THE ITALIAN SEA GROUP

CONSOLIDATED HALF-YEAR FINANCIAL REPORT AT 30 JUNE 2024

EXECUTIVE SUMMARY

This document is an English translation from Italian.

The Italian original shall prevail in case of differences in interpretation and/or factual errors.

CONSOLIDATED HALF-YEAR FINANCIAL REPORT AT 30 JUNE 2024

DRAFTED ACCORDING TO THE IAS/IFRS ACCOUNTING PRINCIPLES. VALUES IN THOUSANDS OF EUROS

INTRODUCTION

This **Consolidated Half-Year Financial Report as at 30 June 2024** (the "**Report**") has been prepared pursuant to Article 154-*ter* of Legislative Decree No. 58/1998 and includes the Consolidated Half-Year Financial Report on Operations, the Consolidated Half-Year Financial Statements as at 30 June 2024 and the Certification required by Article 154-*bis* of Legislative Decree No. 58/1998.

The consolidated half-yearly report is prepared in accordance with the **International Accounting Standards** (IAS/IFRS) applicable pursuant to EC Regulation No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 and in particular IAS 34 - "Interim Financial Reporting". The structure and content of the reclassified accounts contained in the Consolidated Half-Year Financial Report and the mandatory schedules included in this Report are in line with those prepared in the Annual Financial Statements.

The notes to the financial statements have been prepared in accordance with the contents prescribed by IAS 34 - "Interim Financial Reporting", also taking into account the instructions provided by Consob in its Communication No. 6064293 of 28 July 2006. The information content of this Report is therefore not comparable to that of a complete set of financial statements within the meaning of IAS 1. Figures may in some cases have rounding errors due to the representation in thousands; please note that changes and percentage incidences are calculated on figures expressed in thousands and not on the rounded ones expressed in millions.

SUMMARY & GENERAL INFORMATION

Name: The Italian Sea Group S.p.A. ("**TISG S.p.A.**")

Registered office: Viale Cristoforo Colombo, 4-bis, 54033 Marina di Carrara (MS)

Tax Code: 00096320452

Number of registration in the Register of Companies of Carrara - Economic and Administrative Index: no. 65218

CORPORATE AND CONTROL BODIES

BOARD OF DIRECTORS

The board of Directors of TISG will be in office until the approval of the Annual Financial Statements as at 31 December 2025.

Simona Del Re
Chairwoman of the BoD

Giovanni Costantino
Chief Executive Officer

Marco Carniani
Vice Chairman of the BoD

Gianmaria Costantino
Director

Antonella Alfonsi
Independent Director

Laura Angela Tadini
Independent Director

Fulvia Tesio
Independent Director

CONTROL, RISK, SUSTAINABILITY & RELATED PARTIES COMMITTEE

Antonella Alfonsi	*Chair*
Fulvia Tesio	*Standing Member*
Laura Angela Tadini	*Standing Member*

APPOINTMENT AND REMUNERATION COMMITTEE

Fulvia Tesio	*Chair*
Antonella Alfonsi	*Standing Member*
Laura Angela Tadini	*Standing Member*

BOARD OF STATUTORY AUDITORS

Alfredo Pascolin	*Chair*
Barbara Bortolotti	*Standing Auditor*
Felice Simbolo	*Standing Auditor*
Sofia Rampolla	*Alternate Auditor*
Roberto Scialdone	*Alternate Auditor*

SUPERVISORY BODY PURSUANT TO LEGISLATIVE DECREE 231/01

Annalisa De Vivo	*Chair*
Carlo De Luca	*Member*
Felice Simbolo	*Member*

INDIPENDENT AUDITORS

BDO Italia S.p.A

MANAGER RESPONSIBLE FOR PREPARING FINANCIAL REPORTS

Marco Carniani

GROUP PROFILE AND STRUCTURE

The Italian Sea Group S.p.A. ("TISG" or "Group") is a global player in luxury yachting, listed on Euronext STAR Milan and committed in the design, construction and refit of motor yachts and sailing yachts up to 140 metres. The Group operates in the newbuilding market under the **Admiral**, **Tecnomar, Perini Navi** and **Picchiotti** brands, and is active in the refit business of large yachts under the **NCA Refit** brand.

In 2023, TISG acquired 100% of **Celi** S.r.l., a prestigious cabinet-making company specialising in interior design, with the aim of internalising a large part of its yacht furnishing requirements and offering clients the maximum customisation and flexibility.

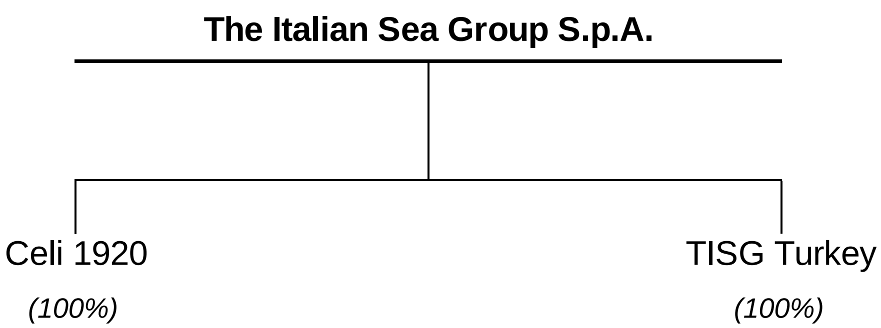
The Italian Sea Group is, according to the Global Order Book 2024 - an international ranking compiled by the prestigious magazine Boat International -, the leading Italian producer of superyachts over 50 metres and the third in the world.

Since its establishment in 2009, TISG has strengthen its presence in the yachting world with a high-end positioning, reinforced not only by the quality and uniqueness of its products, but also through its partnerships with prestigious Italian luxury brands such as Giorgio Armani and Automobili Lamborghini.

TISG has always stood out for its ability to offer its Owners a pure luxury experience, which is expressed in high quality manufacturing processes, attention to detail, state-of-the-art technology and innovative design solutions.

These elements, combined with passion, know-how, professionalism, taste for beauty and art, hospitality and customer care, make the Group's philosophy absolutely unique.

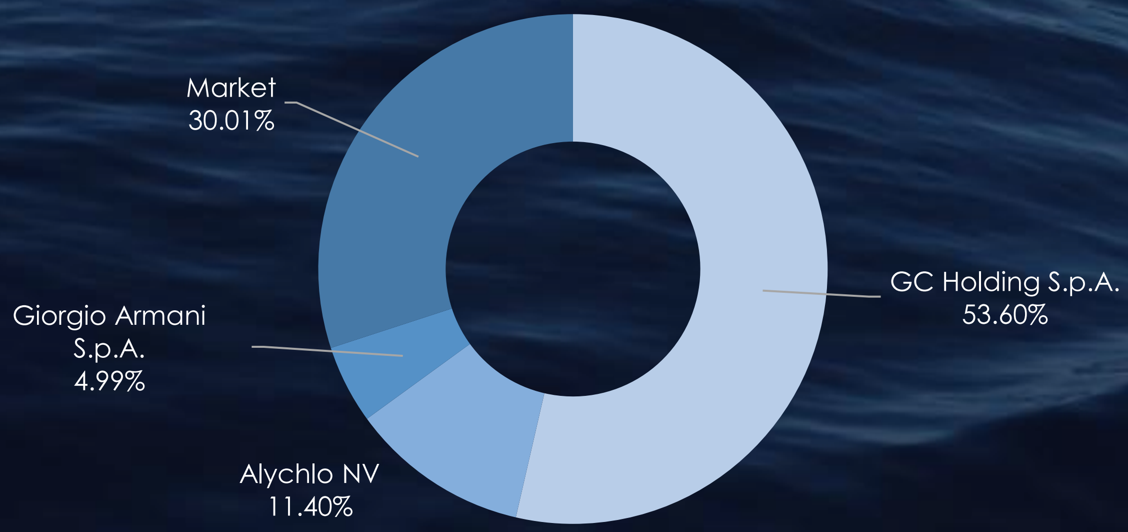
Because of their size as well as technical and stylistic detailing, The Italian Sea Group's yachts address to the client base made of Ultra High Net Worth Individuals ("UHNWI"), a highly resilient market segment.



SHAREHOLDING STRUCTURE

On **3 June 2021**, the offer for sale and subscription of the Parent Company's ordinary shares for the purpose of listing on the *Mercato Telematico Azionario*, organised and managed by Borsa Italiana S.p.A., now known as **Euronext Milan** ("EXM"), was completed, and the **8th of June 2021** represented the first day of trading for the Parent Company's shares.

On 29 July 2024, Borsa Italiana awarded the Group's shares the STAR qualification, admitting them to trading on Euronext Milan's STAR segment as of 6 August 2024.



(*) considering shares allocated directly and indirectly to Mr Marc Coucke

BRANDS

PICCHIOTTI

Founded in 1575, the Picchiotti brand is inextricably linked to the history of Italian and Mediterranean yachting.

This long tradition began with the construction of work boats and ocean sailing boats and, passing through important military orders, saw the Picchiotti brand as the pioneer of the first pleasure yachts in Italy. The largest ship built by the brand, in 1982, was "**Al Said**" (103 metres), which was fitted out in Marina di Carrara, in the area which later became the headquarters of The Italian Sea Group.

Under the Picchiotti TISG brand, TISG developed the semi-custom "**Picchiotti Gentleman**" line, a fleet of motor yachts from 24 to 55 metres inspired by the silhouettes of American yachts of the 1960s, offering timeless elegance.

ADMIRAL

The first Admiral boat, 18 metres long and entirely made of wood, was born in 1966. In the mid-1970s, the first wooden motor-yacht (30 metres) was launched, an extremely cutting-edge product at that time, which would lead Admiral to build the first aluminium and steel hulls in the early 1980s.

Today Admiral is the flagship brand of The Italian Sea Group and offers Owners around the world large yachts characterised by elegant and sophisticated aesthetics, timeless style and the possibility of total customisation.

PERINI NAVI

The history of Perini Navi began in 1983, when founder **Fabio Perini** launched the prototype of a sailing yacht that could be manoeuvred safely with a small crew, thanks to the invention of an automatic sail furling system.

The iconic Perini Navi fleet boasts over 60 of the world's most admired yachts, such as the legendary 88-metre clipper named "The **Maltese Falcon**".

Following the acquisition, finalised in 2022, The Italian Sea Group delivered the first Perini Navi-branded sailing catamaran, the 47-metre "**Art Explora**", among the largest in the world. In March 2023, TISG presented to the market the new Perini Navi fleet, "**Genesis**", which reinterprets the iconic stylistic elements of the prestigious brand in a modern key.

TECNOMAR

Introduced to the market in 1987, the Tecnomar brand specialises in the construction of fast motor-yachts up to 50 metres.

The main characteristics of the brand are innovative design, modern lines, sportiness and high performance. Each model is a design challenge balancing elegance and bold aesthetics, enriched by the use of innovative technologies and materials.

One example is the 43-metre motor yacht "**This Is It**", which, with its futuristic profile and state-of-the-art interior, was one of the most popular models at the 2023 Monaco Yacht Show.

NCA REFIT

NCA Refit can boast an absolute specialisation in the refit and repair of super-yachts and mega-yachts, both motor and sailing, backed by the skills and expertise of a team of highly qualified engineers, architects and technicians as well as a comprehensive offer of exclusive services reserved for the crews.

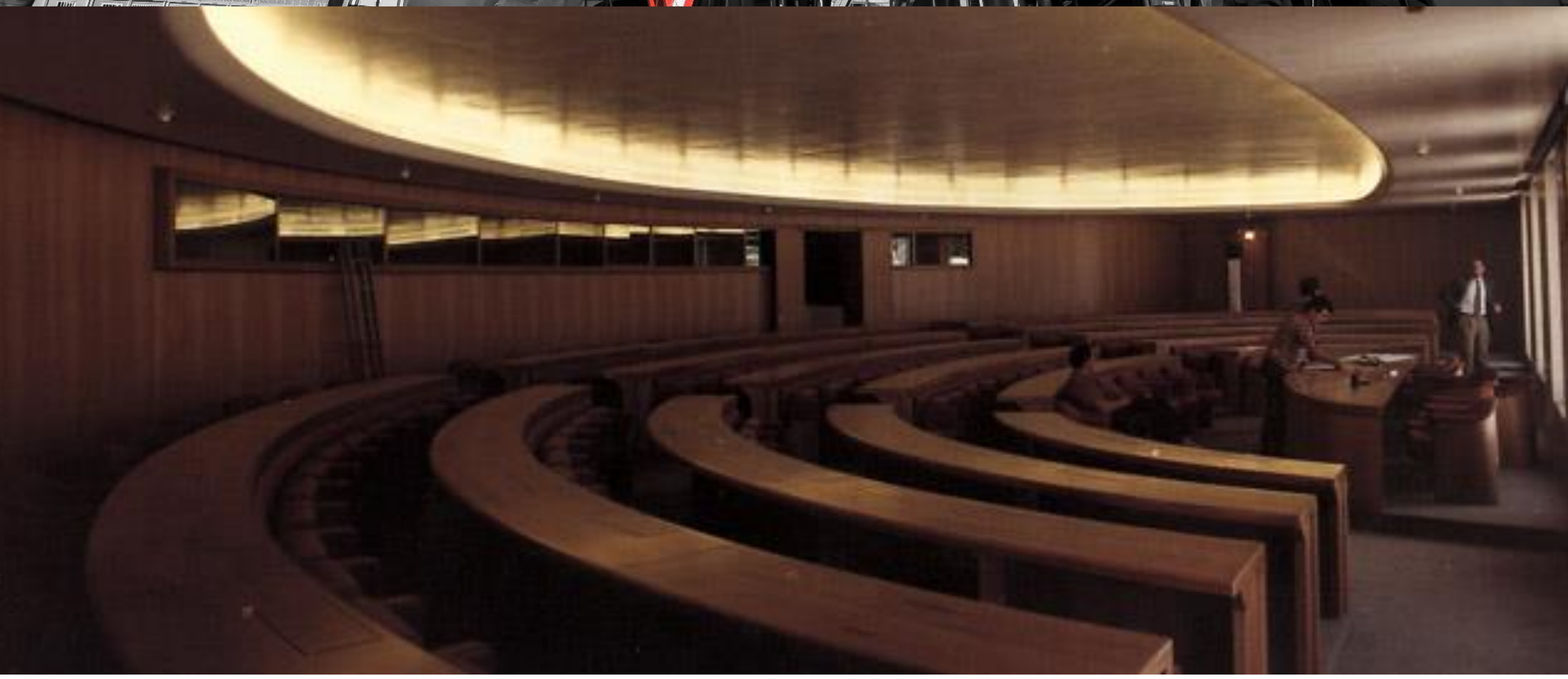
Strategically located in Marina di Carrara and La Spezia, with a total area of over 130,000 square metres, the brand's state-of-the-art facilities have unique features, making NCA Refit one of the most important refit hubs in the Mediterranean.

CELI 1920

Since its establishment in 1920, experience, craftsmanship and technology have made Celi an international benchmark in the design and manufacture of furniture of the highest quality.

In addition to precision of cabinet-making, Celi has developed over time a strict construction methodology and the use of advanced manufacturing technologies, while retaining all the values and qualities of the "handmade".

Throughout its prestigious history, the Celi brand has assisted internationally renowned architects in the development of large and prestigious works, including Renzo Piano's *Auditorium Parco della Musica* in Rome.



BRIEF HISTORY OF THE GROUP

The story of The Italian Sea Group began in 2009, when **GC Holding S.p.A.**, a company owned by entrepreneur Giovanni Costantino, acquired 100% of the share capital of **Tecnomar S.p.A.**. In November 2011, the Group acquired the **Admiral** brand, thus expanding its offer with the aim of entering the market of large yachts.

The rapid growth in the number of contracts and the increase in the orders' size brought to light the need to invest in a larger production site with direct access to the sea: for this reason, in 2012, GC Holding S.p.A. acquired 100% of **Nuovi Cantieri Apuania S.p.A.** (now The Italian Sea Group S.p.A.), which produces commercial and cruise ships at the Marina di Carrara location.

The production site in Marina di Carrara, which is today TISG's headquarter, has been in operation since 1942 and, even then, had state-of-the-art facilities allowing the production of medium and large tonnage ships. In 1973, following two decades of investment for upgrading facilities, the location was further expanded with the construction of a dock 200 metres long and 35 metres wide.

The acquisition of the location allowed the preservation of employment levels and the relaunch of a company boasting a recent past as a leading player in large-scale shipbuilding, by expanding production capacity and retaining valuable specialised know-how in the relevant segment.

This was followed by major investments in the renovation and expansion of the headquarters, the organisation of areas dedicated to new production, the construction of a steelworks and upholstery, and the enlargement of areas dedicated to refit activities, which started in 2015.

As of 2020, investment plans (“**TISG 4.0**” and “**TISG 4.1**”) were approved with the aim of further increasing the shipyard production capacity.

The Marina di Carrara headquarters currently cover an area of about 120,000 square metres and have an absolutely strategic position, particularly for refit activities.

Overlooking the Mediterranean sea at a short distance from important Italian tourist and recreational destinations - and therefore a privileged stopover for yachts in the summer season - the location is equipped with state-of-the-art facilities and recreational spaces for crews that, combined with the management's expertise and the quality of its services, allow the Group to be an important reference point for Owners and captains from all over the world.

The headquarter is equipped with: (i) **two dry docks**, of 200 metres and 147 metres respectively; (ii) 7 outfitting sheds, covered by photovoltaic panels; (iii) a floating dock with a lifting capacity of up to 3,300 tonnes.

In 2021, the Group was listed and the 8th of June marked the start of trading of TISG's shares on Euronext Milan, a regulated market managed by Borsa Italiana S.p.A.

On 22 December 2021, through its wholly-owned subsidiary New Sail S.r.l. (later merged by incorporation within the Parent Company), it acquired Perini Navi S.p.A. at the bankruptcy auction called by the Court of Lucca, for EUR 80 million.

The acquisition includes the real estate complex of the locations in Viareggio and La Spezia, a real estate complex in Pisa, the Perini Navi and Picchiotti brands, the patents, the shareholding in Perini Navi USA Inc. (company dissolved in 2024) and the existing legal relationships with employees and third parties.

In 2023, TISG sold the Perini Navi office building and, in June 2024, carried out the closing for the sale of the shipyard, both located in Viareggio.

In 2022, The Italian Sea Group completed the acquisition of 100% of the shares of **TISG Turkey Yat Tersanecilik Anonim Sirketi** ("**TISG Turkey**"), a company through which TISG controls and supervises the hull and superstructure carpentry activities it carries out in Turkey.

This operation allowed the Group to strengthen the entire production process, ensuring an even more integrated operations management.

With a view to the continuous internalisation of key activities in the production chain - which also includes the acquisition of CELI in 2023 - in June 2024 TISG inaugurated a new business unit at its headquarters in Marina di Carrara dedicated to steelworks for interior finishing, an activity with very high added value.

On 29 July 2024, Borsa Italiana awarded the Group's shares the STAR qualification, admitting them to trading on Euronext Milan's STAR segment as of 6 August 2024.

BUSINESS OUTLOOK

Over the years, TISG has strengthened its presence in the international yachting market, establishing important partnerships with leading yacht brokers worldwide.

In fact, TISG's commercial strategy envisages a balanced distribution in the different geographic areas, with a significant expansion in the Americas over the past two years and the aim of further consolidating its presence in Asia and the Middle East.

The broad product offering, together with the ability to meet all client requirements, has led TISG to become a benchmark in luxury yachting.

In 2023, The Italian Sea Group returned to the Monaco Yacht Show - the world's most prestigious yacht show - with an important fleet consisting of four large yachts and three Tecnomar for Lamborghini yachts, positioning itself as a major player in the industry.

While maintaining its focus on full-custom yachts, TISG developed some new semi-custom projects with the aim of maximising the significant production capacity currently available, without any impact on design capacity. These projects include the "Panorama" and "Admiral 50" lines and the "Admiral Quaranta" project, the first unit of which was sold in the second quarter of 2024.

Entering this new market segment will enable TISG to attract a new segment of clients wishing to reduce the waiting time for their yacht.

With reference to production capacity, following the completion of the investments in the locations of Marina di Carrara, La Spezia and Celi, TISG does not expect to make any further significant investments, with the exception of some work to enlarge the sales offices in Marina di Carrara ("**TISG New Era**" project).

Over the years, TISG has strengthened its internalisation strategy with regard to the major value-added activities of the chain, with the aim of improving margins and having greater control over the quality and timing of work. In June 2024, a new business unit dedicated to steelworks for interior finishing was opened at the Marina di Carrara headquarters.

METHODOLOGICAL INTRODUCTION

In compliance with the relevant IAS/IFRS framework, the consolidated financial statements of TISG as at 30 June 2024 show the balances of the consolidated financial statements of TISG as at 31 December 2023 as comparative data with regards to the **Balance Sheet**; they show the data of the consolidated financial statements of TISG as at 30 June 2023 with regards to the **Income Statement**.

During 2024, the scope of consolidation was changed following the dissolution of the subsidiary Perini Navi Usa Inc on 17 June 2024.

The reconciliation statement between the Parent Company's Financial Statements and the Consolidated Financial Statements is shown below.

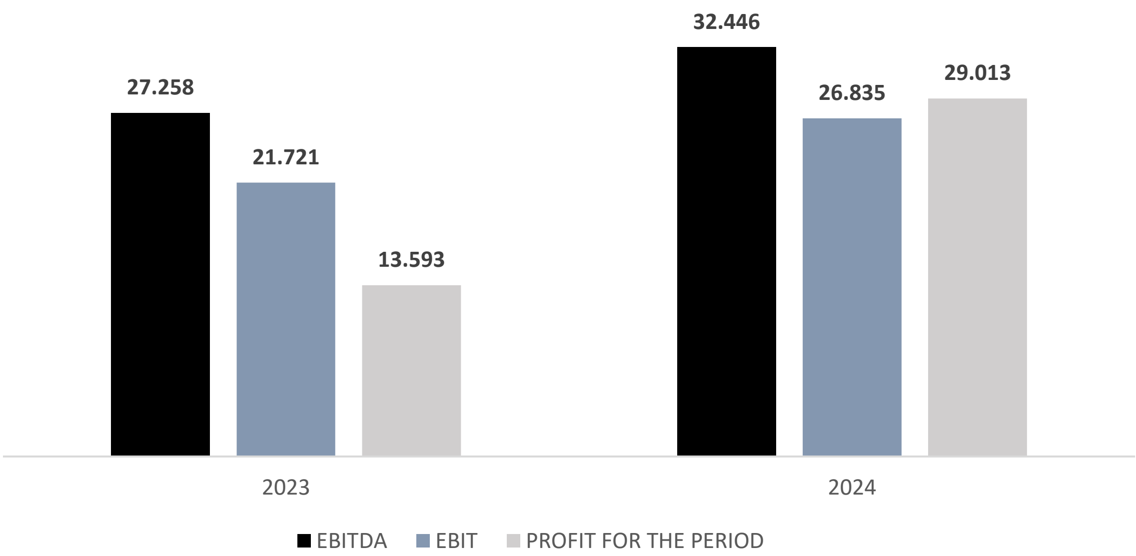
	30/06/2024	
In thousands of Euros	**Shareholders' Equity**	**Operating Result**
Financial Statements of The Italian Sea Group S.p.A.	139,256	28,230
Derecognition of intercompany transactions	1,310	784
Total attributable to the Shareholders of the Parent Company	140,566	29,013
Shareholders' equity and minority interests	-	-
Total of the Consolidated Financial Statements	**140,566**	**29,013**

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

In thousands of Euros	30/06/2024	30/06/2023
Operating Revenues	189,825	162,502
Other revenues and income	934	7,079
Commissions	(1,310)	(3,677)
Total Revenues	**189,449**	**165,903**
Costs for raw materials	(45,336)	(32,134)
Cost for outsourced work	(68,532)	(67,851)
Technical Services and consultancy	(12,426)	(9,754)
Other costs for services	(6,752)	(6,843)
Personnel costs	(21,358)	(18,691)
Other operating costs	(2,599)	(3,372)
EBITDA	**32,446**	**27,258**
Percentage on total revenues	*17.1%*	*16.4%*
Amortisation, depreciation, write-downs	(5,611)	(5,537)
EBIT	**26,835**	**21,721**
Percentage on total revenues	*14.16%*	*13.09%*
Net financial charges	(3,127)	(2,179)
Income from extraordinary charges	17,089	(404)
EBT	**40,797**	**19,138**
Taxes for the period	(11,783)	(5,544)
CONSOLIDATED PROFIT	**29,013**	**13,593**
Percentage on total revenues	*15.3%*	*8.2%*

TREND OF ECONOMIC INDICATORS | 2023 - 2024

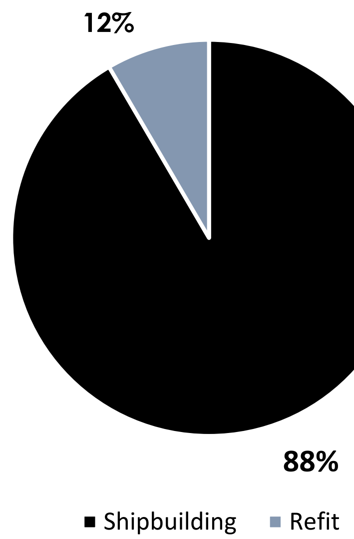
In million Euros



OPERATING REVENUES

The item **Operating revenue** of **Euro 189,825 thousand** as at 30 June 2024 increased by **17%** from Euro 162,502 thousand in 2023.

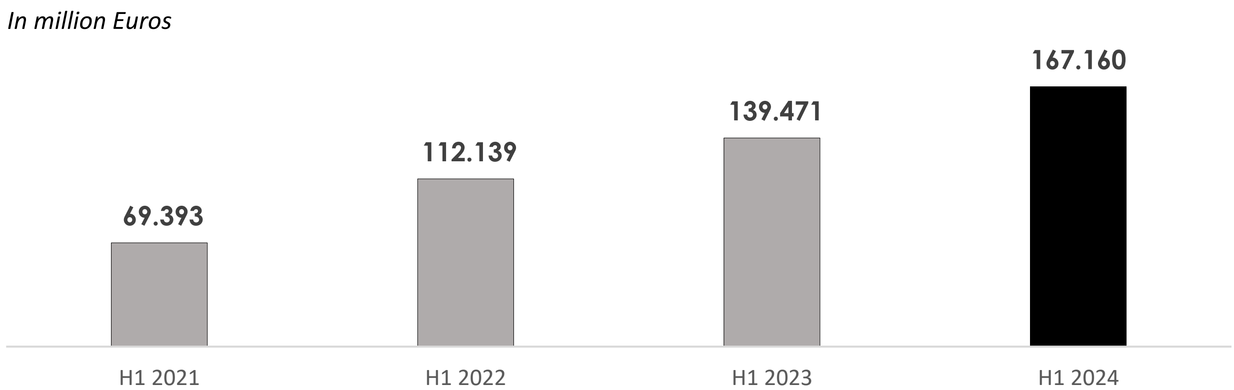
This item is split between the **Shipbuilding** and the **Refit** division as follows:



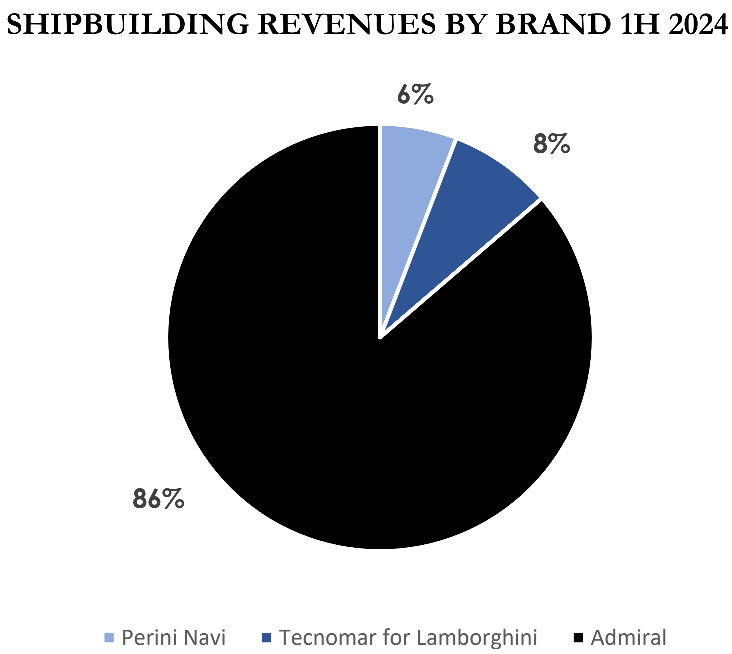
SHIPBUILDING

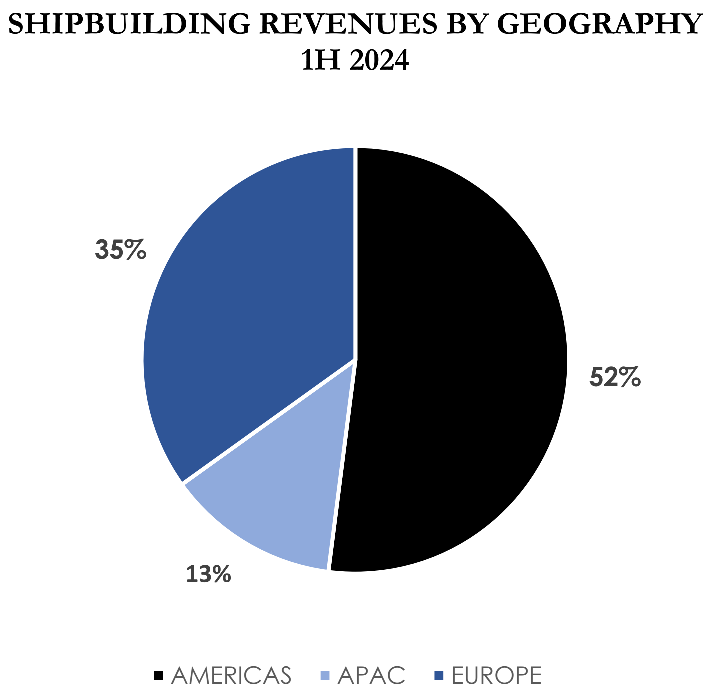
The revenues of the **Shipbuilding** Division amounted to **Euro 167,160 thousand** at 30 June 2024, up **25%** from Euro 139,471 thousand in the first half of 2023.

2021-2024 SHIPBUILDING REVENUES

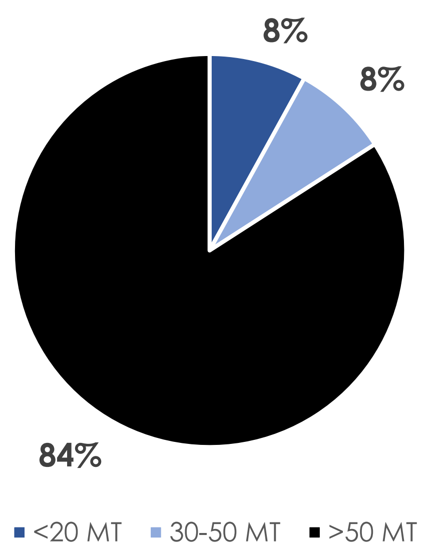


The breakdown of the Shipbuilding revenues at 30 June 2024 is as follows:





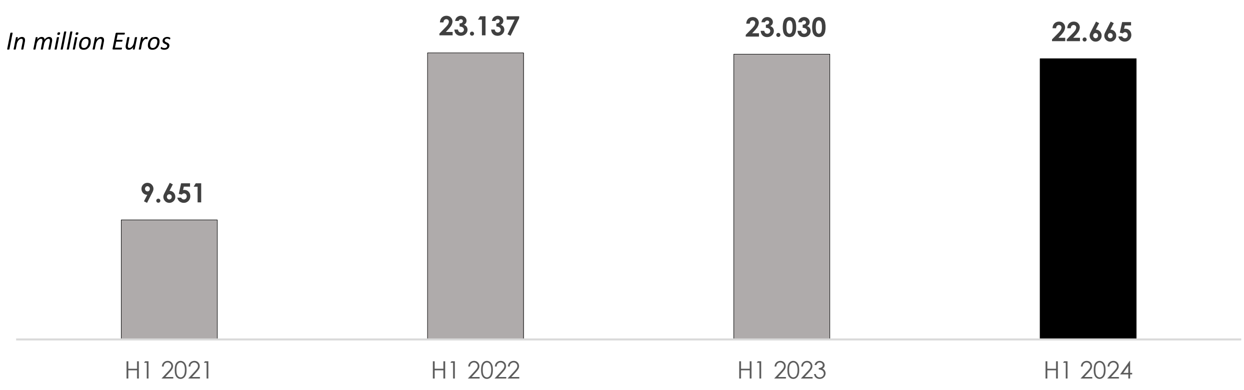
SHIPBUILDING REVENUES BY LENGTH
1H 2024



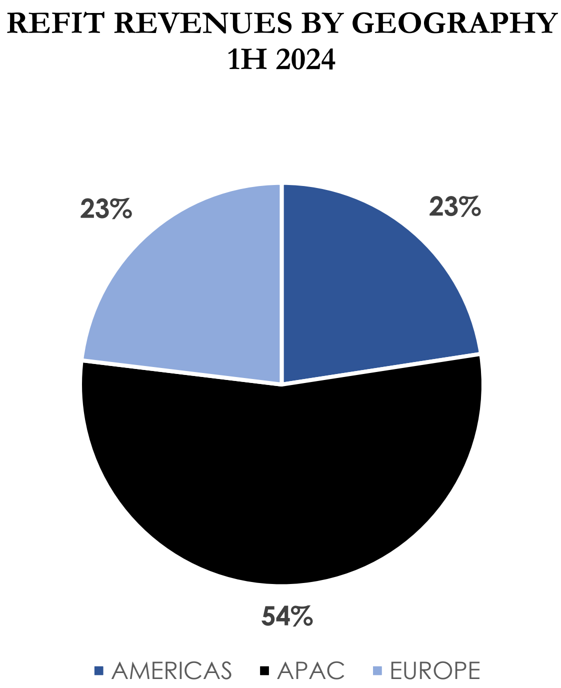
REFIT

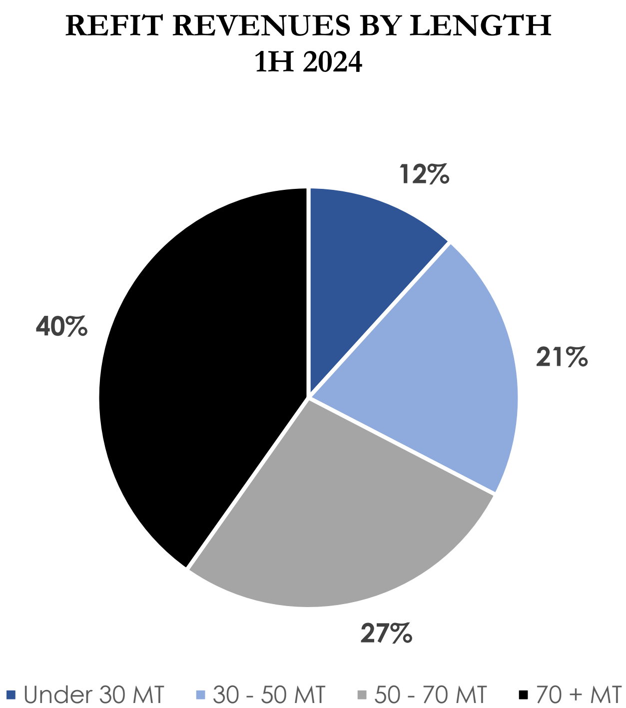
Revenues from the **Refit** division amounted to a total of **Euro 22,665 thousand** as at 30 June 2024, in line with Euro 23,030 thousand in the first half of 2023.

2021-2024 REFIT REVENUES



The breakdown of Refit revenues at 30 June 2024 is as follows:





CONSOLIDATED EBITDA

EBITDA as at 30 June 2024 was **Euro 32,446 thousand**, up 19% from the EBITDA as at 30 June 2023, of Euro 27,258 thousand, and with a margin on Revenue of 17.1% (vs. 16.4% recorded in the first half of 2023).

The increase in operating margins over time is attributable to:

(i) Strong focus on management of operating costs;

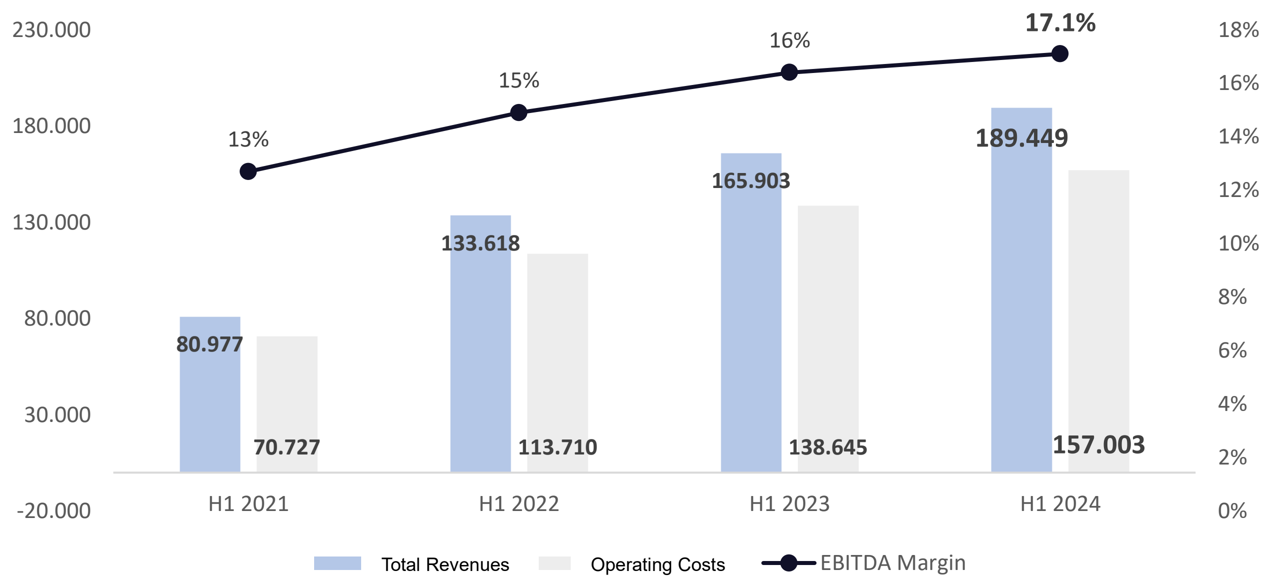
(ii) Improved efficiency of production processes;

(iii) Benefits deriving from the completion of the investments in production capacity with an optimal mix of synergies between Shipbuilding and Refit activities;

(iv) Internalisation of production chain activities with higher added value, such as the acquisition of Celi for woodworking activities;

(v) Increase in product margins, due to an increase in product prices and constant affirmation of the Group's brands among ship managers and yacht brokers all over the world;

(vi) Economies of scale, particularly on repeat-projects and semi-custom lines.



It is important to note that, in accordance with its sales strategy, the Group does not accept trade-ins, thus eliminating the inventory risk and risks deriving from the sale of used yachts.

The EBITDA corresponds to the net result adjusted by financial operations, taxes, amortisation of fixed assets, as well as non-recurring components.

The EBITDA thus defined represents the indicator used by the Group to monitor and assess its operating performance; since it is not defined as an accounting measure within the scope of the International Accounting Standards, it should not be considered an alternative measure for assessing the performance of operating results.

Since the composition of EBITDA is not defined by the Accounting Standards of reference, the calculation criterion applied by the Group may not be the same as the one adopted by other entities, and may therefore not be comparable.

EBIT

The EBIT at 30 June 2024 was **Euro 26,835 thousand** - an increase of **23.5%** compared to the amount recorded in the previous half-year, which was Euro 21,721 thousand with an incidence on Revenues of **14.2%** against amortisation, write-offs, provisioning and capital losses which amounted to **Euro 5,611 thousand** at 30 June 2024.

BACKLOG

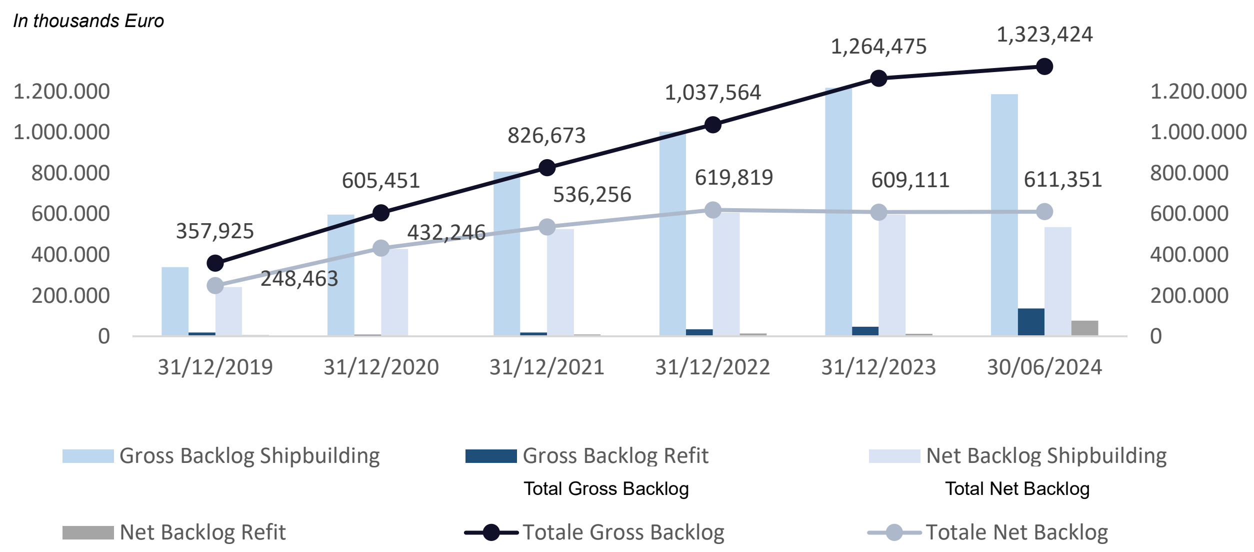
The development of TISG's business is linked to the visibility and quality of its **order book** ("**Gross Backlog**") and the consequent **Net Backlog**, i.e. the value of contracts for existing orders net of the interim payments for work in progress ("SAL") already made by the customer.

At 30 June 2024, the **Gross Backlog** (**Shipbuilding, Refit and CELI**) amounted to **Euro 1,370,972 thousand** and included 24 mega and giga yachts and 8 Tecnomar for Lamborghini 63 under construction, with deliveries scheduled until 2027.

The **Net Backlog** (**Shipbuilding**, **Refit and CELI**) of the Group amounts to **Euro 644.282 thousand**.

in thousands of Euros	**30.06.2024**	**31.12.2023**	**31.12.2022**	**31.12.2021**	**31.12.2020**
Gross Backlog Shipbuilding	1,187,358	1,218,273	1,003,357	807,726	597,247
Gross Backlog Refit	136,066	46,202	34,207	18,948	8,204
Gross Backlog Shipbuilding & Refit	**1,323,424**	**1,264,475**	**1,037,564**	**826,673**	**605,451**
Gross Backlog CELI S.r.l.	47,548	31,969	-	-	-
Total Group Gross Backlog	**1,370,972**	**1,296,444**	**1,037,564**	**826,673**	**605,451**
Net Backlog Shipbuilding	535,016	611,954	605,832	526,639	428,892
Net Backlog Refit	76,335	11,703	13,987	9,617	3,354
	611,351	**609,111**	**619,819**	**536,256**	**432,246**
Net Backlog CELI Sr.r.l.	32,931	14,546	-	-	-
Total Group Net Backlog	**644,282**	**623,657**	**619,819**	**536,256**	**432,246**

BACKLOG EVOLUTION - SHIPBUILDING & REFIT



CONSOLIDATED RECLASSIFIED STATEMENT OF FINANCIAL POSITION

In thousands of Euros	30.06.2024	31.12.2023
ASSETS		
Intangible assets	35,431	35,625
Property, plant, and equipment	125,400	126,533
Equity investments	43	43
Net deferred tax assets and liabilities	(526)	3,035
Other non-current assets and liabilities	1,843	1,630
Provisions for non-current risks and charges	(4,780)	(4,335)
Provision for employee benefits	(902)	(959)
Net fixed capital	**156,508**	**161,572**
Inventories and payments on account	12,362	10,897
Contract work in progress and advances from customers	86,195	50,508
Trade receivables	35,585	24,007
Trade payables	(93,402)	(90,568)
Other current assets and liabilities	(22,987)	(26,867)
Net working capital	**17,753**	**(32,024)**
Total ASSETS - NIC	**174,261**	**129,548**
SOURCES		
Share capital	(26,500)	(26,500)
Share premium reserve	(45,431)	(45,399)
Reserves and other retained earnings	(39,624)	(22,409)
Currency translation reserve	2	83
Consolidated profit (loss)	(29,013)	(36,911)
Shareholders' Equity	**(140,566)**	**(131,136)**
Net financial indebtness	(33,695)	1,587
Total SOURCES	**(174,261)**	**(129,548)**

There was a decrease in **Consolidated net fixed assets** as of 30 June 2024, compared to 31 December 2023; this decrease was mainly due to a reduction in deferred tax assets.

During the first half of 2024, the Group made capital expenditure of EUR 5 million, for the expansion of the sales offices in Marina di Carrara, the completion of the CELI production site and the start-up of the new in-house steel plant.

The increase in **Net Working Capital** is due in particular to an increase in **trade receivables** and to the increase in **contract work in progress** due to the normal dynamics of production progress and compliance with the invoicing of contractual SALs, to the increase in the **item Inventories and advance payments** following the capitalisation of costs incurred in the first half of 2024 for the construction of hulls of orders for which sales negotiations are in progress, the decrease in the item **Other current assets and liabilities** is mainly due to the reduction in deposits for the production of Tecnomar for Lamborghini 63 brand yachts.

The change in shareholders' equity, as described in more detail within the notes to the financial statements, is mainly due to the net profit resulting from the consolidated financial statements as of 30 June 2024 in the amount of €29,013 thousands and the increase in retained earnings following the resolution of the Ordinary Shareholders' Meeting that approved the Financial Statements as of 31 December 2023 on 29 April 2024.

CONSOLIDATED NET FINANCIAL POSITION

Below is the **Consolidated Net Financial Position** at 30 June 2024, showing financial payables: (i) to banks, and (ii) to other lenders, net of cash and cash equivalents.

in thousands of Euros	**30/06/2024**	**31/12/2023**
A. Cash	14,140	29,897
B. Cash equivalents	26,164	46,516
C. Other current financial assets	0	0
D. Liquidity (A)+(B)+(C)	**40,303**	**76,413**
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	(2)	(2)
F. Current portion of non-current financial debt	(11,593)	(11,661)
F.1 Other current financial payables	(1,448)	(1,111)
G. Current financial indebtedness (E+F)	**(13,043)**	**(12,774)**
H. Net financial indebtedness (G-D)	**27,260**	**63,638**
I. Non-current bank debt (excluding the current portion of debt instruments)	(48,790)	(54,591)
J. Debt instruments	0	0
K. Trade and other non-current payables	(12,166)	(7,460)
L. Non-current financial indebtedness (I+J+K)	**(60,956)**	**(62,051)**
M. Total financial indebtedness (H+L)	**(33,695)**	**1,587**

The **Consolidated Net Financial Position**, negative and equal to **Euro 33,695 thousand** at 30 June 2024, against a positive Net Financial Position of Euro 1,587 thousand at 31 December 2023, reflects:

(i) the outlay during 2024 of **Euro 19.6 million** for the payment of dividends, following the Shareholders' Meeting resolution for the approval of the annual and consolidated financial statements at 31 December 2023 on 29 April 2024;

(ii) investments made in the first half of 2024 amounting to Euro 5 million concerning the expansion of the sales offices in Marina di Carrara, the completion of CELI's production site, investments related to the internalisation of certain high value-added phases of the production process, such as the interior steelworks, and general shipyard investments.

Also worth mentioning is the finalisation of the sale of the Viareggio shipyard on 12 June 2024, for which a total of Euro 33 million (gross of expenses) was collected for the entire transaction; during the first half of 2024, Euro 21 million was collected.

In accordance with the IAS/IFRS accounting standards, the Net Financial Position includes the current value of rents due to the Port Authorities for the state concessions of the shipyards of Marina di Carrara, La Spezia and the woodworking workshop of Viareggio which, at 30 June 2024, amounted to Euro 8.3 million, which will be paid based on the duration of the respective concessions.

It is noted that in the first half of 2024, the Net Short-Term Financial Position was positive by Euro 27 million.

ALTERNATIVE PERFORMANCE INDICATORS ("NON-GAAP MEASURES")

The European Securities and Market Authority (ESMA) has published guidelines on Alternative Performance Measures ("APMs") for listed issuers.

The APMs refer to measures used by management and investors to analyse the trends and performances of the Company and derive directly from the financial statements even though they are not envisaged by the IAS/IFRS. These measures, used by the Company on a continuous and uniform basis for several years, are important in assisting management and investors to analyse the Company's performance. Investors should not consider these APMs as replacements but, rather, as information additional to the data included in the financial statements. It is noted that the APMs, as defined, may not be comparable to measures with a similar name used by other listed groups.

In order to facilitate an understanding of the Company's economic and financial performance, the Directors have identified a number of alternative performance measures ("**Alternative Performance Measures**" or "**APMs**"). Moreover, these measures represent tools to help the directors themselves identify operating trends and make decisions about investments, allocation of resources and other operational decisions.

For a correct interpretation of these APMs, the following should be noted:

- these measures are derived exclusively from the Company's historical data which are extracted from the general and management accounts, and are not indicative of the Company's future performance. More specifically, they are presented, where applicable, in accordance with the recommendations contained in document no. 1415 of 2015, drawn up by ESMA (as incorporated by CONSOB communication no. 0092543 of 3 December 2015) and in points 100 and 101 of ESMA Q&A 31-62-780 of 28 March 2018;

- the APMs are not envisaged by international accounting standards ("IFRS") and, although derived from the Company's financial statements, they are not subject to auditing;

- the APMs should not be considered as replacements for the indicators envisaged by the accounting standards of reference (IFRS);

- these APMs should be interpreted in conjunction with the Company's financial information taken from its financial statements;

- the definitions of the measures used by the Company, insofar as they do not originate from the accounting standards of reference used for preparing the financial statements, may not be the same as those adopted by other groups and may therefore not be comparable with them;

- the APMs used by the Company have been prepared with continuity and uniformity of definition and representation for all periods for which financial information is included in this annual financial report.

The components of each of these measures are described below, as required by CONSOB Communication no. 0092543 of 3 December 2015 incorporating the ESMA/2015/1415 guidelines on alternative performance measures:

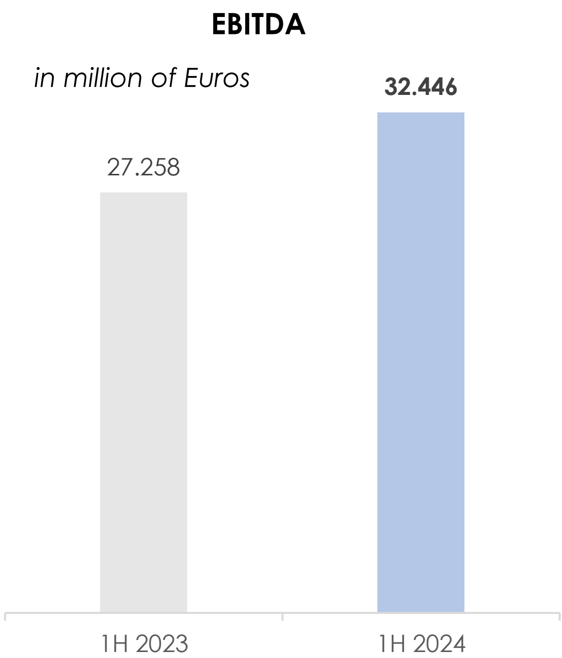
EBITDA	is equal to the result before taxes, before financial income and charges, depreciation, amortisation and other write-offs, as reported in the financial statements, adjusted by the following elements: revenues from extraordinary activities; expenses from extraordinary activities; non-recurring provisions for risks (reclassified from Other Operating Costs to depreciation, amortisation, write-offs and capital losses).
EBIT	is equal to EBITDA net of depreciation, amortisation, write-offs and capital losses.
EBT	is equal to EBIT excluding net financial costs and extraordinary income and costs.
NET INVESTED CAPITAL	is equal to the total of net fixed assets and net working capital.

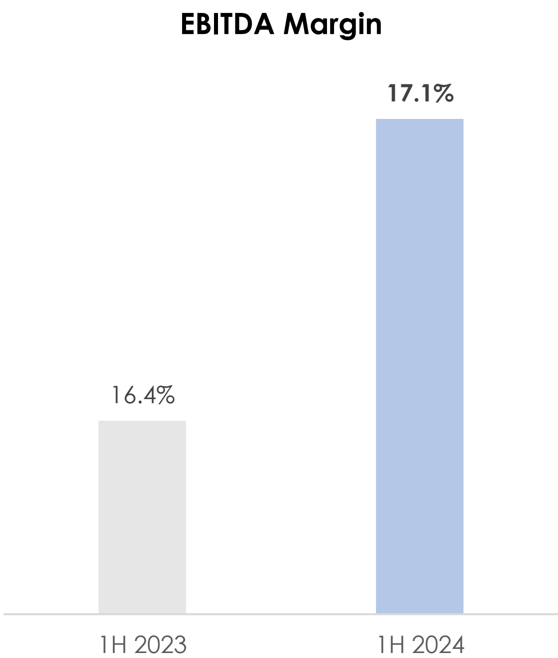
Net Financial Debt includes:

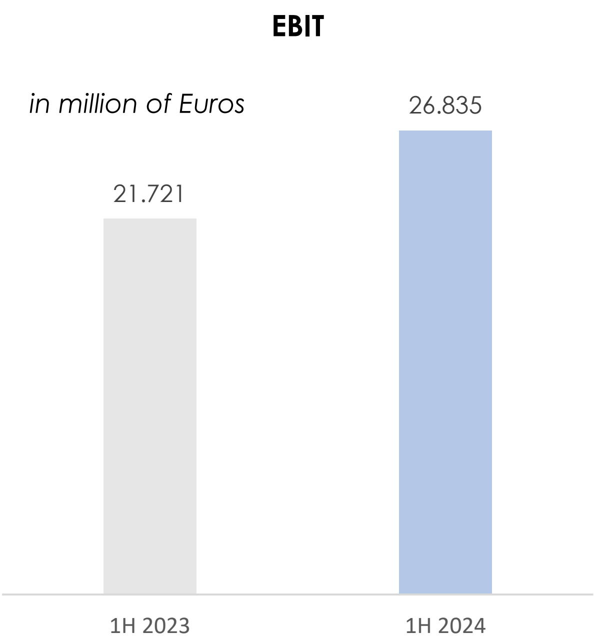
- Liquidity including: cash and bank deposits, other cash and cash equivalents and securities held for trading;

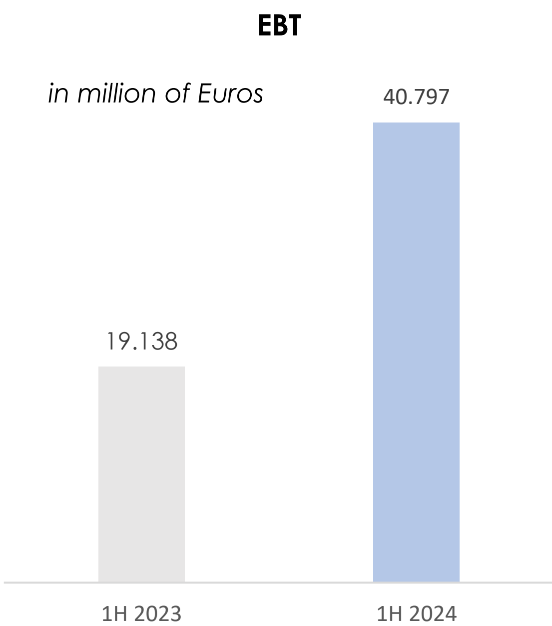
- Net current financial indebtedness includes: current financial receivables, short-term bank debt, current portion of non-current debt, other current financial debt, and payables to funding shareholders;

- Net non-current financial indebtedness includes: non-current bank debt, bonds issued, other non-current payables, payables to funding shareholders

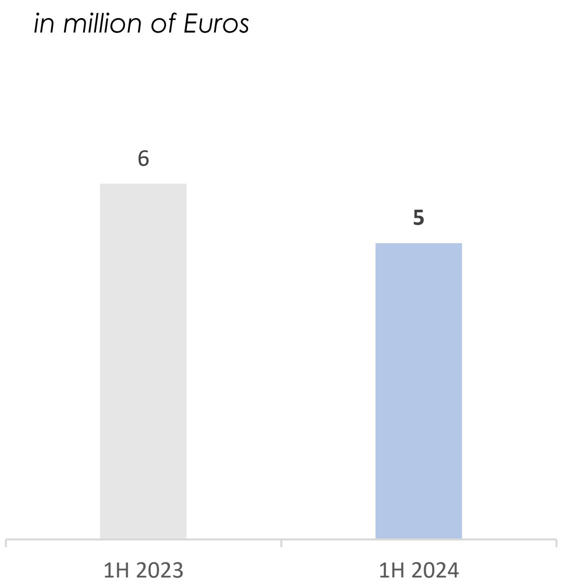




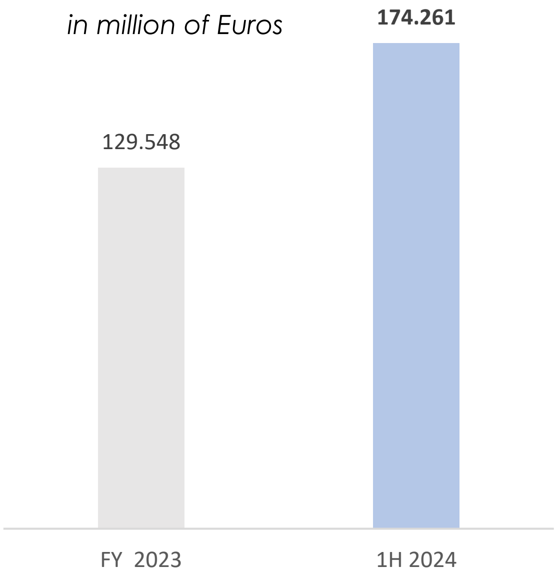




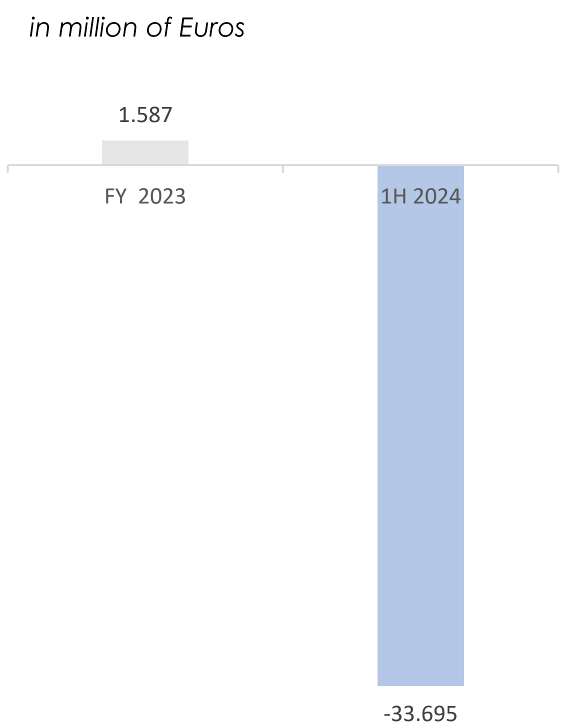
INVESTMENTS



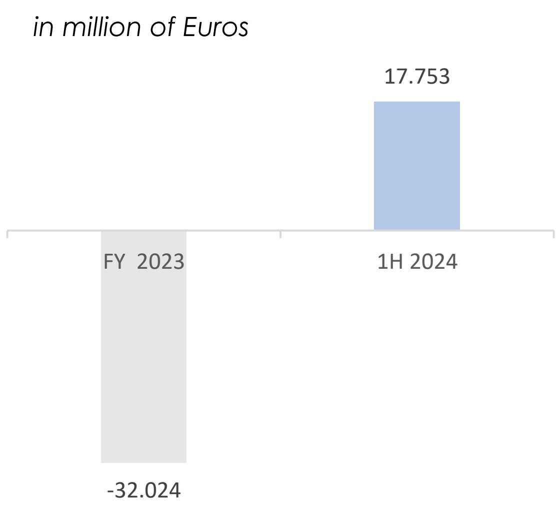
NET INVESTED CAPITAL



NFP



NET WORKING CAPITAL



SIGNIFICANT EVENTS OCCURRED DURING THE PERIOD

At the end of January, The Italian Sea Group presented the **Quaranta** project, a 40-metre semi-custom line under the Admiral brand.

The first unit of this new product line was sold in the second quarter of the year, showing the commercial success of the new project.

On **7 February**, TISG met investors and the financial community at its second **Capital Markets' Day**, held at the Armani/Silos in Milan.

During the meeting, which was attended by more than 100 people in person and remotely, the Group's development projects were presented, as well as the forecast results as at 31 December 2023 and the Strategic Outlook 2024-2025.

In 2024, TISG continued to expand its business strategy, formalising partnerships with two prestigious brokerage houses: **BenheMar Yacht Consultancy** and **Kitson Yachts**, for the MENA (Middle-East and North Africa) and AMAs areas respectively.

On **14 March**, The Italian Sea Group presented its commercial flagship and new woodworking hub in Viareggio, confirming the brand's close historical connection with the area.

On **25 March**, TISG announced the sale of the third example of the **Admiral 50-metre** line, further evidence of the success of the semi-custom lines, which nonetheless maintain a very high positioning in terms of construction materials and attention to detail.

On **27 March**, The Italian Sea Group announced the closing of the Accelerated Bookbuilding ("**ABB**") procedure by **GC Holding S.p.A.**, which sold 4,602 thousand shares (about 8.7% of the share capital).

The transaction allowed TISG to expand its free float to meet the requirements for entry into the STAR segment of Euronext Milan.

At the end of May, TISG announced the resale of the first 72-metre mega-yacht under the **Admiral | Armani** brand to a new buyer from the US.

Lo *yacht*, in fase di allestimento, sarà consegnato al nuovo Armatore nel 2025.

On **31 May 2024**, the Board of Directors approved a new stock option plan called the "Long Term Incentive Plan 2027-2029" (the "**Plan**"), and resolved to convene an Ordinary and Extraordinary Shareholders' Meeting on 1 July 2024 in order to submit to its approval, *inter alia,* the capital increase servicing the Plan and the authorisation of a buyback plan.

On **9 June 2024**, following the resignation of Mr Filippo Menchelli as member and Chairman of the Board of Directors - notified on 7 June 2024 -, TISG's Board of Directors resolved to co-opt Ms Simona Del Re onto the Board, pursuant to and for the purposes of article 2386 of the Italian Civil Code, appointing her as Chairwoman of the Board of Directors until the Shareholders' Meeting called for 1 July 2024.

On **10 June**, TISG announced that it had received a request from the shareholder GC Holding S.p.A. to supplement the agenda of the Shareholders' Meeting of 1 July pursuant to article 126-*bis* of Italian Legislative Decree No. 58/98. Following this request, the agenda of the Ordinary Shareholders' Meeting was supplemented with the item concerning the confirmation of the director appointed by co-optation, pursuant to article 2386 of the Italian Civil Code, as Board of Directors' Chairperson.

In **June**, TISG also carried out the closing for the sale of the Perini Navi shipyard in Viareggio - acquired in 2021 - to Next Yacht Group, a player in the segment of yachts up to 50 metres in length.

Due to its size and structural characteristics, the production site was unsuitable for the production of large yachts over 50 metres, which is TISG's core business.

The transaction thus concluded the plan to divest the assets of the Perini Navi business unit that TISG deemed non-strategic to its development project.

On **17 June 2024**, TISG opened a new **business unit** dedicated to the production of interior finishing steels ("**Interior Steels**") for all new yacht orders of the Group.

The new business unit, which will follow the activities from stylistic and executive design through to production, will support the woodworking of Celi 1920 and, after an initial start-up period, will also address to players outside the industry.

The opening of the Interior Steels business unit is part of the strategy to internalise key activities in the production chain, with the aim of maintaining direct control over the timing and quality of high value-added processing and ensuring the complete satisfaction of Owners.

With the same aim, in the first half of 2024, TISG made further investments in the expansion of the in-house **Upholstery** business unit.

SIGNIFICANT EVENTS AFTER 30 JUNE 2024

THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING RESOLUTIONS

On **1 July 2024**, the Ordinary and Extraordinary Shareholders' Meeting was held under the chairmanship of Ms Simona Del Re.

"Long Term Incentive Plan 2027-2029"

The Shareholders' Meeting approved the incentive plan called the "**Long Term Incentive Plan 2027-2029**" (the "**Plan**") in favour of Group's executive directors, general managers, managers with strategic responsibilities and/or employees with permanent employment contracts and its subsidiaries pursuant to article 93 of Italian Legislative Decree No. 58/1998 (Italian Consolidated Law on Finance, "**TUF**").

The Shareholders' Meeting also entrusted the Board of Directors with the task of defining the details of the Plan and, specifically, identifying the recipients, as well as determining the number of options to be granted to each of them.

In order to implement the Plan, the Extraordinary Shareholders' Meeting approved the proposal to increase the share capital with exclusion of the option rights pursuant to article 2441, paragraphs 5, 6 and 8 of the Italian Civil Code, for a maximum nominal amount of EUR 795,000, plus any share premium through the issuance of a maximum of 1,590,000 new ordinary shares without any indication of the par value supporting the Plan.

Report on Remuneration Policy and Remuneration Paid, First Section

The Shareholders' Meeting, pursuant to article 123-*ter* TUF, approved the **Report on Remuneration Policy and Compensation Paid** aimed at *(i)* including the new Stock Option Plan among the variable components of remuneration, and *(ii)* introducing a change in the Board of Directors members' remuneration.

Authorisation for the Purchase and Disposal of Treasury Shares

The Shareholders' Meeting resolved - subject to revocation of the resolution passed by the Ordinary Shareholders' Meeting on 27 April 2023 - *(i)* to authorise the Board of Directors, pursuant to and for the purposes of article 2357 of the Italian Civil Code and the combined provisions of article 132 TUF and article 144-*bis* of the regulation adopted by Consob [Italian national commission for listed companies and the stock exchange] with resolution no. 11971 of 14 May 1999 (the "**Issuers' Regulation**"), to purchase treasury shares, on one or more occasions, for a period not to exceed 18 months and up to a maximum number of shares not to exceed 10% of the share capital, under the terms and conditions all indicated in the resolution *(ii)* to authorise the disposal of treasury shares, on one or more occasions, without time limits, even before having exhausted the maximum number of shares that may be purchased, in the manner deemed most appropriate in the Group's interest and in compliance with applicable legislation, under the conditions and according to the procedures all indicated in the resolution.

Review of Board of Directors Members' Remuneration

The Shareholders' Meeting approved the proposal to review the total annual remuneration for the members of the Board of Directors, amounting to EUR 135,000 to be divided among the individual members according to what will be established by appropriate resolution of the Board of Directors.

Confirmation of the Appointment of the New Member and Chairperson of the Board of Directors

The Shareholders' Meeting confirmed the appointment of Ms Simona Del Re as member and Chairwoman of the Board of Directors, who will hold office until the expiry of the mandate conferred on the members of the Board of Directors currently in office.

Proposals of Amendments to the Articles of Association

The Extraordinary Shareholders' Meeting approved the proposal to amend Article 6 (Share Capital, Shares and Shareholder Loans) of the Articles of Association in order to introduce the increased voting rights referred to in article 127-*quinquies* of TUF, and Article 10 (Shareholders' Meeting - Right of Intervention and Representation) in order to apply to the Group the institution of the designated representative referred to in articles 135-*undecies* and 135-*undecies*.1 TUF, as well as the proposed formal revision of all articles' numbering and the review of Articles 2, 6, 9, 10, 11, 12, 13, 14, 15, 17, 18, 20 and 21 of the Articles of Association.

It should be noted that these amendments do not legitimise the withdrawal of shareholders pursuant to article 2437 of the Civil Code.

ESG CLASS "A" RATING

On 5 July 2024, the Group obtained an ESG rating equal to **A** from Cerved Rating Agency ("**Cerved**"), an increase from the previous BBB rating, placing it above the median of the reference industry.

Among other things, the achievement of the objectives of the three-year ESG Plan, formalised in 2022 with the publication of the first Non-Financial Statement ("NFS") in accordance with the GRI (Global Reporting Initiative) Standards, contributed to the rating upgrade. This included a significant increase in employee training hours, the mapping of the supply chain based on sustainable criteria, effective mitigation of direct environmental impacts, increased use of renewable energy and offsetting GHG Scope 1 and 2 emissions by means of carbon offsetting.

ADMISSION TO THE STAR SEGMENT

In line with the Group's development objectives, on 29 July 2024 Borsa Italiana awarded TISG ordinary shares (ISIN IT0005439085) the **STAR** qualification.

The procedure will allow the Group to strengthen its visibility in the international financial markets, confirming its compliance with stringent requirements in terms of transparency, governance, shareholder communication and economic-financial solidity, values that TISG has always resolutely pursued.

Intermonte acts as Specialist.

BUSINESS OUTLOOK

Over the past few years, The Italian Sea Group has observed a very positive trend in luxury yachting, with an increase in demand and a focus on mega and giga yachts over 50 metres, due in part to the increase in the global number of Ultra-High Net Worth Individuals, a resilient client base that is scarcely affected by macroeconomic shocks.

To cope with this growing demand, TISG has expanded its production capacity through investments and acquisitions and can now count on state-of-the-art facilities as well as the necessary know-how to best meet client demands, with an optimal production mix between Shipbuilding and Refit.

Constant investment in the development of a strict internal quality control system has enabled The Italian Sea Group to achieve a very high market positioning over the years, further strengthened by prestigious partnerships with leading international luxury companies.

In light of these considerations, the Group informed the market, on the occasion of the Capital Markets' Day, of its strategic pillars, which remain unchanged over time.

MARKET POSITIONING: MEGA AND GIGA YACHTS

The Italian Sea Group bases the development of its business not only on an extremely resilient and ever-growing client base, but also on a solid market positioning in the large size segment, where demand has considerably increased since 2002.

TISG's positioning in this market segment is demonstrated by the quality and visibility of its order book, almost 90% of which consists of yachts over 50 metres, with deliveries scheduled up to 2027.

The Italian Sea Group's client base is extremely global, thanks also to the strategic partnerships that the Group has signed over the years with leading brokers in the nautical industry, being present in different parts of the world, from Europe and Hong Kong to the Americas and the Middle East.

BRAND AWARENESS: EXCELLENCE IN QUALITY AND DESIGN

The core business of The Italian Sea Group is the construction of large yachts with a very high level of quality and customisation, characterised by high performance and a flexible approach in order to meet the Owners' technical and aesthetic requirements.

The focus on technological and stylistic innovation represents a fundamental point of difference for the Group, thanks also to "Made in Italy", a symbol of art, creativity, passion and craftsmanship.

For tighter control over the timing and quality of its products down to the smallest detail, TISG has invested and continues to invest in the internalisation of the highest value-added phases of the production chain: **woodworking**, **steelworks**, **interior steels**, **upholstery** and **outfitting carpentry** are all internalised activities that allow the Group to ensure timing and quality of processing, as well as a careful cost monitoring.

In addition, The Italian Sea Group makes use of an in-house Design Department, consisting of around thirty architects that assist clients so requesting in customising their yachts from the basic design.

TISG also works with international *archistars* in the industry.

The Italian Sea Group brand affirmation is also strengthened by the prestigious partnerships with **Automobili Lamborghini** and **Giorgio Armani**, which contributed to Group's positioning consolidation in the luxury segment.

In 2023, **Admiral Kenshō** was awarded "**Motor-yacht of the Year**" at the **World Superyacht Awards**, one of the most prestigious awards in the yachting world.

SHIPBULDING AND REFIT: SYNERGIES AND PRODUCTION CAPACITY

One of the main strengths of The Italian Sea Group is its production capacity, which is distributed between the Shipbuilding and Refit divisions, leveraging operational and financial synergies to satisfy the production needs of both divisions.

PERINI NAVI: RELAUNCH AND STRATEGIES

In March 2023, TISG made official the restyling of the new Perini Navi fleet with three product lines of 48, 56 and 77 metres respectively.

The fleet, named "**Genesis**", was born from the ambition to reinterpret the iconic elements of the Perini Navi brand by declining them in a modern and exclusive key, with a language looking to the future and prestigious collaborations with *archistars* of the industry.

SUSTAINABILITY: LONG TERM VALUE CREATION FOR STAKEHOLDERS

The Group has achieved important results in terms of ESG, thus demonstrating strong capability of managing risk factors and ESG opportunities, high degree of awareness of ESG topics and an elevated level of organisation and planning, as well as the integration of ESG topics into corporate governance.

From an environmental standpoint, the Company has effectively contained its direct impacts, by increasing the use of renewable energy – self-produced through photovoltaic plants as well as purchased, compensating Scope 1 and Scope 2 GHG emissions, and continuing to offer advanced product solutions. Furthermore, in 2023 TISG has obtained ISO 14001 certification for Environmental Management Systems.

In terms of social impact, the Company confirms that its own strengths sit in the sustainable management of the supply chain, attention to youth, employee wellbeing and training, health and safety (ISO 45001 certification).

With reference to **Governance**, TISG boats *best practice* requirements especially for gender equality, Board and Board Committee composition, and a Risk Control Committee with responsibility over sustainability.

STRATEGIC OUTLOOK 2024 – 2025

The Group's growth targets envisage for 2024 Revenues between 400 - 420 million Euros with an EBITDA Margin between 17 - 17.5%: for 2025 Revenues between 430 - 450 million Euros with an EBITDA Margin between 18 - 18.5%.

With regard to capital structure and dividend policy, the Group aims at maintaining a neutral leverage, with a maximum limit of 1.5 for EBITDA, and distributing an annual dividend with a payout of around **40-60%** of Net Profit. These policies are subject to temporary impacts related to the CapEx and M&A strategy.

RELATED PARTIES TRANSACTIONS

Revenues, expenses, receivables and payables as at 30 June 2024 from related parties are detailed in the notes to the financial statements.

Transactions are carried out at normal market values, based on the characteristics of the goods and services provided, always taking into consideration criteria of efficiency and quality levels that are in line with the interests and standards of the Company.

TISG Turkey YTAS: TISG has commissioned TISG Turkey to build steel and aluminium hulls for the yachts being produced, with a view to cost-effectiveness and optimisation without compromising on quality, always under the close supervision of an on-site team of Italian and Turkish employees. Through TISG Turkey, The Italian Sea Group has the possibility to increase the number of orders in production for hull, superstructure and pre-outfitting activities as required.

GMC ARCHITECTURE S.r.l. S.t.p.: TISG and GMC Architecture have signed a contract whereby GMC undertakes to provide assistance and stylistic advice for office and exhibition fittings and, in general, to take care of TISG's corporate image and develop projects for the design of yacht exterior profiles.

CELI S.r.l.: CELI is one of TISG's most important strategic suppliers, as it produces much of the furniture, both interior and exterior, for the Company's yachts under construction, as well as the furniture for TISG's operational headquarters, meeting the Company's production requirements with a view to efficiency. The internalisation of Celi's carpentry activities, in line with TISG's development strategy, will allow the Company to have greater control over the timing, quality and cost of its furniture work. Through Celi, TISG also has the opportunity to expand its business into real estate and high-end hospitality, should there be demand from its customers.

Santa Barbara: TISG and SANTA BARBARA signed a contract on 08/02/2022 concerning TISG's use of a property to conduct business activities with potential or current customers for TISG itself, offering them accommodation, entertainment services, organisation of events and social dinners.

RISK MANAGEMENT

In the normal course of its business activities, The Italian Sea Group is exposed to various risk factors, both financial and non-financial, which, should they arise, could have an impact on the Group's economic, equity and financial situation.

RISKS RELATED TO THE FINANCIAL SITUATION

Description of Risk

As of 30 June 2024, the Group had a negative Net Financial Position of **Euro 33,695 thousand.**

Part of this value derives from financial contracts characterised by financial covenants. The Group is therefore exposed to the risk of having to repay its financial debt early if the aforementioned assumptions occur; this circumstance could determine significant negative effects on the Group's economic, financial and equity situation. In the event of non-compliance with the financial covenants, the Group undertakes to deliver a declaration by the legal representative, with an indication of the reasons and the measures taken, where possible, to restore the original conditions. In such cases, the Bank may possibly propose to terminate the contract pursuant to Article 1456 of the Civil Code.

TISG is also exposed to the so-called interest rate risk, i.e. the risk that an increase in interest rates may lead to higher charges than the current ones. In order to hedge this risk, The Italian Sea Group adopts hedging instruments for the most relevant medium- and long-term floating-rate loans.

Mitigating actions

The Group constantly monitors its capital and financial structure in order to verify compliance with any type of commitment undertaken with the banking system.

The financial covenants, to be verified at the end of each annual or half-year financial year, are set forth in the loan agreements signed in 2022 and in particular:

- Loan agreement with Unicredit and Deutsche Bank, for a maximum amount of up to €32 million aimed at the early full repayment of the previous loan of 8 May 2020 of €16 million and to support the Group's investments. The final repayment is scheduled on 31 December 2028;
- Loan agreement signed on 14 January 2022 with MPS Capital Service for an amount of €40 million aimed at the payment of the balance-price following the adjudication of the unitary business of the bankruptcy of Perini Navi S.p.A.. The final repayment is scheduled on 31 December 2028.

Below are the parameters that demonstrate compliance with the aforementioned covenants for the first half of 2024, calculated according to the methods described below; only the covenant on the loan with MPS Capital Service was calculated, as the pool loan agreement with Unicredit and Deutsche Bank is calculated annually:

1. MPS Capital Services financial covenant:

In thousands of Euros	30/06/2024	31/12/2023
Short-term financial liabilities	11,595	11,663
Long-term financial liabilities	48,790	54,591
Liabilities for non-current derivative instruments	0	0
Liabilities for current derivative instruments	0	0
Other financial assets not included in the above items	13,614	8,571
Liquidity	-40,303	-76,413
NFP	**33,695**	**-1,587**
EBIT	43,924	50,769
DA	5,961	12,018
EBITDA	**49,885**	**62,787**

INDICE	Contractual Reference Value 2022	Covenants 30.06.2024	Covenants 2023
PFN/EBITDA	< 2.00	0.39	-0.03

Note that the calculation of the covenant refers to an annual EBITDA; the annual EBITDA from 1 July 2023 to 30 June 2024 is Euro 85,719 thousand.

As for the remaining positions, the Group is exposed to a moderate credit and liquidity risk as a function of the credit lines obtained from banks.

RISKS RELATED TO OPERATIONS

Description of the Risk

Due to the operational complexity arising both from the intrinsic characteristics of the shipbuilding business as well as the Group's desire to diversify its product, the Group is exposed to the risk arising from the inability to implement adequate project management, or to adequately manage such operational complexity or the process of organisational integration.

Impact

Should the Group be unable to: (i) implement an adequate project management activity, with sufficient or effective procedures and actions in order to control the correct completion and efficiency of its construction processes; (ii) adequately manage any complexity resulting from the product diversification activity put in place by the directors; (iii) efficiently distribute workloads according to production capacity (plants and workforce), there could be a contraction in revenues and profitability with possible negative effects on the economic, equity and financial situation.

Mitigating Actions

The Group has put in place procedures and activity plans in order to control the progress of each project throughout its entire duration. The Group adopts a flexible and dynamic production structure in order to efficiently respond to any fluctuations in demand, guaranteeing delivery times in line with contractual agreements with customers.

RISKS RELATED TO THE REGULATORY FRAMEWORK OF REFERENCE

Risk description

The Group is subject to the regulations applicable in Italy and in the countries in which it operates. Any violation of these regulations could result in civil, administrative and criminal penalties, as well as the obligation to carry out regularisation activities, the costs and liabilities of which could have a negative impact on the Group's business and results.

Impact

Changes in safety or environmental standards, as well as the occurrence of unforeseeable or exceptional circumstances, could oblige the Group to incur extraordinary environmental or workplace safety expenses.

Mitigating actions

The Italian Sea Group promotes compliance with all regulations to which it is subject as well as the preparation and updating of preventive control tools suitable for mitigating the risks associated with violations of the law.

OTHER INFORMATION

CORPORATE GOVERNANCE

The Group is organised according to the traditional administration and control model referred to in Articles 2380-bis et seq. of the Italian Civil Code, with the Shareholders' Meeting, the Board of Directors and the Board of Statutory Auditors.

The Chairwoman of the Group is Simona Del Re, the Chief Executive Officer is Giovanni Costantino and the Deputy Chairman is Marco Carniani.

The Group has adopted, in compliance with the Corporate Governance Code most recently updated on 31 January 2020, through its Board of Directors, a regulation on the Board of Directors and on compliance with procedures relating to the timeliness and adequacy of information provided to directors, in accordance with the corporate governance principles contained in the Corporate Governance Code.

The Board of Directors is made up of one executive director, three non-executive directors and three independent directors.

The Appointments and Remuneration Committee and the Audit, Risk and Sustainability Committee, which also performs the role of Related Party Transactions Committee, have been set up within the Board.

The internal control and risk management system requires the Board, after obtaining the opinion of the Audit, Risk and Sustainability Committee, to define the guidelines for the internal control and risk management system, seen as the set of processes aimed at enabling the identification, measurement, management and monitoring of the main risks. This system helps to ensure the efficiency and effectiveness of company operations, the reliability of financial information, compliance with laws and regulations, the articles of association, and internal procedures, as well as the safeguarding of company assets.

The Board of Directors, having heard the opinion of the Audit, Risk and Sustainability Committee, has appointed the head of the Internal Audit department, responsible for verifying that the internal control and risk management system is functional and adequate, ensuring that the same is provided with adequate means to perform its functions, including in terms of the operational structure and internal organisational procedures for access to the information required for the role.

The Group annually draws up the Report on corporate governance and ownership structures which describes the corporate governance system adopted by the Issuer, as well as information on the ownership structure and the internal control and risk management system. The Report is available in full on the Issuer's website in the "Corporate Governance" section.

PERSONAL DATA PROCESSING - ITALIAN LEGISLATIVE DECREE NO. 196 OF 30 JUNE 2003 - REGULATION EU NO. 679 OF 27 APRIL 2016 (GDPR - GENERAL DATA PROTECTION REGULATION)

With reference to the obligations established by the privacy legislation in force, The Italian Sea Group S.p.A., as Data Controller, has adopted all security measures listed therein.

Following the definitive entry into force of Regulation EU 679/2016 on the protection of natural persons with regard to the processing of personal data (GDPR), the Parent Company has completed the necessary adjustment process in order to align with the regulatory requirements.

The Parent Company is responsible by law, in its capacity as "Data Controller", for all personal data processing activities carried out by the same and, in view of this, it adopts appropriate security measures in relation to the risks for rights and freedoms of natural persons. In order to ensure efficient operations in relation to the performance of processing activities, the Parent Company has identified within the Board of Directors a person who, in the name and on behalf of the Parent Company, independently makes decisions on the purposes and methods of processing of personal data and on the tools used, including the adoption and monitoring of security measures and their adequacy, and who supervises all personal data processing activities carried out by the Parent Company.

The Parent Company has not appointed a DPO (Data Protection Officer) since it does not carry out the processing of data defined by Article 37 of the GDPR.

INFORMATION ON MANAGEMENT AND COORDINATION ACTIVITY

In compliance with Article 2497-bis, paragraph 5, it is noted that the Parent Company is not subject to management and coordination by companies or entities.

ARTICLE 2428 OF THE ITALIAN CIVIL CODE

The information required by Article 2428 paragraphs 1, 2, 3 and 6 is provided in the Report on Operations. The information on the financial instruments, objectives, and policies of the Group on the subject of financial risk management can be found in section F of the Notes to the consolidated financial statements and in section E of the financial statements of the Parent Company. The Parent Company's branch offices are indicated in section A of the Parent Company's financial statements.

Consolidated Half Year Financial report at 30 June 2024

CONSOLIDATED GROUP FINANCIAL STATEMENTS AS AT 30 JUNE 2024

CONSOLIDATED BALANCE SHEET

Thousand of Euros	notes	30/06/2024	31/12/2023
ASSETS			
NON-CURRENT ASSETS			
Brands	1	34,627	34,650
Other intangible assets	2	804	975
Land and buildings	3	56,660	57,290
Plant, machinery, equipment, and investments in progress	4	33,837	35,459
Other tangible assets	5	994	1,261
Right of Use	6	33,909	32,523
Equity investments	7	43	43
Other non-current assets	8	1,929	1,716
Deferred tax assets	17	-	3,035
Total non-current assets		**162,803**	**166,952**
CURRENT ASSETS			
Cash and cash equivalents	9	40,303	76,413
Trade receivables	10	35,585	24,007
Other receivables	11	2,289	4,937
Assets from contract work in progress	12	117,242	89,068
Inventories	13	12,362	10,897
Other current assets	14	5,717	5,115
Total current assets		**213,498**	**210,437**
TOTAL ASSETS		**376,301**	**377,389**
LIABILITIES AND SHAREHOLDERS' EQUITY			
SHAREHOLDERS' EQUITY			
Share capital		26,500	26,500
Share premium reserves		45,431	45,399
Reserves and other retained earnings		39,624	22,409
Currency translation reserve		- 2	- 83
Consolidated profit (loss)		29,013	36,911
Total Shareholders' Equity	**15**	**140,566**	**131,136**
NON-CURRENT LIABILITIES			
Provisions for risks and charges	16	4,780	4,335
Deferred tax liabililties	17	526	-
Provision for employee benefits	18	902	959
Long-term financial liabilities	19	60,956	62,051
Other non-current liabilities	20	86	86
Total non-current liabilities		**67,250**	**67,431**
CURRENT LIABILITIES			
Trade payables	21	93,402	90,568
Other payables	22	23,631	24,171
Short-term financial liabilities	23	12,768	12,484
Liabilities from contract work in progress	12	31,047	38,561
Other current liabilities	24	7,637	13,038
Total current liabilities		**168,485**	**178,822**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**376,301**	**377,389**

CONSOLIDATED INCOME STATEMENT – BY NATURE

In thousands of Euros	notes	30/06/2024	30/06/2023
Operating revenues		189,825	162,502
Other revenues and income		20,320	7,512
Commissions		(1,310)	(3,677)
Total Revenues	**25**	**208,835**	**166,336**
Raw materials, components, and consumables	26	(45,336)	(32,134)
Cost for outsourced work	27	(68,532)	(67,851)
Technical services and consultancy	28	(12,475)	(9,791)
Other costs for services	29	(6,702)	(6,828)
Personnel costs	30	(21,358)	(18,691)
Other operating costs	31	(4,546)	(4,087)
Total operating costs		**(158,950)**	**(139,383)**
Operating result before amortisation, depreciation, and write-downs		**49,885**	**26,954**
Amortisation and depreciation	32	(5,961)	(5,637)
Operating result		**43,924**	**21,317**
Financial income	33	811	643
Financial charges	33	(3,938)	(2,822)
Consolidated profit (loss) before income taxes		**40,797**	**19,138**
Income taxes	34	(11,783)	(5,544)
Consolidated Profit (loss)		**29,013**	**13,593**
Earnings per ordinary share		**0,55**	**0,26**
Diluted earnings per ordinary share		**0,55**	**0,26**

COMPREHENSIVE CONSOLIDATED INCOME STATEMENT – BY NATURE

Consolidated Profit/(loss)		**29,013**	**13,593**
Change in translation reserve		81	
Gains/(losses) on remeasurement of defined benefit employee plan liabilities	35	7	(35)
Change in fair value of hedging derivatives	35	(670)	624
TOTAL CONSOLIDATED PROFIT/(LOSS) (A) + (B)T		**28,431**	**14,182**

CONSOLIDATED CASH FLOW STATEMENT

In thousands of Euros	**30/06/2024**	**30/06/2023**
INCOME MANAGEMENT ACTIVITIES		
Consolidated profit before taxes	40,797	19,138
Net interest	3,127	2,179
Provision for charges and risks	809	759
Provision for severance indemnity	893	748
Adjustments for:		
Amortisation, depreciation, and write-downs of fixed assets	5,317	5,537
Capital gains/(losses)	(18,416)	
Other provisions and write-downs (revaluations)	350	100
Changes in assets and liabilities:		
Receivables from customers	(11,928)	(9,319)
Inventories and contract work in progress	(37,153)	1,484
Other management activities	2,046	(4,657)
Payables to suppliers	2,834	(5,307)
Other operating payables	(3,515)	(1,361)
Severance indemnity	(950)	(952)
Provisions for risks and charges	162	(852)
Taxes paid	(11,783)	(5,544)
Interest paid	(3,127)	(2,179)
Cash flow from income management activities	**(30,537)**	**(227)**
INVESTMENT ACTIVITIES		
Purchase of tangible assets	(3,122)	4,523
Disposal of tangible assets	21,000	0
Purchase of intangible assets	(85)	(367)
Others	2,848	4,063
Cash flow from investing activities	**20,641**	**8,219**
FINANCING ACTIVITIES		
Capital contributions		
Payment of Share Premium Reserve		
Payment of dividends	(19,610)	(14,364)
Raising M/L term loans		
Repayment of M/L term loans	(5,869)	(8,325)
Raising shareholders' loans		
Raising of loans to others		
Repayment of loans to others	(735)	(1,289)
Net change in other sources of short-term financing		
Cash flow from financing activities	**(26,214))**	**(23,978)**
TOTAL CASH FLOWS FOR THE PERIOD	(36,110)	(15,986)
OPENING CASH AND CASH EQUIVALENTS	76,413	81,317
CLOSING CASH AND CASH EQUIVALENTS	40,303	65,332

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Data in thousands of Euros	Values at 31/12/22	Allocation of income 31/12/22	Consolidated result 30/06/23	Other changes 30/06/23	Total profit/(loss) 30/06/23	Value at 30/06/23
SHARE CAPITAL	26,500					26,500
SHARE PREMIUM RESERVE	45,431					45,431
RESERVES AND OTHER RETAINED EARNINGS	13,023	24,046		(14,607)	589	23,051
CURRENCY TRANSLATION RESERVE	0				(97)	(97)
PROFIT/(LOSS) FOR THE PERIOD	24,046	(24,046)	13,593			13,593
TOTAL NA	**109,000**	**0**	**13,593**	**(14,607)**	**492**	**108,478**

Data in thousands of Euros	Values at 31/12/2023	Allocation of income 31/12/2023	Consolidated result 30/06/24	Other changes 30/06/24	Total profit/(loss) 30/06/24	Value at 30/06/24
SHARE CAPITAL	26,500					26,500
SHARE PREMIUM RESERVE	45,399			32		45,431
RESERVES AND OTHER RETAINED EARNINGS	22,409	36,911		(19,033)	(663)	39,624
CURRENCY TRANSLATION RESERVE	(83)				81	(2)
PROFIT/(LOSS) FOR THE PERIOD	36,911	(36,911)	29,013			29,013
TOTAL NA	**131,136**	**0**	**29,013**	**(19,001)**	**(582)**	**140,566**

EXPLANATORY NOTES

CONTENT AND FORM OF THE FINANCIAL STATEMENTS

These notes to the financial statements were prepared on the basis of the accounting records updated at 30 June 2024. The purpose of this document is to illustrate, analyse, and, in some cases, supplement the data indicated in the financial statements.

The financial statements formats adopted are consistent with those envisaged by IAS 1; in particular:

- the **Consolidated Balance sheet** was prepared by classifying assets and liabilities according to the "current/non-current" criterion;

- the **Consolidated income statement** was prepared by classifying operating costs by nature, as this form of presentation is considered more suitable to represent the specific business of the Group, is compliant with internal reporting methods and is in line with the relevant industrial sector practice;

- the **Consolidated Statement of comprehensive income** includes, in addition to the profit (loss) for the year, as per the Income statement, other changes in equity movements other than those with shareholders;

- the **Consolidated cash flow statement** was prepared by showing the cash flows deriving from operating activities according to the "indirect method".

The values shown in these notes, unless otherwise indicated, are expressed in thousands of Euros.

Directive 2004/109/EC (the "Transparency Directive") and Delegated Regulation (EU) 2019/815 introduced the obligation for issuers of securities listed on regulated markets of the European Union to draw up the annual financial report in XHTML, based on the European Single Electronic Format (ESEF) approved by ESMA.

REPORTING BY OPERATING SECTORS

The Group's organisational structure is based on two divisions: Shipbuilding and Refit.

The Shipbuilding Division is active in the design, production and sale of custom-built luxury superyachts ranging currently from 20 to a maximum of approximately 100 metres in length, with a focus on yachts between 60 and 100 metres.

The NCA Refit Division offers refit services both on yachts produced by the Shipbuilding division and on motor and sailing yachts made by third party manufacturers.

The operating segments have been identified by management, consistent with the applicable accounting standards and best practices. In particular, the structure of the reporting corresponds to the structure of the reports periodically reviewed by the Chief Executive Officer for business management purposes.

Both Divisions operate:

(i) within the headquarter located in the Port of Marina di Carrara, where the Group has about 120,000 square metres of operational space, in addition to the main corporate functions;

(ii) at the La Spezia shipyard, which has around 32,000 square metres of operational space. TISG also transferred the entire production of the *Tecnomar for Lamborghini* 63 project to this shipyard.

ABILITY TO CONTINUE AS A GOING CONCERN

The consolidated financial statements as at 30 June 2024 were prepared with a view to the company's ability to continue as a going concern as there is a reasonable expectation that TISG S.p.A. will continue its operating activities in the foreseeable future (and in any case with a time horizon of more than twelve months from the reporting date). In particular, the following factors were taken into consideration:

1) the main risks and uncertainties (for the most part of external origin) to which TISG is exposed:

   - the changes in the general macroeconomic situation in the Italian, European and non-EU markets as well as the volatility of the financial markets of the "Eurozone" also as a result of the evolution of the conflict between Russia and Ukraine and the evolution of sanctions for the Russian Federation;

   - the changes in business conditions, also in relation to competitive dynamics;

- the outcomes of disputes and claims with regulatory authorities, competitors, and other parties;

2) financial risks (trend in interest rates and/or exchange rates, inflation, changes in creditworthiness by rating agencies);

3) the mix considered to be optimal between risk capital and debt capital as well as the policy for the remuneration of the risk capital, as described in the Note "Shareholders' Equity";

4) the financial risk management policy (market risk, credit risk and liquidity risk), as described in the Note "Financial Risk Management".

On the basis of these factors, the Company's management believes that, at present, there are no elements of uncertainty on the going concern assumption for TISG S.p.A

ACCOUNTING STANDARDS AND EVALUATION CRITERIA

The financial statements at 30 June 2024 were prepared in compliance with the International Accounting Standards (IFRS), in force at the reporting date, issued by the International Accounting Standards Board and adopted by the European Union. Account was also taken of the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously known as the Standing Interpretations Committee ("SIC").

The comparison between the figures of the income statement, the balance sheet, the cash flow statement and the changes in shareholders' equity is always expressed in thousands of Euros, except in the cases indicated individually and otherwise, and is carried out with the corresponding values at 31 December 2023 for the statement of financial position and as at 30 June 2023 for the other statements.

The accounting standards adopted in the preparation of these financial statements are consistent with those adopted in the preparation of the financial statements as at 31 December 2023, to which reference is made.

IFRS means the revised international accounting standards (IFRS and IAS) and all the interpretations of the International Financial Reporting Interpretations Committee (IFRIC and SIC), adopted by the European Union.

NEW ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED FROM 1 JANUARY 2024

Pursuant to IAS 8 (Accounting Standards, changes in accounting estimates and errors), the IFRS in force as from 1 January 2024 are indicated and briefly described below:

Title of the document issued by the IASB	Date of publication of the IASB document	Effective date
Supplier finance arrangements (modifiche a: IAS 7 Statement of Cash Flows IFRS 7 Financial Instruments: Disclosure)	1 January 2024	approved
Lease Liabilities in a Sale and leaseback transaction (Amendments to IFRS 16)	1 January 2024	approved
Classification of Liabilities as Current or Non-current (Amendments to IAS 1) - Deferral of Effective Date	1 January 2024	approved
Non-current liabilities with covenants (amendments to IAS 1)	1 January 2024	approved

EARLY ADOPTION OF THE PRINCIPLES AND AMENDMENTS

The table below lists all the decisions with a mandatory effective date in future accounting years.

Furthermore, at the date of these Financial Statements, the competent bodies of the European Union have concluded the endorsement process necessary for the adoption of the following accounting standards and amendments:

Document title	Issue date	Date of entry into force	Date of approval	EU Regulation and date of publication
IFRS 17 - Insurance Contracts (including amendments published in June 2020)	May 2017 June 2020	1 January 2023	19 November 2021	(EU) 2021/2036 23 November 2021
Definition of accounting estimates (Amendments to IAS 8)	February 2021	1 January 2023	2 March 2022	(EU) 2022/357 3 March 2022
Disclosure on accounting standards (Amendments to IAS 1)	February 2021	1 January 2023	2 March 2022	(EU) 2022/357 3 March 2022
Deferred taxes related to assets and liabilities arising from a single transaction (Amendments to IAS 12)	May 2021	1 January 2023	11 August 2022	(UE) 2022/1392 12 August 2022
First-time adoption of IFRS 17 and IFRS 9 - Comparative information (Amendments to IFRS 17)	December 2021	1 January 2023	8 September 2022	(UE) 2022/1491 9 September 2022

The document published by the IASB includes amendments to the document "IFRS Practice Statements 2 – Making Materiality Judgements" that have not been endorsed by the European Union as they do not relate to an accounting standard or an interpretation.

Furthermore, at the date of these Financial Statements, the competent bodies of the European Union have not yet completed the endorsement process necessary for the adoption of the following accounting standards and amendments:

Title document issued by the IASB	Date of publication of the IASB document	Effective date	Number and date of EU type-approval regulation	Date of publication in the OJEU
Lease Liabilities in a Sale and leaseback transaction (Amendments to IFRS 16)	22 September 2022	1 January 2023	19 November 2021	(EU) 2021/2036 23 November 2021
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	25 May 2023	1 January 2023	2 March 2022	(EU) 2022/357 3 March 2022
• Classification of Liabilities as Current or Non-current; • Classification of Liabilities as Current or Non-current - Deferral of Effective Date; • Non-current Liabilities with Covenants (Amendments to IAS 1)	23 January 2020 15 July 2020 31 October 2022	1 January 2023	2 March 2022	(EU) 2022/357 3 March 2022
Lack of Exchangeability (Amendments to IAS 21)	15 August 2023	1 January 2023	11 August 2022	(UE) 2022/1392 12 August 2022

The Group will adopt these new standards, amendments, and interpretations on the basis of the expected date of application and will assess their potential impacts when they are approved by the European Union.

In addition to the above rulings, in 2023 the IFRS Interpretations Committee issued several "*agenda decisions*", which do not constitute a mandatory guideline. However, they report the reasons why the IFRIC did not include an item on its agenda (or did not report it to the IASB) and the way in which the IFRS obligations must be applied. The IFRS Foundation website states that the "agenda decisions" must be "useful, informative and persuasive"

In addition to the above, IFRIC has issued several decisions in the last 12 months. These agenda decisions do not constitute official guidelines. The IFRS Foundation points out that such decisions "should be regarded as useful, informative and persuasive". Entities preparing financial statements in accordance with IFRS are ultimately expected to take into account and adhere to agenda decisions and this is the approach followed by securities market regulators around the world.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET APPLIED OR APPLICABLE

There are numerous principles, amendments to the principles and interpretations that have been issued by the IASB which will be effective in future accounting years and that the Group has decided not to apply early.

The following amendments are effective from 2023:

- Contracts for consideration – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, plant and equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Annual Improvements to the 2018-2020 IFRS Standards (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- References to the Conceptual Framework (Amendments to IFRS 3).

The following amendments are effective from the financial year starting 1 January 2023:

- Communication of accounting standards (Amendments to IAS 1 and to IFRS Practice Statement 2 of IFRS);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

The following amendments are effective for subsequent financial years:

- Non-convertibility (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates), effective 1 January 2025
- Amendments to the classification and measurement of financial instruments (Amendments to IFRS 9 Financial Instruments), effective 1 January 2026
- IFRS 18 - Presentation and Disclosure in Financial Statements, effective 1 January 2027
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures, effective 1 January 2027

In January 2020, the IASB issued amendments to IAS 1, which clarify the criteria used to determine whether liabilities are classified as current or non-current. These amendments clarify that the classification as current or non-current is based on the consideration whether at the end of the year an entity has the right to defer payment of the liability for at least twelve months after the end of the year. The amendments also clarify that the word "payment" includes the transfer of cash, goods, services or equity instruments, unless the obligation to transfer equity instruments arises from a conversion item that is classified as an equity instrument separately from the liability component of a compound financial instrument. The amendments were originally effective for annual periods beginning on or after 1 January 2022. However, in May 2020, the effective date was postponed to annual periods beginning on or after 1 January 2023.

In response to feedback and questions from stakeholders, in December 2020, the IFRIC (the Committee) issued a provisional agenda decision, which analysed the applicability of the amendments to three scenarios. However, in light of the feedback received and the various concerns raised about the outcome of the application of some aspects of the amendments, the Committee did not finalise the provisional agenda decision and referred the matter to the IASB. At its meeting in June 2021, the IASB provisionally decided to amend the obligations under IAS 1 regarding the classification of liabilities by subjecting it to conditions and the disclosure of information regarding these conditions and to postpone the effective date of the 2020 amendment by at least one year.

The Company is currently evaluating the impact of these new accounting standards and amendments. The Company will assess the impact of the final amendments to IAS 1 on the classification of its liabilities once the latter are issued by the IASB. The Company does not believe that the amendments to IAS 1, in their current form, have a significant impact on the classification of its liabilities, since the conversion element of its convertible debt instruments is classified as an equity instrument and, therefore, it does not affect the classification of its convertible debt instruments as non-current liabilities.

The Group has not adopted in advance any standard, interpretation or improvement issued but not yet in force.

CONSOLIDATION PRINCIPLES

The consolidated financial statements have been drafted on the basis of the financial statements as at 30 June 2024, prepared by the Parent Company The Italian Sea Group S.p.A. and its subsidiaries, in accordance with the accounting standards adopted by the Group.

The administrative period and the closing date for the preparation of the Consolidated Financial Statements correspond to those of the financial statement of the Parent Company and its subsidiaries.

SUBSIDIARIES

Subsidiaries are the companies in which the Group is exposed to variable returns, or holds rights to such returns, arising from its relationship with such companies, and at the same time has the ability to affect such returns by exercising its power.

The Group ascertains the control of entities through the presence of three elements:

1. Power: the Group's current ability, deriving from material rights, to manage the relevant activities of entities that significantly affect the entity's returns;

2. Exposure of the Group to the variability of the returns of the entity subject to investment;

3. Correlation between power and returns, the Group has the ability to exercise its power to affect the returns deriving from that relationship.

The financial statements of subsidiaries are included in the Consolidated Financial Statements starting from the date on which control is assumed until such control ceases to exist.

SCOPE OF CONSOLIDATION

The list of companies over which The Italian Sea Group S.p.A. exercises control, and which are therefore included in these consolidated financial statements, is shown in the following table:

Name	Registered office	Share Capital	Consolidation Criteria	% held
Celi srl	Italy	110,000 €	Line-by-line	100%
TISG Turkey	Turkey	10,000 €	Line-by-line	100%

During the six months ended 30 June 2024, Perini Navi Usa Inc. was removed from the scope of consolidation as it ceased to exist.

NON-CURRENT ASSETS

INTANGIBLE ASSETS

Owned intangible assets acquired or produced internally are assets without physical substance recognised under assets, in accordance with IAS 38, only if identifiable, controllable, the cost of which can be determined reliably and to the extent that they are capable of producing future economic benefits.

Brands are considered assets with an indefinite useful life and, therefore, are not amortised, but are subject to impairment testing at least once a year, in accordance with **IAS 36 – Impairment of Assets** - ("Impairment Test") carried out at the level of the Cash Generating Unit ("CGU") to which the company management attributes the brand. Any write-downs are not subject to subsequent write-backs.

The recoverability of these assets is verified when events or changes in circumstances suggest that the book value is not recoverable. The recoverability measurement is carried out for each cash generating unit, represented by the smallest identifiable set of assets that generates cash inflows largely independent from those generated by other assets.

The definition of the CGUs is made by considering, among other things, the methods with which the management controls the operating activities (e.g., by business lines) or makes decisions about maintaining or disposing of the assets and activities of the Group.

Cash generating units may include corporate assets, i.e., assets that do not generate autonomous cash flows, attributable on a reasonable and consistent basis. Corporate assets not attributable to a specific cash generating unit are allocated to a larger aggregate consisting of several cash generating units.

With reference to brands, the verification is carried out, at least annually or in any case when events occur that suggest a reduction in value, at the level of the smallest aggregate on the basis of which the Company Management assesses, directly or indirectly, the return on the investment that includes the brand itself.

The recoverability is verified by comparing the book value with the relative recoverable value represented by the higher of the fair value, net of disposal costs, and the value in use. The latter is determined by discounting the expected cash flows deriving from the use of the cash generating unit and, if significant and reasonably determinable, from its sale at the end of its useful life, net of disposal costs. The expected cash flows are determined on the basis of reasonable and supportable assumptions representative of the best estimate of the future economic conditions that will occur in the residual useful life of the cash generating unit, giving greater importance to the indications coming from the outside.

In order to determine the value in use, the expected cash flows are discounted at a rate that reflects the current market valuations of the time value of money and

the specific risks of the asset not reflected in the estimates of cash flows. In particular, the discount rate used is the Weighted Average Cost of Capital ("WACC").
When the value of the cash generating unit, including brands, is higher than the recoverable value, the difference is written down. When the reasons for the write-down no longer apply, the assets are revalued and the adjustment is charged to the income statement; the write-back is carried out for an amount equal to the lower of the recoverable value and the carrying amount gross of the write-downs previously carried out.

Research costs are charged to the Income Statement in the period in which they are incurred.

Costs for the development of new products and manufacturing processes are capitalised and recognised under intangible assets only if all the following conditions are met:

- the project is clearly identified and the related costs can be reliably identified and measured;
- the technical feasibility of the project is demonstrated;
- the intention to complete the project and to sell the intangible assets generated by the project has been demonstrated;
- there is a potential market or, in the case of internal use, the usefulness of the intangible asset has been demonstrated;
- the technical and financial resources necessary for the completion of the project are available.

They are amortised over the period in which the expected future revenues will arise from the same project.

TANGIBLE ASSETS

Tangible assets are recognised in the financial statements at purchase cost, including any accessory charges, and are systematically depreciated each year on a straight-line basis over their estimated useful life.

Ordinary maintenance expenses are charged in full to the income statement, those of an incremental nature are charged to the asset to which they refer and are amortised in relation to the residual possibility of use of the same.

If the individual components of a complex tangible asset have a different useful life, they are recognised separately to be amortised in line with their useful life (the "component approach").

Fixed assets under construction are valued at cost, including directly and indirectly attributable ancillary costs, only for the portion that can reasonably be attributed to them.

Tangible assets are depreciated on the basis of the economic-technical rates shown below, representative of the useful life:

DESCRIPTION	%
Buildings on land under concession Marina di Carrara	Concession expiry date December 2072
Buildings on land under concession La Spezia	Concession expiry date February 2035
Buildings on land under concession Viareggio	Concession expiry date December 2037
Plant and machinery	6.67%-10%
Equipment	10%-25%
Office furniture and machines	12%
Electronic machines	20%
Motor vehicles	20%

IMPAIRMENT LOSSES ON NON-FINANCIAL ASSETS

At each balance sheet date, tangible and intangible assets with finite useful lives are analysed for impairment indicators. If the presence of these indicators is identified, the recoverable value of the aforementioned assets is estimated, attributing any write-down of the book value to the income statement.

The recoverable value of an asset is the higher of its fair value, less costs to sell, and its value in use, meaning the present value of the estimated future cash flows for that asset. For an asset that does not generate largely independent cash flows, the realisable value is determined in relation to the cash generating unit to which the asset belongs.

In determining the value in use, the expected future cash flows are discounted with a discount rate that reflects the current market valuation of the cost of money, in relation to the period of the investment and the specific risks of the asset. An impairment loss is recognised in the Income statement when the carrying amount of the asset is higher than the recoverable amount. If the conditions for a previous write-down no longer apply, the book value of the asset, with the exception of goodwill, is reinstated with recognition in the income statement, within the limits of the net book value that the asset in question would have had if it had not been for the write-down and depreciation carried out.

EQUITY INVESTMENTS

Non-current financial assets include equity investments, valued at cost, which is reduced for impairment. The original value is reinstated in subsequent years if the reasons for the write-down no longer apply.

RIGHT OF USE – LEASE LIABILITIES

The Group holds tangible assets used in carrying out its business activities, through lease agreements. At the start date of the lease, the Group determines whether the contract is, or contains, a lease.

The Group identifies a lease agreement according to the definition provided for by IFRS 16, when the agreement transfers the right to control the use of an underlying asset for a period of time in exchange for a consideration. For lease agreements, the Group recognises an asset consisting of the **Right-of-Use** asset and a lease liability at the start date of the agreement (*i.e.*, the date on which the underlying asset is available for use).

The **Right-Of-Use** consists in the lessee's right to use the underlying asset for the duration of the lease; its initial measurement is at cost, which includes the initial amount of the lease liability adjusted for all payments due for the lease made on the effective date or previously net of the lease incentives received, plus any initial direct costs incurred and an estimate of the costs for the dismantling and removal of the underlying asset and for the restoration of the underlying asset or site where it is located. After initial recognition, the **Right-Of-Use** is amortised on a straight-line basis over the duration of the lease agreement.

The lease liability is initially measured at the present value of the lease payments due over the term of the lease. In calculating the present value of the lease payments, the Group uses the lessee's marginal borrowing rate at the start date of the lease when the implicit interest rate of the lease cannot be easily determined.

The variable payments due for the lease that do not depend on an index or a rate are recognised as costs in the period in which the event or circumstance that triggers the payments occurs. After the commencement date, the lease liability is measured at amortised cost using the effective interest rate method and restated when certain events occur.

The Group applies the exception to the recognition envisaged for short-term leases to its agreements with a duration equal to or less than 12 months from the effective date. It also applies the exception to the recognition envisaged for leases in which the underlying asset is of "modest value" and whose amount is estimated as not significant.

CURRENT ASSETS

INVENTORIES

Inventories are recorded at the lower of purchase or production cost and the net realisable value represented by the amount that the company expects to obtain from their sale in the ordinary course of business, net of costs of sales. The cost of Inventories of raw, ancillary and consumable materials as well as finished products and goods is determined by applying the weighted average cost method. The cost of production includes raw materials, the cost of direct labour and other production costs (based on normal operating capacity). Financial charges are not included in the valuation of inventories.

Materials with slow turnover or otherwise no longer reusable in the normal production cycle are adequately written down to align the value with the net realisable value.

ASSETS AND LIABILITIES FROM CONTRACT WORK IN PROGRESS

Assets and liabilities from contract work in progress (hereinafter also "contracts") are recognised at the value of the agreed contractual considerations, according to the percentage of completion method, taking into account the progress achieved and the expected contractual risks. The work progress is measured with the so-called "input" method with reference to the contract costs incurred at the reporting date in relation to the total estimated costs for the contract (so-called "cost-to-cost").

If it is expected that the completion of a contract may result in a loss, this is recognised in its entirety in the year in which the same becomes reasonably foreseeable.

Contract orders are stated considering the costs incurred plus the margins recognised, less any expected losses, net of invoicing for work in progress.

This analysis is carried out on a contract-by-contract basis. If the differential is positive, the imbalance is classified as an asset under the item "assets from contract work in progress"; if, on the other hand, this differential is negative, the difference is classified as a liability under the item "Liabilities from contract work in progress".

TRADE RECEIVABLES AND OTHER ASSETS

Trade receivables and other current and non-current receivables are financial instruments, mainly relating to receivables from customers, not derivatives and not listed in an active market, from which fixed or determinable payments are expected.

Trade receivables and other receivables are classified in the balance sheet under current assets, with the exception of those with a contractual maturity of more than twelve months from the reporting date, which are classified under non-current assets. These financial assets are recorded in the balance sheet assets when the Group becomes a party to the contracts connected to them and are eliminated from the balance sheet assets, when the right to receive the cash flows is transferred together with all the risks and benefits associated with the asset sold. Trade receivables and other current and non-current receivables are originally recognised at their fair value and, subsequently, at amortised cost, using the effective interest rate, reduced for impairment losses. The amount of the write-down is measured as the difference between the book value of the asset and the present value of expected future cash flows. The value of the receivables is shown in the financial statements net of the related bad debt provision.

Trade receivables and other current and non-current receivables are eliminated from the balance sheet when the right to receive the cash flows is extinguished and all the risks and benefits associated with the holding of the asset are substantially transferred (referred to as "derecognition") or if the item is considered definitively unrecoverable after all the necessary recovery procedures have been completed.

The approach adopted for the recognition of credit losses is prospective, focused on estimating the probability of future credit losses, even in the absence of events that suggest the need to write down a credit position ("expected losses").

Although the provision allocated is deemed adequate, the use of different assumptions or the change in economic conditions, even more so in this period characterised by a negative economic situation, could be reflected in changes in the provision for credit risks.

CASH AND CASH EQUIVALENTS

The item related to **Cash and cash equivalents** includes cash and bank current accounts and deposits repayable on demand and other short-term financial investments with high liquidity, which are readily convertible into cash and are subject to a non-significant risk of change in value.

NON-CURRENT LIABILITIES

PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges relate to costs and charges of a determined nature and of certain or probable existence, whose amount or date of occurrence is undetermined at the end of the year. Provisions are recognised when: i) the existence of a current legal or implicit obligation deriving from a past event is likely; ii) it is probable that the fulfilment of the obligation may likely carry charges; iii) the amount of the obligation can be reliably estimated.

Provisions are recognised at the value representing the best estimate of the amount that the company would rationally pay to extinguish the obligation or to transfer it to third parties at the end of the year; provisions relating to onerous contracts are recognised at the lower of the cost necessary to fulfil the obligation, net of the expected economic benefits deriving from the contract, and the cost of terminating the contract.

When the financial effect of time is significant and the payment dates of the obligations can be reliably estimated, the provision is determined by discounting the expected cash flows determined taking into account the risks associated with the obligation at the average rate of the company's debt; the increase in the provision related to the passing of time is recognised in the Income statement under "Financial charges".

Risks for which the occurrence of a liability is only "possible" are indicated in the appropriate disclosure section on commitments and risks and no provision is made for the same.

CONTINGENT ASSETS AND LIABILITIES

Contingent liabilities consist of:

a) "possible" obligations that arise from events that occurred before the reporting date and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not fully under the Group's control; or

b) current obligations that arise from events before the reporting date but are not recognised because: (i) it is not probable that the liability will require an outflow of resources from the action of settling the obligation; or (ii) the amount of the obligation may not be estimated with sufficient accuracy.

Contingent assets are represented by assets that derived from events that occurred before the reporting date and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not fully under the Group 's control.

Contingent assets and liabilities are not recognised in the financial statements but are described in the notes to the financial statements.

EMPLOYEE BENEFITS (POST-EMPLOYMENT PLANS)

The Group's employees benefit from pension and other post-employment plans. The pension plans in which the Group is required to participate by Italian law are Defined Contribution Plans, while other post-employment benefit plans, in which the Group generally participates by virtue of collective employment agreements, are Defined Benefit Plans.

Payments relating to defined contribution plans made by the Group are recognised in the income statement as a cost when incurred. Defined benefit plans are based on the working life of employees and on the remuneration received by employees during a predetermined period of service.

With the adoption of IFRS, the severance pay accrued up to 31 December 2006 is therefore considered as a defined benefit obligation.

On 16 June 2011, the IASB issued an amendment to IAS 19 - Employee Benefits, which eliminates the option of deferring the recognition of actuarial gains and losses with the corridor method, requiring the presentation in the balance sheet of the deficit or surplus of the provision, and the recognition of the cost components linked to the work performance and the net financial charges in the income statement, and the recognition of the actuarial gains and losses deriving from the re-measurement of liabilities and assets under "Other comprehensive income/(losses)". In addition, the return on assets included under net financial charges must be calculated based on the discount rate of the liability and no longer on the expected return on the assets.

FINANCIAL LIABILITIES

Financial liabilities relating to loans and other obligations to pay other than derivatives, after initial recognition at fair value, are measured using the amortised cost method, net of principal repayments already made.

Payables and other liabilities are classified as current liabilities, unless the Group has the contractual right to settle its obligations at least after twelve months from the reporting date. Financial liabilities are eliminated when they are extinguished, or when the obligation specified in the contract is fulfilled, cancelled, or expired.

DERIVATIVES

Derivative financial instruments meet the criteria for classification as hedging instruments and thus the relationship with the item being hedged is documented, including the risk management objectives, the hedging strategy, and the methods to assess effectiveness.

The effectiveness of each hedge is verified both at the initiation of each derivative instrument and during its life.

In the case of hedging aimed at neutralising the risk of changes in future cash flows originating from the future execution of transactions expected to be highly probable at the reporting date (cash flow hedge), the changes in the fair value of the derivative instrument recorded after the first recognition are accounted for, limited only to the effective portion, among the components of the comprehensive profit and loss.

CURRENT LIABILITIES

Financial liabilities (excluding derivative financial instruments), trade payables and other payables are initially recognised at fair value, net of directly attributable accessory costs, and are subsequently measured at amortised cost, applying the effective interest rate criterion. If there is an estimated change in the expected cash flows, the value of the liabilities is recalculated to reflect this change on the basis of the present value of the new expected cash flows and the internal rate of return initially determined.

Financial liabilities are classified under current liabilities, unless the Group has an unconditional right to defer their payment for at least 12 months after the reference date. Financial liabilities are derecognised from the financial statements when they are extinguished and when the Group has transferred all risks and charges relating to the instrument.

REVENUES

Revenues represent the gross cash flows of economic benefits for the year deriving from the performance of ordinary activities. Fees collected on behalf of third parties such as sales taxes, taxes on third-party assets and value added tax are not - and are therefore excluded from - revenues.

The process underlying the recognition of revenues follows the steps envisaged by **IFRS 15**:

1) **Contract identification**: this occurs when the parties approve the contract (with commercial substance) and identify their respective rights and obligations: in other words, the contract must be legally binding, the rights to receive goods and/or services can be clearly identified and in terms of payment and the Group deems it probable that the payment will be received;

2) **Identification of performance obligations** – the main performance obligations identified, *i.e.*, promises to transfer goods and services that are distinct, are the sale of yachts and refit services;

3) **Determination of the transaction price** – this is the total amount contracted with the counterparty, having regard for the entire duration of the contract; the Group has defined the contractual duration as that deriving from the time required to build the yacht;

4) **Allocation of the transaction price to the performance obligations** – the allocation takes place in proportion to the progress of the work on the yachts;

5) **Revenue recognition** – revenue is represented net of discounts, allowances, returns, and recognised in relation to the characteristics of the type of revenue.

The sale of a yacht complies with the requirements for the transfer of control and the fulfilment of the performance obligation over the period of time of construction of the yacht ("over time"). In particular, the orders are built on specific customer requirements and the Group has contractual rights that protect the recognition of the margin of the service completed up to the date in question. At the signing of the contract, the customer pays the Group an amount as an advance payment which, in the event of renouncement to the purchase of the yacht, may be retained and included in the revenues.

Revenues and related costs are recognised over time, i.e., before the goods are delivered to the customer. Progress made is measured using the cost-to-cost method and costs are recognised in the income statement when incurred.

Invoices are issued according to the conditions set forth in the contract for each individual unit. In particular, an advance payment at the start of the contract is provided, and invoices are subsequently issued on the achievement of specific work in progress stages ("SAL").

By way of example (but without limitation as it depends on the type of contract), invoices are issued:

- upon signing the contract;
- upon completion of the hull, deck, and superstructure;
- upon completion of the internal subdivision, rough finish;
- upon boarding of the main engines;
- upon completion of the works, when the ship is ready for delivery; at the same time the "Test and Acceptance Report" and the "Transfer of Ownership Deed" are signed.

It is estimated that a large part of the price of a yacht is paid, on average, by way of advance payment and in subsequent instalments during the course of the work in progress on the contract (SAL) as shown above, while only a residual portion is settled upon final delivery of the unit.

FINANCIAL INCOME

Interest income is recognised in accordance with the accrual principle, considering the actual return.

ACCOUNTING FOR GOVERNMENT GRANTS

Government grants are those that take the form of transfers of resources to an entity provided that it has complied with, or undertakes to comply with, certain conditions relating to its operating activities. Grants are loans for which the lender undertakes to waive the right to repayment in the event certain conditions are met.

COSTS

Costs are charged to the income statement when the amount can be determined objectively and when in the substance of the transaction it can be found that the company has incurred these costs on an accrual basis.

FINANCIAL CHARGES

Financial charges are recognised on an accrual basis and include interest payable on financial payables calculated using the effective interest method and exchange rate differences.

DIVIDENDS

Dividends payable are represented as changes in shareholders' equity in the year in which they are approved by the Shareholders' Meeting.

TAXES

Current taxes are set aside in accordance with the applicable regulations, based on an estimate of taxable income. Payables for current taxes are recorded in the balance sheet under current liabilities under the item "**Tax Payables**" net of advances paid and withholding taxes. If there is a credit balance, the amount is shown under "**Sundry Receivables and Other Assets**" under current assets.

Prepaid and deferred income taxes are calculated on the timing differences between the values of assets and liabilities determined according to statutory criteria and the corresponding values recognised for tax purposes. The valuation is made on the basis of the tax rates expected to be applied in the year in which these differences will be realised or extinguished and therefore will contribute to the formation of the tax result, considering the rates in force or those already issued at the reporting date.

Prepaid taxes are recognised for all deductible timing differences, to the extent that it is probable that in the reversal period taxable income will be available against which said differences can be used. On the other hand, deferred taxes are recognised on all taxable timing differences, unless there is little likelihood that the related "payable" will arise.

Prepaid tax assets and deferred tax liabilities are stated net under non-current assets or liabilities, as they refer to the same tax authority.

CRITERIA FOR CONVERSION OF FOREIGN CURRENCY ITEMS (NON-EUROZONE)

Receivables and payables denominated in foreign currencies are originally recognised at the exchange rate in effect at the date they arose and, if they exist at the closing date, are appropriately stated in the financial statements at the exchange rate in effect at the end of the period, crediting or debiting exchange rate gains or losses to the income statement.

Exchange rate differences are of a financial nature and as such are recognised in the income statement as financial income components, as they are not related to the commercial transaction in the strict sense, but express the changes over time - at the conclusion of the commercial transaction - of the currency chosen in the trade.

There are no significant effects to report as a result of changes in exchange rates occurring after the end of the financial year.

USE OF ESTIMATES

The preparation of the financial statements requires the application of accounting standards and methods that, in certain circumstances, are based on difficult and subjective valuations and estimates based on historical experience and assumptions that are, from time to time, considered reasonable and realistic according to the relevant circumstances.

The application of these estimates and assumptions affects the amounts reported in the financial statements, such as the balance sheet, the comprehensive income statement and the cash flow statement, as well as the information provided.

Due to the uncertainty that characterises the assumptions and the conditions upon which these estimates are based, the final results of the items in the financial statements for which these estimates and assumptions have been utilised may differ from those reported in the financial statements showing the effects of the estimated items.

The accounting standards - that require greater subjectivity in the preparation of estimates and for which a change in the conditions underlying the assumptions used could have a significant impact on the financial data - are briefly described.

In particular, it is believed that the items most subject to this subjectivity are:

- **Deferred tax assets:** Deferred tax assets are accounted for on the basis of expectations of taxable income in future years. The valuation of expected taxable income for the purposes of accounting for deferred tax assets depends on factors that may vary over time and determine significant effects on the recoverability of deferred tax assets;

- **Valuation of the Admiral, Tecnomar and Perini Navi brands:** intangible assets with an indefinite useful life are not amortised; the recoverability of their book value is checked at least annually and, in any case, when events occur that suggest a reduction in value, on the basis of an impairment test based on estimates and assumptions by the company management.

- **Recognition of revenues from contract work in progress:** Similarly to other large multi-year contracts, the contract for the construction of a yacht or a ferry precedes the realisation of the product, sometimes by a very significant period of time. There are few cases of contractual price revision formulas, although there is the possibility of obtaining extra-prices for additions and variations, limited to cases of significant changes in the scope of supply. The margins that are expected to be recognised on the entire work upon completion are recognised in the income statements of the relevant years based on progress. Therefore, the correct recognition of the work in progress and of the margins relating to works not yet completed presupposes the correct estimate by the management of the costs to completion, of the assumed increases, and also of the delays, extra costs and penalties that could reduce the expected margin. To better support the estimates, management uses contract risk management and analysis schemes to monitor and quantify the risks related to the performance of these contracts. The values recorded in the financial statements represent the best estimate made by management at that date, with the help of said procedural supports.

- **Provisions for risks and charges:** Provisions representing the risk of a negative outcome are recognised for legal and tax risks and disputes. The value of the provisions recorded in the financial statements relating to these risks represents the best estimate, to date, made by the company management. This estimate derives from assumptions that depend on factors and circumstances that may change over time.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COMMENTS ON THE MAIN CONSOLIDATED ASSET ITEMS

NOTE 1 – TRADEMARKS

Changes in this item are detailed as follows:

In thousands of Euros	30/06/2024	31/12/2023	Changes
Trademarks	34,627	34,650	(23)
TOTAL	**34,627**	**34,650**	**(23)**

In thousands of Euros	Admiral brand	Tecnomar brand	Perini brand	Picchiotti brand	Celi brand	Total
Net Book Value 31.12.2023	**2,319**	**1,235**	**30,351**	**735**	**10**	**34,650**
Investments	-	-	-	-	-	-
Net decreases	-	-	-	-	-	**-**
Depreciation	-	-	-	23	-	**23**
Net Book Value 30.06.2024	**2,319**	**1,235**	**30,351**	**712**	**10**	**34,627**

Brands: This item, amounting to Euro 34,627 thousand as at 30 June 2024, decreased, with respect to 31 December 2023, of Euro 23 thousand. This decrease is mainly attributable to the effect of the amortisation process of the Picchiotti brand (with finite useful life).
Based on the results of the "Purchase Price Allocation – PPA", carried out in the first half of 2022 in order to define the allocation of the sale price of the Perini Navi business to the various assets, a value of Euro 30,351 thousand was attributed to the **Perini Navi brand** and a value of approximately Euro 825 thousand was attributed to the **Picchiotti brand**.

The remaining item is composed of Euro 2,319 thousand for the purchase of the Admiral brand, incurred by The Italian Sea Group S.p.A. in the 2011 financial year, and for Euro 1,235 thousand, for the purchase of the Tecnomar brand from CELI S.r.l., which took place in December 2019; both brands were considered to have indefinite useful lives.

Contrary to what is envisaged for the Perini Navi brand, the Picchiotti brand has been measured at finite useful life and, consequently, amortised over an estimated useful life of 18 years.

Brands are tested for impairment indicators at least once a year ("Impairment Test"). If the test shows an impairment loss, the Group records a corresponding write-down in the financial statements. This test was based on the comparison between the recoverable value of the brands and their book value posted in the financial statements.

Pursuant to the applicable accounting regulations, the "recoverable amount" of the asset is equal to the higher of the "fair value net disposal costs" and the "value in use". The estimate of the value in use was carried out, in compliance with IAS 36, applying the valuation best practices principles, by discounting the expected cash flows.

The various expected cash flows, broken down by brand, are summarised in an average normal flow determined starting from the prospective data reported in the 2024-2027 Business Plan, approved by TISG's Board of Directors on 6 February 2024.

The 2024-2027 Business Plan incorporates some assessments on potential risk elements, as well as counter-action and response actions.

The cost of capital used to discount the forecast cash flows of the estimated value of the CGU:

- It was estimated using the Capital Asset Pricing Model (CAPM), which is an application criterion of general acceptance referred to in IAS 36;
- It reflects the current market estimates of the time value of money and the specific risks of groups of assets;
- It was calculated using comparative market parameters to estimate the "beta coefficient" and the weighting coefficient of the equity and debt capital components;
- It takes into account the impacts deriving from the application of the new IFRS 16 standard.

With reference to the two CGUs subjected to impairment, we report the following:

- The weighted average cost of capital used to discount forecast cash flows (so-called WACC) is equal to **11.50%**.

The results of the Impairment Test on TISG's brands were approved by the Board of Directors on 6 February 2024.

In the first half of 2024, there were no indicators of possible impairment of the brands held by the company, and therefore it was not necessary to update the impairment test performed on 6 February 2024.

NOTE 2 – OTHER INTANGIBLE ASSETS

Changes in this item are detailed as follows:

in thousands of Euros	**30/06/2024**	**31/12/2023**	**Changes**
Development costs	804	975	(171)
TOTAL	**804**	**975**	**(171)**

Development costs: the item, equal to Euro 804 thousand as at 30 June 2024, down by Euro 171 thousand compared to 31 December 2023, net of amortisation, includes the investments regarding the capitalisation of software licences and capitalised costs for the development of strategic projects, amortised over an estimated useful life of 5 years; over the course of the first half of 2024, Euro 82 thousand was capitalised.

In particular, for the recognition of these amounts in the financial statements, it emerged that:

- The above-mentioned projects were clearly identified, and the related costs are reliably identifiable and measurable;
- The projects' technical feasibility has been demonstrated;
- The intention to complete the projects and sell the intangible assets generated by the project has been demonstrated;
- There is a potential market or, in the case of internal use, the usefulness of the intangible asset has been demonstrated;
- The technical and financial resources necessary for the completion of the project are available.

Details of the type of project that make up this item are reported as follows:

In thousands of Euros	Tecnomar for Lamborghini	Software	Total
Net Book Value 31.12.2023	**751**	**224**	**975**
Changes in 2024			
Investments	0	82	82
Net decreases	0		0
Depreciation	(139)	(114)	(253)
Net Book Value 30.06.2024	**612**	**192**	**804**

NOTE 3 – LAND AND BUILDINGS

Changes in this item are detailed as follows:

In thousands of Euros	30/06/2024	31/12/2023	Variazioni
Land and buildings	8,848	8,972	(124)
Buildings on land under concession	47,812	48,318	(506)
TOTAL	**56,660**	**57,290**	**(630)**

The item, equal to Euro 56,660 thousand as at 30 June 2024, decreased by Euro 630 thousand compared to 2023, due to the depreciation for the period; over the course of the first half of 2024, Euro 95 thousand was capitalised.

With regard to the item buildings on land under concession, due to the effect of the extension of the expiry date of the state concession in Marina di Carrara to 2072, the residual useful life of these assets was redetermined for the purposes of the depreciation process, allocating the net book value at the beginning of the year over this longer period.

Changes in this item during the first half of 2024 are shown below:

In thousands of Euros	**Land and buildings**	**Buildings on land under concession**	**Total**
Historical Cost	10,940	61,970	72,909
Depreciation provision	1,968	13,652	15,619
Net Book Value 31.12.2023	**8,972**	**48,318**	**57,290**
Changes in 2024			
Investments	21	74	95
Decreases	0	0	0
Transfers WIP and payments on account	0	0	0
Chg. Historical Cost 2024	**21**	**74**	**95**
Depreciation	145	580	725
Release of depreciation provision	0	0	0
Chg. Depreciation provision 2024	**145**	**580**	**725**
Historical Cost	10,961	62,044	73,004
Depreciation provision	2,113	14,232	16,344
Net Book Value 30.06.2024	**8,848**	**47,812**	**56,660**

NOTE 4 – PLANT, MACHINERY AND EQUIPMENT

Changes in this item are detailed as follows:

In thousands of Euros	30/06/2024	31/12/2023	Variazioni
Work in progress and payments on account	6,174	4,710	1,464
Industrial and commercial equipment	3,140	5,179	(2,039)
Plant and machinery	23,303	24,233	(930)
Moulds	1,220	1,337	(117)
TOTAL	**33,837**	**35,459**	**(1,622)**

Work in progress and payments on account: amounted to Euro 6,174 thousand as at 30 June 2024, an increase of Euro 1,464 thousand compared to 31 December 2023, mainly referring to general shipyard investments for Euro 915 thousand and investments related to the construction of new commercial offices for Euro 513 thousand.

Industrial and commercial equipment: this item amounted to Euro 3,140 thousand, as at 30 June 2024, decreased, compared to the previous year 2023, by Euro 2,039 thousand mainly due to the sale of the Viareggio assets due to the finalisation of the sale of the shipyard on 12 June 2024 and due to the effect of depreciation for the period.

Plant and machinery: this item, amounting to Euro 23,303 thousand as at 30 June 2024, decreased by Euro 930 thousand compared to the previous year 2023, mainly due to depreciation for the period; during the first half of 2024, investments were made in plant and machinery owned by the subsidiaries TISG Turkey Yat Tersanecilik Anonim Sirketiand CELI Srl for approximately Euro 300 thousand.

Moulds: the item, equal to Euro 1,220 thousand as at 30 June 2024, decreased by Euro 117 thousand compared to 2023, due to depreciation for the period.

The changes during the first six months of 2024 are shown below:

In thousands of Euros	Work in progress and payments on account	Industrial and commercial equipment	Plant and machinery	Moulds	Total
Historical cost	4,710	15,152	53,798	5,251	78,911
Depreciation provision	0	9,973	29,565	3,914	43,452
Net Book Value 31.12.2023	**4,710**	**5,179**	**24,233**	**1,337**	**35,459**
Changes in 2024					
Investments	1,958	354	294	0	2,606
Decreases	0	2,822	0	0	2,822
Transfers	(494)	0	0	0	(494)
Chg. Historical cost 2024	**1,464**	**(2,468)**	**294**	**0**	**(710)**
Depreciation	0	915	1,224	117	2,256
Release of Depreciation provision	0	1,344	0	0	1,344
Chg. Depreciation provision 2024	**0**	**(429)**	**1,224**	**117**	**912**
Historical Cost	6,174	12,684	54,092	5,251	78,201
Depreciation provision	0	9,544	30,789	4,031	44,364
Net Book Value 30.06.2024	**6,174**	**3,140**	**23,303**	**1,220**	**33,837**

NOTE 5 – OTHER TANGIBLE ASSETS

Changes in this item are detailed as follows:

In thousands of Euros	**30/06/2024**	**31/12/2023**	**Changes**
Office furniture and machines	898	1,136	(238)
Motor vehicles	94	117	(23)
Transport vehicles	1	1	0
Electronic office machines	1	7	(6)
TOTAL	**994**	**1,261**	**(267)**

This item, amounting to Euro 994 thousand as at 30 June 2024, decreased compared to 31/12/2023, by Euro 267 thousand due to the depreciation for the period and to the sale of the Viareggio shipyard occurred on 12 June 2024.

The changes during the first six months of 2024 are shown below:

In thousands of Euros	Office furniture and machines	Motor vehicles	Transport Vehicles	Total
Historical cost	5,003	429	225	5,657
Depreciation provision	3,860	312	224	4,396
Net Book Value 31.12.2023	**1,143**	**117**	**1**	**1,261**
Changes in 2024				
Investments	0	0	0	0
Decreases	204	0	0	204
Transfers	0	0	0	0
Changes in Historical Cost 2024	**(204)**	**0**	**0**	**(204)**
Depreciation	141	23	0	164
Release of Depreciation Provision	101	0	0	101
Changes in Depreciation provision 2024	**40**	**23**	**0**	**63**
Historical cost	4,799	429	225	5,453
Depreciation provision	3,900	335	224	4,459
Net Book Value 30.06.2024	**899**	**94**	**1**	**994**

NOTE 6 – RIGHT-OF-USE

Changes in this item are detailed as follows:

In thousands of Euros	30/06/2024	31/12/2023	Variazioni
Right Of Use – Plant and machinery	2,671	601	2,070
Right Of Use – Motor vehicles	1,864	1,479	385
Right Of Use – Buildings on land under concession	29,374	30,443	(1,069)
TOTAL	**33,909**	**32,523**	**1,386**

The item **Right-Of-Use ("ROU")** includes the recognition under tangible fixed assets of the rights of use of the assets held by the group under lease or concessions agreements, in accordance with the provisions of IFRS 16.

The item **ROU - Plant and Machinery**, amounting to Euro 2,671 thousand as at 30 June 2024, increased by Euro 2,070 thousand as compared to 31 December 2023, due to the signing of new lease agreements for plant and machinery for approximately Euro 2,414 thousand, mainly related to the opening of the new in-house steelworks.

The item **ROU – Motor vehicles**, equal to Euro 1,864 thousand as at 30 June 2024, increased by Euro 385 thousand compared to 31 December 2023; includes all leasing contracts for motor vehicles that make up the corporate fleet.

The item **ROU - Buildings under State-owned concessions**, amounting to Euro 29,374 thousand as at 30 June 2024, refers to the recognition of the discounted value of the state-owned concessions relating to Marina di Carrara (expiration December 2072) La Spezia (expiration February 2035) and woodworking workshop of Viareggio (expiration December 2037).

The table of changes is shown below:

In thousands of Euros	Right Of Use Motor Vehicles	Right Of Use Plant and Machinery	Right of Use Buildings under state concession	Total
Historical cost	3,015	1,839	36,795	41,649
Depreciation provision	1,535	1,239	6,351	9,125
Net Book Value 31.12.2023	**1,479**	**601**	**30,443**	**32,523**
Changes in 2024				
Investments	731	2,414	85	3,230
Decreases	0	0	0	0
Transfers	0	0	0	0
Changes in Historical Cost 2024	**731**	**2,414**	**85**	**3,230**
Depreciation	346	344	1,154	1,844
Release of Depreciation Provision	0	0	0	0
Changes in Depreciation Provision 2024	**346**	**344**	**1,154**	**1,844**
Historical cost	3,746	4,253	36,880	44,879
Depreciation provision	1,881	1,583	7,505	10,969
Net Book Value 30.06.2024	**1,864**	**2,671**	**29,374**	**33,909**

In January 2024, the term of the state-owned concession on which the Marina di Carrara Buildings are located was extended by 29 years and, consequently, the residual useful life of the related Right Of Use was redetermined for amortisation purposes.

NOTE 7 – EQUITY INVESTMENTS

This item is detailed as follows:

In thousand of Euros	30/06/2024	31/12/2023	Changes
Equity investments in other companies	43	43	0
TOTAL	**43**	**43**	**0**

The item **Equity investments in other companies** includes the amount relating to 250 shares, equal to 2.5% of the total share capital of T.I.S.G. Asia Limited Group, based in Hong Kong. TISG Asia Limited currently acts as the Company's broker in the Asian market.

NOTE 8 – OTHER NON-CURRENT ASSETS

This item is detailed as follows:

In thousands of Euros	**30/06/2024**	**31/12/2023**	**Changes**
Non-current security deposits	665	430	235
Other securities	1,264	1,286	(22)
TOTALE	**1,929**	**1,716**	**213**

The item, which increased compared to 2023 by Euro 213 thousand, is detailed as follows:

- **Security deposits:** the item, equal to Euro 665 thousand at 30 june 2024, increased by Euro 235 thousand compared to 31 December 2023, for the amount paid as a security deposit for the construction of the photovoltaic plant in Marina di Carrara and La Spezia.

- **Other securities:** the item, equal to Euro 1,264 thousand as at 30 June 2024, decreased by €22,000 compared to 31 December 2023, and refers to the recognition of the fair value of derivative financial instruments to hedge outstanding loans.

NOTE 9 – CASH AND CASH EQUIVALENTS

This item is detailed as follows:

In thousands of Euros	**30/06/2024**	**31/12/2023**	**Changes**
Bank and post office deposits	14,139	29,896	(15,757)
Cash equivalents	26,163	46,516	(20,352)
Cash	1	1	0
TOTAL	**40,303**	**76,412**	**(36,109)**

The item **Current bank accounts and post-office deposits** as at 30 June 2024 amounts to a total of Euro 40,303 thousand, decreasing by Euro 36,109 thousand compared to 31 December 2023.

Cash equivalents are represented by time deposits and cash collect protection; these financial instruments are readily convertible into cash.

The Statement of Cash Flows illustrates the details of the change in this item.

NOTE 10 – TRADE RECEIVABLES

This item is detailed as follows:

In thousand of Euros	30/06/2024	31/12/2023	Changes
Receivables from customers	35,585	24,007	11,578
TOTAL	**35,585**	**24,007**	**11,578**

Receivables from customers, equal to Euro 35,585 thousand, increasing by Euro 11,578 thousand compared to 31 December 2023, mainly arose from commercial transactions related to the progress of production projects and refit services. Recognition in the financial statements is carried out at their estimated realisable value.

Changes in the bad debt provision are shown below:

In thousand of Euros	31.12.2023	Provision made	Provision used	30.06.2024	Changes
Bad debt provision (trade receivables)	(1,269)	227	1	(1,495)	(226)
Bad debt provision (competition procedures)	(371)	123	0	(494)	(123)
TOTAL	**(1,640)**	**350**	**1**	**(1,989)**	**(349)**

The existing provision at the end of the year represents an estimate of the probability of future losses on receivables, based on the experience gained and knowledge of the counterparties' credit situation, even in the absence of events indicating the need to write down certain credit positions.

NOTE 11 – OTHER RECEIVABLES

This item is detailed as follows:

In thousands of Euros	30/06/2024	31/12/2023	Changes
Advances to suppliers	1,760	2,075	(315)
Receivables from parent companies	67	67	0
Tax receivables	462	2,795	(2,333)
TOTAL	**2,289**	**4,937**	**(2,648)**

The item **Advances to suppliers**, equal to Euro 1,760 thousand as at 30 June 2024, decreased by Euro 315 thousand compared to 31 December 2023, includes advances paid to suppliers with whom tender contracts were signed for works in progress.

The item **Receivables from parent companies**, equal to Euro 67 thousand as at 30 June 2024, refers to the payments carried out by TISG on behalf of parent company GC Holding S.p.A.

The item **Tax receivables**, equal to Euro 462 thousand as at 30 June 2024, decreased by Euro 2,333 thousand compared to 31 December 2023, refers mainly to the VAT credit due to TISG from the Tax Authorities.

NOTE 12 – ASSETS AND LIABILITIES FROM CONTRACT WORK IN PROGRESS

This item is detailed as follows:

In thousands of Euros	30/06/2024	31/12/2023	Changes
Assets from contract work in progress	117,242	89,068	28,174
Liabilities from contract work in progress	(31,047)	(38,561)	7,514
TOTAL	**86,195**	**50,507**	**35,688**

The item **Assets from contract work in progress**, equal to Euro 117,242 thousand, includes contracts whose progress is higher than the amount invoiced to the customer. Compared to 31 December 2023, this item increased by Euro 28,174 thousand. This increase is mainly attributable to the trend of the contract's curves.

The item **Liabilities from contract work in progress**, equal to Euro 31,047 thousand, includes the contracts for which the value of advance payments invoiced to the customer are higher than the work in progress. Compared to 31 December 2023, this item decreased by approximately Euro 7,514 thousand. This item also includes the work in progress of subsidiary Celi Srl for Euro 706 thousand.

The net values reflect the valuations of contracts in progress and show an increase compared to the previous year due to the normal progress of production with respect to the invoicing of interim payments for work in progress ("SAL").

The progress is determined by the costs incurred plus the margins recognised, net of any amount already invoiced.

The development of this item at 30 June 2024 and at 31 December 2023 for yachts under contract is shown below:

in thousands of Euros 31.12.2023	Value of contracts	Contract progress	Advances invoiced	Net amount of business
Yacht Orders	1,250,242	682,662	(638,288)	44,374
Refitting Orders	46,202	40,632	(34,499)	6,133
Total	**1,296,444**	**723,294**	**(672,787)**	**50,507**

in thousands of Euros 30.06.2024	Value of contracts	Contract progress	Advances invoiced	Net amount of business
Yacht Orders	1,308,958	757,914	(678,932)	78,982
Refitting Orders	62,014	54,971	(47,758)	7,213
Total	**1,370,972**	**812,885**	**(726,690)**	**86,195**

NOTE 13 – INVENTORIES

This item is detailed as follows:

In thousands of Euros	30/06/2024	31/12/2023	Changes
Raw materials, supplies, and consumables	2,758	3,261	(503)
Work in progress and semi-finished products	9,604	7,636	1,968
TOTAL	**12,362**	**10,897**	**1,465**

The item **Raw materials, supplies, and consumables**, equal to Euro 2,758 thousand, decreased by Euro 503 thousand compared to 31 December 2023 and refers to the amount of inventories of the general warehouse of the Group and the internal workshops, as well as those of subsidiaries TISG Turkey and Celi 1920.

The item **Work in progress and semi-finished goods** as at 30 June 2024 amounted to Euro 9,604 thousand, with an increase of Euro 1,968 thousand compared to 31 December 2023, refers to the hull of a 47-metre sailing yacht, currently under construction, acquired within the Perini Navi S.p.A. business, for approximately Euro 2,100 thousand and, for the remaining Euro 7,504 thousand, as a result of the capitalisation of costs incurred for the construction of hulls for orders for which sales negotiations are underway.

NOTE 14 – OTHER CURRENT ASSETS

The breakdown of other current assets is shown below:

In thousands of Euros	30/06/2024	31/12/2023	Changes
Receivables from social security and tax authorities	105	107	(2)
Due from others (net of the related write-down provision)	256	127	129
Prepaid expenses	5,356	4,881	475
TOTAL	**5,717**	**5,115**	**602**

Receivables from social security and tax authorities: amounting to Euro 105 thousand as at 30 June 2024, they refer mainly to advances on INAIL (National Institute for the Prevention of Accidents at Work) contributions and withholdings on interest income from Unicredit, Credit Agricole and Bnl Time Deposits.

Receivables from others: the item, equal to Euro 256 thousand as at 30 June 2024, increased by Euro 129 thousand compared to 31 December 2023, includes a number of receivables net of the related bad debt provision.

The item **Prepaid expenses**, equal to Euro 5,356 thousand, refers mainly to the calculation of the accruals of the insurance costs of the shipyard, the builder risks of the yachts under construction, and the bank guarantees.

COMMENTS ON THE MAIN CONSOLIDATED LIABILITY ITEMS

NOTE 15 – SHAREHOLDERS' EQUITY AND EARNINGS PER SHARE

The ordinary Shareholders' Meeting, held on 29 April 2024, approved the financial statements as at 31 December 2023 and resolved to distribute to the shareholders dividends of Euro 0.37 per share. The remaining part of the net result, equal to approximately Euro 17,072 thousand, was carried forward.

The remaining changes are attributable to the effect of the cash flow hedge of hedging derivatives and the change in OCI reserves following the application of IAS 19.

The breakdown of Shareholders' Equity is detailed below:

In thousands of Euros	30/06/2024	31/12/2023	Changes
Share Capital	26,500	26,500	0
Share Premium Reserve	45,431	45,399	32
Legal Reserve	5,300	5,300	0
Reserves and other retained earnings	34,324	17,109	17,215
Currency translation reserve	(2)	(83)	81
Consolidated profit (loss)	29,013	36,911	(7,898)
TOTAL	**140,566**	**131,136**	**9,430**

At 30 June 2024, TISG's **Share Capital** was equal to Euro 26,500 thousand, composed by 53,000,000 shares with nominal value of Euro 0.5 per share, fully subscribed and paid up.

Basic **Earnings per share** are determined as the ratio of the Group's result for the period to the weighted average of ordinary shares outstanding during the year. Therefore, treasury shares owned by the Group (equal to zero as at 30 June 2024), are excluded from the denominator.

In thousands	30/06/2024	31/12/2023
Net profit attributable to shareholders	29,013	36,911
Average number of shares outstanding	53.000	53.000
Earnings per ordinary share	**0,55 €**	**0,70 €**
Average number of shares outstanding (adjusted)	53.000	53.000
Diluted earnings per share (*)	**0,55 €**	**0,70 €**

**The Group has no potentially dilutive financial instruments, therefore the two indicators coincide*

NOTE 16 – PROVISIONS FOR RISKS AND CHARGES

Details of the changes and composition of the provisions for risks and charges from 31 December 2023 to 30 June 2024 are shown below:

CHANGES IN PROVISIONS FOR RISKS					
In thousands of Euros	**31.12.2023**	**Alloc.**	**Use**	**30.06.2024**	**Delta**
Provision for tax and legal risks	1,090	0	(1)	1,089	(1)
Provision for yacht guarantee	3,245	809	(369)	3,685	440
TOTAL	**4,335**	**809**	**(370)**	**4,774**	**439**

Provision for tax and legal risks

The fund collects the estimated probability of losing in civil proceedings, out-of-claims, damages and tax risks.

Provision for yacht guarantees

This provision includes allocations for guarantees calculated against the probable future expense that the Group has estimated it will have to incur. It should be noted that, in addition to the provision in question, and in order to cover the risk relating to any interventions under warranty to be carried out on the yachts already delivered or still in progress, TISG also makes use of its own insurance coverage and that of its suppliers.

NOTE 17 – DEFERRED TAXES

Changes in deferred taxes are shown below:

In thousands of Euros	30/06/2024	31/12/2023	Changes
Provisions for risks and charges	1,071	948	123
Others	3,520	6,837	(3,317)
Deferred tax assets	**4,591**	**7,785**	**(3,194)**

In thousands of Euros	30/06/2024	31/12/2023	Changes
Tangible assets	3,165	3,326	(161)
Trademarks	1,952	1,424	528
Deferred tax liabilities	**5,117**	**4,750**	**367**
Net amount	**(526)**	**3,035**	**(3,561)**

Deferred taxes are mainly related to the differences that arose during the transition to IFRS concerning the valuation of certain categories of tangible fixed assets at "deemed cost". The other temporary differences mainly refer to the difference between the book value of the items represented above and the tax value.

NOTE 18 – PROVISION FOR EMPLOYEE BENEFITS

The breakdown of the provision for employee benefits is shown below:

In thousands of Euros	30/06/2024	31/12/2023	Changes
Liabilities for employee benefits	902	959	(57)
TOTAL	**902**	**959**	**(57)**

Employee benefits, which, according to Italian regulations, are categorised as severance indemnity (*trattamento di fine rapporto, T.F.R.*), are considered by IAS 19 as "post-employment benefits". They represent "defined benefit" pension plans and are therefore subject to valuation using the actuarial "Projected Unit Credit Method".

NOTE 19 – LONG-TERM FINANCIAL LIABILITIES

This item is detailed as follows:

In thousands of Euros	30/06/2024	31/12/2023	Changes
Long-term bank payables	48,790	54,591	(5,801)
Lease liabilities – Motor vehicles (long-term portion)	1,963	1,576	387
Lease liabilities – Plants and Machinery (long-term portion)	2,045	346	1,699
Lease liabilities – Buildings on land under concession (long-term portion)	8,158	5,538	2,620
TOTAL	**60,956**	**62,051**	**(1,095)**

The item **Long-term bank payables**, equal to Euro 48,790 thousand, represents the amount, maturing beyond the first half of 2025, of medium and long-term loans entered into during previous years. The item decreased by Euro 5,801 thousand for the effect of the repayment of principal instalments at the conditions established with the different credit institutions. The Group is paying the instalments for outstanding loans in line with scheduled amortisation.

The items **Lease Liabilities – Motor vehicles**, **Lease Liabilities – Plants and Machinery** respectively equal to Euro 1,963 thousand, Euro 2,045 thousand as at 30 June 2024, refer to the long-term portion of the financial debt linked to the application of IFRS 16 to the above categories of goods.

Lease liabilities – Buildings on land under concession, amounting to Euro 8,158 thousand as at 30 June 2024, represent the long-term portion of the current value of the fees to be paid to the Port Authority, in application of the IFRS 16 accounting standard, for the concession of the State property complex located in Marina di Carrara, La Spezia and the woodworking workshop of Viareggio.

In January 2024, the term of the state-owned concession was extended by 29 years and, consequently, the related financial liability (lease liability) had to be remeasured. The new amount of the financial liability as of 1 January 2024 was determined based on the present value of the payments due over the remaining term of the concession using the marginal financing rate applicable on the remeasurement date (1 January 2024), which was 7%.

The difference in the amount of the financial liability determined in this manner with respect to the previous amount recognised in the balance sheet was adjusted for right-of-use shown in the balance sheet assets.

NOTE 20 – OTHER NON-CURRENT LIABILITIES

Details of other non-current liabilities are provided below:

In thousands of Euros	30/06/2024	31/12/2023	Changes
Subsidised settlement – QUATER scrapping – long-term portion	86	86	0
TOTAL	**86**	**86**	**0**

The item **Subsidised settlement – QUATER Settlement**, amount to Euro 86 thousand as at 30 June 2024, includes the long-term portion of the instalment plan signed with the Italian Tax Authority for all positions registered in the tax roll by 30 June 2022.

NOTE 21 – TRADE PAYABLES

This item is detailed as follows:

In thousands of Euros	30/06/2024	31/12/2023	Changes
Payables to suppliers within the following year	93,402	90,568	2,834
TOTAL	**93,402**	**90,568**	**2,834**

Payables to suppliers: the item, equal to Euro 93,402 thousand as at 30 June 2024, shows a increase of Euro 2,834 thousand compared to 31 December 2023, due to the operating activities necessary for the work on the orders in progress, for the development of the refit activities, as well as the investments related to various projects.

NOTE 22 – OTHER PAYABLES

This item is detailed as follows:

In thousands of Euros	30/06/2024	31/12/2023	Changes
Subsidised Settlement – QUATER scrapping – short-term	28	28	0
Payables to social security institutions	1,246	4,151	(2,905)
Tax payables	19,292	14,241	5,051
Other payables	3,065	5,735	(2,670)
TOTAL	**23,631**	**24,155**	**(524)**

The short-term portion of the **Subsidised Settlement – QUATER Settlement**, recognised in the financial statements at 30 June 2024 for Euro 28 thousand, refers to the portion of the instalment in progress with the Italian Tax Authority for collection due within the end of 2024.

The item **Payables to social security institutions**, equal to Euro 1,246 thousand as at 30 June 2024, decreased by Euro 2,905 thousand compared to 2023, refers to the debt for contributions payable by the Company to INPS (Italian Social Security

Institute), INAIL, to Fasi and Previndai, to the Cometa Supplementary Fund, and to other minor funds.

The item **Tax payables**, amounting to Euro 19,292 thousand as at 30 June 2024, mainly includes payables due to the Tax Authorities for IRES and IRAP 2024, and includes payables related to the residual amount of the payables for the subsidised settlement ter and to the debt restructuring agreement of CELI Srl.

The item **Other payables**, amounting to Euro 3,065 thousand as at 30 June 2024, mainly includes payments received on a dedicated current account to manage the current expenses of a 140-metre motor yacht currently subject to a freezing decree, as provided for by European Community regulations. The asset, in the possession of the State Property Office, has been entrusted to TISG, which is, among other things, carrying out major refit works on it.

NOTE 23 – SHORT-TERM FINANCIAL LIABILITIES

This item is detailed as follows:

In thousands of Euros	30/06/2024	31/12/2023	Changes
Short-term payables to banks	11,595	11,663	(68)
Lease liabilities – Motor Vehicles (short-term portion)	460	336	124
Lease liabilities – Plant and Machinery (short-term portion)	547	170	377
Lease liabilities – Buildings on land under concession (short-term portion)	166	315	(149)
TOTAL	**12,768**	**12,484**	**284**

The item **Short-term bank payables**, equal to Euro 11,595 thousand, decreased by Euro 68 thousand from 31 December 2023, includes the portion to be paid within the next financial year, of the loans subscribed by the Group as well as advances on contracts and term credit facilities.

The items **Lease Liabilities – Motor vehicles**, **Lease Liabilities – Plants and Machinery**, respectively equal to Euro 460 thousand, Euro 547 thousand as at 30 June 2024, refer to the short-term portion of the financial debt linked to the application of IFRS 16.

Lease Liabilities – Buildings on land under concession, equal to Euro 166 thousand, refer to the short-term portion of payables for the State concessions of Marina di Carrara, La Spezia and Viareggio, in application of the IFRS 16 accounting standard.

NOTE 24 – OTHER CURRENT LIABILITIES

This item is detailed as follows:

In thousands of Euros	30/06/2024	31/12/2023	Changes
Accrued expenses	517	239	278
Other payables due within the next year	7,120	12,799	(5,679)
TOTAL	**7,637**	**13,038**	**(5,401)**

The item Other payables due within one year, amounting to €7,120 thousand as of 30 June 2024, decreased by €5,679 thousand compared to 31 December 2023, is composed as follows:

- Payables to employees for holidays and leave accrued as of 30 June 2024 in the amount of Euro 6,470;

- Tecnomar for Lamborghini deposits and deposits for contracts under construction for Euro 55 thousand, which refer to deposits paid by the respective customers at the signing of the contracts for the construction and sale of the M/Y Tecnomar for Lamborghini models.

COMMENTS ON THE MAIN ITEMS OF THE CONSOLIDATED INCOME STATEMENT

NOTE 25 – REVENUES

This item is detailed as follows:

In thousands of Euros	30/06/2024	30/06/2023	Changes
Revenues from sales and services	154,202	171,994	(17,792)
Change in contract work in progress	35,623	(9,492)	45,115
Totale ricavi operativi	**189,825**	**162,502**	**27,323**
Other revenues and income	20,320	7,512	12,808
Provisions	(1,310)	(3,677)	2,367
TOTAL	**208,835**	**166,337**	**42,498**

Revenues from sales and services, equal to Euro 154,202 thousand as at 30 June 2024, decreased by approximately Euro 17,792 thousand compared to the previous year.

The breakdown of operating revenues by production segment is shown below:

In thousands of Euros	30/06/2024	30/06/2023	Changes
Production and sale of yachts (Shipbuilding)	167,160	139,.471	27,689
Incidence on total operating revenues	*88%*	*86%*	
Refit activities	22,665	23,030	(365)
Incidence on total operating revenues	*12%*	*14%*	
Operating revenues	**189,825**	**162,502**	**27.323**

The item **Other revenues and income**, equal to Euro 20,320 thousand as at 30 June 2024, is mainly composed as follows:

- **Capital Gains** in the amount of Euro 18,416 thousand deriving from the sale of the Viareggio shipyard to a company operating in the segment of yachts up to 50 metres in length, which will take place on 12 June 2024.

- **Other revenues**, for an amount of Euro 547 thousand, deriving from the management of existing constructions.

- **Contingent assets**, amounting to Euro 970 thousand as at 30 June 2024, which mainly refer to extraordinary income realised following the successful conclusion of certain disputes in which the Company was the claimant, thanks to the recovery activities carried out by the Group's lawyers.

Provisions payable, recognised in the financial statements as at 30 June 2024 for Euro 1,310, refer to the brokerage activities of some of the leading brokers in the industry, which have been collaborating with the Group for years in finding new customers, and the royalties accrued to Automobili Lamborghini during 2024 for the exclusive use of the Lamborghini brand.

NOTE 26 – RAW MATERIALS, COMPONENTS, AND CONSUMABLES

This item is detailed as follows:

In thousands of Euros	30/06/2024	30/06/2023	Changes
Raw materials, consumables, and goods	(46,270)	(33,844)	(12,426)
Short-term rentals	(1,080)	(713)	(367)
Changes in raw material inventories	45	(23)	68
Change in inventories of semi-finished and finished products	1,969	2,446	(477)
TOTAL	**(45,336)**	**(32,134)**	**(13,202)**

The item **Costs of raw, ancillary, consumable materials and goods**, at 30 June 2024 equal to Euro 46,270 thousand, increased compared to the first half of 2023 by Euro 12,426 thousand, includes all costs related to the procurement of the materials necessary to develop the production activities.

The increase is the effect of the normal procurement process for the execution of ongoing orders.

Short-term rentals, equal to Euro 1,080 thousand as at 30 June 2024, refer to all costs relating to the rental of equipment, forklifts, and scaffolding for specific short periods strictly linked to production requirements, especially in the context of refit services.

The item **Changes in raw material inventories**, which represents a balance of Euro 45 thousand as at 30 June 2024, decreased by Euro 68 thousand compared to the previous period.

The **Change in finished and semi-finished products** shows a positive balance of Euro 1,969 thousand at 30 June 2024, mainly due to costs incurred for the construction of contract works for which a future sale is expected.

NOTE 27 – COSTS FOR OUTSOURCED WORK

This item is detailed as follows:

In thousands of Euros	30/06/2024	30/06/2023	Changes
Outsourced works	(68,532)	(67,851)	(681)
TOTAL	**(68,532)**	**(67,851)**	**(681)**

The item **Costs for outsourced work**, equal to Euro 68,532 thousand as at 30 June 2024, increasing by Euro 681 thousand compared to the first half of 2023, refers to the production activities managed in outsourcing by specialised companies in the yachting industry.

In particular, it refers to marine carpentry services, turnkey furnishings of yachts and superyachts, electrical and plumbing works, and interior and exterior fittings of the yachts. The increase recorded in 2024 is linked to the development of the growth through extraordinary transactions which involves the transfer, outside the Marina di Carrara shipyard, of some processing phases such as those relating to the construction of the hull.

NOTE 28 – SERVICES AND TECHNICAL CONSULTANCY

This item is detailed as follows:

In thousands of Euros	30/06/2024	30/06/2023	Changes
Other services and consultancy	(11,764)	(8,878)	(2,886)
Legal, tax, and notary consultancy	(664)	(898)	234
Independent Audit Fees	(47)	(15)	(32)
TOTAL	**(12,475)**	**(9,791)**	**(2,684)**

The item **Other services and consultancy**, amounting to Euro 11,764 thousand as at 30 June 2024, increased by Euro 2,886 compared to the previous half-year of 2023; this item includes the design phases of the new mega yachts entrusted to external designers and architects.

The item **Legal, tax, and notary consultancy**, equal to Euro 664 thousand as at 30 June 2024, includes the costs incurred for the management of legal activities, employment law advice, consultancy on industry-specific VAT regulations, as well as costs for the notarial deeds related to all contracts for the sale of yachts, extraordinary transactions, and other services. The item decreased by Euro 844 thousand compared to the previous half-year of 2023.

The item **Auditing fees**, amounting to Euro 47 thousand as at 30 June 2024, includes the costs incurred for the audit and review of the non-financial disclosure in the half year 2024.

NOTE 29 - OTHER COSTS FOR SERVICES

This item is detailed as follows:

In thousands of Euros	30/06/2024	30/06/2023	Changes
Transport costs	(80)	(194)	114
Maintenance costs	(13)	(36)	23
Supervision	(255)	(242)	(13)
Research costs	(220)	(229)	9
Miscellaneous administrative expenses	(1,197)	(1,041)	(156)
Utilities	(1,317)	(1,330)	13
Shipyard and vessel insurance	(1,750)	(1,875)	125
Cleaning and waste disposal costs	(167)	(236)	69
Sundry employee services	(243)	(239)	(4)
Advertising and entertainment expenses	(615)	(496)	(119)
Bank charges and commissions	(107)	(100)	(7)
Fuels	(9)	(8)	(1)
Telephone costs	(60)	(63)	3
Software interventions	0	(3)	3
Directors' fees and expenses	(410)	(427)	17
Board of statutory auditors fee	(16)	(27)	11
Auditing Body	(19)	(18)	(1)
Other expenses	(224)	(264)	40
TOTAL	**(6,702)**	**(6,828)**	**126**

Utility costs, amounting to Euro 1,317 thousand as at 30 June 2024, decreased by Euro 13 thousand compared to the previous half-year; the average for the first six months of 2024 is 0.19€/kw.

Sundry employee services, equal to Euro 243 thousand as at 30 June 2024, increased by Euro 4 thousand compared to the previous year 2023 and mainly refer to services related to canteen and catering managed in the company Village and to travel and business trips related to the start-up of the outsourcing abroad of the production of structural work, and to some commercial trips.

Shipyard and boat insurances, equal to Euro 1,750 thousand as at 30 June 2024, decreased by Euro 125 thousand compared to the previous half-year, and refer to all shipyard and boat insurances held by the company.

Miscellaneous administrative expenses, equal to Euro 1,197 thousand as at 30 June 2024, increased by Euro 156 thousand compared to the previous half-year. This is mainly due to the increase in specific maintenance and repairs of Euro 405 thousand compared to 2023.

NOTE 30 – PERSONNEL COSTS

This item represents the total expensed incurred for the Group's employees; it includes salaries, related social security and pension costs payable by the Group, gifts, and flat-rate travel expenses.

This item is detailed as follows:

In thousands of Euros	30/06/2024	30/06/2023	Changes
For personnel	(14,816)	(13,078)	(1,738)
Social security charges	(4,651)	(4,032)	(619)
Severance indemnity	(893)	(748)	(145)
Other costs	(998)	(833)	(165)
TOTAL	**(21,358)**	**(18,691)**	**(2,667)**

The average number of Group employees in the first half of 2024 is 710, as shown below:

Average Number	30/06/2024	30/06/2023
Executives	25	32
Office staff	394	370
Manual workers	292	228
TOTAL	**710**	**630**

The number of employees as at 30 June 2024 is 733, broken down as follows:

Precise number	30/06/2024	30/06/2023
Executives	24	30
Office staff	402	392
Manual workers	307	237
TOTAL	**733**	**659**

The management of all production phases led to a significant increase in employment levels, which is why the Group now plays a fundamental role within the Tyrrhenian Sea District as one of the leading players in terms of employment opportunities in the production of luxury mega-yachts.

NOTE 31 – OTHER OPERATING COSTS

This item is detailed as follows:

In thousands of Euros	30/06/2024	30/06/2023	Changes
Provision for risks	(809)	(758)	(51)
Contingent liabilities	(1,679)	(672)	(1,007)
IMU – Tasi	(165)	(192)	27
Municipal taxes	(1,53)	(197)	(1,256)
Branding	(307)	(2,159)	1,852
Other operating costs	(133)	(109)	(24)
TOTAL	**(4,546)**	**(4,087)**	**(459)**

The item **Provision for risks**, equal to Euro 809 thousand as at 30 June 2024, refers to the allocation to the guarantee provision for yachts under construction.

Contingent liabilities, equal to Euro 1,453 thousand as at 30 June 2024, mainly refer to extraordinary items of income, lost revenues, items that have contributed to increasing income during past years, but which are not reflected in the current year.

The item **Branding,** equal to Euro 307 thousand as at 30 June 2024, decreased by Euro 1,852 thousand compared to the previous half-year period; this change is due to the fact that 2023 included all the costs incurred for the event in collaboration with Giorgio Armani on 11 February 2023.

The item **Municipal Taxes,** equal to Euro 1,453 thousand, increased by Euro 1,256 thousand compared to the previous half-year period mainly due to the payment of registration tax related to state concessions.

NOTE 32 – AMORTISATION AND WRITE-DOWNS

This item is detailed as follows:

In thousands of Euros	30/06/2024	30/06/2023	Changes
Depreciation of tangible fixed assets	(5,038)	(5,266)	228
Amortisation of intangible fixed assets	(279)	(271)	(8)
Write-downs and losses on receivables	(644)	(100)	(544)
TOTAL	**(5,961)**	**(5,637)**	**(324)**

With regard to the **Depreciation** of tangible and intangible fixed assets, please refer to **note no. 2 to note no. 6**.

For the item **Write-downs and losses on receivables**, please refer to previous **note no. 10**.

NOTE 33 – FINANCIAL INCOME AND CHARGES

This item is detailed as follows:

In thousands of Euros	30/06/2024	30/06/2023	Changes
Other financial income	812	643	169
Interest expense to banks and others	(3,571)	(2,618)	(953)
Interest expense on Lease liabilities	(368)	(204)	(164)
TOTAL	**(3,127)**	**(2,179)**	**(948)**

NOTE 34 – INCOME TAXES

This item is detailed as follows:

In thousands of Euros	30/06/2024	30/06/2023	Changes
Income taxes for the period	(11,783)	(5,544)	(6,239)
TOTAL	**(11,783)**	**(5,544)**	**(6,239)**

Details of taxes recognised in the income statement as at 30 June 2024 are reported below:

In thousands of Euros	30/06/2024	30/06/2023	Changes
Current taxes	(8,210)	(3,286)	(4,924)
Deferred taxes	(3,574)	(2,258)	(1,316)
TOTAL	**(11,783)**	**(5,544)**	**(6,239)**

NOTE 35 – GAINS/(LOSSES) FROM REMEASUREMENT OF LIABILITIES TO DEFINED BENEFIT PLANS

The reference actuarial model for the valuation of employee severance indemnities is based on various demographic and economic assumptions.

For some of the hypotheses used, where possible, explicit reference was made to the Company's direct experience, for the others best practice was taken into account. The technical and economic bases used are shown below:

SUMMARY OF ECONOMIC TECHNICAL BASES	30.06.2024	31.12.2023
Annual discount rate	3.35%	2.95%
Annual inflation rate	2.00%	2.00%
Annual rate of increase TFR	3.00%	3.00%

In particular, it should be noted that:

- The annual discount rate used to determine the current value of the obligation was derived, in accordance with par. 83 of IAS 19, from the Iboxx Corporate AA index with duration 5-7 recorded at the measurement date. For this purpose, the return with a duration comparable to the duration of the collective of workers subject to valuation was chosen;

- The annual rate of increase in severance indemnity, as set forth in art. 2120 of the Italian Civil Code, is equal to 75% of inflation plus 1.5 percentage points.

The technical demographic bases used are shown below:

Death	ISTAT 2022
Disability	INPS Tables brokendown by age and gender
Retirement	100% upon achievement of the AGO

Additional information:

The new IAS 19, for post-employment defined benefit plans, requires a series of additional information that is reported below:

Sensitivity analysis for the mail valuation parameters	
THE ITALIAN SEA GROUP SPA	**DBO 30.06.24**
Turnover rate +1%	802,899.28
Turnover rate -1%	799,350.03
Inflation rate +0.25%	806,924.59
Inflation rate -0.25%	795,526.16
Discount rate +0.25%	792,613.45
Discount rate -0.25%	809,969.36

Service Cost e Duration	
THE ITALIAN SEA GROUP SPA	
Service Cost 2021	20,660.13
Duration	5.9

Estimated future reimbursements	
Years	**Expected reimbursements**
1	180,941
2	103,645
3	86,120
4	104,650
5	79,686

NOTE 36 – CASH FLOW HEDGE

In the context in which the use of derivative instruments is formally designed to hedge a specific risk, and such hedging results effective, it is possible to apply Hedge Accounting rules, which provide for different accounting standards for hedge category.

A hedge instrument is that in which the fair value or the cash flow should compensate, entirely or in part, the change in fair value or cash flows of the hedged item.

OTHER INFORMATION

COMMITMENTS AND RISKS

For the production of yachts, in some cases, the Group uses bank or insurance sureties to guarantee the advances received from the Owners relating to the sale contracts entered into.

RELATIONS WITH RELATED PARTIES

The main Related Parties with whom transactions were conducted in the first half of 2024 and the type of relationship are listed below:

List of related parties	Correlation relationship
GC HOLDING S.p.A.	53.6% PARENT COMPANY OF TISG
TISG Turkey YTAS	100% SUBSIDIARY OF TISG
GMC Architecture S.r.l. S.t.p.	GC HOLDING INVESTEE COMPANY
CELI S.r.l.	100% SUBSIDIARY
SANTA BARBARA S.r.l.	RELATED PARTY OF TISG

Transactions with related parties in the first half of 2024 are set out below:

BALANCE SHEET (€/000)	**GC Holding**	**GMC ARCHITECTURE S.R.L. S.T.P.**	**SANTA BARBARA S.R.L.**
SECURITY DEPOSITS			
FINANCIAL RECEIVABLES	67		
TRADE RECEIVABLES		1	0
TOTAL RECEIVABLES	**67**	**1**	**0**
FINANCIAL PAYABLES	0		
TRADE PAYABLES	38	8	0
TOTAL PAYABLES	**38**	**8**	**0**

INCOME STATEMENT (€/000)	**GC Holding**	**GMC ARCHITECTURE S.R.L. S.T.P.**	**SANTA BARBARA S.R.L.**
COSTS FOR PROCESSING			
COSTS FOR CONSULTANCY		54	
COSTS FOR SERVICES			90
INTEREST EXPENS	0		
TOTAL COSTS	**0**	**54**	**90**
REVENUES FROM SALES		4	0
INTEREST INCOME			
TOTAL REVENUES	**0**	**4**	**0**

In order to approve the afore-mentioned agreements, the prior reasoned opinion of the Related Party Transactions Committee was obtained, highlighting the Group's interest in approving the transaction under analysis and the convenience and substantial fairness of the conditions under which it should be carried out.

GMC ARCHITECTURE S.r.l.: TISG and GMC Architecture have signed a contract based on which GMC undertakes to provide assistance and stylistic consultancy for the outfitting of offices, fairs and, in general, to take care of the corporate image of TISG and develop projects for the design of the external profiles of yachts that the Group should produce for future potential customers.

SANTA BARBARA: TISG and SANTA BARBARA signed a contract on 08/02/2022 concerning TISG's use of a property to carry out business activities with potential or current customers for TISG itself, offering them accommodation, entertainment services, event organisation and corporate dinners.

SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

Throughout first half-year of 2024, no significant non-recurring transactions were carried out, as defined by Consob Communication no. DEM/6064293 of 28 July 2006, other than those described in the report on operations in the section related to significant events of 2024.

RISKS RELATED TO LITIGATION AND TAX AUDITS

At the beginning of 2024, the Agenzia delle Entrate, Direzione Regionale della Toscana - Ufficio Grandi Contribuenti, commenced a general audit of TISG S.p.A. for IRES, IRAP, VAT and withholding tax purposes for the years 2020 and 2021, as well as the control of the so-called 'patent box' concession for the years 2019 to 2022. The audit to date is still ongoing and no objections have been formalised. Therefore, it is not possible to assess whether any contingent liabilities may arise from it.

TRANSACTIONS ARISING FROM ATYPICAL AND/OR UNUSUAL TRANSACTIONS

Throughout the first half-year of 2024, the Group did not carry out any significant atypical and/or unusual transactions, as defined by Consob Communications no. DEM/6037577 of 28 April 2006 and no. DEM/6064293 of 28 July 2006, other than those described in the notes to the financial statements and the report on operations.

SIGNIFICANT EVENTS OCCURRING AFTER THE END OF THE PERIOD

On this point, please refer to the report on operations for any significant events occurring after the end of the period.

AUTHORISATION TO PUBLISH

This document was approved by the Board of Directors on 10 September 2024 and published on 13 September 2024 upon authorisation of the Chairman and the Chief Executive Officer.

CERTIFICATION OF THE CONSOLIDATED HALF-YEARLY FINANCIAL STATEMENTS IN ACCORDANCE WITH ARTICLE 81-TER OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999 AS AMENDED AND SUPPLEMENTED

1. The undersigned Giovanni Costantino, as Chief Executive Officer, and Marco Carniani, as Manager responsible of preparing financial reports of The Italian Sea Group S.p.A., taking into account the provisions of Article 154-bis, paragraphs 3 and 4, of Legislative Decree No. 58 of 24 February 1998, certify:

- the adequacy of the accounting records in relation to the characteristics of the company (also taking into account any changes during the six-month period) and
- the actual application of the administrative and the accounting procedures for the preparation of the condensed half-yearly financial statements, during the first half of 2024

2. It is further certified that:

2.1 the condensed half-yearly financial statements:

a) are prepared in accordance with the applicable international accounting standards endorsed by the European Community pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and the Council of 19 July 2002;

b) are consistent with the amounts indicated in the accounting records and documents;

c) are suitable to provide a truthful and accurate representation of the equity, financial and economic situation of the Company.

2.2 The interim management report includes a reliable analysis of references to important events that occurred in the first six months of the financial year and their impact on the condensed half-yearly financial statements, together with a description of the main risks and uncertainties for the remaining six months of the year.

The interim management report also includes a reliable analysis of information on material related party transactions.

Date: 13/09/2024

Signature Chief Executive Officer

Signature Manager responsible of preparing financial reports

THE ITALIAN SEA GROUP S.P.A.

Review report on the condensed half-year consolidated financial statements at 30 June 2024

This report has been translated into English from the original, that was prepared in Italian and represents the only authentic copy, solely for the convenience of international readers.

Ref. nr. RC047142024BD0270

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Review report on the condensed half-year consolidated financial statements

To the Shareholders of
The Italian Sea Group S.p.A.

Introduction

We have reviewed the accompanying condensed half-year consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and the explanatory notes of The Italian Sea Group S.p.A. and subsidiaries (TISG Group) as of 30 June 2024. The Directors are responsible for the preparation of the condensed half-year consolidated financial statements in accordance with the International Accounting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on the condensed half-year consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its 31 July 1997 resolution no. 10867. A review of condensed half-year consolidated financial statements consists of making inquiries, primarily of company’s personnel responsible for financial and accounting matters, applying analytical procedures 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 have become aware of all significant matters that could have been identified by conducting an audit. Accordingly, we do not express an audit opinion on the condensed half-year consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the the condensed half-year consolidated financial statements of the TISG Group as of 30 June 2024 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Firenze (Italy), 13 September 2024

BDO Italia S.p.A.

Signed by
Luigi Riccetti
Partner

This report has been translated into English from the original, that was prepared in Italian and represents the only authentic copy, solely for the convenience of international readers.

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