expenses amounted to EUR 366,169 and increased by EUR 43,076 compared to the previous year. Prepayments are recognised to allocate future negative components to the subsequent financial year. These components mainly consist of insurance charges, lease payments and ancillary charges, rental and technical assistance fees, subscriptions and commercial services.
It should be noted that there are no deferrals with a duration of more than five years.

Capitalised financial charges

The following table shows, separately for each item, the amount of interest and other financial charges allocated in the year to the values recorded in the assets of the statement of financial position, in accordance with the provisions of accounting standard OIC 13. As for the allocation criteria to the values recorded in the assets, reference is made to the explanation provided regarding the valuation criteria for the individual items.

Item description	Capitalised amounts
INVENTORIES	3,371,050

These are the financial charges accrued on mortgage loans and financing facilities, intended to support the execution of real estate projects currently under development and earmarked for subsequent resale.

Notes to the financial statements, Liabilities and Net equity

The changes to the individual items in the financial statements are analysed in detail below, in compliance with current legislation.

Shareholders' Equity

The shareholders' equity amounts to EUR 120,201,500, reflecting an increase of EUR 36,923,374 compared to the previous financial year.

Change to shareholders' equity items

With reference to the year ended, the tables below show the changes in the individual items of shareholders' equity, as well as giving details of other provisions, where recorded.

	Year-start value	Allocation of prev. year profit - Other allocations	Other changes - Decreases	Result for the year	Year-end value
Share Capital	10,050,000	-	-	-	10,050,000
Share premium reserve	759,852	-	-	-	759,852
Legal reserve	2,010,000	-	-	-	2,010,000
Extraordinary reserve	39,542,300	30,491,439	1	-	70,033,738
Sundry other reserves	1	-	2	-	(1)
Total other reserves	39,542,301	30,491,439	3	-	70,033,737
Reserve for hedges of expected cash flows	424,534	-	180,637	-	243,897
Profit (loss) for the year	30,491,439	(30,491,439)	-	37,104,014	37,104,014
Total	**83,278,126**	**-**	**180,640**	**37,104,014**	**120,201,500**

All subscribed shares were fully paid up.

The increases in the Legal Reserve and the Extraordinary Reserve are due to the allocation of the previous year's profit, as per the shareholders' resolution of 27.10.2023. By virtue of the resolution made therein, the extraordinary reserve increased by EUR 30,491,439.

It should be noted that there are no limitations, as per Article 2426, paragraph 1, point 5 of the Italian Civil Code, on the distribution of dividends.

Availability and use of Shareholders' Equity

The following tables show the items making up the Shareholders' Equity, specifying origin, possibility of distribution, as well as any use during the previous three years.

Description	Amount	Origin/Nature	Possibility of utilisation	Available amount	Summary of uses made in three previous years - for other reasons
Share Capital	10,050,000	Share Capital		-	-
of which 351,167 originates from earnings reserve	-	Earnings		-	-
Share premium reserve	759,852	Share Capital	A;B;C	759,852	-
Legal reserve	2,010,000	Earnings	B	2,010,000	-
Extraordinary reserve	70,033,738	Earnings	A;B;C	70,033,738	8,851,167
Sundry other reserves	(1)			(1)	-
Total other reserves	70,033,737			70,033,737	8,851,167
Reserve for hedges of expected cash flows	243,897			-	-
Total	**83,097,486**			**72,803,589**	**8,851,167**
Non-distributable portion				2,010,000	
Residual distributable portion				70,793,589	

Legend: A: for capital increase; B: to cover losses; C: for distribution to shareholders; D: for other statutory constraints; E: other

Changes to the reserve fund through operations to cover expected cash flows

Transactions involving derivative instruments for the purpose of hedging interest rate risk are in progress, and the reserve recognised in Shareholders' equity reflects the related accounting.

Pursuant to Article 2427-bis, paragraph 1b-quater of the Italian Civil Code, the following table shows the movements of the fair value reserves during the year.

	Year-start value	Changes during the year - Decrease due to change in fair value	Changes during the year - Deferred tax effect	Year-end value
Reserve for hedges of expected cash flows	424,534	237,680	57,043	243,897

Provisions for risks and charges

This item includes accruals to the provision for deferred taxes, amounting to EUR 77,020, and to the provisions for risks and charges, totalling EUR 1,035,069.

The change in the "Provision for risks and charges" during the year is due to:

- the recognition of a decrease in deferred taxation, amounting to EUR 57,043, due to the lower Mark to Market (MTM) value of outstanding derivative contracts;
- the utilisation of provisions set aside in previous years, amounting to EUR 1,100,000, following the occurrence of the underlying event, and the provision of EUR 1,035,069 for future charges to be incurred for remediations.

The following table provides information on the changes that occurred during the year:

	Year-start value	Changes in the year - Provisions	Changes in the year - Use	Changes in the year - Total	Year-end value
Provision for taxes, including deferred	134,063	-	57,043	(57,043)	77,020
Financial derivative instruments liabilities)	-	-	-	-	-
Other provisions	1,100,000	1,035,069	1,100,000	(64,931)	1,035,069
Total	**1,234,063**	**1,035,069**	**1,157,043**	**(121,974)**	**1,112,089**

Other provisions

The following table shows the breakdown of this item, as recorded in the Financial Statements, pursuant to Article 2427, paragraph 1 of the Italian Civil Code.

The provision for risks was established following the assessment of potential liabilities that could remain with the company, related to remediation activities.

Description	Detail	Current year amount
others		

Description	Detail	Current year amount
	Provision for remediation risks	1,035,069
	Total	**1,035,069**

Employees' severance pay

The following table shows information relating to changes in employees' severance pay

	Year-start value	Changes in the year - Provisions	Changes in the year - Use	Changes in the year - Total	Year-end value
EMPLOYEES' SEVERANCE PAY	20,886	4,740	10,544	(5,804)	15,082
Total	**20,886**	**4,740**	**10,544**	**(5,804)**	**15,082**

Utilisations include the amounts of the liability for severance pay transferred to the INPS treasury fund, to supplementary pension funds and to employees following advances and/or resignations.

Payables

The payables shown on the liabilities side of the statement of financial position total EUR 720,413,726, of which EUR 65,090,689 are due beyond the next financial year.

Changes in and maturity of payables

The table below gives information on the changes to payables and any information on their due dates.

	Year-start value	Change in the year	Year-end value	Portion due within the year	Portion due beyond the year	Of which with a residual duration of more than 5 years
Payables to banks	60,111,039	113,270,657	173,381,696	108,893,609	64,488,087	413,262
Advances	198,526,447	145,280,781	343,807,228	343,807,228	-	-
Payables to suppliers	155,309,108	36,185,605	191,494,713	191,494,713	-	-
Payables to subsidiaries	3,448,447	(891,043)	2,557,404	2,557,404	-	-
Tax payables	15,663,852	(12,552,845)	3,111,007	3,111,007	-	-

	Year-start value	Change in the year	Year-end value	Portion due within the year	Portion due beyond the year	Of which with a residual duration of more than 5 years
Payables to welfare and social security institutions	947,671	355,941	1,303,612	1,303,612	-	-
Other payables	6,908,604	(2,150,538)	4,758,066	4,155,464	602,602	-
Total	**440,915,168**	**279,498,558**	**720,413,726**	**655,323,037**	**65,090,689**	**413,262**

Payables to banks

The table below illustrates the breakdown of the "Payables to banks" heading.

Description	Current account payables	Short-term loan payables	Medium-term loan payables	Long-term loan payables	Total
payables to banks	3,159	95,754,101	74,838,559	2,785,877	173,381,696

Short-term loan payables, i.e. those that will be repaid within the next financial year, consist of structural debt functional to development operations. Short-term loans include three mortgage loans: one from Unicredit in the amount of EUR 47,700,000, one from Banca IntesaSanPaolo in the amount of EUR 20,000,000, and one from Banco BPM in the amount of EUR 28,054,101.

The medium-term loan payables, namely those with residual debt maturing within five years, also comprise structural indebtedness aimed at supporting development operations. They reflect the economic and financial plans of each operation and the exposure among medium-term loans gives evidence of contractual commitments, although these debts often have a useful life of no more than 24/48 months.

Long-term loan payables, i.e., those with residual debt due beyond five years, relate to the loan granted by Banco BPM for the renovation of the Castelletto Sopra Ticino premises. The debt is backed by a mortgage guarantee, provided by the landlord company, the lessor of the property.

It should be noted that five financing agreements, which require compliance with certain financial parameters (so-called Covenants), were compliant as of 30 June 2024.

Advances

“Advances from customers” represent the Company's liability for advance payments received from customers for job orders in progress and not yet completed.

Payables to suppliers

"Payables to suppliers", recorded in the Financial Statements at their nominal value, represent the Company's indebtedness for purchases of materials, goods and products and services received. The value increased by EUR 36,185,605 compared to the previous year, mainly due to the greater number and size of projects developed.

Payables to subsidiaries

The "Payables to subsidiaries" mainly arise from tax consolidation payables to the subsidiary Milano Sviluppo S.r.l., which, together with the parent company Techbau S.p.A., is part of the national tax consolidation. This item also includes payables to subsidiaries that, together with the parent company Techbau S.p.A., participate in the group VAT settlement.

Tax payables

The amount of "Tax payables" shown in the financial statements, mainly refers to the VAT payable of EUR 1,441,897, the corporate income tax (IRES) payable of EUR 386,196, the regional business tax (IRAP) payable of EUR 800,364, and the payable for withholding taxes on employees and self-employed persons of EUR 482,550.

Other payables

Payables for guarantee deposits and down payments concern debts for real estate transactions in progress.
The table below illustrates the breakdown of the "Other payables" item.

Description	Detail	Current year amount
Other payables		
	Payables to complementary welfare institutions	49,810
	Payables to Directors	178,500
	Payables to credit card issuers	14,116
	Personnel salaries	1,131,685
	Employee deferred salaries	1,015,865
	Employees various institutions advances account	2,509
	Other payables	2,365,581
	Total	**4,758,066**

Description	Opening balance	Increase	Decrease	Closing balance
other payables	6,908,604	-	2,150,538	4,758,066
Total	**6,908,604**	**-**	**2,150,538**	**4,758,066**

The item "other payables" primarily comprises payables to employees, for salaries, including deferred salaries, amounting to EUR 2,147,550; payables to directors for remuneration due, amounting to EUR 178,500; payables for commitments undertaken for the purchase of tax credits, amounting to EUR 566,302; and other payables to third parties, amounting to EUR 1,799,279.

Breakdown of payables by geographical area

The table below sets out the breakdown of the payables by geographical area.

Geographical area	Payables to banks	Advances	Payables to suppliers	Payables to subsidiaries	Tax payables	Payables to Pension and Social Security Institutions	Other payables	Payables
ITALY	173,381,696	343,807,228	190,560,821	2,557,404	3,111,007	1,303,612	4,758,066	719,479,834
ABROAD	-	-	933,892	-	-	-	-	933,892
Total	**173,381,696**	**343,807,228**	**191,494,713**	**2,557,404**	**3,111,007**	**1,303,612**	**4,758,066**	**720,413,726**

Payables secured by collateral securities on corporate assets

The table below, broken down separately for each item, indicates the payables backed by collateral securities over corporate assets, with the specific indication of the nature of the securities.

	Payables backed by mortgages	Total payables backed by collateral securities	Payables not backed by collateral securities	Total
Payables to banks	96,539,978	96,539,978	76,841,718	173,381,696
Advances	-	-	343,807,228	343,807,228
Payables to suppliers	-	-	191,494,713	191,494,713
Payables to subsidiaries	-	-	2,557,404	2,557,404
Tax payables	-	-	3,111,007	3,111,007
Payables to welfare and social security institutions	-	-	1,303,612	1,303,612
Other payables	-	-	4,758,066	4,758,066
Total payables	**96,539,978**	**96,539,978**	**623,873,748**	**720,413,726**

The payables secured by collateral securities on own assets, amounting to EUR 96,539,978, relate to loans received to support the development of ongoing real estate projects. For these, mortgage guarantees were chosen for financial reasons (better financing conditions) and in accordance with the nature of the transaction.
Payables secured by collateral on third-party assets, amounting to EUR 2,785,877, relate to the loan granted by Banco BPM for the renovation of the Castelletto Sopra Ticino premises. The debt is backed by a mortgage guarantee, provided by the landlord company, the lessor of the property.

Shareholding financing

The Company has not received any loans from shareholders.

Accrued expenses and deferred income

The following table provides information on changes in accrued expenses and deferred income.

	Year-start value	Change in the year	Year-end value
Accrued expenses	434,327	944,637	1,378,964
deferred income	4,306,891	(2,028,296)	2,278,595
Total accrued expenses and deferred income	**4,741,218**	**(1,083,659)**	**3,657,559**

The following table shows the breakdown of these items as they appear in the Financial Statements.

Description	Detail	Current year amount
ACCRUALS AND DEFERRALS		
	Accrued expenses	1,378,964
	Interest on current assets securities	1,718
	Income from the purchase of tax credits	2,276,877
	Total	**3,657,559**

Accrued expenses of EUR 1,378,964 refer exclusively to interest expenses and financial charges.
Among the deferred income, the portion of interest accrued on current assets amounting to EUR 1,718 is recorded, allocated according to the correct time period, as well as the portion of income pertaining to future periods arising from the purchase of tax credits, amounting to EUR 2,276,877.
It should be noted that there are no deferrals with a duration of more than five years.

Notes to the financial statements, Income statement

The income statement reports the trading result for the financial year.
It records the company's business transactions by summarising the positive and negative income items which generated the operating result. The positive and negative income items, entered in the Financial Statements in accordance with the provisions of Art. 2425-b of the Italian Civil Code, are subdivided into the core business, secondary and financial categories.
The core business category includes the income items generated by transactions which take place continually, in the sector of most importance for the company's performance, which identify and assess the part of the company's operations specific to its own business, covered by its corporate purpose.
Financial activities consist of transactions that generate income and expenses of a financial nature.
The remainder, or secondary, category consists of transactions which generate income items which are part of the company's routine operations but do not fit into the core business or financial categories.
For further details on the development of the operating result for the year as a whole, please refer to the Management Report.

Value of production

Breakdown of revenues from sales and services by geographical area

The following table shows the breakdown of revenues from sales and services according to the geographical area.

Geographical area	Current year value
ITALY	304,088,833
Total	**304,088,833**

Costs of production

Costs and charges are imputed on an accrual basis, net of returns, allowances, discounts and premiums, in accordance with the principle of correlation with earnings, and are entered in their respective headings in accordance with Accounting Standard OIC 12. The costs relating to the purchase of assets are entered when title to the asset is transferred in fact even if not formally, assuming the transfer of risks and benefit as the parameter of reference. In the case of the purchase of services, the relative costs are recorded when the service has been

received, that is, when the service is completed, while, in the presence of continuous services, the relative costs are recorded for the amount accrued.
The following table shows the comparison and changes in production costs compared to the previous year:

	Year-start value	Change in the year	Year-end value
Raw and ancillary materials, consumables and goods	98,738,049	7,851,913	106,589,962
Services	233,334,756	103,532,890	336,867,646
Use of third-party assets	5,184,869	2,566,660	7,751,529
Personnel	12,807,256	3,838,898	16,646,154
Amortisation of intangible fixed assets	430,131	(14,985)	415,146
Depreciation of tangible fixed assets	257,671	14,349	272,020
Write-downs	419,805	289,903	709,708
Other allocations	-	-	-
Other operating expenses	1,769,975	2,835,448	4,605,423
Total costs of production	**352,942,512**	**120,915,076**	**473,857,588**

Financial income and charges

Financial income and charges are reported on an accruals basis in relation to the portion accrued during the year.

Breakdown of proceeds from equity investments

Dividends are posted in the year in which distribution is resolved. During the year, the company received dividends from subsidiaries and affiliates totalling EUR 4,854,441. Added to these are capital gains accrued on the sale of the equity investment in the company MTM Hotels S.r.l. in the amount of EUR 480,000, as well as income, capital gains, and interest on current securities totalling EUR 165,732.
There is no other income from equity investments referred to in Article 2425, No. 15 of the Italian Civil Code other than those indicated above

Breakdown of interest and other financial charges by type of payable

The following table shows the interests and other financial charges pursuant to Art. 2425, no. 17 of the Italian Civil Code, with a specific separation between those relating to debenture loans, payables to banks and other cases.

	Payables to banks	Others	Total
Interests and other financial charges	5,501,769	1,186,851	6,688,620

The other financial charges are almost entirely composed, to the amount of EUR 5,501,769, of interest expenses incurred on bank loans, while EUR 1,080,022 pertains to charges recognised for the execution of projects in partnership with third parties.

Foreign currency conversion gains and losses

Although marginal and negligible in amount, information on foreign currency conversion gains and losses is reported below, distinguishing the portion realised from the portion arising from the valuation of foreign currency assets and liabilities recognised in the Financial Statements at year end.

Description	Amount in the financial statements	Valued part	Realised part
exchange rate gains and losses	*146*		
Foreign currency conversion gains		613	-
Foreign currency conversion losses		167	301
Item total		**446**	**301-**

Value adjustments of financial assets and liabilities

During the year, write-downs were made both to the value of financial fixed assets and to securities in current assets that do not constitute equity investments.
In particular: certain equity investments in subsidiary companies were written down by an amount of EUR 101,781; the value of marketable securities recorded under current assets was adjusted to reflect the market prices as at the end of the financial year, resulting in a total write-down of EUR 858,935.

Amount and nature of individual income/cost items of exceptional size or incidence

During the year, there were no revenue or cost items of exceptional magnitude or incidence.

Income taxes of the year: current, deferred and advance

The Company has allocated tax liability for period on the basis of the application of current tax laws. Current taxes refer to the taxes relating to the financial year as stated in the relevant tax returns; taxes relating to previous financial years include direct taxation for previous years, including interest and fines, and also refer to the positive (or negative) difference between the amount due further to settlement of a tax dispute or demand and the value of the provision made for this during previous years. Finally, the deferred and prepaid taxes refer to income or cost items taxed or deductible in financial years other than that in which they appear in the company's standard accounts.
As previously mentioned, it should be noted that the Company participates as the consolidating company, together with the subsidiary Milano Sviluppo S.r.l., in the payment of the corporate income tax (IRES) under the National Tax Consolidation.

Deferred and prepaid taxes

This item includes the impact of deferred taxation on these Financial Statements. This is attributable to temporary differences between the values attributed to an asset or liability according to statutory criteria and the corresponding values recognised for tax purposes.
The company determined the deferred taxation with reference to corporate income tax (IRES).
Prepaid and deferred taxes were calculated using the following rates, respectively:

Taxes	Rates
CORPORATE INCOME TAX (IRES)	24%

In the following schedules, the following is analytically indicated:
- a description of the temporary differences that led to the recognition of deferred and prepaid taxes, specifying the rate applied and the changes from the previous year, and the amounts credited or debited to the Income Statement or Shareholders' Equity;
- the amount of prepaid taxes recognised in the Financial Statements pertaining to losses for the year or previous years and the reasons for recognition, the amount not yet recognised and the reasons for non-recognition;
- the items excluded from the calculation and the reasons for this.

Calculation of deferred and prepaid taxes and consequent effects

	Corporate income tax (IRES)	IRAP
A) Temporary differences		
Total deductible temporary differences	4,089,442	-
Total taxable timing differences	1,035,069	-
Net temporary differences	(3,054,373)	-
B) Tax effects		
Provision for deferred (prepaid) taxes at year start	(981,466)	-
Deferred (prepaid) taxes for the year	733,049	-
Provision for deferred (prepaid) taxes at year end	(248,417)	-

Detail of deductible temporary differences

Description	Amount at the end of the previous year	Change during the year	Amount at year end	IRES rate	IRES tax effect	IRAP rate	IRAP tax effect
Taxed provision for doubtful accounts	2,989,442	(2,989,442)	-	24.00	717,466	-	-
Provision for litigation risks	1,100,000	(1,100,000)	-	24.00	264,000	-	-
Provision for remediation charges	-	1,035,069	1,035,069	24.00	(248,417)	-	-
Total	4,089,442	(3,054,373)	1,035,069	24.00	733,049	-	-

Notes to the financial statements, cash flow statement

The company' has drawn up its cash flow statement, the document containing the key figures which link the variations in the company's assets during the year with the changes in its financial situation; it highlights the values relating to the financial resources the company has required during the year, and the relevant investments.
In accordance with the accounting standard OIC 10, the indirect method was used, reconstructing the cash flow on the basis of the result for the year of the non-monetary items.

Notes to the Financial Statements, Other information

The other information required by the Italian Civil Code is provided below.

Workforce figures

The table below shows the average number of employees, broken down by category and calculated considering the daily average.

	Managers	Executives	White-collar workers	Blue-collar workers	Total employees
Average number	8	31	135	4	178

The change in the number of employees shown compared to the previous year reflects the development and growth policies previously planned (based on the growth targets set).

Fees, advances and receivables to directors and auditors and commitments made on their behalf

The following table sets out the disclosures required by Article 2427, No. 16 of the Italian Civil Code, specifying that there are no advances or receivables and no commitments have been undertaken on behalf of the Administrative Body as a result of guarantees of any kind given.

	Directors	Statutory Auditors
Fees	540,000	36,400

Remuneration of external auditor or auditing firm

The table below specifies the remuneration payable to the auditing firm, subdivided by the type of services rendered.

	Statutory audit of annual accounts	Total fees payable to the external auditor or auditing firm
Value	114,400	114,400

Your Company on 23/03/2022 entrusted the auditing of the financial statements to the Auditing Company EY S.p.A., and so until the approval of the financial statements for the year ending 30/06/2024.

Categories of shares issued by the Company

The following table shows the number and nominal value of the company's shares, as well as any movements during the year.

	Opening balance, number	Opening balance, nominal value	Closing balance, number
Ordinary shares	10,050,000	10,050,000	10,050,000

The share capital, totalling EUR 10,050,000, is divided into 5,025,000 category A shares and 5,025,000 category B shares, carrying the rights provided for in the articles of association.

Securities issued by the company

The Company has not issued any securities or similar values considered in the forecast as per art. 2427 no.18 of the Italian Civil Code.

Details of the other financial instruments issued by the Company

The company has not issued any other financial instruments pursuant to article 2346 para. 6 of the Italian Civil Code.

Commitments, guarantees and contingent liabilities not resulting from the statement of financial position

The following table shows the disclosures required by Article 2427 No. 9 of the Italian Civil Code:

	Amount
Contingent liabilities	187,689,770

The amount of EUR 10,243,072 relates to insurance guarantees provided directly by the company, mainly to municipalities for the completion of urbanisation works and/or for other obligations assumed towards the guaranteed party and to be performed in the future.

The amount of EUR 7,006,212 reflects insurance guarantees provided by third parties in favour of subsidiary companies, with Techbau S.p.A. being co-obligor, primarily towards municipalities for the completion of urban development works and/or for other obligations undertaken towards the guaranteed party and to be executed in the future.
The amount of EUR 2,472,952 represents insurance guarantees provided by third parties in favour of subsidiaries (Aurelia Garden S.p.A. and Corte dei Principi S.r.l.), for which Techbau S.p.A. is co-obligor to third-party buyers of residential properties. These guarantees cover obligations related to deposits, down payments received, and the proper fulfilment of construction and delivery obligations for properties currently under development.
The amount of EUR 51,000,000 represents bank guarantees issued by the company in favour of subsidiaries (Fabrica X S.r.l. and Aurelia Garden S.p.A.) to secure the mortgage loans granted by the banks to financially support the development of projects initiated by these companies and currently under way.
The amount of EUR 116,517,286 relates to bank guarantees provided to third parties by the correspondent banks, primarily for obligations related to deposits, collected down payments, and advances to guarantee the proper fulfilment of the services stipulated in the respective contracts.
The amount of EUR 450,248 relates to bank guarantees provided to third parties by the subsidiary Techbau Green Energy S.r.l., of which Techbau S.p.A. is co-obligor, in favour of third-party buyers of residential properties, for obligations related to the proper execution of lease contracts.

Information about assets and loans earmarked for one specific transaction

Assets earmarked for one specific transaction

It is certified that at the accounts closing date the company did not hold any assets earmarked for one specific transaction defined by art. 2427 (20) of the Italian Civil Code.

Loans intended for specific transactions

It is certified that at the accounts closing date there were no loans allocated to a specific deal, as per point 21 of art. 2427 of the Italian Civil Code.

Information about transactions with related parties

Transactions with related parties were carried out at arm's length with the exception of non-interest-bearing loans granted to subsidiaries, which were granted in order to avoid the use of more costly forms of funding. With regard to transactions with the shareholder Bentallgreenoak Europe IV TB LUX S.a.r.l., please refer to the specific comments in the Management report.

Information on agreements not shown in the statement of financial position

Pursuant to Article 2427, number 22-ter, it should be noted that the Company currently has the following finance lease agreements in place:

- contract no. A1B84255, signed on 25/02/2020 with "Bnp Paribas Lease Group SA", expiring on 24/01/2025, concerning a Manitou MRT 2550 rotating telescopic lift. The amount of the remaining instalments as at 30/06/2023 amounts to EUR 53,303;
- contract no. A1B99258, signed on 27/05/2020 with "Bnp Paribas Lease Group SA", expiring on 26/04/2025, concerning a Manitou MRT 2150 rotating telescopic lift. The amount of the remaining instalments as at 30/06/2023 amounts to EUR 59,616;

During the year, there were no further off-Statement of Financial Position agreements.

Significant facts occurring after the year end

With reference to point 22-quater of Article 2427 of the Italian Civil Code, please refer to the indications provided in the Management Report commenting on significant events after the end of the financial year.
Regarding the conflict between Russia and Ukraine, as well as the Middle Eastern conflict, it should be noted that the company does not operate directly in these markets and therefore does not face direct consequences from the conflicts, except, as is the case for everyone, the effects that the resulting tensions and geopolitical instability have on the prices and supply of raw materials and goods. The company endeavoured to mitigate them as far as possible.
The persistence of inflationary phenomena has prompted the world's major central banks to maintain high interest rates, aimed at slowing down price growth. During the year 2024, the rate cuts applied by central banks fell short of market expectations, which had called for stronger interventions. Your company is negatively affected by these dynamics due to the cost of money on bank loans taken out.
For any further details, also with regard to the analysis of the financial risk linked to the increase in interest rates, please refer to what is more appropriately indicated in the Management report.

Information concerning financial derivative instruments as required by art. 2427-b of the Italian Civil Code

As already exhaustively explained in previous sections of the Notes to the Financial Statements, to which reference should be made, the company has two interest rate risk hedging transactions in place. Based on market evidence, the fair value (MTM) is positive and amounting to EUR 320,917; it has therefore been recognised as an asset in the Statement of Financial Position, under financial fixed assets in Item B) III 4), in accordance with the relevant accounting standard (OIC 32).

Summary financial statements of the company that exercises management and coordination

Pursuant to Article 2497-bis, paragraph 4 of the Italian Civil Code, it is hereby certified that the company is not subject to management and coordination by others.

Information pursuant to Art. 1, paragraph 125, of law no. 124 of 4 August 2017

In relation to the provisions of Article 1, paragraph 125-bis of Law 124/2017, concerning the obligation to provide evidence in the notes to the financial statements of any sums of money received from public administrations and the entities referred to in paragraph 125-bis of the same article during the financial year by way of grants, subsidies, benefits, contributions or aid, in cash or in kind, not of a general nature and not resulting from consideration, remuneration or compensation of any kind, the Company informs that it has benefited from the following measures

PROVIDER	REASON	AMOUNT
Italian State	Tax credits for “non-energy-intensive” and “non-gas-intensive” companies for the purchase of electricity and gas for Q2 2023 (Decree-Law 34/2023)	EUR 11,711

Proposed allocation of profits or cover of losses

Dear Shareholders, in light of the foregoing, the Board of Directors proposes to allocate the profit for the year, amounting to EUR 37,104.014, entirely to increase the Extraordinary Reserve.

Notes to the financial statements, final part

Dear Shareholders, we confirm that these Financial Statements, consisting of the Statement of Financial Position, Income Statement, Cash Flow Statement and Notes to the Financial Statements, provide a true, correct indication of the company's assets and liabilities and financial situation, and the economic results for the financial period, and are consistent with the company's accounts. We would therefore ask you to approve the draft Financial Statements for the year ended 30/06/2024, together with the proposed allocation of the year's result, as prepared by the Administrative Body.

These Financial Statements are true and accurate and comply with the bookkeeping entries

Castelletto Sopra Ticino, 27/09/2024

for THE BOARD OF DIRECTORS

THE CHAIRMAN

(Francesco Ostuni)

TECHBAU S.P.A.

Registered office: PIAZZA GIOVINE ITALIA 3 - MILAN (MI)
Entered in the Company Register of the CHAMBER OF COMMERCE OF MILAN, MONZA-BRIANZA AND LODI
Tax code and registration number: 06336690968
Registered with the Economic and Administrative Index (REA) under No. MI 1922561
Subscribed share capital EUR 10,050,000.00 fully paid-up
VAT No.: 06336690968

Management Report

Annual Financial Statements as at 30/06/2024

Dear Shareholders,
In the Notes to the Financial Statements, you have been provided with information relating to the presentation of the financial statements as at 30 June 2024; in this document, in accordance with the provisions of Article 2428 of the Italian Civil Code, we provide you with information regarding the situation of your company and details on the operating performance. This report, drawn up with figures denominated in euros, is presented so as to accompany the financial statements for the purpose of providing income-related, equity, financial and operating information on the company accompanied, where possible, by historic elements and forecasts valuations.

Disclosure on the company

Dear Shareholders,
The financial statements for the year ended 30/06/2024 show a net profit of EUR 37.1 million (EUR 30.5 million in the previous year), realised after depreciation, amortisation and provisions of EUR 1.4 million (EUR 1.1 million in the previous year). Furthermore, it should be noted that income from equity investments, which contribute to the preparation of the financial statements for the year, amounted to EUR 5.3 million, compared to EUR 12.3 million in the previous year.
During the financial year under review, your company continued the development process initiated a few years ago, further improving its position as a market leader in its sector, thus confirming the strategic decisions made at the time and progressively perfected.

The value of production showed further growth, rising from EUR 384.2 million to EUR 524.5 million (+36.6%). Realised revenues from completed operations rose from EUR 287.7 million in the previous year to EUR 304.1 million in the year under review. The value of construction sites in course of completion, valued according to contract performance, rose from EUR 92.8 million in the previous year to EUR 245.6 million in the year under review. We would also like to remind you that the distribution among the value groups mentioned above depends on external factors, which are entirely contingent and, at times, may not even align with the company's planning.
Work in progress includes orders from subsidiaries, for details of which we refer you to the relevant section of this Report.
The growth achieved is primarily driven by larger contracts, whereas, regarding sales prices, we remind you that they are difficult to compare, as each contract has specific characteristics that do not lend themselves to a summarised parameter suitable for meaningful comparison.
During the financial year, the development activity for the construction and management of photovoltaic systems was further enhanced. These systems are installed on the rooftops of buildings designated for logistics or industrial use and now represent a significant feature of many of the constructions completed. The construction activity was carried out directly by Techbau, while the management activity was implemented through the subsidiary Techbau Green Energy S.r.l..
We have also initiated participation in an Italian Reserved Closed-End Alternative Investment Fund (FIA), to which properties under construction will be transferred. The decision to operate through a fund in which to participate is aimed at evaluating an additional opportunity for growing the asset value of that real estate project, which may result in the creation of value for your company.
As will be further specified when commenting on the activities of the individual companies within the Group, indirect development has also increased, achieved through the subsidiary companies, with satisfactory results.
Operating costs, reflecting the trend described above, also increased significantly.
Costs for the purchase of raw materials and goods used in production rose from EUR 98.7 million in the previous year to EUR 106.6 million in the year under review, while costs for services, which include external processing (contracts and subcontracts), rose from EUR 233.3 million to EUR 336.9 million. Overall, the two items under review represent the main external production costs. They amounted to EUR 443.5 million (EUR 332.1 in the previous year). The increase was just under 34%, i.e. in line with the change in value of production.
As for unit costs, the trend has not been uniform: for certain products, which saw significant price increases in the previous financial year, there has been a correction in unit prices, while other products have been affected by specific factors in their respective markets and have experienced more or less significant price increases. The average increase in purchase prices of the various inputs was about 3%. Among the costs that decreased was electricity, which fell from EUR 1.5 million in the previous year to EUR 0.7 million in the year under review.
The costs for the use of third-party assets increased by just under 50%, due to the location of the construction sites (higher rental fees for the facilities required for their management and the increase in equipment rentals). The unit costs of the components under review increased significantly.

Personnel costs also increased significantly (+30%), from EUR 12.8 million in the previous year to EUR 16.6 million in the year under review. The increase was mainly due to the increase in the number of staff, including highly professional figures, functional to the company's development.
It is worth emphasising the importance of organisational structures, whose efficiency depends not only on the results of the financial year but, perhaps more importantly, on the strategic implications for the company's development.
The notes to the financial statements show, in greater detail, the changes in the company's workforce.
We would like to remind you that relations with workers and their trade unions are all characterised by active cooperation.
A particular note should be made of the attention given to occupational safety, which we consider not only essential for the safety of workers but also an indispensable element in planning your company's growth.
Depreciation and amortisation charged for the year remained unchanged from the previous year, at EUR 0.69 million. Provisions for credit risks, based on statistical evaluations and in compliance with tax regulations, amounted to EUR 0.71 million.
Other operating expenses increased from EUR 1.8 million to EUR 4.6 million; the main increase was due to the final settlement of a legal dispute with a customer of the German branch, which resulted in a provision for liabilities of EUR 2.4 million (the extraordinary negative items in the previous financial year amounted to EUR 0.2 million).
The items related to taxes also show significant increases in the financial statements under review, particularly the Municipal Property Tax (IMU), which rose from EUR 0.3 million in the previous year to EUR 0.6 million in the current year. Other tax expenses, mainly due to direct taxes on real estate purchases, also rose from EUR 0.3 million to EUR 0.5 million.
Financial management showed a decrease in asset items, on which we have already reported to you. On the other hand, there was a sharp increase in interest expenses, from EUR 2.4 million to EUR 6.7 million. Regarding this increase, we inform you that it is attributable to the growth in both the scale and financial dimensions of the various ongoing operations, resulting in greater use of financial structures, including debt financing specifically allocated for this purpose, as well as to the continued presence of higher interest rates compared to the past.
To summarise the positive and negative elements, the net financial management showed a positive balance of EUR 1.2 million, compared to a positive result of EUR 10.5 million in the previous year.
In addition, the financial statements under review record write-downs of equity investments totalling EUR 1.0 million. The most significant write-down concerns the investment in the company "Abitare In", listed on the secondary market, whose carrying value has been adjusted to align with the market price of that company as at the year-end closing date.
The tax burden is increased in relation to the higher income earned.

Activities carried out by subsidiary companies

Regarding indirect activities, that is, activities carried out through subsidiary companies, we hereby provide you

with the information and an update on a company-by-company basis, limiting ourselves to commenting on those that have carried out significant activities and/or have been indirectly involved in the company's operations.

Subsidiary companies

- Aurelia Garden S.p.A.: We would like to remind you that the subsidiary Aurelia Garden S.p.A. completed a merger, effective from 3 July 2023, pursuant to which Aurelia Garden S.p.A. (the incorporating company) merged with "Castelli Holding S.r.l." (the first company to be merged), which, in turn, held 100% of the shares in "Progetto La Vigna S.p.A." (the second company to be merged). As a result of this transaction, the real estate complex in Rome started by the merged company Progetto La Vigna S.p.A. was acquired by Aurelia Garden S.p.A..
The elimination of redundant structures has enabled and will enable greater efficiency in the management of that important operation.
During the 2023/2024 financial year, construction activities and the pre-sale of real estate units continued (with the first deeds of sale expected within the first quarter of 2025). The company ended the financial year with a slightly positive result, and the current real estate transaction is in accordance with the plan.

- Logi-tech S.r.l.: Please note that the subsidiary Logi-tech S.r.l., after having developed major real estate operations, has slowed down its activity considerably, limiting it to the search for investment opportunities. In operational terms it is temporarily at a standstill and the financial statements reflect this.

- Techbau Green Energy S.r.l.: As we have briefly mentioned earlier, the subsidiary operating in the photovoltaic plant development sector has completed its startup phase and, during the current financial year, is progressively developing its core business, which consists of the management of photovoltaic plants. The year ended 30 June 2024 showed a significant loss, which was entirely attributable to the early stages of that complex business. In view of future positive results, already foreseeable for the current financial year ended 30 June 2025, the subsidiary postponed the coverage of its loss.
Financially, it is supported by your company through various forms of financing.

- Fabrica X S.r.l.: The company in question continued to develop the ongoing real estate project in the Municipality of Novate Milanese during the 2023/2024 financial year. Between February and May 2024, due to an increasing and pressing financial need to complete the ongoing construction site, your company decided to subscribe to the capital increase approved by the subsidiary, thereby increasing its stake, which currently stands just below 90%, as detailed in the Notes to the Financial Statements. The financial year as at 30 June 2024 ended with a slight loss of EUR 0.1 million, but it must also be considered that that building site is now completed, handed over to the Tenant, and the property is expected to be sold by the end of the next financial year. In such a case, that loss will be entirely reabsorbed. For this reason, it was carried forward and, moreover, no adjustment of the subsidiary's book value was deemed necessary.

- Milano Sviluppo S.r.l.: the conclusion of the legal proceedings regarding the dispute over the buildability of certain areas owned by the subsidiary, with an unfavourable outcome, led the subsidiary to sell the area it owned, which took place during the 2023/2024 financial year. With this sale, it was also decided to initiate the liquidation process of the company, and in this context, it distributed its reserves. As soon as it has completed the remediation operations on the transferred area, it will proceed with the formal liquidation, which is expected to be completed within the current financial year.

- Corte dei Principi S.r.l.: the company Corte dei Principi S.r.l. is currently involved in a residential real estate development in Milan, which has been delayed due to unforeseen technical difficulties and, most importantly, the uncertainties surrounding residential constructions in that municipality. The loss incurred is modest, also due to the severely slowed-down state of the business, and this was taken into account when determining the value of the equity investment. However, the value of the real estate owned is sufficient to meet the subsidiary's obligations.

- Via Bombay No. 1 Srl: this company is continuing the development of a residential real estate operation in Rome. The subsidiary closed the financial year as at 30 June 2024 with a slight loss of EUR 0.1 million, which was caused by the impossibility of considering certain cost items, which were extremely modest, as suspended revenues (inventories). The progress of the construction site and the sales outlook have led us not to recognise the loss incurred by the subsidiary in the carrying value of the equity investment.

- Rubattino 87 S.r.l.: the company in question is completing the debt restructuring procedure pursuant to Article 67, third paragraph, of the Italian Bankruptcy Law (“Legge Fallimentare”), which has resulted in the company’s debt discharge. At the same time, the company's management is identifying promising real estate transactions that could facilitate its relaunch. The result for the year was a profit of EUR 34,722, but not enough to bring shareholders' equity close to the share capital of EUR 500,000; on the contrary, accumulated losses, net of reserves, exceeded one third of the capital. Also to make a clean break between the past and the future, the subsidiary will propose in the coming weeks a capital reduction to cover losses, from EUR 500,000 to EUR 250,000. With a view to relaunching, appropriate capitalisation will be undertaken based on the operations intended to be pursued.

- Castore S.a.s. di Capital Solution S.r.l.: We remind you that the controlled partnership company is functional to the development operation initiated with the acquisition of 100% of the equity investment in Rubattino 87 S.r.l.; it is, in fact, the creditor—through the company “Ilizia Spe S.r.l.”, which operates under the rules of the Consolidated Banking Law (Testo Unico Bancario)—of the outstanding credit in Rubattino 87 S.r.l., the settlement of which will lead to the positive conclusion of the ongoing restructuring plan.

- Euro S.r.l.: this company is responsible for an important real estate transaction in Rome. It was part of a Group undergoing a procedure (a composition with creditors under Article 182-bis of the Italian Bankruptcy Law), and the purchase of the company shares made at the beginning of 2024 was an operation aimed at the positive conclusion of that procedure. It must be said that the current transaction in Rome constitutes a significant operation for the development of your company. Furthermore, we inform you that the subsidiary, for reasons of operational efficiency, was merged into your company with effect from last August. The transaction generated an increase in the reserves of Techbau S.p.A.

Other subsidiaries

The other subsidiaries remained temporarily idle, waiting to seize market opportunities. Modest payments (a few thousand euros) were made to support the administrative activities of the companies themselves. With regard to the company Gallarate Sviluppo S.r.l., we inform you that during the year the company, after completing the sale of its real estate assets, was placed in liquidation and ceased operations.

Affiliated companies

- SP - Techbau LLC: the US-based affiliated company (I remind you that this is a company without share capital) completed a significant real estate transaction and proceeded with the distribution of a dividend, recorded under income from equity investments.

- SP - Techbau PEC 3 LLC: the US-based affiliated company (I remind you that it is a company without share capital) continues to develop its real estate projects.

- German branch: the branch originally established in Germany to carry out activities in that country limited its operations during the 2023/2024 financial year to managing a lawsuit, which was resolved unfavourably, and was closed in June 2024. The loss incurred during the financial year, exceeding the provisions previously made, has been discussed in the first part of this report.

Other equity investments

- FIA TBGO 1: During the financial year, as previously mentioned, it was decided to participate in the closed-end fund under review from its inception. This decision was made to further develop real estate activities and to take advantage of greater opportunities for creating value for your company. The investment is significant. This is managed by the specialised company Castello SGR S.p.A. of Milan and is also participated in by the company BentallGreenOak Europe IV TB Lux S.a.r.l., a shareholder of your company. As already mentioned, the transaction is aimed at generating additional real estate value beyond that of the core business activities of your Company, in order to better activate further development opportunities.

- AbitareIn S.p.A.: The company maintains a 2.35% shareholding in “Abitare In S.p.A.”, which is listed on the Italian market: Euronext Star Milan. This equity investment was reclassified amongst investments under current assets and was written down in order to align its carrying value with the market value.

- MTM Hotels S.r.l.: the stake held in this company was sold during the year..

Significant events

The following are some particularly significant events that occurred during the year, to which we would like to draw your attention. They relate to the investment programmes, instrumental to indirect development through subsidiaries, which have already been reported on in the relevant section on investee companies, and which we comment on below.
The investments in equity investments are all functional to the development of your company's core business. In particular, we highlight the following:

- Fabrica X S.r.l.: increase of equity investment from EUR 1,599,150 to EUR 11,287,506, for subscription of share capital increase to support the development of this company;
- Euro S.r.l.: 100% of the shareholding in "Euro S.r.l." has been acquired, which, as mentioned, oversees an important real estate development project in Rome.
- Subscription of 1842 units in the FIA TBGO 1 Fund for a subscription value of EUR 18,674,295.34;
- Receivables for loans granted in favour of subsidiaries and affiliated companies rose from EUR 11 million in the previous year to EUR 25.4 million in the year under review. The increase mainly concerned the companies “Techbau Green Energy S.r.l.” (from EUR 0.2 million to EUR 0.31 million) and “Via Bombay n. 1 S.r.l.” (from EUR 8.8 million to EUR 10.1 million). In addition, Corte dei Principi S.r.l. was also financially supported with EUR 6.8 million and SPT San Pietro PEC3 S.r.l. with EUR 6.3 million.

Management and coordination activities

Pursuant to Article 2497-bis, paragraph 5 of the Italian Civil Code, it is hereby certified that the company is not subject to management and coordination by others.

Equity and financial position

The cash flow statement shows the dynamics of the flows of assets and liabilities and gives evidence of the structure of your company and the balance consistent with the characteristic activity carried out. The total short-term debt is covered by receivables, the level of cash and cash equivalents, and inventories. Furthermore, as we have mentioned, the value of the equity investments and receivables from subsidiaries reflect indirect activity and, therefore, should be considered among the non-fixed financial assets. The non-current assets are those related to intangible and tangible fixed assets (a total of EUR 5.6 million). We would also like to highlight that there are receivables from the tax authorities to be utilised almost entirely within the next four years (EUR 9.2 million). To complete the commentary on the financial structure, we would like to point out that the mortgage debts related to the properties of your company are functional to its core business, while the mortgage debt supporting the restructuring of the Castelletto Sopra Ticino operational headquarters is secured by the same property in Castelletto Sopra Ticino, owned by the shareholder AMH S.r.l.

In view of the above, the overall financial structure is not only balanced, but is a strategic success factor for your company.

For a better understanding of the company's equity and financial position, a summary of the statement of financial position is provided below.

Statement of Financial Position - Assets

Item	Financial Year 2023/2024	%	Financial Year 2022/2023	%	Absolute change	Change %
FIXED ASSETS	**87,037,094**	10.30%	**11,044,851**	**2.16%**	**75,992,243**	**688%**
Intangible fixed assets	3,740,829	0.44%	4,154,916	0.81%	(414,087)	-9.97%
Tangible fixed assets	1,829,640	0.22%	1,890,409	0,37%	(60,769)	-3.21%
Financial fixed assets	81,466,625	9.64%	4,999,526	0.98%	76,467,099	1529%
CURRENT ASSETS	**758,362,862**	**89.70%**	**499,144,610**	**97.84%**	**259,218,252**	**51.93%**
Inventories	**475,825,256**	**56.28%**	**269,414,360**	**52.81%**	**206,410,896**	**76.61%**
Cash and Cash Equivalents	**108,275,233**	12.81%	**129,291,052**	**25.34%**	**(21,015,819)**	**-16.25%**
Cash and cash equivalents	108,275,233	12.81%	129,291,052	25.34%	(21,015,819)	-16.25%
Receivables and Deferred liquidity	**173,890,131**	**20.57%**	**100,116,105**	**19.62%**	**73,774,026**	**73.69%**
Short-term receivables of currents assets	152,337,100	18.02%	82,628,527	16.20%	69,708,573	84.36%
Medium/long-term receivables of current assets	7,744,455	0.92%	8,527,433	1.67%	(782,978)	-9.18%
Current financial assets	13,808,576	1.63%	8,960,145	1.76%	4,848,431	54.11%

Item	Financial Year 2023/2024	%	Financial Year 2022/2023	%	Absolute change	Change %
Accrued income and prepaid expenses	**372,242**	**0.04%**	**323,093**	**0.06%**	**49,149**	**15.21%**
TOTAL FUNDS	**845,399,956**	**100.00%**	**530,189,461**	**100.00%**	**335,210,495**	**59.45%**

Statement of Financial Position - Liabilities

Item	Financial Year 2023/2024	%	Financial Year 2022/2023	%	Absolute change	Change %
THIRD-PARTY CAPITAL	**725,198,456**	**85.78 %**	**446,911,335**	**84.29 %**	**278,287,121**	**62.27 %**
Current liabilities	**658,980,596**	**77.95 %**	**414,757,842**	**78.23 %**	**244,222,754**	**58.88 %**
Short-term payables	655,323,037	77.52 %	410,016,624	77.33 %	245,306,413	59.83 %
Accrued expenses and deferred income	3,657,559	0.43 %	4,741,218	0.89 %	(1,083,659)	(22.86) %
Consolidated liabilities	**66,217,860**	**7.83 %**	**32,153,493**	**6.06 %**	**34,064,367**	**105.94 %**
Medium/long-term payables	65,090,689	7.70 %	30,898,544	5.83 %	34,192,145	110.66 %
Provisions for risks and charges	1,112,089	0.13 %	1,234,063	0.23 %	(121,974)	(9.88) %
EMPLOYEES' SEVERANCE PAY (TFR)	15,082	0.00%	20,886	0.00%	(5,804)	(27.79) %
EQUITY CAPITAL	**121,201,500**	**14.22 %**	**83,278,126**	**15.71 %**	**36,923,374**	**44.34 %**
Share Capital	10,050,000	1.19 %	10,050,000	1.90 %	-	-
Reserves	73,047,486	8.64 %	42,736,687	8.06 %	30,310,799	70.92 %
Profit (loss) for the year	37,104,014	4.39 %	30,491,439	5.75 %	6,612,575	21.69 %
TOTAL SOURCES OF FUNDS	**845,399,956**	**100.00 %**	**530,189,461**	**100.00 %**	**315,210,495**	**59.45 %**

Financial position

For a clearer understanding of the operating result of the company, the reclassified Income Statement is presented below.

Income Statement

Item	Financial Year 2024	%	Year 2023	%	Absolute change	Change %
VALUE OF PRODUCTION	**524,514,918**	**100.00 %**	**384,164,194**	**100.00 %**	**140,350,724**	**36.53 %**
- Consumption of raw materials	106,589,962	20.32 %	98,738,049	25.70 %	7,851,913	7.95 %

Item	Financial Year 2024	%	Year 2023	%	Absolute change	Change %
- General expenses	344,619,175	65.70 %	238,519,625	62.09 %	106,099,550	44.48 %
VALUE ADDED	**73,305,781**	**13.98 %**	**46,906,520**	**12.21 %**	**26,399,261**	**56.28 %**
- Other revenues	4,780,026	0.91 %	3,674,874	0.96 %	1,105,152	30.07 %
-Personnel costs	16,646,154	3.17 %	12,807,256	3.33 %	3,838,898	29.97 %
- Provisions						
GROSS OPERATING MARGIN	**51,879,601**	**9.89 %**	**30,424,390**	**7.92 %**	**21,455,211**	**70.52 %**
- Amortisation, depreciation and write-downs	1,396,874	0.27 %	1,107,607	0.29 %	289,267	26.12 %
CORE OPERATING RESULT (Net Operating Margin)	**50,482,727**	**9.62 %**	**29,316,783**	**7.63 %**	**21,165,944**	**72.20 %**
+ Other revenues	4,780,026	0.91 %	3,674,874	0.96 %	1,105,152	30.07 %
- Other operating expense	4,605,423	0.88 %	1,769,975	0.46 %	2,835,448	160.20 %
INCOME BEFORE FINANCIAL CHARGES	**50,657,330**	**9.66 %**	**31,221,682**	**8.13 %**	**19,435,648**	**62.25 %**
+ Financial income	7,901,054	1.51 %	12,901,733	3.36 %	(5,000,679)	(38.76) %
+ Foreign currency conversion gains and losses	146		(379)		525	138.52 %
OPERATING RESULTS (Profit on continuing operations before interest)	**58,558,530**	**11.16 %**	**44,123,036**	**11.49 %**	**14,435,494**	**32.72 %**
+ Financial charges	(6,688,620)	(1.28) %	(2,386,919)	(0.62) %	(4,301,701)	(180.22) %
EARNINGS PRIOR TO ADJUSTMENTS OF FINANCIAL ASSETS AND LIABILITIES	**51,869,910**	**9.89 %**	**41,736,117**	**10.86 %**	**10,133,793**	**24.28 %**
+ Adjustments to value of financial assets and liabilities	(914,662)	(0.17) %	(57,541)	(0.01) %	(857,121)	(1,489.58) %
+ Portion from the extraordinary area						
INCOME BEFORE TAX	**50,955,248**	**9.71 %**	**41,678,576**	**10.85 %**	**9,276,672**	**22.26 %**
- Income tax for the year	13,851,234	2.64 %	11,187,137	2.91 %	2,664,097	23.81 %
NET INCOME	**37,104,014**	**7.07 %**	**30,491,439**	**7.94 %**	**6,612,575**	**21.69 %**

Key Indicators

In order to provide a concise picture of the company's performance, below are some indicators considered significant.

(Values per thousand)

TABLE OF CONTENTS	Financial Year 2023/2024	Financial Year 2022/2023
Value of production	EUR 524,515	EUR 384,164
EBITDA	EUR 52,054	EUR 32,329
EBITDA / Value of production	9.9%	8.4%
Profit for the year	EUR 37,104	EUR 30,491
Profit for the year/Value of Production	7.1%	7.9%
Short-term liquidity (quick ratio)	0.17	0.31
Current assets/Current liabilities	1.16	1.22

Information pursuant to Article 2428 of the Italian Civil Code

The following is a more detailed analysis of the information as specifically required by Article 2428 of the Italian Civil Code.

Main risks and uncertainties to which the company is exposed

Pursuant to Article 2428, paragraph 1 of the Italian Civil Code, a description of the main risks and uncertainties to which the company is exposed is provided below. In particular, Techbau maintains and continuously develops an adequate internal control and risk management system for its core business; it consists of: *i)* a set of tools, organisational structures, company procedures and systematic checks that are useful and functional for verifying production processes, materials used and reliability of the information acquired, as well as to constantly check the full compliance with laws and regulations; *ii)* best practice procedures in the sector.

With regard more specifically to the company risks and their containment measures, we would like to point out the following:

- Price risk: price risk has to be determined in relation to the activity carried out and is considered moderate in this respect. In fact, the various real estate transactions, as well as works contracts, are initiated at the end of a carefully examined and evaluated contract, which implies certainty about the prices of the job orders.
- Financial risks: in the financial sphere, the risks to which your Company is most exposed concern: *i)* fluctuations in interest rates; *ii*) the credit risk due to counterparty default; *iii*) the so-called liquidity risk (insufficient financial resources to meet short-term commitments); *iv)* the risks linked to the complex credit mechanism for the issue of guarantees normally required in the sector.

The management of the risks listed above is active and is based on the careful management of relations with correspondent banks aimed at the adoption of optimal financial structures in relation to the activity carried out. The ratio of financial charges to value of production stood at 1.3%, double the 0.6% of the previous year. This percentage reflects, on the one hand, the increased reliance on the banking channel, necessary to finance certain larger real estate projects, as previously mentioned, and, on the other hand, the rise in interest rates, which, even in the financial year under review, remained at their highest levels. The administrative body, also relying on the interest rate cuts applied by central banks during 2024, is working to find efficiencies in managing this area of risk. We believe that the credit risk is lower than the industry average due to the type of primary clientele. Liquidity risk is contained through careful treasury planning and the maintenance of liquidity reserves that are functional to the Company's short-term commitments. The risks related to the issuance of guarantees required by the core business are linked to statistical checks, and, based on this measure, we believe that these risks are modest.
Finally, the evolution of tax laws and, more generally, of the rules and regulations related to your Company's sphere of activity is constantly monitored, as well as the verification of operational compliance.

Adoption of the organisational, management and control model pursuant to Legislative Decree 231/2001 and the Code of Ethics

The Company has adopted the organisation, management and control model pursuant to Law 231/2001, as amended, and the Supervisory Body is also operational. In this regard, there are no particular notes to report. It should be noted that the organisational model in question is also adopted by the subsidiaries.

Privacy

Pursuant to paragraph 26, Annex B, of Legislative Decree No. 196 of 30 June 2003, the Company has updated its information security policy document, in light of the provisions of the technical regulations on minimum security measures set out in the aforementioned Legislative Decree.

Research and development

The research and development activities carried out by your company are specifically related to the various construction sites, which constitute its core business. Much attention is paid to the search for technical solutions and functional models for particular and generalised improvements of the entire activity. Much effort is also devoted to the development of photovoltaic plants through the company 'Techbau Green Energy S.r.l.', which we reported on earlier.
We have also undertaken sustainability assessments of both materials and processes, including the design phase.

Dealings with subsidiary, affiliated, parent companies and companies subject to the control of parent companies

Regarding the provisions of Article 2428, paragraph 3, point 2 of the Italian Civil Code, it is hereby reported that the relationships the your company has, as of the year-end date, with the investee companies are reflected in the following values:

Receivables from investee companies recorded under Fixed Assets

Description	Financial Year 2024	Year 2023	Absolute change
from subsidiaries	19,112,560	10,987,427	8,125,133
from affiliated companies	6,320,000	-	6,320,000
Total	*25,432,560*	*10,987,427*	*14,445,133*

Receivables from investee companies recorded as current assets

Description	Financial Year 2024	Year 2023	Absolute change
from subsidiaries	22,971,170	8,123,403	14,847,767
Total	*22,971,170*	*8,123,403*	*14,847,767*

Payables to investee companies

Description	Financial Year 2024	Year 2023	Absolute change
payables to subsidiary companies	2,557,404	3,448,447	891,043-
Total	*2,557,404*	*3,448,447*	*891,043-*

Treasury shares

Pursuant to Articles 2435-bis and 2428 of the Italian Civil Code, it should be noted that the company did not hold any treasury shares as at the end of the financial year.

Shares/holdings of the parent company

Pursuant to Article 2435-bis and Article 2428, Paragraph 3, Nos. 3 and 4 of the Italian Civil Code, we state that the company did not hold shares or stakes in parent companies during the year.

Operational forecast

Pursuant to and for the purposes of Article 2428, paragraph 3, point 6 of the Italian Civil Code, it should be noted that the current financial year is gradually consolidating the development achieved so far up to the financial statements under review. Furthermore, we believe we can generate value through the subsidiary Techbau Green Energy S.r.l., which will also enable synergistic development with your company's core business. Equally important will be the activity aimed at the development of the FIA TBGO 1 fund, as previously mentioned when commenting on this investment.

Furthermore, it should be noted that, during the last quarter, your company participated in an important tender for the construction of twelve plants located in central Italy, intended for the production of biomethane. The contractual aspect with the Client is currently being finalised. Work is expected to start before the end of the calendar year, which will see the opening of a new business area that is particularly strategic for the company for years to come.

Last but not least, we would like to point out that the budget for the current financial year foresees further growth, both in terms of the value of production and the expected operating result.

However, areas of uncertainty remain with regard to some production factors and the measure of interest rates, where the expected decline is slower than expected.

In conclusion, as far as the current financial year is concerned, it is believed that the trend is at least consistent with, if not improving on, the one just reviewed.

Secondary locations

In compliance with the provisions of Article 2428 of the Italian Civil Code, the company's secondary operating sites are listed below:

Address	Location
VIA DEL LAGO, 57	CASTELLETTO SOPRA TICINO
VIA EMANUELE GIANTURCO 6	ROME

Conclusions

Dear Shareholders, in light of the foregoing remarks and the information provided in the Notes to the Financial Statements, we would ask you:

- to approve the Financial Statements for the year ended 30/06/2024, together with the Notes to the Financial Statements and this accompanying Report;
- to allocate the operating result in accordance with the proposal made in the Notes to the financial statements.

Castelletto Sopra Ticino, 27/09/2024

The Chairman of the Board of Directors

Francesco Ostuni,