CONSOLIDATED HALF-YEAR FINANCIAL REPORT
AS AT 30 JUNE 2025

CONTENTS

INTRODUCTION 4
SUMMARY & GENERAL INFORMATION 5
CORPORATE AND CONTROL BODIES 6
BOARD OF DIRECTORS 6
AUDIT, RISK, SUSTAINABILITY & RELATED PARTIES COMMITTEE 7
APPOINTMENTS & REMUNERATION COMMITTEE 7
BOARD OF STATUTORY AUDITORS 7
SUPERVISORY BOARD PURSUANT TO LEGISLATIVE DECREE 231/01 7
GROUP PROFILE AND STRUCTURE 8
SHAREHOLDERS 11
BRIEF HISTORY OF THE GROUP 16
BUSINESS DEVELOPMENT 18
..... 19
METHODOLOGICAL INTRODUCTION 20
RECLASSIFIED CONSOLIDATED INCOME STATEMENT 21
OPERATING REVENUES 22
CONSOLIDATED EBITDA 26
EBIT 27
NET PROFIT 27
BACKLOG 27
CONSOLIDATED RECLASSIFIED BALANCE SHEET STRUCTURE 28
CONSOLIDATED NET FINANCIAL POSITION 30
ALTERNATIVE PERFORMANCE MEASURES ("NON-GAAP MEASURES") 31
SIGNIFICANT EVENTS DURING THE PERIOD 36
SIGNIFICANT EVENTS AFTER 30 JUNE 2025 37
BUSINESS OUTLOOK 37
TRANSACTIONS WITH RELATED PARTIES 42
RISK MANAGEMENT 43
RISKS RELATED TO THE FINANCIAL SITUATION 43
RISKS RELATED TO OPERATIONS 44
RISKS RELATED TO THE REFERENCE REGULATORY FRAMEWORK 45
OTHER INFORMATION 46
CORPORATE GOVERNANCE 46
Condensed Consolidated Half-Year Financial Statements as at 30/06/2025 49
CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2025 50

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 50
CONSOLIDATED INCOME STATEMENT – BY NATURE 51
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME – BY NATURE 51
CONSOLIDATED CASH FLOW STATEMENT 52
STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY 53
NOTES TO THE FINANCIAL STATEMENTS 54
CONSOLIDATION PRINCIPLES 61
COMMENTS ON THE MAIN CONSOLIDATED ASSET ITEMS 81
COMMENTS ON THE MAIN CONSOLIDATED LIABILITY ITEMS 95
COMMENTS ON THE MAIN ITEMS OF THE INCOME STATEMENT 101
OTHER INFORMATION 112

CONSOLIDATED HALF-YEAR FINANCIAL REPORT AS AT 30 JUNE 2025

DRAFTED ACCORDING TO IAS/IFRS

DATA IN THOUSANDS OF EUROS

INTRODUCTION

This periodic information as at 30 June 2025 was approved by the Company's Board of Directors on 8 August 2025 and has not been audited, as this is not required by current legislation. As a company listed in the Euronext STAR Milan segment, The Italian Sea Group S.p.A. is subject to the provisions of Article 2.2.3 of the Stock Exchange Rules. On the basis of these rules, the Company has prepared Periodic Financial Information as at 30 June 2025, which it makes available to the public.

This report on operations should be read in conjunction with the consolidated condensed financial statements and the relative explanatory notes.

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*
Fulvia Tesio	*Standing Member*
Laura Angela Tadini	*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*

AUDITING FIRM	BDO Italia S.p.A.

FINANCIAL REPORTING MANAGER	Marco Carniani

GEORGE TOWN

GROUP PROFILE AND STRUCTURE

The Italian Sea Group S.p.A. ("TISG" or "Group") is a global luxury yachting player listed on the Euronext STAR Milan and active in the design, construction and refit of motor yachts and sailing yachts up to 140 metres. The Group operates in the new building market under the **Admiral**, **Tecnomar**, **Perini Navi** and **Picchiotti** brands, and is active in the large refit business under the **NCA Refit** brand.

In 2023, TISG acquired 100% of **Celi S.r.l.**, a prestigious cabinet-making company specialising in interior design, with the aim of in-housing a large part of its yacht furniture needs and offering customers the utmost customisation and flexibility.

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

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

TISG has always stood out for its ability to offer ship operators an experience of pure luxury, which is expressed in high quality workmanship, attention to detail, state-of-the-art technology and innovative design solutions.

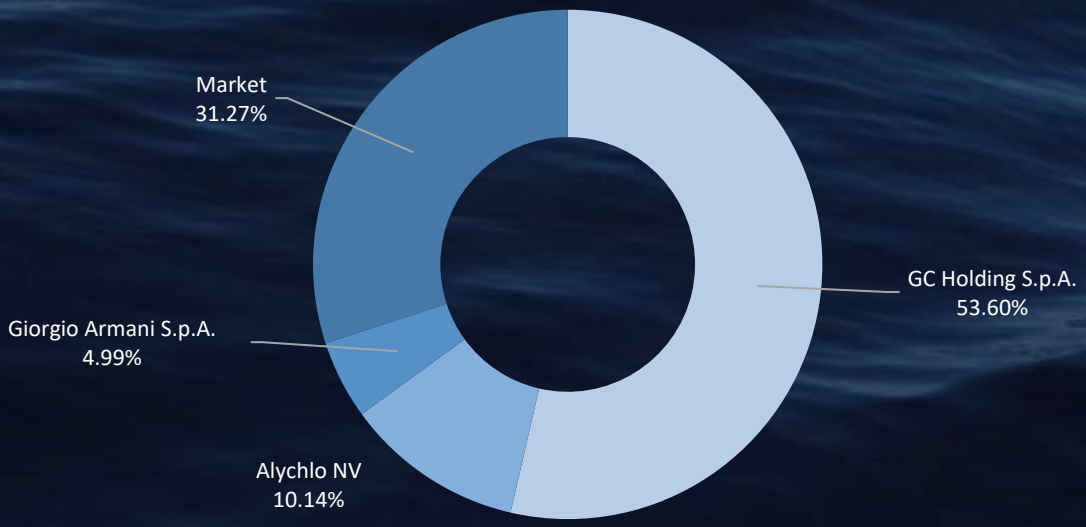
These elements, combined with passion, know-how, professionalism, taste for beauty and art, hospitality and customer care, make the Group's philosophy absolutely unique.

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

SHAREHOLDERS

On **3 June 2021**, the offer for the sale and subscription of the Parent Company's ordinary shares for the purpose of listing on the Mercato Telematico Azionario, organised and managed by Borsa Italiana S.p.A., now called **Euronext Milan** ("EXM"), was completed, and **8 June 2021** represented the first day of trading of the Parent Company's shares.

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



(*) *including the shares allocated directly and indirectly to Mr Marc Coucke*

BRANDS

PICCHIOTTI

Founded in 1575, the Picchiotti brand is inextricably linked to the history of Italian and Mediterranean yachting.

This long tradition began with the construction of work boats and ocean-going sailing ships and then moved on to important military orders, making the Picchiotti brand a pioneer of the first pleasure yachts in Italy. The largest ship built by the brand, in 1982, was "**Al Said**" (103 metres), which was fitted out in Marina di Carrara, which was to become the headquarters 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 in that 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 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 "The **Maltese Falcon**".

Following the acquisition finalised in 2022, The Italian Sea Group delivered the first sailing catamaran under the Perini Navi brand, the 47-metre "**Art Explora**", 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 specialised in 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, enhanced by the use of 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 refit 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 situated 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 refit hubs in the Mediterranean.

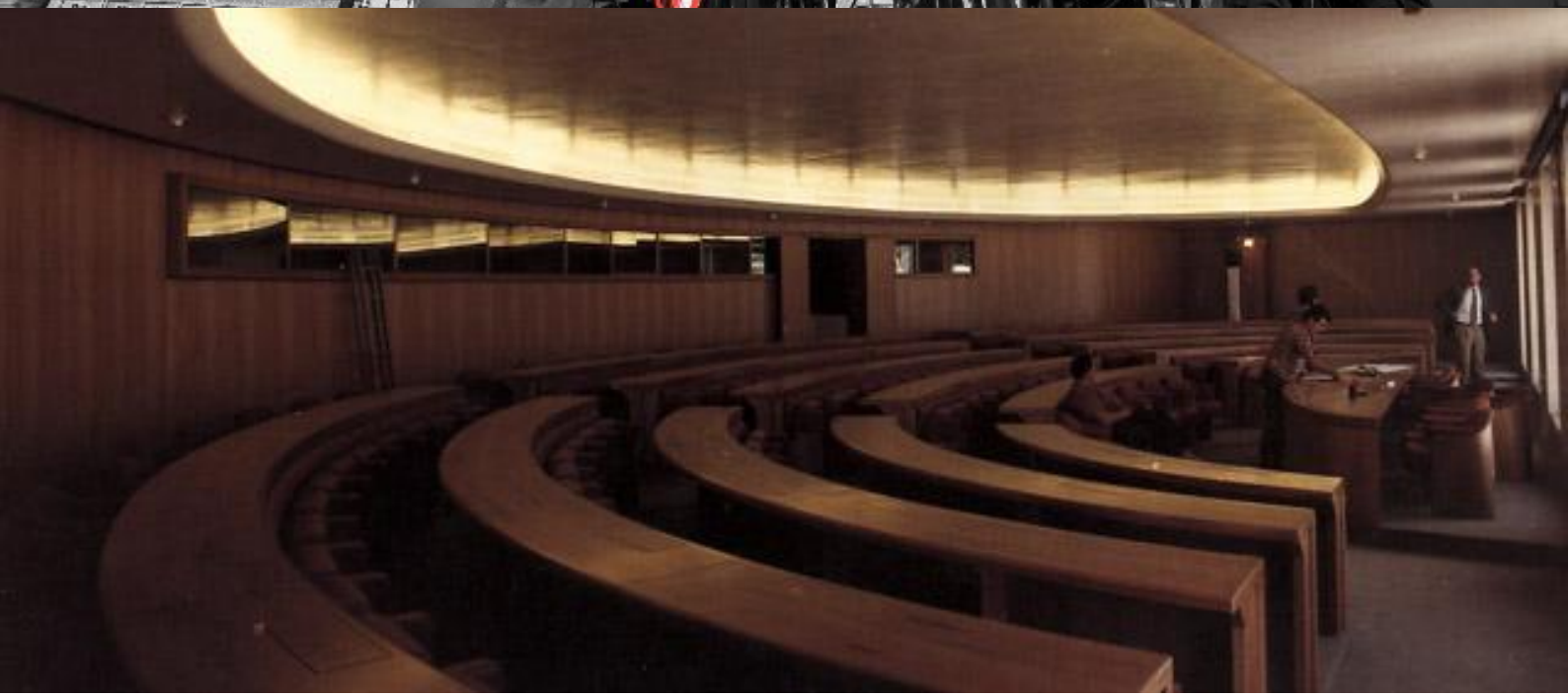
CELI 1920

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

Aside from 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.

Gentleman



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 and third parties.

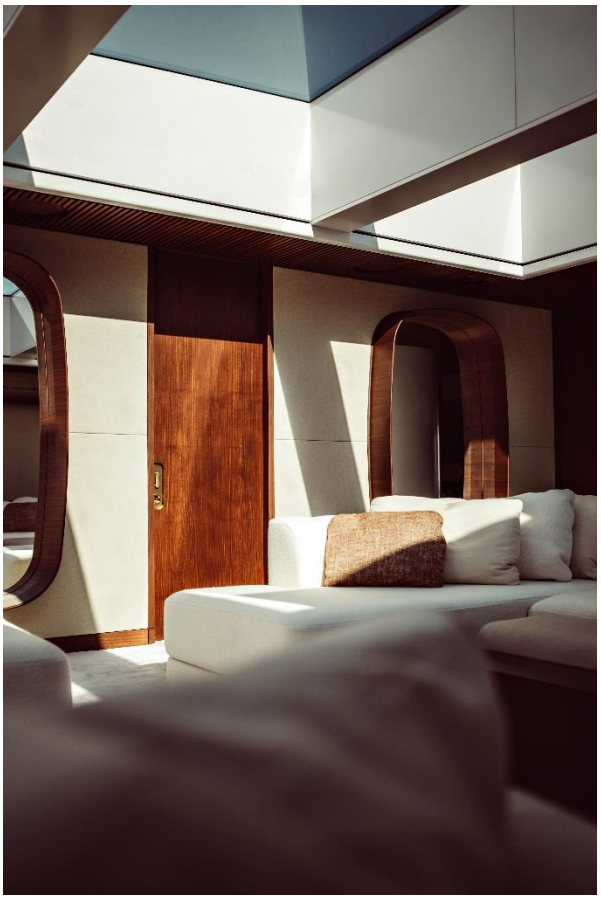
In 2023, TISG sold the Perini Navi office building and, in June 2024, finalised the sale of the shipyard, both located in Viareggio.

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.



BUSINESS DEVELOPMENT

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

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

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

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

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

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

Over the years, the Group has consolidated its strategy of in-housing the most value-added supply chain activities in order to improve margins and have greater control over quality and timing. In June 2024, a new business unit dedicated to interior steel finishings was inaugurated at the Marina di Carrara headquarters. This internalisation process can now be considered successfully completed, and the group remains attentive and proactive in evaluating any new opportunities.

METHODOLOGICAL INTRODUCTION

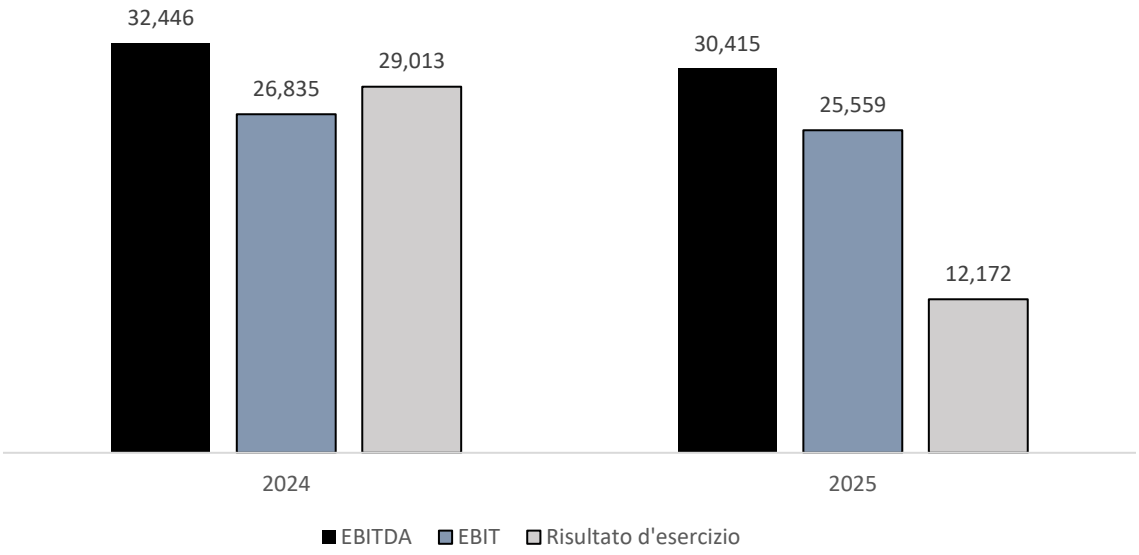
The periodic financial information as at 30 June 2025 provides as comparative data the balances of the consolidated financial statements of TISG as at 31 December 2024 as regards the **Balance Sheet**; for the **Income Statement**, it shows the periodic financial information of the Group as at 30 June 2024.

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

In thousands of Euros	30/06/2025	30/06/2024
Operating revenues	183,488	189,825
Other proceeds and income	4,166	934
Commissions	(850)	(1,310)
Total revenues	**186,804**	**189,449**
Costs for raw materials	(46,708)	(45,336)
Cost for outsourced work	(70,249)	(68,532)
Technical services and consultancy	(8,715)	(12,426)
Other costs for services	(6,432)	(6,752)
Personnel costs	(22,394)	(21,358)
Other operating costs	(1,890)	(2,599)
EBITDA	**30,415**	**32,446**
Percentage on total revenues	*16.3%*	*17.1%*
Amortisation, depreciation, write-downs	(4,856)	(5,611)
EBIT	**25,559**	**26,835**
Percentage on total revenues	*13.7%*	*14.2%*
Net financial charges	(3,880)	(3,127)
Extraordinary income and charges	(4,427)	17,089
EBT	**17,252**	**40,797**
Taxes for the financial year	(5,081)	(11,783)
RESULT FOR THE FINANCIAL YEAR	**12,172**	**29,013**
Percentage on total revenues	*6.5%*	*15.3%*

TREND OF ECONOMIC INDICATORS | 2024 - 2025

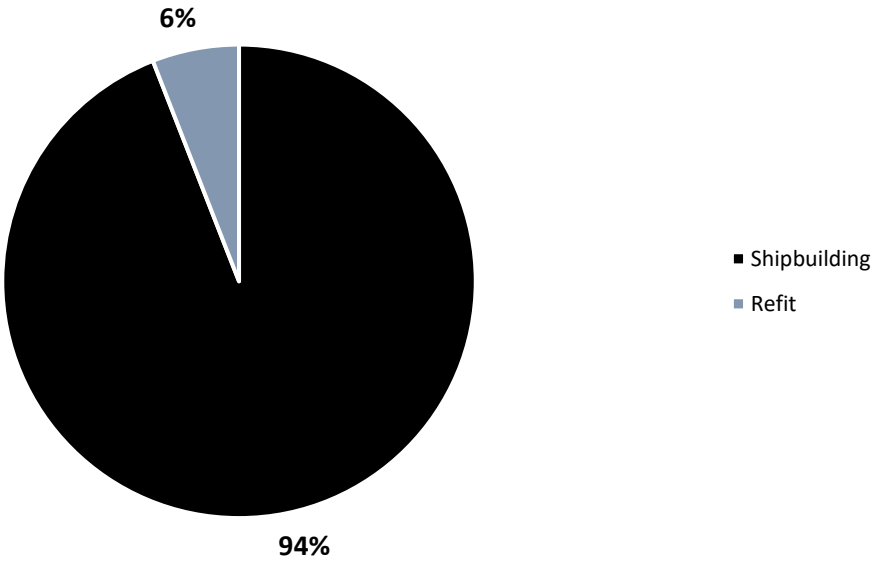
in thousands of Euros



OPERATING REVENUES

Operating revenues of **Euro 183,488 thousand** as at 30 June 2025 decreased by 3% from Euro 189,825 thousand in the same period of 2024.

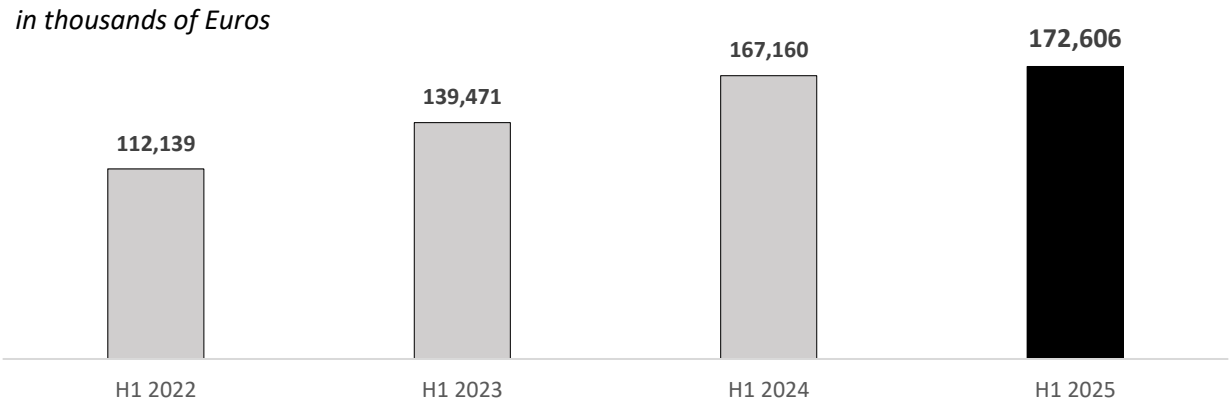
This item is split between the **Shipbuilding** and **Refit** divisions as follows:



SHIPBUILDING

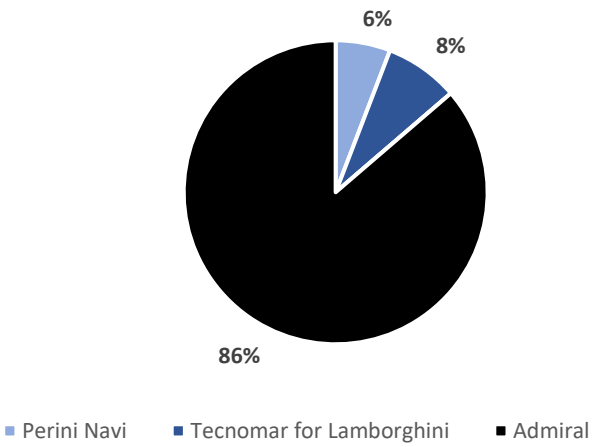
Revenues from the **Shipbuilding** division amounted to **Euro 172,606 thousand** as at 30 June 2025, up 3% from Euro 167,160 thousand in the first half of 2024.

SHIPBUILDING REVENUES 2022 - 2025

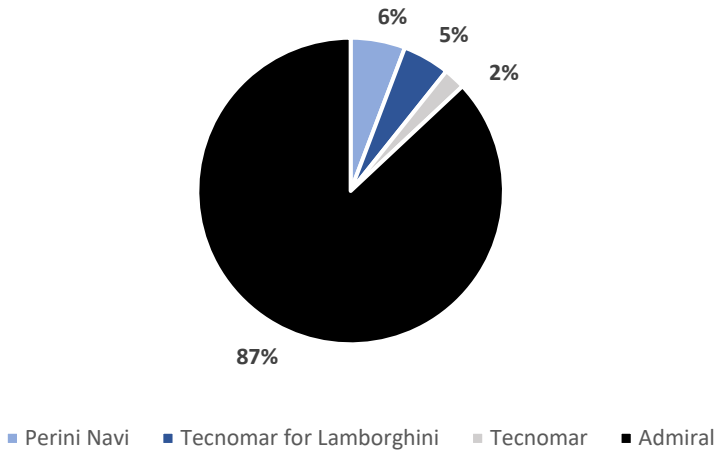


The breakdown of Shipbuilding revenues as at 30 June 2025 is as follows:

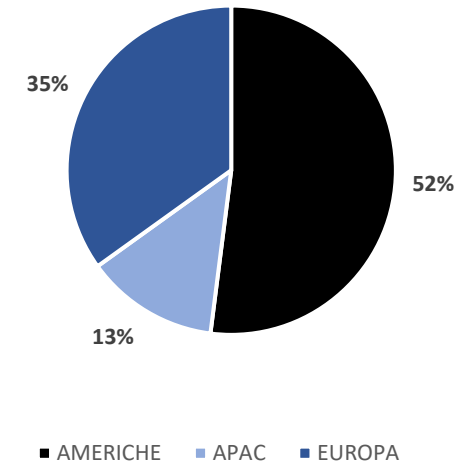
SHIPBUILDING REVENUES BY BRAND 1H 2024



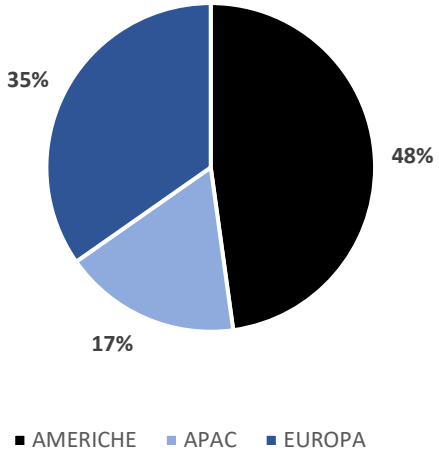
SHIPBUILDING REVENUES BY BRAND 1H 2025



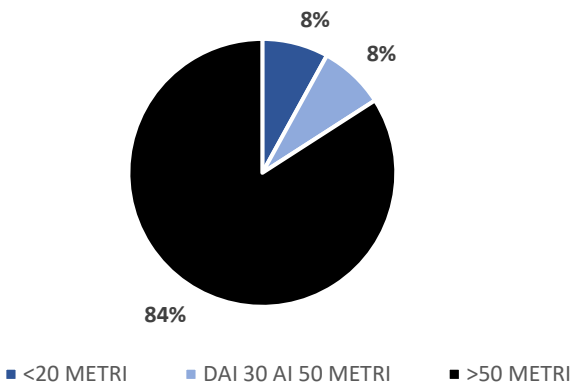
SHIPBUILDING REVENUES BY GEOGRAPHICAL AREA 1H 2024



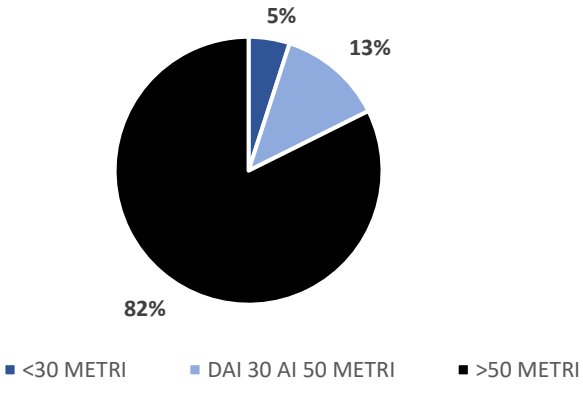
SHIPBUILDING REVENUES BY GEOGRAPHICAL AREA 1H 2025



SHIPBUILDING REVENUES BY LENGTH 1H 2024



SHIPBUILDING REVENUES BY LENGTH 1H 2025

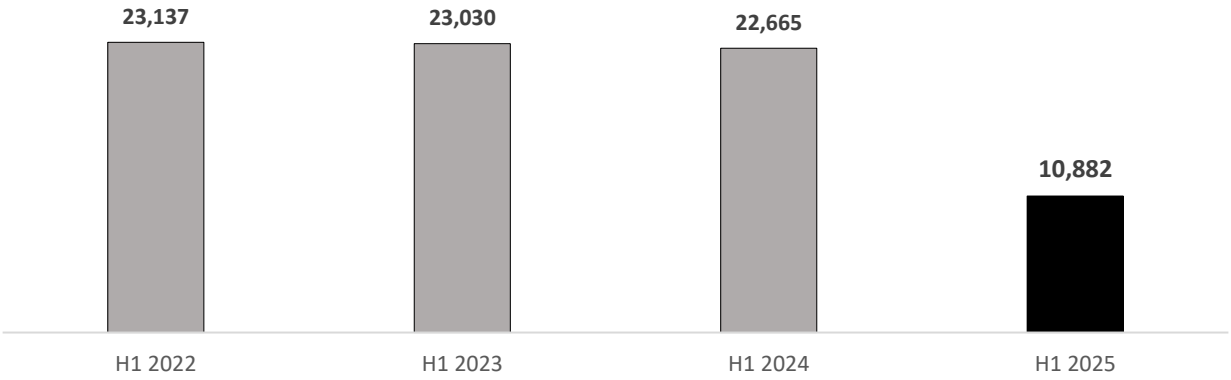


REFIT

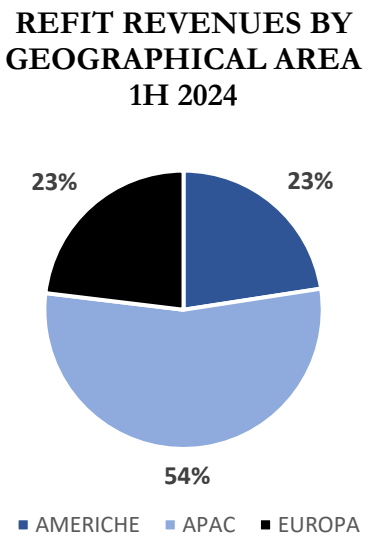
Revenues from the **Refit** division amounted to a total of **Euro 10,882 thousand** as at 30 June 2025, down 52% from Euro 22,665 thousand in the first half of 2024. This decline is linked to the greater focus on Shipbuilding activities during the period.

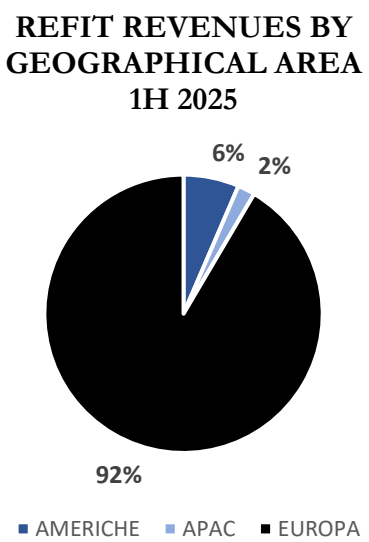
REFIT REVENUES 2022-2025

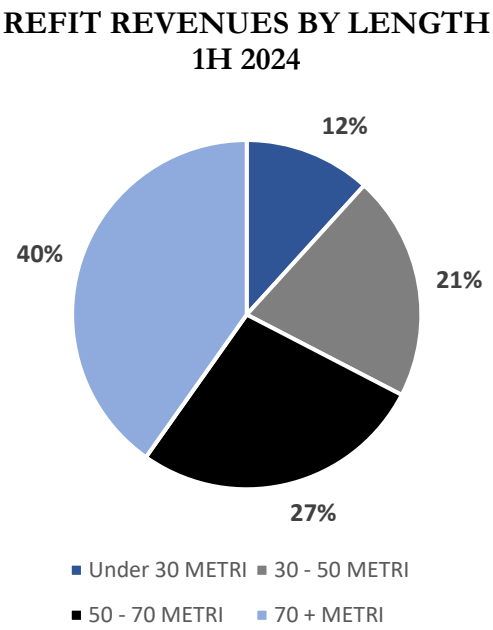
in thousands of Euros

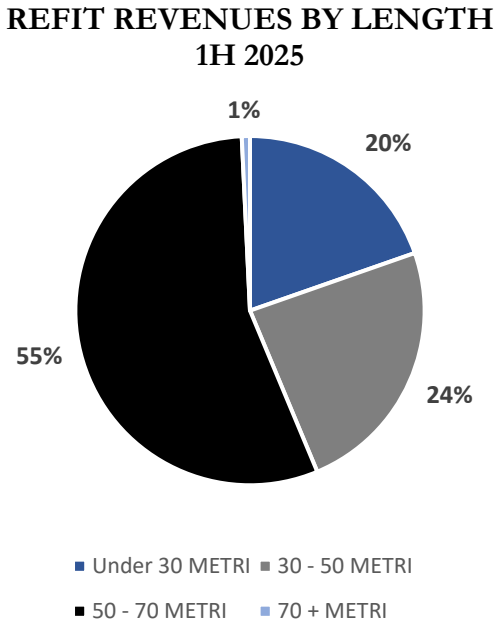


The breakdown of Refit revenues as at 30 June 2025 is as follows:





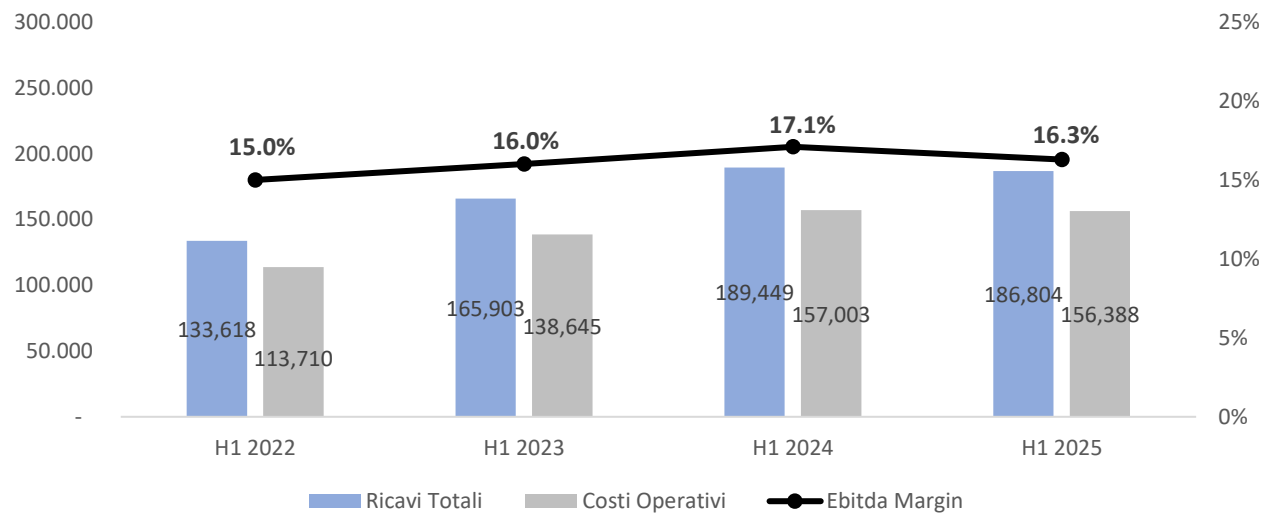




CONSOLIDATED EBITDA

Consolidated **EBITDA** as at 30 June 2025 was **Euro 30,415 thousand**, down 6% from EBITDA as at 30 June 2024 of Euro 32,446 thousand, with an EBITDA margin of 16.3% (vs. 17.1% recorded in the first half of 2024).

The slight decline in profitability is attributable to the higher impact of fixed structural costs, due to the decrease in production value recorded during the period.



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

EBITDA corresponds to the net result adjusted by financial management, taxes, amortisation and depreciation of fixed assets, as well as non-recurring components.

The EBITDA thus defined represents the indicator used by the Group to monitor and assess its operating performance; since it is not defined as an accounting measure within the scope of the International Accounting Standards, it should not be considered an alternative measure for assessing the performance of operating results.

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

EBIT

EBIT as at 30 June 2025 amounted to **Euro 25,559 thousand** – a decrease of 5% compared to the amount recorded in the previous half-year of Euro 26,835 thousand – with an EBITDA margin of 13.7% against amortisation, depreciation, write-downs, provisions and capital losses which amounted to Euro 4,856 thousand as at 30 June 2025.

NET PROFIT

The Group's **Net Result** as at 30 June 2025 was **Euro 12.2 million**, a reduction of 58.0% compared to Euro 29 million as at 30 June 2024. The 2024 result was influenced by the capital gain relating to the sale of the Viareggio Shipyard finalised last year.

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 30 June 2025, the Group's **Gross Backlog** (**Shipbuilding, Refit and CELI**) amounted to **Euro 1,190,934 thousand**.

The Group's **Net Backlog** (**Shipbuilding, Refit and CELI**) amounts to **Euro 362,326 thousand**.

in thousands of Euros	30/06/2025	31/12/2024	31/12/2023	31/12/2022	31/12/2021
Gross Backlog Shipbuilding	1,119,769	1,165,678	1,218,273	1,003,357	807,726
Gross Backlog Refit	71,165	75,948	46,202	34,207	18,948
Gross Backlog Shipbuilding & Refit	**1,190,934**	**1,241,626**	**1,264,475**	**1,037,564**	**826,674**

in thousands of Euros	31/06/2025	31/12/2024	31/12/2023	31/12/2022	31/12/2021
Net Backlog Shipbuilding	358,375	421,468	597,408	605,832	526,639
Net Backlog Refit	3,950	11,904	11,703	13,987	9,617
Net Backlog Shipbuilding & Refit	**362,326**	**433,372**	**609,111**	**619,819**	**536,256**

CONSOLIDATED RECLASSIFIED BALANCE SHEET STRUCTURE

Description (€/000)	30/06/2025	31/12/2024
ASSETS		
Intangible assets	35,127	35,294
Property, plant and equipment	117,599	120,294
Shareholdings	34	34
Net deferred tax assets and liabilities	(1,853)	(696)
Other non-current assets and liabilities	(1,358)	(1,225)
Provisions for non-current risks and charges	(6,718)	(6,180)
Provision for employee benefits	(891)	(880)
Net fixed capital	**141,939**	**146,640**
Inventories and payments on account	13,808	10,210
Contract work in progress and advances from customers	154,312	90,913
Trade receivables	48,129	55,410
Trade payables	(128,491)	(121,877)
Other current assets and liabilities	(24,185)	(23,823)
Net Working Capital	**63,574**	**10,833**
Total ASSETS - NIC	**205,513**	**157,473**
SOURCES		
Share capital	26,500	26,500
Share premium reserve	45,431	45,431
Other reserves and retained earnings	57,986	39,168
Currency translation reserve	187	(30)
Profit (loss) for the financial year	12,172	33,894
Shareholders' equity	**142,276**	**144,963**
Net financial debt	63,238	12,510
Total SOURCES	**205,513**	**157,473**

There was a decrease in consolidated **Net fixed capital** as at 30 June 2025 compared to 31 December 2024, mainly due to a reduction in the net book value of tangible assets due to depreciation for the period and a reduction in deferred tax assets.

During the first half of 2025, the Group made **investments** of Euro 1.53 million, mainly relating to extraordinary maintenance activities on the barge, ongoing investments for the in-housing of some high value-added phases of the production process and general shipyard investments.

The increase in **Net Working Capital** is due in particular: to an increase in **contract works in progress** by virtue of normal dynamics of production progress and the invoicing of the interim payment certificates and an increase in the item **Inventories and payments on account** following the capitalisation of costs

incurred in the first half of 2025 for the construction of hulls for orders for which sales negotiations are at an advanced stage.

The change in shareholders' equity, as described in more detail in the explanatory notes, is mainly due to the **Profit (Loss) for the financial year** resulting from the condensed consolidated half-year financial statements as at 30 June 2025 in the amount of Euro 12,172 thousand and the increase in retained earnings following the resolution of the Ordinary Shareholders' Meeting that approved the financial statements as at 31 December 2024 on 22 April 2025.

CONSOLIDATED NET FINANCIAL POSITION

Below is the **Consolidated Net Financial Position** as at 30 June 2025, showing financial payables: (i) to banks and (ii) to other lenders, net of cash and cash equivalents.

in thousands of Euros	30/06/2025	31/12/2024
A. Cash and cash equivalents	71,140	37,424
B. Assets equivalent to cash and cash equivalents	691	22,830
C. Other current financial assets	0	0
D. Liquidity (A)+(B)+(C)	71,830	60,254
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	(3)	(3)
F. Current portion of non-current financial debt	(23,172)	(11,629)
F.1 other current financial payables	(976)	(980)
G. Current financial debt (E+F)	**(24,151)**	**(12,612)**
H. Net financial debt (G-D)	**47,680**	**47,642**
I. Non-current bank debt (excluding the current portion of debt instruments)	(99,782)	(48,964)
J. Debt instruments	0	0
K. Non-current trade and other payables	(11,135)	(11,189)
L. Non-current financial debt (I+J+K)	**(110,917)**	**(60,152)**
M. Total financial debt (H+L)	**(63,238)**	**(12,510)**

The **Consolidated Net Financial Position** amounted to a negative **Euro 63,238 thousand** at 31 June 2025, against a negative Net Financial Position of Euro 12,510 thousand at 31 December 2024.

During the month of June, a new 7-year medium/long-term loan was taken out, for a maximum total of Euro 150,000,000; Euro 115 million had been disbursed as at 30 June 2025. As per the IAS/IFRS accounting standards, the Net Financial Position includes the current 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, at 30 June 2025, amounted to Euro 7.5 million, which will be paid based on the duration of the respective concessions.

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

On 30 June 2025, the short-term net financial position was positive at **Euro 47.7 million**.

ALTERNATIVE PERFORMANCE MEASURES ("NON-GAAP MEASURES")

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

The APM refer to measures used by management and investors to analyse the trends and performances of the Group and derive directly from the financial statements even though they are not envisaged by the IAS/IFRS. These measures, used by the Group on a continuous and uniform basis for several years, are important in assisting management and investors to analyse the Group's performance. Investors should not consider these APM as replacements but, rather, as additional information to the data included in the financial statements. The APM as defined may not be comparable to measures with a similar name used by other listed groups.

In order to facilitate an understanding of the Group's economic and financial performance, the Directors have identified a number of alternative performance measures ("**Alternative Performance Measures**" or "**APM**"). Moreover, these measures represent tools to help the directors identify operating trends and make decisions about investments, the allocation of resources and other operational decisions.

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

- these indicators are derived exclusively from the Group's historical data which are extracted from the general and management accounts, and are not indicative of the Group's future performance. More specifically, they are represented, where applicable, in accordance with the recommendations contained in document no. 1415 of 2015, drawn up by ESMA (as incorporated by CONSOB communication no. 0092543 of 3 December 2015) and in points 100 and 101 of ESMA Q&A 31-62-780 of 28 March 2018;

- the APM are not envisaged by international accounting standards ("IFRS") and, although derived from the Group's financial statements, are not subject to auditing;

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

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

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

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

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

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

Net Financial Debt includes:

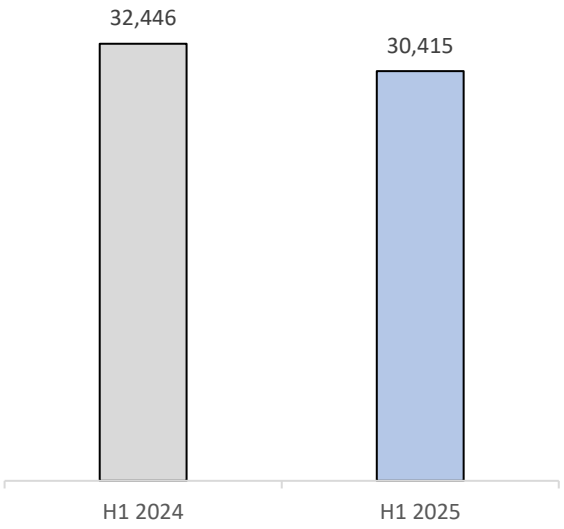
- Liquidity including: cash and bank deposits, other cash and cash equivalents and securities held for trading;

- 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.

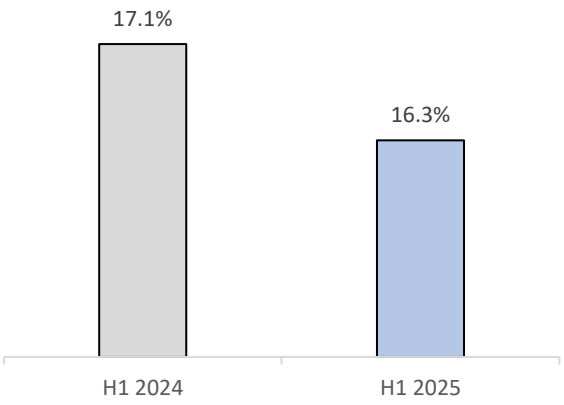
EBITDA

In thousands of Euros



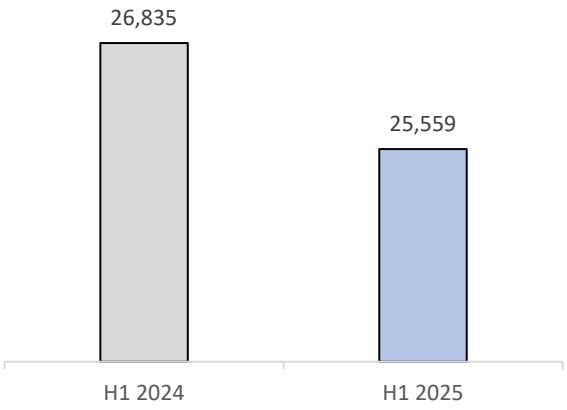
EBITDA margin

In thousands of Euros



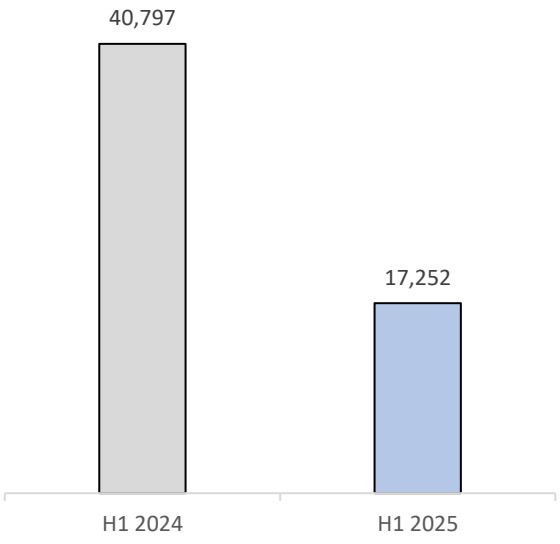
EBIT

in thousands of Euros



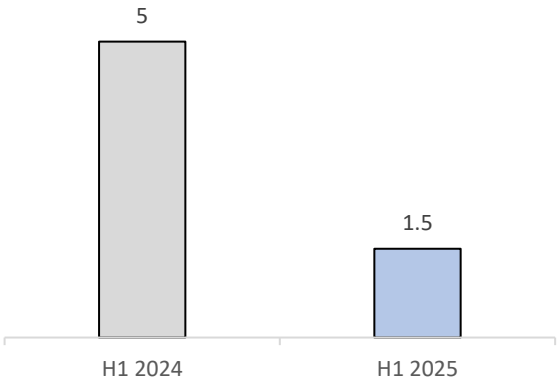
EBT

in thousands of Euros



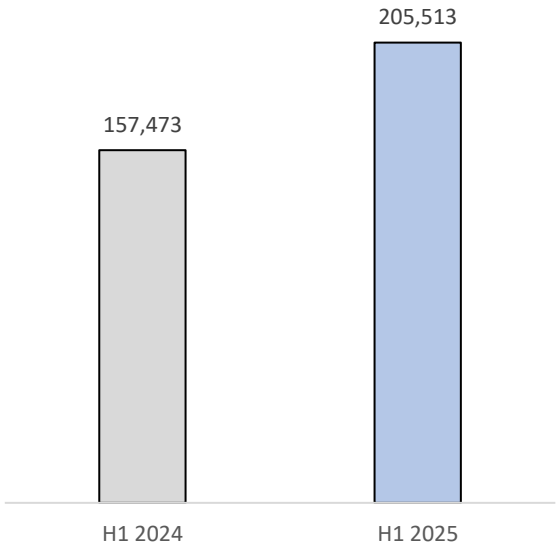
INVESTMENTS

in thousands of Euros



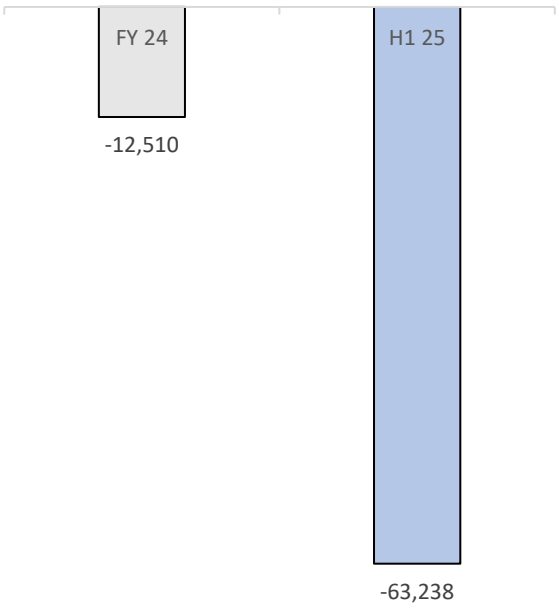
NET INVESTED CAPITAL

in thousands of Euros



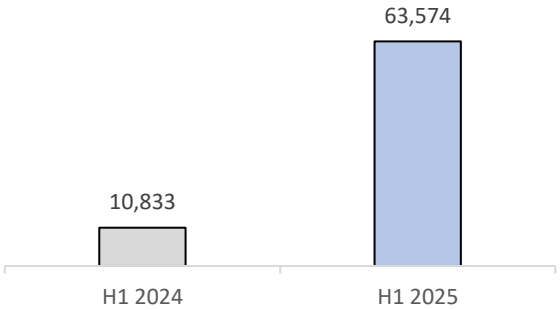
NFP

in thousands of Euros



NET WORKING CAPITAL

in thousands of Euros



SIGNIFICANT EVENTS DURING 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**.

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.

On 7 May 2025, **The Italian Sea Group** celebrated the launch of the first megayacht designed in collaboration with **Giorgio Armani**.
The event was attended by the ship operator team, representatives of the **Armani Group**, local authorities and the entire The Italian Sea Group team involved in the creation of this masterpiece of yacht design and engineering.
This yacht is the first of two designed entirely by **Giorgio Armani**, whose unmistakable style is immediately recognisable in the exterior lines as well as in the refined interiors.

During the month of June, a **new 7-year** medium/long-term **loan** was taken out, for a **maximum total of Euro 150,000,000**.

The loan, backed by a **guarantee provided by SACE S.p.A. up to a maximum of Euro 105,000,000** and by further guarantees, including collateral substantially in line with the guarantees that backed the pre-existing credit lines, was provided by a pool of leading Italian and international financial institutions: Banca Monte dei Paschi di Siena S.p.A., UniCredit S.p.A., Banca Nazionale del Lavoro S.p.A., Cassa Depositi e Prestiti S.p.A., Crédit Agricole Italia S.p.A. and Deutsche Bank S.p.A. UniCredit S.p.A. and Banca Monte dei Paschi di Siena S.p.A. acted as Global Coordinator, while Crédit Agricole Italia S.p.A. assumed the role of Agent Bank.

The disbursement resulted in the simultaneous **extinguishing of all of the main loans outstanding at that date**, thus allowing the average maturity of the debt to be extended under improved conditions and providing the Company with the necessary resources to better take advantage of the future recovery of the business.

Part of the new funding is represented by a credit line dedicated to M&A operations, which will be activated only if targets deemed strategically relevant to the Company's medium/long-term growth plans can be identified.

The **loan conditions**, in terms of both the rate applied (3 month Euribor + spread) and financial covenants (Net Debt/EBITDA and Net Debt/Shareholders' Equity), are **better than those on the previous credit lines used.**

The loan also includes a bonus/malus condition linked to the achievement of certain ESG targets.

SIGNIFICANT EVENTS AFTER 30 JUNE 2025

During the month of July 2025, **The Italian Sea Group** delivered **2** full custom **Admiral** projects, 78 and 72 metres, the second of which was entirely designed by **Giorgio Armani**.

The group also delivered the **first Perini Navi Yacht**, 60 metres, under the management of **The Italian Sea Group**.

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 less impacted by macroeconomic shocks than other categories of individuals.

Despite growing uncertainties, both geopolitically and linked to the evolution of global trade following the protectionist policies being implemented by the current US administration, the number of UHNWIs in the world is expected to continue on its path of double-digit growth.

Over the years, TISG has 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 the possibility to maintain an optimal mix between Shipbuilding and Refit activities in the medium term.

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 for some time now 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 sharp increase from 2002 to date.

TISG's positioning in this market segment is demonstrated by the quality and visibility of the order book, 90% of which is made up of yachts of over 50 metres with deliveries scheduled until 2027.

The Italian Sea Group's clientele is extremely global, also thanks to the strategic partnerships that the Group 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, the result of investment plans at the Marina di Carrara shipyard, which were completed in 2023, and with the addition of the La Spezia shipyard following 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 flexibly accommodate production needs deriving from 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 metres, 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 Group has achieved important goals in terms of environmental sustainability, such as the installation of photovoltaic panels at the Marina di Carrara and La Spezia shipyards that have allowed the group to cover, for several years now, more than 70% of its energy needs with renewable sources.

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

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

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

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

OUTLOOK 2025

The first half of the year saw an intensification of the climate of uncertainty already experienced during 2024. In addition to continuing geopolitical tensions, with the ongoing war in Ukraine and the worsening of the war in the Middle East, starting in April the US administration began implementing protectionist trade policies, which have increased uncertainty about economic and global trade trends, thus extending negotiation times.

During the period, The Italian Sea Group continued in the negotiation of important orders that are expected to be finalised over the next few months.

In light of the current order book and the progress made on orders in the book, revenues of Euro 350 – 370 million (previously Euro 410 – 430 million) and a moderate contraction in expected profitability to 16.5% - 17.0% (previously 17.5% - 18.0%) are expected for 2025.

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

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

TRANSACTIONS WITH RELATED PARTIES

Revenues, expenses, receivables and payables as at 30 June 2025 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 that are in line with the Group'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 Group builds, as well as the making of the furniture of TISG's operational facilities, answering to the production need of the Group from an efficiency perspective. The internalisation of Celi's woodworking activities, in line with TISG's development strategy, will allow the Group to have increased control over the timing, quality and costs of furniture works. 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.

RISK MANAGEMENT

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

RISKS RELATED TO THE FINANCIAL SITUATION

Description of the risk

As at 30 June 2025, the Group had a negative Net Financial Position of **Euro 63.2 million**.

Part of this value derives from financial contracts characterised by **financial covenants**. The Group is therefore exposed to the risk of having to repay its financial debt early in the event of the abovementioned assumptions; this circumstance could have significant negative effects on the Group's economic, financial and equity situation. In the event of non-compliance with the financial covenants, the Group undertakes to deliver a declaration, made by the legal representative, indicating the reasons and the measures adopted, where possible, to restore the original conditions. In such cases, the Bank may opt for termination of the contract pursuant to Article 1456 of the Italian Civil Code.

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

Financial covenants, to be checked at the end of each annual financial period, are established in the loan agreement signed in June 2025.

RISKS RELATED TO OPERATIONS

Description of the risk

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

Impact

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

Mitigating actions

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

RISKS RELATED TO THE REFERENCE REGULATORY FRAMEWORK

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

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

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

OTHER INFORMATION

CORPORATE GOVERNANCE

The Group is organised according to the traditional administration and control model referred to in Articles 2380-bis et seq. of the Italian Civil Code, with the Shareholders' Meeting, the Board of Directors and the Board of Statutory Auditors.

The Chair of the Group is Filippo Menchelli, the Chief Executive Officer is Giovanni Costantino and the Deputy Chair is Marco Carniani.

The Group has adopted, in compliance with the Corporate Governance Code most recently updated on 31 January 2020, through its Board of Directors, a regulation on the Board of Directors and on compliance with procedures relating to the timeliness and adequacy of information provided to directors, in accordance with the corporate governance principles contained in the Corporate Governance Code.

The Board of Directors is made up of two executive directors, two non-executive directors and three independent directors.

The Appointments and Remuneration Committee and the Audit, Risk and Sustainability Committee, which also carries out the role of the Related Party Transactions Committee, have been set up within the Board.

The internal control and risk management system requires the Board, after obtaining the opinion of the Audit, Risk and Sustainability Committee, to define guidelines for the internal control and risk management system, seen as the set of processes aimed at enabling the identification, measurement, management and monitoring of the main risks. This system helps to ensure the efficiency and effectiveness of company transactions, the reliability of financial information, compliance with laws and regulations, the by-laws and internal procedures, as well as the safeguarding of the company assets.

The Board of Directors, having obtained the opinion of the Audit, Risk and Sustainability Committee, has appointed the head of the Internal Audit department, responsible for verifying that the internal control and risk management system is functional and adequate, ensuring that it has adequate means to perform its functions, including in terms of the operational structure and internal organisational procedures for access to the information required for the role.

The Group annually draws up the Report on corporate governance and ownership structures which describes the corporate governance system adopted by the Issuer, as well as information on the ownership structure and the internal control and risk management system. The Report is available in full on the Issuer's website in the "Corporate Governance" section.

PERSONAL DATA PROCESSING – ITALIAN LEGISLATIVE DECREE NO. 196 OF 30 JUNE 2003 – REGULATION (EU) NO. 679 OF 27 APRIL 2016 (GDPR – GENERAL DATA PROTECTION REGULATION)

With reference to the obligations established by the privacy legislation in force, The Italian Sea Group S.p.A., as Data Controller, has adopted all security measures listed therein.

Following the definitive entry into force of Regulation (EU) 679/2016 on the protection of natural persons with regard to the processing of personal data (GDPR), the Parent Company has completed the necessary adjustment process in order to align with the regulatory requirements.

The Parent Company is responsible by law, in its capacity as "Data Controller", for all personal data processing activities carried out by it and, in view of this, it adopts appropriate security measures in relation to the risks for rights and freedoms of natural persons. In order to ensure efficient operations in relation to the performance of processing activities, it has identified a person within the Board of Directors who, in the name and on behalf of the Parent Company, independently makes decisions on the purposes and methods of personal data processing and on the tools used, including the adoption and monitoring of security measures and their adequacy, and who supervises all personal data processing activities carried out by the Parent Company.

The Parent Company has not appointed a DPO (Data Protection Officer) since it does not carry out the processing of data as defined by Art. 37 of the GDPR.

DISCLOSURE ON MANAGEMENT AND COORDINATION ACTIVITY

In compliance with Article 2497-bis, paragraph 5, it is noted that the Parent Company is not subject to management and coordination by companies or entities.

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 condensed consolidated half-year financial statements. The Parent Company's secondary offices are indicated in section A of the Parent Company's financial statements.

Condensed Consolidated Half-Year Financial Statements as at 30/06/2025

CONSOLIDATED FINANCIAL STATEMENTS
AS AT 30 JUNE 2025

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in thousands of Euros	notes	30/06/2025	31/12/2024
ASSETS			
NON-CURRENT ASSETS			
Brands	1	34,582	34,604
Other intangible assets	2	545	690
Land and buildings	3	56,349	57,047
Plant, machinery, equipment and investments in progress	4	29,981	30,618
Other tangible assets	5	779	886
Right of Use	6	30,490	31,742
Shareholdings	7	34	34
Other non-current assets	8	945	1,489
Deferred tax assets	17	-	-
Total non-current assets		**153,703**	**157,110**
CURRENT ASSETS			
Cash and cash equivalents	9	71,830	60,254
Trade receivables	10	48,129	55,410
Other receivables	11	16,602	10,106
Assets from contract work in progress	12	162,465	108,096
Stock inventories	13	13,808	10,210
Other current assets	14	4,124	4,869
Total current assets		**316,959**	**248,945**
TOTAL ASSETS		**470,662**	**406,055**
LIABILITIES AND SHAREHOLDERS' EQUITY			
SHAREHOLDERS' EQUITY			
Share capital		26,500	26,500
Share premium reserve		45,431	45,431
Other reserves and retained earnings		57,986	39,168
Currency translation reserve		187	-30
Consolidated Profit (Loss)		12,172	33,894
Total Shareholders' Equity	**15**	**142,276**	**144,963**
NON-CURRENT LIABILITIES			
Provisions for risks and charges	16	6,718	6,180
Deferred tax liabilities	17	1,853	696
Provision for employee benefits	18	891	880
Long-term financial liabilities	19	110,917	60,152
Other non-current liabilities	20	2,303	2,714
Total non-current liabilities		**122,681**	**70,622**
CURRENT LIABILITIES			
Trade payables	21	128,491	121,877
Other payables	22	38,220	32,139
Short-term financial liabilities	23	24,151	12,608
Liabilities from contract work in progress	12	8,153	17,183
Other current liabilities	24	6,690	6,662
Total current liabilities		**205,705**	**190,470**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**470,662**	**406,055**

CONSOLIDATED INCOME STATEMENT – BY NATURE

in thousands of Euros	Notes	30/06/2025	30/06/2024
Operating revenues		183,488	189,825
Other proceeds and income		4,238	20,320
Commissions		(850)	(1,310)
Total Revenues	**25**	**186,876**	**208,835**
Raw materials, components and consumables	26	(46,708)	(45,336)
Cost for outsourced work	27	(70,249)	(68,532)
Technical services and consultancy	28	(8,764)	(12,475)
Other costs for services	29	(6,534)	(6,702)
Personnel costs	30	(22,394)	(21,358)
Other operating costs	31	(6,088)	(4,546)
Total operating costs		**(160,737)**	**(158,950)**
Operating result before amortisation, depreciation and write-downs		**26,139**	**49,885**
Depreciation, amortisation and write-downs	32	(5,006)	(5,961)
Operating result		**21,133**	**43,924**
Financial income	33	3,210	811
Financial charges	33	(7,091)	(3,938)
Consolidated financial year profit (loss) before income taxes		**17,252**	**40,797**
Income taxes	34	(5,081)	(11,783)
Consolidated profit (loss)		**12,172**	**29,013**
Earnings per ordinary share		**0.23**	**0.55**
Diluted earnings per ordinary share		**0.23**	**0.55**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME – BY NATURE

Consolidated profit/(loss)		**12,172**	**29,013**
Change in translation reserve		217	81
Profits/(losses) on re-measurement of employee defined benefit plan liabilities	35	(13)	7
Change in fair value of hedging derivatives	35	(503)	(670)
TOTAL CONSOLIDATED COMPREHENSIVE PROFIT/(LOSS) (A) + (B)		**11,873**	**28,431**

CONSOLIDATED CASH FLOW STATEMENT

In thousands of Euros	30/06/2025	30/06/2024
INCOME MANAGEMENT ACTIVITIES		
Consolidated profit before taxes	17,252	40,797
Net interest income	3,880	3,127
provision for risks and charges	789	809
provision for severance indemnity	975	893
Adjustments for:		
Amortisation, depreciation and write-downs of non-current assets	4,862	5,317
Capital gains/(losses)	-	(18,416)
Other provisions and write-downs (revaluations)	150	350
Changes in assets and liabilities:		
Receivables from customers	7,131	(11,928)
Inventories and contract work in progress	(66,997)	(37,153)
Other management activities	(6,477)	2,046
Payables to suppliers	6,614	2,834
Other operating payables	5,068	(3,515)
Severance indemnity	(965)	(950)
Provisions for risks and charges and deferred tax assets	906	162
Taxes paid	(5,081)	(11,783)
Interest paid	(3,880)	(3,127)
Cash flow from income management activities	**(35,772)**	**(30,537)**
INVESTING ACTIVITIES		
Purchase of tangible assets	(1,533)	(3,122)
Disposal of tangible assets	-	21,000
Purchase of intangible assets	-	(85)
Others	28	2,848
Cash flow from investing activities	**(1,505)**	**20,641**
FINANCING ACTIVITIES		
Capital contributions		
Payment of Share Premium Reserve		
Payment of Dividends	(12,985)	(19,610)
Raising M/L term loans	125,000	
Repayment of M/L term loans	(62,639)	(5,869)
Raising shareholders' loans		
Raising of loans to others		
Repayment of loans to others	(523)	(735)
Net change in other sources of short-term financing		
Cash flow from financing activities	**48,853**	**(26,214)**
TOTAL CASH FLOWS FOR THE PERIOD	11,576	(36,110)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	60,254	76,413
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	71,830	40,303

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

Data in thousands of Euros	Values as at	Allocation of income	Consolidated result	Other changes	Total result	Values as at
	31/12/2023	31/12/2023	30/06/2024	30/06/2024	30/06/2024	30/06/2024
SHARE CAPITAL	26,500					26,500
SHARE PREMIUM RESERVE	45,399			32		45,431
OTHER RESERVES AND RETAINED EARNINGS	22,409	36,911		(19,033)	(663)	39,624
CURRENCY TRANSLATION RESERVE	(83)				81	(2)
PROFITS (LOSSES) FOR THE PERIOD	36,911	(36,911)	29,013			29,013
TOTAL SE	**131,136**	**0**	**29,013**	**(19,001)**	**(582)**	**140,566**

Data in thousands of Euros	Values as at	Allocation of income	Consolidated result	Other changes	Total result	Values as at
	31/12/2024	31/12/2024	30/06/2025	30/06/2025	30/06/2025	30/06/2025
SHARE CAPITAL	26,500					26,500
SHARE PREMIUM RESERVE	45,431					45,431
OTHER RESERVES AND RETAINED EARNINGS	39,168	33,894		(14,560)	(516)	57,986
CURRENCY TRANSLATION RESERVE	(30)				217	187
PROFITS (LOSSES) FOR THE PERIOD	33,894	(33,894)	12,172			12,172
TOTAL SE	144,963	-	**12,172**	**(14,560)**	**(299)**	**142,276**

NOTES TO THE FINANCIAL STATEMENTS

CONTENT AND FORM OF THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS AS AT 30 JUNE 2025

These condensed consolidated half-year financial statements include the data as at 30 June 2025 of The Italian Sea Group S.p.A. and its subsidiaries (hereinafter "TISG Group" or, more briefly, the "Group"). The purpose of this document is to illustrate, analyse and, in some cases, supplement the data provided in the financial statements.

The consolidated financial statement formats adopted are consistent with those set forth in IAS 1; in particular:

- the **Consolidated statement of financial position** was prepared by classifying assets and liabilities according to the "current/non-current" criterion;

- the **Consolidated 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 Group, is compliant with internal reporting methods and is in line with the relevant industrial sector practice;

- the **Consolidated statement of comprehensive income** includes, in addition to the profit (loss) for the year, as per the Income statement, other changes in equity movements other than those with shareholders;

- the **Consolidated statement of cash flows** 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.

GOING CONCERN

The condensed consolidated half-year financial statements as at 30 June 2025 were prepared with a view to the continuation of the company's business as there is a reasonable expectation that the TISG Group will continue its operating activities in the foreseeable future (and in any case with a time horizon of more than twelve months from the reporting date). In particular, the following factors were taken into consideration:

1) the main risks and uncertainties (for the most part of external origin) to which the TISG Group 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 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.

5) The order backlog as at 30 June 2025 and the evolution of commercial negotiations in progress at the reporting date.

6) Expectations for business development on the basis of the strategies put into place by the company management at Group level.

On the basis of these factors, the company management believes that, at present, there are no elements of significant uncertainty that would call into question the use of the going concern assumption for the TISG Group.

ACCOUNTING STANDARDS AND VALUATION CRITERIA

The financial statements at 30 June 2025 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 2024 for the statement of financial position and at 30 June 2024 for the other statements.

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 2024, which should be referred to for the details.

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 2025

Title of the document issued by the IASB	Date of publication of the IASB document	Date of entry into force
Lack of exchangeability (amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates)	01 January 2025	endorsed

In addition to the documents indicated above, the IFRS Interpretations Committee issued a series of agenda decisions in the first half of 2025. These decisions do not constitute official guidelines. However, they explain the Committee's reason for not including an issue on its agenda (or referring it to the IASB) and the methods for the application of the requirements of the applicable IFRS® Accounting Standards. The IFRS Foundation points out on its website that such decisions "should be regarded as useful, informative and persuasive". Entities preparing financial statements in accordance with the IFRS® Accounting Standards 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.

From 31 December 2024, agenda decisions were finalised on the following topics:

Accounting standard	Topic
The IFRS Accounting Standard applicable to a guarantee depends on specific terms, and judgement may be required	Guarantees issued on obligations of other entities
IFRS 15 Revenue from Contracts with Customers	Recognition of revenue from tuition fees
IAS 38 Intangible assets	Recognition of Intangible Assets Resulting from Climate-related Expenditure
IAS 7 Statement of cash flows	Classification of Cash Flows related to Margin Calls on "Collateralised-to-Market" Contract

EARLY ADOPTION OF STANDARDS AND AMENDMENTS

The table below lists all the changes with a mandatory effective date in future accounting years. Entities intending to voluntarily apply one of these changes in the annual financial statements of a prior year should also apply it in financial statements for interim periods beginning on or before the date of the subsequent annual financial statements.

In force on a mandatory basis for financial years starting on or after 1 January 2026	Resources
Amendments to the classification and measurement of financial instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: disclosures)	IFRB 2024/07 IASB issues Amendments to the Classification and Measurement of Financial Instruments
Contracts referencing nature-dependent electricity (Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: disclosures)	IFRS AS Update 4|2025 – The IASB publishes Contracts referencing nature-dependent electricity (amendments to IFRS 9 and IFRS 7)

In force on a mandatory basis for financial years starting on or after 1 January 2027	Resources
IFRS 18 Presentation and Disclosure in Financial Statements	IFRB 2024/04 IASB publishes IFRS 18 Presentation and Disclosure in Financial Statements IFRS AS In Practice – IFRS 18 Presentation and disclosure in financial statements (presentation in the income statement)
IFRS 19 Subsidiaries without Public Accountability: Disclosures	IFRS Update 5|2024 – The IASB publishes IFRS 19 Subsidiaries without public accountability: Disclosures

In some cases, new amendments have resulted in an amendment to IAS 34, requiring disclosures in the interim financial statements. Therefore, entities intending to adopt the new guidelines prior to the date of their mandatory entry into force should also comply with the associated disclosure requirements set forth in IAS 34. However, none of the above guidelines resulted in the addition of new disclosure requirements to IAS 34.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET APPLIED OR APPLICABLE

There are numerous principles, amendments to the principles and interpretations that have been issued by the IASB which will be effective in future accounting years and that the Group has decided not to apply early.

The following amendments will be effective for financial years beginning on or after 1 January 2025:
Lack of exchangeability (amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates).

Lack of exchangeability (amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates)

On 15 August 2023, the IASB published Lack of exchangeability, amending IAS 21 The Effects of Changes in Foreign Exchange Rates.
These amendments are applicable for financial years starting on or after 1 January 2025. The amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The amendments require the entity to estimate the spot exchange rate when it determines that a currency is not exchangeable into another currency. The amendments also introduce additional disclosure requirements when an entity estimates a spot exchange rate because a currency is not exchangeable into another currency.
Prior to the amendments, IAS 21 did not include explicit requirements for determining the exchange rate when a currency is not exchangeable into another currency, which led to differences in practice.
In applying the amendments, an entity may not restate comparative information.
These amendments did not have a significant effect on the condensed interim consolidated financial statements.

The following amendments are effective starting in 2023:

- Onerous contracts – Cost of fulfilling a contract (Amendments to IAS 37);
- Property, plant and equipment: Revenues earned before an asset is ready for its intended use (Amendments to IAS 16);
- Annual improvements to the 2018-2020 IFRS Standards (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- References to the conceptual framework (Amendments to IFRS 3).

The following amendments are effective from the financial year starting 1 January 2023:

- Communication of accounting standards (Amendments to IAS 1 and to IFRS Practice Statement 2 of IFRS);

- Definition of accounting estimates (Amendments to IAS 8); and

- Deferred taxes related to assets and liabilities arising from a single transaction (Amendments to IAS 12).

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

In January 2020, the IASB issued amendments to IAS 1, which clarify the criteria used to determine whether liabilities are classified as current or non-current. These amendments clarify that classification as current or non-current is based on the consideration whether at the end of the year an entity has the right to defer payment of the liability for at least twelve months after the end of the year. The amendments also clarify that the word "payment" includes the transfer of cash, goods, services or equity instruments, unless the obligation to transfer equity instruments arises from a conversion item that is classified as an equity instrument separately from the liability component of a compound financial instrument. The amendments were originally effective for annual periods beginning on or after 1 January 2022. However, in May 2020, the effective date was postponed to annual periods beginning on or after 1 January 2023.

In response to feedback and questions from stakeholders, in December 2020, the IFRIC (the Committee) issued a provisional agenda decision, which analysed the applicability of the amendments to three scenarios. However, in light of the feedback received and the various concerns raised about the outcome of the application of some aspects of the amendments, the Committee did not finalise the provisional agenda decision and referred the matter to the IASB. At its meeting in June 2021, the IASB provisionally decided to amend the obligations under IAS 1 regarding the classification of liabilities by subjecting it to conditions and the disclosure of information regarding these conditions and to postpone the effective date of the 2020 amendment by at least one year.

The Group is currently evaluating the impact of these new accounting standards and amendments. The Group will assess the impact of the final amendments to IAS 1 on the classification of its liabilities once the latter are issued by the IASB. The Group does not believe that the amendments to IAS 1, in their current form, have a significant impact on the classification of its liabilities, since the conversion element of its convertible debt instruments is classified as an equity instrument and, therefore,

it does not affect the classification of its convertible debt instruments as non-current liabilities.

The Group has not adopted in advance any standard, interpretation or improvement issued but not yet in force.

CONSOLIDATION PRINCIPLES

The condensed consolidated half-year financial statements as at 30 June 2025 illustrate the equity, economic and financial situation of the parent company TISG S.p.A. and its fully consolidated Italian and foreign subsidiaries, collectively identified as the TISG Group (hereinafter the "Group").

The condensed consolidated half-year financial statements as at 30 June 2025 include the financial statements for the same period of the Group companies prepared using the same accounting principles as the parent company.

Controlled entities are those entities over which the Group has control, i.e. where the Group is exposed to variable returns from its relationship with the entity, or has rights to those returns, while having the ability to influence them by exercising its power over said entity. The financial statements of controlled entities are included in the consolidated financial statements from the time the parent company begins to exercise control until the date such control ceases. In the event of loss of control, the Group derecognises the assets and liabilities of the controlled entity, any previous non-controlling interest in equity including any other comprehensive income relating to the controlled entity. Any gain or loss arising from the loss of control is recognised in profit/(loss) for the year. The remaining interest in the former controlled entity is remeasured at fair value at the date of loss of control and subsequently accounted for in accordance with applicable principles.

All intragroup balances and transactions, including any unrealised gains and losses arising from transactions between Group companies, are fully eliminated. Minority interests represent the portion of profits or losses and net assets not held by the Group and are shown in a separate item in the income statement, and in the financial position among the components of shareholders' equity, separately from the Group's shareholders' equity. Acquisitions of subsidiaries are accounted for using the purchase method, which involves allocating the cost of the business combination to the fair value of the assets, liabilities and contingent liabilities acquired at the acquisition date and including the result of the acquired entity accrued from the acquisition date until the end of the period. Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Below are the companies included in the scope of consolidation as at 3 June 2025:

Company name	Registered office	Share capital	Consolidation criteria	% held
Celi srl	Italy	110,000 €	Line-by-line	100%
TISG Turkey	Turkey	10,000 €	Line-by-line	100%

During the first half of 2024, the company Perini Navi USA Inc. was removed from the scope of consolidation as it ceased to exist.

In the condensed consolidated half-year financial statements, income, costs, assets and liabilities are expressed in euros, which is the reporting currency of the Parent Company.

The financial statements of consolidated companies with a functional currency other than the reporting currency of the consolidated financial statements are translated into euros by applying the exchange rate in force at year-end to the assets and liabilities and the average exchange rate for the year to Income Statement items, provided that it approximates the exchange rates in force at the date of the respective transactions. Exchange differences are recognised directly in shareholders' equity and are shown separately in a specific shareholders' equity reserve; this reserve is transferred proportionally to the Income Statement on disposal (partial or total) of the shareholding.

When the functional currency of a consolidated company is the currency of a hyperinflationary economy, the Group restates the entity's Financial Statements in accordance with IAS 29 (Financial Reporting in Hyperinflationary Economies).

In order to consider the impact of hyperinflation on the exchange rate of the local currency, the financial position and the economic result (i.e. assets, liabilities, shareholders' equity items, revenues and costs) of a Group company whose functional currency is the currency of a hyperinflationary economy are translated into the Group's reporting currency (euro) using the exchange rate in force at year-end. The Group adjusts non-monetary items, shareholders' equity and items deriving from indexed contracts, up to the limit of their recoverable value, using a price index that reflects changes in general buying power. The effects of initial application are recognised in shareholders' equity net of the tax effects. Conversely, during the period of hyperinflation (until it ends), the profit or loss resulting from these adjustments is recognised in the Income Statement, with a separate indication between financial charges and income.

These provisions are concretely applied with reference to the Group's operations in Turkey, whose economy was declared hyperinflationary starting on 1 April 2022.

NON-CURRENT ASSETS

INTANGIBLE ASSETS

Owned intangible assets acquired or produced internally are assets without physical substance recognised under assets, in accordance with IAS 38, only if identifiable and controllable and if their cost can be determined reliably and to the extent that they are capable of producing future economic benefits.

The brands "Admiral", "Tecnomar", "Perini Navi" and "CELI" are considered assets with an indefinite useful life and, therefore, are not amortised, but are subject to impairment testing at least once a year, in accordance with IAS 36 – Impairment of Assets - ("Impairment Test") carried out at the level of the Cash Generating Unit ("CGU") to which TISG's management attributes the brand.
The Picchiotti brand has been measured at finite useful life and, consequently, amortised over a period of 18 years.
The recoverability measurement is carried out for each cash generating unit, represented by the smallest identifiable set of assets that generates cash inflows largely independent from those generated by other assets.

The definition of the CGUs is made by considering, among other things, the methods with which the management controls the operating activities (e.g., by business lines) or makes decisions about maintaining or disposing of the assets and activities of the Group.

Cash generating units may include corporate assets, i.e., assets that do not generate autonomous cash flows, attributable on a reasonable and consistent basis. Corporate assets not attributable to a specific cash generating unit are allocated to a larger aggregate consisting of several cash generating units.

With reference to brands, the verification is carried out, at least annually or in any case when events occur that suggest a reduction in value, at the level of the smallest aggregate on the basis of which the Group's Management assesses, directly or indirectly, the return on the investment that includes that brand.

Recoverability is verified by comparing the book value with the relative recoverable value represented by the higher of the fair value, net of disposal costs, and the value in use. The latter is determined by discounting the expected cash flows deriving from the use of the cash generating unit and, if significant and reasonably determinable, from its sale at the end of its useful life, net of disposal costs. The expected cash flows are determined on the basis of reasonable and supportable assumptions representative of the best estimate of the future economic conditions that will occur in the residual useful life of the cash generating unit, giving greater importance to indications coming from the outside.

In order to determine the value in use, the expected cash flows are discounted at a rate that reflects the current market valuations of the time value of money and

the specific risks of the asset not reflected in the estimates of cash flows. In particular, the discount rate used is the Weighted Average Cost of Capital ("WACC").
When the value of the cash generating unit, including brands, is higher than the recoverable value, the difference is written down. When the reasons for the write-down no longer apply, the assets are revalued and the adjustment is charged to the income statement; the write-back is carried out for an amount equal to the lower of the recoverable value and the carrying amount gross of the write-downs previously carried out.

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. They generally have 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 in Marina di Carrara	Until the expiry of the concession (December 2072)
Buildings on land under concession in La Spezia	Until the expiry of the concession (February 2035)
Buildings on land under concession in Viareggio	Until the expiry of the concession (December 2037)
Plant and Machinery	6.67%-10%
Equipment	10%-25%
Office furniture and machinery	12%
Electronic machines	20%
Motor 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 Group holds tangible assets used in carrying out its business activities, through lease agreements. At the start date of the lease, the Group determines whether the contract is, or contains, a lease.

The Group identifies a lease agreement according to the definition provided for by IFRS 16, when the agreement transfers the right to control the use of an underlying asset for a period of time in exchange for a consideration. For lease agreements, the Group recognises an asset consisting of the ***Right-of-Use*** asset and a lease liability at the start date of the agreement (i.e., the date on which the underlying asset is available for use).

The **right of use** consists of the lessee's right to use the underlying asset for the duration of the lease; its initial measurement is at cost, which includes the initial amount of the lease liability adjusted for all payments due for the lease made on the effective date or previously net of the lease incentives received, plus any initial direct costs incurred and, when applicable, 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 agreement. In calculating the present value of the lease payments, the Group uses the lessee's marginal borrowing rate at the start date of the lease when the implicit interest rate of the lease cannot be easily determined.

The variable payments due for the lease that do not depend on an index or a rate are recognised as costs in the period in which the event or circumstance that triggers the payments occurs. After the commencement date, the lease liability is measured at amortised cost using the effective interest rate method and restated when certain events occur. If the fees due are modified as a result of an indexation envisaged in the lease contract, the lease liability is redetermined using the new fee, without changing the discount rate.

Conversely, in the event of a change in the duration of the lease agreement, the lease liability is redetermined using the discount rate applicable on the date of the change in the agreement.

The Group applies the exception to the recognition envisaged for short-term leases to its agreements with a duration equal to or less than 12 months from the effective date. It also applies the exception to the recognition established for leases in which the underlying asset is of "modest value" and whose amount is estimated as not significant.

CURRENT ASSETS

STOCK INVENTORIES

Inventories are recorded at the lower of purchase or production cost and the net realisable value represented by the amount that the Group expects to obtain from their sale in the ordinary course of business, net of selling costs. The cost of inventories of raw materials and consumables as well as finished products and goods is determined by applying the weighted average cost method. The cost of production includes raw materials, the cost of direct labour and other production costs (based on normal operating capacity). Financial charges are not included in the valuation of inventories.

Materials with slow turnover or otherwise no longer reusable in the normal production cycle are adequately written down to align the value with the net realisable value.

ASSETS AND LIABILITIES FROM CONTRACT WORK IN PROGRESS

The ships built by the TISG Group are unique assets built based on the specific requests of the buyer, which the TISG Group 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 net amount is classified as an asset under the item "assets from contract work in progress"; if, on the other hand, this differential is negative, the net amount is classified as a liability under the item "liabilities from contract work in progress".

TRADE RECEIVABLES AND OTHER ASSETS

Trade receivables and other current and non-current receivables are financial instruments, mainly relating to receivables from customers, that are not derivatives and not listed in an active market, from which fixed or determinable payments are expected.

Trade receivables and other receivables are classified in the balance sheet under current assets, with the exception of those with a contractual maturity of more than twelve months from the reporting date, which are classified under non-current assets. These financial assets are recorded in the balance sheet assets when the Group becomes a party to the contracts connected to them and are eliminated from the balance sheet assets, when the right to receive the cash flows is transferred together with all the risks and benefits associated with the business sold. Trade receivables and other current and non-current receivables are originally recognised at their fair value and, subsequently, at amortised cost, using the effective interest rate, reduced for impairment. The amount of the write-down is measured as the difference between the book value of the asset and the present value of expected future cash flows. The value of the receivables is shown in the financial statements net of the related bad debt provision.

Trade receivables and other current and non-current receivables are eliminated from the statement of financial position when the right to receive the cash flows is extinguished and all the risks and benefits associated with holding the asset are substantially transferred ("derecognition") or if the item is considered definitively unrecoverable after all the necessary recovery procedures have been completed.

The approach adopted for the recognition of loan losses is prospective, focused on estimating the probability of future losses on loans, even in the absence of events that suggest the need to write down a credit position ("expected losses").

Although the provision allocated is deemed adequate, the use of different assumptions or a change in economic conditions, even more so in this period characterised by a negative economic situation, could be reflected in changes in the provision for credit risks.

CASH AND CASH EQUIVALENTS

The item **cash and cash equivalents** includes cash and bank current accounts and deposits repayable on demand and other short-term highly liquid financial investments, which are readily convertible into cash and are subject to an insignificant risk of change in value.

NON-CURRENT LIABILITIES

PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges relate to costs and charges of a determined nature and of certain or probable existence, whose amount or date of occurrence is undetermined at the end of the year. Provisions are recognised when: i) the existence of a current legal or constructive obligation deriving from a past event is likely; ii) it is probable that the fulfilment of the obligation will involve an outflow of resources; iii) the amount of the obligation can be reliably estimated.

Provisions are recognised at the value representing the best estimate of the amount that the Group would rationally pay to extinguish the obligation or to transfer it to third parties at the end of the year; provisions relating to onerous contracts are recognised at the lower of the cost necessary to fulfil the obligation, net of the expected economic benefits deriving from the contract, and the cost of terminating the contract.

When the financial effect of time is significant and the payment dates of the obligations can be reliably estimated, the provision is determined by discounting the expected cash flows determined taking into account the risks associated with the obligation at the average rate of the Company's debt; the increase in the provision related to the passing of time is recognised in the income statement under "Financial charges".

Risks for which the emergence of a liability is only "possible" are indicated in the appropriate disclosure section on commitments and risks and no provision is recognised for them.

CONTINGENT ASSETS AND LIABILITIES

Contingent liabilities consist of:

a) "possible" obligations that arise from events that occurred before the financial statements date and whose existence will be confirmed by the occurrence or non- occurrence of one or more uncertain future events not fully under the Group'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 financial statements date and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not fully under the Group's control.

Contingent assets and liabilities are not recognised in the financial statements but are described in the notes.

EMPLOYEE BENEFITS (POST-EMPLOYMENT PLANS)

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

Payments relating to defined contribution plans made by the Group are recognised in the income statement as a cost when incurred. Defined benefit plans are based on the working life of employees and on the remuneration received by employees during a predetermined period of service.

With the adoption of IFRS, the severance 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.

SHARE-BASED PAYMENTS

The Group has adopted a long-term incentive plan called "Long Term Incentive Plan 2027-2029" which provides for the free allocation of options that confer the right to purchase ordinary shares of the Parent Company (one for each option) at a predetermined price and when certain conditions are met. The plan recipients are key figures with strategic responsibilities within the Group, identified by the administrative body.

The option exercise price is determined on the basis of the average price of the TISG share in the period preceding the allocation of the options to the beneficiaries.

Two conditions must be met for the options to be exercised:

- continuation of the employment relationship for a period of three years from the option allocation date ("service condition");

- achievement of performance targets (other than market conditions of the parent company's shares) over the term of the plan ("performance condition").

The Group recognises the cost of the services rendered by the beneficiaries deriving from the allocation of the options as a personnel cost proportionally throughout the period in which the service and performance conditions must be met and indirectly estimates their value and the corresponding increase of a specific shareholders' equity item on the basis of the fair value of the options at the allocation date. The total cost recognised is adjusted at each reporting date to reflect the best estimate available to the Group of the number of options for which it is expected that the service and performance conditions will be met at the end of the vesting period.

The first plan cycle (2024-2027) saw the allocation of 426,827 options, convertible into the same number of ordinary shares of the parent company. The fair value of these options, reduced by the options attributed to parties no longer in service with the Group and weighted with the estimate of the fulfilment of service conditions until the vesting date and performance conditions, identified an overall cost of the service rendered by the beneficiaries as at 30 June 2025 of a negligible amount.

FINANCIAL LIABILITIES

Financial liabilities relating to loans and other obligations to pay other than derivatives, after initial recognition at fair value, are measured using the amortised cost method, net of principal repayments already made.

Payables and other liabilities are classified as current liabilities, unless the Group has the contractual right to settle its obligations at least after twelve months from the date of the financial statements. Financial liabilities are eliminated when they are extinguished, or when the obligation specified in the contract is fulfilled, cancelled or expired.

DERIVATIVES

Derivative financial instruments meet the criteria for classification as hedging instruments and thus the relationship with the item being hedged is documented, including the risk management objectives, the hedging strategy and the methods to assess effectiveness.

The effectiveness of each hedge is verified both at the initiation of each derivative instrument and during its life.

In the case of hedging aimed at neutralising the risk of changes in future cash flows originating from the future execution of transactions expected to be highly probable at the reporting date (cash flow hedge), the changes in the fair value of

the derivative instrument recorded after initial recognition are accounted for, limited only to the effective portion, among the components of comprehensive profit and 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 Group has an unconditional right to defer their payment for at least 12 months after the reference date. Financial liabilities are derecognised from the financial statements when they are extinguished and when the Group has transferred all risks and charges relating to the instrument.

REVENUES

Revenues represent the gross cash flows of economic benefits for the year deriving from the performance of ordinary activities. Fees collected on behalf of third parties such as sales taxes, taxes on third-party assets and value added tax are not and are therefore excluded from revenues.

The process underlying the recognition of revenues follows the steps envisaged by **IFRS 15**:

1) **Contract identification** – this occurs when the parties approve the contract (with commercial substance) and identify their respective rights and obligations: in other words, the contract must be legally binding, the rights to receive goods and/or services can be clearly identified and in terms of payment and the Group deems it probable that the payment will be received;

2) **Identification of performance obligations** – the main performance obligations identified, i.e., promises to transfer goods and services that are distinct, are the sale of yachts and refit services;

3) **Determination of the transaction price** – this is the total amount contracted with the counterparty, having regard for the entire duration of the contract; the Group has defined the contractual duration as that deriving from the time required to build the yacht;

4) **Allocation of the transaction price to the performance obligations** – the allocation takes place in proportion to the progress of the work on the yachts;

5) **Revenue recognition** – revenue is represented net of discounts, allowances and returns and recognised in relation to the characteristics of the type of revenue.

The sale of a yacht complies with the requirements for the transfer of control and the fulfilment of the performance obligation over the period of time of construction of the yacht ("over time"). In particular, the orders are built on specific customer requirements and the Group has contractual rights that protect the recognition of the margin of the service completed up to the date in question. At the signing of the contract, the customer pays the Group an amount as an advance payment which, in the event of renouncement to the purchase of the yacht, may be retained and included in the revenues.

Revenues and related costs are recognised over time, i.e., before the goods are delivered to the customer. Progress made is measured using the cost-to-cost method and costs are recognised in the income statement when incurred.

Invoices are issued according to the conditions set forth in the contract for each individual unit. In particular, a payment on account is established at the start of the

contract, and invoices are subsequently issued on the achievement of specific partial completion stages (Stati di Avanzamento Lavori, "SALS").
By way of example (but not exhaustive as it depends on the type of contract), invoices are issued:

- upon signing the contract;
- upon completion of the hull, deck and superstructure;
- upon completion of the internal subdivision, rough finish;
- upon boarding of the main engines;
- upon completion of the works, when the ship is ready for delivery; at the same time the "Test and Acceptance Report" and the "Transfer of Ownership Deed" are signed.

It is estimated that a large part of the price of a yacht is paid, on average, by way of advance payment and in subsequent instalments during the course of the work in progress on the contract (SAL) as shown above, while only a residual portion is settled upon final delivery of the unit.

FINANCIAL INCOME

Interest income is recognised in accordance with the accrual principle, considering the actual return.

ACCOUNTING FOR GOVERNMENT GRANTS

Government grants are those that take the form of transfers of resources to an entity provided that it has complied with, or undertakes to comply with, certain conditions relating to its operating activities. Non-repayable loans are loans for which the lender undertakes to waive repayment in the event of established conditions.

COSTS

Costs are charged to the income statement when the amount can be determined objectively and when in the substance of the transaction it can be ascertained that the Group has incurred these costs on an accrual basis.

FINANCIAL CHARGES

Financial charges are recognised on an accrual basis and include interest payable on financial payables calculated using the effective interest method and exchange rate differences.

DIVIDENDS

Dividends payable are represented as changes in shareholders' equity in the year in which they are approved by the Shareholders' Meeting.

TAXES

Current taxes are set aside in accordance with the applicable regulations, based on an estimate of taxable income. Payables for current taxes are recorded in the balance sheet under current liabilities under the item **"Tax Payables"** net of advances paid and withholding taxes. If there is a credit balance, the amount is shown under **"Sundry Receivables and Other Assets"** under current assets.

Prepaid and deferred income taxes are calculated on the timing differences between the values of assets and liabilities determined according to statutory criteria and the corresponding values recognised for tax purposes. The valuation is made on the basis of the tax rates expected to be applied in the year in which these differences will be realised or extinguished and therefore will contribute to the formation of the tax result, considering the rates in force or those already issued at the reference date of the financial statements.

Deferred tax assets are recognised for all deductible timing differences, to the extent that it is probable that in the reversal period taxable income will be available against which said differences can be used. On the other hand, deferred taxes are recognised on all taxable timing differences, unless there is little likelihood that the related "payable" will arise.

Deferred tax assets and deferred tax liabilities are stated net under non-current assets or liabilities, as they refer to the same Italian Tax Authority.

CRITERIA FOR CONVERSION OF NON-EURO CURRENCY ITEMS

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:

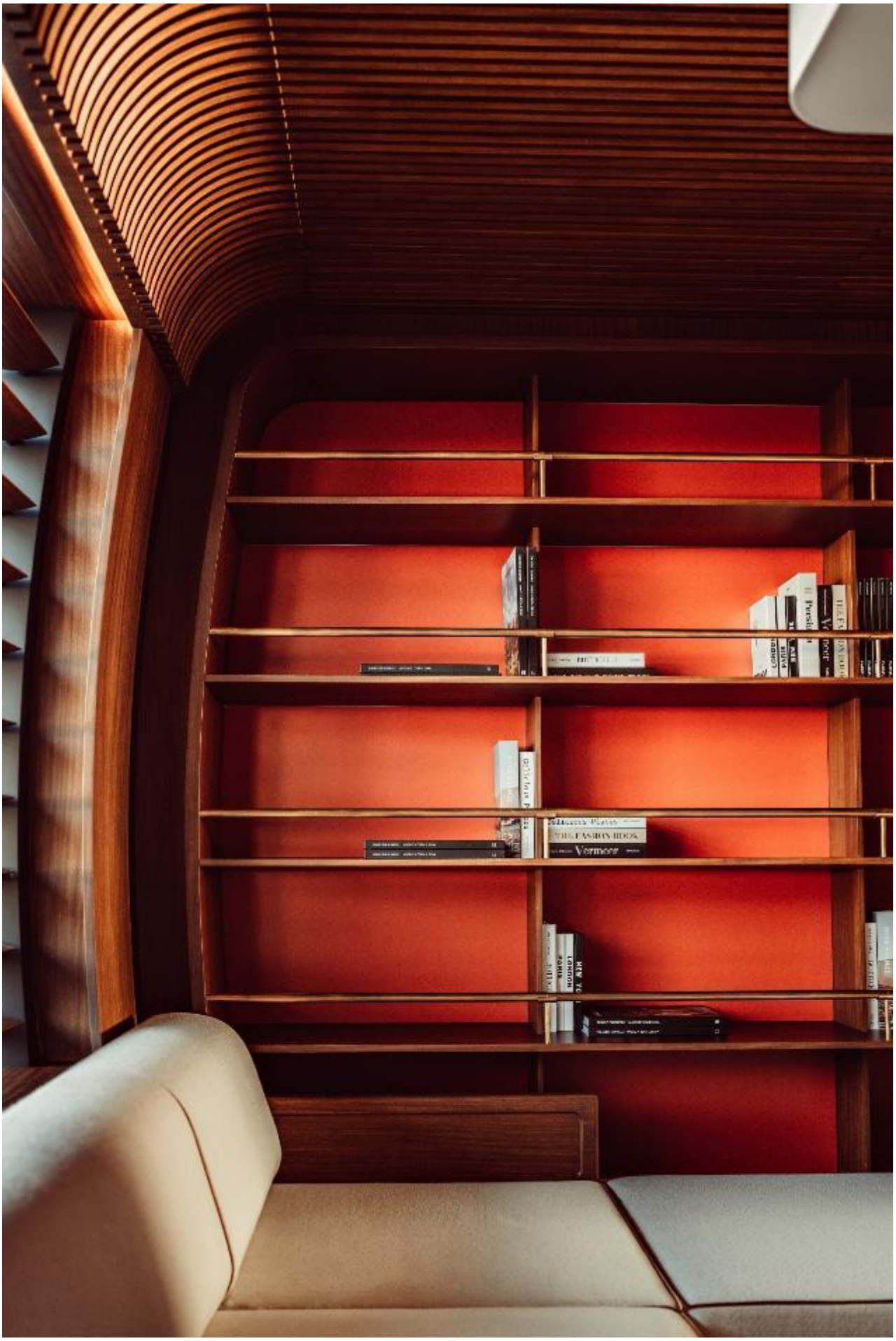
- **Deferred tax assets:** Deferred tax assets are accounted for on the basis of expectations of taxable income in future years. The valuation of expected

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.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COMMENTS ON THE MAIN CONSOLIDATED ASSET ITEMS

NOTE 1 – BRANDS

Changes in this item are detailed as follows:

In thousands of Euros	30/06/2025	31/12/2024	Changes
Brands	34,582	34,604	(22)
TOTAL	**34,582**	**34,604**	**(22)**

In thousands of Euros	Admiral brand	Tecnomar brand	Perini brand	Picchiotti brand	Celi brand	Total
Net Book Value 31/12/2024	**2,319**	**1,235**	**30,351**	**689**	**10**	**34,604**
Investments	-	-	-	-	-	-
Net decreases	-	-	-	-	-	**-**
Amortisation	-	-	22	-		**22**
Net Book Value 30/06/2025	**2,319**	**1,235**	**30,351**	**667**	**10**	**34,582**

Brands: This item, amounting to Euro 34,582 thousand as at 30 June 2024, decreased, with respect to 31 December 2024, by Euro 22 thousand. This decrease is essentially attributable to the effect of the amortisation process of the Picchiotti brand (with finite useful life).
Based on the results of the "Purchase Price Allocation – PPA", carried out in the first half of 2022 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 from C.E.L.I. S.r.l., which took place in December 2019; both brands were considered to have an indefinite useful life.

The Picchiotti brand has been measured at finite useful life and, consequently, amortised over an estimated useful life of 18 years.

Brands are tested for impairment indicators at least once a year ("Impairment Test").

In the first half of 2025, there were no indicators of possible impairment of the brands owned by the company, and therefore it was not necessary to update the impairment test performed on 14 March 2025.

NOTE 2 – OTHER INTANGIBLE ASSETS

Changes in this item are detailed as follows:

In thousands of Euros	30/06/2025	31/12/2024	Changes
Development costs	545	690	(145)
TOTAL	**545**	**690**	**(145)**

Development Costs: the item, equal to Euro 545 thousand as at 30 June 2025, down by Euro 145 thousand compared to 31 December 2024, due to amortisation for the period, 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 first half of 2025, there were no capitalisations 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 31/12/2024	**528**	**162**	**690**
Changes in 2025			
Investments	0	0	0
Net decreases	0		0
Amortisation	(35)	(110)	(145)
Net Book Value 30/06/2025	**493**	**52**	**545**

NOTE 3 – LAND AND BUILDINGS

Changes in this item are detailed as follows:

In thousands of Euros	30/06/2025	31/12/2024	Changes
Land and buildings	8,821	8,964	(143)
Buildings on land under concession	47,528	48,083	(555)
TOTAL	**56,349**	**57,047**	**(698)**

The item, equal to a total of Euro 56,349 thousand as at 30 June 2025, decreased by Euro 698 thousand compared to the previous year 2024 due to depreciation for the period; during the first half of 2025, there were no capitalisations made.

Changes in this item during the first half of 2025 are shown as follows:

In thousands of Euros	Land and buildings	Buildings on land under concession	Total
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**	**57,048**
Changes in 2025			
Investments	0	0	0
Decreases	0	0	0
Transfers WIP and payments on account	0	0	0
Chg. Historical cost 2025	**0**	**0**	**0**
Depreciation	143	555	698
Release of Depreciation Provision	0	0	0
Chg. Depreciation provision 2025	**143**	**555**	**698**
Historical cost	11,215	62,828	74,042
Depreciation provision	2,394	15,300	17,693
Net Book Value 30/06/2025	**8,821**	**47,528**	**56,349**

NOTE 4 – PLANT, MACHINERY AND EQUIPMENT

Changes in this item are detailed as follows:

In thousands of Euros	30/06/2025	31/12/2024	Changes
Work in progress and payments on account	3,790	2,257	1,533
Industrial and commercial equipment	2,358	2,989	(631)
Plant and Machinery	22,845	24,268	(1,423)
Moulds	988	1,104	(116)
TOTAL	**29,981**	**30,618**	**(637)**

Work in progress and advances: the item, equal to Euro 3,790 thousand as at 30 June 2025, up by Euro 1,533 thousand compared to 31 December 2024, refers mainly to extraordinary maintenance investments made on the barge for approximately Euro 425 thousand and on the Carrara and La Spezia shipyards.

Industrial and commercial equipment: the item is equal to Euro 2,358 thousand as at 30 June 2025 and decreased by Euro 631 thousand compared to 31 December 2024 due to depreciation for the period.

Plant and machinery: this item, amounting to Euro 22,845 thousand as at 30 June 2025, decreased by Euro 1,423 thousand with respect to 31 December 2024 primarily due to depreciation for the period.

Moulds: the item, equal to Euro 988 thousand as at 30 June 2025, decreased by Euro 116 thousand compared to 2024, due to depreciation for the period.

Changes during the first six months of 2025 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	2,257	13,163	56,648	5,251	77,319
Depreciation provision	0	10,174	32,380	4,147	46,701
Net Book Value 31/12/2024	**2,257**	**2,989**	**24,268**	**1,104**	**30,618**
Changes in 2025					
Investments	1,533	-	-	-	1,533
Decreases	-	-	-	-	-
Transfers	-	-	-	-	-
Chg. Historical cost 2025	**1,533**	**-**	**-**	**-**	**1,533**
Depreciation	-	631	1,423	116	2,170
Release of Depreciation Provision	-	-	-	-	-
Chg. Depreciation provision 2025	**-**	**631**	**1,423**	**116**	**2,170**
Historical cost	3,790	13,163	56,648	5,251	78,852
Depreciation provision	-	10,805	33,803	4,263	48,871
Net Book Value 30/06/2025	**3,790**	**2,358**	**22,845**	**988**	**29,981**

NOTE 5 – OTHER TANGIBLE ASSETS

Changes in this item are detailed as follows:

In thousands of Euros	30/06/2025	31/12/2024	Changes
Office furniture and machines	725	811	(86)
Motor vehicles	53	73	(20)
Transport Vehicles	-	1	(1)
Electronic office machines	1	1	-
TOTAL	**779**	**886**	**(107)**

The item, equal to Euro 779 thousand as at 30 June 2025, decreased by Euro 107 thousand compared to 31 December 2024 due to depreciation for the period.

Changes in the item throughout the first half of 2024 are shown below:

In thousands of Euros	Office furniture and machines	Motor vehicles	Transport Vehicles	Total
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**
Changes in 2025				
Investments	-	-	-	-
Decreases	-	-	-	-
Transfers	-	-	-	-
Chg. Historical cost 2025	**-**	**-**	**-**	**-**
Depreciation	87	20	1	108
Release of Depreciation Provision	-	-	-	-
Chg. Depreciation provision 2025	**87**	**20**	**1**	**108**
Historical cost	4,799	429	225	5,453
Depreciation provision	4,074	376	225	4,675
Net Book Value 30/06/2025	**725**	**54**	**-**	**779**

NOTE 6 – RIGHT-OF-USE

Changes in this item are detailed as follows:

In thousands of Euros	30/06/2025	31/12/2024	Changes
Right Of Use - Plant and Machinery	1,935	2,263	(328)
Right Of Use - Motor vehicles	2,056	1,839	217
Right Of Use - Buildings on land under concession	26,499	27,640	(1,141)
TOTAL	**30,490**	**31,742**	**(1,252)**

The item **Right Of Use ("ROU")** includes the recognition under tangible fixed assets of the rights of use of the assets held by the Group under lease agreements or concessions, in accordance with the provisions of IFRS 16.

The item **ROU – Plant and Machinery**, equal to Euro 1,935 thousand as at 30 June 2025, decreased by Euro 328 thousand compared to 31 December 2024, as a result of depreciation for the period.

The item **ROU – Motor vehicles**, equal to Euro 2,056 thousand as at 30 June 2025, increased by Euro 217 thousand compared to 31 December 2024 and includes all lease contracts for motor vehicles that make up the corporate fleet; during the first half of 2025, NEW lease contracts for around Euro 500 thousand were signed.

The item **ROU – Buildings in land under concession**, amounting to Euro 26,499 thousand as at 30 June 2025, refers to the recognition of the discounted value of the land under concession relating to Marina di Carrara (expiring in December 2072), La Spezia (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	3,336	4,253	36,177	43,766
Depreciation provision	1,496	1,991	8,536	12,023
Net Book Value 31/12/2024	**1,839**	**2,263**	**27,640**	**31,742**
Changes in 2025				
Investments	561	-	-	561
Decreases	-	-	49	49
Transfers	-	-	-	-
Chg. Historical cost 2025	**561**	**-**	**(49)**	**512**
Depreciation	344	328	1,092	1,764
Release of Depreciation Provision	-	-	-	-
Chg. Depreciation provision 2025	**344**	**328**	**1,092**	**1,764**
Historical cost	3,897	4,253	36,128	44,278
Depreciation provision	1,840	2,319	9,628	13,787
Net Book Value 30/06/2025	**2,056**	**1,935**	**26,499**	**30,490**

NOTE 7 – SHAREHOLDINGS

This item is detailed as shown below:

In thousands of Euros	30/06/2025	31/12/2024	Changes
Shareholdings in other companies	34	34	0
TOTAL	**34**	**34**	**0**

The item **Shareholdings in other companies** includes the amount relating to 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	30/06/2025	31/12/2024	Changes
Non-current security deposits	945	805	140
Other securities	-	683	(683)
TOTAL	**945**	**1,488**	**(543)**

The item, which increased compared to 2023 by Euro 213 thousand, is detailed as follows:

- **Security deposits**: the item, equal to Euro 945 thousand as at 30 June 2025, increased by Euro 140 thousand compared to 31 December 2024, due to the security deposit paid for the construction of the photovoltaic plant in Marina di Carrara and La Spezia.

- **Other securities:** as at 31 December 2024, the item referred to the recognition of the fair value of derivative financial instruments hedging outstanding loans; in June 2025, all loans subject to financial instruments were repaid, resulting in the closing of the related fair values.

NOTE 9 – CASH AND CASH EQUIVALENTS

This item is detailed as follows:

In thousands of Euros	30/06/2025	31/12/2024	Changes
Current bank accounts and post-office deposits	71,139	58,946	12,193
Assets equivalent to cash and cash equivalents	691	1,308	(617)
Cash	-	-	-
TOTAL	**71,830**	**60,254**	**11,576**

The item **Current bank accounts and post-office deposits** as at 30 June 2025 amounts to a total of Euro 71,830 thousand, increasing by Euro 11,576 thousand compared to 31 December 2024.

The assets equivalent to cash and cash equivalents consist of savings plans and Cash collect protection. These financial instruments are readily convertible into cash.

The cash flow statement shows the details of the change in this item.

NOTE 10 – TRADE RECEIVABLES

This item is detailed as shown below:

In thousands of Euros	30/06/2025	31/12/2024	Changes
Receivables from customers	48,129	55,410	(7,281)
TOTAL	**48,129**	**55,410**	**(7,281)**

Receivables from customers, equal to Euro 48,129 thousand, decreasing by Euro 7,281 thousand compared to 31 December 2024, 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	31/12/2024	Provision made	Provision used	30/06/2025	Changes
Bad debt provision (trade receivables)	(985)	150	-	(1,135)	(150)
Bad debt provision (insolvency procedures)	(494)	-	-	(494)	-
TOTAL	**(1,479)**	**150**	**-**	**(1,629)**	**(150)**

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 specific credit positions.

NOTE 11 – OTHER RECEIVABLES

This item is detailed as shown below:

In thousands of Euros	30/06/2025	31/12/2024	Changes
Advances to suppliers	16,496	8,640	7,856
Receivables from parent companies	-	67	(67)
Tax receivables	106	1,399	(1,293)
TOTAL	**16,602**	**10,106**	**6,496**

The item **Advances to suppliers**, equal to Euro 16,496 thousand as at 30 June 2025, which increased by Euro 7,856 thousand compared to 31 December 2024, includes advances paid to the Group's suppliers with whom tender contracts were signed for works in progress.

Tax receivables: this item, equal to Euro 106 thousand as at 30 June 2025, decreased by Euro 1,293 thousand compared to 31 December 2024, and refers mainly to the VAT credit due to the TISG Group from the foreign Tax Authorities.

NOTE 12 – ASSETS AND LIABILITIES FROM CONTRACT WORK IN PROGRESS

This item is detailed as shown below:

In thousands of Euros	30/06/2025	31/12/2024	Changes
Assets from contract work in progress	162,465	108,096	54,369
Liabilities from contract work in progress	(8,153)	(17,183)	9,030
TOTAL	**154,312**	**90,913**	**63,399**

The item **Assets from contract work in progress**, equal to Euro 162,465 thousand, includes construction contracts whose progress is higher than the amount invoiced to the customer. Compared to 31 December 2024, this item increased by Euro 54,369 thousand. This increase is mainly attributable to the trend of the order curves.

The item **Liabilities from contract work in progress**, equal to Euro 8,153 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 2024, this item decreased by approximately Euro 9,030 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 30 June 2025 and at 31 December 2024 for yachts under contract is shown below:

Description (€/000) 31/12/2024	Value of contracts	Contract progress	Advances invoiced	Net amount of business
Yacht Orders	1,215,644	859,493	(764,844)	94,649
Refitting Orders	75,948	60,308	(64,044)	(3,736)
Total	**1,291,592**	**919,802**	**(828,888)**	**90,913**

Description (€/000) 30/06/2025	Value of contracts	Contract progress	Advances invoiced	Net amount of business
Yacht Orders	1,192,165	954,449	(804,064)	150,385
Refitting Orders	48,353	48,342	(44,415)	3,927
Total	**1,240,518**	**1,002,791**	**(848,478)**	**154,312**

NOTE 13 – INVENTORIES

This item is detailed as follows:

In thousands of Euros	30/06/2025	31/12/2024	Changes
Raw, ancillary and consumable materials	1,243	1,237	6
Work in progress and semi-finished goods	12,565	8,973	3,592
TOTAL	**13,808**	**10,210**	**3,598**

The item **Raw, ancillary and consumable materials**, amounting to Euro 1,243 thousand, decreased by Euro 6 thousand compared to 31 December 2024 and refers to the amount of inventories of the general warehouse of the Group and the internal workshops.

The item **Work in progress and semi-finished goods** as at 30 June 2025 amounted to Euro 12,565 thousand, up by Euro 3,592 thousand compared to 31 December 2024, and refers primarily to 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 5,906 for the construction of the new Picchiotti 24-metre Yacht and the remaining Euro 4,070 thousand for the start of orders for which sales negotiations are in an advanced stage, 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	30/06/2025	31/12/2024	Changes
Receivables from social security and tax authorities	133	49	84
From others	1,497	462	1,035
Prepaid expenses	2,494	4,358	(1,864)
TOTAL	**4,124**	**4,869**	**(745)**

Receivables from social security and tax authorities: amounting to Euro 133 thousand as at 30 June 2025, they refer mainly to advances on INAIL contributions and withholdings on interest income from Unicredit, Credit Agricole and BNL Time Deposits.

Receivables from others: the item, equal to Euro 1,497 thousand as at 30 June 2025, up by Euro 1,035 thousand compared to 31 December 2024, includes a number of the Group's receivables.

The item **Prepaid expenses**, equal to Euro 2,494 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 CONSOLIDATED LIABILITY ITEMS

NOTE 15 – SHAREHOLDERS' EQUITY AND EARNINGS PER SHARE

The ordinary Shareholders' Meeting held on 22 April 2025 approved the financial statements at 31 December 2024 and resolved to distribute dividends of Euro 0.245 per share to shareholders, for a total of Euro 12,985 thousand. The remainder of the net result, equal to approximately Euro 19,324 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	30/06/2025	31/12/2024	Changes
Share capital	26,500	26,500	-
Share Premium Reserve	45,431	45431	-
Statutory Reserve	5,300	5,300	-
Other reserves and retained earnings	52,686	33,868	18,818
Currency translation reserve	187	(30)	217
Net income (loss) for the period	12,172	33,894	(21,722)
TOTAL	**142,276**	**144,963**	**(2,687)**

At 30 June 2025, TISG's **Share Capital** stood at Euro 26,500 thousand, consisting of 53,000,000 shares with a nominal value of Euro 0.5 per share, fully subscribed and paid up.

Basic **Earnings per share** are determined as the ratio of the Group's result for the period to the weighted average of ordinary shares outstanding during the half-year. As at 30 June 2025, there were no treasury shares owned by the Group.

In thousands of Euros	30/06/2025	31/12/2024
Net result	12,172	33,894
Profit attributable to ordinary shares	12,172	33,894
Average number of ordinary shares outstanding	53,000	53,000
Earnings per ordinary share	**Euro 0.23**	**Euro 0.64**
Average number of ordinary shares outstanding (adjusted)	53,000	53,000
Diluted earnings per ordinary share*	**Euro 0.23**	**Euro 0.64**

NOTE 16 – PROVISIONS FOR RISKS AND CHARGES

Details of the changes and composition of the provisions for risks and charges from 31 December 2024 to 30 June 2025 are shown below:

CHANGES IN PROVISIONS FOR RISKS					
Description (€/000)	**31/12/2024**	**Alloc.**	**Utilisation**	**30/06/2025**	**Delta**
Provision for legal, tax and labour law risks	2,324	-	-	2,324	-
Provision for yacht guarantee	3,856	788	(250)	4,394	538
TOTAL	**6,180**	**788**	**(250)**	**6,718**	**538**

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 amount of the provision is based on the best estimate of the probable liability developed by the company management on the basis of all the information available at the date on which the financial statements were drafted, including the information provided by legal advisors.

Provision for yacht guarantees

This provision includes allocations for guarantees calculated against the probable future expense that the Group has estimated it will have to incur for repairs under warranty. In addition to the provision in question, to cover the risk of any interventions under warranty to be carried out on the yachts already delivered or still in progress, TISG also makes use of its own insurance coverage and that of its suppliers.

NOTE 17 – DEFERRED TAXES

Changes in deferred taxes are shown below:

in thousands of Euros	30/06/2025	31/12/2024	Changes
Provisions for risks and charges	1,613	1,463	150
Others	1,858	2,797	(939)
Deferred tax assets	**3,471**	**4,260**	**(789)**

in thousands of Euros	30/06/2025	31/12/2024	Changes
Tangible assets	2,843	3,004	(161)
Brands	2,481	1,952	529
Others	-	-	-
Deferred tax liabilities	**5,324**	**4,956**	**368**
Net amount	**(1,853)**	**(696)**	**(1,157)**

Temporary differences mainly refer to the differences between the book value and the value recognised for tax purposes of the items represented above. The change during the half-year derives from normal period dynamics.

NOTE 18 – PROVISION FOR EMPLOYEE BENEFITS

The breakdown of the provision for employee benefits is shown below:

In thousands of Euros	30/06/2025	31/12/2024	Changes
Liabilities for employee benefits	891	880	11
TOTAL	**891**	**880**	**11**

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	30/06/2025	31/12/2024	Changes
Long-term bank payables	99,782	48,964	50,818
Lease liabilities - Motor vehicles (long-term portion)	2,208	1,895	313
Lease liabilities - Plant and Machinery (long-term portion)	1,502	1,776	(274)
Lease liabilities - Buildings on land under concession (long-term portion)	7,425	7,518	(93)
TOTAL	**110,917**	**60,153**	**50,764**

The item **long-term bank payables**, equal to Euros 99,782 thousand, represents the amount maturing beyond 12 months of medium and long-term loans taken out. During the month of June, a new 7-year medium/long-term loan was taken out, for a maximum total of Euro 150 million, of which Euro 115 million was disbursed during the first half of 2025.

The items **Lease Liabilities – Motor vehicles** and **Lease Liabilities – Plant and Machinery** respectively equal to Euro 2,208 thousand and Euro 1,502 thousand as at 30 June 2025, refer to the long-term portion of the financial debt linked to the application of IFRS 16 to the asset categories mentioned above.

Lease liabilities – Buildings on land under concession, amounting to Euro 7,425 thousand as at 30 June 2025, represent the portion beyond 12 months 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 complexes located in Marina di Carrara, La Spezia and Viareggio.

NOTE 20 – OTHER NON-CURRENT LIABILITIES

Details of other non-current liabilities are provided below:

In thousands of Euros	30/06/2025	31/12/2024	Changes
Non-current liabilities to tax authorities	2,303	2,714	2,628
TOTAL	**2,303**	**2,714**	**2,628**

The item **Non-current liabilities to tax authorities**, equal to Euro 2,303 thousand as at 30 June 2025, includes the long-term portion of the amounts due in connection with the restatement of the "patent box" tax benefit.

NOTE 21 – TRADE PAYABLES

This item is detailed as follows:

In thousands of Euros	30/06/2025	31/12/2024	Changes
Payables to suppliers within the following year	128,491	121,877	6,614
TOTAL	**128,491**	**121,877**	**6,614**

Payables to suppliers: the item, equal to Euro 128,491 thousand as at 30 June 2025, shows an increase of Euro 6,614 thousand compared to 31 December 2024, due to the operating activities necessary for the work on orders in progress and investments related to the various projects.

NOTE 22 – OTHER PAYABLES

This item is detailed as follows:

In thousands of Euros	30/06/2025	31/12/2024	Changes
Payables to social security institutions	5,160	3,289	1,871
Payables to tax authorities	28,826	24,247	4,579
Other payables	4,234	4,603	(369)
TOTAL	**38,220**	**32,139**	**6,081**

The item **Payables to social security institutions**, equal to Euro 5,160 thousand as at 30 June 2025, increased compared to the previous year 2024 by Euro 1,871 thousand and 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 28,826 thousand as at 30 June 2025, mainly includes payables to the tax authorities for IRES and IRAP. Group IRPEF income tax, the short-term portion of the instalment plan of the amounts due in relation to the redetermination of the "patent box" tax benefit and the remaining amount relating to the tax payables agreement concluded in 2020. In particular, in October 2020 a settlement agreement was signed with the Tax Authority that reduced the amount of overdue tax debts to be paid from Euro 8,982 thousand to Euro 7,967 thousand. On 28 June 2021, following the signing of the tax – social security settlements by the component CELI, the Italian Tax Authority, INPS and INAIL, the procedure for the approval by the Court of Massa of the restructuring agreement pursuant to Article 182-*bis* of the Italian Bankruptcy Law was positively concluded.

The item **Other payables**, amounting to Euro 4,234 thousand as at 30 June 2025, 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 refit work on it.

NOTE 23 – SHORT-TERM FINANCIAL LIABILITIES

This item is detailed as shown below:

In thousands of Euros	30/06/2025	31/12/2024	Changes
Short-term payables to banks	23,175	11,632	11,543
Lease liabilities - Motor vehicles (short-term portion)	357	358	(1)
Lease liabilities - Plant and Machinery (short-term portion)	543	542	1
Lease liabilities - Buildings on land under concession (short-term portion)	76	76	-
TOTAL	**24,151**	**12,608**	**11,543**

The item **Short-term bank payables**, equal to Euro 23,175 thousand, which increased by Euro 11,543 thousand compared to 31 December 2024, includes the portion to be paid within 12 months of the loans taken out by the Group as well as advances on contracts and cash credit lines.

The items **Lease liabilities – Motor vehicles** and **Lease liabilities – Plant and Machinery**, equal to Euro 357 thousand and Euro 543 thousand, respectively, as at 30 June 2025, 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	30/06/2025	31/12/2024	Changes
Accrued liabilities	705	597	108
Other payables due within the next year	5,985	6,065	(80)
TOTAL	**6,690**	**6,662**	**28**

The item **Other payables due within the next year**, amounting to Euro 5,985 thousand as at 30 June 2025, decreased by Euro 80 thousand compared to 31 December 2024 and refers exclusively to payables to employees for holidays and leave accrued as at 30 June 2025.

COMMENTS ON THE MAIN ITEMS OF THE INCOME STATEMENT

NOTE 25 – REVENUES

This item is detailed as shown below:

In thousands of Euros	30/06/2025	30/06/2024	Changes
Revenues from sales and services	120,609	154,202	(33,593)
Change in contract work in progress	62,879	35,623	27,256
Total operating revenues	**183,488**	**189,825**	**(6,337)**
Other proceeds and income	4,238	20,320	(16,082)
Commissions	(850)	(1,310)	460
TOTAL	**186,876**	**208,835**	**(21,959)**

Revenues from sales and services, amounting to Euro 120,609 thousand as at 30 June 2025, decreased compared to the previous half-year by approximately Euro 33,593 thousand.

The breakdown of operating revenues between shipbuilding and refit activities is shown below:

In thousands of Euros	30/06/2025	30/06/2024	Changes
Production and sale of yachts (Shipbuilding)	172,606	167,160	5,446
incidence on total operating revenues	***94%***	***88%***	
Refit activities	10,882	22,665	(11,783)
incidence on total operating revenues	***6%***	***12%***	
Operating revenues	**183,488**	**189,825**	**(6,337)**

The **Other proceeds and income**, equal to Euro 4,238 thousand as at 30 June 2025, decreased compared to the previous half-year by approximately 16,082. This decrease is mainly due to the capital gain for approximately 18 million deriving from the sale of the Viareggio shipyard in the first half of 2024.

Other proceeds and income mainly consist of the following:

- **Other revenues**, for an amount of Euro 3,231 thousand, deriving from the management of existing constructions.
- **Insurance reimbursements** for Euro 910 thousand.
- **Contingent assets** in the amount of Euro 73 thousand as at 30 June 2025, which mainly refer to extraordinary income realised following the positive conclusion of some active disputes, thanks to the recovery activities carried out by the Group's legal counsel.

Commissions payable, recognised in the financial statements at 30 June 2025 for Euro 850 thousand, refer to the brokerage activities of some of the leading brokers in the industry, which have been collaborating with the Group for years in seeking new customers, and the royalties accrued to Automobili Lamborghini during 2025 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	30/06/2025	30/06/2024	Changes
For raw ancillary materials, consumables and goods	(49,566)	(46,270)	(3,296)
Short-term rentals	(695)	(1,080)	385
Changes in raw material inventories	(39)	45	(84)
Change in inventories of semi-finished and finished products	3,592	1,969	1,623
TOTAL	**(46,708)**	**(45,336)**	**(1,372)**

The item **Costs of raw ancillary materials, consumables and goods**, at 30 June 2025 equal to Euro 49,566 thousand, up from the first half of 2024 by Euro 3,296 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 695 thousand as at 30 June 2025, 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 negative balance of Euro 39 thousand as at 30 June 2025, decreased from the previous financial year by Euro 84 thousand.

The **Change in finished and semi-finished products** shows a positive balance of Euro 3,592 thousand at 30 June 2025, mainly due to costs incurred for construction in relation to orders for which a future sale is expected.

NOTE 27 – COST FOR OUTSOURCED WORK

This item is detailed as shown below:

In thousands of Euros	30/06/2025	30/06/2024	Changes
Outsourced works	(70,249)	(68,532)	(1,717)
TOTAL	**(70,249)**	**(68,532)**	**(1,717)**

The item **Cost for outsourced work**, equal to Euro 70,249 thousand as at 30 June 2025, increasing by Euro 1,717 thousand compared to the first half of 2024, 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 the first half of 2025 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	30/06/2025	30/06/2024	Changes
Other services and consultancy	(8,342)	(11,764)	3,422
Legal, tax and notary consultancy	(372)	(664)	292
Costs for auditing procedure	(50)	(47)	(3)
TOTAL	**(8,764)**	**(12,475)**	**3,711**

The item **Other services and consultancy**, amounting to Euro 8,342 thousand as at 30 June 2025, decreased by Euro 3,422 compared to the previous half-year in 2024; this item includes the design phases of the new yachts entrusted to external designers and architects.

The item **Legal, tax and notary consultancy**, equal to Euro 372 thousand as at 30 June 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 292 thousand compared to the first half of 2024.

The item **Auditing fees**, amounting to Euro 50 thousand as at 30 June 2025, includes the costs incurred for the statutory audit of the accounts and the review of the Non-Financial Statement during the half-year.

NOTE 29 – OTHER COSTS FOR SERVICES

This item is detailed as shown below:

In thousands of Euros	30/06/2025	30/06/2024	Changes
Transport expenses	(83)	(80)	(3)
Maintenance fees	(14)	(13)	(1)
Surveillance	(274)	(255)	(19)
Research costs	(40)	(220)	180
Miscellaneous administrative expenses	(648)	(1,197)	549
Utilities	(1,635)	(1,317)	(318)
Shipyard and vessel insurance	(1,922)	(1,750)	(172)
Cleaning and waste disposal costs	(264)	(167)	(97)
Sundry employee services	(262)	(243)	(19)
Advertising and entertainment expenses	(622)	(615)	(7)
Bank charges and fees	(158)	(107)	(51)
Fuels	(7)	(9)	2
Telephone costs	(49)	(60)	11
Software interventions	-	-	-
Directors' fees and expenses	(442)	(410)	(32)
Board of statutory auditors' fee	(14)	(16)	2
Supervisory Board	(19)	(19)	0
Other expenses	(81)	(224)	143
TOTAL	**(6,534)**	**(6,702)**	**168**

Utility costs, which amounted to Euro 1,635 thousand as at 30 June 2025, rose by Euro 318 thousand compared to the previous half-year, essentially due to the increase in the price of energy.

Sundry employee services, equal to Euro 262 thousand as at 30 June 2025, increased by Euro 19 thousand compared to the previous half-year in 2024 and mainly refer to services related to canteen and catering managed in the Group's Village and to travel and business trips related to the start-up of the foreign outsourcing of the production of structural work, and to some commercial trips.

Shipyard and vessel insurance, equal to Euro 1,922 thousand as at 30 June 2025, increased by Euro 172 thousand compared to the previous half-year, referring to all shipyard and vessel insurance held by the Group.

Miscellaneous administrative expenses, equal to Euro 648 thousand as at 30 June 2025, which decreased by Euro 549 thousand compared to the previous half, mainly refer to administrative consulting of various kinds and payroll consulting.

NOTE 30 – PERSONNEL COSTS

This item represents the total expense incurred for the Group's employees, which includes salaries, related social security and pension costs payable by the Group, donations, and flat-rate travel expenses.

This item is detailed as shown below:

In thousands of Euros	30/06/2025	30/06/2024	Changes
For personnel	(14,320)	(14,816)	496
Social security contributions	(6,152)	(4,651)	(1,501)
Severance indemnities	(975)	(893)	(82)
Other costs	(947)	(998)	51
TOTAL	**(22,394)**	**(21,358)**	**(1,036)**

The average number of Group employees in the first half of 2025 is 743, as shown below:

Average number	30/06/2025	30/06/2024
Executives	27	25
Employees	390	394
Workers	326	292
TOTAL	**743**	**710**

The number of employees as at 30 June 2025 is 738 and is detailed as follows:

Precise number as at 31 December	30/06/2024	30/06/2023
Executives	28	24
Employees	382	402
Workers	328	307
TOTAL	**738**	**733**

The management of all production phases led to a significant increase in employment levels, which is why the Group now plays a fundamental role within the Tyrrhenian Sea District as one of the leading players in terms of employment opportunities in the production of luxury mega-yachts.

NOTE 31 – OTHER OPERATING COSTS

This item is detailed as shown below:

In thousands of Euros	30/06/2025	30/06/2024	Changes
Provisions for risks	(789)	(809)	20
Contingent liabilities	(1,038)	(1,679)	641
IMU – Tasi	(188)	(165)	(23)
Municipal taxes	(570)	(1,453)	883
Branding	(665)	(307)	(358)
Other operating costs	(2,838)	(133)	(2,705)
TOTAL	**(6,088)**	**(4,546)**	**(1,542)**

The item **Provision for risks**, equal to Euro 789 thousand as at 30 June 2025, refers to the allocation to the guarantee provision for yachts under construction.

Contingent liabilities, equal to Euro 1,038 thousand as at 30 June 2025, 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 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 **Other operating costs**, equal to Euro 2,838 thousand, increased compared to the previous year by Euro 2,705 thousand and includes all non-recurring operating costs related to specific one-off activities such as, for example, special transport from Turkey or extraordinary processing work.

The item **Branding**, equal to Euro 665 thousand as at 30 June 2025, increased compared to the previous half-year by Euro 358 thousand and includes all costs relating to development activities for the Group's various brands.

NOTE 32 – DEPRECIATION, AMORTISATION AND WRITE-DOWNS

This item is detailed as shown below:

In thousands of Euros	30/06/2025	30/06/2024	Changes
Depreciation of tangible fixed assets	(4,695)	(5,038)	343
Amortisation of intangible fixed assets	(161)	(279)	118
Write-downs and losses on receivables	(150)	(644)	494
TOTAL	**(5,006)**	**(5,961)**	**955**

With regard to the **Depreciation and amortisation** of tangible and intangible fixed assets, please refer to **note no. 2 to note no. 6**.

For the item **Write-downs and losses on receivables**, please refer to previous **note no. 10**.

NOTE 33 – FINANCIAL INCOME AND CHARGES

This item is detailed as follows:

In thousands of Euros	30/06/2025	30/06/2024	Changes
Other financial income	3,173	812	2,361
Interest expense to banks and others	(6,681)	(3,571)	(3,110)
Interest expense on Lease liabilities	(372)	(368)	(4)
TOTAL	**(3,880)**	**(3,127)**	**(753)**

The item financial income and charges, equal to Euro 3,880 thousand, changed by Euro 753 thousand compared to the previous half-year mainly due to the increase in interest rates.

NOTE 34 – INCOME TAXES

This item is detailed as shown below:

In thousands of Euros	30/06/2025	30/06/2024	Changes
Income taxes for the year	(5,081)	(11,783)	6,702
TOTAL	**(5,081)**	**(11,783)**	**6,702**

Details of taxes recognised in the income statement as at 30 June 2025 are provided below:

In thousands of Euros	30/06/2025	30/06/2024	Changes
Current taxes	(3,760)	(8,210)	4,450
Deferred taxes	(1,321)	(3,574)	2,253
TOTAL	**(5,081)**	**(11,783)**	**6,703**

NOTE 35 – GAINS/(LOSSES) FROM REMEASUREMENT OF LIABILITIES FOR DEFINED BENEFIT PLANS

The reference actuarial model for the valuation of employee severance indemnities is based on various demographic and economic assumptions.

For some of the hypotheses used, where possible, explicit reference was made to the Group's direct experience, for the others best practice was taken into account. The technical and economic bases used are shown below:

SUMMARY OF ECONOMIC TECHNICAL BASES	30/06/2025	31/12/2024
Annual discount rate	2.91%	2.93%
Annual inflation rate	2.00%	2.00%
Annual rate of increase in severance indemnity	3.00%	3.00%

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:

Sensitivity analysis of key valuation parameters	
THE ITALIAN SEA GROUP SPA	**DBO 30/06/25**
Turnover rate +1%	759,253.26
Turnover rate -1%	757,750.37
Inflation rate +0.25%	764,058.93
Inflation rate -0.25%	753,065.96
Discount rate +0.25%	750,187.95
Discount rate -0.25%	767,067.30

Service Cost and Duration	
THE ITALIAN SEA GROUP SPA	
Service Cost 2021	37,102.00
Duration	6.5

Estimated future disbursements	
Years	**Expected disbursements**
1	153,037.23
2	93,530.97
3	116,365.10
4	88,318.75
5	90,627.56

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 Group uses bank or insurance sureties to guarantee the advances received from the Owners relating to the sale contracts entered into.

TRANSACTIONS WITH RELATED PARTIES

Below is a list of the main Related Parties with which transactions took place in 2024 and the type of relationship:

List of related parties	Related-party relationship
GC HOLDING S.p.A.	53.6% PARENT COMPANY OF TISG
GMC Architecture S.r.l. S.t.p.	GC HOLDING INVESTEE COMPANY
SANTA BARBARA S.r.l.	RELATED PARTY OF TISG

Transactions with related parties during the first half of 2025 are shown below:

BALANCE SHEET (€/000)	GC Holding	GMC ARCHITECTURE S.R.L. S.T.P.	SANTA BARBARA S.R.L.
SECURITY DEPOSITS			
FINANCIAL RECEIVABLES			
TRADE RECEIVABLES		1	-
TOTAL ACCOUNTS RECEIVABLE	**-**	**1**	**-**
FINANCIAL PAYABLES			
TRADE PAYABLES		15	-
TOTAL PAYABLES	**-**	**15**	**-**

INCOME STATEMENT (€/000)	GC Holding	GMC ARCHITECTURE S.R.L. S.T.P.	SANTA BARBARA S.R.L.
COSTS FOR PROCESSING			
COSTS FOR CONSULTANCY		104	
COSTS FOR SERVICES			90
INTEREST PAYABLES			
TOTAL COSTS	**-**	**104**	**90**
REVENUES FROM SALES		2	-
INTEREST INCOME			
TOTAL REVENUES	**-**	**2**	**-**

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 that the Group should produce for future potential customers.

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

SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

Throughout the first half of 2025, 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 2025.

TRANSACTIONS ARISING FROM ATYPICAL AND/OR UNUSUAL OPERATIONS

Throughout the first half of 2025, the Group 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. DEM/6064293 of 28 July 2006, other than those described in the explanatory notes and in 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

On this point, please refer to the report on operations for significant events occurring after the end of the period.

AUTHORISATION TO PUBLISH

This document was approved by the Board of Directors on 8 August 2025 and published on 11 August 2025 upon authorisation by the Chair and the Chief Executive Officer.

CERTIFICATION OF THE CONSOLIDATED HALF-YEAR 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, as Chief Executive Officer, and Marco Carniani, as Financial Reporting Manager of The Italian Sea Group S.p.A., certify, also taking into account the provisions of Art. 154-bis, paragraphs 3 and 4, of Italian Legislative Decree No. 58 of 24 February 1998:

- the adequacy in relation to the characteristics of the company (also taking into account any changes that occurred during the half-year) and

- the effective application of the administrative and accounting procedures for the preparation of the condensed half-year financial statements during the first half of 2024.

2. We also hereby certify that:

2.1 the condensed half-year financial statements:

a) are prepared 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 the Council of 19 July 2002;

b) are consistent with the amounts indicated in the accounting records and documents;

c) are suitable to provide a true and fair representation of the profit/loss, financial and economic results of the Group.

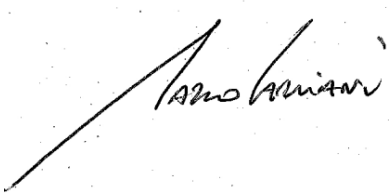
2.2 The interim report on operations includes a reliable analysis of the references to important events that occurred in the first six months of the year and their impact on the condensed half-year financial statements, together with a description of the main risks and uncertainties for the remaining six months of the year.

The interim report on operations also includes a reliable analysis of information on significant transactions with related parties.

Date: 08/08/2025

Signature Chief Executive Officer

Signature Financial Reporting Manager



THE ITALIAN SEA GROUP S.P.A.

Review report on the condensed half-year
consolidated financial statements at 30 June 2025

This report has been translated into English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

Ref. nr. RC047142025BD0234

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Review report on the condensed half-year consolidated financial statements

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

Introduction

We have reviewed the condensed half-year consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of income and other comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in equity and the related explanatory notes of The Italian Sea Group S.p.A. and subsidiaries (The Italian Sea Group) as of 30 June 2025. The Directors are responsible for the preparation of the condensed half-year consolidated financial statements in accordance with the International Accounting Standard applicable to interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and adopted by the European Union. Our responsibility is to express a conclusion on the condensed half-year consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its 31 July 1997 resolution no. 10867. A review of condensed half-year consolidated financial statements consists of making inquiries, primarily of company's personnel responsible for financial and accounting matters, applying analytical procedures and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we have become aware of all significant matters that could have been identified by conducting an audit. Accordingly, we do not express an audit opinion on the condensed half-year consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the the condensed half-year consolidated financial statements of The Italian Sea Group as of 30 June 2025 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and adopted by the European Union.

Firenze (Italy), 8 August 2025

BDO Italia S.p.A.

Signed by
Luigi Riccetti
Partner

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