THE ITALIAN SEA GROUP

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 405 million**, with an increase in profitability to over **17% in terms of EBITDA**, confirming our focus on business sustainability. We recorded a net profit of **Euro 32.3 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 has been confirmed across all of our Italian shipyards, and we continue to work to improve gender equality inside our Company and provide support to our employees, suppliers and the local community.

The prospects for the market in which we operate are solid, thanks to constant growth in the assets of our potential customers.

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

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

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.

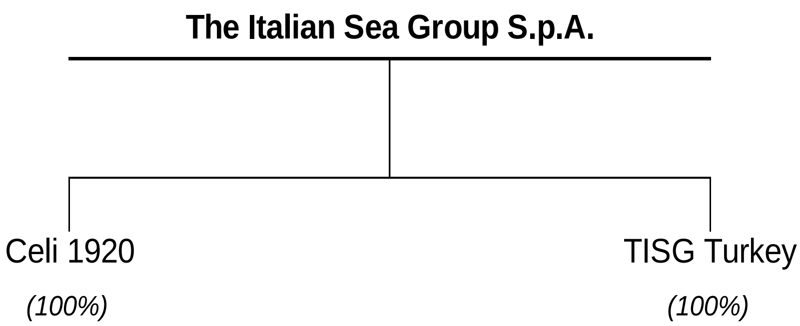
According to the Global Order Book 2024, an international ranking compiled by the prestigious Boat International magazine, The Italian Sea Group is the leading Italian producer of superyachts over 50 metres and the second at global level.

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.

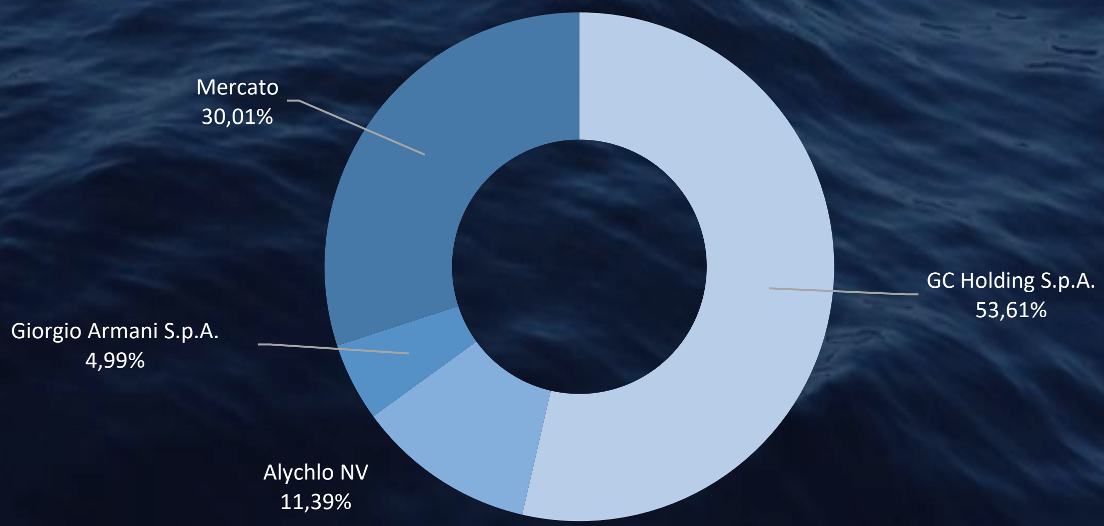
Due to their size and technical and stylistic detailing, The Italian Sea Group's yachts appeal to Ultra-High-Net-Worth Individuals (“UHNWI”) clientele, a highly resilient market segment.



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 TISG'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.

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.

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.

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.

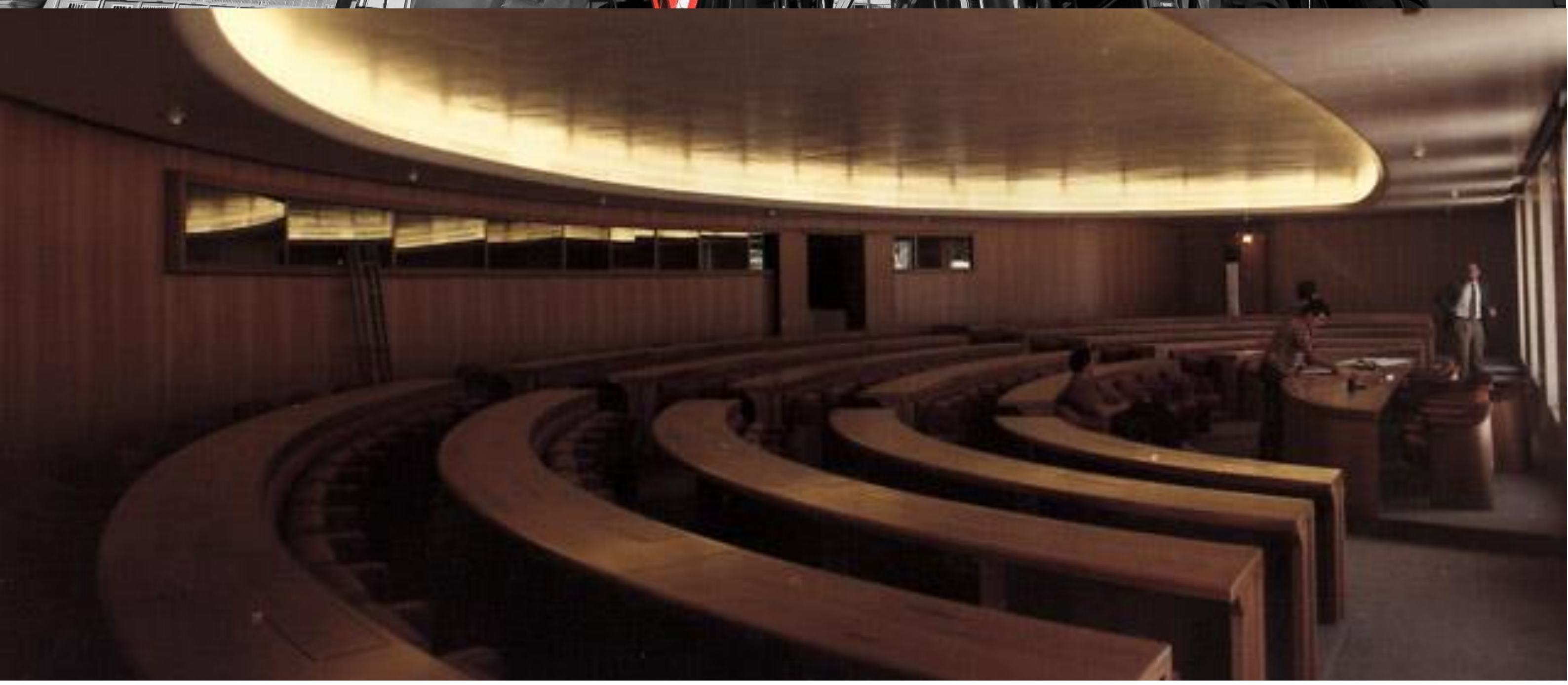
Strategically located in Marina di Carrara and La Spezia, with a total area of more than 130,000 square metres, the brand's state-of-the-art facilities have unique features that make NCA Refit one of the most important yachting hubs in the Mediterranean.

CELI 1920

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 Italian Sea 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, TISG 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 Company has made a series of investments to double its production capacity with the aim of in-housing up to 70% of its wooden furniture needs.

The in-housing of these activities allows the Company 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 Italian Sea Group has invested around **Euro 86 million** in expanding the production capacity at its shipyards: currently, the Company 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, TISG 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 Company 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 TISG 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 Company 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.

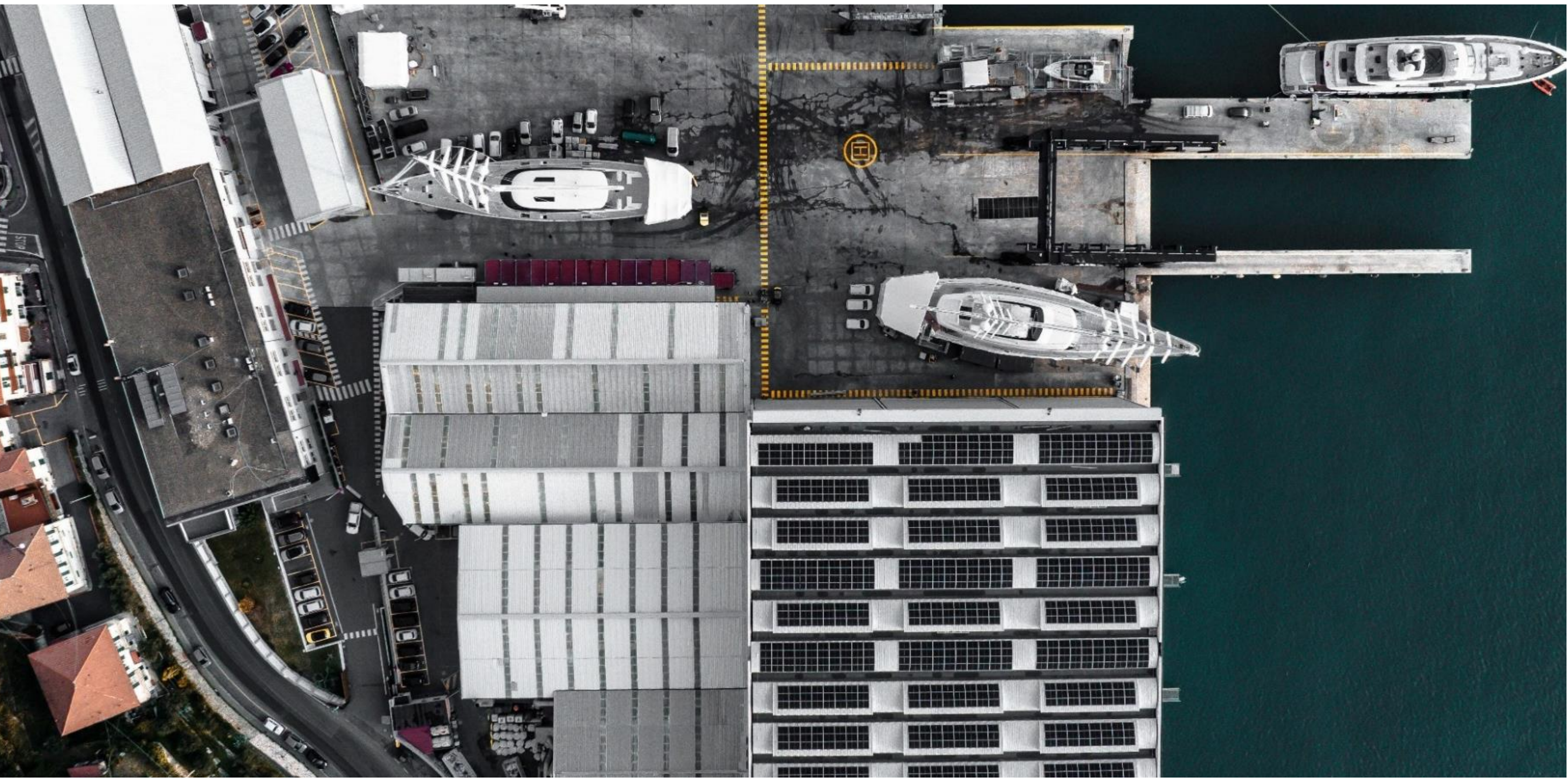
In early 2024, TISG restarted its woodworking hub in Viareggio, and opened a flagship store for Perini Navi.

TISG Turkey

Through TISG Turkey, the Company 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.

TISG 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




CELI
1920
Brand of
THE ITALIAN SEA GROUP

BUSINESS DEVELOPMENT

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

In fact, TISG'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, TISG 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) or any strategic M&A transactions for Group development and growth.

Over the years, TISG 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 Italian Sea 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. Expected growth rates range from +26% expected for North America, historically one of the main markets for world boating, to +38% for Asia, while even in Europe the number of UHNWIs is expected to grow by 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 10,000 individuals with assets exceeding $500 million, the **penetration of large yachts** is roughly **6%**), demand for large yachts has remained more or less constant after the post-COVID increase.

This sharp increase is due, on the one hand, to an increase in UHNWI and, on the other hand, to a growing desire on the part of these "rich people of the world" 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.

To further confirm this trend, strong growth has 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 Italian Sea Group, as routine maintenance is in many cases mandatory to ensure the yacht remains compliant with standards that change over the years. This activity also allows the Company to expand its customer base and 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 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

[1] Source Knight Frank 2024

[2] Source: Knight Frank 2024

technological systems that make their annual downtime more effective and efficient.

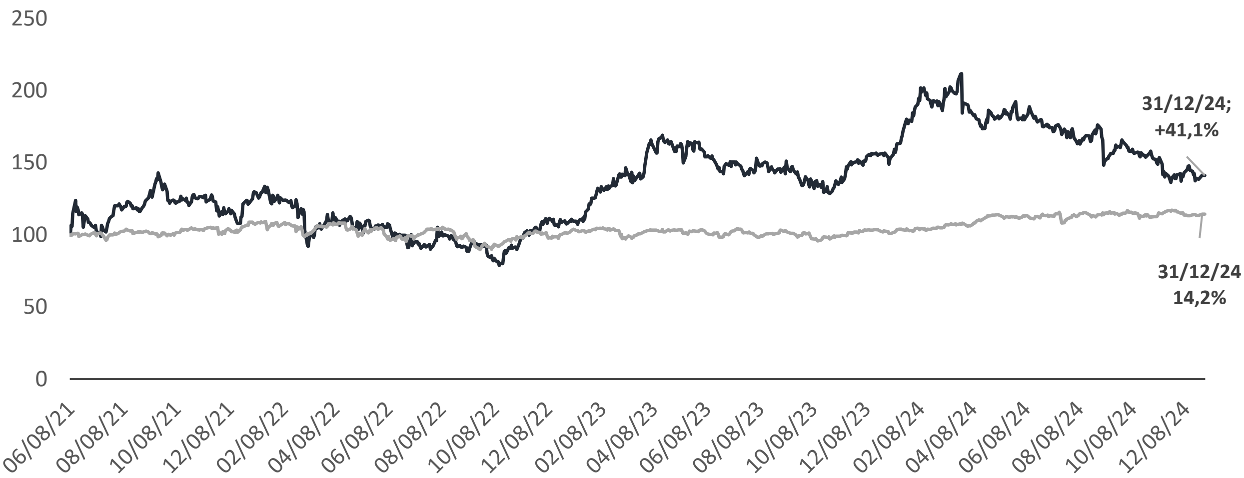
It is important to emphasise that over the years, Italy has become the point of reference for refitting in Europe, not only as the country with the largest number of dedicated facilities, but also in terms of the number of activities carried out, with a significant increase from 2021 to 2022 compared to other countries active in the sector.

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 an increase 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 Italian Sea 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 Italian Sea 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 TISG'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

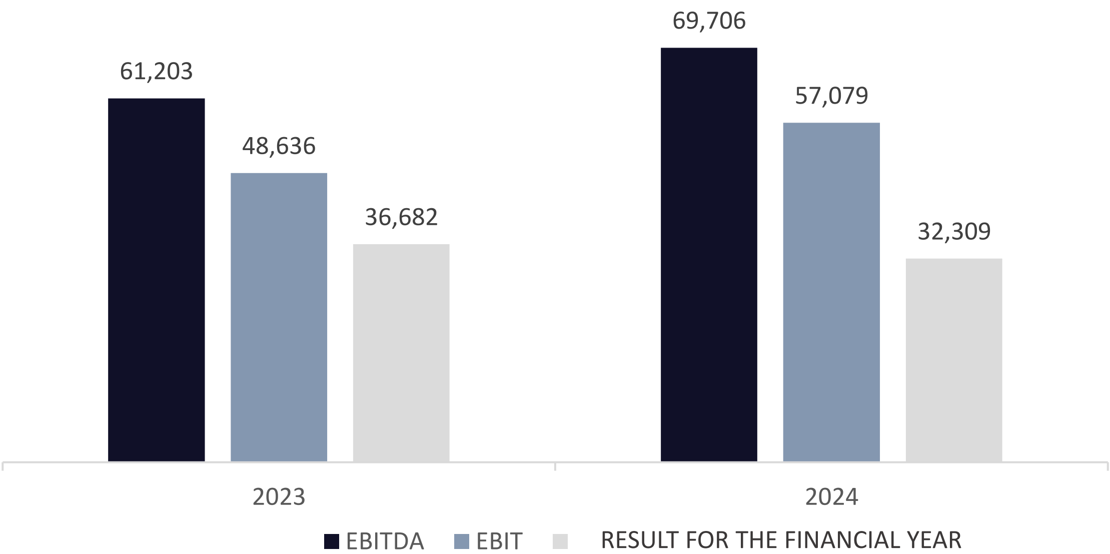
THIS IS IT
"Best Catamaran" at the Robb Report Monaco Best of The Best 2024

RECLASSIFIED INCOME STATEMENT

In thousands of Euros	31/12/2024	31/12/2023
Operating revenues	406,358	359,566
Other revenues and income	6,337	8,061
Commissions	(7,214)	(4,166)
Total revenues	**405,481**	**363,461**
Costs for raw materials	(100,644)	(83,997)
Cost for outsourced work	(155,856)	(145,964)
Technical services and consultancy	(20,974)	(18,261)
Other costs for services	(13,595)	(13,718)
Personnel costs	(40,420)	(35,419)
Other operating costs	(4,284)	(4,898)
EBITDA	**69,706**	**61,203**
Percentage on total revenues	*17.2%*	*16.8%*
Amortisation, depreciation, write-downs	(12,627)	(12,567)
EBIT	**57,079**	**48,636**
Percentage on total revenues	*14.08%*	*13.38%*
Net financial charges	(8,063)	(5,749)
Extraordinary income and charges	7,770	546
EBT	**56,785**	**43,433**
Taxes for the financial year	(24,476)	(6,751)
RESULT FOR THE FINANCIAL YEAR	**32,309**	**36,682**
Percentage on total revenues	*8.0%*	*10.1%*

TREND OF ECONOMIC INDICATORS | 2023 - 2024

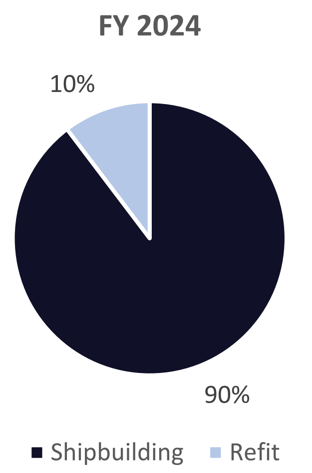
In thousands of Euros

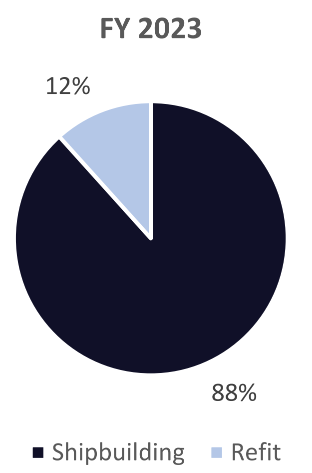


OPERATING REVENUES

Operating revenues of **Euro 406,358 thousand** as of 31 December 2024 increased by **13%** from Euro 359,566 thousand in 2023.

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

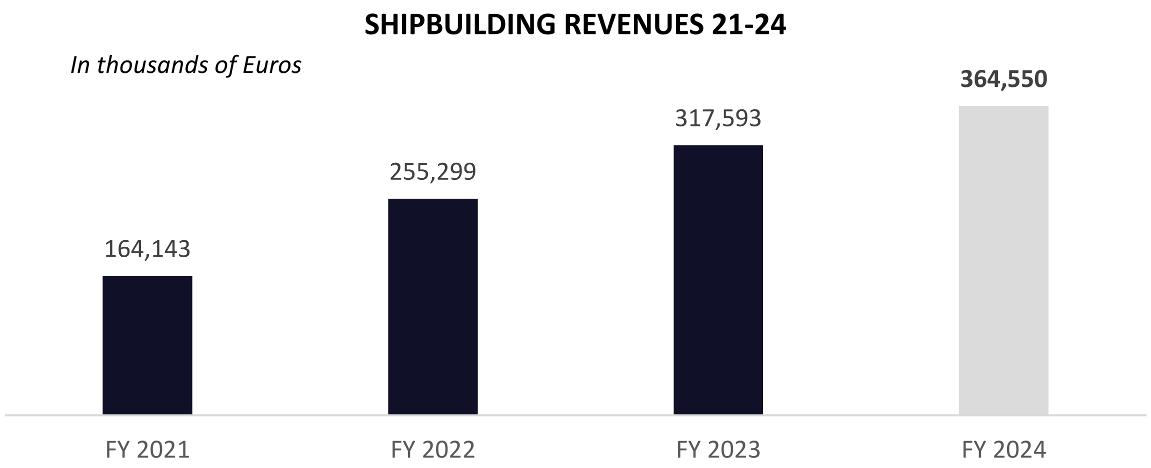




SHIPBUILDING

Revenues from the **Shipbuilding** division amounted to **Euro 364,550 thousand** as at 31 December 2024, up **15%** from Euro 317,593 thousand in the previous year.

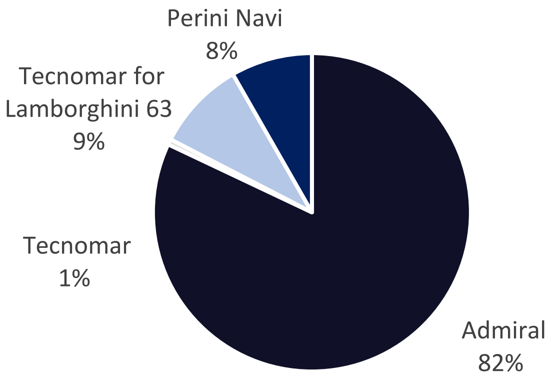
Since 2021, the Shipbuilding Division's revenues have grown at a CAGR of 22%.



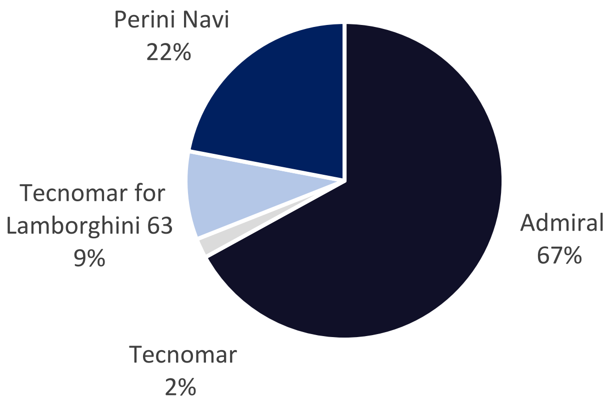
The breakdown of Shipbuilding revenues as at 31 December 2024 is as follows:

SHIPBUILDING REVENUES BY BRAND

FY 2024

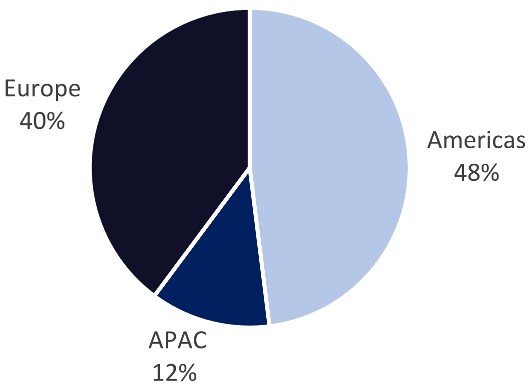


FY 2023

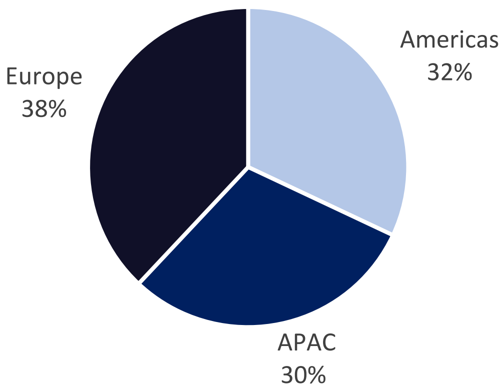


SHIPBUILDING REVENUES BY GEOGRAPHICAL AREA

FY 2024

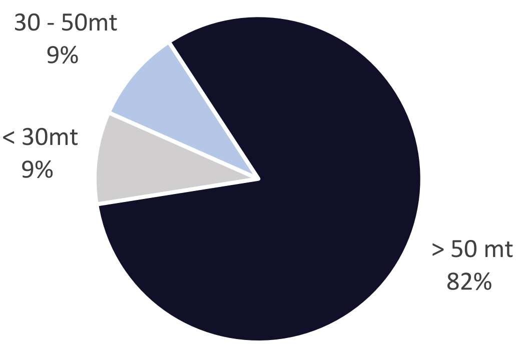


FY 2023

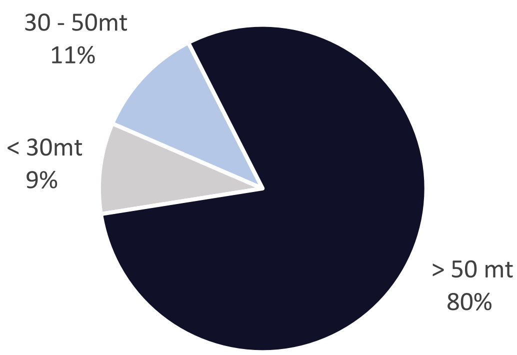


SHIPBUILDING REVENUES BY LENGTH

FY 2024



FY 2023

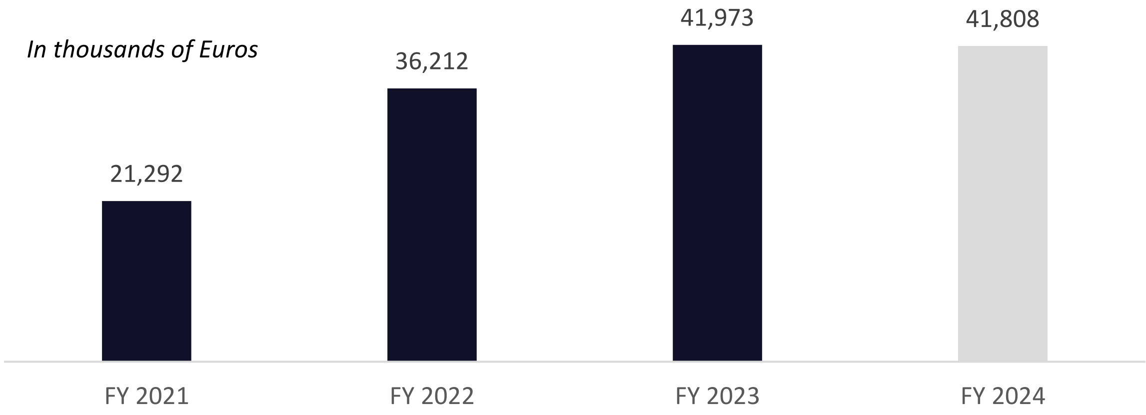


REFIT

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.

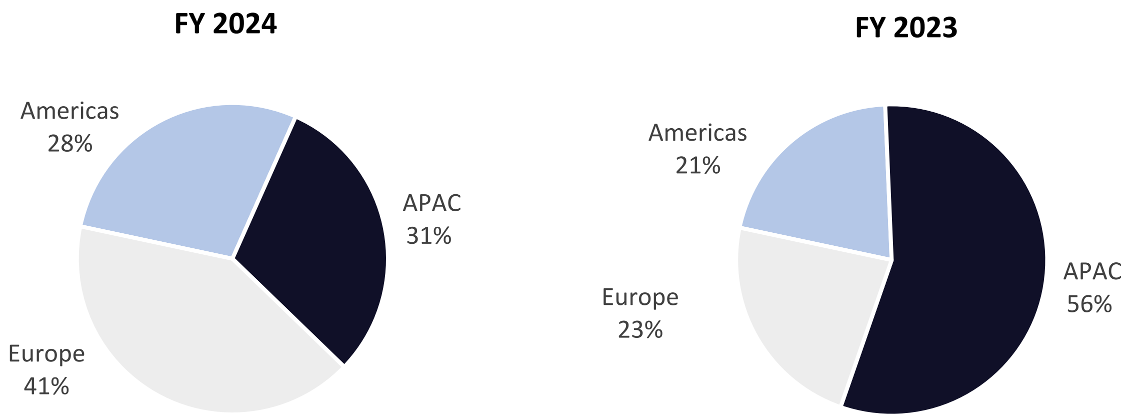
Since 2021, the Refit Division's revenues have grown at a **CAGR** of **18%**.

REFIT REVENUES 21-24

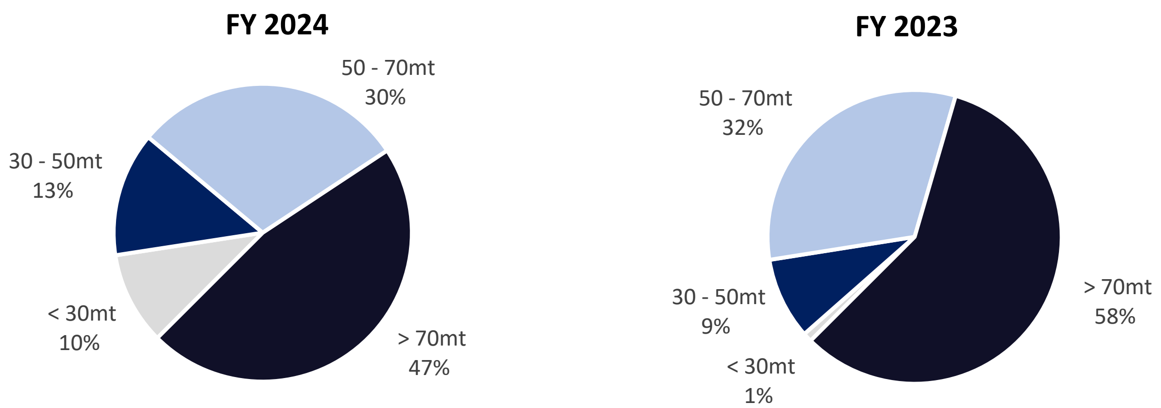


The breakdown of Refit revenues as at 31 December 2024 is as follows:

REFIT REVENUES BY



REFIT REVENUES BY LENGTH



EBITDA

EBITDA as at 31 December 2024 was **Euro 69,706 thousand**, up 14% from EBITDA as at 31 December 2023 of Euro 61,203 thousand, with an EBITDA margin of 17.2% (vs. 16.8% 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 efficiency of production processes;

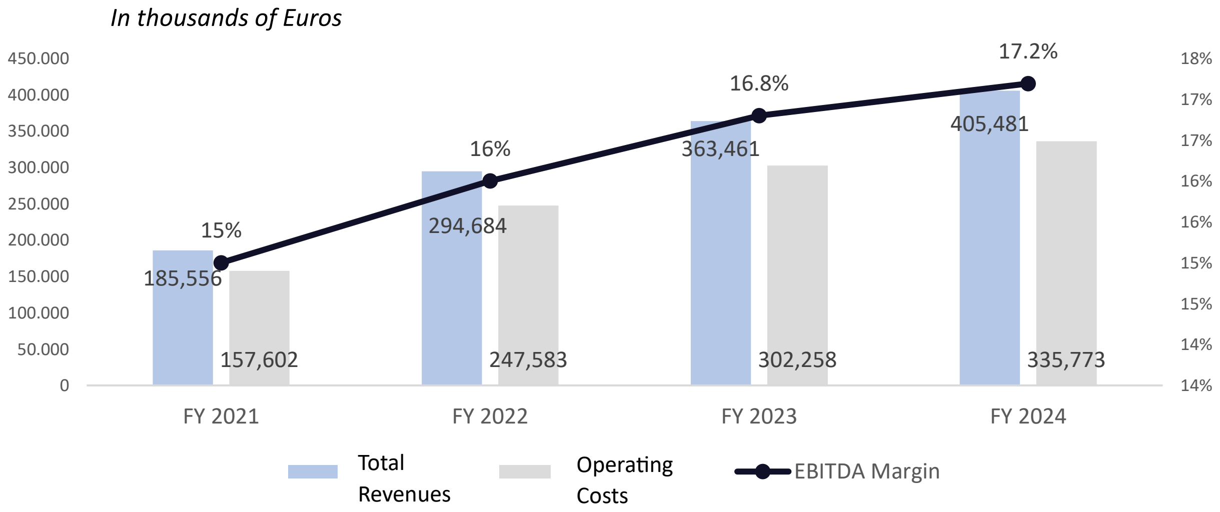
(iii) Benefits deriving from completion of investments in production capacity with an optimal mix of synergies between Shipbuilding and Refit activities;

(iv) The internalisation of supply chain activities with higher added value, such as the acquisition of Celi for woodworking activities;

(v) An improvement in order profitability, due to an increase in sale prices and the continuous success of the Company'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 Company 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 Company 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 operating result trend.

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

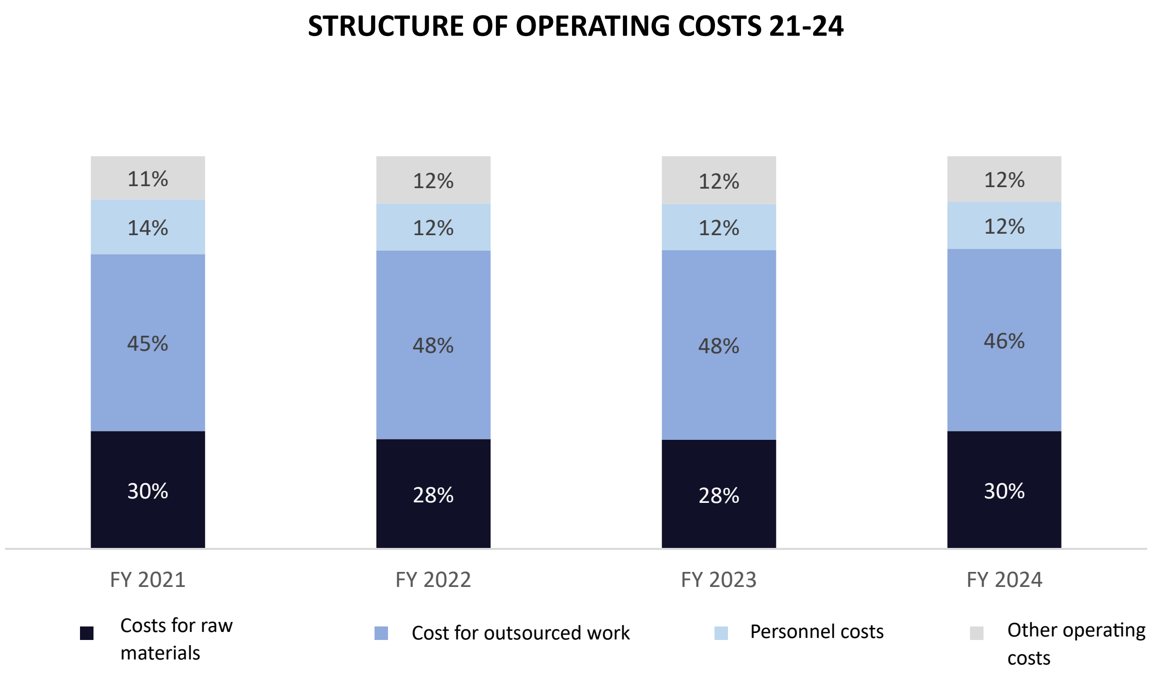
EBIT

EBIT as at 31 December 2024 amounted to **Euro 57,079 thousand** – an increase of **17%** compared to the amount recorded in the previous year of Euro 48,636 thousand – with an EBITDA margin of **14.1%** against amortisation, depreciation, write-downs, provisions and capital losses which amounted to **Euro 12,627 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:



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, TISG's **Gross Backlog** (**Shipbuilding and Refit**) amounted to **Euro 1,241,626 thousand** and includes 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	31/12/2020	31/12/2021	31/12/2022	31/12/2023	31/12/2024
Gross Backlog Shipbuilding	597,247	807,726	1,003,357	1,218,273	1,165,678
Gross Backlog Refit	8,204	18,948	34,207	46,202	75,948
Total Gross Backlog	**605,451**	**826,674**	**1,037,564**	**1,264,475**	**1,241,626**
Net Backlog Shipbuilding	428,892	526,639	605,832	597,408	421,468
Net Backlog Refit	3,354	9,617	13,987	11,702	11,904
Total Net Backlog	**432,246**	**536,256**	**619,819**	**609,110**	**433,372**

RECLASSIFIED BALANCE SHEET STRUCTURE

in thousands of Euros	31/12/2024	31/12/2023
ASSETS		
Intangible assets	35,200	35,587
Property, plant and equipment	119,233	125,524
Shareholdings	377	679
Net deferred tax assets and liabilities	(1,981)	1,674
Other non-current assets and liabilities	209	4,159
Provisions for non-current risks and charges	(6,180)	(4,335)
Provision for employee benefits	(753)	(889)
Net fixed capital	**146,104**	**162,400**
Inventories and payments on account	9,241	7,921
Contract work in progress and advances from customers	87,699	47,021
Trade receivables	62,604	32,344
Trade payables	(121,316)	(97,598)
Other current assets and liabilities	(27,800)	(22,640)
Net Working Capital	**10,428**	**(32,953)**
Total ASSETS - NIC	**156,532**	**129,447**
SOURCES		
Share capital	(26,500)	(26,500)
Share premium reserve	(45,431)	(45,431)
Other reserves and retained earnings	(38,640)	(22,059)
Profit (loss) for the financial year	(32,309)	(36,682)
Shareholders' equity	**(142,880)**	**(130,672)**
Net financial debt	(13,652)	1,225
Total SOURCES	**(156,532)**	**(129,447)**

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 **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 shareholders' equity, as described in more detail in the notes, is mainly due to the net profit resulting from the financial statements as at 31 December 2024 in the amount of Euro 32,309 thousand net of the dividend paid of Euro 19,610 thousand following the resolution of the Ordinary Shareholders' Meeting of 29 April 2024.

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	36,282	29,535
B. Assets equivalent to cash and cash equivalents	22,830	46,516
C. Other current financial assets	0	0
D. Liquidity (A)+(B)+(C)	**59,112**	**76,051**
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)	**46,500**	**63,276**
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)	**(13,652)**	**1,225**

The **net financial position**, negative at **Euro 13,652 thousand** as at 31 December 2024, against a positive net financial position of Euro 1,225 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 Company's trade or past-due tax payables.

On 31 December 2024, the short-term net financial position was positive at Euro 46.5 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 performance of the Company and derive directly from the financial statements even though they are not addressed in IAS/IFRS. These measures, used by the Company on a continuous and uniform basis for several years, are important in assisting management and investors in analysing the Company'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 Company'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 derive exclusively from the Company's historical data which are extracted from the general and management accounts, and are not indicative of the Company's future performance. More specifically, they are 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 addressed by international accounting standards ("IFRS") and, although they derive from the Company's financial statements, they are not audited;

- 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 Company's financial information taken from its financial statements;

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

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

EBITDA	is equal to the result before taxes, before financial income and charges, depreciation, amortisation and 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:

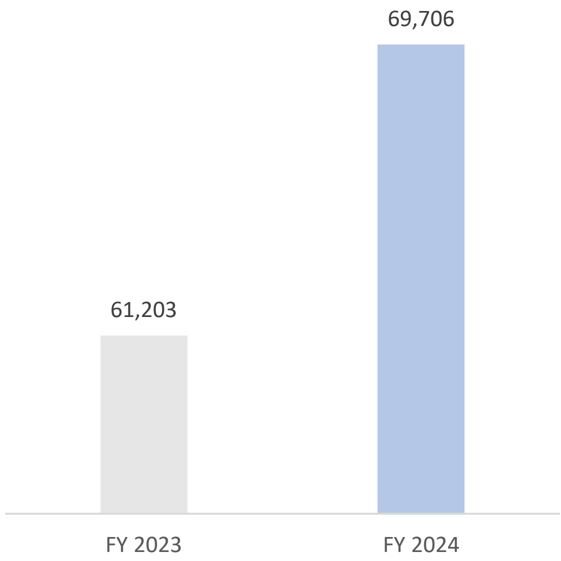
- Liquidity including: cash and bank deposits, other cash and cash equivalents and securities held for trading;

- 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;

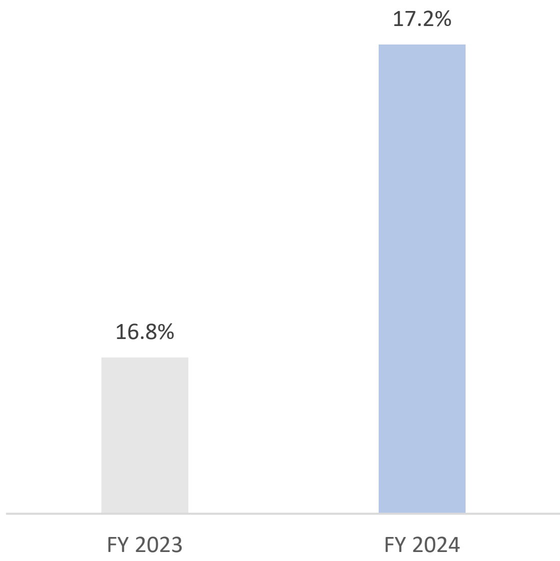
- Net non-current financial debt includes: non-current bank debt, bonds issued, other non-current payables, payables to funding shareholders.

EBITDA

in thousands of Euros

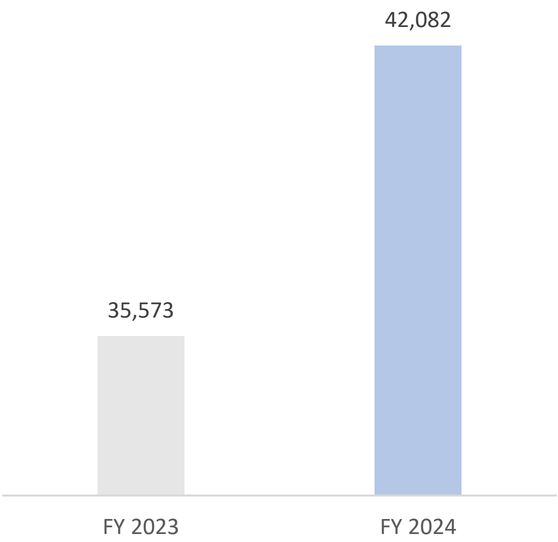


EBITDA Margin



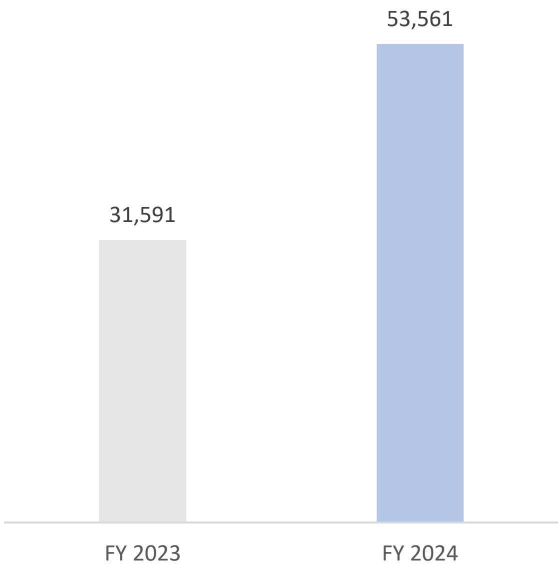
EBIT

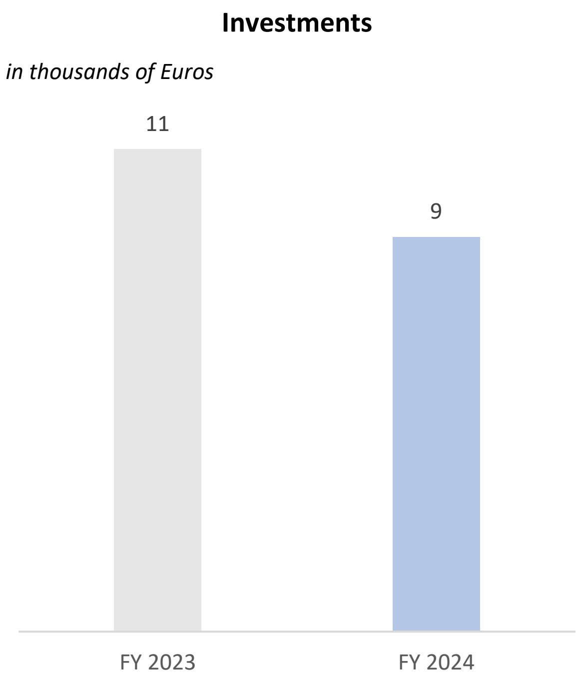
in thousands of Euros

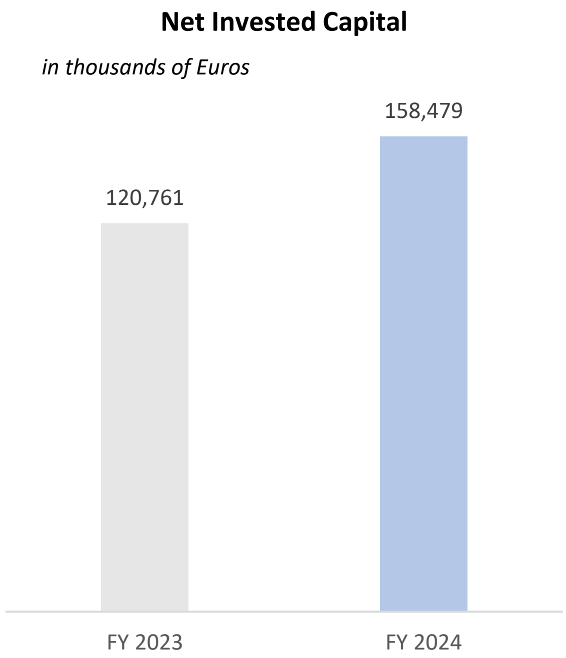


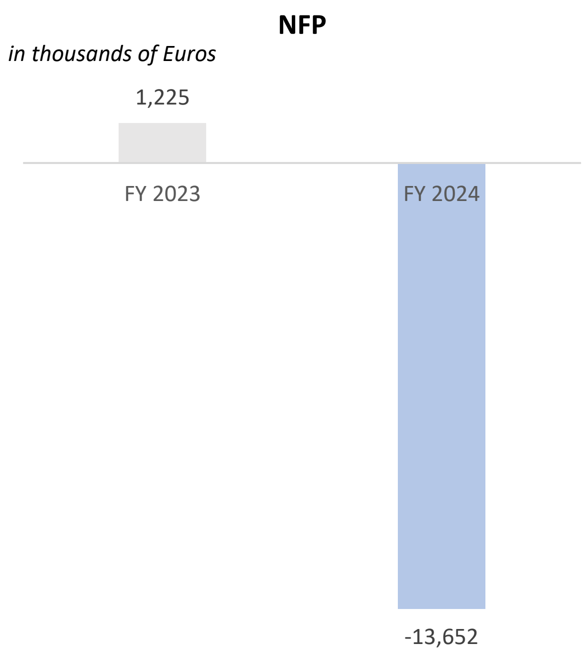
EBT

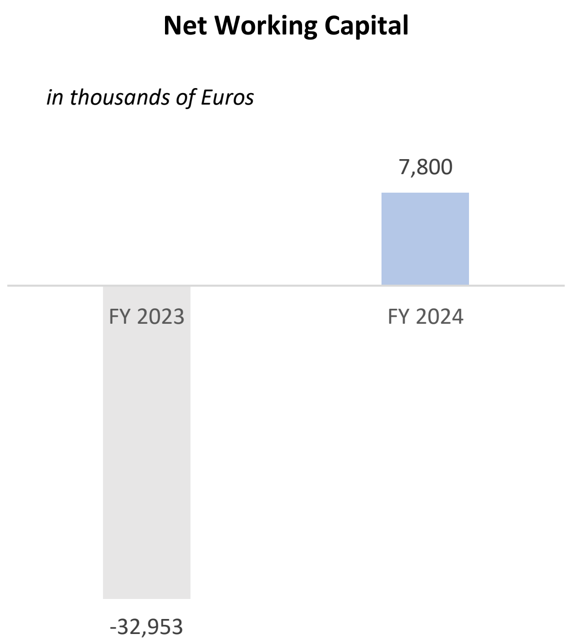
in thousands of Euros




Investments
in thousands of Euros
11
9
FY 2023
FY 2024


Net Invested Capital
in thousands of Euros
120,761
158,479
FY 2023
FY 2024


NFP
in thousands of Euros
1,225
FY 2023
FY 2024
-13,652


Net Working Capital
in thousands of Euros
7,800
FY 2023
FY 2024
-32,953

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 1920 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 Company 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 Company, 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 Company. 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.

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.

SUSTAINABILITY: LONG-TERM VALUE CREATION FOR STAKEHOLDERS

To date, the Company 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 Company 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.

OUTLOOK 2025

In light of the current order book and the numerous negotiations in progress, substantial stability in revenues (Euro 410 – 430 million) is expected. This growth will take place in a sustainable manner, with a confirmed focus on operating profitability, which is 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 17.5/18.0%.

With regard to the capital structure and the dividend policy, TISG’s objective is to maintain neutral 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 Italian Sea 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 Company had net financial debt of **Euro 13,652 thousand**.

Part of this value derives from facility agreements that include **financial covenants**. The Company is therefore exposed to the risk of having to repay its financial debt early if it does not comply with the covenants; this circumstance could have significant negative effects on the Company's economic, financial and equity situation. In the event of non-compliance with financial covenants, the Company undertakes to deliver a statement 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.

TISG 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 Italian Sea Group adopts hedging instruments for the most significant medium and long-term variable-rate loans.

Mitigating actions

The Company 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 2023, 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	142,880	130,672
Dividends declared	-19,610	-14,416
OWN FINANCING	**123,270**	**116,256**
Short-term financial liabilities	11,632	11,661
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	8,573
Co-obligation payables	891	1,563
Liquidity	-59,112	-76,051
NFP	**14,543**	**337**
EBIT	64,848	49,182
DA	11,426	13,017
Contingencies	-	-
EBITDA	**76,274**	**62,199**

INDEX	Contractual Reference Value 2022	Covenants 2024	Covenants 2023
NFP/EBITDA	< 2.00	0.19	0.01
NFP/OF	< 0.50	0.12	0.00

2) MPS Capital Services Financial Covenant

in thousands of Euros	31/12/2024	31/12/2023
Short-term financial liabilities	11,632	11,661
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	8,573
Liquidity	-59,112	-76,051
NFP	**13,652**	**-1,225**
EBIT	64,848	49,182
DA	11,426	13,017
Contingencies	-	-
EBITDA	**76,274**	**62,199**

INDEX	Contractual Reference Value 2023	Covenants 2024	Covenants 2023
NFP/EBITDA	< 2.00	0.18	0.02

With regard to the remaining positions, the Company is exposed to 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 shipbuilding activity as well as the desire to diversify the product carried forward by the Company, it is exposed to the risk deriving from an inability to implement adequate project management activities, i.e., to adequately manage this operational complexity or the organisational integration process.

Impact

If the Company 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

TISG has implemented procedures and activity plans to monitor the progress of each individual project for its entire 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 Italian Sea 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. TISG 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 Company is exposed to the risk of employees of external contractors, suppliers or collaborators making claims against the Company for the recognition 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 Company'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 Company's management is particularly careful in overseeing the 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 Italian Sea Group is exposed to risks related to the global economic and financial situation and the economic trend of the specific geographical 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 TISG'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 TISG'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 Company'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 Company; 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 Company were not able to continue its policy of collecting advance payments before yacht delivery, due to the time and costs required for their construction, this could have an adverse effect on TISG's business, prospects and economic, asset and financial situation.

Mitigating actions

To mitigate this risk, the Company 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 Company's current strategy includes product and business diversification and a global presence on all continents. This allows TISG to identify and meet different customer needs all over the world. TISG 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

TISG 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 TISG's economic, asset and financial situation.

The contracts for the construction of luxury yachts managed by the Company are multi-year agreements with an established fee and a delivery date set from the outset; any changes in the sale price relating to the customer's needs and tastes must be agreed upon with the ship operator and any changes in the design will originate from this agreement. 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 Company 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 **TISG 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 TISG.

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 Company provides its customers with 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 in the financial statements in the warranty provisions, as well as on the Company's image in the reference market.

Impact

During the warranty period, the Company 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, TISG calculates the possible cost of warranty repairs on the basis of historical work statistics and considers them as costs for the order.

Nevertheless, The Italian Sea 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 TISG, 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 Company's image.

Mitigating actions

The Italian Sea 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 Company 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 regulatory compliance activities, the costs and responsibilities of which could have a negative impact on the Company's activities and results.

Impact
Any changes in safety or environmental standards, or the occurrence of unforeseeable or exceptional circumstances, could oblige the Company to incur extraordinary environmental or workplace safety expenses.

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

RISKS RELATED TO LITIGATION AND TAX ASSESSMENTS

Description of the risk
The Company 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, TISG 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 economic, asset and financial situation of the Company.

Impact
The Company believes it is possible that the outcome of the proceedings pending at the closing date of the financial statements for the year ended 31 December 2024 may be unfavourable to the Company, 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, TISG 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 made the correction for the year 2023 as well and prepared suitable patent box documentation 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.

CLIMATE RISKS

Description of the risk

The Company 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 company 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 company 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 company 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 company 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 Company 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 Company 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, TISG 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 2023, 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 Company is organised according to the traditional management 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 Company'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 Company 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.

Each year, the Company 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.

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.


BLUE MARLIN

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024

STATEMENT OF FINANCIAL POSITION

In thousands of Euros	notes	31/12/2024	31/12/2023
ASSETS			
NON-CURRENT ASSETS			
Brands	1	34,594	34,640
Other intangible assets	2	606	947
Land and buildings	3	57,047	57,290
Plant, machinery, equipment and investments in progress	4	29,557	34,450
Other tangible assets	5	886	1,261
Right of Use	6	31,742	32,523
Shareholdings	7	377	679
Other non-current assets	8	2,924	4,245
Deferred tax assets	17	-	1,674
Total non-current assets		**157,733**	**167,709**
CURRENT ASSETS			
Cash and cash equivalents	9	59,112	76,051
Trade receivables	10	62,604	32,344
Other receivables	11	1,990	4,362
Assets from contract work in progress	12	103,692	84,929
Stock inventories	13	9,241	7,921
Other current assets	14	4,844	5,419
Total current assets		**241,483**	**211,026**
TOTAL ASSETS		**399,216**	**378,735**
LIABILITIES AND SHAREHOLDERS' EQUITY			
SHAREHOLDERS' EQUITY			
Share capital		26,500	26,500
Share premium reserve		45,431	45,431
Other reserves and retained earnings		38,640	22,059
Profit (Loss) for the financial year		32,309	36,682
Total Shareholders' Equity	**15**	**142,880**	**130,672**
NON-CURRENT LIABILITIES			
Provisions for risks and charges	16	6,180	4,335
Deferred tax liabilities	17	1,981	-
Provision for employee benefits	18	753	889
Long-term financial liabilities	19	60,152	62,051
Other non-current liabilities	20	2,715	86
Total non-current liabilities		**71,781**	**67,361**
CURRENT LIABILITIES			
Trade payables	21	121,316	97,598
Other payables	22	28,014	19,702
Short-term financial liabilities	23	12,608	12,484
Liabilities from contract work in progress	12	15,993	37,909
Other current liabilities	24	6,624	13,009
Total current liabilities		**184,555**	**180,702**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**399,216**	**378,735**

INCOME STATEMENT

In thousands of Euros	notes	31/12/2024	31/12/2023
Operating revenues		406,358	359,566
Other revenues and income		25,923	11,122
Commissions		(7,214)	(4,166)
Total Revenues	**25**	**425,067**	**366,522**
Raw materials, components and consumables	26	(100,644)	(83,997)
Cost for outsourced work	27	(155,856)	(145,964)
Technical services and consultancy	28	(21,076)	(18,353)
Other costs for services	29	(13,493)	(13,648)
Personnel costs	30	(40,420)	(35,419)
Other operating costs	31	(17,302)	(6,941)
Total operating costs		**(348,792)**	**(304,323)**
Operating result before amortisation, depreciation and write-downs		**76,274**	**62,199**
Depreciation, amortisation and write-downs	32	(11,426)	(13,017)
Operating result		**64,848**	**49,182**
Financial income	33	806	452
Financial charges	33	(8,870)	(6,201)
Financial year profit (loss) before income taxes		**56,785**	**43,433**
Income taxes	34	(24,476)	(6,751)
Profit (loss) for the financial year		**32,309**	**36,682**
Earnings per ordinary share		**0.61**	**0.69**
Diluted earnings per ordinary share		**0.61**	**0.69**

OTHER COMPREHENSIVE INCOME

Financial year profit/(loss)		**32,309**	**36,682**
Profits/(losses) on re-measurement of employee defined benefit plan liabilities	35	(32)	(19)
Change in fair value of hedging derivatives	35	(458)	(815)
TOTAL COMPREHENSIVE FINANCIAL YEAR PROFIT/(LOSS) (A) + (B)		**31,819**	**35,848**

CASH FLOW STATEMENT

In thousands of Euros	**31/12/2024**	**31/12/2023**
INCOME MANAGEMENT ACTIVITIES		
Result before tax for the financial year	56,785	43,433
Net interest income	8,064	5,750
provision for risks and charges	3,314	1,326
provision for severance indemnity	1,790	1,650
Adjustments for:		
Amortisation, depreciation and write-downs of non-current assets	10,308	11,367
Capital gains/(losses)	(18,114)	0
Other provisions and write-downs (revaluations)	500	450
Changes in assets and liabilities:		
Receivables from customers	(30,760)	(11,325)
Inventories and contract work in progress	(41,999)	(18,700)
Other management activities	2,543	(2,722)
Payables to suppliers	23,719	18,828
Other operating payables	6,979	(7,833)
Severance indemnity	(1,926)	(2,012)
Provisions for risks and charges	512	(1,316)
Taxes paid	(24,476)	(6,751)
Interest paid	(8,064)	(5,750)
Cash flow from income management activities	**(10,825)**	**26,395**
INVESTING ACTIVITIES		
Purchase of tangible assets	(3,137)	(1,103)
Disposal of tangible assets	21,000	0
Purchase of intangible assets	(125)	(444)
Acquisition of shareholdings		(190)
Receivable from CELI	404	1,675
Others	2,504	(137)
Cash flow from investing activities	**20,646**	**(199)**
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	(1,493)	(2,660)
Cash flow from financing activities	**(26,761)**	**(31,273)**
TOTAL CASH FLOWS FOR THE PERIOD	(16,939)	(5,077)
INITIAL CASH AND CASH EQUIVALENTS	76,051	81,128
FINAL CASH AND CASH EQUIVALENTS	59,112	76,051

STATEMENT OF CHANGES IN 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					45,431
OTHER RESERVES AND RETAINED EARNINGS	13,024	24,247		(14,378)	(833)	22,059
PROFITS (LOSSES) FOR THE PERIOD	24,247	(24,247)	36,682			36,682
TOTAL SE	**109,202**	**0**	**36,682**	**(14,378)**	**(833)**	**130,672**

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	45,431					45,431
OTHER RESERVES AND RETAINED EARNINGS	22,059	36,682		(19,610)	(491)	38,640
PROFITS (LOSSES) FOR THE PERIOD	36,682	(36,682)	32,309			32,309
TOTAL SE	**130,672**	**0**	**32,309**	**(19,610)**	**(491)**	**142,880**

Other changes mainly includes the dividends paid in the year, as from the shareholders' meeting of 29 April 2024.

NOTES TO THE FINANCIAL STATEMENTS

CONTENT AND FORM OF THE 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 annual financial statements were prepared in XHTML format in accordance with the provisions of Delegated Regulation (EU) 2019/815 of the European Commission concerning regulatory technical standards relating to the specification of a single electronic communication 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. The following factors were taken into account when selecting this approach:

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.

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 Company to adopt the IFRS international accounting standards as its reference standards for the preparation of the consolidated and separate financial statements offers the opportunity to compare the financial statement figures with those of its main competitors and to move forward with the internationalisation process.

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 Company 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 endorsed 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 standards, amendments to standards and interpretations that have been issued by the IASB that will become effective in future accounting years and that the company 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 items in the annual 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 Company 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" and "Perini Navi" 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 operating activities (e.g., by business lines) or makes decisions about maintaining or disposing of the assets and activities of the company.

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.

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 Company 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 Company identifies a lease agreement according to the definition set forth in IFRS 16, when the agreement transfers the right to control the use of an underlying asset for a period of time in exchange for consideration. For lease agreements, the Company 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 lease payments, the Company 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 Company applies the exception to the recognition established 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 Company becomes a party to the contracts connected to them and are eliminated from the balance sheet assets when the right to receive the cash flows is transferred together with all the risks and benefits associated with the asset sold. Trade receivables and other current and non-current receivables are originally recognised at their fair value and, subsequently, at amortised cost, using the effective interest rate, reduced for impairment. 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.

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

Payments relating to defined contribution plans made by the Company 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 indemnity 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 Company 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 loss.

CURRENT LIABILITIES

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

Financial liabilities are classified under current liabilities, unless the Company 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 Company 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 Company 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 company has contractual rights that protect the recognition of the margin of the service completed up to the date in question. At the contract is signed, the customer pays the Company 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.

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	34,594	34,640	(46)
TOTAL	**34,594**	**34,640**	**(46)**

In thousands of Euros	Brand Admiral	Tecnomar brand	Brand Perini Navi	Picchiotti brand	Total
Net Book Value 31/12/2023	**2,319**	**1,235**	**30,351**	**735**	**34,640**
Investments	-	-	-	-	**-**
Net decreases	-	-	-	-	**-**
Amortisation and depreciation	-	-	-	46	**46**
Net Book Value 31/12/2024	**2,319**	**1,235**	**30,351**	**689**	**34,594**

Brands: This item, amounting to Euro 34,594 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; both trademarks were considered to have an indefinite useful life.

The Picchiotti brand has been measured at finite useful life and, consequently, 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	606	947	(341)
TOTAL	**606**	**947**	**(341)**

Projects: the item, equal to Euro 606 thousand as at 31 December 2024, down by Euro 341 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 126 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**	**196**	**947**
Changes in 2024			
Investments	0	126	126
Net decreases	0	0	0
Amortisation	(223)	(244)	(467)
Net Book Value 31/12/2024	**528**	**78**	**606**

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	23,207	23,224	(17)
Moulds	1,104	1,337	(233)
TOTAL	**29,557**	**34,450**	**(4,893)**

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 due to the attribution of costs to the applicable category on completion of the investment, 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.

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	52,644	5,251	77,957
Depreciation provision	0	9,973	29,420	3,914	43,307
Net Book Value 31/12/2023	**4,710**	**5,179**	**23,224**	**1,337**	**34,450**
Changes in 2024					
Investments	2,512	833	2,697	0	6,042
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	2,714	233	4,446
Release of Depreciation Provision	0	1,298	0	0	1,298
Chg. Depreciation provision 2024	**0**	**201**	**2,714**	**233**	**3,148**
Historical cost	2,257	13,163	55,341	5,251	76,012
Depreciation provision	0	10,174	32,134	4,147	46,455
Net Book Value 31/12/2024	**2,257**	**2,989**	**23,207**	**1,104**	**29,557**

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	Motor 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 company 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 current 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	Right of Use Motor vehicles	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	4,254	36,177	43,767
Amortisation provision	1,497	1,991	8,537	12,025
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, the updated annual fee and the discount rate applicable at the date the concession was modified, with corresponding adjustment of the value 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 subsidiaries	343	637	(294)
Shareholdings in other companies	34	43	(9)
TOTAL	**377**	**680**	**(303)**

The item **Shareholdings in subsidiaries** decreased by Euro 294 thousand compared to the previous year due to the dissolution of the subsidiary Perini Usa Inc. on 17 June 2024. This item includes the equity investment (100%) in TISG Turkey Yat Tersanecilik Anonim Sirketi, for a value of Euro 153 thousand and the equity investment (100%) in Celi S.r.l. 1920 for a value of Euro 190 thousand;

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	684	1,286	(602)
receivables from subsidiaries	0	707	(707)
Receivables from CELI for long-term tax settlement	1,437	1,824	(387)
TOTAL	**2,924**	**4,245**	**(1,321)**

The item, which decreased compared to 2023 by Euro 1,321 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 684 thousand as at 31 December 2024, the item decreased by Euro 602 thousand compared to 31 December 2023, due to the recognition of the fair value of derivative financial instruments hedging the outstanding loans.

- **Receivables from CELI**: the item was related to the long-term portion of the receivable arising from the Subsidiary CELI as part of the Tax Settlement signed by CELI and TISG with the Italian Tax Authority in October 2020, for which TISG has already advanced Euro 8,080 thousand to the Italian Tax Authority on behalf of CELI. The receivable is repaid by CELI to TISG in half-yearly instalments from 30 June 2021 until 31 December 2030. The remaining receivable as at 31 December 2024 will be repaid in 12 half-yearly instalments of Euro 143.7 thousand each, plus interest calculated at 3.5% per year.

NOTE 9 – CASH AT BANK AND 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	36,282	29,534	6,748
Assets equivalent to cash and cash equivalents	22,830	46,516	(23,686)
Cash	0	1	(1)
TOTAL	**59,112**	**76,051**	**(16,939)**

The item **Current bank accounts and post-office deposits** as at 31 December 2024 amounts to a total of Euro 59,112 thousand, decreasing by Euro 16,937 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	62,604	32,344	30,260
TOTAL	**62,604**	**32,344**	**30,260**

Receivables from customers, equal to Euro 62,604 thousand, increasing by Euro 30,260 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)	(1,219)	500	734	(985)	234
Bad debt provision (insolvency procedures)	(371)	123	0	(494)	(123)
TOTAL	**(1,590)**	**623**	**734**	**(1,479)**	**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	956	2,075	(1,119)
Receivables from parent companies	67	67	0
Tax receivables	967	2,220	(1,253)
TOTAL	**1,990**	**4,362**	**(2,372)**

The item **Advances to suppliers**, equal to Euro 956 thousand as at 31 December 2024, which decreased by Euro 1,119 thousand compared to 31 December 2023, includes advances paid to suppliers with whom tender contracts were signed for works in progress.

The item **Receivables from parent companies**, equal to Euro 67 thousand as at 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 967 thousand as at 31 December 2024, which decreased by Euro 1,253 thousand compared to 31 December 2023, refers essentially to the VAT credit due to TISG 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	103,692	84,929	18,763
Liabilities from contract work in progress	(15,993)	(37,909)	21,916
TOTAL	**87,699**	**47,020**	**40,679**

The item **Assets from contract work in progress**, equal to Euro 103,692 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 18,763 thousand. This increase is mainly attributable to the trend of the order curves.

The item **Liabilities from contract work in progress**, equal to Euro 15,993 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 21,916 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 Contracts	1,218,273	661,753	(620,866)	40,887
Refitting Contracts	46,202	40,632	(34,499)	6,133
Total	**1,264,475**	**702,385**	**(655,365)**	**47,020**

in thousands of Euros 31/12/2024	Value of contracts	Contract progress	Advances invoiced	Net amount of business
Yacht Contracts	1,165,678	835,644	(744,210)	91,434
Refitting Contracts	75,948	60,308	(64,044)	(3,736)
Total	**1,241,626**	**895,653**	**(808,254)**	**87,699**

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	268	285	(17)
Work in progress and semi-finished goods	8,973	7,636	1,337
TOTAL	**9,241**	**7,921**	**1,320**

The item **Raw, ancillary and consumable materials**, amounting to Euro 268 thousand, decreased by Euro 17 thousand compared to 2023 and refers to the amount of inventories of the general warehouse of TISG and the internal workshops.

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	150	127	23
Receivables from CELI for tax settlement	287	304	(17)
Prepaid expenses	4,358	4,881	(523)
TOTAL	**4,844**	**5,419**	**(575)**

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 150 thousand as at 31 December 2024, up by Euro 23 thousand compared to 31 December 2023, includes a number of receivables.

Receivables from CELI for tax transaction: this item, amounting to Euro 287 thousand, refers to the short-term portion of the receivable from the related Company CELI S.r.l. as part of the Tax Settlement signed by CELI and TISG with the Italian Tax Authority in October 2020 (see note no. 8).

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 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	45,431	0
Statutory Reserve	5,300	5,300	0
Other reserves and retained earnings	33,340	16,759	16,581
Net income (loss) for the period	32,309	36,682	(4,373)
TOTAL	**142,880**	**130,672**	**12,208**

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 company'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 32,309	Euro 36,682
Profit attributable to ordinary shares	Euro 32,309	Euro 36,682
Average number of ordinary shares outstanding	53,000	53,000
Earnings per ordinary share	**Euro 0.61**	**Euro 0.69**
Average number of ordinary shares outstanding (adjusted)	53,000	53,000
Diluted earnings per ordinary share	**Euro 0.61**	**Euro 0.69**

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 available when the financial statements were drafted, in application of the provisions of IAS 37.

Provision for yacht guarantees

This provision includes allocations calculated against the probable future expense that the Company 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 liabilities and charges	1,463	948	515
Losses to New	0	0	0
Others	1,512	5,476	(3,964)
Deferred tax assets	**2,975**	**6,424**	**(3,449)**

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	**(1,981)**	**1,674**	**(3,655)**

The temporary differences mainly refer to the difference between the book value of the items represented above and the tax value.
The decrease of Euro 3,655 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	753	889	(136)
TOTAL	**753**	**889**	**(136)**

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)	1,776	346	1,430
Lease liabilities - Buildings on land under concession (long-term portion)	7,518	5,538	1,980
TOTAL	**60,153**	**62,051**	**(1,898)**

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 1,576 thousand as at 31 December 2023, 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% and the updated value of the annual rent.

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 amounts due in relation to the redetermination 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	121,316	97,598	23,718
TOTAL	**121,316**	**97,598**	**23,718**

Payables to suppliers: the item, equal to Euro 121,316 thousand as at 31 December 2024, shows an increase of Euro 23,718 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	3,278	4,151	(873)
Payables to tax authorities	23,353	12,678	10,647
Other payables	1,383	2,845	(1,462)
TOTAL	**28,014**	**19,702**	**8,312**

The item **Payables to social security institutions**, equal to Euro 3,278 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 23,353 thousand as at 31 December 2024, mainly includes payables to the tax authorities for IRES and IRAP. Personal income tax and the short-term portion of the instalment plan of amounts due in relation to the redetermination of the patent box tax benefit.

The item **Other payables**, amounting to Euro 1,383 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	6,026	12,770	(6,744)
TOTAL	**6,623**	**13,009**	**(6,386)**

The item **Other payables**, amounting to Euro 6,026 thousand as at 31 December 2024, decreased by Euro 6,744 thousand compared to 2023 and refers 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	365,680	345,213	20,467
Change in contract work in progress	40,678	14,353	26,325
Total operating revenues	**406,358**	**359,566**	**46,792**
Other revenues and income	25,923	11,122	14,801
Commissions	(7,214)	(4,166)	(3,048)
TOTAL	**425,067**	**366,522**	**58,545**

Revenues from sales and services, amounting to Euro 365,680 thousand as at 31 December 2024, increased compared to the previous year by approximately Euro 20,467 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)	364,550	317,593	46,957
incidence on total operating revenues	*90%*	*88%*	
Refit activities	41,808	41,973	(165)
incidence on total operating revenues	*10%*	*12%*	
Operating revenues	**406,358**	**359,566**	**46,792**

The item **Other revenues and income**, equal to Euro 25,923 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 4,455 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 864 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 company's legal counsel.

Commissions payable, recognised in the financial statements at 31 December 2024 for Euro 7,214 thousand, refer to the brokerage activities of some of the leading brokers in the industry, which have been collaborating with the Company 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	(99,342)	(86,172)	(13,170)
Short-term rentals	(2,623)	(2,172)	(451)
Changes in raw material inventories	(17)	(55)	38
Change in inventories of semi-finished and finished products	1,337	4,402	(3,065)
TOTAL	**(100,644)**	**(83,997)**	**(16,647)**

The item **Costs of raw ancillary materials, consumables and goods**, at 31 December 2024 equal to Euro 99,342 thousand, up from the previous financial year 2023 by Euro 13,170 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 boats 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	(155,856)	(145,964)	(9,892)
TOTAL	**(155,856)**	**(145,964)**	**(9,892)**

The item **Cost for outsourced work**, equal to Euro 155,856 thousand as at 31 December 2024, increasing by Euro 9,892 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	(20,199)	(17,034)	(3,165)
Legal, tax and notary consultancy	(775)	(1,249)	474
Auditing fees	(102)	(70)	(32)
TOTAL	**(21,076)**	**(18,353)**	**(2,723)**

The item **Other services and consultancy**, amounting to Euro 20,199 thousand as at 31 December 2024, increased by Euro 3,165 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 Non-Financial Statement.

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	(232)	(158)	(74)
TOTAL	**(13,493)**	**(13,648)**	**155**

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 Company, 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 staff members	(27,007)	(23,813)	(3,194)
Social security contributions	(9,476)	(8,183)	(1,293)
Severance indemnities	(1,790)	(1,650)	(140)
Other costs	(2,147)	(1,773)	(374)
TOTAL	**(40,420)**	**(35,419)**	**(5,001)**

The average number of TISG employees in 2024 is 623, as shown below:

Average number	31/12/2024	31/12/2023
Executives	22	26
White-collar	356	343
Blue-collar	245	197
TOTAL	**623**	**566**

The number of employees as at 31 December 2024 is 657 and is detailed as follows:

Precise number	31/12/2024	31/12/2023
Executives	24	24
White-collar	380	366
Blue-collar	253	223
TOTAL	**657**	**613**

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	(4,589)	(1,366)	(3,223)
IMU – Tasi	(353)	(335)	(18)
Municipal taxes	(1,903)	(951)	(952)
Branding	(717)	(2,417)	1,700
Other operating costs	(6,426)	(546)	(5,880)
TOTAL	**(17,302)**	**(6,941)**	**(10,361)**

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 4,589 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 3,223 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 the 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 1,903 thousand, increased by 952 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	(9,797)	(10,795)	998
Amortisation of intangible fixed assets	(512)	(572)	60
Write-downs and losses on receivables	(1,117)	(1,650)	533
TOTAL	**(11,426)**	**(13,017)**	**1,591**

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	806	452	354
Interest expense to banks and others	(8,147)	(5,740)	(2,407)
Interest expense on interest-bearing loan to shareholders	0	0	0
Interest expense on Lease liabilities	(723)	(461)	(262)
TOTAL	**(8,064)**	**(5,749)**	**(2,315)**

The item financial income and charges, equal to Euro 8,147 thousand, changed by Euro 2,407 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	49,186	43,433
THEORETICAL IRES		
Total Increases	15,601	6,715
Total Decreases	(12,419)	(19,364)
Taxable income	(52,368)	(30,784)
Effect of tax losses usable at 80%	0	0
ACE (aid to economic growth)	0	737
Net taxable income	(52,368)	(30,047)
IRES 24%	**(12,568)**	**(7,211)**
IRAP	**(2,644)**	**(1,644)**
taxes from previous financial years	**(7,599)**	**(180)**
Total current taxes	**(22,811)**	**(9,036)**
Deferred tax assets/liabilities	(1,664)	2,285
Contingent assets from Patent Box application	0	0
TOTAL TAXES	**(24,476)**	**(6,751)**

It should be noted that the Company 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 assumptions used, where possible, explicit reference was made to the Company's direct experience, while for 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
TISG Turkey YTAS	100% SUBSIDIARY
GMC Architecture S.r.l. S.t.p.	GC HOLDING INVESTEE COMPANY
CELI S.r.l.	100% SUBSIDIARY
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	TISG Turkey YTAS	GMC ARCHITECTURE S.R.L. S.T.P.	CELI SRL	SANTA BARBARA S.R.L.
SECURITY DEPOSITS					
FINANCIAL RECEIVABLES	67			1,724	
TRADE RECEIVABLES		7,439	1		0
TOTAL ACCOUNTS RECEIVABLE	**67**	**7,439**	**1**	**1,724**	**0**
FINANCIAL PAYABLES	0				
TRADE PAYABLES	38	0	15	1,036	0
TOTAL PAYABLES	**38**	**0**	**15**	**1,036**	**0**

INCOME STATEMENT (€/000)	GC Holding	TISG Turkey YTAS	GMC ARCHITECTURE S.R.L. S.T.P.	CELI SRL	SANTA BARBARA S.R.L.
COSTS FOR PROCESSING		55,826		11,953	0
COSTS FOR CONSULTANCY			118		
COSTS FOR SERVICES					180
INTEREST PAYABLES	0				
TOTAL COSTS	**0**	**55,826**	**118**	**11,953**	**180**
REVENUES FROM SALES		8,994	5	825	0
INTEREST INCOME				72	
TOTAL REVENUES	**0**	**8,994**	**5**	**897**	**0**

TISG Turkey YTAS: TISG has commissioned TISG Turkey to build steel and aluminium hulls for yachts under construction. Specifically, the contract was commissioned for the construction of the hull and superstructure of a motor-yacht under the Admiral brand with a length of 100 metres, the hull and superstructure of a Perini Navi yacht with a length of 56 metres, a motor-yacht under the Admiral brand, with a length of 82 metres, and the hull and superstructure of two motor-yachts under the Admiral brand, with a length of 72 and 88 metres, respectively.

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.

CELI S.r.l.: On 24 June 2019, the Board of Directors of TISG resolved to transfer the business unit called “CELI”, whose object is the design, manufacture and marketing of furniture and furnishings, to the former subsidiary ATS Service S.r.l., later renamed CELI S.r.l.
Among the items transferred with the CELI Business Unit, TISG transferred to CELI Euro 13,534 thousand in overdue payables including: (a) tax payables due to the Italian Tax Authority for direct and indirect taxes and withholdings for Euro 9,385 thousand; (b) payables due to INPS for Euro 3,102 thousand; (c) payables due to INAIL for Euro 441 thousand; and (d) payables to local authorities for Euro 606 thousand.

The component referring to overdue payables to the Tax Authority for Euro 8,982 thousand was the subject of a Tax Settlement between the Authority, CELI and TISG, as the subject jointly and severally liable. The settlement deed signed in October 2020 with the Italian Tax Authority reduced the amount to be paid to Euro 7,976 thousand.

The remaining receivable as at 31 December 2024 amounting to Euro 1,724 thousand for advances made by TISG will be repaid by CELI in 10 years from 30 June 2021 until 31 December 2030. CELI repaid the instalments according to the repayment plan on 31 December 2024.

In addition to what is described above, 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.

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 32,309	Euro 36,682
Profit attributable to ordinary shares	Euro 32,309	Euro 36,682
Average number of ordinary shares outstanding	53,000	53,000
Earnings per ordinary share	**Euro 0.61**	**Euro 0.69**
Average number of ordinary shares outstanding (adjusted)	53,000	53,000
Diluted earnings per ordinary share	**Euro 0.61**	**Euro 0.69**

AUTHORISATION TO PUBLISH

This document was published on 31 March 2025 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 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 Company 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 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 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