

Interim Financial Report

at 31 March 2024

FINCANTIERI



INDEX

PARENT COMPANY DIRECTORS AND OFFICERS	5
REPORT ON OPERATIONS AT 31 MARCH 2024	7
KEY FINANCIALS	8
GROUP PERFORMANCE	9
OPERATIONAL REVIEW BY SEGMENT	17
BUSINESS OUTLOOK	24
RECONCILIATION OF THE RECLASSIFIED FINANCIAL STATEMENTS USED IN THE REPORT ON OPERATIONS WITH THE MANDATORY IFRS STATEMENTS	30
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT 31 MARCH 2024	33
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS	39
NOTE 1 - FORM, CONTENTS AND OTHER GENERAL INFORMATION	40
NOTE 2 - SCOPE AND BASIS OF CONSOLIDATION	45
NOTE 3 - ACCOUNTING STANDARDS	47
NOTE 4 - CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS	47
NOTE 5 - INTANGIBLE ASSETS	48
NOTE 6 - RIGHTS OF USE	50
NOTE 7 - PROPERTY, PLANT AND EQUIPMENT	51
NOTE 8 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD AND OTHER INVESTMENTS	53
NOTE 9 - NON-CURRENT FINANCIAL ASSETS	54
NOTE 10 - OTHER NON-CURRENT ASSETS	55
NOTE 11 - DEFERRED TAX ASSETS AND LIABILITIES	56
NOTE 12 - INVENTORIES AND ADVANCES	57
NOTE 13 - CONTRACT ASSETS AND LIABILITIES	58
NOTE 14 - TRADE RECEIVABLES AND OTHER CURRENT ASSETS	59
NOTE 15 - INCOME TAX ASSETS	61
NOTE 16 - CURRENT FINANCIAL ASSETS	61
NOTE 17 - CASH AND CASH EQUIVALENTS	61
NOTE 18 - EQUITY	62
NOTE 19 - PROVISIONS FOR RISKS AND CHARGES	66
NOTE 20 - EMPLOYEE BENEFITS	67
NOTE 21 - NON-CURRENT FINANCIAL LIABILITIES	68
NOTE 22 - OTHER NON-CURRENT LIABILITIES	69
NOTE 23 - TRADE PAYABLES AND OTHER CURRENT LIABILITIES	69
NOTE 24 - CURRENT FINANCIAL LIABILITIES	70
NOTE 25 - REVENUE AND INCOME	72
NOTE 26 - OPERATING COSTS	73
NOTE 27 - FINANCIAL INCOME AND EXPENSES	75
NOTE 28 - INCOME AND EXPENSE FROM INVESTMENTS	76
NOTE 29 - INCOME TAXES	77
NOTE 30 - OTHER INFORMATION	78
NOTE 31 - CASH FLOWS FROM OPERATING ACTIVITIES	91
NOTE 32 - SEGMENT INFORMATION	92
NOTE 33 - ASSETS HELD FOR SALE	95
NOTE 34 - ACQUISITION OF THE REMAZEL GROUP	95
NOTE 35 - EVENTS AFTER 31 MARCH 2024	97

COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION99
INDEPENDENT AUDITOR'S REPORT105
GLOSSARY108

PARENT COMPANY DIRECTORS AND OFFICERS

BOARD OF DIRECTORS

Three-year period 2022-2024

Claudio Graziano (Chairman)
Pierroberto Folgiero (Chief Executive Officer
and General Manager)
Paolo Amato
Barbara Debra Contini
Alberto Dell'Acqua
Massimo Di Carlo
Paola Muratorio
Cristina Scocchia
Valter Trevisani
Alice Vatta
Alessandra Battaglia (Secretary)

BOARD OF STATUTORY AUDITORS

Three-year period 2023-2025

Gabriella Chersicla (Chairman)
Elena Cussigh (Standing Auditor)
Antonello Lillo (Standing Auditor)
Ottavio De Marco (Alternate Auditor)
Arianna Pennacchio (Alternate Auditor)
Marco Seracini (Alternate Auditor)

MANAGER RESPONSIBLE FOR PREPARING FINANCIAL REPORTS

Felice Bonavolontà

INDEPENDENT AUDITORS

Nine-year period 2020-2028

Deloitte & Touche S.p.A.

SUPERVISORY BODY Pursuant to Legislative Decree 231/01

Three-year period 2024-2026

Attilio Befera (Chairman - External Member)
Davide Carlino (Internal Member)
Iole Anna Savini (External Member)

For detailed information on the composition and functions of the Board Committees (the Control and Risk Committee, which is also responsible for the functions of the committee responsible for related party transactions except for resolutions on remuneration, the Remuneration Committee, which is assigned the functions of the committee responsible for transactions with related parties in the case of resolutions on remuneration associated with related party transactions, the Nomination Committee and the Sustainability Committee) reference should be made to the Report on corporate governance and ownership structure available on the Company website in the "Ethics and Governance - Corporate Governance System - Corporate Governance Reports".

DISCLAIMER

Forecast data and information must be regarded as forward-looking statements and therefore, not being based on simple historical facts, contain, by their nature, an element of risk and uncertainty because they also depend on the occurrence of future events and developments outside the Company's control. Actual results could therefore be materially different from those expressed in forward-looking statements. Forward-looking statements refer to the information available at the date of their publication; Fincantieri S.p.A. undertakes no obligation to revise, update or correct its forward-looking statements after such date, other than in the circumstances strictly required by applicable regulations. The forward-looking statements provided do not constitute and shall not be considered by users of the financial statements as advice for legal, accounting, tax or investment purposes nor is it the intention for such statements to create any type of reliance and/or induce such users to invest in the Company.

REPORT ON OPERATIONS AT 31 MARCH 2024

KEY FINANCIALS

31.12.2023	Economic data		31.03.2024	31.03.2023
7,651	Revenue and income	euro/million	1,767	1,764
397	EBITDA ⁽¹⁾	euro/million	100	87
5.2%	EBITDA margin ⁽¹⁾	%	5.7%	4.9%
(7)	Adjusted profit/(loss) for the period ⁽²⁾	euro/million	(9)	4
(53)	Profit/(loss) for the period	euro/million	(20)	(7)
(53)	Group share of profit/(loss) for the period	euro/million	(18)	(7)
31.12.2023	Financial data		31.03.2024	31.03.2023
2,705	Net invested capital	euro/million	2,855	3,474
434	Equity	euro/million	442	552
2,271	Net financial position ⁽³⁾	euro/million	2,413	2,922
31.12.2023	Other indicators		31.03.2024	31.03.2023
6,600	Orders ^(**)	euro/million	539	909
34,629	Order book ^(**)	euro/million	33,519	34,737
34,772	Total backlog ^{(**)(***)}	euro/million	39,256	33,987
23,072	- of which backlog ^(**)	euro/million	21,956	22,687
258	Capital expenditure	euro/million	35	40
21,215	Employees at the end of the period	number	21,729	20,777
85	Vessels in order book	number	85	89

(*) Ratio between EBITDA and Revenue and income.

(**) Net of eliminations and consolidation adjustments.

(***) Sum of backlog and soft backlog.

(1) This figure does not include Extraordinary and non-recurring income and expenses. See the definition contained in the section Alternative Performance Measures.

(2) Profit/(loss) for the period before extraordinary and non-recurring income and expenses

(3) See the definition contained in the section Alternative Performance Measures.

The percentages contained in this report have been calculated with reference to amounts expressed in thousands of euros

GROUP PERFORMANCE

ORDER INTAKE, ORDER BACKLOG AND DELIVERIES

In the first three months of 2024, the Group recorded euro 539 million in new orders, compared with euro 909 million in the corresponding period of 2023, with a book-to-bill ratio (order intake/revenue) of 0.3 (0.5 at 31 March 2023).

31.12.2023		Order intake analysis (euro/million)		31.03.2024		31.03.2023 ^(*)	
Amounts	%			Amounts	%	Amounts	%
3,336	51	Fincantieri S.p.A.		103	19	82	9
3,264	49	Rest of Group		436	81	827	91
6,600	100	Total		539	100	909	100
4,148	63	Shipbuilding		141	26	252	28
1,801	27	Offshore and Specialized vessels		498	92	533	59
1,050	16	Equipment, Systems and Infrastructure		207	38	238	26
(399)	(6)	Consolidation adjustments		(307)	(57)	(114)	(13)
6,600	100	Total		539	100	909	100

(*) Comparative figures have been restated following the redefinition of the operating segments.

The Group's total backlog reached a record level of about euro 39.3 billion at 31 March 2024, comprising euro 22.0 billion of backlog (euro 23.1 billion at 31 December 2023) and euro 17.3 billion of soft backlog (euro 11.7 billion at 31 December 2023) with development of the projects in the order book expected to continue up to 2030.

The backlog and total backlog guarantee about 2.9 years and 5.1 years of work respectively in relation to 2023 revenues. The composition of the backlog by segment is shown in the following table.

31.12.2023		Total backlog analysis (euro/million)		31.03.2024		31.03.2023 ^(*)	
Amounts	%			Amounts	%	Amounts	%
15,883	69	Fincantieri S.p.A.		14,882	68	16,537	73
7,189	31	Rest of Group		7,074	32	6,150	27
23,072	100	Total		21,956	100	22,687	100
18,908	82	Shipbuilding		17,755	81	19,246	85
1,866	8	Offshore and Specialized vessels		2,086	10	1,344	6
2,688	12	Equipment, Systems and Infrastructure		2,730	12	2,513	11
(390)	(2)	Consolidation adjustments		(615)	(3)	(416)	(2)
23,072	100	Total		21,956	100	22,687	100
11,700	100	Soft backlog (**)		17,300	100	11,300	100
34,772	100	Total backlog		39,256	100	33,987	100

(*) Comparative figures have been restated following the redefinition of the operating segments.

(**) Soft backlog represents the value of contract options, existing letters of intent and projects at an advanced stage of negotiation not yet reflected in the order backlog.

The analysis of the numbers of ships delivered and those in the order book is shown in the following table.

Deliveries, Order Intake and Order book (number of ships)	31.03.2024	31.03.2023
Ships delivered	4	5
Vessels ordered	4	6
Vessels in order book	85	89

CAPITAL EXPENDITURE

31.12.2023 ^(*)		Capital expenditure analysis (euro/million)		31.03.2024		31.03.2023 ^(*)	
Amounts	%	Amounts	%	Amounts	%	Amounts	%
124	48	Fincantieri S.p.A.	15	43	20	50	
134	52	Rest of Group	20	57	20	50	
258	100	Total	35	100	40	100	
162	63	Shipbuilding	21	60	28	70	
24	9	Offshore and Specialized vessels	6	17	2	5	
35	14	Equipment, Systems and Infrastructure	5	14	6	15	
37	14	Other activities	3	9	4	10	
258	100	Total	35	100	40	100	
55	21	Intangible assets	9	26	8	20	
203	79	Property, plant and equipment	26	74	32	80	
258	100	Total	35	100	40	100	

(*) Comparative figures have been restated following the redefinition of the operating segments.

GROUP ECONOMIC AND FINANCIAL RESULTS

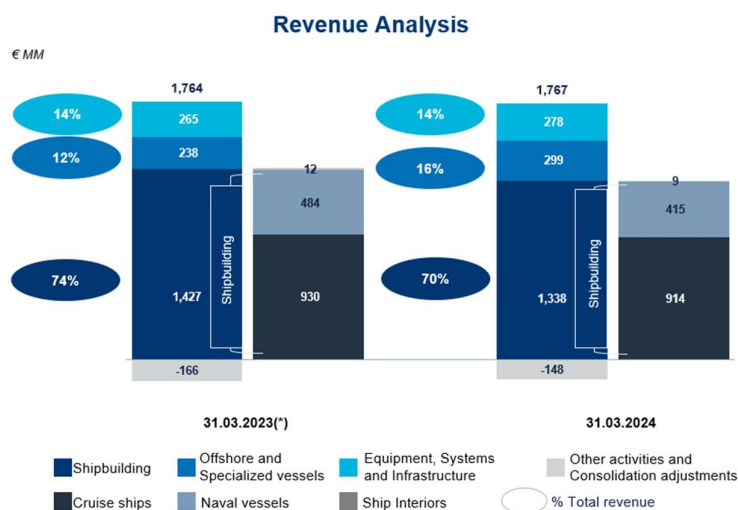
Presented below are the reclassified consolidated versions of the Income statement, Statement of financial position and Statement of cash flows, the breakdown of Consolidated net financial position and the principal economic and financial indicators used by management to monitor business performance. For a reconciliation between the reclassified financial statements and the statutory financial statements, please refer to the special section “Reconciliation of the reclassified financial statements used in the Report on Operations with the mandatory IFRS statements”.

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

31.12.2023	(euro/million)	31.03.2024	31.03.2023
7,651	Revenue and income	1,767	1,764
(5,960)	Materials, services and other costs	(1,327)	(1,363)
(1,219)	Personnel costs	(336)	(310)
(75)	Provisions	(4)	(4)
397	EBITDA¹	100	87
5.2%	EBITDA margin	5.7%	4.9%
(235)	Depreciation, amortization and impairment	(60)	(56)
162	EBIT	40	31
2.1%	EBIT margin	2.3%	1.8%
(169)	Financial income/(expenses)	(46)	(30)
4	Income/(expense) from investments		(1)
(4)	Income taxes	(3)	4
(7)	Adjusted profit/(loss) for the period	(9)	4
(7)	<i>of which attributable to Group</i>	(7)	4
(61)	Extraordinary or non-recurring income and expenses	(14)	(14)
(61)	<i>- of which costs related to asbestos litigation</i>	(14)	(14)
15	Tax effect on extraordinary or non-recurring income and expenses	3	3
(53)	Profit/(loss) for the period	(20)	(7)
(53)	<i>of which attributable to Group</i>	(18)	(7)

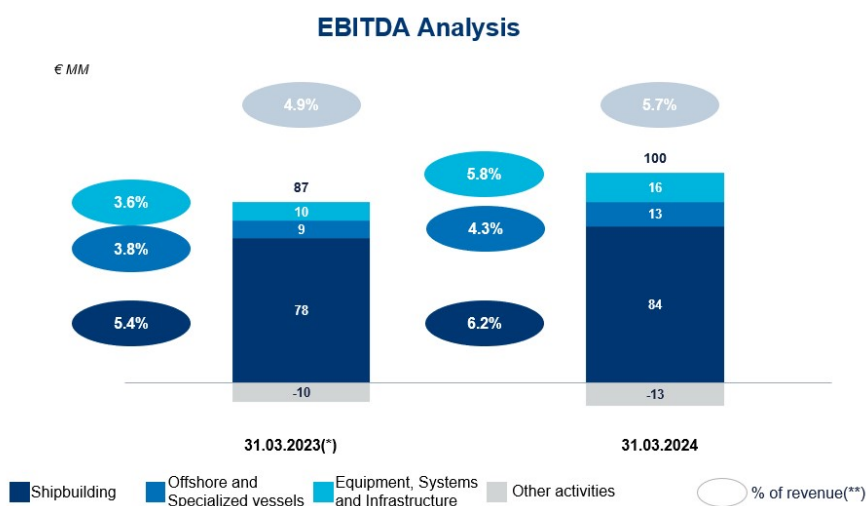
(1) This figure does not include Extraordinary and non-recurring income and expenses. See the definition contained in the section Alternative Performance Measures.

Revenue and income for the first quarter of 2024 amounted to euro 1,767 million, which is substantially in line with the figure as at 31 March 2023 and confirms the growth expectations for 2024. The Offshore and Specialized vessels and Equipment, Systems and Infrastructure segments closed the first quarter of 2024 with revenues up by 25.7% and 5.0% respectively. The growth in these segments offsets the decrease in revenue in the Shipbuilding segment (-6.2%), which was however expected for the first quarter of 2024. Before the elimination of inter-sector transactions from the data for consolidation purposes, Shipbuilding contributes 70% (74% in the first quarter of 2023), Offshore and Specialized vessels 16% (12% in the first quarter of 2023) and Equipment, Systems and Infrastructure 14% (14% in the first quarter of 2023) of the Group's total revenue and income.



* Comparative figures have been restated following the redefinition of the operating segments.

The first quarter of 2024 confirms the growth in marginality, which brings **EBITDA¹** to euro 100 million (+16% compared to euro 87 million in the first quarter of 2023), with an **EBITDA margin** at 5.7% (4.9% at 31 March 2023) supported by the positive contribution of all sectors in which the Group operates. The results are in line with expectations and confirm the growth envisaged in the Business Plan for the 2024 year.



* Comparative figures have been restated following the redefinition of the operating segments.

Details of income and expenses not included in EBITDA are shown in the following table:

31.12.2023 (euro/million)	31.03.2024	31.03.2023
(61) Provisions for costs and legal expenses associated with asbestos-related lawsuits	(14)	(14)
(61) Total	(14)	(14)

¹ See the definition contained in the section Alternative Performance Measures.

EBIT² achieved was positive at euro 40 million in the first quarter of 2024 (euro 31 million in the corresponding period of 2023). The **EBIT margin** (as a percentage of Revenue and income) is positive at 2.3% (1.8% at 31 March 2023). The improvement in EBIT reflects the increase in Group EBITDA, while depreciation and amortization for the period (euro 60 million) are up from the first quarter of 2023 (euro 56 million).

Financial income/(expenses) reports net expenses of euro 46 million (net expenses of euro 30 million at 31 March 2023). The increase compared to the value at 31 March 2023 was mainly due to higher bank interest expenses and fees, mainly due to the trend in gross debt and the rise in interest rates, net of the positive contribution of financial hedges.

Income taxes were negative for euro 3 million, whereas in the first quarter of 2023 they had made a positive contribution of euro 4 million to net profit, mainly due to the tax consolidation income recognized in the comparative period.

The **Adjusted profit/(loss) for the period** was a loss of **euro 9 million** as at 31 March 2024 (profit of 4 million in the first quarter of 2023).

Extraordinary or non-recurring income and expenses were negative at euro 14 million (negative at euro 14 million at 31 March 2023) and are exclusively for costs related to asbestos litigation.

The **Tax effect of extraordinary or non-recurring income and expenses** was positive for euro 3 million (euro 3 million in the first quarter of 2023).

As a result of the above, the **Profit/(loss) for the period** was a loss of **euro 20 million** (loss of euro 7 million at 31 March 2023). The Group share of profit/(loss) for the period was a loss of euro 18 million (loss of euro 7 million in the first quarter of 2023).

² See the definition contained in the section Alternative Performance Measures.

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31.03.2023	(euro/million)	31.03.2024	31.12.2023
484	Intangible assets	540	474
124	Rights of use	130	125
1,630	Property, plant and equipment	1,689	1,684
112	Investments	61	60
119	Non-current financial assets	670	668
10	Other non-current assets and liabilities	19	12
(53)	Employee benefits	(55)	(54)
2,426	Net fixed capital	3,054	2,969
895	Inventories and advances	819	801
1,992	Construction contracts and client advances	515	632
979	Trade receivables	1,298	767
(2,813)	Trade payables	(2,815)	(2,471)
(196)	Other provisions for risks and charges	(247)	(237)
190	Other current assets and liabilities	185	192
1,047	Net working capital	(245)	(316)
1	Assets held for sale	46	52
3,474	Net invested capital	2,855	2,705
863	Share Capital	863	863
(315)	Reserves and retained earnings attributable to the Group	(421)	(430)
4	Non-controlling interests in equity		1
552	Equity	442	434
2,922	Net financial position	2,413	2,271
3,474	Sources of funding	2,855	2,705

The **reclassified consolidated statement of financial position** shows Net invested capital as at 31 March 2024 of euro 2,855 million (euro 2,705 million as at 31 December 2023). The increase is mainly due to the following factors:

- **Net fixed capital:** amounted to euro 3,054 million as at 31 March 2024, an increase of euro 85 million compared to 31 December 2023 (euro 2,969 million). The most significant changes include the increase of euro 71 million in Intangible Assets and Property, Plant and Equipment, as the net effect of the entry into the scope of consolidation of Remazel (whose acquisition entailed the recognition of euro 45 million in Goodwill, euro 32 million in Client relationships and order backlog and 9 million in Other assets), the positive effect of the foreign exchange translation of financial statements of foreign subsidiaries (euro 3 million) and capital expenditure for the period (euro 35 million), net of depreciation (euro 54 million);
- **Net working capital:** negative at euro 245 million (negative at euro 316 million at 31 December 2023), an increase of euro 71 million. The main changes related to the increase in Trade receivables (euro 531 million) and the decrease in Construction contracts and client advances (euro 117 million) due to the issue of the invoice for the final instalment on a cruise ship, which was then delivered in April, and the related increase in Trade payables (euro 344 million).

Equity amounted to euro 442 million, up euro 8 million mainly due to the positive change in the cash flow reserve related to cash flow hedging instruments (euro 28 million) and the profit/(loss) for the period (negative for euro 20 million).

CONSOLIDATED NET FINANCIAL POSITION

31.03.2023 (euro/million)	31.03.2024	31.12.2023
(214)Current financial payables	(383)	(301)
(110)Debt instruments - current portion	(197)	(146)
(906)Current portion of bank loans and credit facilities	(471)	(597)
(1,058)Construction loans	(115)	(262)
(2,288)Current debt	(1,166)	(1,306)
(1,314)Non-current financial payables	(1,764)	(1,779)
(1,314)Non-current debt	(1,764)	(1,779)
(3,602)Total financial debt	(2,930)	(3,085)
483Cash and cash equivalents	460	758
197Other current financial assets	57	56
(2,922)Net financial position	(2,413)	(2,271)

The **Consolidated net financial position**³ shows a net debt balance of euro 2,413 million, a slight improvement compared to 31 December 2023 (net debt of euro 2,271 million). The increase was mainly attributable to typical working capital dynamics related to the cruise business and capital expenditure during the period. The cash absorption from cruise ship construction was only partially offset by the delivery of a vessel in the first three months of 2024. The Consolidated net financial position is also still affected by the support strategy for shipowners implemented following the COVID-19 outbreak. At 31 March 2024, the Group had non-current financial receivables (not included in the Net financial position) of euro 633 million granted to its customers (euro 630 million at 31 December 2023).

The Net financial position does not include payables to suppliers for reverse factoring, which amounted to euro 681 million at 31 March 2024 (euro 493 million at 31 December 2023) and represent the value of invoices, formally liquid and collectable, assigned by suppliers to an agreed lending institution and which benefit from extensions agreed between suppliers and the Group. For further detail on the accounting criteria adopted for such transactions, please refer to Section 8.1 "Reverse Factoring" in Note 3 to the Consolidated Financial Statements at 31 December 2023.

³ See the definition contained in the section Alternative Performance Measures

RECLASSIFIED CONSOLIDATED STATEMENT OF CASH FLOWS

31.12.2023 (euro/million)	31.03.2024	31.03.2023
637 Net cash flows from operating activities	(36)	(340)
(106) Net cash flows from investing activities	(98)	(34)
(330) Net cash flows from financing activities	(161)	300
201 Net cash flows for the period	(295)	(74)
565 Cash and cash equivalents at beginning of period	758	565
(8) Effects of currency translation difference on opening cash and cash equivalents	(3)	(7)
758 Cash and cash equivalents at period end	460	484

The **Reclassified consolidated statement of cash flows** shows a negative **net cash flow for the period** of euro 295 million (negative for euro 74 million in the first quarter of 2023) due to a cash flow absorbed by operating activities of euro 36 million (negative for euro 340 million at 31 March 2023), which reflects the dynamics of working capital, capital expenditure for the period net of disposals, which instead resulted in net absorption of resources amounting to euro 98 million (euro 34 million at 31 March 2023), and financing activities for the period, which absorbed resources of euro 161 million.

OPERATIONAL REVIEW BY SEGMENT

SHIPBUILDING

The Shipbuilding segment is engaged in the design and construction of vessels for the cruise ships and naval vessels business areas. Production is carried out at the Group's shipyards in Italy, Europe and the United States.

31.12.2023	(euro/million)	31.03.2024	31.03.2023
6,129	Revenue and income*	1,338	1,427
367	EBITDA ^{(1)(*)}	84	78
6.0%	EBITDA margin ^{(2)(**)}	6.2%	5.4%
4,148	Order intake ⁽¹⁾	141	252
28,471	Order book ⁽¹⁾	27,335	29,250
18,908	Order backlog ⁽¹⁾	17,755	19,246
162	Capital expenditure	21	28
11	Ships delivered (number)	1	1

(*) Before adjustments between operating segments.

(**) Ratio between segment EBITDA and Revenue and income.

(1) This figure does not include Extraordinary or non-recurring income and expenses. See the definition contained in the section Alternative Performance Measures.

Revenue and income

In line with the forecasts, Shipbuilding segment revenue of euro 1,338 million in the first quarter of 2024 showed a decrease of 6.2% compared to 2023, and includes euro 914 million for the **cruise ships** business area (euro 930 million at 31 March 2023) and euro 415 million for the **naval vessels** business area (euro 484 million at 31 March 2023). The remaining balance of euro 9 million relates to the portion generated by the Ship Interiors business area with third-party clients (euro 12 million as at 31 March 2023). The cruise ship and naval vessels businesses contribute 48% and 22% respectively (48% and 25% as at 31 March 2023)⁴.

Revenue from the **cruise ship business** area in the first quarter of 2024 was substantially in line with the same period of the previous year.

The 14.4% decrease in revenues in the **naval vessels business** area compared to the first quarter of 2023 is consistent with the development of the order backlog in Italy, following the deliveries carried out during 2023, and was affected by the lower production volumes developed in the first quarter, dominated by heavy involvement in the development of the Constellation FFG(X) and Foreign Military Sales programs between the US and Saudi Arabia.

⁴ Before adjustments between operating segments.

EBITDA

EBITDA for the segment at 31 March 2024 amounted to euro 84 million, with an EBITDA margin of 6.2% realized in the quarter, a clear increase compared to 31 March 2023 (EBITDA margin 5.4%) and confirmation of the EBITDA margin at 31 December 2023. Despite the fall in volumes, particularly in the naval vessels business area, EBITDA benefited from the positive effects related to the completion of orders for the Qatar shipbuilding program.

Order intake

In the first three months of 2024, orders in the Shipbuilding segment amounted to euro 141 million, mainly related to additional work on cruise ships already in the order book.

Production

In the first three months of 2024, the cruise ship 'Sun Princess', the first of the new LNG (liquefied natural gas) class for the shipowner Princess Cruises, a Carnival Group brand, was delivered to the Monfalcone shipyard.

OFFSHORE AND SPECIALIZED VESSELS

The Offshore and Specialized vessels segment includes the design and construction of high-end offshore support vessels, specialized vessels, offshore wind plant vessels as well as its own range of innovative products in the field of semi-submersible drilling ships and platforms. Fincantieri operates in this segment through the VARD group and Fincantieri Oil & Gas S.p.A.

31.12.2023	(euro/million)	31.03.2024	31.03.2023
1,070	Revenue and income (*)	299	238
52	EBITDA ^{(1)(*)}	13	9
4.9%	EBITDA margin ^{(*)(**)}	4.3%	3.8%
1,801	Order intake ^(*)	498	533
2,715	Order book ^(*)	3,033	2,412
1,866	Order backlog ^(*)	2,086	1,344
24	Capital expenditure	6	2
15	Ships delivered (number)	3	4

(*) Before adjustments between operating segments.

(**) Ratio between segment EBITDA and Revenue and income.

(1) This figure does not include Extraordinary or non-recurring income and expenses. See the definition contained in the section Alternative Performance Measures.

Revenue and income

As at 31 March 2024, the Offshore and Specialized vessels segment posted revenue of euro 299 million, up 25.7% from the comparative period of 2023. The progress in revenue terms reflects the significant contribution of the major orders for offshore wind support vessels acquired last year.

EBITDA

EBITDA, as of 31 March 2024, was positive at euro 13 million (euro 9 million as of 31 March 2023), with an EBITDA margin of 4.3% (3.8% in the first quarter of 2023), confirming Vard's recovery path for marginality outlined in the Business Plan.

Order intake

Order intake in the Offshore and Specialized vessels segment in the first three months of 2024 amounted to euro 498 million and mainly related to:

- two CSOVs for the Windward Offshore consortium;
- one CSOV for Cyan Renewables;
- one CSOV for Navigare Capital Partners.

Production

The number of ships delivered during the first three months of 2024 is summarized below:

(number)	Deliveries
Wind	1
Fishery	1
Other	1

In detail:

- a CSOV for customer Norwind Offshore AS at the Brattvåg shipyard (Norway);
- a Marine Robotic unit for the company Ocean Infinity Group Limited at the Vung Tau shipyard (Vietnam);
- a Fishery unit for Deutsche Fischfang-Union GmbH & Co. KG. at the Brattvåg shipyard (Norway).

EQUIPMENT, SYSTEMS AND INFRASTRUCTURE

The Equipment, Systems and Infrastructure segment includes the following business areas: Electronics and Digital Products Cluster⁵, Mechanical Systems and Components Cluster⁶ and Infrastructure Cluster. These activities are carried out by Fincantieri S.p.A. and by its Italian and foreign subsidiaries.

It should be noted that, following a reorganization at the beginning of the year, the activities of the Vard Electro Group, included in the Mechanical Systems and Components Cluster until 31 December 2023, were reallocated to the Electronics and Digital Products Cluster. Comparative figures, appropriately reclassified, as at 31 December 2023 and 31 March 2023 have been prepared and are shown below as restated values.

31.12.2023 reported	31.12.2023 restated	(euro/million)	31.03.2024	31.03.2023 restated	31.03.2023 reported
Total Equipment, Systems and Infrastructure					
1,100	1,100	Revenue and income ^(*)	278	265	265
24	24	EBITDA ^{(1)(*)}	16	10	10
2.2%	2.2%	EBITDA margin ^{(*)(**)}	5.8%	3.6%	3.6%
1,050	1,050	Order intake ^(*)	207	238	238
4,338	4,338	Order book ^(*)	4,401	4,293	4,293
2,688	2,688	Order backlog ^(*)	2,730	2,513	2,513
35	35	Capital expenditure	5	6	6

31.12.2023 reported	31.12.2023 restated	(euro/million)	31.03.2024	31.03.2023 restated	31.03.2023 reported
Electronics and Digital Products Cluster					
180	351	Revenue and income ^(*)	82	76	33
67	221	of which internal to the Group	61	56	17
(1)	9	EBITDA ^{(1)(*)}	2	4	2
-0.5%	2.6%	EBITDA margin ^{(*)(**)}	2.8%	5.4%	5.0%
180	233	Order intake ^(*)	46	49	24
358	447	Order book ^(*)	488	669	596
278	317	Order backlog ^(*)	330	272	272
8	10	Capital expenditure	1	2	1

31.12.2023 reported	31.12.2023 restated	(euro/million)	31.03.2024	31.03.2023 restated	31.03.2023 reported
Mechanical Systems and Components Cluster					
426	255	Revenue and income ^(*)	73	59	102
298	143	of which internal to the Group	44	34	73
36	26	EBITDA ^{(1)(*)}	8	4	6
8.3%	10.1%	EBITDA margin ^{(*)(**)}	10.8%	6.7%	6.2%
313	259	Order intake ^(*)	65	57	82
823	734	Order book ^(*)	818	713	786
300	261	Order backlog ^(*)	339	245	245
24	21	Capital expenditure	3	4	4

⁵ As at 31 December 2023 named Electronics Cluster

⁶ As at 31 December 2023 named Mechatronics Cluster

31.12.2023 reported	31.12.2023 restated	(euro/million)	31.03.2024	31.03.2023 restated	31.03.2023 reported
Infrastructure Cluster					
495	495	Revenue and income ^(*)	123	131	131
17	17	of which internal to the Group	3	3	3
(11)	(11)	EBITDA ^{(1)(*)}	6	2	2
-2.2%	-2.2%	EBITDA margin ^(**)	4.9%	1.2%	1.2%
558	558	Order intake ^(*)	95	132	132
3,158	3,158	Order book ^(*)	3,096	2,916	2,916
2,111	2,111	Order backlog ^(*)	2,061	1,996	1,996
5	5	Capital expenditure	0	0	0

(*) Before adjustments between operating segments.

(**) Ratio between segment EBITDA and Revenue and income.

(1) This figure does not include Extraordinary or non-recurring income and expenses. See the definition contained in the section Alternative Performance Measures.

Revenue and income

Equipment, Systems and Infrastructure segment revenue as at 31 March 2024 amounted to euro 278 million, a rise of 5.0% compared to the first quarter of 2023. The increase is mainly attributable to the consolidation, from the date of acquisition (15 February 2024), of the Remazel Group in the Mechanical Systems and Components Cluster; its contribution amounted to euro 14 million. The Electronics and Digital Products Cluster recorded an increase of 7.7%, due to higher volumes developed in the first quarter of 2024 by Vard Electro in support of its cruise shipbuilding and offshore wind activities. The Infrastructure Cluster showed a decrease of 5.7%, mainly due to less progress, compared to the same period of the previous financial year, on the order for the construction of the Miami terminal for MSC, scheduled for completion in 2024.

EBITDA

EBITDA for the segment at 31 March 2024 was positive at euro 16 million, with an EBITDA margin of 5.8% (3.6% at 31 March 2023) in line with growth forecasts. The improvement compared to the first quarter of 2023 is due to the positive contribution of the marginality of the Mechanical Systems and Components Cluster, also due to the effects of the consolidation of the Remazel Group, as well as the Infrastructure Cluster, driven in particular by some construction contracts in the hospital sector (FINSO), with the Miami terminal project confirming a break-even result.

Order intake

Order intake for the Equipment, Systems and Infrastructure segment for the first three months of 2024 amounted to euro 207 million and for the business areas mostly comprises:

- Electronics and Digital Products Cluster: in the Digital Solutions area, contracts from Leonardo for the Railways line are to be noted. In the Defence Systems business, Combat supplies of Minicolibri and Systematic to Leonardo, and STACOM supplies to AICOX and Global Comms Exchange. In Maritime Systems, Platform Cruise supply for Four Seasons and in the Naval area the FREMM Simulator to Orizzonte Sistemi Navali. The supply of the training simulation system to the Academy of the Merchant Navy by the Maritime & Naval Centre of Excellence;
- Mechanical Systems and Components Cluster: orders for a stabilizer plant for the Asenav shipyard (Chile); a turbogenerator for Cosumar (Morocco); after-sales service and supply of spare parts on steam turbines, after-sales service and spare parts on engines for the Italian, French and US Navies, supply of a mooring system for ExxonMobil and various boiler burners. Finally, activities related to the ITER project focusing on the construction of a prototype nuclear reactor and the integration of electric propulsion on lake navigation vessels continue;
- Infrastructure Cluster: construction works for Lot 1 from Alghero to Olmedo S.S. 291 "Della Nurra"; supply, installation and subsequent dismantling of 16 excavation support struts for the new high-speed railway station of Firenze Belfiore (Milan - Naples section); renovation and expansion with seismic adaptation of the Mugello hospital.

OTHER ACTIVITIES

Other activities primarily refer to the costs incurred by the Parent Company for directing, controlling and coordinating the business that are not allocated to other operating segments.

31.12.2023	(euro/million)	31.03.2024	31.03.2023
	4 Revenue and income	1	1
	(46) EBITDA ⁽¹⁾	(13)	(10)
	<i>n.a.</i> EBITDA margin	<i>n.a.</i>	<i>n.a.</i>
	37 Capital expenditure	3	4

n.a. not applicable.

(1) See the definition contained in the section Alternative Performance Measures.

BUSINESS OUTLOOK

In relation to the core markets in which the Group operates, in the first three months of 2024, no trends and uncertainties emerged that, in Fincantieri's opinion, could reasonably have significant repercussions on the Group's prospects, at least for the current financial year, as the market dynamics were characterized by: (i) the recovery of orders in the Cruise Ships segment; (ii) new orders acquired in the Naval Vessels segment (e. g. Indonesia) and the strengthening of relations with certain Middle Eastern countries such as Qatar and, subsequently, in May 2024, the United Arab Emirates and (iii) the numerous orders acquired in the Offshore and Specialized Vessels segment, mainly driven by the growing demand for specialized vessels to support operations in offshore wind farms, with new orders also recently acquired in new Asian markets (e.g. Japan, Taiwan).

In particular, with reference to the Naval Vessels segment, the geopolitical tensions that are dominating the global context have an impact on the levels of defense spending in the various countries, which has already reached higher levels than in the past and is expected to grow further, as shown by publicly accessible sources that are constantly monitored by the Group including specialist databases for the sector. This trend is reflected in the desire to strengthen the naval component, including that of the Group's main traditional customer navies (e.g. the Italian navy and the US navy) and in the growing strategic importance of the underwater domain in the face of the need to defend critical infrastructures (e.g. telecommunication routes and underwater energy infrastructure).

Fincantieri confirms its revenue growth forecasts for 2024 at around 4.5%, with marginality of around 6%, up by approximately one percentage point compared to 2023, in line with the 2023-27 Business Plan and excluding the contribution from the consolidation of Remazel.

The deleveraging targets are also confirmed, to be met by optimizing working capital with positive effects on cash generation, which will allow a net financial position of between 5.5 and 6.5x EBITDA at the end of 2024.

OTHER SIGNIFICANT EVENTS IN THE PERIOD

On 4 January 2024 Fincantieri received Gender Equality Certification from RINA. The Group is the first in the shipbuilding industry in Italy to obtain it, demonstrating its commitment to labour equality and inclusion.

On 18 January 2024 Fincantieri was given the Top Employer Italy award for the third consecutive year. It is a form of certification awarded only to companies that meet high standards in Human Resource strategies and policies to contribute to well-being for people and improve the working environment.

On 9 February 2024 Fincantieri was awarded an A- rating for the fourth consecutive year by CDP (formerly the Carbon Disclosure Project) - the independent non-profit body of reference for environmental reporting - thus placing the Group in the Leadership bracket.

On 4 March 2024, Fincantieri joined the prestigious Industrial Liaison Program (ILP) of the Massachusetts Institute of Technology (MIT). By joining this program, the Group will be able to engage with researchers, faculty members and students to stay at the forefront of innovation. This partnership is part of the course towards the implementation of the 2023-2027 Business Plan. This agreement will become part of Fincantieri's commitment to innovate and be at the forefront of the development of new technologies on strategic topics, such as Digital Transformation, with a focus on Artificial Intelligence, the Energy Transition and Maritime Sustainability.

On 6 March 2024, Fincantieri started the first Italian language course for foreign personnel in Riva Trigoso. The initiative follows a Memorandum of Understanding signed between the Group and the CPIA Levante Tigullio and supported by the Sestri Levante Social Policies Department.

On 12 March 2024, Fincantieri signed two MoUs in Doha. The first with the naval shipyard in Alexandria, Egypt, which aims to define the principles for discussions that will mainly focus on finding new opportunities for the construction of new ships. The partnership will concentrate on potential new ship programs of various types for the Defence sector. The second with Qatar Emiri Naval Forces (QENF) with the aim of starting discussions with the goal of entering into new contracts for the provision to QENF personnel of cutting-edge education and training courses.

On 19 March 2024 Fincantieri and Saipem, global leader in the engineering and construction of infrastructure for the energy sector, both offshore and onshore, signed a Memorandum of Understanding to evaluate commercial and industrial opportunities for cooperation in the field of autonomous subsea vehicles and their integration with surface and underwater vessels. The Memorandum is among the initiatives aimed at promoting and developing national excellence in the Underwater sector.

KEY EVENTS AFTER THE REPORTING PERIOD ENDED 31.03.2024

On 8 April 2024 Fincantieri signed a very important order with Norwegian Cruise Line Holdings Ltd for the construction of four next generation cruise ships: Two for the Regent Seven Seas Cruises brand and two for the Oceania Cruises brand. In addition, the Group signed a Letter of Intent with the same shipowner to study the construction of a further four vessels that will be the largest ever built for the Norwegian Cruise Line brand.

The Ordinary Shareholders' Meeting of 23 April 2024 approved the "2024-2025 Employee Share Ownership Plan" for employees of the Fincantieri Group, which provides for the allocation of 1 free share for every 5 ordinary shares in Fincantieri purchased by employees either through conversion of all or part of the performance bonus into welfare and the use of the credit for the subscription of Fincantieri shares, or through direct purchase by employees. One further free share will be granted for every 5 shares purchased on retention of the Fincantieri shares by the employee for 12 months.

On 8 May 2024, the subsidiary Vard and Island Offshore, a Norwegian shipowner operating in the oil & gas and renewables market, signed a contract for the design and construction of a state-of-the-art Ocean Energy Construction Vessel (OECV) with hybrid propulsion. The parties also agreed on an option for two more ships.

On 9 May 2024 Fincantieri signed an agreement for the acquisition of Leonardo S.p.A.'s Underwater Armament Systems business, accelerating and consolidating the group's positioning as a leader in the underwater and naval defence segment. The consideration for the acquisition includes euro 300 million as a fixed component related to the Enterprise Value, subject to the customary price adjustment mechanisms, plus a maximum of euro 115 million as a variable component if certain growth assumptions related to the performance of the UAS business line are fulfilled in 2024. In order to finance the acquisition, Fincantieri resolved on a proposal for authorization to increase the share capital in one or more tranches, on a divisible basis, for a maximum amount of euro 400 million, including any share premium, to be offered as an option to shareholders, and a related share regrouping transaction to support the capital increase. The controlling shareholder CDP Equity committed to underwrite and establish a guarantee consortium formed by leading financial institutions. The authorization proposal also provides that subscribers to the capital increase will be assigned warrants free of charge to be exercised in the future on a second capital increase tranche of up to euro 100 million.

On 10 May 2024, the subsidiary VARD signed a contract for the design and construction of two CSOVs with an international customer in Taiwan.

On 15 May 2024, following the announcement made on 9 May 2024, Fincantieri published the information document relating to the major transaction with a related party concerning Fincantieri's acquisition of the UAS business line of Leonardo S.p.A.

On 20 May 2024, Fincantieri and EDGE, one of the world's leading advanced technology and defence groups, signed an agreement formalizing the launch of MAESTRAL, the joint venture (JV) created between the two companies in the Abu Dhabi-based shipbuilding industry. The JV will seize global opportunities for the design and production of advanced naval vessels. EDGE holds a 51% stake in the JV, with pre-emption rights for non-NATO orders along with a number of strategic orders

placed by selected NATO member states, with a commercial order pipeline worth an estimated euro 30 billion. The signing of the agreement was followed by the announcement of a major order for 10 technologically advanced 51-metre Offshore Patrol Vessels (OPVs) by the UAE Coast Guard Forces, worth euro 400 million. The 51-metre OPVs of the P51MR class, based on the tried and tested Saettia class, are state-of-the-art units that stand out for their high modularity, stability in rough sea conditions, low radar signature and high operational flexibility.

On 24 May 2024, the US Department of Defence awarded the US subsidiary FMG the contract, worth over USD 1 billion, to build the fifth and sixth 'Constellation' class frigates for the US Navy. The contract for the first frigate and the option for 9 further ships, signed in 2020, has a total value of approximately USD 5.5 billion and includes after-sales support and crew training.

On the same date, as part of the Mare Aperto 24/Polaris exercise, a test was carried out, the result of a partnership between Fincantieri and DEAS S.p.A., a key player in the development of the offensive capabilities of the armed forces in cyberspace. This exercise took place in the Tyrrhenian Sea aboard the Italian Navy's aircraft carrier Cavour, and was aimed at testing the cyber resilience of the platform system networks. In particular, the crews of the Italian and French navies were able to estimate how much a cyberattack might affect the operation of naval platforms, both civil and military, and the achievement of the mission.

On 4 June 2024, Fincantieri signed an agreement with iGenius, an Italian scale-up active in the field of research and development of Generative Artificial Intelligence technologies, aimed at establishing a partnership for the development of AI systems based on an entirely Italian platform. The partnership, which aims to combine iGenius' experience in the development and creation of AI models with Fincantieri's know-how as a systems integrator in all value-added sectors of the shipbuilding industry, will be developed through the identification of practical applications in both the civil and defense sectors, starting with support for the analysis of data acquired by Fincantieri's Omega 360 radar. This operation is part of the Artificial Intelligence development plan that Fincantieri is pursuing with the aim of strengthening its control of a technology with high development potential, evaluating solutions capable of improving the performance, safety and efficiency of its products and processes.

ALTERNATIVE PERFORMANCE MEASURES

Fincantieri's management reviews the performance of the Group and its business segments, also using certain measures not envisaged by IFRS. In particular, EBITDA, in the configuration monitored by the Group, is used as the main earnings indicator, as it enables the Group's underlying marginality to be assessed without the impact of volatility associated with extraordinary items or non-recurring items outside the ordinary course of business (see the reclassified consolidated income statement given in the section commenting on the Group's economic and financial results); the EBITDA configuration adopted by the Group might not be consistent with the configurations adopted by other companies.

As required by Consob Communication no. 0092543 of 3 December 2015 which implements the ESMA Guidelines on Alternative Performance Measures (document no. ESMA/2015/1415), the components of each of these measures are described below:

- EBITDA: this is equal to pre-tax earnings, before financial income and expenses, before income and expenses from investments and before depreciation, amortization and impairment, as reported in the financial statements, adjusted to exclude the following items:
 - provisions for costs and legal expenses associated with asbestos litigation;
 - costs relating to reorganization plans and other non-recurring personnel costs;
 - other extraordinary income and expenses.
- EBIT: this is equal to EBITDA after deducting recurring depreciation, amortization and impairment of a recurring nature (this excludes impairment of goodwill, other intangible assets and property, plant and equipment recognized as a result of impairment tests or after specific considerations on the recoverability of individual assets).
- Adjusted profit/(loss) for the period: this is equal to profit/(loss) for the period before adjustments for non-recurring items or those outside the ordinary course of business, which are reported before the related tax effect.
- Net fixed capital: this reports the fixed assets used in ordinary operations and includes the following items: Intangible assets, Rights of use, Property, plant and equipment, Investments, Non-current financial assets and Other assets (including the fair value of derivatives classified in Non-current Financial assets) net of Employee benefits.
- Net working capital: this is equal to capital employed in ordinary operations which includes Inventories and advances, Construction contracts and client advances, Trade receivables, Trade payables, Other provisions for risks and charges and Other current assets and liabilities (including Income tax assets, Income tax liabilities, Deferred tax assets and Deferred tax liabilities, as well as the fair value of derivatives classified in Current financial assets).
- Net invested capital: this is calculated as the sum of Net fixed capital, Net working capital and Assets held for sale.
- Net financial position includes:

- Net current cash/(debt): cash and cash equivalents, current financial assets, current financial payables and current portion of medium/long-term loans;
- Net non-current cash/(debt): non-current bank debt and other non-current financial payables.
- Revenue and income: this is equal to the sum of Operating revenue and Other revenue and income.
- Provisions: these refer to increases in the Provisions for risks and charges, and impairment of Trade receivables and Other non-current and current assets.

RECONCILIATION OF THE RECLASSIFIED FINANCIAL STATEMENTS USED IN THE REPORT ON OPERATIONS WITH THE MANDATORY IFRS STATEMENTS

CONSOLIDATED INCOME STATEMENT

(euro/million)	31.03.2024		31.03.2023	
	Mandatory scheme	Amounts in reclassified statement	Mandatory scheme	Amounts in reclassified statement
A - Revenue		1,767		1,764
Operating revenue	1,732		1,733	
Other revenue and income	35		31	
B - Materials, services and other costs		(1,327)		(1,363)
Materials, services and other costs	(1,328)		(1,364)	
Recl. to I - Extraordinary or non-recurring income and expenses	1		1	
C - Personnel costs		(336)		(310)
Personnel costs	(336)		(310)	
D - Provisions		(4)		(4)
Provisions	(17)		(17)	
Recl. to I - Extraordinary or non-recurring income and expenses	13		13	
E - Depreciation, amortization and impairment		(60)		(56)
Depreciation, amortization and impairment	(60)		(56)	
F - Financial income/(expenses)		(46)		(30)
Financial income/(expenses)	(46)		(30)	
G - Income/(expense) from investments		-		(1)
Income/(expense) from investments	-		(1)	
H - Income taxes		(3)		4
Income taxes	-		7	
Recl. to L - Tax effect of extraordinary or non-recurring income and expenses	(3)		(3)	
I - Extraordinary or non-recurring income and expenses		(14)		(14)
Recl. from B - Materials, services and other costs	(1)		(1)	
Recl. from D - Provisions	(13)		(13)	
L - Tax effect on extraordinary or non-recurring income and expenses		3		3
Recl. from H - Income taxes	3		3	
Profit/(loss) for the period		(20)		(7)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(euro/million)	31.03.2024		31.12.2023	
	Partial values mandatory scheme	Amounts in reclassified statement	Partial values mandatory scheme	Amounts in reclassified statement
A) Intangible assets		540		474
<i>Intangible assets</i>	540		474	
B) Rights of use		130		125
<i>Rights of use</i>	130		125	
C) Property, plant and equipment		1,689		1,684
<i>Property, plant and equipment</i>	1,689		1,684	
D) Investments		61		60
<i>Investments</i>	61		60	
E) Non-current financial assets		670		668
<i>Non-current financial assets</i>	680		683	
<i>Recl. to F – Derivative assets</i>	(10)		(15)	
F) Other non-current assets and liabilities		19		12
<i>Other non-current assets</i>	74		67	
<i>Recl. from E – Derivative assets</i>	10		15	
<i>Other non-current liabilities</i>	(65)		(70)	
G) Employee benefits		(55)		(54)
<i>Employee benefits</i>	(55)		(54)	
H) Inventories and advances		819		801
<i>Inventories and advances</i>	819		801	
I) Construction contracts and client advances		515		632
<i>Construction contracts - assets</i>	2,322		2,498	
<i>Construction contracts - liabilities and client advances</i>	(1,554)		(1,599)	
<i>Recl. from N - Onerous Contracts Provision</i>	(253)		(267)	
L) Trade receivables		1,298		767
<i>Trade receivables and other current assets</i>	1,740		1,150	
<i>Recl. to O - Other current assets</i>	(442)		(383)	
M) Trade payables		(2,815)		(2,471)
<i>Trade payables and other current liabilities</i>	(3,273)		(2,872)	
<i>Recl. to O - Other current liabilities</i>	458		401	
N) Other provisions for risks and charges		(247)		(237)
<i>Provisions for risks and charges</i>	(500)		(504)	
<i>Recl. to I - Onerous Contracts Provision</i>	253		267	
O) Other current assets and liabilities		185		192
<i>Deferred tax assets</i>	197		231	
<i>Income tax assets</i>	25		34	
<i>Derivative assets</i>	34		35	
<i>Recl. from L - Other current assets</i>	442		383	
<i>Deferred tax liabilities</i>	(44)		(72)	
<i>Income tax liabilities</i>	(11)		(18)	
<i>Recl. from M - Other current liabilities</i>	(458)		(401)	
P) Assets held for sale		46		52
<i>Assets classified as held for sale and discontinued operations</i>	46		52	
NET INVESTED CAPITAL		2,855		2,705
Q) Equity		442		434
R) Net financial position		2,413		2,271
SOURCES OF FUNDING		2,855		2,705

--

**CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS AT 31 MARCH 2024**

--

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(euro/000)	Note	31.03.2024	of which related parties Note 30	31.12.2023	of which related parties Note 30
ASSETS					
NON-CURRENT ASSETS					
Intangible assets	5	540,455		474,440	
Rights of use	6	130,115		124,865	
Property, plant and equipment	7	1,688,547		1,683,784	
Investments accounted for using the equity method	8	34,141		33,459	
Other investments	8	26,588		26,161	
Financial assets	9	679,288	16,451	684,173	18,293
Other assets	10	74,235	712	67,038	696
Deferred tax assets	11	196,534		231,390	
Total non-current assets		3,369,903		3,325,310	
CURRENT ASSETS					
Inventories and advances	12	819,491	42,439	801,073	45,664
Contract Assets	13	2,321,517		2,497,790	
Trade receivables and other assets	14	1,740,118	129,810	1,149,878	122,167
Income tax assets	15	25,109		34,102	
Financial assets	16	89,596	16,588	92,124	16,161
Cash and cash equivalents	17	460,141		757,273	
Total current assets		5,455,972		5,332,240	
Assets classified as held for sale and discontinued operations	33	45,979		52,496	
TOTAL ASSETS		8,871,854		8,710,046	
EQUITY AND LIABILITIES					
EQUITY					
Attributable to owners of the Parent Company	18				
Share Capital		862,981		862,981	
Reserves and retained earnings		(420,564)		(429,861)	
Total Equity attributable to owners of the parent		442,417		433,120	
Attributable to non-controlling interests		(411)		1,041	
Total Equity		442,006		434,161	
NON-CURRENT LIABILITIES					
Provisions for risks and charges	19	347,554		404,717	
Employee benefits	20	54,619		54,346	
Financial liabilities	21	1,763,866	4,328	1,779,405	4,328
Other liabilities	22	64,566		70,282	
Deferred tax liabilities	11	43,576		72,321	
Total non-current liabilities		2,274,181		2,381,071	
CURRENT LIABILITIES					
Provisions for risks and charges	19	151,540		99,347	
Employee benefits	20	56		49	
Contract liabilities	13	1,554,313		1,599,078	
Trade payables and other current liabilities	23	3,272,884	109,205	2,871,749	138,850
Income tax liabilities		10,764		18,227	
Financial liabilities	24	1,166,110	118,823	1,306,364	55,514
Total current liabilities		6,155,667		5,894,814	
Liabilities directly associated with Assets classified as held for sale and discontinued operations		-		-	
TOTAL EQUITY AND LIABILITIES		8,871,854		8,710,046	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(euro/000)	Note	31.03.2024	of which related parties Note 30	31.03.2023	of which related parties Note 30
Operating revenue	25	1,731,751	32,243	1,733,091	38,696
Other revenue and income	25	35,199	3,259	30,417	4,397
Materials, services and other costs	26	(1,328,446)	28,668	(1,364,266)	22,467
Personnel costs	26	(335,811)		(309,626)	
Depreciation, amortization and impairment	26	(60,265)		(55,590)	
Provisions	26	(16,060)		(16,840)	
Financial income	27	17,253	138	12,303	443
Financial expenses	27	(63,566)	(1,272)	(42,663)	(336)
Income/(expense) from investments	28			9	
Share of profit/(loss) of investments accounted for using the equity method	28	317		(1,407)	
PROFIT/(LOSS) FOR THE PERIOD BEFORE TAXES		(19,628)		(14,572)	
Income taxes	29	81		7,558	
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS		(19,547)		(7,014)	
Net profit/(losses) from discontinued operations					
PROFIT/(LOSS) FOR THE PERIOD (A)		(19,547)		(7,014)	
<i>attributable to owners of the Parent Company from continuing operations</i>		<i>(17,807)</i>		<i>(6,809)</i>	
<i>attributable to non-controlling interests from continuing operations</i>		<i>(1,740)</i>		<i>(205)</i>	
Net basic earnings/(loss) per share (euro)	30	(0,01053)		(0,00401)	
Net diluted earnings/(loss) per share (euro)	30	(0,01035)		(0,00395)	
Net basic earnings/(loss) per share from continuing operations (euro)	30	(0,01053)		(0,00401)	
Net diluted earnings/(loss) per share from continuing operations (euro)	30	(0,01035)		(0,00395)	
Other comprehensive income/(losses), net of tax					
Gains/(losses) from remeasurement of employee defined benefit plans	18-20				
Total gains/(losses) that will not be reclassified to profit/(loss) for the period, net of tax	18				
- attributable to non-controlling interests					
Effective portion of gains/(losses) on cash flow hedging instruments	18	28,124		(21,781)	
Gains/(losses) arising from changes in the OCI for the period of investments accounted for using the equity method	8				
Gains/(losses) arising from fair value assessment of securities and bonds at fair value on the statement of comprehensive income	18	276			
Exchange gains/(losses) arising on translation of foreign subsidiaries' financial statements	18	(2,100)		(6,361)	
Total gains/(losses) that may be reclassified to profit/(loss) for the period, net of tax	18	26,300		(28,142)	
- attributable to non-controlling interests		229		(28)	
Total Other comprehensive income/(losses), net of tax (B)	18	26,300		(28,142)	
- attributable to non-controlling interests		229		(28)	
TOTAL COMPREHENSIVE INCOME/(LOSSES) FOR THE PERIOD (A) + (B)		6,753		(35,156)	
<i>attributable to owners of the Parent Company</i>		<i>8,264</i>		<i>(34,923)</i>	
<i>attributable to non-controlling interests</i>		<i>(1,511)</i>		<i>(233)</i>	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(euro/000)	Note	Share Capital	Reserves, retained earnings and gains/(losses)	Equity attributable to owners of the Parent	Equity attributable to non-controlling interests	Total
01.01.2023	18	862,981	(277,486)	585,495	1,408	586,903
Business combinations			1,113	1,113	2,659	3,772
Share Capital increase						
Share Capital increase - non-controlling interests						
Acquisition of non-controlling interests						
Dividend distribution						
Reserve for long-term incentive plan			1,238	1,238		1,238
Reserve for purchase of treasury shares			(4,319)	(4,319)		(4,319)
Put option exercised on non-controlling interests						
Put option on non-controlling interests						
Other changes/roundings			88	88	1	89
Total transactions with owners			(1,880)	(1,880)	2,660	780
Net Profit/(Loss) for the period			(6,809)	(6,809)	(205)	(7,014)
OCI for the period			(28,114)	(28,114)	(28)	(28,142)
Total of the statement of comprehensive income for the period			(34,923)	(34,923)	(233)	(35,156)
31.03.2023	18	862,981	(314,289)	548,692	3,835	552,527
01.01.2024	18	862,981	(429,861)	433,120	1,041	434,161
Business combinations					63	63
Share Capital increase						
Share Capital increase - non-controlling interests						
Acquisition of non-controlling interests			(11)	(11)	(4)	(15)
Dividend distribution						
Reserve for long-term incentive plan			1,009	1,009		1,009
Reserve for purchase of treasury shares						
Put option exercised on non-controlling interests						
Put option on non-controlling interests						
Other changes/roundings			35	35		35
Total transactions with owners			1,033	1,033	59	1,092
Net Profit/(Loss) for the period			(17,807)	(17,807)	(1,740)	(19,547)
OCI for the period			26,071	26,071	229	26,300
Total of the statement of comprehensive income for the period			8,264	8,264	(1,511)	6,753
31.03.2024	18	862,981	(420,564)	442,417	(411)	442,006

CONSOLIDATED STATEMENT OF CASH FLOWS

(euro/000)	Note	31.03.2024	31.03.2023
GROSS CASH FLOWS FROM OPERATING ACTIVITIES	31	111,437	99,227
Changes to working capital			
- inventories and advances		(15,338)	(35,873)
- contract assets and liabilities		114,050	(304,661)
- trade receivables		(500,588)	(209,005)
- other current assets and liabilities		208	46,280
- other non-current assets and liabilities		(3,230)	1,474
- trade payables		329,151	127,929
CASH FLOWS FROM WORKING CAPITAL		35,690	(274,629)
Dividends paid			
Interest income received		4,723	4,275
Interest expense paid		(58,843)	(45,030)
Income taxes (paid)/collected		(5,097)	(13,582)
Utilization of provisions for risks and charges and for employee benefits	19-20	(12,765)	(11,207)
NET CASH FLOWS FROM OPERATING ACTIVITIES		(36,292)	(340,173)
- Continuing operations			
NET CASH FLOWS FROM OPERATING ACTIVITIES			
- Discontinued operations			
NET CASH FLOWS FROM OPERATING ACTIVITIES		(36,292)	(340,173)
- <i>of which related parties</i>		(34,217)	(103,031)
Investments in:			
- intangible assets	5	(9,073)	(7,750)
- property, plant and equipment	7	(26,143)	(32,324)
- equity investments	8	(52)	
- cash acquired/(paid) following change in scope of consolidation		(48,470)	765
Disposals of:			
- intangible assets	5		277
- property, plant and equipment	7	321	638
- equity investments	8		
- assets held for sale		4,598	
- change in other current financial receivables		(16,490)	4,368
Change in medium/long-term financial receivables:			
- disbursements		(4,376)	(11)
- repayments		1,848	
CASH FLOWS FROM INVESTING ACTIVITIES		(97,837)	(34,037)
- <i>of which related parties</i>		103	(8,747)
Change in medium/long-term financial payables:			
- disbursements		23,188	99,999
- repayments		(1,419)	(111)
Change in current bank loans and credit facilities:			
- disbursements		32,332	625,130
- repayments		(326,986)	(458,996)
Change in current bonds/commercial papers			
- disbursements		191,500	158,000
- repayments		(141,000)	(128,700)
Repayment of financial liabilities for leasing		(8,956)	(7,031)
Change in other current financial payables		71,167	16,322
Change in receivables for trading financial instruments			
Change in payables for trading financial instruments			
Acquisition of non-controlling interests in subsidiaries			
Net capital contributions by non-controlling interests			
Purchase of treasury shares			(4,319)
CASH FLOWS FROM FINANCING ACTIVITIES		(160,174)	300,294
- <i>of which related parties</i>		63,309	(1,097)
NET CASH FLOWS FOR THE PERIOD		(294,303)	(73,916)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	17	757,273	564,576
Effect of exchange rate changes on cash and cash equivalents		(2,829)	(6,805)
CASH AND CASH EQUIVALENTS AT PERIOD END	17	460,141	483,855

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM
FIANANCIAL STATEMENTS**

NOTE 1 - FORM, CONTENTS AND OTHER GENERAL INFORMATION

THE PARENT COMPANY

Fincantieri S.p.A. (hereinafter “Fincantieri” or the “Company” or the “Parent Company” and, together with its subsidiaries, the “Group” or the “Fincantieri Group”) is a public limited company with its registered offices in via Genova no. 1, Trieste (Italy), and is listed on the Euronext Milan market, organized and managed by Borsa Italiana S.p.A.

As at 31 March 2024, 71.32% of the Company’s Share Capital, amounting to euro 862,980,725.70, was held by CDP Equity S.p.A.; the remainder was distributed between private investors (none of whom held significant interests of 3% or above) and treasury shares (of around 0.47% of shares representing the Share Capital of the Parent Company). It should be noted that 100% of the Share Capital of CDP Equity S.p.A. is owned by Cassa Depositi e Prestiti S.p.A. (hereinafter also referred to as “CDP”), 82.77% of whose Share Capital is in turn owned by Italy’s Ministry of Economy and Finance.

Furthermore, CDP, with registered offices in Via Goito 4, Rome, prepares the Consolidated Financial Statements of the group to which the Company belongs, which are available on the website www.cdp.it in the “CDP Group” section.

IFRS CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Fincantieri Group have been prepared in compliance with IFRS, meaning all the “International Financial Reporting Standards”, all the “International Accounting Standards” (“IAS”), and all the interpretations of the “International Financial Reporting Interpretations Committee” (IFRIC), previously known as the “Standing Interpretations Committee” (“SIC”), which, as at the reporting date of the Consolidated Financial Statements, had been endorsed by the European Union in accordance with the procedure laid down in Regulation (EC) no. 1606/2002 of the European Parliament and European Council dated 19 July 2002.

These Condensed Consolidated Interim Financial Statements at 31 March 2024 were approved by the Company’s Board of Directors on 11 June 2024.

Deloitte & Touche S.p.A., the firm appointed to perform the statutory audit of the separate financial statements of the Parent Company and the Group’s main subsidiaries, has performed a limited review of the Condensed Consolidated Interim Financial Statements at 31 March 2024. The financial data for the three-month period ended 31 March 2023 have been included for comparative purposes only and have not been subject to a full or limited audit.

The Condensed Consolidated Interim Financial Statements have been prepared on a going concern basis, since the Directors have verified that there are no financial, operating or other types of indicators that might cast significant doubt upon the Group’s ability to meet its obligations in the foreseeable future and particularly within the next 12 months.

BASIS OF PREPARATION

The quarterly financial report of the Fincantieri Group as of 31 March 2024 is prepared in accordance with the provisions of art. 154-ter c. 2 of Legislative Decree No. 58/98 - Italian Consolidated Law on Finance (TUF) - and subsequent amendments and additions. The Condensed Consolidated Interim Financial Statements have been prepared in accordance with IAS 34, which governs interim financial reporting. IAS 34 permits the preparation of financial statements in 'abridged' form by requiring a minimum level of disclosure that is less than that required by the IFRS, where a complete set of financial statements prepared in accordance with the IFRS has previously been made available to the public. The Condensed Consolidated Interim Financial Statements have been prepared in "summary" form and should therefore be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2023, prepared in accordance with IFRS (the "Consolidated Financial Statements").

PRESENTATION OF FINANCIAL STATEMENTS

As regards the method of presenting financial statements, for the statement of financial position, the Group uses a "non-current/current" distinction, for the statement of comprehensive income it uses a classification that is based on the nature of expenses, and for the statement of cash flows the indirect method is used. It is also noted that the Group has applied Consob Resolution no. 15519 of 27 July 2006 concerning financial statement formats.

FINANCIAL RISK MANAGEMENT

The main financial risks to which the Group is exposed are credit risk, liquidity risk and market risk (in particular currency, interest rate and commodity price risk).

The management of these financial risks is coordinated by the Parent Company, which decides, in close collaboration with its operating units, whether and how to hedge these risks.

The Fincantieri Group's receivables essentially comprise amounts owed by private shipowners, generally for shipbuilding projects, by the Italian government both for grants receivable and for supplies to the country's military services, by the US Navy and US Coast Guard and by the Qatari Armed Forces Navy, for shipbuilding contracts.

The Fincantieri Group carries out checks on the financial stability of its customers, including through information obtained from the main credit risk assessment agencies, and constantly monitors counterparty risk, also during the construction phase of orders, reporting any critical cases to top management and assessing the action to be taken depending on the specific case. The Group also maintains a constant dialogue with its customers, undertaking initiatives to support them where deemed essential for the maintenance or growth of the order book.

The Fincantieri Group's customers often make use of credit arrangements to finalize the placement of orders, which are guaranteed by the national Export Credit Agency. This method of financing allows the Fincantieri Group to be certain that the client will have the funds to meet its contractual obligations during construction and upon delivery of the ships; moreover, in the recent past, the support of the Export Credit Agencies has allowed shipowners to obtain the necessary flexibility to

meet their commitments to shipyards even in situations of systemic crisis (for example the “debt holiday” initiative during the COVID-19 pandemic).

With reference to the credit risk, it should also be noted that during the execution of the contract, the Group keeps the ship at its shipyards and the contracts provide for the possibility for Fincantieri, in the event of default by the shipowner, to retain the ship and the advances received. The ship under construction represents in fact a guarantee until the delivery date when payment is made, which is, moreover, often guaranteed, as mentioned, by export credit agencies. In the case of any agreements with shipowners that deviate from what has already been represented, albeit in the presence of appropriate guarantees, the Group monitors the counterparty risk, reporting to top management in order to assess any actions to be taken and to reflect any accounting impacts.

The provision for onerous contracts is set aside when the contract is obtained or when the costs expected to be incurred are updated and it becomes apparent that the costs necessary to complete the contract exceed the contractual revenues of the contract. The financial statements include the provision for onerous contracts among the provisions for risks and charges.

Liquidity risk is associated with the Group's inability to repay its current financial and commercial liabilities or to meet unforeseen cash requirements, related to lower or higher than expected cash receipts or disbursements.

With reference to liquidity risk, it should be noted that as of 31 March 2024, the Net financial position monitored by the Group, presented according to ESMA guidelines, showed a debt of euro 2,413 million (debt of 2,271 million at 31 December 2023). The increase in the quarter was mainly attributable to typical working capital dynamics related to the cruise business and capital expenditure during the period. The cash absorption from cruise ship construction was only partially offset by the delivery of a vessel in the first three months of 2024.

The Group has a solid financial capacity with sufficient liquidity and credit facilities that are adequately diversified in terms of duration, counterparty and technical form to meet its current financial requirements.

In relation to other forms of financing, at 31 March 2024 the Group had euro 2.1 billion of unused financial capacity, including euro 0.5 billion of cash and cash equivalents and euro 1.6 billion of unused credit facilities.

With reference to Payables to suppliers for reverse factoring, these refer to agreements aimed at guaranteeing easier access to credit for suppliers and are based on contractual structures in which the supplier has the discretionary option to sell receivables due from the Group to a finance company and receive the amount owed before the due date. In addition, the supplier also has the option to agree with the Group to extend the due date beyond that shown in the invoice. The additional extensions granted may be either onerous or non-onerous in nature and may fall within a range of 0 to 280 additional days. At 31 March 2024 payables to suppliers for reverse factoring amount to euro 681 million and represent the value of invoices assigned by suppliers and formally recognized as liquid and collectable by the Group and in deferment at that date on the basis of further extensions granted by suppliers with respect to the normal contractual payment terms.

The liquidity risk associated with reverse factoring is considered to be low in view of: i) the contractual agreements, which provide that if one or more agreements are terminated, they must, by formal agreement between the parties, continue to operate for the existing contracts. Therefore, in addition to not being able to request immediate payment of the deferred amounts, the institutions will also have to keep the existing contractual relationships with the suppliers in force until natural expiry; ii) the diversification achieved with the involvement of 10 different operators and with a concentration not exceeding 31% of the value at a given date.

With reference to market risk, it should be noted that production costs are influenced by the price trends of the main raw materials used, such as steel, copper and fuel. The Parent Company monitors these risks and mitigates them by adopting contractual and/or financial hedges where possible and considered appropriate.

The interest rate risk mainly arises due to the uncertainty of cash flows related to the Group's assets and liabilities deriving from interest rate fluctuations; the strategy of managing this risk, implemented through the negotiation of derivative financial instruments (mainly interest rate swaps) has allowed the economic-financial impact of the increase in interest rates to be contained. As a result of the strategy described above, more than 80% of the Group's gross debt, on which interest accrues, benefited from a fixed rate at 31 March 2024.

Exposure to currency risk arises when commercial and financial contracts are denominated in foreign currencies and when goods and materials are purchased in currencies other than the functional currency. Currency risk management is carried out through the negotiation of forward contracts and options and seeks to hedge all of the Group's foreign currency inflows, but only the largest foreign currency outflows.

The table below shows the financial assets and liabilities measured at fair value at 31 March 2024 and at 31 December 2023:

(euro/000)	31.03.2024			31.12.2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Financial assets at fair value through profit or loss						
<i>Equity instruments</i>	4,315		217	4,315		218
Financial assets at fair value through the statement of comprehensive income						
<i>Equity instruments</i>	1,443		20,613	1,056		20,569
Hedging derivatives		68,577			80,462	
Total assets	5,758	68,577	20,830	5,371	80,462	20,787
Liabilities						
Financial liabilities at fair value through profit or loss			10,745			9,393
Hedging derivatives		107,858			143,984	
Total liabilities	-	107,858	10,745	-	143,984	9,393

Financial assets and liabilities measured at fair value are classified in the three hierarchical levels described below, in order of the priority attributed to the inputs used to determine fair value. In particular:

- Level 1: financial assets and financial liabilities whose fair value is determined using quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: financial assets and financial liabilities whose fair value is determined using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (primarily: market exchange rates at the reporting date, expected rate differentials between the currencies concerned and volatility of the core markets, interest rates and commodity prices);
- Level 3: financial assets and financial liabilities whose fair value is determined using inputs not based on observable market data.

Financial assets at fair value through profit or loss and the statement of comprehensive income classified as Level 3 relate to equity investments measured at fair value calculated using valuation techniques whose inputs are not observable on the market.

The increase in Financial liabilities at fair value through profit or loss was due to the fair value adjustment of financial payables, which was recognized among financial expenses in the income statement.

NOTE 2 - SCOPE AND BASIS OF CONSOLIDATION

As previously stated, the accounting standards and basis of consolidation adopted for the preparation of the Condensed Consolidated Interim Financial Statements are in line with those used to prepare the Consolidated Financial Statements, except as reported in Note 3 below.

During the first quarter of 2024 the following companies were incorporated and included in the scope of consolidation:

- on 15 February 2024, Fincantieri S.p.A. incorporated the joint venture 4TB21 S.c.a.r.l., in which it holds 51% of the share capital. The company, based in Trieste, has as its object the complete unitary execution of the framework agreement for the TOKAMAK Complex Contract – TB21;
- on 19 March 2024, Fincantieri Infrastruttura Opere Marittime S.p.A. incorporated the subsidiary Ortona FM - Società Consortile a Responsabilità Limitata in which it holds 80% of the share capital. The company, based in Rome, is in charge of the design and execution of works related to the Porto di Ortona works contract on behalf of the Port System Authority of the Central Adriatic Sea.

As regards the extraordinary transactions that took place during 2024, on 15 February 2024, Fincantieri S.p.A. acquired 100% of the shares of Remazel Engineering S.p.A. The company's purpose is engineering, procurement and production activities in the offshore sector, with a focus on oil & gas, offshore wind and subsea, crane engineering and production activities, gas turbine production activities and after-sales service activities for all business lines. As a result of this acquisition, the scope of consolidation also includes the Italian associate Remac S.r.l., interest held 49%, and the foreign subsidiaries Remazel Asia Co. Ltd. - Remazel Shanghai Trading Co. Ltd. and Remazel Serviços de sistema Óleo & Gás LTDA, wholly owned, and Credence Offshore Pte Ltd. in liquidation, in which the interest held is 53.87%.

With regard to changes in investments in associates and joint ventures accounted for using the equity method, on 26 March 2024, the subsidiary Vard Group AS sold part of its shareholding in the company Island Offshore XII Ship AS, a 42.2% associate (46.9% at 31 December 2023). At 31 December 2023, this investment was classified among Assets held for sale.

Translation of the financial statements of foreign operations

The main exchange rates used to translate the financial statements of Group companies with a “functional currency” other than the Euro are as follows:

	31.03.2024		31.12.2023		31.03.2023	
	Average rate	Closing rate	Average rate	Closing rate	Average rate	Closing rate
US Dollar (USD)	1.0858	1.0811	1.0813	1.105	1.073	1.0875
Australian Dollar (AUD)	1.6511	1.6607	1.6288	1.6263	1.5701	1.6268
UAE Dirham (AED)	3.9876	3.9703	3.971	4.0581	3.9606	3.9938
Canadian Dollar (CAD)	1.4639	1.4672	1.4595	1.4642	1.4513	1.4737
Brazilian Real (BRL)	5.3752	5.4032	5.401	5.3618	5.575	5.5158
Norwegian Krone (NOK)	11.4159	11.699	11.4248	11.2405	10.9901	11.394
Indian Rupee (INR)	90.1551	90.1365	89.3001	91.9045	88.2438	89.3995
New Romanian Leu (RON)	4.9735	4.9735	4.9467	4.9756	4.9202	4.949
Chinese Yuan (CNY)	7.8048	7.8144	7.66	7.8509	7.3419	7.4763

NOTE 3 - ACCOUNTING STANDARDS

The recording and measurement criteria adopted in preparing the Quarterly Financial Report at 31 March 2024 are the same as those adopted in preparing the Consolidated Financial Statements at 31 December 2023 to which reference is made. The accounting standards, amendments and interpretations, applicable since 1 January 2024 and also disclosed in the last annual financial report, did not have a significant impact on the quarterly condensed consolidated financial statements.

With regard to accounting standards, amendments and interpretations not yet approved by the European Union, the following updates occurred during the quarter:

- On 25 May 2023, the IASB published “Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosures: Supplier Finance Arrangements: Disclosures: Supplier Finance Arrangements”. This requires an entity to provide additional disclosures about reverse factoring arrangements so that users of financial statements are able to assess how financial arrangements with suppliers may affect the entity’s liabilities and cash flows and to understand how the entity’s exposure to liquidity risk are affected by such arrangements. The changes applied from 1 January 2024, with earlier application permitted.
- On 15 August 2023, the IASB published “Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates”: Lack of Exchangeability. The amendment clarifies when one currency cannot be converted into another, how to estimate the exchange rate, and the disclosures to be made in the supplementary notes to the financial statements. The amendment will enter into force on 1 January 2025.
- On 9 April 2024, the IASB published an amendment entitled “Presentation and Disclosure in Financial Statements”. IFRS 18 will replace IAS 1 “Presentation of Financial Standards for financial statement presentation” as the primary source of IFRS accounting standards for financial statement presentation. IFRS 18 introduces new requirements for the presentation of income statements, including specified totals and subtotals. It also requires disclosure of management performance measures and includes new requirements for aggregation and disaggregation of financial information.

IFRS 18 is effective for annual periods beginning on or after 1 January 2027 with earlier application permitted.

NOTE 4 - CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

For the description of the use of accounting estimates, reference is made to the Consolidated Financial Statements at 31 December 2023 (Note 3 section 19 - Subjective accounting estimates and judgements).

NOTE 5 - INTANGIBLE ASSETS

Movements in this line item are as follows:

(euro/000)	Goodwill	Client Relationships and Order Backlog	Development costs	Industrial patents and intellectual property rights	Concessions, licenses, trademarks and similar rights	Contractual costs	Other intangibles	Assets under construction and advances to suppliers	Total
- cost	250,255	242,112	248,982	255,594	53,212	108,887	26,566	87,216	1,272,824
- accumulated amortization and impairment losses	(134,122)	(130,625)	(196,969)	(189,191)	(27,969)	(83,832)	(16,429)	(19,247)	(798,384)
Net carrying amount at 01.01.2024	116,133	111,487	52,013	66,403	25,243	25,055	10,137	67,969	474,440
Movements in 2024									
- change in the scope of consolidation	45,059	31,742	4,458		42		4		81,305
- additions			1,485	33	37		342	7,176	9,073
- reclassifications/other	2	(1)	4,235	597	(1)		3	(4,775)	60
- amortization		(4,327)	(4,896)	(4,767)	(687)	(3,197)	(723)		(18,597)
- exchange rate differences	(4,057)	(1,962)	(140)	(93)	465		(172)	133	(5,826)
Closing net carrying amount	157,137	136,939	57,155	62,173	25,099	21,858	9,591	70,503	540,455
- cost	290,525	268,989	269,538	255,879	56,785	108,887	26,716	89,750	1,367,069
- accumulated amortization and impairment losses	(133,388)	(132,050)	(212,383)	(193,706)	(31,686)	(87,029)	(17,125)	(19,247)	(826,614)
Net carrying amount at 31.03.2024	157,137	136,939	57,155	62,173	25,099	21,858	9,591	70,503	540,455

The change in the scope of consolidation refers to the acquisition of the Remazel Group completed during the quarter. More information can be found in Note 34.

Capital expenditure in the first quarter of 2024 amounted to euro 9,073 thousand and mainly related to:

- the strengthening of the Group's digital transformation process mainly focused on: (i) expanding the scope of intervention within the production processes, extending solutions to the various work phases in line with the strategic guidelines defined in the Business Plan (e.g. digitalization of auxiliary processes, introduction of machine learning processes, first approach to the use of artificial intelligence solutions, digital twin, IoT, virtual reality) and (ii) the use of advanced analysis/reporting tools;
- the completion of the project to upgrade the IT environment through the implementation of a high-tech multi-cloud infrastructure;

- the development of information systems to: (i) support the Group's growing activities with particular reference to the upgrade of management systems and the standardization of management platforms and digital tools among the main subsidiaries and (ii) optimize process management with a focus on production (operational excellence);
- the continuous implementation of new cyber security tools.

As in previous years, capital expenditure in renewing the Group's network infrastructure and hardware continued.

The exchange rate differences mainly reflect movements in the period by the Norwegian krone, the US dollar and the Canadian dollar against the euro.

"Concessions, licenses, trademarks and similar rights" include euro 15,900 thousand for trademarks with indefinite useful lives, reflecting the expectation for their use and deriving from the acquisition of the US shipyards (namely Marinette and Bay Shipbuilding); these trademarks have been allocated to the cash-generating unit (CGU) representing the American group acquired ("FMG").

"Goodwill" amounts to euro 157,137 thousand at 31 March 2024. The increase compared to 31 December 2023 is due for euro 45,059 thousand to the acquisition of the Remazel Group. In this regard, it should be noted that the purchase price allocation was accounted for on a provisional basis. Further details can be found in Note 34. The remainder of the change refers to the fluctuation of the Euro/Norwegian Krone exchange rate.

The table below shows the allocation of goodwill to the various CGUs:

CGU (euro/000)	Goodwill 31.12.2023	Goodwill 31.03.2024	Recognition currency
Vard Offshore and Specialized Vessels	51,804	49,828	NOK
Vard Electro	52,862	50,783	NOK
Fincantieri Group NexTech	11,467	11,467	EUR
Remazel Group		45,059	EUR
Total	116,133	157,137	

No impairment indicators were recognized in the first quarter of 2024; the reference risk-free interest rates and expected inflation in the countries where the CGUs to which goodwill was allocated operated did not change significantly from those used for the impairment tests conducted at 31 December 2023.

Therefore, for the purposes of preparing these interim financial statements, no further checks were made on the recoverability of the values recorded, as the considerations regarding the structure and assumptions of the test already reported in the Consolidated Financial Statements at 31 December 2023, to which reference should be made, remain valid.

NOTE 6 - RIGHTS OF USE

Movements in this line item are as follows:

(euro/000)	Buildings ROU	State concessions ROU	Transport and lifting vehicles ROU	Passenger cars ROU	Computer equipment ROU	Other ROU	Total
- cost	135,286	34,345	6,366	6,412	406	9,159	191,974
- accumulated amortization and impairment losses	(50,232)	(7,035)	(4,596)	(3,987)	(358)	(901)	(67,109)
Net carrying amount at 01.01.2024	85,054	27,310	1,770	2,425	48	8,258	124,865
MOVEMENTS IN 2024							
- change in the scope of consolidation	5,839			139			5,978
- increases	3,827		501	1,419		63	5,810
- decreases	(943)			(71)		(1)	(1,015)
- reclassifications/other	177	(1)	(1)	(1)	1	(2)	173
- amortization	(4,786)	(581)	(346)	(469)	(20)	(105)	(6,307)
- exchange rate differences	557	40		2	2	10	611
Closing net carrying amount	89,725	26,768	1,924	3,444	31	8,223	130,115
- cost	146,198	34,342	6,867	7,059	337	9,171	203,974
- accumulated amortization and impairment losses	(56,473)	(7,574)	(4,943)	(3,615)	(306)	(948)	(73,859)
Net carrying amount at 31.03.2024	89,725	26,768	1,924	3,444	31	8,223	130,115

The Change in the scope of consolidation refers to the acquisition of the Remazel Group during the quarter. More information can be found in Note 34.

Increases in 2024 amounted to euro 5,810 thousand (euro 24,640 thousand in 2023) and mainly related to contracts signed by the Parent Company for euro 2 million, while the decreases related to the early termination of contracts.

For the values of non-current and current financial liabilities deriving from the application of IFRS 16, reference should be made to Notes 21 and 24.

NOTE 7 - PROPERTY, PLANT AND EQUIPMENT

Movements in this line item are as follows:

(euro/000)	Land and buildings	Industrial plant, machinery and equipment	Assets under concession	Leasehold improvements	Other assets	Assets under construction and advances to suppliers	Total
- cost	1,022,364	1,706,625	232,303	36,015	351,201	227,458	3,575,966
- accumulated amortization and impairment losses	(353,794)	(1,138,087)	(164,554)	(26,230)	(209,517)		(1,892,182)
Net carrying amount at 01.01.2024	668,570	568,538	67,749	9,785	141,684	227,458	1,683,784
Movements in 2024							
- change in the scope of consolidation	2,320	2,903		118	835	137	6,313
- additions	634	2,634	18	7	379	22,404	26,076
- net disposals		(500)			(25)	(162)	(687)
- other changes/reclassifications	(291)	6,016	310	(61)	1,570	(7,479)	65
- amortization	(7,074)	(21,363)	(2,175)	(363)	(4,361)		(35,336)
- impairment losses	(10)						(10)
- exchange rate differences	3,919	1,800		2	(478)	3,099	8,342
Closing net carrying amount	668,068	560,028	65,902	9,488	139,604	245,457	1,688,547
- cost	1,029,662	1,726,612	232,631	36,637	355,335	245,457	3,626,334
- accumulated amortization and impairment losses	(361,594)	(1,166,584)	(166,729)	(27,149)	(215,731)		(1,937,787)
Net carrying amount at 31.03.2024	668,068	560,028	65,902	9,488	139,604	245,457	1,688,547

The Change in the scope of consolidation refers to the acquisition of the Remazel Group during the quarter. More details can be found in Note 34.

Capital expenditure in the first three months of 2024 amounted to euro 26,076 thousand and mainly related to:

- significant progress at the Riva Trigoso shipyard on the package of works for highly automated plant engineering and the general reorganization of the prefabrication workshop, due to the increased production capacity of the shipyard and increased efficiency of construction activities for naval projects;
- the plant engineering works related to the extensive reconfiguration of the Sestri Ponente shipyard, which will allow the site to overcome the current size limitations for ships under construction;
- the continuous upgrading of plant standards at the Tulcea and Braila shipyards in Romania;

- progress towards the completion, in the US shipyards of Marinette Marine and Bay Shipbuilding, of the major investment program shared with the US Navy during the acquisition phase of the Constellation program;
- progress on the investment plan in support of FMSNA, on the Jacksonville operating site, to adapt its configuration and infrastructure, as well as production facilities, to ensure maintenance activities mainly for the surface vessels of the Constellation program, as well as other US Navy surface vessels, without neglecting the merchant ship repairs business segment;
- the continuation, in the Vietnamese yard of Vung Tau, of the site expansion program aimed at increasing production capacity to strengthen the company's leadership position in the construction of SOVs, anticipating market trends driven by growth forecasts for offshore wind;
- the continuation of Isotta Fraschini Motori's capital expenditure as part of the IFuture project, a program launched in 2020 by the company with the aim of studying innovative solutions for the improvement and expansion of its product portfolio;
- the ongoing process of modernization and gradual replacement of poorly performing or obsolete assets with more advanced and efficient technological solutions in line with new operating requirements and the highest sustainability criteria;
- initiatives to research and implement safety levels beyond the legal requirements;
- specific initiatives for energy efficiency in production infrastructure, equipment and buildings, with the possibility of monitoring, managing and thus reducing environmental impact at the Group level.

Other changes/reclassifications include the reduction of the item Assets under construction and advances, which were in place at the end of the previous period and were reclassified to the respective items when the assets were ready for use.

The exchange rate differences mainly reflect movements in the period by the US dollar against the euro.

NOTE 8 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD AND OTHER INVESTMENTS

These are analysed as follows:

(euro/000)	Associates	Subsidiaries and joint ventures	Total investments accounted for using the equity method	Other companies carried at fair value through the statement of comprehensive income	Other companies carried at fair value through profit and loss	Total other investments	Total
01.01.2024	988	32,474	33,462	21,625	4,533	26,158	59,620
Change in the scope of consolidation	74	399	473				473
Investments		51	51				51
Revaluations/(Impairment losses) through profit or loss		317	317				317
Revaluations/(Impairment losses) through equity				275		275	275
Reclassifications/Other	(156)	1	(155)	156	1	157	2
Exchange rate differences	(7)		(7)		(2)	(2)	(9)
31.03.2024	899	33,242	34,141	22,056	4,532	26,588	60,729

The item Change in the scope of consolidation amounts to euro 473 thousand and relates to: i) euro 74 thousand for the acquisition of the associate Remac S.r.l. and ii) euro 399 thousand for the acquisition of subsidiaries of the Remazel Group, valued using the equity method due to their limited size. For further details, see Note 2 Scope and Basis of Consolidation.

Investments made in the first quarter of 2024 totalled euro 51 thousand for the establishment of the company TB21 Società Consortile a r.l. For further details, please refer to Note 2 Scope and basis of consolidation.

The item “Revaluations/(Impairment losses) through profit or loss”, positive for euro 317 thousand, refers to the net profit for the period of the companies valued using the equity method, i.e. based on the equity held in the joint ventures Orizzonte Sistemi Navali S.p.A., Etihad Ship Building LLC, CSSC - Fincantieri Cruise Industry Development Ltd. and Naviris S.p.A.

The item Revaluations/(Impairment losses) through equity, positive for euro 275 thousand, refers to the fair value measurement performed on the other non-controlling equity interests (measured at fair value through a contra-entry in the statement of comprehensive income) held in the company SFP Astaldi S.p.A. and Webuild S.p.A. The valuation resulted in a revaluation of euro 275 thousand entered as a contra-entry to an OCI reserve in Fincantieri S.p.A.’s equity.

The item Reclassifications/Other mainly refers to the reclassification of the company Nord Ovest Toscana Energia S.r.l., previously a 34% associate, to Other companies carried at fair value through the statement of comprehensive income following the sale, in 2023, of part of the shareholding held by its parent company SOF S.p.A. The company is now a 6.80% investee company.

Other investments (euro 26,588 thousand at 31 March 2024) include investments measured at fair value, calculated either on the basis of the related prices if quoted in active markets (Level 1), or using valuation techniques whose inputs are not observable on the market (Level 3).

NOTE 9 - NON-CURRENT FINANCIAL ASSETS

These are analysed as follows:

(euro/000)	31.03.2024	31.12.2023
Derivative assets	9,130	19,346
Other non-current financial receivables	653,707	646,534
Non-current financial receivables from associates	16,451	18,293
NON-CURRENT FINANCIAL ASSETS	679,288	684,173

The item “Derivative assets” shows the fair value of derivatives contract in place at the reporting date with a maturity of more than 12 months. The fair value of derivative financial instruments has been calculated considering market parameters and using widely accepted measurement techniques (Level 2). The reduction is mainly attributable to the weakening of the Norwegian krone against the euro and the US dollar and its impact on the instruments held by Vard.

“Other non-current financial receivables” mainly refer to the non-current portion of loans to third parties bearing market rates of interest. This item also includes, for euro 3,500 thousand, the balance of the escrow account where the sums tied to the payment of the deferred purchase price for the acquisition of Remazel have been deposited, which will eventually be settled, depending on the settlement of a dispute relating to the acquired company, after 18 months from the date of acquisition.

“Other non-current financial receivables” are shown net of impairment losses totalling euro 51,785 thousand, determined in accordance with the IFRS 9 accounting standard.

“Non-current financial receivables from associates” relate to receivables for market rate loans disbursed to Group companies that are not consolidated on a line-by-line basis. The amount refers mainly to loans granted to associates of Vard Group AS (approximately euro 16 million). For more information on the counterparties, refer to Note 30 and the analysis of related party transactions.

NOTE 10 - OTHER NON-CURRENT ASSETS

Other non-current assets are analysed as follows:

(euro/000)	31.03.2024	31.12.2023
Other receivables from investee companies	712	696
Government grants receivable	46,139	42,578
Firm commitments	9,796	12,463
Other receivables	17,588	11,301
OTHER NON-CURRENT ASSETS	74,235	67,038

Other non-current assets are stated net of the related provision for impairment amounting to euro 10,390 thousand.

Government grants receivable report the non-current portion of state aid granted by governments in the form of tax credits.

“Firm commitments” of euro 9,796 thousand (euro 12,463 thousand at 31 December 2023) reflect the fair value of the hedged item, represented by the construction contracts in currencies other than the functional currency and therefore subject to exchange rate risk, and it is the subject of fair value hedge used by the VARD group.

“Other receivables” of euro 17,588 thousand (euro 11,301 thousand at 31 December 2023) mainly include the receivable from the Iraqi Ministry of Defence (euro 4,694 thousand) which dates back to previous financial years and is the subject of a dispute. Please refer to the specific section on litigation in Note 30 for a more detailed explanation. The remaining balance of euro 12,894 thousand consists of security deposits, advances and other minor items.

The following table presents the amount of and movements in the provision for impairment of other non-current receivables:

(euro/000)	Provision for impairment of other receivables
01.01.2024	(10,179)
Provisions / (Releases)	(211)
31.03.2024	(10,390)

NOTE 11 - DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets are analysed as follows:

(euro/000)	Total
01.01.2024	231,390
Changes in 2024	
- change in the scope of consolidation	2,422
- through profit or loss	6,716
- through other comprehensive income	(9,399)
- tax rate and other changes	(36,538)
- exchange rate differences	1,943
31.03.2024	196,534

Deferred tax assets have been recognized on items for which the tax is likely to be recovered against forecast future taxable income of Group companies.

Other temporary differences refer to deferred tax assets set aside against future tax benefits associated with optional tax regimes referring to US subsidiaries, elimination of merger/transfer differences, and other income items with deferred deductibility. In particular, the item Tax rate and other changes refers mainly to the offsetting of deferred tax assets and liabilities recognized in the US subsidiary Fincantieri Marine Group for euro 36,440 thousand.

No deferred tax assets have been recognized on euro 338 million (euro 329 million at 31 December 2023) in carry forward losses of subsidiaries which are thought unlikely to be recovered against future taxable income.

Deferred tax liabilities are analysed as follows:

(euro/000)	Total
01.01.2024	72,321
Changes in 2024	
- change in the scope of consolidation	9,387
- through profit or loss	(1,725)
- tax rate and other changes	(36,439)
- exchange rate differences	32
31.03.2024	43,576

The deferred tax liabilities for business combinations relate to differences arising when allocating purchase price with regard to: i) intangible assets with indefinite useful lives, primarily client relationships and order backlog; ii) industrial plant, machinery and equipment.

The other temporary differences include the difference between the carrying amount and the tax values of fixed assets, mainly for the American subsidiaries.

The item Tax rate and other changes refers mainly to the offsetting of deferred tax assets and liabilities recognized in the US subsidiary Fincantieri Marine Group for euro 36,440 thousand.

NOTE 12 - INVENTORIES AND ADVANCES

These are analysed as follows:

(euro/000)	31.03.2024	31.12.2023
Raw materials and consumables	471,867	462,782
Work in progress and semi-finished goods	17,743	13,117
Finished products	20,463	18,807
Total inventories	510,073	494,706
Advances to suppliers	309,418	306,367
TOTAL INVENTORIES AND ADVANCES	819,491	801,073

The amount recorded for "Raw materials and consumables" basically represents the volume of stock considered sufficient to ensure the normal conduct of production activities. The increase compared to 2023 is attributable to the increase in inventories generated by the production volumes developed in 2024.

The items "Work in progress and semi-finished goods" and "Finished products" include the manufacture of engines and spare parts. The change in this item compared to 31 December 2023 is attributable to new orders for some products placed by customers.

The values of Inventories and advances are shown net of the relevant provision for impairment. The levels and changes in the provisions representing these adjustments are summarized in the table below:

(euro/000)	Provision for impairment - raw materials	Provision for impairment - work in progress and semi-finished goods	Provision for impairment - finished products
01.01.2024	24,399	1,708	4,071
Provisions	602	-	-
Utilizations	(62)	-	-
Business combinations	207	-	-
Exchange rate differences	4	-	51
31.03.2024	25,150	1,708	4,122

The "Provision for impairment - raw materials" includes the adjustments made to align the carrying amount of slow-moving materials still in stock at period end with the estimated realizable value.

NOTE 13 - CONTRACT ASSETS AND LIABILITIES

“Contract assets” are analysed as follows:

(euro/000)	31.03.2024			31.12.2023		
	Construction contracts – gross	Invoices issued and provision for expected losses	Net assets	Construction contracts – gross	Invoices issued and provision for expected losses	Net assets
Shipbuilding contracts	10,847,265	(8,690,543)	2,156,722	10,675,038	(8,297,657)	2,377,381
Other contracts for third parties	797,743	(632,948)	164,795	558,529	(438,120)	120,409
Total	11,645,008	(9,323,491)	2,321,517	11,233,567	(8,735,777)	2,497,790

“Construction contracts - assets” report those contracts where the value of the contract’s stage of completion exceeds the amount invoiced to the client. The stage of completion is determined as the costs incurred to date plus margins accrued on a pro-rata basis less any impairment losses and expected losses.

“Contract liabilities” are detailed as follows:

(euro/000)	31.03.2024			31.12.2023		
	Construction contracts – gross	Invoices issued	Net liabilities	Construction contracts – gross	Invoices issued	Net liabilities
Shipbuilding contracts	8,373,853	9,781,142	1,407,289	8,162,021	9,648,998	1,486,977
Other contracts for third parties	99,370	114,317	14,947	10,673	11,099	426
Client advances	-	132,077	132,077	-	111,676	111,676
Total	8,473,223	10,027,536	1,554,313	8,172,694	9,771,773	1,599,079

“Construction contracts - liabilities” report those contracts where the value of the stage of completion of the contract is less than the amount invoiced to the client. The stage of completion is determined as the costs incurred compared to those expected for the completion of the contract. In the first quarter of 2024, Contract liabilities saw the development of production volumes and therefore of operating revenue amounting to euro 338 million. “Client advances” refer to contracts on which work had not started at the period-end reporting date. With reference to the performance obligations still to be met, please refer to the information provided in Note 25 on Revenue and income.

NOTE 14 - TRADE RECEIVABLES AND OTHER CURRENT ASSETS

These are analysed as follows:

(euro/000)	31.03.2024	31.12.2023
Trade receivables	1,297,597	767,020
Receivables from controlling companies (tax consolidation)	34,702	35,228
Government grants receivable	57,893	61,282
Other receivables	197,286	121,664
Indirect tax receivables	70,047	65,600
Firm commitments	23,856	22,860
Accrued income	57,056	75,723
Prepayments	1,681	501
TOTAL TRADE RECEIVABLES AND OTHER CURRENT ASSETS	1,740,118	1,149,878

The above receivables are shown net of provisions for the impairment of receivables. These provisions relate to receivables that are no longer considered fully recoverable, including those involving legal action and judicial and out-of-court proceedings in cases of debtor default, also taking into account the estimate of any expected losses.

In particular, it should be noted that Fincantieri has receivables, which originally arose from Astaldi, whose value amounted to euro 26.4 million, subsequently reduced to euro 26.1 million following collections. When Astaldi entered into composition with creditors, Fincantieri requested, and obtained in July 2020, admission to the Fondo Salva Opere (Save Works Fund), intended to satisfy, to a maximum extent of 70%, unsatisfied creditors. After the assignment as part of the procedure of shares and equity instruments in favour of Fincantieri as unsecured creditor for a value of euro 5.5 million, the Company also collected from the said Fund the first tranche of the admitted amount, equal to euro 6.4 million.

Subsequently, the Ministry of Infrastructure and Transport requested the repayment of this tranche, on the assumption that Fincantieri's unsecured claim against Astaldi had been fully repaid with the assignment of the equity financial instruments and shares. An appeal against this request is currently pending before the ordinary courts. On the basis of the opinion of the appointed lawyers, Fincantieri is confident that its reasons will be upheld, and it considers the impairment recognised in the financial statements of euro 7.7 million (equal to 30% of the original receivable) to be appropriate.

The residual risk to which the Company is exposed in the event that its claims are not recognized is therefore euro 12.9 million.

This item also includes the trade receivables reported by the subsidiaries Fincantieri Infrastruttura S.p.A. (around euro 13.0 million) and SOF S.p.A. (approximately euro 2.5 million) from Semat S.p.A. and Acciaierie di Italia S.p.A., respectively, and related to the provision of goods and services deemed essential for production operations at the Acciaierie di Italia S.p.A plants in Taranto - which are considered recoverable due to the expectation that the emergency legislation referred to in Decree Law No. 4 of 18 January 2024 and Decree Law No. 9 of 2 February 2024 will apply to the creditor. The measures referred to and the information available to date have been examined with the support of legal advisors in order to assess how the exposure could be recovered, concluding positively on the prospect of full recovery despite the lack of clear visibility on the timing, given the situation affecting the counterparties.

A provision for interest charged on past due trade receivables has been recognized in a “Provision for past due”. Provisions for impairment of receivables report the following amounts and movements:

(euro/000)	Provision for impairment of trade receivables	Provision for past due interest	Provision for impairment of other receivables	Total
01.01.2024	58,552	225	15,370	74,147
Business combinations	514		7	521
Utilizations	26		(98)	(72)
Provisions	149		899	1,048
Releases		(104)		(104)
Exchange rate differences	(73)			(73)
31.03.2024	59,168	121	16,178	75,467

For considerations regarding credit risk, please refer to the section 'Financial Risk Management' in Note 1.

“Government grants receivable”, amounting to euro 57,893 thousand (euro 61,282 thousand at 31 December 2023), mainly includes grants receivable by the Parent Company and the subsidiaries Isotta Fraschini Motori S.p.A., Ce.Te.Na S.p.A. and IDS Ingegneria dei Sistemi S.p.A. for research and innovation and the receivables recognized by the FMG Group for operating and capital grants from the State of Wisconsin for ongoing shipbuilding programs for the US Navy.

The balance of the item Sundry receivables, amounting to euro 197,286 thousand (euro 121,664 thousand at 31 December 2023), is mainly made up of receivables for supplies on behalf of shipowners, insurance compensation, other receivables from suppliers, miscellaneous receivables from personnel, receivables for research grants, receivables from Social Security and Welfare Institutions, and other sundry receivables, mainly relating to the Parent Company.

The balance of “Indirect tax receivables” amounting to euro 70,047 thousand (euro 65,600 thousand at 31 December 2023) mainly relates to VAT refunds claimed or eligible for offset, foreign indirect taxes and claims for customs duty refunds from the Italian Customs Authority.

“Firm commitments” of euro 23,856 thousand (euro 22,860 thousand at 31 December 2023) reflect the fair value of the hedged item, represented by the construction contracts in currencies other than the functional currency and therefore subject to exchange rate risk, and is covered by a fair value hedge used by the VARD group.

“Accrued Income”, amounting to euro 57,056 thousand (euro 75,723 thousand at 31 December 2023), mainly relates to insurance premiums and other expenses relating to future periods.

NOTE 15 - INCOME TAX ASSETS

(euro/000)	31.03.2024	31.12.2023
Italian corporate income taxation (IRES)	10,272	8,737
Italian regional tax on productive activities (IRAP)	2,820	4,450
Foreign tax	12,017	20,915
TOTAL INCOME TAX ASSETS	25,109	34,102

No impairment has been recognized for foreign tax receivables, as there is no risk regarding their recovery.

NOTE 16 - CURRENT FINANCIAL ASSETS

These are analysed as follows:

(euro/000)	31.03.2024	31.12.2023
Derivative assets	59,447	61,116
Other receivables	1,939	1,453
Current financial receivables from associates and joint ventures	14,474	14,490
Accrued interest income	11,678	12,819
Prepaid interest and other financial expense	2,058	2,246
TOTAL CURRENT FINANCIAL ASSETS	89,596	92,124

The item "Derivative assets" shows the fair value of derivatives contract in place at the reporting date with a maturity of less than 12 months. The fair value of derivative financial instruments has been calculated considering market parameters and using widely accepted measurement techniques (Level 2).

"Current financial receivables from associates and joint ventures" mainly relates to the residual portion of the shareholder loan made to the joint venture CSSC – Fincantieri Cruise Industry Development Ltd.

NOTE 17 - CASH AND CASH EQUIVALENTS

These are analysed as follows:

(euro/000)	31.03.2024	31.12.2023
Bank and postal deposits	459,559	756,668
Checks	365	425
Cash on hand	217	180
TOTAL CASH AND CASH EQUIVALENTS	460,141	757,273

Cash and cash equivalents at the end of the period refer to the balance of on-demand and time bank deposits held with leading banks.

NOTE 18 - EQUITY

The composition of equity is analysed in the following table:

(euro/000)	31.03.2024	31.12.2023
Attributable to owners of the Parent Company		
Share Capital	862,981	862,981
Reserve of treasury shares	(4,799)	(4,799)
Share premium reserve	110,499	110,499
Legal reserve	65,066	65,066
Cash flow hedge reserve	(12,013)	(40,137)
Financial asset fair value reserve through the statement of comprehensive income	(951)	(1,226)
Currency translation reserve	(119,619)	(117,293)
Other reserves and retained earnings	(440,940)	(389,141)
Profit/(loss) for the period	(17,807)	(52,830)
	442,417	433,120
Attributable to Non-Controlling Interests		
Capital and reserves	(8,602)	(8,380)
Financial asset fair value reserve through the statement of comprehensive income	(7)	(7)
Currency translation reserve	9,938	9,709
Profit/(loss) for the period	(1,740)	(281)
	(411)	1,041
TOTAL EQUITY	442,006	434,161

SHARE CAPITAL

The Share Capital of Fincantieri S.p.A. amounts to euro 862,980,725.70, fully paid-in, divided into 1,699,651,360 ordinary shares (including 8,059,914 treasury shares in portfolio), with no par value.

As at 31 March 2024, 71.32% of the Parent Company's Share Capital, amounting to euro 862,980,725.70, was held by CDP Equity S.p.A.; the remainder was distributed on the general market (except for 0.47% of shares owned by Fincantieri as treasury shares). None of the other private investors holds a significant stake equal to or greater than 3%. It should be noted that 100% of the Share Capital of CDP Equity S.p.A. is owned by Cassa Depositi e Prestiti S.p.A., 82.77% of whose Share Capital is in turn owned by Italy's Ministry of Economy and Finance.

RESERVE OF TREASURY SHARES

The reserve is negative for euro 4,799 thousand and comprises the value of the treasury shares for the Company's incentive plans called "Performance Share Plan" (described in more detail in Note 30).

At 31 March 2024, the treasury shares in portfolio amounted to 8,059,914, corresponding to 0.47% of the Share Capital, unchanged with respect to 31 December 2023.

For further information, refer to Note 30 – Other information, in the section "Medium/long-term incentive plan".

The number of shares issued is reconciled to the number of shares outstanding in Fincantieri S.p.A. at 31 March 2024.

	No. of shares
Ordinary shares issued	1,699,651,360
less: treasury shares purchased	(8,059,914)
Ordinary shares outstanding at 31.12.2023	1,691,591,446
Changes in 2024	
plus: treasury shares allocated	
less: treasury shares purchased	
Ordinary shares outstanding at 31.03.2024	1,691,591,446
Ordinary shares issued	1,699,651,360
less: treasury shares purchased	(8,059,914)

SHARE PREMIUM RESERVE

This reserve was recorded as a result of the Share Capital increase accompanying the Company's listing on the Mercato Telematico Azionario of Borsa Italiana S.p.A. (MTA) of 3 July 2014. Listing costs of euro 11,072 thousand (net of tax effects) relating to the capital increase have been deducted from equity, as a deduction from the share premium reserve, in compliance with IAS 32.

CASH FLOW HEDGE RESERVE

The cash flow hedge reserve reports the change in the effective portion of derivative hedging instruments measured at fair value; movements in the cash flow hedge reserve are shown at the bottom of this note.

CURRENCY TRANSLATION RESERVE

The currency translation reserve reflects exchange rate differences arising from the conversion into Euro of financial statements of foreign operations prepared in currencies other than the Euro.

OTHER RESERVES AND RETAINED EARNINGS

These mainly comprise: i) the extraordinary reserve, to which surplus earnings are allocated after making allocations to the legal reserve and distributions in the form of shareholder dividends; ii) the reserve to cover the issue of shares for the 1st cycle of the Long Term Incentive Plan (LTIP); iii) actuarial gains and losses on employee benefits in accordance with IAS 19 Revised; iv) the reserve for the share-based incentive plan for management.

The Reserve to cover the issue of shares in Fincantieri S.p.A amounts to euro 3,842 thousand and was set up by resolution of the Board of Directors on 27 June 2019 for the issue of shares to allocate to employees during the payout of the first cycle of the incentive plan "2016-2018 Performance Share Plan", through the reclassification from the reserves of available earnings and more specifically from

the extraordinary reserve. For further information, refer to Note 30 – Other information, in the section “Medium/long-term incentive plan”.

The reserve related to the management share incentive plan, amounting to euro 6,047 thousand, increased in the first quarter of 2024 by euro 1,009 thousand, as a result of the portion recorded in the costs of personnel and directors of the Company benefiting from the plan. For further details on the incentive plan, please refer to Note 30 - Other information, in the section “Medium/long-term incentive plan”.

The decrease is mainly attributable to the carry forward of the 2023 result.

NON-CONTROLLING INTERESTS

The change with respect to 31 December 2023 is attributable to the profit/loss for the period for non-controlling interests.

OTHER COMPREHENSIVE INCOME/LOSSES

The amount of other comprehensive income/losses, presented in the statement of comprehensive income, is as follows:

(euro/000)	31.03.2024			31.03.2023		
	Gross amount	Tax (expense)/benefit	Net amount	Gross amount	Tax (expense)/benefit	Net amount
Effective portion of profits/(losses) on cash flow hedging instruments	37,523	(9,399)	28,124	(27,796)	6,015	(21,781)
Gains/(losses) from remeasurement of employee defined benefit plans						
Gains/(Losses) from fair value measurement of investments measured at FVTOCI	276		276			
Gains/(losses) arising on translation of financial statements of foreign operations	(2,100)		(2,100)	(6,361)		(6,361)
Total other comprehensive income/(losses)	35,699	(9,399)	26,300	(34,157)	6,015	(28,142)

(euro/000)	31.03.2024	31.03.2023
Effective portion of gains/(losses) on cash flow hedging instruments arising in the period	(14,774)	36,589
Effective portion of profits/(losses) on cash flow hedging instruments reclassified to profit or loss	52,297	(64,385)
Effective portion of gains/(losses) on cash flow hedging instruments	37,523	(27,796)
Tax effect of other components of comprehensive income	(9,399)	6,015
TOTAL OTHER COMPREHENSIVE INCOME/(LOSSES), NET OF TAX	28,124	(21,781)

MOVEMENTS IN THE CASH FLOW HEDGE RESERVE AND IMPACT OF FINANCIAL INSTRUMENTS ON PROFIT OR LOSS

The following table presents movements in the cash flow hedge reserve and the effect of derivative instruments on profit or loss:

(euro/000)	Equity			Effect on profit or loss.
	Gross	Income taxes	Net	
01.01.2023	64,336	(15,195)	49,141	(224)
Change in fair value	(52,366)	12,229	(40,137)	-
Utilizations	(64,336)	15,195	(49,141)	49,141
Other income/(expenses) for risk hedging				(52,230)
Financial income/(expenses) relating to trading derivatives and time-value component of hedging derivatives				47,751
31.12.2023	(52,366)	12,229	(40,137)	44,662
Change in fair value	(14,843)	2,830	(12,013)	-
Utilizations	52,366	(12,229)	40,137	(40,137)
Other income/(expenses) for risk hedging				45,219
Financial income/(expenses) relating to trading derivatives and time-value component of hedging derivatives				8,031
31.03.2024	(14,843)	2,830	(12,013)	13,113

NOTE 19 - PROVISIONS FOR RISKS AND CHARGES

These are analysed as follows:

(euro/000)	Litigation	Product warranty	Onerous contracts	Risks for financial guarantees	Business reorganization	Other risks and charges	Total
- of which non-current portion	37,707	63,836	185,101	38,106		79,967	404,717
- of which current portion	990	14,348	81,694		1,157	1,158	99,347
01.01.2024	38,697	78,184	266,795	38,106	1,157	81,125	504,064
Business combinations	2,630					5,118	7,748
Provisions for onerous contracts			23,569				23,569
Risk provisions	12,541	5,483				6,599	24,623
Utilization for onerous contracts			(40,712)				(40,712)
Utilizations	(6,379)	(4,942)				(639)	(11,960)
Releases	(373)	(2,823)	(738)			(6,968)	(10,902)
Other changes		2	512		(1)		513
Exchange rate differences		(200)	2,578		(45)	(182)	2,151
31.03.2024	47,116	75,704	252,004	38,106	1,111	85,053	499,094
- of which non-current portion	45,826	60,901	118,808	38,106		83,913	347,554
- of which current portion	1,290	14,803	133,196		1,111	1,140	151,540

The change in "Business combinations" relates to the acquisition of the Remazel Group during the quarter. More information can be found in Note 34.

Increases in the litigation provision mainly refer to: i) precautionary provisions for claims brought by former workers, authorities or third parties for damages arising from asbestos exposure; ii) other provisions for litigation with employees and suppliers and for other legal proceedings. Utilization of the provision for litigation refers mainly to compensation paid in relation to asbestos-related lawsuits.

The "Product warranty" provision includes amounts set aside for the estimated cost of carrying out work under contractual guarantee after vessel delivery. The warranty period normally lasts for 1 or 2 years after delivery.

The item "Provisions for onerous contracts" includes the amount of estimated losses to completion with respect to existing construction contracts if increases in costs compared to those originally expected are not covered by the contractually agreed payments. The provisions recorded in the period mainly relate to the deterioration in marginality and the consequent expected losses recorded on some job orders. The utilizations of these provisions during the period are related to the stage of completion of the relevant orders. Provisions/utilization for onerous contracts are included in the item "Change in Contract assets and liabilities" included in operating revenue in Note 25.

The "Risks for financial guarantees" refers to the liability for credit risk related to a financial guarantee issued in favour of a third party. The provision has not changed since 31 December 2023.

Allocations have been made to the "Business reorganization" provision in previous years for the cost of the reorganization programs initiated by Vard in its Norwegian shipyards, which was not utilized in the first quarter of 2024.

The balance of “Provisions for other risks and charges” relates to provisions for risks related to various kinds of disputes, mostly of a contractual, technical or fiscal nature, which might be settled at the Group’s expense either in or out of court. The item includes the provisions to cover the risks of environmental remediation (euro 4 million) and losses on investments in non-consolidated companies (euro 3 million). The increase in provisions for other risks and charges is mainly attributable to the Parent Company and refers to the provision made to cover estimated future charges that the company may incur in connection with certain ship orders.

More information can be found in Note 30.

NOTE 20 - EMPLOYEE BENEFITS

Movements in this line item are as follows:

(euro/000)	31.03.2024	31.12.2023
Opening balance	54,396	53,879
Business combinations	446	14
Interest cost	503	1,885
Actuarial (Gains)/Losses	44	1,528
Utilizations for benefits and advances paid	(812)	(4,007)
Staff transfers and other movements	99	1,097
Closing balance	54,676	54,396
Plan assets	(1)	(1)
Closing balance	54,675	54,395

The balance at 31 March 2024 of euro 54,675 thousand mainly comprises employee severance benefit pertaining to the Group’s Italian companies (euro 54,455 thousand).

The amount of Italian employee severance benefit recognized in the financial statements is calculated on an actuarial basis using the projected unit credit method; the discount rate used by this method to calculate the present value of the defined benefit obligation reflects the market yield on bonds with the same maturity as that expected for the obligation. The assumptions adopted remain in line with those adopted in the Financial Statements at 31 December 2023 to which reference is made.

NOTE 21 - NON-CURRENT FINANCIAL LIABILITIES

These are analysed as follows:

(euro/000)	31.03.2024	31.12.2023
Bank loans and credit facilities - non-current portion	1,588,988	1,560,023
Other payables to other lenders	8,942	13,250
Financial payables for leasing IFRS 16 - non-current portion	110,343	109,812
Fair value of options on equity investments	2,315	1,115
Derivative liabilities	53,278	95,205
TOTAL NON-CURRENT FINANCIAL LIABILITIES	1,763,866	1,779,405

As 31 March 2024, approximately euro 15 million of bank loans due within the next 12 months were reclassified from non-current portion to the current portion.

It should be noted that there are no clauses in the loan agreements that require compliance with parameters whose breach would result in forfeiture of the benefit of the term. In addition, for existing loan agreements, no events occurred during the year that would trigger accelerated repayment clauses.

The item Other payables to other lenders refers to the non-current portion of outstanding financial liabilities with non-banking counterparties. The change is mainly attributable to the reclassification from non-current to current of the payable to the extraordinary commissioners for the acquisition of the business unit headed by INSO - Sistemi per le INFrastrutture SOciali S.p.A. and its subsidiary SOF S.p.A. by FINSO - Fincantieri INFrastrutture Sociali S.p.A.

“Financial payables for leasing IFRS 16 – non-current portion” refers to the non-current portion of the financial liabilities for lease payments falling within the scope of IFRS 16. For the current portion see Note 24. Note 6 contains details on related rights of use.

The change in the item Fair Value of options on equity investments is mainly due to the adjustment of the fair value of the option to purchase the minority shares of the subsidiary FINSO - Fincantieri INFrastrutture Sociali S.p.A.

“Derivative liabilities” represent the period-end reporting date fair value of derivatives with a maturity of more than 12 months. The fair value of derivative financial instruments has been calculated considering market parameters and using widely accepted measurement techniques (Level 2). The increase in this item compared to 31 December 2023 is mainly attributable to the change in the fair value of the Parent Company's interest rate swaps.

NOTE 22 - OTHER NON-CURRENT LIABILITIES

These are analysed as follows:

(euro/000)	31.03.2024	31.12.2023
Capital grants	52,039	50,490
Other liabilities	7,384	6,422
Firm commitments	5,143	13,370
TOTAL OTHER NON-CURRENT LIABILITIES	64,566	70,282

“Capital grants” mainly comprise deferred income associated with grants for property, plant and equipment and innovation grants which will be released to income in future years to match the related depreciation/amortization of these assets.

“Other liabilities” include euro 4,694 thousand in payables to other parties in respect of the amount owed by the Iraqi Ministry of Defense (see Note 10).

NOTE 23 - TRADE PAYABLES AND OTHER CURRENT LIABILITIES

These are analysed as follows:

(euro/000)	31.03.2024	31.12.2023
Payables to suppliers	2,133,948	1,977,511
Payables to suppliers for reverse factoring	680,867	493,263
Social security payables	73,479	57,600
Other payables to employees for deferred wages and salaries	187,730	152,498
Other payables	152,118	151,695
Other payables to Parent Company	1,158	3
Indirect tax payables	20,874	13,061
Firm commitments	15,764	18,088
Accrued expenses	1,041	2,618
Deferred income	5,905	5,412
TOTAL TRADE PAYABLES AND OTHER CURRENT LIABILITIES	3,272,884	2,871,749

“Payables to suppliers for reverse factoring” report the payables sold to factoring companies by suppliers. These payables are classified among “Trade payables and other current liabilities” since they are related to obligations for the supply of goods and services used during the normal operating cycle. The sale is agreed with the supplier and envisages the possibility for the latter to give further extensions for consideration or not. With regard to the presentation in the Statement of Cash Flows, it should be noted that the cash flows related to these transactions are included in the Net cash flows from operating activities described in Note 31.

“Social security payables” include amounts due to INPS (the Italian National Institute for Social Security) for employer and employee contributions on December’s wages and salaries and contributions on end-of-period wage adjustments.

“Other payables to employees for deferred wages and salaries” reported at 31 March 2024 include the effects of allocations made for unused holidays and deferred pay.

“Other payables” include employee income tax withholdings payable to tax authorities, sundry payables for insurance premiums, advances received against research grants, amounts payable to

employee supplementary pension funds, security deposits received and various liabilities for disputes in the process of being settled financially.

“Other payables to the Parent Company” refers to the payables to Cassa Depositi e Prestiti S.p.A. recorded in Fincantieri S.p.A. for the tax consolidation.

“Firm commitments” reflect the fair value of the hedged item, represented by the construction contracts in currencies other than the functional currency and therefore subject to exchange rate risk, and it is the subject of fair value hedge used by the VARD group.

NOTE 24 - CURRENT FINANCIAL LIABILITIES

These are analysed as follows:

(euro/000)	31.03.2024	31.12.2023
Payables for commercial paper	196,500	146,000
Bank loans and credit facilities - current portion	460,442	587,981
Loans from BIIS - current portion	394	394
Bank loans and credit facilities - Construction loans	115,000	262,000
Other short-term bank debt	172,640	164,037
Other financial payables to others - current portion	8,207	2,759
Bank credit facilities repayable on demand	372	1,557
Payables to joint ventures	82,976	14,976
Payables to associates	24,742	30,293
Financial payables for leasing IFRS 16 - current portion	21,161	20,705
Fair value of options on equity investments	8,430	8,278
Derivative liabilities	54,580	48,779
Deferred interest and other financial items	12,932	10,529
Accrued interest expense	7,734	8,076
TOTAL CURRENT FINANCIAL LIABILITIES	1,166,110	1,306,364

Regarding the Euro-Commercial Paper Step Label financing program, the total drawdown at 31 March 2024 amounts to euro 196.5 million, compared to a maximum of euro 500 million provided for under the agreement.

“Bank loans and credit facilities - current portion” refers to the portions of medium and long-term loans due within the next 12 months. The change with respect to 31 December 2023 is due to the natural repayment of the portions of medium/long-term loans maturing in the first quarter of 2024, partially offset by the reclassification of maturing medium/long-term loans to current.

At 31 March 2024, the item “Bank loans and credit facilities - Construction loans” includes the utilization of euro 115 million of credit facilities for construction loans by Fincantieri S.p.A. At March 31, 2024, the Group had construction loans amounting to approximately euro 1,215 million, unaltered compared to 31 December 2023.

As 31 March 2024, the item “Other short-term bank debt” refers mainly to bank debts of VARD Group companies aimed at supporting the construction of orders in the portfolio.

At 31 March 2024, the Group also had a total of euro 130 million in committed credit facilities with leading Italian and international banks maturing in 2024. As at 31 March 2024, these revolving credit

facilities had not been drawn down. It should be noted that during the first quarter of 2024, a euro 100 million committed credit facility with a leading Italian bank expired naturally, and its renewal is currently at an advanced stage of negotiation. In addition to these committed credit lines, the Group had additional unused revocable credit facilities with leading national and international banks for about euro 395 million, of which about 14 million had been drawn down at that date.

The change in “Other financial payables to others” is mainly attributable to the reclassification from non-current to current of the payable to the extraordinary commissioners for the acquisition of the business unit headed by INSO - Sistemi per le INfrastrutture SOciali S.p.A. and its subsidiary SOF S.p.A. by FINSO - Fincantieri INfrastrutture Sociali S.p.A.

“Payables to joint ventures” relate to the negative balance on the intercompany current account with Orizzonte Sistemi Navali and Naviris.

“Payables to associates” is mainly attributable to an interest-bearing loan held by the subsidiary Fincantieri Infrastruttura Opere Marittime S.p.A., maturing in 2024 and still outstanding at 31 March 2024 for euro 24,742 thousand.

The item “Fair value of options on equity investments” (Level 3), amounting to Euro 8,430 thousand (Euro 8,278 thousand as at 31 December 2023), mainly relates to the put option recognized with respect to minority shareholders of the American group FMG.

“Financial payables for leasing IFRS 16 – current portion” refers to the current portion of the financial liability for lease payments falling within the scope of IFRS 16. For the non-current portion see Note 21. Note 6 contains details on related rights of use.

“Derivative liabilities” refers to the fair value of derivative financial instruments, which was calculated considering market parameters and using valuation models widely used in the financial sector (Level 2).

NOTE 25 - REVENUE AND INCOME

These are analysed as follows:

(euro/000)	31.03.2024	31.03.2023
Sales and service revenue	1,245,196	1,575,004
Change in Contract assets and liabilities	486,555	158,087
Operating revenue	1,731,751	1,733,091
Gains on disposal	69	311
Sundry revenue and income	27,179	19,941
Government grants	7,951	10,165
Other revenue and income	35,199	30,417
TOTAL REVENUE AND INCOME	1,766,950	1,763,508

“Operating revenue” mainly includes revenue arising from contractual obligations satisfied “over time”, i.e. over the gradual progress of activities. Revenue and income increased slightly compared to the previous period (+0.19%). For more details on the breakdown of revenues by business segment, please refer to Note 32.

The aggregate value of contracts acquired relating to performance obligations that have not been fulfilled or have been partially fulfilled at 31 March 2024 is the order backlog, i.e. the residual value of orders not yet completed. This is calculated as the difference between the total value of the order (including any order modifications and additions agreed) and the accumulated value of work in progress (“Construction contracts – gross”, both assets and liabilities) developed at the reporting date. The order backlog at 31 March 2024 stands at euro 21.9 billion and guarantees about 3 years of work if related to 2023 operating revenues. For further information please refer to the Group Report On Operations.

Change in Contract assets and liabilities includes provisions/utilization for onerous contracts included in the Provisions for risks and charges in Note 19.

NOTE 26 - OPERATING COSTS

MATERIALS, SERVICES AND OTHER COSTS

Materials, services and other costs are analysed as follows:

(euro/000)	31.03.2024	31.03.2023
Raw materials and consumables	(790,014)	(879,138)
Services	(540,492)	(491,458)
Leases and rentals	(10,906)	(9,576)
Change in inventories of raw materials and consumables	24,116	34,183
Change in work in progress	(1,079)	499
Sundry operating costs	(13,997)	(19,565)
Cost of materials and services capitalized in fixed assets	3,926	789
Total materials, services and other costs	(1,328,446)	(1,364,266)

“Services” includes charges related to the “Performance Share Plan” (euro 134 thousand) for the portion related to the Parent Company’s Chief Executive Officer. More details on the operation can be found in Note 30.

“Leases and rentals” mainly includes costs relating to short-term leasing contracts and the remainder to leasing contracts covering assets of modest value.

“Sundry operating costs” include euro 204 thousand in losses on the disposal of non-current assets (euro 259 thousand at 31 March 2023) and tax charges for euro 3,674 thousand (euro 2,218 thousand at 31 March 2023).

(euro/000)	31.03.2024	31.03.2023
Personnel costs		
- wages and salaries	(246,251)	(228,195)
- social security	(68,719)	(64,516)
- costs for defined contribution plans	(12,020)	(11,448)
- costs for defined benefit plans	(115)	(124)
- other personnel costs	(10,005)	(7,640)
Personnel costs capitalized in fixed assets	1,299	2,297
Total personnel costs	(335,811)	(309,626)

“Personnel costs” represent the total cost incurred for employees, including wages and salaries, employer social security contributions payable by the Group, gifts and travel allowances.

It should be noted that “Other personnel costs” includes charges related to the “Performance Share Plan” (euro 874 thousand). More details can be found in Note 30.

Headcount

Headcount is distributed as follows:

(number)	31.03.2024	31.03.2023
Employees at period end:		
Total at period end	21,729	20,777
- of whom in Italy	11,385	10,944
- of whom in Parent Company	9,147	8,942
Average number of employees	21,481	20,700
- of whom in Italy	11,233	10,850
- of whom in Parent Company	9,038	8,877

DEPRECIATION, AMORTIZATION AND IMPAIRMENT AND PROVISIONS

(euro/000)	31.03.2024	31.03.2023
Depreciation and amortization:		
- amortization of intangible assets	(18,603)	(17,822)
- depreciation of rights of use	(6,310)	(4,919)
- depreciation of property plant and equipment	(35,327)	(32,725)
Impairment losses:		
- impairment of intangible assets		(111)
- impairment of property plant and equipment	(25)	(13)
Total depreciation, amortization and impairment	(60,265)	(55,590)
Provisions		
- increases in provisions for risks and charges	(24,846)	(17,048)
- release of provisions for risk and impairment reversals	10,045	523
- impairment of contractual assets	(899)	(55)
- impairment of receivables	(360)	(260)
Total provisions	(16,060)	(16,840)

A breakdown of depreciation and amortization is provided in Notes 5, 6 and 7. "Impairment of receivables" relates to prudent appropriations to align the nominal value of receivables with estimated realizable value.

"Increases in provisions for risks and charges" mainly comprise provisions for obligations deriving from contractual warranties for euro 5,799 thousand (euro 1,594 thousand at 31 March 2023), and provisions for risks, for euro 12,541 thousand (euro 12,762 thousand at 31 March 2023). The remainder of the item refers to provisions made against risks for various kinds of disputes, mostly of a contractual, technical and tax nature. More details about the nature of the provisions made can be found in Note 19 and Note 30.

NOTE 27 - FINANCIAL INCOME AND EXPENSES

These are analysed as follows:

(euro/000)	31.03.2024	31.03.2023
FINANCIAL INCOME		
Interest and fees from joint ventures and associates	106	590
Bank interest and fees and other income	4,106	4,905
Interest and other income from financial assets	9,248	1,732
Foreign exchange gains	3,793	5,076
Total financial income	17,253	12,303
FINANCIAL EXPENSES		
Interest and fees charged by joint ventures	(1,003)	(136)
Interest and fees charged by controlling companies	(152)	(331)
Net expenses from derivative financial instruments	11,200	7,430
Interest on employee benefit plans	(321)	(391)
Interest and fees on bonds and commercial papers	(2,741)	(1,439)
Interest and fees on construction loans	(3,673)	(6,480)
Bank interest and fees and other expense	(59,974)	(30,651)
Interest paid on leases IFRS 16	(931)	(794)
Foreign exchange losses	(5,971)	(9,871)
Total financial expenses	(63,566)	(42,663)
TOTAL FINANCIAL INCOME AND EXPENSES	(46,313)	(30,360)

“Interest and other income from financial assets” includes interest at market rates on loans granted to third parties during the period.

The increase in “Bank interest and fees and other expense” is mainly attributable to the rise in interest rates in the Euro Zone and the trend in gross debt. This effect was partially mitigated by the increase in income generated by interest rate hedges, the recognition in the income statement of which is included in the item “Net expenses from derivative financial instruments”, and by the reduction in the item “Interest and fees on construction loans”.

“Foreign exchange gains and losses” reflect the effects of changes in the currencies to which the Group is exposed and the related hedging derivatives.

NOTE 28 - INCOME AND EXPENSE FROM INVESTMENTS

These are analysed as follows:

(euro/000)	31.03.2024	31.03.2023
INCOME		
Gains from sale of investments		9
Total income		9
EXPENSE		
Other losses from investments		
Total expense		-
INCOME/(EXPENSE) FROM INVESTMENTS		9
SHARE OF PROFIT/(LOSS) OF INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD		
Profit	400	-
Loss	(83)	(1,407)
SHARE OF PROFIT/(LOSS) OF INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	317	(1,407)
TOTAL INCOME AND EXPENSE FROM INVESTMENTS	317	(1,398)

The item Share of profit/(loss) from equity-accounted investments, amounting to a profit of euro 317 thousand (loss of euro 1,407 thousand in Q1 2023) refers to the pro-rata result of the Group's joint ventures:

For more details on the changes to investments, see Note 8.

NOTE 29 - INCOME TAXES

Income taxes were calculated on the basis of the profit/(loss) for the period. The balance at 31 March 2024 is composed for euro 8,360 thousand of the negative balance of current taxes and for euro 8,441 thousand of the positive balance of deferred taxes. The overall tax burden, in terms of the tax rate, is influenced on the one hand by the positive effects of the domestic tax consolidation with the parent company CDP and on the other by the losses incurred by certain subsidiaries for which no deferred tax assets were recognized, due to the conditions not being met.

With regard to the trend in deferred taxes, please refer to Note 11.

Legislative Decree No. 209 of 27 December 2023 ("Pillar II" or "global minimum tax") implemented, effective as of the 2024 tax year, Directive No. 2022/2523 - based on the paper "Tax Challenges Arising from the Digitalisation of the Economy - Global Anti-Base Erosion Model Rules (Pillar Two)" issued by the OECD on 14 December 2021 - which introduced a minimum effective tax regime for domestic and multinational groups at the rate of 15% for each jurisdiction in which they are located. With respect to what has already been reported in the annual financial statements for the year ended 31 December 2023, work is continuing, in concert with the parent company CDP, on adapting to Pillar II regulatory requirements, aimed at implementing the management model for (i) the collection of relevant information, (ii) the calculation of the global minimum tax, and (iii) the fulfilment of reporting obligations under the regulations, including through a specific technological platform. Fincantieri qualifies as a Partially-Owned Parent Entity with respect to the Parent Company CDP for the purposes of the above regulations and, based on the information currently available, with respect to the valuations relevant to the preparation of the Interim Financial Statements, from which no significant changes have emerged in comparison to 31 December 2023, the impact in terms of additional tax is not significant.

NOTE 30 - OTHER INFORMATION**NET FINANCIAL POSITION**

For the purposes of complying with Consob Communication no. DEM/6064293/2006, the following table shows the Net financial position as per ESMA recommendation. The table and information provided below have been adjusted to reflect the updates in the document ESMA 32-382-1138 dated 4 March 2021.

(euro/000)	31.03.2024	31.12.2023
A. Cash and cash equivalents	460,139	757,272
B. Cash equivalents	2	
C. Other current financial assets	57,135	57,212
- of which related parties	18,924	17,408
D. Cash and cash equivalents (A)+(B)+(C)	517,276	814,484
E. Current financial payables (including debt instruments, but excluding current portion of non-current financial payables)	(686,267)	(707,543)
- of which related parties	(109,726)	(46,439)
- of which Construction loans	(115,000)	(262,000)
- of which Current portion of debt instruments	(196,500)	(146,000)
F. Current portion of non-current financial payables	(479,843)	(598,821)
- of which related parties	(9,097)	(9,075)
G. Current debt (E)+(F)	(1,166,110)	(1,306,364)
H. Net current cash/(debt) (D)+(G)	(648,834)	(491,880)
I. Non-current financial payables (excluding current portion of debt instruments)	(1,763,866)	(1,779,405)
- of which related parties	(4,328)	(4,328)
J. Debt instruments		
K. Trade payables and other non-current liabilities		
L. Non-current debt (I)+(J)+(K)	(1,763,866)	(1,779,405)
M. Total Net financial position (H)+(L)	(2,412,700)	(2,271,285)

For indirect debt and/or conditional debt not reflected in the table, reference should be made: i) to Note 19 and Note 20 for the provisions recognized in the financial statements; ii) to Note 23 and Note 1 for payables for reverse factoring (amounting to euro 680,867 thousand at 31 March 2024).

Lastly, commitments related to lease agreements not recognized as liabilities in the financial statements since they do not fall under IFRS 16 amount to euro 19 million at 31 March 2024.

SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

With reference to the provisions of Consob Resolution no. 15519 of 27 July 2006, there were no significant non-recurring events and/or transactions at 31 March 2024.

ATYPICAL AND/OR UNUSUAL TRANSACTIONS

In accordance with the disclosures required by Consob Communication no. DEM/6064293 dated 28 July 2006, it is reported that no atypical and/or unusual transactions were carried out during the first quarter of 2024.

RELATED PARTY TRANSACTIONS

Intragroup transactions, transactions with CDP Equity S.p.A and its subsidiaries, with Cassa Depositi e Prestiti S.p.A. and its subsidiaries, with companies controlled by Italy's Ministry of Economy and Finance and with other related parties in general, do not qualify as either atypical or unusual, since they fall within the normal course of business of the Fincantieri Group and are conducted on an arm's length basis.

The figures for related party transactions and balances are reported in the following tables:

CONSOLIDATED STATEMENT OF FINANCIAL POSITION									
31.03.2024									
(euro/000)	Non-current financial assets	Current financial receivables	Advances ⁽¹⁾	Trade receivables and other non-current assets	Trade receivables and other current assets	Non-current financial payables	Current financial payables	Trade payables and other current liabilities	Trade payables and other non-current liabilities
CASSA DEPOSITI E PRESTITI S.p.A.					34,702	(4,328)	(9,097)	(1,263)	
TOTAL PARENT COMPANY					34,702	(4,328)	(9,097)	(1,263)	
ORIZZONTE SISTEMI NAVALI S.p.A.					30,455		(72,233)	(4,459)	
UNIFER NAVALE S.r.l.					1,491			(5)	
CSSC - FINCANTIERI CRUISE INDUSTRY DEVELOPMENT Ltd.		15,371			2,491			(268)	
ETIHAD SHIP BUILDING LLC					6,756			(358)	
CONSORZIO F.S.B.					24			(18)	
BUSBAR4F S.c.a.r.l.			688		861			(125)	
FINCANTIERI CLEA BUILDINGS S.c.a.r.l. in liquidation					1,492			(41)	
PERGENOVA S.c.p.a.					1				
NAVIRIS S.p.A.					671		(12,751)		
4TCC1 S.c.a.r.l.			1,753		532			(3,629)	
VIMERCATE SAL. GESTIONE S.c.a.r.l.					7,131				
ENERGETIKA S.c.a.r.l.					9			(12)	
NSC HOSPITAL S.c.a.r.l.					360			(3,958)	
FINMESA S.c.a.r.l.					4			(7)	
ERSMA 2026 S.c.a.r.l.					57			(101)	
4B3 S.c.a.r.l.			655		33			(391)	
4TB13 S.c.a.r.l.			533		30			(723)	
DARSENA EUROPA S.c.a.r.l.		481			162			(1,739)	
TOTAL JOINT VENTURES		16,852	3,629		52,560		(84,984)	(15,834)	
PSC GROUP			(1,703)		387			(10,183)	
CENTRO SERVIZI NAVALI S.p.A.					3,497			(2,570)	
BREVIK TECHNOLOGY AS	169	3							
CSS DESIGN				712					
ISLAND DILIGENCE AS	4,166	21			128				
DECOMAR S.p.A.					104				
CASTOR DRILLING SOLUTION AS		393							
ISLAND OFFSHORE XII SHIP AS	11,756	235							
CISAR MILANO S.p.A.	360				649				
CISAR COSTRUZIONI S.c.a.r.l.					167			(6,660)	
NORD OVEST TOSCANA ENERGIA S.r.l.									
S. ENE. CA GESTIONE S.c.a.r.l.					2,259			(2,185)	
BIOTECA S.c.a.r.l.					40			(6)	
NOTE GESTION I S.c.a.r.l.					4,304			(3,454)	
HBT S.c.a.r.l.					3,715			(74)	
PRELIOS SOLUTIONS & TECHNOLOGIES S.R.L.					120				
DIDO S.r.l.								(111)	
PERGENOVA BREAKWATER S.c.a.r.l.					8,973		(24,742)	(24,858)	
2F PER VADO S.c.a.r.l.					3,837			(827)	
ATISA S.p.A.			1,939					(382)	
REMAC S.r.l.					22			(177)	
TOTAL ASSOCIATES	16,451	652	236	712	28,202		(24,742)	(51,487)	
SACE S.p.A.								(11)	
SACE FCT								(1,353)	
VALVITALIA S.p.A.			718		15			(1,671)	
TERNA RETE ITALIA S.p.A.					-			(48)	
SUPPLEMENTARY PENSION FUND FOR EXECUTIVES OF FINCANTIERI S.p.A.					3			(59)	
COMETA NATIONAL SUPPLEMENTARY PENSION FUND					(1)			(4,601)	
SOLIDARIETÀ VENETO - PENSION FUND								(166)	
HORIZON S.A.S.								(1)	
TERNA SpA								8	
AUSTOSTARDE PER L'ITALIA S.p.A.								31	
TERNA ENERGY SOLUTIONS SRL								(182)	
TOTAL CDP GROUP			718		17			(8,053)	
LEONARDO GROUP			37,850		13,254			(29,483)	
ENI GROUP					718			158	
ENEL GROUP			6		158			15	
OTHER COMPANIES CONTROLLED BY MINISTRY OF ECONOMY AND FINANCE		84			199			(3,258)	
TOTAL RELATED PARTIES	16,451	16,588	42,439	712	129,810	(4,328)	(118,823)	(109,205)	
TOTAL CONSOLIDATED STATEMENT OF FINANCIAL POSITION	679,288	89,596	309,418	74,235	1,740,118	(1,763,866)	(1,166,110)	(3,272,884)	(64,566)
<i>% Consolidated statement</i>	<i>2%</i>	<i>19%</i>	<i>14%</i>	<i>1%</i>	<i>7%</i>	<i>0%</i>	<i>10%</i>	<i>3%</i>	<i>0%</i>

(1) "Advances" are classified in "Inventories", as detailed in Note 12.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION		31.12.2023								
(euro/000)	Non-current financial assets	Current financial receivables	Advances ⁽¹⁾	Trade receivables and other non-current assets	Trade receivables and other current assets	Non-current financial payables	Current financial payables	Trade payables and other current liabilities	Trade payables and other non-current liabilities	
CASSA DEPOSITI E PRESTITI S.p.A.					35,228	(4,328)	(9,075)	(265)		
TOTAL PARENT COMPANY					35,228	(4,328)	(9,075)	(265)		
ORIZZONTE SISTEMI NAVALI S.p.A.					25,004	(3,512)		(63,398)		
UNIFER NAVALE S.r.l.					1,491			(5)		
CSSC - FINCANTIERI CRUISE INDUSTRY DEVELOPMENT Ltd.		15,268			2,603			(383)		
ETIHAD SHIP BUILDING LLC					6,756			(357)		
CONSORZIO F.S.B.										
BUSBAR4F S.c.a.r.l.			963		733			(478)		
FINCANTIERI CLEA BUILDINGS S.c.a.r.l. in liquidation					1,491			(41)		
PERGENOVA S.c.p.a.					1					
NAVIRIS S.p.A.		3			1,653		(12,634)	(69)		
4TCC1 S.c.a.r.l.			2,357		537			(2,827)		
VIMERCATE SAL. GESTIONE S.c.a.r.l.					6,922			(4,820)		
ENERGETIKA S.c.a.r.l.								(9)		
NSC HOSPITAL S.c.a.r.l.					839			(804)		
FINMESA S.c.a.r.l.					4					
ERSMA 2026 S.c.a.r.l.					57			(101)		
4B3 S.c.a.r.l.			1,326		34			(790)		
4TB13 S.c.a.r.l.			571		30			(293)		
DARSENA EUROPA S.c.a.r.l.		481			142			(788)		
TOTAL JOINT VENTURES		15,752	5,217		48,297		(16,146)	(75,163)		
PSC GROUP			(1,633)		387			(8,964)		
CENTRO SERVIZI NAVALI S.p.A.					2,829			(2,524)		
BREVIK TECHNOLOGY AS	176									
CSS DESIGN				696						
ISLAND DILIGENCE AS	4,785				135					
DECOMAR S.p.A.					104					
CASTOR DRILLING SOLUTION AS		409								
ISLAND OFFSHORE XII SHIP AS	12,659									
CISAR MILANO S.p.A.	360				476					
CISAR COSTRUZIONI S.c.a.r.l.					350			(355)		
NORD OVEST TOSCANA ENERGIA S.r.l.	313				4,077			(220)		
S. ENE. CA GESTIONE S.c.a.r.l.					1,783			(1,632)		
BIOTECA S.c.a.r.l.								55		
NOTE GESTIONI S.c.a.r.l.					2,916			(2,483)		
HBT S.c.a.r.l.					2,692			(74)		
PRELIOS SOLUTIONS & TECHNOLOGIES S.R.L.					120					
DIDO S.r.l.								(47)		
PERGENOVA BREAKWATER S.c.a.r.l.					5,330		(30,293)	(17,715)		
2F PER VADO S.c.a.r.l.					3,383			(773)		
ATISA S.P.A.			1,939					(544)		
TOTAL ASSOCIATES	18,293	409	306	696	24,582		(30,293)	(35,276)		
SACE S.p.A.								(11)		
SACE FCT					40					
VALVITALIA S.p.A.			827		5			(272)		
TERNA RETE ITALIA S.p.A.								2		
SUPPLEMENTARY PENSION FUND FOR EXECUTIVES OF FINCANTIERI S.p.A.								(645)		
COMETA NATIONAL SUPPLEMENTARY PENSION FUND						(1)		(4,875)		
SOLIDARIETÀ VENETO - PENSION FUND								(167)		
HORIZON S.A.S.								(1)		
TERNA SpA					8					
AUSTOSTARDE PER L'ITALIA S.p.A.					28			10		
TERNA ENERGY SOLUTIONS SRL										
TOTAL CDP GROUP			827		80			(5,959)		
LEONARDO GROUP			39,308		12,380			(21,397)		
ENI GROUP					1,284			43		
ENEL GROUP			6		171			2		
OTHER COMPANIES CONTROLLED BY MINISTRY OF ECONOMY AND FINANCE		84			145			(835)		
TOTAL RELATED PARTIES	18,293	16,245	45,664	696	122,167	(4,328)	(55,514)	(138,850)		
TOTAL CONSOLIDATED STATEMENT OF FINANCIAL POSITION	684,173	92,124	306,367	67,038	1,149,879	(1,779,405)	(1,306,364)	(2,871,749)	(70,282)	
<i>% Consolidated statement</i>	<i>3%</i>	<i>18%</i>	<i>15%</i>	<i>1%</i>	<i>11%</i>	<i>0%</i>	<i>4%</i>	<i>5%</i>	<i>0%</i>	

(1) "Advances" are classified in "Inventories", as detailed in Note 12.

STATEMENT OF COMPREHENSIVE INCOME	31.03.2024			
	Operating revenue	Other revenue and income	Materials, services and other costs	Financial income Financial expenses
(euro/000)				
CASSA DEPOSITI E PRESTITI S.p.A.			(27)	(152)
TOTAL PARENT COMPANY	-	-	(27)	(152)
ORIZZONTE SISTEMI NAVALI S.p.A.	24,962	520	58,939	(721)
CSSC - FINCANTIERI CRUISE INDUSTRY DEVELOPMENT Ltd.	372	829		103
ETIHAD SHIP BUILDING LLC			(1)	
BUSBAR4F S.c.a.r.l.		33	(89)	
CONSORZIO F.S.B.	8	10	(79)	
PERGENOVA S.c.p.a.				
NAVIRIS S.p.A.	62	527		(117)
4TCC1 S.c.a.r.l.		54	(2,238)	
FINMESA S.c.a.r.l.			(7)	
4B3 S.c.a.r.l.		24	(262)	
4TB13 S.c.a.r.l.		22	(468)	
DARSENA EUROPA S.c.a.r.l.		20	(951)	
TOTAL JOINT VENTURES	25,404	2,039	54,844	103 (838)
PSC GROUP		61	(2,708)	13
CENTRO SERVIZI NAVALI S.p.A.		860	(3,720)	
BREVIK TECHNOLOGY AS				3
ISLAND DILIGENCE AS				
ISLAND OFFSHORE XII SHIP AS				
ATISA S.P.A.		31	(281)	4
DIDO S.r.l.			(111)	
PERGENOVA BREAKWATER S.c.a.r.l.			(5,417)	(282)
2F PER VADO S.c.a.r.l.	331	54	(975)	
CASTOR DRILLING SOLUTION AS				14
TOTAL ASSOCIATES	331	1,006	(13,212)	34 (282)
SACE FCT		39		
VALVITALIA S.p.A.		48	(2,438)	1
TERNA RETE ITALIA S.p.A.				
SNAM S.p.A.			(11)	
AUSTOSTARDE PER L'ITALIA S.p.A.			(5)	
TERNA ENERGY SOLUTIONS SRL			(212)	
TOTAL CDP GROUP	-	87	(2,666)	1 -
LEONARDO GROUP	6,360	27	(10,045)	
ENI GROUP			(153)	
ENEL GROUP				
OTHER COMPANIES CONTROLLED BY MINISTRY OF ECONOMY AND FINANCE	148	100	(73)	
TOTAL RELATED PARTIES	32,243	3,259	28,668	138 (1,272)
TOTAL CONSOLIDATED STATEMENT OF FINANCIAL POSITION	1,731,751	35,199	(1,328,446)	17,253 (63,566)
% Consolidated statement	2%	9%	(2%)	1% 2%

STATEMENT OF COMPREHENSIVE INCOME	31.03.2023					
	(euro/000)	Operating revenue	Other revenue and income	Materials, services and other costs	Financial income	Financial expenses
CASSA DEPOSITI E PRESTITI S.p.A.						(333)
TOTAL PARENT COMPANY						(333)
ORIZZONTE SISTEMI NAVALI S.p.A.		36,290	137	54,052		(1)
CSSC - FINCANTIERI CRUISE INDUSTRY DEVELOPMENT Ltd.		220	887		163	
ETIHAD SHIP BUILDING LLC			43	(5)		
BUSBAR4F S.c.a.r.l.			21	(270)		
CONSORZIO F.S.B.		11	45	(111)		
PERGENOVA S.c.p.a.				7		
NAVIRIS S.p.A.		45	468		(5)	(2)
4TCC1 S.c.a.r.l.			54	(2,367)		
FINMESA S.c.a.r.l.						
4B3 S.c.a.r.l.			75	(180)		
4TB13 S.c.a.r.l.			22	(30)		
DARSENA EUROPA S.c.a.r.l.				(500)		
TOTAL JOINT VENTURES		36,566	1,752	50,596	158	(3)
PSC GROUP			39	(3,580)	12	
CENTRO SERVIZI NAVALI S.p.A.			786	(3,226)		
BREVIK TECHNOLOGY AS					2	
ISLAND DILIGENCE AS					22	
ISLAND OFFSHORE XII SHIP AS					233	
ATISA S.P.A.				(445)	3	
DIDO S.r.l.						
PERGENOVA BREAKWATER S.c.a.r.l.		231	93	(3,552)	13	
2F PER VADO S.c.a.r.l.		100	118	(4,453)		
CASTOR DRILLING SOLUTION AS						
TOTAL ASSOCIATES		331	1,036	(15,256)	285	-
SACE FCT			35			
VALVITALIA S.p.A.			18	(2,231)		
TERNA RETE ITALIA S.p.A.			2			
SNAM S.p.A.		1,598	10			
AUSTOSTARDE PER L'ITALIA S.p.A.				(33)		
TERNA ENERGY SOLUTIONS SRL						
TOTAL CDP GROUP		1,598	65	(2,264)	-	-
LEONARDO GROUP		14	1,511	(10,406)		
ENI GROUP		32		(192)		
ENEL GROUP		105		(11)		
OTHER COMPANIES CONTROLLED BY MINISTRY OF ECONOMY AND FINANCE		50	33			
TOTAL RELATED PARTIES		38,696	4,397	22,467	443	(336)
TOTAL CONSOLIDATED STATEMENT OF FINANCIAL POSITION		1,733,091	30,417	(1,364,266)	12,303	(42,663)
% Consolidated statement		2%	14%	(2%)	4%	1%

Costs for contributions incurred in the first quarter of 2024 and included in the item "Personnel costs" totalled euro 466 thousand for the Supplementary Pension Fund for Executives of Fincantieri S.p.A. and euro 641 thousand for the Cometa National Supplementary Pension Fund.

Credit facilities and loan agreements

It should be noted that the Company has guaranteed financial support to the subsidiary Vard Holdings Ltd and all its subsidiaries for a period of 18 months from the date of approval of the 2022 Financial Statements, committing itself to providing the financial resources that may be necessary to enable it to continue operations. During 2023, the Company provided the necessary financial support to the VARD group through a committed loan, renewed in December 2023 for a further 3 years, in the form of a revolving credit facility for euro 230 million, of which 15 million had been used at 31 March 2024.

The main related party relationships refer to:

- the Company's transactions with the joint venture Orizzonte Sistemi Navali S.p.A., under the agreement signed in 2006 with the Italian Navy relating to the first phase of the "Renaissance" (or FREMM) program. This program involves the construction of 10 ships for the Italian Navy, a program developed by Orizzonte Sistemi Navali S.p.A., with design and production activities performed by the Company and its subsidiaries. The financial payables with Orizzonte Sistemi

Navali S.p.A. at 31 March 2024 relate to its current account with the Company under a centralized treasury management arrangement;

- the Company's relations with the Leonardo group, subject to joint control, in connection with agreements to supply and install combat systems for naval vessels under construction;
- relations with the joint venture CSSC - Fincantieri Cruise Industry Development Ltd. between Fincantieri and CSSC, prime contractor for the construction of new cruise ships at the CCSC group's Chinese shipyard, refer to the supply of specialist services and components to support CSSC shipyards; The Company has a financial receivable of euro 15,371 thousand for a loan granted to the joint venture maturing on 30 December 2024.
- relations with the associate Centro Servizi Navali mainly relate to shipyard and prefabrication activities;
- the Company's relations with the Eni group refer chiefly to the sale of products and services and purchases of fuel with ENI S.p.A.;
- the Company's relations with the PSC group relate mainly to turnkey air conditioning systems (engineering, supply of ventilation machines, accessories and ducts, their installation on board, start-up and commissioning);

With regard to major transactions with related parties of Fincantieri S.p.A. concluded at arm's length, the following transaction during the first quarter of 2024 is reported:

RPT - PPX Project - Orizzonte Sistemi Navali S.p.A.

As part of the Italian Navy's "Offshore Patrol Vessel" (OPV) acquisition program, Orizzonte Sistemi Navali, the joint venture owned by Fincantieri S.p.A., and Leonardo S.p.A., a related party of Fincantieri S.p.A, signed on 31 July 2023 a contract with the Naval Armaments Directorate (NAVARM) for the construction of three next-generation patrol vessels, with options for a further three vessels and the necessary infrastructure adjustments to the naval bases in Augusta, Cagliari and Messina, where the ships will be based. The total value of the contract for the first three vessels is euro 925 million, including the related logistical support services.

On 30 January 2024, Orizzonte Sistemi Navali entered into a sub-tier supply agreement with Fincantieri S.p.A., for a value of euro 540 million, which represents a more significant related party transaction defined in compliance with the relevant applicable regulations.

BASIC AND DILUTED EARNINGS/(LOSS) PER SHARE

Basic earnings per share have been calculated by dividing the profit for the period attributable to the Group by the weighted average number of Fincantieri S.p.A. shares outstanding during the period, excluding treasury shares.

Diluted earnings per share have been calculated by dividing the profit for the period attributable to the Group by the weighted average number of Fincantieri S.p.A. shares in circulation during the period, excluding treasury shares, plus the number of shares that could potentially be issued. At 31 March 2024, the shares that could potentially be issued concerned the shares assigned under the 2019-2021 and 2022-2024 Performance Share Plan described below.

Basic/Diluted Earnings/(Loss) Per Share		31.03.2024	31.03.2023
Earnings/(loss) attributable to owners of the Parent Company	(Euro/000)	(17,807)	(6,809)
Weighted average number of shares outstanding to calculate the basic earnings/(loss) per share	number	1,691,591,446	1,697,933,242
Weighted average number of shares outstanding to calculate the diluted earnings/(loss) per share	number	1,720,237,718	1,723,971,263
Basic earnings/(loss) per share	Euro	(0,01053)	(0,00401)
Diluted earnings/(loss) per share	Euro	(0,01035)	(0,00395)

A detailed description of the medium/long-term share-based incentive plan for management, called the Performance Share Plan, is given below.

MEDIUM/LONG-TERM INCENTIVE PLAN

2016-2018 Performance Share Plan

On 19 May 2017, the Shareholders' Meeting of Fincantieri S.p.A. approved the medium/long-term share-based incentive plan for management, called the Performance Share Plan 2016-2018 (the "Plan") and related Terms and Conditions. The Plan, structured in 3 three-year cycles, ended on 2 July 2021 with the allocation of shares to the beneficiaries of the third cycle.

2019-2021 Performance Share Plan

On 11 May 2018, the Shareholders' Meeting of Fincantieri S.p.A. approved the medium/long-term share-based incentive plan for management, the 2019-2021 Performance Share Plan (the "Plan"), and the related Terms and Conditions, the structure of which was defined by the Board of Directors at the meeting held on 27 March 2018.

The Plan, structured in three-year cycles, provides for the free grant, to the beneficiaries identified by the Board of Directors, of entitlements to receive a maximum of 25,000,000 ordinary shares in Fincantieri S.p.A. without nominal value, based on the achievement of specific performance targets for the three-year periods 2019-2021 (first cycle), 2020-2022 (second cycle) and 2021-2023 (third cycle).

The Plan provides for a three-year vesting period for all beneficiaries from the date the entitlements are awarded to the date the shares are allotted to the beneficiaries. Therefore, if the performance targets are achieved and the other conditions of the Plan's Terms & Conditions satisfied, the shares vesting for the first cycle will be allotted and delivered to beneficiaries by 31 July 2022, while those vesting for the second and third cycles will be allotted and delivered by 31 July 2023 and 31 July 2024 respectively.

The Plan also provides for a lock-up period for part of the shares given to members of the Board of Directors or Executives with Strategic Responsibilities of the Company. The free award of a number of rights is left to the Board of Directors, which also has the power to identify the number and names of the beneficiaries.

With reference to the Plan's first cycle, 6,842,940 ordinary shares in the Company were awarded to the beneficiaries identified by the Board of Directors on 24 July 2019; while, for the second cycle, 11,133,829 ordinary shares in the Company were awarded to the beneficiaries identified by the Board of Directors on 30 July 2020; and lastly, for the third and last cycle, 9,796,047 ordinary shares in the Company were awarded to the beneficiaries identified by the Board of Directors on 10 June 2021.

Among the Plan's targets, in addition to the EBITDA and TRS already included in the 2016-2018 Performance Share Plan, the Group introduced another parameter, the sustainability index, to measure achievement of the sustainability objectives set by the Group in order to align with

European best practices and the financial community's increased expectations for sustainable development.

The references used to test achievement of the sustainability objectives are market parameters such as the "CDP" (Carbon Disclosure Project) and a second rating by another agency which evaluates the entire basket of sustainability aspects.

The fair value amount determined on the grant date for each cycle of the Plan is illustrated below.

euro	Grant date	no. of shares awarded	Fair value
First cycle of the Plan	24 July 2019	6,842,940	6,668,616
Second cycle of the Plan	30 July 2020	11,133,829	5,958,937
Third cycle of the Plan	10 June 2021	9,796,047	7,416,783

With reference to the first cycle of the 2019-2021 Performance Share Plan, it should be noted that on 30 June 2022, the Board of Directors approved its closure, allocating free of charge to the recipients 6,818,769 ordinary shares in Fincantieri. The net shares actually allocated amounted to 3,883,748 shares (net of those withheld to meet the tax obligations of the assignees). The allocation of shares took place, using solely treasury share in portfolio, on 18 July 2022.

With reference to the second cycle of the 2019-2021 Performance Share Plan, it should be noted that on 13 June 2023, the Board of Directors approved its closure, allocating free of charge to the recipients 6,459,445 ordinary shares in Fincantieri. The net shares actually allocated amounted to 3,068,752 shares (net of those withheld to meet the tax obligations of the assignees and those held awaiting the closure of the succession due to the death on one of the recipients). The allocation of shares took place, using solely treasury shares in portfolio, on 6 July 2023.

The Plan's features, outlined above, are described in detail in the Information Document prepared by the Parent Company under article 84-bis of Consob Regulation No. 11971 of 14 May 1999, made available to the public on the website www.fincantieri.it in the section "Governance & Ethics – Shareholders' Meeting – Shareholders' Meeting 2018".

2022-2024 Performance Share Plan

On 8 April 2021, the Shareholders' Meeting of Fincantieri S.p.A. approved the medium/long-term share-based incentive plan for management, the 2022-2024 Performance Share Plan (the "Plan"), and the related Terms and Conditions, the structure of which was defined and approved by the Board of Directors on 25 February 2021.

The Plan, consistent with the previous plan 2019-2021, is structured in three-year cycles and provides for the free grant, to the beneficiaries identified by the Board of Directors, of entitlements to receive a maximum of 64,000,000 ordinary shares in Fincantieri S.p.A. without nominal value, based on the achievement of specific performance targets for the three-year periods 2022-2024 (first cycle), 2023-2025 (second cycle) and 2024-2026 (third cycle).

The Plan provides for a three-year vesting period for all beneficiaries from the date the entitlements are awarded to the date the shares are allotted to the beneficiaries. Therefore, if the performance

targets are achieved and the other conditions of the Plan's Terms & Conditions satisfied, the shares vesting for the first cycle will be allotted and delivered to beneficiaries by 31 July 2025, while those vesting for the second and third cycles will be allotted and delivered by 31 July 2026 and 31 July 2027 respectively.

The Plan also provides for a lock-up period for part of the shares given to members of the Board of Directors or Executives with Strategic Responsibilities of the Company.

With reference to the Plan's first cycle, 12,282,025 ordinary shares in the Company were awarded to the beneficiaries identified by the Board of Directors on 26 July 2022. With reference to the Plan's second cycle, 15,178,090 ordinary shares in the Company were awarded to the beneficiaries identified by the Board of Directors on 13 July 2023. The Beneficiaries for the 3rd Cycle will be identified by the Grant Date of the Rights for the 3rd Cycle, i.e. by 31 July 2024.

Among the Plan's targets, as already included in the 2019-2021 Performance Share Plan, in addition to the EBITDA and TRS, the Group defined another parameter, the sustainability index, to measure achievement of the sustainability objectives set by the Group in order to align with European best practices and the financial community's increased expectations for sustainable development.

The references used to test achievement of the sustainability objectives are based on the percentage of achievement of the Sustainability Plan targets that the Company has set itself during the three-year period 2023-2025. This gate is linked to the rating targets that the Company has set itself which are: obtaining at least a B rating in the "Carbon Disclosure Project" (CDP) and inclusion in the Advanced band of the "Vigeo Eiris" ranking.

The fair value amount determined on the grant date for each cycle of the Plan is illustrated below.

euro	Grant date	no. of shares awarded	Fair value
First cycle of the Plan	26 July 2022	12,282,025	5,738,776
Second cycle of the Plan	13 June 2023	15,178,090	6,204,500

The Plan's features, outlined above, are described in detail in the Information Document prepared by the Parent Company under article 84-bis of Consob Regulation No. 11971 of 14 May 1999, made available to the public on the website www.fincantieri.it in the section "Governance & Ethics – Shareholders' Meeting – Shareholders' Meeting 2021".

LITIGATION

Foreign Litigation

There are no significant updates to the disclosures made in the financial statements as at 31 December 2023.

Italian litigation

Client credit recovery

There are no significant updates to the disclosures made in the financial statements as at 31 December 2023.

Litigation with suppliers

There are no significant updates to the disclosures made in the financial statements as at 31 December 2023.

Employment litigation

There are no significant updates to the disclosures made in the financial statements as at 31 December 2023. Litigation relating to asbestos continued to be settled both in and out of court in 2024.

Other litigation

Other litigation includes: i) defence against claims by social security institutions, including disputes with INPS against claims arising from failure of contractors and subcontractors to pay contributions, based on the principle of joint liability of the client; ii) compensation for direct and indirect damages arising from production phases; iii) civil lawsuits for compensation for injuries; iv) infringement of intellectual property rights.

There are no significant updates to the disclosures made in the financial statements as at 31 December 2023

Criminal prosecutions under Legislative Decree 231/2001

With regard to the disclosures already made in the financial statements as at 31 December 2023, the following updates should be noted:

- for the proceedings initiated in June 2018 concerning the management and disposal of waste at the Palermo Plant, the next hearing will be held on 10 July 2024;

- for the proceedings for the alleged crime of "Manslaughter" under art. 589, Paragraphs 1 and 2 of the Criminal Code, which also involves the subsidiary Fincantieri SI, the next hearing will be held on 16 September 2024;
- for the proceedings relating to the alleged offences of bribery among private individuals under Article 2635 paragraph 2 of the Italian Civil Code and unlawful intermediation and exploitation of labour under art. 603 bis of the Italian Criminal Code for acts committed in Marghera between 2015 and 2019, the next hearing will be held on 26 June.

TAX POSITION

National tax consolidation

Fincantieri S.p.A., Fincantieri Oil & Gas S.p.A., Isotta Fraschini Motori S.p.A. and Fincantieri INfrastrutture SOciali S.p.A. take part in the National tax consolidation of Cassa Depositi e Prestiti S.p.A.

Audits and assessments

Fincantieri S.p.A.

There are no significant updates to the disclosures made in the financial statements as at 31 December 2023.

Marine Interiors Cabins S.p.A.

There are no significant updates to the disclosures made in the financial statements as at 31 December 2023.

NOTE 31 - CASH FLOWS FROM OPERATING ACTIVITIES

These are analysed as follows:

(euro/000)	31.03.2024	31.03.2023
Profit/(loss) for the period	(19,547)	(7,014)
Depreciation and amortization	60,240	55,447
(Gains)/losses from disposal of property, plant and equipment	135	(52)
(Revaluation)/impairment of property, plant and equipment, intangible assets and equity investments	(307)	1,528
(Revaluation)/impairment losses of working capital		
Increases/(releases) of Other provisions for risks and charges	14,459	16,534
Interest expense capitalized		
Interest on employee benefits	598	535
Interest income	(13,460)	(6,910)
Interest expense	68,474	39,831
Income taxes	(81)	(7,558)
Long-term share-based incentive plan	1,009	1,238
Non-monetary operating income and expenses		
Impact of unrealized exchange rate changes	(83)	5,648
Financial income and expenses from derivative finance instruments		
Gross cash flows from operating activities	111,437	99,227

NOTE 32 - SEGMENT INFORMATION

Management has identified the following operating segments which reflect the model used to manage and control the business sectors in which the Group operates: Shipbuilding, Offshore and Specialized Vessels, Equipment, Systems and Infrastructure and Other Activities.

Shipbuilding includes the Cruise Ships, Naval Vessels and Ship Interiors business areas.

Offshore and Specialized Vessels includes the design and construction of high-end offshore support vessels for offshore wind farms and the oil & gas industry, specialized ships such as cable-laying vessels and ferries, unmanned vessels, offering innovative products with reduced environmental impact.

Equipment, Systems and Infrastructure includes the following business areas: i) Electronics and Digital Products Cluster, which focuses on advanced technological solutions, from the design and integration of complex systems (system integration) to telecommunications and critical infrastructure, ii) Mechatronics Systems and Components Cluster, i.e., integration of mechanical components and power electronics in naval and onshore applications and iii) Infrastructure Cluster, which includes the design, construction and installation of steel structures for largescale projects as well as the production and construction of maritime works and the supply of technology and facility management for the health segment, industry and the service sector.

Other Activities primarily refer to the cost of Parent Company activities which have not been allocated to other operating segments.

The Group evaluates the performance of its operating segments and the allocation of financial resources on the basis of revenue and EBITDA, in the configuration monitored by the Group, defined as Profit/(loss) for the period adjusted for the following items: i) Income taxes, ii) Share of profit/(loss) of investments accounted for using the equity method, iii) Income/(expense) from investments, iv) Financial expenses, v) Financial income, vi) Depreciation, amortization and impairment, vii) Provisions for costs and legal expenses associated with lawsuits brought by employees for asbestos-related damages and viii) Other extraordinary income and expenses.

The results of the operating segments at 31 March 2024 and 31 March 2023 are reported below.

	31.03.2024				
(euro/000)	Shipbuilding	Offshore and Specialized Vessels	Equipment, Systems and Infrastructure	Other activities	Group
Segment revenue	1,337,759	298,800	278,342	727	1,915,628
Intersegment elimination	(3,898)	(51,097)	(93,010)	(673)	(148,678)
Revenue*	1,333,861	247,703	185,332	54	1,766,950
EBITDA	83,546	12,849	16,269	(12,292)	100,372
EBITDA margin	6.2%	4.3%	5.8%		5.7%
Depreciation, amortization and impairment					(60,265)
Financial income					17,253
Financial expenses					(63,566)
Income/(expense) from investments					
Share of profit/(loss) of investments accounted for using the equity method					317
Income taxes					81
Costs not included in EBITDA					(13,739)
Profit/(loss) for the period					(19,547)

*Revenue: Sum of "Operating revenue" and "Other revenue and income" reported in the consolidated statement of comprehensive income.

Details of pre-tax "Costs not included in EBITDA" (positive for euro 3,297 thousand) are given in the following table.

(euro/000)	31.03.2024
Provisions for costs and legal expenses associated with asbestos-related lawsuits ⁽¹⁾	(13,739)
Costs not included in EBITDA	(13,739)

(1) Of which euro 1 million included in "Materials, services and other costs" and euro 13 million in "Provisions".

	31.03.2023*				
(euro/000)	Shipbuilding	Offshore and Specialized Vessels	Equipment, Systems and Infrastructure	Other activities	Group
Segment revenue	1,426,544	237,698	265,093	898	1,930,233
Intersegment elimination	(6,068)	(67,261)	(92,466)	(930)	(166,725)
Revenue**	1,420,476	170,437	172,627	(32)	1,763,508
EBITDA	77,728	9,072	9,543	(9,641)	86,700
EBITDA margin	5.4%	3.8%	3.6%		4.9%
Depreciation, amortization and impairment					(55,590)
Financial income					12,303
Financial expenses					(42,663)
Income/(expense) from investments					9
Share of profit/(loss) of investments accounted for using the equity method					(1,407)
Income taxes					7,558
Costs not included in EBITDA					(13,924)
Profit/(loss) for the period					(7,014)

*Comparative figures have been restated following the redefinition of the operating segments

**Revenue: Sum of "Operating revenue" and "Other revenue and income" reported in the consolidated statement of comprehensive income.

Details of pre-tax "Costs not included in EBITDA" (positive for euro 3,337 thousand) are given in the following table.

(euro/000)	31.03.2023
Provisions for costs and legal expenses associated with asbestos-related lawsuits ⁽¹⁾	(13,924)
Costs not included in EBITDA	(13,924)

(1) Of which euro 1 million included in "Materials, services and other costs" and euro 13 million in "Provisions".

The following tables show a breakdown of “Property, plant and equipment” in Italy and other countries and the analysis of “Capital expenditure” according to the relative operating segments:

(euro/million)	31.03.2024	31.12.2023
Italy	1,010	1,015
Other countries	679	669
Total Property, plant and equipment	1,689	1,684

(euro/million)	31.03.2024	31.12.2023
Capital expenditure		
Shipbuilding	21	162
Offshore and Specialized vessels	6	24
Equipment, Systems and Infrastructure	5	35
Other activities	3	37
Total	35	258

Capital expenditure in the first quarter of 2024 on Intangible assets and Property, Plant and Equipment amounted to euro 35 million, of which euro 15 million related to Italy and the remainder to other countries.

The following table shows a breakdown of Revenue and income between Italy and other countries, according to client country of residence:

(euro/million)	31.03.2024		31.03.2023	
	Revenue and income	%	Revenue and income	%
Italy	293	17	297	17
Other countries	1,474	83	1,467	83
Total Revenue and income	1,767		1,764	

The following table shows those clients whose revenue (defined as turnover plus change in inventories) accounted for more than 10% of the Group’s revenue and income in each reporting period:

(euro/million)	31.03.2024		31.03.2023	
	Revenue and income	%	Revenue and income	%
Client 1	231	13	339	19
Client 2	216	12	201	11
Client 3	183	10	179	10
Total	1,767		1,764	

NOTE 33 - ASSETS HELD FOR SALE

Assets held for sale refer to the value of the investments held by Vard Group AS in the associated companies Island Offshore XII SHIP AS (euro 38,251 thousand) and Island Diligence AS (euro 7,025 thousand), Norwegian companies operating in the offshore service vessel chartering segment.

The shareholding in Island Offshore XII SHIP AS was classified to Assets held for sale during 2023 as an agreement was signed for its sale, scheduled for 2024. During the first quarter of 2024, the first shares were sold for approximately euro 5 million and the ownership percentage decreased from 46.9 per cent to 42.2 per cent.

The shareholding in Island Diligence AS was classified to Assets held for sale in 2023 as an agreement to sell it by 2024 is being finalized.

NOTE 34 - ACQUISITION OF THE REMAZEL GROUP

Description of the transaction

On 15 February 2024, Fincantieri completed the acquisition of 100% of Remazel Engineering S.p.A. (hereafter “Remazel” or “Remazel Group”) from Advanced Technology Industrial Group S.A. The agreed consideration amounted to euro 64,612 thousand, of which euro 61,112 was paid on closing of the transaction. The remaining part of the price, amounting to euro 3.5 million, is deposited in an escrow account in the name of the Parent Company due to the commitment made by the seller to indemnify the Group for any liability arising and will be paid if applicable within eighteen months of the date of acquisition based on the outcome of this litigation. With this transaction Fincantieri intends to accelerate the growth of its technological, engineering and construction expertise in the offshore and subsea segments. The transaction allows the Group to acquire highly specialized capabilities in the design and supply of state-of-the-art top side equipment, enhancing its role as a partner of the main international operators in the marine and subsea energy sector, and consolidating its after-sales activities, with a particular focus on digital services and logistics support with high operational complexity.

Acquisition accounting

The acquisition of the Remazel Group qualifies as a business combination, in accordance with IFRS 3 - Business Combinations. The assets and liabilities acquired, appropriately aligned to the Fincantieri Group's accounting standards, were measured at fair value as of the acquisition date (15 February 2024), in accordance with IFRS 3 (“Purchase Price Allocation”).

The following table shows the total consideration, the fair value of the assets acquired, the liabilities assumed and the goodwill arising from the acquisition.

(euro/000)	Fair value of assets acquired
Consideration paid for 100% of the company	61,112
(a) Consideration paid	61,112
Intangible assets	36,246
Rights of use	5,978
Plant and machinery	6,313
Investments	473
Financial receivables	347
Net deferred tax assets	(6,965)
Inventories and supplier advances	4,269
Construction contracts – net	(5,669)
Trade receivables and other current assets	36,279
Cash and cash equivalents	12,643
Provisions for risks and charges	(7,748)
Severance pay fund (TFR)	(446)
Financial liabilities	(36,979)
Trade payables and other liabilities	(28,688)
Total	16,053
Non-controlling interests	
(b) Total net assets acquired	16,053
(c) Pro-rata equity = (b)*100%	16,053
Goodwill (a)-(c)	45,059

The consideration paid for the acquisition was allocated to Intangible Assets - Order Backlog (euro 5.9 million), Client relationships and order backlog (euro 25.9 million) and the remainder to Goodwill (euro 45.1 million). The fair value valuation of the net assets acquired also revealed the presence of contingent liabilities in connection with litigation amounting to euro 2.3 million recognized under Provisions for risks and charges.

The value of the order backlog was assessed with an income method and will be amortized during 2024, while the value of Client relationships and order backlog was assessed with a multiperiod excess earnings method, and a useful life of 12 years was defined.

The recognition of the tax effects resulting from the allocations summarised above resulted in deferred tax liabilities of euro 8.2 million.

Had the Remazel group been consolidated as of 1 January 2024, it is estimated that it would have increased consolidated Group revenue by euro 14 million with a positive effect on the Net Profit/(Loss) of euro 1.5 million.

The price allocation was made on a provisional basis and will be finalized in the 12 months following the acquisition date. The consideration considered in the Purchase Price Allocation did not take into account the deferred portion of the price amounting to 3.5 million, which is currently deposited in an escrow account.

NOTE 35 - EVENTS AFTER 31 MARCH 2024

On 8 April 2024 Fincantieri signed a very important order with Norwegian Cruise Line Holdings Ltd for the construction of four next generation cruise ships: Two for the Regent Seven Seas Cruises brand and two for the Oceania Cruises brand. In addition, the Group signed a Letter of Intent with the same shipowner to study the construction of a further four vessels that will be the largest ever built for the Norwegian Cruise Line brand.

The Ordinary Shareholders' Meeting of 23 April 2024 approved the "2024-2025 Employee Share Ownership Plan" for employees of the Fincantieri Group, which provides for the allocation of 1 free share for every 5 ordinary shares in Fincantieri purchased by employees either through conversion of all or part of the performance bonus into welfare and the use of the credit for the subscription of Fincantieri shares, or through direct purchase by employees. One further free share will be granted for every 5 shares purchased on retention of the Fincantieri shares by the employee for 12 months.

On 8 May 2024, the subsidiary Vard and Island Offshore, a Norwegian shipowner operating in the oil & gas and renewables market, signed a contract for the design and construction of a state-of-the-art Ocean Energy Construction Vessel (OECV) with hybrid propulsion. The parties also agreed on an option for two more ships.

On 9 May 2024 Fincantieri signed an agreement for the acquisition of Leonardo S.p.A.'s Underwater Armament Systems business, accelerating and consolidating the group's positioning as a leader in the underwater and naval defence segment. The consideration for the acquisition includes euro 300 million as a fixed component related to the Enterprise Value, subject to the customary price adjustment mechanisms, plus a maximum of euro 115 million as a variable component if certain growth assumptions related to the performance of the UAS business line are fulfilled in 2024. In order to finance the acquisition, Fincantieri resolved on a proposal for authorization to increase the share capital in one or more tranches, on a divisible basis, for a maximum amount of euro 400 million, including any share premium, to be offered as an option to shareholders, and a related share regrouping transaction to support the capital increase. The controlling shareholder CDP Equity committed to underwrite and establish a guarantee consortium formed by leading financial institutions. The authorization proposal also provides that subscribers to the capital increase will be assigned warrants free of charge to be exercised in the future on a second capital increase tranche of up to euro 100 million.

On 10 May 2024, the subsidiary VARD signed a contract for the design and construction of two CSOVs with an international customer in Taiwan.

On 15 May 2024, following the announcement made on 9 May 2024, Fincantieri published the information document relating to the major transaction with a related party concerning Fincantieri's acquisition of the UAS business line of Leonardo S.p.A.

On 20 May 2024, Fincantieri and EDGE, one of the world's leading advanced technology and defence groups, signed an agreement formalising the launch of MAESTRAL, the joint venture (JV) created between the two companies in the Abu Dhabi-based shipbuilding industry. The JV will seize global opportunities for the design and production of advanced naval vessels. EDGE holds a 51% stake in the JV, with pre-emption rights for non-NATO orders along with a number of strategic orders

placed by selected NATO member states, with a commercial order pipeline worth an estimated euro 30 billion. The signing of the agreement was followed by the announcement of a major order for 10 technologically advanced 51-metre Offshore Patrol Vessels (OPVs) by the UAE Coast Guard Forces, worth euro 400 million. The 51-metre OPVs of the P51MR class, based on the tried and tested Saettia class, are state-of-the-art units that stand out for their high modularity, stability in rough sea conditions, low radar signature and high operational flexibility.

On 24 May 2024, the US Department of Defence awarded the US subsidiary FMG the contract, worth over USD 1 billion, to build the fifth and sixth 'Constellation' class frigates for the US Navy. The contract for the first frigate and the option for 9 further ships, signed in 2020, has a total value of approximately USD 5.5 billion and includes after-sales support and crew training.

On the same date, as part of the Mare Aperto 24/Polaris exercise, a test was carried out, the result of a partnership between Fincantieri and DEAS S.p.A., a key player in the development of the offensive capabilities of the armed forces in cyberspace. This exercise took place in the Tyrrhenian Sea aboard the Italian Navy's aircraft carrier Cavour, and was aimed at testing the cyber resilience of the platform system networks. In particular, the crews of the Italian and French navies were able to estimate how much a cyberattack might affect the operation of naval platforms, both civil and military, and the achievement of the mission.

On 4 June 2024, Fincantieri signed an agreement with iGenius, an Italian scale-up active in the field of research and development of Generative Artificial Intelligence technologies, aimed at establishing a partnership for the development of AI systems based on an entirely Italian platform. The partnership, which aims to combine iGenius' experience in the development and creation of AI models with Fincantieri's know-how as a systems integrator in all value-added sectors of the shipbuilding industry, will be developed through the identification of practical applications in both the civil and defense sectors, starting with support for the analysis of data acquired by Fincantieri's Omega 360 radar. This operation is part of the Artificial Intelligence development plan that Fincantieri is pursuing with the aim of strengthening its control of a technology with high development potential, evaluating solutions capable of improving the performance, safety and efficiency of its products and processes.

The aforementioned events had no impact on the valuations prepared for the purpose of preparing the Financial Statements.

Annex 1

COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION

Business activity	Registered office	Countries in which they operate	Share Capital	% interest held	% consolidated by Group
Subsidiaries consolidated line-by-line					
BACINI DI PALERMO S.p.A. <i>Dry-dock management</i>	Palermo	Italy	EUR 1,032,000	100	Fincantieri S.p.A. 100.00%
GESTIONE BACINI LA SPEZIA S.p.A. <i>Dry-dock management</i>	La Spezia	Italy	EUR 260,000	100	Fincantieri S.p.A. 99.89%
ISOTTA FRASCHINI MOTORI S.p.A. <i>Design, construction, sales and after-sales service for engines</i>	Bari	Italy	EUR 3,300,000	100	Fincantieri S.p.A. 100.00%
FINCANTIERI HOLDING B.V. <i>Holding company for foreign investments</i>	Netherlands	Netherlands	EUR 9,529,385	100	Fincantieri S.p.A. 100.00%
FINCANTIERI INDIA Pte. Ltd. <i>Design, technical support and marketing</i>	India	India	INR 10,500,000	99 1	FINCANTIERI HOLDING B.V. Fincantieri S.p.A. 100.00%
SOCIETÀ PER L'ESERCIZIO DI ATTIVITÀ FINANZIARIE - S.E.A.F. S.p.A. <i>Financing of industrial, commercial and financial enterprises</i>	Trieste	Italy	EUR 6,562,000	100	Fincantieri S.p.A. 100.00%
FINCANTIERI SI S.p.A. <i>Electric, electronic and electromechanical industrial solutions</i>	Trieste	Italy France	EUR 500,000	100	SOCIETÀ PER L'ESERCIZIO DI ATTIVITÀ FINANZIARIE - S.E.A.F. S.p.A. 100.00%
FINCANTIERI SI IMPIANTI S.c.a.r.l. <i>Electric, electronic and electromechanical industrial solutions</i>	Milan	Italy	EUR 20,000	60	FINCANTIERI SI S.p.A. 60.00%
Power4Future S.p.A. <i>Design, production and installation of electricity storage products</i>	Calderara di Reno (BO)	Italy	EUR 3,200,000	52	Fincantieri SI S.p.A. 52.00%
BOP6 S.c.a.r.l. in liquidation <i>In liquidation</i>	Trieste	Italy France	EUR 40,000	5 95	Fincantieri S.p.A. Fincantieri SI S.p.A. 100.00%
FINCANTIERI AUSTRALIA Pty Ltd. <i>Trade activities</i>	Australia	Australia	AUD 2,400,100	100	Fincantieri S.p.A. 100.00%
FINCANTIERI SERVICES MIDDLE EAST LLC <i>Project management services</i>	Qatar	Qatar	EUR 200,000	100	Fincantieri S.p.A. 100.00%
FINCANTIERI (SHANGHAI) TRADING Co. Ltd. <i>Engineering design, consulting and development</i>	China	China	CNY 35,250,000	100	Fincantieri S.p.A. 100.00%
FINCANTIERI DRAGAGGI ECOLOGICI S.p.A. <i>Eco-dredging, construction and maintenance of river, lake and maritime works</i>	Rome	Italy	EUR 500,000	55	Fincantieri S.p.A. 55.00%
MTM s.c.a.r.l. <i>Maintenance and repair of "Mose" plant bulkheads</i>	Venice	Italy	EUR 100,000	41	Fincantieri S.p.A. 41.00%
FINCANTIERI SERVICES DOHA LLC <i>Maintenance of waterborne transport vessels</i>	Qatar	Qatar	QAR 18,400,000	100	Fincantieri S.p.A. 100.00%
TEAM TURBO MACHINES SAS <i>Repair, maintenance and installation of gas turbines</i>	France	France	EUR 250,000	85	Fincantieri S.p.A. 100.00%
MARINE INTERIORS S.p.A. <i>Ship interiors</i>	Trieste	Italy Romania and Norway	EUR 1,000,000	100	Fincantieri S.p.A. 100.00%
MARINE INTERIORS CABINS S.p.A. <i>Ship interiors</i>	Trieste	Italy Norway	EUR 5,120,000	100	Marine Interiors S.p.A. 100.00%
MI S.p.A. <i>Ship interiors</i>	Trieste	Italy France	EUR 50,000	100	Marine Interiors S.p.A. 100.00%
SEAENERGY - A MARINE INTERIORS COMPANY S.r.l. <i>Ship interiors</i>	Pordenone	Italy Romania	EUR 50,000	80	Marine Interiors S.p.A. 80.00%
OPERAIE - A MARINE INTERIORS COMPANY <i>Ship interiors</i>	Trieste	Italy	EUR 50,000	85	Marine Interiors S.p.A. 85.00%
Fincantieri Naval Services - Sole Proprietorship LLC <i>Sale, management, operation, repair and maintenance of ships, technology and materials and ancillary activities</i>	Abu Dhabi	United Arab Emirates	AED 8,000,000	100	Fincantieri S.p.A. 100.00%
FINCANTIERI INFRASTRUCTURE S.p.A. <i>Production, marketing and installation of metal products and carpentry</i>	Trieste	Italy Romania	EUR 500,000	100	Fincantieri S.p.A. 100.00%
FINCANTIERI INFRASTRUCTURE USA Inc. <i>Holding company</i>	USA	USA	USD 100	100	Fincantieri Infrastructure S.p.A. 100.00%
FINCANTIERI INFRASTRUCTURE FLORIDA Inc. <i>Legal activities</i>	USA	USA	USD 100	100	Fincantieri Infrastructure USA Inc. 100.00%
FINCANTIERI INFRASTRUCTURE OPERE MARITTIME S.p.A. <i>Design, construction, maintenance, supply of civil, maritime, port, hydraulic infrastructure</i>	Trieste	Italy	EUR 100,000	100	Fincantieri Infrastructure S.p.A. 100.00%
ORTONA FM Società Consortile a Responsabilità Limitata <i>Design and execution of works for the deepening of the seabed and adaptation of the Riva quay in the port of Ortona</i>	Rome	Italy	EUR 10,000	80	Fincantieri Infrastruttura Opere Marittime S.p.A. 80.00%
FINCANTIERI INFRASTRUTTURE SOCIALI S.p.A. <i>Construction of buildings and supply of technological systems</i>	Florence	Italy, France, Chile, S. Marteen, Greece, Qatar	EUR 20,000,000	90	Fincantieri Infrastructure S.p.A. 90.00%

SOF S.p.A. <i>Installation, conversion, maintenance and operation of plants</i>	Florence	Italy	EUR	5,000,000	100	Fincantieri Infrastrutture S.p.A.	SOciali S.p.A.	90.00%
ERGON PROJECTS Ltd. <i>Construction</i>	Malta	Malta	EUR	1,400,000	99	Fincantieri Infrastrutture S.p.A.	SOciali S.p.A.	90.00%
FINSO ALBANIA S.h.p.k. <i>Design and construction of healthcare buildings and infrastructure</i>	Albania	Albania	LEK	4,000,000	100	Fincantieri Infrastrutture S.p.A.	SOciali S.p.A.	90.00%
CONSTRUCTORA FINSO CHILE S.p.A. <i>Administrative activities for infrastructure implementation</i>	Chile	Chile	CLP	10,000,000	100	Fincantieri Infrastrutture S.p.A.	SOciali S.p.A.	90.00%
EMPOLI SALUTE GESTIONE S.c.a.r.l. <i>Non-medical support services, management of retail space</i>	Florence	Italy	EUR	50,000	95	Fincantieri Infrastrutture S.p.A.	SOciali S.p.A.	89.55%
FINCANTIERI NEXTECH S.p.A. <i>Automation systems</i>	Milan	Italy Switzerland	EUR	12,000,000	100	Fincantieri S.p.A.	SOciali S.p.A.	100.00%
E-PHORS S.p.A. <i>Design, production of products or services in the field of cyber security</i>	Milan	Italy	EUR	500,000	100	Fincantieri NexTech S.p.A.	SOciali S.p.A.	100.00%
REICOM S.r.l. <i>Design, development, supply, installation and maintenance for on-board systems</i>	Milan	Italy	EUR	600,000	100	Fincantieri NexTech S.p.A.	SOciali S.p.A.	100.00%
C.S.I. CONSORZIO STABILE IMPIANTI S.r.l. in liquidation <i>In liquidation</i>	Milan	Italy	EUR	40,000	75.65	Fincantieri NexTech S.p.A.	SOciali S.p.A.	75.65%
HMS IT S.p.A. <i>Design, supply and integration of IT technology infrastructures</i>	Rome	Italy	EUR	1,500,000	100	Fincantieri NexTech S.p.A.	SOciali S.p.A.	100.00%
MARINA BAY S.A. <i>Industrial, commercial, financial, property and real estate transactions</i>	Luxembourg	Luxembourg	EUR	31,000	100	Fincantieri NexTech S.p.A.	SOciali S.p.A.	100.00%
S.L.S. - SUPPORT LOGISTIC SERVICES S.r.l. <i>Design and construction of electronic and telecommunication systems</i>	Guidonia Montecelio (RM)	Italy	EUR	131,519	100	IDS Ingegneria Dei Sistemi S.p.A.	SOciali S.p.A.	100.00%
ISSEL NORD S.r.l. <i>Production and supply of means and services related to integrated logistic support</i>	Follo (SP)	Italy	EUR	400,000	100	Fincantieri NexTech S.p.A.	SOciali S.p.A.	100.00%
CENTRO PER GLI STUDI DI TECNICA NAVALE – CETENA S.p.A. <i>Ship research and experimentation</i>	Genoa	Italy	EUR	1,000,000	86.1	Fincantieri NexTech S.p.A.	SOciali S.p.A.	86.10%
IDS Ingegneria Dei Sistemi S.p.A. <i>Design, production and maintenance of systems for civil-military applications</i>	Pisa	Italy	EUR	13,200,000	100	Fincantieri NexTech S.p.A.	SOciali S.p.A.	100.00%
IDS Ingegneria Dei Sistemi (UK) Ltd. <i>Design, production and maintenance of systems for civil-military applications</i>	United Kingdom	United Kingdom	GBP	180,000	100	IDS Ingegneria Dei Sistemi S.p.A.	SOciali S.p.A.	100.00%
IDS Australasia PTY Ltd. <i>Design, production and maintenance of systems for civil-military applications</i>	Australia	Australia	AUD	100,000	100	IDS Ingegneria Dei Sistemi S.p.A.	SOciali S.p.A.	100.00%
IDS North America Ltd. <i>Design, production and maintenance of systems for civil-military applications</i>	Canada	Canada	CAD	5,305,000	100	IDS Ingegneria Dei Sistemi S.p.A.	SOciali S.p.A.	100.00%
IDS Korea Co. Ltd. <i>Design, production and maintenance of systems for civil-military applications</i>	South Korea	South Korea	KRW	434,022,000	100	IDS Ingegneria Dei Sistemi S.p.A.	SOciali S.p.A.	100.00%
IDS Technologies US Inc. in liquidation <i>In liquidation</i>	USA	USA	USD	-	100	IDS Ingegneria Dei Sistemi S.p.A.	SOciali S.p.A.	100.00%
Rob.Int S.r.l. <i>Design of air, naval and land vehicles</i>	Pisa	Italy	EUR	100,000	100	IDS Ingegneria Dei Sistemi S.p.A.	SOciali S.p.A.	100.00%
TRS SISTEMI S.r.l. <i>Provision of IT services</i>	Rome	Italy	EUR	90,000	100	IDS Ingegneria Dei Sistemi S.p.A.	SOciali S.p.A.	100.00%
Skytech Italia S.r.l. <i>Implementation of IT systems</i>	Rome	Italy	EUR	90,000	100	IDS Ingegneria Dei Sistemi S.p.A.	SOciali S.p.A.	100.00%
Flytop S.r.l. in liquidation <i>In liquidation</i>	Rome	Italy	EUR	50,000	100	IDS Ingegneria Dei Sistemi S.p.A.	SOciali S.p.A.	100.00%
REMAZEL ENGINEERING S.p.A. <i>Engineering, procurement and production activities in offshore, crane and gas turbine manufacturing and after-sales service activities</i>	Milano	Italy	EUR	5,000,000	100	Fincantieri S.p.A.	SOciali S.p.A.	100.00%
REMAZEL ASIA CO. LTD - REMAZEL SHANGHAI TRADING CO LTD. <i>Wholesale supplier of offshore floating wind mechanical equipment</i>	China	China	CNY	1,000,000	100	Remazel Engineering S.p.A.	SOciali S.p.A.	100.00%
REMAZEL SERVICOS DE SISTEMA DE OLEO&GAS, LTDA <i>Service activities for offshore equipment</i>	Brazil	Brazil	BRL	660,909	100	Remazel Engineering S.p.A.	SOciali S.p.A.	100.00%
CREDESCENCE OFFSHORE Pte Ltd. (in creditors' voluntary liquidation procedure) <i>In liquidation</i>	Singapore	Singapore	SGD	1,500,000	53.87	Remazel Engineering S.p.A.	SOciali S.p.A.	53.87%
FINCANTIERI USA HOLDING LLC <i>Holding company</i>	USA	USA	USD	-	100	Fincantieri S.p.A.	SOciali S.p.A.	100.00%
FINCANTIERI USA Inc. <i>Holding company</i>	USA	USA	USD	1,030	65	Fincantieri S.p.A.	SOciali S.p.A.	100.00%
FINCANTIERI Services USA LLC <i>After-sales services</i>	USA	USA	USD	300,001	35	Fincantieri USA Holding LLC	SOciali S.p.A.	100.00%
FINCANTIERI MARINE GROUP HOLDINGS Inc. <i>Holding company</i>	USA	USA	USD	1,028	100	Fincantieri USA Inc.	SOciali S.p.A.	100.00%
					87.44	Fincantieri USA Inc.	SOciali S.p.A.	87.44%

FINCANTIERI MARINE GROUP LLC <i>Shipbuilding and ship repairs</i>	USA	USA	USD	1,000	100	Fincantieri Marine Group Holdings Inc.	87.44%
MARINETTE MARINE CORPORATION <i>Shipbuilding and ship repairs</i>	USA	USA	USD	146,706	100	Fincantieri Marine Group LLC	87.44%
ACE MARINE LLC <i>Building of small aluminium ships</i>	USA	USA	USD	1,000	100	Fincantieri Marine Group LLC	87.44%
FINCANTIERI MARINE SYSTEMS NORTH AMERICA Inc. <i>Sale and after-sale services relating to mechanical products</i>	USA	USA Bahrain	USD	501,000	100	Fincantieri USA Inc.	100.00%
Fincantieri Marine Repair LLC <i>Sale and after-sale services relating to mechanical products</i>	USA	USA	USD	-	100	Fincantieri Marine Systems North America Inc.	100.00%
Fincantieri Marine Systems LLC <i>Sale and after-sale services relating to mechanical products</i>	USA	USA	USD	-	100	Fincantieri Marine Systems North America Inc.	100.00%
FMSNA YK <i>Marine diesel engine maintenance service</i>	Japan	Japan	JPY	3,000,000	100	Fincantieri Marine Systems North America Inc.	100.00%
FINCANTIERI OIL & GAS S.p.A. <i>Exercise, also through companies and entities, of activities in the Oil & Gas industry</i>	Trieste	Italy	EUR	21,000,000	100	Fincantieri S.p.A.	100.00%
ARSENAL S.r.l. <i>IT consultancy services</i>	Trieste	Italy	EUR	10,000	100	Fincantieri Oil & Gas S.p.A.	100.00%
VARD HOLDINGS Ltd. <i>Holding company</i>	Singapore	Singapore	SGD	932,200,000	98.38	Fincantieri Oil & Gas S.p.A.	98.38%
VARD SHIPHOLDING SINGAPORE Pte. Ltd. <i>Charter of boats, ships and barges</i>	Singapore	Singapore	USD	1	100	Vard Holdings Ltd.	98.38%
VARD GROUP AS <i>Shipbuilding</i>	Norway	Norway	NOK	26,795,600	100	Vard Holdings Ltd.	98.38%
SEAONICS AS <i>Offshore handling systems</i>	Norway	Norway	NOK	46,639,721	100	Vard Group AS	98.38%
SEAONICS POLSKA SP. Z O.O. <i>Engineering services</i>	Poland	Poland	PLN	400,000	100	Seaonics AS	98.38%
CDP TECHNOLOGIES AS <i>Technological research and development</i>	Norway	Norway	NOK	500,000	100	Seaonics AS	98.38%
CDP TECHNOLOGIES ESTONIA OÜ <i>Automation and control systems</i>	Estonia	Estonia	EUR	5,200	100	CDP Technologies AS	98.38%
VARD ELECTRO AS <i>Electrical/automation installation</i>	Norway	Norway UK	NOK	1,000,000	100	Vard Group AS	98.38%
VARD ELECTRO ITALY S.r.l. <i>Design and installation of naval electrical systems</i>	Trieste	Italy	EUR	200,000	100	Vard Electro AS	98.38%
VARD ELECTRO ROMANIA S.r.l. (formerly VARD ELECTRO TULCEA S.r.l.) <i>Electrical installation</i>	Romania	Romania	RON	6,333,834	100	Vard Electro AS	98.38%
VARD ELECTRICAL INSTALLATION AND ENGINEERING (INDIA) Pvt. Ltd. <i>Electrical installation</i>	India	India	INR	14,000,000	99.50 0.50	Vard Electro AS Vard Electro Romania S.r.l. (formerly Vard Electro Tulcea S.r.l.)	98.38%
VARD ELECTRO BRAZIL (INSTALAÇÕES ELETRICAS) Ltda. <i>Electrical installation</i>	Brazil	Brazil	BRL	3,000,000	99 1	Vard Electro AS Vard Group AS	98.38%
VARD PROMAR SA <i>Shipbuilding</i>	Brazil	Brazil	BRL	1,109,108,180	99.99 0.001	Vard Group AS Vard Electro Brazil Ltda.	98.38%
Vard Niteroi RJ S.A. (formerly FINCANTIERI DO BRASIL PARTICIPAÇÕES SA) <i>Dormant</i>	Brazil	Brazil	BRL	354,887,790	99.99 0.01	Vard Group AS Vard Electro Brazil (Instalacoes Eletricas) Ltda	98.38%
VARD INFRAESTRUTURA Ltda. <i>Dormant</i>	Brazil	Brazil	BRL	10,000	99.99 0.01	Vard Promar SA Vard Group AS	98.38%
ESTALEIRO QUISSAMÁ Ltda. <i>Dormant</i>	Brazil	Brazil	BRL	400,000	50.50 49.50	Vard Group AS Vard Promar SA	98.38%
VARD ELECTRO CANADA Inc. <i>Installation and integration of electrical systems</i>	Canada	Canada	CAD	100,000	100	Vard Electro AS	98.38%
VARD ELECTRO US Inc. <i>Installation and integration of electrical systems</i>	USA	USA	USD	10	100	Vard Electro Canada Inc.	98.38%
VARD RO HOLDING S.r.l. <i>Holding company</i>	Romania	Romania	RON	82,573,830	99.995 0.00000126	Vard Group AS Vard Electro AS	98.38%
VARD SHIPYARDS ROMANIA SA (formerly VARD TULCEA SA) <i>Shipbuilding</i>	Romania	Romania	RON	151,606,459	97,1057 2.8943	Vard RO Holding S.r.l. Vard Group AS	98.38%
VARD INTERNATIONAL SERVICES S.r.l. <i>Dormant</i>	Romania	Romania	RON	100,000	100	Vard Shipyards Romania SA (formerly VARD TULCEA SA)	98.38%
VARD ENGINEERING CONSTANTA S.r.l. <i>Engineering</i>	Romania	Romania	RON	1,408,000	70 30	Vard RO Holding S.r.l. Vard Shipyards Romania SA (formerly VARD TULCEA SA)	98.38%
VARD SINGAPORE Pte. Ltd. <i>Sales and holding company</i>	Singapore	Singapore	USD	6,000,000	100	Vard Group AS	98.38%
VARD VUNG TAU Ltd. <i>Shipbuilding</i>	Vietnam	Vietnam	USD	9,240,000	100	Vard Singapore Pte. Ltd.	98.38%
Vard Interiors AS (formerly Vard Accommodation AS) <i>Ship accommodation installation</i>	Norway	Norway	NOK	500,000	100	Vard Group AS	98.38%
Vard Interiors Romania S.r.l. (formerly Vard Accommodation Tulcea S.r.l.) <i>Ship accommodation installation</i>	Romania	Romania Italy	RON	436,000	99.77 0.23	Vard Interiors AS (formerly Vard Accommodation AS) Vard Electro Romania S.r.l.	98.38%
VARD DESIGN AS <i>Design and engineering</i>	Norway	Norway	NOK	4,000,000	100	Vard Group AS	98.38%

VARD DESIGN LIBURNA Ltd. <i>Design and engineering</i>	Croatia	Croatia	EUR	2,654	51	Vard Design AS	50.17%
VARD MARINE GDANSK Sp. Z o. o. <i>Offshore design and engineering</i>	Poland	Poland	PLN	50,000	100	Vard Group AS	98.38%
VARD MARINE INC. <i>Design and engineering</i>	Canada	Canada	CAD	9,783,700	100	Vard Group AS	98.38%
VARD MARINE US INC. <i>Design and engineering</i>	USA	USA	USD	1,010,000	100	Vard Marine Inc.	98.38%
Joint ventures consolidated using the equity method							
ORIZZONTE SISTEMI NAVALI S.p.A. <i>Provision of naval surface vessels equipped with weapons systems</i>	Genoa	Italy Algeria	EUR	20,000,000	51	Fincantieri S.p.A.	51.00%
ETIHAD SHIP BUILDING LLC <i>Design, production and sale of civilian and naval ships</i>	United Arab Emirates	United Arab Emirates	AED	2,500,000	35	Fincantieri S.p.A.	35.00%
NAVIRIS S.p.A. <i>Design and manufacture of ships for naval or government use</i>	Genoa	Italy	EUR	5,000,000	50	Fincantieri S.p.A.	50.00%
NAVIRIS FRANCE SAS <i>Shipbuilding</i>	France	France	EUR	100,000	100	Naviris S.p.A.	50.00%
CSSC - FINCANTIERI CRUISE INDUSTRY DEVELOPMENT LIMITED <i>Design and marketing of cruise ships</i>	China	China	EUR	140,000,000	40	Fincantieri S.p.A.	40.00%
CSSC - FINCANTIERI (SHANGHAI) CRUISE DESIGN LIMITED <i>Engineering, Project Management and Supply Chain Management</i>	China	China	RMB	1,000,000	100	CSSC - Fincantieri Cruise Industry Development Limited	40.00%
CONSORZIO F.S.B. <i>Construction</i>	Marghera (VE)	Italy	EUR	15,000	58.36	Fincantieri S.p.A.	58.36%
BUSBAR4F S.c.a.r.l. <i>Complete execution of contract ITER BUSBARF4</i>	Trieste	Italy France	EUR	40,000	10 50	Fincantieri S.p.A. Fincantieri SI S.p.A.	60.00%
4TCC1 - società consortile a r.l. <i>Complete execution of the Tokamak Complex Contract</i>	Trieste	Italy France	EUR	100,000	5 75	Fincantieri S.p.A. Fincantieri SI S.p.A.	80.00%
4B3 S.c.a.r.l. <i>Complete execution of contract BOP3</i>	Trieste	Italy France	EUR	50,000	2.50 52.50	Fincantieri S.p.A. Fincantieri SI S.p.A.	55.00%
4TB13 S.c.a.r.l. <i>Dormant</i>	Trieste	Italy France	EUR	50,000	55	Fincantieri SI S.p.A.	55.00%
FINMESA S.c.a.r.l. in liquidation <i>In liquidation</i>	Milan	Italy	EUR	20,000	50	Fincantieri SI S.p.A.	50.00%
Ersma 2026 S.c.a.r.l. <i>Demolition and dismantling of buildings and other structures</i>	Piacenza	Italy	EUR	10,000	20	Fincantieri SI S.p.A.	20.00%
FINCANTIERI CLEA BUILDINGS S.c.a.r.l. in liquidation <i>In liquidation</i>	Milan	Italy	EUR	10,000	51	Fincantieri Infrastruttura S.p.A.	51.00%
PERGENOVA S.c.p.a. in liquidation <i>In liquidation</i>	Genoa	Italy	EUR	1,000,000	50	Fincantieri Infrastruttura S.p.A.	50.00%
Darsena Europa S.c.a.r.l. <i>Execution of the Europa Platform of the Port of Livorno</i>	Rome	Italy	EUR	10,000	26	Fincantieri Infrastruttura Opere Marittime S.p.A.	26.00%
Nuovo Santa Chiara Hospital S.c.a.r.l. <i>Construction of hospital buildings</i>	Florence	Italy	EUR	300,000	50	Fincantieri Infrastrutture SOciali S.p.A.	45.00%
VIMERCATE SALUTE GESTIONI S.c.a.r.l. <i>Other business support service activities n.e.c.</i>	Milan	Italy	EUR	10,000	3.65 49.10	SOF S.p.A. Fincantieri Infrastrutture SOciali S.p.A.	47.48%
4TB21 Società consortile a r.l. <i>Unitary execution of the framework agreement for the TOKAMAK Complex Contract – TB21</i>	Trieste	Italy	EUR	100,000	51	Fincantieri S.p.A.	51.00%
Associates consolidated using the equity method							
CENTRO SERVIZI NAVALI S.p.A. <i>Processing and production of metal products</i>	San Giorgio di Nogaro (Udine)	Italy	EUR	5,620,618	10.93	Fincantieri S.p.A.	10.93%
GRUPPO PSC S.p.A. <i>Design and installation of systems</i>	Maratea (PZ)	Italy, Qatar, Romania, Colombia, Spain	EUR	1,431,112	10	Fincantieri S.p.A.	10%
DECOMAR S.p.A. <i>Development of innovative solutions for environmental restoration</i>	Massa (MS)	Italy	EUR	2,500,000	20	Fincantieri S.p.A.	20%
DIDO S.r.l. <i>Activities in the field of decision intelligence</i>	Milan	Italy	EUR	142,801	30	Fincantieri S.p.A.	30%
PRELIOS SOLUTIONS & TECHNOLOGIES S.r.l. <i>Realization and management of technological installations in the industrial, civil and defence sectors</i>	Milan	Italy	EUR	50,000	49	Fincantieri NexTech S.p.A.	49%
STARS Railway Systems <i>Production of radar products for railway safety</i>	Rome	Italy	EUR	300,000	48 2	IDS Ingegneria Dei Sistemi S.p.A. TRS Sistemi S.r.l.	50%
ITS Integrated Tech System S.r.l. <i>Dormant</i>	La Spezia	Italy	EUR	10,000	51	Rob.Int s.r.l.	51%
MC4COM - MISSION CRITICAL FOR COMMUNICATIONS SOCIETA' CONSORTILE S.r.l. <i>Implementation of integrated telecommunications systems</i>	Milan	Italy	EUR	10,000	50	HMS IT S.p.A.	50%
UNIFER NAVALE S.r.l. in liquidation <i>In liquidation</i>	Finale Emilia (MO)	Italy	EUR	150,000	20	SOCIETÀ PER L'ESERCIZIO DI ATTIVITÀ FINANZIARIE - S.E.A.F. S.p.A.	20%

2F PER VADO S.c.a.r.l. <i>Execution of works for the construction of the "New VadoGenoa Ligure Breakwater"</i>	Italy	EUR	10,000	49	Fincantieri Infrastrutture Opere Marittime S.p.A.	49%	
Città Salute Ricerca Milano S.p.A. <i>Construction activities and other civil engineering works n.e.c.</i>	Milan	Italy	EUR	5,000,000	30	Fincantieri Infrastrutture SOciali S.p.A.	27%
Cisar Costruzioni S.c.a.r.l. <i>Design and execution activities</i>	Milan	Italy	EUR	100,000	30	Fincantieri Infrastrutture SOciali S.p.A.	27%
Note Gestione S.c.a.r.l. <i>Installation of plumbing in buildings</i>	Reggio Emilia	Italy	EUR	20,000	34	SOF S.p.A.	30.60%
S.Ene.Ca Gestioni S.c.a.r.l. <i>Other business support service activities</i>	Florence	Italy	EUR	10,000	49	SOF S.p.A.	44.10%
Hospital Building Technologies S.c.a.r.l. <i>Sale and purchase of own real estate</i>	Florence	Italy	EUR	10,000	20	SOF S.p.A.	18%
Bioteca soc. cons. a r.l. <i>Performance of supply and installation contracts for furniture and furnishings</i>	Carpi (MO)	Italy	EUR	100,000	33	SOF S.p.A.	30%
Energetika S.c.a.r.l. <i>Dormant</i>	Florence	Italy	EUR	10,000	40	SOF S.p.A.	36%
PerGenova Breakwater <i>Construction of the new breakwater for the port of GenoaGenoa within the Sampierdarena basin</i>	Italy	EUR	10,000	25	Fincantieri Infrastrutture Opere Marittime S.p.A.	25%	
BREVIK TECHNOLOGY AS <i>Technology licences and patents</i>	Norway	Norway	NOK	1,050,000	34	Vard Group AS	33.45%
SOLSTAD SUPPLY AS (formerly REM SUPPLY AS) <i>Shipowner</i>	Norway	Norway	NOK	345,003,000	26.66	Vard Group AS	26.23%
ISLAND OFFSHORE XII SHIP AS <i>Shipowner</i>	Norway	Norway	NOK	404,097,000	42.20	Vard Group AS	41.52%
ISLAND DILIGENCE AS <i>Shipowner</i>	Norway	Norway	NOK	17,012,500	39.38	Vard Group AS	38.74%
CASTOR DRILLING SOLUTION AS <i>Offshore drilling technology</i>	Norway	Norway	NOK	229,710	34.13	Seaonics AS	33.58%
CSS DESIGN LIMITED <i>Design and engineering</i>	United Kingdom	United Kingdom	GBP	100	31	Vard Marine Inc.	30.50%
REMAC S.r.l. <i>Machinery construction activities</i>	Trieste	Italy	EUR	200,000	49	Remazel Engineering S.p.A.	49.00%

The Manager Responsible for Preparing Financial Reports, Felice Bonavolontà, declares, pursuant to paragraph 2 of article 154 bis of Italian Legislative Decree no. 58 dated February 24, 1998, that the financial information contained in this Interim Financial Report corresponds to the underlying documentary and accounting books and records.

Independent Auditor's Report

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of
Fincantieri S.p.A.

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Fincantieri S.p.A. and subsidiaries (the “Fincantieri Group”), which comprise the consolidated statement of financial position as of March 31, 2024, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows and related explanatory notes. The Directors are responsible for the preparation of these interim condensed consolidated financial statements in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with *International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”*. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim condensed consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements of the Fincantieri Group as at March 31, 2024 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union.

Other matter

Financial information for the period ended March 31, 2023, included for comparative purposes only, have not been audited or reviewed.

DELOITTE & TOUCHE S.p.A.

Signed by
Barbara Moscardi
Partner

Udine, Italy
June 11, 2024

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

Glossary

1 - Operating activities

Shipowner

Person who operates the ship, regardless of whether they are the owner or not.

Dry-dock

Tank housing ships under construction or in for repair.

Order backlog

Residual value of orders not yet completed. This is calculated as the difference between the total value of the order (including any order modifications and additions) and the accumulated value of "Construction contracts and client advances" at the reporting date.

Merchant Ships

Vessels intended for the development of commercial activities, mainly involving passenger transport. Examples are cruise ships, ferries (whether for transporting only vehicles or vehicles and passengers), container ships, oil tankers, solid and liquid bulk carriers, etc.

Naval vessels

Vessels for military use such as combat surface ships (aircraft carriers, destroyers, frigates, corvettes, patrol vessels), as well as auxiliary ships and submarines.

Order intake

Value of new ship orders, order modifications and additions acquired by the Company during each financial year.

Order book

Value of orders for main contracts, order modifications and additions not yet delivered or executed.

Soft Backlog

Value of contract options, existing letters of intent and projects at an advanced stage of negotiation, not yet reflected in the order backlog.

Total order book

This is calculated as the sum of the Order book and the Soft backlog.

Total backlog

This is calculated as the sum of the Order backlog and the Soft backlog.

Refitting/Refurbishment

Activity aimed at "bringing back into use" obsolete vessels or vessels that have become unsuitable due to changes in rules and/or regulations.

GRT - Gross Registered Tonnage

Unit of measurement of the volume of a vessel; this includes all the internal volumes of the vessel, including the engine room, fuel tanks and crew areas. It is measured from the external surface of the bulkheads.

CGT - Compensated Gross Tonnage

An international unit of measurement that provides a common yardstick for assessing the commercial output of shipbuilding activity. It is calculated from the GRT taking into account the type and size of vessel.

2 - Administration and Finance**Impairment test**

Activity carried out by the Company to assess, at each year-end reporting date, whether there is any indication that an asset may be impaired and to estimate its recoverable amount.

Business combination

Merger of separate entities of company activities into a single reporting entity.

Net fixed capital

Indicates the fixed capital employed for ordinary operations, which includes the items: Intangible assets, Rights of use, Property, plant and equipment, Investments, Non-current financial assets and Other assets (including the fair value of derivatives classified in Non-current financial assets) net of Employee benefits.

Net working capital

This indicates the capital employed in ordinary operations which includes Inventories and advances, Construction contracts and client advances, Trade receivables, Trade payables, Provisions for risks and charges and Other current assets and liabilities (including Income tax assets, Income tax liabilities, Deferred tax assets and Deferred tax liabilities, as well as the fair value of derivatives classified in Current financial assets).

Net invested capital

Represents the sum of Net fixed capital, Net working capital and Assets held for sale.

CGU

Acronym for Cash Generating Unit. This is the smallest identifiable group of company assets that generates cash inflows that are independent of the cash inflows generated by other assets.

EBIT

Acronym for Earnings Before Interest and Taxes. It is defined as: Profit/(loss) for the year adjusted for the following items (i) Taxes, (ii) Share of profit of investments accounted for using the equity method, (iii) Income/(expenses) from equity investments, (iv) Financial expenses, (v) Financial income, (vi) Provisions for costs and legal expenses related to asbestos litigation, and (vii) Other non-recurring income and expenses.

EBITDA

Acronym for Earnings Before Interest, Taxes, Depreciation and Amortization. It is defined as: Profit/(loss) for the year before taxes, before financial income and expenses, before income and expenses from investments and before depreciation, amortization and impairment, as reported in the financial statements, adjusted by the following items: i) provisions for costs and legal expenses associated with lawsuits brought by employees for asbestos-related damages, ii) costs relating to reorganization plans and other non-recurring personnel costs, iv) other extraordinary income and expenses.

Fair value

Fair value, defined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

IAS/IFRS

Acronyms for the International Accounting Standards and International Financial Reporting Standards, respectively, adopted by the Group.

Net expenditure/disposals

They represent investments and disposals of tangible and intangible assets, equity investments and other non-operating net investments.

Operating investments

They represent investments in tangible and intangible assets excluding those resulting from the acquisition of a business combination allocated to tangible or intangible assets.

Net financial position

Reclassified statement of financial position which includes:

- Net current cash/(debt): cash and cash equivalents, current financial assets, current financial payables and current portion of medium/long-term loans;
- Non-current debt: non-current bank debt and other debt instruments.

Statement of cash flows

A statement that examines all the flows that led to a change in cash and cash equivalents, up to the determination of the "Net cash flows for the period", as the difference between the income and expenditure for the period considered.

Revenue

The item Revenue on the Income Statement includes revenues accrued on construction contracts and miscellaneous sales of products and services.

Revenues and income excluding pass-through activities

The item Revenues and income excluding pass-through activities: these exclude the portion of revenues that relates to sales contracts with pass-through activities and which have a contra-entry in the cost item; pass-through activities are those contracts for which the Company invoices the entire contractual amount to the end customer but does not directly manage the construction contract.

Basic or diluted earnings per share

Basic earnings per share is calculated by dividing the profit or loss for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

The calculation of diluted earnings per share is consistent with the calculation of basic earnings per share, but takes into account all ordinary shares with potential dilutive effects outstanding during the period, i.e.:

- profit or loss attributable to ordinary shares is increased by the after-tax amount of dividends and interest recognized in the period in respect of ordinary shares with potential dilutive effects and adjusted for any other changes in income or expenses resulting from the conversion of the ordinary shares with potential dilutive effects;
- the weighted average number of ordinary shares outstanding is increased by the weighted average number of additional ordinary shares that would be outstanding if all ordinary shares with potential dilutive effects were converted.

WACC

Acronym for Weighted Average Cost of Capital. This represents the average cost of the company's different sources of funding, both in the form of debt and equity.

FINCANTIERI

Parent Company

Registered office Via Genova no. 1 - 34121 Trieste - Italy

Tel: +39 040 3193111 Fax: +39 040 3192305

<http://www.fincantieri.com>

Share Capital Euro 862,980,725.70

Trieste Company Registry and Tax No. 00397130584

VAT No. 00629440322