

THE ITALIAN SEA GROUP

PERIODIC FINANCIAL INFORMATION
AS AT 30 SEPTEMBER 2024

EXECUTIVE SUMMARY

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This document is an English translation from Italian.

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

PERIODIC FINANCIAL INFORMATION AS AT 30 SEPTEMBER 2024



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

INTRODUCTION

This periodic financial information as at 30 September 2024 was approved by the Board of Directors of the Company on 12 November 2024 and has not been audited, as it is not required by current regulations. The Italian Sea Group S.p.A., as company listed on Euronext STAR Milan segment of the Italian Stock Exchange, is subject to the provisions of Article 2.2.3 of the Stock Exchange Regulations. On the basis of such regulations, the Company has prepared the Periodic Financial Information as at 30 September 2024, which it makes available to the public. This report on operations must be read together with the condensed consolidated financial statements and the related notes.



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
In office until November 12, 2024



Giovanni Costantino
Chief Executive Officer



Marco Carniani
Vice Chairman



Gianmaria Costantino
Director



Antonella Alfonsi
Independent Director
Lead Independent Director



Laura Angela Tadini
Independent Director



Fulvia Tesio
Independent Director

CONTROL, RISK, SUSTAINABILITY & RELATED PARTIES COMMITTEE

Antonella Alfonsi	<i>Chair</i>
Fulvia Tesio	<i>Standing Member</i>
Laura Angela Tadini	<i>Standing Member</i>

APPOINTMENT AND REMUNERATION COMMITTEE

Fulvia Tesio	<i>Chair</i>
Antonella Alfonsi	<i>Standing Member</i>
Laura Angela Tadini	<i>Standing Member</i>

BOARD OF STATUTORY AUDITORS

Alfredo Pascolin	<i>Chair</i>
Barbara Bortolotti	<i>Standing Auditor</i>
Felice Simbolo	<i>Standing Auditor</i>
Sofia Rampolla	<i>Alternate Auditor</i>
Roberto Scialdone	<i>Alternate Auditor</i>

SUPERVISORY BODY PURSUANT TO LEGISLATIVE DECREE 231/01

Annalisa De Vivo	<i>Chair</i>
Carlo De Luca	<i>Member</i>
Felice Simbolo	<i>Member</i>

INDEPENDENT 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 first Italian producer of superyachts over 50 metres and the third in the world.

Since its establishment in 2009, TISG has strengthened 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.

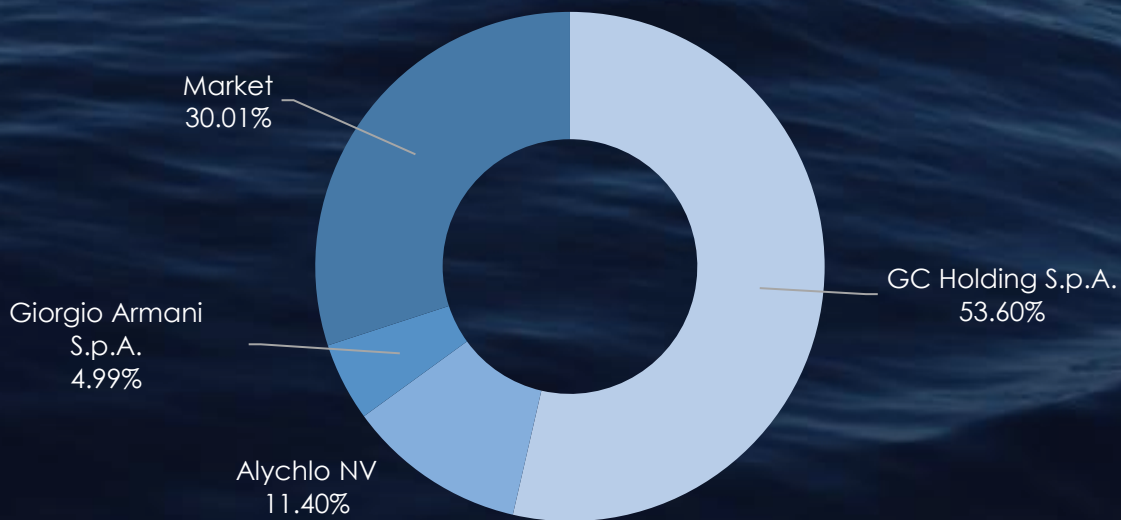
Because of their size as well as technical and stylistic detailing, The Italian Sea Group’s yachts address to the client base made of Ultra High Net Worth Individuals (“UHNWI”), a highly resilient market segment.



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 brand, TISG has 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 motor-yacht 'This Is It', a 43-metre motor catamaran, with its futuristic profile and state-of-the-art interior.

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 shipyard.

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 110,000 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.

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

Periodic financial information as at 30 September 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 periodic financial information of TISG as at 30 September 2023 with regards to the **Income Statement**.

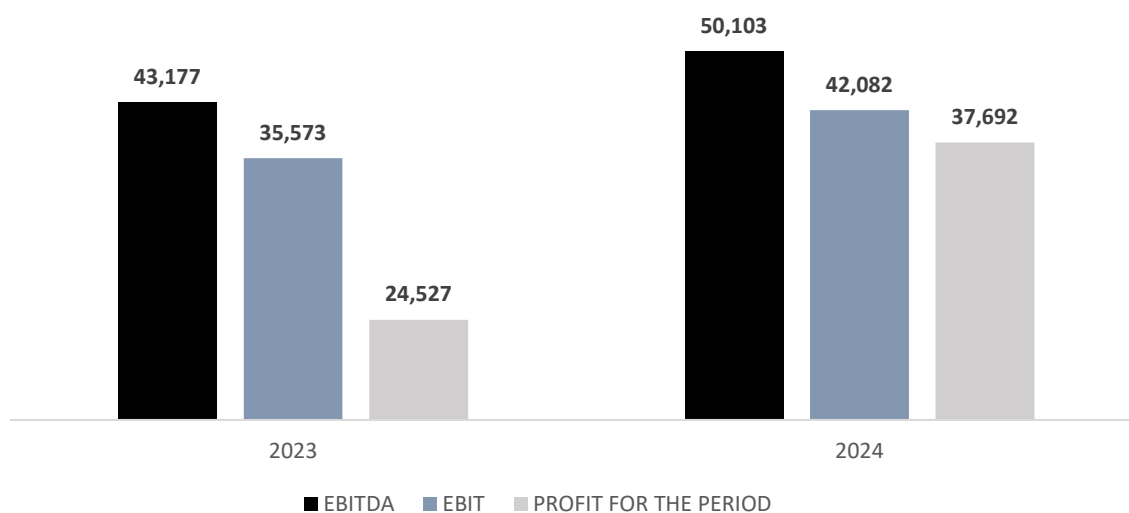
During 2024, the scope of consolidation changed following the dissolution of the subsidiary Perini Navi Usa Inc on 17 June 2024.

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

<i>In thousands of Euros</i>	30/09/2024	30/09/2023
Operating Revenues	292,135	259,554
Other revenues and income	1,346	7,524
Commissions	(1,434)	(4,841)
Total Revenues	292,046	262,237
Costs for raw materials	(68,361)	(56,610)
Cost for outsourced work	(111,447)	(109,362)
Technical Services and consultancy	(17,072)	(13,652)
Other costs for services	(10,287)	(9,996)
Personnel costs	(31,753)	(25,837)
Other operating costs	(3,023)	(3,604)
EBITDA	50,103	43,177
Percentage on total revenues	17.2%	16.5%
Amortisation, depreciation, write-downs	(8,021)	(7,604)
EBIT	42,082	35,573
Percentage on total revenues	14.41%	13.57%
Net financial charges	(5,056)	(3,360)
Income from extraordinary charges	16,535	(621)
EBT	53,561	31,591
Taxes for the period	(15,868)	(7,065)
CONSOLIDATED PROFIT	37,692	24,527
Percentage on total revenues	12.9%	9.4%

TREND OF ECONOMIC INDICATORS | 2023 - 2024

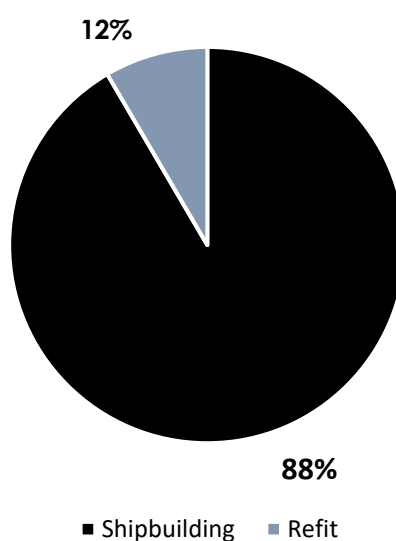
In million Euros



OPERATING REVENUES

The item **Operating revenue** of **Euro 292,135 thousand** as at 30 September 2024 increased by **12.5%** from Euro 259,554 thousand as at 30 September 2023.

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

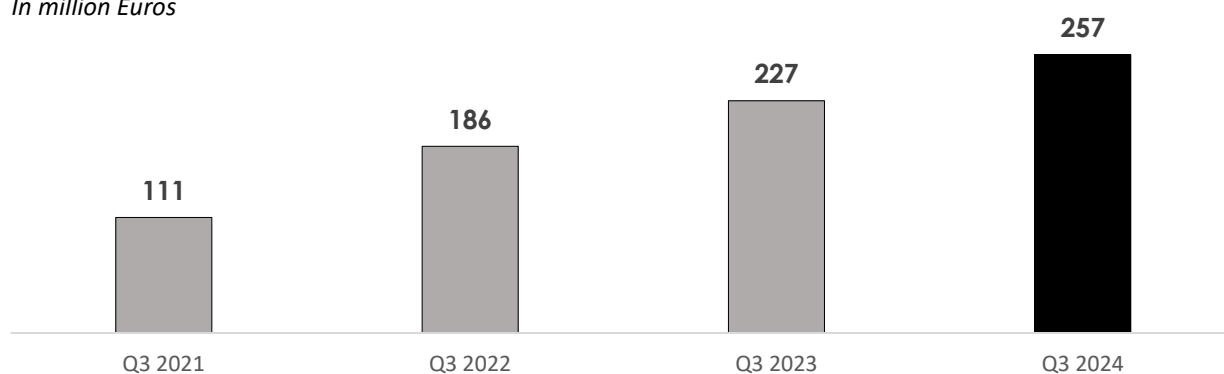


SHIPBUILDING

The revenues of the **Shipbuilding** Division amounted to **Euro 257 million** at 30 September 2024, up **13.2%** from Euro 227 million in the third quarter 2023.

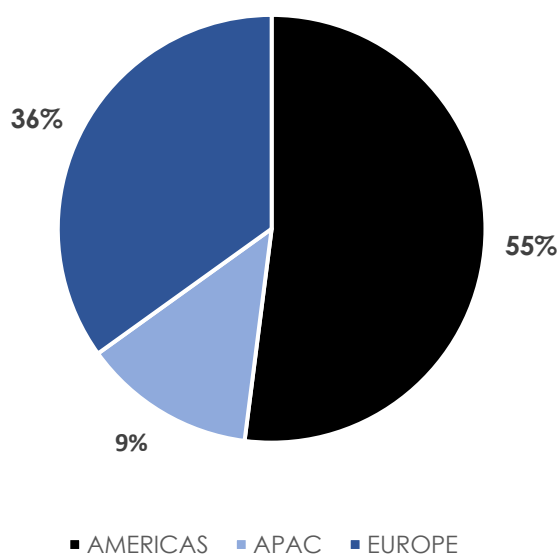
2021-2024 SHIPBUILDING REVENUES

In million Euros

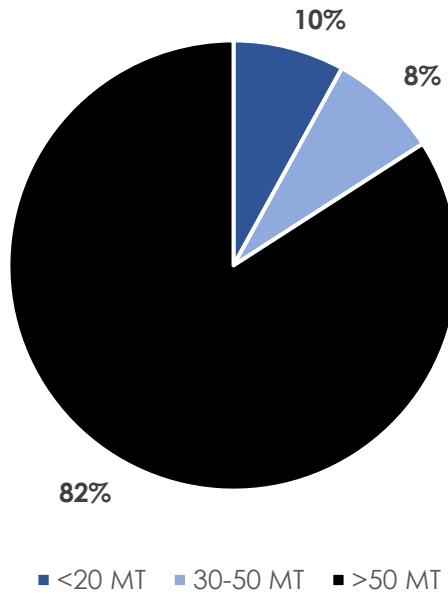


The breakdown of the Shipbuilding revenues at 30 September 2024 is as follows:

SHIPBUILDING REVENUES BY GEOGRAPHY Q3 2024



SHIPBUILDING REVENUES BY LENGTH Q3 2024

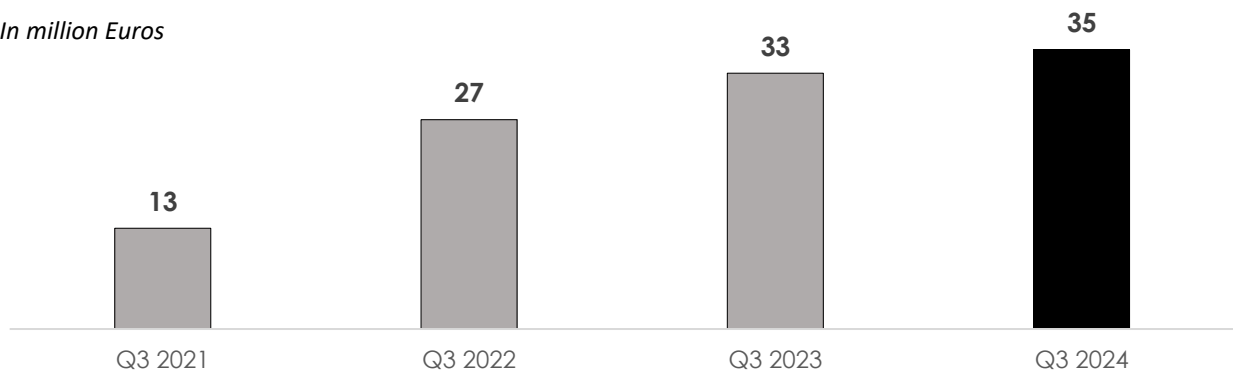


REFIT

Revenues from the **Refit** division amounted to a total of **Euro 35 million** as at 30 September 2024, an increase of 5.8% from Euro 33 million in the third quarter 2023.

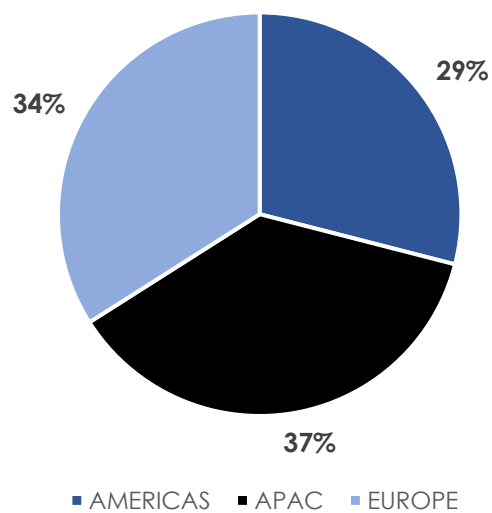
2021-2024 REFIT REVENUES

In million Euros

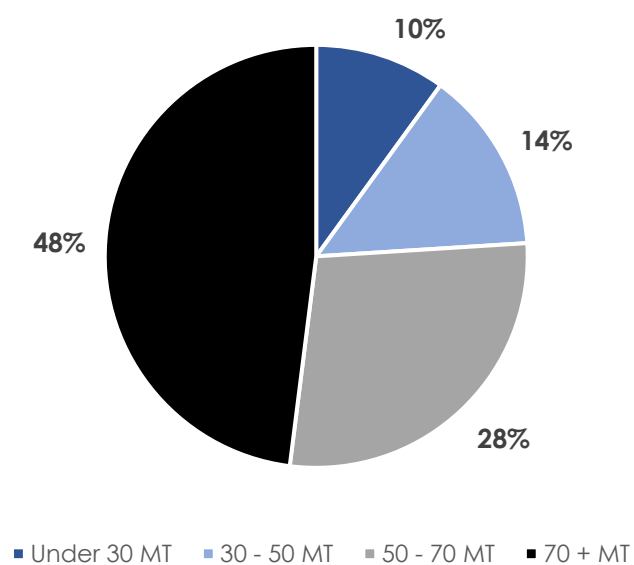


The breakdown of Refit revenues at 30 September 2024 is as follows:

REFIT REVENUES BY GEOGRAPHY Q3 2024



REFIT REVENUES BY LENGTH Q3 2024

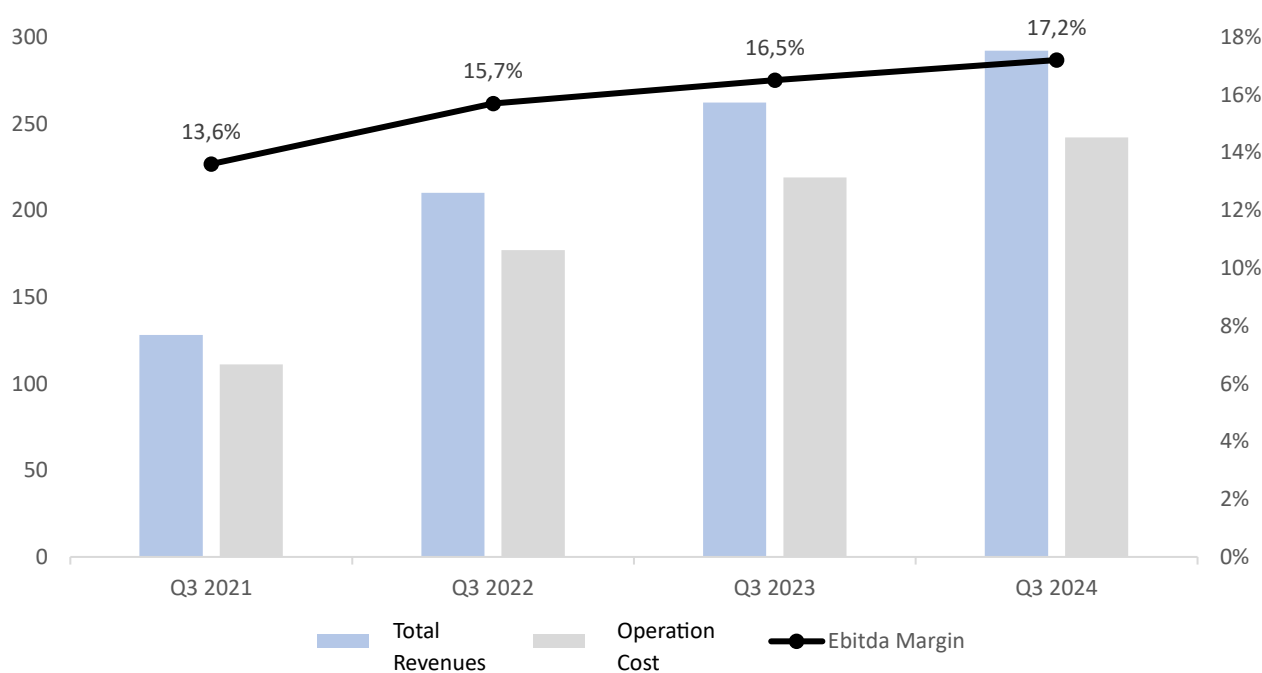


CONSOLIDATED EBITDA

Consolidated EBITDA as at 30 September 2024 was equal to **Euro 50,1 million**, up 16% from the EBITDA as at 30 September 2023, of Euro 43.2 million, and with a margin on Revenue of 17.2% (vs. 16.5% recorded in the third quarter 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.

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

EBIT at 30 September 2024 was equal to **Euro 42 million** - an increase of **18.3%** compared to the amount recorded in the third quarter 2023, which was equal to Euro 36 million with an incidence on Revenues of **14.4%** against amortisation, write-offs, provisioning and capital losses which amounted to **Euro 8 million** at 30 September 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 September 2024, the **Gross Backlog** of the Group amounted to **Euro 1,274,518 thousand** and included 23 mega and giga yachts and 9 Tecnomar for Lamborghini 63 under construction, with deliveries scheduled until 2027.

The **Net Backlog** of the Group amounted to **Euro 532,934 thousand**.

<i>in thousands of Euros</i>	30.09.2024	31.12.2023	31.12.2022	31.12.2021	31.12.2020
Gross Backlog Shipbuilding	1,144,597	1,218,273	1,003,357	807,726	597,247
Gross Backlog Refit	129,921	46,202	34,207	18,948	8,204
Gross Backlog Shipbuilding & Refit	1,274,518	1,264,475	1,037,564	826,674	605,451
Net Backlog Shipbuilding	487,718	597,408	605,832	526,639	428,892
Net Backlog Refit	45,266	11,703	13,987	9,617	3,354
Net Backlog Shipbuilding & Refit	532,934	609,111	619,819	536,256	432,246

CONSOLIDATED RECLASSIFIED STATEMENT OF FINANCIAL POSITION

In thousands of Euros	30.09.2024	31.12.2023
ASSETS		
Intangible assets	35,268	35,625
Property, plant, and equipment	122,687	126,533
Equity investments	43	43
Net deferred tax assets and liabilities	(526)	3,035
Other non-current assets and liabilities	1,988	1,630
Provisions for non-current risks and charges	(4,775)	(4,335)
Provision for employee benefits	(886)	(959)
Net fixed capital	153,798	161,572
Inventories and payments on account	8,459	10,897
Contract work in progress and advances from customers	81,677	50,508
Trade receivables	39,095	24,007
Trade payables	(90,553)	(90,568)
Other current assets and liabilities	(24,439)	(26,867)
Net working capital	14,239	(32,024)
Total ASSETS - NIC	168,038	129,548
SOURCES		
Share capital	(26,500)	(26,500)
Share premium reserve	(45,431)	(45,399)
Reserves and other retained earnings	(39,392)	(22,409)
Currency translation reserve	0	83
Consolidated profit (loss)	(37,692)	(36,911)
Shareholders' Equity	(149,016)	(131,136)
Net financial indebtedness	(19,022)	1,587
Total SOURCES	(168,038)	(129,548)

There was a decrease in **Consolidated net fixed assets** as of 30 September 2024, compared to 31 December 2023; this decrease was mainly due to a decrease in Property, Plant and Equipment following the sale of the Viareggio shipyard on 12 June 2024 and a reduction in deferred tax assets

During the third quarter 2024, the Group made capital expenditure of **EUR 7.2 million**, for the expansion of the sales offices in Marina di Carrara, the completion of the CELL 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 payments on account** following the capitalisation of costs incurred in the third quarter 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 yachts.

CONSOLIDATED NET FINANCIAL POSITION

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

<i>in thousands of Euros</i>	30/09/2024	31/12/2023
A. Cash	14,127	29,897
B. Cash equivalents	38,504	46,516
C. Other current financial assets	0	0
D. Liquidity (A)+(B)+(C)	52,631	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	(11,598)	(11,661)
F.1 Other current financial payables	(1,173)	(1,111)
G. Current financial indebtedness (E+F)	(12,773)	(12,774)
H. Net financial indebtedness (G-D)	39,858	63,638
I. Non-current bank debt (excluding the current portion of debt instruments)	(47,008)	(54,591)
J. Debt instruments	0	0
K. Trade and other non-current payables	(11,872)	(7,460)
L. Non-current financial indebtedness (I+J+K)	(58,880)	(62,051)
M. Total financial indebtedness (H+L)	(19,002)	1,587

The **Consolidated Net Financial Position**, negative and equal to **Euro 19,002 thousand** at 30 September 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;
- (ii) investments made in the first half of 2024 amounting to **Euro 7.2 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 September 2024, amounted to Euro 8.2 million, which will be paid based on the duration of the respective concessions.

During the first nine months of 2024, the production activities of ongoing orders resulted in a working capital utilisation of EUR 14 million, which allowed for significant progresses in construction works.

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:

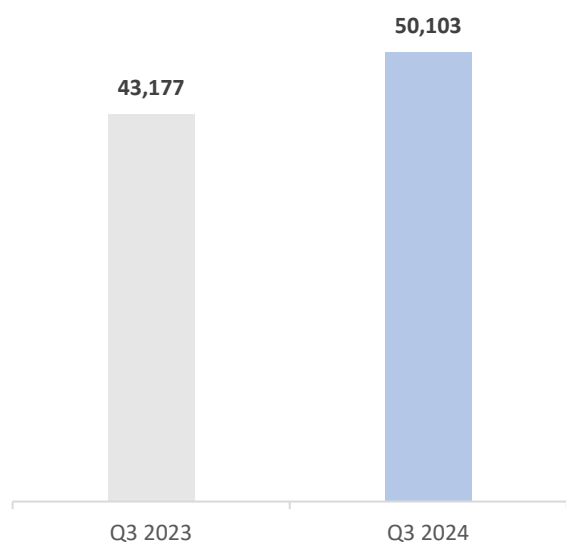
EBITDA	is equal to the result before taxes, before financial income and charges, depreciation, amortisation and other write-offs, as reported in the financial statements, adjusted by the following elements: revenues from extraordinary activities; expenses from extraordinary activities; non-recurring 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:

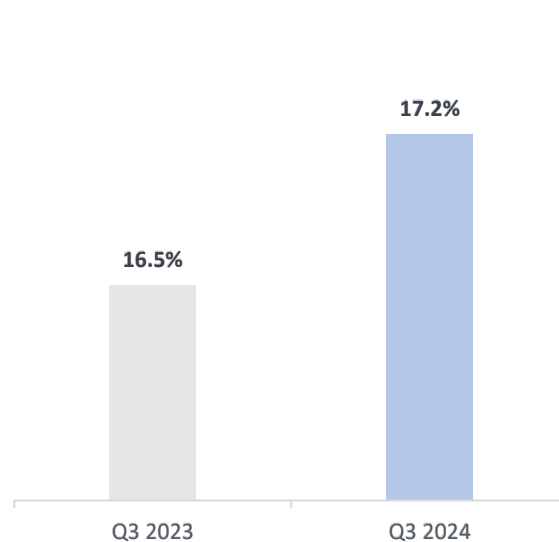
- Liquidity including: cash and bank deposits, other cash and cash equivalents and securities held for trading;
- Net current financial indebtedness includes: current financial receivables, short-term bank debt, current portion of non-current debt, other current financial debt, and payables to funding shareholders;
- Net non-current financial indebtedness includes: non-current bank debt, bonds issued, other non-current payables, payables to funding shareholders.

EBITDA

In thousands of Euros

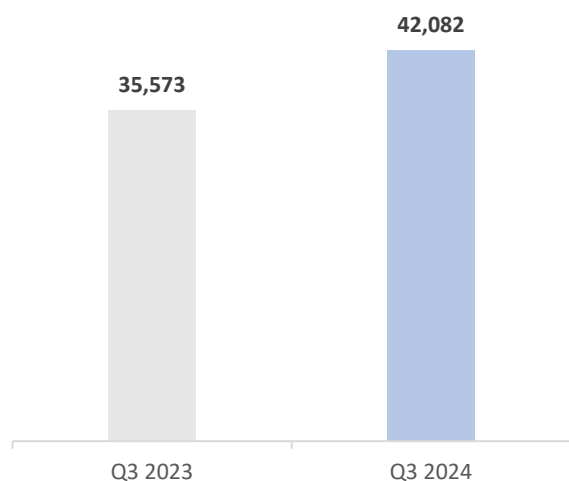


EBITDA MARGIN



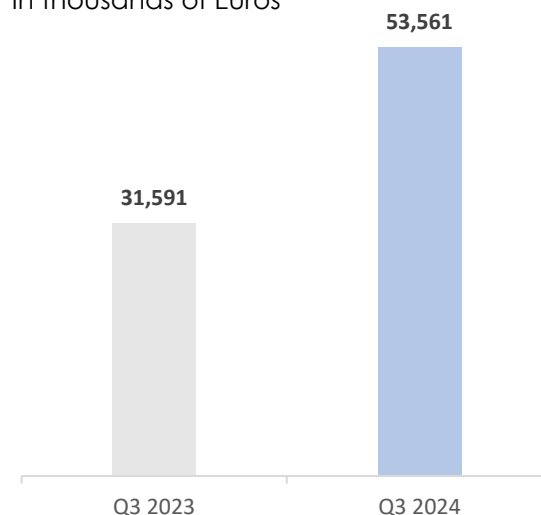
EBIT

In thousands of Euros



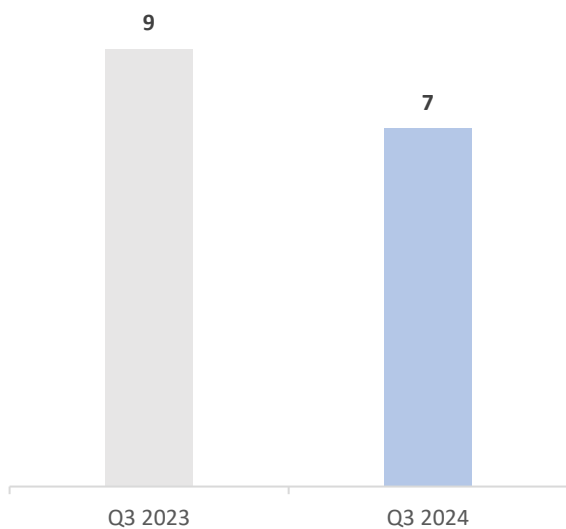
EBT

In thousands of Euros



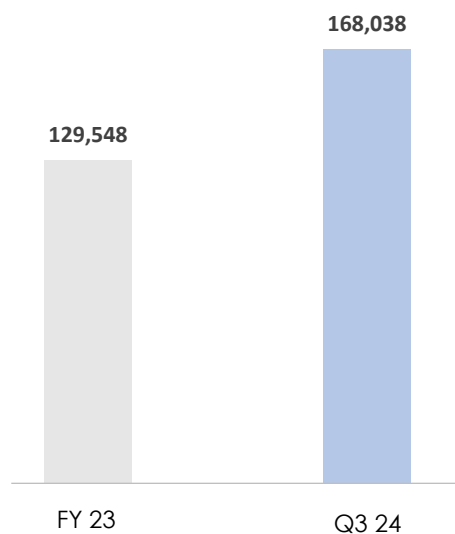
INVESTMENTS

In millions of Euros



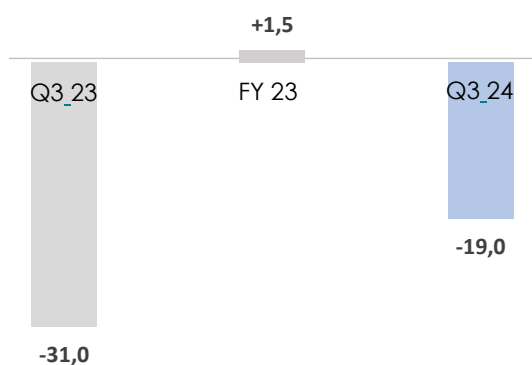
NET INVESTED CAPITAL

In thousands of Euros



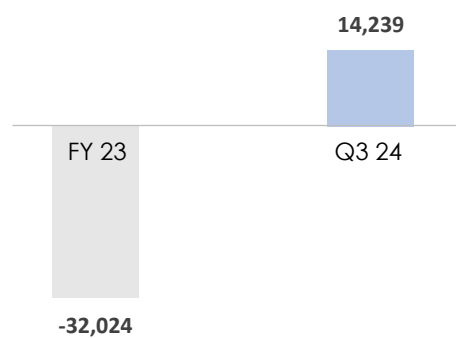
PFN

In millions of Euros



NET WORKING CAPITAL

In thousands of Euros





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 the second **Capital Markets' Day**, held at the Armani/Silos in Milan.

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

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

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

On **25 March**, TISG announced the sale of the third unit 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 Chairman of the Board of Directors.

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 Steelworks**") 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.

ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING RESOLUTIONS

On **1° July 2024**, the Shareholders' Meeting, convened in ordinary and extraordinary session, met under the chairmanship of Ms. Simona Del Re and approved the incentive plan called "Long Term Incentive Plan 2027-2029" (the "Plan") and the proposal to increase the share capital to service the Plan.

The Shareholders' Meeting also confirmed the appointment of Ms. Simona Del Re as a member and Chairman of the Board of Directors; approved the Report on Remuneration Policy and Remuneration Paid, first section, and the revision of the remuneration of the members of the Board of Directors; authorised the Board of Directors to purchase and dispose of treasury shares in the manner deemed most appropriate in the interest of the Company and in compliance with applicable regulations,

In extraordinary session, the Shareholders' Meeting also approved the proposal to amend certain provisions of the Articles of Association to provide for, inter alia, the introduction of the voting surcharge and the application to the Company of the institution of the appointed representative, as well as the proposal to formally revise the numbering of all articles of the Articles of Association.

CLASS "A" ESG RATING

On 5 July 2024, the Group obtained an ESG rating of A from Cerved Rating Agency ('Cerved'), up from the previous BBB rating, placing it above the median of the reference sector.

Contributing to the rating upgrade was the achievement of the objectives of the three-year ESG Plan, including the effective containment of environmental impacts, sustainable supply chain management, and employee growth and training.

ADMISSION TO THE STAR SEGMENT

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

PARTICIPATION IN THE MONACO YACHT SHOW 2024

On the occasion of the 33rd edition of the Monaco Yacht Show 2024, The Italian Sea Group presented an exclusive selection of yachts: the ADMIRAL Platinum 78m, the ADMIRAL Jas 66m, the ADMIRAL Silver Star-I and two units of the Tecnomar for Lamborghini 63' line.

SIGNIFICANT EVENTS AFTER 30 SEPTEMBER 2024

RESIGNATION FROM OFFICE OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

On 6 november 2024, Ms. Simona Del Re resigned from her office as member and Chairman of the Board of Directors due to occurred personal reasons.

The resignation was effective from November 12th 2024.

Ms. Del Re, a non-executive and non-independent director, was not member of any board committee and did not hold any TISG's ordinary shares. In this regard, on July 4th 2024 Ms. Del Re was identified as a beneficiary of the stock option plan and the options assigned to her will lapse and will have no more effect and validity, as per the "Long Term Incentive Plan 2027-2029".

Furthermore, as per the resignation communicated to the Company on October 26th 2024, the resigning Chairman will maintain her current role as Investor Relations & ESG Director until January 15th 2025, day after which she will no longer hold any office at TISG.

CO-OPTATION OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

Following the resignation of Simona Del Re - communicated on 6 November 2024 – on Novembre 12 The Board of Directors, after receiving the favourable opinion of the Appointments and Remuneration Committee, resolved to co-opt Mr. Filippo Menchelli onto the Board of Directors, pursuant to and in accordance with Article 2386 of the Italian Civil Code, until the next Shareholders' Meeting appointing him as Chairman of the Board of Directors of the Company.

Filippo Menchelli, who joined the Group in 2012, held the role of Administration Manager of the companies Tecnomar S.p.A. and Nuovi Cantieri Apuania S.p.A. and was then promoted in 2014 to the role as Chief Financial Officer and Head of Legal Affairs. He was Director of the Issuer from 2018 to June 2024 and Chairman from May 2020 to June 2024.

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.

SHIPBUILDING 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 boasts *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

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

Risk Description

The group is exposed to credit risk, arising from commercial transactions, liquidity risk and risks related to litigation and tax assessments. In addition, the group is exposed to interest rate fluctuations on its floating-rate debt instruments and resorts to hedging these exposures through derivative financial instruments.

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.

RISKS RELATED TO OPERATIONS

Risk Description

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.

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.

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.

At the date of the approval of this report, The Chairman of the Group is Filippo Menchelli, 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 FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2024

CONSOLIDATED GROUP FINANCIAL STATEMENTS
AS AT 30 SEPTEMBER 2024
CONSOLIDATED BALANCE SHEET

Thousand of Euros	30/09/2024	31/12/2023
ASSETS		
NON-CURRENT ASSETS		
Brands	34,616	34,650
Other intangible assets	653	975
Land and buildings	56,300	57,290
Plant, machinery, equipment, and investments in progress	32,485	35,459
Other tangible assets	940	1,261
Right of Use	32,962	32,523
Equity investments	43	43
Other non-current assets	2,074	1,716
Deferred tax assets	-	3,035
Total non-current assets	160,072	166,952
CURRENT ASSETS		
Cash and cash equivalents	52,631	76,413
Trade receivables	39,095	24,007
Other receivables	3,546	4,937
Assets from contract work in progress	126,354	89,068
Inventories	8,459	10,897
Other current assets	4,658	5,115
Total current assets	234,744	210,437
TOTAL ASSETS	394,816	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	39,692	22,409
Currency translation reserve	-	83
Consolidated profit (loss)	37,692	36,911
Total Shareholders' Equity	149,016	131,136
NON-CURRENT LIABILITIES		
Provisions for risks and charges	4,775	4,335
Deferred tax liabilities	526	-
Provision for employee benefits	886	959
Long-term financial liabilities	58,880	62,051
Other non-current liabilities	86	86
Total non-current liabilities	65,154	67,431
CURRENT LIABILITIES		
Trade payables	60,553	90,568
Other payables	24,274	24,171
Short-term financial liabilities	12,773	12,484
Liabilities from contract work in progress	44,678	38,561
Other current liabilities	8,369	13,038
Total current liabilities	180,647	178,822
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	394,816	377,389

CONSOLIDATED INCOME STATEMENT – BY NATURE

In thousands of Euros	30/09/2024	30/09/2023
Operating revenues	292,135	259,554
Other revenues and income	20,758	7,976
Commissions	(1,434)	(4,841)
Total Revenues	311,458	262,689
Raw materials, components, and consumables	(68,361)	(56,610)
Cost for outsourced work	(111,447)	(109,362)
Technical services and consultancy	(17,119)	(13,706)
Other costs for services	(10,240)	(9,963)
Personnel costs	(31,753)	(25,837)
Other operating costs	(5,550)	(4,555)
Total operating costs	(244,470)	(220,034)
Operating result before amortisation, depreciation, and write-downs	66,988	42,655
Amortisation and depreciation	(8,371)	(7,704)
Operating result	58,617	34,951
Financial income	463	405
Financial charges	(5,520)	(3,765)
Consolidated profit (loss) before income taxes	53,561	31,591
Income taxes	(15,868)	(7,065)
Consolidated Profit (loss)	37,692	24,527
Earnings per ordinary share	0.71	0.46
Diluted earnings per ordinary share	0.71	0.46

COMPREHENSIVE CONSOLIDATED INCOME STATEMENT – BY NATURE

Consolidated Profit/(loss)	37,692	24,527
Change in translation reserve	2	97
Gains/(losses) on remeasurement of defined benefit employee plan liabilities	7	(35)
Change in fair value of hedging derivatives	(670)	624
TOTAL CONSOLIDATED PROFIT/(LOSS) (A) + (B)T	37,031	25,213

CONSOLIDATED CASH FLOW STATEMENT

<i>In thousands of Euros</i>	30/09/2024	30/09/2023
INCOME MANAGEMENT ACTIVITIES		
Consolidated profit before taxes	53,561	31,591
Net interest	5,056	3,360
Provision for charges and risks	809	759
Provision for severance indemnity	1,347	1,146
Adjustments for:		
Amortisation, depreciation, and write-downs of fixed assets	7,727	7,604
Capital gains/(losses)	(18,416)	
Other provisions and write-downs (revaluations)	350	100
Changes in assets and liabilities:		
Receivables from customers	(15,439)	(41,859)
Inventories and contract work in progress	(28,731)	(1,071)
Other management activities	1,848	(6,051)
Payables to suppliers	(15)	8,379
Other operating payables	(2,140)	(3,334)
Severance indemnity	(1,420)	(1,247)
Provisions for risks and charges	157	1,871
Taxes paid	(15,868)	(7,064)
Interest paid	(5,056)	(3,360)
Cash flow from income management activities	(16,230)	(9,176)
INVESTMENT ACTIVITIES		
Purchase of tangible assets	(2,689)	2,735
Disposal of tangible assets	21,000	0
Purchase of intangible assets	(52)	(366)
Others	2,474	245
Cash flow from investing activities	20,733	2,614
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	(7,646)	(9,993)
Raising shareholders' loans		0
Raising of loans to others		
Repayment of loans to others	(1,029)	(1,306)
Net change in other sources of short-term financing		
Cash flow from financing activities	(28,285)	(25,663)
TOTAL CASH FLOWS FOR THE PERIOD	(23,782)	(32,225)
OPENING CASH AND CASH EQUIVALENTS	76,413	81,317
CLOSING CASH AND CASH EQUIVALENTS	52,631	49,092

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Data in thousands of Euros	Values at 31/12/22	Allocation of income 31/12/22	Consolidated result 30/09/23	Other changes 30/09/23	Value at 30/09/23
SHARE CAPITAL	26,500				26,500
SHARE PREMIUM RESERVE	45,431				45,431
RESERVES AND OTHER RETAINED EARNINGS	13,023			9,678	22,701
PROFIT/(LOSS) FOR THE PERIOD	24,046	(24,046)	24,527		24,527
TOTAL NA	109,000	(24,046)	24,527	9,678	119,159

Data in thousands of Euros	Values at 31/12/2023	Allocation of income 31/12/2023	Consolidated result 30/09/24	Other changes 30/09/24	Value at 30/09/24
SHARE CAPITAL	26,500				26,500
SHARE PREMIUM RESERVE	45,399			32	45,431
RESERVES AND OTHER RETAINED EARNINGS	22,409			17,066	39,392
PROFIT/(LOSS) FOR THE PERIOD	36,911	(36,911)	37,692		37,692
TOTAL NA	131,136	(36,911)	37,692	17,098	149,016

EXPLANATORY NOTES

CONTENT AND FORM OF PERIODIC INFORMATION

AS AT 30 SEPTEMBER 2024

PREMISE

This periodic information as at 30 September 2024 was approved by the Company's Board of Directors on 12 November 2024 and has not been subject to audit, as this is not required by current regulations. The Italian Sea Group S.p.A as a company listed in the Euronext STAR Milan segment, is subject to the provisions of Article 2.2.3 of the Stock Exchange Regulations. Based on these regulations, the Company has prepared the Periodic Financial Information as of 30 September 2024, which it makes available to the public.

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.

ABILITY TO CONTINUE AS A GOING CONCERN

The periodic financial information as at 30 September 2024 has been prepared on a going concern basis 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

Periodic financial information at 30 September 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 September 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.

USE OF JUDGEMENTS AND ESTIMATES

The preparation of the Periodic Financial Information as at 30 September 2024 in accordance with IAS/IFRS requires the Directors to apply accounting principles and methodologies that, in certain circumstances, are based on complex and subjective judgments and estimates derived from historical experience and assumptions that are considered reasonable and realistic under the circumstances. The application of these estimates and assumptions affects the amounts reported in the financial statements, such as the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of cash flows, as well as the disclosures provided. Reference is made to the consolidated financial statements as at 31 December 2023 and as at 30 June 2024 regarding the main areas that require the use of estimates and judgments, specifying that there have been no changes in the main sources of estimation uncertainty compared to those reported in the consolidated financial statements for the periods ended 31 December 2023 and 30 June 2024.

DECLARATION OF THE MANAGER IN CHARGE OF PREPARING THE COMPANY'S FINANCIAL REPORTS PURSUANT TO ARTICLE 154-BIS, PARAGRAPH 2, OF ITALIAN LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998

The undersigned Marco Carniani, Chief Financial Officer of The Italian Sea Group S.p.A., in his capacity as Manager in charge of preparing the company's financial reports, declares that the Periodic Financial Information as at 30 September 2024 corresponds to the documented results, books and accounting records.

Marina di Carrara, 14th November 2024

Marco Carniani
Manager in charge of preparing the
company's financial reports