# THE ITALIAN SEA GROUP

## CONSOLIDATED ANNUAL FINANCIAL REPORT AS AT 31 DECEMBER 2024

PICCHIOTTI SINCE 1575 ADMIRAL PERINI NAVI TECNOMAR

NCA REFIT CELI 1920

**CONTENTS**

*This document is an English translation from Italian. The Italian original shall prevail in case of differences in interpretation and/or factual errors.*

# FINANCIAL INFORMATION AS AT 31 DECEMBER 2024

DRAFTED ACCORDING TO IAS/IFRS

DATA IN THOUSANDS OF EUROS

# LETTER FROM THE FOUNDER & CHIEF EXECUTIVE OFFICER

Dear Shareholders,

The results for the year 2024 once again confirm the growing popularity and distinctive positioning of our brands, which have allowed us to face a year characterised by a still uncertain macroeconomic and geopolitical context.

Thanks to our determination, we were able to meet market expectations, recording revenues of **Euro 404.4 million**, with an increase in profitability to **17.4% in terms of EBITDA**, confirming our focus on business sustainability. We recorded a net profit of **Euro 33.8 million**, which will once again allow us to remunerate our shareholders with a dividend, without in any way reducing our financial resources supporting our long-term growth strategy.

In the course of 2024, we continued to make the dreams of our customers come true, launching large yachts over 50 metres. We returned to the Munich Motor Show, leaving all of the exhibitors stunned by the beauty of the lines of our yachts: **ADMIRAL Platinum 78m**, **ADMIRAL Jas 66m**, **ADMIRAL Silver Star-I**.

This is our DNA, our unique contribution to the luxury yachting industry, made of passion, innovation and attention to detail that has caused very important brands from automotive to fashion to choose us as their partner.

The upcoming launch and subsequent delivery of a full custom super yacht designed by **Giorgio Armani** will represent a further distinctive feature of our offer compared to the Nordic shipyards – our true benchmark – in terms of clean and elegant forms.

During the year, as we notified the market on several occasions, we entered the **Euronext Milan STAR segment**, to support our shareholders in better understanding the company and the business in compliance with more stringent requirements, including in terms of corporate governance.

Sustainability continues to be an important focus area for the Group. Our **ISO:14001** certification for Environmental Management Systems obtained last year has been confirmed across all of our shipyards in Italy, and we continue to work to improve gender equality inside our Company and provide support to our employees, suppliers and the local community.

The outlooks for our reference market are solid, thanks to the constant growth in high-net-worth individuals who can represent both a direct customer for us, when they wish to purchase of a yacht for their own exclusive use, or an indirect customer if they opt for chartering, a segment that is also expected to see considerable growth in the coming years.

To conclude, I would like to thank our Chair, the Corporate Bodies, the Top Management, General and Functional Management, Middle Management and all of our employees for the constant commitment and dedication expressed on a daily basis. Thank you to the Celi and TISG Turkey employees, for the great support that they give to our large Group. A heartfelt thank you goes to our suppliers, whom we now consider partners, and the Institutions, always present and ready to support us in our growth.

Finally, I want to thank you, our Shareholders, for continuing to believe in our "factory of emotions": it is only together that we will be able to build the TISG of tomorrow.

FOUNDER AND CEO

# METHODOLOGICAL INTRODUCTION

In compliance with the relevant IAS/IFRS framework, the consolidated financial statements of The Italian Sea Group S.p.A. as at 31 December 2024 show as comparative data the balances of the consolidated financial statements of TISG as at 31 December 2023.

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

| | 31/12/2024 | |
|---|---|---|
| *in thousands of Euros* | Shareholders' Equity | Result |
| **Financial Statements of The Italian Sea Group S.p.A.** | **142,880** | **32,309** |
| Derecognition of intercompany transactions | 2,083 | 1,585 |
| **Total attributable to the Shareholders of the Parent Company** | **144,963** | **33,894** |
| Shareholders' equity and non-controlling interests | - | - |
| **Total of the Consolidated Financial Statements** | **144,963** | **33,894** |

| | 31/12/2023 | |
|---|---|---|
| *in thousands of Euros* | Shareholders' Equity | Result |
| **Financial Statements of The Italian Sea Group S.p.A.** | **130,672** | **36,682** |
| Derecognition of intercompany transactions | 464 | 229 |
| **Total attributable to the Shareholders of the Parent Company** | **131,136** | **36,911** |
| Shareholders' equity and non-controlling interests | - | - |
| **Total of the Consolidated Financial Statements** | **131,136** | **36,911** |

# SUMMARY & GENERAL INFORMATION

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

**Registered Office:** Viale Cristoforo Colombo, 4/BIS, 54033 Marina di Carrara, Carrara (MS)

**Tax Code:** 00096320452

**Register of Companies of Carrara No. - 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.

**Filippo Menchelli**
*Chair*

**Giovanni Costantino**
*Chief Executive Officer*

**Marco Carniani**
*Deputy Chair*

**Gianmaria Costantino**
*Director*

**Antonella Alfonsi**
*Independent Director*

*Lead Independent Director*

**Laura Angela Tadini**
*Independent Director*

**Fulvia Tesio**
*Independent Director*

## AUDIT, RISK, SUSTAINABILITY & RELATED PARTIES COMMITTEE

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

## APPOINTMENTS & 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 BOARD PURSUANT TO LEGISLATIVE DECREE 231/01

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

## AUDITING FIRM

BDO Italia S.p.A.

## FINANCIAL REPORTING MANAGER

Marco Carniani

# GROUP PROFILE AND STRUCTURE

The Italian Sea Group S.p.A. ("TISG" or "Group") is a global luxury yachting player listed on the Euronext STAR Milan and active in the design, construction and refit of motor yachts and sailing yachts up to 140 metres. The Group operates in the new building market under the **Admiral**, **Tecnomar**, **Perini Navi** and **Picchiotti** brands, and is active in the large refit business 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 in-housing a large part of its yacht furniture needs and offering customers the utmost customisation and flexibility.

According to the Global Order Book 2024, an international ranking compiled by the prestigious Boat International magazine, The Italian Sea Group is the leading Italian producer of superyachts over 50 metres and the second at global level.

Since it was founded in 2009, TISG has consolidated its presence in the nautical world with high-end positioning, reinforced not only by the quality and uniqueness of its products, but also by its partnerships with prestigious Italian luxury brands such as Giorgio Armani and Automobili Lamborghini.

TISG has always stood out for its ability to offer ship operators an experience of pure luxury, which is expressed in high quality workmanship, 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.

Due to their size and technical and stylistic detailing, The Italian Sea Group's yachts appeal to Ultra-High-Net-Worth Individuals ("UHNWI") clientele, a highly resilient market segment.

**The Italian Sea Group S.p.A.**

- Celi 1920 *(100%)*
- TISG Turkey *(100%)*

# SHIPBUILDING

New yacht building through its brands **Admiral**, renowned for its prestigious and elegant yachts, **Tecnomar**, known for its sportiness, cutting-edge design and high performance, **Perini Navi,** excellence in the design and construction of large sailing yachts, and **Picchiotti**, a historic Italian nautical brand with classic and elegant lines.

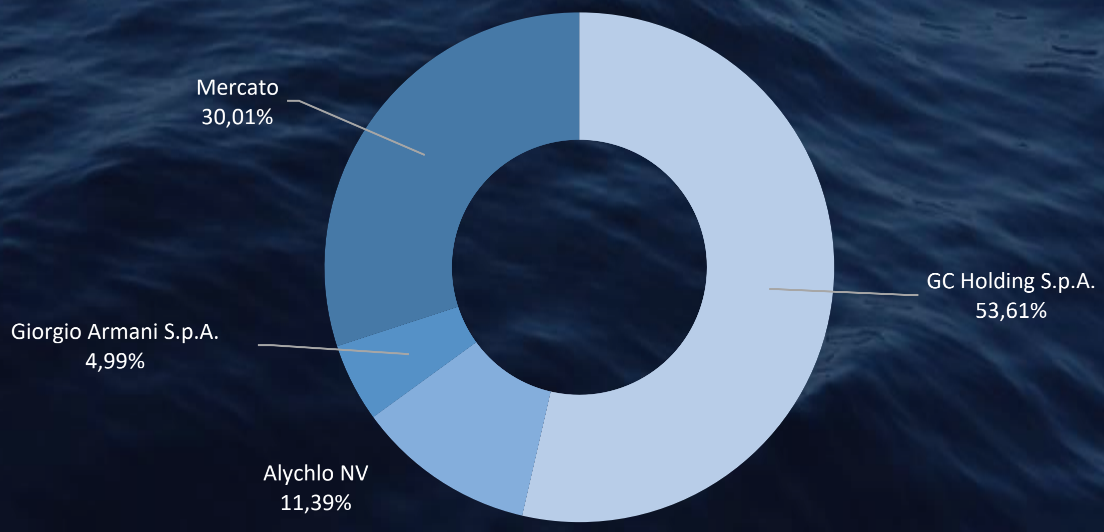
# REFIT

Through its **NCA Refit** business unit, TISG handles ordinary and extraordinary maintenance of yachts with a focus on sizes exceeding 60 metres. Thanks to the state-of-the-art facilities at the Marina di Carrara and La Spezia shipyards, the refit division can handle work on ships of up to 140 metres long.

# SHAREHOLDERS

On **3 June 2021**, the offer for the 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 called **Euronext Milan** ("EXM"), was completed, and **8 June 2021** represented the first day of trading of the Parent Company's shares.

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




(*) *including the 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-going sailing ships and then moved on to important military orders, making the Picchiotti brand a 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 hangars of The Italian Sea Group S.p.A.

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.

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## ADMIRAL

The first Admiral boat, 18 metres and made entirely of wood, was created in 1966. In the mid-1970s, the first wooden (30-metre) motor-yacht was launched, an extremely avant-garde product for that time period, 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, offering experienced ship operators around the world large yachts characterised by elegant and refined aesthetics, timeless style and the possibility of total customisation.

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## PERINI NAVI

The story of Perini Navi began in 1983, when founder **Fabio Perini** launched the prototype of a sailing yacht that could be managed 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 "**Maltese Falcon**".

Following the acquisition in 2022, The Italian Sea Group delivered the first sailing catamaran under the Perini Navi brand, the 47-metre "**Art Explorer**", one of 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 is dedicated to building fast motor yachts up to 50 metres.

The brand's main characteristics include innovative design, modern lines, sportiness and high performance; each model is a design challenge that balances elegance and bold aesthetics by using innovative technologies and materials.

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

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**NCA REFIT**

NCA Refit boasts an absolute specialisation in the refitting and repair of both motor and sailing super-yachts and mega-yachts 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 crews.

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

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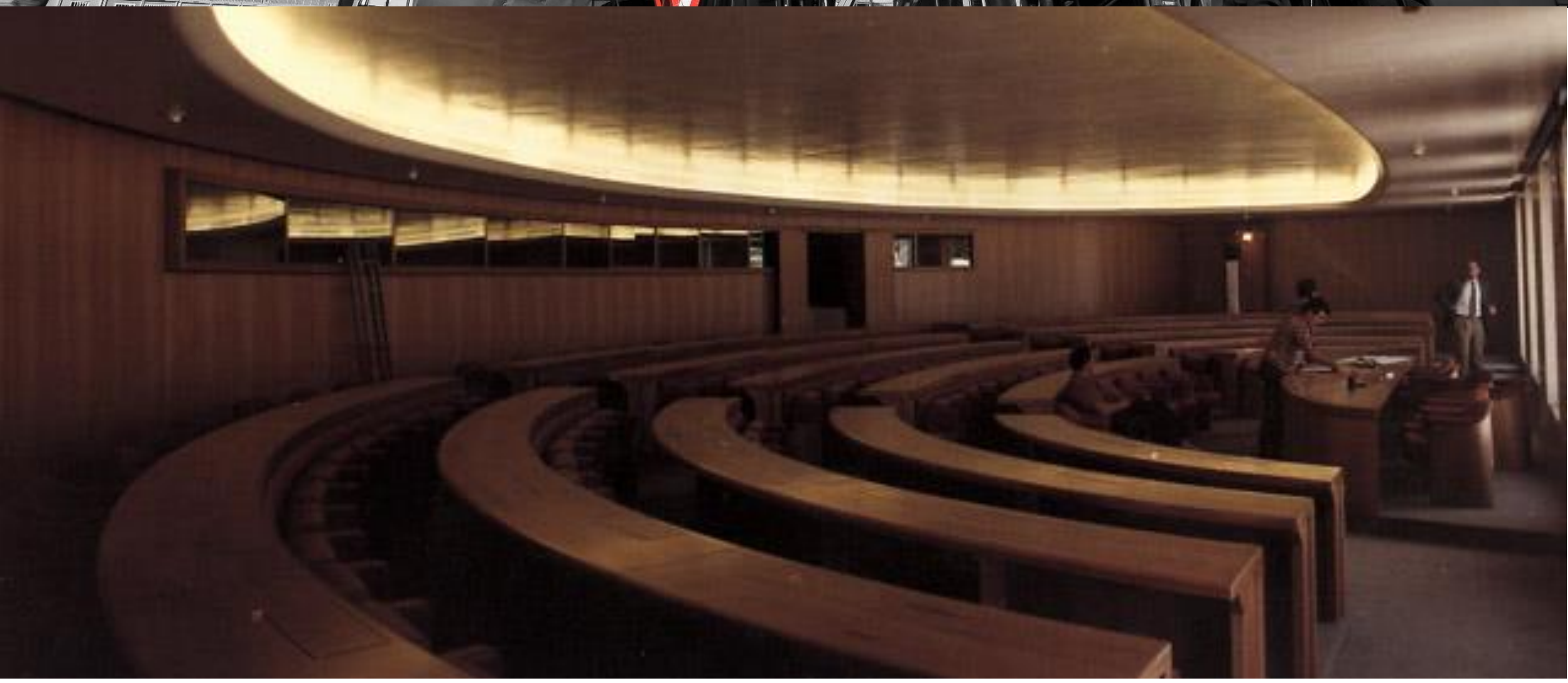
**CELI**

Since its foundation in 1920, experience, craftsmanship and technology have made Celi an international benchmark in the design and building of high-quality furniture.

In precision cabinetmaking, Celi has developed rigorous construction methods over time and uses advanced production technologies, while retaining all of the values and qualities of “handmade” products.

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

Rapid growth in the number of contracts and the increase in the size of orders on the books highlighted the need to invest in a larger production site with direct access to the sea. This is why, 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, currently the TISG headquarters, has been active since 1942, and even then had state-of-the-art facilities to produce medium and large tonnage ships. In 1973, after two decades of investments in upgrading the facilities, the shipyard was further expanded with the construction of a dock 200 metres long and 35 metres wide.

The acquisition of the shipyard made it possible to keep employment levels unchanged and relaunch a company with a recent past as a leading player in the large shipbuilding industry, while expanding production capacity and retaining valuable specialised know-how in the reference segment.

This was followed by major investments in the renovation and expansion of the registered office, the organisation of areas dedicated to new production, the construction of a steel workshop and an upholstery unit, and the expansion of areas dedicated to refit activities, which began in 2015.

Starting in 2020, investment plans (“**TISG 4.0**” and “**TISG 4.1**”) were resolved on, aiming to further increase the shipyard's production capacity.

To date, the Marina di Carrara shipyard covers an area of approximately 110,000 square metres and boasts an absolutely strategic position, particularly for refitting activities.

Overlooking the Mediterranean, at a short distance from famous Italian tourism and recreational destinations – and therefore a preferred stopover for yachts in the summer season – the shipyard 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 represent an important reference point for ship operators and captains from all over the world.

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

In 2021, the Company went public, and 8 June marked the start of trading of TISG's shares on the 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 into the Parent Company), it acquired Perini Navi S.p.A. at the bankruptcy auction called by the Court of Lucca, for Euro 80 million.

The acquisition included the real estate assets of the shipyards in Viareggio and La Spezia, a real estate assets in Pisa, the Perini Navi and Picchiotti trademarks, patents, the shareholding in Perini Navi USA Inc. (a company that was closed in 2024) and existing legal relationships with employees.

In 2023, TISG sold the Perini Navi office building and, in June 2024, finalised 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 transaction allowed the Group to consolidate the entire production process, ensuring even more integrated operations management.

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

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

# INVESTMENTS

The history of the Group is based on strategic acquisitions, the relaunch of historical brands and significant investment strategies, particularly on production capacity and facility efficiency in order to increase the range of services and facilities available to customers, suppliers and employees.

**Services**

Opened in 2019, the Village is an area intended for ship operators, employees, captains and crews and represents a strong competitive advantage for TISG compared to other shipyards offering refitting services in the Mediterranean, as an added value for captains and crews, the main decision-makers when choosing the shipyard where to carry out maintenance activities.

The two-storey building includes: (i) a Gourmet Restaurant with a Lounge Bar and a relaxation area; (ii) a fully equipped gym with a dedicated personal trainer; and (iii) a wellness and spa area with steam bath, sauna, experience shower, jacuzzi and a “Zero-Body” technology bed.

**In-housing**

Operating in a revolutionary manner compared to historical trends in the nautical sector, the group was one of the first operators to make significant investments aimed at in-housing some of the phases of the production chain with greater added value, such as: (i) **Steelworks**, an in-house workshop where all steel finishes are made, which are then assembled on yachts under construction; (ii) **Upholstery**, a division that makes all of the leather and fabric upholstery and padding and all of the upholstery details for projects in progress; (iii) **Outfitting Carpentry**, for the assembly of technical elements on board; (iv) **Woodworking** through its wholly-owned subsidiary Celi S.r.l.

Specifically, on the latter, the Group has made a series of investments to double its production capacity with the aim of internalising up to 70% of its wooden furniture needs.

The in-housing of these activities allows the Group to have greater control over them and encourages significant cost containment while ensuring the high quality standards required by ship operators and their surveyors.

In addition, The Italian Sea Group has an in-house **Design Department**, staffed by approximately 30 young architects, who work together with customers who request it to develop the design of the yachts' interior and exterior lines, responding promptly to their every need.

**Production Capacity**

Since 2018, the Group has invested around **Euro 86 million** in expanding the production capacity at its shipyards: currently, the Group operates across *3 locations in Italy* (Marina di Carrara, La Spezia and Viareggio), **woodworking facilities in Terni** with Celi and has a **number of facilities in Turkey** for hull and superstructure construction.

*Marina di Carrara*

In early 2020, the Group resolved on an investment plan entitled "**TISG 4.0**". The investment, aimed at upgrading the facilities at Marina di Carrara and completed in the first half of 2023, included the following interventions:

(i) Construction of a **new hangar** capable of accommodating up to **two yachts** of about 80 metres in outfitting;

(ii) Construction of a **new dry dock** with a maximum capacity of **four yachts between 60 and 70 metres** and **ships up to 140 metres**;

(iii) Construction of an **additional hangar to cover the original dry dock**, capable of accommodating up to **two yachts** of **approximately 90 metres** or **one yacht of 100 metres**.

Subsequently, at the end of 2021, the Group resolved on a further investment plan, entitled **"TISG 4.1"**, to further increase the production spaces at the headquarters through:

(i) Expansion on the **Chiesa Quay** to increase the space dedicated to refit activities, creating new berthing spaces for large yachts;

(ii) A **new hangar** next to the old dry dock to accommodate up to **four yachts between 75 and 80 metres** in outfitting;

(iii) **New spaces** in the old Lamborghini hangar, dedicated to warehouses and services for new constructions.

*La Spezia and Viareggio*

The acquisition of Perini Navi ensured that the Group could further increase its production capacity through the integration of its two production sites in La Spezia and Viareggio.

The facilities, which were already in optimal condition for production since the completion of the acquisition in February 2022, merely underwent some fine-tuning activities during the course of the year and became operational immediately.

Most of the investments were aimed at the La Spezia site, the larger of the two. In particular, all Lamborghini production, together with a substantial part of the refit division, was transferred to La Spezia.

In June 2024, the Group completed the sale of the Viareggio shipyard, for total consideration of Euro 33 million gross of expenses and commissions; Euro 21 million was collected during the first half of 2024.

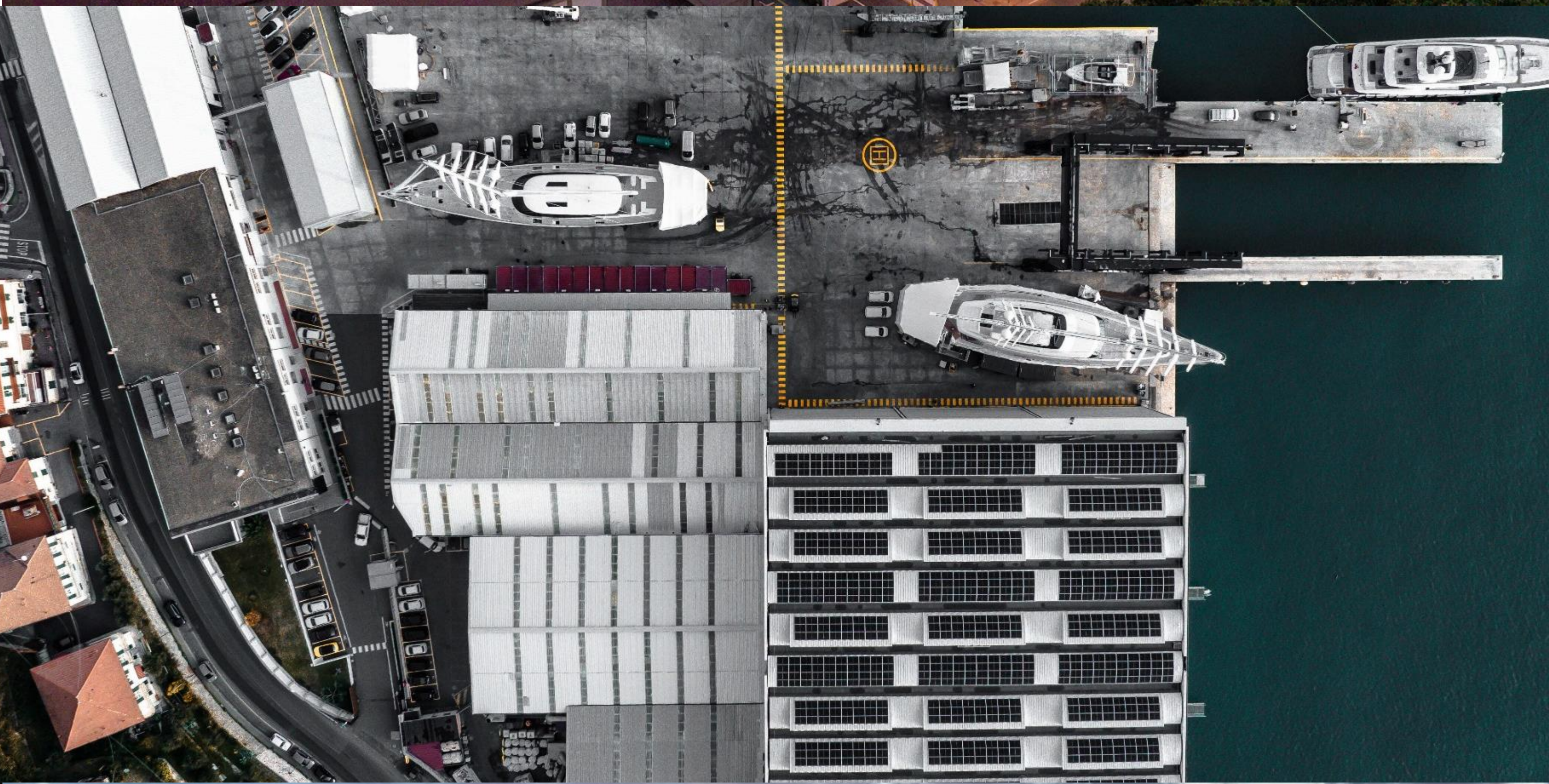
In early 2024, the Group restarted its woodworking hub in Viareggio, and opened a flagship store for Perini Navi.

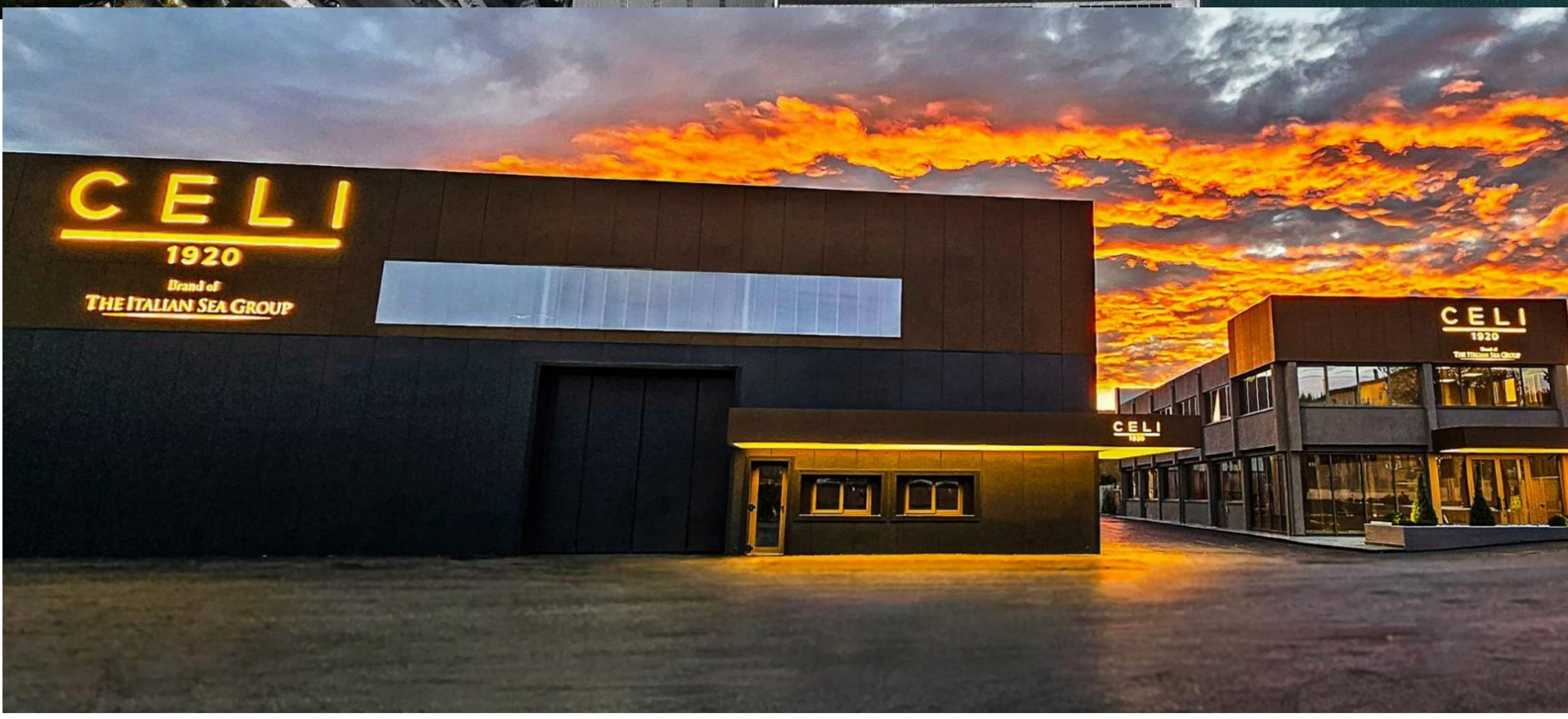
*TISG Turkey*

Through TISG Turkey, the Group operates with seven shipyards in Turkey, in the Istanbul and Antalya areas, with a network of partners that are responsible for building the hulls and superstructures for orders in progress.

The group has a lease for two of its shipyards: Hercelik and Naveks, both in the Yalova district (near Istanbul), covering a total area of over 30,000 square metres.


THE ITALIAN SEA GROUP

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THE ITALIAN SEA GROUP
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CELI

# BUSINESS DEVELOPMENT

Over the years, the Group has strengthened its presence in the international yachting market by establishing major partnerships with leading yachting brokers worldwide.

In fact, the Group's business strategy is based on balanced distribution in the various geographical areas, with a significant expansion of the Americas over the last two years and the aim of further consolidating its presence in Asia and the Middle East.

The expansive product range, along with the ability to meet all customer demands, have made TISG a point of reference in luxury boating.

While maintaining its focus on full-custom yachts, the Group has developed some new semi-custom designs so as to maximise the significant production capacity currently available without impacting design capacity. These projects include the Panorama line and the Admiral 50 line as well as the Admiral Quaranta project, the first unit of which was sold in the second quarter of 2024.

The entry into this new market segment will allow TISG to attract a new segment of customers who want to reduce the lead time for their yacht.

As far as production capacity is concerned, following the completion of investments in the Marina di Carrara, La Spezia and Celi sites, TISG does not expect to make any further significant investments, with the exception of some work to expand the sales offices in Marina di Carrara (“**TISG New Era**” Project).

Over the years, the Group has consolidated its strategy of in-housing the most value-added supply chain activities in order to improve margins and have greater control over quality and timing. In June 2024, a new business unit dedicated to interior steel finishings was inaugurated at the Marina di Carrara headquarters.

# MARKET OUTLOOK

## SHIPBUILDING

The Group operates in an extremely resilient market segment, with a customer base represented by Ultra-High-Net-Worth Individuals (UHNWI), i.e. individuals with assets of $30 million or more.

This category, which is almost immune to shocks from unfavourable macroeconomic or geopolitical conditions, has experienced strong global growth in recent years, growing at double digits and with further acceleration expected over the next three years worldwide. Exponential growth rates are expected on several continents, ranging from **+26%** expected for **North America**, historically one of the main markets for yachting worldwide, to **+38%** for **Asia**, while the **Middle East** is expected to grow by **+28%**, and growth forecasts for **Latin America**, **Africa** and **Australia** are **+18%**, **+17%** and **+27%**, respectively. Finally, **Europe** closes a very promising market scenario with expected growth in the number of UHNWIs of **+22%**.[1]

It is important to emphasise that TISG's customers – and in general the UHNWIs who represent the potential customer base for large yachts – are cash buyers, and they do not use any type of financing (e.g. leasing) to purchase products as is usually the case for smaller boats.

Because of this, and also because of the limited penetration of this market segment (taking as a reference the more than **16,000 individuals** with **assets exceeding $500 million**, the **penetration of large yachts** is **less than 4%**), demand for large yachts has remained more or less constant after the post-COVID increase.

This sharp growth is due, on one hand, to an increase in **UHNWIs** and, on the other, to a growing desire on the part of these “global wealthy” for a new need for exclusivity and comfort. In particular, after the pandemic, this category of customers felt the need to build for themselves and their families full-fledged and fully customised "moving islands", where they could live life without restrictions and in total security and privacy. Billionaires spend 40% of their wealth on experiential goods in search of: exclusivity, uniqueness, a memorable shopping experience and privacy and security for themselves and their families, all hallmarks of large yachts, the core business of our company.

To further confirm this trend, strong growth has also been recorded in **chartering**, which is expected to continue in the **+10/+15%** range over the next few years. This growth represents further support for shipbuilding activity in view of the growing number of ship operators who approach a mega/giga-yacht project as a financial investment capable of generating double-digit returns while allowing potential ship operators to evaluate the solutions offered by various shipyards.

## REFIT

Refitting is an extremely anti-cyclical activity for the Group, as routine maintenance is in many cases mandatory to ensure that the yacht remains compliant with standards that change over the years. This activity also allows the Group to expand its customer base and to keep up-to-date with industry innovations.

It is also an activity with very strong barriers to entry, as it requires the proper technical expertise, significant investment in production

[1] Source Knight Frank 2024

capacity and equipment, and a reputation built over time with ship operators and crews.

In recent years, the number of shipyard visits for refit work on yachts over 30 metres has been increasing by about 1,450 per year globally[2]. This increase is due to growth in the number of yachts at sea and an ageing global fleet, as well as the need for some ship operators to modernise their boats, at times aligning them with higher environmental standards and equipping them with more technological systems that make their annual downtime more effective and efficient.

It is important to emphasise that over the years, Italy has become the point of reference for refitting in Europe, not only as the country with the largest number of dedicated facilities, but also in terms of the number of activities carried out, with a significant increase from 2021 to 2024 compared to other countries active in the sector.

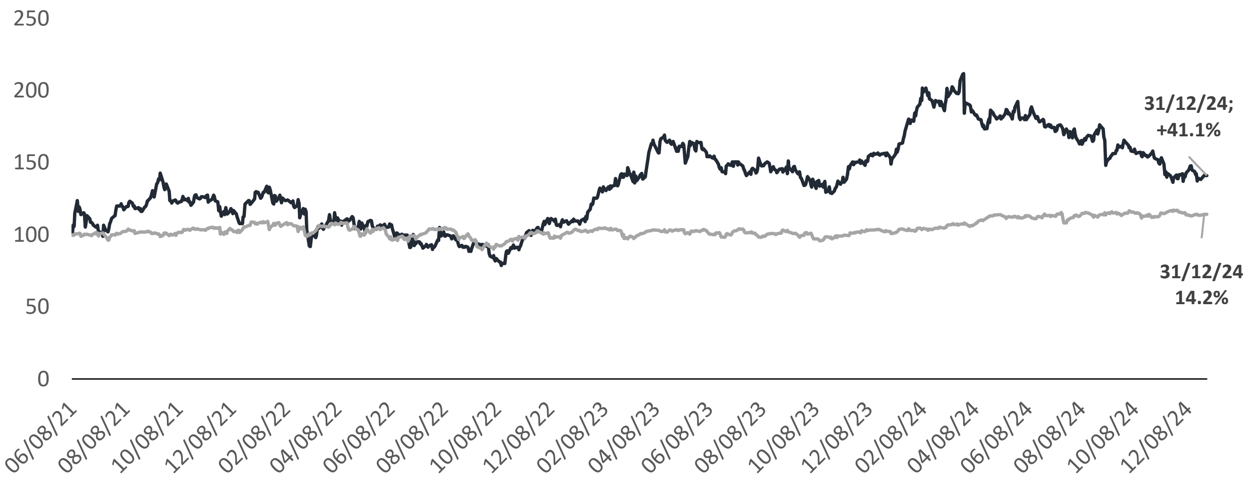
[2] Source: Knight Frank 2024

# PRESENCE IN FINANCIAL MARKETS

Since 8 June 2021, the shares of The Italian Sea Group S.p.A. have been listed on the Euronext Milan, a market regulated and managed by Borsa Italiana, with an initial placement price of **Euro 4.90**. The share capital amounts to **Euro 26,500,000**, fully paid-up and subscribed. On 29 July 2024, the Italian Stock Exchange granted the Company's ordinary shares STAR status.

## STOCK EVOLUTION

From the first day of trading (8 June 2021) to 31 December 2024, the stock recorded surprising performance, with constant growth of **+41.1%** over the placement price. In the same period, the **FTSE All Share** index recorded **+14.3%** growth.




*Source: Factset*

# INVESTOR RELATIONS ACTIVITIES

## ANALYST COVERAGE

The stock is currently covered by four brokers: Intermonte, Berenberg, TPICAP MidCap and Kepler Cheuvreux.

Intermonte also managed the company's IPO and acts as a specialist for TISG.

## MEETINGS WITH INVESTORS AND THE FINANCIAL COMMUNITY

In the course of 2024, the Group carried out considerable communication activities with the market and the financial community, meeting over 200 institutional investors during conference calls, site visits, conferences and dedicated events.

# FINANCIAL CALENDAR 2025

**14** MAR 2025

**Approval of the draft financial statements as of 31/12/2024 and the consolidated financial statements as of 31/12/2024**

**22** APR 2025

**Shareholders' Meeting**

**12** MAY 2025

**Approval of the consolidated quarterly financial report as of 31/03/2025**

**08** AUG 2025

**Approval of the consolidated half-year financial report as of 30/06/2025**

**12** NOV 2025

**Approval of the consolidated financial report as of 30/09/2025**

# PRIZES AND AWARDS 2024

In 2024, the group received numerous awards for the quality, design and innovation of its yachts as well as the group's performance.

The prestigious awards further reinforce the Group's high-level positioning and add an element of desirability and confidence for potential ship operators in the industry.

**TISG - ALYCHLO AWARDS 2024**
Best Performing Large Size Company

**ART EXPLORER – Design Et Al**

Sailing Yachts over 40m

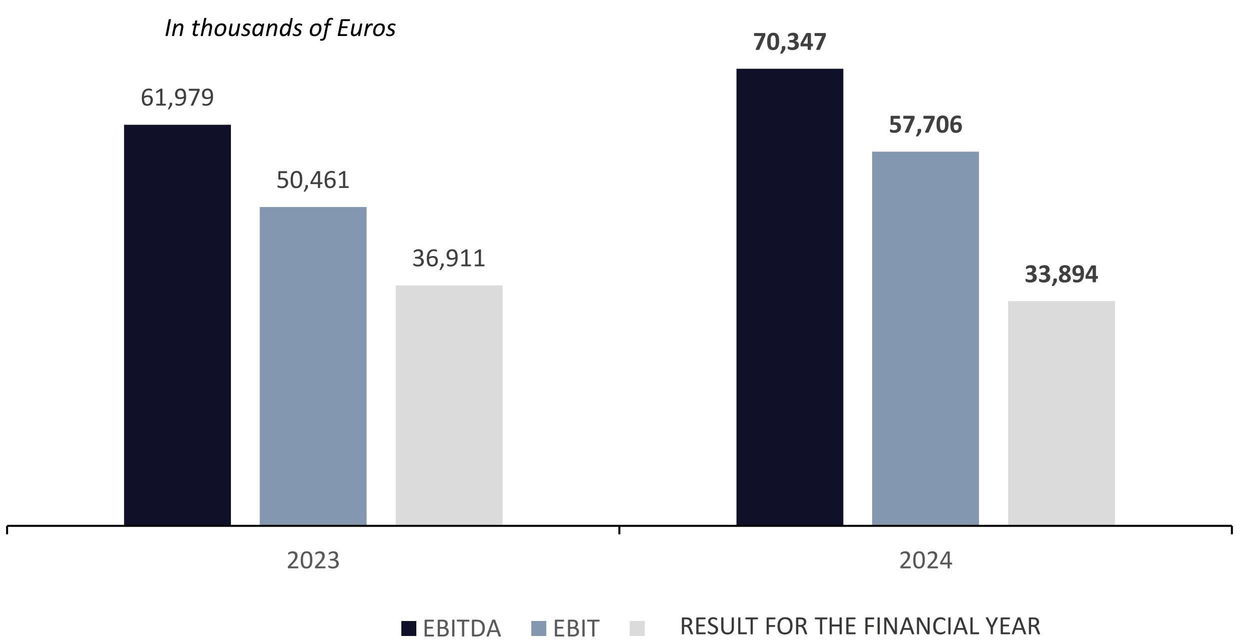
Deck design

**THIS IS IT**
"Best Catamaran" at the Robb Report Monaco Best of The Best 2024

# RECLASSIFIED CONSOLIDATED INCOME STATEMENT

| *In thousands of Euros* | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Operating revenues | 406,103 | 360,258 |
| Other proceeds and income | 5,547 | 8,366 |
| Commissions | (7,214) | (4,166) |
| **Total revenues** | **404,436** | **364,458** |
| Costs for raw materials | (96,064) | (79,342) |
| Cost for outsourced work | (154,182) | (147,906) |
| Technical services and consultancy | (20,104) | (17,532) |
| Other costs for services | (14,032) | (14,021) |
| Personnel costs | (43,915) | (38,649) |
| Other operating costs | (5,791) | (5,028) |
| **EBITDA** | **70,347** | **61,979** |
| *Percentage on total revenues* | *17.4%* | *17.0%* |
| Amortisation, depreciation, write-downs | (12,641) | (11,518) |
| **EBIT** | **57,706** | **50,461** |
| *Percentage on total revenues* | *14.27%* | *13.85%* |
| Net financial charges | (7,731) | (5,527) |
| Extraordinary income and charges | 8,794 | 308 |
| **EBT** | **58,769** | **45,242** |
| Taxes for the financial year | (24,875) | (8,331) |
| **RESULT FOR THE FINANCIAL YEAR** | **33,894** | **36,911** |
| *Percentage on total revenues* | *8.4%* | *10.1%* |

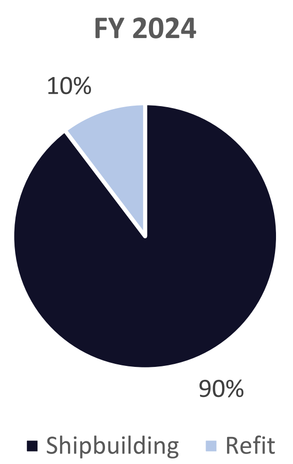
## TREND OF ECONOMIC INDICATORS | 2023 - 2024

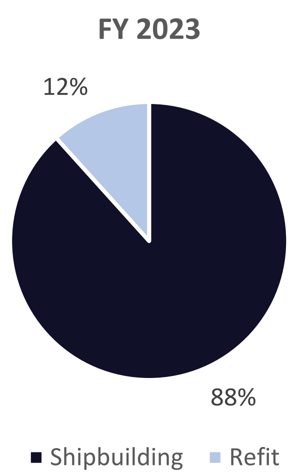


## OPERATING REVENUES

**Operating revenues** of **Euro 406,103 thousand** as of 31 December 2024 increased by **13%** from Euro 360,258 thousand in 2023.

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

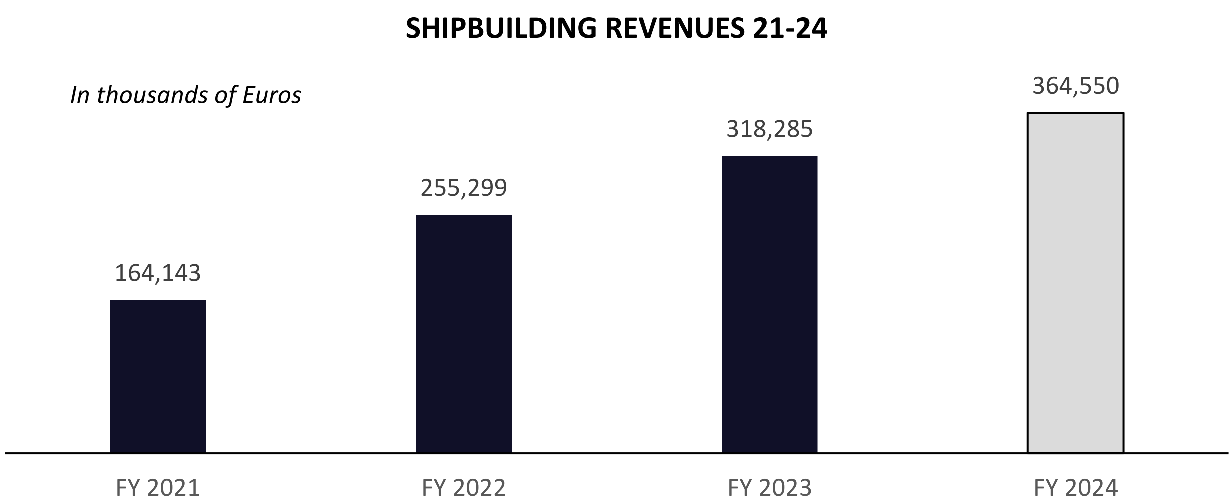



### SHIPBUILDING

Revenues from the **Shipbuilding** division amounted to **Euro 364,295 thousand** as at 31 December 2024, up **14.5%** from Euro 318,285 thousand in the previous year.

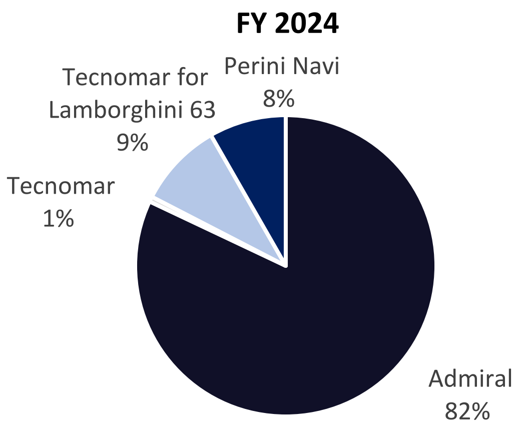
Since 2021, the Shipbuilding Division's revenues have grown at a **CAGR** of **22%**.

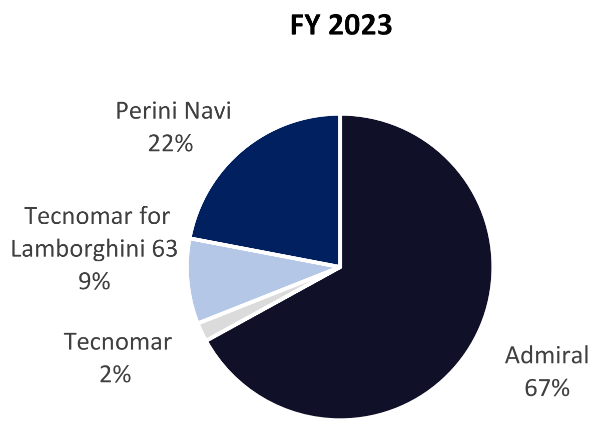


The breakdown of **Shipbuilding** revenues

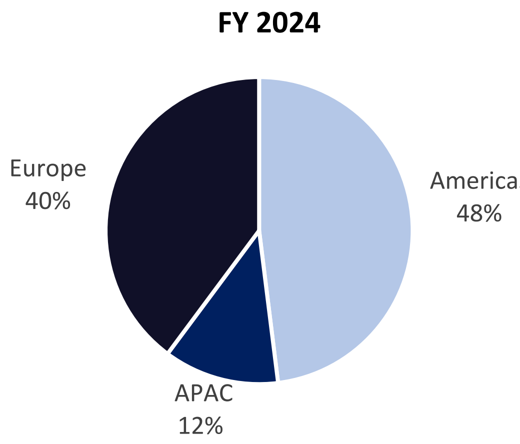
as at 31 December 2024 is as follows:

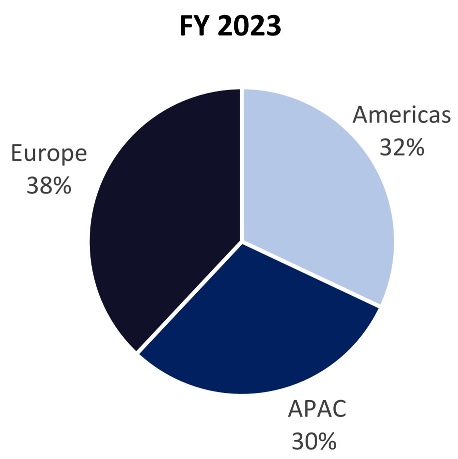
**SHIPBUILDING REVENUES BY BRAND**



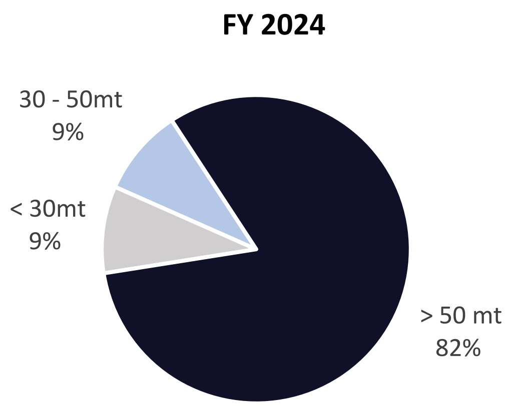



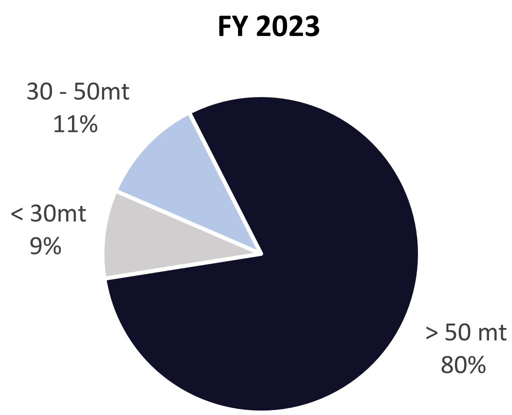

**SHIPBUILDING REVENUES BY GEOGRAPHICAL AREA**




**SHIPBUILDING REVENUES BY LENGTH**



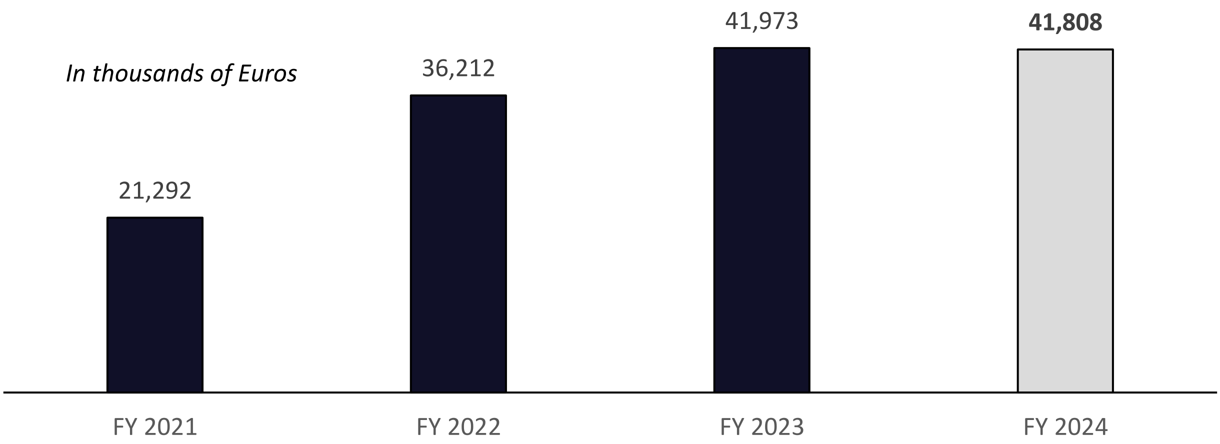



## REFIT

Revenues from the **Refit** division amounted to a total of **Euro 41,808 thousand** as at 31 December 2024, in line with the Euro 41,973 thousand recorded in the previous year.

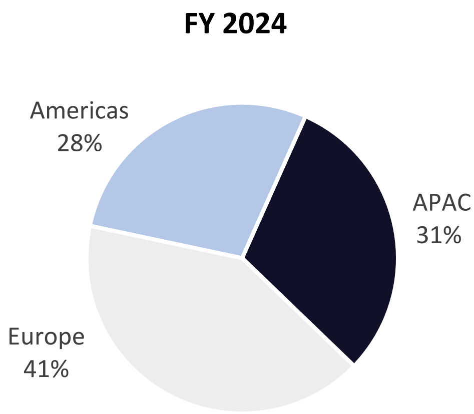
Since 2021, the Refit Division's revenues have grown at a **CAGR** of **18%**.

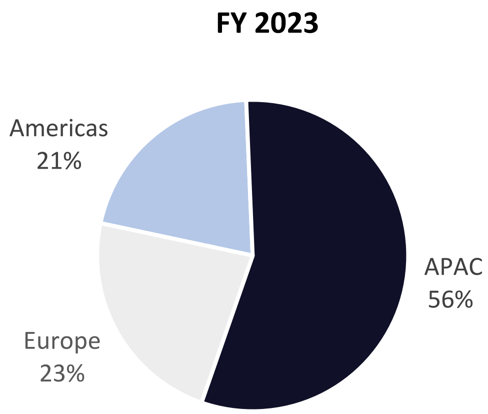
**REFIT REVENUES 21-24**



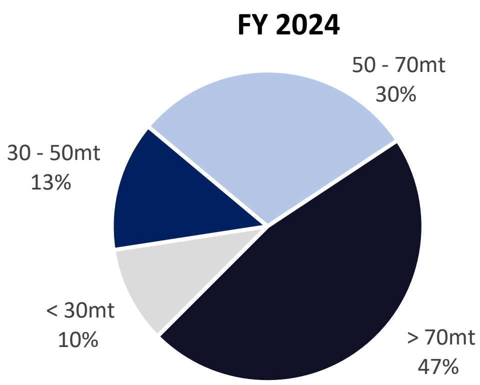

The breakdown of **Refit** revenues as at 31 December 2024 is as follows:

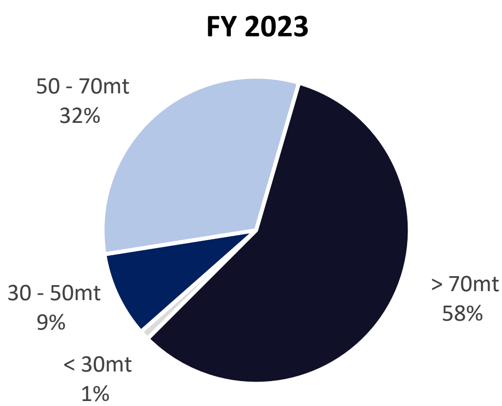
**REFIT REVENUES BY GEOGRAPHICAL AREA**




**REFIT REVENUES BY LENGTH**



## EBITDA

**EBITDA** as at 31 December 2024 was **Euro 70,347 thousand**, up **14%** from EBITDA as at 31 December 2023 of Euro 61,979 thousand, with an **EBITDA margin** of **17.4%** (vs. 17% recorded in the previous year).

The steady increase in operating profitability over the last few years can be attributed to:

(i) A strong focus on the **management of operating costs**;

(ii) Improved production process efficiency, with the implementation of innovative **Industrial Process & Planning** that adopts advanced methodologies and software from highly engineered sectors such as the automotive industry;

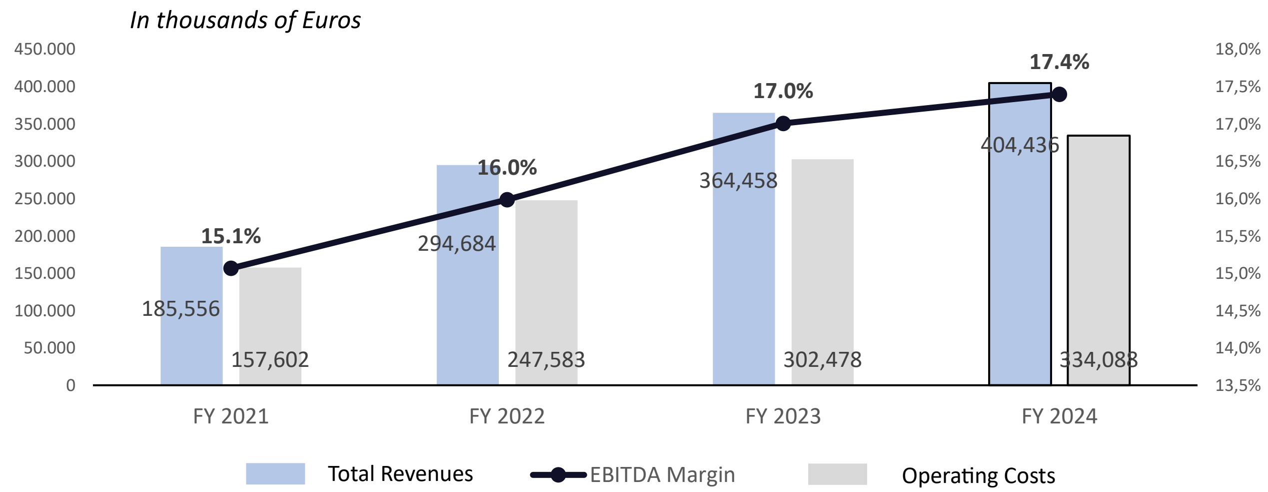
(iii) Benefits deriving from completion of investments in production capacity with an optimal mix of synergies between **Shipbuilding** and **Refit** activities;

(iv) The in-housing of supply chain activities with higher added value, such as the acquisition of Celi for woodworking activities or the inauguration of the new "Interior Steelworks" Business Unit;

(v) An improvement in order profitability, due to an increase in sale prices and the continuous success of the Group's brands with yacht operators and brokers alike, from all over the world;

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

**HISTORICAL PROFITABILITY TREND**



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

EBITDA corresponds to the net result adjusted by financial management, taxes, amortisation and depreciation 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 reference accounting standards, the calculation criterion applied by the Group may not be the same as the one adopted by other entities, and therefore may not be comparable.

## EBIT

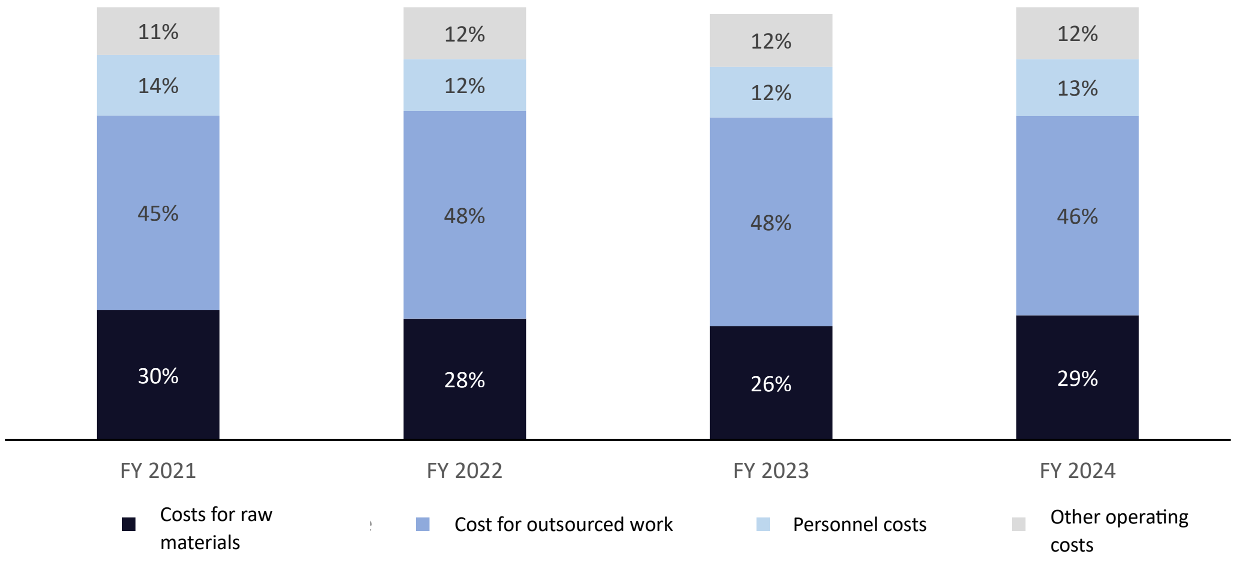
EBIT as at 31 December 2024 amounted to **Euro 57,706 thousand** – an increase of **14%** compared to the amount recorded in the previous year of Euro 50,461 thousand – with an EBITDA margin of **14.3%** against amortisation, depreciation, write-downs, provisions and capital losses which amounted to **Euro 12,641 thousand** as at 31 December 2024.

## OPERATING COSTS

The structure of **operating costs** is in line with the previous years.

As can be seen from the graph below:

**STRUCTURE OF OPERATING COSTS 21-24**




## BACKLOG

The development of TISG's business is linked to the visibility and quality of its **order book** (“**Gross Backlog**”) and the resulting **Net Backlog**, i.e. the value of contracts for existing orders net of works progress (“WIP”) already paid by the customer.

As at 31 December 2024, the Group's **Gross Backlog** (**Shipbuilding, Refit and CELI**) amounted **to Euro 1,291,592 thousand** and included 24 mega and giga yachts and 10 Tecnomar for Lamborghini 63 under construction, with deliveries scheduled until 2027.

The **Net Backlog** (**Shipbuilding and Refit**) amounts to **Euro 433,372 thousand**.

| ***in thousands of Euros*** | **31/12/2024** | **31/12/2023** | **31/12/2022** | **31/12/2021** | **31/12/2020** |
|---|---|---|---|---|---|
| Gross Backlog Shipbuilding | 1,165,678 | 1,218,273 | 1,003,357 | 807,726 | 597,247 |
| Gross Backlog Refit | 75,948 | 46,202 | 34,207 | 18,948 | 8,204 |
| **Gross Backlog Shipbuilding & Refit** | **1,241,626** | **1,264,475** | **1,037,564** | **826,674** | **605,451** |
| Gross Backlog CELI S.r.l. | 49,966 | 31,969 | - | - | - |
| **Total Gross Backlog Group** | **1,291,592** | **1,296,444** | **1,037,564** | **826,674** | **605,451** |

| ***in thousands of Euros*** | **31/12/2024** | **31/12/2023** | **31/12/2022** | **31/12/2021** | **31/12/2020** |
|---|---|---|---|---|---|
| Net Backlog Shipbuilding | 421,468 | 597,408 | 605,832 | 526,639 | 428,892 |
| Net Backlog Refit | 11,904 | 11,703 | 13,987 | 9,617 | 3,354 |
| **Net Backlog Shipbuilding & Refit** | **433,372** | **609,111** | **619,819** | **536,256** | **432,246** |
| Net Backlog CELI S.r.l. | 29,332 | 14,546 | - | - | - |
| **Total Net Backlog Group** | **462,704** | **623,657** | **619,819** | **536,256** | **432,246** |

# CONSOLIDATED RECLASSIFIED BALANCE SHEET STRUCTURE

| *in thousands of Euros* | 31/12/2024 | 31/12/2023 |
|---|---|---|
| **ASSETS** | | |
| Intangible assets | 35,294 | 35,625 |
| Property, plant and equipment | 120,294 | 126,533 |
| Shareholdings | 34 | 43 |
| Net deferred tax assets and liabilities | (696) | 3,035 |
| Other non-current assets and liabilities | (1,225) | 1,630 |
| Provisions for non-current risks and charges | (6,180) | (4,335) |
| Provision for employee benefits | (880) | (959) |
| **Net fixed capital** | **146,640** | **161,572** |
| Inventories and payments on account | 10,210 | 10,897 |
| Contract work in progress and advances from customers | 90,913 | 50,508 |
| Trade receivables | 55,410 | 24,007 |
| Trade payables | (121,877) | (90,568) |
| Other current assets and liabilities | (23,823) | (26,867) |
| **Net Working Capital** | **10,833** | **(32,024)** |
| **Total ASSETS - NIC** | **157,473** | **129,548** |
| **SOURCES** | | |
| Share capital | (26,500) | (26,500) |
| Share premium reserve | (45,431) | (45,399) |
| Other reserves and retained earnings | (39,168) | (22,409) |
| Currency translation reserve | 30 | 83 |
| Profit (loss) for the financial year | (33,894) | (36,911) |
| **Shareholders' equity** | **(144,963)** | **(131,136)** |
| Net financial debt | (12,510) | 1,587 |
| **Total SOURCES** | **(157,473)** | **(129,548)** |

There was a decrease in **Net fixed capital** as at 31 December 2024 compared to 2023: this was due primarily to a reduction in deferred taxation and the completion of the sale of the Viareggio shipyard.

During 2024, the Group made investments of Euro 9 million for the expansion of sales offices in Marina di Carrara, the completion of the CELI production site and investments related to the in-housing of some high added value phases of the production process such as interior steelworks and general shipyard investments.

The **Consolidated Net Working Capital** as at 31 December 2024 was positive at Euro 10,428 thousand compared to the negative value of Euro 32,953 thousand as at 31 December 2023. This result highlights TISG's commitment to carrying out, in compliance with the correct contractual timing, all of the numerous backlog projects that will be delivered in 2025 and 2026.

The increase in **consolidated shareholders' equity**, as described in more detail in the notes, is mainly due to the net profit resulting from the consolidated financial statements as at 31 December 2024 in the amount of Euro 33,894 thousand net of the dividend paid of Euro 19,610 thousand following the resolution of the Ordinary Shareholders' Meeting of 29 April 2024.

# CONSOLIDATED NET FINANCIAL POSITION

Below is the **Net Financial Position** as at 31 December 2024, showing financial payables: (i) to banks, (ii) to Shareholders, and (iii) to other lenders, net of cash and cash equivalents.

| *in thousands of Euros* | **31/12/2024** | **31/12/2023** |
|---|---|---|
| A. Cash and cash equivalents | 37,424 | 29,897 |
| B. Assets equivalent to cash and cash equivalents | 22,830 | 46,516 |
| C. Other current financial assets | 0 | 0 |
| **D. Liquidity (A)+(B)+(C)** | **60,254** | **76,413** |
| E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt) | (3) | (2) |
| F. Current portion of non-current financial debt | (11,629) | (11,661) |
| F.1 other current financial payables | (980) | (1,111) |
| **G. Current financial debt (E+F)** | **(12,612)** | **(12,774)** |
| **H. Net financial debt (G-D)** | **47,642** | **63,638** |
| I. Non-current bank debt (excluding the current portion of debt instruments) | (48,964) | (54,591) |
| J. Debt instruments | 0 | 0 |
| K. Non-current trade and other payables | (11,189) | (7,460) |
| **L. Non-current financial debt (I+J+K)** | **(60,152)** | **(62,051)** |
| **M. Total financial debt (H+L)** | **(12,510)** | **1,587** |

The **consolidated net financial position**, negative at **Euro 12,510 thousand** as at 31 December 2024, against a positive net financial position of Euro 1,587 thousand as 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 separate and consolidated financial statements at 31 December 2023 on 29 April 2024;

(i) investments made during 2024 equal to **Euro 9 million** concerning for the expansion of sales offices in Marina di Carrara, the completion of the CELI production site and investments related to the in-housing of some high added value phases of the production process such as interior steelworks and general shipyard investments.

It should also be noted that the Viareggio shipyard was sold in June 2024 for a total of Euro 33 million gross of expenses and commissions, of which **Euro 21 million** was collected in **2024.**

As per the IAS/IFRS accounting standards, the net financial position includes the present value of rents due to the Port Authorities for the state concessions of the Marina di Carrara and La Spezia shipyards and the Viareggio woodworking unit, which amounted to Euro 7.6 million at 31 December 2024, to be paid based on the duration of the respective concessions.

The net financial position does not include the Group’s trade or past-due tax payables.

On 31 December 2024, the short-term net financial position was **positive** at **Euro 47.6 million.**

# ALTERNATIVE PERFORMANCE MEASURES (“NON-GAAP MEASURES”)

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

The APM refer to measures used by management and investors to analyse the trends and performances of the Group and derive directly from the financial statements even though they are not envisaged by the IAS/IFRS. These measures, used by the Group on a continuous and uniform basis for several years, are important in assisting management and investors to analyse the Group’s performance. Investors should not consider these APM as replacements but, rather, as additional information to the data included in the financial statements. The APM 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 Group's economic and financial performance, the Directors have identified a number of alternative performance measures ("**Alternative Performance Measures**" or "**APM**"). Moreover, these measures represent tools to help the directors identify operating trends and make decisions about investments, the allocation of resources and other operational decisions.

To properly interpret these APM, please take note of the following:

- these indicators are derived exclusively from the Group's historical data which are extracted from the general and management accounts, and are not indicative of the Group’s future performance. More specifically, they are represented, 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 APM are not envisaged by international accounting standards ("IFRS") and, although derived from the Group's financial statements, are not subject to auditing;

- the APM should not be considered as replacements for the indicators set forth in the reference accounting standards (IFRS);

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

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

- the APM used by the Group 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:

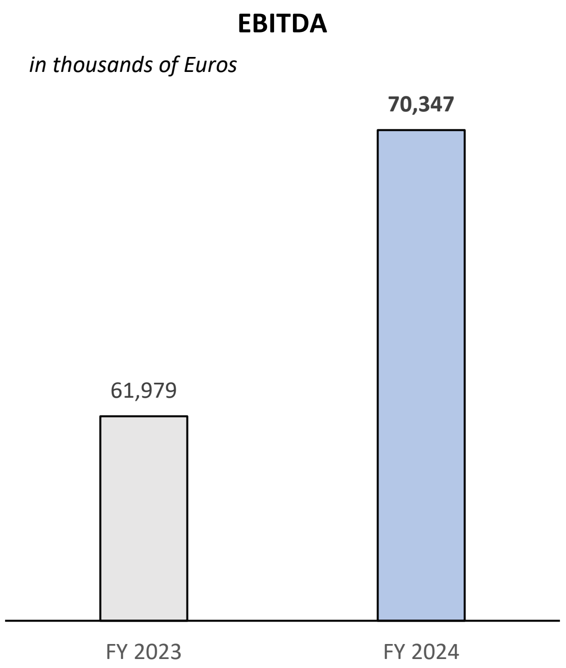
| | |
|---|---|
| **EBITDA** | is equal to the result before taxes, before financial income and charges, depreciation, amortisation and write-downs, as reported in the financial statements, adjusted by the following elements: revenues from extraordinary activities; expenses from extraordinary activities;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

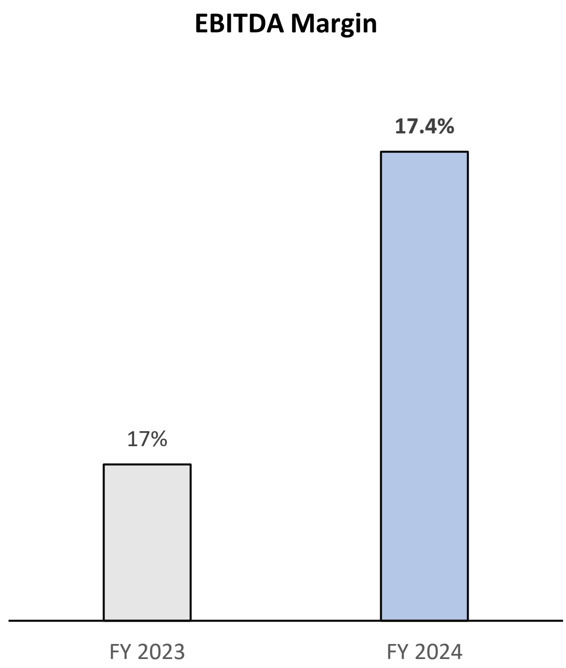
The **Net Financial Position** includes:

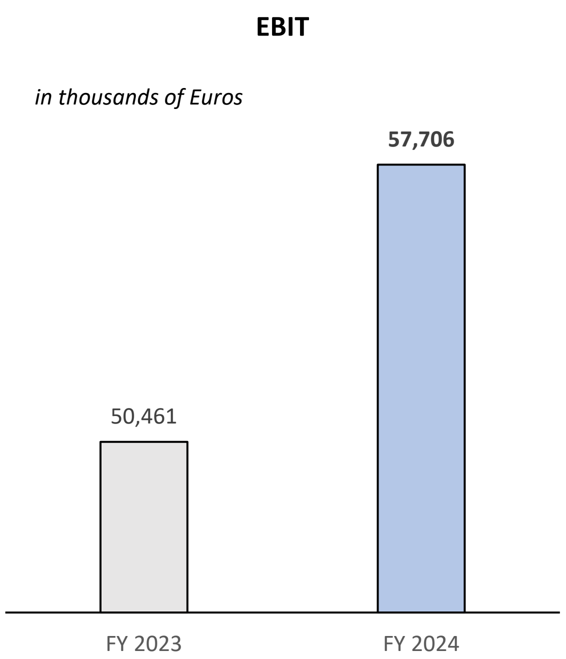
- Liquidity including: cash and bank deposits, other cash and cash equivalents and securities held for trading;

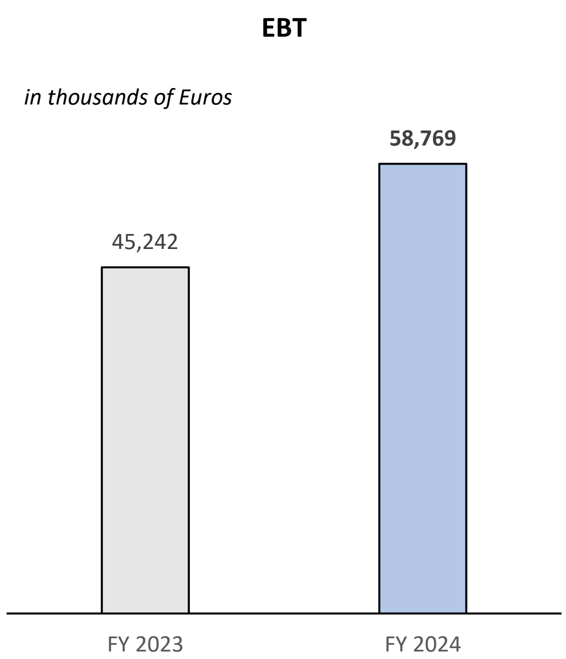
- Net current financial debt includes: current financial receivables, short-term bank debt, current portion of non-current debt, other current financial debt, and payables to funding shareholders;

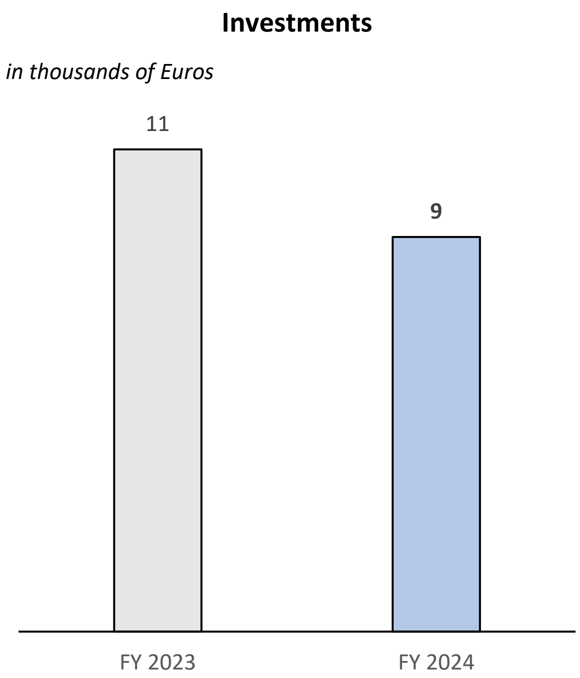
- Net non-current financial debt includes: non-current bank debt, bonds issued, other non-current payables, payables to funding shareholders.

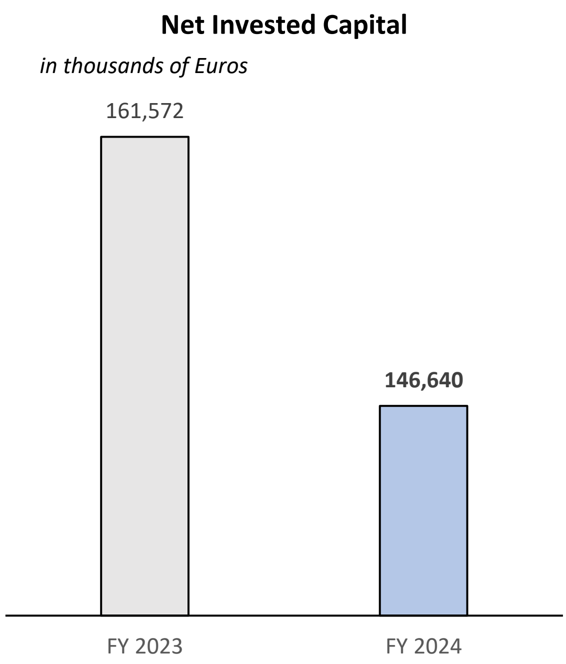

EBITDA
in thousands of Euros
70,347
61,979
FY 2023
FY 2024

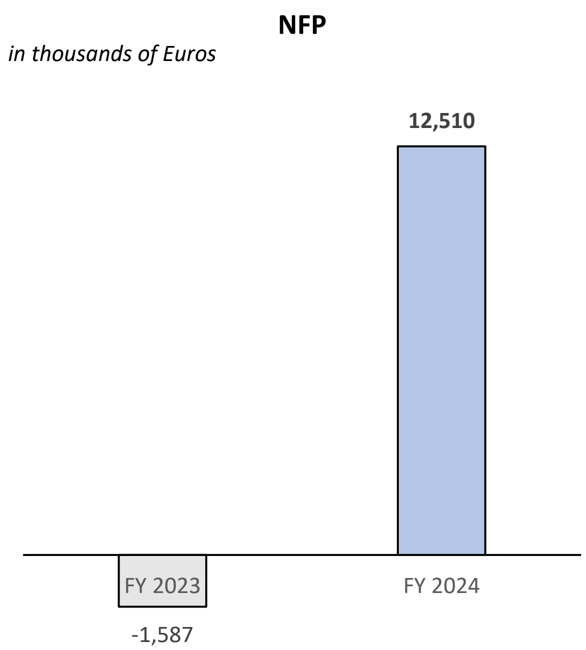

EBITDA Margin
17.4%
17%
FY 2023
FY 2024

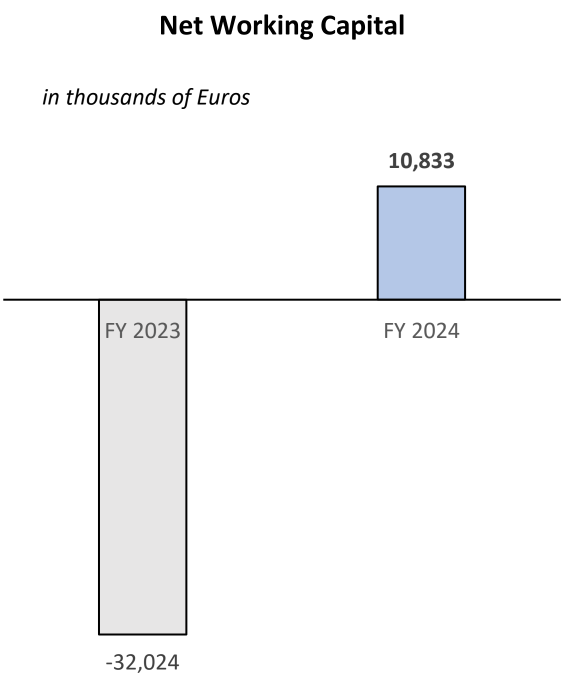

EBIT
in thousands of Euros
57,706
50,461
FY 2023
FY 2024


EBT
in thousands of Euros
58,769
45,242
FY 2023
FY 2024


Investments
in thousands of Euros
11
9
FY 2023
FY 2024


Net Invested Capital
in thousands of Euros
161,572
146,640
FY 2023
FY 2024


NFP
in thousands of Euros
12,510
FY 2023
FY 2024
-1,587


Net Working Capital
in thousands of Euros
10,833
FY 2023
FY 2024
-32,024

# SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

In late January 2024, The Italian Sea Group unveiled 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 first quarter of the year, demonstrating 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 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 illustrated, along with the preliminary results at 31 December 2023 and the 2024-2025 Strategic Outlook.

In 2024, TISG continued to expand its sales strategy, formalising a partnership 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 opened its commercial flagship and new woodworking hub in Viareggio, confirming the brand's close historical ties with the area.

On **25 March**, TISG announced the sale of the third model of its **Admiral 50 metres** line, further proof of the success of its semi-custom lines, which nevertheless maintain high-level positioning due to their construction materials and attention to detail.

On **27 March** The Italian Sea Group announced the completion of the accelerated bookbuilding ("**ABB**") procedure by **GC Holding S.p.A.** for the disposal of 4,602,000 shares (around 8.7% of the share capital).

The transaction allowed TISG to increase its free float until it reached the necessary requirements to enter the Euronext Milan STAR segment.

At the end of May, TISG announced the resale of the first **Admiral | Armani**-branded 72-metre mega-yacht to a new buyer from the United States.
The yacht, currently under construction, will be delivered to the new ship operator in 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 call the Shareholders' Meeting in ordinary and extraordinary session on 1 July 2024 to submit the capital increase in connection with the Plan and the authorisation of a buyback plan to the Shareholders' Meeting for the approval, amongst other items.

On **9 June 2024**, following the resignation of Filippo Menchelli as a Director and Chair of the Board of Directors – communicated on 7 June 2024 – the TISG Board of Directors resolved to co-opt Ms Simona Del Re to the Board, pursuant to and for the purposes of Article 2386 of the Italian Civil Code, appointing her as Chair 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 add to the agenda of the Shareholders' Meeting of 1 July pursuant to Article 126-*bis* of the Italian Consolidated Law on Finance. Following this request, the item relating to the confirmation of the co-opted director, pursuant to Article 2386 of the Italian Civil Code, with the role of Chair of the Board of Directors, was added to the agenda of the Ordinary Shareholders' Meeting.

In **June**, TISG also finalised 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, TISG's core business.

This transaction thus concluded the plan for the sale of the assets of the Perini Navi business unit that TISG considered not strategic to its development project.

On **17 June 2024**, TISG inaugurated a new **business unit** for the production of steel for interior finishes (“**Interior Steelworks**”) for all of the Group's new yacht orders.

The new business unit, which will manage activities from stylistic and executive design to production, will support the work of the Celi woodworking unit and, after an initial start-up period, will also expand to players outside the sector.

The inauguration of the Interior Steelworks business unit is part of the strategy of in-housing key production chain activities, with a view to maintaining direct control over the timing and quality of high value-added processes and ensuring full ship operator satisfaction.

To the same end, in the first half of 2024 TISG made further investments in the expansion of the internal business unit relating to upholstery activities.

With regard to the sinking of the Bayesian sailing yacht, built by the old management of Perini Navi, in August 2024, TISG has repeatedly communicated its lack of any involvement in this event.

This is evident from the fact that TISG acquired the Perini brand, archives and the real estate part of Perini Navi at the bankruptcy auction in January 2021 and therefore cannot be held liable in any manner whatsoever for any event possibly referring to the sinking.

**RESOLUTIONS OF THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING**

On **1 July 2024**, the Shareholders' Meeting, called in ordinary and extraordinary session, met under the chairmanship of Ms Simona Del Re and approved the "**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 Director and Chair of the Board of Directors; approved the Report on the remuneration policy and compensation paid, first section, and the review 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 Group and in compliance with applicable legislation.

In extraordinary session, the Shareholders' Meeting also approved the proposal to amend certain provisions of the By-Laws to, *inter alia*, introduce enhanced voting rights and make recourse to a designated representative for the Group, as well as the proposal for the formal revision of the numbering system of all articles of the By-Laws.

**CLASS "A" ESG RATING**

On 5 July 2024, the Cerved Rating Agency ("Cerved") assigned the Group an ESG rating of A, up from the previous BBB rating, so it now ranks above the median of its reference sector.

The rating upgrade contributed, inter alia, to the achievement of the targets of the Three-Year ESG Plan, including the effective limitation of environmental impacts, sustainable supply chain management and employee growth and training.

**ADMISSION TO THE STAR SEGMENT**

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

**PARTICIPATION IN THE 2024 MONACO YACHT SHOW**

During the 2024 Monaco Yacht Show, in its 33rd year, 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 from the Tecnomar for Lamborghini 63' line.

**RESIGNATION OF THE CHAIR OF THE BOARD OF DIRECTORS**

On 6 November 2024, Ms Simona Del Re resigned as a Director and Chair of the Board of Directors for personal reasons.

The resignation took effect on 12 November 2024.

Ms Del Re, a non-executive, non-independent director, was not a member of any board committee and as of 6 November 2024 was not a shareholder of the Group. In this regard, it should be noted that Ms Del Re was identified on 4 July 2024 as a stock option plan beneficiary and that the options attributed to her will forfeited and shall be devoid of any effect and validity as set forth in the "Long Term Incentive Plan 2027-2029".

In addition, due to the resignation communicated to the Company on 26 October 2024, the outgoing Chair held the role of Investor Relations & ESG Director until 15 January 2025.

## CO-OPTING OF THE CHAIR OF THE BOARD OF DIRECTORS

Following the resignation of Simona Del Re on 6 November 2024, the Board of Directors, subject to the favourable opinion of the Appointments and Remuneration Committee, which met on 12 November 2024, resolved to co-opt Filippo Menchelli to the Board of Directors, pursuant to and for the purposes of Article 2386 of the Italian Civil Code, until the next Shareholders' Meeting, also appointing him as Chair of the Company's Board of Directors.

After joining the Group in 2012, Filippo Menchelli served as administrative manager of Tecnomar S.p.A. and Nuovi Cantieri Apuania S.p.A. before being promoted in 2014 to Chief Financial Officer and Head of Legal Affairs. He was a Director on the Board of the Issuer from 2018 to June 2024 and Chairman from May 2020 to June 2024.

# SIGNIFICANT EVENTS OCCURRING AFTER YEAR-END

At the beginning of 2025, The Italian Sea Group launched 2 new models of **Motor Yachts** under the **Perini Navi** brand. They had characteristics in line with the company's core business: **large size (>50m)**, **full custom**.

TISG also announces its willingness to continue investing in the relaunch of the **Perini Navi motor line**, consistent with what was proposed by the previous owner, with the aim of promoting the excellence of the Perini brand in a market segment with appealing growth prospects.

From 19 to 23 February 2025, The Italian Sea Group participated in the **Dubai International Boat Show 2025**, one of the most prestigious events in the nautical world, which was held at Dubai Harbour.

With a view to consolidating its strategic position in the Middle East market, TISG, together **with BehneMar Yachting Consultancy**, Authorized Sales Agency for the area, showcased its superior quality. Visitors were able to board two Tecnomar yachts: the iconic **Tecnomar for Lamborghini 63**, the perfect synthesis of luxury, performance and innovative design, which conquered the market with its exclusivity and cutting-edge technology, and the elegant **Tecnomar Evo120**, the winning combination of style and functionality, engineering efficiency and cutting-edge design.

**Appointment of a new Investor Relator**

On 28 February 2025, the TISG Board of Directors appointed Enrico Filippi as Investor Relator to replace Simona Del Re.

On 11 March 2025, the first edition of Vision Brokers Day was held, an exclusive event that saw the participation of the sixty most influential brokers in the world of yachting, from all over the world.

The two-day event took place at the Marina di Carrara headquarters and represented an exclusive opportunity for industry professionals to fully explore not only the production reality of The Italian Sea Group, but also the distinctive product range of each brand, the commercial strategy and the company’s characteristic know-how.

# BUSINESS OUTLOOK

Over the last few years, The Italian Sea Group has benefited from an extremely 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 an increase in the global number of Ultra-High-Net-Worth Individuals, a resilient customer base that is not very impacted by macroeconomic shocks.

This customer segment, as already anticipated in another section of the Report, is expected to continue to grow in the double digits over the next few years.

To address this growth in demand, TISG has already made its production capacity more efficient through investments and acquisitions, and can now count on the best quality of spaces, structures and know-how to best meet customer demands, with an excellent production mix between Shipbuilding and Refit.

Steady investments in developing a strict internal quality control system have enabled The Italian Sea Group to achieve a distinctive and high-level market position with each of its brands, capable of offering the most suitable solutions to increasingly demanding ship operators interested, as is often the case in the luxury world, in customisation to make their purchase even more unique. This positioning has been recognised by prestigious global automotive and fashion companies that have entered into partnerships that are unprecedented in the nautical world, further raising the perceived quality and luxury of all TISG brands.

## MARKET POSITIONING: MEGA AND GIGA YACHTS

The Italian Sea Group bases its business development not only on an extremely resilient and continuously growing customer base, but also on a solid market positioning in the large-size segment, in which demand has experienced a drastic increase from 2002 to date.

TISG's positioning in this market segment is demonstrated by the quality and visibility of the order book, nearly 80% of which is made up of yachts of over 50 meters with deliveries scheduled until 2027.

The Italian Sea Group's clientele is extremely global, also thanks to the strategic partnerships that the Company has entered into over the years with the main brokers in the nautical sector, present in different parts of the world, from Europe to Hong Kong to the Americas and the Middle East.

In order to further expand its range of motor-yachts in early 2025, TISG launched some Perini motor-yachts in which the elegance of typical sailboat lines is combined with the comfort of a motor, and by the end of the year it will launch a 24-metre Picchiotti boat that will represent a further solution aimed at attracting more discerning ship operators who want to stand out from the more modern lines adopted by most shipyards. Other innovative projects and potential partnerships are being investigated for the near future.

**SHIPBULDING AND REFIT:SYNERGIES AND PRODUCTION CAPACITY**

One of the main strengths of The Italian Sea Group lies in its production capacity, through investment plans at the Marina di Carrara shipyard, which were completed in the first half of 2023, and with the addition of the La Spezia shipyard deriving from the acquisition of Perini Navi.

This production capacity is distributed between the Shipbuilding and Refit divisions, leveraging operational and financial synergies, so as to be able to accommodate production needs deriving from growing demand in both divisions.

The presence in the Refit division also represents a further distinctive feature of the Group's strategy, aimed at covering a market segment expected to see double-digit growth in the coming years. Together with the growing interest of ship operators in the implementation of always modern and up-to-date on-board solutions that can lead to periodic refits even every 2-3 years, thus making the activity recurring, it is becoming more and more the desire of ship operators to shorten waiting times for their new yachts, perhaps by opting for existing solutions to be subjected to significant refit activities.

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**PERINI NAVI: RELAUNCH AND STRATEGIES**

The Group formalised the restyling of the new Perini Navi fleet with three product lines of 48, 56 and 77 meters, respectively.

The fleet, called "**Genesis**", stems from the desire to revisit the iconic elements of the Perini Navi brand in a modern and exclusive way, with a future-oriented language and prestigious collaborations with leading industry stars.

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**SUSTAINABILITY:
LONG-TERM VALUE CREATION FOR STAKEHOLDERS**

To date, the Group has achieved important goals in terms of **environmental** sustainability, such as the installation of photovoltaic panels at the Marina di Carrara and La Spezia shipyards.

There is also a continued commitment to offering cutting-edge solutions in terms of products, by installing photovoltaic panels, battery packs, particulate filters and alternative propulsion at the customer's request.

**Social** responsibility activities include initiatives in favour of employees at all levels and an important **factoring** system to support the production chain.

Through the **TISG Academy**, the Group also encourages the growth of its people and the development of solid know-how through training courses carried out in collaboration with the best local universities for Naval Engineering and Yacht Design.

As regards **Governance**, TISG meets all the requirements of best practices in terms of gender equality, composition of the Board of Directors and the Board Committees, with an Audit and Risk Committee that has also been assigned responsibility for sustainability matters.

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**OUTLOOK 2025**

In light of the current order book and the numerous negotiations in progress, controlled growth in revenues to Euro 410 – 430 million is expected. This growth will take place in a sustainable and profitable manner, with a confirmed focus on operating profitability, expected to improve further thanks to operational efficiencies, the decision to in-house part of production processes and pricing policies that better reflect the Group's improved positioning. The EBITDA Margin for the period is expected to be in the 17.5/18.0% range.

With regard to the capital structure and the dividend policy, TISG confirms its objective of moderate use of financial leverage, with a cap of 1.5x EBITDA, and to distribute an annual dividend with a payout of around 40-60% of net profit.

These policies are subject to any temporary impacts linked to the CapEx and M&A strategy, as it is the company's priority to continue investing in those projects considered central to medium/long-term development.

# TRANSACTIONS WITH RELATED PARTIES

Revenues, expenses, receivables and payables as at 31 December 2024 from and to related parties are described 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 considering efficiency and quality criteria aligned with the Company's interests and standards.

**TISG Turkey YTAS**: TISG commissioned to TISG Turkey the construction of steel and aluminium hulls for yachts under construction, with a view to convenience and cost optimisation without compromising quality, always under the strict supervision of an on-site team of Italian and Turkish employees. Through TISG Turkey, The Italian Sea Group has the possibility of increasing the number of ongoing projects for hull, superstructure and pre-outfitting activities, according to its needs.

**GMC ARCHITECTURE S.r.l. S.t.p.**: 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.

**CELI S.r.l.**: CELI is among TISG's main strategic suppliers, as it creates the majority of the interior and exterior furniture for the yachts that the Company builds, in addition to crafting the furniture in TISG's operational facilities, meeting the Company's production requirements from an efficiency perspective. The in-housing of Celi's woodworking activities, in line with TISG's development strategy, allows the Company to have increased control over the timing, quality and costs of furniture works, while managing to satisfy up to 70% of its needs. Furthermore, through Celi, TISG has the opportunity to expand its business in the high-end luxury *real* estate and hospitality sectors, whenever requested by clients.

**Santa Barbara**: TISG and SANTA BARBARA signed an agreement on 8 February 2022 concerning TISG's use of a building to carry out sales activities with potential or current TISG customers, offering them accommodation, entertainment services, event planning and social dinners.

There were no actions or behaviours that could even potentially lead to conflicts of interest.

# RISK MANAGEMENT

In the normal course of its business activities, the Group is exposed to various risk financial and non-financial factors, which, if they occur, could have an impact on the Company's economic, financial and equity situation.

## RISKS RELATED TO THE FINANCIAL SITUATION

**Description of the risk**

As at 31 December 2024, the Group had net financial debt of **Euro 12,510 thousand**.

Part of this value derives from facility agreements that include **financial covenants**. The Group is therefore exposed to the risk of having to repay its financial debt early in the event of the aforementioned assumptions; this circumstance could have 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, made by the legal representative, indicating the reasons and the measures adopted, where possible, to restore the original conditions. In such cases, the Bank may opt for termination of the contract pursuant to Article 1456 of the Italian Civil Code.

The Group is also exposed to **interest rate risk**, i.e. the risk that an increase in interest rates may result in higher charges than those currently applied. In order to hedge this risk, the Group adopts hedging instruments for the most significant medium and long-term variable-rate loans.

**Mitigating actions**

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

**Financial covenants**, to be checked at the end of each annual or half-yearly financial period, are established in the facility agreements signed in 2022 and in particular:

Facility agreement with Unicredit and Deutsche Bank, for a maximum amount of up to Euro 32 million, aimed at the full early repayment of the previous loan of Euro 16 million of 8 May 2020 and to support the company's investments. The final repayment is scheduled for 31 December 2028;

- Facility agreement entered into on 14 January 2022 with MPS Capital Service for Euro 40 million, aimed at the payment of the balance of the price following the awarding of the unified business complex of the bankrupt Perini Navi S.p.A. The final repayment is scheduled for 31 December 2028.

The parameters demonstrating compliance with the above-mentioned covenants for the year 2024, calculated according to the methods described below, are shown below:

1) Financial covenant for Unicredit and Deutsche Bank pool financing

| *in thousands of Euros* | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Shareholders' Equity | 144,963 | 131,136 |
| Dividends declared | -19,610 | -14,416 |
| **OWN FINANCING** | **125,353** | **116,720** |
| Short-term financial liabilities | 11,632 | 11,663 |
| Long-term financial liabilities | 48,964 | 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 | 12,168 | 8,571 |
| Co-obligation payables | 0 | 0 |
| Liquidity | -60,254 | -76,413 |
| **NFP** | **12,510** | **-1,587** |
| EBIT | 66,500 | 50,769 |
| DA | 11,440 | 12,018 |
| Contingencies | - | - |
| **EBITDA** | **77,940** | **62,787** |

| TABLE OF CONTENTS | Contractual Reference Value 2022 | Covenants 2024 | Covenants 2023 |
|---|---|---|---|
| **NFP/EBITDA** | < 2.00 | 0.16 | -0.03 |
| **NFP/OF** | < 0.50 | 0.10 | -0.01 |

2) MPS Capital Services Financial Covenant

| *in thousands of Euros* | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Short-term financial liabilities | 11,632 | 11,663 |
| Long-term financial liabilities | 48,964 | 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 | 12,168 | 8,571 |
| Liquidity | -60,254 | -76,413 |
| **NFP** | **12,510** | **-1,587** |
| EBIT | 66,500 | 50,769 |
| DA | 11,440 | 12,018 |
| Contingencies | - | - |
| **EBITDA** | **77,940** | **62,787** |

| INDEX | Contractual Reference Value 2023 | Covenants 2024 | Covenants 2023 |
|---|---|---|---|
| NFP/EBITDA | < 2.00 | 0.16 | -0.03 |

With regard to the remaining positions, the Group is exposed to a moderate credit and liquidity risk arising from the overdrafts obtained from banks.

## RISKS RELATED TO OPERATIONS

**Description of the risk**

Due to the operational complexity deriving both from the intrinsic characteristics of the shipbuilding activity as well as from the desire to diversify the product carried forward by the Group, it is exposed to the risk deriving from incapacity to implement an adequate project management activity, i.e. to adequately manage this operational complexity or the organisational integration process.

**Impact**

If the Group is unable to: (i) implement adequate project management activities, with sufficient or effective procedures and actions to control the proper completion and efficiency of its construction processes; (ii) adequately manage any complexities arising from the product diversification activities implemented by the directors; (iii) efficiently distribute workloads according to production capacity (plants and workforce), there could be a decline in revenues and profitability with possible negative effects on the economic, equity and financial situation.

**Mitigating actions**

The Group has implemented procedures and activity plans to monitor the progress of each individual project throughout its duration. The Company has a flexible and dynamic production structure so that it can efficiently respond to any fluctuations in demand, guaranteeing delivery times in line with contractual agreements made with customers.

## RISKS ASSOCIATED WITH MANAGING RELATIONS WITH SUPPLIERS IN PRODUCTION OUTSOURCING

**Description of the risk**

The Group uses contractors, external collaborators (e.g. designers) and suppliers, inter alia, to purchase materials, components and semi-finished products and to carry out carpentry, plant engineering, painting, outfitting, art direction and design work. Any non-compliance by contractors, collaborators and suppliers could compromise the proper and timely performance of the Company's activities, with negative effects on productivity, results and its economic situation. The Group is also exposed to the risk that possible defects and/or malfunctions in products and processes and/or delays might result in reductions in revenues and/or compensation obligations and/or reputational damage.

In addition, the Group is exposed to the risk of employees of external contractors, suppliers or collaborators making claims against the Group for recognition of existence of employment relationships, as well as claims for payment under solidarity obligations or claiming violations of legislation in force, with possible negative effects on the Group's economic, financial and asset situation.

**Impact**

A negative contribution in terms of quality, time or cost from suppliers leads to an increase in production costs and a deterioration in customer perception of product quality.

**Mitigating actions**

The Group's management is particularly careful in overseeing coordination of internal and external workers through dedicated structures and procedures. In addition, TISG selects its “strategic suppliers” carefully, and they are required to maintain high performance standards.

# RISKS RELATED TO MARKET STRUCTURE

**Description of the risk**

The Group is exposed to risks related to the global economic and financial situation and the economic trend of the specific geographic markets in which its products are sold, which are intended for clientele with considerable capital availability. Significant economic events affecting the global economy or the economy of the countries in which the Group's customers reside, such as financial and economic crises, may entail the risk that customers might reduce their propensity to purchase or refrain from finalising the purchase of a yacht that has already been ordered; in this case, the Company would be forced to seek out a new purchaser, possibly retaining the amounts paid by the customer as an advance in accordance with the contracts signed.

This circumstance could result in negative effects for the economic, asset and financial situation.

The unstable geo-political, macroeconomic and financial environment at both European and global level could affect the Group's production capacity and growth prospects. Specifically, a prolonged recession in any one of these regions or worldwide, or a public perception that economic conditions are worsening, could significantly decrease product demand.

Growth in UHNWIs (the Group's core customers) is driven by Asia and America. Expansion in these markets, together with a low level of penetration of this customer base, represent an opportunity for the Group; however, political and/or economic crises in these regions could pose risks to the business.

In the event that, also as a result of changes in market practice and the contingent economic situation, the Group were not able to continue its policy of collecting advance payments before the delivery of the yachts, due to the time and costs required for their construction, this could have an adverse effect on the Group's business, prospects and economic, asset and financial situation.

**Mitigating actions**

To mitigate this risk, the Group has paid special attention to production quality, as well as to complying with yacht construction schedules, together with optimal joint planning of the customer's needs.

The Group's current strategy includes product and business diversification and a global presence on all continents. This allows the Group to identify and meet different customer needs all over the world. The Group implements a commercial strategy aimed at the continuous exchange of information between customers and internal managers in order to address and resolve at all times any difficulties that may arise as a result of events that are not related to intrinsic business performance.

# RISKS RELATED TO ORDER MANAGEMENT

**Description of the risk**

The Group enters into contracts with ship operators that establish a fixed fee (subject to further requests from the client received during construction) that must take into account all costs associated with yacht construction, as well as penalties set forth in order contracts in the case of late delivery and failure to achieve certain yacht performance parameters (speed, noise levels, vibration levels). Significant cost increases could lead to a reduction in the margin.

This risk, which is considered to have a high probability of occurrence in the industry, could have an adverse effect on the Group's economic, asset and financial situation.

The contracts for the construction of luxury yachts managed by the Group are multi- year contracts with an established fee and a delivery date set from the outset; any changes in the sales price related to the customer's needs and tastes must be agreed with the shipowner and any changes in the design originate from this. When the contract is signed, the pricing must take into account the costs of raw materials, machinery, components, contract work and all costs associated with the construction.

**Impact**

Increases in costs that were not expected in the pre-contractual phase and which are not matched by a corresponding price increase can lead to a significant reduction in margins on the affected orders.

To reduce the probability of this risk, the Group uses a **Project Manager**. Project Managers, who have several years of experience in the shipbuilding sector, are responsible for preparing job budgets, managing the supply chain, monitoring delivery times and general project quality.

**Mitigating actions**

This activity is carried out by project managers in cooperation with the planning and control department, which is under the direct responsibility of the **Group's General Manager**. The final figures are monitored against the job budget on a monthly basis in discussion meetings between the planning and control department, the sales department and the Chief Executive Officer of the Group.

The extensive experience gained from yachts delivered in recent years, the implementations resulting from investments in the management control system and the constant exchange of information between the various company departments enable **project managers** to predict any expected increases in the cost components of orders and in the offer pricing process.

It is common that after the signing of contracts, addenda may be agreed upon with the customer to handle additional demands and recover any margin percentages ("**Variations to Contract**" or "**VTC**").

# RISKS RELATED TO MANUFACTURING DEFECTS, NON-COMPLIANCE WITH CONTRACTUAL SPECIFICATIONS AND PRODUCT LIABILITY, AND ENFORCEMENT OF GUARANTEES

**Description of the risk**

The Group provides its customers a contractual warranty against defects in the workmanship of each ship, usually for a period of 24 months after delivery, with possible negative effects on the economic, financial and asset situation as regards warranty costs exceeding the amount allocated under the warranty provisions in the financial statements, as well as on the Group's image in the reference market.

**Impact**

During the warranty period, the Group is obliged to carry out repair and/or replacement work for any defects or flaws found after delivery (although it can then attribute the responsibility for these in turn to its own contractors or third-party suppliers, who also have warranty obligations to the shipyard and from whose remuneration/contract or supply price 5% to 10% of each interim payment certificate is withheld – during the course of the contract – precisely as a warranty withholding).

During the quotation phase, the Group calculates the possible cost of warranty repairs on the basis of historical work statistics and considers them as costs for the order.

Nevertheless, the Group could incur warranty costs in excess of those allocated. This being said, it cannot be excluded that possible manufacturing defects or cases of non-compliance with certain technical specifications regarding performance or the work performed could therefore cause revenue losses and/or reputational damage and lead to higher costs for the Group, also by virtue of warranties on such products and technical performance specifications, with significant negative consequences on the economic, asset and financial situation with regard to warranty costs exceeding the amount allocated under the warranty provisions in the financial statements, as well as on the Group's image.

**Mitigating actions**

The Group has a sophisticated and innovative system to control the entire yacht production phase.

The Quality Department, or **Production Quality Control (PQC)**, carries out production control at all stages of the order, and is completely independent of other departments.

The activities are carried out by a complete team in terms of skills and experience: there are 8 inspectors and 4 external collaborators on board full-time to implement experience in carpentry, outfitting, safety, filling in records and test memoranda, handling red notes and remarks on deliveries and drawing approval.

When on-board inspections give negative results, the Quality Control Department issues reports on the defects ("remarks") found, based on:

- standards and shipyard mock-ups;
- the Classification, Flag and International Shipping Regulations;
- technical and ship operator specifications and Technical Department drawings.

When construction is complete, on-board equipment and systems are tested and inspected in the presence of the Quality Control Department, which, using dedicated records, reports on the commissioning and sea trials carried out before and during order delivery.

These procedures, which are described in detail, are the result of painstaking work and significant investment, aimed at mitigating any adverse events that may arise after the yacht's delivery and generate costs in addition to normal after-sale management.

## RISKS RELATED TO THE REFERENCE REGULATORY FRAMEWORK

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

**Impact**
Changes in safety or environmental standards, or the occurrence of unforeseeable or exceptional circumstances, could oblige the group to incur extraordinary environmental or workplace safety expenses.

**Mitigating actions**
The Group promotes compliance with all regulations to which it is subject, as well as the preparation and updating of preventive control tools for mitigating the risks associated with violations of the l

# RISKS RELATED TO LITIGATION AND TAX ASSESSMENTS

**Description of the risk**
The Group is exposed to the risk of becoming involved in court or arbitration proceedings as a defendant potentially giving rise to compensation and payment obligations. In addition, the Group is exposed to the risk that currently pending litigation of significant value may have an unfavourable outcome. This circumstance could result in negative effects for the Group's economic, asset and financial situation.

**Impact**
The Group believes it is possible that the outcome of the proceedings pending at the closing date of the consolidated financial statements for the year ended 31 December 2024 may be unfavourable to the Group, with all or part of the claims made by the counterparties being upheld.

Notwithstanding the above assessments, it cannot be ruled out that currently remote risks may become possible or probable and lead to adjustments in the value of the risk provisions, or that if it loses in litigation for which the relevant risk provisions were deemed adequate, the Group might suffer adverse effects on its economic, asset and/or financial situation.

It should be noted that most of the existing contracts to which the Company is a party contain arbitration clauses with the seat of arbitration in London, which may increase costs in the event of litigation.

Pending disputes in which the Group is defendant with the most significant economic value include:

**ARBITRATION AWARD IN ENGLAND AGAINST GFM SA – FRANCK MULLER GROUP AND FMTM LIMITED FOR A PARTNERSHIP AGREEMENT THAT TISG HOLDS HAS NOT BEEN COMPLIED WITH**

The arbitration proceedings in England, initiated by TISG a few years ago for substantial damages, were won with an award that has now become final (for a total amount of around Euro 1.6 million).
In the meantime, TISG obtained a final conservative attachment for Euro 660 thousand in Italy, at the Court of Massa, and had it recognised (exequatur) and thus successfully and fully executed in Switzerland against GFM.
GFM objected but was unsuccessful in Switzerland at all levels of the proceedings (with order to pay legal fees, partly collected).
Based upon the awards won in England, TISG took action for the declaration of bankruptcy of GFM, which was indeed declared; GFM, however, paid the amount due to the Bankruptcy Registry to have the declaration of bankruptcy revoked (a possibility in Switzerland), and recently TISG was able to collect approximately Euro 230 thousand of the first English award won on jurisdiction.
In addition, TISG acted and obtained a further attachment against GFM for approximately Euro 1.3 million, which was enforced sufficiently; the procedure for recognition and enforceability in Switzerland of the English main award has also already been initiated. GFM has objected,

and therefore two degrees of judgment will have to be completed, although they will be faster considering that the UK award was final.

**TISG/CARBONOVUS**

All disputes, civil and criminal, pending between the parties were fully settled with a general settlement that allowed TISG to settle at the desired values, i.e. without having to pay Carbonovus anything.

**TISG/SILVER TREND**

TISG won the first instance proceedings after Silver Trend's applications were rejected and Silver Trend was ordered to pay legal costs (not paid).

Silver Trend then appealed the first instance decision before the Court of Appeal of Bari, and as of 31.12.2024 the decision in the case had been reserved since October 2023.

On 23.01.2025, the appeal judgment was issued, which fully amended the decision in the first instance, ordering TISG to pay Silver Trend Euro 1,120,000 plus interest and legal fees.

TISG immediately filed an appeal for termination against the second instance ruling and requested the suspension of the enforceability of the judgment of the Court of Appeal of Bari.

**OTHER DISPUTES**

During 2024, the Italian Tax Authority, Regional Directorate of Tuscany – Large Taxpayers' Office, initiated a general audit of TISG S.p.A. for IRES, IRAP, VAT and withholding taxes for the years 2020 and 2021, as well as an audit of the patent box tax relief for the years 2019 to 2022. Following the service of the report on findings as a result of that audit, the Company has decided to accept the findings contained therein pursuant to Article 5 quater of Italian Legislative Decree 218/1997, also requesting payment in 16 quarterly instalments starting from February 2025 for a total of Euro 3.5 million.
Following the above, TISG has prepared suitable patent box documentation, making the correction for the year 2023, in order to align the approach adopted for the calculation of the benefit with the results of the above-mentioned audit, while maintaining a benefit for the years 2024 and 2025, in terms of lower taxes to be paid, of Euro 1.9 and 1.1 million, respectively.
With regard to the general audit for IRES, IRAP, VAT and withholding taxes for the years 2020 and 2021, the Italian Tax Authority did not submit any findings.

**TISG/Advizory Board**

TISG has introduced an interim technical assessment before the Court of Massa against the former consultant Advizory Board for errors it committed regarding the recovery of taxes by the Italian Tax Authority during the patent box audit. The assessment is in progress.

**Mitigating actions**
All ongoing disputes are constantly monitored by the Company's lawyers, and assessments of any economic and financial impact on the financial statements are carried out meticulously in order to provide a true and fair estimate of the potential loss.

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## CLIMATE RISKS

**Description of the risk**

The Group is aware of the potential direct and indirect impacts it could create with its activities when it comes to sustainability, and it has therefore put into place a series of internal measures which make it possible to consider such risks strategically and pre-emptively. To this end, it has evaluated and integrated within its risk management model risks related to Environmental, Social, and Governance ("**ESG**") issues as well.

In this regard, there is an increased relevance of risks stemming from climate change, which are divided as follows:

**PHYSICAL RISK**
Indicates the financial impact stemming from material damages that Companies may suffer as a consequence of climate change, and is in turn divided into:

- **acute physical risk**, if caused by extreme weather events such as droughts, floods and storms;
- **chronic physical risk**, if caused by gradual changes in the climate such as increased temperatures, rising sea levels, water stress, loss of biodiversity, land use change, habitat destruction and scarcity of resources.

**TRANSITION RISK**

Indicates financial losses which could occur, directly or indirectly, following the process of adjusting to a low-GHG emission economy to facilitate the economic transition towards activities that are not as harmful to the climate. Transition risk is in turn divided into:

- **regulatory** risk, stemming from the introduction of new and unexpected environmental laws;
- **technological** risk, stemming from the adoption of technological innovation with a lower environmental impact;
- **market risk**, stemming from the change in consumer preferences and, in turn, the adjustment to increasing demand for products with a lower carbon intensity.

**Impact**
With reference to **physical risk**, the Group is exposed to direct acute and chronic risks on its headquarters and operations.

In particular, the following direct physical risks are deemed particularly material:

- risks of suffering damages to facilities and infrastructures, or a decrease in productivity as a consequence of climate change or events;
- regulatory risk stemming from environmental damages.

Therefore, the Group constantly works to implement an efficient system for the monitoring and supervision of these risks, taking out insurance policies on its shipyards and facilities.

Regarding **transition risk**, the Group could be exposed to the following direct risks:

- compliance risks for the failure to comply with environmental regulations;
- market and reputational risks stemming from the lack of alignment to stakeholder expectations regarding environment protection and the limitation of negative impacts;
- regulatory and market risk stemming from the need to come into compliance with regulations and the requests of clients, who are increasingly attentive to product ESG characteristics;
- risks linked to the increase in operating and transition costs for more sustainable technologies;
- risks linked to the increase in costs for the use of non-renewable energy.

As a result, potential negative impacts for the the Group could be:

- fines or sanctions stemming from the failure to adjust to regulations;
- loss of competitive advantage, with a resulting loss of market share;
- reputational damage and loss of credibility with customers.

**Mitigating actions**

In order to mitigate these risks, the Group works with its partners and suppliers to offer sustainable solutions for its products, and works to fight climate change and favour decarbonisation. Regarding physical risk, the Group has taken out insurance policies on its facilities and made investments to increase the efficiency of its shipyards, including in terms of energy costs, by installing photovoltaic panels and purchasing green energy.

Furthermore, the group continues to monitor current regulations and market trends in this sense, in order to offer a product aligned with new environmental standards.

Please note that at 31 December 2024, considering the company's specific operational characteristics and the nature of the above-mentioned climate risks, no material impacts are specified (pursuant to IAS 1) in this Annual Report.

# 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 Chair of the Group's Board of Directors is Filippo Menchelli, the Chief Executive Officer is Giovanni Costantino and the Deputy Chair is Marco Carniani. The meeting of the Board of Directors held on 25 July 2024 considered it expedient, especially following the admission to trading of the Company's shares on the STAR segment of Euronext Milan, to appoint the director Antonella Alfonsi as lead independent director.

In compliance with the Corporate Governance Code most recently updated on 31 January 2020, through its Board of Directors, the Group has adopted a regulation of the Board of Directors concerning, among others, compliance with the procedures relating to the timeliness and adequacy of the information provided to directors.

The Board of Directors consists of two executive directors and five non-executive directors, three of whom meet independence requirements.

The Appointments and Remuneration Committee and the Audit, Risk and Sustainability Committee, which also carries out the role of the 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 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 transactions, the reliability of financial information, compliance with laws and regulations, the by-laws and internal procedures, as well as the safeguarding of the company assets.

The Board of Directors, having obtained 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 it has 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 it 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, it has identified a person within the Board of Directors who, in the name and on behalf of the Parent Company, independently makes decisions on the purposes and methods of personal data processing 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 as defined by Art. 37 of the GDPR.

## DISCLOSURE 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.

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## ARTICLE 2428 OF THE ITALIAN CIVIL CODE

The information required by Art. 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 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 secondary offices are indicated in section A of the Parent Company's financial statements.

# 2024 CONSOLIDATED SUSTAINABILITY REPORT

## CONTENT INDEX

The ESRS 1 standard requires undertakings to structure their sustainability report in four parts, in the following order: general information, environmental information (including disclosures pursuant to Article 8 of Regulation (EU) 2020/852), social information and governance information.

## GENERAL INFORMATION

### METHODOLOGY AND GENERAL BASIS FOR PREPARATION OF SUSTAINABILITY STATEMENTS

#### [BP-1 General basis for preparation of the sustainability statement][3]

This section of the Management Report presents the Consolidated Sustainability Reporting (hereinafter also "Sustainability Report") prepared by The Italian Sea Group (hereinafter also referred to as the "Group"), in compliance with Article 4 of Italian Legislative Decree No. 125 of 6 September 2024 (hereinafter also referred to as "the Decree"), which transposes EU Directive 2464/2022, known as the "Corporate Sustainability Reporting Directive" (hereinafter also referred to as "CSRD"), with Article 8 of Regulation 2020/852 ("Taxonomy Regulation") and reports on the Group's management, processes, objectives and performance relating to the material sustainability issues of the companies belonging to the Group, with reference to the period between 1 January and 31 December 2024.

The scope of social, environmental and governance data and information coincides with the scope of financial statement data and consists of subsidiaries consolidated line-by-line.

The Report, in compliance with the new European Sustainability Reporting Standard (ESRS), also extends its scope to the upstream and downstream value chain, in such a way as to allow all users to understand the Group's material impacts, risks and opportunities. However, for certain indicators qualitative and quantitative information has been reported, taking into account only the Group boundary, as contextual information on the value chain is currently not available (the TISG Group plans to implement processes and procedures aimed at obtaining the necessary information throughout the value chain). It should be noted that this option is provided by the Decree, which establishes the option of omitting information regarding the value chain for the first three years of reporting if the necessary supporting reasons are provided.

The information contained in the Sustainability Report, particularly with reference to Policies, Actions, Targets (PATS) and Metrics, refers to the entire reporting scope.

All material players in the value chain of the TISG Group were considered in the definition and drafting of the document. In fact, for the double materiality update, impacts, risks and opportunities relating to own operations and the value chain, both upstream and downstream, were analysed. Lastly, it should be noted that quantitative data relating to the value chain are not available for the time being, however the Group is committed to putting the necessary measures in place to incorporate the necessary data in future years.

[3] The TISG Group does not make use of the option of omitting specific information corresponding to intellectual property, know-how or innovation results, nor of the possibility of making use of the exemption from disclosing information regarding upcoming developments or issues under negotiation (Article 19 bis, paragraph 3, and Article 29 bis, paragraph 3, of Directive 2013/34/EU.

[BP-2 Disclosures in relation to specific circumstances]

For the proper representation of performance and to guarantee data reliability, the use of estimates has been limited as much as possible, which, if present, are based on the best available methodologies, as well as appropriately highlighted. Where possible, the information in the Sustainability Report has been provided with a comparison with the 2023 financial year.

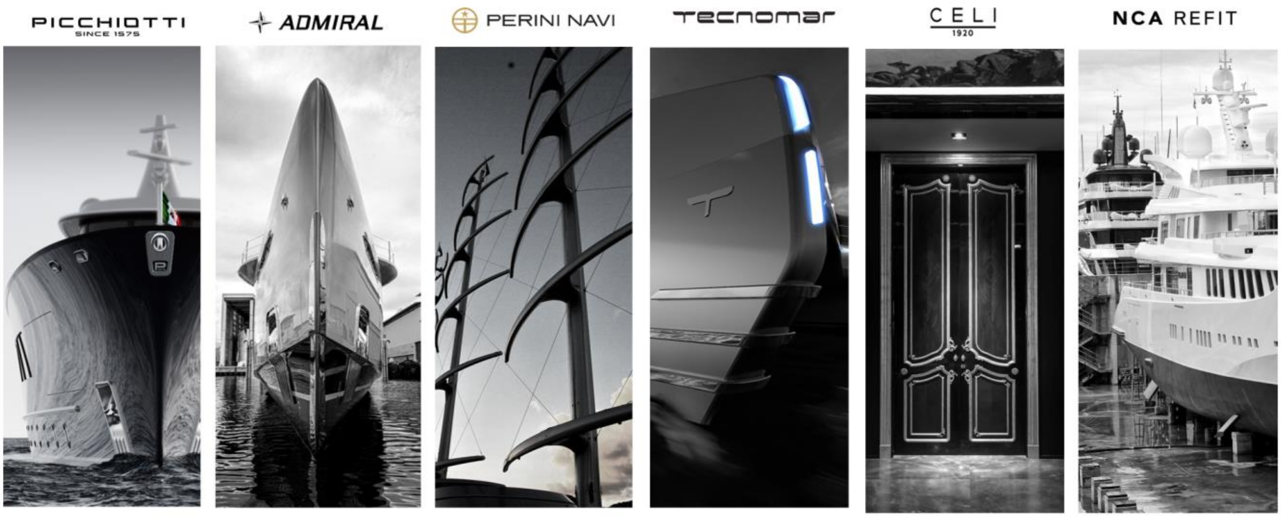
As reported in the section on the Double Materiality Assessment, the Italian Sea Group has exercised the right to modify its time horizons, as permitted in ESRS 1, paragraph 80, and ESRS 2 BP-2, paragraph 9. This decision was taken with the aim of aligning the time horizons with those used for consolidated financial reporting.

In addition, for the proper representation of performance and to guarantee data reliability, the use of estimates has been limited as much as possible, which, if present, are based on the best available methodologies, as well as appropriately highlighted. Overall, the estimates made in this Report do not present a high level of uncertainty. With regard to the metric required by E5-4, a not high level of uncertainty has been identified. See the relevant section for an illustration of the hypotheses and methodologies used.

Information from other regulations requiring the disclosure of sustainability information or other generally accepted standards and frameworks for sustainability reporting are not included in the sustainability reporting except for the requirements of Regulation EU 2020/852 of the European Parliament and of the Council and its Delegated Regulations.

## OVERVIEW OF THE BUSINESS MODEL

The Italian Sea Group (hereafter also "TISG") is a company listed on the STAR segment of EuroNext Milan and one of the most renowned groups in the international yachting industry, an absolute benchmark in the design and construction of yachts from 20 to over 100 metres in length and in the refit of yachts up to 140 metres. With shipyards strategically located near the ports of Marina di Carrara and La Spezia and state-of-the-art facilities also in Viareggio, Terni and Turkey, The Italian Sea Group has seen the launch of 1,260 yachts from 1575 until today thanks to the activity carried out by the Picchiotti, Admiral, Perini Navi, Tecnomar, NCA Refit and CELI brands.




The Headquarters in Marina di Carrara covers an area of over 120,000 square metres and boasts a state- of-the-art production site, equipped with two dry docks, one of which is covered, of 200 and 147 metres respectively, 12 production areas for the shipbuilding division, 25 for the Refit division, a total lifting capacity of 1,000 tonnes, 1,000 metres of dock and 3,300 tonnes of floating barges, enhanced for launching yachts and mega yachts up to 100 metres and beyond.

The Group's Headquarters, which are being expanded by approximately 3,500 square metres of additional spaces, present an environment of elegant and refined design, emblematic of the style and attention to detail that constitute some of the founding features of The Italian Sea Group.

The La Spezia shipyard covers an area of approximately 32,000 square metres and offers 3 production slots for yachts up to 70 metres and 14 slots for the Refit division, in addition to housing all "Tecnomar for Lamborghini 63" production. In Viareggio, the new joinery hub was inaugurated where Perini Navi's historic joinery workshop was located, together with a commercial flagship. As a result of the investments made in the relaunch of the newly acquired CELI 1920, and thanks to the purchase of two new warehouses, the current production capacity benefits from around 30,000 square metres in production space.

In Turkey, where TISG cooperates with long-term partners for the construction of hulls and superstructures, the company can count on 7 shipyards totalling some 30,000 square metres, which ensure the simultaneous production of 13 yachts up to 100 metres.

Confirming its strategic positioning in the high-end segment, TISG has developed partnerships with important Italian luxury brands: Giorgio Armani, for the creation of yachts bearing his signature, expressing the fusion of two points of excellence of Italian style in fashion and boating, and Automobili Lamborghini, for the design and construction of the “Tecnomar for Lamborghini 63”, a limited edition motor-yacht with extraordinary performance and quality beyond all limits.

## STRATEGY, BUSINESS MODEL AND VALUE CHAIN

[SBM-1 – Strategy, business model and value chain]

The highest aesthetic and quality standards are an essential part of the philosophy of The Italian Sea Group, which focuses its strategy on the design and production of fully customised, large-sized yachts. The business model, aimed at total customer satisfaction, consists of two divisions: Shipbuilding and Refit.

### SHIPBUILDING

The core business of The Italian Sea Group consists of yacht construction through the Picchiotti, Admiral, Perini Navi and Tecnomar brands. The Company concentrates its activity on mega and giga yachts over 50 metres, totally customised in terms of exterior lines as well as interiors, and relies on a strong design and production capacity and know-how that has been consolidated over the years, which has allowed TISG to position itself in the highest segment of the market in terms of technical and aesthetic quality, with a strong emphasis on a typically Italian style and a flexible approach to the requests of the most demanding customers.

TISG recently launched a number of semi-custom yacht lines such as Panorama, Gentleman Picchiotti and Admiral 40, to optimise production capacity and contribute to further business development, without requiring significant design effort from the in-house team of engineers and architects.

### REFIT

Parallel to shipbuilding activities, TISG carries out refit activities on yachts up to 140 metres in length, housed in the Company’s state-of-the-art facilities. The broad spectrum of refit activities ranges from routine maintenance and equipment upgrades to the modification of furnishings to more complex retrofits and the modification or expansion of on-board spaces.

TISG has also developed a sophisticated reception and hospitality system for the crews of yachts in refit, offering them an attentive concierge service and providing the Village, a luxury facility where crews can enjoy services such as a gym, a spa, a bar and a gourmet restaurant.

The Italian Sea Group's value chain extends both upstream and downstream, involving a number of key players and processes.

Upstream, the value chain includes the relationship with suppliers and contractors responsible for the construction of the first part of boats (e.g. hull, electrical parts). The technical part is managed directly by The Italian Sea Group, which provides guidelines to suppliers and subcontractors on how to structure the construction process and monitors progress in terms of timing and quality of the work performed, with work progress meetings. Architects and partnerships with luxury brands like Armani and Lamborghini contribute to our exclusive yacht designs.

Downstream, the relationship is predominantly with brokers, who act as intermediaries between the Group and end customers. Brokers participate in the various boat shows and manage relations with ship operators and customers, taking their needs and interests into account. Furthermore, the Group maintains relations with flag state authorities and certification bodies, which follow the process up to sea trials and interact with TISG (technical, quality and production department). Outside consultants, usually technical experts, provide additional support to guarantee yacht quality and innovation. This integrated approach ensures that each yacht is unique and perfectly meets the needs and desires of the most demanding customers.

## THE PILLARS OF THE STRATEGY

- **FOCUS ON LARGE YACHTS -** Thanks to state-of-the-art facilities enabling the simultaneous construction of large yachts, TISG focuses its strategy on the mega and giga yacht segment, which guarantees greater backlog visibility over the years. The 50-metre-plus yacht segment, TISG's main focus, accounts for around 80% of the Company's order book and has shown strong resilience in recent years, thanks in part to a significant increase in the number of Ultra High Net Worth Individuals.

- **PRODUCTION CAPACITY OPTIMISATION -** Thanks to the acquisition of the Perini Navi complex and the TISG 4.0 and 4.1 investment plans, the Group has significantly expanded its production capacity. The optimisation of the same is at the heart of its strategy, also through new semi-custom production projects.

- **RELAUNCH OF PERINI NAVI -** The relaunch of the historic brand involves the creation of sailing yachts with classic lines and, at the same time, the launch of the new "Genesis" fleet, which offers a renewed contemporary aesthetic, while respecting the Perini Navi tradition.

- **STRATEGIC PARTNERS IN THE LUXURY SECTOR -** The Italian Sea Group strengthens its market positioning also thanks to important collaboration agreements with leading brands in the luxury and Made in Italy sector, with which it shares the same values. Examples of this are the limited edition project Tecnomar for Lamborghini 63, in collaboration with Automobili Lamborghini and the well-established collaboration with Giorgio Armani for the design of exterior and interior lines of Admiral brand yachts.

**ESG INITIATIVES** - TISG's ESG strategy is strongly interconnected with the business strategy and is part of the Company's DNA. From an environmental point of view, TISG adopts a proactive approach with a strong focus on innovation and sustainable materials; the Company uses mainly aluminium and steel for its yachts and invests in research into propulsion systems and innovative solutions for reducing emissions and generating green energy on board the yachts. In addition, it meets a large part of its energy needs thanks to the self-generation of energy from photovoltaic systems installed in its facilities. Great attention is paid to human resources and their continuous training thanks to the TISG Academy, a project dedicated to the training of employees and undergraduates from the Universities of Genoa, La Spezia and Trieste, through courses of excellence held by university professors and industry professionals.

**HISTORY**

The Italian Sea Group (TISG) was born from the vision of its Founder, Giovanni Costantino, who, after gaining solid entrepreneurial and business experience in the furniture industry, in 2009 acquired 100% of Tecnomar S.p.A., a company specialised in the construction of sports and high-performance yachts, and in 2011 acquired Admiral S.p.A., a company specialised in the production of steel and aluminium super yachts.

The growth in the number of contracts and the increase in the size of the yachts being built required investment in a larger production site with direct access to the sea. Therefore, in December 2012, GC Holding S.p.A., a company owned by Giovanni Costantino, acquired 100% of the share capital of Nuovi Cantieri Apuania S.p.A. (now The Italian Sea Group S.p.A.), a state-owned company in deep crisis that built commercial and cruise ships in its Marina di Carrara shipyard.

Founded in 1942 and thanks to very advanced facilities for the time, the shipyard in Marina di Carrara, which today is the headquarters of TISG, in just a few years specialised in the construction of medium-tonnage ships. During the 1950s and 1960s, a further expansion of the equipment allowed the shipyard to build increasingly larger constructions. In 1973, the structure was further expanded with the construction of a dry dock, 200 metres in length and 35 metres in width. The acquisition of the shipyard by Giovanni Costantino ensured the maintenance of employment levels and the relaunch of a company which, albeit in crisis, had a recent past as a leading player in shipbuilding. The acquisition also allowed TISG to expand production capacity and retain valuable know-how specialising in the construction of large ships.

Over time, important investments were made, such as the extension and complete renovation of the company headquarters, the organisation of areas dedicated to new production, the construction of a steelworks, an upholstery unit and a joinery workshop, and the expansion of areas dedicated to refit activities, which began in 2015 and were favoured by the strategic location of the facilities, close to renowned tourist destinations and therefore a preferred stopover for yachts sailing in the Mediterranean.

In 2020, the Board of Directors of TISG approved an investment plan (“TISG 4.0”) for approximately Euro 40 million, with the aim of further increasing the shipyard's production capacity.

On 3 June 2021, the offer for the 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 called Euronext Milan, was completed, and 8 June 2021 marked the first day of trading of the shares of The Italian Sea Group S.p.A. (TISG).

On 4 November 2021, the Board of Directors approved an additional investment plan called TISG 4.1 worth Euro 14 million, completed in the course of 2022.

The company’s growth did not stop and on 22 December 2021 TISG, through its wholly-owned subsidiary, New Sail S.r.l., then merged by incorporation on 10 June 2022, was awarded the auction called by the Court of Lucca for the bankruptcy of Perini Navi S.p.A., for a total value of Euro 80 million. The business complex includes, in addition to the historical Perini Navi and Picchiotti brands, the shipyards in Viareggio and La Spezia, the real estate assets of Pisa, a 47-metre ship under construction, patents and the shareholding (100%) in Perini Navi U.S.A. Inc., as well as existing legal relationships with employees and third parties. The acquisition was completed in January 2022.

During 2022, the Group’s expansion continued, and in August TISG completed the acquisition of 100% of the shares of TISG Turkey Yat Tersanecilik Anonim Sirketi (“TISG Turkey”) from GC Holding S.p.A. This transaction allowed the Group to consolidate the entire production process, ensuring even more integrated operations management and favouring direct investment strategies from TISG to TISG Turkey.

In 2023, the Group recorded significant growth and continued to innovate in the shipbuilding sector. During the first Capital Markets' Day, the Group presented an update on its economic-financial strategy and objectives. Subsequently, TISG unveiled the first Admiral | Armani yacht, designed in collaboration with Giorgio Armani, and presented the new Perini Navi "Genesis" fleet. The year 2023 was also marked by the acquisition of the woodworking company Celi S.r.l. and the announcement of the sale of three Admiral 70-metre mega-yachts, with the M/Y Admiral Kensho recognised as Motor-yacht of the Year. In June, the Group obtained an ESG rating of BBB from Cerved and ISO 14001:2015 certification, confirming its commitment to environmental sustainability. Finally, in December 2023, TISG completed the renovation of a Perini Navi site and joined the UN Global Compact, reinforcing its commitment to sustainable development.

For details of the significant events that occurred during 2024, see the dedicated chapter in the Management Report.

## BRANDS

### PICCHIOTTI

The Picchiotti name has been inextricably linked to the history of Italian and Mediterranean seafaring since 1575.

It is a tradition that led from work boats to ocean-going sailing ships, then to military orders to finally arrive at the pioneering years of the first pleasure yachts.

Since 2010, the Picchiotti name has returned to the contemporary yachting world with three ships in the Vitruvius line.

Today, this tradition has merged into The Italian Sea Group. Craftsmanship, attention to detail and the ability to combine tradition and innovation in a unique design - these are the hallmarks of Picchiotti as well as Made in Italy.

Picchiotti has combined this with a continuous search for new construction techniques. In fact, it was the first shipyard to create recreational motor cruisers in series, such as the Giglio 10 metres, the Giannutri 14.50 metres, the Gorgona, the Giraglia and the Mistral.

### ADMIRAL

As the flagship brand of The Italian Sea Group, Admiral is recognised and appreciated for its elegance, classicism and prestige. Founded in 1966, Admiral has launched 148 yachts over the years, fulfilling the dreams of the most demanding ship operators.

The first wooden 18-metre Admiral was launched in 1966, while the mid-1970s saw the launch of the first wooden 30-metre motor yacht, very rare and prestigious for that time. At the beginning of the 1980s, the first aluminium and steel hulls were built. The product range Admiral offers the market today includes super-yachts, mega-yachts and giga-yachts characterised by elegance, timeless style and total customisation.

Expertise, professionalism and unique infrastructure on the Mediterranean guarantee the highest quality standards in the design and production of yachts up to and over 100 metres. Technical and stylistic innovation ensure a sophisticated added value to each of the brand's creations.

**PERINI NAVI**

Innovative and a source of inspiration for entire generations, Perini Navi has been a world leader in the design and construction of large modern sailing yachts for almost 40 years. Founded in 1983 by Fabio Perini, who was the first to design and build automatic systems for sail plans and large yachts that could be manoeuvred by a small crew, Perini Navi charted a new course in the modern sailing yacht market. Its founder's vision led to the creation of a fleet of 60 sailing ships, jewels of the sea admired by ship operators and sailing enthusiasts all over the world; one of them is the legendary The Maltese Falcon, an 88-metre clipper that marked a revolution in sailing technology, introducing the world to the sail system now known as the Falcon Rig.

In 2021 Perini Navi became part of The Italian Sea Group, which will continue its historic tradition, combining it with the stylistic and technological innovation that is one of the Group's founding features.

**TECNOMAR**

Founded in Viareggio in 1987, Tecnomar initially distinguished itself with the production of 20-metre open powerboats characterised by high sportiness and innovative design. Shortly afterwards, with the aim of optimising the production cycle, the company moved its sales and production offices to the industrial area of Massa Carrara.

To date, the Tecnomar brand has delivered 294 yachts and offers vessels up to 50 metres, whose distinctive features such as sportiness and cutting-edge design are supported by robust and reliable mechanics. Each model represents a design challenge balancing the elegance of the best Italian nautical tradition and the use of innovative technologies and materials.

Now known throughout the world is the partnership with the historic "Automobili Lamborghini" brand that led to the creation of the "Tecnomar for Lamborghini 63" yacht line, a project inspired by the performance of super sport cars that represents not simply an exercise in style and design, but the cutting edge of luxury speed boats.

**NCA REFIT**

Since 1942, NCA has specialised in the refit of super yachts and mega sailing and motor yachts and combines a range of exclusive services reserved for crews. Backed by the skills and expertise acquired over more than 70 years of experience in the industry, NCA Refit can count on a team of highly qualified engineers, architects and technicians. The unique characteristics of its infrastructure make NCA Refit one of the most important naval hubs in the Mediterranean. NCA Refit operates shipyards in Marina di Carrara, La Spezia and Viareggio covering a total of 136,000 square metres.

NCA Refit relies on TISG's excellent infrastructure: these include a 200-metre dry dock, the largest in the Mediterranean, a second 147-metre long dock, a sinking dock of up to 3,300 tonnes, two travel lifts of 260 tonnes and 820 tonnes, a keel pit and a 1,000 tonne syncro lift. NCA Refit also stands out from competitors for its care and attention to crews. From 2019, with the inauguration of the “Village”, the Company in fact provides crews, as well as its employees, with top-tier services such as a gourmet restaurant, a lounge bar, a gym and a luxurious spa.

**CELI 1920**

Experience, craftsmanship and technology make the CELI 1920 joinery workshop an international benchmark in the design and production of high quality furniture. Over time, CELI has combined precision in cabinetmaking with a rigorous construction method and the use of advanced production technologies, retaining all the values and qualities of “handmade” products.

Since its founding in 1920, CELI’s aim has been to give impeccable technical answers and provide advanced solutions to achieve, on every occasion, a result of excellence that stems from a great love of beauty and exclusivity.

Thanks to its long experience in cabinetmaking, rigorous construction methodology and ability to handle ever-increasing design complexity, CELI has brought ancient construction techniques back to life, restoring prestige to historic buildings such as theatres, museums, bank headquarters and courthouses, as well as creating cutting-edge solutions for hotels and showrooms, and of course yachts.

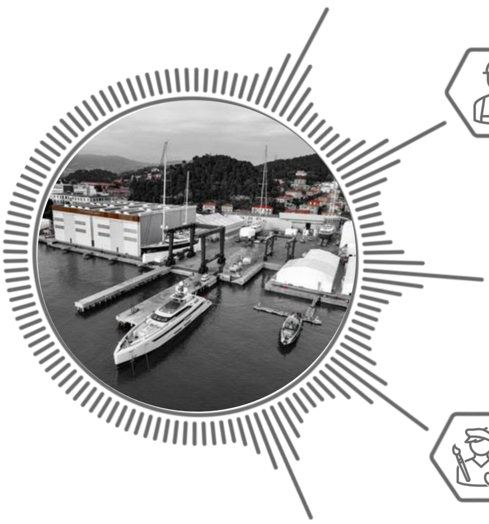
## MISSION AND VALUES

### OUR MISSION

Designing, challenging ourselves and taking our aspirations to ever higher levels are cornerstones of our company. The goal is to build yachts that are unique and identifiable for their unparalleled aesthetic and qualitative and functional characteristics, while maintaining the highest integrity and sustainability for our stakeholders.

### OUR VALUES

The need to live up to our high standards of professional and ethical behaviour remains at the basis of our actions and decisions. It is through constant and daily dedication that our values are put into practice, and it is through their implementation that employees, shareholders, customers, suppliers and local communities benefit.



**INTEGRITY -** Each of us, even in our own small and personal sphere, is responsible for high ethical and moral standards. It is profoundly important to us that we never abandon our commitments as conscientious citizens and employees, treating collaborators, customers, suppliers and stakeholders of the Group with respect.

**SAFETY -** The first step in safeguarding a healthy and safe work environment is to value employees, without compromising when it comes to their well-being and safety. It is the Group's constant commitment to set and maintain very strict criteria, which are continuously reviewed and modified to avoid any risk. The corporate principles must be actively observed by employees, who are responsible for their own safety as well as that of others.

**QUALITY -** Our every choice and action is guided by a relentless pursuit of quality. It is our standards, so inflexible and uncompromising, that lead to excellent products and services. It is our unending desire to always perfect ourselves that inspires confidence in our ship operators when choosing us to build their yachts.

**ART AND BEAUTY -** A love of art and beauty pervades every aspect of our corporate culture, and can be seen in our projects as well as in the environment in which we work. Beauty suffuses everything we do so that we can create true works of art, jewels of the sea for our ship operators. We are modern patrons who love to provide visibility and opportunities to young, talented contemporary artists.

**RESPONSIBILITY -** We are aware of the responsibility we carry towards our stakeholders and the community. It is essential for us to keep our promises and commitments, acting with full respect for others and the environment, with the aim of creating sustainable value in the long term.

The number of employees by geographical area is reported in the "S1 – Own workforce" chapter. A summary of the breakdown by gender of the TISG Group is provided below.

| | MEN | WOMEN | TOTAL |
|---|---|---|---|
| The Italian Sea Group | 621 | 127 | 748 |

Each TISG Group brand corresponds to a set of services offered, which together represent the totality of the Group's revenues, and is linked to material current impacts or material potential negative impacts.

Below is a presentation of Group Revenues:

| *in thousands of Euros* | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Revenues from sales and services | 365,425 | 345,905 | 19,520 |
| Change in contract work in progress | 40,678 | 14,353 | 26,325 |
| **Total operating revenues** | **406,103** | **360,258** | **45,845** |
| | | | |
| Other revenues and income | 25,179 | 11,507 | 13,672 |
| Commissions | (7,217) | (4,166) | (3,051) |
| **TOTAL** | **424,065** | **367,599** | **56,466** |

**Revenues from sales and services**, amounting to Euro 365,425 thousand as at 31 December 2024, increased compared to the previous year by approximately Euro 19,520 thousand.

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

| *in thousands of Euros* | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Production and sale of yachts (Shipbuilding) | 364,295 | 318,285 | 46,010 |
| incidence on total operating revenues | *90%* | *88%* | |
| Refit activities | 41,808 | 41,973 | (165) |
| incidence on total operating revenues | *10%* | *12%* | |
| **Operating revenues** | **406,103** | **360,258** | **45,845** |

Other detailed information on revenues is presented in the reclassified income statement section of the Management Report.

**ESG TARGETS**

In its continuous commitment to sustainability, the Group sets itself a series of strategic objectives aimed at improving business process efficiency and effectiveness.

For the years 2023-2025, the Group set itself a series of ambitious environmental targets, mainly of a qualitative nature and therefore not easily measurable. First of all, the maintenance of ISO 14001 certification for our Environmental Management System, demonstrating our commitment to responsible resource management practices. We also aim to maintain a higher percentage of renewable energy than in the previous period, underscoring our role as a leader in the energy transition. TISG will continue to strive to achieve net zero Scope 1 and 2 greenhouse gas emissions over the coming years, actively contributing to the fight against climate change. However, note that a management review of the objectives is under way.

The Italian Sea Group is committed to expanding its social initiatives to promote an inclusive and satisfying work environment. The Group plans to complete the mapping of major suppliers, improving supply chain monitoring and management, and also expects to increase employee training hours, demonstrating its commitment to continuous professional development. TISG has already taken action to promote female representation in managerial positions and reduce the gender pay gap by increasing female employee pay annually. Finally, an employee satisfaction analysis was performed to identify specific goals to further improve employee well-being.

Finally, TISG will commit to strengthening its governance by adopting and updating the Long Term Incentive Plan, with new targets for future cycles. It will adhere to the UN Global Compact, providing the necessary annual disclosures, and adopt and publish the Supplier Code of Conduct and Operational Procedures, ensuring that they are applied and continuously updated. Furthermore, we will implement a Policy for Management of Conflicts of Interest, ensuring that it is applied and constantly updated.

The TISG Group's sustainability strategy reflects a long-term commitment to creating sustainable value for all stakeholders, promoting responsible and transparent practices in all areas of its business.

## [SBM-2 – Interests and views of stakeholders]

In carrying out its activities, The Italian Sea Group interacts with numerous stakeholders that are able to more or less directly influence the company's work and have an interest in the organisation conducting its activities responsibly and sustainably.

This is why TISG is committed to ongoing dialogue and engagement initiatives that allow for a thorough understanding of its stakeholders' needs and expectations. These interactions are functional to various aspects such as, for example, the identification of the impacts generated by the Group on the environment and on people, an activity aimed at communicating TISG's work to the outside world in a transparent manner and with a view to continuous improvement.

The table below shows the expectations of the different stakeholder categories and the communication tools the Company uses according to the specific type of stakeholder.

| STAKEHOLDER CATEGORY | EXPECTATIONS AND ENGAGEMENT OBJECTIVES | COMMUNICATION TOOLS |
|---|---|---|
| SHAREHOLDERS AND INVESTORS | Shareholders are economic/financial stakeholders and expect profitable business management that is sustainable in the long term. | Shareholders' Meeting, presentations and roadshows, Capital Markets' Day, conference calls for the presentation of financial results, constant and precise communication of price-sensitive information on the channels designated and approved by CONSOB and Borsa Italiana (SDIR), meetings and individual calls for in-depth analysis and sharing of strategies, website. |
| EMPLOYEES | Employees expect not only a working relationship characterised by fairness and stability, but also seek their own professional and personal growth. Attention to health and safety issues plays a key role. | Individual meetings with Managers and the HR Department, internal communication by email from Top Management and Management, TISG Academy. |

| | | |
|---|---|---|
| CLIENTS | Clients expect a product of absolute excellence, delivered on time. The highest quality must pervade the entire process, from the first contact with the sales area, through the construction phase, to after-sales service and the yacht refit phase. | Commercial presence at the most important yacht shows in the industry, partnerships with brokers, sharing of product information material, shipyard visits and individual meetings with the project team, constant dialogue with project managers, services offered by the "Village", events at TISG sites, assistance from the after-sales and refit team, website, social media channels. |
| SUPPLIERS | Suppliers expect a solid partner with whom they can build long-term relationships for mutual value creation and the achievement of ever higher quality standards. | Ad hoc contacts and meetings with the purchasing department and the heads of the business areas involved, calls, email communications. |
| CREDIT INSTITUTIONS | Credit institutions are looking for a solid and reliable partner to accompany them on a path of growth marked by transparency and fairness. | Ad hoc meetings and constant and precise communication and exchange of information. |
| COMMUNITY | The general public expects The Italian Sea Group's activities to have a positive impact on local communities and allied industries, guaranteeing employment levels, operating with respect for the environment, safeguarding the health and safety of individuals and supporting the most vulnerable. | Information disseminated in the press, meetings with local associations, dialogue with trade union representatives. |
| PUBLIC ADMINISTRATION | The Public Administration expects fairness in administrative-bureaucratic matters, as well as positive spill-over effects on local areas in terms of employment and the well-being of local communities. | Meetings, calls, email communications. |
| CONTROL BODIES | The control bodies expect strict compliance with regulations and legal provisions in force, as well as transparent dialogue with the company for any further information deemed appropriate. | Face-to-face meetings, calls, email communications, constant and precise communication of information on the channels set up and approved by CONSOB and Borsa Italiana (SDIR). |
| LOCAL, NATIONAL AND INTERNATIONAL PRESS | The press expects clear and comprehensive information and transparent dialogue with the company. | Interviews, press releases, calls and meetings with journalists. |
| SCHOOLS AND UNIVERSITIES | The world of schools and universities expects a collaboration that can complement academic preparation with specific content from the world of work, facilitating the inclusion of young resources. | TISG Academy, training, internship and university orientation programmes. |
| TRADE UNION REPRESENTATIVES | Trade union representatives ensure the fair and continuous application of existing agreements and the applicable national collective agreement and seek a transparent interlocutor and open and constant dialogue. | Ad hoc meetings, calls, email communications. |
| TRADE ASSOCIATIONS | The expectations of this stakeholder category concern active participation in the life of the association, to obtain the joint effort of the players involved, maximise synergies and create sustainable value. | Ad hoc meetings, calls, email communications. |

Shipowners and employees are certainly the two main stakeholders being listened to given the need to maintain important professional resources over time that allow us to build our ships exactly as requested by our customers.

This is an ongoing dialogue in which – particularly with regard to internal company matters and personnel – the Human Resources department strives to listen to requests (such as the ESI survey on workplace climate) and provide senior management with key elements for decision-making. At the moment, the company's strategy has never changed significantly in light of this constant exchange, nor is there a specific moment for alignment of the Board of Directors on these issues, without prejudice to the commitment of the CEO to report to the BoD in the case of issues and/or events that may be considered of particular importance for the Group's business.

The most significant categories of stakeholders among those represented were engaged in the evaluation of sustainability matters and their respective impacts, risks and opportunities by completing a survey. The TISG Group administered the questionnaire to more than 80 stakeholders belonging to the financial community, employees, suppliers, business partners, schools and institutions.

The evaluation expressed by the stakeholders was used to outline a line of action for the Group in keeping with their expectations.

### [SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model]

Information on how material sustainability-related impacts, risks and opportunities interact with the business model and business strategy is presented together with the information provided in relation to each material sustainability matter.

The materiality assessment within the Group identified a number of significant impacts, risks and opportunities linked to its operations and/or the value chain. These elements cover various operational aspects, both upstream and downstream in the value chain, and provide a clear view of the profiles on which the TISG Group will focus its efforts to improve corporate sustainability in all its aspects, with the aim of reducing the associated risks and exploiting the opportunities that arise.

The Group is dedicated to pursuing its ESG Targets that are related in part or in full to the identified impacts, risks and opportunities. In the future, the effects of these impacts and risks will be increasingly relevant both in the company and externally. The TISG Group's management is particularly careful in overseeing coordination of internal and external workers through dedicated structures and procedures. Risks of acute and chronic climate change are extremely rare, occurring with statistically very low frequencies. Moreover, the group has taken out insurance policies to protect its business against the risks mentioned. With regard to the transition risks related to climate change, the company has adopted innovative solutions for the supply of renewable energy and remains constantly attentive to the opportunities to implement new improvement solutions. In light of the shared analysis, the company considers that there are no current financial effects of the risks and opportunities identified in the double materiality assessment and did not consider it necessary to set aside a provision in the financial statements. The Group is committed to further expanding on the analysis of the financial effects related to its significant impacts, risks and opportunities in the coming years.

Compared to the previous reporting, The Italian Sea Group's materiality process was further refined in compliance with the new European standards (ESRS "Sector Agnostic") with the dual materiality assessment, adapting to the nomenclature indicated by the European Sustainability Reporting Standards and abandoning an autonomous nomenclature of sustainability issues.

The current financial effects of the risks and opportunities identified with the double materiality assessment are limited, therefore not relevant and not included in this report.

## DOUBLE MATERIALITY ANALYSIS

[IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities]

The materiality assessment within the Group identified a number of significant impacts, risks and opportunities linked to its operations and the value chain. These elements cover different operational aspects, related to own operations and upstream and downstream operations of the value chain, and provide a clear vision of where to focus efforts to improve corporate sustainability in all of its aspects, reducing the associated risks and exploiting the opportunities that may arise.

The principle of **Double Materiality**, referred to in *ESRS 1 "General Requirements"*, is the most significant innovation of the European Sustainability Reporting Standards, as well as the relevant legislation on the matter. This is because this principle integrates and modifies the approach to the definition and contextual evaluation of sustainability issues to be reported.

According to the principle, double materiality has two dimensions, *impact materiality* and *financial materiality*. A sustainability issue is material in terms of its impact when it regards material actual or potential, positive or negative impacts on people or the environment over the short, medium or long term (inside-out perspective, typical of **impact materiality**). Impacts include those connected with own operations and the upstream and downstream value chain. On the other hand, a sustainability issue is material from the financial perspective if it has significant financial effects, i.e. when it can or could influence the current or future economic-financial performance of the organisation (outside-in perspective, typical of **financial materiality**). This occurs when a sustainability issue generates risks and/or opportunities that may arise from past or future events. The two dimensions are interconnected and the interdependencies between these two dimensions must be taken into account; however, a sustainability issue can be material from the point of view of impact without necessarily being financially material, and vice versa.

The disclosure concerning the double materiality analysis is defined by the *ESRS 1 "General Requirements"* and ESRS *2 "General Information"* standards, with the latter governing the methodological approach and establishing specific disclosure obligations to be met in reporting. The aim is to provide an understanding of the process whereby The Italian Sea Group has identified impacts, risks and opportunities and assessed their significance. In this way, it is possible to identify and contextualise the material topics described in the 2024 Sustainability Report.

On the basis of the principles described above, the possible impacts, risks and opportunities (IROs) applicable to the Group were mapped, thus arriving at the definition of the long list of IROs. The long list was defined according to the following steps:

1. **Identification** of an initial list of sustainability issues based on the results of the previous materiality analysis carried out by the TISG Group, the results of the internal and external context analysis and the analysis of the risks and opportunities of the entire Group, as well as on due diligence processes and stakeholder engagement activities. In addition, the upstream and downstream value chain and the Group's business relationships were taken into account.
2. **Correlation** of the aspects identified with the topics/sub-topics reported in *Annex A Application Requirements 16* of the *ESRS 1 "General Requirements"* standard;

3. **Definition** of the relative impacts, risks and opportunities (IROs). During this step, the Group's business and value chain were analysed in order to identify possible direct and indirect impacts, risks and opportunities. For each impact, the "origin of the impact" has been identified, i.e. "where the impact is generated" and as a result "who are the players/factors impacted", broken down between Upstream Value Chain, Own Operations and Downstream Value Chain. Furthermore, the mapping of the long list of IROs was prepared taking into account the entire Group scope;
4. **Sharing** with the heads of the various functions of the TISG Group for their validation, with the aim of refining the impacts, risks and opportunities identified and capturing the Group's specific features, for a precise definition of the long list of IROs subject to assessment.

To consolidate and refine the double materiality process, a **stakeholder engagement** process was also carried out, which involved a sample of subjects within TISG and the main external stakeholders, attributable to the categories such as: financial community, suppliers and/or contractors, partners, institutions and universities. This engagement initiative represented a significant opportunity to discuss and raise awareness of the sustainability topics characterising the Group's business activities.

The long list **assessment process** was carried out with the involvement of the managers of the various company departments and the Group’s main external stakeholders. Each impact, risk and opportunity was assessed according to its magnitude and likelihood, using specific rating scales. In particular, two *magnitude scales* were used (one for the assessment of impacts and one for the assessment of risks and opportunities) alongside a common *likelihood scale* for both impacts and risks and opportunities. The severity of the impacts was expressed using three drivers – magnitude, scope and irremediable nature – while the magnitude of the risks and opportunities was defined by considering the potential magnitude of the possible financial effects thereof based on different drivers. . Likelihood, on the other hand, was defined considering two drivers, one prospective and the other historical.

IROs were assessed on a "gross" basis with a precautionary approach, especially for IROs relating to Climate Change and Human Rights. The results of the assessments were weighted on the basis of the scale used in the risk and opportunity mapping analysis performed by the TISG Group.

During the evaluation, several aspects were considered, in line with the provisions of the dedicated guidelines and the indications of ESRS 2 "General Information":

- **Human rights**: in the event of potentially negative impacts linked to this aspect, the approach of the prevalence of severity was followed, with respect to likelihood (thus assigning a maximum severity to these impacts regardless of the likelihood of occurrence);
- **Interdependencies**: any points of connection between mapped impacts, risks and opportunities were appropriately considered during identification and assessment with the various department managers;
- **Time horizons**: they identify, from the moment in which that the potential impact occurs, when it will begin to produce the effects; whether in the short, medium or long term (less than one

year, between one and four years and more than four years, respectively).[4] For each potential impact, risk and opportunity, a time horizon was assumed and agreed upon, among the 3 previously listed, and the final assessment was carried out taking into consideration the time horizon defined;

- **Scope**: this was considered as the "origin of the impact" has been identified, i.e. "where the impact is generated" and as a result "who are the players/factors impacted", broken down between Upstream Value Chain, Own Operations and Downstream Value Chain;
- **Factors impacted**: in the context of the identification and subsequent assessment of impacts, factors such as the environment, community, workforce, etc. were taken into account.

In the case of the TISG Group, the threshold was defined on the basis of assumptions aimed at capturing the aspects defined above. In practice, following the assessments of the top management according to parameters of Severity for impacts, Magnitude for risks and opportunities and Likelihood, the long lists of Impacts and Risks/Opportunities were prioritised. Through this practice, it was possible to obtain a complete view and reasonably define the sub-threshold or non-material IROs for the Group. The identification of the materiality threshold for each Long List allowed the respective Short Lists to be drafted, from which the material IROs (with reference to both perspectives) were identified.

Specifically, the value of each IRO is given by the product of Likelihood and Magnitude for risks and opportunities, and by the product of Likelihood and Severity for impacts. The threshold identified for both impact materiality and financial materiality is 5. This threshold has been defined in order to pursue a precautionary approach for the identification of the Group's impacts, risks and opportunities.

The list of material sustainability issues for the 2024 financial year obtained as a result of the double materiality and stakeholder engagement process is provided below. The scoring values represent the average of the values of the material IROs contained within each Material Topic. For this reporting, the Group has decided to use the same nomenclature laid out by the ESRS reporting standards for the identification of its material topics.

[4] The Italian Sea Group has exercised the right to modify its time horizons, as permitted in ESRS 1, paragraph 80, and ESRS 2 BP-2, paragraph 9. This decision was taken with the aim of aligning the time horizons with those used for consolidated financial reporting.

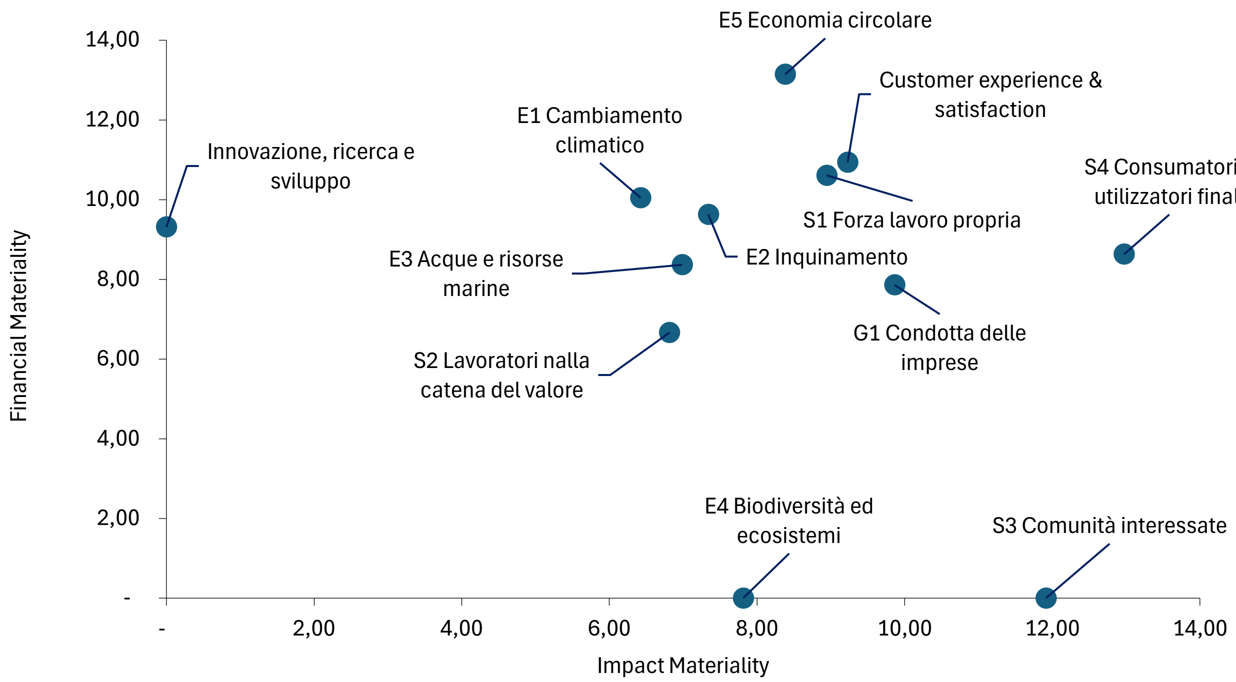
**Impact Materiality**

| Material topics | Scoring |
|---|---|
| S4 Consumers and end users | 13.0 |
| S3 Affected communities | 11.9 |
| G1 Business conduct | 9.9 |
| Customer experience & satisfaction | 9.2 |
| S1 Own workforce | 8.9 |
| E5 Circular economy | 8.4 |
| E4 Biodiversity and ecosystems | 7.8 |
| E2 Pollution | 7.3 |
| E3 Water and marine resources | 7.0 |
| S2 Workers in the value chain | 6.8 |
| E1 Climate change | 6.4 |

**Financial Materiality**

| Material topics | Scoring |
|---|---|
| E5 Circular economy | 13.1 |
| Customer experience & satisfaction | 10.9 |
| S1 Own workforce | 10.6 |
| E1 Climate change | 10.0 |
| E2 Pollution | 9.6 |
| Innovation, research and development | 9.3 |
| S4 Consumers and end users | 8.6 |
| E3 Water and marine resources | 8.4 |
| G1 Business conduct | 7.9 |
| S2 Workers in the value chain | 6.7 |
| E4 Biodiversity and ecosystems | - |
| S3 Affected communities | - |

In this Report we have included the materiality matrix given by the combination of both the impact and financial materiality perspectives, allowing for the identification of material topics and determining the priorities of The Italian Sea Group's sustainability strategy.




The process followed to define the list of **11 material topics** according to impact materiality (inside-out perspective) therefore originated from the identification of **33 material impacts**, of which **22 were negative** and **11 were positive**, each of them associated with an ESRS Sector Agnostic topic. At the same time, in terms of financial materiality (outside-in perspective), **12 material topics** were identified on the basis of **36 R&Os**, of which **26 were risks** and **10 opportunities**, which were also associated with the above-mentioned topics.

The material sub-topics associated with the material topics set out above are shown in the following table:

Non-material sub-topics and sub-sub-topics for the TISG Group

| Topic | Sub-Topic | Sub-sub Topic |
|---|---|---|
| E1 - Climate change | Climate change adaptation | - |
| | Climate change mitigation | - |
| | Energy | - |
| E2 - Pollution | Pollution of air | - |
| | Pollution of water | - |
| | Pollution of soil | - |
| | Pollution of living organisms and food resources | - |
| | Substances of concern | - |
| | Substances of high concern | - |
| | Microplastics | - |
| | Water | Water consumption |
| | | Water withdrawals |

| | | |
|---|---|---|
| E3 - Water and marine resources | Marine resources | Water discharges |
| | | Water discharges in the oceans |
| | | Extraction and use of marine resources |
| E4 - Biodiversity and ecosystems | Direct impact drivers of biodiversity loss | Climate change |
| | | Land-use change, fresh water-use change and sea-use change |
| | | Direct exploitation |
| | | Invasive alien species |
| | | Pollution |
| | | Others |
| | Impacts on the state of species | Species population size<br>Species global extinction risk |
| | Impacts on the extent and condition of ecosystems | Land degradation<br>Desertification<br>Soil sealing |
| | Impacts and dependencies on ecosystem services | - |
| E5 - Circular economy | Resources inflows, including resource use | - |
| | Resource outflows related to products and services | - |
| | Waste | - |
| S1 - Own workforce | Working conditions | Secure employment |
| | | Working time |
| | | Adequate wages |
| | | Social dialogue |
| | | Freedom of association, the existence of works councils and the information, consultation and participation rights of workers |
| | | Collective bargaining |
| | | Work-life balance |
| | | Health and Safety |
| | Equal treatment and opportunities for all | Gender equality and equal pay for work of equal value |
| | | Training and skills development |
| | | The employment and inclusion of persons with disabilities |
| | | Measures against violence and harassment in the workplace |
| | | Diversity |
| | Other work-related rights | Child labour |
| | | Forced labour |
| | | Adequate housing |
| | | Privacy |
| S2 - Workers in the value chain | Working conditions | Secure employment |
| | | Working time |
| | | Adequate wages |
| | | Social dialogue |
| | | Freedom of association, the existence of works councils and the information, consultation and participation rights of workers |
| | | Collective bargaining, including the rate of the undertaking's workforce covered by collective agreements |
| | | Work-life balance |
| | | Health and safety |
| | Equal treatment and opportunities for all | Gender equality and equal pay for work of equal value |
| | | Training and skills development |
| | | The employment and inclusion of persons with disabilities |
| | | Measures against violence and harassment in the workplace |
| | | Diversity |
| | Other work-related rights | Child labour |

| | | |
|---|---|---|
| | | Forced labour |
| | | Adequate housing |
| | | Privacy |
| S3 - Affected communities | Communities’ economic, social and cultural rights | Adequate housing |
| | | Adequate food |
| | | Water and sanitation |
| | | Land-related impacts |
| | | Security-related impacts |
| | Communities’ civil and political rights | Freedom of expression |
| | | Freedom of assembly |
| | | Impacts on human rights defenders |
| | Rights of indigenous peoples | Free, prior and informed consent |
| | | Self-determination |
| | | Cultural rights |
| S4 - Consumers and end users | Information-related impacts for consumers and/or end-users | Privacy |
| | | Freedom of expression |
| | | Access to quality information |
| | Personal safety of consumers and/or end-users | Health and safety |
| | | Security of a person |
| | | Protection of children |
| | Social inclusion of consumers | Non-discrimination |
| | | Access to products and services |
| | | Responsible marketing practices |
| G1 - Business conduct | Corporate culture | - |
| | Protection of whistle-blowers | - |
| | Animal welfare | - |
| | Political engagement and lobbying activities | - |
| | Management of relationships with suppliers including payment practices | - |
| | Corruption and bribery | Prevention and detection including training |
| | | Incidents |

The entire process was supervised by the ESG function and involved the highest functions by department in the assessment process. The result of the double materiality analysis conducted was **viewed** and **approved** by the TISG Board of Directors. The analysis in question is an annual process.

Below is a summary of the ***short list*** of IROs that contributed to determining the material sustainability topics.

### *List of material impacts*

| Topic | Impact | Type of impact | Type of effect | Time horizon[5] | Value chain | | |
|---|---|---|---|---|---|---|---|
| | | | | | Upstream | Own operations | Downstream |
| E1 Climate change | Energy consumption to fuel the production process, with the resulting use of natural, renewable and non-renewable resources | Negative | Current | | | X | |
| | Production of emissions throughout the value chain (Scope 3), with negative impacts in terms of contributing climate change | Negative | Current | | X | | X |
| | Production of GHG (Green House Gas) emissions in own production activities (Scope 1 and Scope 2), with negative impacts in terms of contributing to climate change | Negative | Current | | X | X | X |

[5] The time horizon indicates when the potential impact will begin to occur (in the short, medium or long term). Current impacts are already having effects in the reporting period; therefore, no time period is specified.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| E2 Pollution | **WATER POLLUTION IN PRODUCTION PHASES** - Shipyard activities may involve several marine pollution risks, including spills of chemicals, solid waste and washing water for yacht hulls | Negative | Potential | Medium-term | | X | |
| | Emissions of pollutants into the atmosphere during production processes, throughout the supply chain and logistics activities, as well as during product use and disposal. Emissions of pollutants released into the atmosphere include sulphur oxides (SOx), nitrogen oxides (NOX), particulate matter (PM), volatile organic compounds (VOC) and carbon monoxide (CO). | Negative | Current | | X | X | |
| E3 Water and marine resources | **GENERATION OF WASTEWATER FROM VALUE CHAIN ACTIVITY AND PLAYERS** - The production of wastewater is a direct result of the operating activities and various players involved throughout the entire value chain. This includes not only yacht construction and maintenance processes, but also the operations of suppliers and subcontractors. Each phase of the production process, from material processing to painting, contributes to the generation of wastewater that needs to be managed and treated properly to minimise environmental impacts | Negative | Potential | Short-term | X | X | X |
| | **WATER DISCHARGES IN THE OCEANS WITH A SIGNIFICANT IMPACT ON THE MARINE ENVIRONMENT** - During yacht production, the water used to wash and clean hulls could collect residues of paints, solvents and anti-fouling agents. If these substances are not disposed of properly at the dock, they could end up directly in the sea. | Negative | Potential | Short-term | X | X | X |
| | Ineffective management of water resources during the production process and non-compliance with authorised limits may lead to the risk of local water resource depletion | Negative | Potential | Short-term | X | X | X |
| E4 Biodiversity and ecosystems | **DIRECT EXPLOITATION OF WOODS AND FORESTS FOR WOOD PROCUREMENT** - The construction of yacht interiors requires high quality wood, often from valuable species such as teak, mahogany and oak. This has a significant impact on forests, especially if the wood is not obtained from sustainable sources | Negative | Current | | X | X | |
| E5 Circular economy | The increasing use of high quality and valuable materials from traceable sources and suppliers for the construction and furnishing of interiors guarantees not only superior aesthetics, but also greater durability and resistance over time | Positive | Current | | X | X | |
| | Pollution linked to the use of materials with a higher environmental impact during the construction phase, such as non-renewable, non-recyclable and non-disassemblable materials | Negative | Current | | X | X | |
| | Production and management of hazardous and non-hazardous waste linked to production, which generate negative impacts on the environment. | Negative | Current | | X | X | X |
| | Contribution to the waste of resources and inefficient use of materials | Negative | Potential | Short-term | X | X | |

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|---|---|---|---|---|---|---|---|
| S1 Own workforce | Difficulty in ensuring work-life balance, particularly around delivery deadlines, and the absence of a smart working agreement for either office workers or operational personnel, given the particular characteristics of the company and the sector type, which makes it difficult to opt for this choice | Negative | Current | | | X | |
| | Decreased employee well-being and reduced productivity due to excessive working hours | Negative | Current | | | X | |
| | Improvement in the corporate environment and employee well-being, including by protecting the freedom of association, collective bargaining and the right of workers' representation | Positive | Current | | | X | |
| | Workforce satisfaction by offering training courses for the development of new skills, with advantages both for the professional growth of employees and for their career advancement. | Positive | Current | | | X | |
| | Incidents of accidents at work and occupational diseases due to the incorrect application of PPE | Negative | Potential | Short-term | | X | |
| | Incidents of discrimination and denial of equal opportunities for workers in terms of treatment, remuneration and benefits | Negative | Potential | Medium-term | | X | |
| | Employee data management, with possible negative impacts in terms of the loss of sensitive data | Negative | Potential | Short-term | | X | |
| | Any negative spill-over effects caused by the absence of good working conditions and incidents of human rights violations or forced and child labour | Negative | Potential | Short-term | | X | |
| S2 Workers in the value chain | Incidents of accidents at work and occupational diseases of workers in the value chain, particularly at subcontractors and contractors | Negative | Potential | Medium-term | X | | |
| | Violation of human and workers' rights and transparency and traceability requirements of the entire supply chain | Negative | Potential | Medium-term | X | | |
| | Failure to respect human and workers' rights due to the activities carried out by the organisation's suppliers and contractors | Negative | Potential | Medium-term | X | | |
| S3 Affected communities | Creation of added value for the community by rescuing a production company and having a positive impact on related industries in Terni by creating jobs at the company CELI | Positive | Current | | | X | X |
| | Positive impact on the surrounding community due to stays by crews of refit boats that use local services for the months during which they are waiting for refit work to be completed | Positive | Current | | | X | X |
| S4 Consumers and end users | Careful design and high quality standards, in terms of products and services offered, guarantee the health and safety of end users (ship operators and customers) | Positive | Current | | | | X |
| | Responsible management of customers and the respective business practices, recognising customer protections and developing business relationships based on good faith. | Positive | Current | | | | X |

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| G1 Business conduct | Promotion of a culture based on communication, ethics and transparency, with positive impacts in terms of increasing stakeholder confidence, as well as greater freedom in communicating cases of non-compliance with laws and company regulations through the whistleblowing channel and the protection of any whistleblowers. | Positive | Current | | X | X | |
| | Governance effectiveness in the dissemination of company values, culture and ethical principles, with positive impacts in terms of increasing the trust of internal and external stakeholders | Positive | Current | | X | X | X |
| | Training activities and implementation of safeguards aimed at preventing and immediately detecting corruption, bribery and anti-competitive behaviour | Positive | Current | | | X | |
| Customer experience & satisfaction | Attention in the relationship with customers and in monitoring their satisfaction with the products offered | Positive | Current | | | X | X |
| | Loss of customer confidence and satisfaction due to inadequate service and lack of transparency in the information provided | Negative | Potential | Medium-term | | X | X |

## *List of material risks and opportunities*

| Topic | Risk/Opportunity | Risk/Opportunity | Time horizon | Value chain | | |
|---|---|---|---|---|---|---|
| | | | | Upstream | Own operations | Downstream |
| E1 Climate change | Opportunity | Possibility to positively influence business competitiveness by reducing energy costs and developing innovative renewable technologies | Medium-term | X | X | X |
| | Opportunity | Ability to achieve the transition towards technologies with lower emissions and environmental impacts with sufficient timeliness and effectiveness, by increasing consumption efficiency, which also leads to energy cost savings | Long-term | X | X | X |
| | Risk | **CLIMATE CHANGE (Acute and Chronic Physical Risk)** – The potential risks of climate change include an increase in the frequency and intensity of extreme weather phenomena such as droughts, floods and storms, resulting in material damage to the Group's facilities and structures and therefore impacts on productivity, rising sea levels with impacts on the construction and location in marinas and ports of infrastructure that is more robust and adaptable to any flooding, increase in global temperatures with impacts on the availability of freshwater resources and implications for the maintenance of boats and the services offered in ports and marinas | Medium-term | | X | |
| | Risk | **CLIMATE CHANGE (Transition Risk)** – The potential direct and indirect impacts deriving from the process of adapting to a low-GHG emission economy that could affect the Group in terms of not adapting or adapting late to developments in environmental regulations with the potential resulting risk of fines or penalties, increase in operating costs linked to the procurement of non-renewable energy and the transition to more sustainable technologies, reputational damage and loss of credibility among stakeholders if environmental protection targets and expectations are not met | Medium-term | | X | |
| | Risk | Risk of inefficiency related to excessive energy consumption | Medium-term | | X | |

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| E2 Pollution | Opportunity | Business opportunities deriving from the adoption of new low climate impact propulsion systems (e.g. biodiesel) | Medium-term | X | X |
| | Risk | Risk of water pollution from the Group's production activity, with repercussions in terms of remediation costs, legal and regulatory sanctions and loss of reputation | Medium-term | X | X |
| E3 Water and marine resources | Risk | Risk of incurring greater costs related to administrative/disqualification/criminal penalties deriving from non-compliance with laws and regulations, connected, for example, to pollution from possible discharges into the seas/oceans | Medium-term | | X |
| E5 Circular economy | Opportunity | **USE OF NEW INNOVATIVE TECHNOLOGIES** - The use of new innovative technologies in yacht construction is leading to the use of new raw materials with impacts in terms of production efficiency and sustainability (e.g. use of recycled materials, installation of solar panels for powering on-board systems, etc.) | Long-term | | X |
| S1 Own workforce | Risk | **BACKUP OF KEY RESOURCES –** Risk linked to the presence of key corporate positions, especially in the technical field, without adequate back-up coverage or succession plans and with skills that are not easily replicated internally and/or available on the market. If such key individuals leave the company, there would be a risk of delays or inefficiencies in the Group's strategic or operational activities | Short-term | | X |
| | Risk | **RISK OF INSUFFICIENT PERSONNEL WITH REPERCUSSIONS ON PRODUCTIVITY –** If there is insufficient personnel, this may have repercussions on productivity and operational efficiency, particularly with impacts in terms of increased workload and reduced quality and delays in production processes and delivery times, triggering additional costs | Short-term | | X |
| | Opportunity | Increased productivity and improved innovation linked to a greater enhancement of employees' skills and knowledge | Medium-term | | X |
| | Risk | **TALENT ATTRACTION, RETENTION & COMPENSATION** - Risk that the Company will not be able to attract and retain qualified personnel with technical skills and experience aligned with growth and development objectives defined at corporate level. This risk assumes that the Company is not sufficiently capable of offering human capital retention and enhancement policies consistent with employee expectations (e.g., work-life balance during work peaks, pay policies, benefits, welfare tools, smart working) | Short-term | | X |
| | Risk | Risk of discrimination in the company in terms of wages and gender | Medium-term | | X |
| | Risk | **OCCUPATIONAL HEALTH AND SAFETY - ACCIDENTS AND OCCUPATIONAL DISEASES –** Potential inadequate monitoring of occupational health and safety compliance aspects (Italian Legislative Decree 81/2008 as amended) due to the incorrect definition, implementation and updating of policies, procedures and manuals, or not doing so at all, with possible accidents to the detriment of operators/users and with possible penalties and reputational repercussions for the Company. | Medium-term | | X |
| | Risk | **TRADE UNION REPRESENTATIVES -** Potential critical issues relating to the management of relations with trade union representatives (e.g. in the event of negotiations for the renewal of collective agreements, in the management of industrial relations, in personnel management policies, etc.), resulting in economic and reputational damage and possible disputes | Short-term | | X |

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| | | between the company and workers' representatives | | | | |
| | Risk | **CYBERSECURITY -** Risk of experiencing cyber attacks, aimed at identity, data and information (e.g. sensitive data, confidential information, etc.) theft, sabotage and suspension of IT systems and services and the perpetration of fraud or criminal actions, with negative impacts on business operations and reputation, as well as risks of penalties or claims from customers and third parties. | Medium-term | | X | |
| S2 Workers in the value chain | Risk | **OCCUPATIONAL HEALTH AND SAFETY AND ENVIRONMENT (CONTRACTORS AND SUB-CONTRACTORS) -** Continuous need for TISG to monitor occupational health and safety (Italian Legislative Decree 81/2008) and environment compliance aspects with regard to contractors and subcontractors involved in work on orders, in order to avoid risks of joint and several liability with them and with potential reputational damage for TISG. | Medium-term | X | X | |
| | Risk | **RISK OF NOT RESPECTING THE RIGHTS OF WORKERS INVOLVED IN THE VALUE CHAIN –** Risk of inadequate attention to topics concerning gender equality, training, employment and the inclusion of people with disabilities, measures against violence and worker diversity in the value chain; any ensuing legal risks, with reputational and economic consequences.<br>Risk that workers in the value chain are not protected in the context of social dialogue or freedom of association, as well as the presence of collective bargaining, with ensuing reputational risks and, in the worst cases, interruption of work with negative consequences on the economic and financial situation. | Medium-term | X | X | |
| | Risk | Risk of not respecting the human rights of workers in the value chain (contractors and subcontractors), with reference to child labour, forced labour and privacy. | Medium-term | X | X | |
| S4 Consumers and end users | Opportunity | Improved corporate reputation through secure access to information, effective complaints management and responsible business practices | Short-term | | X | X |
| | Risk | Risk of loss of margins and profitability, due to events outside the company's control, which may negatively affect perceptions of final product safety and quality. | Medium-term | | X | X |
| | Risk | **DATA BREACHES –** Risk of inadequacy of privacy and compliance measures currently in place to limit or prevent possible incidents of data breaches and/or unauthorised access to sensitive data and information (e.g. relating to customers), carried out by exploiting security system vulnerability, with negative consequences in legal (e.g. violation of data protection regulations, such as the GDPR), economic (e.g. direct or indirect incident management costs) and reputational terms | Short-term | | X | X |
| | Risk | Risk of issue of Vessel Registration Certificates by the competent bodies containing remarks due to inadequate controls and verifications during testing and trials | Short-term | | X | X |
| G1 Business conduct | Opportunity | Optimisation of supply chain management resulting in reduced lead times and increased synergies | Long-term | X | X | |

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| | Risk | **QUALIFICATION OF CONTRACTORS AND SUBCONTRACTORS -** The ineffective management and monitoring of the process of qualifying third parties, specifically contractors and subcontractors, may entail the risk of involving qualitatively or quantitatively inadequate counterparties, with a negative reputational track record or insufficient environmental governance, generating negative impacts in economic and reputational terms | Short-term | X | X | |
| | Risk | **PRODUCTION OUTSOURCING TO SUPPLIERS AND CONTRACTORS –** Risk of potential breaches by suppliers and/or contractors (e.g. identification of defects, possible malfunctions, delays, etc.) and risk of possible disputes or requests deemed illegitimate with economic, reputational and operational consequences | Long-term | X | X | |
| | Risk | **SUPPLY CHAIN** Ineffective supply chain management, with consequences in terms of reduced quality of raw materials and potential deterioration and/or loss of relationships with suppliers, especially due to their workload | Short-term | X | X | |
| | Risk | Risk of incorrect communication of the corporate culture of the TISG Group, resulting in damage to its image and reputation | Short-term | | X | |
| | Opportunity | Possibility to become aware of unethical behaviour through reports and their timely management | Medium-term | | X | |
| | Risk | Risk of failure to adopt or incorrect adoption of the European Whistleblowing Directive for the protection of whistleblowers | Short-term | | X | |
| Customer experience & satisfaction | Opportunity | Possibility of increasing business due to the attraction of new customers thanks to the strengthening of the Group's reputational capital in the eyes of its main stakeholders | Medium-term | | X | X |
| | Risk | Loss of stakeholder trust and erosion of the Group's reputational capital. | Medium-term | | X | X |
| Innovation, research and development | Opportunity | Propensity for innovation and investment, resulting in the strengthening of the Group's competitive position and increase in market shares | Short-term | | X | |
| | Risk | **TECHNOLOGICAL LAG - SHIPBUILDING -** Failure to adapt to technological innovation (e.g. alternative and more sustainable propulsion), resulting in loss of competitiveness and potential sales opportunities | Medium-term | | X | |
| | Risk | **PRODUCT DESIGN -** Potential risk that the product will not satisfy technological needs and market trends, regulatory requirements or quality expectations (structural defects, design errors etc.), with potential negative consequences. | Medium-term | | X | |

In paragraph "IRO-2: Disclosure requirements in ESRS covered by the undertaking's sustainability statement" there is a list of the disclosure obligations that The Italian Sea Group has met in the preparation of the 2024 Sustainability Report based on the results of the double materiality analysis. The paragraphs of the Sustainability Report where the relevant information is located are specifically noted.

| Disclosure requirement and corresponding data point | SFDR reference (6) | Pillar 3 reference (7) | Benchmark regulation reference (8) | EU climate regulation reference (9) |
|---|---|---|---|---|
| ESRS 2 GOV-1 Board's gender diversity, paragraph 21 (d) | Annex I, table 1, indicator No. 13 | | Commission Delegated Regulation (EU) 2020/1816 (10), Annex II | |
| ESRS 2 GOV-1 Percentage of board members who are independent, paragraph 21 (e) | | | Commission Delegated Regulation (EU) 2020/1816, Annex II | |
| ESRS 2 GOV-4 Statement on due diligence, paragraph 30 | Annex I, table 3, indicator No. 10 | | | |
| ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities, paragraph 40 (d) i | Annex I, table 1, indicator No. 4 | Article 449 bis of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/ 2453 (11), Table 1 - Qualitative information on environmental risk and Table 2 - Qualitative information on social risk | Commission Delegated Regulation (EU) 2020/1816, Annex II | |
| ESRS 2 SBM-1 Involvement in activities related to chemical production, paragraph 40 (d) ii | Annex I, table 2, indicator No. 9 | | Commission Delegated Regulation (EU) 2020/1816, Annex II | |
| ESRS 2 SBM-1 Involvement in activities related to controversial weapons, paragraph 40 (d) iii | Annex I, table 1, indicator No. 14 | | Article 12 (1) of Delegated Regulation (EU) 2020/1818 (12) and Annex II to Delegated Regulation (EU) 2020/1816 | |
| ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco, paragraph 40 (d) iv | | | Article 12 (1) of Delegated Regulation (EU) 2020/1818 and Annex II to Delegated Regulation (EU) 2020/1816 | |
| ESRS E1-1 Transition plan to reach climate neutrality by 2050, paragraph 14 | | | | Article 2 (1) of Regulation (EU) 2021/1119 |
| ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks, paragraph 16 (g) | | Article 449 bis of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book- Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity | Article 12 (1) (a) (d) to (g) and (2) of Delegated Regulation (EU) 2020/1818 | |
| ESRS E1-4 GHG emission reduction targets, paragraph 34 | Annex I, table 2, indicator No. 4 | Article 449 bis of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book - Indicators of potential climate change transition risk: Alignment metrics | Article 6 of Delegated Regulation (EU) 2020/1818 | |

6 Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability reporting in the financial services sector (SFDR) (OJ L 317, 9.12.2019, p. 1).
7 Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No. 648/2012 (capital requirements regulation) (OJ L 176, 27.6.2013, p. 1).
8 Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No. 596/2014 (OJ L 171, 29.6.2016, p. 1).
9 Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulation (EC) No. 401/2009 and Regulation (EU) 2018/1999 ("European Climate Law") (OJ L 243, 9.7.2021, p. 1).
10 Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published (OJ L 406, 3.12.2020, p. 1).
11 Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of environmental, social and governance risks (OJ L 324, 19.12.2022, p. 1).
12 Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (OJ L 406, 3.12.2020, p. 17).

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|---|---|---|---|---|
| ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors), paragraph 38 | Annex I, table 1, indicator No. 5 and I, table 2, indicator No. 5 | | | |
| ESRS E1-5 Energy consumption and mix, paragraph 37 | Annex I, table 1, indicator No. 5 | | | |
| ESRS E1-5 Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43 | Annex I, table 1, indicator No. 6 | | | |
| ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions, paragraph 44 | Annex I, table 1, indicators No. 1 and 2 | Article 449 bis of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book- Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity | Articles 5 (1), 6 and 8 (1) of Delegated Regulation (EU) 2020/1818 | |
| ESRS E1-6 Gross GHG emissions intensity, paragraphs 53 to 55 | Annex I, table 1, indicator No. 3 | Article 449 bis of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book - Indicators of potential climate change transition risk: Alignment metrics | Article 8 (1) of Delegated Regulation (EU) 2020/1818 | |
| ESRS E1-7 GHG removals and carbon credits, paragraph 56 | | | | Article 2 (1) of Regulation (EU) 2021/1119 |
| ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks, paragraph 66 | | | Annex II of Delegated Regulation (EU) 2020/1818 and Delegated Regulation of (EU) 2020/1816 | |
| ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk, paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c) | | Article 449 bis of Regulation (EU) No. 575/2013; points 46 and 47 of Commission Implementing Regulation (EU) 2022/2453; Template 5: Banking book - Indicators of potential climate change physical risk: Exposures subject to physical risk | | |
| ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy efficiency classes, paragraph 67 (c) | | Article 449 bis of Regulation (EU) No. 575/2013; point 34 of Commission Implementing Regulation (EU) 2022/2453; Template 2: Banking book - Indicators of potential climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral | | |
| ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities, paragraph 69 | | | Annex II of Delegated Regulation (EU) 2020/1818 | |
| ESRS E2-4 Amount of each pollutant listed in Annex II of the EPRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28 | Annex I, table 1, indicator No. 8; Annex I, table 2, indicator No. 2; Annex 1, table 2, indicator No. 1; Annex I, table 2, indicator No. 3 | | | |
| ESRS E3-1 Water and marine resources, paragraph 9 | Annex I, table 2, indicator No. 7 | | | |

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| ESRS E3-1 Dedicated policy, paragraph 13 | Annex I, table 2, indicator No. 8 | | | |
| ESRS E3-1 Sustainable oceans and seas, paragraph 14 | Annex I, table 2, indicator No. 12 | | | |
| ESRS E3-4 Total water recycled and reused, paragraph 28 (c) | Annex I, table 2, indicator No. 6.2 | | | |
| ESRS E3-4 Total water consumption in m3 per net revenue on own operations, paragraph 29 | Annex I, table 2, indicator No. 6.1 | | | |
| ESRS 2 SBM-3 - E4 paragraph 16 (a) (i) | Annex I, table 1, indicator No. 7 | | | |
| ESRS 2 SBM-3 - E4 paragraph 16 (b) | Annex I, table 2, indicator No. 10 | | | |
| ESRS 2 SBM-3 - E4 paragraph 16 (c) | Annex I, table 2, indicator No. 14 | | | |
| ESRS E4-2 Sustainable land/agriculture practices or policies, paragraph 24 (b) | Annex I, table 2, indicator No. 11 | | | |
| ESRS E4-2 Sustainable oceans/seas practices or policies, paragraph 24 (c) | Annex I, table 2, indicator No. 12 | | | |
| ESRS E4-2 Policies to address deforestation, paragraph 24 (d) | Annex I, table 2, indicator No. 15 | | | |
| ESRS E5-5 Non-recycled waste paragraph 37 (d) | Annex I, table 2, indicator No. 13 | | | |
| ESRS E5-5 Hazardous waste and radioactive waste, paragraph 39 | Annex I, table 1, indicator No. 9 | | | |
| ESRS 2 - SBM3 - S1 Risk of incidents of forced labour, paragraph 14 (f) | Annex I, table 3, indicator No. 13 | | | |
| ESRS 2 - SBM3 - S1 Risk of incidents of child labour, paragraph 14 (g) | Annex I, table 3, indicator No. 12 | | | |
| ESRS S1-1 Human rights policy commitments, paragraph 20 | Annex I, table 3, indicator No. 9 and Annex I, table 1, indicator No. 11 | | | |
| ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21 | | | Commission Delegated Regulation (EU) 2020/1816, Annex II | |
| ESRS S1-1 Processes and measures for preventing trafficking in human beings, paragraph 22 | Annex I, table 3, indicator No. 11 | | | |
| ESRS S1-1 Workplace accident prevention policy or management system, paragraph 23 | Annex I, table 3, indicator No. 1 | | | |
| ESRS S1-3 Grievance/complaints handling mechanisms, paragraph 32 (c) | Annex I, table 3, indicator No. 5 | | | |
| ESRS S1-14 Number of fatalities and number and rate of work-related accidents, paragraph 88 (b) and (c) | Annex I, table 3, indicator No. 2 | | Commission Delegated Regulation (EU) 2020/1816, Annex II | |
| ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness, paragraph 88 (e) | Annex I, table 3, indicator No. 3 | | | |
| ESRS S1-16 Unadjusted gender pay gap, paragraph 97 (a) | Annex I, table 1, indicator No. 12 | | Commission Delegated Regulation (EU) 2020/1816, Annex II | |
| ESRS S1-16 Excessive CEO pay ratio, paragraph 97 (b) | Annex I, table 3, indicator No. 8 | | | |

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|---|---|---|---|---|
| ESRS S1-17 Incidents of discrimination, paragraph 103 (a) | Annex I, table 3, indicator No. 7 | | | |
| ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD, paragraph 104 (a) | Annex I, table 1, indicator No. 10 and Annex I, table 3, indicator No. 14 | | Annex II to Delegated Regulation (EU) 2020/1816 and Article 12 (1) of Delegated Regulation (EU) 2020/1818 | |
| ESRS 2 SBM-3 - S2 Significant risk of child labour or forced labour in the value chain, paragraph 11 (b) | Annex I, table 3, indicators No. 12 and 13 | | | |
| ESRS S2-1 Human rights policy commitments, paragraph 17 | Annex I, table 3, indicator No. 9 and Annex I, table 1, indicator No. 11 | | | |
| ESRS S2-1 Policies related to value chain workers, paragraph 18 | Annex I, table 3, indicators No. 11 and 4 | | | |
| ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines, paragraph 19 | Annex I, table 1, indicator No. 10 | | Annex II to Delegated Regulation (EU) 2020/1816 and Article 12 (1) of Delegated Regulation (EU) 2020/1818 | |
| ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19 | | | Commission Delegated Regulation (EU) 2020/1816, Annex II | |
| ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain, paragraph 36 | Annex I, table 3, indicator No. 14 | | | |
| ESRS S3-1 Human rights policy commitments, paragraph 16 | Annex I, table 3, indicator No. 9 and Annex I, table 1, indicator No. 11 | | | |
| ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines, paragraph 17 | Annex I, table 1, indicator No. 10 | | Annex II to Delegated Regulation (EU) 2020/1816 and Article 12 (1) of Delegated Regulation (EU) 2020/1818 | |
| ESRS S3-4 Human rights issues and incidents, paragraph 36 | Annex I, table 3, indicator No. 14 | | | |
| ESRS S4-1 Policies related to consumers and end-users, paragraph 16 | Annex I, table 3, indicator No. 9 and Annex I, table 1, indicator No. 11 | | | |
| ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines, paragraph 17 | Annex I, table 1, indicator No. 10 | | Annex II to Delegated Regulation (EU) 2020/1816 and Article 12 (1) of Delegated Regulation (EU) 2020/1818 | |
| ESRS S4-4 Human rights issues and incidents, paragraph 35 | Annex I, table 3, indicator No. 14 | | | |
| ESRS G1-1 United Nations Convention against Corruption, paragraph 10 (b) | Annex I, table 3, indicator No. 15 | | | |
| ESRS G1-1 Protection of whistle-blowers, paragraph 10 (d) | Annex I, table 3, indicator No. 6 | | | |
| ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws, paragraph 24 (a) | Annex I, table 3, indicator No. 17 **NON-MATERIAL** | | Annex II of Delegated Regulation (EU) 2020/1816 | |
| ESRS G1-4 Standards on anti-corruption and anti-bribery, paragraph 24 (b) | Annex I, table 3, indicator No. 16 **NON-MATERIAL** | | | |

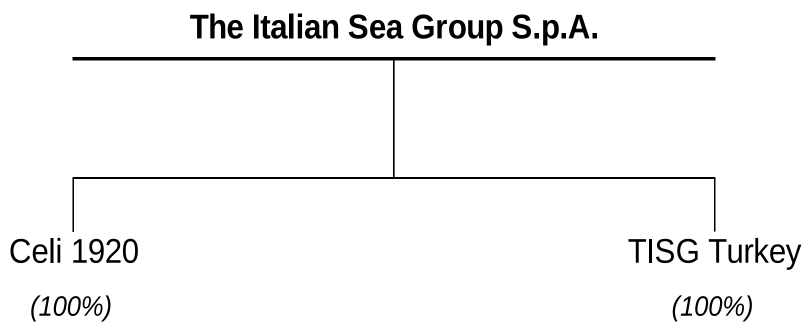
## GOVERNANCE STRUCTURE

### GOV-1 – The role of the administrative, management and supervisory bodies

The Italian Sea Group S.p.A. has developed a governance system geared towards creating sustainable value and controlling impacts, as well as maintaining relationships of trust with its stakeholders.

Today, the shares of The Italian Sea Group are traded on Euronext Milan, a regulated stock market managed by Borsa Italiana S.p.A. Following the listing on the stock exchange in June 2021 and the new governance structure required by Borsa Italiana regulations for listed companies, the Company has incorporated many of the recommendations in the Italian Corporate Governance Code approved by Borsa Italiana S.p.A. into the definition of its governance. As of July 2024, the company's shares were admitted to trading on the Euronext Star Milan segment dedicated to companies interested in complying with more stringent requirements in terms of liquidity, transparency and Corporate Governance.

This made it possible to establish, among other things, a governing body with cross-functional skills that is balanced in terms of director independence, in line with the recommendations of the Italian Corporate Governance Code.




**Corporate Governance**

The Corporate Governance of The Italian Sea Group is structured according to the traditional model and includes the following bodies:

- Shareholders’ Meeting;
- Board of Directors;
- Board of Statutory Auditors;
- Supervisory Board;
- Auditing Firm.

The structure of the Group and its shareholders, as at 31/12/2024, is as follows:

- the subscribed and paid-up share capital is Euro 26,500,000, broken down into ordinary shares admitted to trading on Euronext Milan on 8 June 2021 with no indication of par value.
- the Company's majority Shareholder is GC Holding S.p.A., which holds 28,410,000 shares, equal to 53.60% of the share capital at the date of publication of this document, while the "free float", shares

held by the market, is 35.00%.

The majority shareholder, GC Holding S.p.A., is an expression of the Group's founder Giovanni Costantino, Chief Executive Officer of The Italian Sea Group, which in turn owns 100% of it.
The Group's other stable shareholders, who invested in the Company in order to enhance its long-term growth, include Alychlo NV, a family office reporting to Belgian entrepreneur Marc Coucke, and Giorgio Armani S.p.A., both cornerstone investors during the IPO.

| Shareholder | No. of shares | % of share capital |
|---|---|---|
| GC Holding S.p.A. | 28,410,000 | 53.60% |
| Alychlo NV | 6,039,285 | 11.40% |
| Giorgio Armani S.p.A. | 2,644,700 | 4.99% |
| Market | 15,906,015 | 30.01% |
| **Total** | **53,000,000** | **100.00%** |

## ADMINISTRATIVE, MANAGEMENT AND CONTROL BODIES

The Shareholders' Meeting meets to periodically resolve on the matters defined in the Company's Articles of Association and in accordance with laws in force. The main duties of the Shareholders' Meeting are the appointment of the Board of Directors and the Board of Statutory Auditors and the approval of the annual Financial statements.

Responsibility for the management of the company lies with the Board of Directors, while supervisory functions are entrusted to the Board of Statutory Auditors and the Supervisory Board, insofar as they are each respectively responsible. The statutory audit of the accounts, as well as auditing, are entrusted to the Auditing Firm designated by the Board of Directors.

### BOARD OF DIRECTORS

The **Board of Directors** is the collective body vested with the most extensive powers for the ordinary and extraordinary management of the Company. The body is empowered to perform all acts it deems appropriate for the implementation and achievement of the corporate purposes, excluding only those reserved by law and the Articles of Association to the Shareholders' Meeting.

It was designated by the Shareholders' Meeting in April 2023 and holds office for three years. As of the date of approval of this document, there are seven members of the Board of Directors, of which two are executive and five non-executive; of these, three are independent. In relation to the presence of the least represented gender, the current composition includes three out of seven members belonging to the female gender, thus surpassing the recommendations of the Italian Corporate Governance Code, which requires 1/3 of the members of the Board of Directors to belong to the least represented gender.

| Board of Directors | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Name** | **Age** | **Gender** | **Role** | **Executive / Non-executive** | **Independence** | **Start date** | **End date** |
| *Filippo Menchelli* | *52* | *M* | *Chair* | *Executive* | | *27/04/2023* | *Approval of financial statements as at 31.12.2025* |
| *Giovanni Costantino* | *61* | *M* | *Chief Executive Officer* | *Executive* | | *27/04/2023* | *Approval of financial statements as at 31.12.2025* |
| *Marco Carniani* | *44* | *M* | *Deputy Chair* | *Non-executive* | | *27/04/2023* | *Approval of financial statements as at 31.12.2025* |
| *Gianmaria Costantino* | *23* | *M* | *Director* | *Non-executive* | | *27/04/2023* | *Approval of financial statements as at 31.12.2025* |
| *Antonella Alfonsi* | *57* | *F* | *Director* | *Non-executive* | *Independent* | *27/04/2023* | *Approval of financial statements as at 31.12.2025* |
| *Laura Angela Tadini* | *54* | *F* | *Director* | *Non-executive* | *Independent* | *27/04/2023* | *Approval of financial statements as at 31.12.2025* |
| *Fulvia Tesio* | *57* | *F* | *Director* | *Non-executive* | *Independent* | *27/04/2023* | *Approval of financial statements as at 31.12.2025* |

| | | |
|---|---|---|
| ***Percentage by gender*** | *M* | *57%* |
| | *F* | *43%* |
| ***Percentage of independence*** | *Independent* | *43%* |
| | *Non-independent* | *57%* |

With regard to gender diversity, in 2024 the Board of Directors was 43% women. In addition, 57% of the members of the board of directors have previous industry-level experience, as an expression of the TISG Group's managerial class. 100% of Board members have experience in the Italian market, one of the geographical areas in which the Group is located.

Considering the reference business in which the Group operates, these parties do not have specific skills in environmental sustainability but are often updated on regulatory developments on the matter thanks to periodic meetings of the Audit, Risk and Sustainability Committee, consisting of all independent members, in which the sustainability consultant identified by the company is often invited to participate. The Group recognises the importance of developing and strengthening specific expertise within governance bodies to effectively manage and monitor material impacts, risks and opportunities.

As of the date on which this Report was drafted, there are no members of the Board of Directors designated to represent employees or other workers (in terms of negotiation, consultation or the simple exchange of information with employers, employers' organisations and workers' representatives on matters of common interest) or other diversity aspects taken into account and assessed on appointment. Lastly, there are no Board members to whom specific roles in the area of sustainability are, or have been, assigned internally or externally to the Group.

As anticipated in the "Double Materiality Analysis" chapter, the Board of Directors is informed of the process aimed at identifying, assessing and managing material impacts, risks and opportunities, and is responsible for approving the annual results in terms of material sustainability matters. The material impacts, risks and opportunities were shared in advance with the Financial Reporting Manager and the Group Sustainability Reporting Manager. With a view to ensuring continuous improvement, the Group is working on defining more structured Sustainability Governance in order to strengthen oversight activities over the procedures for managing material impacts, risks and opportunities related to sustainability matters.[13]

In March 2024, the Company's Board of Directors conducted the annual Board Evaluation for financial year 2023, the results of which were presented to the Board of Directors and documented in the Corporate Governance Report for the year 2023.

Lastly, on 24 January 2023, the Board of Directors formalised the Policy for the management of dialogue with Institutional Investors and general Shareholders (Shareholder Engagement Policy). On the same date, the body also approved the Policies on Human Rights, Diversity & Inclusion and the Environmental Policy.

## BOARD COMMITTEES

The Group's **internal board committees** were set up with the aim of supporting the Board of Directors in the implementation of strategies and to ensure the achievement of results.

Specifically, in line with the provisions of the regulations on listed companies and the Italian Corporate Governance Code of Borsa Italiana S.p.A., the Company has set up two board committees: an *Appointments and Remuneration Committee* and an *Audit, Risk and Sustainability Committee*, which is also responsible for activities concerning related party transactions.

On 3 May 2023, the Board of Directors designated as members of the **Appointments and Remuneration Committee**:

[13] GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

| Appointments and Remuneration Committee | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Name** | **Age** | **Gender** | **Role** | **Executive / Non-executive** | **Independence** | **Start date** | **End date** |
| *Fulvia Tesio* | *57* | *F* | *Chair* | *Non-executive* | *Independent* | *27/04/2023* | *Approval of financial statements as at 31.12.2025* |
| *Antonella Alfonsi* | *57* | *F* | *Member* | *Non-executive* | *Independent* | *27/04/2023* | *Approval of financial statements as at 31.12.2025* |
| *Laura Angela Tadini* | *54* | *F* | *Member* | *Non-executive* | *Independent* | *27/04/2023* | *Approval of financial statements as at 31.12.2025* |

| | | |
|---|---|---|
| ***Percentage by gender*** | *M* | *0%* |
| | *F* | *100%* |

The Appointments and Remuneration Committee has the right to access the information and corporate functions necessary to carry out its duties, access financial resources and make use of external consultants, within the terms set by the administrative body.

In accordance with the provisions of Article 6 of the Italian Corporate Governance Code, the **Audit, Risk and Sustainability Committee** consists of the following Directors:

| Audit, Risk and Sustainability Committee | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Name** | **Age** | **Gender** | **Role** | **Executive / Non-executive** | **Independence** | **Start date** | **End date** |
| *Antonella Alfonsi* | *57* | *F* | *Chair* | *Non-executive* | *Independent* | *27/04/2023* | *Approval of financial statements as at 31.12.2025* |
| *Laura Angela Tadini* | *54* | *F* | *Member* | *Non-executive* | *Independent* | *27/04/2023* | *Approval of financial statements as at 31.12.2025* |
| *Fulvia Tesio* | *57* | *F* | *Member* | *Non-executive* | *Independent* | *27/04/2023* | *Approval of financial statements as at 31.12.2025* |

| | | |
|---|---|---|
| ***Percentage by gender*** | *M* | *0%* |
| | *F* | *100%* |

On 24 January 2023, the Company's Board of Directors also approved attributing to the existing Audit and Risk Committee, in addition to its current duties, proposal, advisory and preliminary functions regarding Sustainability as well, in order to promote the progressive integration of environmental, social and governance factors into the Company's strategy, including, but not limited to, the preliminary investigation and monitoring of sustainability plans and the implementation and updating of the annual Consolidated Sustainability Report.

To this end, the name of the committee was changed to "Audit, Risk and Sustainability Committee", while its pre-existing members were confirmed.

The Board of Directors approved assigning to the Audit, Risk and Sustainability Committee the functions of **Related Party Transactions Committee**, as set forth in CONSOB Communication No. DME/10078683 of 24 September 2010.

The **Board of Statutory Auditors** monitors compliance with the law and the Articles of Association, compliance with the principles of correct management and, more specifically, the adequacy of the organisational, management and accounting structure adopted by the Company and its actual functioning.

The body was designated by the Shareholders' Meeting on 27 April 2023 and will remain in office until the date of the Shareholders' Meeting called to approve the 2025 financial statements. The Board of Statutory Auditors consists of three Standing Auditors and two Alternate Auditors. All members of the Board of Statutory Auditors meet the requirements of integrity and professionalism required by Article 2399 of the Italian Civil Code.

| Board of Statutory Auditors | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Name** | **Age** | **Gender** | **Role** | **Executive / Non-executive** | **Independence** | **Start date** | **End date** |
| *Alfredo Pascolin* | *57* | *M* | *Chair* | *Non-executive* | *Independent* | *27/04/2023* | *Approval of financial statements as at 31.12.2025* |
| *Felice Simbolo* | *61* | *M* | *Standing Statutory Auditor* | *Non-executive* | *Independent* | *27/04/2023* | *Approval of financial statements as at 31.12.2025* |
| *Barbara Bortolotti* | *52* | *F* | *Standing Statutory Auditor* | *Non-executive* | *Independent* | *27/04/2023* | *Approval of financial statements as at 31.12.2025* |
| *Roberto Scialdone* | *62* | *M* | *Alternate Statutory Auditor* | *Non-executive* | *Independent* | *27/04/2023* | *Approval of financial statements as at 31.12.2025* |
| *Sofia Rampolla* | *63* | *F* | *Alternate Statutory Auditor* | *Non-executive* | *Independent* | *27/04/2023* | *Approval of financial statements as at 31.12.2025* |

| | | |
|---|---|---|
| ***Percentage by gender*** | *M* | *60%* |
| | *F* | *40%* |

When this document was drafted, additional diversity elements were not considered relevant and pertinent at the time of the appointment of the control body.

Like the Board of Directors, the Board of Statutory Auditors carried out its self-assessment for the 2023 financial year with reference to the adequacy of its composition and the professional skills present within it, as well as the functioning of its meetings. The results of the annual self-assessment by the Board of Statutory Auditors were then forwarded to the Board of Directors.

Responsibilities regarding the impacts, risks and opportunities of members of the governance bodies are not specifically included in the Group's mission; however, as part of it, The Italian Sea Group underscores its willingness to provide quality, effective and efficient products, in forms that are compatible with and sustainable for the community and the environment, as well as to contribute to people's well-being and the sustainable development of the area in which it operates. Furthermore, the fundamental importance of environmental topics is recognised in the Code of Ethics adopted by the Group and taken into account in the performance of its activities. Indeed, each Group company operates taking into account the needs of the community and contributes to the creation of value and its economic, environmental, social, cultural and civil development not only for its customers, but for all stakeholders. In view of this, the mandate of the members of the management and control bodies and company policies are fully aligned with these principles, ensuring their proper implementation.

At the date on which this document was drafted, there were no formalised roles of the governance and control bodies or of their specific members in processes or procedures for monitoring, managing and controlling impacts, risks and opportunities. At executive level, the Group Chief Financial Officer is formally responsible for drafting the sustainability report.

Finally, for 2025, The Italian Sea Group has expressed its willingness to engage in a specific project to update the Group's Sustainability Plan, in line with the broader corporate strategy. The Plan will also be developed on the basis of material sustainability issues, i.e. considering the material impacts, risks and opportunities[14] identified. On this basis, specific methods will be defined whereby the governance bodies and senior management will monitor (also taking into account the material IROs) the definition of objectives related to sustainability topics, as well as the progress made in achieving them.

**Incentive systems linked to sustainability objectives**

[GOV-3 – Integration of sustainability-related performance in incentive schemes]

The Group recognises the importance of incentive systems for the external credibility of its sustainability targets and for their role in improving performance. For this reason, in 2024, The Italian Sea Group approved a new "Long Term Incentive Plan 2027-2029" stock option plan (the "Plan"), which revokes and replaces the previous "Long Term Incentive Plan 2026-2028", including financial objectives alongside ESG targets concerning environmental, social and governance topics.

Approved by the Shareholders' Meeting, the Plan is reserved to executive directors, general managers, executives with strategic responsibilities and/or employees with a permanent employment contract with the Company and its subsidiaries pursuant to Article 93 of the Italian Consolidated Law on Finance. Plan is intended to align the interests of beneficiaries with those of shareholders by involving them in the shareholding structure and linking their remuneration to specific performance targets, determined for each plan cycle.

Performance targets relating to sustainability are currently being quantified.

[14] The list of material IROs addressed by the Board of Directors is included in the "Double Materiality Analysis" chapter

## BUSINESS ETHICS

An important part of the internal control system is represented by the Code of Ethics implemented by the majority shareholder of The Italian Sea Group, GC Holding, which outlines the fundamental principles and guidelines aimed at inspiring the activities and guiding the conduct of all Group companies, their employees, as well as anyone interacting with the Group.

The updated version of the Code of Ethics was approved by the Board of Directors of GC Holding S.p.A. on 27 October 2022 and is an integral part of The Italian Sea Group's Organisational Model 231/2001[15].

With the Code of Ethics, the Parent Company disseminates across all levels a culture characterised by an awareness of the existence of rules and the assumption of a control-oriented mentality with the aim of:

- efficiently managing activities;
- providing accurate and complete accounting, financial and management data;
- protecting the corporate assets;
- ensuring compliance with laws and company procedures;
- carefully and precisely managing the risks assumed;
- generating reasonable and adequate profit to support operations;
- ensuring the utmost attention to occupational health and safety aspects;
- encouraging the fight against corruption and money laundering;
- ensuring confidentiality and respect for privacy in all business transactions;
- recognising the fundamental importance of environmental issues and taking them into account in all activities;
- promoting transparency both internally as well as with respect to third parties with whom the Group comes into contact, respecting information confidentiality;
- having transparent management respectful of the regulatory deadlines of all tax and fiscal obligations.

In particular, in its Code of Ethics the Company has defined the safeguards in place to prevent acts of corruption, which are transmitted to all employees and external personnel who work with the Company, both when they are hired and when entering into supply or sales contracts.

## SUPERVISORY BOARD

Pursuant to Italian Legislative Decree 231/01 and the Company's OMM, The Italian Sea Group has set up an independent, autonomous and professional SB. The Supervisory Board has the following duties and powers:

- verifies the effectiveness of the Organisational, Management and Control Model;
- ensures that the Organisational Model is concretely implemented and identifies any behavioural deviations;
- assesses whether to adapt and/or update the Organisational Model due to regulatory changes and changes in the Company's organisational structure;

[15] All the Boards of Directors of GC Holding's Subsidiaries are required to formally accept the Code of Ethics and make it an integral part of the way they conduct their activities.

- reports, to the Management and Control Bodies, the appropriate measures to be taken and violations of the Organisational Model that may result in the Company's administrative liability

| Supervisory Board | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Name** | **Age** | **Gender** | **Role** | **Executive / Non-executive** | **Independence** | **Start date** | **End date** |
| *Annalisa De Vivo* | *56* | *F* | *-* | *Non-executive* | *Independent* | *22/12/2021* | *22/12/2024* |
| *Carlo De Luca* | *42* | *M* | *-* | *Non-executive* | *Independent* | *22/12/2021* | *22/12/2024* |
| *Felice Simbolo* | *61* | *M* | *Statutory Auditor* | *Non-executive* | *Independent* | *22/12/2021* | *22/12/2024* |

## MANAGEMENT, INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

[GOV 2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies]

A specific analysis of the associated risks has not been carried out in relation to the sustainability reporting process. In the final quarter of 2024, the TISG Group launched a risk management process with a consultancy firm in order to map and define business risks. Risks were also identified relating to sustainability aspects, an integral part of the mapping carried out for the Double Materiality analysis, which led to the identification of impacts, risks and opportunities. For more details, please refer to the "Materiality Analysis" section.

In the coming year, the TISG Group has set itself the objective of evaluating the possibility of optimising the assessment of business risks by increasingly integrating it into the double materiality process. An internal control and risk management system for sustainability reporting will also be defined and formalised.

The risks identified were weighted in terms of magnitude and likelihood using the same metrics used for the assessment of risks and opportunities in the double materiality analysis process. For the risks identified, the Group is also identifying and correlating the associated ESG dimension.

To date, the main risks monitored at Group level for 2024 have been interest rate risk and liquidity risk. For each risk analysed, the respective analysis sheets are being prepared.

The process design requires periodic reporting to the ARSC and the Board of Directors. However, as of the drafting date of this document, no periodic information has been prepared and communicated, since the Group function and the operational project for the development of a Group ERM are in the process of being set up.

## DUE DILIGENCE DUTY

[GOV-4 Statement on sustainability due diligence]

An explanatory map is provided below of the methods and sections in which the application of the main aspects and phases of the due diligence process is dealt with in this document, in order to provide an overview of actual practices with regard to due diligence.

| CORE ELEMENTS OF DUE DILIGENCE | INDICATORS IN THE SUSTAINABILITY STATEMENT |
|---|---|
| a) Embedding due diligence in governance, strategy and business model | GOV-1 Management responsibility<br>GOV-1 Sustainability oversight of IROs<br>GOV-2 Sustainability Issues addressed by management<br>GOV-3 Incentive schemes<br>SBM-3 Double materiality assessment and governance of sustainability due diligence |
| b) Engaging with affected stakeholders in all key steps of the due diligence | Stakeholder overview<br>GOV-2 Sustainability Issues addressed by management<br>IRO-1 Double materiality assessment process |
| c) Identifying and assessing adverse impacts | SBM-3 Double materiality assessment<br>SBM-3 Double materiality assessment result<br>IRO-1 Double materiality assessment process<br>Sustainability due diligence |
| d) Taking actions to address those adverse impacts | E1-3 Climate action plans<br>E3-2 Water impact management<br>E5-2 Resource and circularity impact management<br>S1-4 Management of impacts on our people |
| e) Tracking the effectiveness of these efforts and communicating results | Sustainability due diligence |

In the course of 2024, The Italian Sea Group began a process of identifying and evaluating the impacts generated at the level of own operations and upstream and downstream in the value chain.

As is well know-known, the impact of a company goes beyond its corporate boundaries; it is the value chain, with its players and interconnections, that determines the overall environmental, social and governance (ESG) footprint.

The TISG Group has implemented a supplier assessment process based on specific questionnaires focusing on certain sustainability aspects and management practices, as a tool to address the negative impacts (actual and potential) generated by suppliers upstream in The Italian Sea Group's value chain. Environmental practices and social aspects, such as working conditions and the presence of reporting channels, were assessed. Finally, the existence of company policies and programmes aimed at promoting environmental and social responsibility was verified.

The Italian Sea Group also conducted a double materiality analysis for the first time, involving and interviewing the most relevant stakeholders in order to obtain a true and complete mapping of impacts, risks and opportunities. This process made it possible to identify the topics requiring more attention, as well as remedial actions to mitigate negative impacts, and other actions to enhance positive impacts.

## ENVIRONMENTAL INFORMATION

## DISCLOSURES PURSUANT TO ARTICLE 8 OF REGULATION (EU) 2020/852 (TAXONOMY REGULATION)

The European Taxonomy (hereinafter also referred to as "Regulation" or "Taxonomy") is a unified system of classification of environmentally sustainable economic activities, established by the European Union with Regulation 2020/852, in force since 12 July 2020. This system aims to provide investors and the market with a common language based on sustainability metrics, in order to ensure comparability between operators, reduce greenwashing risks and increase the quantity and quality of information on the environmental and social impacts of the business, thus favouring more responsible investment decisions. In addition to Regulation 2020/852, the European Commission has published Delegated Regulation 2139/2021 ("Climate Delegated Act"), Delegated Regulation 2486/2023 ("Environmental Delegated Act") and Delegated Regulation 2178/2021 which together provide a set of rules for the identification and reporting of environmentally sustainable economic activities.

The Taxonomy focuses on identifying economic activities considered environmentally sustainable, defined as those economic activities that:

- substantially contribute to the achievement of one or more of the six environmental and climate objectives (Article 9 of EU Regulation 2020/852);
- do no significant harm to any of the other environmental objectives, in accordance with the principle of "do no significant harm" (hereinafter DNSH); and
- are carried out in compliance with minimum safeguards.

The environmental objectives set by the Taxonomy are:

1. climate change mitigation (CCM);
2. climate change adaptation (CCA);
3. sustainable use and protection of water and marine resources (WTR);
4. transition to a circular economy (EC);
5. pollution prevention and control (PPC);
6. protection and restoration of biodiversity and ecosystems (BIO).

## REPORTING OBLIGATIONS AND GENERAL PRINCIPLES FOR THE DEFINITION OF KPIS

Article 8 of EU Regulation 2020/852 defines Taxonomy reporting obligations and clarifies that these requirements apply to any company required to publish the Sustainability Report pursuant to Article 19-bis or Article 29-bis of Directive 2013/34/EU. The Taxonomy requires information to be provided on how and to what extent own activities are aligned with economic activities deemed environmentally sustainable.

With reference to non-financial undertakings, the communication concerns in particular the following metrics ("key performance indicators" or "KPIs"):

- the share of turnover from products or services associated with economic activities considered environmentally sustainable;

- the share of capital expenditures (CapEx) and the share of operating expenses (OpEx) relating to assets or processes associated with economic activities considered environmentally sustainable.

In July 2021, EU Regulation 2021/2178 was published, supplementing Article 8 of EU Regulation 2020/852 to further specify the content and presentation of the above-mentioned KPIs as well as the methodology to be respected for their measurement and the qualitative information that must accompany reporting on them. In 2023, this Regulation was amended by Annex V of Regulation 2023/2486, specifically with reference to KPI reporting models.

In KPI reporting for the year 2024, the TISG Group is required to report eligible and aligned economic activities for all six climate and environmental objectives.

Non-financial undertakings are required to determine the KPIs, while ensuring consistency with respect to financial reporting and using the same currency as the consolidated financial statements, with the further requirement to include in their Sustainability Report references to the related financial statement items for the turnover and capital expenditure indicators.

## 1. IDENTIFICATION OF TAXONOMY-ELIGIBLE ACTIVITIES

The Group has identified the economic activities and main projects carried out in its business aligned with the above-mentioned regulations. This assessment focused on the Group's predominant and representative economic activities relating to manufacturing and marketing.

This disclosure constitutes the third assessment performed in accordance with the European Taxonomy; this process took into account the consolidated data of the three KPIs with a view to avoiding double counting.

To date, the Group has not formalised a data collection procedure for the purposes of the Taxonomy Regulation. In the coming financial years, The Italian Sea Group will continue to deepen, refine and structure the process of identifying and formalising environmentally sustainable activities.

The TISG Group has not issued environmentally sustainable bonds or debt securities whose main purpose is to finance Taxonomy-aligned activities.

## 2. TAXONOMY ALIGNMENT ANALYSIS

An economic activity is considered aligned with the European Taxonomy if it:

- contributes substantially to at least one of the six environmental objectives;
- does no significant harm to any of the other five environmental objectives;
- complies with minimum safeguards.

After identifying the eligible economic activities, specific analyses were carried out of the technical criteria established by the above-mentioned Regulations for the main projects relating to each of the activities identified in order to assess their alignment.

After the analysis process, taking into account the status of the process of documenting the parameters required by the legislation and available evidence, the Group concluded that there are no amounts for aligned activities since all the steps required by the legislation have not been passed. The company will continue to refine the process.

## 3. MINIMUM SAFEGUARDS

Article 18.1 of the EU Taxonomy Regulation describes minimum safeguards, or "social minimum safeguards", as procedures implemented by an undertaking to ensure that its economic activities are carried out in compliance with the internationally recognised principles set forth in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (UNGP). The guidelines identified by the Platform on Sustainable Finance in the "Final Report on Minimum Safeguards" published in October 2022 were also considered.

Minimum safeguards refer to topics linked to human rights, taxation, fair competition and the fight against corruption.

Following the analysis, the TISG Group concluded that compliance with the minimum safeguards, inspired by the OECD Guidelines and the United Nations Guiding Principles on Business and Human Rights (UNGPs) to which it aspires, has not yet been fully achieved and/or appropriately documented. However, a process aimed at identifying, assessing and mitigating risks relating to human rights, taxation, fair competition and the fight against corruption is being implemented, as required by Article 3 (c) of Regulation 2020/852.

In relation to the above-mentioned issues, the TISG Group is currently evaluating the implementation of programmes to raise awareness among employees about the importance of compliance with laws and regulations.

Based on the analyses carried out, the TISG Group is not involved in legal proceedings or convictions relating to human rights, tax evasion, unfair competition or corruption.

## 4. DISCLOSURES ON THE EU TAXONOMY AND KPI CALCULATION CRITERIA

Turnover, operating expenses and capital expenditure data relating to Taxonomy-eligible and Taxonomy-aligned activities, used to calculate key performance indicators (KPIs) and percentages on financial statement values, are presented according to the templates provided in Annex V of Delegated Regulation 2023/2486, amending Delegated Regulation 2021/2178.

### 4.1 TURNOVER INDICATORS

**PROPORTION OF TURNOVER FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2024**

| Esercizio finanziario 2024 | Anno | | | Criteri per il contributo sostanziale | | | | | | Criteri DNSH ("non arrecare danno") | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Attività economiche | Codice (2) | Fatturato (3) | Quota del fatturato, anno N (4) | Mitigazione dei cambiamenti climatici (5) | Adattamento ai cambiamenti climatici (6) | Acqua (7) | Inquinamento (9) | Economia circolare (8) | Biodiversità (10) | Mitigazione dei cambiamenti climatici (5) | Adattamento ai cambiamenti climatici (6) | Acqua (7) | Inquinamento (9) | Economia circolare (8) | Biodiversità (10) | Garanzie minime di salvaguardia | Quota di Fatturato allineato alla Tassonomia Anno 2023 (18) | Categoria attività abilitante (19) | Categoria attività transizione (20) |
| | | €/000 | % | Si/No; N/AM | Si/No; N/AM | Si/No; N/AM | Si/No; N/AM | Si/No; N/AM | Si/No; N/AM | Si/No | Si/No | Si/No | Si/No | Si/No | Si/No | Si/No | % | A | T |
| **A. ATTIVITA' AMMISSIBILI ALLA TASSONOMIA** | | | | | | | | | | | | | | | | | | | |
| **A.1. Attività ecosostenibili (allineate alla Tassonomia)** | | | | | | | | | | | | | | | | | | | |
| **Fatturato delle attività ecosostenibili (allineate alla Tassonomia) (A.1)** | | 0 | 0% | | | | | | | | | | | | | | | | |
| **di cui abilitanti** | | 0 | 0% | | | | | | | | | | | | | | | A | |
| **di cui di transizione** | | 0 | 0% | | | | | | | | | | | | | | | | T |
| **A.2. Attività ammissibili alla Tassonomia ma non ecosostenibili (non allineate alla Tassonomia)** | | | | | | | | | | | | | | | | | | | |
| Fabbricazione di tecnologie a basse emissioni di carbonio per i trasporti | CCM 3.3 | 364.295 | 89,71% | AM | N/AM | N/AM | N/AM | N/AM | N/AM | | | | | | | | 88,35% | | |
| Riqualificazione del trasporto marittimo e costiero di merci e passeggeri | CCM 6.12 | - | 0,00% | N/AM | N/AM | N/AM | N/AM | N/AM | N/AM | | | | | | | | 0,143% | | |
| **Fatturato delle attività ammissibili alla Tassonomia ma non ecosostenibili (non allineate alla Tassonomia) (A.2)** | | 364.295 | 89,71% | % | % | % | % | % | % | | | | | | | | | | |
| **TOTALE (A.1 + A.2)** | | 364.295 | 89,71% | % | % | % | % | % | % | | | | | | | | | | |
| **B. ATTIVITA' NON AMMISSIBILI ALLA TASSONOMIA** | | | | | | | | | | | | | | | | | | | |
| **Fatturato delle attività non ammissibili alla Tassonomia (B)** | | 41.808 | 10,29% | | | | | | | | | | | | | | | | |
| **TOTALE (A)+(B)** | | 406.103 | 100,00% | | | | | | | | | | | | | | | | |

| | Proportion of turnover/Total turnover | |
|---|---|---|
| | Taxonomy-aligned per objective | Taxonomy-eligible per objective |
| CCM | 0% | 89,71% |
| CCA | 0% | 0% |
| WTR | 0% | 0% |
| CE | 0% | 0% |
| PPC | 0% | 0% |
| BIO | 0% | 0% |

Turnover KPIs were determined as follows:

- denominator: revenues from ordinary operations,
- numerator: revenues from Taxonomy-eligible and/or aligned projects.

The KPI denominator consists of revenue for the year, as specified in explanatory note No. 25 "Revenues from sales and services" in the financial statements.

The turnover numerator includes revenues deriving from Shipbuilding activities as they refer to the activity "3.3 Manufacture of low-carbon technologies for transport". The TISG Group has implemented a process to avoid the risk of double counting with reference to the turnover KPI.

Compared to the previous year, the TISG Group identified a change in the methods of calculating turnover relating to the inclusion of revenues from Shipbuilding in the activity "3.3 Manufacture of low-carbon technology for transport", resulting in a significant change in the KPI. To ensure consistency in comparison, the Group restated the comparative data.

## 4.2 CAPITAL EXPENDITURE (CAPEX) INDICATORS

### PROPORTION OF CAPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2024

| Esercizio finanziario 2024 | Anno | | | Criteri per il contributo sostanziale | | | | | | Criteri DNSH ("non arrecare danno") | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Attività economiche | Codice (2) | CapEx assoluto (3) | Quota di CapEx, anno N (4) | Mitigazione dei cambiamenti climatici (5) | Adattamento ai cambiamenti climatici (6) | Acqua (7) | Inquinamento (9) | Economia circolare (8) | Biodiversità (10) | Mitigazione dei cambiamenti climatici (5) | Adattamento ai cambiamenti climatici (6) | Acqua (7) | Inquinamento (9) | Economia circolare (8) | Biodiversità (10) | Garanzie minime di salvaguardia | Quota di CapEx allineate alla Tassonomia Anno 2023 (18) | Categoria attività abilitante (19) | Categoria attività transizione (20) |
| | | €/000 | % | Si/No; N/AM | Si/No; N/AM | Si/No; N/AM | Si/No; N/AM | Si/No; N/AM | Si/No; N/AM | Si/No | Si/No | Si/No | Si/No | Si/No | Si/No | Si/No | % | A | T |
| **A. ATTIVITA' AMMISSIBILI ALLA TASSONOMIA** | | | | | | | | | | | | | | | | | | | |
| **A.1. Attività ecosostenibili (allineate alla Tassonomia)** | | | | | | | | | | | | | | | | | | | |
| **CapEx delle attività ecosostenibili (allineate alla Tassonomia) (A.1)** | | 0 | 0% | | | | | | | | | | | | | | 0% | | |
| **di cui abilitanti** | | 0 | 0% | | | | | | | | | | | | | | 0% | A | |
| **di cui di transizione** | | 0 | 0% | | | | | | | | | | | | | | 0% | | T |
| **A.2. Attività ammissibili alla Tassonomia ma non ecosostenibili (non allineate alla Tassonomia)** | | | | | | | | | | | | | | | | | | | |
| **CapEx delle attività ammissibili alla Tassonomia ma non ecosostenibili (non allineate alla Tassonomia) (A.2)** | | 0 | 0% | | | | | | | | | | | | | | 0% | | |
| **TOTALE (A.1 + A.2)** | | 0 | 0% | | | | | | | | | | | | | | 0% | | |
| **B. ATTIVITA' NON AMMISSIBILI ALLA TASSONOMIA** | | | | | | | | | | | | | | | | | | | |
| **CapEx delle attività non ammissibili alla Tassonomia (B)** | | 15.481 | 100% | | | | | | | | | | | | | | | | |
| **TOTALE (A)+(B)** | | 15.481 | | | | | | | | | | | | | | | | | |

| | Proportion of CapEx/Total CapEx | |
|---|---|---|
| | Taxonomy-ligned per objective | Taxonomy-eligible per objective |
| CCM | 0% | 0% |
| CCA | 0% | 0% |
| WTR | 0% | 0% |
| CE | 0% | 0% |
| PPC | 0% | 0% |
| BIO | 0% | 0% |

Capital expenditure (CapEx) KPIs were determined as follows:

- denominator: increases for the year in tangible and intangible assets and the right of use of leased assets
- numerator: the part of the increases (considered in the denominator) referring to:
  - assets or processes associated with Taxonomy-eligible and/or aligned projects, or
  - the CapEx initiatives of the technology plan relating to the Taxonomy (CapEx-Plan), or
  - CapEx initiatives of the Net Zero plan or others falling within the definition of CapEx c) as per Delegated Regulation (EU) 2021/2178.

Compared to the previous year, the Group did not identify any change in the methods for calculating capital expenditures.

As required by the regulation, the KPI denominator consists of the sum of the amounts accounted for in the 2024 financial year with reference to tangible and intangible assets recognised in accordance with IAS 16 - Property, plant and equipment, IAS 38 - Intangible assets, IFRS 16 - Leases as specified in explanatory note No. 4

After the analysis process, taking into account the status of the process of documenting the parameters required by the legislation and available evidence, the Group concluded that there are no CapEx amounts associated with Taxonomy-aligned economic activities since all the steps required by the legislation have not been passed. The company will continue to refine the process.

The company is working to introduce CapEx classification methods broken down between Shipbuilding activities and different activities.

During the financial year, there were no changes in the KPI relating to capital expenditures.

### 4.3 OPERATING EXPENDITURE (OPEX) INDICATORS

### PROPORTION OF OPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2024

| Esercizio finanziario 2024 | Anno | | | Criteri per il contributo sostanziale | | | | | | Criteri DNSH ("non arrecare danno") | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Attività economiche | Codice (2) | OpEx assoluto (3) | Quota di OpEx, anno N (4) | Mitigazione dei cambiamenti climatici (5) | Adattamento ai cambiamenti climatici (6) | Acqua (7) | Inquinamento (9) | Economia circolare (8) | Biodiversità (10) | Mitigazione dei cambiamenti climatici (5) | Adattamento ai cambiamenti climatici (6) | Acqua (7) | Inquinamento (9) | Economia circolare (8) | Biodiversità (10) | Garanzie minime di salvaguardia | Quota di OpEx allineate alla Tassonomia Anno 2023 (18) | Categoria attività abilitante (19) | Categoria attività transizione (20) |
| | | €/000 | % | Si/No; N/AM | Si/No; N/AM | Si/No; N/AM | Si/No; N/AM | Si/No; N/AM | Si/No; N/AM | Si/No | Si/No | Si/No | Si/No | Si/No | Si/No | Si/No | % | A | T |
| A. ATTIVITA' AMMISSIBILI ALLA TASSONOMIA | | | | | | | | | | | | | | | | | | | |
| A.1. Attività ecosostenibili (allineate alla Tassonomia) | | | | | | | | | | | | | | | | | | | |
| OpEx delle attività ecosostenibili (allineate alla Tassonomia) (A.1) | | | | | | | | | | | | | | | | | | | |
| di cui abilitanti | | | | | | | | | | | | | | | | | | A | |
| di cui di transizione | | | | | | | | | | | | | | | | | | | T |
| A.2. Attività ammissibili alla Tassonomia ma non ecosostenibili (non allineate alla Tassonomia) | | | | | | | | | | | | | | | | | | | |
| Riqualificazione del trasporto marittimo e costiero di merci e passeggeri | CCM 6.12 | 0 | 0% | | | | | | | | | | | | | | 0,091% | | |
| Servizi professionali connessi alla prestazione energetica degli edifici | CCM 9.3 | 0 | 0% | | | | | | | | | | | | | | 0,004% | | |
| OpEx delle attività ammissibili alla Tassonomia ma non ecosostenibili (non allineate alla Tassonomia) (A.2) | | 0 | 0% | | | | | | | | | | | | | | 0,095% | | |
| TOTALE (A.1 + A.2) | | 0 | 0% | | | | | | | | | | | | | | | | |
| B. ATTIVITA' NON AMMISSIBILI ALLA TASSONOMIA | | | | | | | | | | | | | | | | | | | |
| OpEx delle attività non ammissibili alla Tassonomia (B) | | 335.773 | 100% | | | | | | | | | | | | | | | | |
| TOTALE (A)+(B) | | 335.773 | | | | | | | | | | | | | | | | | |

| | Proportion of OpEx/Total OpEx | |
|---|---|---|
| | Taxonomy-ligned per objective | Taxonomy-eligible per objective |
| CCM | 0% | 0% |
| CCA | 0% | 0% |
| WTR | 0% | 0% |
| CE | 0% | 0% |
| PPC | 0% | 0% |
| BIO | 0% | 0% |

The KPIs of operating expenses (OpEx), which include non-capitalised direct costs linked to research and development, short-term leases, maintenance and repair of assets and any other direct expenditure connected to the day-to-day maintenance of property, plant and equipment necessary to ensure the continuous and effective operation of these assets, were determined as follows:

- denominator: non-capitalised direct costs linked to research and development, short-term leases, maintenance and repair of assets,
- numerator: share of operating costs included in the denominator referring to:
  - assets or processes associated with Taxonomy-eligible and/or aligned projects, or
  - the OpEx initiatives of the technology plan relating to the Taxonomy (CapEx-Plan), or
  - the OpEx initiatives of the Net Zero plan.

Compared to the previous year, the Group did not identify any change in the methods for calculating operating expenditures.

As required by the legislation, the KPI denominator is the non-capitalised direct costs relating to costs for raw materials, costs for external processing, technical services and consultancy, other costs for services, personnel costs and other operating costs incurred in the year 2024. The TISG Group has implemented a process to identify these costs in analytical and/or management accounting.

Furthermore, during the reporting period the TISG Group incurred "other expenses" relating to the daily maintenance of property, plant and equipment totalling Euro 2,157 thousand, which were included in the KPI calculation.

After the analysis process, taking into account the status of the process of documenting the parameters required by the legislation and available evidence, the Group concluded that there are no OpEx amounts associated with Taxonomy-aligned economic activities since all the steps required by the legislation have not been passed. The company will continue to refine the process.

The company is working to introduce OpEx classification methods broken down between Shipbuilding activities and different activities.

During the financial year, there were no significant changes in the KPI for operating expenses.

## 4.4 GAS AND NUCLEAR ACTIVITIES

In compliance with Regulation 2021/2178 and in light of the Commission's clarifications, Template 1 of Annex XII to Delegated Regulation 2021/2178 relating to the Group's activities is provided below.

| ACTIVITIES RELATED TO NUCLEAR ENERGY | | |
|---|---|---|
| 1. | The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle. | NO |
| 2. | The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies. | NO |
| 3. | The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades. | NO |
| **FOSSIL GAS RELATED ACTIVITIES** | | |
| 4. | The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels. | NO |
| 5. | The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. | NO |
| 6. | The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels. | NO |

## ESRS E1 - CLIMATE CHANGE

The Italian Sea Group considers environmental protection to be a fundamental element of its corporate strategy, aimed at ensuring long-term sustainable development and contributing to the mitigation of the global climate crisis. The awareness of the urgency to act against climate change has driven the nautical industry to focus on greater environmental efficiency. In this context, the Group is committed to strictly complying with current regulations, pursuing continuous improvement of its environmental performance in line with the goal of limiting the increase in global temperature to 1.5°C as established by the Paris Agreement.

The Group is also aware of the importance of pursuing a low-carbon economy for many of its customers. Indeed, many studies show that consumers are now particularly sensitive to issues relating to technological innovation and sustainability, so much so that environmental responsibility has become a fundamental pillar of the business. The growing need to reduce the environmental impact of the marine sector has led international organisations, such as the International Maritime Organisation (IMO), to set greenhouse gas emission reduction targets to combat climate change. The Italian Sea Group recognises the value of these initiatives and is committed to setting emission reduction targets, to align with the European Green Deal and the Paris Agreement, with the aim of promoting a transition towards a sustainable economy friendly to the environment in which the Group operates.

### *DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL CLIMATE-RELATED IMPACTS, RISKS AND OPPORTUNITIES*

[IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities]

The Italian Sea Group recognises the importance of sustainably managing its production activities, considering both the environmental impacts and the risks associated with climate change. The Group uses natural resources in its production process, producing emissions that contribute to climate change. However, by reducing energy costs and developing renewable technologies, it can improve competitiveness.

Major climate risks include extreme weather events, rising sea levels and rising temperatures, which can damage structures and affect productivity. In addition, compliance with environmental regulations could result in operating costs and reputational risks.

For more details on the process carried out to identify the material impacts, risks and opportunities relating to the topic in question, please refer to the "Double Materiality Analysis" section.

[ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes]

In 2024, The Italian Sea Group approved a new "Long Term Incentive Plan 2027-2029" stock option plan (the "**Plan**")[16], revoking the previous "Long Term Incentive Plan 2026-2028". The Plan includes financial targets alongside ESG targets covering environmental, social and governance topics.

[16] v. *The Board of Directors approves a new stock option plan and resolves to call the Shareholders' Meeting*, *Information Document on the Compensation Plan based on the allocation of Options (Stock Options) submitted for the approval of the Shareholders' Meeting of The Italian Sea Group S.P.A.*, available at Shareholders' Meeting - Investor relations.

The Plan is reserved to executive directors, general managers, executives with strategic responsibilities and/or employees with a permanent employment contract with the Company and its subsidiaries pursuant to Article 93 of the Italian Consolidated Law on Finance. The Plan is intended to align the interests of beneficiaries with those of shareholders by involving them in the shareholding structure and linking their remuneration to specific performance targets, determined for each plan cycle.

The Plan provides that the Options may be granted to the Beneficiaries within three years from the date of approval of the Plan Rules and that they may be exercised, once the Vesting Conditions have been fulfilled, during the exercise periods established for each Beneficiary by the Board of Directors and set forth in the Option Contract in accordance with the Rules. The average vesting period shall be three years. In particular, this solution was considered the most suitable for achieving the incentive and retention objectives pursued by the Plan, in line with what is envisaged by the Company's business plan.

The Plan provides for a ratio between the number of Options allocated to the individual Beneficiaries and the total remuneration received by them, differentiated on the basis of the role, responsibilities, skills and strategic importance of individual Beneficiaries. The average weighting of the variable remuneration component as compared to the fixed component for all beneficiaries is 20-30%.

The exercise of the Options is subject to the verification by the Board of Directors of the fulfilment of the following Vesting Conditions considered jointly: (i) the continuation of the relationship; (ii) the achievement of performance targets. With regard to the performance objectives, there is an incentive curve linking the number of exercisable Options to the Performance Objective achieved based on different performance levels. In the case of the first plan cycle, reference is made to the following objectives: (i) revenue; (ii) EBITDA margin; (iii) backlog; (iv) sustainability objectives.

## *TRANSITION PLAN*

### [E1-1 – Transition plan for climate change mitigation]

While recognising the crucial importance of climate change mitigation, The Italian Sea Group has not yet defined a formal transition plan for the mitigation of its emissions and alignment with the reduction targets set out in the Paris Agreement. However, the Group is aware of environmental challenges and is committed to monitoring its CO2 emissions, also evaluating the implementation of future initiatives in the next three years aligned with the evolution of the regulatory environment and industry best practices.

## *RESILIENCE OF THE STRATEGY AND BUSINESS MODEL TO CLIMATE CHANGE*

In its dual materiality process, the Group has identified three risks related to climate change.

In assessing the impact of physical and transition risks and opportunities, both moderate and high-emission climate mitigation scenarios and related resilience strategies were qualitatively assessed taking into account short, medium and long-term time horizons.

Specifically, with regard to transition risk, the potential direct and indirect impacts deriving from the process of adapting to a low-GHG emission economy that could affect the Group in terms of not adapting or adapting late to developments in environmental regulations with the potential resulting risk of fines or penalties, increase in operating costs linked to the procurement of non-renewable energy and the transition to more sustainable technologies, reputational damage and loss of credibility among stakeholders if environmental protection targets and expectations are not met. The other risk identified is a physical risk: the potential risks of climate change include an increase in the frequency and intensity of extreme weather phenomena such as droughts, floods and storms, resulting in material damage to the Group's facilities and structures and therefore impacts on productivity, rising sea levels with impacts on the construction and location in marinas and ports of infrastructure that is more robust and adaptable to any flooding, increase in global temperatures with impacts on the availability of freshwater resources and implications for the maintenance of boats and the services offered in ports and marinas. The Group maps these risks and takes them into account in order to implement policies and activities to combat them.

Note that as at the reporting date the Group does not have a complete and formalised climate scenario analysis identifying all aspects relating to the resilience of its strategy and business model in relation to climate change, nor a specific scenario analysis. However, The Italian Sea Group commits economic resources and expertise in order to counteract the effects and repercussions on its activities.

### *POLICIES*

### [E1-2 – Policies related to climate change mitigation and adaptation]

The Italian Sea Group, aware of the importance of environmental sustainability issues, has adopted an internal environmental policy[17] to address the material impacts, risks and opportunities identified through the double materiality analysis and the involvement of the Group's stakeholders. In particular, by adopting the policy, the Group undertakes to:

- Ensure an effective monitoring system of the environmental aspects related to its production activities and the services provided;
- Monitor emissions into the atmosphere and progressively reduce direct and indirect greenhouse gas emissions, thus helping to slow climate change.

The environmental policy has been drafted in keeping with environmental legislation, the authorisations signed, the Organisational, Management and Control Model and the Group Code of Ethics and applies to all Group companies. The Italian Sea Group promotes the adoption of environmental protection procedures and principles by all of its stakeholders, with a view to consolidating its commitment to climate change mitigation and adaptation, by taking actions aimed at reducing direct and indirect greenhouse gas emissions, as well as monitoring the environmental impacts associated with its production activities.

In particular, in line with the Group's policy of reducing the use of energy from fossil sources, The Italian Sea Group has installed photovoltaic systems in its plants, enabling the production of

[17] *Environmental policy*, The Italian Sea Group, available in *DOCUMENTS, POLICIES AND PROCEDURES - Investor relations*.

renewable electricity. As an example, at the Marina di Carrara shipyard, the installation of the photovoltaic system made it possible to cover all of the plant's energy requirements.

*ACTIONS*

[E1-3 – Actions and resources in relation to climate change policies]

In the context of actions aimed at reducing the climate impact of its operations, in 2021 the TISG Board of Directors approved a Euro 14 million investment plan called ***TISG 4.1***. The plan allowed for the implementation of an energy efficiency project for company facilities. In particular, a photovoltaic system was installed on an area of 22,000 square metres with a total production capacity of 2,443 MWh/year, corresponding to 25% of the shipyard's total energy consumption. The project also calls for the future installation of 22kW electric charging stations to be used in 6 electric vehicle parking spaces.

The Group estimates that the use of solar panels will help reduce greenhouse gas emissions by roughly 1,208 tonnes each year, equal to the carbon dioxide "captured" by some 7,500 trees, thus consolidating its commitment to the ecological transition pathway.

The Group is committed to preparing lines of action consistent with the pursuit of low-carbon emissions performance. This is why one of the main objectives that TISG has set for 2025 is the construction of a photovoltaic system at the CELI plant.

*TARGETS*

[E1-4 – Targets related to climate change mitigation and adaptation]

At the date on which this Report was prepared, The Italian Sea Group has not set specific targets related to the reduction of emissions at Group level.

However, in 2022, in line with its sustainability programme described above, The Italian Sea Group defined a list of qualitative targets for the 2023-2025 three-year period in relation to environmental, social and governance topics. Specifically, with regard to the commitment to reducing emissions and energy from fossil sources, the Group aims to maintain the status of Carbon Neutral by 2025 and to increase the proportion of energy from renewable sources, reaching over 95% of total consumption in 2025. However, note that a management review of the objectives is under way.

Full coverage of the consumption of the Marina di Carrara shipyard, the Group's first facility and HQ, was achieved in 2024 through the use of renewable sources, also thanks to increasing self-production. The increase in consumption in the plant is connected with the higher activity there due to the increasing number of orders received. With regard to GHG emissions, there was an increase linked to the inclusion in the boundary of Turkey, which had not previously been considered for the purposes of the Company's ESG plan.

*METRICS*

## [E1-5 – Energy consumption and mix][18]

TISG's energy consumption comes mainly from the use of electricity, diesel used to power forklifts in the shipyards and methane for heat generation. A small portion comes from the use of pellets, used exclusively at the Celi facility to fuel a stove. In 2022 the Group installed a photovoltaic plant with an annual production capacity of 2,443 MWh, thus promoting the use of renewable sources within its energy mix.

Data relating to energy consumption at the Group's plants, collected during the reporting process, testify to the Group's constant commitment to setting ambitious objectives for the management of energy consumption. These data not only reflect the focus on sustainability, but also the determination to continuously improve its energy performance. In 2024, the Marina di Carrara shipyard made considerable progress in improving its energy mix, using exclusively renewable energy. The total consumption was 14,109 MWh, of which about 2,363 MWh self-produced thanks to the installation of the photovoltaic system. Electricity from renewable sources amounting to 341 MWh was self-produced at the La Spezia facility. The Celi facility mainly used non-renewable electricity, with consumption of 398 MWh, as well as thermal energy and methane. However, The Italian Sea Group has planned the construction of a photovoltaic plant at the Celi facility, which will be completed in 2025. This project is in line with the Group's commitment to progressively reduce the use of energy from fossil sources in favour of renewable energy. The table below summarises the Group's total consumption.

| Total energy consumption and mix | u.m. | 2024 | 2023 |
|---|---|---|---|
| 1) Fuel consumption from coal and coal products | MWh | 0 | 0 |
| 2) Fuel consumption from crude oil and petroleum products | MWh | 202.46 | 174.14 |
| 3) Fuel consumption from natural gas | MWh | 1,113.64 | 380.61 |
| 4) Fuel consumption from other fossil sources | MWh | 0 | 0 |
| 5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources | MWh | 4,725.76 | 2,435.85 |
| **6) Total energy consumption from fossil sources** | MWh | **6,041.85** | **2,990.60** |
| **Share of fossil sources in total energy consumption** | % | **29.01%** | **20.59%** |
| **7) Consumption from nuclear sources** | MWh | **0** | **0** |
| **Share of consumption from nuclear sources in total energy consumption** | % | **0%** | **0%** |
| 8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) | MWh | 0 | 0 |
| 9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources | MWh | 11,745.47 | 9,503.19 |
| 10) The consumption of self-generated non-fuel renewable energy | MWh | 3,041.15 | 2,031.44 |
| **11) Total energy consumption from renewable sources** | MWh | **14,786.62** | **11,534.63** |
| **Share of renewable sources in total energy consumption** | % | **70.99%** | **79.41%** |
| **Total energy consumption** | MWh | **20,828.47** | **14,525.23** |

The increase in consumption compared to 2023 reflects the increase in activities compared to last financial year, as well as the inclusion of the Turkish Group company in the reporting scope. In order

[18] The TISG Group operates in a high climate impact sector specified in Commission Delegated Regulation (EU) 2022/1288

to align with its ESG objectives, the TISG Group will define emissions off-setting initiatives applicable also to the Turkish subsidiary starting from next financial year.

| Energy intensity | Energy consumption (MWh) | Revenues €/Mln | Energy intensity |
|---|---|---|---|
| *Year 2024* | 20,828.47 | 366 | 56.68 |
| *Year 2023* | 14,525.23 | 345 | 42.08 |

## [E1-6 – Scopes 1, 2, 3 and Total GHG emissions][19]

The Italian Sea Group monitors direct and indirect greenhouse gas emissions according to the Greenhouse Gas (GHG) Protocol, separating emissions into categories or Scopes.

- Scope 1: direct emissions deriving from sources owned and controlled by the organisation. In the case of the TISG Group, these are those caused by heat production from methane gas-fired power stations and emissions from movements in shipyards;
- Scope 2: indirect emissions resulting from the production of electricity taken from the grid and consumed by the organisation.

| Gross GHG emissions – Scope 1 and Scope 2 | Unit | 2024 | 2023 | Trend |
|---|---|---|---|---|
| gross GHG emissions - Scope 1[20] | tCO2e | 50 | 45 | **9%** |
| gross GHG emissions - Scope 2 - **location based**[21] | tCO2e | 4,295 | 3,114 | **34%** |
| gross GHG emissions - Scope 2 - **market based**[22] | tCO2e | 2,351 | 1,205 | **75%** |
| **Total GHG emissions (location based)** | tCO2e | **4,345** | **3,159** | **34%** |
| **Total GHG emissions (market based)** | tCO2e | **2,400** | **1,250** | **73%** |

Indirect GHG emissions (Scope 2) relating to the purchase and consumption of electricity were calculated using both the location-based and market-based approaches. While the "location-based" methodology considers the average greenhouse gas emission intensity of the grids on which energy consumption occurs using mainly grid average emission factor data, the "market-based" methodology considers emissions from electricity that the organisation has intentionally chosen through a contract.

| Scope 1 and Scope 2 emissions - Location based | Unit | 2024 | 2023 | Trend |
|---|---|---|---|---|
| **Total** | t CO2e | **4,345** | **3,159** | **19%** |

| Scope 1 and Scope 2 emissions - Market based | Unit | 2024 | 2023 | Trend |
|---|---|---|---|---|
| **Total** | t CO2e | **2,400** | **1,250** | **4%** |

There are no Scope 1 GHG emissions covered by regulated emission allowance trading systems at the date of this Report.

[19] With regard to Scope 3 data, the TISG Group made use of the transitional provision that allows companies with fewer than 750 employees to omit information on Scope 3 emissions for the first reporting year.
[20] The emission factors used to calculate tCO2e are taken from the DEFRA 2023 and 2024 database
[21] The conversion factors used for the calculation of Scope 2 according to the location-based method are taken from the IEA 2024 and DEFRA 2024 databases.
[22] The emission factors used for the calculation of Scope 2 according to the "market-based" method are the European Residual Mixes "AIB".

[E1-6 – GES intensity based on net revenue]

| GHG emissions intensity per net revenue | Total GHG emissions - location | Total GHG emissions - market | Revenues €/Mln | Energy intensity – location | Energy intensity - market |
|---|---|---|---|---|---|
| *Year 2024* | 4,345 | 2,400 | 366 | 11.8 | 6.4 |
| *Year 2023* | 3,159 | 1,250 | 345 | 9.2 | 3.6 |

The location-based emission intensity of the TISG Group was 9.2 (tCO2eq/Mln Euro) in 2023, while in 2024 it stood at 11.5 tCO2eq/Mln Euro. At market-based level, on the other hand, it stood at 5.9 tCO2eq/Mln Euro in 2024 compared to 3.6 tCO2eq/Mln Euro in 2023.

The value of revenue was identified as the value of Revenue from sales and services as defined in the financial disclosure.

[E1-7 Metrics - GHG removals and GHG mitigation projects financed through carbon credits]

No GHG mitigation projects financed through carbon credits were undertaken during 2024.

## ESRS E2 – POLLUTION

As yacht manufacturers, design innovation is a key pillar of the Group's strategy, which aims to reduce the spillage of pollutants harmful to the marine ecosystem. Over the years, TISG has constantly invested in R&D, going so far as to design large yachts equipped with advanced variable-speed diesel-electric propulsion systems, capable of generating only the energy actually needed for the vessel. This approach not only reduces energy consumption, but also limits emissions, vibrations and noise pollution.

Aware of the importance of reducing the environmental impact on marine resources, the Group has paid special attention to crew training in order to ensure the adequate disposal of wastewater and pollutants present on board, thus preventing damage to the surrounding environment. Furthermore, the Group is investing in the search for sustainable materials for yacht interiors and exteriors, including the use of environmentally friendly paints that do not compromise the integrity of the marine ecosystem.

In 2023, the Group obtained ISO 14001:2015 certification for the Marina di Carrara and La Spezia shipyards, confirming its commitment to environmental sustainability and continuing to implement its ESG plan. In 2024, this certification was maintained for the Marina di Carrara and La Spezia shipyards and also obtained for the Celi facility; the Group aims to maintain it in all of its facilities to achieve increasingly challenging ESG performance.

### *DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL POLLUTION-RELATED IMPACTS, RISKS AND OPPORTUNITIES*

[ESRS 2 IRO-1 – Description of the processes to identify and assess material pollution-related impacts, risks and opportunities]

Shipyard activities involve several significant marine pollution risks, including spills of chemicals, solid waste and washing water for yacht hulls In addition, during production processes, throughout the supply chain, logistics activities and product use and disposal, pollutants are emitted into the atmosphere, such as sulphur oxides, nitrogen, volatile organic compounds and carbon monoxide. However, there are business opportunities deriving from the adoption of new low climate impact propulsion systems, such as biodiesel, which would have a lower environmental impact. On the other hand, the risk of water pollution from the Group's production activity may entail remediation costs, legal and regulatory sanctions and loss of reputation.

For more details on the process carried out to identify the impacts, risks and opportunities relating to pollution, please refer to the "Double Materiality Analysis” section.

### *POLICIES*

[E2-1 – Policies related to pollution]

The Italian Sea Group considers environmental protection a crucial aspect of long-term sustainable development and sound business management. In fact, it adopts an Environmental Policy[23] aimed at:

[23] *Environmental policy*, The Italian Sea Group, available in *DOCUMENTS, POLICIES AND PROCEDURES - Investor relations*.

- Comply with all environmental laws and regulations;
- Ensure an effective monitoring system of the environmental aspects related to its production activities and the services provided;
- Continuously improve its environmental performance by setting measurable targets;
- Make efficient use of resources, particularly with reference to waste management, energy consumption and raw materials used in production activities;
- Monitor atmospheric emissions and water discharges to protect the quality of the air and marine environment;
- Take all necessary measures to prevent environmental accidents, with a particular focus on the spillage of hazardous substances;
- Raise awareness and monitor its suppliers so that they act with full respect for the environment and in accordance with the company's environmental policy.

The Group is committed to updating this Policy, in line with the evolution of legislation and national and international standards.

### *ACTIONS*

### [E2-2 – Actions and resources related to pollution]

As part of its initiatives to reduce polluting resources, when requested by customers TISG installs solar panels on yachts for green energy production and DPF (Diesel Particulate Filters) systems for particulate abatement, along with innovative exhaust gas treatment technology for reducing nitrogen oxide (NOx) emissions.

The Group is committed to preparing lines of action consistent with the pursuit of low-carbon emissions performance, by reducing the use of fossil sources.

### *TARGETS*

### [E2-3 – Targets related to pollution]

At the date on which this Report was prepared, the TISG Group has not set pollution-related targets at Group level in terms of emission reductions.

In 2022, in line with its sustainability programme, The Italian Sea Group defined a list of qualitative targets for the 2023-2025 three-year period in relation to environmental, social and governance topics. Specifically, as far as the commitment to pollution reduction is concerned, the Group has maintained ISO 14:001 certification and has committed to having the certification confirmed for 2025 as well. Note that a management review of the objectives is under way.

*METRICS*

[E2-4 – Pollution of air, water and soil]

TISG's production activity generates emissions into the atmosphere originating from the method of external expulsion of pollutants. The emissions concern:

- different phases of production processes;
- methane gas-powered thermal power plants.

| Emissions of air pollutants | u.m. | 2024 | 2023 | Trend (2024/2023) |
|---|---|---|---|---|
| Nitrogen oxides (NOx) | T | 10.30 | 41.20 | -75% |
| Non-methane volatile organic compounds (NMVOCs) | | 3.17 | 1.16 | 173% |
| Fine particulate matter (PM2.5) | | 0.02 | 0.02 | 10% |

The data collection process for the accounting and reporting of pollution at CELI 1920 S.r.l. follows a precise protocol, in accordance with Single Environmental Authorisation No. 139/2019. The data collected mainly concern the concentration of particulates and volatile organic compounds (VOCs) in gaseous emissions. The sampling points are selected based on pipe geometric features and official methodologies, guaranteeing that the measurements are representative as well as precise. The instruments used include particulate filters, hot VOC analysers and devices for measuring effluent velocity and flow rate. The data collected is analysed to determine compliance with environmental regulations and is used for emissions reporting.

At the date on which this Report was prepared, there were no emissions of pollutants into the water.

## ESRS E3 - WATER AND MARINE RESOURCES

The Italian Sea Group adopts a corporate philosophy that pays the utmost attention to the management of water consumption, with a particular focus on resource optimisation. This approach is particularly evident at the Marina di Carrara shipyard, where only seawater is used, rather than freshwater, for cooling the yachts' systems and for yacht body water-tightness tests.

The Group's commitment to safeguarding the marine ecosystem is also expressed through significant investments in Research & Development, aimed at creating increasingly environmentally friendly vessels. These efforts take shape in the use of sustainable materials for yacht exteriors, as alternatives to teak, and the adoption of low environmental impact paints that are not harmful to marine habitats.

TISG's focus on the marine ecosystem also extends to the promotion of initiatives aimed at the optimal management of water resources, the protection of marine ecosystems in its structures' operating areas, the recovery of black and grey water, the proper disposal and recycling of materials, as well as the use of renewable energy sources, by installing solar panels.

### *DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL WATER AND MARINE RESOURCES-RELATED IMPACTS, RISKS AND OPPORTUNITIES*

[ESRS 2 IRO-1 – Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities]

The management of water resources is a crucial aspect for our company's environmental and operational sustainability. This chapter focuses on the analysis and management of wastewater generated by production activities and players in the value chain. Wastewater production is a direct result of our operations, including yacht construction and maintenance processes, as well as supplier and subcontractor activities. Each phase of the production process, from material processing to painting, contributes to the generation of wastewater that needs to be managed and treated properly to minimise environmental impacts.

Furthermore, during yacht production, the water used to wash and clean hulls can collect residues of paints, solvents and anti-fouling agents. If these substances are not disposed of properly, they could end up directly in the sea, causing a significant impact on the marine environment. Ineffective management of water resources and non-compliance with authorised limits may lead to the risk of local water resource depletion, in addition to exposing the company to administrative, disqualification and criminal penalties deriving from the failure to comply with environmental laws and regulations. Therefore, it is essential to implement effective and compliant water management practices to ensure the long-term sustainability of our operations and the protection of the environment.

For more details on the process carried out to identify the impacts, risks and opportunities relating to water resources management, please refer to the "Double Materiality Analysis" section.

## *POLICIES*

### [E3-1 – Policies related to water and marine resources]

The Italian Sea Group adopts a very waste-conscious corporate philosophy when it comes to water consumption as well. This is why it optimises the use of seawater rather than freshwater whenever the type of activity makes it possible.

At all stages of the value chain, the approach adopted by the company for the protection of water resources is fully reflected in the principles established in the Environmental Policy[24], which can be consulted on the Group's website. This policy has been drafted in full compliance with environmental legislation, the authorisations signed, the Organisational, Management and Control Model and the Group Code of Ethics.

The Italian Sea Group considers environmental protection a crucial aspect to guarantee long-term sustainable development and sound business management. Therefore, in compliance with its Environmental Policy, the Group undertakes to:

- Comply with all environmental laws and regulations;
- Ensure an effective monitoring system of the environmental aspects related to its production activities and the services provided;
- Continuously improve its environmental performance by setting measurable targets;
- Monitor atmospheric emissions and water discharges to protect the quality of the air and marine environment;
- Take all necessary measures to prevent environmental accidents, with a particular focus on the spillage of hazardous substances;
- Raise the awareness of its employees on environmental topics and encourage them to apply good environmental practices;
- Raise awareness and monitor its suppliers so that they act with full respect for the environment and in accordance with the company's environmental policy.

Although no production site of the company is located in areas of high water stress, in keeping with the above objectives and given the growing importance for environmental issues, the Group is committed to defining a policy for the management of water resources aimed also at minimising the water consumption of production operations and updating it periodically in light of any regulatory changes.

## *ACTIONS*

### [E3-2 – Actions and resources related to water and marine resources]

The Group is committed to developing lines of action consistent with a long-term vision for the responsible management of water resources. The Italian Sea Group, aware of the importance of this issue, is evaluating the development of a water resource management policy, which will include specific monitoring and the definition of medium and long-term objectives, maintaining its constant commitment to raising awareness of the issue with respect to the company's employees to minimise the impacts of its production activities.

[24] *Environmental policy*, The Italian Sea Group, available in [*DOCUMENTS, POLICIES AND PROCEDURES - Investor relations*].

*TARGETS*

## [E3-3 – Targets related to water and marine resources]

At the date on which this Report was prepared, The Italian Sea Group has not set water resource management-related targets at Group level.

*METRICS*

## [E3-4 – Water consumption]

In accordance with its environmental policy, the Italian Sea Group devotes particular attention to reducing the consumption of water resources during its production activities. In this context, particularly noteworthy is the fire-fighting system at the Marina di Carrara shipyard, which uses only seawater, as does yacht system cooling and yacht water-tightness body testing. Details are provided below on water consumption relating to own operations, in cubic metres.

| Water Consumption[25] | u.m. | 2024 | | 2023 | |
|---|---|---|---|---|---|
| | | All areas | High water-stressed areas | All areas | High water-stressed areas |
| **Total water withdrawal** | m3 | 78,335 | | 93,487 | |
| Freshwater (<=1,000 mg/L total dissolved solids) | | 78,335 | | 100,442 | |
| Other water (> 1000 mg/L total dissolved solids) | | | | | |
| **Total water discharges** | | | | 800 | |
| Freshwater (<=1,000 mg/L total dissolved solids) | | | | 800 | |
| Other water (> 1000 mg/L total dissolved solids) | | - | | - | |
| **Total water consumption** | | 78,335 | | 92,687 | |
| Freshwater (<=1,000 mg/L total dissolved solids) | | 78,335 | | 99,642 | |
| Other water (> 1000 mg/L total dissolved solids) | | - | | - | |

In 2024, water consumption declined by around 12% compared to 2023, in compliance with the Group's ongoing commitment to reducing water consumption at its facilities.

The water consumption recorded is not only attributable to the production activity, but also to ancillary services offered to crews and employees as part of the company welfare programme at the Village at the Marina di Carrara site. These services include a gourmet restaurant, spa and lounge bar.

The TISG Group does not have internal systems for water recycling or storage. The water necessary for business operations is withdrawn from the local water service, managed by the integrated water service company. Therefore, total water consumption in cubic metres is determined on the basis of

[25] In the 2023-2024 two-year period, water discharges are equal to zero; therefore, water withdrawals correspond entirely to the amount of water consumption recorded in the same reference period. It should also be noted that the information provided refers to Italian offices.

the measurements provided by the service, which monitors and charges for water consumption for the different business activities.

With regard to the effluent produced by the painting department, our company uses the services of an external operator for the proper disposal of wastewater, in line with current environmental regulations. The volumes of effluent treated and disposed of are managed by this supplier, which monitors and reports on the entire process.

| Water Intensity | u.m. | 2024 | 2023 |
|---|---|---|---|
| Total water consumption ($m^3$) | $m^3$ | 78,335 | 92,687 |
| Net revenues from own operations | Mln Euro | 366 | 345 |
| **Water intensity** | **$m^3$/ Mln Euro** | **214.03** | **268.49** |

## ESRS E5 - RESOURCE USE AND CIRCULAR ECONOMY

The Italian Sea Group fully endorses and supports the European Union's vision, aligning with the objectives outlined in the Green Deal and promoting an approach oriented towards the circular economy and waste recycling. In 2024, during the double materiality analysis, the Group's stakeholders identified the topic of the circular economy and waste management as material, arousing considerable interest, in parallel with the management of water resources and raw materials.

With regard to the management of outgoing resources, The Italian Sea Group adopts an advanced waste management system, which includes a dedicated environmental area for sorting materials to be disposed of and strict internal controls during the storage phase. The Group is also aligned with the commitments made by the main industry players, implementing initiatives in its shipyards for the more efficient management of water resources, with a particular focus on black and grey water recovery, as well as the proper disposal and recycling of materials.

### *DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL THE MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO RESOURCE USE AND THE CIRCULAR ECONOMY*

[ESRS 2 IRO-1 – Description of the processes to identify and assess material the material impacts, risks and opportunities related to resource use and the circular economy]

Resource use and the circular economy are fundamental elements to ensure the sustainability and efficiency of our operations. This chapter examines our company's approach to using high quality and valuable materials from traceable sources and suppliers, which not only improve the aesthetics and durability of our products, but also contribute to greater resistance over time. However, the use of materials with a greater environmental impact, such as non-renewable, non-recyclable and non-disassemblable materials, represents a significant challenge in terms of pollution and waste management.

The production and management of hazardous and non-hazardous waste deriving from our production activities generate negative impacts on the environment, making it essential to adopt effective management practices. In addition, inefficient material use contributes to resource waste, underscoring the need to improve our production processes. The introduction of new innovative yacht building technologies, such as the use of recycled materials and the installation of solar panels for powering on-board systems, represents a step forward towards greater production efficiency and sustainability. These initiatives not only reduce our environmental impact, but also improve our competitiveness in the global market.

For more details on the process carried out to identify the impacts, risks and opportunities relating to resource use and the circular economy, please refer to the "Double Materiality Analysis” section.

### *POLICIES*

### [E5-1 – Policies related to resource use and circular economy]

TISG's Environmental Policy[26] affirms the Group's commitment to implementing resource efficiency practices, particularly as concerns waste management, energy consumption and the raw materials used. Indeed, according to this Policy, TISG undertakes to:

- Comply with all environmental laws and regulations;
- Ensure an effective monitoring system of the environmental aspects related to its production activities and the services provided;
- Continuously improve its environmental performance by setting measurable targets;
- Take all necessary measures to prevent environmental accidents, with particular attention to the spillage of hazardous substances;
- Raise the awareness of its employees on environmental topics and encourage them to apply good environmental practices;
- Raise awareness and monitor its suppliers so that they act in full respect of the environment and in accordance with the company's environmental policy.

The Group is committed to updating this Policy, in line with the evolution of legislation and national and international standards. In addition, in 2023, The Italian Sea Group obtained ISO14001:2015 certification for the Marina di Carrara and La Spezia shipyards, confirming its commitment to environmental sustainability and continuing in line with the company's ESG programme implementation plan. In particular, the Group has promoted responsible and efficient resource consumption, together with a rigorous waste reduction policy, which was further strengthened after obtaining the ISO 14001:2015 certification for Marina di Carrara, La Spezia and CELI.

With specific regard to the topic of circular economy, to date the Company does not have dedicated policies and/or risk/opportunity assessments specific to the circular economy. Note that the company's business model – focused solely on full-custom steel products with a high level of quality and aesthetics – does not lend itself to a significant use of any recycled materials. That said, and while maintaining the company's main focus on the quality of the final product, the Group has already initiated some internal analyses involving the purchasing department to assess the opportunity to prefer suppliers of recycled materials where possible.

### *ACTIONS*

### [E5-2 – Actions and resources in relation to resource use and circular economy]

The Group is committed to developing lines of action consistent with a long-term vision for the responsible management of resources. The Italian Sea Group, aware of the need to implement a circular economy within its business, is evaluating the development of a resource efficiency policy, which will include specific monitoring with regard to waste management, energy consumption and the raw materials used and the definition of medium and long-term objectives, maintaining the constant commitment to raising awareness of the issue among the company's employees to minimise the impacts of its production activities.

[26] *Environmental policy*, The Italian Sea Group, available in *DOCUMENTS, POLICIES AND PROCEDURES - Investor relations*.

Implementing a circular economy approach in a company that produces full custom yachts such as The Italian Sea Group poses several challenges. First of all, the highly personalised nature of these yachts requires specific materials and components that are often not easily recyclable or reusable. In addition, tailor-made production involves unique work processes that can generate waste that is difficult to reintegrate into the production cycle. The durability and high quality demanded by customers for their custom yachts may limit the use of recycled materials, which may not meet the desired aesthetic and functional standards. These factors make the adoption of a circular economy approach an ambitious goal that is difficult to achieve for companies operating in this sector.

## *TARGETS*

### [E5-3 – Targets related to resource use and circular economy]

At the date on which this Report was prepared, The Italian Sea Group has not set resource and circular economy-related targets at Group level.

## METRICS

### [E5-4 – Resource inflows]

For the construction of the hulls and superstructures of its yachts, the Group uses mostly steel and aluminium, 100% recyclable materials, while the use of fibreglass is limited to a small percentage of production, dedicated to the speed yachts of the “Tecnomar for Lamborghini 63” line.

The following tables show the main products and materials used[27]:

| Resource inflows | u.m. | Type | Total weight |
|---|---|---|---|
| Furniture supplies | T | FP | 331.50 |
| Steel and Stainless Steel Sheets and Profiles | | RM | 277.00 |
| Stucchi | | FP | 199.20 |
| Electrical cables and equipment | | FP | 174.00 |
| Aluminium | | RM | 122.10 |
| Stainless steel profiles | | SF | 121.40 |
| Exhaust gas pipes | | SF | 97.60 |
| Insulating materials | | SF | 90.00 |
| Sundry painting products | | FP | 88.70 |
| Doors and hatches | | FP | 86.70 |
| Generator unit motors | | FP | 75.80 |
| Entertainment equipment | | FP | 64.90 |
| Movement systems and walkways | | FP | 60.00 |
| Nav-Com systems | | FP | 45.60 |
| Deck machinery | | FP | 44.60 |
| Sundry wood | | SF | 42.40 |
| Portholes and wind screens | | FP | 39.00 |
| Anchors and mooring chains | | FP | 36.00 |
| Windows | | FP | 36.00 |
| Conduit supplies | | FP | 35.25 |
| Shaft lines and propulsion systems | | FP | 33.00 |
| Air-conditioning machinery | | FP | 32.19 |
| System pipes | | SF | 32.00 |
| Propulsion propellers | | FP | 30.00 |
| Others[28] | | | 322.86 |
| **Total** | | | **2,517.8** |

The data reported were recovered from the purchasing office through documentation underlying the purchase of raw materials, semi-finished products and finished products.

With regard to the production process managed by the Group companies, there are no biological materials used to manufacture the yachts. With regard to the recyclability of the components, no specific activity or focus is currently envisaged except for the possibility of recycling some of them independently by the ship operators at the end of the product's life in consideration of the type of material to be disposed of.

[27] The data in the table were obtained through estimates made by the company function responsible for these figures. Starting from the economic value of the orders relating to the various product categories, the tonnes of material purchased during the year were estimated by referring to the current market value.
[28] The item "Other" includes quantities of resource outflows from the company CELI 1920 S.r.l.

## [E5-5 – RESOURCE OUTFLOWS] [29]

The Italian Sea Group uses an advanced waste management system consisting of a dedicated environmental area with individual disposal sections categorised by material and strict internal controls during storage.

Details are provided below of the volumes of waste produced during the reference period, broken down by whether it is hazardous and whether it will be sent for disposal. Both recovery and disposal are carried out at a site outside the company.

The increase in the amount of hazardous waste was caused by the significant increase in production activities and the inclusion of the company TISG Turkey in the reporting scope.

| Waste diverted from disposal | Associated recovery codes | u.m. | 2024 | 2023 |
|---|---|---|---|---|
| **Hazardous waste** | | | **112.10** | **63.05** |
| Preparation for reuse | R2-R6-R9 | | - | - |
| Separate waste collection | R3-R4-R5 | | - | - |
| Other recovery operations | R1-R7-R8-R10-R11-R12-R13 | | 112.10 | 63.05 |
| **Non-hazardous waste** | | T | **1,251.09** | **463.62** |
| Preparation for reuse | R2-R6-R9 | | - | - |
| Separate waste collection | R3-R4-R5 | | - | - |
| Other recovery operations | R1-R7-R8-R10-R11-R12-R13 | | 1,251.09 | 463.62 |
| **Total** | | | **1,363.19** | **526.67** |

| Waste directed to disposal | Associated disposal codes | u.m. | 2024 | 2023 |
|---|---|---|---|---|
| **Hazardous waste** | | | **161.31** | **99.75** |
| Incineration | D10-D11 | | - | - |
| Landfill | D1-D5-D12 | | 9.80 | 25.00 |
| Other disposal operations | D2-D3-D4-D6-D7-D14-D15-D13-D9-D8 | | 151.51 | 74.75 |
| **Non-hazardous waste** | | T | **559.19** | **566.85** |
| Incineration | D10-D11 | | - | - |
| Landfill | D1-D5 | | - | - |
| Other disposal operations | D2-D3-D4-D6-D7-D12-D14-D15-D13-D9-D8 | | 599.61 | 566.85 |
| **Total** | | | **717.5** | **666.59** |

In the course of 2024, there was a significant increase in waste recovered (diverted from disposal) compared to the previous year. In particular, hazardous waste diverted from disposal increased from 63.05 tonnes in 2023 to 112.10 tonnes in 2024. This increase is mainly attributable to recovery operations other than separate collection and preparation for reuse, which saw a corresponding increase.

The total waste generated by the TISG Group stood at 2,081 tonnes in 2024 (+74% compared to 2023). Most of the waste generated consists of materials such as wood, iron, steel and aluminium related to building operations. There is also a small part of mixed waste linked to demolition activities.

[29] At the date of drafting of this document, no radioactive waste was recorded in the reporting period as defined by Council Directive 2011/70/Euratom.

## SOCIAL INFORMATION

## ESRS S1 - OWN WORKFORCE[30]

The Italian Sea Group is increasingly convinced that people represent the most valuable asset for an organisation. This is why it is committed to attracting the best talent, retaining and motivating its resources, fostering their professional development and personal growth, as well as implementing incentive systems aimed at guaranteeing adequate commitment and retention levels, in compliance with the company's rewarding policy.

As a demonstration of the Group's strong commitment to the development of its human capital capabilities, in 2021 the TISG Academy was established, an initiative aimed at making the Group's skills and know-how available to all employees, in order to cultivate the company's human capital and counter the rampant “talent shortage” phenomenon. A founding element of the project is the offer of training programmes that aim to develop both hard skills and soft skills, as well as specific technical skills in the yachting sector. The lowest common denominator of the annual training programmes is the constant focus on technical and aesthetic quality, the fundamental values of the corporate philosophy.

Convinced that each person within TISG has unique potential, social responsibility represents the strategic pillar of our business, as well as the guiding principle of every daily choice, through active participation in the achievement of a just transition, in line with the founding principles of the Green Deal.

### *INTERESTS AND VIEWS OF STAKEHOLDERS*

[ESRS 2 SBM-2 – Interests and views of stakeholders]

As anticipated in the section "SBM-2 Interests and views of stakeholders", the Human Resources department of the TISG Group seeks to constantly listen to the requests of its employees (an example is the ESI survey on the quality of the working environment) and provide senior management with elements on which to make strategic decisions.

The TISG Group has adopted a code of ethics implemented by all group companies through which it prevents all forms of forced and child labour.

### *DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO OWN WORKERS*

[ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model]

Human resources management is a crucial element for the TISG Group’s success and sustainability. This chapter focuses on challenges and opportunities linked to personnel management, with a particular focus on work-life balance, especially during delivery periods, and the lack of smart working agreements, made difficult by the nature of our sector. Excessive working hours can lead to a decrease in employee well-being of and a reduction in productivity, while improvements can be

[30] All quantitative data referring to the topics related to ESRS S1 were processed using the database received from the consulting firm, which includes all of the data of The Italian Sea Group employees.

achieved in the corporate climate and employee well-being by protecting the freedom of association, collective bargaining and the right of workers' representation.

Workforce satisfaction is fundamental and may be achieved by offering training courses for the development of new skills, benefiting both the professional growth of employees and their career advancement. However, incidents of accidents at work and occupational diseases due to the incorrect application of PPE, as well as incidents of discrimination and denial of equal opportunities, represent critical issues that need to be urgently addressed. Employee data management is another critical aspect, with possible negative impacts in terms of the loss of sensitive data.

Furthermore, a lack of good working conditions, incidents of human rights violations and forced and child labour may have significant negative impacts. The risk linked to the presence of key corporate positions without adequate back-up coverage or succession plans, as well as the risk of not having sufficient personnel, can negatively affect productivity as well as operational efficiency. Lastly, the attraction and retention of qualified personnel, the management of trade union representatives and cybersecurity are fundamental aspects to ensure company continuity and growth.

For more details on the process carried out to identify the impacts, risks and opportunities relating to the own workforce, please refer to the "Double Materiality Analysis" section.

### *POLICIES*

### [S1-1 – Policies related to own workforce]

The personnel management policy of The Italian Sea Group is intended to support to the pursuit of corporate objectives linked to sustainable development, as well as the creation of value for all Group stakeholders. The culture of respect for the individual is considered a founding value for the Company and, together with the complex set of relational, intellectual, organisational and technical skills of each employee and independent contractor, constitutes a fundamental asset for the pursuit of corporate objectives. The **Policy on the Protection of Human Rights**[31] and the **Policy on the Protection of Diversity and Inclusion**[32] document the Group's commitment to ensuring equal opportunities and respect for human rights, in compliance with international standards, including the Universal Declaration of Human Rights and the fundamental Conventions of the International Labour Organization (ILO) on Fundamental Principles and Rights at Work. Specifically, the Policy on Diversity and Inclusion is inspired by the United Nations 2030 Agenda and aims to implement the following Sustainable Development Goals: 5 – Gender Equality, 8 – Decent Work and Economic Growth, 10 – Reduced Inequalities.

The Group firmly promotes respect for the dignity of others and in no way tolerates sexual, ethnic, religious, political, social or any other discrimination, in accordance with the **Group Code of Ethics**[33]. The Italian Sea Group is also committed to the creation of a healthy work environment able to promote the physical and psychological well-being and personal growth of the individual in the name of equal opportunities and mutual respect. The development of people and their diversity is an essential element of The Italian Sea Group's human resources management and the Group's broader ESG strategy. In the Policy on the Protection of Diversity and Inclusion, The Italian Sea Group commits

[31] *Policy on the Protection of Human Rights*, The Italian Sea Group, available in *DOCUMENTS, POLICIES AND PROCEDURES - Investor relations*.
[32] *Policy on the Protection of Diversity and Inclusion*, The Italian Sea Group, available in *DOCUMENTS, POLICIES AND PROCEDURES - Investor relations*.
[33] *Group Code of Ethics*, The Italian Sea Group, available in *DOCUMENTS, POLICIES AND PROCEDURES - Investor relations*.

to abolishing all forms of discrimination, promoting equal opportunities and reducing the gender pay gap in order to create an inclusive work environment.

The Group pursues the creation of a professional environment based on the principles of equal opportunities and inclusion, by developing and implementing diversity management initiatives, including:

- Disseminating inclusive managerial and leadership styles aware of the value of differences among employees;
- Imposing a system of internal rules that guarantees a work environment inspired by transparent conduct, based on mutual trust and the principles of equal opportunities for people;
- Identifying cultural, organisational and relational obstacles that prevent full job inclusion.

The management plays a central role in ensuring equity, inclusion and non-discrimination, by promoting an environment open to the expression of all and free of discrimination, to stimulate innovation and the generation of new ideas and projects. Particular importance is attributed to the Human Resources function, in charge of implementing the principles of this Policy[34] and enhancing diversity across all levels and in the different phases of company life. In line with ESG principles, the Human Resources function promotes cultural and organisational change, collaborating with all other company support and business areas.

With regard to the protection of human rights, the Group recognises the benefits of an international and social order in which rights and freedoms are fully respected. This is why The Italian Sea Group is committed to ensuring the full protection of the human rights of its employees, taking the utmost care in identifying situations that may involve the risk of violations. In the course of its activities, the Group is committed to combating all forms of discrimination, corruption, exploitation of child labour and forced labour, by promoting the dignity, health, freedom and equality of all workers at all times.

The Italian Sea Group guarantees respect for the fundamental rights at work enshrined by the ILO. In particular, it guarantees the freedom of association and the recognition of the right to collective bargaining by its employees, as well as the elimination and combating of all forms of forced labour and the exploitation of child labour. Furthermore, the Group does not allow and does not tolerate the establishment of employment relationships in violation of current regulations on child, female and immigrant labour and protection against labour exploitation practices.

TISG's employment policies do not discriminate on the basis of race, colour, gender, religion, nationality, social origin, political opinion, age or disability.

The Italian Sea Group is also aware of the importance of its own workforce for the pursuit of the company strategy. Therefore, in order to counter the risk of not having specialised human capital with adequate skills for the growth and development objectives defined at corporate level, it has adopted a corporate incentive policy (rewarding policy), which includes:

- An **annual salary review** system, which is an organisational process through which the Company reviews and evaluates salaries on an annual basis, inspired by the principles of fairness, competitiveness and meritocracy in line with the Company's values, governance and remuneration policy;

[34] *Policy on the Protection of Diversity and Inclusion*, The Italian Sea Group, available in *DOCUMENTS, POLICIES AND PROCEDURES - Investor relations*.

- A **short-term variable remuneration system** provided for the managerial population and represented by the individual "MBO" - Management by Objectives - reward system. The MBO system aims to promote the achievement of annual business objectives and involves the assignment of a certain number of measurable objectives reported from time to time in the individual sheets shared with the parties concerned at the beginning of each new period. The MBO system applies to Executives with strategic responsibilities and other managers with technical and management coordination roles;
- A variable long-term remuneration system represented by the "Long Term Incentive Plan 2027-2029" share incentive plan for executive directors, general managers and executives with strategic responsibilities;
- A life-long learning system involving the organisation on an annual basis of professional and managerial training and development programmes using the TISG Academy, a project designed to face the rampant talent shortage phenomenon by creating courses of excellence for company employees and those graduating from Italian universities.

TISG's Health and Safety policy is included in the **Group Code of Ethics**[35] and applies to all Group companies. These companies are committed to ensuring safe and healthy work environments by constantly improving key processes to achieve effectiveness and efficiency objectives. The Group devotes the utmost attention and commitment to maintaining adequate conditions for occupational health and safety, in full compliance with current regulations and the standards established by ISO 45001 certification (Health and Safety Management Systems)[36], with a view to preventing accidents and/or crimes deriving from violations of regulations protecting occupational health and safety.

Decisions on occupational safety are taken at all levels, both top-tier and operational, following the core principles established by European Directive No. 89/391. These principles include: avoiding risks, assessing those that cannot be avoided, addressing risks at the source, taking technological developments into account, replacing hazards with safer solutions and planning prevention in an integrated manner.

The Group companies apply these principles to adopt the necessary measures to guarantee occupational health and safety, by preventing professional risks, training, informing and assigning individual accountability for occupational safety to both internal personnel and contract personnel through their respective employers, to achieve a model of widespread accountability and intelligence. The designated managers constantly monitor compliance with preventive measures, seeking to avoid any carelessness in risky activities and gathering suggestions from employees to further improve safety. In particular, The Italian Sea Group has set the goal of optimising its process efficiency through accurate and constant control, aimed at ensuring "zero defects" production and achieving high personnel safety levels. This includes a commitment to minimising occupational accidents and diseases, as well as progressively reducing environmental impacts throughout the entire product life cycle, while also ensuring competitiveness in production and management costs.

In addition, the Group undertakes to maintain dialogue and collaboration with workers' representatives, civil society, local authorities, trade associations, supervisory authorities and any

[35] *Group Code of Ethics*, The Italian Sea Group, available in *DOCUMENTS, POLICIES AND PROCEDURES - Investor relations*.
[36] The Integrated Quality, Safety and Environment Management System complies with the UNI EN ISO 9001, UNI EN ISO 45001 and UNI EN ISO 14001 international standards.

other party concerned, in order to make the company's approach to occupational health and safety clear and transparent.

The Group assesses accidents on a monthly basis by means of special indicators in the "company dashboard"[37] codified in the safety management system. In the event of an accident, the internal report is forwarded to the prevention and protection service, which is called upon to carry out an initial investigation and issue, where appropriate, corrective actions. In some cases, documents in the form of safety notes are issued to disseminate information and recommended mitigation actions within the appropriate circles. The Group's top management is involved in monitoring accident (and occupational disease) trends and is made aware of any corrective action taken by the company.

Considering work-life balance to be an essential element for employee well-being, The Italian Sea Group is committed to undertaking initiatives to support the work-life balance of its personnel. In addition, the Group strives to promote respect for these rights by its business and trading partners as well.

In the event of problems or violations of the human or workers' rights protected by this policy, a report may be submitted to the Legal Affairs Department using the email address available on the Group's website, or using the mailbox located at the Marina di Carrara office.

## [S1-2 – Processes for engaging with own workforce and workers' representatives about impacts]

At the Italian companies of The Italian Sea Group, communication with internal Unitary Trade Union Representatives (RSUs) and trade union associations is kept active by means of periodic meetings, which can be intensified depending on the needs of the projects or issues to be discussed. The Human Resources Department is responsible for worker engagement. Although there are no pre-established periodic meetings, there are frequent interactions between the company and the company RSUs. Engagement modalities often include phone calls, discussions and alignment meetings. Currently, we are waiting for the trade unions to begin the procedure to renew the RSUs. The same applies to the provincial secretariats of the FIM, FIOM and UILM unions of La Spezia and Carrara/Massa, where most of the contacts take place by telephone and without any specific frequency, but as needed.

## [S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns]

Employee engagement is a fundamental factor in The Italian Sea Group's corporate philosophy. This is why the company is constantly committed to developing increasingly effective tools to encourage the engagement of its workforce, with the aim of building a relationship based on mutual respect and trust. With this in mind, the Group has established an email address, in addition to a physical mailbox at the Marina di Carrara shipyard, for the reporting of any human rights violations, as well as diversity and inclusion topics.

[37] The company indicators of the Integrated Quality and Safety Management System include the **Injury Frequency Index** (IFI), the **Injury Severity Index** (IGI) and the **Injury Index** (total hours injured/total hours worked) (II), which are monitored on a monthly basis, to keep accident trends under control and trigger appropriate corrective actions after each event.

Pursuant to Article 6, paragraph *2-bis* of Italian Legislative Decree No. 231/2001, The Italian Sea Group has also adopted the Whistleblowing Procedure[38] concerning reporting on conduct, acts or omissions that harm the public interest or the integrity of the public administration or private entity, of which the whistleblower has become aware in their public or private work context. The whistleblowing procedure constitutes an essential component of the 231 Organisational Model, within which the Supervisory Board (SB) is assigned responsibility for monitoring the implementation of and compliance with the principles of the Model.

The report is submitted through a computer platform, accessible at the following link: https://tisg.segnalazioni.eu/#/ available in the footer of the website https://theitalianseagroup.com/. This platform uses encryption tools to guarantee the privacy of the whistleblower, the facilitator, the person involved and/or the parties otherwise mentioned in the report, the content of the report and the associated documentation.

Whistleblowing reports may be made anonymously by any employee, independent contractor, supplier or consultant, as well as third parties engaging in business relations with the Company and anyone who has an interest of their own and/or of third parties or becomes aware of alleged irregularities concerning the Group. Whistleblowing reports may relate to the commission of an offence relevant for the purposes of Italian Legislative Decree No. 231/2001, or a violation of the Organisational Model and Code of Ethics, or even violations of company procedures and policies. The procedure also ensures the absolute confidentiality of the whistleblower and the persons mentioned in the report. Please recall that, pursuant to The Italian Sea Group's Code of Ethics, there may be no negative consequences for anyone who has made a whistleblowing report in good faith, and the confidentiality of whistleblower identity is ensured in accordance with specific internal procedures, without prejudice to legal obligations.

With regard to investigation activity, the Joint Whistleblowing Committee (hereinafter also "Committee") consisting of the Internal Audit manager and two members of the Supervisory Board, checks for the report's fulfilment of essential requirements to assess its admissibility and therefore be able to grant the whistleblower the established protections.

Once the admissibility of the report has been confirmed, the Committee initiates an internal investigation to examine the facts or conduct reported to assess their veracity and, afterwards, provides a response to the whistleblower, indicating the actions it intends to take in relation to the report. In any case, within three months, the Committee will inform the whistleblower about:

- the dismissal of the report;
- the initiation of an internal investigation, with its findings, if applicable;
- the measures taken to address the issue raised;
- referral to a competent authority for further investigation.

The response may also be open-ended, consisting of a communication of information relating to the actions that the Committee intends to take and investigation progress. When the investigation is complete, the Committee must in any case notify the whistleblower of the final outcome.

[38]*Whistleblowing Procedure*, The Italian Sea Group, available in *DOCUMENTS, POLICIES AND PROCEDURES - Investor relations*.

The Report of the Board of Statutory Auditors indicates the number of whistleblowing reports received and provides an account of the investigations carried out by that Board. In particular, there were no whistleblowing reports during the year.

The Italian Sea Group is committed to distributing information in its workplaces concerning the use of the internal and external channel. In detail, this information is displayed in points visible and accessible to all parties concerned, both in the workplace and in the dedicated section of the Company's institutional website.

This procedure is also addressed in courses and training sessions relating to the Organisational, Management and Control Model pursuant to Italian Legislative Decree 231/2001.

## [S1-4 – Taking action on material impacts on own workforce, and approaches to manage material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions]

During 2024, The Italian Sea Group undertook a series of strategic actions aimed at managing impacts, mitigating risks and pursuing material opportunities. In particular, the Group focused on the prevention and reduction of risks to employees, particularly in relation to health, safety, discrimination and harassment. These initiatives were implemented by means of continuous training on occupational safety policies and the improvement of communication relating to safety and company work procedures both internally and externally, through:

- the involvement of contractors in at least five dedicated meetings with the RSPP – Prevention and Protection Service Manager;
- updating of the worker course on specific jobs by at least 50%;
- updating of personnel on reporting procedures to reach at least 15 reports per year.

The Group has developed an integrated approach to risk management, committing to conducting regular audits and implementing targeted preventive measures. It has also promoted specific programmes to combat discrimination and harassment, adopting, among other things, the Whistleblowing Procedure.

In the event of incidents relating to incidents of discrimination, accidents or safety violations, the Group implements an internal procedure calling for the immediate initiation of investigations to identify the causes and responsibilities. Once the investigations are completed, corrective actions are taken to resolve the issues identified, which may include the modification of safety processes or legal actions, if discriminatory behaviour is confirmed.

Aware of the importance of ensuring an inclusive work environment, The Italian Sea Group has undertaken a series of initiatives to promote the mental and physical well-being of its employees. These include team building activities, continuous training programmes and making available company facilities such as a canteen, a spa and a gym. On the Health and Safety front, the Group has called for greater employee participation in risk assessment updating, with the participation of the supervisors and managers at a minimum of nine annual meetings and Workers' Safety Representatives (RLS) at six annual meetings, in order to ensure the continuous updating and improvement of company procedures regarding risk assessment.

Action effectiveness monitoring is ensured by:

- periodic occupational safety audits and non-discrimination policy compliance checks;
- employee feedback gathered through internal surveys, meetings with trade union representatives and other participation tools;
- monitoring of system objectives described in the management review;
- continuous review process, based on the data collected, to constantly improve actions and ensure the improvement of working conditions.

The Italian Sea Group has developed robust practices to ensure the safety of its employees by disseminating a philosophy of safety at work and knowledge of the dangers inherent in the activities carried out. This is why the Group carries out training courses to allow the workforce to acquire useful skills for emergency management and prevention. Periodic audits and inspections of working conditions are carried out to identify and resolve any physical or psychological risks. The effectiveness of these actions is evaluated via the monitoring of occupational safety statistics, accident reports and the analysis of feedback received from employees during interviews. Internal audits and frequent inspections make it possible to identify any areas for improvement in safety management and the protection of workers' rights. In addition, the Group relies on the ISO 45001 certification to implement a policy aimed at minimising risks, alongside the adoption of specific insurance to mitigate them.

The Group is aware of the importance of offering its workers satisfactory career development and therefore offers employees opportunities for professional growth through refresher courses, workshops and skill development courses. The Italian Sea Group invests in improving technical skills, in line with future sector requirements.

The process whereby the Group determines the actions to be taken in response to an impact, risk or opportunity begins with defining system business procedures, and is then further refined through a management review.

### *TARGETS*

### [S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities]

The TISG Group's ESG strategy is deeply integrated into the business strategy and constitutes an essential aspect of the Company's DNA. On a social level, the Group is committed to pursuing the corporate objectives aimed at sustainable development, placing particular emphasis on the culture of respect for the individual, which is one of its founding values. In this context, the Group devotes particular attention to promoting health and safety topics, seeking to disseminate them across the organisation through training and the enhancement of specialist knowledge and information, by holding at least one training meeting in the calendar year on job-related topics and reporting procedures. At the same time, it aims to optimise the quality of communication and company operating procedures, by thoroughly reviewing information documents and signage, with a view to strengthening awareness and the focus on occupational health and safety.

With regard to the management of health and safety risks and opportunities, the Group has set the objective of aligning the risk assessment with progress made in analysis techniques and the latest technical-scientific research discoveries. In addition, it intends to optimise timing and updating methods in order to effectively support production dynamics and the use of personnel, actively involving workers in the process of reviewing and updating the risk and opportunity assessment.

Health and Safety targets are summarised in the table below:

| Short-term goals (<1 year) on Health and Safety | Target description | Correlated key action | Baseline | Reference year | Purpose |
|---|---|---|---|---|---|
| Review information and signage documents to reinforce the focus on safety | Involve contractors with at least five dedicated meetings with RSPP | - | 2023 | 2024 | Increase internal and external safety culture |
| Conduct at least one training/employee meeting in the calendar year on job-related topics and reporting procedures | Update the worker course on specific jobs by at least 70% | - | 2023 | 2024 | Increase internal safety culture |
| Conduct at least one training/employee meeting in the calendar year on job-related topics and reporting procedures | Update personnel on reporting procedures to reach at least fifteen reports/year | - | 2023 | 2024 | Increase internal safety culture |
| Update risk assessment with worker involvement | Update assessment with input from Supervisors and managers with at least nine meetings/year | - | 2023 | 2024 | Increase internal safety culture |
| Update risk assessment with worker involvement | Improve assessment with scheduled meetings with RLS, at least six meetings per year | - | 2023 | 2024 | Increase internal safety culture |

All the targets shown in the previous table were 100% reached with the exception of the update of the risk assessment with worker involvement, which can be considered implemented at 50%.

To date, the process of setting objectives takes place only through direct definition by the managers of the departments involved. There is currently no formal approval of these objectives by management and governance bodies.

### *METRICS*

### [S1-6[39] – Characteristics of the undertaking's employees]

The Italian Sea Group sees diversity as an opportunity to stimulate and culturally enrich the company; this is why it rejects any form of discrimination or harassment and strives to develop and maintain an inclusive work environment based on tolerance and respect for human dignity, values included in the above-mentioned Policy on diversity and inclusion.[40]

[39] The data shown in the tables relating to disclosure requirement S1-6 includes all Group employees as at 31.12.2024, calculated according to headcount

[40] *Policy on the Protection of Diversity and Inclusion*, The Italian Sea Group, available in *DOCUMENTS, POLICIES AND PROCEDURES - Investor relations*.

The development of people and their diversity is an essential element of The Italian Sea Group's human resources management and ESG strategy. The Group recognises that companies with a high degree of diversity - in terms of gender, age, origin and cultural and professional background - have a broader spectrum of views, opinions and experiences, bringing greater value to decision-making.

With this in mind, The Italian Sea Group supports gender equality and considers the contribution of its employees, regardless of their gender, to be strategic for the creation of value for the company and the community. Therefore, it is constantly committed to promoting conditions that remove cultural, organisational and material obstacles, allowing people to fully express themselves and be valued within the organisation.

As regards the composition of the workforce at the Company, as at 31 December 2024 the total number of Group employees amounted to 748, including 127 women and 621 men. Information on the total number of employees – by number of people – and the breakdown by gender and country is provided below.[41]

| Employees by gender | No. of employees |
|---|---|
| Women | 127 |
| Men | 621 |
| **Total employees** | **748** |

| Employees by country | No. of employees |
|---|---|
| Tuscany (i.e. TISG Marina di Carrara and La Spezia) | 657 |
| Umbria (i.e. CELI) | 79 |
| Turkey | 12 |
| **Total** | **748** |

Total employees increased in 2024 compared to 2023, reaching 748 compared to 657 in the previous year (+14% compared to 2023). The increase in the number of employees was caused by intensified production activity and the increased need for professionals in all Group departments. Of the 748 employees, nearly 85% are employed on a full-time, permanent contract. Indeed, the company strives to retain its employees by offering them stable, long-term contracts. Therefore, fixed-term contracts are proposed only in cases where it is necessary to fill a certain job position during work peaks, as well as for new workers, whose placement is sometimes preceded by an internship period of up to six months.

Data are provided below relating to the number of permanent, fixed-term and non-guaranteed hour employees broken down by gender and contract type.

[41] For countries where the company has 50 or more employees who represent at least 10% of the total number of employees.

| Employees by contract type and gender | 2024 Women | 2024 Men | 2024 Total | 2023 Women | 2023 Men | 2023 Total |
|---|---|---|---|---|---|---|
| **Number of permanent employees** | **96** | **539** | **635** | **84** | **458** | **542** |
| Tuscany | 84 | 475 | 559 | 74 | 402 | 476 |
| Umbria | 9 | 55 | 64 | 8 | 45 | 53 |
| Turkey | 3 | 9 | 12 | 2 | 11 | 13 |
| **Number of fixed-term employees** | **31** | **82** | **113** | **27** | **102** | **129** |
| Tuscany | 26 | 72 | 98 | 24 | 91 | 115 |
| Umbria | 5 | 10 | 15 | 3 | 11 | 14 |
| Turkey | - | - | - | - | - | - |
| **Number of non-guaranteed hour employees** | **-** | **-** | **-** | **-** | **-** | **-** |
| Tuscany | - | - | - | - | - | - |
| Umbria | - | - | - | - | - | - |
| Turkey | - | - | - | - | - | - |
| **Total employees** | **127** | **621** | **748** | **111** | **560** | **671** |

| Full-time and non-guaranteed hour employees by gender | 2024 Women | 2024 Men | 2024 Total | 2023 Women | 2023 Men | 2023 Total |
|---|---|---|---|---|---|---|
| **Number of full-time employees** | **119** | **619** | **737** | **98** | **547** | **658** |
| Tuscany | 104 | 544 | 648 | *88* | *491* | *579* |
| Umbria | 12 | 65 | 77 | *10* | *56* | *66* |
| Turkey | 3 | 9 | 12 | *2* | *11* | *13* |
| **Number of part-time employees** | **8** | **3** | **11** | **11** | **2** | **13** |
| Tuscany | 6 | 2 | 8 | *10* | *2* | *12* |
| Umbria | 2 | - | 2 | *1* | - | *1* |
| Turkey | - | - | - | - | - | - |
| **Total employees** | **127** | **621** | **748** | **109** | **549** | **671** |

The Group's turnover rate for 2024 stood at around 18%, down on the previous year (24% turnover in 2023), while for work relationships that were terminated during the same period, the figure stood at around 137, down on 2023, when 162 employment relationships were terminated.

| Termination of employment relationships and turnover rate | 2024 | 2023 |
|---|---|---|
| Number of employees | 748 | 671 |
| Number of employees terminated | 146 | 162 |
| Employee turnover rate | *20%* | *18%* |

## [S1-7 – Characteristics of non-employees in the undertaking's own workforce]

The Italian Sea Group also uses non-employee workers in the performance of its activities, i.e. all those who have contracts with the company for the supply of labour ("self-employed workers") or workers made available by companies that mainly carry out "personnel search, selection and supply activities" (NACE code N78).[42]

For this reason, 29 part-time self-employed workers and 11 interns must be added to the total number of employees, most of whom are recent graduates or new graduates who have entered the workforce for the first time. The number of workers who are not employees is provided below, broken down by self-employed, temporary and interns, for 2024 and 2023.

| Workers who are not employees[43] | 2024 | 2023 |
|---|---|---|
| **Number of workers who are not employees** | **40** | **56** |
| of which self-employed | 29 | 29 |
| of which interns | **11** | **27** |

| Change 2024-2023 |
|---|
| *-29%* |

In the 2023-2024 two-year period, the number of workers who are not employees decreased by 29%, due to the reduction in the number of internship contracts. In fact, from 2023 to 2024 the number of interns reduced, from 27 contracts to 11 contracts entered into during the reporting period.

## [S1-8 – Collective bargaining coverage and social dialogue]

The Italian Sea Group undertakes to comply with all legal regulations relating to collective agreements, applying the National Collective Bargaining Agreement for Industrial Metalworkers to all its personnel, with the exception of:

- Employees working in the hospitality sector at the Village in Marina di Carrara (MS), to whom the National Collective Bargaining Agreement for Trade and Services is applied;
- Employees of Celi S.r.l., a company acquired by The Italian Sea Group in April 2023, for whom the National Collective Bargaining Agreement for Wood and Furniture is applied.

We can therefore state that the percentage of employees covered by a National Collective Bargaining Agreement, within The Italian Sea Group, is equal to 98% of its own workforce, taking into account the total number of employees.[44]

[42] NACE code N78, available in NACE Division N.78 - Employment activities - Open Risk Manual.
[43] The number of workers who are not employees includes all non-employee workers as at 31.12.2024, calculated according to headcount
[44] The following formula was used to calculate the total percentage of employees covered by collective agreements: (Number of employees covered by collective agreements/Number of employees) %.

The Italian Sea Group can also state that 98% of employees are covered by workers' representatives (the figure is 100% if limited to employees at Italian companies).[45]

## [S1-9 – Diversity metrics]

The analysis of the Group's population by gender shows a clear majority of employees belonging to the male gender, resulting mainly from the characteristics of the marine construction sector, especially with reference to the category of shipyard workers.[46] In contrast, the gender discrepancy is smaller if only the office workers category is taken into account, in which employees belonging to the least represented gender are about 29% of the total. The following table shows the gender distribution among members of senior management and the age distribution of its employees.

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| Senior Management by gender | Women | Men | Total | Women | Men | Total |
| **Senior Management Employees** | 10 | 68 | **8** | 9 | 65 | **74** |
| **Total number of employees** | 127 | 621 | **748** | 111 | 560 | **658** |
| **Percentage** | *8%* | *11%* | ***10%*** | *8%* | *12%* | ***11%*** |

The population of The Italian Sea Group is equally distributed among the main age groups. In the 2023-2024 two-year period, there was a significant increase in the 30 - 50 years old age group, with an increase in absolute value from 367 in 2023 to 351 in 2024, or about 11% more than in 2023.

***Breakdown of age diversity at The Italian Sea Group (2023-2024)***

| | **2024** | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Under 30 years** | | **30-50 years** | | **More than 50 years** | | **Total** |
| | **Women** | **Men** | **Women** | **Men** | **Women** | **Men** | |
| **Executives** | - | - | 3 | 12 | - | 10 | **25** |
| **Middle managers** | 1 | 1 | 5 | 26 | 1 | 9 | **53** |
| **White-collar** | 53 | 86 | 43 | 138 | 10 | 33 | **363** |
| **Blue-collar** | 1 | 84 | 7 | 133 | 3 | 79 | **307** |
| **Total** | **55** | **171** | **58** | **313** | **14** | **141** | **748** |

| | **2023** | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Under 30 years** | | **30-50 years** | | **More than 50 years** | | **Total** |
| | **Women** | **Men** | **Women** | **Men** | **Women** | **Men** | |
| **Executives** | - | - | 2 | 10 | - | 13 | **25** |
| **Middle managers** | 1 | 1 | 4 | 25 | 3 | 16 | **50** |
| **White-collar** | 39 | 71 | 46 | 130 | 8 | 36 | **330** |
| **Blue-collar** | - | 67 | 6 | 114 | 2 | 77 | **266** |
| **Total** | **40** | **139** | **58** | **279** | **13** | **142** | **671** |

[45] In this regard, there are no agreements with employees for representation by a European Works Council (EWC), a Societas Europaea (SE) Works Council or a Societas Cooperativa Europaea (SCE) Works Council.

[46] The company does not require employees to specify their gender, but obtains the information indirectly via the tax code. For this reason, no employee falls into the "other" or "not reported" categories.

The Group's activities are not subject to significant seasonal variations; therefore, changes in the workforce are correctly represented by annual trends.

## [S1-10 – Adequate wages]

The Italian Sea Group is convinced of the importance of having a fair and transparent process for determining remuneration, which respects market practices and takes into account individual performance. An **annual salary review** system is adopted in the Group, as an organisational process whereby the Company reviews and evaluates salaries on an annual basis, inspired by the principles of fairness, competitiveness and meritocracy in line with the Company's values, governance and remuneration policy. At TISG, we are committed to continuously improving our approach in using this information.

Three different National Collective Bargaining Agreements are applied in the Group, the minimums of which are often supplemented by individual raises and agreed salaries, which thus increase the amounts of minimum salaries assigned to employees. This is why we can state that all The Italian Sea Group employees receive an adequate salary, in line with applicable benchmarks. Specifically, the Group applies the National Collective Bargaining Agreement for Industrial Metalworkers to all personnel, with the exception of employees working in the hospitality sector at the Village in Marina di Carrara (MS), who are subject to the National Collective Bargaining Agreement for Trade and Services, and employees of Celi Srl, a company acquired by The Italian Sea Group in April 2023, who are subject to the National Collective Bargaining Agreement for Wood and Furniture.

## [S1-11 – Social protection]

The Group applies current Italian legislation on social protection against loss of income due to important life events. In particular, it undertakes to comply with legal requirements on social protection in line with the legislation of the European countries in which it operates. These include access to healthcare and income support during significant life events, such as illness, unemployment, occupational injury and acquired disability, parental leave and retirement.

## [S1-12 – Persons with disabilities]

To complete the overview of workforce numbers, figures are provided below relating to persons with disabilities in the Group in 2023 and 2024.

| Persons with disabilities | 2024 | 2023 |
|---|---|---|
| **Persons with disabilities** | 16 | 15 |
| **Total employee headcount** | 748 | 671 |
| **Percentage** | *2%* | *2%* |

In 2024, out of a total of 16 persons with disabilities, 15 are male and 1 is female, representing 2% of the Group's total employees, in line with the figures for 2023.

## [S1-13 – Training and Skills Development metrics]

The Italian Sea Group considers the training of its resources a priority, both to foster their professional development and personal growth, and to impart to them the knowledge necessary to achieve the expected performance.

The process for defining the training activities to be implemented jointly involves the HR department and all other areas of the company, which are involved depending on the topics subject to the training, and consists of the following phases:

- Analysis of the needs of individual departments;
- Training design, by defining content and teaching methods;
- Delivery of the training;
- Assessment of results.

In addition to the training provided on a voluntary basis, to meet business needs, TISG is also very attentive in planning compulsory training on privacy (European Regulation 2016/679 GDPR on privacy and national legislation: obligations and operating instructions), the Organisational, Management and Control Model adopted by the Company pursuant to Italian Legislative Decree No. 231/2001 (General Part and Special Part), the Whistleblowing System and Occupational Health and Safety.

Occupational Health and Safety training is provided with the direct involvement of figures such as the Prevention and Protection Service Manager (RSPP), supervisors, the Workers' Safety Representative (RLS), managers and fire and first aid officers. This commitment is an expression of an approach based on transparency, information sharing and the active participation of workers in decisions that directly affect their well-being.

During 2024, all employees were involved in compulsory training courses administered through an external provider via a dedicated online platform. The service made it possible to attend the courses and take the test remotely and at different times, so that all the personnel involved could organise and plan their activities autonomously, in order to reconcile work and training needs.

In 2024, the percentage of employees who participated in periodic performance reviews amounted to 98% of the total TISG own workforce, in particular 81% are men and 17% women. The table below shows the average number of training hours that The Italian Sea Group provided during 2024, broken down by category and gender.

| Number of training hours per employee by employee category and gender | u.m. | 2024 | | |
|---|---|---|---|---|
| | | Women | Men | **Total** |
| Executives | H. | 28 | 204 | **232** |
| Middle managers | H. | 67.5 | 553 | **620.5** |
| White-collar | H. | 1,493 | 3,901 | **5,394** |
| Blue-collar | H. | 71 | 4,172 | **4,243** |
| ***Total*** | | **1,659.5** | **8,830** | **10,489.5** |

| Total employees by category and gender | u.m. | 2024 | | |
|---|---|---|---|---|
| | | Women | Men | **Total** |
| Executives | Number | 3 | 19 | **22** |
| Middle managers | | 7 | 44 | **51** |
| White-collar | | 97 | 241 | **338** |
| Blue-collar | | 6 | 266 | **272** |
| ***Total*** | | **113** | **570** | **748** |

| Average training hours by employee | u.m. | 2024 | | |
|---|---|---|---|---|
| | | Women | Men | **Total** |
| Executives | Number | 9.3 | 10.74 | 10.55 |
| Middle managers | | 9.6 | 12.57 | 12.17 |
| White-collar | | 15.39 | 16.19 | 96 |
| Blue-collar | | 11.83 | 14.1 | 13.8 |
| ***Total*** | | **14.69** | **15.49** | **15.36** |

## THE TISG ACADEMY

In order to guarantee optimal management of training programmes and ensure the highest level of quality, the Group established the TISG Academy in 2021, a project dedicated to the training of employees and undergraduates from the Universities of Genoa, La Spezia and Trieste, through courses of excellence held by university professors and industry professionals. Specifically, this initiative was created with the aim of making the Group's skills and know-how available to all employees through training courses provided to them on a voluntary basis.

The programme was scheduled so as to reconcile training with work needs and participation in events such as the Munich Motor Show.

The 2024 edition included training meetings to expand the skills of the employees in the company's various technical departments. We chose to carry out 2 programmes simultaneously: one dedicated to themes related to outfitting and the second relating to the electrical part. For the outfitting part, internal representatives and individuals with senior roles, with experience and technical specialisation in the topics addressed, were mainly involved as speakers. The main chapters of this programming included: glass; fan coil compartments; technical rooms; safety plans; ship weights, layout and stability. For the second programming, on the other hand, the speakers involved were external suppliers, mainly manufacturers of components relevant to the issues addressed, such as: automation and monitoring; radios and navigation equipment; fire detection systems; electrical cables. In 2024, a total of **33 meetings** were held for a total duration of about **50 hours** of training. Each session lasted **1h30** and saw an average of **50** employees join.

Prestigious Italian universities also joined the project in previous editions, making their teaching personnel available and opening the courses up to students, who were able to earn academic credits. In the 2024 edition, given the complexity of the topics covered and to avoid the disclosure of possible sensitive company information or standards, we opted to train only company employees. However, collaboration in upcoming editions has not been ruled out, depending on the topics covered.

## [S1-14 – Health and safety metrics]

The Italian Sea Group takes great care to ensure that suitable health and safety conditions are constantly maintained in its workplaces. Therefore, since 2012, the management of occupational health and safety at The Italian Sea Group has complied with the provisions of the ISO 45001 standard, which applies to all employees at the Marina di Carrara and La Spezia facilities. In 2024, ISO 14001:2015 was obtained for the CELI plant, while plans were made to retain that certification at the Marina di Carrara and La Spezia facilities.

The Group assesses accidents on a monthly basis by means of special indicators in the “company dashboard” codified in the safety management system. In detail, in the event of an accident, the internal report is forwarded to the prevention and protection service, which is called upon to carry out an initial investigation and issue, where appropriate, corrective actions. In some cases, documents in the form of safety notes are issued to disseminate information and recommended mitigation actions within the appropriate circles. The Group’s top management is involved in monitoring accident (and occupational disease) trends and is made aware of any corrective action taken by the company.

The table below shows the percentages of own workers covered by the company's health and safety management system.

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | Employees | Non-Employees | Total | Employees | Non-Employees | Total |
| **Number of workers covered by the health and safety system** | 748 | 40 | 788 | 671 | 56 | 727 |
| **Percentage of own workers covered by the health and safety management system** | *100%* | *100%* | *100%* | *100%* | *100%* | *100%* |
| **Number of deaths related to work-related injuries and occupational diseases** | *0* | *0* | *0* | *0* | *0* | *0* |
| **Number of total hours worked** | *1,343,539.01* | *NC* | *1,319,869* | *1,240,862* | *NC* | *1,240,862* |
| **Number of work-related injuries** | *26* | *NC* | *26* | *22* | *NC* | *22* |
| **Injury rate** | *19.35* | | | *17.73* | | |
| **Number of days lost due to work-related injuries** | *1,252* | *NC* | *1,252* | *905* | *NC* | *905* |

During 2024, there were no deaths due to work-related injuries or illnesses.

## [S1-15 – Work-life balance metrics]

The Italian Sea Group aims to guarantee a healthy balance between work and private life, as well as the overcoming of any stereotype, discrimination or prejudice.

The Group is committed to offering working conditions that are aligned with employee interests, recognising their right to take parental leave for family reasons. In particular, in the application of current Italian legislation, the Company has recognised the use of parental leave for all of its applications (maternity, paternity, parental and care benefits).

In correlation with the approaches presented, data on parental leave for the 2023-2024 two-year period are provided below:

| Family leave 2024 | Women | Men | Total |
|---|---|---|---|
| **Employees who are eligible to take family leave** | 127 | 621 | 748 |
| **Eligible employees who took family leave** | 8 | 14 | 22 |
| **Total number of employees** | *127* | *621* | *748* |
| **Percentage of eligible employees** | *100%* | *100%* | *100%* |
| **Percentage of eligible employees who took parental leave** | *6%* | *2%* | *3%* |

| Family leave 2023 | Women | Men | Total |
|---|---|---|---|
| **Employees who are eligible to take family leave** | 111 | 560 | 671 |
| **Eligible employees who took family leave** | 4 | 12 | 16 |
| **Total number of employees** | *111* | *560* | *671* |
| **Percentage of eligible employees** | *100%* | *100%* | *100%* |
| **Percentage of eligible employees who took parental leave** | *4%* | *2%* | *2%* |

## [S1-16 – Remuneration metrics (pay gap and total remuneration)]

All personnel management processes, from selection to career development, must ensure equal opportunities and equal remuneration for equal roles and responsibilities. The Group constantly monitors the relevant indicators to ensure equal treatment and internal development. To confirm The Italian Sea Group's commitment to ensuring gender balance and overcoming any discrimination, gender pay equality information is provided below[47]:

| Gender pay gap by professional category | 2024 | 2023 |
|---|---|---|
| **Gender pay gap** | 27% | 22% |
| **Executives** | 33% | 31% |
| **Middle managers** | 15% | 8% |
| **White-collar** | 25% | 19% |
| **Blue-collar** | 30% | 16% |

[47] The pay gap between female and male employees is calculated as follows: [*(Average gross hourly wage of male employees – Average gross hourly wage of female employees) / Average gross wage of male employees*] %.

Information is provided below on the ratio between the remuneration of the highest paid individual and the median employee remuneration (excluding the highest paid individual):

| Total Annual Compensation | 2024 | 2023 |
|---|---|---|
| **Total annual compensation of the highest paid person in the company** | Euro 650,000 | Euro 430,455 |
| **Total median annual employee compensation (excluding the person with the highest salary)** | €32,834.45 | Euro 39,010 |
| **Total Compensation RATIO** | ***19.80*** | ***11.03*** |

## [S1-17 – Incidents, complaints and severe human rights impacts]

The Italian Sea Group S.p.A. recognises the importance of protecting human rights within its organisation and throughout the supply chain, actively engaging in the prevention of any form of violation, including incidents of discrimination and harassment. To ensure a safe, fair and respectful work environment, the Group applies a strict Policy on the Protection of Human Rights that offers employees and external stakeholders a secure channel to report any violations, while respecting whistleblower privacy and protection.

In line with its principles of accountability and transparency, the Group constantly monitors work-related incidents and cases of serious human rights impacts.

During 2024, no severe incidents and human rights impacts were reported internally through existing channels. No incidents of discrimination or harassment occurred during the same period. In any case, the Group also undertakes to actively combat any form of discrimination based on gender, race, ethnic origin, nationality, religion, personal beliefs, disability, age, sexual orientation or any other factor, promoting a corporate culture based on inclusion and respect for fundamental rights.

## GOVERNANCE INFORMATION

## ESRS G1 – BUSINESS CONDUCT

This section illustrates the values and corporate culture of The Italian Sea Group, as well as the policies, guidelines and targets relating to correct business conduct practices. This includes supplier relationships, compliance, export control, data protection and payment practices.

### *DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL BUSINESS CONDUCT-RELATED IMPACTS, RISKS AND OPPORTUNITIES*

[ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities]

The Italian Sea Group promotes a corporate culture based on communication, ethics and transparency, elements that increase stakeholder confidence and promote greater freedom in communicating cases of non-compliance with laws and company regulations through the whistleblowing channel, ensuring whistleblower protection. The effectiveness of TISG's governance in spreading the corporate values, culture and ethical principles has a positive impact on the trust of internal and external stakeholders.

TISG implements training activities and safeguards aimed at the prevention and immediate detection of corruption, bribery and anti-competitive behaviour. Furthermore, the optimisation of supply chain management reduces lead times and reinforces synergies. However, the ineffective management and monitoring of the process of qualifying third parties, specifically contractors and subcontractors, may entail the risk of involving inadequate counterparties, with negative impacts in economic and reputational terms.

Supply chain management is crucial: ineffective management can reduce raw material quality and harm relationships with suppliers. In addition, the outsourcing of production to suppliers and contractors involves risks of non-compliance, defects, malfunctions and delays, with economic, reputational and operational consequences. The incorrect communication of the TISG Group's corporate culture may damage the company's image and reputation.

Lastly, TISG recognises the importance of becoming aware of unethical behaviour through reporting and handling it promptly. The failure to adopt or incorrect adoption of the European Whistleblowing Directive represents a significant risk for the protection of whistleblowers.

For more details on the process carried out to identify the impacts, risks and opportunities relating to “Business conduct”, please refer to the "Double Materiality Analysis” section.

*POLICIES*

[G1-1 – Business conduct policies and corporate culture]

An important part of the internal control system is represented by the **Code of Ethics**[48] adopted by The Italian Sea Group, which outlines the fundamental principles and guidelines aimed at inspiring the activities and guiding the conduct of all Group companies and their employees, as well as all those with whom the Group interacts. An essential principle described in the Group's Code of Ethics and which extends to the operations of all Companies, concerns compliance with laws and regulations in force, as well as the requirements laid out in the document and internal regulations.

With the Code of Ethics, the Parent Company disseminates across all levels a culture characterised by an awareness of the existence of rules and the assumption of a control-oriented mentality with the aim of:

- Efficiently managing activities;
- Providing accurate and complete accounting, financial and management data;
- Protecting the corporate assets;
- Ensuring compliance with laws and company procedures;
- Carefully and precisely managing the risks assumed;
- Generating reasonable and adequate profit to support operations;
- Ensuring the utmost attention to occupational health and safety aspects;
- Encouraging the fight against corruption and money laundering;
- Ensuring confidentiality and respect for privacy in all business transactions;
- Recognising the fundamental importance of environmental issues and taking them into account in all activities;
- Promoting transparency both internally as well as with respect to third parties with whom the Group comes into contact, respecting information confidentiality;
- Having transparent management respectful of the regulatory deadlines of all tax and fiscal obligations.

In particular, in its Code of Ethics the Company has defined the safeguards in place to prevent acts of corruption, which are transmitted to all employees and external personnel who work with the Company, both when they are hired and when entering into supply or sales contracts.

In the context of its Organisational Model, the Group has mapped out the areas at risk of commission of corruption offences, and has established specific principles of conduct for managers and employees in order to avoid the commission of offences. With regard to this aspect, a significant part of the training organised by TISG on the Organisational Model 231/2001 was dedicated to covering corruption offences and the related safeguards. No cases of corruption involving the company and/or its employees have been recorded.

Another integral part of the Model is the system for reporting internal violations (Ref. The whistleblowing procedure). Responsibility for supervising the implementation of and compliance with the principles of the Model is entrusted to the Supervisory Board (SB), whose members are designated by the Board of Directors by means of a specific resolution, within which the compensation due for the performance of the assigned task is also determined. All Group company

[48] *Group Code of Ethics*, The Italian Sea Group, available in *DOCUMENTS, POLICIES AND PROCEDURES - Investor relations*.

stakeholders may report, in writing and in anonymous form through specific confidential information channels, any violation or suspected violation of the Code to the Supervisory Board, which analyses the report, possibly speaking with the whistleblower and the perpetrator of the alleged violation. The reports are kept by the Supervisory Board in the manner laid out in its Regulations. The confidentiality of the whistleblower's identity is also ensured, without prejudice to legal obligations. In fact, the Group adopts the whistleblowing procedure introduced with Italian Legislative Decree No. 24/2023, which transposes EU Directive 2019/1937 and expands protections in the event of reports of offences, extending the subjective application scope and procedures for protecting whistleblowers from possible retaliation, included in the protection system established by Italian Legislative Decree 24/2023.

The Supervisory Board plays an important role in anti-corruption activities by collecting the information and data that may enable it to identify potentially risky conduct, particularly with regard to the Public Administration - not only in Italy - but also with regard to private persons.

## [G1-2 – Management of relationships with suppliers]

The primary goal of The Italian Sea Group is to select suppliers capable of becoming reliable partners able to continuously support the Company's business, thus enabling it to fully satisfy the end Customer. To achieve this goal, TISG requires all suppliers to sign and comply with the TISG Code of Ethics, provided at the start of the collaboration. They must also complete and sign a questionnaire with questions on all ESG (Environmental, Social and Governance) topics.

The TISG Quality Manual also requires suppliers to be assessed on their ability to provide products and services that comply with the requirements defined by the Company. This assessment covers the legal and corporate situation, economic-financial stability, production capacity, the ability to comply with legal and TISG requirements on occupational health and safety and compliance with current legislation on social ethics and environmental safety.

The TISG Group has formalised an Integrated Management System for Quality and Safety at Work in accordance with the UNI EN ISO 9001:2015 (ISO 9001) and UNI ISO 45001:2018 (ISO 45001) standards. The supply chain is subject to all controls set forth in Italian Legislative Decree 81/2008 on occupational health and safety.

The Quality Department, with the direct involvement of its Director, conducts initial audits at the premises of suppliers and sub-contractors. If the audit is successful, the supplier or contractor can be added to the Company's Supplier Pool; otherwise, the collaboration cannot proceed. In some cases, where minor non-conformities are found, the Group offers the supplier the opportunity to reapply after resolving them. The audit includes a comprehensive checklist of aspects to be verified, ranging from the tidiness and cleanliness of the work environment, to organisational, technical and quality aspects and controls on materials and manufactured products.

Supplier performance is subsequently monitored in relation to on-time delivery, production capacity and product conformity.

TISG's Supplier Code of Conduct sets out further guidelines and principles that suppliers must follow. These include compliance with environmental, social and governance regulations, adopting sustainable practices, ensuring workers' rights, occupational health and safety and protecting privacy. Suppliers are required to comply with these guidelines and ensure that all of their stakeholders understand and comply with the Code of Conduct. Violations can be reported through confidential channels, with privacy guaranteed.

Supplier management at TISG is a rigorous and structured process, aimed at ensuring that suppliers not only meet quality and safety requirements, but also operate in an ethical and sustainable manner. This integrated approach ensures that TISG can maintain high standards of excellence and sustainability, contributing to the company's long-term success and customer satisfaction.

### [G1-3 – Prevention and detection of corruption and bribery]

In the context of its Organisational Model, the Group has identified the areas at risk of the commission of corruption offences, establishing specific principles of conduct for managers and employees, with a view to preventing the commission of those offences. With regard to this topic, a significant part of the training organised by TISG on the Organisational Model 231/2001 was dedicated to the analysis of corruption offences and the associated control measures. At the moment, no incidents of corruption involving the company and/or its employees have been recorded.

Responsibility for supervising the implementation of and compliance with the principles of the Model is entrusted to the Supervisory Board (SB), whose members are designated by the Board of Directors by means of a specific resolution, within which the compensation due for the performance of the assigned task is also determined. The Supervisory Board plays an important role in anti-corruption activities by collecting the information and data that may enable it to identify potentially risky conduct, particularly with regard to the Public Administration - not only in Italy - but also with regard to private persons.

Information on the use of the internal and external channel is displayed in the workplace in a visible place, accessible to all of the aforementioned persons and in a special section of the Company's institutional website.

This procedure is also addressed in courses and training sessions regarding the Organisational, Management and Control Model pursuant to Italian Legislative Decree 231/2001, adopted by the Group in order to establish specific measures to prevent offences, including corruption, and to protect the company against administrative liability.

The Italian Sea Group has implemented several measures to formalise its anti-corruption policy and promote an ethical and transparent business environment. One of the more significant main initiatives was the adoption of a Code of Ethics that establishes the company’s fundamental principles and values, with a particular emphasis on fighting corruption and promoting integrity.

In 2024, the TISG Group did not plan specific training on bribery and corruption for its employees and/or for the administrative, management and supervisory bodies.

To further strengthen its commitment, The Italian Sea Group has established a whistleblowing procedure that allows employees and collaborators to anonymously and safely report illegal or unethical behaviour, while ensuring whistleblower protection. Another significant measure is the conflicts of interest management policy, which ensures that business decisions are made in the best interest of the company and not influenced by personal interests.

Finally, in June 2023, the company joined the UN Global Compact, committing to align its strategies and operations with the ten universally recognised principles, including those relating to human rights, labour, the environment and the fight against corruption. These initiatives demonstrate The Italian Sea Group's commitment to preventing corruption and promoting a corporate culture based on ethics and transparency.

### *TARGETS*

The Italian Sea Group, aware of the importance of this issue for its business, is evaluating the development of a management policy, which will include specific monitoring and the definition of medium and long-term objectives. At the date on which this Report was prepared, The Italian Sea Group has not set business conduct or supplier relationship-related targets at Group level.

### *ACTIONS*

The Group is committed to developing lines of action consistent with a long-term vision for the responsible management of supplier relationships. Aware of the importance of sourcing from ESG-compliant suppliers, the Group aims to implement actions and objectives that make environmental and social criteria the main drivers for the acquisition of new suppliers.

### *METRICS*

#### [G1-6 – Payment practices]

TISG's commitment focuses on the small local enterprises and suppliers that are an integral part of the nautical production chain. For the fiscal year 2024, 46% of the suppliers used were located in the Ligurian-Tuscan nautical district. 31% of the budget spent was allocated to suppliers located in the Ligurian-Tuscan nautical district.

Since 2021, the Group has been entering into factoring agreements with various institutions to give suppliers the opportunity to finance their working capital through easy and immediate access to liquidity. This agreement allows the supplier to enter into a contract with the factoring institution and directly assign its invoices to The Italian Sea Group to the factoring institution. On the due date of these invoices or in advance, if requested, the supplier receives payment, while TISG reimburses the institute, which in turn offers the possibility of a deferment of payment terms.

The average time taken by the company to pay an invoice from the date on which the contractual or legal payment term begins to be calculated is 81 days. The calculation is based on the payments by the TISG Group in all of 2024.

The company has identified several categories of suppliers, each of which has specific standard payment conditions that we detail below;

Main Machinery

11% of suppliers belonging to this category are paid "ON RECEIPT", 5.3% at 30 days end of month invoice date + 18 days, 52% at 60 days end of month invoice date + 18 days, 5.3% at 90 days end of month invoice date + 18 days, 26% of suppliers are paid at 120 days end of month invoice date + 18 days.

Auxiliary Machinery

8% of suppliers belonging to this category are paid "ON RECEIPT", 32% at 30 days end of month invoice date + 18 days, 32% at 60 days end of month invoice date + 18 days, 16% at 90 days end of month invoice date + 18 days, 12% of suppliers are paid at 120 days end of month invoice date + 18 days.

Electrical and Electronic Systems

12% of suppliers belonging to this category are paid "ON RECEIPT", 15% at 30 days end of month invoice date + 18 days, 50% at 60 days end of month invoice date + 18 days, 4% at 150 days end of month invoice date + 18 days, 19% of suppliers are paid at 120 days end of month invoice date + 18 days.

Round Pipe

8% of suppliers belonging to this category are paid "ON RECEIPT", 23% at 30 days end of month invoice date + 18 days, 15% at 60 days end of month invoice date + 18 days, 8% at 90 days end of month invoice date + 18 days, 46% of suppliers are paid at 120 days end of month invoice date + 18 days.

Ventilation, air conditioning, cooling systems

9% of suppliers belonging to this category are paid "ON RECEIPT", 18% at 30 days end of month invoice date + 18 days, 45% at 60 days end of month invoice date + 18 days, 27% of suppliers are paid at 120 days end of month invoice date + 18 days.

Coatings and Accessories

7% of suppliers belonging to this category are paid "ON RECEIPT", 14% at 30 days end of month invoice date + 18 days, 32% at 60 days end of month invoice date + 18 days, 8% at 150 days end of month invoice date + 18 days, 38% of suppliers are paid at 120 days end of month invoice date + 18 days.

Furnishings

6% of suppliers belonging to this category are paid "ON RECEIPT", 6% at 30 days end of month invoice date + 18 days, 29% at 60 days end of month invoice date + 18 days, 6% at 90 days end of month invoice date + 18 days, 53% of suppliers are paid at 120 days end of month invoice date + 18 days.

Auxiliary Account

3% of suppliers belonging to this category are paid "ON RECEIPT", 23% at 30 days end of month invoice date + 18 days, 40% at 60 days end of month invoice date + 18 days, 13% at 90 days end of month invoice date + 18 days, 20% of suppliers are paid at 120 days end of month invoice date + 18 days.

Sailing

33% of suppliers belonging to this category are paid "ON RECEIPT", 17% at 30 days end of month invoice date + 18 days, 17% at 60 days end of month invoice date + 18 days, 33% in advance.

## ENTITY SPECIFIC

## CUSTOMER EXPERIENCE & SATISFACTION

Very high aesthetic and quality standards are a fundamental element of The Italian Sea Group's philosophy. Therefore, particular attention is paid to ensuring that the customer experience is impeccable. The Group's business model is based on the creation of large, fully customised yachts, with the aim of guaranteeing total customer satisfaction. Clients expect a product of absolute excellence, delivered on time. The highest quality must pervade the entire process, from the first contact with the sales area, through the construction phase, to after-sales service and the yacht refit phase.

Our every choice and action is guided by a relentless pursuit of quality. It is our standards, so inflexible and uncompromising, that lead to excellent products and services. It is our unending desire to always perfect ourselves that inspires confidence in our ship operators when choosing us to build their yachts.

### *DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS CUSTOMER EXPERIENCE & SATISFACTION-RELATED IMPACTS, RISKS AND OPPORTUNITIES*

The TISG Group pays great attention in the relationship with customers and in monitoring their satisfaction with the products offered. This commitment is essential to maintain their trust and ensure a positive experience. However, inadequate service and lack of transparency in the information provided could lead to loss of customer trust and satisfaction. To avoid such risks, TISG is committed to providing excellent service and communicating clearly and transparently.

Strengthening the Group's reputational capital in the eyes of its main stakeholders offers the possibility of attracting new customers and increasing business. Conversely, a loss of stakeholder trust could erode the Group's reputational capital, with negative consequences for the business. Therefore, TISG constantly works to improve the customer experience by monitoring customer satisfaction and taking proactive measures to meet their needs and expectations.

For more details on the process carried out to identify the impacts, risks and opportunities relating to Customer experience and satisfaction, please refer to the "Double Materiality Analysis” section.

### *POLICIES*

Although the Group has not yet adopted a formalised customer satisfaction policy, it adopts a series of internal policies in order to assist customers not only during the purchase but also afterwards, in order to guarantee the best possible experience. Indeed, clients expect a product of absolute excellence, delivered on time. The highest quality must pervade the entire process, from the first contact with the sales area, through the construction phase, to after-sales service and the yacht refit phase.

The main customer experience & satisfaction policies implemented by The Italian Sea Group are:

- Constant focus on the customer;
- Constant willingness to reach the customer when needed;
- Logistics management during the customer's visit to the shipyard, which includes the organisation of transfers to and from the airport, the booking of hotels, the organisation of

lunches and dinners during the visit, and the provision of a team at the complete disposal of the customer;

- Constant availability 24 hours a day;
- Utmost transparency in deal management.

The Italian Sea Group recognises the importance of end consumer satisfaction and is committed to adopting a formalised customer experience & satisfaction policy. The Group's core business consists of the construction of fully customised yachts in terms of exterior lines as well as interiors. Thanks to its strong design and production capacity and know-how that has been consolidated over the years, TISG has positioned itself in the highest segment of the market in terms of technical and aesthetic quality, with a strong emphasis on a typically Italian style and a flexible approach to the requests of the most demanding customers.

TISG recently launched a number of semi-custom yacht lines such as Panorama, Gentleman Picchiotti and Admiral 40, to optimise production capacity and contribute to further business development, without requiring significant design effort from the in-house team of engineers and architects.

### *TARGETS*

The Italian Sea Group, aware of the importance of this issue for its business, is evaluating the development of a management policy, which will include specific monitoring and the definition of medium and long-term objectives. At the date on which this Report was prepared, The Italian Sea Group has not set customer experience and satisfaction-related targets at Group level.

### *ACTIONS*

The Italian Sea Group is constantly committed to giving its customers a unique shopping experience. This is why it adopts a series of actions aimed at updating brochures and materials in real time, in order to present proposals to customers that already meet their demands. In addition, constant attention is devoted to quality in customer relationships and in monitoring their satisfaction with the products offered.

Indeed, the Group aims to sell customers not only a product of the highest quality, but an entire experience: a fundamental part of the customer experience is to convey to the customer the idea of the shipyard’s strength and reliability, considering that the construction process has a medium-long duration (3-5 years). The presence of refit activities as an additional service provided by NCA allows TISG to position itself as a potential long-term partner for ship operators who, usually just a few years after purchasing the vessel, may need to update it.

## INNOVATION, RESEARCH AND DEVELOPMENT

Always at the cutting edge of research and innovation, The Italian Sea Group adopts a proactive approach with a strong focus on innovation and sustainable materials; the Company uses mainly aluminium and steel for its yachts and invests in research into propulsion systems and innovative solutions for reducing emissions and generating green energy on board the yachts. In addition, it meets a large part of its energy needs thanks to the self-generation of energy from photovoltaic systems installed in its facilities.

In 2016, the Group pioneered the creation of systems that led to the definition of a new standard, also in terms of environmental responsibility. In particular, TISG launched Quinta Essentia, a 55-metre Admiral-branded motor yacht that is the world's first in its size range with a hybrid propulsion system.

Over the years, it has continued to invest in R&D, going so far as to offer mega-yachts with advanced variable-speed diesel-electric propulsion systems, i.e., that produce only the energy required by the vessel, optimising consumption and limiting emissions, vibrations and noise pollution.

### *DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS INNOVATION, RESEARCH AND DEVELOPMENT-RELATED IMPACTS, RISKS AND OPPORTUNITIES*

The Italian Sea Group stands out due to its propensity for innovation and investment, key elements that strengthen the Group's competitive position and increase its market share. However, the shipbuilding sector presents significant challenges, including the risk of technological lag. Failure to adapt to technological innovation, such as the adoption of alternative and more sustainable propulsion systems, could compromise the Group's competitiveness and reduce sale opportunities. Furthermore, product design is a critical area: there is a potential risk that products will not meet technological requirements and market trends, regulatory requirements or quality expectations. Structural defects or design errors could have significant negative consequences. To mitigate these risks, TISG is committed to constantly monitoring technological developments and investing in research and development, ensuring that its yachts are at the forefront of innovation, sustainability and quality.

For more details on the process carried out to identify the impacts, risks and opportunities relating to innovation, research and development, please refer to the "Double Materiality Analysis” section.

### *POLICIES*

The Italian Sea Group has not yet formalised a specific innovation, research and development policy. However, for 2025, the Group plans to introduce a policy dedicated to these areas, as it recognises their importance not only for its long-term strategy, but also for the corporate growth of the Group as a whole and seeks to achieve increasingly greater synergy between ESG targets and topics relating to innovation, research and development.

The Group's constant commitment to innovation, research & development is driven by customer demand. TISG aims to offer solutions that fully satisfy the ideas and wishes of ship operators, who are often experts and looking for products that meet specific needs. Requests are often led by a team of ship operators, including the captain. For example, TISG is able to propose diesel-electric hybrid solutions for yacht engines, although they may not be the first choice for those facing long journeys at sea.

The Group intends to maintain flexibility to respond to end consumer needs, allowing new production routes to be taken when necessary. Innovation is seen as an engine to ensure complete satisfaction and alignment with the needs of the buyers who seek out The Italian Sea Group.

## *TARGETS*

At the date on which this Report was prepared, The Italian Sea Group has not set innovation, research and development-related targets at Group level.

## *ACTIONS*

The Group is committed to developing lines of action consistent with a long-term vision to seek out innovative solutions and in its research and development activities. The Italian Sea Group, aware of the importance of this issue for its business, is evaluating the development of a management policy, which will include specific monitoring and the definition of medium and long-term objectives.

## IRO-2: Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

| ESRS topic | ESRS Disclosure requirement | Section / Phase-in[49] | Page |
|---|---|---|---|
| **ESRS 2 - Basis for preparation** | BP-1 General basis for preparation of sustainability statements | | |
| | BP-2 Disclosure in relation to specific circumstances | | |
| **ESRS 2 - Governance** | ESRS 2 GOV-1 The role of the administrative, management and supervisory bodies | | |
| | ESRS 2 GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies | | |
| | ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes | | |
| | ESRS 2 GOV-4 Statement on due diligence | | |
| | ESRS 2 GOV-5 Risk management and internal controls over sustainability reporting | | |
| **ESRS 2 - Strategy** | SBM-1 Market position, strategy, business model and value chain | | |
| | SBM-2 Interests and views of stakeholders | | |
| | SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model | Phase-in for expected financial effects | |
| **ESRS 2 - Impact risk and opportunity management** | IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities | | |
| | IRO-2 Disclosure Requirements in ESRS covered by the undertaking's sustainability statement | | |
| **European Taxonomy** | Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) | | |
| **ESRS E1 - Climate Change** | ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes | | |
| | E1-1 Transition plan for climate change mitigation | | |
| | E1-SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model | | |
| | IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities | | |
| | E1-2 Policies related to climate change mitigation and adaptation | | |
| | E1-3 Actions and resources in relation to climate change policies Metrics and targets | | |
| | E1-4 Targets related to climate change mitigation and adaptation | | |
| | E1-5 Energy consumption and mix | | |
| | E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions | Phase-in for Scope 3 | |
| | E1-7 GHG removals and GHG mitigation projects financed through carbon credits | | |
| | E1-8 Internal carbon pricing | | |
| | E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities | Phase-in | |
| **ESRS E2 - Pollution** | IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities | | |
| | E2-1 Policies related to pollution | | |

[49] Where the word "Phase-in" is shown, it is in accordance with ESRS 1 Appendix C: List of phased-in Disclosure Requirements.

| | | |
|---|---|---|
| | E2-2 Actions and resources related to pollution | |
| | E2-3 Targets related to pollution | |
| | E2-6 Anticipated financial effects from pollution-related impacts, risks and opportunities | Phase-in |
| **ESRS E3 - Water and marine resources** | IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities | |
| | E3-1 Policies related to water and marine resources | |
| | E3-2 Actions and resources related to water and marine resources | |
| | E3-3 Targets related to water and marine resources | |
| | E3-4 Water consumption | |
| | E3-5 Anticipated financial effects from water and marine resources-related impacts, risks and opportunities | Phase-in |
| **ESRS E4 - Protection of biodiversity and ecosystems** | E4-1 Transition plan and consideration of biodiversity and ecosystems in strategy and business model | Phase-in |
| | E4-SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model | Phase-in |
| | IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities | Phase-in |
| | E4-2 Policies related to biodiversity and ecosystems | Phase-in |
| | E4-3 Actions and resources related to biodiversity and ecosystems | Phase-in |
| | E4-4 Targets related to biodiversity and ecosystems | Phase-in |
| | E4-5 Impact metrics related to biodiversity and ecosystems change | Phase-in |
| | E4-6 Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities | Phase-in |
| **ESRS E5 - Resource use and circular economy** | IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities | |
| | E5-1 Policies related to resource use and circular economy | |
| | E5-2 Actions and resources in relation to resource use and circular economy | |
| | E5-3 Targets related to resource use and circular economy | |
| | E5-4 Resource inflows | |
| | E5-5 Resource outflows | |
| | E5-6 Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities | Phase-in |
| **ESRS S1 - Own workforce** | S1-SBM-2 Interests and views of stakeholders | |
| | S1-SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model | |
| | S1-1 Policies related to own workforce | |
| | S1-2 Processes for engaging with own workers and workers' representatives about impacts | |
| | S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns | |
| | S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions | |
| | S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities | |
| | S1-6 Characteristics of the Undertaking’s Employees | |

| | | |
|---|---|---|
| | S1-7 Characteristics of non-employees in the undertaking's own workforce | |
| | S1-8 Collective bargaining coverage and social dialogue | |
| | S1-9 Diversity metrics | |
| | S1-10 Adequate wages | |
| | S1-11 Social protection | |
| | S1-12 Persons with disabilities | |
| | S1-13 Training and Skills Development metrics | |
| | S1-14 Health and safety metrics | |
| | S1-15 Work-life balance metrics | |
| | S1-16 Compensation metrics (pay gap and total compensation) | |
| | S1-17 Incidents, complaints and severe human rights impacts | |
| **ESRS S2 - Workers in the value chain** | S2-SBM-2 Interests and views of stakeholders | Phase-in |
| | S2-SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model | Phase-in |
| | S2-1 Policies related to value chain workers | Phase-in |
| | S2-2 Processes for engaging with value chain workers about impacts | Phase-in |
| | S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns | Phase-in |
| | S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions | Phase-in |
| | S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities | Phase-in |
| **ESRS S3 - Affected communities** | S3-SBM-2 Interests and views of stakeholders | Phase-in |
| | S3-SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model | Phase-in |
| | S3-1 Policies related to affected communities | Phase-in |
| | S3-2 Processes for engaging with affected communities about impacts | Phase-in |
| | S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns | Phase-in |
| | S3-4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions | Phase-in |
| | S3-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities | Phase-in |
| **ESRS S4 - Consumers and end users** | S4-SBM-2 Interests and views of stakeholders | Phase-in |
| | S4-SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model | Phase-in |
| | S4-1 Policies related to consumers and end-users | Phase-in |
| | S4-2 Processes for engaging with consumers and end-users about impacts | Phase-in |
| | S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns | Phase-in |
| | S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing | Phase-in |

| | | |
|---|---|---|
| | material opportunities related to consumers and end-users, and effectiveness of those actions | |
| | S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities | Phase-in |
| **ESRS G1 - Business conduct** | GOV-1 The role of the administrative, management and supervisory bodies | |
| | IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities | |
| | G1-1 Business conduct policies and corporate culture | |
| | G1-2 Management of relationships with suppliers | |
| | G1-3 Prevention and detection of corruption and bribery | |
| | G1-6 Payment practices | |
| **Entity Specific – Innovation, Research and Development** | MDR-P Policies adopted to manage material sustainability matters | |
| | MDR-A Actions and resources in relation to material sustainability matters | |
| | MDR-T Tracking effectiveness of policies and actions through targets | |
| **Entity Specific – Customer Experience & Satisfaction** | MDR-P Policies adopted to manage material sustainability matters | |
| | MDR-A Actions and resources in relation to material sustainability matters | |
| | MDR-T Tracking effectiveness of policies and actions through targets | |

# Certification of the consolidated sustainability reporting pursuant to Article 154-bis of Legislative Decree 24 February 1998 no. 58

The undersigned, Giovanni Costantino, in his capacity as Chief Executive Officer, and Marco Carniani, in his capacity as Manager in charge of drafting the Sustainability Report of The Italian Sea Group S.p.a., hereby certify, pursuant to Article 154-bis, paragraph 5-ter of Legislative Decree no. 58 of 24 February 1998 (Consolidated Law on Finance), that the Consolidated Sustainability Report included in the Report on Operations has been prepared

- in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 and Legislative Decree No. 125 of 6 September 2024;
- with the specifications adopted pursuant to Article 8(4) of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.

Carrara, 14 March 2025

**Giovanni Costantino**

Chief Executive Officer

**Marco Carniani**

Executive responsible for preparing the company's sustainability reports.


BLUE MARLIN

# DRAFT CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| *In thousands of Euros* | notes | 31/12/2024 | 31/12/2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **NON-CURRENT ASSETS** | | | |
| Brands | 1 | 34,604 | 34,650 |
| Other intangible assets | 2 | 690 | 975 |
| Land and buildings | 3 | 57,047 | 57,290 |
| Plant, machinery, equipment and investments in progress | 4 | 30,618 | 35,459 |
| Other tangible assets | 5 | 886 | 1,261 |
| Right of Use | 6 | 31,742 | 32,523 |
| Shareholdings | 7 | 34 | 43 |
| Other non-current assets | 8 | 1,489 | 1,716 |
| Deferred tax assets | 17 | - | 3,035 |
| **Total non-current assets** | | **157,110** | **166,952** |
| **CURRENT ASSETS** | | | |
| Cash and cash equivalents | 9 | 60,254 | 76,413 |
| Trade receivables | 10 | 55,410 | 24,007 |
| Other receivables | 11 | 10,106 | 4,937 |
| Assets from contract work in progress | 12 | 108,096 | 89,068 |
| Stock inventories | 13 | 10,210 | 10,897 |
| Other current assets | 14 | 4,869 | 5,115 |
| **Total current assets** | | **248,945** | **210,437** |
| | | | |
| **TOTAL ASSETS** | | **406,055** | **377,389** |
| | | | |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | | |
| **SHAREHOLDERS' EQUITY** | | | |
| Share capital | | 26,500 | 26,500 |
| Share premium reserve | | 45,431 | 45,399 |
| Other reserves and retained earnings | | 39,168 | 22,409 |
| Currency translation reserve | | -30 | -83 |
| Profit (Loss) for the financial year | | 33,894 | 36,911 |
| **Total Shareholders' Equity** | **15** | **144,963** | **131,136** |
| **NON-CURRENT LIABILITIES** | | | |
| Provisions for risks and charges | 16 | 6,180 | 4,335 |
| Deferred tax liabilities | 17 | 696 | - |
| Provision for employee benefits | 18 | 880 | 959 |
| Long-term financial liabilities | 19 | 60,152 | 62,051 |
| Other non-current liabilities | 20 | 2,714 | 86 |
| **Total non-current liabilities** | | **70,622** | **67,431** |
| **CURRENT LIABILITIES** | | | |
| Trade payables | 21 | 121,877 | 90,568 |
| Other payables | 22 | 32,139 | 24,171 |
| Short-term financial liabilities | 23 | 12,608 | 12,484 |
| Liabilities from contract work in progress | 12 | 17,183 | 38,561 |
| Other current liabilities | 24 | 6,662 | 13,038 |
| **Total current liabilities** | | **190,470** | **178,822** |
| | | | |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | | **406,055** | **377,389** |

# CONSOLIDATED INCOME STATEMENT

| *In thousands of Euros* | notes | 31/12/2024 | 31/12/2023 |
|---|---|---|---|
| Operating revenues | | 406,103 | 360,258 |
| Other proceeds and income | | 25,176 | 11,507 |
| Commissions | | (7,214) | (4,166) |
| **Total Revenues** | **25** | **424,065** | **367,599** |
| Raw materials, components and consumables | 26 | (96,064) | (79,342) |
| Cost for outsourced work | 27 | (154,182) | (147,906) |
| Technical services and consultancy | 28 | (20,206) | (17,624) |
| Other costs for services | 29 | (13,930) | (13,951) |
| Personnel costs | 30 | (43,915) | (38,649) |
| Other operating costs | 31 | (17,826) | (7,339) |
| **Total operating costs** | | **(346,124)** | **(304,812)** |
| **Operating result before amortisation, depreciation and write-downs** | | **77,940** | **62,787** |
| Depreciation, amortisation and write-downs | 32 | (11,440) | (12,018) |
| **Operating result** | | **66,500** | **50,769** |
| Financial income | 33 | 1,670 | 918 |
| Financial charges | 33 | (9,401) | (6,445) |
| **Financial year profit (loss) before income taxes** | | **58,769** | **45,242** |
| Income taxes | 34 | (24,875) | (8,331) |
| **Profit (loss) for the financial year** | | **33,894** | **36,911** |
| **Earnings per ordinary share** | | **0.64** | **0.70** |
| **Diluted earnings per ordinary share** | | **0.64** | **0.70** |

# OTHER CONSOLIDATED COMPREHENSIVE INCOME

| | | | |
|---|---|---|---|
| **Financial year profit/(loss)** | | **33,894** | **36,911** |
| Profits/(losses) on re-measurement of employee defined benefit plan liabilities | 35 | (32) | (19) |
| Change in translation reserve | | 53 | |
| Change in fair value of hedging derivatives | 35 | (458) | (815) |
| **TOTAL COMPREHENSIVE FINANCIAL YEAR PROFIT/(LOSS) (A) + (B)** | | **33,457** | **36,077** |

# CONSOLIDATED CASH FLOW STATEMENT

| *In thousands of Euros* | 31/12/2024 | 31/12/2023 |
|---|---|---|
| **INCOME MANAGEMENT ACTIVITIES** | | |
| Result before tax for the financial year | 58,769 | 45,242 |
| Net interest income | 7,731 | 5,528 |
| provision for risks and charges | 3,314 | 1,326 |
| provision for severance indemnity | 1,790 | 1,377 |
| **Adjustments for:** | | |
| Amortisation, depreciation and write-downs of non-current assets | 10,423 | 11,519 |
| Capital gains/(losses) | (18,114) | 0 |
| Other provisions and write-downs (revaluations) | 500 | 500 |
| **Changes in assets and liabilities:** | | |
| Receivables from customers | (31,903) | (1,363) |
| Inventories and contract work in progress | (39,719) | (25,163) |
| Other management activities | (4,923) | (5,122) |
| Payables to suppliers | 31,309 | 11,798 |
| Other operating payables | 6,643 | (3,431) |
| Severance indemnity | (1,869) | (1,669) |
| Provisions for risks and charges | (773) | (1,316) |
| Taxes paid | (24,875) | (8,331) |
| Interest paid | (7,731) | (5,528) |
| **Cash flow from income management activities** | **(9,427)** | **25,367** |
| **INVESTING ACTIVITIES** | | |
| Purchase of tangible assets | (3,584) | (2,257) |
| Disposal of tangible assets | 21,000 | 0 |
| Purchase of intangible assets | (194) | (489) |
| Acquisition of shareholdings | | 0 |
| Receivable from CELI | | 2,128 |
| Others | 2,805 | 1,620 |
| **Cash flow from investing activities** | **20,027** | **1,002** |
| **FINANCING ACTIVITIES** | | |
| Change in reserves | | |
| Payment of Dividends | (19,610) | (14,415) |
| Raising M/L term loans | 6,000 | |
| Repayment of M/L term loans | (11,658) | (14,198) |
| Raising shareholders' loans | | |
| Repayment of loans to others | (1,490) | (2,660) |
| **Cash flow from financing activities** | **(26,758)** | **(31,273)** |
| **TOTAL CASH FLOWS FOR THE PERIOD** | (16,159) | (4,904) |
| **INITIAL CASH AND CASH EQUIVALENTSINITIAL CASH AND CASH EQUIVALENTS** | 76,413 | 81,317 |
| **FINAL CASH AND CASH EQUIVALENTS** | 60,254 | 76,413 |

# STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

| *Data in thousands of Euros* | Values as at | Allocation of income | Financial year result | Other changes | OCI | Values as at |
|---|---|---|---|---|---|---|
| | 31/12/2022 | 31/12/2022 | 31/12/2023 | 31/12/2023 | 31/12/2023 | 31/12/2023 |
| SHARE CAPITAL | 26,500 | | | | | 26,500 |
| SHARE PREMIUM RESERVE | 45,431 | | | (32) | | 45,399 |
| OTHER RESERVES AND RETAINED EARNINGS | 13,023 | 24,046 | | (13,827) | (833) | 22,409 |
| CURRENCY TRANSLATION RESERVE | - | | | | (83) | (83) |
| PROFITS (LOSSES) FOR THE PERIOD | 24,046 | (24,046) | 36,911 | | | 36,911 |
| **TOTAL SE** | **109,001** | **0** | **36,911** | **(13,859)** | **(916)** | **131,136** |

| *Data in thousands of Euros* | Values as at | Allocation of income | Financial year result | Other changes | OCI | Values as at |
|---|---|---|---|---|---|---|
| | 31/12/2023 | 31/12/2023 | 31/12/2024 | 31/12/2024 | 31/12/2024 | 31/12/2024 |
| SHARE CAPITAL | 26,500 | | | | | 26,500 |
| SHARE PREMIUM RESERVE | 45,399 | | | 32 | | 45,431 |
| OTHER RESERVES AND RETAINED EARNINGS | 22,409 | 36,911 | | (19,661) | (491) | 39,168 |
| CURRENCY TRANSLATION RESERVE | (83) | | | | 53 | (30) |
| PROFITS (LOSSES) FOR THE PERIOD | 36,911 | (36,911) | 33,894 | | | 33,894 |
| **TOTAL SE** | **131,136** | **0** | **33,894** | **(19,629)** | **(438)** | **144,963** |

Other changes mainly include the dividends paid in the year, as per the minutes of the shareholders' meeting of 29 April 2024.

# NOTES TO THE FINANCIAL STATEMENTS

## CONTENT AND FORM OF THE CONSOLIDATED FINANCIAL STATEMENTS

These notes to the financial statements were prepared on the basis of the accounting records updated at 31 December 2024. The purpose of this document is to illustrate, analyse and, in some cases, supplement the data provided in the financial statements.

The financial statements at 31 December 2014 were the first financial statements of the Company prepared in compliance with the International Accounting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union.

The financial statement formats adopted are consistent with those set forth in IAS 1; in particular:

- the Statement of financial position was prepared by classifying assets and liabilities according to the "current/non-current" criterion;
- the Separate 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 Company, is compliant with internal reporting methods and is in line with the reference industrial sector practice;
- the Statement of comprehensive income includes, in addition to the profit (loss) for the year, as in the separate Income statement, other changes in shareholders' equity movements other than those with shareholders;
- the 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 are expressed in thousands of Euros unless specified otherwise.

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.

The consolidated financial statements have been prepared in the Inline XBRL format (iXBRL) in accordance with the provisions of the European Commission's Delegated Regulation (EU) 2019/815 on regulatory technical standards relating to the specification of a single electronic reporting format (ESEF - European Single Electronic Format - 'Delegated Regulation').

Furthermore, reference is made to interpretative and supporting documents for the application of the accounting standards issued by international regulatory bodies and Italian supervisory bodies, as well as the standard setters, which were also taken into account in the drafting of this Report, wherever applicable, highlighting:

- The ESMA Public Statement of 25 October 2023 "European common enforcement priorities for 2023 annual financial reports" which reiterates, *inter alia*, some recommendations already present in the previous Public Statement published in October 2022; more specifically, in the drawing up of reports and the information provided, a particular focus is requested regarding:
    - climate issues and the consistency between the information contained in the reports and the non-financial information, the recording of emission allowances (ETS) and certificates linked to renewable energy and the impairment testing process as far as the climate is concerned;
    - the impact of the current macroeconomic context on re-financing risks and other financial risks, as well as the process of fair value determination and the related disclosure;
    - alternative performance measures.

- Discussion paper n. 1/2022 "Impairment test of non-financial assets (IAS 36) following the war in Ukraine" published on 29 June 2022 by the Organismo Italiano di Valutazione ("OIV") which recalls the content of the ESMA Public Statement of 13 May 2022 (subject to CONSOB Warning notice of 19 May 2022) and provides operational guidelines to manage the uncertainty of the current context regarding the exercise of any impairment test.

## GOING CONCERN

The financial statements for the year ended 31 December 2024 were prepared on a going-concern basis as there is a reasonable expectation that TISG S.p.A. will continue to constitute a functioning economic entity intended to produce income for a foreseeable future period of at least 12 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 Eurozone financial markets also as a result of the evolution of the conflict between Russia and Ukraine and the evolution of sanctions against the Russian Federation;

   - 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 credit ratings 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 risk capital, as described in the “Shareholders' Equity” Note;

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

On the basis of these factors, the company management believes that, at present, there are no elements of uncertainty that would call into question the use of the going concern assumption for TISG S.p.A.

## CONSOLIDATION PRINCIPLES

The consolidated financial statements as at 31 December 2024 illustrate the equity, economic and financial situation of the parent company TISG S.p.A. (hereinafter the “Company”) and its fully consolidated Italian and foreign subsidiaries, collectively identified as the TISG Group (hereinafter the “Group”).

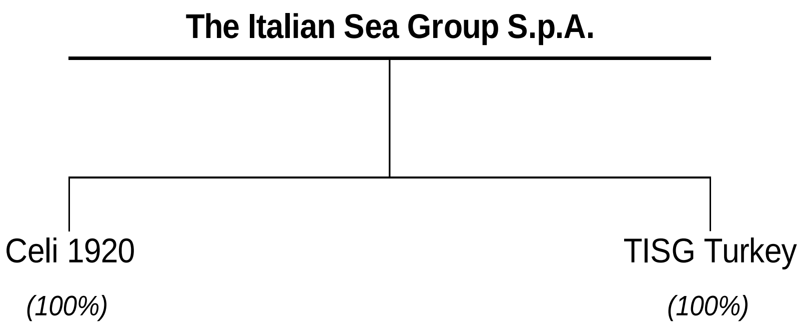
The consolidated financial statements as at 31 December 2024 include the financial statements for the year 2024 of the Group companies prepared using the same accounting principles as the parent company. Controlled entities are those entities over which the Group has control, i.e. where the Group is exposed to variable returns from its relationship with the entity, or has rights to those returns, while having the ability to influence them by exercising its power over said entity. The financial statements of controlled entities are included in the consolidated financial statements

from the time the parent company begins to exercise control until the date such control ceases. In the event
of loss of control, the Group derecognises the assets and liabilities of the controlled entity, any previous non-controlling interest in equity including any other comprehensive income relating to the controlled entity. Any gain or loss arising from the loss of control is recognised in profit/(loss) for the year. The remaining interest in the former controlled entity is remeasured at fair value at the date of loss of control and subsequently accounted for in accordance with applicable principles.

All subsidiaries within the scope of consolidation close their financial year on 31 December, as does the Parent Company, and therefore it was not necessary to make any adjustments or prepare special financial statements for consolidation purposes.

All intragroup balances and transactions, including any unrealised gains and losses arising from transactions between Group companies, are fully eliminated. Minority interests represent the portion of profits or losses and net assets not held by the Group and are shown in a separate item in the income statement, and in the statement of
financial position among the components of shareholders' equity, separately from the Group's net equity. Acquisitions of subsidiaries are accounted for using the purchase method, which involves allocating the cost of the business combination to the fair value of the assets, liabilities and contingent liabilities acquired at the acquisition date and including the result of the acquired entity accrued from the acquisition date until the end of the period. Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Below are the companies included in the scope of consolidation as at 31 December 2024:




All of the above companies are included in the consolidated financial statements using the line-by-line method.

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

These transactions were handled in accordance with the provisions for business combinations

# INTRODUCTION

The Italian Sea Group S.p.A. has adopted the International Financial Reporting Standards adopted by the European Union (IFRS), from 2014 onwards, with a date of transition to the IFRS (FTA) at 1 January 2013.

It should be noted that the IFRS are the accounting standards approved by the International Accounting Standards Board (IASB), adopted pursuant to Regulation (EC) no. 1606/2002.
At national level, the international accounting standards were implemented in our system with Italian Legislative Decree no. 38/2005, containing a series of provisions aimed at harmonising the application of the standards in question with domestic regulations on business income.

The choice by the Group to adopt the IFRS international accounting standards as reference standards for the preparation of its consolidated and separated financial statements offers the opportunity to compare the financial statement figures with those of its main competitors and to carry forward the process of internationalisation.

# ACCOUNTING STANDARDS AND VALUATION CRITERIA

The financial statements at 31 December 2024 were drafted 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 statement of comprehensive income, the statement of financial position, the cash flow statement and the statement of changes in shareholders' equity is always expressed in thousands of Euros, except in individual cases where it is stated otherwise, and is carried out with the corresponding values at 31 December 2023.

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.

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

## NEW ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED AS OF 1 JANUARY 2024

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

| Title of the document issued by the IASB | Date of publication of the IASB document | Date of entry into force |
|---|---|---|
| Supplier finance arrangements (amendments to: IAS 7 Statement of Cash Flows IFRS 7 Financial Instruments: Disclosures | 1 January 2024 | endorsed |
| Lease liability in a sale and leaseback (Amendments to IFRS 16) | 1 January 2024 | endorsed |
| Classification of liabilities as current or non-current (amendments to IAS 1) – postponement of date of entry into force (Amendment to IAS 1 Presentation of Financial Statements) | 1 January 2024 | endorsed |
| Non-current liabilities with covenants (amendments to IAS 1) | 1 January 2024 | endorsed |

## EARLY ADOPTION OF STANDARDS AND AMENDMENTS

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

| Title of the document issued by the IASB | Date of publication of the IASB document | Date of entry into force | Date of publication in the OJEU |
|---|---|---|---|
| Lack of exchangeability (amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates) | 2023 | 1 January 2025 | TBD |
| Changes to the classification and measurement of financial instruments (Amendments to IFRS 9 Financial Instruments) | July 2024 | 1 January 2026 | TBD |
| IFRS 18 Presentation and Disclosure in Financial Statements | April 2024 | 1 January 2027 | TBD |
| IFRS 19 Subsidiaries without Public Accountability: Disclosures | May 2024 | 1 January 2027 | TBD |

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, the IFRIC has issued several decisions in the last 12 months. These policy 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 policy 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 starting in 2024:

- Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7)
- Lease liability in a sale and leaseback (Amendments to IFRS 16)
- Classification of current and non-current liabilities (Amendments to IAS 1)
- Non-current liabilities with covenants (Amendments to IAS 1)

These changes have no effect on the valuation of the items in the Group's consolidated financial statements.

The following amendments are effective from subsequent financial years:

- Lack of exchangeability (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), as of 1 January 2026
- IFRS 18 – Presentation and disclosure in financial statements, effective as of 1 January 2027
- IFRS 19 – Subsidiaries without public accountability: disclosures, effective as of 1 January 2027

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

# 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 and controllable and if their cost can be determined reliably and to the extent that they are capable of producing future economic benefits.

The brands "Admiral", "Tecnomar", "Perini Navi" and "CELI" 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 TISG's management attributes the brand.
The Picchiotti brand has been measured at finite useful life and, consequently, amortised over a period of 18 years.

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 Group's Management assesses, directly or indirectly, the return on the investment that includes that brand.

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 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.

In the execution of the impairment test at 31 December 2024, the following has been considered:

- The ESMA Public Statement of 25 October 2023 "European common enforcement priorities for 2023 annual financial reports" which reiterates, *inter alia*, some recommendations already present in the previous Public Statement published in October 2022; more specifically, in the drawing up of reports and the information provided, a particular focus is requested regarding:

    - climate issues and the consistency between the information contained in the reports and the non-financial information, the recording of emission allowances (ETS) and certificates linked to renewable energy and the impairment testing process as far as the climate is concerned;
    - the impact of the current macroeconomic context on re-financing risks and other financial risks, as well as the process of fair value determination and the related disclosure;
    - alternative performance measures.

- discussion paper n. 1/2022 "Impairment test of non-financial assets (IAS 36) following the war in Ukraine" published on 29 June 2022 by the Organismo Italiano di Valutazione ("OIV") which recalls the content of the ESMA Public Statement of 13 May 2022 (subject to CONSOB Warning notice of 19 May 2022) and provides operational guidelines to manage the uncertainty of the current context regarding the exercise of any impairment test.

**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 of 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, generally having a useful life of 5 years.

**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 depreciated in relation to its residual useful life.

If the individual components of a complex tangible asset have a different useful life, they are recognised separately to be depreciated in line with their useful life ("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** | Until the expiry of the concession (December 2072) |
| **Buildings on land under concession La Spezia** | Until the expiry of the concession (February 2035) |
| **Buildings on land under concession Viareggio** | Until the expiry of the concession (February 2037) |
| **Plant and Machinery** | 6.67%-10% |
| **Equipment** | 10%-25% |
| **Office furniture and machinery** | 12% |
| **Electronic machines** | 20% |
| **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.

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## SHAREHOLDINGS

Non-current financial assets include shareholdings, 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 Company 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 of 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. If the fees due are modified as a result of an indexation envisaged in the lease contract, the lease liability is redetermined using the new fee, without changing the discount rate.

Conversely, in the event of a change in the duration of the lease agreement, the lease liability is redetermined using the discount rate applicable on the date of the change in the agreement.

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 established for leases in which the underlying asset is of “modest value” and whose amount is estimated as not significant.

# CURRENT ASSETS

## STOCK INVENTORIES

Inventories are recorded at the lower of purchase or production cost and the net realisable value represented by the amount that the Group expects to obtain from their sale in the ordinary course of business, net of selling costs. The cost of inventories of raw materials and consumables 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

The ships built by TISG are unique assets built based on the specific requests of the buyer, which TISG cannot readily allocate to alternative use for contractual and practical obligations. For these assets, the recognition of revenues takes place progressively over time over the construction period.

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 input method with reference to the contract costs incurred at the reporting date in relation to the total estimated costs for the contract (“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 it 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, that are 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 business 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. 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 statement of financial position when the right to receive the cash flows is extinguished and all the risks and benefits associated with holding the asset are substantially transferred (“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 loan losses is prospective, focused on estimating the probability of future losses on loans, 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 a 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 cash and cash equivalents includes cash and bank current accounts and deposits repayable on demand and other short-term highly liquid financial investments, which are readily convertible into cash and are subject to an insignificant 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 constructive obligation deriving from a past event is likely; ii) it is probable that the fulfilment of the obligation will involve an outflow of resources; 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 Group 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 emergence of a liability is only “possible” are indicated in the appropriate disclosure section on commitments and risks and no provision is recognised for them.

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## 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 Company'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 Company's control.

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

## 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 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 statement of financial position of the provision deficit or surplus, and the recognition of cost components linked to work performance and net financial charges in the income statement, and the recognition of actuarial gains and losses deriving from the remeasurement 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 date of the financial statements. 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 initial recognition are accounted for, limited only to the effective portion, among the components of comprehensive profit and los

## 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 company 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 and 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, a payment on account is established at the start of the contract, and invoices are subsequently issued on the achievement of specific partial completion stages (Stati di Avanzamento Lavori, "SALS").

By way of example (but not exhaustive 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. Non-repayable loans are loans for which the lender undertakes to waive repayment in the event of established conditions.

## 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 ascertained that the Group 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 reference date of the financial statements.

Deferred tax assets 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.

Deferred tax assets and deferred tax liabilities are stated net under non-current assets or liabilities, as they refer to the same Italian Tax Authority.

## CRITERIA FOR CONVERSION OF FOREIGN CURRENCY ITEMS (NOT IN THE EUROZONE)

Receivables and payables expressed in foreign currency are originally recognised on the basis of the exchange rates in force on the date on which they arose and, if existing at the end of the reporting period, are appropriately stated in the financial statements at the exchange rate in force at the end of the period, by crediting or debiting exchange 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 – once the commercial transaction is concluded – of the currency chosen for the negotiation.

There are no significant effects to report from changes in exchange rates after the end of the period.

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## 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 relative 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 comprehensive income 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 event.

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 have 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, based on an impairment test based on estimates and assumptions by management.

- **Recognition of revenues from contract work in progress:** Similar 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 substantial period of time. There are few cases of contractual price revision formulas, although there is the possibility of applying surcharges 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 on completion are recognised in the income statements of the relevant years based on progress; the correct recognition of the work in progress and of the margins relating to works not yet completed thus presupposes the correct estimate by the management of the costs to complete, assumed increases and also 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 at the date made by management, with the help of said procedural support mechanisms.

- **Provisions for risks and charges:** Provisions representing the risk of a negative outcome are recognised for legal and tax risks and ongoing 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's Management. This estimate derives from the adoption of assumptions that depend on factors and circumstances that may change over time.

# COMMENTS ON THE MAIN ASSET ITEMS

## NOTE 1 – BRANDS

Changes in this item are detailed as follows:

| *In thousands of Euros* | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Brands | 34,604 | 34,650 | (46) |
| **TOTAL** | **34,604** | **34,640** | **(46)** |

| *In thousands of Euros* | Brand Admiral | Tecnomar brand | Brand Perini Navi | Picchiotti brand | Celi brand | Total |
|---|---|---|---|---|---|---|
| ***Net Book Value 31/12/2023*** | **2,319** | **1,235** | **30,351** | **735** | **10** | **34,650** |
| Investments | - | - | - | - | - | - |
| Net decreases | - | - | - | - | - | - |
| Amortisation and depreciation | - | - | - | 46 | - | **46** |
| **Net Book Value 31/12/2024** | **2,319** | **1,235** | **30,351** | **689** | **10** | **34,604** |

**Brands:** This item, amounting to Euro 34,604 thousand as at 31 December 2024, decreased, with respect to 31 December 2023, by Euro 46 thousand. This decrease is attributable to the effect of the amortisation of the Picchiotti brand (with finite useful life).

Based on the results of the "Purchase Price Allocation – PPA", carried out in order to define the allocation of the sale price of the Perini Navi business complex to the various assets, a value of Euro 30,351 thousand was allocated to the Perini Navi brand and a value of approximately Euro 825 thousand 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 2011, and Euro 1,235 thousand for the purchase of the Tecnomar brand in December 2019 and Euro 10 thousand for CELI; these trademarks were considered to have an indefinite useful life.

The Picchiotti brand has been measured at finite useful life and amortised over a period 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 less costs of disposal" and the "value in use". The estimate of the value in use was carried out, in compliance with IAS 36, applying the principles of valuation best practices, 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 2025-2028 Business Plan, approved by TISG's Board of Directors on 14 March 2025.

The 2025-2028 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:

- Was estimated using the Capital Asset Pricing Model (CAPM), which is a generally accepted application criterion referred to in IAS 36;
- Reflects the current market estimates of the time value of money and the specific risks of groups of assets;
- Was calculated using comparative market parameters to estimate the "beta coefficient" and the weighting coefficient of the equity and debt capital components;
- 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 weighted average cost of capital used to discount forecast cash flows (WACC) of **10.70%**.

The results of the impairment test on TISG's brands were approved by the Board of Directors on 14 March 2025.

In light of the above elements, no impairment losses have occurred during the 2024 financial year; therefore, the book values are confirmed.

## NOTE 2 – OTHER INTANGIBLE ASSETS

Changes in this item are detailed as follows:

| ***In thousands of Euros*** | **31/12/2024** | **31/12/2023** | **Changes** |
|---|---:|---:|---:|
| Development costs | 690 | 975 | (285) |
| **TOTAL** | **690** | **975** | **(285)** |

**Projects:** the item, equal to Euro 690 thousand as at 31 December 2024, down by Euro 285 thousand compared to 31 December 2023, net of amortisation, includes the capitalisation of software licenses and capitalised costs for the development of strategic projects, amortised over an estimated useful life of 5 years; during the year 2024, capitalisations of Euro 182 thousand were made.

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.

The types of projects that make up this item are detailed 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 | 182 | 182 |
| Net decreases | 0 | 0 | 0 |
| Amortisation and depreciation | (223) | (244) | (467) |
| **Net Book Value 31/12/2024** | **528** | **162** | **690** |

## NOTE 3 – LAND AND BUILDINGS

Changes in this item are detailed as follows:

| *In thousands of Euros* | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Land and buildings | 8,964 | 8,972 | (8) |
| Buildings on land under concession | 48,083 | 48,318 | (235) |
| **TOTAL** | **57,047** | **57,290** | **(243)** |

The item, equal to a total of Euro 57,047 thousand as at 31 December 2024, decreased by Euro 243 thousand compared to the previous year 2023 due to capitalisations made during the year 2024, for Euro 1,133 thousand, net of depreciation for the period.
The main capitalisations include:

- Euro 539 thousand for the construction of the new sales offices in Marina di Carrara;

- Euro 244 thousand for construction works on the La Spezia site;

As regards the item Buildings on land under concession, as a result of the extension of the expiry date of the Marina di Carrara state concession to 2072, the residual useful life of the aforementioned assets was redetermined for depreciation purposes, allocating the net book value at the beginning of the year over this longer period.

Changes in this item during the twelve months of 2024 are shown as follows:

| *In thousands of Euros* | Land and buildings | Buildings on land under concession | Total |
|---|---|---|---|
| Historical cost | 10,940 | 61,970 | 72,910 |
| Depreciation provision | 1,968 | 13,652 | 15,620 |
| **Net Book Value 31/12/2023** | **8,972** | **48,318** | **57,290** |
| ***Changes in 2024*** | | | |
| Increases | 275 | 858 | 1,133 |
| Decreases | 0 | 0 | 0 |
| Transfers WIP and payments on account | 0 | 0 | 0 |
| **Chg. Historical cost 2024** | **275** | **858** | **1,133** |
| Depreciation | 283 | 1,093 | 1,376 |
| Release of Depreciation Provision | 0 | 0 | 0 |
| **Chg. Depreciation provision 2024** | **283** | **1,093** | **1,376** |
| Historical cost | 11,215 | 62,828 | 74,043 |
| Depreciation provision | 2,251 | 14,745 | 16,994 |
| **Net Book Value 31/12/2024** | **8,964** | **48,083** | **57,047** |

## NOTE 4 – PLANT, MACHINERY AND EQUIPMENT

Changes in this item are detailed as follows:

| *In thousands of Euros* | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Work in progress and payments on account | 2,257 | 4,710 | (2,453) |
| Industrial and commercial equipment | 2,989 | 5,179 | (2,190) |
| Plant and Machinery | 24,268 | 24,233 | 35 |
| Moulds | 1,104 | 1,337 | (233) |
| **TOTAL** | **30,618** | **35,459** | **(4,841)** |

**Work in progress and advances:** equal to Euro 2,257 thousand as at 31 December 2024, down by Euro 2,453 thousand compared to 31 December 2023, they refer mainly to the construction of new sales offices.

**Industrial and commercial equipment:** the item is equal to Euro 2,989 thousand as at 31 December 2024 and decreased by Euro 2,190 thousand compared to 2023, due to depreciation for the period and mainly following the sale of the Viareggio shipyard in June 2024, when the associated tangible assets were sold, the Syncrolift was sold for a historical cost of approximately Euro 2,332 thousand; during 2024 capitalisations were made for Euro 833 thousand.

**Plant and machinery**: the item, amounting to Euro 23,207 thousand as at 31 December 2024, decreased by Euro 17 thousand compared to the previous year 2023, due to the capitalisations made during the year 2024, for Euro 2,697 thousand, referring to improvements on the TISG sinking dock net of depreciation for the period and for Euro 153 thousand, referring to investments of the subsidiary CELI Srl.

**Moulds:** the item, equal to Euro 1,104 thousand as at 31 December 2024, decreased by Euro 233 thousand compared to 2023, due to depreciation for the period.

Changes during the year 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 | 2,512 | 833 | 2,850 | 0 | 6,195 |
| Decreases | 0 | 2,822 | 0 | 0 | 2,822 |
| Transfers | (4,965) | 0 | 0 | 0 | (4,965) |
| **Chg. Historical cost 2024** | **(2,453)** | **(1,989)** | **2,697** | **0** | **(1,745)** |
| Depreciation | 0 | 1,499 | 2,815 | 233 | 4,547 |
| Release of Depreciation Provision | 0 | 1,298 | 0 | 0 | 1,298 |
| **Chg. Depreciation provision 2024** | **0** | **201** | **2,815** | **233** | **3,249** |
| Historical cost | 2,257 | 13,163 | 56,648 | 5,251 | 77,319 |
| Depreciation provision | 0 | 10,174 | 32,380 | 4,147 | 46,701 |
| **Net Book Value 31/12/2024** | **2,257** | **2,989** | **24,268** | **1,104** | **30,618** |

## NOTE 5 – OTHER TANGIBLE ASSETS

Changes in this item are detailed as follows:

| *In thousands of Euros* | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Office furniture and machines | 811 | 1,136 | (325) |
| Motor vehicles | 73 | 117 | (44) |
| Transport Vehicles | 1 | 1 | (1) |
| Electronic office machines | 1 | 7 | (6) |
| **TOTAL** | **886** | **1,261** | **(376)** |

The item, equal to Euro 811 thousand as at 31 December 2024, decreased by Euro 376 thousand compared to 2023, due to depreciation for the period and following the sale of the assets at the Viareggio shipyard.

Changes in the item throughout 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 |
| **Chg. Historical cost 2024** | **(204)** | **0** | **0** | **(204)** |
| Depreciation | 228 | 44 | 1 | 273 |
| Release of Depreciation Provision | 101 | 0 | 0 | 101 |
| **Chg. Depreciation provision 2024** | **127** | **44** | **1** | **172** |
| Historical cost | 4,799 | 429 | 225 | 5,453 |
| Depreciation provision | 3,987 | 356 | 224 | 4,567 |
| **Net Book Value 31/12/2024** | **812** | **73** | **1** | **886** |

**NOTE 6 – RIGHT-OF-USE**

Changes in this item are detailed as follows:

| *In thousands of Euros* | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Right Of Use - Plant and Machinery | 2,263 | 601 | 1,662 |
| Right Of Use - Motor vehicles | 1,839 | 1,479 | 360 |
| Right Of Use - Buildings on land under concession | 27,640 | 30,443 | (2,803) |
| **TOTAL** | **31,742** | **32,523** | **(781)** |

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 agreements, in accordance with the provisions of IFRS 16.

The item **ROU – Plant and Machinery**, equal to Euro 2,263 thousand as at 31 December 2024, increased by Euro 1,662 thousand compared to 31 December 2023, as a result of the signing of new leasing contracts for plant and machinery for approximately Euro 2,414 thousand relating mainly to the opening of the new internal steelworks; this item includes all leasing contracts relating to the leasing of plant and machinery used in the company's operations.

The item **ROU – Motor vehicles**, equal to Euro 1,839 thousand as at 31 December 2024, an increase of Euro 360 thousand compared to 31 December 2023, includes all leasing contracts for motor vehicles that make up the corporate fleet.

The item **ROU – Buildings in land under concession**, amounting to Euro 27,640 thousand as at 31 December 2024, refers to the recognition of the discounted value of the land under concession relating to the Marina di Carrara shipyard (expiring in December 2072), the La Spezia shipyard (expiring in February 2035) and the Viareggio woodworking unit (expiring in December 2037).

The table of changes is shown below:

| *in thousands of Euros* | Motor vehicles Cars | Right of Use Plant and Machinery | Right of Use Buildings on land under concession | Total |
|---|---|---|---|---|
| Historical cost | 3,015 | 1,839 | 36,795 | 41,649 |
| Amortisation 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 | 1,462 | 2,414 | 0 | 3,876 |
| Decreases | 1,141 | 0 | 618 | 1,759 |
| Transfers | 0 | 0 | 0 | 0 |
| **Chg. Historical cost 2024** | **321** | **2,414** | **(618)** | **2,117** |
| Amortisation | 717 | 752 | 2,223 | 3,692 |
| Release of Amortisation Provision | 756 | 0 | 38 | 794 |
| **Chg. Amortisation provision 2024** | **(39)** | **752** | **2,185** | **2,898** |
| | | | | |
| Historical cost | 3,336 | 4,253 | 36,177 | 43,766 |
| Amortisation provision | 1,496 | 1,991 | 8,536 | 12,023 |
| **Net Book Value 31/12/2024** | **1,839** | **2,263** | **27,640** | **31,742** |

In January 2024, the duration of the state concession on the land where the Marina di Carrara buildings are located was extended by 29 years and, as a result, the residual useful life of the relative right of use was redetermined for the purposes of the amortisation process. The lease liability was also remeasured using the new duration of the concession, with corresponding adjustment of the right of use.

## NOTE 7 – SHAREHOLDINGS

This item is detailed as shown below:

| *In thousands of Euros* | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Shareholdings in other companies | 34 | 43 | (9) |
| **TOTAL** | **34** | **43** | **(9)** |

The item **Shareholdings in other companies** includes the amount relating to the purchase of 250 shares, equal to 2.5% of the total share capital of T.I.S.G. Asia Limited, 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* | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Non-current security deposits | 803 | 428 | 375 |
| Other securities | 683 | 1,286 | (603) |
| **TOTAL** | **1,488** | **1,716** | **(228)** |

The item, which decreased compared to 2023 by Euro 1,322 thousand, is detailed as follows:

- **Security deposits**: the item, equal to Euro 803 thousand, increased by Euro 375 thousand mainly due to the advances paid in relation to the construction of the photovoltaic plant in Marina di Carrara and La Spezia.

- **Other securities:** recognised in the amount of Euro 683 thousand as at 31 December 2024, the item decreased by Euro 603 thousand compared to 31 December 2023, due to the recognition of the fair value of derivative financial instruments hedging the outstanding loans.

## NOTE 9 – CASH AND CASH EQUIVALENTS

This item is detailed as follows:

| *In thousands of Euros* | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Current bank accounts and post-office deposits | 37,424 | 29,896 | 7,528 |
| Assets equivalent to cash and cash equivalents | 22,830 | 46,516 | (23,686) |
| Cash | 0 | 1 | (1) |
| **TOTAL** | **60,254** | **76,413** | **(16,159)** |

The item **Current bank accounts and post-office deposits** as at 31 December 2024 amounts to a total of Euro 60,254 thousand, decreasing by Euro 16,158 thousand compared to 31 December 2023.

The **assets equivalent to cash and cash equivalents** consist of Time Deposits and Cash collect protection. These financial instruments are readily convertible into cash.
For more details on the change, please see the cash flow statement.

## NOTE 10 – TRADE RECEIVABLES

This item is detailed as shown below:

| *In thousands of Euros* | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Receivables from customers | 55,410 | 24,007 | 31,403 |
| **TOTAL** | **55,410** | **24,007** | **31,403** |

**Receivables from customers**, equal to Euro 55,410 thousand, increasing by Euro 31,403 thousand compared to 31 December 2023, mainly arose from commercial transactions related to the progress of production projects and refit services. They are recognised in the financial statements at their estimated realisable value.

Changes in the bad debt provision are shown below:

| *in thousands of Euros* | 31/12/2023 | Provision made | Provision used | 31/12/2024 | Changes |
|---|---|---|---|---|---|
| Bad debt provision (trade receivables) | (1,269) | 500 | 734 | (1,035) | 234 |
| Bad debt provision (insolvency procedures) | (371) | 123 | 0 | (494) | (123) |
| **TOTAL** | **(1,640)** | **623** | **734** | **(1,529)** | **111** |

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 credit situation of the counterparties, even in the absence of events that indicate the need to write down certain credit positions.

## NOTE 11 – OTHER RECEIVABLES

This item is detailed as shown below:

| *In thousands of Euros* | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Advances to suppliers | 8,640 | 2,075 | 6,565 |
| Receivables from parent companies | 67 | 67 | 0 |
| Tax receivables | 1,399 | 2,795 | (1,396) |
| **TOTAL** | **10,106** | **4,937** | **5,169** |

The item **Advances to suppliers**, equal to Euro 8,640 thousand as at 31 December 2024, which increased by Euro 6,565 thousand compared to 31 December 2023, includes advances paid to the Group's suppliers with whom tender contracts were signed for works in progress.

The item **Receivables from parent companies**, equal to Euro 67 thousand as at 31 December 2024, refers to the payments made by TISG on behalf of parent company GC Holding S.p.A.

The item **Tax receivables**, equal to Euro 1,399 thousand as at 31 December 2024, which decreased by Euro 1,396 thousand compared to 31 December 2023, refers essentially to the VAT credit due to the Group from the Tax Authorities and a credit for foreign VAT pending reimbursement for approximately Euro 181 thousand.

## NOTE 12 – ASSETS AND LIABILITIES FROM CONTRACT WORK IN PROGRESS

This item is detailed as shown below:

| In thousands of Euros | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Assets from contract work in progress | 108,096 | 89,068 | 19,028 |
| Liabilities from contract work in progress | (17,183) | (38,561) | 21,378 |
| **TOTAL** | **90,913** | **50,507** | **40,406** |

The item **Assets from contract work in progress**, equal to Euro 108,096 thousand, includes contracts whose progress is higher than the amount invoiced to the customer on account. Compared to 31 December 2023, this item increased by Euro 19,028 thousand. This increase is mainly attributable to the trend of the order curves.

The item **Liabilities from contract work in progress**, equal to Euro 17,183 thousand, includes the contracts for which the value of payments on account invoiced to the customer are higher than the work progress. Compared to 31 December 2023, this item decreased by approximately Euro 21,378 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 SALs.

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

The development of this item at 31 December 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* 31/12/2024 | Value of contracts | Contract progress | Advances invoiced | Net amount of business |
|---|---|---|---|---|
| Yacht Orders | 1,215,644 | 859,493 | (764,844) | 94,649 |
| Refitting Orders | 75,948 | 60,308 | (64,044) | (3,736) |
| **Total** | **1,291,592** | **919,802** | **(828,888)** | **90,913** |

## NOTE 13 – INVENTORIES

This item is detailed as follows:

| *In thousands of Euros* | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Raw, ancillary and consumable materials | 1,237 | 3,261 | (2,024) |
| Work in progress and semi-finished goods | 8,973 | 7,636 | 1,337 |
| **TOTAL** | **10,210** | **10,897** | **(687)** |

The item **Raw, ancillary and consumable materials**, amounting to Euro 1,237 thousand, decreased by Euro 2,024 thousand compared to 2023 and refers to the amount of inventories of the general warehouse of the Group and the internal workshops, as well as those of the subsidiaries TISG Turkey and Celi.

The item **Work in progress and semi-finished goods** as at 31 December 2024 amounted to Euro 8,973 thousand, and includes the hull of a 47-meter sailing yacht, acquired within the Perini Navi S.p.A. business complex, for approximately Euro 2,589 thousand, Euro 5,109 for the construction of the new iconic Picchiotti 24 meters Yacht and the remaining Euro 1,275 thousand for the start of orders for which sales negotiations are underway but the specific sales contracts have not yet been stipulated.

## NOTE 14 – OTHER CURRENT ASSETS

The breakdown of other current assets is shown below:

| *In thousands of Euros* | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Receivables from social security and tax authorities | 49 | 107 | (58) |
| From others | 462 | 127 | 335 |
| Prepaid expenses | 4,358 | 4,881 | (523) |
| **TOTAL** | **4,869** | **5,115** | **(246)** |

**Receivables from social security and tax authorities**: amounting to Euro 49 thousand as at 31 December 2024, they refer essentially to advances on INAIL contributions.

**Receivables from others**: the item, equal to Euro 462 thousand as at 31 December 2024, up by Euro 335 thousand compared to 31 December 2023, includes a number of the Group's receivables.

The item **Prepaid expenses**, equal to Euro 4,358 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 bank guarantees.

# COMMENTS ON THE MAIN LIABILITY ITEMS

## NOTE 15 – SHAREHOLDERS' EQUITY

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

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 the Group's Shareholders' Equity is detailed below:

| ***In thousands of Euros*** | **31/12/2024** | **31/12/2023** | **Changes** |
|---|---|---|---|
| Share capital | 26,500 | 26,500 | 0 |
| Share Premium Reserve | 45,431 | 45,399 | 0 |
| Statutory Reserve | 5,300 | 5,300 | 0 |
| Other reserves and retained earnings | 33,868 | 17,109 | 16,759 |
| Currency translation reserve | (30) | (83) | 53 |
| Net income (loss) for the period | 33,894 | 36,911 | (3,017) |
| **TOTAL** | **144,963** | **131,136** | **13,827** |

At 31 December 2024, TISG's **Share Capital** stood at Euro 26,500 thousand, consisting of 53,000,000 shares with a 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 number of ordinary shares outstanding during the year.

| ***In thousands of Euros*** | **31/12/2024** | **31/12/2023** |
|---|---|---|
| Net result | Euro 33,894 | Euro 36,911 |
| Profit attributable to ordinary shares | Euro 33,894 | Euro 36,911 |
| Average number of ordinary shares outstanding | 53,000 | 53,000 |
| **Earnings per ordinary share** | **Euro 0.63** | **Euro 0.70** |
| Average number of ordinary shares outstanding (adjusted) | 53,000 | 53,000 |
| **Diluted earnings per ordinary share** | **Euro 0.63** | **Euro 0.70** |

## NOTA 16 – PROVISIONS FOR RISKS AND CHARGES

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

| CHANGES IN PROVISIONS FOR RISKS | | | | | |
|---|---|---|---|---|---|
| ***In thousands of Euros*** | **31/12/2023** | **Alloc.** | **Utilisation** | **31/12/2024** | **Delta** |
| Provision for legal, tax and labour law risks | 1,090 | 1,701 | (467) | 2,324 | 1,234 |
| Provision for yacht guarantee | 3,245 | 1,613 | (1,002) | 3,856 | 611 |
| **TOTAL** | **4,335** | **3,314** | **(1,469)** | **6,180** | **1,845** |

**Provision for civil actions**

The provision includes the estimate of charges deriving from threatened or ongoing civil proceedings, out-of-court claims, requests for compensation for damages and tax risks, the emergence of which is considered likely.

The change in the provision was determined on the basis of information obtained from external lawyers and in application of the provisions of IAS 37.

**Provision for yacht guarantees**

This provision includes allocations calculated against the probable future expense that the Group has estimated it will have to incur for repairs under warranty. To cover the risk of any interventions under warranty to be carried out on the yachts already delivered or still under construction, TISG also took into account its own insurance coverage and that of its suppliers.

## NOTE 17 – DEFERRED TAXES

Changes in deferred taxes are shown below:

| *in thousands of Euros* | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Provisions for risks and charges | 1,463 | 948 | 515 |
| Losses carried forward | 0 | 0 | 0 |
| Others | 2,797 | 6,837 | (4,040) |
| **Deferred tax assets** | **4,260** | **7,785** | **(3,525)** |

| *in thousands of Euros* | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Tangible assets | 3,004 | 3,326 | (323) |
| Brands | 1,952 | 1,424 | 528 |
| Others | 0 | 0 | 0 |
| **Deferred tax liabilities** | **4,956** | **4,750** | **206** |
| **Net amount** | **(696)** | **3,035** | **(3,731)** |

The other temporary differences mainly refer to the difference between the book value of the items represented above and the tax value.
The decrease of Euro 3,731 thousand as at 31 December 2024, compared to the previous year 2023, refers in particular to the redetermination of the patent box tax benefit for the years 2019 – 2023.

## NOTE 18 – PROVISION FOR EMPLOYEE BENEFITS

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

| In thousands of Euros | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Liabilities for employee benefits | 880 | 959 | (79) |
| **TOTAL** | **880** | **959** | **(79)** |

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 | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Long-term bank payables | 48,964 | 54,591 | (5,627) |
| Lease liabilities - Motor vehicles (long-term portion) | 1,895 | 1,576 | 319 |
| Lease liabilities - Plant and Machinery (long-term portion) | 1,775 | 346 | 1,429 |
| Lease liabilities - Buildings on land under concession (long-term portion) | 7,518 | 5,538 | 1,980 |
| **TOTAL** | **60,152** | **62,051** | **(1,899)** |

The item **long-term bank payables**, equal to Euros 48,964 thousand, represents the amount, maturing beyond the 2025 financial year, of medium and long-term loans taken out during previous years and in the current year. The item decreased by Euro 5,627 thousand due to the effect of the repayment of capital contributions at the conditions established with the different credit institutions. On 20 December 2024, a facility agreement for Euro 6 million was entered into with Credit Agricole Italia S.p.A., maturing on 31 December 2028, in order to support new growth initiatives.

The items **Lease Liabilities – Cars**, **Lease Liabilities – Plant and Machinery** and **Lease liabilities – Leased buildings** respectively equal to Euro 1,895 thousand, Euro 1,775 thousand as at 31 December 2024, refer to the long-term portion of the financial debt linked to the application of IFRS 16.

**Lease liabilities – Buildings on land under concession**, amounting to Euro 7,518 thousand as at 31 December 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 and La Spezia and the Viareggio woodworking unit.

In January 2024, the duration of the Marina di Carrara state concession was extended by 29 years, so it was necessary to remeasure the associated financial liability (lease liability). The new amount of the financial liability at 1 January 2024 was determined on the basis of the present value of the payments due over the remaining duration of the concession using the marginal borrowing rate applicable at the remeasurement date (1 January 2024) of 7%.

Details of financial liabilities with maturity dates are set out below:

| Classification | Account Balance | Within 1 year | 1 to 5 years | More than 5 years |
|---|---|---|---|---|
| Pool Payables (Unicredit - Deutsche Bank) | 19,041 | 4,725 | 14,316 | - |
| Banca Intesa Payables | 1,505 | 815 | 690 | - |
| MPS Payables | 6,267 | 1,600 | 4,667 | - |
| MPS Capital Services Payables | 27,780 | 4,490 | 23,290 | - |
| Credit Agricole Payables | 6,000 | - | 6,000 | - |
| Right Of Use Payable | 12,164 | 976 | 4,088 | 7,100 |
| Minor Financial Payables | 3 | 3 | - | - |
| **Total** | **72,760** | **12,609** | **53,051** | **7,100** |

## NOTE 20 – OTHER NON-CURRENT LIABILITIES

Details of other non-current liabilities are provided below:

| *In thousands of Euros* | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Non-current liabilities to tax authorities | 2,714 | 86 | 2,628 |
| **TOTAL** | **2,714** | **86** | **2,628** |

The item Non-current liabilities to tax authorities, equal to Euro 2,714 thousand as at 31 December 2024, mainly includes the long-term portion of the amounts due in connection with the restatement of the "patent box" tax benefit.

## NOTE 21 – TRADE PAYABLES

This item is detailed as follows:

| *In thousands of Euros* | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Payables to suppliers within the following year | 121,877 | 90,568 | 31,309 |
| **TOTAL** | **121,877** | **90,568** | **31,309** |

**Payables to suppliers:** the item, equal to Euro 121,877 thousand as at 31 December 2024, shows an increase of Euro 31,309 thousand compared to 31 December 2023, due to the operating activities necessary for the work on orders in progress and the development of refit activities, as well as investments related to the various projects, including the new sales offices in Marina di Carrara.

## NOTE 22 – OTHER PAYABLES

This item is detailed as follows:

| *In thousands of Euros* | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Payables to social security institutions | 3,289 | 4,167 | (878) |
| Payables to tax authorities | 24,247 | 14,269 | 9,978 |
| Other payables | 4,603 | 5,735 | (1,132) |
| **TOTAL** | **32,139** | **24,171** | **7,968** |

The item **Payables to social security institutions**, equal to Euro 3,289 thousand as at 31 December 2024, refers to the debt for contributions payable by the Group to INPS, INAIL, Fasi and Previndai, the Cometa Supplementary Fund and other minor funds.

The item **Payables to tax authorities**, equal to Euro 24,247 thousand as at 31 December 2024, mainly includes payables to the tax authorities for IRES and IRAP. Group IRPEF income tax,the short-term portion of the instalment plan of the amounts due in relation to the redetermination of the "patent box" tax benefit and the remaining amount relating to the tax payables agreement concluded in 2020. In particular, in October 2020 a settlement agreement was signed with the Tax Authority that reduced the amount of overdue tax debts to be paid from Euro 8,982 thousand to Euro 7,967 thousand. On 28 June 2021, following the signing of the tax – social security settlements by the component CELI, the Italian Tax Authority, INPS and INAIL, the procedure for the approval by the Court of Massa of the restructuring agreement pursuant to Article 182-*bis* of the Italian Bankruptcy Law was positively concluded.

The item **Other payables**, amounting to Euro 4,603 thousand as at 31 December 2024, mainly includes payments received to a dedicated current account, to manage the current expenses of a 140-metre motor yacht currently subject to a freezing order, as required by European Community regulations. The asset, in the possession of the State Property Office, was entrusted to TISG, which is, among other things, carrying out significant refit work on it.

## NOTE 23 – SHORT-TERM FINANCIAL LIABILITIES

This item is detailed as shown below:

| *In thousands of Euros* | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Short-term payables to banks | 11,632 | 11,663 | (31) |
| Lease liabilities - Motor vehicles (short-term portion) | 358 | 336 | 22 |
| Lease liabilities - Plant and Machinery (short-term portion) | 542 | 170 | 372 |
| Lease liabilities - Buildings on land under concession (short- term portion) | 76 | 315 | (239) |
| **TOTAL** | **12,608** | **12,484** | **124** |

The item **Short-term payables to banks**, equal to Euro 11,632 thousand, decreased by Euro 31 thousand from 31 December 2023 and includes the portion to be paid within the next financial year of the loans taken out by the company as well as advances on contracts and cash credit lines.

The items **Lease liabilities – Cars**, **Lease liabilities – Plant and Machinery** and **Lease liabilities – Leased buildings** respectively equal to Euro 358 thousand, Euro 542 thousand as at 31 December 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 76 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 shown below:

| *In thousands of Euros* | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Accrued liabilities | 597 | 239 | 358 |
| Other payables due within the next year | 6,065 | 12,799 | (6,734) |
| **TOTAL** | **6,662** | **13,038** | **(6,976)** |

The item **Other payables**, amounting to Euro 6,065 thousand as at 31 December 2024, decreased by Euro 6,734 thousand compared to 2023 and refers exclusively to payables to employees for holidays and leave accrued as at 31 December 2024.

# COMMENTS ON THE MAIN ITEMS OF THE INCOME STATEMENT

## NOTE 25 – REVENUES

This item is detailed as shown below:

| *in thousands of Euros* | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Revenues from sales and services | 365,425 | 345,905 | 19,520 |
| Change in contract work in progress | 40,678 | 14,353 | 26,325 |
| **Total operating revenues** | **406,103** | **360,258** | **45,845** |
| | | | |
| Other proceeds and income | 25,179 | 11,507 | 13,672 |
| Commissions | (7,217) | (4,166) | (3,051) |
| **TOTAL** | **424,065** | **367,599** | **56,466** |

**Revenues from sales and services**, amounting to Euro 365,425 thousand as at 31 December 2024, increased compared to the previous year by approximately Euro 19,520 thousand.

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

| *in thousands of Euros* | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Production and sale of yachts (Shipbuilding) | 364,295 | 318,285 | 46,010 |
| incidence on total operating revenues | *90%* | *88%* | |
| Refit activities | 41,808 | 41,973 | (165) |
| incidence on total operating revenues | *10%* | *12%* | |
| **Operating revenues** | **406,103** | **360,258** | **45,845** |

The item **Other revenues and income**, equal to Euro 25,179 thousand as at 31 December 2024, is mainly composed as follows:

- **Capital gains** for an amount of Euro 18,722 thousand deriving mainly from the sale of the Viareggio shipyard in June 2024.

- **Insurance settlements**, for an amount of Euro 1,252 thousand as at 31 December 2024, refer to reimbursements paid in 2024 by insurance companies for costs incurred by TISG in 2024, related to claims for adverse weather events and damage to vehicles. In particular, the most significant claim occurred in December 2024, with an insurance reimbursement of Euro 915 thousand.

- **Other revenues** for an amount of Euro 3,665 thousand, deriving from the management of existing construction jobs, refer to all revenues not directly attributable to the sale of boats.

- **Contingent assets** in the amount of Euro 906 thousand as at 31 December 2024, which mainly refer to extraordinary income realised following the positive conclusion of some active disputes, thanks to the recovery activities carried out by the Group's legal counsel.

**Commissions payable**, recognised in the financial statements at 31 December 2024 for Euro 7,217 thousand, refer to the brokerage activities of some of the leading brokers in the industry, which have been collaborating with the Group for years in seeking 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 shown below:

| *in thousands of Euros* | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| For raw ancillary materials, consumables and goods | (94,761) | (81,518) | (13,243) |
| Short-term rentals | (2,623) | (2,172) | (451) |
| Changes in raw material inventories | (17) | (54) | 38 |
| Change in inventories of semi-finished and finished products | 1,337 | 4,402 | (3,065) |
| **TOTAL** | **(96,064)** | **(79,342)** | **(16,722)** |

The item **Costs of raw ancillary materials, consumables and goods**, at 31 December 2024 equal to Euro 94,761 thousand, up from the previous financial year 2023 by Euro 13,243 thousand, includes all costs related to the procurement of the materials necessary for the development of production activities.
The increase is the effect of the normal procurement process for the fulfilment of ongoing orders.

**Short-term rentals**, equal to Euro 2,623 thousand as at 31 December 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 17 thousand as at 31 December 2024, decreased from the previous financial year by Euro 38 thousand.

The **Change in finished and semi-finished products** shows a positive balance of Euro 1,337 thousand at 31 December 2024, mainly due to costs incurred for construction in relation to orders for which a future sale is expected.

## NOTE 27 – COST FOR OUTSOURCED WORK

This item is detailed as shown below:

| *in thousands of Euros* | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Outsourced works | (154,182) | (147,906) | (6,276) |
| **TOTAL** | **(154,182)** | **(147,906)** | **(6,276)** |

The item **Cost for outsourced work**, equal to Euro 154,182 thousand as at 31 December 2024, increasing by Euro 6,276 thousand compared to 31 December 2023, refers to the production activities managed in outsourcing by specialised companies in the yachting industry, both third parties and belonging to the TISG Group.

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 external growth, which involves the transfer, outside the Marina di Carrara shipyard, of some processing phases such as those relating to hull construction.

## NOTE 28 – SERVICES AND TECHNICAL CONSULTANCY

This item is detailed as shown below:

| *in thousands of Euros* | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Other services and consultancy | (19,329) | (16,305) | (3,024) |
| Legal, tax and notary consultancy | (775) | (1,249) | 474 |
| Auditing fees | (102) | (70) | (32) |
| **TOTAL** | **(20,206)** | **(17,624)** | **(2,582)** |

The item **Other services and consultancy**, amounting to Euro 19,329 thousand as at 31 December 2024, increased by Euro 3,024 thousand compared to the previous year 2023, due to a greater number of design phases of the new mega yachts entrusted to external designers and architects.

The item **Legal, tax and notary consultancy**, equal to Euro 775 thousand as at 31 December 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 notarial deeds related to all contracts for the sale of yachts, extraordinary transactions and others. The item decreased by Euro 474 thousand compared to the previous year 2023.

The item **Auditing fees**, amounting to Euro 102 thousand as at 31 December 2024, includes the costs incurred for the statutory audit of the accounts and limited review of the Sustainability Report.

## NOTE 29 – OTHER COSTS FOR SERVICES

This item is detailed as shown below:

| *in thousands of Euros* | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Transport expenses | (170) | (779) | 609 |
| Maintenance fees | (45) | (103) | 58 |
| Surveillance | (505) | (489) | (16) |
| Research costs | (5) | (446) | 441 |
| Miscellaneous administrative expenses | (2,341) | (1,556) | (785) |
| Utilities | (3,258) | (2,644) | (614) |
| Shipyard and vessel insurance | (3,300) | (3,888) | 588 |
| Cleaning and waste disposal costs | (464) | (414) | (50) |
| Sundry employee services | (518) | (481) | (37) |
| Advertising and entertainment expenses | (1,308) | (1,467) | 159 |
| Bank charges and fees | (341) | (187) | (154) |
| Fuels | (13) | (25) | 12 |
| Telephone costs | (130) | (115) | (15) |
| Software interventions | (1) | (12) | 11 |
| Directors' fees and expenses | (803) | (825) | 22 |
| Board of statutory auditors' fee | (32) | (32) | 0 |
| Supervisory Board | (27) | (27) | 0 |
| Other expenses | (669) | (461) | (208) |
| **TOTAL** | **(13,930)** | **(13,951)** | **21** |

**Utility costs**, which amounted to Euro 3,258 thousand as at 31 December 2024, rose by Euro 614 thousand compared to the previous year, mainly due to the increase in the price/kw from Euro 0.21/kw in 2023 to Euro 0.24/kw in 2024.

**Sundry employee services**, equal to Euro 518 thousand as at 31 December 2024, increased by Euro 37 thousand compared to the previous year 2023 and mainly refer to services related to canteen and catering managed in the Group's Village and travel and business trips related to the start-up of the foreign outsourcing of the production of structural work and some sales trips.

**Shipyard and vessel insurance**, equal to Euro 3,300 thousand as at 31 December 2024, decreased by Euro 588 thousand compared to the previous year, referring to all shipyard and vessel insurance for the Group.

**Miscellaneous administrative expenses**, equal to Euro 2,341 thousand as at 31 December 2024, increased by Euro 785 thousand compared to the previous year.

## NOTE 30 – PERSONNEL COSTS

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

This item is detailed as shown below:

| *in thousands of Euros* | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| For personnel | (30,502) | (27,044) | (3,458) |
| Social security contributions | (9,476) | (8,183) | (1,293) |
| Severance indemnities | (1,790) | (1,650) | (140) |
| Other costs | (2,147) | (1,772) | (375) |
| **TOTAL** | **(43,915)** | **(38,649)** | **(5,266)** |

The average number of Group employees in 2024 is 713, as shown below:

| Average number | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Executives | 23 | 27 |
| Employees | 385 | 365 |
| Workers | 305 | 250 |
| **TOTAL** | **713** | **642** |

The number of employees as at 31 December 2024 is 748 and is detailed as follows:

| Precise number | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Executives | 25 | 25 |
| Employees | 408 | 367 |
| Workers | 315 | 266 |
| **TOTAL** | **748** | **658** |

The number of employees rose as a result of the increased production of goods and services.

## NOTE 31 – OTHER OPERATING COSTS

This item is detailed as shown below:

| *in thousands of Euros* | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Provisions for risks | (3,314) | (1,326) | (1,988) |
| Contingent liabilities | (4,833) | (1,572) | (3,261) |
| IMU – Tasi | (353) | (335) | (18) |
| Municipal taxes | (2,140) | (1,143) | (997) |
| *Branding* | (717) | (2,417) | 1,700 |
| Other operating costs | (6,469) | (546) | (5,923) |
| **TOTAL** | **(17,826)** | **(7,339)** | **(10,487)** |

The item **Provision for risks**, equal to Euro 3,314 thousand as at 31 December 2024, mainly refers to the allocation to the guarantee provision for yachts under construction, amounting to Euro 1,613 thousand, and the allocation to the Provision for legal, tax and labour law risks, amounting to Euro 1,701 thousand, including the amount of Euro 1,231 thousand relating to the Silver Trend dispute described in the risks section.

**Contingent liabilities**, equal to Euro 4,833 thousand as at 31 December 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 increase recorded in the year 2024 of Euro 3,261 thousand refers mainly to the closure of some items recorded under advances to suppliers, the registration of invoices received in the previous year for which there was no formal authorisation from the technical-production department and other residual extraordinary items.

The item **Branding**, equal to Euro 717 thousand as at 31 December 2024, decreased compared to the previous year by Euro 1,700 thousand due to the fact that the figure for 2023 included all costs incurred for the event in collaboration with Giorgio Armani held on 11 February 2023.

The item **Other operating costs**, equal to Euro 6,426 thousand, increased compared to the previous year by Euro 5,880 and includes the ancillary costs related to the sale of the Viareggio business complex in June 2024, consultancy costs related to the preparatory operations for the transition to the STAR segment of the Italian Stock Exchange and tax assistance for the redetermination of the patent box benefit as well as non-recurring operating costs related to specific one-off activities such as, for example, special transport from Turkey or extraordinary processing work. .

The item **Municipal taxes**, equal to Euro 2,140 thousand, increased by Euro 997 thousand compared to the previous year and mainly includes the amount of the registration tax relating to state concessions.

## NOTE 32 – DEPRECIATION, AMORTISATION AND WRITE-DOWNS

This item is detailed as shown below:

| *in thousands of Euros* | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Depreciation of tangible fixed assets | (9,898) | (10,940) | 1,042 |
| Amortisation of intangible fixed assets | (525) | (578) | 54 |
| Write-downs and losses on receivables | (1,017) | (500) | (517) |
| **TOTAL** | **(11,440)** | **(12,018)** | **579** |

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

The item **Write-downs and losses on receivables** consists of the write-down of the Equity Investment in Perini Usa for Euro 294 thousand and for the remainder, please refer to the previous **note no. 10**.

## Note 33 – FINANCIAL INCOME AND CHARGES

This item is detailed as follows:

| *in thousands of Euros* | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Other financial income | 1,670 | 918 | 752 |
| Interest expense to banks and others | (8,678) | (5,984) | (2,694) |
| Interest expense on interest-bearing loan to shareholders | 0 | 0 | 0 |
| Interest expense on Lease liabilities | (723) | (461) | (262) |
| **TOTAL** | **(7,731)** | **(5,527)** | **(2,204)** |

The item financial income and charges, equal to Euro 8,678 thousand, changed by Euro 2,694 thousand compared to the previous year mainly due to the increase in interest rates.

## NOTE 34 – INCOME TAXES

The tax burden reconciliation table is shown below:

| *in thousands of Euros* | 31/12/2024 | 31/12/2023 |
|---|---|---|
| **Theoretical IRES rate** | **24.00%** | **24.00%** |
| Profit (loss) before tax | 50,851 | 45,242 |
| **THEORETICAL IRES** | | |
| Total Increases | 15,601 | 7,104 |
| Total Decreases | (12,419) | (20,864) |
| Taxable income | (54,033) | (31,482) |
| Effect of tax losses usable at 80% | 0 | 0 |
| ACE (aid to economic growth) | 0 | 745 |
| Net taxable income | (54,033) | (30,737) |
| **IRES 24%** | **(12,968)** | **(7,377)** |
| **IRAP** | **(2,644)** | **(1,687)** |
| **taxes from previous financial years** | **(7,599)** | **(180)** |
| **Total current taxes** | **(23,211)** | **(9,244)** |
| Deferred tax assets/liabilities | (1,664) | 913 |
| **TOTAL TAXES** | **(24,875)** | **(8,331)** |

It should be noted that the Group benefited from the facilitated taxation regime by applying the Patent Box rules for the financial years 2019, 2020, 2021, 2022 and 2023, which will guarantee TISG an additional tax benefit in the financial years 2024 and 2025 as well, net of the redetermination that occurred in the year 2024 following the Italian Tax Authority's audit.
The amount relative to previous taxes amounting to Euro 7,599 thousand refers to the restatement of IRES, IRAP, direct and deferred taxes related to the restatement of the Patent Box benefit following the Revenue Agency audit concluded at the end of 2024.

## NOTE 35 – GAINS/(LOSSES) FROM REMEASUREMENT OF LIABILITIES FOR 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 Group'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 | 31/12/2024 | 31/12/2023 | 31/12/2022 |
|---|---|---|---|
| **Annual discount rate** | 2.93% | 2.95% | 3.57% |
| **Annual inflation rate** | 2.00% | 2.00% | 2.30% |
| **Annual rate of increase in severance indemnity** | 3.00% | 3.00% | 3.23% |

More specifically it should be noted how:

- the annual discount rate used to determine the present value of the obligation has been derived, in line with section 83 of IAS 19, from the Iboxx Corporate AA index with duration 5-7 recognised at the valuation date. For this purpose, the return with a duration comparable to the duration of the collective of workers under assessment was chosen;

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

The technical demographic bases used are shown below:

| | |
|---|---|
| **Death** | ISTAT 2022 |
| **Disability** | INPS tables separated by age and gender |
| **Retirement** | 100% on reaching AGO [Compulsory General Insurance] requirements |

**Additional information:**

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

| SENSITIVITY ANALYSIS OF KEY VALUATION PARAMETERS | |
|---|---|
| **THE ITALIAN SEA GROUP SPA** | **DBO 31/12/24** |
| Turnover rate +1% | 754,154.24 |
| Turnover rate -1% | 752,536.95 |
| Inflation rate +0.25% | 758,928.68 |
| Inflation rate -0.25% | 747,884.94 |
| Discount rate +0.25% | 744,928.85 |
| Discount rate -0.25% | 762,017.43 |

| Service Cost and Duration | |
|---|---|
| THE ITALIAN SEA GROUP SPA | |
| **Service Cost 2021** | 4,939.27 |
| **Duration** | 5.7 |

| ESTIMATED FUTURE DISBURSEMENTS | |
|---|---|
| **Years** | **Expected disbursements** |
| **1** | 137,626.12 |
| **2** | 91,825.73 |
| **3** | 80,873.92 |
| **4** | 109,869.46 |
| **5** | 95,599.24 |

## NOTE 36 – CASH FLOW HEDGE

In the context in which the use of derivative instruments is formally designated to hedge a specific risk, and such hedging is effective, it is possible to apply hedge accounting rules, which establish different accounting standards by hedge category.

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

# OTHER INFORMATION

## COMMITMENTS AND RISKS

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

## TRANSACTIONS WITH RELATED PARTIES

Below is a list of the main Related Parties with which transactions took place in 2024 and the type of relationship:

| List of related parties | Related-party relationship |
|---|---|
| GC HOLDING S.p.A. | 53.6% PARENT COMPANY OF TISG |
| | |
| GMC Architecture S.r.l. S.t.p. | GC HOLDING INVESTEE COMPANY |
| | |
| SANTA BARBARA S.r.l. | 100% GIOVANNI COSTANTINO COMPANY |

Transactions with related parties during the financial year ended at 31 December 2024 are shown 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 ACCOUNTS RECEIVABLE** | **67** | **1** | **0** |
| FINANCIAL PAYABLES | 0 | | |
| TRADE PAYABLES | 38 | 15 | 0 |
| **TOTAL PAYABLES** | **38** | **15** | **0** |

| INCOME STATEMENT (€/000) | GC Holding | GMC ARCHITECTURE S.R.L. S.T.P. | SANTA BARBARA S.R.L. |
|---|---|---|---|
| COSTS FOR PROCESSING | | | 0 |
| COSTS FOR CONSULTANCY | | 118 | |
| COSTS FOR SERVICES | | | 180 |
| INTEREST PAYABLES | 0 | | |
| **TOTAL COSTS** | **0** | **118** | **180** |
| REVENUES FROM SALES | | 5 | 0 |
| INTEREST INCOME | | | |
| **TOTAL REVENUES** | **0** | **5** | **0** |

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

**Santa Barbara**: TISG and SANTA BARBARA signed an agreement on 8 February 2022 concerning TISG's use of a building to carry out sales activities with potential or current TISG customers, offering them accommodation, entertainment services, event planning and social dinners.

## SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

Throughout 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.

## TRANSACTIONS ARISING FROM ATYPICAL AND/OR UNUSUAL OPERATIONS

Throughout 2024, the Company 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.
There are no changes with respect to related party transactions that have had a material effect on the Company's financial position and results and there are no conflicts of interest that may have had an effect on the management of business activities.

## SIGNIFICANT EVENTS OCCURRING AFTER THE END OF THE PERIOD

At the beginning of 2025, The Italian Sea Group launched 2 new models of **Motor Yachts** under the **Perini Navi** brand. They had characteristics in line with the company's core business: **large size (>50m)**, **full custom**.

## EARNINGS PER SHARE

The calculation of earnings per share is based on the following data:

| *in thousands of Euros* | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Net result | Euro 33,894 | Euro 36,682 |
| Profit attributable to ordinary shares | Euro 33,894 | Euro 36,682 |
| Average number of ordinary shares outstanding | 53,000 | 53,000 |
| **Earnings per ordinary share** | **Euro 0.64** | **Euro 0.69** |
| Average number of ordinary shares outstanding (adjusted) | 53,000 | 53,000 |
| **Diluted earnings per ordinary share** | **Euro 0.64** | **Euro 0.69** |

## AUTHORISATION TO PUBLISH

This document was published on 31 March 2024 upon authorisation of the Chair and the Chief Executive Officer and was approved by the Board of Directors on 14 March 2025.

## DIRECTORS' AND STATUTORY AUDITORS' COMPENSATION

The total compensation due for the financial year 2024 to the Directors and Statutory Auditors of TISG S.p.A., for carrying out these functions in the Company, amounts to Euro 758 thousand for the Directors and Euro 31 thousand for the Statutory Auditors. For a complete and detailed description of the compensation paid to Directors, please refer to the Remuneration Report available at the Company's registered office and on the Company's website.

## SUMMARY STATEMENT OF FEES TO THE AUDITING FIRM AND OTHER ENTITIES BELONGING TO ITS NETWORK

Pursuant to Article 149-duodecies of the Issuers' Regulation, it should be noted that the total fees payable to BDO Italia S.p.A. and the BDO network for the audit of the 2024 Annual Financial Report and for the limited audit of the sustainability report are summarised in the table below:

| *in thousands of Euros* | 31/12/2024 |
|---|---|
| Fees for auditing | 102 |
| **TOTAL** | **102** |

*Certification by the Financial Reporting Manager*

# CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ARTICLE 81-TER OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999 AS AMENDED AND SUPPLEMENTED

1. The undersigned Giovanni Costantino (Chief Executive Officer) and Marco Carniani (Financial Reporting Manager) of The Italian Sea Group S.p.A. , taking into account the provisions of Art. 154-bis, paragraphs 3 and 4, of Italian Legislative Decree No. 58 of 24 February 1998, certify that the administrative and accounting procedures for the preparation of the financial statements:

   a) have been defined in a manner consistent with the administrative/accounting system and the Group structure;
   b) have been verified in terms of their adequacy;
   c) were actually applied during the period from 1 January 2024 to 31 December 2024 to which the financial statements refer.

2. No major issues emerged in this respect.

3. We hereby also certify that the Consolidated Financial Statements as at 31 December 2024:

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

(b) are drafted 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 of the Council of 19 July 2002;

c) are suitable to provide a true and fair representation of the profit/loss, financial and economic results of the issuer and the group of consolidated undertakings.

Date 14 March 2025

**Giovanni Costantino**

Chief Executive Officer

**Marco Carniani**

Executive responsible for preparing the company's financial reports.

# PROPOSED RESOLUTION

Dear Shareholders,

We propose to allocate the net profit for the year 2024, totalling Euro 32,309 thousand (as opposed to Euro 33,894 thousand in the Consolidated Financial Statements), as follows:

- distribute a dividend to shareholders, totalling Euro 12,985 thousand;
- increase retained earnings in the amount of Euro 19,324 thousand.

Finally, we invite you to approve the Annual Consolidated Financial Report as at 31 December 2024, as well as the proposed allocation of the net result for the year as illustrated.

Marina di Carrara, 14 March 2025

**Giovanni Costantino**

Chief Executive Officer