

THE ITALIAN SEA GROUP

PRESS RELEASE

THE ITALIAN SEA GROUP S.P.A.

**THE BOARD OF DIRECTORS APPROVES THE SELECTED
INFORMATION FOR THE FIRST QUARTER OF 2023**

Revenues growing by +23%

EBITDA increasing by +35% and EBITDA Margin of 16.2%

2023 Guidance confirmed

Selected information for the first quarter of 2023:

- **Revenues** for **EUR 85 million**, +23% versus **EUR 69 million** in the first quarter of 2022;
- **EBITDA** for **EUR 13.8 million**, +35% versus **EUR 10.2 million** in the first quarter of 2022, with a margin on Revenues of **16.2%** versus 14.8% in the first three months of 2022;
- **Net Financial Debt** for **EUR 8.3 million** versus a Net Financial Debt of EUR 11.3 million as of December 31, 2022;
- The **total value of contracts in progress (Order Book)** is equal to **EUR 1,097 million** as of March 31, 2023.

Marina di Carrara, May 10th 2023 – In today’s meeting, the Board of Directors of **The Italian Sea Group S.p.A.** (“**TISG**” or the “**Company**”), global operator in luxury yachting, has approved the selected information related to business performance for the first quarter of 2023¹ (Revenues; EBITDA; Backlog; Net Financial Position; Investments).

¹ Information not subject to audit, not even limited.

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Giovanni Costantino, Founder & CEO of **The Italian Sea Group**, commented:

“The first quarter of 2023 represented a further milestone in our growth.

The quality and completeness of our product offering continue to contribute to the prestigious development of our Order Book. Owners from all over the world constantly show their trust in our organisation and our skills, strengthening TISG’s position as leading player in the segment of large yachts.

We continue to internalise the key phases of the supply chain, through the acquisition of a carpentry, Celi, which will allow us to increase control on the activities related to our yachts’ interiors in support of quality, respect of timing, and marginality increase. Furthermore, this operation will allow us to look to the high-luxury real estate and hospitality sectors on an international level, offering an even more complete offer to the clients who request it.

Despite our significant and fast growth, we remain close to those values of sustainability and social commitment that have always characterised our Group: we will continue to develop products, projects, and initiatives with a positive impact for the environment, employees, and the local community.”

REVENUES

During the first quarter of 2023, TISG recorded **Revenues** for **EUR 85 million**, increasing by **23%** versus EUR 69 million in the same period of 2022.

Operating Revenues, equal to **EUR 80.8 million**, have increased by **17.4%** versus the same period of 2022.

- **Shipbuilding Revenues** amount to EUR 68.7 million (+17.8% versus the first quarter of 2022). This result is attributable to the regular progress of projects under construction and the signing of new sale contracts, related in particular to the larger dimensional range.
- **Refit Revenues** amount to EUR 12.1 million (+15.2% versus the first quarter of 2022). The increase is due to the completion of the investments on production capacity, allowing this division to fully exploit its dedicated spaces.

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EBITDA

EBITDA is equal to EUR 13.8 million, growing by 35% versus EUR 10.2 million of 2022, with an **EBITDA Margin** of **16.2%**.

The increase in operative marginality over time is attributable to: (i) strong attention regarding operating cost management, also through the internalisation of key supply chain activities; (ii) growing efficiency of production processes; (iii) benefits coming from investments in production capacity, with advantageous synergies between Shipbuilding and Refit; (iv) increase in product prices, due to strengthening brand awareness; (v) economies of scale.

BACKLOG

The **total value of contracts in progress (Order Book)** – that is, the gross value of the contracts in progress related to new yachts not yet delivered to the clients – as of March 31, 2023 (Shipbuilding and Refit) is equal to **EUR 1'097 million**.

The **total value of contracts** in progress related to yachts not yet delivered to the clients, net of the revenues already recorded in the income statement (**Net Backlog**) as of March 31, 2023 (Shipbuilding and Refit) is equal to **EUR 597 million**.

As of March 31, 2023 there were **33 projects in production: 20 yachts and mega-yachts and 13 Tecnomar for Lamborghini 63**, with scheduled deliveries up to 2027.

INVESTMENTS

Throughout the first quarter of 2023, TISG carried out **Investments** for **EUR 2.8 million**, mainly related to the completion of the “**TISG 4.0**” and “**TISG 4.1**” investment plans, the investments of “**TISG 4.2**” concerning the La Spezia shipyard, and some interventions aimed at expanding the commercial offices.

NET FINANCIAL POSITION

Net Financial Position as of March 31, 2023 is negative for **EUR 8.3 million**, improving versus EUR 11.3 million recorded as of December 31, 2022.

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In accordance with IAS/IFRS accounting principles, Net Financial Position includes:

- (i) The current value of fees due to the Port Authorities for the state concessions of the shipyards in Marina di Carrara, Viareggio, and La Spezia, equal to EUR 6.7 million as of March 31, 2023, amount which will be paid throughout the duration of the related concessions;
- (ii) The current value of fees concerning leasing contracts equal to **EUR 3.9 million**, which will be paid throughout the duration of the related contracts.

2023 GUIDANCE

In light of first quarter results, the regular progress of works for projects under construction, and the increase in order intake expected for the second half of the year, The Italian Sea Group confirms 2023 Guidance, already announced during the Capital Markets Day, with Revenues as of December 31, 2023 between **EUR 350 – 365 million** and an EBITDA Margin between **16 – 16.5%**.

BUSINESS OUTLOOK

Perini Navi: relaunch and strategies

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

The fleet, called “**Genesis**”, stems from the ambition of reinterpreting the iconic elements of the Perini Navi brand, rethinking them in a modern and exclusive way, with a language projected into the future and prestigious collaborations with sector “archistars”.

In reference to the other projects for the Perini Navi brand, there are four sailing vessels under construction:

- **Art Explora**, the largest sailing catamaran in the world (47 metres in length by 17 metres in width), entirely designed (naval architecture and interiors) by designer **Axel De Beaufort**, with delivery scheduled in August 2023;
- **A 60-metre ketch**, naval architecture by **Ron Holland** and interiors by French designer **Rémi Tessier**, with delivery scheduled in August 2024;
- **A 56-metre ketch**, a two-mast sailing yacht, with naval architecture by **Malcolm McKeon** and interior design by **Winch Design**, with delivery scheduled in July 2025;

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- **A 47-metre sloop**, with Central Agency assigned to U.S. broker **Bruce Brakenhoff** from **Edmiston**, with delivery scheduled in July 2025.

Semi-custom products, with a spin on sustainability

TISG continues to focus on semi-custom lines, with a sustainable approach on product design.

In April 2023 the Company has announced the sale of the first hybrid model in the **Admiral Panorama** project (53 metres) to a Mexican owner. The yacht, equipped with an innovative **e-MOTION** propulsion system, will have four different ways of use which will allow to limit the impact of emissions in the sea and the atmosphere:

- (i) **Main diesel engines and electric alternators** which, during sailing, allow to distribute energy to all services on board with generators turned off, allowing batteries to recharge;
- (ii) **Variable speed generators**, which adapt their speed according to the requests of the on-board loads, containing consumption;
- (iii) Thanks to the presence of a **battery package**, it is possible to power the yacht in all its services and comfort for around 8 hours with zero emissions, without noise pollution and in complete absence of vibrations. Furthermore, it is possible to enter ports in electric mode and carry out the dock manoeuvring with the with main engines and generators turned off, or to be anchored in absolute silence with no emissions;
- (iv) Batteries are equipped with a “**peak shaving**” function, allowing to avoid the installation and deinstallation of a second generator for brief periods during the peaks of highest load, without noticing the absence, even momentarily, of the ground connection, avoiding annoying black-outs.

Internalisation of strategic suppliers and business expansion

With the acquisition of 100% of the shares of Celi S.r.l. (“**Celi**”), an historic carpentry, TISG further reinforces its strategy of internalisation of the most value-adding phases of the supply chain.

The integration of TISG’s transversal competences within the Group will allow TISG to develop its internal know-how and have a higher control on interior and woodworking activities, not only in terms of costs but also for what concerns the quality and timing of the works.

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Furthermore, Celi's prestigious history – not only within the nautical sector but also in the luxury real estate industry – combined with TISG's strong commercial presence, represents the opportunity for the Company to expand its business also in the extra-sector worldwide, in particular in the luxury real estate and hospitality sectors.

To this operation, exclusions are applied as provided for in point 10.1 Letter D of the "Procedure with Operations with Related Parties" adopted by TISG; in light of this, it has therefore not been necessary to request the opinion of the Committee for Operations with Related Parties, but a simple acknowledgement.

OTHER BOARD RESOLUTIONS

The Board of Directors has also ascertained the presence of the requirements provided for in the current regulation for Directors and has positively evaluated the presence of the independence requirements of the Directors who have identified themselves as holders of said requirements pursuant to art. 148, paragraph 3 of TUF, as recalled by art. 147-ter, paragraph 4 of TUF, and in accordance with art. 2, recommendation 7 of the Code of Corporate Governance.

The identified Independent Directors are Ms. Antonella Alfonsi, Ms. Laura Angela Tadini, and Ms. Fulvia Tesio.

Concerning the independence requirements, the Board of Directors acknowledges that: (i) Ms Fulvia Tesio occasionally acts as an external consultant for a legal advisory firm which assisted the Company in a project involving the auto-evaluation of the Board of Directors, receiving a compensation equal to EUR 7'000.00; (ii) and that Ms Laura Angela Tadini is linked by an employment agreement to a minority shareholder, who is not a Significant Shareholder of the Company.

DECLARATION EX ART. 154-BIS, SECOND COMMA, T.U.F.

Pursuant to the Consolidation Act, section 154 clause 2 bis, of the D. Lgs. n. 58/98, as subsequently adjusted (TUF), Mr. Marco Carniani, the Manager in charge of preparing the corporate Accounting Books, herewith represents that the financial information contained in this Press Release conforms with corporate accounting documents, records, and books.

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This document contains forward-looking statements related to future events and operational, economic, and financial results of The Italian Sea Group S.p.A. Such forward-looking statements, by their nature, contain an element of risk and uncertainty, as they rely on the realisation of future events and developments.

The press release is available in the Investor section of the Company's website at <https://investor.theitalianseagroup.com/en/press-releases/>.

Conference Call in Webcast

Financial results at 31 March 2023 will be presented today, **Wednesday 10 May 2023** at **h. 04:00PM CET**, through a **Conference Call** held by the Company's Top Management and broadcasted at the following link: <https://b1c-co-uk.zoom.us/meeting/register/tZ0uduCqqDsoGNRIaUIfg2ngOXUfCTWEQGIR>.

The presentation of the Top Management will be available from the beginning of the Conference Call on the investor.theitalianseagroup.com website in the “**Financial Documents/Presentations**” Section.

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

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The Italian Sea Group

The Italian Sea Group is a global operator in the luxury yachting industry, listed on Euronext Milan (“EXM”) and active in the construction and refit of motoryachts and sailing yachts up to 140 metres. The Company, led by Italian entrepreneur Giovanni Costantino, operates on the market with the brands Admiral, renown for elegant and prestigious yachts, Tecnomar, known for its sporty features, cutting-edge design and high performance, Perini Navi, excellence in the design and construction of large sailing yachts, and Picchiotti, historical brand in the Italian yachting industry featuring classic and elegant lines. The Company also has a business unit named NCA Refit that manages the maintenance and refit services for yachts over 60 metres. In line with its strategic positioning, The Italian Sea Group has partnered with important Italian luxury brands: Giorgio Armani – to develop yachts penned by the designer, highlighting the merger of two excellence Ambassadors of Italian style in fashion and yachting – and Automobili Lamborghini – to design and produce “Tecnomar for Lamborghini 63”, a limited-edition motor yacht featuring extraordinary performances and quality beyond limits.

The Italian Sea Group is the first Italian producer of superyachts over 50 metres, according to the 2022 Global Order Book, the global ranking by Boat International.

For more information:

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