city green light GROUP

CONSOLIDATED FINANCIAL STATEMENTS

as at 31 December 2024

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SUMMARY

CONSOLIDATED FINANCIAL STATEMENTS

as at 31 December 2024

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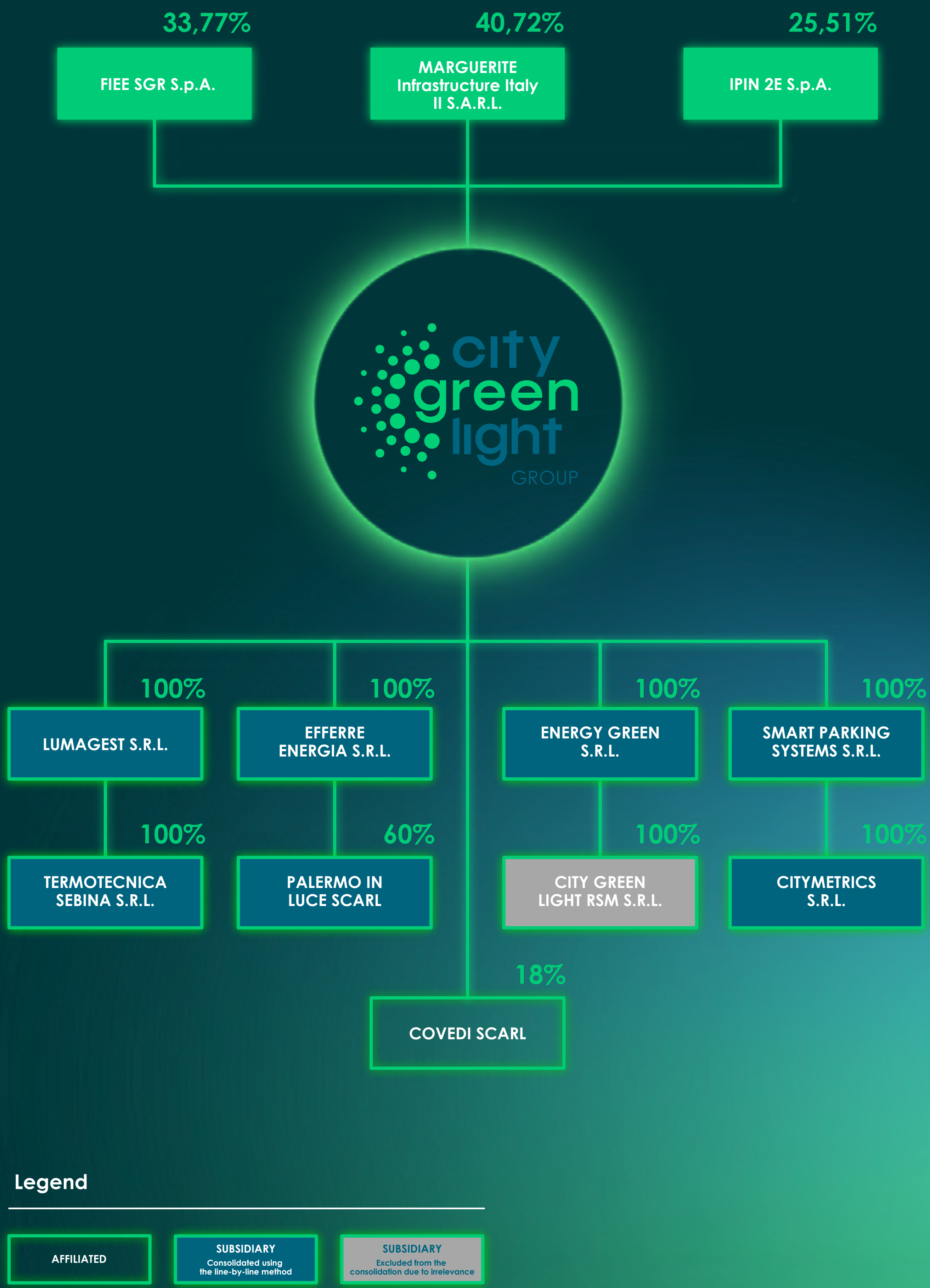
Group Companies



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MANAGEMENT REPORT

TO THE CONSOLIDATED FINANCIAL STATEMENTS

Companies' Register no. 03785880240
EAR no. 353810

CITY GREEN LIGHT S.R.L.

Registered office at VIA GIUSEPPE ZAMPIERI 15 - 36100 VICENZA (VI) Registered Capital Euro 50,000,000.00 fully paid-up

Management Report on the Consolidated Financial Statements as at 31/12/2024

Introduction

Dear Quotaholders,
Please refer to the notes to the financial statements for details on the values derived from the Balance Sheet, Income Statement and Cash Flow Statement for the 2024 financial year. The purpose of this document is to provide a fair, balanced and comprehensive analysis of the position of the City Green Light Group in terms of its overall performance and results of operations and in relation to the sector in which it operates; with particular reference to costs, income and investments, and to describe the principal risks and uncertainties to which the Group is exposed. It has been prepared in accordance with the provisions of Article 2428 of the Italian Civil Code and Italian Legislative Decree no. 127 of 9 April 1991, by Legislative Decree no. 32 of 2 February 2007, which transposes Community Directive no. 51/2003 and the provisions of Legislative Decree 139/2015.
The scope of consolidation saw the number of companies increase. In addition to the parent company City Green Light Srl and the four subsidiaries already consolidated in the previous year (Lumagest Srl, FBF Impianti Srl, Efferre Energia Srl and Palermo in Luce Scarl), the scope of consolidation was extended to include Termotecnica Sebina Srl, Smart Parking Systems Srl and CityMetrics Srl. During the year, the company City Green Light RSM Srl was established. It was not consolidated due to its immateriality, and FBF Impianti was merged into the parent company.

Activities of the City Green Light Group

The activities and the results achieved by the Group companies, based on their respective financial statements, are described below.

City Green Light Srl
The parent company, City Green Light Srl, is an E.S.Co (Energy Service Company) operating in the promotion of energy efficiency tools through the nationwide integrated management of public lighting services, facilities management of buildings and smart solutions for sustainable development.
The production value of the parent company during the year was € 149,910,147 (€ 152,352,835 in 2023, including a non-energy tax credit of € 7.3 million) with a net profit of € 20,305,837 (€ 33,628,646 in the previous year).

In 2024, City Green Light submitted 23 Project Financing proposals, including tenders and private initiatives, with a total value of € 528 million.
Specifically, the projects covered the energy efficiency upgrade of approximately 110,000 lighting points, smart parking management of 2,475 spaces, the energy upgrading of 402 buildings and the installation of around 6 MW of photovoltaic systems.
The projects submitted during the year consolidated project and technology areas aligned with the development of the business plan, namely building refurbishment, smart parking and smart city services, as well as energy upgrades of buildings, including through the installation of photovoltaic systems.

The Company also renewed its contract with the Municipality of Motta Sant'Anastasia (CT) for around 2,000 lighting points, and was appointed as the promoter of the Project Financing procedures launched by:

I. Municipality of Agira (EN), with a total value of € 3.5 million for the management of 2,000 lighting points;
II. S.A.CAL. S.p.A., operator of the airport in Lamezia Terme (CT), for the upgrading of systems and installation of photovoltaic systems with an approximate value of € 50 million;
III. Municipality of Frascineto (CS) for the installation of 1.5 MW of photovoltaic systems; and
IV. Municipality of Domodossola (VB) for the smart management of around 1,000 parking spaces, for an approximate value of € 14 million.

A public tender is expected to be called for the procedures in question based on the project submitted by the promoter. The procedure also involves the proposing entity, which has been appointed as the 'promoter' and is therefore entitled to exercise the 'right to match' if the project is awarded to another bidder, thereby increasing the chances of success.

As part of public-initiative project financing tenders, the Company took part in the tender issued by the Municipality of Cesano Maderno (MB), promoted by A2A, for a value of approximately € 14 million and around 5,000 lighting points, and was awarded the contract. Having failed to reach the minimum technical score threshold, the promoter was excluded but has filed an appeal.

During the year, the Company also participated in around 100 invitations to tender and expressions of interest for works and service contracts issued directly by local authorities, autonomous state-owned or state-controlled companies, for a total of approximately € 120 million.
Participation in these tenders was also made possible by the expansion of the SOA categories as a result of the company's M&A activities, which led to the inclusion of categories OG1 (civil and industrial buildings) and OG11 (technological systems), in classification III and III-BIS respectively.

Lastly, 1 March 2024 saw the end of the last lot, number 10, of the Light Service - edition 4, 'Convention for the provision of lighting and related and optional services for public administrations', announced by Consip Spa.

The contracting activities of Lot 10 (the provinces of Barletta Andria Trani, Bari, Taranto, Brindisi and Lecce; for Calabria, the provinces of Cosenza, Crotone, Catanzaro and Vibo Valentia, as well as the region of Basilicata) in the course of 2024 eroded 97% of the ceiling value, reaching approximately 131% of the initial ceiling value of the corresponding lot through extension of the initial ceilings and erosion of the seventh fifth. The lot in question includes 191,259 lighting points for Scalea, Otranto and ANAS SpA for the non-urban roads under the company's responsibility.

Lumagest Srl
Established on 13 March 2023, the main purpose of the company is to compete, directly or in temporary groupings with other entities, for public and private tenders for the integrated management of public lighting services and related energy improvement measures. The transfer of the 'Public Lighting Division' of CEIE Power S.p.A., including assets, liabilities and legal relationships, to Lumagest Srl was completed on 22 September 2023. In return for the transfer of the business unit, CEIE received 49% of the quota capital in Lumagest. The transaction was completed with the acquisition of the stake in CEIE by the Parent Company, which will hold 100% of the quota capital of Lumagest at 31 December 2023. The business division being transferred consists of an organised set of assets and legal relationships dedicated to the management of 34 multi-year service concessions in the same number of municipalities. In the Abruzzo region, which provide management, maintenance and 24-hour emergency response service for public lighting systems, including in some cases the supply of electricity. The company Lumagest Srl therefore effectively began operations after the transfer, i.e. after 22 September 2023.
The 2024 financial year closed with production value of € 8,371,672 (€ 2,049,600 in the previous year) and net profit of € 1,506,186 (€ 232,065 in the previous year).

Termotecnica Sebina Srl
On 19 March 2024 the Company acquired 100% of the quota capital of Termotecnica Sebina Srl, which operates in the plant engineering sector, thus continuing the process of expanding its commercial offering. In fact, the acquired company promotes tools for energy efficiency upgrades targeting public administrations and private clients, and operates as an installer of plumbing, heating and air conditioning systems (including maintenance and repair) in buildings or other construction works.
The 2024 financial year closed with a production value of € 30,078,379 and net profit of € 3,136,064.

Efferre Energia Srl
The company was acquired on 7 November 2023 and is specialised in the production and sale of energy using photovoltaic panels. As at 31 December 2024 the company was finalising the construction of three plants in Emilia-Romagna with a total installed capacity of 2.7 MWp. The 2024 financial year closed with a production value of € 1,708 (€ 1,282 in the previous year) and a loss of € 66,092 (€ 10,539 in the previous year).

Palermo In Luce Scarl
Established together with an industrial partner, the company is concluding work on the adoption of technological solutions to reduce the energy consumption of public lighting networks in the areas upstream and surrounding the Palermo ring road and operates by charging members of the consortium for the costs incurred in carrying out these activities. In 2024 the production value amounted to € 946,796 (€ 7,841,830 in the previous year) and a profit for the year of zero due to the balancing mechanism envisaged for consortium companies.

Energy Green Srl
The company was acquired on 9 April 2024 and is specialised in the production and sale of energy using photovoltaic panels. As at 31 December 2024 the company was developing and building five plants in Calabria, Apulia and Sicily with a total capacity of 10.2 MWp. The 2024 financial year ended with a production value of € 25 and a loss of € 78,455.

Smart Parking Systems Srl
On 3 August 2024 City Green Light acquired the 'Smart Parking' business unit from Intercomp, which had previously transferred it to the subsidiary Smart Parking Systems Srl. The transferred business unit consists of the integrated on-street parking management system that, using hardware and software components: (i) receives information on the occupancy status of a parking space through a sensor developed by the transferring company; (ii) provides information on parking payment; and (iii) allows the public to access parking-related services using a smartphone app. The acquisition will make it possible to meet the growing demand for smart services for the management of paid parking spaces and other ancillary services.
The 2024 financial year ended with a production value of € 161,123 and a loss of € 604,996.

CityMetrics Srl
On 13 December 2024, the parent company acquired 100% of the quota capital of CityMetrics Srl, a company that the seller, Sidora Srl, had previously transferred the 'TLC' business unit to. The business unit in question consists of an integrated system for the remote control and management of smart city services, which, through the main software components developed by Sidora: *(i)* receives information on the consumption of public lighting systems and *(ii)* allows remote, more efficient and sustainable management of public lighting systems.
The 2024 financial year closed with a production value of € 629,308 and profit of € 10,800.

General economic development

General economic trends

As stated in Economic Bulletin 1/2025 by the Bank of Italy, the global economic growth trend continued in 2024, although with significant differences across macro-regions.
Growth remained robust in the United States, while it lost momentum in other economies. Specifically, the real estate crisis in China continues to weigh on domestic demand. According to the Bulletin's estimates, global trade is expected to expand slightly above 3% in 2025, in line with the projected growth of global output.
International trade prospects will be negatively affected not only by escalating geopolitical tensions but also by the announced tightening of US trade policy.
Oil prices remained broadly stable, while natural gas prices were volatile and subject to upward pressure due to both demand- and supply-side factors.
According to the Bank of Italy's forecasts, consumer price growth will average 1.5% over 2025-2026 (up from 1.1% in 2024), reaching 2.0% in 2027, driven by temporary effects linked to the introduction of the new pollutants and greenhouse gas emissions trading system in the European Union.
Economic growth in the euro area has weakened, held back by subdued consumption and investment, and by a decline in exports. Inflation remained at around 2%.
In December, Eurosystem experts revised their growth forecasts for the area downwards, placing them above 1% per year for the years 2025-2027. Inflation is expected to stabilise around the ECB's target of 2%.
In December 2024, the ECB cut key interest rates by a further 25 basis points. Markets expect a further reduction of around 75 basis points over 2025 (25 of which already cut on 6 March 2025). Despite the gradual loosening of monetary policy, credit growth in the euro area remains modest in a context of high uncertainty and weak demand.
As for Italy, the Bank of Italy forecasts that growth will gain momentum over 2025, averaging around 1% over 2025-2027.

Balance of the year 2024

ISTAT noted that in 2024 the average annual consumer price increase stood at 1.0%, a sharp drop from +5.7% in 2023. The sharp decline in inflation during 2024 was mainly due to the steep fall in energy prices (-10.1% from +1.2% in 2023). Net of energy and fresh food (so-called 'core inflation'), consumer prices still rose by 2.0% (+5.1% in 2023) and, net of energy alone, by 2.1% (+5.3% in 2023).
In 2024, GDP at market prices amounted to € 2,192 billion in current prices, up 2.9% on the previous year. This placed Italy as the world's eighth-largest economy, ahead of Canada, Brazil, Russia and South Korea.
In volume terms, GDP grew by 0.7%. This growth was driven by a positive contribution from domestic demand net of inventories (+0.5%) and net foreign demand (+0.4%), while the contribution of inventory changes was slightly negative (-0.1%). On the supply side of goods and services, value added increased in agriculture (+2.0%), in services (+0.6%) and, to a lesser extent, in industry as a whole (+0.2%).
Growth in productive activity was accompanied by an expansion in labour input and incomes.
The primary fiscal balance improved, moving from -3.6% to +0.4%.
The tax burden rose by over one percentage point, while interest expenditures increased by 9.5%.
Of particular relevance to City Green Light's operations is the fact that the ratio of general government debt to GDP improved significantly compared to 2023, standing at -3.4%.

Outlook year 2025

The 2025 Budget Law was definitively approved by the Italian Senate at the session of 28 December 2024. At that sitting, in addition to the 'State Budget Forecast for the 2025 Financial Year', the 'Multi-year Budget for the 2025-2027 Period' was also approved.
Furthermore, the Parliamentary Budget Office (UPB) validated the macroeconomic forecasts of the 2025-2029 Medium-Term Structural Budget Plan (PSB), noting that:

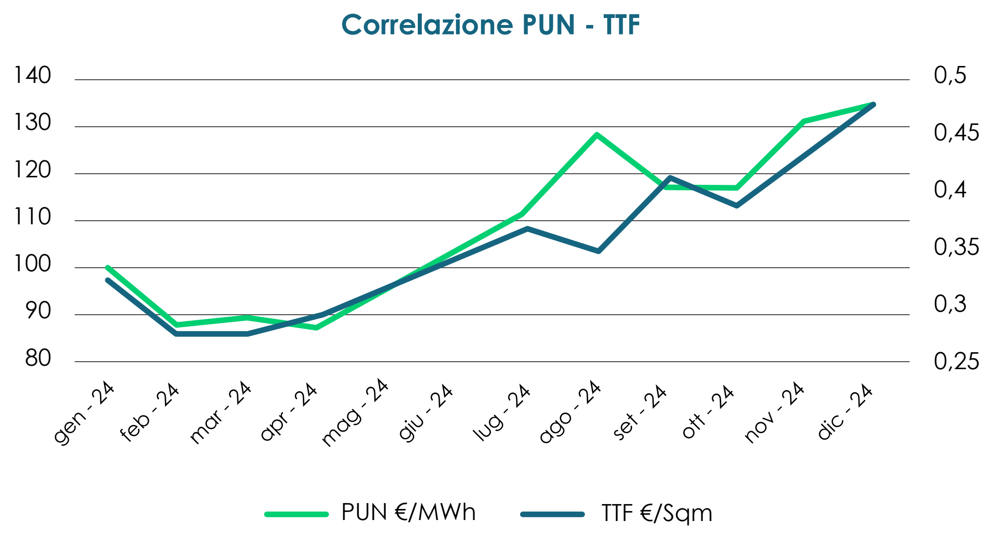
- geopolitical tensions have further deteriorated. Ongoing wars are affecting international trade and commodity prices, and the repercussions could rapidly intensify over the forecast horizon. Forecasts for global trade are critical, as the anticipated recovery does not appear to be uniform, either geographically or by sector;
- in Europe, the German economy remains stagnant, and trade barriers and existing fragmentation may intensify;
- investment is the most uncertain variable in the macroeconomic outlook. In the medium term, critical issues may arise from the implementation of projects financed by the NGEU programme, especially given the concentration of initiatives in 2025-2026, which could lead to supply bottlenecks;
- the start of the ECB's official interest rate cut phase could provide a positive boost to growth. However, the exact timing of further rate cuts and the transmission of their effects will depend on numerous factors;
- environmental risks, particularly those linked to adverse weather conditions, remain significant. Besides affecting the prices of food and energy, extreme weather events can damage the productive fabric of various economic sectors, from agriculture to tourism. Moreover, the increasing frequency of extreme events is prompting both governments and private operators to set aside more resources to manage emergencies, reducing room for expansionary measures.
- compared to the Economic and Financial Document (EFD 2024), the 2025-2029 Structural Budget Plan revises the deficit downward in every year of the 2024-2027 period by an average of 0.7% of GDP.
- the updated forecasts indicate a trend net borrowing of general government equal to 3.8% of GDP in 2024, 2.9% in 2025, 2.1% in 2026 and 1.5% in 2027;
- the trend deficit is set to fall below 3% of GDP as early as 2025, one year ahead of the projection in EFD 2024;
- also in 2024, again one year earlier than forecast in EFD 2024, a return to a primary surplus is expected for the first time since 2019. The primary surplus is estimated to be just positive in 2024, 1% of GDP in 2025, rising to 1.8% in 2026 and 2.5% in 2027.

Specifically regarding the NRRP, Italy received € 121.6 billion in funding from the EU for its NRRP between 2021 and 2024. For 2025, the government has already requested a further € 18.3 billion in addition to the amounts already received.
Italy is the first EU country to have received six NRRP instalments by the end of 2024 and to have requested a seventh.
It is also worth noting that, in a near-unprecedented move, the German government announced a massive defence and infrastructure spending plan in line with the 'Whatever it takes' approach mentioned by the Chancellor-elect Friedrich Merz. The total investment planned for infrastructure amounts to € 500 billion, the largest in post-war German history. The decision came after the suspension of US military aid to Ukraine. Reaching an agreement will require the cancellation of the 'debt brake' for defence spending above 1% of GDP, approved by a two-thirds majority in the Bundestag on 18 March 2024. Even before the vote, yields on 10-year German government bonds rose by 37 basis points in Q1 2025 to 2.76%, the largest increase since German reunification in 1990. This clearly triggered a domino effect in the European bond market.

Energy market trends

According to data from Terna SpA, electricity consumption in Italy increased by 2.2% in 2024 compared to 2023, reaching 312.3 TWh.
During the year, renewable sources recorded their highest-ever share of demand coverage, at 41.2% (up from 37.1% in 2023). This increase is mainly due to the positive contribution of hydroelectric and photovoltaic generation.
The upward trend in electricity demand reflects positive year-on-year changes throughout most of the year compared to 2023, especially in July and August, which saw above-average temperatures.

In 2024, 83.7% of Italy's electricity demand was met by domestic production, with the remaining 16.3% covered by net imports.
Domestic net production totalled 264 TWh, up 2.7% from 2023, driven by double-digit growth in hydroelectric (+30.4%) and photovoltaic (+19.3%) output. The latter set a new record in 2024, surpassing 36 TWh.
By contrast, wind and geothermal power declined (-5.6% and -0.8% respectively). Thermal generation also decreased from 2023 (-6.2%). In this context, coal-fired generation dropped sharply (-71%) and has been virtually eliminated except in Sardinia, corresponding to an estimated reduction in carbon dioxide emissions of over 8 million tonnes.
Also according to Terna SpA, total installed renewable capacity in Italy grew by 7,480 MW in 2024, an increase of 1,685 MW (+29%) over 2023.
Italy had 76.6 GW of installed renewable capacity as at 31 December 2024, including 37.1 GW of solar and 13 GW of wind power.
In terms of energy carrier prices, it is important to report the trend of natural gas prices traded on the TTF. As is known, Italy's domestic generation mix remains heavily dependent on natural gas, meaning gas prices have a strong influence on the Single National Price (SNP).
From March 2024 onwards, gas prices began a steady upward trend, peaking at the end of 2024 close to € 50/MWh, a threshold that was then exceeded in January 2025.
Indeed, between March and December 2024 TTF prices were driven primarily by global LNG prices, supported by rising demand in Asia, which significantly influenced the price of gas in the European network.
Europe is more exposed to LNG price fluctuations, despite roughly half of the EU's electricity being generated from renewables and a reduction in gas demand. Gas demand fell by 138 billion cubic metres between August 2022 and May 2024.
In fact, in 2024 total natural gas consumption reached an 11-year low, at around 450 billion cubic metres.
Nonetheless TTF market volatility remained high throughout 2024, with sharp price spikes in August, early November to mid-December, and in the final days of the year.
This indicates further financialisation of the TTF and related hubs, resulting in a decoupling between prices and the fundamentals of supply and demand.
The following chart shows the positive correlation between TTF and SNP (correlation index of 0.91 in 2024).
When price lows were recorded between February and April 2024, with the TTF fluctuating between € 24 and € 28/MWh, the SNP stabilised below € 90/MWh. It then reached € 135/MWh in December, following the aforementioned surge in TTF prices.



As for the early months of 2025, no substantial changes to the 2024 scenario were observed, with ongoing geopolitical tensions and the seasonal rise in wholesale electricity prices linked to natural gas quotations ahead of the 2025/2026 winter season.
On 28 February 2025, the Council of Ministers approved a decree-law introducing urgent measures in favour of households and businesses, including tariff relief for electricity and gas supply, transparency in retail offers and strengthened powers for supervisory authorities.
The new rules enhance and expand the protection mechanisms for 2025 for low-income households, small and medium-sized enterprises (SMEs) and energy-intensive companies with respect to energy consumption costs by allocating around € 3 billion.
For the protection of SMEs and energy-intensive companies, € 600 million was authorised for 2025 to fund the Energy Transition Fund in the industrial sector. A further € 600 million was earmarked for subsidies for electricity and gas supplies for SMEs, in particular by cancelling the system charges related to support for renewable energy and cogeneration (the so-called ASOS component) for six months for low-voltage non-domestic final customers with available power exceeding 16.5 kW.

Summary of the financial statements (figures in Euro)

Key economic data

The reclassified Income Statement of the Group compared to the previous year is as follows (in Euro):

	31/12/2024	31/12/2023	Delta
Net revenue	187,257,988	148,621,818	38,636,170
External costs	101,156,875	83,543,041	17,613,834
Added Value	**86,101,113**	**65,078,777**	**21,022,336**
Labour costs	21,149,862	11,358,493	9,791,369
Gross Operating Margin	**64,951,251**	**53,720,284**	**11,230,967**
Amortisation, depreciation, write-downs and other provisions	24,427,411	16,993,168	7,434,243
Operating profit/loss	**40,523,840**	**36,727,116**	**3,796,724**
Non-recurring income and expenses	(1,933,971)	8,188,300	(10,122,271)
Financial income and expenses	(6,190,056)	(1,962,688)	(4,227,368)
Profit/loss on ordinary operations	**32,399,813**	**42,952,728**	**(10,552,915)**
Write-ups and write-downs	-	-	-
Profit before tax	**32,399,813**	**42,952,728**	**(10,552,915)**
Income taxation	10,064,153	9,890,549	173,604
Net profit/loss	**22,335,660**	**33,062,179**	**(10,726,519)**

In order to better describe the Group's profitability situation, a number of profitability ratios are shown in the table below.

	31/12/2024	31/12/2023
Net ROE	17.88%	32.16%
Gross ROE	25.94%	41.78%
ROI	20.08%	23.55%
ROS	21.64%	24.71%
EBITDA/Invested Capital	32.18%	34.45%
EBITDA Margin	34.69%	36.15%

Net ROE is the ratio of net profit/loss to net equity after deducting the profit/loss for the year.
Gross ROE is the ratio of profit/loss before taxation to net equity, net of the profit/loss for the year.
ROI is the ratio of the operating profit/loss to the capital invested in operations.
ROS is the ratio of operating profit/loss to net revenues.

EBITDA is a measure of the operating profitability of operations that approximates the Group's ability to generate cash flows.
The EBITDA Margin is the ratio of EBITDA for the year as described above to net revenues.

The overall return on equity (ROE) declined compared to the previous year, mainly due to lower net profit.
Return on investment (ROI) in core operations decreased as a result of an increase in invested capital, primarily due to corporate transactions carried out during the year. The EBITDA to invested capital ratio also declined due to the aforementioned increase in invested capital.

Key Balance Sheet figures

The reclassified Balance Sheet of the Company compared to the previous year's one is as follows (in Euro):

	31/12/2024	31/12/2023	Delta
Net intangible fixed assets	75,898,774	55,515,638	20,383,136
Net tangible fixed assets	93,650,241	85,285,203	8,365,038
Long-term investments and other financial fixed assets	999,229	522,085	477,144
Capital assets	**170,480,244**	**141,322,926**	**29,225,318**
Inventories	10,422,335	2,177,491	8,244,844
Trade receivables	68,629,487	61,601,699	7,027,788
Other receivables	11,404,165	8,115,296	3,288,869
Prepayments and accrued income	4,468,595	8,468,729	(4,000,134)
Short-term assets	**94,924,582**	**80,363,215**	**14,561,367**
Trade payables	38,670,355	41,891,018	(3,220,663)
Advanced payments received	4,816,033	1,542,126	3,273,907
Tax liabilities and social security	4,052,959	1,710,067	2,342,892
Other debts	4,643,839	10,298,962	(5,655,123)
Accrued expenses and deferred income	1,741,359	1,344,715	396,644
Short-term liabilities	**53,924,545**	**56,786,888**	**(2,862,343)**
Net working capital	**41,000,037**	**23,576,844**	**17,423,710**
Severance indemnity	1,200,323	503,334	696,989
Other medium- and long-term liabilities	8,514,379	8,466,011	48,368
Medium- and long-term liabilities	**9,714,702**	**8,969,345**	**745,357**
Net invested capital	**201,833,579**	**155,929,908**	**45,903,671**
Net equity	(157,981,869)	(135,880,515)	(22,101,354)
Medium- and long-term net financial position	(51,910,585)	(34,849,979)	(17,060,606)
Short-term net financial position	8,058,875	14,800,586	(6,741,711)
Equity and net financial debt	**(201,833,579)**	**(155,929,908)**	**(45,903,671)**

The reclassified balance sheet shows the financial strength of the Group (i.e. its ability to maintain financial balance in the medium to long term).
For a better description of the Group's balance sheet situation, the table below shows some balance sheet ratios relating to both (i) the financing methods of medium/long-term loans and (ii) the composition of financing sources.

	31/12/2024	31/12/2023
Fixed asset to equity capital margin	(12,566,375)	(5,442,411)
Equity to non-current asset ratio	0.93	0.96
Fixed asset to equity capital and medium-long term debt margin	49,058,912	38,376,913
Equity plus non-current liabilities to equity ratio	1.29	1.27

The fixed asset to equity capital margin is calculated as the difference between net equity and fixed assets.
The equity to non-current asset ratio is the ratio of equity to fixed assets.
The fixed asset to equity capital and medium-long term debt margin is calculated as the sum of consolidated liabilities and net equity, net of fixed assets.
The equity plus non-current liabilities to equity ratio is the ratio of the sum of consolidated liabilities and net equity to fixed assets.

Key financial figures

The net financial position as at 31/12/2024 was as follows (in Euro):

	31/12/2024	31/12/2023	Delta
Bank deposits	44,421,841	41,906,127	2,515,714
Cash-in-hand and other cash equivalents	3,127	1,314	1,813
Cash at bank and in hand	**44,424,968**	**41,907,441**	**2,517,527**
Short-term investments	**-**	**517**	**-**
Payables to banks (within the next financial year)	34,027,013	24,602,005	9,425,008
Payables to other lenders (within the next financial year)	2,339,080	2,505,367	(166,287)
Short-term financial debts	**36,366,093**	**27,106,856**	**9,259,327**
Short-term net financial position	**8,058,875**	**14,800,586**	**(6,741,710)**
Owed to banks (beyond the next financial year)	49,393,799	30,316,429	19,077,370
Other financial debt (beyond the next financial year)	2,516,786	4,533,550	(2,016,764)
Medium- and long-term net financial position	**(51,910,585)**	**(34,849,979)**	**(17,060,606)**
Net financial position	**(43,851,710)**	**(20,049,393)**	**(23,802,316)**

To better describe the financial situation, some Financial Statements ratios are shown in the table below, compared with the same ratios for the Financial Statements of the previous year.

	31/12/2024	31/12/2023
Quick ratio	2.39	2.11
Current ratio	2.58	2.15
Indebtedness	0.56	0.46
Average customer deferrals	147	164

The quick ratio is calculated as the ratio of the sum of cash and cash equivalents and short-term receivables net of inventories to short-term liabilities.
The current ratio is calculated as the ratio of the sum of cash and cash equivalents and short-term receivables including inventories to short-term liabilities.
Indebtedness is calculated as the ratio of financial debt to net equity.
Average customer deferrals are calculated as the ratio of trade receivables to net revenues, averaged over 365 days.

The quick (equal to 2.39) and current (equal to 2.58) ratios show that the value assumed by net working capital is satisfactory in relation to the amount of current liabilities.
The debt ratio stood at 0.56, slightly up from the previous year (0.46) due to the financing of corporate transactions executed during the year.
The average collection period from customers (147 days) improved compared to the previous year thanks to careful management of the customer base and the financial cycle of companies operating in sectors other than public lighting.

Environment and personnel-related information

Taking into account the social role of the Group as also highlighted in the Management Report document of the National Council of Chartered Accountants and Accounting Experts, it is deemed appropriate to provide the following information regarding the environment and personnel.

Personnel
During the financial year, there were work-related fatalities or serious work-related accidents resulting in serious or very serious injuries to Group personnel entered in the register.
During the financial year, there were no allegations of occupational diseases of employees or former employees and mobbing cases for which one or more Group companies were declared definitively liable.
As at 31 December 2024, the workforce consisted of 359 employees, a net increase of 63% or 139 people compared to 31 December 2023, mainly due to corporate transactions during the year. Hiring was aimed at strengthening the operational functions employed in the management and running of efficiency measures, as well as the tender and commercial and business development functions, in order to ensure a better and more efficient management of these areas.
Some details on the number and composition of staff employed are given below:

The Group's total workforce as at 31/12/2024, by category, is shown below:

Personnel	31/12/2024	31/12/2023	Delta
Executives	12	10	2
Managers	22	15	7
Clerks	211	146	65
Workers	114	49	65
Total	359	220	139

Environment

During the financial year, there was no environmental damage caused for which one or more Group companies were definitively found guilty, nor were any definitive sanctions or penalties imposed for environmental crimes or damage.
The parent company City Green Light has implemented an Integrated Management System for Quality, Environment, Energy and ESCo, Safety, Anti-corruption and Information Security, Social Responsibility, Diversity & Inclusion and Gender Equality in accordance with UNI EN ISO regulations.
The adoption of third party certified Corporate Management Systems ensures that structured policies and procedures are in place to identify and manage the risks and opportunities associated with each business activity.
During 2024, City Green Light maintained, through audits by the certification body, all existing certifications in line with the latest standards.

Details of the certifications and accreditations obtained by the Company are given below:

- UNI 11352:2014, which defines requirements for companies that want to act as Energy Service Companies (ESCo). The standard outlines the requirements for energy efficiency services and the (organisational, diagnostic, design, management, economic and financial) capabilities that the ESCo must have in order to be able to offer these activities to its customers.
- UNI EN ISO 9001:2015, which defines the requirements for the implementation of a quality management system within an organisation , in order to conduct business processes, improve effectiveness and efficiency in product manufacture and service delivery, and achieve and increase customer satisfaction.
- UNI EN ISO 14001:2015, which defines guidelines for creating an environmental management system consisting of policies, processes, plans, practices and records that guide the company's interaction with the environment.
- UNI CEI EN ISO 50001:2018, which specifies the requirements for creating, starting up, maintaining and improving an energy management system. The objective of such a system is to enable an organisation to pursue, with a systematic approach, the continuous improvement of its energy performance by including energy efficiency as well as energy consumption and use.
- ISO 45001:2018 'Management Systems for Occupational Health and Safety' is the first international standard to define minimum standards of good practice for the protection of workers worldwide. It establishes a framework for improving safety, reducing occupational hazards and improving the health and well-being of workers.
- Implementing Regulation (EU) 2015/2067 laying down minimum requirements for the certification of natural persons and undertakings carrying out recovery, installation, repair, maintenance and dismantling activities in relation to truck and trailer refrigeration units, stationary refrigeration and air-conditioning equipment and stationary heat pumps containing fluorinated greenhouse gases, as well as the conditions for mutual recognition of certificates issued in accordance with those requirements.
- Social Accountability Management System (SA8000:2014), which identifies an international certification standard aimed at certifying certain aspects of corporate management relating to corporate social responsibility (respect for human rights, respect for workers' rights, protection against the exploitation of minors, guarantees of safety and health in the workplace).
- ISO/IEC 27001:2022 'Information Security Management Systems', which defines the requirements for planning, implementing, operating, monitoring, reviewing, maintaining and improving a company's information security management system.
- ISO/IEC 37001:2016, which specifies requirements and provides guidance for a management system designed to help organisations prevent, track and address corruption and comply with corruption prevention and anti-corruption laws and voluntary commitments applicable to their business.
- ISO 30415:2021 "Human resource management - Diversity and inclusion" an international standard that enables you to implement, assess, maintain and improve a framework aimed at guiding and developing more inclusive and sustainable business practices.
- UNI/PdR 125:2022 specifies the guidelines for the gender equality management system and provides for the adoption of specific KPIs relating to the organisation's gender equality policy.

Investments made

During the year, investments were made in the following areas:

- Interventions for the energy efficiency for € 27,565,787, mainly for LED equipment, panels and ancillary installation costs, as well as interventions for the re-qualification of equipment;
- Design costs for participation in tenders not yet awarded at the date of preparation of these notes in the amount of € 2,331,978;
- IT hardware and software products in the amount of € 209,422;
- Plant and machinery for € 59,882;
- Furniture in the amount of € 36,471;
- Electronic machines and computers for € 149,479;
- SOA certifications for € 49,621;
- Land for € 146,809.

Research and development activities

Pursuant to Article 2428, paragraph 3, number 1, of Italian Civil Code the following disclosures are made:

During the year, the group continued carrying out the research and development programmes started in previous years and focused mainly on the digital transformation of the Public Administration and the smart city concept, understood as the development of connected and integrated technological solutions that make cities sustainable, efficient and innovative, i.e., cities capable of guaranteeing a high quality of life for their citizens.
For the current year, management decided not to capitalise development costs.

Organisation, Management and Control Model pursuant to Italian Legislative Decree No. 231/01

The parent company adopted an organisational and management model that meets the requirements of Legislative Decree No. 231/2001 (231 Model), which introduced into the Italian legal system a system of liability for companies for certain types of offences committed by their directors, managers or employees in the interest or to the advantage of those companies.
The parent company's Supervisory Body, appointed for the first time in 2018, carries out checks on the functioning and compliance of the model and reports to the Board of Directors every six months on its activities and findings. Where deemed necessary, the Supervisory Body makes suggestions to improve the control system and monitors its implementation.
During the year, the parent company's 231 Model was reviewed and updated, with particular reference to the changes introduced by Italian Law no. 114 of 9 August 2024.
At the same time, the parent company initiated and completed the update of its Code of Ethics, incorporating the behavioural principles expected of each stakeholder (whether internal or external) into the Organisation, Management and Control Model.
Following the update of the 231 Model, the whistleblowing procedure was also revised in light of organisational changes within the Company and with the adoption of Legislative Decree 24/2023, which transposed into Italian law EU Directive 2019/1937 on 'the protection of persons who report breaches of Union law'.
All companies within the group are required to be aware of and comply with the parent company's code of ethics. Organisational models are also being prepared and approved for the companies Termotecnica Srl (approved on 17 January 2025), Lumagest Srl (pending approval) and Smart Parking Systems Srl (pending approval).

Related-party transactions

Transactions between Group companies are based on maximum transparency and market conditions. None of the transactions with related parties can be classified as atypical or unusual, as they are part of the companies' normal business activities.
The following table relating to the parent company's financial statements provides specific details of receivables, payables, costs and revenue with subsidiaries and associates (in thousands of euro).

Group Company	Trade receivables	Financial receivables	Other receivables	Trade payables	Financial payables	Other debts
Subsidiaries	**1,573**	**531**	**-**	**999**	**13,237**	**73**
Termotecnica Sebina Srl	269	-	-	17	6,933	-
Lumagest Srl	332	-	-	19	6,304	-
Palermo Srl	661	-	-	351	-	60
Efferre Srl	50	158	-	-	-	-
Energy Green Srl	110	162	-	-	-	-
Smart Parking Systems Srl	116	211	-	-	-	-
RSM City Green Light Srl	2	-	-	-	-	13
CityMetrics Srl	32	-	-	612	-	-
Affiliated	**-**	**-**	**-**	**495**	**-**	**-**
Covedi Scarl	-	-	-	495	-	-

Group Company	Revenues	Other revenue	Costs for services	Financial charges	Financial income
Subsidiaries	**-**	**2,152**	**351**	**36**	**9**
Termotecnica Sebina Srl	-	269	-	17	-
Lumagest Srl	-	323	-	19	-
Palermo Srl	-	1,236	351	-	-
Efferre Srl	-	46	-	-	5
Energy Green Srl	-	48	-	-	2
Smart Parking Systems Srl	-	111	-	-	2
CityMetrics Srl	-	120	-	-	-
Affiliated	**-**	**-**	**2,167**	**-**	**-**
Covedi Scarl	-	-	2,167	-	-

Disclosure of risks and uncertainties pursuant to Article 2428, paragraph 3, point 6-bis, of Italian Civil Code

Pursuant to art. 2428, paragraph 3, point 6-bis, of the Italian Civil Code and pursuant to art. 40 of Italian Legislative Decree no.127/91, information is provided below on the policies and criteria used to measure, monitor and control the risks to which the Group companies are exposed.

Credit risk

Credit risk is related to the possibility that a commercial party defaults, i.e. the municipality is declared bankrupt. This type of risk is managed by the parent company through specific procedures and appropriate mitigation actions.
The control of this risk is carried out both by the centrally allocated finance function and by project managers on the ground.
With regard to commercial parties, risk mitigation takes place through the preventive assessment of reliability, also through the use of rating databases, the optimisation of the credit reminder and recovery processes, and the use of monitoring and reporting tools aimed at anticipating signs of instability. Lastly, the parent company carries out credit transfers on a large portfolio of customers through factoring

transactions without recourse that allow for the substantial transfer of all credit risks.

Interest rate risk
Interest rate risk relates to the uncertainty associated with interest rate trends, changes in which can lead to an increase in net borrowing costs given a certain amount and composition of debt.
The Group does not engage in derivative instruments for speculative purposes. As at 31 December 2024 there are hedging operations related to the "Green Loan" subscribed by City Green Light during the year, while the other companies of the group have no financial liabilities as at 31 December 2024.

Liquidity risk
Liquidity risk concerns the Group's ability to meet its payment commitments on time. To guard against this risk, the parent company ensures that it maintains adequate financial resources, as well as a liquidity buffer sufficient to meet unexpected commitments. A centralised treasury service (cash pooling) was established to optimise cash management within the Group.

Energy risk
The Group is exposed to energy scenario risk, i.e. the risk of significant, unexpected and/or structural changes in energy commodity prices (electricity).
This risk is strongly mitigated by the use of advance contracting of fuel procurement and by the fact that all public lighting contracts entered into with municipalities by the parent company and its subsidiary Lumagest include annual adjustment parameters.

Risks related to the changing regulatory environment
Group companies operate in highly regulated sectors, both as partners of the public administration and as operators in the free market (e.g. energy management and the sale of energy securities). Among the risk factors should therefore be considered the constant and not always predictable evolution of the legal and regulatory environment of reference.
In view of these risk factors, the parent company has adopted a policy of monitoring and management of regulatory risk in order to mitigate its effects as far as possible through a multi-level control, which includes constant updates on regulatory news and active participation in trade associations.

Risks linked to changes in the economic and socio-environmental context
Group companies are naturally sensitive to business cycles and to the general economic conditions in the country in which they operate.
To monitor these issues, the Group maintains an ongoing dialogue activity with local communities.
It should also be noted that the Group pays particular attention to the quality of the services provided, also with a view to continuing its activities in the areas already served and tendering for the same services in new areas. In order to maintain and develop the market positioning of these services and consequently to preserve and expand the Company's business, organisational structures dedicated to the constant monitoring of opportunities and to the effective and efficient management of tenders were strengthened.
There are also control instruments and remote control of technical parameters for monitoring and timely detecting any anomalies.
With regard to occupational safety and environmental risks, reference should be made to the quality certifications obtained by the group, as reported above.
Finally, to cover residual risks, the companies have taken out insurance policies to cover direct and indirect damages that may be incurred.

Business outlook
In addition to the public lighting sector, the group is increasingly offering a commercial range of complementary and integrated smart solutions. Thanks to its knowledge of the territory and its infrastructures, its extensive network of maintainers, and its ability to reconcile financing instruments with the needs of public administrations, the group is able to provide tailor-made services and advice to local authorities.
An increase in the number of managed lighting points is expected by acquiring new contracts in excess of the contracts currently being concluded. This will allow the group to further consolidate its role as a leading industrial player in the public lighting sector. In this regard, note that by 1 April 2025 the Company will submit its bid for participation in the 'Open procedure for the award of a framework

agreement for the provision of the Lighting Service and related and optional services ed. 1 divided into 12 lots', called by Consip SpA on 5 February 2024.
Commercial development will continue thanks to the know-how acquired through corporate transactions completed during the year, particularly in the area of energy efficiency upgrades for buildings and smart services for the public.
Finally, it is envisaged that additional figures will be added at the sales and operational levels in order to cover the areas of new expansion, as well as some staff in order to increasingly guarantee adequate support for increased production activity.
As for the factors that may influence economic performance in 2025, the evolution of possible global protectionist policies and their effects on inflation and monetary policy will need to be assessed.
As at the date of preparation of these financial statements, the impact of current geopolitical tensions remains uncertain, both in terms of energy carrier costs and supplies and national budgets.
However, it should be borne in mind that the revenues recognised annually by the group consist mainly of quarterly fees for the provision of an essential service such as the supply of public lighting, and that they originate from multi-year contracts signed with the Public Administration following a call for tenders. The essential nature of the service offered and the characteristics of the existing contracts offer a guarantee of maintaining a 2025 turnover that can support the Company's growth.
Lastly, taking into account the current availability of cash and the long-term loan taken out, we do not believe there are any conditions for assuming changes to the Company's economic and financial situation.

We thank you for the trust you have placed in us and invite you to approve the Financial Statements as presented.

Vicenza, 28 March 2025

For the Board of Directors
The Managing Director

Mr Alessandro Visentin

02 FINANCIAL STATEMENTS

General information about the company	
Company details	
name	CITY GREEN LIGHT S.R.L.
registered office	36100 VICENZA (VI) VIA GIUSEPPE ZAMPIERI 15
quota capital	50,000,000.00
quota capital fully paid-up	yes
CCIAA (chamber of commerce) code	VI
VAT number	03785880240
tax number	03785880240
Economic Administrative Index (EAR) no.	35810
legal form	LIMITED LIABILITY COMPANY (SRL)
main business sector (ATECO)	INSTALLATION OF STREET LIGHTING AND AIRPORT RUNWAY LIGHTING SYSTEMS (432103)
company in liquidation	no
single-member company	no
company subject to management and coordination by another party	no
part of a group	no
name of the parent company	City Green Light Srl
country of the parent company	Italy

Balance Sheet		
Assets		
A) Called up capital stock not paid		
Called up portion		
Portion to be called up	40,000	40,000
Total called up capital stock not paid (A)	40,000	40,000
B) Fixed Assets		
I - Intangible fixed assets		
1) start-up and expansion costs	12,087	1,756
2) development costs	-	24,845
3) patents & copyrights	2,005,482	107,654
4) concessions, licences, trademarks and similar rights	38,440,722	44,245,455
5) goodwill	31,112,66	8,349,500
6) payments on account and assets in course of construction	3,453,719	1,892,000
7) others	874,103	894,428
Total intangible fixed assets	75,898,774	55,515,638
II - Tangible fixed assets		
1) land and buildings	374,655	208,574
2) plant and machinery	55,778	2,307
3) industrial and commercial equipment	47,779	14,865
4) others	84,917,809	71,518,945
5) payments on account and assets in course of construction	8,254,220	13,540,512
Total tangible fixed assets	93,650,241	85,285,203
III - Financial fixed assets		
1) investments in		
a) subsidiaries	25,500	-
b) affiliated companies	180,000	180,000

d-bis) other companies	8,147	1,626
Total investments	213,647	181,626
2) receivables		
d-bis) from other companies		
due within the next financial year	-	517
due beyond the next financial year	6,327	-
Total receivables from others	6,327	517
Total receivables	6,327	517
3) other securities		
4) derivatives		
Total financial fixed assets	219,974	182,143
Total fixed assets (B)	169,768,989	140,982,984
C) Current assets		
I - Inventories		
1) raw materials, consumables and supplies	1,919,490	466,269
3) contract work in progress	8,502,845	1,711,222
Total inventories	10,422,335	2,177,491
II - Short-term receivables		
1) trade receivables		
due within the next financial year	68,629,487	61,601,699
due beyond the next financial year	366,357	300,459
Total trade receivables	68,995,844	61,902,158
5-bis) tax receivables		
due within the next financial year	7,398,732	6,780,077
due beyond the next financial year	372,898	-
Total tax receivables	7,771,630	6,780,077
5-ter) Deferred tax assets	1,792,561	1,174,241
5-quater) from others		
due within the next financial year	2,212,872	160,978
Total receivables from others	2,212,872	160,978
Total receivables	80,772,907	70,017,454
IV - Cash at bank and in hand		
1) checking accounts and post-office deposits	44,421,841	41,906,127
2) checks	1,280	1,280
3) cash-in-hand and cash equivalents	1,847	34
Total cash at bank and in hand	44,424,968	41,907,441
Total current assets (C)	135,620,210	114,102,386
D) Deferrals and accruals	4,468,595	8,468,729
Total assets	309,897,794	263,594,099
Liabilities		
A) Group net equity		
I - Capital	50,000,000	50,000,000
II - Additional paid-in capital	3,297,706	3,297,706
IV - Legal reserve	10,000,000	10,000,000
VI - Other reserves, specifically indicated		
Extraordinary reserve	19,549,687	19,549,687
Various other reserves	1	-
Total other reserves	19,549,688	19,549,687
VII - Reserve for expected cash flow hedging transactions	(337,456)	(103,152)

VIII - Retained earnings (accumulated loss)	53,056,271	19,994,095
IX - Profit (loss) for the year	22,335,660	33,062,179
Group total net equity	157,901,869	135,800,515
Minority interests		
Capital and reserves attributable to minority interests	80,000	80,000
Total equity attributable to minority interests	80,000	80,000
Total consolidated net equity	157,981,869	135,880,515
B) Provisions for liabilities and charges		
2) taxes, including deferred taxes	6,996,321	7,382,327
3) derivatives payable	444,021	135,726
4) others	8,803	150,000
Total provisions for liabilities and charges	7,449,145	7,668,053
C) Severance indemnity reserve	1,200,323	503,334
D) Payables		
4) owed to banks		
due within the next financial year	34,027,013	24,602,005
due beyond the next financial year	49,393,799	30,316,429
Total owed to banks	83,420,812	54,918,434
5) other financial debt		
due within the next financial year	2,339,080	2,505,367
due beyond the next financial year	2,516,786	4,533,550
Total other financial debt	4,855,866	7,038,917
6) advanced payments received		
due within the next financial year	4,816,033	1,542,126
Total advances	4,816,033	1,542,126
7) trade payables		
due within the next financial year	38,670,355	41,891,018
Total trade payables	38,670,355	41,891,018
9) payables to subsidiaries		
due within the next financial year	10,751	-
Total payables to subsidiaries	10,751	-
10) payables to affiliated companies		
due within the next financial year	494,749	1,160,652
Total payables to affiliated companies	494,749	1,160,652
12) tax liabilities		
due within the next financial year	2,324,912	744,164
Total tax liabilities	2,324,912	744,164
13) payables to social security institutions		
due within the next financial year	1,728,047	965,903
Total payables to social security institutions	1,728,047	965,903
14) other liabilities		
due within the next financial year	4,138,339	9,138,310
due beyond the next financial year	1,065,234	797,958
Total other liabilities	5,203,573	9,936,268
Total payables	141,525,098	118,197,482
E) Deferrals and accruals	1,741,359	1,344,715
Total liabilities	309,897,794	263,594,099

Income Statement		
A) Production value		
1) revenues from sales and services	179,129,209	145,895,977
3) changes in contract work in progress	4,961,489	708,926
5) other operating income		
operating grants	28,645	-
others	3,138,645	10,205,215
Total other operating income	3,167,290	10,205,215
Total production value	187,257,988	156,810,118
B) Production costs		
6) raw materials, consumables and goods for resale	59,164,817	46,527,468
7) services	41,155,487	35,106,452
8) rental and leases	2,829,717	1,356,601
9) Personnel expenses		
a) wages and salaries	15,715,751	8,446,122
b) social security costs	4,527,160	2,380,293
c) to severance indemnity reserve	906,951	522,252
e) others	-	9,826
Total personnel expenses	21,149,862	11,358,493
10) depreciation and other amounts written-down		
a) from intangible fixed assets	8,949,442	5,126,872
b) from tangible fixed assets	14,764,226	11,711,628
c) other write-downs of fixed assets	713,743	-
d) write-downs of receivables in current assets and cash and cash equivalents	-	154,668
Total depreciation and other amounts written-down	24,427,411	16,993,168
11) changes in inventories of raw and ancillary materials, consumables and goods	(858,564)	(15,022)
14) other operating expenses	799,389	567,542
Total production costs	148,668,119	111,894,702
Difference between production value and production cost (A - B)	38,589,869	44,915,416
C) Financial income and expenses		
15) income from investments		
others	94	-
Total income from investments	94	-
16) other financial income		
d) from other financial income		
others	904,155	3,091,089
Total from other financial income	904,155	3,091,089
Total other financial income	904,155	3,091,089
17) interests and other financial expenses		
others	7,094,305	5,053,777
Total interests and other financial expenses	7,094,305	5,053,777
Total financial income and expenses (15 + 16 - 17 + - 17-bis)	(6,190,056)	(1,962,688)
Profit/loss before income taxation (A - B + - C + - D)	32,399,813	42,952,728
20) Current, deferred and prepaid income taxes		
current taxes	11,380,050	9,995,800
taxes relating to previous years	29,783	24,376
deferred and prepaid taxes	(1,345,680)	(129,627)

Total income taxation (current, deferred and prepaid taxes)	10,064,153	9,890,549
21) Consolidated profit (loss) for the year	**22,335,660**	**33,062,179**
Group share of the result	22,335,660	33,062,179

Cash flow statement, indirect method		
A) Cash flow from operating activities (indirect method)		
Profit (loss) for the year	22,335,660	33,062,179
Income taxation	10,064,153	9,890,549
Interest expense/(income)	6,190,056	1,962,687
(Gains)/Losses on disposal of assets	-	60,385
1) Profit (loss) for the year before income taxes, interests, dividends and capital gains/losses on disposal	38,589,869	44,975,800
Adjustments for non-monetary items not reflected in net working capital		
Provisions to funds	1,237,005	503,334
Depreciation of fixed assets	23,713,668	16,838,500
Impairment losses	714,174	-
Other adjustments up/(down) for non-monetary items	(492,581)	648,066
Total adjustments for non-monetary items not reflected in net working capital	25,172,266	17,989,900
2) Cash flow before changes in net working capital	63,762,135	62,965,700
Changes in net working capital		
Decrease/(Increase) in inventories	(7,478,268)	(902,021)
Decrease/(Increase) in trade receivables	(10,557)	(7,391,385)
Increase/(Decrease) in trade payables	(7,730,869)	13,964,110
Decrease/(Increase) in prepayments and accrued income	4,222,969	(5,095,302)
Increase/(Decrease) in accrued expenses and deferred income	229,315	520,996
Other decreases/(Other increases) in net working capital	(5,426,480)	13,073,645
Total changes in net working capital	(16,193,890)	14,170,043
3) Cash flow after changes in net working capital	47,568,245	77,135,743
Other adjustments		
Interest received/(paid)	(6,190,056)	(1,962,687)
(Income taxes paid)	(11,138,190)	(15,655,789)
Dividends received		
(Use of funds)	(858,335)	(696,149)
Other receipts/(payments)	(705,976)	
Total other adjustments	(18,892,557)	(18,314,625)
Cash flow from operating activities (A)	28,675,688	58,821,118
B) Cash flows from investing activities		
Tangible fixed assets		
(Investments)	(23,131,755)	(25,287,224)
Disinvestments	-	34,841
Intangible fixed assets		
(Investments)	(2,794,945)	(1,487,584)
Disinvestments	-	709,708
Financial fixed assets		
(Investments)	(27,134)	(2,143)
Disinvestments	-	4,318
Short-term financial assets		
Disinvestments	-	33,158

(Acquisition of subsidiaries net of cash at bank and in hand)	(25,390,321)	(29,177,417)
Cash flow from investing activities (B)	(51,344,155)	(55,172,343)
C) Cash flows from financing activities		
Third-party means		
New financing	57,450,000	54,918,435
(Repayment of loans)	(32,264,006)	(42,971,640)
Own means		
(Dividends and interim dividends paid)	-	(7,000,000)
Cash flow from financing activities (C)	25,185,994	4,946,795
Increase (decrease) in cash at bank and in hand (A ± B ± C)	2,517,527	8,595,570
Cash at bank and in hand at the beginning of the year		
Checking accounts and post-office deposits	41,906,127	33,311,869
Checks	1,280	
Cash-in-hand and cash equivalents	34	
Total cash at bank and in hand at beginning of year	41,907,441	33,311,869
Cash at bank and in hand at year-end		
Checking accounts and post-office deposits	44,421,841	41,906,127
Checks	1,280	1,280
Cash-in-hand and cash equivalents	1,847	34
Total cash at bank and in hand at year-end	44,424,968	41,907,441

Information at foot of the cash flow statement

As envisaged by OIC 17, paragraph 36, the following information is disclosed for each company acquired in 2024:

	CityMetrics Srl	Termotecnica Sebina Srl	Energy Green Srl	Smart Parking Systems Srl	Total
a) total paid or received;	10,291,370	19,137,183	189,495	3,120,031	32,738,079
b) the part of income consisting of cash and cash equivalents	10,291,370	19,137,183	189,495	3,120,031	32,738,079
c) the amount of cash and cash equivalents acquired or transferred as part of the acquisition/disposal of the subsidiary	-	7,347,758	-	-	7,347,758
d) the carrying amount of the assets/liabilities acquired or transferred.	10,418,516	7,001,878	21,144	2,591,301	20,032,839

03

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS

Companies' Register no. 03785880240
EAR no. 353810

CITY GREEN LIGHT S.R.L.

Registered office at VIA GIUSEPPE ZAMPIERI 15 - 36100 VICENZA (VI) Registered Capital Euro 50,000,000.00 fully paid-up

Notes to the consolidated financial statements as at 31/12/2024

Notes, initial part

Dear Quotaholders,
These financial statements are the second consolidated financial statements of the City Green Light Group as at 31 December 2024.
All additional information considered necessary to give a true and fair view of the consolidated financial position and results of operations of the Group, comprising the parent company, City Green Light Srl, and its subsidiaries, is provided below.

Group operations and significant events during the year

The Group operates in the promotion of energy efficiency tools through the nationwide integrated management of public lighting services, facilities management of buildings and smart solutions for sustainable development as well as in the production and sale of energy through solar and photovoltaic panels, cogeneration and wind power plants, and in the provision of integrated energy services.
During the year, the parent company City Green Light (hereinafter also 'CGL') carried out the following corporate transactions:

- on 19 March 2024 the Company acquired 100% of the quota capital of Termotecnica Sebina Srl for € 18,714,892 plus ancillary charges. The company operates in the plant engineering sector, thus continuing the process of expanding its commercial offering;
- on 3 August 2024 CGL acquired the 'Smart Parking' business unit from Intercomp (which had previously transferred it to the subsidiary Smart Parking Systems Srl) for € 2,970,985 plus accessory charges. The transferred business unit consists of the integrated on-street parking management system that, using hardware and software components: (i) receives information on the occupancy status of a parking space through a sensor developed by the transferring company; (ii) provides information on parking payment; and (iii) allows the public to access parking-related services using a smartphone app. The acquisition will make it possible to meet the growing demand for smart services for the management of paid parking spaces and other ancillary services;
- on 13 December 2024, the parent company acquired 100% of the quota capital of CityMetrics Srl for € 10,180,374 plus ancillary charges, a company that the seller, Sidora Srl, had previously transferred the 'TLC' business unit to. The business unit in question consists of an integrated system for the remote control and management of smart city services, which, through the main software components developed by Sidora: (i) receives information on the consumption of public lighting systems and (ii) allows remote, more efficient and sustainable management of public lighting systems;
- acquisition of FBF Impianti Srl by City Green Light Srl.

The acquisition agreements for the stakes in Termotecnica Sebina and Smart Parking Systems Srl provide for the recognition of performance-based variable price components (earn-outs) upon the occurrence of certain conditions, in line with standard market practice for this type of transaction. Specifically, for Termotecnica Sebina the maximum amount payable to the seller is € 2.5 million, potentially to be paid by the second half of 2026. For Smart Parking Systems Srl, the maximum amount payable will depend on the results achieved by the company and represents a percentage of the value of contracts to be signed by the investee as a result of the pipeline transferred at the time of the business unit transfer. This variable consideration will be paid by City Green Light no later than four years after the date of closing. As at the date of preparation of these financial statements, the Company is unable to reliably estimate the likelihood or amount of variable price components (earn-outs) to be paid to the sellers and has therefore made no adjustment to the carrying amount of the two investments in question, except for Smart Parking Systems Srl, for which the variable component accrued and recognised to the seller in early 2025 amounted to € 131,864. This amount has been recorded under 'Payables to others'.

On 24 January 2024, the Public Prosecutor's Office of Trapani requested the application of precautionary measures against the parent company City Green Light S.r.l. for the alleged absence and implementation of an adequate organisational model to prevent a predicate offence allegedly committed in relation to a Project Financing operation concluded with the Municipality of Trapani.
This request was subsequently revoked on 4 April 2024 by the same Public Prosecutor following the Company's submission of a specific defence brief. Moreover, on 23 October 2024, fully accepting the defence's requests, the same Prosecutor's Office ordered the final dismissal of the proceedings against City Green Light S.r.l., finding that the Company had already adopted an appropriate and adequate Organisational Model at the time of the events to prevent the commission of predicate offences.

Budgeting criteria

The consolidated financial statements, comprising the balance sheet, income statement and notes, have been prepared in accordance with the provisions of art. 29 of Italian Legislative Decree 127/91, as described in these notes, which have been prepared in accordance with art. 38 of the same decree. Where necessary, the accounting standards set out by the National Council of Chartered Accountants and Accounting Experts have been applied and, where these were not available, the accounting standards recommended by the IASB and referred to by Consob have been used.
In addition to the attachments required by law, reconciliations are presented between the net profit/loss and net equity of the 'consolidating entity' and the corresponding amounts in the consolidated financial statements.

These notes provide the data and information required by article 38 of the same decree.

Scope and method of consolidation

The scope of consolidation of these consolidated financial statements includes the following companies:

- City Green Light Srl, the parent company;
- Lumagest Srl, which is a wholly-owned subsidiary of the parent company and is active in the integrated management of public lighting and related energy efficiency measures;
- Termotecnica Sebina Srl, wholly owned by the parent company, specialised in the design, construction and maintenance of technological, mechanical, electrical and infrastructure systems.
- Efferre Energia Srl, based in Parma, is a wholly-owned subsidiary of the parent company and active in the production of energy through photovoltaic panels;
- Palermo In Luce Scarl, a company controlled by the parent company (60% stake) with the objective of providing technological solutions to reduce the energy consumption of public lighting networks in the areas upstream and surrounding the Palermo ring road;
- Smart Parking Systems Srl, wholly owned by the parent company, specialised in the management and optimisation of on-street parking;
- Energy Green Srl, wholly owned by the parent company, engaged in the production of energy through photovoltaic panels;
- CityMetrics Srl, wholly owned by the parent company, active in the development and production of advanced solutions for the remote control and management of public lighting and smart city services.

Affiliated companies, over which the parent company exercises significant influence, either directly or indirectly, are measured according to the equity method. Companies in which the equity investment is less than 20% and which represent fixed assets are measured using the cost method.
The financial statements of the subsidiaries as at 31 December 2024, as approved by their respective administrative bodies, have been used for consolidation purposes and have been reclassified and adjusted, to conform to the accounting policies and presentation criteria adopted by the Group.

The scope of consolidation changed compared to 31/12/2023 following the consolidation of the following companies:

- Termotecnica Sebina Srl, acquired in March 2024 and consolidated from 01/01/2024, i.e. the date on which the company was first included in the consolidation, pursuant to OIC 17, paragraph 52;
- Energy Green Srl;
- Smart Parking Systems Srl;
- CityMetrics Srl.

During the 2024 financial year FBF Impianti Srl was also merged into the parent company City Green Light Srl.

Finally, note that in 2024 the company City Green Light RSM Srl was established. It was not included in these consolidated financial statements as its inclusion would be immaterial under paragraph 2 of Article 28 of Legislative Decree 127/1991.

Consolidation criteria

The book value of investments in consolidated companies is set off against the corresponding amount of equity. The differences resulting from the elimination are allocated to the individual items justifying them and, if positive, the remainder will be included in an asset item called "goodwill", unless all or part of it has to be charged to the income statement under item B14. The amount entered as an asset is depreciated/amortised over the period provided for in the first paragraph, no. 6, of Article 2426. If the amount is negative, the difference shall, as far as possible, be recorded as a reduction of assets carried at more than their recoverable amount and of liabilities carried at less than their discharge value. If the remaining difference is negative, it is included in the net equity item "Consolidation reserve" or in a specific "Consolidation reserve for future risks and charges", in accordance with the criterion of art. 33 paragraph 3 of Italian Legislative Decree 127/91.
The provision is utilised in subsequent financial years in a manner that reflects the assumptions made in its estimation at the time of purchase.
Net equity attributable to minority interests is included in the corresponding balance sheet item. Minority interests in the result for the period are shown separately in the income statement.
All intercompany balances and transactions between the companies included in the consolidation area have been eliminated.
Gains and losses resulting from transactions between consolidated companies, which are not realised through transactions with third parties, are eliminated.
During consolidation, the related deferred tax liabilities were set aside.

Changes in accounting principles

Note that from 1 January 2024, the new OIC 34 accounting standard came into force governing revenue recognition.
The Group made use of the option for prospective application of the standard as permitted under paragraph 45 of OIC 34, applying the new provisions only to sales contracts entered into from 1 January 2024.
The adoption of the new standard had no material impact on the consolidated financial statements as at 31 December 2024.

Correction of material errors

No material errors committed in previous years came to light during the year.

Problems of comparability and adjustment

No comparability and adjustment issues arose during the year.
Reference should be made to the disclosure in the paragraph 'Scope and method of consolidation' for details of the scope of consolidation used in the preparation of these consolidated financial statements and the changes compared to the previous year.

Accounting principles

The criteria used to prepare the consolidated financial statements for the year ended 31/12/2024 are those used in the financial statements of the controlling company that prepares the consolidated financial statements. In 2024 the Group changed its method for valuing inventories, switching from the Weighted Average Cost method to the FIFO method. This decision was taken to better reflect inventory turnover and to align with industry best practices. The valuation of inventory as at the reporting date for Termotecnica and FBF Impianti was also supported by an appraisal prepared by an independent third party. The change in valuation method was applied prospectively, therefore the comparative figures for the previous year were not restated as calculating the cumulative past effect of the change in method would be excessively burdensome.

Items have been assessed based on general criteria of prudence and accrual and with a view to business continuity.

Items have been recognised and presented taking into account the substance of the transaction or contract.

In particular, the following valuation criteria have been applied in the preparation of the financial statements.

Fixed assets

Intangible assets

They are recorded at historical acquisition cost and shown net of depreciation charged directly to the individual items during the years.
Start-up and expansion costs and development costs with long-term utility have been capitalised with the consent of the Board of Statutory Auditors. Start-up and expansion costs are amortised over a period not exceeding five years. Development costs are systematically amortised according to their useful life: in exceptional cases where their useful life cannot be reliably estimated, they are amortised over a period not exceeding five years.

Goodwill is amortised over a period of 10 years.

Patents and copyrights, licences, concessions and trademarks are amortised at an annual rate of 33.33%.
Licences, concessions and trade marks correspond to the value of the contracts transferred in 2017. They recognise the Group's right to receive future economic benefits related to the public lighting service and allow for the use of the compendium of assets used to perform the contractually agreed service. These values are amortised at rates depending on the duration of the contracts.

Leasehold improvements are depreciated at rates depending on the duration of the contract.

If, regardless of the depreciation already accounted for, an impairment loss results, the fixed asset is written down accordingly. If, in subsequent years, the reasons for the write-down no longer apply, the original value is restored, adjusted only for depreciation.

Materials

These are entered at purchase or production cost and adjusted by the corresponding depreciation provisions.
Ancillary charges and costs incurred for the use of the fixed asset have been included in the book value, with discounts shown on invoices being deducted from the cost.

The depreciation rates, charged to the income statement, have been calculated considering the use, destination and economic-technical life of the assets, based on the criterion of the residual possibility of utilisation, a criterion that we considered to be well represented by the following rates, unchanged from the previous year and reduced to half in the year the asset came into use:

Type of asset	% Depreciation
Buildings	3%
Light construction	10%
Plant and machinery	12.5%
Equipment	35%
Furniture and furnishings	12%
Electronic machines	20%
Vehicles	20%
Cars	25%

If, regardless of the depreciation already accounted for, an impairment loss results, the fixed asset is written down accordingly. If, in subsequent years, the reasons for the write-down no longer apply, the original value is restored, adjusted only for depreciation.

Among the "other tangible assets" are assets, including ancillary charges, installed at customers' premises but whose risk and economic benefit remain with the Company for the duration of the contract, at the end of which the same assets will become the property of the customer. These assets are depreciated over the shorter of the remaining life of the asset and the term of the contract.
Fixed assets acquired free of charge are stated at their presumed market value plus costs incurred or to be incurred to permanently and usefully integrate the assets into the production process.

Leasing transactions
Leasing transactions are accounted for in the consolidated financial statements according to the equity method, with rentals paid being recognised in the income statement on an accrual basis.

Receivables
Receivables are recognised according to the amortised cost criterion, taking into account the time factor and estimated realisable value.
In the initial recognition of receivables using the amortised cost method, the time factor is respected by comparing the effective interest rate with market interest rates. If the effective interest rate is significantly different from the market interest rate, the latter is used to discount the future cash flows from the loan in order to determine its initial recognition value.
The amortised cost criterion has not been applied as the effects are irrelevant for the purpose of giving a true and fair view.
The nominal value of receivables is adjusted to their estimated realisable value by means of a specific provision for bad debts, taking into account the existence of indicators of a lasting loss.
Receivables are derecognised when the contractual rights to the cash flows from the receivable are extinguished or when all risks inherent in the receivable being sold have been transferred.

Payables
They are recognised according to the amortised cost criterion, taking into account the time factor. In the initial recognition of payables using the amortised cost method, the time factor is respected by comparing the effective interest rate with market interest rates. At year-end, the value of payables measured at amortised cost is equal to the present value of future cash flows discounted at the effective interest rate. The amortised cost is not applied to those payables where such application would result in effects that are immaterial compared to accounting based on the nominal value. It is assumed that the effects are immaterial for all short-term payables, as well as for all medium- to long-term payables bearing interest at a rate comparable to market rates, and for which the difference between the initial value and the value at maturity (also considering any amounts directly attributable to the transaction that generated the payable) is not significant compared to the nominal value thereof.

Deferrals and accruals
They have been determined according to the criterion of actual accrual for the year.
For those with a multi-year duration, the conditions that determined their original recognition have been verified, adopting the appropriate changes where necessary.

Inventories
Raw, ancillary and consumable materials, semi-finished products, goods and finished products are recorded at the lower of purchase or production cost and realisable value based on market trends, applying the FIFO method as an alternative to specific cost.

The cost of production includes direct costs and indirect costs incurred during the course of production and necessary to bring the inventories to their present condition and location.

Contract work in progress is recognised using the percentage-of-completion or stage-of-completion method. At the end of each financial year, inventories of contract work in progress are measured at the amount of revenue accrued, determined by reference to the stage of completion of the works. The cost to cost method is used to determine the stage of completion of the works.
This method is used for contract work in progress with a duration of more than one year (i.e. with a contract period of more than twelve months) and where the requirements of the Italian accounting standard OIC 23 are met.

The value thus obtained is then adjusted by the appropriate 'inventory obsolescence provision' to take into account goods for which the realisation value is expected to be lower than cost.

For inventories previously written down, for which the reasons that made it necessary to write them down to realisable value no longer exist, the original cost has been reinstated.

Investments
Investments in affiliated companies that are intended to be held for the long term are measured using the equity method. Pursuant to art. 36 of Italian Legislative Decree 127/91, the positive difference between the value calculated using the equity method and the value recognised in the previous financial statements, deriving from profits, is recorded in a specific item in the income statement.
Other investments are stated at purchase or subscription cost, adjusted for impairment losses, where appropriate.

Cash at bank and in hand
Cash and cash equivalents recognised at nominal value represent the balance at year-end of bank deposits and cash on hand and are immediately available for the Company's purposes. They include all inflows and outflows recorded up to the reporting date.

Derivatives
Derivative financial instruments are recorded at fair value corresponding to market value, if any, or the value resulting from valuation models and techniques that ensure a reasonable approximation to market value.
Instruments for which these methods could not be used are valued on the basis of the purchase price.
Derivative financial instruments with a positive fair value are entered on the assets side of the balance sheet, under the specific financial fixed assets or current assets, depending on their intended use. Derivative financial instruments with a negative fair value are recognised in the balance sheet under Provisions for liabilities and charges.
Cash flow hedge derivatives have a balancing entry in a net equity reserve, or, for the ineffective part, in the income statement.
Changes in the fair value of speculative and price-hedging derivatives of an underlying asset (so-called fair value hedges) are recognised in the income statement.
Derivative financial instruments have been measured as hedges because their fair value or associated cash flow is expected to offset changes in the fair value or cash flow of the hedged item.
For the valuation of simple hedging transactions, the simplified method has been adopted as hedging transactions involve derivative financial instruments with characteristics that correspond or are closely aligned with those of the hedged item and the derivative financial instrument is entered into at market conditions.

Provisions for liabilities and charges
They are set aside to cover losses or debts whose existence is certain or probable, but whose amount or date of occurrence could not be determined at the end of the financial year.

The general criteria of prudence and accrual have been observed in the valuation of these provisions, and no generic risk provisions without economic justification have been established.
Contingent liabilities have been recognised and entered in the provisions as considered probable and since the amount of the related charge can be reasonably estimated.

Severance indemnity reserve

This is the actual debt accrued towards employees in accordance with the law and applicable employment contracts, taking into account any form of remuneration of an ongoing nature.
The provision corresponds to the total of the individual indemnities accrued up to 31 December 2006 in favour of employees at the accounting date, net of advances paid, and is equal to the amount that would have been payable to employees if they had terminated their employment on that date.
The fund does not include benefits accrued as from 1 January 2007, destined for supplementary pension schemes pursuant to Italian Legislative Decree no. 252 of 5 December 2005 (i.e. transferred to the INPS treasury).

Income taxation

Taxes are accrued on an accrual basis; they therefore represent:

- provisions for taxes paid or payable for the year, determined according to the rates and regulations in force;
- the amount of taxes deferred or paid in advance in connection with temporary differences arising or reversed during the year;

Deferred and prepaid taxes are calculated on the temporary differences between the values of assets and liabilities determined in accordance with the statutory financial reporting requirements and the corresponding tax values. Deferred tax assets have been recognised when there is a reasonable certainty that there will be taxable income in the years in which the deductible temporary differences, for which the deferred tax assets have been recognised, will reverse.

Recognition of operating revenue and costs

Revenue is recognised on an accrual basis, net of returns, allowances, discounts and rebates, as well as any taxes directly related thereto. For sales of goods, revenue is recognised when the actual (not merely formal) transfer of ownership has occurred, using the transfer of risks and rewards as the key criterion.
In the current year the Company applied OIC 34 – 'Revenue', therefore the first date of application is 1 January 2024.
The standard introduces a new revenue recognition model that applies to all contracts involving the recognition of revenue from sales of goods and services, regardless of their classification in the income statement, except those governed by other
OIC standards such as contract work in progress, business disposals, rents receivable, refunds and transactions not involving a sale.
The key steps in recognising revenue under the new standard are:
o Identification of distinct accounting units.
o Measurement of the distinct accounting units.
o Allocation of the total transaction price to the identified distinct accounting units.
o Recognition of the revenue.

The Company applied OIC 34 using the practical expedient afforded by the standard, applying its provisions only to sales contracts entered into (or modified) as from 1 January 2024.
Revenues of a financial nature and revenues from services are recognised on an accrual basis.
Revenues and income, costs and expenses related to foreign currency transactions have been determined at the exchange rate prevailing on the date on which the transaction occurred.
Income and expenses related to forward sale and purchase transactions, including the difference between the forward price and the spot price, have been recognised for the portion attributable to the year. Costs and charges are recognised on an accrual basis and by nature, net of returns, allowances, discounts and rebates, in accordance with the matching principle, and recorded in the respective items in accordance with OIC 12. For purchases of goods, the related costs are recognised when the actual (not merely formal) transfer of ownership has occurred, using the transfer of risks and rewards as the key criterion. For the purchase of services, the costs are recognised when the service is received or completed, and for ongoing services they are recognised on an accrued basis.

Commitments, guarantees and contingent liabilities

Commitments, which do not appear in the balance sheet, represent obligations assumed by the Company towards third parties and deriving from legal transactions with certain mandatory effects but not yet performed by either party. They include both commitments whose performance and amount are certain (e.g. forward purchase and sale) and commitments whose performance is certain but amount is not (e.g. contract with price revision clause). The amount of the commitments is the nominal value that can be deduced from the relevant documentation.
The guarantees given by the Company include both personal guarantees and collateral. The nature of the collateral provided relates to provisional sureties issued in favour of public entities for participation in tenders and definitive sureties to guarantee the proper performance of contracts acquired through public tenders.
In the case of a surety provided by the Company together with other guarantors (co-guarantee), the full amount of the guarantee provided is disclosed or, if lower, the total amount of the guaranteed debt at the reporting date.

Employment data

The average number of employees of the companies included in the full consolidation is reported separately by category.

Personnel	31/12/2024	31/12/2023	Delta
Executives	12	10	2
Managers	22	15	7
Clerks	211	146	65
Workers	114	49	65
Total	**359**	**220**	**139**

Intangible fixed assets

The breakdown of this item is as follows.

Description	31/12/2023	Increases	Reclassifica-tions	Decreases	Depreciation/ amort.	31/12/2024
Start-up and expan-sion	1,756	12,756	-	-	(2,425)	12,087
Development	24,845	-	-	-	(24,845)	-
Patents and copy-rights	107,654	1,810,691	459,000	-	(371,863)	2,005,482
Concessions, licenc-es, trademarks	44,245,455	49,621	-	-	(5,854,354)	38,440,722
Goodwill	8,349,500	25,357,653	-	-	(2,594,492)	31,112,661
Payments on ac-count and assets in course of construc-tion	1,892,000	2,421,863	(459,000)	(401,144)	-	3,453,719
Other	894,428	81,138	-	-	(101,463)	874,103
Total	**55,515,638**	**29,733,722**	**0**	**(401,144)**	**(8,949,442)**	**75,898,774**

Start-up and expansion costs with a long-term benefit relate to Efferre Energia Srl, Energy Green Srl and Smart Parking Systems Srl.

Development costs are attributable to the parent company City Green Light and are fully amortised in the year 2024.

Costs for patents and copyrights include capitalised expenditure for software acquired under ownership and under licence for an indefinite period. Investments in IT projects made during the year totalled € 1,810,691, mainly attributable to Smart Parking Systems Srl for € 1,601,269, following the allocation of the additional value arising from the PPA to software. This item also increased by € 459,000 following the capitalisation of expenses for implementing a platform dedicated to energy communities and for adopting a new Data Platform system for the analysis and reporting of company operations.

The Concessions item shows an increase of € 49,621 related to the cost of renewing the SOA certifications of City Green Light and Termotecnica Sebina. The book value at the beginning of the period is the net value allocated to the contracts with the municipalities where City Green Light and Lumagest have multi-year concessions for the public lighting service; these values were allocated following the transfer operations that took place in 2017 and 2023 respectively. After depreciation and amortisation for the year in the amount of € 5,854,354, the final balance of the item amounts to € 38,440,722.

Goodwill represents the residual net value allocated at consolidation, resulting from the difference between the purchase cost and the equity of the acquired subsidiaries Lumagest, Efferre Energia, Energy Green, Termotecnica Sebina, Palermo in Luce, Smart Parking Systems Srl and CityMetrics. Goodwill is amortised over 10 years. After depreciation and amortisation for the year in the amount of € 2,594,492, the final balance of the item amounts to € 31,112,661.

The item Payments on accounts and assets in course of construction shows a net positive change of € 1,561,719 mainly as a result of the opposing effect of the following items relating to the parent company:

- the increase of € 2,421,863, mainly due to design expenses for participation in tenders not yet awarded at the date of preparation of these Notes to the Financial Statements and as such awaiting capitalisation upon successful award and expenses for implementation of the new ERP;
- The € 459,000 reduction is due to the capitalisation of expenses for implementing a platform dedicated to energy communities and for adopting a new Data Platform system for the analysis and reporting of company operations.
- the decrease of € 401,144 related to write-downs following the awarding of the relevant tenders to another entity.

Other intangible assets amounted to € 874,103, after amortisation of € 101,463. The increases recorded during the year amounting to € 81,138 relate to the parent company and refer to expenses for participation in tenders awarded during the year.

Tangible fixed assets

The breakdown of this item is as follows.

Description	31/12/2023	Increases	Reclassifica-tions	Decreases	Depreciation/ amort.	31/12/2024
Land and buildings	208,574	177,401	-	-	(11,320)	374,655
Plant and machinery	2,307	59,882	-	-	(6,411)	55,778
Industrial and com-mercial equipment	14,865	69,570	-	(112)	(36,544)	47,779
Other assets	71,518,945	1,552,545	27,565,787	(2,946)	(14,709,951)	85,924,380
Payments on ac-count and assets in course of construc-tion	13,540,512	21,585,954	(27,565,787)	(313,030)	-	7,247,649
Total	**85,285,203**	**23,445,352**	**0**	**(316,088)**	**(14,764,226)**	**93,650,241**

Land and buildings, which amounted to € 374,655 at 31 December 2024, includes the land and buildings owned by FBF Impianti and the land owned by Efferre Energia, which will be used for the photovoltaic park that is to be built. The increase for the year, amounting to € 177,401, mainly refers to the purchase of land in the municipality of Catanzaro (CZ), including for the development of a photovoltaic park, for € 119,852 plus notarial fees and registration taxes incurred by Energy Green Srl.

Plant and machinery, which includes lighting instruments and lift trucks, shows a balance of € 55,778 at 31 December 2024, after depreciation of € 6,411.

Industrial and commercial equipment includes equipment to support the plant engineering activities of FBF Impianti and Termotecnica Sebina. After depreciation for the year in the amount of € 36,544, the final balance of the item amounts to € 47,779.

The item Other Assets mainly includes the parent company's amounts relating to investments for energy efficiency in the amount of € 83,861,501, depreciated during the year in the amount of € 14,369,190; electronic machines and computers in the amount of € 315,509, depreciated during the year in the amount of € 93,054; furniture and fixtures in the amount of € 247,002, depreciated during the year in the amount of € 44,431; and industrial vehicles in the amount of € 195,215, depreciated during the year in the amount of € 80,270. The investments made during the year relate to:

- electronic machines and computers for € 149,479;
- furniture in the amount of € 36,471;
- costs related to the energy efficiency of public lighting amounting to € 27,565,787. These investments mainly refer to LED lamps, installed in municipalities with which the Company has a works and services contract.

These assets, including ancillary charges, are recognised as tangible fixed assets as the risks and benefits of the same remain with the Company until the end of the contract.

Payments on account and assets in course construction, amounting to € 7,247,649, relate to investments in energy efficiency in municipalities that had not been installed in public lighting systems as at the closing date of the financial year.
This item changed as follows during the year:

- The increase of € 21,585,954 mainly concerns works on public lighting systems in municipalities that have recently entered into agreements through Consip Servizio Luce 4 contracts;
- The decrease of € 27,565,787, as a result of the inclusion of the expenses in the financial year in relation to the completion of energy efficiency works;

- The € 313,030 reduction relates to costs for preliminary design and survey activities in municipalities for which no order was received during the contract period and were therefore written down.

Financial fixed assets: equity investments

Investments recorded as fixed assets represent a lasting and strategic investment for the Group.

Investments in subsidiaries as at 31 December 2024 amounted to € 25,500. The amount refers entirely to the investment in City Green Light RSM, not consolidated due to its immateriality.

Investments in affiliated companies as at 31 December 2024 amounted to € 180,000. The value refers entirely to the quotas held in the company Covedi Scarl.

Below is a summary of the key Financial Statements data of affiliated companies as at 31 December 2024:

Name	City (if in Italy) or foreign country	Tax number (for Italian companies)	Capital in Euro	Profit (Loss) for the last financial year in Euro	Net equity in Euro	Share or quota held in Euro	Share or quota held in %	Carrying amount or correspond-ing receiv-able
Covedi Scarl	Venice (VE)	07627770964	1,000,000	0	1,000,000	180,000	18%	180,000

Investments in other companies as at 31 December 2024 amounted to € 8,147. The amount includes € 1,000 for the equity investment in Consorzio Artea, € 10 for the interest in Consorzio Nazionale Imballaggi (CONAI), € 3,137 for equity investment in Banca di Credito Cooperativo di Brescia, and € 4,000 for the equity investment in Consorzio Magnolia.

Financial fixed assets: receivables

The breakdown of this item is as follows.

Description	31/12/2023	Increases	Decreases	31/12/2024
From others	517	5,810	-	6,327
Total	**517**	**5,810**	**-**	**6,327**

The item 'Receivables from others' includes deposits paid to third parties amounting to € 6,327, which are permanently tied to future operations.

Inventories

Description	31/12/2023	Increases	Decreases	31/12/2024
Raw materials, consumables and supplies	466,269	1,453,221	-	1,919,490
Contract work in progress	1,711,222	6,791,623	-	8,502,845
Total	**2,177,491**	**8,244,844**	**-**	**10,422,335**

Inventories of raw materials, consumables and goods for resale refer to stocks of materials also held on third parties' premises to be used in the production cycle. As at 31 December 2024, the item amounted to € 1,919,490 net of a € 121,829 allowance for doubtful accounts.
Contract work in progress as at 31 December 2024 amounted to € 8,502,845 and mainly related to:

- The modernisation and construction of civil works, as well as for installations of photovoltaic systems, for both public and private clients.
- The construction, installation and upgrading of hydraulic and electrical systems in civil and industrial buildings for both public and private clients, and for the development of new structures as well as the modernisation of existing buildings.

Note that the inventory obsolescence provision as at 31 December 2024 amounted to € 121,829 and changed as follows during the year:

Description	Amount
Inventory obsolescence provision as at 31/12/2023	40,043
Use of the obsolescence provision in the financial year	-
Allocation to the obsolescence provision in the financial year	81,786
Balance of the inventory obsolescence provision as at 31/12/2024	121,829

Receivables

The breakdown of receivables as at 31 December 2024 is presented by type and maturity:

Description	Within the following year	Beyond the following year	Beyond 5 years	Total
Trade receivables	68,628,487	366,357	-	68,995,844
For tax receivables	7,398,732	372,898	-	7,771,630
For deferred tax assets	1,792,561	-	-	1,792,561
From others	2,212,872	-	-	2,212,872
Total	**80,032,652**	**739,255**	**-**	**80,772,907**

Trade receivables amount to € 68,995,844. The balance of trade receivables is expressed net of the allowance for doubtful accounts of € 3,426,084.

Tax receivables amounted to € 7,771,630, comprising a VAT credit of € 5,982,790, a tax credit relating to the Ecobonus/Superbonus under Decree-Law no. 34/2020 amounting to € 499,728 (of which € 372,898 collectible after the following year as it can be used for offsetting after 31 December 2025), IRES and IRAP credits of € 1,031,962, and other tax credits of € 257,150.

Deferred tax assets amounted to € 1,792,561 and refer to deductible temporary differences for which recovery is deemed probable as future plans provide for sufficient IRES(Corporate Income Tax) /IRAP (Regional Income Tax) taxable income to absorb the temporary differences that will reverse.
For further details and information, please refer to the relevant paragraph in the last part of these Notes to the Financial Statements.

Receivables from others amounted to € 2,212,872 and are mainly related to advances to suppliers.

Group companies have opted not to use the amortised cost criterion and/or not to discount receivables with a maturity of less than 12 months and where transaction costs, commissions and any other differences between the initial value and the maturity value are insignificant.

Cash at bank and in hand

Description	31/12/2023	Increases	Decreases	31/12/2024
Checking accounts and post-office deposits	41,906,127	2,515,714	-	44,421,841
Checks	1,280	-	-	1,280
Cash-in-hand and cash equivalents	34	1,813	-	1,847
Total	**41,907,441**	**2,517,527**	**-**	**44,424,968**

The balance represents cash at bank and in hand at the end of the financial year

Prepayments and accrued income

They represent the connecting items of the financial year counted on an accrual basis. In fact, they consider income and expenses whose accrual is advanced or deferred with respect to the cash and/or documentary event; they are irrespective of the date of payment or collection of the related income and expenses, common to two or more financial years and allocable on a time basis.
The breakdown of this item is as follows.

Description	Amount
Prepayments on invoices payable	219,540
Prepaid expenses on insurance	278,378
Prepaid expenses on sureties and consultancy	3,747,985
Prepaid expenses on rents payable	54,824
Prepaid expenses for lease payments	34,296
Accrued income on GSE photovoltaic contribution	4,155
Others	129,417
Total	**4,468,595**

Net equity

Reconciliation statement between the net profit/loss and net equity of the 'consolidating entity' and the corresponding amounts in the consolidated financial statements

The reconciliation of the Group's consolidated net equity and the Group's consolidated profit/loss for the year ended 31/12/2024 to those of the parent company is as follows:

	Net equity	Profit/loss
Net equity and profit/loss for the year as reported in the parent company's financial statements	156,118,604	20,305,837
Adjustments made in application of accounting standards	-	-
Elimination of the carrying amount of consolidated equity investments:	-	-
a) elimination of the carrying amount of consolidated equity investments	(65,768,521)	-
b) equity and profit or loss of consolidated companies	51,365,928	3,903,515
c) positive/negative amounts assigned at the date of acquisition of the investees	16,190,298	(1,869,252)
d) consolidation difference	-	-
Elimination of the effects of transactions between consolidated companies	(4,440)	(4,440)
Net equity and operating result for the group	**157,901,869**	**22,335,660**
Net equity and operating result attributable to minority interests	80,000	-
Consolidated equity and net profit/loss	**157,981,869**	**22,335,660**

Statement of changes in the group's consolidated net equity

	Capital	Reserves	Profit/Loss Carried forward	Profit/Loss for the year	Group total
Opening balance as at 31/12/2023	50,000,000	32,744,241	19,994,095	33,062,179	135,800,515
Allocation of the previous year's profit/loss	-	-	33,062,179	(33,062,179)	-
Hedge accounting	-	(234,304)	-	-	-
Current year profit/loss	-	-	-	22,335,660	-
Closing balance as at 31/12/2024	**50,000,000**	**32,509,937**	**53,056,272**	**22,335,660**	**157,901,869**

Provisions for liabilities and charges

The breakdown of this item is as follows.

Description	31/12/2023	Increases	Decreases	31/12/2024
For taxes, including deferred taxes	7,382,327	-	(386,006)	6,996,321
Derivatives payable	135,726	308,295	-	444,021
Others	150,000	8,803	(150,000)	8,803
Total	**7,668,053**	**317,098**	**(536,006)**	**7,449,145**

The item 'Provisions for taxes' includes deferred tax liabilities of € 6,996,321 as at 31 December 2024 relating to taxable temporary differences, described in the relevant section of these Notes.

Derivative financial instruments payable include derivative financial instruments with a negative fair value at the valuation date.

Note that in February 2023, the Revenue Agency performed a tax audit with respect to the 2017 financial year for FBF Impianti (now merged into the parent company City Green Light), which concluded with the issue of a Tax Audit Report on 30 March 2023, subsequently contested by FBF Impianti. The Company considers the agency's claims unfounded and the risk of losing the case remote. Given the immateriality of the amounts in question, no provision for risks was set aside.

Severance indemnity

The breakdown of this item is as follows.

Description	31/12/2023	Increases	Decreases	31/12/2024
Severance indemnity, changes in the period	503,334	696,989	-	1,200,323

The accrued provision represents the actual debt accrued to employees in accordance with the law and current employment contracts, considering all forms of remuneration of an ongoing nature.
The provision corresponds to the total of the individual indemnities accrued up to 31 December 2006 in favour of employees at the accounting date, net of advances paid, and is equal to the amount that would have been payable to employees if they had terminated their employment on that date.
The fund does not include the indemnities accrued as at 1 January 2007, allocated to supplementary pension schemes pursuant to Italian Legislative Decree No. 252 of 5 December 2005 (i.e., transferred to the INPS treasury) and reported under 'Other changes' in the above table.

Payables

Consolidated payables, after the elimination of intercompany balances, are stated at their nominal value and are classified according to maturity as follows:

Description	Within the next financial year	Beyond the next financial year	Over 5 years	Total
Owed to banks	34,027,013	49,393,799	-	83,420,812
Other financial debt	2,339,080	2,516,786	-	4,855,866
Advanced payments received	4,816,033	-	-	4,816,033
Trade payables	38,670,355	-	-	38,670,355
Payables to non-consolidated subsidiaries	10,751	-	-	10,751
Payables to affiliated companies	494,749	-	-	494,749
Tax liabilities	2,324,912	-	-	2,324,912
Payables to social security institutions	1,728,047	-	-	1,728,047
Other debts	4,138,339	1,065,234	-	5,203,573
Total	**88,549,279**	**52,975,819**	**-**	**141,525,098**

The balance of the value owed to banks as at 31/12/2024, equal to € 83,420,812, including loans payable, expresses the actual debt for principal, interest and accessory charges accrued and due. The application of the amortised cost method resulted in an impact of € 5,074,188, reducing the nominal value of the payable. It is confirmed that all financial covenants under the loan agreements were fully complied with during the year.

The Payables to other lenders in the amount of € 4,855,866 consist of € 249,609 (€ 203,611 as at 31 December 2023) for payables for factoring transactions and € 4,533,549 (€ 6,835,306 as at 31 December 2023) for the securitisation of receivables for six projects conferred in the parent company City Green Light in 2017. The repayment of this financing is made through the assignment without recourse of part of the claims accrued against the securitised municipalities.

Advance payments received, amounting to € 4,816,033, include payables for advance payments received from customers for goods or services not yet delivered.

Trade payables, amounting to € 38,670,355, mainly include trade payables for the supply of services. The nominal value of these payables was adjusted for returns and allowances (billing adjustments) to the extent of the amount defined with the contractual party.

Payables to unconsolidated subsidiaries amounting to € 10,751 relate to capital contributions due to the unconsolidated subsidiary City Green Light RSM.

Payables to affiliated companies, which amounted to € 494,749 (€ 1,160,652 as at 31 December 2023), refer to the net balance of costs reversed by Covedi Srl.

The item Tax liabilities amounts to € 2,324,912 and includes € 105,653 of withholdings for self-employed workers; € 896,370 of Income tax for employees and € 1,322,889 for IRES (Corporate Income Tax) and IRAP (Regional Income Tax) owed to the tax authorities.

Payables to Social Security Institutions amount to € 1,728,047 and refer to the Group's debt position with social security and welfare institutions, relating to contributions for the month of December 2024 not yet paid.

Payables to others, amounting to € 5,203,573 mainly refer to payables to personnel (for € 1,194,147) in respect of the productivity bonus accrued during the year, as well as the charge for accrued and unused leave as at 31 December 2024 (for € 2,246,354). Also recorded are payables to suppliers for guarantee withholdings equal to 0.5% of the contract value, amounting to € 1,065,234; the payable accrued as at the date of preparation of these financial statements for the earn-out under the purchase agreement for Smart Parking Systems Srl, amounting to € 131,864; the price adjustment payable related to changes in working capital and net financial position under the purchase agreement for CityMetrics Srl, amounting to € 180,373; the payable for the retransfer of an assigned receivable, amounting to € 236,738; and residual payables of € 148,863.

Accrued expenses and deferred income

The breakdown of this item is as follows.

Description	Amount
Deferred income on invoices issued	1,582,062
Other accrued expenses	21,938
INAIL premiums	16,412
Various insurance policies	19,794
Surety policies	2,690
Revenue from maintenance	24,500
Tax credit for new capital goods	62,298
Sabatini interest contribution	4,673
Other financial income	6,992
Total	**1,741,359**

They represent the connecting items of the financial year counted on an accrual basis.

Income Statement

Revenue by business category

The breakdown of this item is as follows.

Description	31/12/2023	31/12/2024
Revenues from sales and services	145,895,977	179,129,209
Changes in contract work in progress	708,926	4,961,489
Other revenues and income	10,205,215	3,167,290
Total	**156,810,118**	**187,257,988**

Revenues from sales and services are detailed below:

- fees for public lighting contracts for € 131,821,605 (€ 117,969,337 in the previous year);
- works for non-concessional contracting or direct contracting in the amount of € 8,730,359 (€ 10,730,895 in the previous year);
- revenues from supply and installation in the amount of € 6,590,452 (€ 13,088,150 in the previous year);
- revenue from services to private customers amounting to € 370,340 (€ 0 in the previous year);
- revenue from facility management and building efficiency services amounting to € 28,318,072 (€ 317,440 in the previous year). The increase is mainly due to the consolidation from this year of Termotecnica Sebina Srl, active in this segment;
- other revenue of € 2,669,073 mainly relating to cost recharges to consortium companies and maintenance revenue (€ 3,790,155 in the previous year);
- revenue from the provision of technology services amounting to € 629,308 (€ 0 in the previous year).

Revenue by geographical area

The breakdown of this item is as follows.

Area	Total
Italy	145,898,977
Total	**145,898,977**

Production costs

The breakdown of this item is as follows.

Description	31/12/2023	31/12/2024
Raw materials, consumables and goods for resale	46,527,468	59,164,817
Services	35,106,452	41,155,487
Rental and leases	1,356,601	2,829,717
Wages and salaries	8,446,122	15,715,751
Social security costs	2,380,293	4,527,160
To severance indemnity reserve	522,252	906,951
Other personnel costs	9,826	-
Depreciation of intangible fixed assets	5,126,872	8,949,442
Depreciation of tangible fixed assets	11,711,628	14,764,226
Other write-downs of fixed assets	-	713,743
Write-downs of current assets	154,668	-
Change in inventories of raw material	(15,022)	(858,564)
Other operating expenses	567,542	799,389
Total	**111,894,702**	**148,668,119**

Costs for raw materials, consumables and goods for resale and Costs for services

These are closely related to the information provided in the Management Report and the performance of item A (Production value) in the Income Statement.

Costs for services include:

Description Amount	Amount
Insurance	579,733
Commissions	99,281
Bank commissions and charges	778,170
Factoring Commissions	142,933
Remuneration of directors, auditors and statutory auditors	232,386
Consultancy	12,912,374
Consortium costs	1,388,152
Consip fees	869,585
Trade fairs	416,398
Maintenance	37,159
Mediations	537,305
Advertising	270,390
IT services	794,293
Sim remote control	74,395
Car expenses	494,974
Representation expenses	359,623
Third-party production costs	19,238,413
Personnel expenses	886,501
Temporary staff	79,900
Miscellaneous expenses	681,947
Sponsorships	95,260
Utilities	172,377
Transport	13,938
Grand total	**41,155,487**

Personnel costs

This item includes the entire cost for employees, including merit improvements, category transitions, contingency bonuses, cost of unused leave, and provisions required by law and collective agreements.

Depreciation/amortisation of tangible and intangible fixed assets

With regard to depreciation, it is specified that it was calculated on the basis of the useful life of the asset and its utilisation in the production phase.
Amortisation of intangible assets, amounting to € 8,949,442 largely relates to the valuation of contracts with public bodies that were transferred over. Substantially representing the discounted value of expected future cash flows, this value is amortised over the remaining term of each individual contract.
Depreciation of tangible assets, which amounted to € 14,764,226 was calculated on the basis of the useful life of the asset and its utilisation in the production phase. Depreciation on public lighting investments has been calculated as the lower of the useful life of the asset and the duration of the specific contract.

Other operating expenses

The Group recorded Sundry operating expenses of € 799,389. The most significant cost items consist mainly of ordinary contingent liabilities and penalties in the amount of € 274,585, mileage refunds in the amount of € 75,465, other taxes and duties in the amount of € 138,069 and membership fees in the amount of € 58,085.

Financial income and expenses

The breakdown of this item is as follows.

Description	31/12/2023	31/12/2024
Financial income	3,091,089	904,155
(Interest and other financial expenses)	(5,053,777)	(7,094,305)
Total	**(1,962,688)**	**(6,190,056)**

Financial income mainly refers to interest earned on positive current account balances (€ 323,026), income from the purchase of tax credits (€ 247,952), and € 333,177 from income generated by derivative contracts.

Interest and other financial expenses

The breakdown of this item is as follows.

Description	31/12/2023	31/12/2024
Supplier interest payable	4,591	30,528
Interest on medium- and long-term loans	3,855,039	4,566,034
Discounts or financial expenses	305,444	1,794,874
Interest on other loans	888,703	598,041
Other charges on financial transactions	0	104,828
Total	**5,053,777**	**7,094,305**

Financial discounts or charges relate to commitment fees accrued in accordance with the contractual terms of the agreed credit facilities.
Interest on other loans relates to interest accrued during the year on the above securitisation transaction and factoring, and extension of tax liabilities payment terms.

Income taxes for the year

Balance as at 31/12/2024	Balance as at 31/12/2023	Delta
10,065,880	9,890,549	173,604

Taxes	Balance as at 31/12/2024	Balance as at 31/12/2023	Delta
Current taxes:	11,380,050	9,995,800	1,384,250
IRES	9,477,082	8,405,135	1,071,947
IRAP	1,902,968	1,590,665	312,303
Taxes from previous years	29,783	24,376	5,407
Deferred (prepaid) taxes	(1,343,953)	(129,627)	(1,216,053)
Total	**10,065,880**	**9,890,549**	**173,604**

Deferred / advance taxation

Deferred taxes have been calculated according to the global allocation criterion, taking into account the cumulative amount of all temporary differences, based on the expected average rates in force when these temporary differences will reverse.
Deferred tax assets have been recognised because there is a reasonable certainty that there will be taxable income in the years in which the deductible temporary differences, for which the deferred tax assets have been recognised, will reverse.
The main temporary differences that led to the recognition of deferred tax assets and liabilities are shown in the table below together with their effects.

Recognition of deferred and prepaid taxes and consequential effects:

	financial year 31/12/2024	financial year 31/12/2023						
	Amount of temporary differences IRES	Tax effect	Amount of temporary differences IRAP	Tax effect	Amount of temporary differences IRES	Tax effect	Amount of temporary differences IRAP	Tax effect
Deferred tax assets								
Asset impairment provision	202,939	48,705	202,939	7,915	202,939	48,705	202,939	7,915
Taxed provision for bad debts	3,314,245	795,419	-	-	3,707,658	889,838	-	-
Directors' fees	31,732	7,616	-	-	6,507	1,562	-	-
Provision for free work for municipalities	-	-	-	-	150,000	36,000	150,000	5,850
Inventory write-down provision	130,732	31,376	130,732	5,099	40,043	9,610	40,043	1,562
Derivatives payable	444,021	106,565	-	-	135,726	32,574	-	-
Excess interest expense	204,566	49,096	-	-	-	-	-	-
Tax losses	3,011,152	722,676	-	-	585,938	140,625	-	-
Surplus maintenance	68,203	16,369	-	-	-	-	-	-
Consolidation entries	7,196	1,727	-	-	-	-	-	-
Total deferred tax assets	**7,414,786**	**1,779,549**	**333,671**	**13,012**	**4,828,811**	**1,158,915**	**392,982**	**15,325**
Deferred tax liabilities								
SOA PPA	390,290	93,670	390,290	15,221	-	-	-	-
Deferred capital gain	9,020	2,165	-	-	-	-	-	-
Amortisation of other intangible assets	22,559,072	5,414,177	22,559,072	1,082,835	25,128,958	6,030,950	25,128,958	1,206,190
PPA software amortisation	1,391,583	333,980	1,391,583	54,272	-	-	-	-
Consolidation entries	-	-	-	-	520,384	124,892	520,384	20,295
Total deferred tax liabilities	**24,349,965**	**5,843,992**	**24,340,945**	**1,152,329**	**25,649,342**	**6,155,842**	**25,649,342**	**1,226,485**
Net deferred (prepaid) taxes	-	4,064,443	-	1,139,317	-	4,996,927	-	1,211,160

The parent company has recognised deferred tax assets on tax losses amounting to € 3,011,152 and on excess interest expense amounting to € 204,566, arising from the acquisition of FBF Impianti Srl. These deferred tax assets were subject to two separate requests for an opinion submitted over the years to secure their carryforward. Specifically, in 2022 a merger took place between FBF Impianti Srl and another company, Er.Fra. Sas di Fedriga Francesco & C., while the merger of FBF Impianti Srl into City Green Light occurred during the current year.
With regard to the advance ruling relating to the merger of FBF and Er.Fra., the Revenue Agency issued a positive opinion on 16 March 2024. The Company recognised the deferred tax assets in question given the positive outcome of the first ruling and the fact that the conditions for the second opinion are the same. However, as a precaution, it is awaiting the outcome of the second ruling – expected by 30 June 2025 – before using them for offsetting.

Information on the fair value of financial derivatives

In accordance with art. 38, paragraph 1, point o-ter of Italian Legislative Decree 127/1991, the fair value and information (referring to the current and previous years) on the amount and nature of each category of derivative financial instruments, broken down by class, taking into account aspects such as the characteristics of the instruments themselves and the purposes for which they are used, are set out below.

As at 31/12/2024, the parent company had six interest rate derivative contracts (IRS) in place that qualified as 'hedging'. The table below summarises the main aggregate characteristics of these instruments and their fair value at the end of the financial year.

Derivative contract type	Interest Rate Swap
Purpose	Hedge
Notional value	61,242,756
Underlying financial risk	Interest risk
Fair Value	(444,021)
Covered asset/liability	Green Loan

Information on related party transactions

(Ref. art. 38, first paragraph, letter o-quinquies), Italian Legislative Decree no. 127/1991)

It should be noted that during the year, transactions with related parties were carried out at market conditions.

None of the transactions with related parties can be classified as either atypical or unusual as they are part of the companies' normal business activities.

Below is a breakdown of transactions and balances with related parties of the Parent Company (in thousands of euros):

Group Company	Trade receivables	Financial receivables	Other receivables	Trade payables	Financial payables	Other debts
Subsidiaries	**1,573**	**531**	**-**	**999**	**13,237**	**73**
Termotecnica Sebina Srl	269	-	-	17	6,933	-
Lumagest Srl	332	-	-	19	6,304	-
Palermo Srl	661	-	-	351	-	60
Efferre Srl	50	158	-	-	-	-
Energy Green Srl	110	162	-	-	-	-
Smart Parking Systems Srl	116	211	-	-	-	-
RSM City Green Light Srl	2	-	-	-	-	13
CityMetrics Srl	32	-	-	612	-	-
Affiliated	**-**	**-**	**-**	**495**	**-**	**-**
Covedi Scarl	-	-	-	495	-	-

Group Company	Revenues	Other revenue	Costs for services	Financial charges	Financial income
Subsidiaries	**-**	**2,152**	**351**	**36**	**9**
Termotecnica Sebina Srl	-	269	-	17	-
Lumagest Srl	-	323	-	19	-
Palermo Srl	-	1,236	351	-	-
Efferre Srl	-	46	-	-	5
Energy Green Srl	-	48	-	-	2
Smart Parking Systems Srl	-	111	-	-	2

Group Company	Revenues	Other revenue	Costs for services	Financial charges	Financial income
CityMetrics Srl	-	120	-	-	-
Affiliated	**-**	**-**	**2,167**	**-**	**-**
Covedi Scarl	-	-	2,167	-	-

Information on off-balance sheet agreements
(Ref. art. 38, first paragraph, letter o-sexies), Italian Legislative Decree no. 127/1991)

There are no off-balance sheet agreements.

Information regarding Article 1, paragraph 125 of Italian Law No. 124 of 4 August 2017
Pursuant to Article 1, paragraph 125 of Italian Law No. 124 of 4 August 2017, in compliance with the obligation of transparency, it is reported that no grants, paid assignments or any other economic benefits of any kind were received from public administrations.
The Group recognised income from public administrations totalling € 141,164,728 as consideration for services rendered on the basis of contracts signed following the awarding of tenders. The Group also recognised income from the sale of energy efficiency bonds in the amount of € 159,087.
Aid granted by the Public Administration with value of € 10,000 or more has already been entered in the National Register of State Aid (RNA), which is updated by the public administrations that grant the aid.
Lastly, under the facility agreement signed in 2023, the Parent Company received a guarantee from SACE as part of the public support for the development of production activities with the counter-guarantee of the Italian State, in application of Legislative Decree no. 123 of 31 March 1998, "Provisions for the rationalisation of public support measures for businesses, pursuant to article 4, paragraph 4, letter c) of Law no. 59 of 15 March 1997".

Information on fees payable to the Independent Auditors
(Ref. art. 38, first paragraph, letter o-*septies*), Italian Legislative Decree no. 127/1991)

In accordance with the law, the fees for the year are shown for services provided by the Independent Auditors and entities belonging to their network:

- fees for the statutory audit of the parent company's financial statements: € 58,500
- fees due for other verification services: € 17,000

Information on the fees payable to directors and statutory auditors

In accordance with the law, the remuneration of the members of the Board of Directors and the Board of Statutory Auditors of the parent company is disclosed, including the remuneration for the performance of such functions also in other consolidated companies.

Role	Fee
Directors	62,086
Board of Statutory Auditors	94,800
Total	**156,886**

No advances and/or loans were granted to directors or statutory auditors, nor were any commitments undertaken on their behalf.

Significant events after the end of the financial year

There were no significant events occurring after the end of the financial year.

Leasing transactions

With reference to lease contracts under which the company assumes most of the risks and rewards related to the leased assets, the values that would have been reported in the financial statements under the 'financial method' instead of the 'equity method' actually used are presented below.
The figures refer to each year of duration of the individual contracts.

Description	Amount
Total value of assets under finance leases at the end of the year	143,954
Depreciation that would have been accrued during the year	104,595
Value adjustments and reversals that would have been accrued during the year	(8,558)
Present value of lease instalments not due at year-end	87,969
Financial charges for the year based on the effective interest rate	6,027

Consolidated Financial Statements

These Consolidated Financial Statements, consisting of the balance sheet, income statement, notes to the financial statements and cash flow statement, give a true and fair view of the financial position and results of operations and cash flows and correspond to the parent company’s accounting records and to the information provided by the companies included in the consolidation.
The undersigned Alessandro Visentin, in his capacity as legal representative, aware of the criminal liability provided for in case of false declaration, certifies, pursuant to Art. 47 of Italian Presidential Decree no. 445/2000, the correspondence of the XBRL-format computer document containing the Balance Sheet, Income Statement, Cash Flow Statement and these Notes to the Financial Statements with those stored in the Company's records.

Vicenza, 28 March 2025

For the Board of Directors

The Managing Director
Mr Alessandro Visentin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INDEPENDENT AUDITOR'S REPORT

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Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010

To the shareholders of City Green Light Srl

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of City Green Light Group (the Group), which comprise the balance sheet as of 31 December 2024, the income statement and statement of cash flows for the year then ended and related notes.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2024, and of the result of its operations and cash flows for the year then ended in accordance with the Italian laws governing the criteria for their preparation.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of this report. We are independent of City Green Light Srl pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

The consolidated financial statements of City Green Light Group for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 12 April 2024.

PricewaterhouseCoopers SpA

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Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

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

The directors are responsible for assessing the Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate City Green Light Srl or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Group's financial reporting process.

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

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

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our

opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- We evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

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

Report on Compliance with other Laws and Regulations

Opinions and statement in accordance with article 14, paragraph 2, letters e), e-bis) and e-ter) of Legislative Decree No. 39/10

The directors of City Green Light Srl are responsible for preparing a report on operations of City Green Light Group as of 31 December 2024, including its consistency with the relevant financial statements and its compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to:

- express an opinion on the consistency of the report on operations with the consolidated financial statements;
- express an opinion on the compliance with the law of the report on operations;
- issue a statement on material misstatements, if any, in the report on operations.

In our opinion, the report on operations is consistent with the consolidated financial statements of City Green Light Group as of 31 December 2024.

Moreover, in our opinion, the report on operation is prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e-ter), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Verona, 11 April 2025

PricewaterhouseCoopers SpA

Signed by

Cristian Pasquetti
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers


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