

THE ITALIAN SEA GROUP

PRESS RELEASE

THE ITALIAN SEA GROUP S.P.A.

THE BOARD OF DIRECTORS APPROVES

THE CONSOLIDATED HALF-YEAR FINANCIAL REPORT

AS OF 30TH JUNE 2024

***Strong growth in Total Revenues and EBITDA
Order Book at 1.323 billion Euros
2024 Guidance confirmed
2025 Strategic Outlook confirmed***

Consolidated results as of 30th June 2024:

- **Total Revenues: EUR 189.4 million, +14.2%** versus EUR 165.9 million in the first half of 2023;
- **EBITDA: EUR 32.4 million, +19%** versus EUR 27.3 million as of 30th June 2023, with a margin on Revenues equal to 17.1% (versus 16.4% in the first half of 2023);
- **EBIT: EUR 26.8 million, +23.5%** versus EUR 21.7 million as of 30th June 2023, with a margin on Revenues equal to 14.2% (versus 13.1% in the first half of 2023);
- **Net Result: EUR 29.0 million, +113.4%** versus EUR 13.6 million in the first half of 2023;
- **Backlog: Gross Backlog for EUR 1.323 billion, +4.7%** versus 31st December 2023, and **Net Backlog for EUR 611.4 million, +0.4%** versus 31st December 2023;
- **Net Debt for EUR 33.6 million** with respect to a Net Debt of EUR 1.5 million as of 31st December 2023;
- **Investments: EUR 5 million** as of 30th June 2024;
- **2024 Guidance confirmed;**
- **2025 Strategic Outlook confirmed.**

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Marina di Carrara, Carrara, 10th September 2024 – **The Italian Sea Group S.p.A.** (“**TISG**” or the “**Company**”), global operator in luxury yachting with the brands Picchiotti, Admiral, Perini Navi, Tecnomar, NCA Refit, and Celi 1920, announces that the Board of Directors, during today’s meeting, has approved the Consolidated Half-Year Report as of 30th June 2024.

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

“Our positive trend continues and the first half of 2024 marks a significant increase in revenues and EBITDA, with a remarkable growth in Net Profit. The EBITDA Margin stands at 17.1%, a percentage within the range of the 2024 guidance previously communicated to the market, as for the forecasts on the other financial indicators.

We are also very proud of having received the admission to the STAR segment, an important milestone which confirms the company's compliance with stringent requirements in terms of transparency, governance, communication and economic-financial soundness, values that TISG has always pursued with determination. This milestone will allow us to strengthen our visibility in the international financial markets, as well as our commitment to shareholders and all stakeholders.’

ANALYSIS OF TISG’S ECONOMIC AND FINANCIAL MANAGEMENT CONSOLIDATED REVENUES

Consolidated Revenues in the first half of 2024 amount to **EUR 189.4 million**, a **14.2%** increase versus **EUR 165.9 million** recorded in the first half of 2023.

Operating Revenues, equal to **EUR 189.8 million** (+16.8% versus the first half of 2023), are divided as such:

- **Shipbuilding** Revenues amount to **EUR 167.1 million** (+20.1% versus the first half of 2023). This result is attributable to the regular progress of the existing projects.
- **Refit** Revenues amount to **EUR 22.6 million**, in line with the same period of 2023. It is important to note that Refit revenues are subject to a certain degree of seasonality, which usually sees an acceleration in the second half of the year.

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Operating Revenues by Geography

Operating Revenues by Geography – Shipbuilding		
<i>in thousands of EUR</i>	As of 30 June 2023	As of 30 June 2024
Americhe	32,124	86,959
APAC	39,204	21,840
Europa	68,143	58,361
Total Operating Revenues Shipbuilding	139,471	167,160

Operating Revenues by Geography – Refit		
<i>in thousands of EUR</i>	As of 30 June 2023	As of 30 June 2024
Americhe	7,364	5,116
APAC	13,346	12,317
Europa	2,320	5,232
Total Operating Revenues – Refit	23,030	22,665

BACKLOG

The total value of the Order Book – that is, the gross value of existing contract related to new yachts and Refit projects not yet delivered to the client – as of 30th June 2024 (Shipbuilding and Refit) amounts to **EUR 1.323 billion**.

The **total value of existing contracts** for yacht not yet delivered to clients, net of revenues already recorded in the income statement (**Net Backlog**) as of 30th June 2024 (Shipbuilding and Refit) is equal to **EUR 611.4 million**.

CONSOLIDATED EBITDA

EBITDA is equal to **EUR 32.4 million**, with an increase of **19%** versus EUR 27.3 million as of 30th June 2023, with an **EBITDA Margin** equal to **17.1%** versus 16.4% in the previous year.

The increase in operating marginality over the years is attributable to a strong focus on operating cost management, the optimal management of the mix between Shipbuilding and Refit activities, and the internalisation of high value-added production process activities, also following the recent creation of the business unit dedicated to *Steelworks for Interior finishing*.

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CONSOLIDATED EBIT

EBIT is equal to **EUR 26.8 million**, growing by **23.5%** versus **EUR 21.7 million** recorded in the same period of the previous year, with a **margin on Revenues of 14.2%** (versus 13.1% in the first half of 2023).

NET RESULT OF THE GROUP

Net Result of the Group reached **EUR 29.0 million**, **+113.4%** versus EUR 13.6 million in the first half of 2023.

INVESTMENTS

Throughout the first half of 2024, TISG recorded **Investments for EUR 5 million**, related for the expansion of the commercial offices in the Marina di Carrara Headquarters and for the further internalisation of high value-added production process phases with the creation of the business unit dedicated to Steelworks for Interior finishing, as well as general investments on the shipyards.

NET DEBT

Net Debt, equal to **EUR 33.6 million** as of 30th June 2024, versus a net financial position of EUR 1.5 million at 31st December 2023, reflects:

- i) cash out of **EUR 19.6 million** for dividend payment;
- ii) investments carried out in the first half of 2024 for **EUR 5 million**;
- iii) proceeds for **EUR 21 million** from the disposal of the Viareggio shipyard.

The discounted value of the fees due to the Port Authorities for the state-owned concessions of the Marina di Carrara and La Spezia shipyards and the Viareggio woodworking hub as of 30 June 2024 was equal to EUR 8.3 million, an amount that will be paid based on the duration of the relevant concessions.

During the first half of the year, the production activities of the orders in progress resulted in a significant investment in working capital, for about EUR 30 million, which allowed for significant work progresses and related proceeds, which were received in the months immediately after the end of the half-year.

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STRATEGIC OUTLOOK 2024 – 2025

In light of the results for the first half of 2024, the Company reaffirms the 2024 Guidance already communicated to the market, which forecasts **Revenues** between **EUR 400 and 420 million** and an **EBITDA Margin** between **17.0%** and **17.5%**.

RELEVANT EVENTS AFTER 30TH JUNE 2024

ADMISSION TO THE STAR SEGMENT OF EURONEXT MILAN

On 29 July 2024 Borsa Italiana attributed to TISG's ordinary shares the **STAR** qualification, effective from 6 August 2024.

This operation will allow the Group to strengthen its visibility in international financial markets and confirms the compliance with strict requirements in terms of transparency, governance, shareholder communication and economic-financial solidity.

RESOLUTIONS OF THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETINGS

As per the press release distributed the same day, on **1 July 2024** the Shareholders' Meeting, convened in ordinary and extraordinary session, met under the chairmanship of Ms. Simona Del Re and approved the following:

“Long Term Incentive Plan 2027-2029”

The Shareholders' Meeting approved the incentive plan called “Long Term Incentive Plan 2027-2029” (the “Plan”) in favour of executive directors, general managers, executives with strategic responsibilities and/or employees with permanent employment contracts of the Company and any of its subsidiaries.

The Shareholders' Meeting also approved the proposal to increase the share capital with the exclusion of option rights pursuant to Article 2441, paragraphs 5, 6 and 8 of the Italian Civil Code, for a maximum nominal amount of Euro 795,000 plus any share premium, to service the Plan.

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Report on the Remuneration Policy and Compensation Paid, First Section

The Shareholders' Meeting, pursuant to Article 123-ter of the Consolidated Law on Financial Intermediation, approved the **Report on Remuneration Policy and Remuneration Paid, first section** (the “**Remuneration Policy**”), pursuant to Article 123-ter, paragraph 3-ter, TUF with a binding resolution. The Remuneration Policy includes, among others, (i) the new Stock Option Plan and (ii) a change in the remuneration of the members of the Board of Directors.

Authorisation to purchase and dispose of company shares

The Shareholders' Meeting resolved - subject to revocation of the resolution passed by the Ordinary Shareholders' Meeting on 27 April 2023 – (i) to authorise the Board of Directors to the purchase and disposal of treasury shares in the manner deemed most appropriate in the interest of the Company and in compliance with applicable regulations, under the conditions and in the manner all indicated in the resolution.

Confirmation of the appointment of the new member and Chairman of the Board of Directors

The Shareholders' Meeting confirmed the appointment of Ms. Simona Del Re, who was co-opted pursuant to Article 2386 c.c. by the Board of Directors last 9 June, with a term of office until the expiry of the mandate conferred to the members of the Board of Directors currently in office. The Shareholders' Meeting also resolved to appoint Ms. Del Re as Chairwoman of the Board of Directors.

Proposed Amendments to the Company Statute

The Extraordinary Shareholders' Meeting approved the proposal to amend some articles of the Company Bylaws to, *inter alia*, introduce the increased voting rights and to make the institution of the Designated Representative applicable to the Company, as well as to formally review the numbering of all articles and the Company's Bylaws.

CREDIT RATING AND ESG RATING

In July 2024, the rating agency Cerved Rating Agency S.p.A. (“Cerved”) confirmed TISG's **A2.2** credit rating, further demonstrating the economic-financial solidity of the Company, which ranks among the highest performance levels.

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The Group also obtained from Cerved an **ESG rating** equal to **A**, up from the previous **BBB rating**, thus standing above the median of the reference sector.

The rating upgrade was determined, among other reasons, by the achievement of the objectives of the three-year ESG Plan, which includes the effective containment of environmental impacts, sustainable supply chain management, and employee growth and training.

BUSINESS OUTLOOK

TISG maintains its focus on the big dimensional range of the yachting industry (over 50 metres), which accounts for 82% of its order book, and confirms its leadership as the leading Italian player in this market segment.

This market segment has historically been immune to economic shocks and continues to demonstrate extreme resilience, thanks in part to a steadily expanding customer base of Ultra High Net Worth Individuals. This customer base has an expected growth rate in the 2023-2038 time frame of 5% and a penetration rate of about 3%.

On the occasion of the Monaco Yacht Show, the most prestigious international exhibition dedicated to the world of superyachts and megayachts, which will take place from 25 to 28 September 2024 in the Principality of Monaco, TISG will present a world premiere of some of its new yachts, which express the perfect synthesis of cutting-edge design, investment in technology and solid construction. In particular, TISG will present a megayacht “**ADMIRAL 78m**”, a superyacht “**ADMIRAL 67m**”, a motor yacht “**ADMIRAL 55m**” with interiors by Giorgio Armani and two iconic Tecnomar for Lamborghini 63'. The tender from the new Picchiotti fleet will also be available to guests for transfers within the yacht show.

DECLARATION EX ART. 154-BIS, SECOND PARAGPRAH, LEGISLATIVE DECREE 24 FEBURARY 1998, N. 58

The Management in charge of preparing the corporate Accounting Books, Mr. Marco Carniani, declares, pursuant to art. 154-bis, paragraph 2, of Legislative Decree 24 February 1998, n. 58, that the information contained in this press release conforms with corporate accounting documents, records, and books.

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

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forward-looking statements, by nature, contain an element of risk and uncertainty, as they rely on the occurring of future events and developments.

The consolidated financial statements as of 30th June 2024 is currently undergoing legal audit, activity which is currently yet to be completed.

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

Conference call in Webcast

The financial results for the first half of 2024 will be presented on Tuesday, 10th September at 4:00PM CEST during a Conference Call held by the Company's Top Management.

The Conference Call will be broadcasted through the following link:

https://b1c-co-uk.zoom.us/meeting/register/tZ0vdeGprzwqEtaprt_EAcG9JaYkaF32Txix

The presentation by the Top Management will be available from the beginning of the conference call at the website investor.theitalianseagroup.com in the "Financial Documents" section.

The Half Year Financial Report as of 30th June 2024 will be made available to the public, at the Company's registered office, at Borsa Italiana S.p.A., as well as on the Emarketstorage mechanism and on the <https://investor.theitalianseagroup.com/en/bilanci-e-relazioni/> website within the terms of the law.

The Reclassified Consolidated Income Statement, the Reclassified Consolidated Balance Sheet, and the Consolidated Cash-Flow Statement are attached to this press release.

This document is an English translation from Italian. The Italian original shall prevail in case 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 luxury yachting, listed on Euronext STAR Milan and active in the construction and refit of motor yachts 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. According to the Global Order Book 2024, international ranking by Boat International, The Italian Sea Group is the first Italian superyacht builder for yachts over 50 metres. The Italian Sea Group is the first Italian producer of superyachts over 50 metres, according to the 2024 Global Order Book, the global ranking by Boat International.

Per ulteriori informazioni:

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RECLASSIFIED CONSOLIDATED INCOME STATEMENT

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

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CONSOLIDATED RECLASSIFIED STATEMENT OF FINANCIAL POSITION

<i>in thousands of Euros</i>	30/06/2024	31/12/2023
ASSETS		
Intangible assets	35,431	35,625
Property, plant, and equipment	125,400	126,533
Equity investments	43	43
Net deferred tax assets and liabilities	(526)	3,035
Other non-current assets and liabilities	1,843	1,630
Provisions for non-current risks and charges	(4,780)	(4,335)
Provision for employee benefits	(902)	(959)
Net fixed capital	156,508	161,572
Inventories and payments on account	12,362	10,897
Contract work in progress and advances from customers	86,195	50,508
Trade receivables	35,585	24,007
Trade payables	(93,402)	(90,568)
Other current assets and liabilities	(22,987)	(26,867)
Net working capital	17,753	(32,024)
Total ASSETS - NIC	174,261	129,548
SOURCES		
Share capital	(26,500)	(26,500)
Share premium reserve	(45,431)	(45,399)
Reserves and other retained earnings	(39,624)	(22,409)
Currency translation reserve	2	83
Consolidated profit (loss)	(29,013)	(36,911)
Shareholders' Equity	(140,566)	(131,136)
Net financial indebtedness	(33,695)	1,587
Total SOURCES	(174,261)	(129,548)

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CONSOLIDATED CASH FLOW STATEMENT

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