THE ITALIAN SEA GROUP S.P.A.

Independent auditor's report, pursuant to art. 14
of Legislative Decree 27 January 2010, no. 39 and
art. 10 of Regulation (EU) no. 537/2014

Financial statements at 31 December 2024

As disclosed by the Directors, the accompanying financial statements of The Italian Sea Group S.p.A. constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815.

This independent auditor's report has been translated into English language from the original - that was prepared in Italian language - solely for the convenience of international readers.
Accordingly, only the original text in Italian language is authoritative.

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Independent auditor's report

pursuant to art. 14 of Legislative Decree 27 January 2010, no. 39 and art. 10 of Regulation (EU) no. 537/2014

To the Shareholders of
The Italian Sea Group S.p.A.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of The Italian Sea Group S.p.A. (the Company), which comprise the statement of financial position as at 31 December 2024, the statement of income and other comprehensive income, the statement of changes in shareholders' equity, the statement of cash flows for the year then ended and the explanatory notes which include material information on accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024 and of its financial performance and its cash flows for the year then ended, in accordance with IFRS accounting standards issued by the International Accounting Standards Board endorsed by the European Union, as well as with Italian regulations implementing art. 9 of Legislative Decree no. 38/2005.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of this report. We are independent of the Company in accordance with ethical requirements and standards applicable in Italy to the audit of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit and in forming our opinion of the financial statements as a whole; therefore, we do not provide a separate opinion on these matters.

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Key audit matters	Audit procedures performed in response to key audit matters
Valuation of assets and liabilities for contracts in progress We refer to note 12 "Assets and liabilities from contract work in progress". The financial statements of the Company at 31 December 2024 present assets for contracts in progress of Euro 103.692 thousand (25.97% of total assets) and liabilities for contracts in progress of Euro 15.993 thousand (4.01% of total liabilities and shareholders' equity). The ships built by the Company represent unique assets realized on the basis of specific requests of the buyer, that the Company cannot readily direct to an alternative use. Assets and liabilities for contracts in progress are valued at the balance sheet date measuring progress towards completion using the "input" method, based on the contract costs sustained at the balance sheet date in relation to total estimated costs to complete the contract ("cost-to-cost"), net of advance payments received and definitively acquired. Contracts in progress are presented as assets if, for each contract, the value of the activities carried out at the date of recognition exceeds the advances received from the customer. On the contrary, if the advances received from the customer exceed the value of the activities deriving from the contract, the difference is presented as a liability. Estimating the costs to completion involves a high degree of judgment from management and an error in this process may lead to an incorrect valuation of contracts in progress (and consequently on revenues) that can be significant. Proper measurement of contracts' progress to completion and any related liabilities is a key audit matter in view of the relevance of the amounts and the high degree of judgement exercised by the company's management.	The main audit procedures performed in response to the key audit matter relating to the valuation of assets and liabilities for contracts in progress, are the following: ▪ understanding the internal control system relating to the initial estimate of the results of the contract and the subsequent adjustment of revenues and costs of the contract, including the analysis of valuation assumptions; ▪ analysis of the revenue recognition criteria and, in particular, for the purpose of determining the percentage of completion, obtaining an understanding of the process of planning and control of contracts, on the basis of which the company's management has carried out the valuation of assets and liabilities for contracts in progress; ▪ For each contract selected on a sample basis, obtaining and examining the underlying agreement (and any changes to them agreed upon with the customer) and verifying that the total revenues used for the evaluation of the contract were in line with the agreed price. For existing contracts, check that there were no changes to the agreements and, where present, check the correct recognition of revenue based on the percentage of completion, duly revised to take into account the change; ▪ carrying out analytical procedures by comparing the budgeted costs with those of similar contracts from previous years, in order to verify if were present significant changes in these costs; ▪ interviewing project managers and the accounting controller to understand the reasons for the most significant changes and to assess the adequacy of the budgeted costs and the budget updates; ▪ analysis of the process to allocate actual costs to individual contracts and reconciliation of the data of selected contracts between the accounting records for financial reporting and for cost accounting for selected contracts; ▪ carrying out specific procedures to verify proper allocation of costs to selected individual contracts;

- checking the percentage of completion calculated as the ratio between the costs incurred at the balance sheet date and the estimated total costs of the contract;
- for the ships delivered during the year, check the correct derecognition of the contract in progress and the effect on the income statement;
- verification of the accuracy and completeness of the information disclosed in the financial statements relating to assets and liabilities for contracts in progress.

Valuation of trademarks with an indefinite useful life

Please refer to note 1 "Brands".

The financial statements of the Company at 31 December 2024 present trademarks of Euro 34.594 thousand, including trademarks with an indefinite useful life of Euro 33.905 thousand (8.49% of total assets).

The process and methods for assessing and determining the recoverable value of trademarks with an indefinite useful life are based on assumptions that, by their nature, imply judgment of the company's management, with particular reference to the forecast of the expected cash flows that can be generated by the trademarks, included in the 2025-2028 Business Plan approved by the Company's Board of Directors on 14 March 2025.

Considering the relevance of the value in the financial statements of the trademarks with an indefinite useful life, with particular reference to the trademark "Perini Navi", and the judgement required in defining the valuation methods and assumptions used in estimating the recoverable value of these assets, we considered this matter a key aspect of the audit.

The main audit procedures performed in response to the key audit matter relating to the valuation of assets and liabilities for contracts in progress, are the following:

- understanding the processes adopted by management in preparing the Impairment Test and for estimating future cash flows and expected revenues generated by the trademarks extracted from the Business Plan 2025-2028;
- analysis of the reasonableness of main assumptions used by management i) in the identification of trademarks with an indefinite useful life and ii) to estimate future cash flows included in the 2025-2028 Business Plan on which the Impairment Test is based;
- verification of the mathematical accuracy of the Impairment Test model prepared by management, also through an independent recalculation and comparison of results obtained;
- recalculation of the discount rates used in the Impairment Test;
- examination of the sensitivity analysis carried out by management with respect to the main assumptions used to carry out the Impairment Test, in order to assess whether impairment loss situations could arise by changing the key assumptions;
- examination of the appropriateness of the disclosures provided in the explanatory notes in relation to trademarks with an indefinite useful life and the impairment test conducted.

In conducting these tests we have used the work of our specialists in evaluation techniques, with particular reference to the analysis of the evaluation methodologies adopted, the verification of the accuracy of mathematical models and the performance of sensitivity analyses on key assumptions.

Responsibilities of the directors and the board of statutory auditors for the financial statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS accounting standards issued by the International Accounting Standards Board endorsed by the European Union, as well as with Italian regulations implementing art. 9 of Legislative Decree no. 38/2005 and, within the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Company's ability to continue as a going concern and, in preparing the financial statements, for the appropriate use of the going concern assumption, as well as for a proper disclosure of matters related to going concern. The directors use the going concern basis of accounting in preparing the financial statements, unless they either intend to liquidate the Company or to cease operations, or have no realistic alternatives but to do so.

The board of statutory auditors is responsible for overseeing, within the terms prescribed by law, the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of the audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. Furthermore:

- we have identified and assessed the risks of material misstatements in the financial statements, whether due to fraud or error; we have designed and performed audit procedures in response to those risks; we have obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- we have evaluated the appropriateness of accounting principles used, as well as the reasonableness of accounting estimates and related disclosures made by the directors;
- we have reached a conclusion on the appropriateness of the directors' use of the going concern assumption and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubts on the Company's ability to continue as a going concern. If a significant uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of this report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying events and transactions in a manner consistent with a fair presentation.

We have communicated with those charged with governance, identified at the appropriate level as required by ISA Italia, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we have identified during our audit.

We have also provided those charged with governance with a statement that we have complied with ethics and independence rules and standards applicable in Italy and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the related risks, or the safeguards applied.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, the key audit matters. We described these matters in our auditor's report.

Other information communicated pursuant to art. 10 of Regulation (EU) no. 537/2014

On 17 February 2021, the shareholders' meeting of The Italian Sea Group S.p.A. appointed us to perform the statutory audit of the Company's financial statements for the years ending from 31 December 2021 to 31 December 2029.

We declare that we did not provide the prohibited non-audit services referred to in art. 5, par. 1, of Regulation (EU) no. 537/2014, and that we remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to art. 11 of the Regulation referred to above.

Report on other legal and regulatory requirements

Opinion on compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The directors of The Italian Sea Group S.p.A. are responsible for the application of the provisions of the European Commission Delegated Regulation (EU) 2019/815 regarding the regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter the "Delegated Regulation") to the financial statements at 31 December 2024 to be included in the annual financial report.

We have performed the procedures required by auditing standard (SA Italia) no. 700B in order to express an opinion on the compliance of the financial statements with the provisions of the Delegated Regulation.

In our opinion, the financial statements at 31 December 2024 have been prepared in XHTML format in accordance with the provisions of the Delegated Regulation.

Opinions and statement pursuant to art. 14, paragraph 2, letter e), e-*bis*) and e-*ter*) of Legislative Decree 27 January 2010, no. 39 and to art. 123-*bis*, paragraph 4, of Legislative Decree no. 58/1998

The directors of The Italian Sea Group S.p.A. are responsible for the preparation of the report on operations and the report on corporate governance and ownership structure of The Italian Sea Group S.p.A. at 31 December 2024, including their consistency with the related financial statements and their compliance with applicable law.

We have performed the procedures required by auditing standard (SA Italia) no. 720B in order to:

- express an opinion on the consistency of the report on operations and the specific information included in the report on corporate governance and ownership structure set forth in art. 123-bis, paragraph 4, of Legislative Decree no. 58/1998 with the financial statements;

- express an opinion on the compliance of the report on operations, excluding the section relating to the consolidated sustainability statement, and of the specific information included in the report on corporate governance and ownership structure set forth in art. 123-bis, paragraph 4, of Legislative Decree no. 58/1998 with applicable law;
- state whether the report on operations and the specific information included in the report on corporate governance and ownership structure set forth in art. 123-bis, paragraph 4, of Legislative Decree no. 58/1998 contains material misstatements.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure set forth in art. 123-bis, paragraph 4, of Legislative Decree no. 58/1998 are consistent with the financial statements of The Italian Sea Group S.p.A. at 31 December 2024.

Moreover, in our opinion the report on operations, excluding the section relating to the consolidated sustainability statement, and the specific information included in the report on corporate governance and ownership structure set forth in art. 123-bis, paragraph 4, of Legislative Decree no. 58/1998 are prepared in compliance with applicable law.

With reference to the statement pursuant to art. 14 paragraph 2 letter e-*ter*) of Legislative Decree 27 January 2010, no. 39, issued on the basis of our knowledge and understanding of the entity and its environment obtained in the course of the audit, we have nothing to report.

Our opinion on compliance with applicable law does not extend to the section of the report on operations relating to the consolidated sustainability statement. The conclusion on compliance of this section with the legislation governing its preparation and with the disclosure requirements of art. 8 of Regulation (EU) 2020/852 is included in our assurance report issued in accordance with article 14-bis of Legislative Decree 27 January 2010, no. 39.

Firenze (Italy), 31 March 2025

BDO Italia S.p.A.

Signed by
Luigi Riccetti
Partner

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