# THE ITALIAN SEA GROUP

# ANNUAL FINANCIAL REPORT
# AS AT 31 December 2025

# CONTENTS

# FINANCIAL INFORMATION AS AT 31 DECEMBER 2025

DRAFTED ACCORDING TO IAS/IFRS

DATA IN THOUSANDS OF EUROS

# METHODOLOGICAL INTRODUCTION

In compliance with the relevant IAS/IFRS framework, the consolidated financial statements of The Italian Sea Group S.p.A. as at 31 December 2025 show as comparative data the balances of the consolidated financial statements of TISG as at 31 December 2024.

The reconciliation statement between the Parent Company's financial statements and the Consolidated Financial Statements is shown below.

| | 31/12/2025 | |
|---|---|---|
| ***in thousands of Euros*** | **Shareholders' Equity** | **Result** |
| **Financial Statements of The Italian Sea Group S.p.A.** | **(376,510)** | **(157,773)** |
| Derecognition of intercompany transactions | (11,584) | (13,145) |
| **Total attributable to the Shareholders of the Parent Company** | **(388,094)** | **(170,918)** |
| Shareholders' equity and non-controlling interests | - | - |
| **Total of the Consolidated Financial Statements** | **(388,094)** | **(170,918)** |

| | 31/12/2024 | |
|---|---|---|
| ***(in migliaia di Euro)*** | **Patrimonio Netto** | **Risultato** |
| **Financial Statements of The Italian Sea Group S.p.A.** | **142,880** | **32,309** |
| Derecognition of intercompany transactions | 2,083 | 1,585 |
| **Total attributable to the Shareholders of the Parent Company** | **144,963** | **33,894** |
| Shareholders' equity and non-controlling interests | - | - |
| **Total of the Consolidated Financial Statements** | **144,963** | **33,894** |

**SUMMARY & GENERAL INFORMATION**

**Company name:** The Italian Sea Group S.p.A. ("**TISG**")

**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 The Italian Sea Group S.p.A. ("TISG") will be in office until the approval of the Annual Financial Statements as at 31 December 2025.

| | |
|---|---|
| **Giovanni Costantino** | *Chairman and Chief Executive Officer* |
| **Gianmaria Costantino** | *Director* |
| **Pietro Smeriglio** | *Director** |
| **Fulvia Tesio** | *Independent Director* |
| **Antonella Alfonsi** | *Independent Director* |

***Co-opted by the Board of Directors on 6 March 2026 and confirmed by the Shareholders' Meeting on 27 April 2026***

### AUDIT, RISK, SUSTAINABILITY & RELATED PARTIES COMMITTEE

| | |
|---|---|
| **Antonella Alfonsi** | *Chair* |
| **Fulvia Tesio** | *Standing Member* |

| | |
|---|---|
| APPOINTMENTS & REMUNERATION COMMITTEE | |
| **Fulvia Tesio** | *Chair* |
| **Antonella Alfonsi** | *Standing Member* |

| | |
|---|---|
| BOARD OF STATUTORY AUDITORS | |
| **Alfredo Pascolin** | *Chair* |
| **Barbara Bortolotti** | *Standing Auditor* |
| **Felice Simbolo** | *Standing Auditor* |
| **Sofia Rampolla** | *Alternate Auditor* |
| **Marco Baggetti** | *Alternate Statutory Auditor*** |

| | |
|---|---|
| SUPERVISORY BODY PURSUANT TO LEGISLATIVE DECREE 231/01 | |
| **Annalisa De Vivo** | *Chair* |
| **Carlo De Luca** | *Member* |

| | |
|---|---|
| INDEPENDENT AUDITORS | BDO Audit Services S.r.l.*** |

| | |
|---|---|
| FINANCIAL REPORTING MANAGER | Fabio Zanobini**** |

***Appointed by the Shareholders' Meeting of 27 April 2026*

****The Independent Auditors resigned from their appointment pursuant to Italian Ministerial Decree no. 261/2012, Article 5, on 27 July 2026, remaining in office on an interim basis pursuant to Italian Legislative Decree no. 39/2010, Article 13(6)*

***** Appointed by the Board of Directors on 13 April 2026*

# GROUP PROFILE AND STRUCTURE

The Italian Sea Group S.p.A. (“TISG” or “Group”) is a global luxury yachting player listed on the Euronext 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.

TISG also owns 100% of TISG Turkey, an operating company that manages part of the yacht production process.

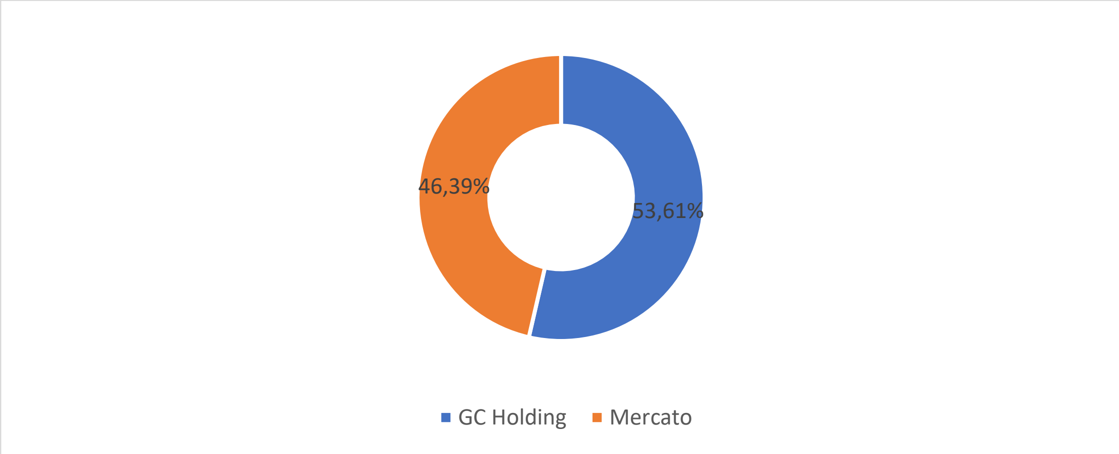
According to the Global Order Book 2025, an international ranking compiled by the prestigious Boat International magazine, The Italian Sea Group is the leading Italian producer of superyachts over 50 metres and the second at global level.


# SHAREHOLDERS

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

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

With effect from 17 March 2026, TISG obtained its withdrawal from the STAR segment following its voluntary request of 6 March 2026.




## BRANDS

### PICCHIOTTI

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

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

Under the Picchiotti brand, TISG has developed the semi-custom "**Picchiotti Gentleman**" line, a fleet of motor yachts from 24 to 55 metres inspired by the silhouettes of American yachts of the 1960s, offering timeless elegance.

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### ADMIRAL

The first Admiral boat, 18 metres and made entirely of wood, was created in 1966. In the mid-1970s, the first wooden (30-metre) motor-yacht was launched, an extremely avant-garde product for that time period, which would lead Admiral to build the first aluminium and steel hulls in the early 1980s.

Today, Admiral is the flagship brand of The Italian Sea Group, offering experienced ship operators around the world large yachts characterised by elegant and refined aesthetics, timeless style and the possibility of total customisation.

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### PERINI NAVI

The story of Perini Navi began in 1983, when founder **Fabio Perini** launched the prototype of a sailing yacht that could be managed safely with a small crew, thanks to the invention of an automatic sail furling system.

The iconic Perini Navi fleet boasts over 60 of the world's most admired yachts, such as the legendary 88-metre clipper "**Maltese Falcon**".

Following the acquisition in 2022, The Italian Sea Group delivered the first sailing catamaran under the Perini Navi brand, the 47-metre “**Art 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 dedicated to building fast motor yachts up to 50 metres.

The brand's main characteristics include innovative design, modern lines, sportiness and high performance; each model is a design challenge that balances elegance and bold aesthetics by using innovative technologies and materials.

One example is the 43-metre motor yacht “**This Is It**”, with its futuristic outline and state-of-the-art interior, which was one of the most popular models at the Monaco Yacht Show 2023.

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**NCA REFIT**

NCA Refit boasts an absolute specialisation in the refitting and repair of both motor and sailing super-yachts and mega-yachts backed by the skills and expertise of a team of highly qualified engineers, architects and technicians as well as a comprehensive offer of exclusive services reserved for crews.

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

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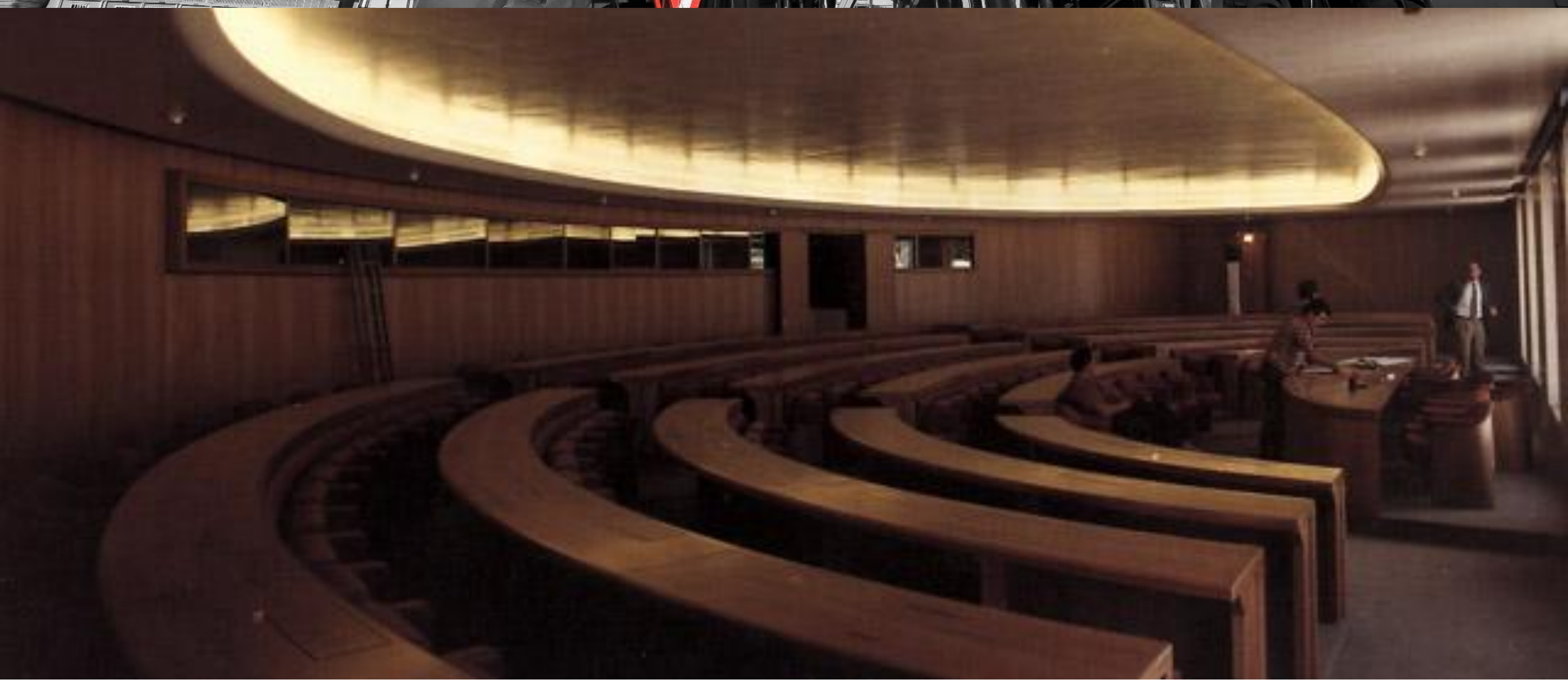
**CELI**

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

In precision cabinetmaking, Celi has developed rigorous construction methods over time and uses advanced production technologies, while retaining all of the values and qualities of “handmade” products.

Throughout its prestigious history, the Celi brand has assisted internationally renowned architects in the development of large and prestigious works, including Renzo Piano's Auditorium Parco della Musica in Rome.


PICCHIOTTI



# BRIEF HISTORY OF THE GROUP

The Italian Sea Group's story began in 2009, when **GC Holding S.p.A.**, a company owned by the entrepreneur Giovanni Costantino, acquired 100% of **Tecnomar S.p.A.** In November 2011, the Group acquired the **Admiral** brand, thus expanding its offer with a view to entering the large yachts market.

Rapid growth in the number of contracts and the increase in the size of orders on the books highlighted the need to invest in a larger production site with direct access to the sea. This is why, in 2012, GC Holding S.p.A. acquired 100% of **Nuovi Cantieri Apuania S.p.A.** (now The Italian Sea Group S.p.A.), which produces commercial and cruise ships at the Marina di Carrara shipyard.

The production site in Marina di Carrara, currently the TISG headquarters, has been active since 1942, and even then had state-of-the-art facilities to produce medium and large tonnage ships. In 1973, after two decades of investments in upgrading the facilities, the shipyard was further expanded with the construction of a dock 200 metres long and 35 metres wide.

The acquisition of the shipyard made it possible to keep employment levels unchanged and relaunch a company with a recent past as a leading player in the large shipbuilding industry, while expanding production capacity and retaining valuable specialised know-how in the reference segment.

This was followed by major investments in the renovation and expansion of the registered office, the organisation of areas dedicated to new production, the construction of a steel workshop and an upholstery unit, and the expansion of areas dedicated to refit activities, which began in 2015.

Starting in 2020, investment plans (“**TISG 4.0**” and “**TISG 4.1**”) were resolved on, aiming to further increase the shipyard's production capacity.

To date, the Marina di Carrara shipyard covers an area of approximately 110,000 square metres and boasts an absolutely strategic position, particularly for refitting activities.

Overlooking the Mediterranean, at a short distance from famous Italian tourism and recreational destinations – and therefore a preferred stopover for yachts in the summer season – the shipyard is equipped with state-of-the-art facilities and recreational spaces for crews that, combined with the management's expertise and the quality of its services, allow the Group to represent an important reference point for ship operators and captains from all over the world.

The headquarters are equipped with: (i) **two dry docks**, of 200 metres and 147 metres respectively; (ii) 7 outfitting hangars, covered by photovoltaic panels; (iii) a floating dock with a lifting capacity of up to 3,300 tonnes.

In 2021, the Company went public, and 8 June marked the start of trading of TISG's shares on the Euronext Milan, a regulated market managed by Borsa Italiana S.p.A.

On 22 December 2021, through its wholly-owned subsidiary New Sail S.r.l. (later merged by incorporation into the Parent Company), it acquired Perini Navi S.p.A. at the bankruptcy auction called by the Court of Lucca, for Euro 80 million.

The acquisition included the real estate assets of the shipyards in Viareggio and La Spezia, a real estate assets in Pisa, the Perini Navi and Picchiotti trademarks, patents, the shareholding in Perini Navi USA Inc. (a company that was closed in 2024) and existing legal relationships with employees.

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

In 2022, The Italian Sea Group completed the acquisition of 100% of the shares of **TISG Turkey Yat Tersanecilik Anonim Sirketi** ("**TISG Turkey**"), a company through which TISG controls and supervises the hull and superstructure carpentry activities it carries out in Turkey.

This transaction allowed the Group to consolidate the entire production process, ensuring even more integrated operations management.

With a view to continuously in-housing key production chain activities – which also includes the acquisition of CELI in 2023 – in June 2024 at its Marina di Carrara site TISG inaugurated a new business unit dedicated to steelworks for interior finishes, an activity with very high added value.

At the beginning of 2026, additional costs emerged on contracts in progress, together with accounting irregularities committed by former executives, marking the start of the crisis. The Company first entered the Negotiated Crisis Resolution Procedure and subsequently filed for a composition with creditors subject to the submission of a plan pursuant to Italian Insolvency Code, Article 44.

## INVESTMENTS

The history of The Italian Sea Group is based on strategic acquisitions, the relaunch of historical brands and significant investment strategies, particularly on production capacity and facility efficiency in order to increase the range of services and facilities available to customers, suppliers and employees.

**Services**

Opened in 2019, the Village is an area intended for ship operators, employees, captains and crews and represents a strong competitive advantage for TISG compared to other shipyards offering refitting services in the Mediterranean, as an added value for captains and crews, the main decision-makers when choosing the shipyard where to carry out maintenance activities.

**In-housing**

Operating in a revolutionary manner compared to historical trends in the nautical sector, TISG was one of the first operators to make significant investments aimed at in-housing some of the phases of the production chain with greater added value, such as: (i) **Steelworks**, an in-house workshop where all steel finishes are made, which are then assembled on yachts under construction; (ii) **Upholstery**, a division that makes all of the leather and fabric upholstery and padding and all of the upholstery details for projects in progress; (iii) **Outfitting Carpentry**, for the assembly of technical elements on board; (iv) **Woodworking** through its wholly-owned subsidiary Celi S.r.l.

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

The in-housing of these activities allows the Company to have greater control over them and encourages significant cost containment while ensuring the high quality standards required by ship operators and their surveyors.

In addition, The Italian Sea Group has an in-house **Design Department**, staffed by approximately 30 young architects, who work together with customers who request it to develop the design of the yachts' interior and exterior lines, responding promptly to their every need.

**Production Capacity**

Since 2018, The Italian Sea Group has invested around **Euro 90 million** in expanding production capacity at its shipyards. Currently, the Company operates at **two locations in Italy** (Marina di Carrara and La Spezia), carries out woodworking operations in Viareggio and at **woodworking facilities in Terni** with Celi and uses **a number of facilities in Turkey** for hull and superstructure construction.

*Marina di Carrara*

In early 2020, TISG resolved on an investment plan entitled "**TISG 4.0**". The investment, aimed at upgrading the facilities at Marina di Carrara and completed in the first half of 2023, included the following interventions:

(i) Construction of a **new hangar** capable of accommodating up to **two yachts** of about 80 metres in outfitting;

(ii) Construction of a **new dry dock** with a maximum capacity of **four yachts between 60 and 70 metres** and **ships up to 140 metres**;

(iii) Construction of an **additional hangar to cover the original dry dock**, capable of accommodating up to **two yachts** of **approximately 90 metres** or **one yacht of 100 metres**.

Subsequently, at the end of 2021, the Company resolved on a further investment plan, entitled **"TISG 4.1"**, to further increase the production spaces at the headquarters through:

(i) Expansion on the **Chiesa Quay** to increase the space dedicated to refit activities, creating new berthing spaces for large yachts;

(ii) A **new hangar** next to the old dry dock to accommodate up to **four yachts between 75 and 80 metres** in outfitting;

(iii) **New spaces** in the old Lamborghini hangar, dedicated to warehouses and services for new constructions.

(iv) New sales offices

*La Spezia and Viareggio*

The acquisition of Perini Navi ensured that TISG could further increase its production capacity through the integration of its two production sites in La Spezia and Viareggio.

The facilities, which were already in optimal condition for production since the completion of the acquisition in February 2022, merely underwent some fine-tuning activities during the course of the year and became operational immediately.

Most of the investments were aimed at the La Spezia site, the larger of the two. In particular, all Lamborghini production, together with a substantial part of the refit division, was transferred to La Spezia.

In June 2024, the Company completed the sale of the Viareggio shipyard, for total consideration of Euro 33 million gross of expenses and commissions.

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

*TISG Turkey*

Through TISG Turkey, the Company operates with seven shipyards in Turkey, in the Istanbul and Antalya areas, with a network of partners that are responsible for building the hulls and superstructures for orders in progress.

TISG has a lease for two of its shipyards: Hercelik and Naveks, both in the Yalova district (near Istanbul), covering a total area of over 30,000 square metres.

# MANAGEMENT REPORT

## MARKET OUTLOOK

**SHIPBUILDING**

The luxury yachting market and, in particular, the large yacht segment in which The Italian Sea Group operates, serves an extremely select clientele whose wealth is significantly above the threshold generally used to identify Ultra High Net Worth Individuals ("UHNWIs"). This threshold is conventionally set at USD 30 million. However, given the purchase prices and operating costs associated with larger vessels, the Company's potential market should primarily be identified within the highest tier of the ultra-wealthy population and, in particular, among individuals with assets of more than approximately EUR 500 million.

According to various market sources, including Knight Frank and Altrata, in 2025 the worldwide population with assets of more than USD 30 million ranged, depending on the methodology used, from approximately 557,000 to more than 700,000 individuals, with both estimates showing double-digit growth compared with the previous year. Statistics published in 2024 estimated that approximately 16,000 individuals worldwide had net assets of more than USD 500 million. Taking into account the increase recorded in 2025 for the overall UHNWI population, the number of individuals with assets of more than USD 500 million would be approximately 18,600 at the end of 2025. Projecting this figure based on the average annual rate implicit in the UHNWI population growth forecasts for 2026-2031, of approximately 5.9%, the potential market could amount to around 19,500-20,000 individuals in 2026.

This results in an increase in the market of potential customers for the solutions offered by TISG, also in light of the small number of large vessels (>60m) operating in 2025, which totalled 540 units according to Super Yacht Times analyses. Growth in these units, mainly due to the long vessel construction times, was therefore approximately half the growth recorded by HNWIs during the period, at +6% year on year. This user base is supplemented by individuals with assets of less than USD 500 million that are nevertheless sufficiently substantial and liquid to allow them to purchase high-end vessels, potentially through financing arrangements or commercial charter programmes, who may also represent a potential target market for TISG's solutions.

Geographically, North America was the world's largest market in 2025, with approximately 224,470 UHNWIs, representing just over 40% of the total. The United States alone was home to approximately 206,880 individuals, equivalent to 37% of the worldwide UHNWI population, making it the most important market for superyachts. Asia is the second-largest geographical area by concentration of UHNWIs, with approximately 141,890 UHNWIs, representing 25.5% of the total, after growing by 16% in 2025 alone. This makes the region a market of clear interest over the medium term. In 2025, Europe had approximately 140,140 UHNWIs, representing just over 25% of the worldwide total, concentrated mainly in Germany, the United Kingdom, France and Switzerland. The presence of well-established nautical infrastructure in the Mediterranean, specialist shipyards, marinas, charter operators and technical services continues to support Europe's central role in the use and management of vessels, even though growth prospects for the ultra-wealthy population are more modest than in the United States, Asia and certain emerging markets

Turning to the medium-term outlook, it is worth noting that the worldwide UHNWI population is expected to grow by 33% by 2031, led by North America (+53%), followed by the Middle East (+32%) and Asia-Pacific (+24%). More modest growth is expected for Europe (+17%), while Africa and Latin America are expected to grow by 15% and 12%, respectively. With regard to the billionaire population, Saudi Arabia has the highest expected growth, with an increase of 183% by 2031, followed by Poland (+123%) and Sweden (+81%). The performances of the Philippines (+63%), India (+51%) and Singapore (+35%) are also noteworthy, confirming particularly dynamic growth in the Middle East and Asia-Pacific and the increasing opportunity represented by regions that were once not central to the luxury yachting market, particularly the large yacht segment.

For individuals with assets of more than USD 500 million, large yachts may be considered part of a range of luxury assets that includes, among other things, prime residences, villas, private aircraft, works of art and other collectibles. Luxury property and luxury assets together represent approximately 9% of the average wealth of UHNWIs. Both offer extensive scope for customisation and, when used for hospitality while not in private use, can generate particularly significant revenue during the year, like other asset classes.

Against this general backdrop, the market for yachts over 50 metres performed more favourably in 2025 than the smaller size categories. Sales of new builds increased by 15% overall to 53 units (+15%), driven by the segment over 80 metres, which reached an all-time high of 19 sales compared with 13 in 2024. Positive indications also came from chartering, which operators described as appreciably stronger for yachts over 50 metres than for smaller vessels.

**REFIT**

Refitting is an extremely anti-cyclical activity for The Italian Sea Group, as routine maintenance is in many cases mandatory to ensure the yacht remains compliant with standards that change over the years. This activity also allows the Company to expand its customer base and keep up-to-date with industry innovations. It is also an activity with very strong barriers to entry, as it requires the proper technical expertise, significant investment in production capacity and equipment, and a reputation built over time with ship operators and crews.

In recent years, the number of shipyard visits for refit work on yachts over 30 metres has been constantly increasing. This increase is due to growth in the number of yachts at sea and an ageing global fleet, as well as the need for some ship operators to modernise their boats, at times aligning them with higher environmental standards and equipping them with more technological systems that make their annual downtime more effective and efficient.

It is important to emphasise that over the years, Italy has become the point of reference for refitting in Europe, not only as the country with the largest number of dedicated facilities, but also in terms of the number of activities carried out.

## DIRECTORS' ASSESSMENT OF THE GOING CONCERN REQUIREMENTS

TISG's consolidated financial statements for the year ended 31 December 2025 reported operating revenue of Euro 282,030 thousand, an operating loss of Euro 164,160 thousand after direct and indirect operating costs, personnel costs, depreciation, amortisation, impairment losses and other provisions for non-recurring costs, and a net loss of Euro 170,918 thousand after financial items and taxes. The Group has negative shareholders' equity of Euro 388,094 thousand and net financial debt as at 31 December 2025 of Euro 129,557 thousand, comprising bank and financial debt and, as a result of IFRS 16, liabilities relating to leases of plant and company cars and shipyard concessions.

In light of the above and in accordance with IAS 1, the Directors' assessments of whether the going concern assumption is appropriate for the preparation of the consolidated financial statements as at 31 December 2025 are set out below.

*Causes and emergence of the crisis*

TISG's crisis emerged suddenly in February 2026, when severe financial strain came to light in connection with significant "over-budget" costs (i.e. costs that had neither been budgeted nor authorised) incurred and still to be incurred for vessel construction, which progressively depleted available cash.

These circumstances came to light entirely unexpectedly and could not have been foreseen.

A group of individuals holding senior positions within the Company had implemented a complex mechanism that, without the knowledge of the Director and other persons not involved in it, circumvented the controls preventing each contract from exceeding its approved budget. As a result, the over-budget costs and the actual cash position were concealed for years.

The methods used to conceal the existence and scale of these costs prevented the progressive depletion of cash from being addressed in time. In February 2026, following a delay in the receipt of advance payments expected in December 2025 that would have increased cash, the Company suddenly found itself unable to meet its payment obligations and the aforementioned senior figures could no longer conceal the true financial position.

On 18 February 2026, TISG's Board of Directors acknowledged the emergence of budget overruns on the majority of contracts in progress, which had adversely affected TISG's cash position. For this reason, the Company arranged an urgent financial strengthening measure through a shareholder loan from the majority shareholder (GC Holding S.p.A. - "GCH") in the amount of Euro 25 million.

The shareholder loan is interest-free and does not entitle GCH to any fee for granting it. Furthermore, until all payment obligations under the bank loan agreement entered into in June 2025 have been fully, unconditionally and definitively satisfied and extinguished, the receivables owed to GCH by the Company under the shareholder loan are deferred and subordinated to the claims of the pool of lending banks.

The Company will repay the shareholder loan in one or more instalments by 31 December 2032.

On 24 February 2026, the Company received a formal payment demand from International Factors Italia S.p.A. ("**Ifitalia**"), with which numerous TISG suppliers have factoring agreements, in relation to principal amounts owed totalling approximately Euro 10.3 million, half of which were overdue.

Ifitalia's formal payment demand was followed by reports pursuant to CCII, Article 25-*octies*, from the Board of Statutory Auditors and statutory auditor BDO Audit Services S.r.l.

Initial checks performed following the reports revealed overdue trade payables of approximately Euro 27 million and unpaid taxes and social security contributions from the previous year (some of which had already been placed on instalment plans by those responsible for the mechanism described above). It was also discovered that guarantees totalling Euro 31 million had been issued in GCH's name without the Chief Executive Officer's knowledge, using his digital signature without authorisation.

To determine precisely the scale of the matter and the actual scope of the individuals involved, TISG:

(i) appointed KPMG on 2 March 2026 to conduct an in-depth independent audit (forensic due diligence) to identify the causes of and responsibility for the budget overruns, covering a complete analysis of the management of ongoing contracts, the internal control model and financial management;

(ii) filed a criminal complaint against certain former senior TISG executives heading key functions who had acted in coordination with one another. According to the allegations in the complaint, over time the individuals concerned engaged in a series of coordinated actions intended to conceal the actual management of contracts and provide TISG's Chief Executive Officer with contract accounting and management information that did not reflect reality. This concealment was allegedly made possible by the fraudulent and covert circumvention of the internal contract management system, for which the individuals named in the complaint were jointly responsible. The complaint describes a system for altering contract accounting and management documents, including cash flow reports, contract budgets and bank statements, which allegedly presented an untrue position that was, above all, entirely unknown to and undetectable by TISG's Chief Executive Officer. The complaint was filed with the Public Prosecutor's Office at the Court of Massa and was subsequently assigned to the Public Prosecutor's Office at the Court of Genoa;

(iii) began developing a plan to resolve the crisis and strengthen the Group's capital position, which also involved discussions with financial institutions.

With regard to the first point, the forensic audit began on 8 April, given TISG's need to prioritise activities supporting business continuity, and was completed on 22 July 2026. It identified the following irregularities in the management of contracts and the related cost budgets:

• over time, the five managers permitted and authorised expenditure in excess of the approved budgets without the Chief Executive Officer's approval;

• the monthly reports requested by the Chief Executive Officer to monitor contract progress and the cash position were modified to show amounts in line with approved budgets and, consequently, did not reflect the actual amounts committed to third-party suppliers that were instead recorded in the management system. In this regard, other documents, such as current account balances, also appear to have been altered to support the position presented in reports to the Chief Executive Officer;

• the budget overruns and resulting additional costs were also concealed in the management system, meaning they were not immediately visible on the progress reporting screens because excess budget use was managed through a generic contract called "Contract 0";

• several purchase orders appear not to have been approved by the Chief Executive Officer (either unsigned or signed by former managers who lacked the necessary authority). In addition, several additional costs appear to have been charged to contracts through invoices without purchase orders and/or work progress reports.

Furthermore, numerous assignments to factoring companies of receivables relating to invoices issued by suppliers to TISG came to light. They appear to have been authorised either by former managers, who lacked the relevant authority, or using the Chief Executive Officer's signature, which he has, however, disavowed.

In addition, the Chief Executive Officer's digital signature was allegedly used improperly in September 2025 to obtain a loan requested for the Company without authority and for the issuance of guarantees by GCH (TISG's parent company, controlled by the Chief Executive Officer).

The aforementioned parallel management system is connected with the resignations of the senior executives referred to above, who were subsequently dismissed and reported by the Company to the judicial authorities. These resignations appear to have been prompted by the virtual absence of Company funds, which at the beginning of February 2026 actually amounted to approximately Euro 2.7 million, as opposed to the approximately Euro 93 million reported to the Chief Executive Officer only one month earlier.

With regard to the accounting aspects and their impact on periodic financial reports, the following should be noted:

• the over-budget costs primarily affect the work in progress ("WIP") item, which, under the cost-to-cost method, contributes to determining the amount of revenue and profit margins attributable to the period;

• an analysis of the files used to determine WIP found that the additional costs, to the extent already incurred, were included in the total value of WIP. This therefore allegedly included both those relating to contracts open at 31 December 2025 and part of those relating to contracts closed previously, recognition of which had consequently been deferred and attributed on that occasion to open contracts;

• given the absence of changes to the budgets and expected margins, the matter described in the preceding point resulted in WIP reflecting higher contract completion percentages than the actual percentages. This had a significant impact on the revenue and margins reported as at 31 December 2025, including the recognition of provisions for loss-making contracts;

• with the support of its advisers, the Company determined the actual progress of the contracts and the related costs to complete in order to validate the total budget for each contract and thus correctly determine the value of WIP and the accounting treatment for the restatement of the income statement and balance sheet amounts in accordance with international accounting standards;

*Access to the Negotiated Crisis Resolution Procedure with the application of asset protection measures*

By an application pursuant to Article 17 of Italian Legislative Decree no. 14 of 12 January 2019 (Italian Insolvency Code, the "**CCII**"), filed on 9 March 2026, the Company, having stated that it was experiencing financial strain while believing that a turnaround could be achieved through a negotiated crisis resolution procedure ("**CNC**"), requested the appointment of an independent expert to conduct negotiations with creditors and other stakeholders in accordance with CCII, Articles 12 et seq.

The Company decided to initiate a "group" negotiated crisis resolution procedure pursuant to CCII, Article 25, involving the following companies in the turnaround process:

- Celi s.r.l. ("**Celi**"), a wholly owned subsidiary of TISG that effectively constitutes one of its business units;
- GC Holding s.p.a. ("**GCH**"), the company which, as mentioned above, holds a majority of TISG's shares and is wholly owned by Giovanni Costantino, TISG's Chairman and Chief Executive Officer.

At the same time as filing the application for the appointment of the expert, the three Group companies requested, pursuant to CCII, Article 18(1), that asset protection measures be applied in respect of all creditors.

On 12 March 2026, the special committee established at the Florence Chamber of Commerce appointed Dr Enrico Terzani as expert (the "**Expert**"), who accepted the appointment on 13 March 2026.

On 16 March 2026, the acceptance was published in the Companies Register. On the same date, TISG filed the petition seeking confirmation of the protection measures.

On 20 April 2026, the Court of Florence confirmed the protection measures requested by the Company, GC Holding S.p.A. and Celi S.r.l. for the maximum period permitted by law, namely four months from 16 March 2026 (and therefore until 14 July 2026).

The Court granted the request, finding that the relevant requirements had been met, particularly as the turnaround was reasonably achievable, also in light of the industrial and financial initiatives proposed by the Group. It therefore confirmed the protection measures against all parties, temporarily prohibiting all creditors, among other things, from:

• acquiring preferential rights not agreed with the entrepreneur;

• commencing and/or continuing enforcement and interim proceedings against the entrepreneur's assets or against the assets and rights used to carry on the business, including vessels currently at the shipyards;

• obtaining a judgment opening judicial liquidation proceedings or declaring insolvency;

• unilaterally refusing to perform pending contracts, terminating them, accelerating their expiry or amending them to the detriment of the entrepreneur, or withdrawing all or part of credit facilities already granted solely because obligations arising before publication of the application were not performed.

The Court had specified that the protection measures also extended to vessel owners, preventing them from terminating ongoing vessel construction contracts.

On 14 May 2026, TISG was served with an order scheduling a hearing for 27 May 2026 to consider the appeals brought pursuant to Article 19 of Italian Legislative Decree no. 14 of 12 January 2019 by five vessel owners against the order confirming the protection measures.

On 10 June 2026, the Court of Florence issued an order upholding the appeals filed by the five vessel owners and amending the order of 20 April 2026 insofar as the protection measures had also been confirmed in respect of them. The Court held that vessels already owned by the appellants could not be subject to protection measures because they were neither assets of the entrepreneur nor assets used to carry on the business, and that the appellants were not creditors against whom those measures could operate because their right to performance of the pending contract could not be satisfied through enforcement or interim proceedings against those assets.

The order revoked the protection measures solely in respect of the five appellant vessel owners and did not affect the other vessel owners or any other creditors, for whom the measures remained effective for the period already established by the Court.

On 21 May 2026, the Board of Directors noted that the accounting reconstruction of the effects of the additional contract costs and the accounting irregularities referred to above had revealed losses triggering the circumstances contemplated by Italian Civil Code, Article 2447, reducing the share capital below the minimum established by Italian Civil Code, Article 2327. It therefore resolved to file immediately the declaration referred to in Italian Legislative Decree no. 14/2019, Article 20(1), which became effective upon publication in the Companies Register.

These protection measures provide for the temporary suspension of the obligations under Italian Civil Code, Articles 2446(2) and (3) and 2447, to recapitalise and restore the share capital or dissolve the Company, until publication in the Companies Register of the order by which the Court of Florence declares ineffective the protection measures requested by the Company pursuant to CCII, Articles 18 and 19, or revokes them.

In summary, the draft turnaround plan underlying the CNC, prepared by the Company with the assistance of advisers KPMG and Meti Corporate Finance, identified the following measures:

*(i)* "*consolidation of backlog contracts*": the plan envisaged continuing the 17 ongoing yacht construction contracts and the refit work (i.e. maintenance and renovation of vessels already built), and renegotiating with the vessel owners (i.e. TISG's customers) so that they would bear a portion of the over-budget costs incurred or still to be incurred in constructing their vessels;

*(ii)* "*development of the prospective pipeline and enhancement of brand value*": the draft plan envisaged strengthening the sales organisation to safeguard the value of the brands and secure new contracts from 2027 onwards;

*(iii)* "*internal reorganisation and optimisation of the organisational structure*": the events described above, which led to TISG's crisis, highlighted the need to rebuild and reorganise the senior management structure, redefine internal processes and launch a plan to optimise overheads;

*(iv)* "*enhancement of corporate asset value*": the draft plan contemplated selling the La Spezia production site, whose activities could be consolidated at the Carrara shipyard and in which the Company had previously received serious and credible expressions of interest;

*(v)* "*assessment of the feasibility and viability of synergies and/or partnerships and capital strengthening*": the Company immediately set itself the goal of exploring the market to identify opportunities for synergies and collaborations to relaunch and develop TISG.

The objective, which appeared reasonably achievable in this context when the Company entered the CNC and during the subsequent weeks of negotiations, was to restore the Company's equilibrium by combining the measures described above with the renegotiation of amounts owed to suppliers, banks and the tax authorities.

During the CNC, the Company launched most of the initiatives set out in the draft plan. More specifically:

- an internal reorganisation process was implemented immediately, adding suitably qualified individuals to the Company's organisational structure;
- discussions were pursued with a number of potential industrial and/or financial partners;
- the La Spezia shipyard, as a business unit, was appraised with a view to a competitive sale procedure pursuant to CCII, Article 22 (1)(d);
- agreements were reached with approximately 300 suppliers, providing for debt waivers and deferred payments, reducing overall debt by approximately Euro 15 million and making it more sustainable;
- the shipyards remained operational, albeit at reduced capacity and with the obvious difficulties arising from the circumstances. In some cases, to preserve business operations, it was necessary to involve in the negotiations the lenders with which strategic suppliers had factoring agreements (to which TISG was a third party). Because TISG had failed to pay the assigned receivables before entering the CNC, these lenders prevented those suppliers from receiving payment for work performed after entry into the CNC.

*Closure of the CNC and access to a different crisis resolution instrument pursuant to CCII, Article 44*

During the four months of negotiations conducted as part of the CNC, it was not possible to conclude agreements with enough vessel owners to ensure implementation of the turnaround plan originally proposed.

In this regard, preparation of the turnaround plan showed that restoring TISG's capital and financial equilibrium would require a negotiated total contribution of approximately Euro 180 million from the vessel owners (corresponding to an average increase of approximately 15% in the contract price) towards the over-budget costs incurred in constructing their vessels.

Although discussions with the vessel owners began as soon as the Company entered the CNC and continued until the end of June, TISG was able to conclude only a small number of agreements, specifically:

- an agreement entered into on 25 March 2026 in relation to contract no. 614, under which the vessel owner undertook to pay an additional Euro 5,000,000 on top of the original consideration of Euro 32,102,256 (delivery of the vessel is scheduled for 25 September 2026);
- an agreement entered into on 28 April 2026 in relation to contract no. 606, under which the vessel owner undertook to pay an additional Euro 600,000 on top of the original consideration of Euro 31,683,502 (delivery of the vessel is scheduled for 8 July 2026).

Also in light of the advanced stage of construction of these two vessels, the agreements reached were particularly beneficial to TISG, enabling it to complete the contracts and collect the related balances in addition to the "additional prices".

As regards the other contracts, in some cases the negotiations continued beyond what was considered a reasonable period, while in others the vessel owners made their agreement to renegotiate the contracts as part of the CNC subject to conditions that could have prejudiced TISG's creditors and other stakeholders.

Accordingly, as 14 July 2026 and therefore the expiry of the protection measures under the CNC approached (subject to any extension), the Company acknowledged the unsuccessful outcome of the negotiations and that the turnaround plan could not be implemented, at least as originally conceived.

The Company nevertheless believed that significant value remained in TISG's continued operation and that this value should be preserved in the best interests of creditors, employees and the supply chain. Accordingly, with the assistance of its advisers, the governing body began revising the proposed crisis resolution plan.

To this end, TISG needed to access a crisis resolution instrument, bring the CNC to an early conclusion and commence the consolidated proceedings pursuant to CCII, Articles 40 et seq., reserving the right to file the plan, the proposal and the documentation referred to in CCII, Article 39, within the time limit granted by the Court pursuant to CCII, Article 44.

On 30 June 2026, the Board of Directors adopted the resolution pursuant to CCII, Article 120-*bis*, notarised by Notary Public Gaia Nardone and published in the Companies Register. Pursuant to CCII, Article 44(1-*quater*) (the so-called "pre-filing" application or "blank composition with creditors"), it requested application of the PRO regime pursuant to CCII, Article 64-*bis*, and then requested that the negotiated crisis resolution application be closed.

Note that TISG had initiated the CNC on a group basis, also involving GCH and Celi. However, there was no reason to believe that the prospects of a successful outcome of GCH's and Celi's CNC had ceased to exist following the revision of TISG's crisis resolution proposal and TISG's entry into the consolidated proceedings. Those prospects depend on TISG's turnaround, irrespective of how it is achieved.

GCH and Celi therefore continue their respective processes under the negotiated crisis resolution procedure.

Pursuant to Article 54(2) of the CCII, the Company also requested asset protection measures from the Court in respect of all its creditors so that:

- no creditor could commence or continue enforcement or interim proceedings against the Company's assets or the assets and rights used to carry on the business;
- limitation periods would remain suspended and no rights would lapse;
- no judgments opening judicial liquidation proceedings or declaring insolvency could be handed down (note that no applications to this effect are currently pending).

Upon confirmation of the protection measures pursuant to CCII, Article 55(3), for the maximum period permitted pursuant to Article 55 (3) of the CCII, namely four months, without prejudice to any subsequent requests for an extension where necessary and where the statutory requirements were met, the following remained in force:

a) the suspension of the obligations and grounds for dissolution relating to capital losses pursuant to Article 44 (1-*bis*) (continuing the suspension already requested as part of the CNC pursuant to CCII, Article 20);
b) the prohibition on creditors acquiring preferential rights effective against competing creditors and the provision that judicial mortgages registered in the 90 days before publication of the application pursuant to Article 44 are ineffective, as provided for by Article 46(5).

The new crisis turnaround proposal, filed with the application pursuant to CCII, Article 44, sets out a series of measures to restore TISG's capital, economic and financial equilibrium, including in particular:

a) continuing negotiations with vessel owners with the aim of renegotiating the consideration or terminating contracts by mutual agreement (in either case with a positive impact on equity), without prejudice, if no agreement can be reached, to the possibility of terminating unprofitable contracts (i.e. those with costs to complete exceeding the consideration still to be collected) pursuant to CCII, Article 97;
b) a capital increase to be subscribed for by new public or private investors through the stock market;
c) the disposal of the La Spezia shipyard (as a business unit), which is considered non-strategic;
d) the negotiation of an agreement with the tax authorities and social security institutions;
e) further measures relating to financial and trade debt, as well as the possible conversion of approximately Euro 134 million of unsecured financial debt into participating financial instruments (PFIs).

The crisis resolution proposal was accompanied by a business plan containing income statement, balance sheet and cash flow projections through to 2031.

It was also necessary, within the time limits granted by the Court pursuant to CCII, Article 44, for ongoing vessel construction contracts to be "frozen" in their current state so that the assessments in progress could be completed and negotiations with vessel owners conducted in an orderly manner.

This need to "freeze" the contracts resulted in three further applications to the Court for the following interim measures:

a) an application for the immediate suspension, pursuant to CCII, Article 97 (7), of all ongoing construction contracts, with the sole exception of the two contracts scheduled for delivery in July and September of the current year;
b) an application for an interim measure against the vessel owners prohibiting the use of contractual self-help remedies, both those provided for in relation to previous defaults and, insofar as necessary, those provided for in connection with TISG's entry into the consolidated proceedings;
c) an application for an interim measure against the vessel owners and their respective guarantors prohibiting enforcement and/or payment of the guarantees granted to the vessel owners under the construction contracts.
d) an application to release strategic suppliers from their obligation to assign receivables in bulk to factoring companies.

Finally, an application was made to launch a competitive procedure for the sale of the La Spezia business unit.

On 3 July 2026, the Court issued an order limited to the request for a time limit pursuant to Article 44, in respect of which the Court:

a) granted a period of 60 days, and therefore until 31 August 2026, to file the plan and proposal;

b) appointed three Judicial Commissioners: Professor and Lawyer Niccolò Abriani, Dr Riccardo Forgheschi and Dr Manuela Olastri;

c) ordered the filing of periodic reports, the first by 3 August 2026 and the second (if the time limit pursuant to Article 44 was extended) by 2 September 2026;

d) granted the early application not of the PRO regime (whose requirements the filed plan would not meet) but of the arrangement with creditors on a going concern basis. Consequently, acts of extraordinary administration will have to be authorised by the Court after consulting the Judicial Commissioners;

e) scheduled the inter partes hearing on the plan for 16 September 2026 (the hearing will be postponed if the deadline for filing the plan is extended).

With regard to the other applications (confirmation of the protection measures, granting of interim measures, suspension of the contracts and ordering of the competitive procedure for La Spezia), on 6 July 2026 the Court issued an order by which it

- confirmed the protection measures for four months, until 1 November 2026

- provisionally granted all the requested interim measures pending the hearing, so that:

*(i)* the vessel owners may not terminate the contracts as a result of TISG's defaults;

*(ii)* the vessel owners may not enforce guarantees and the guarantors may not pay any guarantees that are enforced;

*(iii)* the suppliers essential to contracts 606 and 614 (those indicated in the application) will be temporarily released from their obligations to assign receivables to factoring companies.

The inter partes hearing on the interim measures was scheduled for 22 July 2026.

On 29 July 2026, the Court of Florence issued an order revoking the interim measures granted without hearing the other party by its order of 6 July 2026 and adopting a modified interim measure to protect strategic suppliers involved in contracts nearing completion.

Specifically, the Court revoked the interim measures prohibiting contractual self-help remedies and enforcement of guarantees against vessel owners, as well as the prohibition on payment by guarantors whose guarantees had been enforced. It instead ordered an interim measure to protect strategic suppliers involved in contracts that the Company intends to complete, providing for TISG to pay the related consideration directly to those suppliers, without prejudice to the factoring companies' rights to the receivables, until agreements with similar terms are reached with them.

As part of the proceedings pursuant to CCII, Article 44, the Company had filed an application pursuant to Article 97 of the CCII for the suspension of ongoing vessel construction contracts, except for contracts 606 and 614 which were at the delivery stage, as an interim measure intended to provide the time needed to complete the assessment of the profitability of each contract and discuss additional prices with the vessel owners. Most vessel owners opposed the application.

By order of 31 July 2026, Case Register no. 222/2026, the Bankruptcy Division of the Court of Florence rejected the application for suspension, finding that the measure was neither consistent with the plan nor conducive to its implementation and noting that the resulting arrangements did not prevent agreements with different terms from being reached with the vessel owners. The order therefore leaves the vessel owners free to terminate the contracts, thereby crystallising the related creditor positions.

By order of 3 August 2026, after obtaining the opinion filed by the Judicial Commissioners on 30 July 2026, the Court found that the requirements for authorising a competitive procedure for the business unit comprising the La Spezia shipyard had not been met, either pursuant to Article 91(3) or Article 46 of the CCII, because a conditional irrevocable offer had been received from a third-party investor on 27 July 2026 concerning TISG's entire business, including the La Spezia and Marina di Carrara shipyards and the equity investment in Celi S.r.l.

On 9 August 2026, TISG announced that it had launched a competitive process to identify potential investors as part of the Company's restructuring process. The competitive process was launched following the many unsolicited expressions of interest received by the Company and in response to the need to bring them within a single procedural framework. The process is intended to gather irrevocable offers under the supervision of the Judicial Commissioners.

The transaction may be structured in one of two ways: as an Asset Deal or a Share Deal. In an Asset Deal, the assets to be sold are the shipyards (the Carrara and La Spezia sites), the Viareggio site, the Admiral, Perini, Picchiotti and Tecnomar brands and the shareholdings in Celi S.r.l. and TISG Turkey Yat Tersanecilik A.Ş. Each bidder is invited to specify in its offer the scope of the assets in which it is interested, which may comprise the entire business, business units, individual assets or combinations thereof. Alternatively, the process envisages a Share Deal through a capital increase intended to recapitalise the Company and restore the capital and financial conditions required for it to continue as a going concern.

The first phase of the process involves submitting non-binding indicative offers by 15 September 2026. The offers will remain valid for 90 days after the deadline and may be extended at the Company's request. Based on the offers received, TISG will select the investors to be admitted to the second phase, which will include more in-depth due diligence. Phase II is currently expected to last approximately five weeks from the invitation date, with binding offers to be submitted by 15 October 2026 and signing tentatively scheduled for 26 October 2026. The timetable may nevertheless be changed to reflect the necessary corporate and regulatory steps. Completion of the transaction also remains subject to the supervision of the Judicial Commissioners and authorisations from the competent Court.

On 31 July 2026, the expert Mr Terzani filed with the Court of Florence his favourable opinion on extending the protection measures for Celi S.r.l. and GC Holding S.p.A. by a further 120 days (until 14 November 2026). On 30 July 2026, an application pursuant to Article 20 of the CCII was filed with the Companies Register to suspend the recapitalisation obligations.

Subsequently, by an order filed on 17 August 2026, the Court of Florence extended the protection measures for Celi S.r.l. and GC Holding S.p.A. by a further 120 days, until 14 November 2026.

On 28 August 2026, the Company filed an application for an extension, until 30 October 2026, of the deadline pursuant to Article 44 of the Italian Crisis and Insolvency Code (CCII). The application received a favourable opinion from the Commissioners and is currently pending before the Court of Florence.

Lastly, on 26 August 2026, the Company was served with two petitions for the opening of judicial liquidation proceedings filed by two supplier creditors, together with the relevant court order scheduling the hearing for 6 October 2026.

As previously disclosed, Legislative Decree No. 136 of 13 September 2024 (the so-called "Corrective Decree *ter*") amended Article 44 of the CCII by removing the requirement that there be "no pending applications for the opening of judicial liquidation proceedings".

Accordingly, the existence of applications seeking the judicial liquidation of the debtor does not, in itself, preclude an extension of the deadline, provided that the application for such extension is supported by justified grounds, as is the case in the present circumstances.

*Description of the events and circumstances that may cast significant doubt on the Company's and the Group's ability to continue as going concerns*

Taking all of the above into account, the Directors believe that TISG's position remains subject to material uncertainties relating to events and circumstances that cast doubt on the Company's and the Group's ability to continue as going concerns. Their resolution depends significantly on external factors beyond the control of the governing body, including in particular:

- agreements with the vessel owners concerning the requested additional prices or the termination of contracts,
- completion of the agreement with the banks and financial institutions (factoring companies) based on the financial measures described above,
- completion of the planned share capital increase and/or provision of bridge financing or DIP financing to cover the lack of financial resources in the coming months,
- the disposal of the La Spezia shipyard or other business units following the launch of the competitive process for the entry of new investors through an asset deal or share deal,
- completion of the settlements with the Italian Revenue Agency, social security institutions and suppliers for both TISG and Celi S.r.l.,
- completion of the agreements with suppliers,

- completion of the organisational, strategic and commercial changes already launched, the reduction of overheads and achievement of the economic and financial objectives described above within the envisaged time frames and by the envisaged methods, subject to the approval and court confirmation of a 2026-2031 Business Plan, which must, among other things, form the basis for the Directors' principal assessments in drafting the financial statements as at 31 December 2025,

The recoverability of the principal assets in the separate financial statements is conditional on the successful resolution of the same material uncertainties affecting the going concern assumption described above.

Having carefully analysed the various material uncertainties connected with the circumstances described above and relating to TISG that could cast doubt on the adoption of the going concern assumption, and in light of:

- the agreements under negotiation with the vessel owners concerning the requested additional prices or the termination of contracts, also taking into account the Court orders described above,
- completion of the agreement currently under negotiation with the banks and financial institutions (factoring companies) based on the financial measures described above,
- the possible disposal of the La Spezia site or other business units, or completion of the planned share capital increase, following the offers received and the launch of the competitive process for the entry of new investors;
- completion of the settlements with the Italian Revenue Agency and social security institutions,
- certification and approval of the 2026-2031 Business Plan by the Court of Florence,
- completion of the organisational, strategic and commercial changes already launched, the reduction of overheads and achievement of the economic and financial objectives described above within the time frames and by the methods set out in the approved 2026-2031 Business Plan, which must, among other things, form the basis for the Directors' principal assessments in preparing the financial statements as at 31 December 2025,

the Board of Directors nevertheless has a reasonable expectation that the Company will be able to continue operating for the foreseeable future, defined as at least 12 months from the date of approval of these financial statements, and therefore considered it appropriate to draft the consolidated financial statements as at 31 December 2025 on a going concern basis.

# THE GROUP'S RESULTS OF OPERATIONS AND FINANCIAL POSITION

## RECLASSIFIED CONSOLIDATED INCOME STATEMENT

| in thousands of Euros | 31/12/2025 | 31/12/2024 |
|---|---|---|
| Operating revenues | 282,030 | 406,103 |
| Other proceeds and income | 12,631 | 5,547 |
| Commissions | (1,500) | (7,214) |
| **Total revenues** | **293,161** | **404,436** |
| Costs for raw materials | (100,836) | (96,064) |
| Cost for outsourced work | (164,155) | (154,182) |
| Technical services and consultancy | (58,984) | (20,104) |
| Other costs for services | (15,931) | (14,032) |
| Personnel costs | (46,822) | (43,915) |
| Other operating costs | (5,608) | (5,791) |
| **EBITDA** | **(99,175)** | **70,347** |
| *Percentage on total revenues* | *-33.8%* | *17.4%* |
| Amortisation, depreciation, write-downs | (42,026) | (12,641) |
| **EBIT** | **(141,201)** | **57,706** |
| *Percentage on total revenues* | *-48.16%* | *14.27%* |
| Net financial charges | (10,835) | (7,731) |
| Extraordinary income and charges | (22,959) | 8,794 |
| **EBT** | **(174,995)** | **58,769** |
| Taxes for the financial year | 4,077 | (24,875) |
| **RESULT FOR THE FINANCIAL YEAR** | **(170,918)** | **33,894** |
| *Percentage on total revenues* | *-58.3%* | *8.4%* |

OPERATING REVENUES

Operating revenues of Euro 282,030 thousand as at 31 December 2025, **down by 31%** from Euro 406,103 thousand in 2024. This result was also affected by the adverse effects of reconstructing the accounting irregularities described in the going concern section of this Report.

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

SHIPBUILDING

Revenues from the **Shipbuilding** division amounted to Euro 264,963 thousand as at 31 December 2025, **down 27%** from Euro 364,295 thousand in the previous year.

REFIT

Revenues from the **Refit** division amounted to a total of Euro 17,067 thousand as at 31 December 2025, **down 59%** from Euro 41,808 thousand in the previous year.

The geographical breakdown of operating revenue was 60% from customers in Europe and 40% from customers outside Europe.

EBITDA

**EBITDA** as at 31 December 2025 **was negative** at Euro 99,175 thousand, compared with a positive Euro 70,347 thousand as at 31 December 2024, with a negative margin (versus the positive 17.4% recorded in the previous year).

All direct costs relating to vessel production and refitting, including raw materials, outsourced work, technical consultancy, personnel and other costs, amounted to Euro 392,336 thousand, up Euro 58,248 thousand compared with the previous year, despite the decrease in revenue and the limited number of new contracts secured during the year.

The events described in the going concern section of this Report represent the additional costs incurred in connection with work on contracts in progress, partly due to operating inefficiencies and partly to improper conduct by the managers who left the Group. This increase in operating costs, together with the decrease in operating revenue and the reconstruction of the correct progress of contracts, all of which had negative margins and therefore required a provision for onerous contracts, contributed to negative EBITDA.

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

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

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

EBIT

EBIT as at 31 December 2025 **was negative** at Euro 141,201 thousand, a sharp decrease compared with the positive Euro 57,706 thousand recorded in the previous year, with a negative margin on revenue. Depreciation, amortisation, impairment losses, provisions and losses on disposal totalled Euro 42,026 thousand as at 31 December 2025 and included impairment losses of approximately Euro 10 million on trade receivables and approximately Euro 22 million on the Perini brand.

EBT

EBT as at 31 December 2025 **was negative** at Euro 174,995 thousand, a sharp decrease compared with the positive Euro 58,769 thousand recorded in the previous year, with a negative margin on revenue, after net financial expense of Euro 10,835 thousand and extraordinary and non-recurring items of Euro 22,959 thousand.

BACKLOG

The development of TISG's business is linked to the visibility and quality of its **order book** (“**Gross Backlog**”) and the resulting **Net Backlog**, i.e. the value of contracts for existing orders net of works progress (“WIP”) already paid by the customer.

As at 31 December 2025, TISG's **Gross Backlog** (**Shipbuilding and Refit**) amounted to Euro **1,032,395 thousand** and comprised 16 mega- and giga-yachts and two Tecnomar for Lamborghini 63 yachts under construction, with deliveries scheduled through to 2028. However, these were being renegotiated with vessel owners to obtain recognition of the additional prices covering the additional costs identified at the beginning of 2026. The backlog nevertheless shows a decrease in activity compared with recent years, exacerbated by the onset of the crisis, which effectively halted commercial operations from February 2026.

The **Net Backlog** (**Shipbuilding and Refit**) amounts to Euro 349,495 thousand. The refit activities in the backlog were completed as at 31 December 2025.

| *In thousands of Euros* | **31/12/2021** | **31/12/2022** | **31/12/2023** | **31/12/2024** | **31/12/2025** |
|---|---|---|---|---|---|
| Gross Backlog Shipbuilding | 807,726 | 1,003,357 | 1,218,273 | 1,165,678 | 982,908 |
| Gross Backlog Refit | 18,948 | 34,207 | 46,202 | 75,948 | 49,487 |
| **Total Gross Backlog** | **826,674** | **1,037,564** | **1,264,475** | **1,241,626** | **1,032,395** |
| Net Backlog Shipbuilding | 526,639 | 605,832 | 597,408 | 421,468 | 349,495 |
| Net Backlog Refit | 9,617 | 13,987 | 11,702 | 11,904 | 0 |
| **Total Net Backlog** | **536,256** | **619,819** | **609,110** | **433,372** | **349,495** |

## CONSOLIDATED RECLASSIFIED BALANCE SHEET STRUCTURE

| ***in thousands of Euros*** | **31/12/2025** | **31/12/2024** |
|---|---|---|
| **ASSETS** | | |
| Intangible assets | 13,146 | 35,294 |
| Property, plant and equipment | 183,082 | 120,294 |
| Shareholdings | 34 | 34 |
| Net deferred tax assets and liabilities | (16,123) | (696) |
| Other non-current assets and liabilities | 1,124 | (1,225) |
| Provisions for non-current risks and charges | (82,080) | (6,180) |
| Provision for employee benefits | (803) | (880) |
| **Net fixed capital** | **98,380** | **146,640** |
| Inventories and payments on account | 20,680 | 10,210 |
| Contract work in progress and advances from customers | (171,941) | 90,913 |
| Trade receivables | 17,510 | 55,410 |
| Trade payables | (186,098) | (121,877) |
| Other current assets and liabilities | (37,070) | (23,823) |
| **Net Working Capital** | **(356,917)** | **10,833** |

| | | |
|---|---|---|
| **Total ASSETS - NIC** | **(258,537)** | **157,473** |
| **SOURCES** | | |
| Share capital | 26,500 | 26,500 |
| Share premium reserve | 45,431 | 45,431 |
| Other reserves and retained earnings | (288,585) | 39,168 |
| Currency translation reserve | (522) | (30) |
| Profit (loss) for the financial year | (170,918) | 33,894 |
| **Shareholders' equity** | **(388,094)** | **144,963** |
| Net financial debt | 129,557 | 12,510 |
| **Total SOURCES** | **(258,537)** | **157,473** |

**Net non-current assets** decreased by Euro 48,620 thousand as at 31 December 2025 compared with 2024, mainly due to the net effect of:

- The fair value revaluation of land, buildings and concession buildings in accordance with IAS 16, amounting to Euro 71,350 thousand, net of deferred taxes (Euro 19,907 thousand), which accounted for the main increase in property, plant and equipment.
- Capital expenditure of Euro 785 thousand, mainly to expand the sales offices and for the Marina di Carrara and La Spezia sites.
- The Euro 21,851 thousand impairment loss on the Perini brand following the impairment test, as described in greater detail in the notes.
- The Euro 75,900 thousand increase in provisions for risks relating to loss-making contracts in progress.
- The Euro 15,426 thousand increase in net deferred tax assets/liabilities.

The **Net Working Capital** as at 31 December 2025 was negative at Euro 356,917 thousand compared to the positive value of Euro 10,833 thousand as at 31 December 2024. This result was mainly affected by:

- the accounting irregularities and errors described in the going concern section of this Report, some of which dated back to previous years, which resulted in an adverse Euro 262,854 thousand effect from the reconstruction of net assets and liabilities for contracts in progress, partly restated in accumulated losses from previous years, as described in greater detail in the Notes;
- a Euro 37,900 thousand decrease in trade receivables due to collections and an impairment loss of Euro 10,427 thousand;
- a Euro 64,220 thousand increase in trade payables due to higher peak use during the year of reverse factoring and confirming arrangements with various financial institutions, resulting in longer payment terms, as well as the non-payment of certain suppliers in light of the first indications of the Group's financial crisis;
- an adverse Euro 13,247 thousand increase in net current assets and liabilities, mainly due to unpaid tax and social security balances that are currently overdue.

The Euro 533,057 thousand decrease in shareholders' equity to Euro -388,094 thousand, as described in greater detail in the notes, was mainly due to:

- the loss for the year of Euro 170,918 thousand reported in the financial statements as at 31 December 2025,

- the restatement as at 1 January 2025 of the recalculated progress on contracts in progress and the provision for onerous contracts (loss-making contracts), due to the negative margins on all contracts in progress following the accounting irregularities described above, with an adverse effect of Euro 399,551 thousand on accumulated losses,

- net of the Euro 12,985 thousand dividend paid following the resolution of the Ordinary Shareholders' Meeting of 22 April 2025, and

- the Euro 51,443 thousand fair value revaluation of property in accordance with IAS 16, net of deferred taxes.

Details of the restatement of data as at 1 January 2025 in accordance with IAS 8, relating to assets and liabilities for contracts in progress, the provision for loss-making contracts and shareholders' equity, are presented more clearly in the balance sheet and described in the comments on the individual items in the Notes to the Consolidated Financial Statements.

# CONSOLIDATED NET FINANCIAL POSITION

Below is the **Net Financial Position** consolidated as at 31 December 2025, showing financial payables: (i) to banks, (ii) to Shareholders and (iii) to other lenders, net of cash and cash equivalents.

| *in thousands of Euros* | 31/12/2025 | 31/12/2024 |
|---|---|---|
| A. Cash and cash equivalents | 16,720 | 37,424 |
| B. Assets equivalent to cash and cash equivalents | 687 | 22,830 |
| C. Other current financial assets | 0 | 0 |
| **D. Liquidity (A)+(B)+(C)** | **17,407** | **60,254** |
| E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt) | 135,571 | 3 |
| F. Current portion of non-current financial debt | 0 | 11,629 |
| F.1 other current financial payables | 1,215 | 980 |
| **G. Current financial debt (E+F)** | **136,787** | **12,612** |
| **H. Net financial debt (G-D)** | **119,380** | **(47,642)** |
| I. Non-current bank debt (excluding the current portion of debt instruments) | 0 | 48,964 |
| J. Debt instruments | 0 | 0 |
| K. Non-current trade and other payables | 10,177 | 11,189 |
| **L. Non-current financial debt (I+J+K)** | **10,177** | **60,152** |
| **M. Total financial debt (H+L)** | **129,557** | **12,510** |

The **net financial position**, negative at **Euro 129,557 thousand** as at 31 December 2025, against a negative net financial position of Euro **12,510** thousand as at 31 December 2024, reflects:

(i) the outlay during 2025 of Euro 12,985 thousand for the payment of dividends, following the Shareholders' Meeting resolution for the approval of the separate and consolidated financial statements at 31 December 2024 on 22 April 2025;

(ii) a significant Euro 42,847 thousand depletion of cash and cash equivalents, in addition to the distribution of dividends, highlighting the start of the financial crisis that culminated in the events at the beginning of 2026 and led first to the Negotiated Crisis Resolution Procedure and subsequently to the blank composition with creditors pursuant to CCII, Article 44;

(iii) a Euro 74,975 thousand increase in financial debt to banks following the signing of the new SACE-guaranteed syndicated mortgage loan, of which Euro 115,000 thousand was drawn and partly used to repay existing medium/long-term loans, as described in greater detail in the Notes.

Under IAS/IFRS accounting standards, the net financial position includes the present value of fees payable to the Port Authorities for the state-owned concessions relating to the Marina di Carrara and La Spezia shipyards and the Viareggio carpentry workshop, which will be paid over the terms of the respective concessions, as well as liabilities for other leases of motor vehicles and property, plant and equipment totalling Euro 11,393 thousand at 31 December 2025

The net financial position does not include the Parent Company's trade or past-due tax payables (including positions with factors).

Note that as at 31 December 2025, the short-term net financial debt amounted to Euro 119,380 thousand, since all medium/long-term loans, including the new Euro 115 million syndicated loan granted in June 2025, were classified as current liabilities following the breach of financial covenants, the suspension of instalment repayments from the beginning of 2026 and the request to the banks for a moratorium and standstill pending negotiation of the financial measures.

# THE PARENT COMPANY'S RESULTS OF OPERATIONS AND FINANCIAL POSITION

## RECLASSIFIED INCOME STATEMENT

| in thousands of Euros | 31/12/2025 | 31/12/2024 |
|---|---|---|
| Operating revenues | 291,460 | 406,358 |
| Other proceeds and income | 12,125 | 6,337 |
| Commissions | (1,500) | (7,214) |
| **Total revenues** | **302,085** | **405,481** |
| Costs for raw materials | (109,835) | (100,644) |
| Cost for outsourced work | (156,762) | (155,856) |
| Technical services and consultancy | (58,811) | (20,974) |
| Other costs for services | (15,613) | (13,595) |
| Personnel costs | (42,567) | (40,420) |
| Other operating costs | (13,237) | (4,284) |
| **EBITDA** | **(94,740)** | **69,706** |
| *Percentage on total revenues* | *-31.4%* | *17.2%* |
| Amortisation, depreciation, write-downs | (34,005) | (12,627) |
| **EBIT** | **(128,746)** | **57,079** |
| *Percentage on total revenues* | *-42.62%* | *14.08%* |
| Net financial charges | (11,037) | (8,063) |
| Extraordinary income and charges | (23,589) | 7,770 |
| **EBT** | **(163,371)** | **56,785** |
| Taxes for the financial year | 5,598 | (24,476) |
| **RESULT FOR THE FINANCIAL YEAR** | **(157,773)** | **32,309** |
| *Percentage on total revenues* | *-52.2%* | *8.0%* |

OPERATING REVENUES

Operating revenues of Euro 291,460 thousand as at 31 December 2025, **down by 28%** from Euro 406,358 thousand in 2024. This result was affected by the adverse effects of reconstructing the accounting irregularities described in the going concern section of this Report.

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

SHIPBUILDING

Revenues from the **Shipbuilding** division amounted to Euro 274,392 thousand as at 31 December 2025, **down 25%** from Euro 364,550 thousand in the previous year.

REFIT

Revenues from the **Refit** division amounted to a total of Euro 17,067 thousand as at 31 December 2025, **down 59%** from Euro 41,808 thousand in the previous year.

The geographical breakdown of operating revenue was 60% from customers in Europe and 40% from customers outside Europe.

EBITDA

**EBITDA** as at 31 December 2025 **was negative** at Euro 94,740 thousand, compared with a positive Euro 69,706 thousand as at 31 December 2024, with a negative margin (versus the positive 17.2% recorded in the previous year).

All direct costs relating to vessel production and refitting, including raw materials, outsourced work, technical consultancy, personnel and other costs, amounted to Euro 396,825 thousand, up Euro 61,052 thousand compared with the previous year, despite the decrease in revenue and the limited number of new contracts secured during the year.

The events described in the going concern section of this Report represent the additional costs incurred in connection with work on contracts in progress, partly due to operating inefficiencies and partly to improper conduct by the managers who left the Group. This increase in operating costs, together with the decrease in operating revenue and the reconstruction of the correct progress of contracts, all of which had negative margins and therefore required a provision for onerous contracts, contributed to negative EBITDA.

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

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

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

EBIT

EBIT as at 31 December 2025 **was negative** at Euro 128,746 thousand, a sharp decrease compared with the positive Euro 57,079 thousand recorded in the previous year, with a negative margin on revenue. Depreciation, amortisation, impairment losses, provisions and losses on disposal totalled Euro 42,505 thousand as at 31 December 2025 and included impairment losses of approximately Euro 10 million on trade receivables and approximately Euro 22 million on the Perini brand.

EBT

EBT as at 31 December 2025 **was negative** at Euro 163,371 thousand, a sharp decrease compared with the positive Euro 56,785 thousand recorded in the previous year, with a negative margin on revenue, after net financial expense of Euro 11,037 thousand and extraordinary and non-recurring items of Euro 23,589 thousand.

## RECLASSIFIED BALANCE SHEET STRUCTURE

| Description (€/000) | 31/12/2025 | 31/12/2024 |
|---|---|---|
| **ASSETS** | | |
| Intangible assets | 13,034 | 35,200 |
| Property, plant and equipment | 182,212 | 119,232 |
| Shareholdings | 377 | 377 |
| Net deferred tax assets and liabilities | (16,123) | (1,981) |
| Other non-current assets and liabilities | 2,399 | 209 |
| Provisions for non-current risks and charges | (81,034) | (6,180) |
| Provision for employee benefits | (600) | (753) |
| **Net fixed capital** | **100,266** | **146,104** |
| Inventories and payments on account | 20,159 | 9,241 |
| Contract work in progress and advances from customers | (165,382) | 87,699 |
| Trade receivables | 21,860 | 62,604 |
| Trade payables | (180,787) | (121,316) |
| Other current assets and liabilities | (41,568) | (27,800) |
| **Net Working Capital** | **(345,718)** | **10,428** |
| **Total ASSETS - NIC** | **(245,452)** | **156,532** |
| **SOURCES** | | |
| Share capital | 26,500 | 26,500 |
| Share premium reserve | 45,431 | 45,431 |
| Other reserves and retained earnings | (290,668) | 38,640 |
| Profit (loss) for the financial year | (157,773) | 32,309 |
| **Shareholders' equity** | **(376,510)** | **142,880** |
| Net financial debt | 131,058 | 13,652 |
| **Total SOURCES** | **(245,452)** | **156,532** |

**Net non-current assets** decreased by Euro 45,838 thousand as at 31 December 2025 compared with 2024, mainly due to the net effect of:

- The fair value revaluation of land, buildings and concession buildings in accordance with IAS 16, amounting to Euro 71,350 thousand, net of deferred taxes (Euro 19,907 thousand), which accounted for the main increase in property, plant and equipment.
- Capital expenditure of Euro 785 thousand, mainly to expand the sales offices and for the Marina di Carrara and La Spezia sites.
- The full Euro 21,851 thousand impairment loss on the Perini brand following the impairment test, as described in greater detail in the notes.
- The Euro 74,854 thousand increase in provisions for risks relating to loss-making contracts in progress.
- The Euro 14,142 thousand increase in net deferred tax assets/liabilities.

The **Net Working Capital** as at 31 December 2025 was negative at Euro 345,718 thousand compared to the positive value of Euro 10,428 thousand as at 31 December 2024. This result was mainly affected by:

- the accounting irregularities and errors described in the going concern section of this Report, some of which dated back to previous years, which resulted in an adverse Euro 253,081 thousand effect from the reconstruction of net assets and liabilities for contracts in progress, partly restated in accumulated losses from previous years, as described in greater detail in the Notes;
- a decrease in trade receivables, partly due to an impairment loss of Euro 10,427 thousand;
- a Euro 59,471 thousand increase in trade payables due to higher peak use during the year of reverse factoring and confirming arrangements with various financial institutions, resulting in longer payment terms, as well as the non-payment of certain suppliers in light of the first indications of the Company's financial crisis;
- an adverse Euro 16,654 thousand increase in net current assets and liabilities, mainly due to unpaid tax and social security balances that are currently overdue.

The Euro 519,390 thousand decrease in shareholders' equity to a negative balance of Euro 376,510 thousand, as described in greater detail in the notes, was mainly due to:

- the loss for the year of Euro 157,773 thousand reported in the financial statements as at 31 December 2025,

- the restatement as at 1 January 2025 of the recalculated progress on contracts in progress and the provision for onerous contracts (loss-making contracts), due to the negative margins on all contracts in progress following the accounting irregularities described above, with an adverse effect of Euro 399,551 thousand on accumulated losses,

- net of the Euro 12,985 thousand dividend paid following the resolution of the Ordinary Shareholders' Meeting of 22 April 2025, and

– the Euro 51,443 thousand fair value revaluation of property in accordance with IAS 16, net of deferred taxes.

Details of the restatement of data as of 1 January 2025 in accordance with IAS 8, relating to assets and liabilities for contracts in progress, the provision for loss-making contracts and shareholders' equity, are presented more clearly in the balance sheet and described in the comments on the individual items in the Notes to the Separate Financial Statements.

# NET FINANCIAL POSITION

Below is the **Net Financial Position** as at 31 December 2025, showing financial payables: (i) to banks, (ii) to Shareholders, and (iii) to other lenders, net of cash and cash equivalents.

| *in thousands of Euros* | **31/12/2025** | **31/12/2024** |
|---|---|---|
| A. Cash and cash equivalents | 15,219 | 36,282 |
| B. Assets equivalent to cash and cash equivalents | 687 | 22,830 |
| C. Other current financial assets | 0 | 0 |
| **D. Liquidity (A)+(B)+(C)** | **15,906** | **59,112** |
| E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt) | (135,571) | (3) |
| F. Current portion of non-current financial debt | 0 | (11,629) |
| F.1 other current financial payables | (1,215) | (980) |
| **G. Current financial debt (E+F)** | **(136,787)** | **(12,612)** |
| **H. Net financial debt (G-D)** | **(120,881)** | **46,500** |
| I. Non-current bank debt (excluding the current portion of debt instruments) | 0 | (48,964) |
| J. Debt instruments | 0 | 0 |
| K. Non-current trade and other payables | (10,177) | (11,189) |
| **L. Non-current financial debt (I+J+K)** | **(10,177)** | **(60,152)** |
| **M. Total financial debt (H+L)** | **(131,058)** | **(13,652)** |

The **net financial position**, negative at **Euro 131,058 thousand** as at 31 December 2025, against a negative net financial position of Euro **13,652** thousand as at 31 December 2024, reflects:

- the outlay during 2025 of Euro 12,985 thousand for the payment of dividends, following the Shareholders' Meeting resolution for the approval of the separate and consolidated financial statements at 31 December 2024 on 22 April 2025;
- a significant Euro 30,221 thousand depletion of cash and cash equivalents, in addition to the distribution of dividends, highlighting the start of the financial crisis that culminated in the events at the beginning of 2026 and led first to the Negotiated Crisis Resolution Procedure and subsequently to the blank composition with creditors pursuant to CCII, Article 44;
- a Euro 74,975 thousand increase in financial debt to banks following the signing of the new SACE-guaranteed syndicated mortgage loan, of which Euro 115,000 thousand was drawn and partly used to repay existing medium/long-term loans, as described in greater detail in the Notes.

Under IAS/IFRS accounting standards, the net financial position includes the present value of fees payable to the Port Authorities for the state-owned concessions relating to the Marina di Carrara and La Spezia shipyards and the Viareggio carpentry workshop, which will be paid over the terms of the respective concessions, as well as liabilities for other leases of motor vehicles and property, plant and equipment totalling Euro 11,393 thousand at 31 December 2025

The net financial position does not include the Company's trade or past-due tax payables (including positions with factors).

Note that as at 31 December 2025, the short-term net financial debt amounted to Euro 120,881 thousand, since all medium/long-term loans, including the new Euro 115 million syndicated loan granted in June 2025, were classified as current liabilities following the breach of financial covenants, the suspension of instalment repayments from the beginning of 2026 and the request to the banks for a moratorium and standstill pending negotiation of the financial measures.

# 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. |

The **Net Financial Position** includes:

- Liquidity including: cash and bank deposits, other cash and cash equivalents and securities held for trading;
- Net current financial debt includes: current financial receivables, short-term bank debt, current portion of non-current debt, other current financial debt, and payables to funding shareholders;
- Net non-current financial debt includes: non-current bank debt, bonds issued, other non-current payables, payables to funding shareholders.

## SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

At the beginning of 2025 The Italian Sea Group launched two new models of Motor Yachts under the Perini Navi brand. They had characteristics in line with the company's core business: large size (>50 m), full custom. 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 the aim of consolidating its strategic position in the Middle East market. 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.

On 7 May 2025 TISG 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 TISG team involved in the creation of this masterpiece of yacht design and engineering.

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 (a mortgage over the Marina di Carrara and La Spezia shipyards), was granted 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.

At the Monaco Yacht Show 2025 in September TISG showcased its iconic creations to the world, in far greater numbers than any other participating shipyard. The undisputed star was the Admiral Giorgio Armani 72 metres, an extraordinary yacht entirely designed by the famous designer, which combines elegance, innovation and artistic vision in a unique way. Alongside it was the Admiral fleet with the current flagship, a full custom 78-metre yacht, and with a semi-custom 55-metre yacht from the S-Force line entirely designed by the TISG in-house team. The Perini Navi 60-meter sailing ketch was also there, bearing witness to The Italian Sea Group's ability to reinterpret the legacy and identity of a legendary brand, while respecting its tradition, adapting interiors and on-board features to the wishes of the ship operator. Rounding off the exhibition was the new Picchiotti 24-metre yacht, a masterpiece with a vintage design by Luca Dini Design & Architecture that is highly recognisable, designed to fascinate the most demanding ship operators and lovers of a timeless classic style.

In October 2025, The Italian Sea Group won in two categories at the ISS Design Awards 2025, one of the most prestigious international recognitions in the superyacht sector. The MY Admiral Platinum 78m won the "Best in Motor Design" award in the 1000–3000 GT category, while the MY Admiral JAS 66m won the title of "Best Interior".

In November and December 2025, the Company signed contracts for two 85-metre Admiral yachts.

## SIGNIFICANT EVENTS OCCURRING AFTER YEAR-END

In addition to the matters described in the going concern and corporate governance sections, since the beginning of 2026 The Italian Sea Group has participated in the following events:

- **Boot Düsseldorf – 17-25 January 2026**
- **Palm Beach International Boat Show – 26-29 March 2026**

Commercial participation in the Palm Beach International Boat Show at Super Yacht Village 9 - Dock E, in partnership with Christie Yachts as part of the sales promotion activities for M/Y *Kenshō*, a 75-metre, 1,980 GT ultra-custom Admiral megayacht built by The Italian Sea Group and delivered in 2022.

- **Venice Boat Show – 27-31 May 2026**
- **Cala del Forte, Ventimiglia – 10 June 2026**
  The Group's commercial and institutional participation in the opening of the new services hub for yachts and superyachts at Cala del Forte, a marina integrated into the Ports of Monaco system. The event provided an opportunity to engage with vessel owners, captains, brokers and operators active across Liguria, the French Riviera and the Principality of Monaco.

The main awards and honours received in the first seven months of 2026 are listed below:

- **Perini Navi S/Y *Katana* | Best Interior Design, Sailing Yachts | Kitzbühel, 2 February 2026**
- **Perini Navi S/Y *Katana* – Judges' Special Award | Venice, 2 May 2026**
  Award received at the 2026 World Superyacht Awards, organised by BOAT International at the Venice Arsenale.
- **Admiral | Giorgio Armani 72 m – Master Cabin Award | Venice, 29 May 2026**
  Award received at The International Yacht & Aviation Awards 2026, organised by Design et Al at the Scuola Grande della Misericordia in Venice.
- **Admiral M/Y *Raja²* 55 m – Best Motor Yacht Over 40 Metres | Venice, 29 May 2026**
  Award received at The International Yacht & Aviation Awards 2026.
- **Perini Navi S/Y *Katana* – Best Sailing Yacht | Venice, 29 May 2026**
  Award received at the International Yacht & Aviation Awards 2026.

The following vessels were also completed and delivered during the first seven months of 2026:

- **Tecnomar for Lamborghini 63 – unit no. 35 | 9 April 2026**

  Delivery of hull no. 35 in the Tecnomar for Lamborghini 63 range, a model created through the collaboration between Tecnomar and Automobili Lamborghini.

- **Tecnomar for Lamborghini 63 – unit no. 32 | 20 May 2026**

  Delivery of the 32nd Tecnomar for Lamborghini 63 unit, selected by its owner for its fusion of automotive design and sporty nautical lifestyle.

- **Picchiotti Gentleman 24M | 5 June 2026**

  Delivery of the Picchiotti Gentleman 24M, a model offering a contemporary interpretation of the traditions of classic Italian yachting.

- **Admiral Panorama 50 M/Y *SPRIBE* | 8 July 2026**
  Delivery of the first vessel in the new Admiral Panorama 50 range, developed to expand the Admiral offering in the less than 500 GT, 50-metre segment.
- **Admiral Panorama 50 M/Y *Silvia* | 15 July 2026**

  Launch of the second Admiral Panorama unit, marking further production progress for the new 50-metre range.

# BUSINESS OUTLOOK

In addition to the matters described in the going concern section, the Company expects to deliver vessel 614 in September 2026 and to participate in the Monaco Yacht Show in the same month, with the aim of reinforcing TISG’s brands in the large yacht market. The strategic guidelines of the approved 2026-2031 Business Plan envisage the resumption of new order intake for the Admiral and Tecnomar for Lamborghini brands during 2027 and for Perini from 2028.

Refit activities will also resume from 2027, making a significant contribution to revenue from that year and increasing through to the end of the plan in 2031.

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SUSTAINABILITY: LONG-TERM VALUE CREATION FOR STAKEHOLDERS

To date, the Company has achieved important goals in terms of **environmental** sustainability, such as the installation of photovoltaic panels at the Marina di Carrara and La Spezia shipyards.

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

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

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

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# TRANSACTIONS WITH RELATED PARTIES

Revenues, expenses, receivables and payables as at 31 December 2025 from and to related parties are described in the notes to the consolidated and separate financial statements.

Transactions are carried out at normal market values, based on the characteristics of the goods and services provided, always considering efficiency and quality criteria aligned with the Company's interests and standards.

There were no actions or behaviours that could even potentially lead to conflicts of interest.

Note that the Euro 25 million shareholder loan arranged in February 2026 to ensure that the financial resources needed to maintain business continuity were made rapidly available to the Company received a favourable opinion from the Company’s Related Party Committee, as published on 25 February 2026.

# RISK MANAGEMENT

In the normal course of its business activities, TISG is exposed to various financial and non-financial risk factors, 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 31 December 2025, the Group had net financial debt of **Euro 129,557 thousand**.

Part of this value derives from facility agreements that include **financial covenants**. TISG is therefore exposed to the risk of having to repay its financial debt early in the event of the aforementioned 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**

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

The **financial covenants**, tested at the end of each annual or half-year reporting period, are set out in the loan agreements entered into during 2025. These include a seven-year SACE-guaranteed mortgage loan from a pool of seven banks for a maximum total amount of Euro 150 million, of which Euro 115,000 thousand was disbursed during the first half of 2025 (floating rate: three-month Euribor plus a 2.35% spread).

This loan requires compliance with financial covenants (net financial debt/EBITDA of no more than 2.5 and net financial debt/equity of no more than 1), which were not met due to the negative EBITDA and net financial debt figures as at 31 December 2025.

The loan agreement with UniCredit and Deutsche Bank entered into in 2024 was partly repaid using the loan described above and included financial covenants that had not been met as at 31 December 2025;

The Euro 40 million loan agreement entered into with MPS Capital Services on 14 January 2022, which included financial covenants, was repaid during 2025.

The medium/long-term syndicated loan entered into in 2025 also contains negative pledge clauses under which TISG may not create or permit any encumbrance over the Company and/or the other Group companies or over all or any of the Group's owned assets or assets over which it holds a surface right (including, among other things, corporate brands, equity investments, current accounts, deposits and concessions), subject to specifically identified exceptions.

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

**Mitigating actions**

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

## RISKS ASSOCIATED WITH MANAGING RELATIONS WITH SUPPLIERS IN PRODUCTION OUTSOURCING

**Description of the risk**

The Italian Sea Group uses contractors, external collaborators (e.g. designers) and suppliers, *inter alia*, to purchase materials, components and semi-finished products and to carry out carpentry, plant engineering, painting, outfitting, art direction and design work. Any non-compliance by contractors, collaborators and suppliers could compromise the proper and timely performance of the Company's activities, with negative effects on productivity, results and its economic situation. TISG is also exposed to the risk that possible defects and/or malfunctions in products and processes and/or delays might result in reductions in revenues and/or compensation obligations and/or reputational damage.

In addition, the Company is exposed to the risk of employees of external contractors, suppliers or collaborators making claims against the Company for the recognition of employment relationships, as well as claims for payment under solidarity obligations or claiming violations of legislation in force, with possible negative effects on the Company's economic, financial and asset situation.

**Impact**

A negative contribution in terms of quality, time or cost from suppliers leads to an increase in production costs and a deterioration in customer perception of product quality.

**Mitigating actions**

The Company's management is particularly careful in overseeing the coordination of internal and external workers through dedicated structures and procedures. In addition, TISG selects its “strategic suppliers” carefully, and they are required to maintain high performance standards.

## RISKS RELATED TO MARKET STRUCTURE

**Description of the risk**

The Italian Sea Group is exposed to risks related to the global economic and financial situation and the economic trend of the specific geographical markets in which its products are sold, which are intended for clientele with considerable capital availability. Significant economic events affecting the global economy or the economy of the countries in which TISG's customers reside, such as financial and economic crises, may entail the risk that customers might reduce their propensity to purchase or refrain from finalising the purchase of a yacht that has already been ordered; in this case, the Company would be forced to seek out a new purchaser, possibly retaining the amounts paid by the customer as an advance in accordance with the contracts signed.

This circumstance could result in negative effects for the economic, asset and financial situation.

The unstable geo-political, macroeconomic and financial environment at both European and global level could affect TISG's production capacity and growth prospects. Specifically, a prolonged recession in any one of these regions or worldwide, or a public perception that economic conditions are worsening, could significantly decrease product demand.

Growth in UHNWIs (the Company's core customers) is driven by Asia and America. Expansion in these markets, together with a low level of penetration of this customer base, represent an opportunity for the Company; however, political and/or economic crises in these regions could pose risks to the business.

In the event that, also as a result of changes in market practice and the contingent economic situation, the Company were not able to continue its policy of collecting advance payments before yacht delivery, due to the time and costs required for their construction, this could have an adverse effect on TISG's business, prospects and economic, asset and financial situation.

**Mitigating actions**

To mitigate this risk, TISG has paid special attention to production quality, as well as to complying with yacht construction schedules, together with optimal joint planning of the customer's needs.

The Company's current strategy includes product and business diversification and a global presence on all continents. This allows TISG to identify and meet different customer needs all over the world. TISG implements a commercial strategy aimed at the continuous exchange of information between customers and internal managers in order to address and resolve at all times any difficulties that may arise as a result of events that are not related to intrinsic business performance.

## RISKS RELATED TO ORDER MANAGEMENT

**Description of the risk**

TISG enters into contracts with ship operators that establish a fixed fee (subject to further requests from the client received during construction) that must take into account all costs associated with yacht construction, as well as penalties set forth in order contracts in the case of late delivery and failure to achieve certain yacht performance parameters (speed, noise levels, vibration levels). Significant cost increases could lead to a reduction in the margin.

This risk, which is considered to have a high probability of occurrence in the industry, could have an adverse effect on TISG's economic, asset and financial situation.

The contracts for the construction of luxury yachts managed by the Group are multi- year contracts with an established fee and a delivery date set from the outset; any changes in the sales price related to the customer's needs and tastes must be agreed with the shipowner and any changes in the design originate from this. When the contract is signed, the pricing must take into account the costs of raw materials, machinery, components, contract work and all costs associated with the construction.

**Impact**

Increases in costs that were not expected in the pre-contractual phase and which are not matched by a corresponding price increase can lead to a significant reduction in margins on the affected orders.

To reduce the probability of this risk, TISG uses a **Project Manager**. Project Managers, who have several years of experience in the shipbuilding sector, are responsible for preparing job budgets, managing the supply chain, monitoring delivery times and general project quality.

**Mitigating actions**

Following the irregularities described in the going concern section, which highlighted the failure to implement contract management controls, the Company is redesigning the management of its contract control activities, including through appropriate organisational changes. The project managers will carry out this work in conjunction with the planning and control department, under the direct responsibility of the Chief Executive Officer or the General Manager once appointed. The final figures will be monitored against the job budget on a monthly basis in discussion meetings between the planning and control department, the sales department and the Chief Executive Officer of TISG.

The extensive experience gained from yachts delivered in recent years, the implementations resulting from investments in the management control system and the constant exchange of information between the various company departments will enable **project managers** to predict any expected increases in the cost components of orders and in the offer pricing process.

It is common that after the signing of contracts, addenda may be agreed upon with the customer to handle additional demands and recover any margin percentages (“**Variations to Contract**” or “**VTC**”).

# RISKS RELATED TO MANUFACTURING DEFECTS, NON-COMPLIANCE WITH CONTRACTUAL SPECIFICATIONS AND PRODUCT LIABILITY, AND ENFORCEMENT OF GUARANTEES

**Description of the risk**

TISG provides its customers with a contractual warranty against defects in the workmanship of each ship, usually for a period of 24 months after delivery, with possible negative effects on the economic, financial and asset situation as regards warranty costs exceeding the amount allocated in the financial statements in the warranty provisions, as well as on the Company's image in the reference market.

**Impact**

During the warranty period, TISG is obliged to carry out repair and/or replacement work for any defects or flaws found after delivery (although it can then attribute the responsibility for these in turn to its own contractors or third-party suppliers, who also have warranty obligations to the shipyard and from whose remuneration/contract or supply price 5% to 10% of each interim payment certificate is withheld – during the course of the contract – precisely as a warranty withholding).

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

Nevertheless, The Italian Sea Group could incur warranty costs in excess of those allocated. This being said, it cannot be excluded that possible manufacturing defects or cases of non-compliance with certain technical specifications regarding performance or the work performed could therefore cause revenue losses and/or reputational damage and lead to higher costs for TISG, also by virtue of warranties on such products and technical performance specifications, with significant negative consequences on the economic, asset and financial situation with regard to warranty costs exceeding the amount allocated under the warranty provisions in the financial statements, as well as on the Company's image.

**Mitigating actions**

The Italian Sea Group has a sophisticated and innovative system to control the entire yacht production phase.

The Quality Department, or **Production Quality Control (PQC)**, carries out production control at all stages of the order, and is completely independent of other departments.

The activities are carried out by a complete team in terms of skills and experience: there are 8 inspectors and 4 external collaborators on board full-time to implement experience in carpentry, outfitting, safety, filling in records and test memoranda, handling red notes and remarks on deliveries and drawing approval.

When on-board inspections give negative results, the Quality Control Department issues reports on the defects ("remarks") found, based on:

- standards and shipyard mock-ups;

- the Classification, Flag and International Shipping Regulations;
- technical and ship operator specifications and Technical Department drawings.

When construction is complete, on-board equipment and systems are tested and inspected in the presence of the Quality Control Department, which, using dedicated records, reports on the commissioning and sea trials carried out before and during order delivery.

These procedures, which are described in detail, are the result of painstaking work and significant investment, aimed at mitigating any adverse events that may arise after the yacht's delivery and generate costs in addition to normal after-sale management.

## RISKS RELATED TO THE REFERENCE REGULATORY FRAMEWORK

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

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

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

## RISKS RELATED TO LITIGATION AND TAX ASSESSMENTS

**Description of the risk**
TISG is exposed to the risk of becoming involved in court or arbitration proceedings as a defendant potentially giving rise to compensation and payment obligations. In addition, TISG is exposed to the risk that currently pending litigation of significant value may have an unfavourable outcome. This circumstance could result in negative effects for the economic, asset and financial situation of the Company.

**Impact**
The Company believes it is possible that the outcome of the proceedings pending at the closing date of the financial statements for the year ended 31 December 2025 may be unfavourable to the Company, with all or part of the claims made by the counterparties being upheld.

Notwithstanding the above assessments, it cannot be ruled out that currently remote risks may become possible or probable and lead to adjustments in the value of the risk provisions, or that if it loses in litigation for which the relevant risk provisions were deemed adequate, TISG might suffer adverse effects on its economic, asset and/or financial situation.

It should be noted that most of the existing contracts to which the Company is a party contain arbitration clauses with the seat of arbitration in London, which may increase costs in the event of litigation.

See the Notes for a description of the most financially significant pending claims against the Group.

**Mitigating actions**
All ongoing disputes are constantly monitored by the Company's lawyers, and assessments of any economic and financial impact on the financial statements are carried out meticulously in order to provide a true and fair estimate of the potential loss.

## CLIMATE RISKS

**Description of the risk**

The Company is aware of the potential direct and indirect impacts it could create with its activities when it comes to sustainability, and it has therefore put into place a series of internal measures which make it possible to consider such risks strategically and pre-emptively. To this end, it has evaluated and integrated within its risk management model risks related to Environmental, Social, and Governance ("**ESG**") issues as well.

In this regard, there is an increased relevance of risks stemming from climate change, which are divided as follows:

**PHYSICAL RISK**
Indicates the financial impact stemming from material damages that Companies may suffer as a consequence of climate change, and is in turn divided into:

- **acute physical risk**, if caused by extreme weather events such as droughts, floods and storms;
- **chronic physical risk**, if caused by gradual changes in the climate such as increased temperatures, rising sea levels, water stress, loss of biodiversity, land use change, habitat destruction and scarcity of resources.

**TRANSITION RISK**

Indicates financial losses which could occur, directly or indirectly, following the process of adjusting to a low-GHG emission economy to facilitate the economic transition towards activities that are not as harmful to the climate. Transition risk is in turn divided into:

- **regulatory** risk, stemming from the introduction of new and unexpected environmental laws;
- **technological** risk, stemming from the adoption of technological innovation with a lower environmental impact;
- **market risk**, stemming from the change in consumer preferences and, in turn, the adjustment to increasing demand for products with a lower carbon intensity.

**Impact**
With reference to **physical risk**, the company is exposed to direct acute and chronic risks on its headquarters and operations.

In particular, the following direct physical risks are deemed particularly material:

- risks of suffering damages to facilities and infrastructures, or a decrease in productivity as a consequence of climate change or events;
- regulatory risk stemming from environmental damages.

Therefore, the company constantly works to implement an efficient system for the monitoring and supervision of these risks, taking out insurance policies on its shipyards and facilities.

Regarding **transition risk**, the company could be exposed to the following direct risks:

- compliance risks for the failure to comply with environmental regulations;
- market and reputational risks stemming from the lack of alignment to stakeholder expectations regarding environment protection and the limitation of negative impacts;
- regulatory and market risk stemming from the need to come into compliance with regulations and the requests of clients, who are increasingly attentive to product ESG characteristics;
- risks linked to the increase in operating and transition costs for more sustainable technologies;
- risks linked to the increase in costs for the use of non-renewable energy.

As a result, potential negative impacts for the company could be:

- fines or sanctions stemming from the failure to adjust to regulations;
- loss of competitive advantage, with a resulting loss of market share;
- reputational damage and loss of credibility with customers.

**Mitigating actions**

In order to mitigate these risks, the Company works with its partners and suppliers to offer sustainable solutions for its products, and works to fight climate change and favour decarbonisation. Regarding physical risk, the Company has taken out insurance policies on its facilities and made investments to increase the efficiency of its shipyards, including in terms of energy costs, by installing photovoltaic panels and purchasing green energy.

Furthermore, TISG continues to monitor current regulations and market trends in this sense, in order to offer a product aligned with new environmental standards.

Please note that at 31 December 2025, considering the company's specific operational characteristics and the nature of the above-mentioned climate risks, no material impacts are specified (pursuant to IAS 1) in this Annual Report.
Financial statements.

# OTHER INFORMATION

CORPORATE GOVERNANCE

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

Following the events in February 2026, as described in greater detail in the going concern section, the Board of Directors resolved:

- on 27 February 2026, to appoint Dr Giovanni Costantino as Chairman of the Company’s Board of Directors and Chief Executive Officer following the resignation of Dr Filippo Menchelli.

- On 6 March 2026, it co-opted Lawyer Pietro Smeriglio as a non-independent Director following the resignation from office of Independent Director Dr Angela Laura Tadini, announced on 27 February 2026. The appointment was confirmed by the Shareholders’ Meeting of 27 April 2026 until the current term of office of the Board, which is due to end with the approval of the 2025 separate financial statements on 9 November 2026. Lawyer Smeriglio was also assigned the powers and responsibilities of employer.

- On 6 March 2026, it considered it appropriate to request voluntary exclusion from the Euronext Milan STAR segment, which Borsa Italiana subsequently approved with effect from 17 March 2026.

In compliance with the Corporate Governance Code most recently updated on 31 January 2020, through its Board of Directors, the Company has adopted a regulation of the Board of Directors concerning, among others, compliance with the procedures relating to the timeliness and adequacy of the information provided to directors.

On 27 April 2026, the Shareholders’ Meeting resolved to reset the number of members of the Board of Directors at five. The Board currently comprises two Executive Directors and three Non-Executive Directors, two of whom meet the independence requirements.

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

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

The Board of Directors, having obtained the opinion of the Audit, Risk and Sustainability Committee, appointed the new head of the Internal Audit department on 13 April, 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.

Also on 13 April 2026, the Board of Directors resolved to appoint, as Financial Reporting Manager pursuant to Article 154-bis of Italian Legislative Decree no. 58 of 24 February 1998 and Article 19 of the By-laws, Dr Fabio Zanobini, following Dr Marco Carniani’s resignation from office.

The terms of office of the Board of Directors and the Board of Statutory Auditors expire upon approval of these Separate Financial Statements as at 31 December 2025. They must therefore be reappointed by the Shareholders' Meeting through list voting in accordance with the Consolidated Law on Finance.

On 20 and 21 July 2026, Directors Giovanni Costantino, Gianmaria Costantino and Pietro Smeriglio resigned, causing the Board of Directors to cease office early because it no longer had a majority of its members. The Board of Directors will remain in office on an interim basis until the Shareholders' Meeting called to approve the financial statements as at 31 December 2025, which will appoint new Directors whose term of office was in any event due to expire.

Following the resignation of the statutory auditor BDO Audit Services S.r.l. on 27 July 2026, the Company must appoint new Independent Auditors at the next available Shareholders' Meeting within the statutory time limits.

Each year, the Company drafts 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 2025 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(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(1), (2), (3) and (6) is provided in the Report on Operations. Information on the Group's financial instruments, objectives and financial risk management policies can be found in the preceding paragraphs of this Report and in the Notes to the consolidated financial statements and the Parent Company's separate financial statements.

As at 31 December 2025, the Company did not hold any treasury shares and did not purchase or sell any treasury shares during 2025.

The Company's secondary offices are located at Viale San Bartolomeo 428, La Spezia, where its other shipyard is operated under a state concession, and at Via Michele Coppino 411, Viareggio (LU), where joinery work is performed and representative sales offices are operated under a state concession.

The Group's research and development activities are limited (and are disclosed in the Notes to the Consolidated and Separate Financial Statements in relation to the Tecnomar vessel project developed in collaboration with Lamborghini), as the vessels sold are always built with customised modifications requested by customers.

# CONSOLIDATED SUSTAINABILITY REPORTING 2025

# Content index

The ESRS 1 standard requires undertakings to structure their sustainability report in four parts, in the following order: general information, environmental information (including disclosures pursuant to Article 8 of Regulation (EU) 2020/852), social information and governance information.

## General information

### BASIS FOR DRAFTING

### ESRS 2- BP-1 General basis for drafting the sustainability statement

This section of the management report constitutes the Consolidated Sustainability Reporting (also referred to below as the "Sustainability Reporting"), drafted by The Italian Sea Group (also referred to below as the "Group" or "TISG") in accordance with Article 4 of Italian Legislative Decree no. 125 of 6 September 2024 (also referred to below simply as the "Decree"), which transposes EU Directive 2022/2464, known as the "Corporate Sustainability Reporting Directive" (also referred to below simply as the "CSRD"), and Article 8 of Regulation (EU) 2020/852 (the "Taxonomy Regulation"). It reports on the Group's management, processes, objectives and performance with respect to the material sustainability matters of the Group companies for the period from 1 January to 31 December 2025.

The scope of social, environmental and governance data and information coincides with the scope of financial statement data and consists of subsidiaries consolidated line-by-line.

The Report, in compliance with the new European Sustainability Reporting Standard (ESRS), also extends its scope to the upstream and downstream value chain, in such a way as to allow all users to understand the Group's material impacts, risks and opportunities. However, for certain indicators qualitative and quantitative information has been reported, taking into account only the Group boundary, as contextual information on the value chain is currently not available (the TISG Group plans to implement processes and procedures aimed at obtaining the necessary information throughout the value chain). Note that this option is provided for by the Decree, which permits information relating to the value chain to be omitted during the first three reporting years provided that supporting reasons are given.[1]

The information contained in the Sustainability Report, particularly with reference to Policies, Actions, Targets (PATS) and Metrics, refers to the entire reporting scope.

All material players in the value chain of the TISG Group were considered in the definition and drafting of the document. In fact, for the double materiality update, impacts, risks and opportunities relating to own operations and the value chain, both upstream and downstream, were analysed. Lastly, it should be noted that quantitative data relating to the value chain are not available for the time being, however the Group is committed to putting the necessary measures in place to incorporate the necessary data in future years.

Finally, note that the Group does not omit any information corresponding to intellectual property, know-how or innovation results, nor does it omit information concerning imminent developments or matters under negotiation, pursuant to Article 19 bis(3) and Article 29 bis(3) of Directive 2013/34/EU.

### ESRS 2- BP-2 Disclosure in relation to specific circumstances

For the proper representation of performance and to guarantee data reliability, the use of estimates has been limited as much as possible, which, if present, are based on the best available methodologies, as well as appropriately highlighted. Where possible, the information in the Sustainability Report has been provided with a comparison with the 2024 and 2023 financial years, ensuring continuity and consistency over time. Any changes to comparative data have been reported together with the corresponding reference data, transparently explaining the nature of and reasons for the changes, including why any replacement metric provides more relevant, reliable and useful information for understanding business performance. Revised comparative data for previous periods are also disclosed where feasible.

[1] ESRS 1, Section 10.2 on the transitional provision related to Chapter 5, Value chain

Finally, the difference between the data disclosed in the previous period and the corresponding revised comparative data is highlighted to ensure full comparability and transparency of the information reported.

As reported in the section on the Double Materiality Assessment, the Italian Sea Group has exercised the right to modify its time horizons, as permitted in ESRS 1, paragraph 80, and ESRS 2 BP-2, paragraph 9. This decision was taken with the aim of aligning the time horizons with those used for consolidated financial reporting.

Information from other regulations requiring the disclosure of sustainability information or other generally accepted standards and frameworks for sustainability reporting are not included in the sustainability reporting except for the requirements of Regulation EU 2020/852 of the European Parliament and of the Council and its Delegated Regulations.

Finally, pursuant to Appendix C to ESRS 1, for the current reporting year the Group exercised the option to omit some of the information required by ESRS S2, S3 and S4. Information required by these Standards that is material will be progressively integrated into the sustainability statement in accordance with the time frames set out in the applicable transitional provisions.

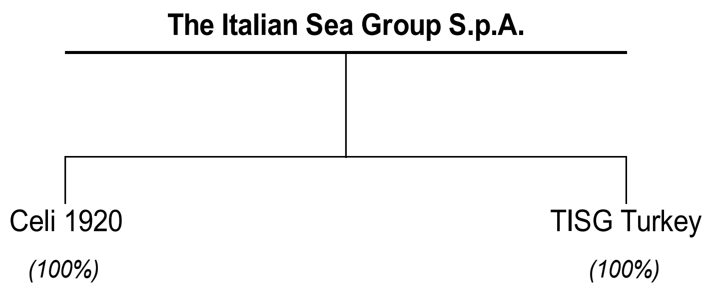
## GOVERNANCE[2]

### ESRS 2 GOV-1 The role of the administrative, management and supervisory bodies

The Italian Sea Group S.p.A. has developed a governance system geared towards creating sustainable value and controlling impacts, as well as maintaining relationships of trust with its stakeholders.

Today, the shares of The Italian Sea Group are traded on Euronext Milan, a regulated stock market managed by Borsa Italiana S.p.A. Following the listing on the stock exchange in June 2021 and the new governance structure required by Borsa Italiana regulations for listed companies, the Company has incorporated many of the recommendations in the Italian Corporate Governance Code approved by Borsa Italiana S.p.A. into the definition of its governance. As of July 2024, the company's shares were admitted to trading on the Euronext Star Milan segment dedicated to companies interested in complying with more stringent requirements in terms of liquidity, transparency and Corporate Governance. Subsequently, with effect from 17 March 2026, TISG obtained its withdrawal from the STAR segment following its voluntary request of 6 March 2026.

This made it possible to establish, among other things, a governing body with cross-functional skills that is balanced in terms of director independence, in line with the recommendations of the Italian Corporate Governance Code. Note also that the Board of Directors and the Group's other governance bodies comprise professionals with complementary skills and experience gained in luxury yachting, naval engineering, business management, finance and capital markets. These skills are consistent with the characteristics of the Group's business model.




The Corporate Governance of The Italian Sea Group is structured according to the traditional model and includes the following bodies:

- Shareholders' Meeting;
- Board of Directors;
- Board of Statutory Auditors;
- Supervisory Body;
- Auditing Firm.

The structure of the Group and its shareholders, as at 31/12/2025, is as follows:

- the subscribed and paid-up share capital is Euro 26,500,000, broken down into ordinary shares admitted to trading on Euronext Milan on 8 June 2021 with no indication of par value.
- The Company's reference shareholder is GC Holding S.p.A., which at the publication date of this document holds 28,410,000 shares, representing 53.60% of the share capital, while the free float, comprising shares held by the market, is 35.00%.

The majority shareholder, GC Holding S.p.A., is an expression of the Group's founder Giovanni Costantino, Chief Executive Officer of The Italian Sea Group, which in turn owns 100% of it.
The Group's other stable shareholders, who invested in the Company in order to enhance its long-term growth, include Alychlo NV, a family office reporting to Belgian entrepreneur Marc Coucke, and Giorgio Armani S.p.A., both cornerstone investors during the IPO.

[2] Note that the information in this section refers to the configuration of the TISG Group as at 31 December 2025. For events and developments after that date, see "Directors" assessment of the going concern requirements' in the Management Report contained in this document.

| Shareholder | No. of shares | % of share capital |
|---|---|---|
| GC Holding S.p.A. | 28,410,000 | 53.60% |
| Alychlo NV | 6,039,285 | 11.40% |
| Giorgio Armani S.p.A. | 2,644,700 | 4.99% |
| Market | 15,906,015 | 30.01% |
| **Total** | **53,000,000** | **100.00%** |

**ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES**

The Shareholders' Meeting meets to periodically resolve on the matters defined in the By-laws and in accordance with laws in force. The main duties of the Shareholders' Meeting are the appointment of the Board of Directors and the Board of Statutory Auditors and the approval of the annual Financial statements.

Responsibility for the management of the company lies with the Board of Directors, while supervisory functions are entrusted to the Board of Statutory Auditors and the Supervisory Body, insofar as they are each respectively responsible. The statutory audit of the accounts, as well as auditing, are entrusted to the Auditing Firm designated by the Board of Directors.

BOARD OF DIRECTORS

The **Board of Directors** is the collective body vested with the most extensive powers for the ordinary and extraordinary management of the Company. The body is empowered to perform all acts it deems appropriate for the implementation and achievement of the corporate purposes, excluding only those reserved by law and the By-laws to the Shareholders' Meeting.

It was designated by the Shareholders' Meeting in April 2023 and holds office for three years. As of the date of approval of this document, there are seven members of the Board of Directors, of which two are executive and five non-executive; of these, three are independent. In relation to the presence of the least represented gender, the current composition includes three out of seven members belonging to the female gender, thus surpassing the recommendations of the Italian Corporate Governance Code, which requires 1/3 of the members of the Board of Directors to belong to the least represented gender.

| **Board of Directors** | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Name** | **Age** | **Gender** | **Role** | **Executive / Non-executive** | **Independence** | **Start date** | **End date** |
| *Filippo Menchelli* | *53* | *M* | *Chair* | *Executive* | | *27/04/2023* | *Approval of financial statements as at 31.12.2025* |
| *Giovanni Costantino* | *62* | *M* | *Chief Executive Officer* | *Executive* | | *27/04/2023* | *Approval of financial statements as at 31.12.2025* |
| *Marco Carniani* | *45* | *M* | *Deputy Chairman* | *Non-executive* | | *27/04/2023* | *Approval of financial statements as at 31.12.2025* |
| *Gianmaria Costantino* | *24* | *M* | *Director* | *Non-executive* | | *27/04/2023* | *Approval of financial statements as at 31.12.2025* |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| *Antonella Alfonsi* | *58* | *F* | *Director* | *Non-executive* | *Independent* | *27/04/2023* | *Approval of financial statements as at 31.12.2025* |
| *Laura Angela Tadini* | *55* | *F* | *Director* | *Non-executive* | *Independent* | *27/04/2023* | *Approval of financial statements as at 31.12.2025* |
| *Fulvia Tesio* | *58* | *F* | *Director* | *Non-executive* | *Independent* | *27/04/2023* | *Approval of financial statements as at 31.12.2025* |

| | | |
|---|---|---|
| ***Percentage by gender*** | *M* | *57%* |
| | *F* | *43%* |
| ***Percentage of independence*** | *Independent* | *43%* |
| | *Non-independent* | *57%* |

With regard to gender diversity, in 2025 the Board of Directors was 43% women. In addition, 57% of the members of the board of directors have previous industry-level experience, as an expression of the TISG Group's managerial class. 100% of Board members have experience in the Italian market, one of the geographical areas in which the Group is located.

Considering the reference business in which the Group operates, these parties do not have specific skills in environmental sustainability but are often updated on regulatory developments on the matter thanks to periodic meetings of the Audit, Risk and Sustainability Committee, consisting of all independent members, in which the sustainability consultant identified by the company is often invited to participate. The Group recognises the importance of developing and strengthening specific expertise within governance bodies to effectively manage and monitor material impacts, risks and opportunities.

As of the date on which this Report was drafted, there are no members of the Board of Directors designated to represent employees or other workers (in terms of negotiation, consultation or the simple exchange of information with employers, employers' organisations and workers' representatives on matters of common interest) or other diversity aspects taken into account and assessed on appointment. Lastly, there are no Board members to whom specific roles in the area of sustainability are, or have been, assigned internally or externally to the Group.

As will be described in the "Double Materiality Analysis" chapter, the Board of Directors is informed of the process aimed at identifying, assessing and managing material impacts, risks and opportunities, and is responsible for approving the annual results in terms of material sustainability matters. The material impacts, risks and opportunities were shared in advance with the Financial Reporting Manager and the Group Sustainability Reporting Manager. Both are responsible for overseeing the IROs. With a view to ensuring continuous improvement, the Group is working on defining more structured Sustainability Governance in order to strengthen oversight activities over the procedures for managing material impacts, risks and opportunities related to sustainability matters.[3]

Lastly, on 24 January 2023, the Board of Directors formalised the Policy for the management of dialogue with Institutional Investors and general Shareholders (Shareholder Engagement Policy). On the same date, the body also approved the Policies on Human Rights, Diversity & Inclusion and the Environmental Policy.

[3] GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

BOARD COMMITTEES

The Group's **internal board committees** were set up with the aim of supporting the Board of Directors in the implementation of strategies and to ensure the achievement of results.

Specifically, in line with the provisions of the regulations on listed companies and the Italian Corporate Governance Code of Borsa Italiana S.p.A., the Company has set up two board committees: an *Appointments and Remuneration Committee* and an *Audit, Risk and Sustainability Committee*, which is also responsible for activities concerning related party transactions.

On 3 May 2023, the Board of Directors designated as members of the **Appointments and Remuneration Committee**:

| Appointments and Remuneration Committee | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Name** | **Age** | **Gender** | **Role** | **Executive / Non-executive** | **Independence** | **Start date** | **End date** |
| *Fulvia Tesio* | *58* | *F* | *Chair* | *Non-executive* | *Independent* | *27/04/2023* | *Approval of financial statements as at 31.12.2025* |
| *Antonella Alfonsi* | *58* | *F* | *Member* | *Non-executive* | *Independent* | *27/04/2023* | *Approval of financial statements as at 31.12.2025* |
| *Laura Angela Tadini* | *55* | *F* | *Member* | *Non-executive* | *Independent* | *27/04/2023* | *Approval of financial statements as at 31.12.2025* |

| | | |
|---|---|---|
| ***Percentage by gender*** | *M* | *0%* |
| | *F* | *100%* |

The Appointments and Remuneration Committee has the right to access the information and corporate functions necessary to carry out its duties, access financial resources and make use of external consultants, within the terms set by the administrative body.

In accordance with the provisions of Article 6 of the Italian Corporate Governance Code, the **Audit, Risk and Sustainability Committee** consists of the following Directors:

| Audit, Risk and Sustainability Committee | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Name** | **Age** | **Gender** | **Role** | **Executive / Non-executive** | **Independence** | **Start date** | **End date** |
| *Antonella Alfonsi* | *58* | *F* | *Chair* | *Non-executive* | *Independent* | *27/04/2023* | *Approval of financial statements as at 31.12.2025* |
| *Laura Angela Tadini* | *55* | *F* | *Member* | *Non-executive* | *Independent* | *27/04/2023* | *Approval of financial statements as at 31.12.2025* |
| *Fulvia Tesio* | *58* | *F* | *Member* | *Non-executive* | *Independent* | *27/04/2023* | *Approval of financial statements as at 31.12.2025* |

| | | |
|---|---|---|
| ***Percentage by gender*** | *M* | *0%* |
| | *F* | *100%* |

On 24 January 2023, the Company's Board of Directors also resolved to attribute to the existing Audit and Risk Committee, in addition to its current duties, proposal, advisory and preliminary functions regarding Sustainability as well, in order to promote the progressive integration of environmental, social and governance factors into the Company's strategy, including, but not limited to, the preliminary investigation and monitoring of sustainability plans and the implementation and updating of the annual Consolidated Sustainability Report.

To this end, the name of the committee was changed to "Audit, Risk and Sustainability Committee", while its pre-existing members were confirmed.

The Board of Directors resolved to assign to the Audit, Risk and Sustainability Committee the functions of **Related Party Transactions Committee**, as set forth in CONSOB Communication No. DME/10078683 of 24 September 2010.

The **Board of Statutory Auditors** monitors compliance with the law and the By-laws, compliance with the principles of correct management and, more specifically, the adequacy of the organisational, management and accounting structure adopted by the Company and its actual functioning.

The body was designated by the Shareholders' Meeting on 27 April 2023 and will remain in office until the date of the Shareholders' Meeting called to approve the 2025 financial statements. The Board of Statutory Auditors consists of three Standing Auditors and two Alternate Auditors. All members of the Board of Statutory Auditors meet the requirements of integrity and professionalism required by Article 2399 of the Italian Civil Code.

**Board of Statutory Auditors**

| Name | Age | Gender | Role | Executive / Non-executive | Independence | Start date | End date |
|---|---|---|---|---|---|---|---|
| *Alfredo Pascolin* | *58* | *M* | *Chair* | *Non-executive* | *Independent* | *27/04/2023* | *Approval of financial statements as at 31.12.2025* |
| *Felice Simbolo* | *62* | *M* | *Standing Statutory Auditor* | *Non-executive* | *Independent* | *27/04/2023* | *Approval of financial statements as at 31.12.2025* |
| *Barbara Bortolotti* | *53* | *F* | *Standing Statutory Auditor* | *Non-executive* | *Independent* | *27/04/2023* | *Approval of financial statements as at 31.12.2025* |
| *Roberto Scialdone* | *63* | *M* | *Alternate Statutory Auditor* | *Non-executive* | *Independent* | *27/04/2023* | *Approval of financial statements as at 31.12.2025* |
| *Sofia Rampolla* | *64* | *F* | *Alternate Statutory Auditor* | *Non-executive* | *Independent* | *27/04/2023* | *Approval of financial statements as at 31.12.2025* |

| | | |
|---|---|---|
| ***Percentage by gender*** | *M* | *60%* |
| | *F* | *40%* |

When this document was drafted, additional diversity elements were not considered relevant and pertinent at the time of the appointment of the control body.

Like the Board of Directors, the Board of Statutory Auditors carried out its self-assessment for the 2024 financial year with reference to the adequacy of its composition and the professional skills present within it, as well as the functioning of its meetings. The results of the annual self-assessment by the Board of Statutory Auditors were then forwarded to the Board of Directors.

Responsibilities regarding the impacts, risks and opportunities of members of the governance bodies are not specifically included in the Group's mission; however, as part of it, The Italian Sea Group underscores its willingness to provide quality, effective and efficient products, in forms that are compatible with and sustainable for the community and the environment, as well as to contribute to people's well-being and the sustainable development of the area in which it operates. Furthermore, the fundamental importance of environmental topics is recognised in the Code of Ethics adopted by the Group and taken into account in the performance of its activities. Indeed, each Group company operates taking into account the needs of the community and contributes to the creation of value and its economic, environmental, social, cultural and civil development not only for its customers, but for all stakeholders. In view of this, the mandate of the members of the management and control bodies and company policies are fully aligned with these principles, ensuring their proper implementation.

On 12 November 2025, the Board of Directors approved the ***Enterprise Risk Management Policy***[4], which describes the stages, activities and responsibilities involved in the enterprise risk management process and defines its guiding principles and standards. This system also covers sustainability risks, which the Group regards as an integral part of its risk assessment and management framework and consistently includes in the double materiality assessment process. A ***Chief Risk Officer*** was also appointed at that time to support the Chief Executive Officer in identifying, assessing and managing risks.

Lastly, at executive level, the Group Chief Financial Officer retains formal responsibility for drafting the sustainability report.

## Business ethics

An important part of the internal control system is represented by the Code of Ethics implemented by the majority shareholder of The Italian Sea Group, GC Holding, which outlines the fundamental principles and guidelines aimed at inspiring the activities and guiding the conduct of all Group companies, their employees, as well as anyone interacting with the Group.

The updated version of the Code of Ethics was approved by the Board of Directors of GC Holding S.p.A. on 27 October 2022 and is an integral part of The Italian Sea Group's Organisational Model 231/2001[5].

With the Code of Ethics, the Parent Company disseminates across all levels a culture characterised by an awareness of the existence of rules and the assumption of a control-oriented mentality with the aim of:

- efficiently managing activities;
- providing accurate and complete accounting, financial and management data;
- protecting the corporate assets;
- ensuring compliance with laws and company procedures;
- carefully and precisely managing the risks assumed;
- generating reasonable and adequate profit to support operations;
- ensuring the utmost attention to occupational health and safety aspects;
- encouraging the fight against corruption and money laundering;
- ensuring confidentiality and respect for privacy in all business transactions;

[4] Enterprise Risk Management Policy

[5] All the Boards of Directors of GC Holding's Subsidiaries are required to formally accept the Code of Ethics and make it an integral part of the way they conduct their activities.

- recognising the fundamental importance of environmental issues and taking them into account in all activities;
- promoting transparency both internally as well as with respect to third parties with whom the Group comes into contact, respecting information confidentiality;
- having transparent management respectful of the regulatory deadlines of all tax and fiscal obligations.

In particular, in its Code of Ethics the Company has defined the safeguards in place to prevent acts of corruption, which are transmitted to all employees and external personnel who work with the Company, both when they are hired and when entering into supply or sales contracts.

**Supervisory Body**

Pursuant to Italian Legislative Decree 231/01 and the Company's OMM, The Italian Sea Group has set up an independent, autonomous and professional SB. The Supervisory Body has the following duties and powers:

- verifies the effectiveness of the Organisational, Management and Control Model;
- ensures that the Organisational Model is concretely implemented and identifies any behavioural deviations;
- assesses whether to adapt and/or update the Organisational Model due to regulatory changes and changes in the Company's organisational structure;
- reports, to the Management and Control Bodies, the appropriate measures to be taken and violations of the Organisational Model that may result in the Company's administrative liability.

| Supervisory Board | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Name** | **Age** | **Gender** | **Role** | **Executive / Non-executive** | **Independence** | **Start date** | **End date** |
| *Annalisa De Vivo* | *57* | *F* | - | *Non-executive* | *Independent* | *28/02/2025* | *28/02/2028* |
| *Carlo De Luca* | *43* | *M* | - | *Non-executive* | *Independent* | *28/02/2025* | *28/02/2028* |

| | | |
|---|---|---|
| ***Percentage by gender*** | *M* | *50%* |
| | *F* | *50%* |

## ESRS 2 GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The Board of Directors, supported by the Control, Risk and Sustainability Committee (CRSC) and in coordination with the relevant corporate functions, ensures overall supervision of the impacts, risks and opportunities material to The Italian Sea Group (the "Group"). The Board also oversees the adequacy of the internal control and risk management system and sustainability reporting, including due diligence activities on ESG matters.

The results of the Double Materiality Assessment are submitted to the Chief Financial Officer (CFO), in their capacity as Financial Reporting Manager, and are reviewed by the CRSC. At the end of this process, the results are presented to the Board of Directors for formal approval and the resulting management and strategic decisions.

In 2025, the Group implemented a structured Enterprise Risk Management (ERM) process in line with leading frameworks and national and international best practices in order to strengthen the internal control and risk management system.

ERM enables the systematic identification, assessment, aggregation and monitoring of risks, fostering an integrated view of risk profiles and alignment with reporting requirements, including those connected with the Consolidated Sustainability Statement.

The ERM mapping is aligned with the Double Materiality Assessment: enterprise risks are mapped to a single taxonomy and defined controls. The risks identified are assessed in terms of magnitude and likelihood using metrics consistent with those used to assess risks and opportunities in the Double Materiality Assessment, ensuring comparability and methodological consistency between the two processes. Risks connected with sustainability factors are fully integrated into the Double Materiality mapping and contribute to the identification of impacts, risks and opportunities (IROs). For more details, see the "Materiality Analysis" section.

The Group's Sustainability Governance is organised around the following main functions:

- **ESG Director:** coordinates sustainability matters in collaboration with the various corporate functions and the Steering Committee, ensuring strategic oversight of ESG matters and alignment with reporting processes;
- **Steering Committee:** comprising the Company's principal executives, including the Chief Financial Officer, Chief Revenue Officer and Chief Operations Officer, provides a forum for sharing and proposing management actions in line with the Group's sustainability policies and supports the ESG Director in the actions required to implement the Sustainability Plan and related programmes;
- **Control, Risk and Sustainability Committee (CRSC):** supports the Board of Directors in assessing the adequacy of material matters, particularly the Double Materiality Assessment; contributes to supervising risk management and monitoring processes, including from an ESG perspective; and reviews the effectiveness of ESG policies, actions, objectives and monitoring systems;
- **CFO and Financial Reporting Manager:** receives the results of the Double Materiality Assessment and coordinates the controls and consolidation of sustainability data with the relevant functions in support of the CRSC and the Board of Directors.

The administrative, management and supervisory bodies are regularly informed of impacts, risks and opportunities that are particularly material to the Group.

The CRSC receives periodic updates on the progress of activities and the results of the Double Materiality Assessment, evaluates their adequacy and contributes to supervising due diligence processes. These updates are prepared by the Sustainability Function and the other relevant functions.

With the support of the Sustainability Function and the Steering Committee, the CRSC reviews the effectiveness of the Group's ESG policies, actions and objectives, promoting continuous improvement of controls and performance monitoring systems.

The results of the CRSC's analyses and supervisory activities are presented to the Board of Directors for the relevant assessments and resolutions, including any corrective action, updates to the Sustain

ability Plan and approval of the annual sustainability reporting.

## ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes

The Group has long recognised the strategic value of incentive systems in promoting a long-term management approach and strengthening the credibility of its objectives, including those related to sustainability. In this context, in 2024 The Italian Sea Group adopted the ***Long-Term Incentive Plan 2027-2029***, replacing the previous plan (Long-Term Incentive Plan 2026-2028), which introduced a more direct link between the Company's financial and non-financial performance and the creation of sustainable value. In addition to traditional financial performance indicators, the Plan includes a parameter linked to the ESG Rating assigned by a leading rating agency, which is currently the sole reference for assessing ESG performance to be included in the incentive mechanism. No specific, detailed ESG metrics have been defined other than those already included in the assessment methodology used by the external rating agency.

At the reporting date of this Sustainability Statement, the Long-Term Incentive Plan did not provide for specific sustainability targets in determining the variable remuneration of members of the administrative, management and supervisory bodies. Accordingly, no portion of variable remuneration was directly linked to the achievement of ESG targets.

The Plan is structured to involve a targeted group of several dozen executives in the Group's development, selected according to their roles and their expected contribution over the medium- to long term. This choice directs incentives towards those best placed to influence the Company's growth and resilience, including in relation to ESG matters that are being progressively integrated into business processes.

Consistently with the principles of balanced governance, eligibility for the Plan is not connected simply with membership of the Board of Directors. No member may participate in the Plan merely by virtue of Board membership; participation is determined solely by the management role held. In this context, the Chief Executive Officer, Chief Business Officer and Chief Financial Officer are beneficiaries not because of their positions on the Board of Directors, but solely by virtue of their operating functions.

Overall, the Plan is intended to align management's interests with those of the shareholders, promoting a results-oriented approach and the creation of sustainable value by linking variable remuneration to performance. This is complemented by the long-term approach on which the Plan is based: it operates with a **three-year vesting and accrual cycle** intended to discourage short-term decisions and promote a stable, responsible management perspective. Given this structure, progress towards the objectives will initially be assessed on an overall basis in 2027 using results accrued over the three-year period 2024-2026, ensuring measurement consistent with the Plan's time horizon.

## ESRS 2 GOV-4 Statement on due diligence

The table below provides a comprehensive mapping of how The Italian Sea Group applies the core elements of the due diligence process in relation to people and the environment, while identifying the sections of the Consolidated Sustainability Statement in which these matters are addressed. The aim is to provide a clear, structured overview of the practices actually adopted by the Group, explaining the principal methods and stages through which due diligence is implemented within this document.

| CORE ELEMENTS OF DUE DILIGENCE | INDICATORS IN THE SUSTAINABILITY STATEMENT |
|---|---|
| a) Embedding due diligence in governance, strategy and business model | ESRS 2 GOV-1 - The role of the administrative, management and supervisory bodies<br><br>ESRS 2 GOV-2 - Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies<br><br>ESRS 2 SBM-1 - Strategy, business model and value chain |
| b) Engaging with affected stakeholders in all key steps of the due diligence | ESRS 2 SMB-2 Interests and views of stakeholders<br><br>ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities<br><br>ESRS S1-2 Processes for engaging with own workforce and workers' representatives about impacts<br><br>ESRS S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns |
| c) Identifying and assessing adverse impacts | ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model<br><br>ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities |

| | |
|---|---|
| d) Taking actions to address those adverse impacts | ESRS E1-3 Actions and resources in relation to climate change policies<br>ESRS E2-2 Actions and resources related to pollution<br>ESRS E3-2 Actions and resources related to water and marine resources<br>ESRS E5-2 Actions and resources related to resource use and circular economy<br>ESRS S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions |
| e) Tracking the effectiveness of these efforts and communicating results | ESRS E1-4 Targets related to climate change mitigation and adaptation<br>ESRS E2-3 - Targets related to pollution<br>ESRS E3-3 - Targets related to water and marine resources<br>ESRS E5-3 - Targets related to resource use and circular economy<br>ESRS S1-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities |

Following the first Double Materiality Analysis conducted last year, The Italian Sea Group began a process of identifying and evaluating the impacts generated at the level of own operations and upstream and downstream in the value chain.

As is well know-known, the impact of a company goes beyond its corporate boundaries; it is the value chain, with its players and interconnections, that determines the overall environmental, social and governance (ESG) footprint.

The TISG Group has implemented a supplier assessment process based on specific questionnaires focusing on certain sustainability aspects and management practices, as a tool to address the negative impacts (actual and potential) generated by suppliers upstream in The Italian Sea Group's value chain. Environmental practices and social aspects, such as working conditions and the presence of reporting channels, were assessed. Finally, the existence of company policies and programmes aimed at promoting environmental and social responsibility was verified.

The Italian Sea Group also conducted a double materiality analysis for the first time, involving and interviewing the most relevant stakeholders in order to obtain a true and complete mapping of impacts, risks and opportunities. This process made it possible to identify the topics requiring more attention, as well as remedial actions to mitigate negative impacts, and other actions to enhance positive impacts.

## ESRS GOV-5 – Risk management and internal controls over sustainability reporting

The Group has embarked on a process to progressively strengthen its internal control system, focusing both on the preparation of the Sustainability Statement and on the main qualitative and quantitative information it contains.

In this context, in 2025 The Italian Sea Group introduced a Procedure establishing the Internal Control System over Sustainability Information, developed on the basis of the COSO framework *"Achieving Effective Internal Control Over Sustainability Reporting (ICSRS)"*. This system clearly defines roles and responsibilities:

- **The Board of Directors**, supported by the **CRSC** and the **Board of Statutory Auditors**, supervises and approves the Sustainability Statement and the results of the double materiality assessment;
- **The Financial Reporting Manager** and the **ESG Director** are responsible for defining the reporting scope, coordinating the double materiality assessment and planning, collecting and validating data;

- **Function Managers and Data Owners** ensure the production, control and certification of information and reporting flows relating to sustainability information;
- Finally, the Independent Auditors provide **limited external assurance**, while any recommendations are managed through the ESG Function.

The Group has prepared a structured set of data collection forms designed to ensure full consistency with the requirements of the ESRS. These forms provide the operating reference for collecting, organising and validating the information required for sustainability reporting.

The process provides for the forms to be updated annually to reflect any changes arising from regulatory developments, changes in the corporate structure, methodological updates or additional information requirements identified during the year.

A *data owner* is formally identified for each form and is responsible for the correct, complete and timely collection of information. The entire process is supervised by the ESG Director and the Sustainability Function.

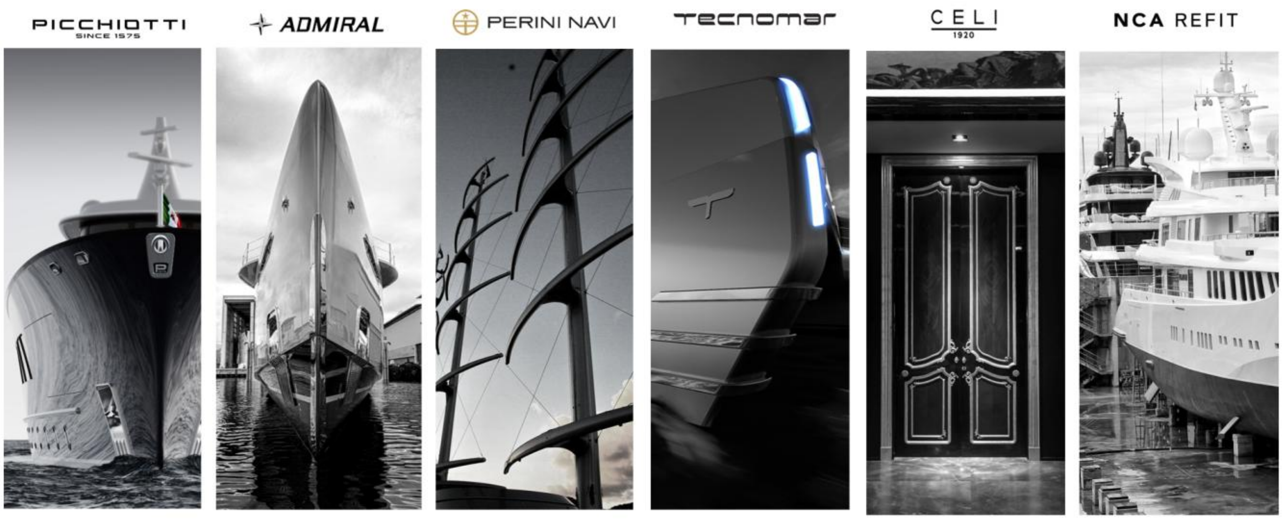
In the coming years, the Company will implement a structured continuous monitoring process to verify the adequacy and effective application of relevant corporate procedures. This process will include periodic checks on the design and operation of controls, the definition of any corrective or improvement actions and a dedicated reporting system for the administrative and supervisory bodies, ensuring that they receive complete and timely information on the results of the activities performed.

The control and reporting system for sustainability information is continuously updated to ensure that the Consolidated Sustainability Statement remains consistent and adequate over time, including in relation to developments in the Group's business, organisation and processes.

## STRATEGY

### ESRS 2 SBM-1 – Strategy, business model and value chain

The Italian Sea Group (hereafter also "TISG") is a company listed on the main market of Euronext Milan and one of the most renowned groups in the international yachting industry, an absolute benchmark in the design and construction of yachts from 20 to over 100 metres in length and in the refit of yachts up to 140 metres. With shipyards strategically located near the ports of Marina di Carrara and La Spezia and state-of-the-art facilities also in Viareggio, Terni and Turkey, The Italian Sea Group has seen the launch of 1,260 yachts from 1575 until today thanks to the activity carried out by the Picchiotti, Admiral, Perini Navi, Tecnomar, NCA Refit and CELI brands.




The Headquarters in Marina di Carrara covers an area of over 120,000 square metres and boasts a state- of-the-art production site, equipped with two dry docks, one of which is covered, of 200 and 147 metres respectively, 12 production areas for the shipbuilding division, 25 for the Refit division, a total lifting capacity of 1,000 tonnes, 1,000 metres of dock and 3,300 tonnes of floating barges, enhanced for launching yachts and mega yachts up to 100 metres and beyond.

The Group's Headquarters, which are being expanded by approximately 3,500 square metres of additional spaces, present an environment of elegant and refined design, emblematic of the style and attention to detail that constitute some of the founding features of The Italian Sea Group.

The La Spezia shipyard covers an area of approximately 32,000 square metres and offers 3 production slots for yachts up to 70 metres and 14 slots for the Refit division, in addition to housing all "Tecnomar for Lamborghini 63" production. In Viareggio, the new joinery hub was inaugurated where Perini Navi's historic joinery workshop was located, together with a commercial flagship. As a result of the investments made in the relaunch of the newly acquired CELI 1920, and thanks to the purchase of two new warehouses, the current production capacity benefits from around 30,000 square metres in production space.

In Turkey, where TISG cooperates with long-term partners for the construction of hulls and superstructures, the company can count on 7 shipyards totalling some 30,000 square metres, which ensure the simultaneous production of 13 yachts up to 100 metres.

Confirming its strategic positioning in the high-end segment, TISG has developed partnerships with important Italian luxury brands: Giorgio Armani, for the creation of yachts bearing his signature, expressing the fusion of two points of excellence of Italian style in fashion and boating, and Automobili Lamborghini, for the design and construction of the "Tecnomar for Lamborghini 63", a limited edition motor-yacht with extraordinary performance and quality beyond all limits.

**HISTORY**

The Italian Sea Group (TISG) was born from the vision of its Founder, Giovanni Costantino, who, after gaining solid entrepreneurial and business experience in the furniture industry, in 2009 acquired 100% of Tecnomar S.p.A., a company specialised in the construction of sports and high-performance yachts, and in 2011 acquired Admiral S.p.A., a company specialised in the production of steel and aluminium super yachts.

The growth in the number of contracts and the increase in the size of the yachts being built required investment in a larger production site with direct access to the sea. Therefore, in December 2012, GC Holding S.p.A., a company owned by Giovanni Costantino, acquired 100% of the share capital of Nuovi Cantieri Apuania S.p.A. (now The Italian Sea Group S.p.A.), a state-owned company in deep crisis that built commercial and cruise ships in its Marina di Carrara shipyard.

Founded in 1942 and thanks to very advanced facilities for the time, the shipyard in Marina di Carrara, which today is the headquarters of TISG, in just a few years specialised in the construction of medium-tonnage ships. During the 1950s and 1960s, a further expansion of the equipment allowed the shipyard to build increasingly larger constructions. In 1973, the structure was further expanded with the construction of a dry dock, 200 metres in length and 35 metres in width. The acquisition of the shipyard by Giovanni Costantino ensured the maintenance of employment levels and the relaunch of a company which, albeit in crisis, had a recent past as a leading player in shipbuilding. The acquisition also allowed TISG to expand production capacity and retain valuable know-how specialising in the construction of large ships.

Over time, important investments were made, such as the extension and complete renovation of the company headquarters, the organisation of areas dedicated to new production, the construction of a steelworks, an upholstery unit and a joinery workshop, and the expansion of areas dedicated to refit activities, which began in 2015 and were favoured by the strategic location of the facilities, close to renowned tourist destinations and therefore a preferred stopover for yachts sailing in the Mediterranean.

In 2020, the Board of Directors of TISG approved an investment plan (“TISG 4.0”) for approximately Euro 40 million, with the aim of further increasing the shipyard's production capacity.

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, was completed, and 8 June 2021 marked the first day of trading of the shares of The Italian Sea Group S.p.A. (TISG).

On 4 November 2021, the Board of Directors approved an additional investment plan called TISG 4.1 worth Euro 14 million, completed in the course of 2022.

The company’s growth did not stop and on 22 December 2021 TISG, through its wholly-owned subsidiary, New Sail S.r.l., then merged by incorporation on 10 June 2022, was awarded the auction called by the Court of Lucca for the bankruptcy of Perini Navi S.p.A., for a total value of Euro 80 million. The business complex includes, in addition to the historical Perini Navi and Picchiotti brands, the shipyards in Viareggio and La Spezia, the real estate assets of Pisa, a 47-metre ship under construction, patents and the shareholding (100%) in Perini Navi U.S.A. Inc., as well as existing legal relationships with employees and third parties. The acquisition was completed in January 2022.

During 2022, the Group’s expansion continued, and in August TISG completed the acquisition of 100% of the shares of TISG Turkey Yat Tersanecilik Anonim Sirketi (“TISG Turkey”) from GC Holding S.p.A. This transaction allowed the Group to consolidate the entire production process, ensuring even more integrated operations management and favouring direct investment strategies from TISG to TISG Turkey.

In 2023, the Group recorded significant growth and continued to innovate in the shipbuilding sector. During the first Capital Markets' Day, the Group presented an update on its economic-financial strategy and objectives. Subsequently, TISG unveiled the first Admiral | Armani yacht, designed in collaboration with Giorgio Armani, and presented the new Perini Navi "Genesis" fleet. The year 2023 was also marked by the acquisition of the woodworking company Celi S.r.l. and the announcement of the sale of three Admiral 70-metre mega-yachts, with the M/Y Admiral Kensho recognised as Motor-yacht of the Year. In June, the Group obtained an ESG rating of BBB from Cerved and ISO 14001:2015 certification, confirming its commitment to environmental sustainability. Finally, in December 2023, TISG completed the renovation of a Perini Navi site and joined the UN Global Compact, reinforcing its commitment to sustainable development.

For details of significant events occurring during 2025 and 2026, see the relevant chapters of the Management Report, particularly "Significant events during the year" and "Significant events after the end of the year".

## MISSION AND VALUES

### OUR MISSION

Designing, challenging ourselves and taking our aspirations to ever higher levels are cornerstones of our company. The goal is to build yachts that are unique and identifiable for their unparalleled aesthetic and qualitative and functional characteristics, while maintaining the highest integrity and sustainability for our stakeholders.

### OUR VALUES

The need to live up to our high standards of professional and ethical behaviour remains at the basis of our actions and decisions. It is through constant and daily dedication that our values are put into practice, and it is through their implementation that employees, shareholders, customers, suppliers and local communities benefit.

**INTEGRITY -** Each of us, even in our own small and personal sphere, is responsible for high ethical and moral standards. It is profoundly important to us that we never abandon our commitments as conscientious citizens and employees, treating collaborators, customers, suppliers and stakeholders of the Group with respect.

**SAFETY -** The first step in safeguarding a healthy and safe work environment is to value employees, without compromising when it comes to their well-being and safety. It is the Group's constant commitment to set and maintain very strict criteria, which are continuously reviewed and modified to avoid any risk. The corporate principles must be actively observed by employees, who are responsible for their own safety as well as that of others.

**QUALITY -** Our every choice and action is guided by a relentless pursuit of quality. It is our standards, so inflexible and uncompromising, that lead to excellent products and services. It is our unending desire to always perfect ourselves that inspires confidence in our ship operators when choosing us to build their yachts.

**ART AND BEAUTY -** A love of art and beauty pervades every aspect of our corporate culture, and can be seen in our projects as well as in the environment in which we work. Beauty suffuses everything we do so that we can create true works of art, jewels of the sea for our ship operators. We are modern-day patrons who believe in giving visibility and opportunities to young contemporary artists.

**RESPONSIBILITY -** We are aware of the responsibility we carry towards our stakeholders and the community. It is essential for us to keep our promises and commitments, acting with full respect for others and the environment, with the aim of creating sustainable value in the long term.

The highest aesthetic and quality standards are an essential part of the philosophy of The Italian Sea Group, which focuses its strategy on the design and production of fully customised, large-sized yachts.

The business model, aimed at total customer satisfaction, consists of two divisions: Shipbuilding and Refit.

**SHIPBUILDING –** The core business of The Italian Sea Group consists of yacht construction through the Picchiotti, Admiral, Perini Navi and Tecnomar brands. The Company concentrates its activity on mega and giga yachts over 50 metres, totally customised in terms of exterior lines as well as interiors, and relies on a strong design and production capacity and know-how that has been consolidated over the years, which has allowed TISG to position itself in the highest segment of the market in terms of technical and aesthetic quality, with a strong emphasis on a typically Italian style and a flexible approach to the requests of the most demanding customers.

TISG recently launched a number of semi-custom yacht lines such as Panorama, Gentleman Picchiotti and Admiral 40, to optimise production capacity and contribute to further business development, without requiring significant design effort from the in-house team of engineers and architects.

**REFIT –** Alongside shipbuilding, TISG refits yachts up to 140 metres long at the Company's state-of-the-art facilities. The broad spectrum of refit activities ranges from routine maintenance and equipment upgrades to the modification of furnishings to more complex retrofits and the modification or expansion of on-board spaces.

TISG has also developed a sophisticated reception and hospitality system for the crews of yachts in refit, offering them an attentive concierge service and providing the Village, a luxury facility where crews can enjoy services such as a gym, a spa, a bar and a gourmet restaurant.

**BRANDS**

**PICCHIOTTI**

The Picchiotti name has been inextricably linked to the history of Italian and Mediterranean seafaring since 1575.

It is a tradition that led from work boats to ocean-going sailing ships, then to military orders to finally arrive at the pioneering years of the first pleasure yachts.

Since 2010, the Picchiotti name has returned to the contemporary yachting world with three ships in the Vitruvius line.

Today, this tradition has merged into The Italian Sea Group. Craftsmanship, attention to detail and the ability to combine tradition and innovation in a unique design - these are the hallmarks of Picchiotti as well as Made in Italy.

Picchiotti has combined this with a continuous search for new construction techniques. In fact, it was the first shipyard to create recreational motor cruisers in series, such as the Giglio 10 metres, the Giannutri 14.50 metres, the Gorgona, the Giraglia and the Mistral.

**ADMIRAL**

As the flagship brand of The Italian Sea Group, Admiral is recognised and appreciated for its elegance, classicism and prestige. Founded in 1966, Admiral has launched 148 yachts over the years, fulfilling the dreams of the most demanding ship operators.

The first wooden 18-metre Admiral was launched in 1966, while the mid-1970s saw the launch of the first wooden 30-metre motor yacht, very rare and prestigious for that time. At the beginning of the 1980s, the first aluminium and steel hulls were built. The product range Admiral offers the market today includes super-yachts, mega-yachts and giga-yachts characterised by elegance, timeless style and total customisation.

Expertise, professionalism and unique infrastructure on the Mediterranean guarantee the highest quality standards in the design and production of yachts up to and over 100 metres. Technical and stylistic innovation ensure a sophisticated added value to each of the brand's creations.

**PERINI NAVI**

Innovative and a source of inspiration for entire generations, Perini Navi has been a world leader in the design and construction of large modern sailing yachts for almost 40 years. Founded in 1983 by Fabio Perini, who was the first to design and build automatic systems for sail plans and large yachts that could be manoeuvred by a small crew, Perini Navi charted a new course in the modern sailing yacht market. Its founder's vision led to the creation of a fleet of 60 sailing ships, jewels of the sea admired by ship operators and sailing enthusiasts all over the world; one of them is the legendary The Maltese Falcon, an 88-metre clipper that marked a revolution in sailing technology, introducing the world to the sail system now known as the Falcon Rig.

In 2021 Perini Navi became part of The Italian Sea Group, which will continue its historic tradition, combining it with the stylistic and technological innovation that is one of the Group's founding features.

**TECNOMAR**

Founded in Viareggio in 1987, Tecnomar initially distinguished itself with the production of 20-metre open powerboats characterised by high sportiness and innovative design. Shortly afterwards, with the aim of optimising the production cycle, the company moved its sales and production offices to the industrial area of Massa Carrara.

To date, the Tecnomar brand has delivered 294 yachts and offers vessels up to 50 metres, whose distinctive features such as sportiness and cutting-edge design are supported by robust and reliable mechanics. Each model represents a design challenge balancing the elegance of the best Italian nautical tradition and the use of innovative technologies and materials.

Now known throughout the world is the partnership with the historic "Automobili Lamborghini" brand that led to the creation of the "Tecnomar for Lamborghini 63" yacht line, a project inspired by the performance of super sport cars that represents not simply an exercise in style and design, but the cutting edge of luxury speed boats.

**NCA REFIT**

Since 1942, NCA has specialised in the refit of super yachts and mega sailing and motor yachts and combines a range of exclusive services reserved for crews. Backed by the skills and expertise acquired over more than 70 years of experience in the industry, NCA Refit can count on a team of highly qualified engineers, architects and technicians. The unique characteristics of its infrastructure make NCA Refit one of the most important naval hubs in the Mediterranean. NCA Refit operates shipyards in Marina di Carrara and La Spezia covering a total of 136,000 square metres.

NCA Refit relies on TISG's excellent infrastructure: these include a 200-metre dry dock, the largest in the Mediterranean, a second 147-metre long dock, a sinking dock of up to 3,300 tonnes, two travel lifts of 260 tonnes and 820 tonnes, a keel pit and a 1,000 tonne syncro lift. NCA Refit also stands out from competitors for its care and attention to crews. From 2019, with the inauguration of the "Village", the Company in fact provides crews, as well as its employees, with top-tier services such as a gourmet restaurant, a lounge bar, a gym and a luxurious spa.

**CELI 1920**

Experience, craftsmanship and technology make the CELI 1920 joinery workshop an international benchmark in the design and production of high quality furniture. Over time, CELI has combined precision in cabinetmaking with a rigorous construction method and the use of advanced production technologies, retaining all the values and qualities of “handmade” products.

Since its founding in 1920, CELI’s aim has been to give impeccable technical answers and provide advanced solutions to achieve, on every occasion, a result of excellence that stems from a great love of beauty and exclusivity.

Thanks to its long experience in cabinetmaking, rigorous construction methodology and ability to handle ever-increasing design complexity, CELI has brought ancient construction techniques back to life, restoring prestige to historic buildings such as theatres, museums, bank headquarters and courthouses, as well as creating cutting-edge solutions for hotels and showrooms, and of course yachts.

Each TISG Group brand corresponds to a set of services offered, which together represent the totality of the Group's revenues, and is linked to material current impacts or material potential negative impacts. Below is a presentation of Group Revenues:

| *in thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Revenues from sales and services | 232,952 | 365,425 | (132,473) |
| Change in contract work in progress | 49,078 | 40,678 | 8,400 |
| **Total operating revenues** | **282,030** | **406,103** | **(124,073)** |
| Other proceeds and income | 14,609 | 25,179 | (10,570) |
| Commissions | (1,500) | (7,217) | 5,717 |
| **TOTAL** | **295,139** | **424,065** | **(128,926)** |

**Revenue from sales and services** amounted to Euro 232,952 thousand as at 31 December 2025, a decrease of Euro 132,473 thousand compared with the previous year due to the difficulty encountered in securing new contracts and slower progress on contracts in progress

The breakdown of operating revenues by production segment is shown below:

| *in thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Production and sale of yachts (Shipbuilding) | 264,963 | 364,295 | (99,332) |
| incidence on total operating revenues | *94%* | *90%* | |
| Refit activities | 17,067 | 41,808 | (24,741) |
| incidence on total operating revenues | *6%* | *10%* | |
| **Operating revenues** | **282,030** | **406,103** | **(124,073)** |

Other detailed information on revenues is presented in the reclassified income statement section of the Management Report.

**THE PILLARS OF THE STRATEGY**

**FOCUS ON LARGE YACHTS -** Thanks to state-of-the-art facilities enabling the simultaneous construction of large yachts, TISG focuses its strategy on the mega and giga yacht segment, which guarantees greater backlog visibility over the years. The 50-metre-plus yacht segment, TISG’s main focus, accounts for around 80% of the Company’s order book and has shown strong resilience in recent years, thanks in part to a significant increase in the number of Ultra High Net Worth Individuals.

**PRODUCTION CAPACITY OPTIMISATION -** Thanks to the acquisition of the Perini Navi complex and the TISG 4.0 and 4.1 investment plans, the Group has significantly expanded its production capacity. The optimisation of the same is at the heart of its strategy, also through new semi-custom production projects.

**RELAUNCH OF PERINI NAVI -** The relaunch of the historic brand involves the creation of sailing yachts with classic lines and, at the same time, the launch of the new "Genesis" fleet, which offers a renewed contemporary aesthetic, while respecting the Perini Navi tradition.

**STRATEGIC PARTNERS IN THE LUXURY SECTOR -** The Italian Sea Group strengthens its market positioning also thanks to important collaboration agreements with leading brands in the luxury and Made in Italy sector, with which it shares the same values. Examples of this are the limited edition project Tecnomar for Lamborghini 63, in collaboration with Automobili Lamborghini and the well-established collaboration with Giorgio Armani for the design of exterior and interior lines of Admiral brand yachts.

**ESG INITIATIVES** - TISG's ESG strategy is strongly interconnected with the business strategy and is part of the Company's DNA. From an environmental point of view, TISG adopts a proactive approach with a strong focus on innovation and sustainable materials; the Company uses mainly aluminium and steel for its yachts and invests in research into propulsion systems and innovative solutions for reducing emissions and generating green energy on board the yachts. In addition, it meets a large part of its energy needs thanks to the self-generation of energy from photovoltaic systems installed in its facilities. Great attention is paid to human resources and their continuous training thanks to the TISG Academy, a project dedicated to the training of employees and undergraduates from the Universities of Genoa, La Spezia and Trieste, through courses of excellence held by university professors and industry professionals.

## SUSTAINABILITY PLAN

During 2025, the Group completed a structured project to update its sustainability objectives, aimed at realigning its corporate strategy and business model with emerging ESG priorities. The project also included an in-depth comparative analysis of a panel of peer companies and leading industry best practices to ensure competitive positioning aligned with the most advanced standards. Integrating these elements made it possible to define a new set of sustainability objectives firmly anchored in the impact factors and risks/opportunities most relevant to the Group and fully consistent with the principal material matters identified by the Double Materiality Assessment.

This work led to the approval of the **2026-2028 Sustainability Plan**, which defines quantitative objectives, measurable targets, a scope consistent with that of financial reporting and specifically assigned responsibilities and time frames. The resulting strategy incorporates both outside-in risks and opportunities, such as climate change, pollution, water resource management and business conduct, and inside-out impacts, including the circular economy, relations with affected communities and biodiversity. In this way, it guides operations and product development while strengthening transparency, comparability and consistency between financial and non-financial reporting.

The Plan reflects the commitments set out in the Group's Sustainability Policy and is monitored and, if necessary, updated annually to build and strengthen a shared Group-wide vision of environmental, social and governance matters, promoting a sustainability culture based on respect, protection and the pursuit of excellence. It aims to complement existing objectives with new challenges for future development and respond to stakeholders' interests and views. The document is shared with senior management, the Chief Executive Officer and the Control, Risk and Sustainability Committee and is approved by the Board of Directors, which supervises corporate sustainability matters.

The Steering Committee, comprising the heads of the functions involved, meets periodically and uses specific monitoring indicators to assess progress towards the targets. If the actions underlying the objectives are delayed, the Committee devises solutions to achieve the target within the time frame set by the Sustainability Plan or, alternatively, to amend the target.

The 2026-2028 Plan is structured around four strategic priorities consistent with the Double Materiality results and the relevant SDGs (7, 9, 12, 13, 3, 4, 5, 8, 16 and 17), and establishes specific KPIs with owners and deadlines.


The Plan comprises 18 specific[6] targets distributed among the various pillars and defines an implementation period for each action. The update also took into account previous objectives, which related to a different scope and were therefore included in this comprehensive review. The targets set out below apply to the entire Group and all the entities through which it operates.

Specifically, the **Energy Transition and Decarbonisation**[7] pillar aims to reduce the environmental impact of operations and products by promoting the transition to low-emission energy solutions and the adoption of innovative decarbonisation technologies. The **Circular Economy and Responsible Resource Management** pillar is geared towards promoting a circular model and efficient resource management, with the aim of reducing waste, increasing reuse and reducing environmental impact throughout the product life cycle. The **People, Health and Relationships for Shared Value** pillar aims to promote people's well-being, workplace safety and inclusion, strengthening skills and relationships to support sustainable growth. Finally, the **Sustainable Governance and Responsible Supply Chain** pillar aims to ensure transparency and accountability within the supply chain by applying ESG criteria and adhering to international standards for ethical governance.

| PILLAR | ESRS | # | ACTION | TIME FRAME |
|---|---|---|---|---|
| **Energy Transition and Decarbonisation** | E1 | 0 | Achieve Net Zero by 2050 | 2050 |
| | E1 | 1 | Achieve Scope 1 and Scope 2 Climate Neutrality (Net Zero) by 2030 | 2030 |
| | E1 | 2 | Introduction of **hybrid propulsion systems** | 2028 |
| | E1 | 3 | Installation of **photovoltaic panels** on vessels | 2028 |
| | E1 | 4 | Reduction of **emissions** through the use of **generator sets** with a low economic impact | 2028 |
| | E1 | 5 | Transition to the use of **natural gases** | 2028 |
| **Circular Economy and Responsible Resource Management** | E1 | 6 | Increase in energy from **renewable sources** | 2028 |
| | E3 | 7 | Improvement of **wastewater management** | 2028 |
| | E5 | 8 | **Waste reduction and increased recycling** | 2028 |

[6] The targets were defined with the involvement of internal stakeholders only, namely the members of the Steering Committee, without input from external stakeholders. Their identification was based on an analysis of the business's distinctive operating activities and did not rely on scientifically validated data or methodologies

[7] Decarbonisation objectives may be achieved through direct initiatives or offsetting using certificates

| | | | | |
|---|---|---|---|---|
| | | 9 | **Use of recycled or sustainable materials** | 2028 |
| **People, Health and Relationships for Shared Value** | S1 | 10 | **Increase in employee initiatives** | 2028 |
| | S1 | 11 | **Gender equality** - Reduction of the Gender Pay Gap | 2028 |
| | S1 | 12 | **Training and Academy** | 2028 |
| | S1 | 13 | Improved **Health and Safety** performance | 2028 |
| | S4 | 14 | **Strengthen relationships with customers and brokers** through events and multichannel communications | 2028 |
| **Sustainable Governance and a Responsible Supply Chain** | G1 | 15 | **Mapping** and **assessment of the supply chain using ESG criteria** | 2028 |
| | G1 | 16 | Participate in international questionnaires such as **CDP** or **EcoVadis** | 2028 |
| | G1 | 17 | Global Compact | 2028 |

The Group's sustainability strategy, overseen by the ESG Steering Committee and integrated into decision-making and innovation processes, strengthens the resilience of the business model to transition and physical risks, captures efficiency and market positioning opportunities, such as the circular economy and customer experience & satisfaction, and creates shared value throughout the value chain. Progress will be monitored through the KPIs underlying the defined targets, with assigned responsibilities and periodic updates in accordance with the ESRS.

In this way, TISG continues its long-term commitment to generating sustainable value for all stakeholders by promoting responsible, ethical practices in every area of activity.

The Italian Sea Group's **value chain** extends both upstream and downstream, involving a number of key players and processes.

Upstream, the value chain includes the relationship with suppliers and contractors responsible for the construction of the first part of boats (e.g. hull, electrical parts). The technical part is managed directly by The Italian Sea Group, which provides guidelines to suppliers and subcontractors on how to structure the construction process and monitors progress in terms of timing and quality of the work performed, with work progress meetings. Architects and partnerships with luxury brands like Armani and Lamborghini contribute to our exclusive yacht designs.

Downstream, the relationship is predominantly with brokers, who act as intermediaries between the Group and end customers. Brokers participate in the various boat shows and manage relations with ship operators and customers, taking their needs and interests into account. Furthermore, the Group maintains relations with flag state authorities and certification bodies, which follow the process up to sea trials and interact with TISG (technical, quality and production department). Outside consultants, usually technical experts, provide additional support to guarantee yacht quality and innovation. This integrated approach ensures that each yacht is unique and perfectly meets the needs and desires of the most demanding customers.

The number of employees by geographical area is reported in the "S1 – Own workforce" chapter. A summary of the breakdown by gender of the TISG Group is provided below.

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | MEN | WOMEN | TOTAL | MEN | WOMEN | TOTAL |
| The Italian Sea Group | 586 | 110 | 696 | 621 | 127 | 748 |

## ESRS 2 SBM-2 – Interests and views of stakeholders

In carrying out its activities, The Italian Sea Group interacts with numerous stakeholders that are able to more or less directly influence the company's work and have an interest in the organisation conducting its activities responsibly and sustainably.

This is why TISG is committed to ongoing dialogue and engagement initiatives that allow for a thorough understanding of its stakeholders' needs and expectations. These interactions are functional to various aspects such as, for example, the identification of the impacts generated by the Group on the environment and on people, an activity aimed at communicating TISG's work to the outside world in a transparent manner and with a view to continuous improvement.

The table below shows the expectations of the different stakeholder categories and the communication tools the Company uses according to the specific type of stakeholder.

| STAKEHOLDER CATEGORY | EXPECTATIONS AND ENGAGEMENT OBJECTIVES | COMMUNICATION TOOLS |
|---|---|---|
| SHAREHOLDERS AND INVESTORS | Shareholders are economic/financial stakeholders and expect profitable business management that is sustainable in the long term. | Shareholders' Meeting, presentations and roadshows, Capital Markets' Day, conference calls for the presentation of financial results, constant and precise communication of price-sensitive information on the channels designated and approved by CONSOB and Borsa Italiana (SDIR), meetings and individual calls for in-depth analysis and sharing of strategies, website. |
| EMPLOYEES | Employees expect not only a working relationship characterised by fairness and stability, but also seek their own professional and personal growth. Attention to health and safety issues plays a key role. | Individual meetings with Managers and the HR Department, internal communication by email from Top Management and Management, TISG Academy. |
| CLIENTS | Clients expect a product of absolute excellence, delivered on time. The highest quality must pervade the entire process, from the first contact with the sales area, through the construction phase, to after-sales service and the yacht refit phase. | Commercial presence at the most important yacht shows in the industry, partnerships with brokers, sharing of product information material, shipyard visits and individual meetings with the project team, constant dialogue with project managers, services offered by the "Village", events at TISG sites, assistance from the after-sales and refit team, website, social media channels. |
| SUPPLIERS | Suppliers expect a solid partner with whom they can build long-term relationships for mutual value creation and the achievement of ever higher quality standards. | Ad hoc contacts and meetings with the purchasing department and the heads of the business areas involved, calls, email communications. |
| CREDIT INSTITUTIONS | Credit institutions are looking for a solid and reliable partner to accompany them on a path of growth marked by transparency and fairness. | Ad hoc meetings and constant and precise communication and exchange of information. |
| COMMUNITY | The general public expects The Italian Sea Group's activities to have a positive impact on local communities and allied industries, guaranteeing employment levels, operating with respect for the environment, safeguarding the health and safety of individuals and supporting the most vulnerable. | Information disseminated in the press, meetings with local associations, dialogue with trade union representatives. |
| PUBLIC ADMINISTRATION | The Public Administration expects fairness in administrative-bureaucratic matters, as well as positive spill-over effects on local areas in terms of employment and the well-being of local communities. | Meetings, calls, email communications. |

| | | |
|---|---|---|
| CONTROL BODIES | The control bodies expect strict compliance with regulations and legal provisions in force, as well as transparent dialogue with the company for any further information deemed appropriate. | Face-to-face meetings, calls, email communications, constant and precise communication of information on the channels set up and approved by CONSOB and Borsa Italiana (SDIR). |
| LOCAL, NATIONAL AND INTERNATIONAL PRESS | The press expects clear and comprehensive information and transparent dialogue with the company. | Interviews, press releases, calls and meetings with journalists. |
| SCHOOLS AND UNIVERSITIES | The world of schools and universities expects a collaboration that can complement academic preparation with specific content from the world of work, facilitating the inclusion of young resources. | TISG Academy, training, internship and university orientation programmes. |
| TRADE UNION REPRESENTATIVES | Trade union representatives ensure the fair and continuous application of existing agreements and the applicable national collective agreement and seek a transparent interlocutor and open and constant dialogue. | Ad hoc meetings, calls, email communications. |
| TRADE ASSOCIATIONS | The expectations of this stakeholder category concern active participation in the life of the association, to obtain the joint effort of the players involved, maximise synergies and create sustainable value. | Ad hoc meetings, calls, email communications. |

Shipowners and employees are certainly the two main stakeholders being listened to given the need to maintain important professional resources over time that allow us to build our ships exactly as requested by our customers.
This is an ongoing dialogue in which – particularly with regard to internal company matters and personnel – the Human Resources department strives to listen to requests (such as the ESI survey on workplace climate) and provide senior management with key elements for decision-making. At the moment, the company's strategy has never changed significantly in light of this constant exchange, nor is there a specific moment for alignment of the Board of Directors on these issues, without prejudice to the commitment of the CEO to report to the BoD in the case of issues and/or events that may be considered of particular importance for the Group's business.

In 2025 only the Sustainability Committee was involved in assessing sustainability matters and the related impacts, risks and opportunities by completing a survey. The evaluation expressed by the stakeholders was used to outline a line of action for the Group in keeping with their expectations.

## ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

Information on how material sustainability-related impacts, risks and opportunities interact with the business model and business strategy is presented together with the information provided in relation to each material sustainability matter. A description of the material impacts, risks and opportunities, including their location in the value chain, and the main response actions taken by the Group is provided in section IRO-1 below and in the related topical sections.

The materiality assessment within the Group identified a number of significant impacts, risks and opportunities linked to its operations and/or the value chain. These elements cover various operational aspects, both upstream and downstream in the value chain, and provide a clear view of the profiles on which the TISG Group will focus its efforts to improve corporate sustainability in all its aspects, with the aim of reducing the associated risks and exploiting the opportunities that arise.

The Group is dedicated to pursuing its ESG Targets that are related in part or in full to the identified impacts, risks and opportunities. In the future, the effects of these impacts and risks will be increasingly relevant both in the company and externally. The TISG Group's management is particularly careful in overseeing coordination of internal and external workers through dedicated structures and procedures. Risks of acute and chronic climate change are extremely rare, occurring with statistically very low frequencies. Moreover, the group has taken out insurance policies to protect its business against the risks mentioned. With regard to the transition risks related to climate change, the company has adopted innovative solutions for the supply of renewable energy and remains constantly attentive to the opportunities to implement new improvement solutions. In light of the shared analysis, the company considers that there are no current financial effects of the risks and opportunities identified in the double materiality assessment and did not consider it necessary to set aside a provision in the financial statements. The Group is committed to further expanding on the analysis of the financial effects related to its significant impacts, risks and opportunities in the coming years.

Compared to the previous reporting, The Italian Sea Group's materiality process was further refined in compliance with the new European standards (ESRS "Sector Agnostic") with the dual materiality assessment, adapting to the nomenclature indicated by the European Sustainability Reporting Standards and abandoning an autonomous nomenclature of sustainability issues.

The current financial effects of the risks and opportunities identified with the double materiality assessment are limited, therefore not relevant and not included in this report.

## MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

### ESRS 2 IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities

The materiality assessment within the Group identified a number of significant impacts, risks and opportunities linked to its operations and the value chain. These elements cover different operational aspects, related to own operations and upstream and downstream operations of the value chain, and provide a clear vision of where to focus efforts to improve corporate sustainability in all of its aspects, reducing the associated risks and exploiting the opportunities that may arise.

The principle of **Double Materiality**, referred to in *ESRS 1 "General Requirements"*, is the most significant innovation introduced by the single European standard for sustainability reporting, as well as by the relevant regulations. This is because this principle integrates and modifies the approach to the definition and contextual evaluation of sustainability issues to be reported.

According to the principle, double materiality has two dimensions, *impact materiality* and *financial materiality*. A sustainability issue is material in terms of its impact when it regards material actual or potential, positive or negative impacts on people or the environment over the short, medium or long term (inside-out perspective, typical of **impact materiality**). Impacts include those connected with own operations and the upstream and downstream value chain. On the other hand, a sustainability issue is material from the financial perspective if it has significant financial effects, i.e. when it can or could influence the current or future economic-financial performance of the organisation (outside-in perspective, typical of **financial materiality**). This occurs when a sustainability issue generates risks and/or opportunities that may arise from past or future events. The two dimensions are interconnected and the interdependencies between these two dimensions must be taken into account; however, a sustainability issue can be material from the point of view of impact without necessarily being financially material, and vice versa.

The disclosure concerning the double materiality analysis is defined by the *ESRS 1 "General Requirements"* and *ESRS 2 "General Information"* standards, with the latter governing the methodological approach and establishing specific disclosure obligations to be included in the reporting. The aim is to provide an understanding of the process whereby The Italian Sea Group has identified impacts, risks and opportunities and assessed their significance. In this way, it is possible to identify and contextualise the material topics described in the Sustainability Report.

On the basis of the principles described above, the possible impacts, risks and opportunities (IROs) applicable to the Group were mapped, thus arriving at the definition of the long list of IROs. The long list was defined according to the following steps:

1. **Identification** of an initial list of sustainability issues based on the results of the previous materiality analysis carried out by the TISG Group, the results of the internal and external context analysis and the analysis of the risks and opportunities of the entire Group, as well as on due diligence processes and stakeholder engagement activities. In addition, the upstream and downstream value chain and the Group's business relationships were taken into account.
2. **Correlation** of the aspects identified with the topics/sub-topics reported in *Annex A Application Requirements 16* of the *ESRS 1 "General Requirements"* standard;
3. **Definition** of the relative impacts, risks and opportunities (IROs). During this step, the Group's business and value chain were analysed in order to identify possible direct and indirect impacts, risks and opportunities. For each impact, the "origin of the impact" has been identified, i.e. "where the impact is generated" and as a result "who are the players/factors impacted", broken down between Upstream Value Chain, Own Operations and Downstream Value Chain. Furthermore, the mapping of the long list of IROs was prepared taking into account the entire Group scope;
4. **Sharing** with the heads of the various functions of the TISG Group for their validation, with the aim of refining the impacts, risks and opportunities identified and capturing the Group's specific features, for a precise definition of the long list of IROs subject to assessment.

To consolidate and refine the Double Materiality process, the **stakeholder engagement** process was updated compared with the previous period by involving a sample of individuals within the TISG Group. This engagement initiative represented a significant opportunity to discuss and raise awareness of the sustainability topics characterising the Group's business activities and to validate the conclusions previously reached.

The long list **assessment process** was carried out with the involvement of the managers of the various company departments. Each impact, risk and opportunity was assessed according to its magnitude and likelihood, using specific rating scales. In particular, two *magnitude scales* were used (one for the assessment of impacts and one for the assessment of risks and opportunities) alongside a common *likelihood scale* for both impacts and risks and opportunities. The severity of the impacts was expressed using three drivers – magnitude, scope and irremediable nature – while the magnitude of the risks and opportunities was defined by considering the potential magnitude of the possible financial effects thereof based on different drivers. Likelihood, on the other hand, was defined considering two drivers, one prospective and the other historical.

IROs were assessed on a "gross" basis with a precautionary approach, especially for IROs relating to Climate Change and Human Rights.

During the evaluation, several aspects were considered, in line with the provisions of the dedicated guidelines and the indications of ESRS 2 "General Information":

- **Human rights**: in the event of potentially negative impacts linked to this aspect, the approach of the prevalence of severity was followed, with respect to likelihood (thus assigning a maximum severity to these impacts regardless of the likelihood of occurrence);
- **Interdependencies**: any points of connection between mapped impacts, risks and opportunities were appropriately considered during identification and assessment with the various department managers;
- **Time horizons**: they identify, from the moment in which that the potential impact occurs, when it will begin to produce the effects; whether in the short, medium or long term (less than one year, between one and four years and more than four years, respectively).[8] For each potential impact, risk and opportunity, a time horizon was assumed and agreed upon, among the 3 previously listed, and the final assessment was carried out taking into consideration the time horizon defined;
- **Scope**: this was considered as the "origin of the impact" has been identified, i.e. "where the impact is generated" and as a result "who are the players/factors impacted", broken down between Upstream Value Chain, Own Operations and Downstream Value Chain;
- **Factors impacted**: in the context of the identification and subsequent assessment of impacts, factors such as the environment, community, workforce, etc. were taken into account.

In the case of the TISG Group, the threshold was defined on the basis of assumptions aimed at capturing the aspects defined above. In practice, following the assessments of the top management according to parameters of Severity for impacts, Magnitude for risks and opportunities and Likelihood, the long lists of Impacts and Risks/Opportunities were prioritised. Through this practice, it was possible to obtain a complete view and reasonably define the sub-threshold or non-material IROs for the Group. The identification of the materiality threshold for each Long List allowed the respective Short Lists to be drafted, from which the material IROs (with reference to both perspectives) were identified.

Specifically, the value of each IRO is given by the product of Likelihood and Magnitude for risks and opportunities, and by the product of Likelihood and Severity for impacts. The threshold identified for both impact materiality and financial materiality is 5. This threshold has been defined in order to pursue a precautionary approach for the identification of the Group's impacts, risks and opportunities.

The list of material sustainability issues for the 2025 financial year obtained as a result of the double materiality and stakeholder engagement process is provided below. The scoring values represent the average of the values of the material IROs contained within each Material Topic. In line with the previous reporting period, the Group decided to use the same nomenclature laid out by the ESRS reporting standards for the identification of its material topics.

[8] The Italian Sea Group has exercised the right to modify its time horizons, as permitted in ESRS 1, paragraph 80, and ESRS 2 BP-2, paragraph 9. This decision was taken with the aim of aligning the time horizons with those used for consolidated financial reporting.

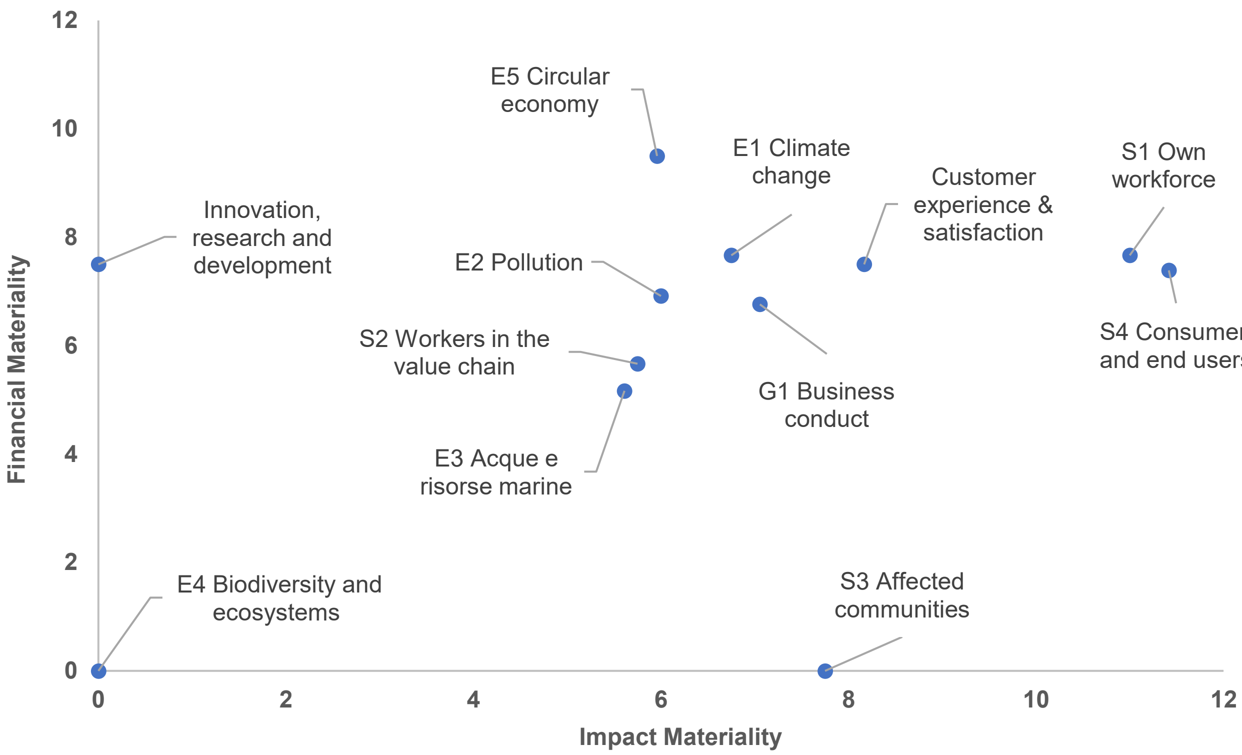
**Impact Materiality**

| Material topics | Scoring |
|---|---|
| S4 Consumers and end users | 11.42 |
| S1 Own workforce | 11.00 |
| Customer experience & satisfaction | 8.17 |
| S3 Affected communities | 7.75 |
| G1 Business conduct | 7.06 |
| E1 Climate change | 6.75 |
| E2 Pollution | 6.00 |
| E5 Circular economy | 5.96 |
| S2 Workers in the value chain | 5.75 |
| E3 Water and marine resources | 5.61 |
| E4 Biodiversity and ecosystems | - |
| Innovation, research and development | - |

**Financial Materiality**

| Material topics | Scoring |
|---|---|
| E5 Circular economy | 13.1 |
| S1 Own workforce | 10.9 |
| E1 Climate change | 10.6 |
| Customer experience & satisfaction | 10 |
| Innovation, research and development | 9.6 |
| S4 Consumers and end users | 9.3 |
| E2 Pollution | 8.6 |
| G1 Business conduct | 8.4 |
| S2 Workers in the value chain | 7.9 |
| E3 Water and marine resources | 6.7 |
| E4 Biodiversity and ecosystems | - |
| S3 Affected communities | - |

Once again In this sustainability reporting we have included the materiality matrix given by the combination of both the impact and financial materiality perspectives, allowing for the identification of material topics and determining the priorities of The Italian Sea Group's sustainability strategy.




The process followed to define the list of **10 material topics** according to impact materiality (the *inside-out* perspective) therefore began with the identification of **26 material impacts** of which **15 were negative** and **11 positive**, each associated with an ESRS Sector Agnostic topic. At the same time, in terms of financial materiality (outside-in perspective), **10 material topics** were identified on the basis of **31 R&Os**, of which **21 were risks** and **10 opportunities**, which were also associated with the above-mentioned topics.

Compared with the previous reporting period, the analysis found that **E4 Biodiversity and ecosystems** was not material. **S3 Affected communities** was material only from the Impact Materiality perspective, while **Innovation, Research and Development** was relevant only from the Financial Materiality perspective.

The material sub-topics associated with the material topics set out above are shown in the following table:

Non-material sub-topics and sub-sub-topics for the TISG Group

| Topic | Sub-Topic | Sub-sub Topic |
|---|---|---|
| E1 - Climate change | Climate change adaptation | - |
| | Climate change mitigation | - |
| | Energy | - |
| E2 - Pollution | Pollution of air | - |
| | Pollution of water | - |
| | Pollution of soil | - |
| | Pollution of living organisms and food resources | - |
| | Substances of concern | - |
| | Substances of high concern | - |
| | Microplastics | - |
| E3 - Water and marine resources | Water | Water consumption |
| | | Water withdrawals |
| | | Water discharges |

| | | |
|---|---|---|
| | Marine resources | Water discharges in the oceans |
| | | Extraction and use of marine resources |
| E4 - Biodiversity and ecosystems | Direct impact drivers of biodiversity loss | Climate change |
| | | Land-use change, fresh water-use change and sea-use change |
| | | Direct exploitation |
| | | Invasive alien species |
| | | Pollution |
| | | Others |
| | Impacts on the state of species | Species population size<br>Species global extinction risk |
| | Impacts on the extent and condition of ecosystems | Land degradation<br>Desertification<br>Soil sealing |
| | Impacts and dependencies on ecosystem services | - |
| E5 - Circular economy | Resources inflows, including resource use | - |
| | Resource outflows related to products and services | - |
| | Waste | - |
| S1 - Own workforce | Working conditions | Secure employment |
| | | Working time |
| | | Adequate wages |
| | | Social dialogue |
| | | Freedom of association, the existence of works councils and the information, consultation and participation rights of workers |
| | | Collective bargaining |
| | | Work-life balance |
| | | Health and Safety |
| | Equal treatment and opportunities for all | Gender equality and equal pay for work of equal value |
| | | Training and skills development |
| | | The employment and inclusion of persons with disabilities |
| | | Measures against violence and harassment in the workplace |
| | | Diversity |
| | Other work-related rights | Child labour |
| | | Forced labour |
| | | Adequate housing |
| | | Privacy |
| S2 - Workers in the value chain | Working conditions | Secure employment |
| | | Working time |
| | | Adequate wages |
| | | Social dialogue |
| | | Freedom of association, the existence of works councils and the information, consultation and participation rights of workers |
| | | Collective bargaining, including the rate of the undertaking’s workforce covered by collective agreements |
| | | Work-life balance |
| | | Health and safety |
| | Equal treatment and opportunities for all | Gender equality and equal pay for work of equal value |
| | | Training and skills development |
| | | The employment and inclusion of persons with disabilities |

| | | |
|---|---|---|
| | | Measures against violence and harassment in the workplace |
| | | Diversity |
| | Other work-related rights | Child labour |
| | | Forced labour |
| | | Adequate housing |
| | | Privacy |
| S3 - Affected communities | Communities' economic, social and cultural rights | Adequate housing |
| | | Adequate food |
| | | Water and sanitation |
| | | Land-related impacts |
| | | Security-related impacts |
| | Communities' civil and political rights | Freedom of expression |
| | | Freedom of assembly |
| | | Impacts on human rights defenders |
| | Rights of indigenous peoples | Free, prior and informed consent |
| | | Self-determination |
| | | Cultural rights |
| S4 - Consumers and end users | Information-related impacts for consumers and/or end-users | Privacy |
| | | Freedom of expression |
| | | Access to quality information |
| | Personal safety of consumers and/or end-users | Health and safety |
| | | Security of a person |
| | | Protection of children |
| | Social inclusion of consumers | Non-discrimination |
| | | Access to products and services |
| | | Responsible marketing practices |
| G1 - Business conduct | Corporate culture | - |
| | Protection of whistle-blowers | - |
| | Animal welfare | - |
| | Political engagement and lobbying activities | - |
| | Management of relationships with suppliers including payment practices | - |
| | Corruption and bribery | Prevention and detection including training |
| | | Incidents |
| Entity Specific – Customer Experience & Satisfaction | - | - |
| Entity Specific – Innovation, Research and Development | - | - |

The entire process was supervised by the ESG function and involved the most senior representatives of each department in the assessment process. The result of the double materiality analysis was **reviewed** and **approved** by TISG's Board of Directors. The analysis in question is an annual process.

Below is a summary of the ***short list*** of IROs that contributed to determining the material sustainability topics.

***List of material impacts***

| Topic | Sub-Topic | Impact | Type Impact | Type of effect | Material time horizon | Value chain |
|---|---|---|---|---|---|---|
| E1 Climate change | Climate change mitigation | Production of emissions throughout the value chain (Scope 3), with negative impacts in terms of contributing climate change | Negative | Current | | Upstream Downstream |
| | Energy | Energy consumption to fuel the production process, with the resulting use of natural, renewable and non-renewable resources | Negative | Current | | Own operations |
| E2 Pollution | Pollution of air | Emissions of pollutants into the atmosphere during production processes, throughout the supply chain and logistics activities, as well as during product use and disposal.<br>Emissions of pollutants released into the atmosphere include sulphur oxides (SOx), nitrogen oxides (NOX), particulate matter (PM), volatile organic compounds (VOC) and carbon monoxide (CO). | Negative | Current | | Upstream Own operations |
| | Pollution of water | WATER POLLUTION IN PRODUCTION PHASES - Shipyard activities may involve several marine pollution risks, including spills of chemicals, solid waste and washing water for yacht hulls | Negative | Potential | Medium-term | Own operations |
| E3 Water and marine resources | Water | Ineffective management of water resources during the production process and non-compliance with authorised limits may lead to the risk of local water resource depletion | Negative | Potential | Short-term | Upstream Own operations Downstream |
| | | GENERATION OF WASTEWATER FROM VALUE CHAIN ACTIVITY AND PLAYERS - The production of wastewater is a direct result of the operating activities and various players involved throughout the entire value chain. This includes not only yacht construction and maintenance processes, but also the operations of suppliers and subcontractors. Each phase of the production process, from material processing to painting, contributes to the generation of wastewater that needs to be managed and treated properly to minimise environmental impacts | Negative | Potential | Short-term | Upstream Own operations Downstream |
| | Marine resources | WATER DISCHARGES IN THE OCEANS WITH A SIGNIFICANT IMPACT ON THE MARINE ENVIRONMENT - During yacht production, the water used to wash and clean hulls could collect residues of paints, solvents and anti-fouling agents. If these substances are not disposed of properly at the dock, they could end up directly in the sea. | Negative | Potential | Short-term | Upstream Own operations Downstream |
| E5 Circular economy | Resources inflows, including resource use | The increasing use of high quality and valuable materials from traceable sources and suppliers for the construction and furnishing of interiors guarantees not only superior aesthetics, but also greater durability and resistance over time | Positive | Current | | Upstream Own operations |
| | | Pollution linked to the use of materials with a higher environmental impact during the construction phase, such as non-renewable, non-recyclable and non-disassemblable materials | Negative | Current | | Upstream Own operations |
| | Resource outflows related to products and services | Contribution to the waste of resources and inefficient use of materials | Negative | Potential | Short-term | Upstream Own operations |
| | Waste | Production and management of hazardous and non-hazardous waste linked to production, which generate negative impacts on the environment. | Negative | Current | | Upstream Own operations Downstream |
| S1 Own workforce | Working conditions | Decreased employee well-being and reduced productivity due to excessive working hours | Negative | Current | | Own operations |
| | | Improvement in the corporate environment and employee well-being, including by protecting the freedom of association, collective bargaining and the right of workers' representation | Positive | Current | | Own operations |
| | | Difficulty in ensuring work-life balance, particularly around delivery deadlines, and the absence of a smart working agreement for either office workers or operational personnel, given the particular characteristics of the company and the sector type, which makes it difficult to opt for this choice | Negative | Current | | Own operations |
| | Equal treatment and opportunities for all | Workforce satisfaction by offering training courses for the development of new skills, with advantages both for the professional growth of employees and for their career advancement. | Positive | Current | | Own operations |

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|---|---|---|---|---|---|---|
| S2 Workers in the value chain | Working conditions Equal treatment and opportunities for all | Violation of human and workers' rights and transparency and traceability requirements of the entire supply chain | Negative | Potential | Medium-term | Upstream |
| | Working conditions | Incidents of accidents at work and occupational diseases of workers in the value chain, particularly at subcontractors and contractors | Negative | Potential | Medium-term | Upstream |
| S3 Affected communities | Communities' economic, social and cultural rights | Positive impact on the surrounding community due to stays by crews of refit boats that use local services for the months during which they are waiting for refit work to be completed | Positive | Current | | Own operations Downstream |
| | | Creation of added value for the community by rescuing a production company and having a positive impact on related industries in Terni by creating jobs at the company CELI | Positive | Current | | Own operations Downstream |
| S4 Consumers and end users | Personal safety of consumers and/or end-users | Careful design and high quality standards, in terms of products and services offered, guarantee the health and safety of end users (ship operators and customers) | Positive | Current | | Downstream |
| | Social inclusion of consumers and/or end-users | Responsible management of customers and the respective business practices, recognising customer protections and developing business relationships based on good faith. | Positive | Current | | Downstream |
| G1 Business conduct | Corporate culture | Governance effectiveness in the dissemination of company values, culture and ethical principles, with positive impacts in terms of increasing the trust of internal and external stakeholders | Positive | Current | | Upstream Own operations Downstream |
| | Protection of whistle-blowers | Promotion of a culture based on communication, ethics and transparency, with positive impacts in terms of increasing stakeholder confidence, as well as greater freedom in communicating cases of non-compliance with laws and company regulations through the whistleblowing channel and the protection of any whistleblowers. | Positive | Current | | Upstream Own operations |
| | Corruption and bribery | Training activities and implementation of safeguards aimed at preventing and immediately detecting corruption, bribery and anti-competitive behaviour | Positive | Current | | Own operations |
| Customer experience & satisfaction | - | Loss of customer confidence and satisfaction due to inadequate service and lack of transparency in the information provided | Negative | Potential | Medium-term | Own operations Downstream |
| | - | Attention in the relationship with customers and in monitoring their satisfaction with the products offered | Positive | Current | | Own operations Downstream |

***List of material risks and opportunities***

| Topic | Sub-Topic | Risk/Opportunity | Risk/Opportunity | Material time horizon | Value chain |
|---|---|---|---|---|---|
| E1 Climate change | Climate change adaptation | Risk | CLIMATE CHANGE (Acute and Chronic Physical Risk) – The potential risks of climate change include an increase in the frequency and intensity of extreme weather phenomena such as droughts, floods and storms, resulting in material damage to the Group's facilities and structures and therefore impacts on productivity, rising sea levels with impacts on the construction and location in marinas and ports of infrastructure that is more robust and adaptable to any flooding, increase in global temperatures with impacts on the availability of freshwater resources and implications for the maintenance of boats and the services offered in ports and marinas | Medium-term | Own operations |

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|---|---|---|---|---|---|
| | | Risk | CLIMATE CHANGE (Transition Risk) – The potential direct and indirect impacts deriving from the process of adapting to a low-GHG emission economy that could affect the Group in terms of not adapting or adapting late to developments in environmental regulations with the potential resulting risk of fines or penalties, increase in operating costs linked to the procurement of non-renewable energy and the transition to more sustainable technologies, reputational damage and loss of credibility among stakeholders if environmental protection targets and expectations are not met | Medium-term | Own operations |
| | Climate change mitigation | Opportunity | Ability to achieve the transition towards technologies with lower emissions and environmental impacts with sufficient timeliness and effectiveness, by increasing consumption efficiency, which also leads to energy cost savings | Long-term | Upstream Own operations Downstream |
| | Energy | Opportunity | Possibility to positively influence business competitiveness by reducing energy costs and developing innovative renewable technologies | Medium-term | Upstream Own operations Downstream |
| | | Risk | Risk of inefficiency related to excessive energy consumption | Medium-term | Own operations |
| E2 Pollution | Pollution of air | Opportunity | Business opportunities deriving from the adoption of new low climate impact propulsion systems (e.g. biodiesel) | Medium-term | Upstream Own operations |
| | Pollution of water | Risk | Risk of water pollution from the Group's production activity, with repercussions in terms of remediation costs, legal and regulatory sanctions and loss of reputation | Medium-term | Upstream Own operations |
| E3 Water and marine resources | Marine resources | Risk | Risk of incurring greater costs related to administrative/disqualification/criminal penalties deriving from non-compliance with laws and regulations, connected, for example, to pollution from possible discharges into the seas/oceans | Medium-term | Own operations |
| | Resources inflows, including resource use | Opportunity | USE OF NEW INNOVATIVE TECHNOLOGIES - The use of new innovative technologies in yacht construction is leading to the use of new raw materials with impacts in terms of production efficiency and sustainability (e.g. use of recycled materials, installation of solar panels for powering on-board systems, etc.) | Long-term | Own operations |
| S1 Own workforce | Working conditions | Risk | RISK OF INSUFFICIENT PERSONNEL WITH REPERCUSSIONS ON PRODUCTIVITY – If there is insufficient personnel, this may have repercussions on productivity and operational efficiency, particularly with impacts in terms of increased workload and reduced quality and delays in production processes and delivery times, triggering additional costs | Short-term | Own operations |
| | | Risk | TRADE UNION REPRESENTATIVES - Potential critical issues relating to the management of relations with trade union representatives (e.g. in the event of negotiations for the renewal of collective agreements, in the management of industrial relations, in personnel management policies, etc.), resulting in economic and reputational damage and possible disputes between the company and workers' representatives | Short-term | Own operations |
| | | Risk | TALENT ATTRACTION, RETENTION & COMPENSATION - Risk that the Company will not be able to attract and retain qualified personnel with technical skills and experience aligned with growth and development objectives defined at corporate level. This risk assumes that the Company is not sufficiently capable of offering human capital retention and enhancement policies consistent with employee expectations (e.g., work-life balance during work peaks, pay policies, benefits, welfare tools, smart working) | Short-term | Own operations |
| | | Risk | OCCUPATIONAL HEALTH AND SAFETY - ACCIDENTS AND OCCUPATIONAL DISEASES – Potential inadequate monitoring of occupational health and safety compliance aspects (Italian Legislative Decree 81/2008 as amended) due to the incorrect definition, implementation and updating of policies, procedures and manuals, or not doing so at all, with possible accidents to the detriment of operators/users and with possible penalties and reputational repercussions for the Company. | Medium-term | Own operations |

| | | | | | |
|---|---|---|---|---|---|
| | Equal treatment and opportunities for all | Risk | BACKUP OF KEY RESOURCES – Risk linked to the presence of key corporate positions, especially in the technical field, without adequate back-up coverage or succession plans and with skills that are not easily replicated internally and/or available on the market. If such key individuals leave the company, there would be a risk of delays or inefficiencies in the Group's strategic or operational activities | Short-term | Own operations |
| | | Opportunity | Increased productivity and improved innovation linked to a greater enhancement of employees' skills and knowledge | Medium-term | Own operations |
| | | Risk | Risk of discrimination in the company in terms of wages and gender | Medium-term | Own operations |
| | Other work-related rights | Risk | CYBERSECURITY - Risk of experiencing cyber attacks, aimed at identity, data and information (e.g. sensitive data, confidential information, etc.) theft, sabotage and suspension of IT systems and services and the perpetration of fraud or criminal actions, with negative impacts on business operations and reputation, as well as risks of penalties or claims from customers and third parties. | Medium-term | Own operations |
| S2 Workers in the value chain | Working conditions | Risk | OCCUPATIONAL HEALTH AND SAFETY AND ENVIRONMENT (CONTRACTORS AND SUB-CONTRACTORS) - Continuous need for TISG to monitor occupational health and safety (Italian Legislative Decree 81/2008) and environment compliance aspects with regard to contractors and subcontractors involved in work on orders, in order to avoid risks of joint and several liability with them and with potential reputational damage for TISG. | Medium-term | Upstream Own operations |
| S4 Consumers and end users | Information-related impacts for consumers and/or end-users | Risk | DATA BREACHES – Risk of inadequacy of privacy and compliance measures currently in place to limit or prevent possible incidents of data breaches and/or unauthorised access to sensitive data and information (e.g. relating to customers), carried out by exploiting security system vulnerability, with negative consequences in legal (e.g. violation of data protection regulations, such as the GDPR), economic (e.g. direct or indirect incident management costs) and reputational terms | Short-term | Own operations Downstream |
| | | Opportunity | Improved corporate reputation through secure access to information, effective complaints management and responsible business practices | Short-term | Own operations Downstream |
| | Personal safety of consumers and/or end-users | Risk | Risk of loss of margins and profitability, due to events outside the company's control, which may negatively affect perceptions of final product safety and quality. | Medium-term | Own operations Downstream |
| G1 Business conduct | Corporate culture | Risk | Risk of incorrect communication of the corporate culture of the TISG Group, resulting in damage to its image and reputation | Short-term | Own operations |
| | Management of relationships with suppliers including payment practices | Risk | PRODUCTION OUTSOURCING TO SUPPLIERS AND CONTRACTORS – Risk of potential breaches by suppliers and/or contractors (e.g. identification of defects, possible malfunctions, delays, etc.) and risk of possible disputes or requests deemed illegitimate with economic, reputational and operational consequences | Long-term | Upstream Own operations |
| | | Risk | SUPPLY CHAIN<br>Ineffective supply chain management, with consequences in terms of reduced quality of raw materials and potential deterioration and/or loss of relationships with suppliers, especially due to their workload | Short-term | Upstream Own operations |
| | | Risk | QUALIFICATION OF CONTRACTORS AND SUBCONTRACTORS - The ineffective management and monitoring of the process of qualifying third parties, specifically contractors and subcontractors, may entail the risk of involving qualitatively or quantitatively inadequate counterparties, with a negative reputational track record or insufficient environmental governance, generating negative impacts in economic and reputational terms | Short-term | Upstream Own operations |

| | | | | | |
|---|---|---|---|---|---|
| | | Opportunity | Optimisation of supply chain management resulting in reduced lead times and increased synergies | Long-term | Upstream Own operations |
| | Corruption and bribery | Risk | Risk of failure to adopt or incorrect adoption of the European Whistleblowing Directive for the protection of whistleblowers | Short-term | Own operations |
| | | Opportunity | Possibility to become aware of unethical behaviour through reports and their timely management | Medium-term | Own operations |
| Customer Satisfaction | - | Risk | Loss of stakeholder trust and erosion of the Group's reputational capital. | Medium-term | Own operations Downstream |
| | - | Opportunity | Possibility of increasing business due to the attraction of new customers thanks to the strengthening of the Group's reputational capital in the eyes of its main stakeholders | Medium-term | Own operations Downstream |
| Innovation, research and development | - | Opportunity | Propensity for innovation and investment, resulting in the strengthening of the Group's competitive position and increase in market shares | Short-term | Own operations |

In paragraph "IRO-2: Disclosure requirements in ESRS covered by the undertaking's sustainability statement" there is a list of the disclosure obligations that The Italian Sea Group has met in the preparation of the 2025 Sustainability Report based on the results of the double materiality analysis. The paragraphs of the Sustainability Report where the relevant information is located are specifically noted.

The table below lists the data points deriving from other EU legislation that are reported in this Consolidated Sustainability Statement, as indicated in Appendix B to ESRS 2 (List of data points in cross-cutting and topical standards that derive from other EU legislation).

| Disclosure requirement and corresponding data point | SFDR reference ([9]) | Pillar 3 reference ([10]) | Benchmark regulation reference ([11]) | EU climate regulation reference ([12]) |
|---|---|---|---|---|
| ESRS 2 GOV-1 Board's gender diversity, paragraph 21 (d) | Annex I, table 1, indicator No. 13 | | Commission Delegated Regulation (EU) 2020/1816 ([13]), Annex II | |
| ESRS 2 GOV-1 Percentage of board members who are independent, paragraph 21 (e) | | | Commission Delegated Regulation (EU) 2020/1816, Annex II | |
| ESRS 2 GOV-4 Statement on due diligence, paragraph 30 | Annex I, table 3, indicator No. 10 | | | |
| ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities, paragraph 40 (d) i | Annex I, table 1, indicator No. 4 | Article 449 bis of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/ 2453 ([14]), Table 1 - Qualitative information on environmental risk and Table 2 - Qualitative information on social risk | Commission Delegated Regulation (EU) 2020/1816, Annex II | |

[9] Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability reporting in the financial services sector (SFDR) (OJ L 317, 9.12.2019, p. 1).
[10] Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No. 648/2012 (capital requirements regulation) (OJ L 176, 27.6.2013, p. 1).
[11] Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No. 596/2014 (OJ L 171, 29.6.2016, p. 1).
[12] Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulation (EC) No. 401/2009 and Regulation (EU) 2018/1999 ("European Climate Law") (OJ L 243, 9.7.2021, p. 1).
[13] Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published (OJ L 406, 3.12.2020, p. 1).
[14] Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of environmental, social and governance risks (OJ L 324, 19.12.2022, p. 1).

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| ESRS 2 SBM-1 Involvement in activities related to chemical production, paragraph 40 (d) ii | Annex I, table 2, indicator No. 9 | | Commission Delegated Regulation (EU) 2020/1816, Annex II | |
| ESRS 2 SBM-1 Involvement in activities related to controversial weapons, paragraph 40 (d) iii | Annex I, table 1, indicator No. 14 | | Article 12 (1) of Delegated Regulation (EU) 2020/1818 ([15]) and Annex II to Delegated Regulation (EU) 2020/1816 | |
| ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco, paragraph 40 (d) iv | | | Article 12 (1) of Delegated Regulation (EU) 2020/1818 and Annex II to Delegated Regulation (EU) 2020/1816 | |
| ESRS E1-1 Transition plan to reach climate neutrality by 2050, paragraph 14 | | | | Article 2 (1) of Regulation (EU) 2021/1119 |
| ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks, paragraph 16 (g) | | Article 449 bis of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book-Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity | Article 12(1) (d) to (g) and (2) of Delegated Regulation (EU) 2020/1818 | |
| ESRS E1-4 GHG emission reduction targets, paragraph 34 | Annex I, table 2, indicator No. 4 | Article 449 bis of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book - Indicators of potential climate change transition risk: Alignment metrics | Article 6 of Delegated Regulation (EU) 2020/1818 | |
| ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors), paragraph 38 | Annex I, table 1, indicator No. 5 and I, table 2, indicator No. 5 | | | |
| ESRS E1-5 Energy consumption and mix, paragraph 37 | Annex I, table 1, indicator No. 5 | | | |
| ESRS E1-5 Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43 | Annex I, table 1, indicator No. 6 | | | |
| ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions, paragraph 44 | Annex I, table 1, indicators No. 1 and 2 | Article 449 bis of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book-Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity | Articles 5(1), 6 and 8 (1) of Delegated Regulation (EU) 2020/1818 | |
| ESRS E1-6 Gross GHG emissions intensity, paragraphs 53 to 55 | Annex I, table 1, indicator No. 3 | Article 449 bis of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book - Indicators of potential climate change transition risk: Alignment metrics | Article 8 (1) of Delegated Regulation (EU) 2020/1818 | |

[15] Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (OJ L 406, 3.12.2020, p. 17).

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|---|---|---|---|---|
| ESRS E1-7 GHG removals and carbon credits, paragraph 56 | | | | Article 2 (1) of Regulation (EU) 2021/1119 |
| ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks, paragraph 66 | | | Annex II of Delegated Regulation (EU) 2020/1818 and Delegated Regulation of (EU) 2020/1816 | |
| ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk, paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66(c) | | Article 449 bis of Regulation (EU) No. 575/2013; points 46 and 47 of Commission Implementing Regulation (EU) 2022/2453; Template 5: Banking book - Indicators of potential climate change physical risk: Exposures subject to physical risk | | |
| ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy efficiency classes, paragraph 67 (c) | | Article 449 bis of Regulation (EU) No. 575/2013; point 34 of Commission Implementing Regulation (EU) 2022/2453; Template 2: Banking book - Indicators of potential climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral | | |
| ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities, paragraph 69 | | | Annex II of Delegated Regulation (EU) 2020/1818 | |
| ESRS E2-4 Amount of each pollutant listed in Annex II of the EPRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28 | Annex I, table 1, indicator No. 8; Annex I, table 2, indicator No. 2; Annex 1, table 2, indicator No. 1; Annex I, table 2, indicator No. 3 | | | |
| ESRS E3-1 Water and marine resources, paragraph 9 | Annex I, table 2, indicator No. 7 | | | |
| ESRS E3-1 Dedicated policy, paragraph 13 | Annex I, table 2, indicator No. 8 | | | |
| ESRS E3-1 Sustainable oceans and seas, paragraph 14 | Annex I, table 2, indicator No. 12 | | | |
| ESRS E3-4 Total water recycled and reused, paragraph 28 (c) | Annex I, table 2, indicator No. 6.2 | | | |
| ESRS E3-4 Total water consumption in m3 per net revenue on own operations, paragraph 29 | Annex I, table 2, indicator No. 6.1 | | | |
| ESRS 2 SBM-3 - E4 paragraph 16 (a) i | Annex I, table 1, indicator No. 7 **NON-MATERIAL** | | | |
| ESRS 2 SBM-3 - E4 paragraph 16 (b) | Annex I, table 2, indicator No. 10 **NON-MATERIAL** | | | |
| ESRS 2 SBM-3 - E4 paragraph 16 (c) | Annex I, table 2, indicator No. 14 **NON-MATERIAL** | | | |
| ESRS E4-2 Sustainable land/agriculture practices or policies, paragraph 24 (b) | Annex I, table 2, indicator No. 11 **NON-MATERIAL** | | | |
| ESRS E4-2 Sustainable oceans/seas practices or policies, paragraph 24 (c) | Annex I, table 2, indicator No. 12 **NON-MATERIAL** | | | |

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| ESRS E4-2 Policies to address deforestation, paragraph 24 (d) | Annex I, table 2, indicator No. 15 **NON-MATERIAL** | | | |
| ESRS E5-5 Non-recycled waste paragraph 37 (d) | Annex I, table 2, indicator No. 13 | | | |
| ESRS E5-5 Hazardous waste and radioactive waste, paragraph 39 | Annex I, table 1, indicator No. 9 | | | |
| ESRS 2 - SBM3 - S1 Risk of incidents of forced labour, paragraph 14 (f) | Annex I, table 3, indicator No. 13 | | | |
| ESRS 2 - SBM3 - S1 Risk of incidents of child labour, paragraph 14 (g) | Annex I, table 3, indicator No. 12 | | | |
| ESRS S1-1 Human rights policy commitments, paragraph 20 | Annex I, table 3, indicator No. 9 and Annex I, table 1, indicator No. 11 | | | |
| ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21 | | | Commission Delegated Regulation (EU) 2020/1816, Annex II | |
| ESRS S1-1 Processes and measures for preventing trafficking in human beings, paragraph 22 | Annex I, table 3, indicator No. 11 | | | |
| ESRS S1-1 Workplace accident prevention policy or management system, paragraph 23 | Annex I, table 3, indicator No. 1 | | | |
| ESRS S1-3 Grievance/complaints handling mechanisms, paragraph 32 (c) | Annex I, table 3, indicator No. 5 | | | |
| ESRS S1-14 Number of fatalities and number and rate of work-related accidents, paragraph 88 (b) and (c) | Annex I, table 3, indicator No. 2 | | Commission Delegated Regulation (EU) 2020/1816, Annex II | |
| ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness, paragraph 88 (e) | Annex I, table 3, indicator No. 3 | | | |
| ESRS S1-16 Unadjusted gender pay gap, paragraph 97 (a) | Annex I, table 1, indicator No. 12 | | Commission Delegated Regulation (EU) 2020/1816, Annex II | |
| ESRS S1-16 Excessive CEO pay ratio, paragraph 97 (b) | Annex I, table 3, indicator No. 8 | | | |
| ESRS S1-17 Incidents of discrimination, paragraph 103 (a) | Annex I, table 3, indicator No. 7 | | | |
| ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD, paragraph 104 (a) | Annex I, table 1, indicator No. 10 and Annex I, table 3, indicator No. 14 | | Annex II to Delegated Regulation (EU) 2020/1816 and Article 12 (1) of Delegated Regulation (EU) 2020/1818 | |
| ESRS 2 SBM-3 - S2 Significant risk of child labour or forced labour in the value chain, paragraph 11 (b) | Annex I, table 3, indicators No. 12 and 13 | | | |
| ESRS S2-1 Human rights policy commitments, paragraph 17 | Annex I, table 3, indicator No. 9 and Annex I, table 1, indicator No. 11 | | | |
| ESRS S2-1 Policies related to value chain workers, paragraph 18 | Annex I, table 3, indicators No. 11 and 4 | | | |
| ESRS S2-1 Non-respect of UNGPs on Business and Human | Annex I, table 1, indicator No. 10 | | Annex II to Delegated Regulation (EU) 2020/1816 | |

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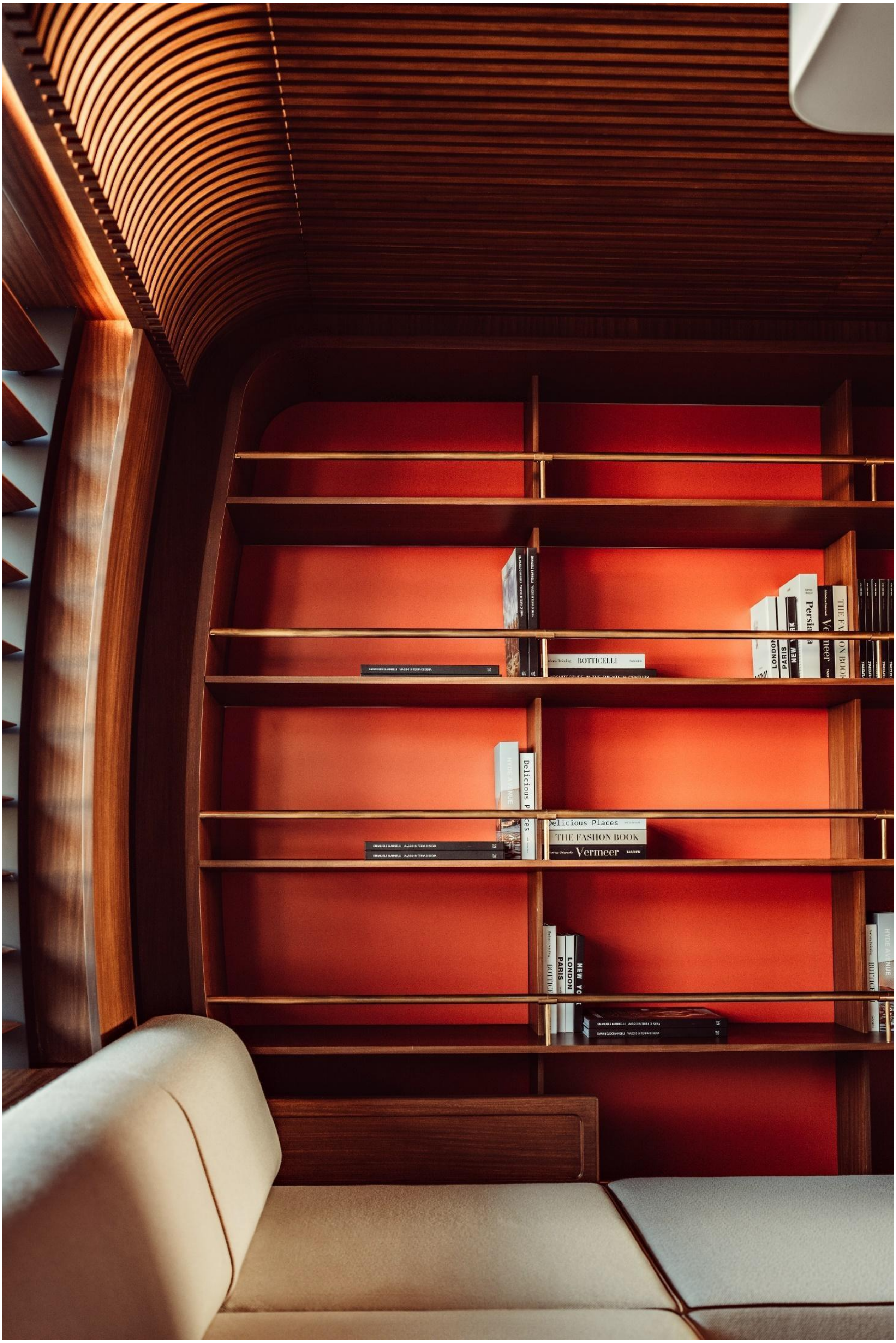
| Rights and OECD guidelines, paragraph 19 | | | and Article 12 (1) of Delegated Regulation (EU) 2020/1818 | |
| ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19 | | | Commission Delegated Regulation (EU) 2020/1816, Annex II | |
| ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain, paragraph 36 | Annex I, table 3, indicator No. 14 | | | |
| ESRS S3-1 Human rights policy commitments, paragraph 16 | Annex I, table 3, indicator No. 9 and Annex I, table 1, indicator No. 11 | | | |
| ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines, paragraph 17 | Annex I, table 1, indicator No. 10 | | Annex II to Delegated Regulation (EU) 2020/1816 and Article 12 (1) of Delegated Regulation (EU) 2020/1818 | |
| ESRS S3-4 Human rights issues and incidents, paragraph 36 | Annex I, table 3, indicator No. 14 | | | |
| ESRS S4-1 Policies related to consumers and end-users, paragraph 16 | Annex I, table 3, indicator No. 9 and Annex I, table 1, indicator No. 11 | | | |
| ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines, paragraph 17 | Annex I, table 1, indicator No. 10 | | Annex II to Delegated Regulation (EU) 2020/1816 and Article 12 (1) of Delegated Regulation (EU) 2020/1818 | |
| ESRS S4-4 Human rights issues and incidents, paragraph 35 | Annex I, table 3, indicator No. 14 | | | |
| ESRS G1-1 United Nations Convention against Corruption, paragraph 10 (b) | Annex I, table 3, indicator No. 15 | | | |
| ESRS G1-1 Protection of whistle-blowers, paragraph 10 (d) | Annex I, table 3, indicator No. 6 | | | |
| ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws, paragraph 24 (a) | Annex I, table 3, indicator No. 17 **NON-MATERIAL** | | Annex II of Delegated Regulation (EU) 2020/1816 | |
| ESRS G1-4 Standards on anti-corruption and anti-bribery, paragraph 24 (b) | Annex I, table 3, indicator No. 16 **NON-MATERIAL** | | | |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# Environmental information

## Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)

The European Taxonomy (hereinafter also referred to as "Regulation" or "Taxonomy") is a unified system of classification of environmentally sustainable economic activities, established by the European Union with Regulation 2020/852, in force since 12 July 2020. This system aims to provide investors and the market with a common language based on sustainability metrics, in order to ensure comparability between operators, reduce greenwashing risks and increase the quantity and quality of information on the environmental and social impacts of the business, thus favouring more responsible investment decisions. In addition to Regulation 2020/852, the European Commission has published Delegated Regulation 2139/2021 ("Climate Delegated Act"), Delegated Regulation 2486/2023 ("Environmental Delegated Act") and Delegated Regulation 2178/2021 which together provide a set of rules for the identification and reporting of environmentally sustainable economic activities.

The Taxonomy focuses on identifying economic activities considered environmentally sustainable, defined as those economic activities that:

- substantially contribute to the achievement of one or more of the six environmental and climate objectives (Article 9 of EU Regulation 2020/852);
- do no significant harm to any of the other environmental objectives, in accordance with the principle of "do no significant harm" (hereinafter DNSH); and
- are carried out in compliance with minimum safeguards.

The environmental objectives set by the Taxonomy are:

1. climate change mitigation (CCM);
2. climate change adaptation (CCA);
3. sustainable use and protection of water and marine resources (WTR);
4. transition to a circular economy (EC);
5. pollution prevention and control (PPC);
6. protection and restoration of biodiversity and ecosystems (BIO).

### Reporting obligations and general principles for the definition of KPIs

Article 8 of EU Regulation 2020/852 defines Taxonomy reporting obligations and clarifies that these requirements apply to any company required to publish the Sustainability Report pursuant to Article 19-bis or Article 29-bis of Directive 2013/34/EU. The Taxonomy requires information to be provided on how and to what extent own activities are aligned with economic activities deemed environmentally sustainable.

With reference to non-financial undertakings, the communication concerns in particular the following metrics ("key performance indicators" or "KPIs"):

- the share of turnover from products or services associated with economic activities considered environmentally sustainable;
- the share of capital expenditures (CapEx) and the share of operating expenses (OpEx) relating to assets or processes associated with economic activities considered environmentally sustainable.

In July 2021, EU Regulation 2021/2178 was published, supplementing Article 8 of EU Regulation 2020/852 to further specify the content and presentation of the above-mentioned KPIs as well as the methodology to be respected for their measurement and the qualitative information that must accompany reporting on them. In 2023, this Regulation was amended by Annex V of Regulation 2023/2486, specifically with reference to KPI reporting models.
In KPI reporting for the year 2025, the TISG Group is required to report eligible and aligned economic activities for all six climate and environmental objectives.

Non-financial undertakings are required to determine the KPIs, while ensuring consistency with respect to financial reporting and using the same currency as the consolidated financial statements, with the further requirement to include in their Sustainability Report references to the related financial statement items for the turnover and capital expenditure indicators.

## 1. Identification of Taxonomy-eligible activities

The Group has identified the economic activities and main projects carried out in its business aligned with the above-mentioned regulations. This assessment focused on the Group's predominant and representative economic activities relating to manufacturing and marketing.

This disclosure constitutes the third assessment performed in accordance with the European Taxonomy; this process took into account the consolidated data of the three KPIs with a view to avoiding double counting.

To date, the Group has not formalised a data collection procedure for the purposes of the Taxonomy Regulation. In the coming financial years, The Italian Sea Group will continue to deepen, refine and structure the process of identifying and formalising environmentally sustainable activities.

The TISG Group has not issued environmentally sustainable bonds or debt securities whose main purpose is to finance Taxonomy-aligned activities.

## 2. Taxonomy alignment analysis

An economic activity is considered aligned with the European Taxonomy if it:

- contributes substantially to at least one of the six environmental objectives;
- does no significant harm to any of the other five environmental objectives;
- complies with minimum safeguards.

After identifying the eligible economic activities, specific analyses were carried out of the technical criteria established by the above-mentioned Regulations for the main projects relating to each of the activities identified in order to assess their alignment.

After the analysis process, taking into account the status of the process of documenting the parameters required by the legislation and available evidence, the Group concluded that there are no amounts for aligned activities since all the steps required by the legislation have not been passed. The company will continue to refine the process.

## 3. Minimum Safeguards

Article 18.1 of the EU Taxonomy Regulation describes minimum safeguards, or "social minimum safeguards", as procedures implemented by an undertaking to ensure that its economic activities are carried out in compliance with the internationally recognised principles set forth in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (UNGP). The guidelines identified by the Platform on Sustainable Finance in the "Final Report on Minimum Safeguards" published in October 2022 were also considered.

Minimum safeguards refer to topics linked to human rights, taxation, fair competition and the fight against corruption.

Following the analysis, the TISG Group concluded that compliance with the minimum safeguards, inspired by the OECD Guidelines and the United Nations Guiding Principles on Business and Human Rights (UNGPs) to which it aspires, has not yet been fully achieved and/or appropriately documented. However, a process aimed at identifying, assessing and mitigating risks relating to human rights, taxation, fair competition and the fight against corruption is being implemented, as required by Article 3(c) of Regulation 2020/852.

In relation to the above-mentioned issues, the TISG Group is currently evaluating the implementation of programmes to raise awareness among employees about the importance of compliance with laws and regulations.

Based on the analyses carried out, the TISG Group is not involved in legal proceedings or convictions relating to human rights, tax evasion, unfair competition or corruption.

## 4. Disclosures on the EU Taxonomy and KPI calculation criteria

Turnover, operating expenses and capital expenditure data relating to Taxonomy-eligible and Taxonomy-aligned activities, used to calculate key performance indicators (KPIs) and percentages on financial statement values, are presented according to the templates provided in Annex V of Delegated Regulation 2023/2486, amending Delegated Regulation 2021/2178.

Note that, from the current reporting year, The Italian Sea Group applies the simplifications and amendments introduced by Commission Delegated Regulation (EU) 2026/73 of 4 July 2025, amending Delegated Regulation (EU) 2021/2178 as regards simplifying the content and presentation of information to be disclosed concerning environmentally sustainable activities, and Delegated Regulation (EU) 2021/2139 (the so-called "Climate Delegated Act") and Delegated Regulation (EU) 2023/2486 (the so-called "Environmental Delegated Act") as regards simplifying certain technical screening criteria for determining whether economic activities do no significant harm to environmental objectives.

PROPORTION OF TURNOVER, CAPITAL EXPENDITURE (CAPEX) AND OPERATING EXPENDITURE (OPEX) DERIVED FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ELIGIBLE OR TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE FOR 2025 (SUMMARY KPIs)

| Financial year 2025 | | | | | Breakdown of Taxonomy-aligned activities by environmental objective | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| KPI | Total | Proportion of Taxonomy-eligible activities | Taxonomy-aligned activities | Proportion of Taxonomy-aligned activities | Climate change mitigation | Climate change adaptation | Water | Circular Economy | Pollution | Biodiversity | Proportion of enabling activities | Proportion of transitional activities | Unassessed activities considered immaterial | Taxonomy-aligned activities in the previous year (2024) | Proportion of Taxonomy-aligned activities in the previous year (2024) |
| *Text* | *€/1000* | *%* | *€/1000* | *%* | *%* | *%* | *%* | *%* | *%* | *%* | *%* | *%* | *%* | *€/1000* | *%* |
| **Turnover** | 271,069 | 94.0% | 0.00 € | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | - | - | 0.0% | 0.00 € | 0.0% |
| **CapEx** | 785 | 0.0% | 0.00 € | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | - | - | 0.0% | 0.00 € | 0.0% |
| **OpEx** | 406,312 | 0.0% | 0.00 € | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | - | - | 0.0% | 0.00 € | 0.0% |

### 4.1 Turnover indicators

PROPORTION OF TURNOVER FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE FOR 2025

| Financial year 2025 | | | | | Environmental objective of Taxonomy-aligned activities | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Economic activities | Code | Taxonomy-eligible KPI (Proportion of Taxonomy-eligible turnover) | Taxonomy-aligned KPI (monetary amount of turnover) | Taxonomy-aligned KPI (Proportion of Taxonomy-aligned turnover) | Climate change mitigation | Climate change adaptation | Water | Circular economy | Pollution | Biodiversity | Enabling activity | Transition activity | Taxonomy-aligned proportion of total Taxonomy-eligible activities |
| *Text* | | *%* | *€/1000* | *%* | *%* | *%* | *%* | *%* | *%* | *%* | *("A" where applicable)* | *("T" where applicable)* | *%* |
| Manufacture of low-carbon technologies for transport | CCM 3.3 | 94% | 0.00 € | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | - | - | 0.0% |
| Retrofitting of sea and coastal freight transport and | CCM 6.12 | 0.0% | 0.00 € | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | - | - | 0.0% |
| Total alignment by objective | | | | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | | | |
| Total turnover KPI | | 94% | 0.00 € | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | - | - | 0.0% |

Turnover KPIs were determined as follows:

- denominator: revenues from ordinary operations,
- numerator: revenues from Taxonomy-eligible and/or aligned projects.

The KPI denominator consists of revenue for the year, as specified in explanatory note No. 25 "Revenues from sales and services" in the financial statements.

The turnover numerator includes revenues deriving from Shipbuilding activities as they refer to the activity "3.3 Manufacture of low-carbon technologies for transport". The TISG Group has implemented a process to avoid the risk of double counting with reference to the turnover KPI.

## 4.2 Capital expenditure (CapEx) indicators

### PROPORTION OF CAPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE FOR 2025

As required by the regulation, the KPI denominator consists of the sum of the amounts accounted for in the 2025 financial year with reference to tangible and intangible assets recognised in accordance with IAS 16 - Property, plant and equipment, IAS 38 - Intangible assets, IFRS 16 - Leases as specified in explanatory note No. 4

After the analysis process, taking into account the status of the documentation process for the parameters required by the legislation and the available evidence, the Group concluded that there are no CapEx amounts associated with Taxonomy-eligible and Taxonomy-aligned economic activities for the 2025 financial year because not all the steps required by the legislation have been completed. The company will continue to refine the process.

During the financial year, there were no changes in the KPI relating to capital expenditures.

## 4.3 Operating expenditure (OpEx) indicators

### PROPORTION OF OPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE FOR 2025

The KPIs of operating expenses (OpEx) include non-capitalised direct costs linked to research and development, short-term leases, maintenance and repair of assets and any other direct expenditure connected to the day-to-day maintenance of property, plant and equipment necessary to ensure the continuous and effective operation of these assets.
As required by the legislation, the KPI denominator is the non-capitalised direct costs relating to costs for raw materials, costs for external processing, technical services and consultancy, other costs for services, personnel costs and other operating costs incurred in the year 2025.

After the analysis process, taking into account the status of the process of documenting the parameters required by the legislation and available evidence, the Group concluded that there are no OpEx amounts associated with Taxonomy-aligned economic activities since all the steps required by the legislation have not been passed. The company will continue to refine the process.

The company is working to introduce OpEx classification methods broken down between Shipbuilding activities and different activities.

During the financial year, there were no significant changes in the KPI for operating expenses.

# ESRS E1 - Climate Change

The Italian Sea Group considers environmental protection to be a fundamental element of its corporate strategy, aimed at ensuring long-term sustainable development and contributing to the mitigation of the global climate crisis. The awareness of the urgency to act against climate change has driven the nautical industry to focus on greater environmental efficiency. In this context, the Group is committed to strictly complying with current regulations, pursuing continuous improvement of its environmental performance in line with the goal of limiting the increase in global temperature to 1.5°C as established by the Paris Agreement.

The Group is also aware of the importance of pursuing a low-carbon economy for many of its customers. Indeed, many studies show that consumers are now particularly sensitive to issues relating to technological innovation and sustainability, so much so that environmental responsibility has become a fundamental pillar of the business. The growing need to reduce the environmental impact of the marine sector has led international organisations, such as the International Maritime Organisation (IMO), to set greenhouse gas emission reduction targets to combat climate change. The Italian Sea Group recognises the value of these initiatives and is committed to setting emission reduction targets, to align with the European Green Deal and the Paris Agreement, with the aim of promoting a transition towards a sustainable economy friendly to the environment in which the Group operates.

## ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes

The Italian Sea Group approved a new *stock option* plan called the "Long Term Incentive Plan 2027-2029" (the "**Plan**")[16], revoking the previous "Long Term Incentive Plan 2026-2028". The Plan includes financial targets alongside ESG targets covering environmental, social and governance topics.

The Plan is reserved to executive directors, general managers, executives with strategic responsibilities and/or employees with a permanent employment contract with the Company and its subsidiaries pursuant to Article 93 of the Italian Consolidated Law on Finance. The Plan is intended to align the interests of beneficiaries with those of shareholders by involving them in the shareholding structure and linking their remuneration to specific performance targets, determined for each plan cycle.

The Plan provides that the Options may be granted to the Beneficiaries within three years from the date of approval of the Plan Rules and that they may be exercised, once the Vesting Conditions have been fulfilled, during the exercise periods established for each Beneficiary by the Board of Directors and set forth in the Option Contract in accordance with the Rules. The average vesting period shall be three years. In particular, this solution was considered the most suitable for achieving the incentive and retention objectives pursued by the Plan, in line with what is envisaged by the Company's business plan.

The Plan provides for a ratio between the number of Options allocated to the individual Beneficiaries and the total remuneration received by them, differentiated on the basis of the role, responsibilities, skills and strategic importance of individual Beneficiaries. The average weighting of the variable remuneration component as compared to the fixed component for all beneficiaries is 20-30%.

The exercise of the Options is subject to the verification by the Board of Directors of the fulfilment of the following Vesting Conditions considered jointly: (i) the continuation of the relationship; (ii) the achievement of performance targets. With regard to the performance objectives, there is an incentive curve linking the number of exercisable Options to the Performance Objective achieved based on different performance levels. In the case of the first plan cycle, reference is made to the following objectives: (i) revenue; (ii) EBITDA margin; (iii) backlog; (iv) sustainability objectives.

## E1-1 – Transition plan for climate change mitigation

While recognising the crucial importance of climate change mitigation, The Italian Sea Group has not yet defined a formal transition plan for the mitigation of its emissions and alignment with the reduction targets set out in the Paris Agreement. However, the Group is aware of environmental challenges and is committed to monitoring its CO2 emissions,

[16] v. *The Board of Directors approves a new stock option plan and resolves to call the Shareholders' Meeting*, *Information Document on the Compensation Plan based on the allocation of Options (Stock Options) submitted for the approval of the Shareholders' Meeting of The Italian Sea Group S.P.A.*, available at [Shareholders' Meeting - Investor relations].

also evaluating the implementation of future initiatives in the next three years aligned with the evolution of the regulatory environment and industry best practices.

## E1 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

In its dual materiality process, the Group has identified three risks related to climate change.

In assessing the impact of physical and transition risks and opportunities, both moderate and high-emission climate mitigation scenarios and related resilience strategies were qualitatively assessed taking into account short, medium and long-term time horizons.

Specifically, with regard to transition risk, the potential direct and indirect impacts deriving from the process of adapting to a low-GHG emission economy that could affect the Group in terms of not adapting or adapting late to developments in environmental regulations with the potential resulting risk of fines or penalties, increase in operating costs linked to the procurement of non-renewable energy and the transition to more sustainable technologies, reputational damage and loss of credibility among stakeholders if environmental protection targets and expectations are not met. The other risk identified is a physical risk: the potential risks of climate change include an increase in the frequency and intensity of extreme weather phenomena such as droughts, floods and storms, resulting in material damage to the Group's facilities and structures and therefore impacts on productivity, rising sea levels with impacts on the construction and location in marinas and ports of infrastructure that is more robust and adaptable to any flooding, increase in global temperatures with impacts on the availability of freshwater resources and implications for the maintenance of boats and the services offered in ports and marinas. The Group maps these risks and takes them into account in order to implement policies and activities to combat them.

Note that, at the reporting date, although the Group did not have a complete, formalised climate scenario analysis, it had analysed the resilience of its strategy and business model to climate change, confirming the robustness of its choices in an evolving global context.

This was made possible by defining and implementing an Enterprise Risk Management (ERM) system that integrates climate and environmental risks at Group level, ensuring a proactive approach to managing uncertainty.

This framework enables the Group to anticipate challenges and seize opportunities connected with the sustainable transition, strengthening its adaptability and business continuity. This continuously evolving approach will be further enhanced in the coming years with a climate scenario analysis aimed at ensuring the sustainable, proactive management of future challenges. The commitment to resilient, responsible governance will therefore translate into a strategy geared towards sustainable growth, in line with international best practices and stakeholder expectations.

## E1 IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities

During 2025, the Double Materiality Assessment conducted by the TISG Group clearly defined the scope of climate-related impacts, risks and opportunities. From this perspective, the transition to a low-greenhouse-gas economy presents potential direct and indirect impacts that could arise if alignment with the evolving environmental regulatory framework is delayed or not achieved. This circumstance could expose the Group to the risk of penalties, potential reputational repercussions and weakened credibility among stakeholders if environmental protection objectives and expectations were not fully met. The risk profile described is closely linked to the development of regulatory policies aimed at achieving more favourable climate scenarios, in line with the Paris Agreement and the objective of limiting the increase in global temperature to 1.5°C.

At the same time, increasingly severe extreme weather events could cause physical damage to the Group’s assets, plant and infrastructure, affecting productivity, business continuity and the quality of services provided in port areas and marinas.

For more details of the process used to identify material impacts, risks and opportunities relating to this matter, see "*ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities*".

## E1-2 – Policies related to climate change mitigation and adaptation

The Italian Sea Group, aware of the importance of environmental sustainability matters, adopted an **internal environmental policy**[17] to address the material impacts, risks and opportunities identified through double materiality and the engagement of the Group's stakeholders. In particular, by adopting the policy, the Group undertakes to:

- Ensure an effective monitoring system of the environmental aspects related to its production activities and the services provided;
- Monitor emissions into the atmosphere and progressively reduce direct and indirect greenhouse gas emissions, thus helping to slow climate change.

The environmental policy has been drafted in keeping with environmental legislation, the authorisations signed, the Organisational, Management and Control Model and the Group Code of Ethics and applies to all Group companies. The Italian Sea Group promotes the adoption of environmental protection procedures and principles by all of its stakeholders, with a view to consolidating its commitment to climate change mitigation and adaptation, by taking actions aimed at reducing direct and indirect greenhouse gas emissions, as well as monitoring the environmental impacts associated with its production activities.

In particular, in line with the Group's policy of reducing the use of energy from fossil sources, The Italian Sea Group has installed photovoltaic systems in its plants, enabling the production of renewable electricity. As an example, at the Marina di Carrara shipyard, the installation of the photovoltaic system made it possible to cover all of the plant's energy requirements.

In addition, in 2025 TISG formalised a **Group Sustainability Policy**, approved by the Board of Directors on 21 July 2026, to promote sustainable development throughout the value chain by encouraging dialogue on business ethics and stakeholder accountability. This Policy applies to all the Group's processes, products, services and stakeholder relations and is addressed in particular to corporate bodies, employees and all persons acting in the name and on behalf of TISG Group companies.

Through the application of the Sustainability Policy, the Group aims to reduce its carbon footprint by defining:

- energy efficiency programmes at operating sites and shipyards;
- the integration of renewable energy sources at production facilities and offices;
- the development of innovative technologies for lower-impact yachts, including hybrid engines, electric propulsion systems and consumption optimisation.

In line with the Paris Agreement, the Group establishes greenhouse gas (GHG) emission reduction objectives by defining mitigation strategies throughout the supply chain and addressing climate-related risks such as rising energy costs and the impact of extreme weather events on routes and port infrastructure.

The objective is to achieve net zero emissions by 2030, promoting continuous innovation and working with partners and customers to accelerate the transition towards more sustainable yachting, in line with the actions and targets defined in the Group's 2026-2028 Sustainability Plan.

Implementation of the Sustainability Policy is ensured by assigning specific responsibilities to the Board of Directors and the Control, Risk and Sustainability Committee, the central bodies in the sustainability management model defined by the TISG Group.

## E1-3 – Actions and resources in relation to climate change policies

During 2025, as part of its process to progressively reduce the climate impact of its activities, TISG developed the 2026-2028 Sustainability Plan. Development of the Plan was coordinated by the ESG Director with the involvement of the

[17] *Environmental policy*, The Italian Sea Group, available in *DOCUMENTS, POLICIES AND PROCEDURES - Investor relations*.

Steering Committee, supervised by the Control, Risk and Sustainability Committee and ultimately approved by the Board of Directors. The Plan was prepared to ensure full compliance with the requirements of the CSRD while strengthening the strategic ambition, consistency and transparency of the Group's ESG initiatives.

The Plan was defined using a participatory, cross-functional approach characterised by the active involvement of the ESG Steering Committee, which was called upon to help identify and calibrate new targets in line with corporate priorities. Each Plan objective was assigned key measures and operating milestones. The planned actions and the related project managers responsible for supervising implementation of each initiative are described below.

**Achieve Net Zero by 2050**

TISG is committed to achieving Net Zero by 2050, prioritising reductions in emissions throughout the value chain (Scope 3) and using offsets only for residual emissions that cannot be eliminated. This pathway is guided by interim objectives and tangible action on energy efficiency, renewable energy, electrification and process and product innovation, together with circular economy practices and active collaboration with suppliers and customers. Dedicated governance integrates climate objectives into corporate planning and ensures monitoring and transparency through indicators and periodic reporting. In this way, the transition to Net Zero becomes a credible, measurable commitment geared towards resilience and the creation of long-term sustainable value.

**Achieve Scope 1 and 2 Climate Neutrality (Net Zero) by 2030**

TISG has set an objective of achieving climate neutrality for direct emissions and emissions from purchased energy (Scope 1 and Scope 2) by 2030, placing effective, measurable emission reductions at the centre of its pathway. The action plan focuses on energy efficiency at sites and in processes, electrification of demand, the gradual phase-out of fossil fuels, the procurement and self-generation of renewable energy and the modernisation of plant and fleets. Any residual emissions will be offset through carbon removal solutions, ensuring that each tonne removed provides a real, additional climate benefit that is measured transparently and not overstated. Performance will be measured in accordance with the GHG Protocol, with the definition of operating objectives and specific *Key Performance Indicators* ("KPIs").

**Introduction of sustainable propulsion systems**

Consistently with its decarbonisation objectives and commitment to a responsible innovation model, the Group has begun a structured process to introduce and progressively consolidate lower-impact propulsion systems on newly built vessels. This strategic direction is intended to help reduce greenhouse gas emissions and local pollutants, improve energy efficiency and raise on-board comfort standards through more efficient and informed resource management.

In this area, hybrid propulsion is one of the principal technological solutions adopted by the Group. It combines conventional engines with electrical energy storage systems using dedicated batteries, allowing the vessel's operating modes to be managed flexibly. The use of electric mode, particularly for low-speed manoeuvres and to power auxiliary on-board services, helps reduce fuel consumption, emissions and noise, delivering environmental and qualitative benefits for the sailing experience.

Although there are currently no specific regulatory obligations requiring the adoption of hybrid propulsion systems in the yachting sector, the Group actively promotes their integration where technically feasible and compatible with the systems and design characteristics of each vessel. Their application is particularly effective on larger vessels, generally those over 50 metres long, which have spaces and layouts suitable for installing propulsion equipment and energy storage systems. Smaller vessels are currently subject to space and design constraints that may limit optimal implementation.

During 2025, the Group delivered one vessel equipped with a hybrid propulsion system and a further two were at the delivery stage, demonstrating the progressive integration of these solutions into the product portfolio. With a view to continuous improvement, TISG will continue to monitor technological developments and engage with industrial partners and vessel owners in order to gradually expand the application of sustainable propulsion solutions, in full compliance with the technical, operating and safety requirements of the various vessel classes.

**Installation of photovoltaic panels on vessels**

As part of the sustainability initiatives promoted by the TISG Group, the integration of photovoltaic panels on board vessels is currently being analysed and assessed, mainly at the request of vessel owners. Although there are currently no specific regulatory obligations that encourage or require their adoption in the yachting sector, the Group believes that the progressive development of the European regulatory framework for energy efficiency and emission reductions could be an important enabling factor, over time guiding design choices and investment towards solutions that reduce consumption and emissions without compromising the stylistic identity and build quality that distinguish its brands.

From a technical standpoint, photovoltaic modules can potentially be installed on various types of vessel. However, practical feasibility depends on the availability of sufficiently large, suitably exposed surfaces that are compatible with safety requirements and aesthetic criteria. In this context, sailing catamarans were the first testing ground: their layout, characterised by broad horizontal surfaces and limited shading, offers suitable areas for module installation, while roofs and superstructures allow visually harmonious integration consistent with the Group's design principles. Based on the evidence gathered, the analysis was subsequently extended to motor catamarans, which have similar structural characteristics and remain among the platforms most suited to adopting the solution.

The organisational approach currently adopted is customised and is activated following a specific expression of interest by a vessel owner. The **Sales Function**, working with **Style R&D**, manages dialogue with the customer and the aesthetic integration of the solution. The **Procurement**, **Technical Department** and **Purchasing** functions are involved in selecting components, verifying technical and system constraints and coordinating implementation. There is currently no technical function dedicated exclusively to photovoltaics and no specific internal research programmes have been launched. The solution is therefore developed on a demand-driven basis, with case-by-case design and validation.

To further structure the process and make it more standardised and replicable, the Group plans to establish a cross-functional Innovation Committee in 2026 to define common guidelines, technical criteria and shared validation processes.

Looking ahead, the combination of a European regulatory environment potentially more geared towards the energy transition and stronger internal governance will enable the Group to progress from a case-by-case approach to a more comprehensive, scalable offering that can be extended to a growing number of platforms, subject to technical, operating and aesthetic requirements. The integration of photovoltaic panels may therefore become an important component of TISG's decarbonisation pathway, making a measurable contribution to improved energy efficiency and the quality of the on-board experience.

**Reduction of emissions through the use of lower-impact generator sets**

Consistently with its decarbonisation objectives and progressive alignment with the Net Zero target, the Group has defined a structured, comprehensive programme to reduce greenhouse gas emissions throughout the life cycle of its vessels. On-board energy management is a priority in this area: generator sets are installed on almost all mechanically propelled vessels and represent a high-potential technological lever for optimising consumption and mitigating environmental impact.

The programme provides for conventional generator sets to be progressively replaced with new-generation solutions offering greater energy efficiency and lower emissions. The selected technologies are designed to deliver measurable reductions in carbon dioxide ($CO_2$) and nitrogen oxide (NOx) emissions, helping to curb the main sources of emissions associated with on-board operations. Adopting these solutions improves the vessels' overall energy performance and supports achievement of the Group's medium and long-term climate objectives.

To ensure transparency, traceability and full compliance with applicable regulatory requirements, the vessels' $CO_2$ and NOx emissions are verified by independent third parties. At the end of the audit, a specific certificate of compliance with the applicable standards is issued. The validated data are incorporated into internal monitoring systems and the Group's environmental KPIs, supporting systematic performance control and further refinement of the mitigation measures adopted.

**Implementation of electrical energy storage systems**

The Italian Sea Group has embarked on a structured process to integrate electrical energy storage systems on board its vessels as an important component of its strategy to reduce emissions and improve energy efficiency. Adopting these technological solutions optimises the management of on-board energy requirements and significantly reduces the use of conventional generators, with resulting environmental benefits.

Over the medium term, the Group plans to progressively extend provision for battery installation to a growing number of vessels, accompanied by an increase in minimum installed capacity expressed in kWh. This development will strengthen the vessels' energy autonomy and broaden the application of low-emission solutions.

Storage systems are designed to power on-board services, including lighting, air conditioning and auxiliary equipment, and, under specific operating conditions, to support propulsion over short distances. This reduces fuel consumption and helps decrease greenhouse gas and air pollutant emissions. The ability to operate in night mode is particularly significant, as generators can be switched off for up to six hours while services continue to be powered solely by energy stored previously. This configuration eliminates emissions while the vessel is stationary, delivering tangible benefits in terms of air quality, reduced noise and improved on-board comfort in line with the Group's sustainability pathway.

**Increase in energy from renewable sources**

With a view to the progressive energy transition and reducing the environmental impact of its activities, the Group has begun a structured process to significantly increase the proportion of energy from renewable sources in its total energy consumption.

This commitment translates into tangible action, including the construction during 2025 of a photovoltaic system at Celi's premises to self-generate electricity from a renewable source. The initiative represents a strategic step towards greater energy independence, reduced greenhouse gas emissions and a stronger Group decarbonisation pathway.

## E1-4 – Targets related to climate change mitigation and adaptation

The targets defined form part of the 2026-2028 Sustainability Plan, approved by the Board of Directors on 31 July 2026, which represents the strategic framework for the Group's sustainability initiatives.

| PILLAR | # | ACTION | Monitoring KPI | Baseline 2025 | Target 2028* |
|---|---|---|---|---|---|
| **Energy Transition and Decarbonisation** | 0 | Achieve Net Zero by 2050 | Tonnes of GHG emissions | | 0tCO2e ** |
| | 1 | Achieve Scope 1 and Scope 2 Climate Neutrality (Net Zero) by 2030 | Tonnes of Scope 1 and Scope 2 GHG emissions by 2030 compared with 2024 | | 0tCO2e ** |
| | 2 | Introduction of **hybrid propulsion systems** | % of vessels with hybrid propulsion systems out of the total fleet. | 10% | 15% |
| | | | Reduction in CO2 emissions per km compared with the base year. | 0.5 | 0.8 |
| | | | Average fuel consumption (litres/hour) versus the baseline. (at cruising speed) | 630 | 590 |

| | | | | | |
|---|---|---|---|---|---|
| | 3 | Installation of **photovoltaic panels** on vessels | Installed photovoltaic capacity (kWp) on vessels. | 0 | 10 |
| | | | % of renewable energy in total consumption. | 0% | 4% |
| | | | kWh of solar energy generated annually. | 0 | 28,000 |
| | 4 | Reduction of **emissions** through the use of **generator sets** with a low economic impact | Number of generator sets replaced with lower-impact models. | 0 | 4 |
| | | | Reduction in NOx and CO2 emissions (kg/year). | 0 | 800 |
| | 5 | Implementation of **electrical energy storage systems** | Minimum installed capacity (kWh) | 504 | 400 |
| | | | % of vessels prepared for batteries (out of total under construction) | 15% | 40% |
| **Circular Economy and Responsible Resource Management** | 6 | Increase in energy from **renewable sources** | Proportion of renewable energy in total consumption *(Energy from renewable sources (kWh)÷Total energy consumption (kWh)×100)* | 64% | 80% |

***Notes****: *: Note that for the first two objectives indicated (0. Achieve Net Zero by 2050 and 1. Achieve Net Zero for Scope 1 and 2 emissions by 2030), the target years are 2050 and 2030, respectively. **: The 2030 and 2050 targets will be achieved primarily by gradually reducing emissions through direct initiatives and the purchase of certificates.*

The objectives were defined using market benchmarks, an analysis of future available technologies, changes in production volumes, market studies for the maritime industry, future customer requirements and regulatory changes. They have not been subject to external assurance and are not based on a scenario analysis.

With respect to the sustainability objectives previously defined and reported in the 2024 Sustainability Report, the TISG Group began a comprehensive review of its environmental strategy, focusing particularly on climate change issues. This update brought the commitments made into closer alignment with the initiatives actually implemented by the organisation by defining the planned actions, related objectives and performance indicators (KPIs) used to monitor progress more precisely.

As part of this process, some previously announced targets were updated. More specifically, the target for the share of energy from renewable sources in total energy consumption was revised from 95% by 2025 to 80% by 2028. Similarly, the climate neutrality target, initially covering Scope 1 and Scope 2 emissions and set for 2025, was rescheduled with a time horizon of 2030, in line with changes in the operating environment and a more realistic, measurable approach to achieving decarbonisation objectives.

## E1-5 – Energy consumption and mix[18]

TISG's energy consumption profile is mainly attributable to electricity, diesel used to power the forklifts employed at the shipyards and methane used to generate heat. A residual portion comes from the use of pellets, used exclusively at the Celi facility to fuel a stove. During 2025, the latter was replaced with a latest-generation, fully electric and more energy-efficient model to reduce the overall energy impact.

With a view to progressive decarbonisation and diversification of sources, in 2022 the Group installed a photovoltaic system with annual production capacity of 2,443 MWh, making a significant contribution to increasing the proportion of renewable energy in its mix. This was supplemented in 2025 by the construction of a further photovoltaic system on the roofs of Celi's offices, designed to meet increased energy requirements and further strengthen the transition towards lower-impact solutions.

Data on energy consumption at the Group's facilities, collected as part of the reporting process, demonstrate the organisation's continued commitment to defining and pursuing ambitious energy management objectives. In addition to reflecting a focus on sustainability, these findings demonstrate its determination to continuously improve its energy performance.

[18] The TISG Group operates in a high climate impact sector specified in Commission Delegated Regulation (EU) 2022/1288

Since 2024 the Marina di Carrara shipyard has made significant progress in improving its energy mix by sourcing energy exclusively from renewable sources. The photovoltaic system at the Celi facility also became operational in July 2025, generating approximately 63 MWh of renewable energy during the start-up period and further strengthening the Group's energy autonomy.

The table below summarises the Group's total consumption.

| Total energy consumption and mix** | u.m. | 2025 | 2024 |
|---|---|---|---|
| 1) Fuel consumption from coal and coal products | MWh | - | - |
| 2) Fuel consumption from crude oil and petroleum products | MWh | 242 | 202 |
| 3) Fuel consumption from natural gas | MWh | 7,167 | 6,365 |
| 4) Fuel consumption from other fossil sources | MWh | - | - |
| 5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources | MWh | 2,865 | 4,726 |
| **6) Total energy consumption from fossil sources** | MWh | **10,274** | **11,293** |
| **Share of fossil sources in total energy consumption** | **%** | **33.5%** | **43.3%** |
| **7) Consumption from nuclear sources** | MWh | **-** | **-** |
| **Share of consumption from nuclear sources in total energy consumption** | **%** | **0%** | **0%** |
| 8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) | MWh | - | - |
| 9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources | MWh | 16,346 | 11,745 |
| 10) Consumption of self-generated non-fuel renewable energy[19] | MWh | 4,087 | 3,041 |
| **11) Total energy consumption from renewable sources** | MWh | **20,433** | **14,787** |
| **Share of renewable sources in total energy consumption** | **%** | **66.65%** | **56.7%** |
| **Total energy consumption** | MWh | **30,707** | **26,080** |

**Notes**: * Total energy consumption for 2023 does not include TISG Turkey data.
** Note that the energy consumption data and, consequently, the greenhouse gas emission data for 2024 differ in certain respects from those reported in the previous publication. These updates are attributable to improvements in the data collection, consolidation and verification system and refinements to the calculation methodologies adopted. The revisions increased the accuracy and representativeness of the information reported, improving the overall quality of reporting and the comparability of data over time.

In 2025, the Group's total energy consumption was 30,707 MWh, an increase of 17.7% compared with 26,080 MWh in 2024. This trend was mainly attributable to increased activity volumes and the resulting growth in the energy requirements associated with production and operating processes. Analysis of the energy mix highlights further progress in the Group's energy transition pathway. Consumption from renewable sources reached 20,433 MWh, an increase of 38.2% compared with 14,787 MWh in the previous year, thanks both to the procurement of certified renewable electricity and the contribution of self-generation plants. In particular, the photovoltaic system at the Celi facility became operational during 2025 and contributed to renewable energy generation during its initial operating period, further strengthening the Group's energy autonomy. At the same time, energy consumption from fossil sources was 10,274 MWh, a slight decrease of 9% compared with 11,293 MWh in 2024. As a result of this change in the energy mix, the proportion of renewable energy in total consumption rose to 66.5% in 2025 from 56.7% in 2024, while the proportion from fossil sources fell from 43.3% to 33.5%. The facility in Turkey made a significant contribution to this result, sourcing exclusively renewable electricity during 2025, purchased from the grid and backed by Guarantees of Origin (GOs) certifying that the energy supplied was 100% renewable.

[19] During 2025, the TISG Group recorded a surplus of self-generated renewable energy that was fed into the grid, amounting to 1,128 MWh compared with 2,679 MWh consumed by the Group. Note that at the TISG Turkey facility, self-generated energy is fed into the national electricity grid and subsequently repurchased by the Group to power its production processes in accordance with the applicable regulatory framework.

| Energy intensity | Energy consumption MWh | Revenue €/Mn | Energy intensity |
|---|---|---|---|
| *Year 2025* | 30,707 | 233 | 132 |
| *Year 2024* | 26,080 | 366 | 71 |

## E1-6 – Scopes 1, 2, 3 and Total GHG emissions[20]

The Italian Sea Group monitors direct and indirect greenhouse gas emissions according to the Greenhouse Gas (GHG) Protocol, separating emissions into categories or Scopes.

- Scope 1: direct emissions generated by sources owned by and under the control of the organisation. In the case of the TISG Group, these are those caused by heat production from methane gas-fired power stations and emissions from movements in shipyards;
- Scope 2: indirect emissions resulting from the production of electricity taken from the grid and consumed by the organisation.

| Gross GHG emissions – Scope 1 and Scope 2 | Unit | 2025 | 2024 | Trend |
|---|---|---|---|---|
| gross GHG emissions - Scope 1[21] | tCO2e | 59 | 50 | **17%** |
| gross GHG emissions - Scope 2 - **location based**[22] | tCO2e | 4,516 | 4,295 | **5%** |
| gross GHG emissions - Scope 2 - **market based**[23] | tCO2e | 1,219 | 2,351 | **-48%** |
| **Total GHG emissions (location based)** | tCO2e | **4,574** | **4,345** | **5%** |
| **Total GHG emissions (market based)** | tCO2e | **1,278** | **2,401** | **-47%** |

Indirect Scope 2 greenhouse gas (GHG) emissions connected with the purchase and consumption of electricity were calculated using both the **location-based** and **market-based** approaches, in line with the principal reporting standards.

The *location-based* method reflects the average emission intensity associated with the energy mix of the electricity grids from which energy is drawn, based on average national or regional emission factors. The *market-based* method, by contrast, considers the emissions associated with the electricity specifically selected by the Organisation through contractual instruments, such as supplies from renewable sources or other certified procurement options.

In 2025, direct Scope 1 emissions amounted to 59 $tCO_2e$, an increase of 17% compared with 2024 (50 $tCO_2e$), reflecting higher fuel consumption. Location-based Scope 2 emissions amounted to 4,516 $tCO_2e$ in 2025, an increase of 5% compared with emissions at 4,295 $tCO_2e$ in 2024. This trend reflects growth in emissions associated with electricity consumption assessed using the average national grid mix, irrespective of the environmental characteristics of the electricity purchased. Market-based Scope 2 emissions, by contrast, decreased significantly from 2,351 $tCO_2e$ in 2024 to 1,219 $tCO_2e$ in 2025, a reduction of 48%, due to greater use of electricity covered by Guarantees of Origin (GOs).

| Scope 1 and Scope 2 emissions - Location based | Unit | 2025 | 2024 | 2024/2025 Trend |
|---|---|---|---|---|
| ***Total*** | t CO2e | **4,567** | **4,345** | 5% |

| Scope 1 and Scope 2 emissions - Market based | Unit | 2025 | 2024 | 2024/2025 Trend |
|---|---|---|---|---|

[20] With regard to Scope 3 data, the TISG Group made use of the transitional provision that allows companies with fewer than 750 employees to omit information on Scope 3 emissions for the first reporting year.

[21] The emission factors used to calculate tCO2e are taken from the DEFRA 2023, 2024 and 2025 database

[22] The conversion factors used to calculate Scope 2 according to the location-based method are taken from the ISPRA Electricity Conversion Factor databases for 2025 and 2024.

[23] The emission factors used for the calculation of Scope 2 according to the "market-based" method are the European Residual Mixes "AIB".

| | | | | |
|---|---|---|---|---|
| ***Total*** | t CO2e | **1,265** | **2,401** | **-47%** |

## E1-6 – GHG intensity based on net revenue

| GHG emissions intensity per net revenue | Total GHG emissions - location | Total GHG emissions - market | Revenues €/Mln | Energy intensity – location | Energy intensity - market |
|---|---|---|---|---|---|
| *Year 2025* | 4,507 | 1,343 | 233 | 19.3 | 5.8 |
| *Year 2024* | 4,345 | 2,401 | 366 | 11.9 | 6.6 |

The TISG Group's location-based emission intensity for 2025 was 19.6 tCO2e/Euro million. At the market-based level, however, it stood at 5.4 tCO2eq/Euro million in 2025, down from 2024 levels. The value of revenue was identified as the value of Revenue from sales and services as defined in the financial disclosure.

## E1-7 Metrics – GHG removals and GHG mitigation projects financed through carbon credits

No GHG mitigation projects financed through carbon credits were undertaken during 2025.

## ESRS E2 – Pollution

As yacht manufacturers, design innovation is a key pillar of the Group's strategy, which aims to reduce the spillage of pollutants harmful to the marine ecosystem. Over the years, TISG has constantly invested in R&D, going so far as to design large yachts equipped with advanced variable-speed diesel-electric propulsion systems, capable of generating only the energy actually needed for the vessel. This approach not only reduces energy consumption, but also limits emissions, vibrations and noise pollution.

Aware of the importance of reducing the environmental impact on marine resources, the Group has paid special attention to crew training in order to ensure the adequate disposal of wastewater and pollutants present on board, thus preventing damage to the surrounding environment. Furthermore, the Group is investing in the search for sustainable materials for yacht interiors and exteriors, including the use of environmentally friendly paints that do not compromise the integrity of the marine ecosystem.

In 2023, the Group obtained ISO 14001:2015 certification for the Marina di Carrara and La Spezia shipyards, confirming its commitment to environmental sustainability and continuing to implement its ESG plan. In 2024, certification was maintained at the Marina di Carrara and La Spezia shipyards and extended to the Celi facility. In 2025, the Group confirmed that certification was maintained at the sites already certified, demonstrating the continuity of its environmental improvement pathway. The Group is also committed to retaining this certification in future years and consolidating its application within its facilities, with the aim of achieving increasingly ambitious ESG performance.

## E2 IRO-1 – Description of the processes to identify and assess material pollution-related impacts, risks and opportunities

Shipyard activities involve several significant marine pollution risks, including spills of chemicals, solid waste and washing water for yacht hulls. In addition, during production processes, throughout the supply chain, logistics activities and product use and disposal, pollutants are emitted into the atmosphere, such as sulphur oxides, nitrogen, volatile organic compounds and carbon monoxide. However, there are business opportunities deriving from the adoption of new low climate impact propulsion systems, such as biodiesel, which would have a lower environmental impact. On the other hand, the risk of water pollution from the Group's production activity may entail remediation costs, legal and regulatory sanctions and loss of reputation.

For more details of the process used to identify pollution-related impacts, risks and opportunities, see "*ESRS 2 IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities*".

## E2-1 – Policies related to pollution

The Italian Sea Group considers environmental protection a crucial aspect of long-term sustainable development and sound business management. In fact, it adopts an Environmental Policy[24] aimed at:

- Comply with all environmental laws and regulations;
- Ensure an effective monitoring system of the environmental aspects related to its production activities and the services provided;
- Continuously improve its environmental performance by setting measurable targets;
- Make efficient use of resources, particularly with reference to waste management, energy consumption and raw materials used in production activities;
- Monitor atmospheric emissions and water discharges to protect the quality of the air and marine environment;
- Take all necessary measures to prevent environmental accidents, with a particular focus on the spillage of hazardous substances;
- Raise awareness and monitor its suppliers so that they act with full respect for the environment and in accordance with the company's environmental policy.

[24] *Environmental policy*, The Italian Sea Group, available in *DOCUMENTS, POLICIES AND PROCEDURES - Investor relations*.

The Group is committed to updating this Policy, in line with the evolution of legislation and national and international standards.

## E2-2 – Actions and resources related to pollution

As part of its initiatives to reduce polluting resources, when requested by customers TISG installs solar panels on yachts for green energy production and DPF (Diesel Particulate Filters) systems for particulate abatement, along with innovative exhaust gas treatment technology for reducing nitrogen oxide (NOx) emissions.

The Group is committed to preparing lines of action consistent with the pursuit of low-carbon emissions performance, by reducing the use of fossil sources.

## E2-3 – Targets related to pollution

At the date on which this Report was prepared, the TISG Group has not set pollution-related targets at Group level.

## E2-4 – Pollution of air, water and soil

TISG's production activity generates emissions into the atmosphere originating from the method of external expulsion of pollutants. The emissions concern:

- different phases of production processes;
- methane gas-powered thermal power plants.

| Emissions of air pollutants | u.m. | 2025 | 2024 | Trend (2025/2024) |
|---|---|---|---|---|
| Nitrogen oxides (NOx) | T | 10.30 | 10.30 | 0% |
| Non-methane volatile organic compounds (NMVOCs) | T | 4.31 | 3.17 | 36% |
| Fine particulate matter (PM2.5) | T | 0.02 | 0.02 | 0% |

The data collection process for the accounting and reporting of pollution at CELI 1920 S.r.l. follows a rigorous protocol in full conformity with Single Environmental Authorisation No. 139/2019. The monitoring system focuses on measuring concentrations of particulate matter, volatile organic compounds (VOCs) and nitrogen oxides (NOx) in gaseous emissions, mainly attributable to solvents used in vessel painting processes and metalwork processes at the TISG Turkey facility.

To ensure continuous, reliable monitoring, TISG has installed dedicated stacks that are systematically checked by SEA – *Atmospheric Emissions Service*. A structured measurement plan is implemented annually to calculate emissions, with the results compared against the hours actually worked. NOx emissions at the Turkey facility are determined through measurements performed by an independent third-party body outside the organisation.

The sampling points are selected based on pipe geometric features and official methodologies, guaranteeing that the measurements are representative as well as precise. The instruments used include particulate filters, hot VOC analysers and devices for measuring effluent velocity and flow rate. The data collected is analysed to determine compliance with environmental regulations and is used for emissions reporting. This methodological framework supports data quality and transparent reporting.

At the date on which this Report was prepared, there were no emissions of pollutants into the water.

## ESRS E3- Water and marine resources

The Italian Sea Group adopts a corporate philosophy that pays the utmost attention to the management of water consumption, with a particular focus on resource optimisation. This approach is particularly evident at the Marina di Carrara shipyard, where only seawater is used, rather than freshwater, for cooling the yachts' systems and for yacht body water-tightness tests.

The Group's commitment to safeguarding the marine ecosystem is also expressed through significant investments in Research & Development, aimed at creating increasingly environmentally friendly vessels. These efforts take shape in the use of sustainable materials for yacht exteriors, as alternatives to teak, and the adoption of low environmental impact paints that are not harmful to marine habitats.

TISG's focus on the marine ecosystem also extends to the promotion of initiatives aimed at the optimal management of water resources, the protection of marine ecosystems in its structures' operating areas, the recovery of black and grey water, the proper disposal and recycling of materials, as well as the use of renewable energy sources, by installing solar panels.

## E3 IRO-1 — Description of the processes to identify and assess material impacts, risks and opportunities related to water and marine resources

The management of water resources is a crucial aspect for our company's environmental and operational sustainability. This chapter focuses on the analysis and management of wastewater generated by production activities and players in the value chain. Wastewater production is a direct result of our operations, including yacht construction and maintenance processes, as well as supplier and subcontractor activities. Each phase of the production process, from material processing to painting, contributes to the generation of wastewater that needs to be managed and treated properly to minimise environmental impacts.

Furthermore, during yacht production, the water used to wash and clean hulls can collect residues of paints, solvents and anti-fouling agents. If these substances are not disposed of properly, they could end up directly in the sea, causing a significant impact on the marine environment. Ineffective management of water resources and non-compliance with authorised limits may lead to the risk of local water resource depletion, in addition to exposing the company to administrative, disqualification and criminal penalties deriving from the failure to comply with environmental laws and regulations. Therefore, it is essential to implement effective and compliant water management practices to ensure the long-term sustainability of our operations and the protection of the environment.

For more details of the process used to identify impacts, risks and opportunities related to water resource management, see "*ESRS 2 IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities*".

## E3-1 – Policies related to water and marine resources

The Italian Sea Group adopts a very waste-conscious corporate philosophy when it comes to water consumption as well. This is why it optimises the use of seawater rather than freshwater whenever the type of activity makes it possible.

At all stages of the value chain, the company's approach to protecting water resources is fully reflected in the principles set out in the **Environmental Policy**,[25] which is available on the Group's website. This policy has been drafted in full compliance with environmental legislation, the authorisations signed, the Organisational, Management and Control Model and the Group Code of Ethics.

The Italian Sea Group considers environmental protection a crucial aspect to guarantee long-term sustainable development and sound business management. Therefore, in compliance with its Environmental Policy, the Group undertakes to:

- Comply with all environmental laws and regulations;

[25] *Environmental policy*, The Italian Sea Group, available in *DOCUMENTS, POLICIES AND PROCEDURES - Investor relations*.

- Ensure an effective monitoring system of the environmental aspects related to its production activities and the services provided;
- Continuously improve its environmental performance by setting measurable targets;
- Monitor atmospheric emissions and water discharges to protect the quality of the air and marine environment;
- Take all necessary measures to prevent environmental accidents, with a particular focus on the spillage of hazardous substances;
- Raise the awareness of its employees on environmental topics and encourage them to apply good environmental practices;
- Raise awareness and monitor its suppliers so that they act with full respect for the environment and in accordance with the company's environmental policy.
- During 2025, the Group developed a **Group Sustainability Policy** to mitigate the impacts, risks and opportunities associated with the context in which the Company operates. Specifically, in pursuing this Policy, the Group is committed to achieving an integrated environmental management model aimed at: responsible water use at shipyards and offices;
- preventing marine pollution through wastewater treatment systems and reductions in harmful substances.

Implementation of the Sustainability Policy is monitored by the Control, Risk and Sustainability Committee and applies to all the Group's internal and external stakeholders. This Policy was approved by the Board of Directors in full compliance with the governance requirements of the Corporate Sustainability Reporting Directive (CSRD).

Although no production site of the company is located in areas of high water stress, in keeping with the above objectives and given the growing importance for environmental issues, the Group is committed to defining a policy for the management of water resources aimed also at minimising the water consumption of production operations and updating it periodically in light of any regulatory changes.

## E3-2 – Actions and resources related to water and marine resources

The Italian Sea Group adopts a long-term vision for the responsible management of water resources, translating it into consistent, tangible courses of action. Confirming this commitment, the Group launched the 2026-2028 Sustainability Plan, which introduces dedicated monitoring tools and defines measurable medium and long-term objectives. At the same time, employees continue to receive awareness-raising initiatives to promote responsible conduct and minimise the environmental impact associated with production processes.

In line with its responsible water resource management approach, The Italian Sea Group monitors consumption associated with its operations and promotes solutions that limit freshwater withdrawals, including the use of seawater for specific production activities. As the Group's activities are not located in areas subject to water risk or high water stress, no specific actions were taken or dedicated resources allocated to managing these risks during the reporting period.

The planned action and the related project manager responsible for supervising its implementation are described below.

**Improvement of wastewater management**| Austi – *Head of Procurement*

For TISG, water resource management is a strategic area within the Group's broader environmental responsibility pathway. In a regulatory context that establishes specific obligations for large vessels, TISG adopts a proactive approach based on the precautionary principle and continuous improvement, extending good practices to smaller vessels even where no direct regulatory constraints apply.

On the Group's vessels, wastewater is channelled into dedicated collection tanks and subsequently treated using a chemical and physical process. This system breaks down wastewater and uses specific reagents to reduce the bacterial load and ensure that the water is purified in accordance with the applicable safety and environmental standards.

The residual fraction, comprising solid particles that cannot be treated further and commonly referred to as "sludge", is delivered onshore to authorised port facilities in full compliance with the applicable environmental provisions.

Through these procedures, the Group's vessels ensure that only wastewater previously subjected to biological treatment is discharged, making a tangible contribution to protecting the marine ecosystem and managing water resources responsibly.

## E3-3 – Targets related to water and marine resources

The Group promotes responsible water use by monitoring consumption and adopting initiatives intended to improve efficiency in the use of this resource. It should also be noted that, as the Group's activities are not located in areas subject to water risk or high water stress, the objectives defined do not concern the management of impacts, risks and opportunities connected with such areas. The targets defined form part of the 2026-2028 Sustainability Plan, approved by the Board of Directors on 31 July 2026, which represents the strategic framework for the Group's sustainability initiatives. The objectives below are voluntary.

| PILLAR | # | ACTION | Monitoring KPI | Baseline 2025 | Target 2028 |
|---|---|---|---|---|---|
| Circular Economy and Responsible Resource Management | 7 | Improvement of wastewater management | Water consumption per product unit (litres/unit) (daily average) | 8,000 | 11,040 |
| | | | % of water recycled or reused in processes. | - | 8% |

Compared with the previous Sustainability Plan, the Group introduced specific water resource management objectives for the first time, strengthening its commitment to increasingly responsible, efficient management of environmental impacts. This decision reflects the Group's growing focus on issues considered relevant to its business and stakeholders, in line with changes in the sustainability context and the approach adopted to setting strategic priorities.

## E3-4 – Water consumption[26]

In accordance with its environmental policy, the Italian Sea Group devotes particular attention to reducing the consumption of water resources during its production activities. In this context, particularly noteworthy is the fire-fighting system at the Marina di Carrara shipyard, which uses only seawater, as does yacht system cooling and yacht water-tightness body testing. Details are provided below on water consumption relating to own operations, in cubic metres.

| Water consumption | | 2025 | 2024 |
|---|---|---|---|
| | | All areas | All areas |
| **Total water withdrawal** | m3 | 68,767 | 78,335 |
| Freshwater (<=1,000 mg/L total dissolved solids) | m3 | 68,767 | 78,335 |
| Other water (> 1000 mg/L total dissolved solids) | m3 | - | - |
| **Total water discharges** | m3 | 1,120 | - |
| Freshwater (<=1,000 mg/L total dissolved solids) | m3 | 1,120 | - |
| Other water (> 1000 mg/L total dissolved solids) | m3 | - | - |
| **Total water consumption** | m3 | 67,647 | 78,335 |
| Freshwater (<=1,000 mg/L total dissolved solids) | m3 | 67,647 | 78,335 |
| Other water (> 1000 mg/L total dissolved solids) | m3 | - | - |

In 2025, water consumption declined by around 14% compared to 2024, in compliance with the Group's ongoing commitment to reducing water consumption at its facilities.

[26] Note that The Italian Sea Group's operating sites are not located in areas of high water stress.

The water consumption recorded is not only attributable to the production activity, but also to ancillary services offered to crews and employees as part of the company welfare programme at the Village at the Marina di Carrara site. These services include a gourmet restaurant, spa and lounge bar.

The TISG Group does not have internal systems for water recycling or storage. The water necessary for business operations is withdrawn from the local water service, managed by the integrated water service company. Therefore, total water consumption in cubic metres is determined on the basis of the measurements provided by the service, which monitors and charges for water consumption for the different business activities.

As regards wastewater management, the La Spezia facility is equipped with the LACQUA CAD system, a technology dedicated to treating and purifying water. The system treats both water from production processes and rainwater, ensuring that the water is appropriately treated and checked before any release. Only after it has been purified and checked in full compliance with current regulations and permits is the water channelled into the sewer system or, where permitted, discharged into the sea. This equipment strengthens environmental safeguards at the site and helps protect local water resources.

With regard to the effluent produced by the painting department, TISG uses the services of an external operator for the proper disposal of wastewater, in line with current environmental regulations. The volumes of effluent treated and disposed of are managed by this supplier, which monitors and reports on the entire process.

| Water Intensity | u.m. | 2025 | 2024 |
|---|---|---|---|
| Total water consumption ($m^3$) | $m^3$ | 67,647 | 78,335 |
| Net revenues from own operations | Mln Euro | 233 | 366 |
| **Water intensity** | **$m^3$/ Mln Euro** | **290** | **214** |

## ESRS E5 - Resource use and circular economy

The Italian Sea Group fully endorses and supports the European Union's vision, aligning with the objectives outlined in the Green Deal and promoting an approach oriented towards the circular economy and waste recycling. In 2025, during the double materiality analysis, the Group's stakeholders identified the topic of the circular economy and waste management as material, arousing considerable interest, in parallel with the management of water resources and raw materials.

With regard to the management of outgoing resources, The Italian Sea Group adopts an advanced waste management system, which includes a dedicated environmental area for sorting materials to be disposed of and strict internal controls during the storage phase. The Group is also aligned with the commitments made by the main industry players, implementing initiatives in its shipyards for the more efficient management of water resources, with a particular focus on black and grey water recovery, as well as the proper disposal and recycling of materials.

In line with the ESG programme implementation plan, in 2024 the TISG Group obtained ISO 14001:2015 certification for the Marina di Carrara and La Spezia shipyards, which was subsequently extended to the CELI shipyard. This achievement consolidated an environmental management system geared towards the responsible, efficient consumption of resources and the rigorous reduction of waste. In 2025, the Group confirmed that certification was maintained for all three sites, demonstrating the continuity and effectiveness of its environmental management system.

### E5 IRO-1 — Description of the processes to identify and assess material impacts, risks and opportunities related to resource use and the circular economy

Resource use and the circular economy are fundamental elements to ensure the sustainability and efficiency of our operations. This chapter examines our company's approach to using high quality and valuable materials from traceable sources and suppliers, which not only improve the aesthetics and durability of our products, but also contribute to greater resistance over time. However, the use of materials with a greater environmental impact, such as non-renewable, non-recyclable and non-disassemblable materials, represents a significant challenge in terms of pollution and waste management.

The production and management of hazardous and non-hazardous waste deriving from our production activities generate negative impacts on the environment, making it essential to adopt effective management practices. In addition, inefficient material use contributes to resource waste, underscoring the need to improve our production processes. The introduction of new innovative yacht building technologies, such as the use of recycled materials and the installation of solar panels for powering on-board systems, represents a step forward towards greater production efficiency and sustainability. These initiatives not only reduce our environmental impact, but also improve our competitiveness in the global market.

For more details of the process used to identify impacts, risks and opportunities related to resource use and the circular economy, see "*ESRS 2 IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities*".

### E5-1 – Policies related to resource use and circular economy

TISG's **Environmental Policy**[27] affirms the Group's commitment to implementing practices that improve resource efficiency, specifically with respect to waste management, energy consumption and the raw materials used. Indeed, according to this Policy, TISG undertakes to:

- Comply with all environmental laws and regulations;
- Ensure an effective monitoring system of the environmental aspects related to its production activities and the services provided;
- Continuously improve its environmental performance by setting measurable targets;

[27] *Environmental policy*, The Italian Sea Group, available in *DOCUMENTS, POLICIES AND PROCEDURES - Investor relations*.

- Take all necessary measures to prevent environmental accidents, with particular attention to the spillage of hazardous substances;
- Raise the awareness of its employees on environmental topics and encourage them to apply good environmental practices;
- Raise awareness and monitor its suppliers so that they act in full respect of the environment and in accordance with the company's environmental policy.

The Group is committed to updating this Policy, in line with the evolution of legislation and national and international standards.

As mentioned in the preceding sections, in 2025 the Group formalised a **Sustainability Policy** based on a structured approach that includes analysing the relevance of the 17 Sustainable Development Goals (SDGs) and assessing how corporate decisions contribute to their achievement. As regards the circular economy, the Group is committed to reducing waste and promoting the recycling of construction and refit materials. These efforts are inspired by circular economy principles, with the aim of extending the life cycle of yachts and minimising waste.

The Group also attaches great importance to the transparency and traceability of materials used to build and refit yachts, ensuring the highest standards of responsible production. In conducting its business, TISG is committed to sustainable sourcing, including the use of certified wood and recycled composite materials, the reduction of harmful chemicals in painting and maintenance processes and the search for biodegradable and recyclable alternatives for components and furnishings.

To ensure proper implementation of the commitments under this Sustainability Policy, the Group has adopted a dedicated management model involving, among others, the Control, Risk and Sustainability Committee and the Board of Directors, which is responsible for approving this Policy in compliance with current regulatory requirements. The Group's corporate bodies, employees and all persons acting in any capacity in the name or on behalf of TISG Group companies are required to apply the Sustainability Policy correctly.

With specific regard to the topic of circular economy, to date the Company does not have risk/opportunity assessments specific to the circular economy. Note that the company's business model – focused solely on full-custom steel products with a high level of quality and aesthetics – does not lend itself to a significant use of any recycled materials. That said, and while maintaining the company's main focus on the quality of the final product, the Group has already initiated some internal analyses involving the purchasing department to assess the opportunity to prefer suppliers of recycled materials where possible.

## E5-2 – Actions and resources in relation to resource use and circular economy

The Group gears its strategy towards the responsible, long-term management of resources, systematically integrating circular economy principles into its activities. From this perspective, The Italian Sea Group has defined the 2026-2028 Sustainability Plan, which formalises a set of medium to long-term objectives and provides for a dedicated monitoring system in key areas such as waste management, energy consumption and raw material use. At the same time, the Group maintains its ongoing commitment to raising awareness and engaging employees in order to minimise the environmental impact associated with production processes.

However, implementing circular economy principles in a highly customised industrial context such as full-custom yacht construction presents significant challenges. The need to use specific materials and components, which are often difficult to recycle or reuse, is combined with bespoke manufacturing processes that may generate waste that is difficult to reintroduce into the production cycle. In addition, customers' high expectations for durability, aesthetic quality and performance may limit the use of recycled materials, which sometimes do not fully meet the required standards. Although these factors increase its complexity, the adoption of circular models remains a strategic priority for the Group.

The actions envisaged in the 2026-2028 Sustainability Plan are described below.

**Waste reduction and increased recycling on board**

Waste management is particularly significant and complex for TISG because of the structural constraints typical of vessels, where the space available is necessarily limited. The design of dedicated waste collection and storage areas therefore requires careful technical planning to reconcile operating needs, safety standards and environmental sustainability objectives.

In this context, the Group's specialisation in building large custom vessels allows advanced responsible waste management solutions to be integrated at the design stage, although these are difficult to implement on smaller vessels or vessels with predefined structural configurations. In particular, all vessels, irrespective of size, have dedicated refrigerated systems for organic waste, enabling wet waste to be stored correctly until it is delivered onshore and preventing health, hygiene and environmental issues.

The Technical Research and Development Function plays a central role in this process and is responsible for designing and optimising waste storage areas, while the Sales Function explains the various waste management and separation solutions available to vessel owners. The final decision on whether to adopt specific solutions remains the vessel owner's prerogative as part of the vessel configuration process.

In recent years, port policies intended to encourage separate waste collection have also become increasingly widespread, offering reduced rates for the delivery of waste already separated by type. This development promotes good practices and strengthens the shared commitment to more sustainable waste management in the yachting industry.

**Use of recycled or sustainable materials**

The adoption of lower-impact materials and solutions is an informed, proactive choice by the Group and an integral part of TISG's industrial and sustainability strategy. In this area, attention to the origin and composition of raw materials is a tangible means of helping reduce the environmental footprint throughout the vessel life cycle.

TISG systematically favours the use of materials with a high recycled content: much of the steel and an even greater proportion of the aluminium used in production processes are sourced from recovery chains. This choice, adopted voluntarily by the Group, reduces the consumption of virgin natural resources and the energy intensity associated with raw material production, contributing to a more circular production model.

Packaging management is another of the Group's tangible initiatives. The packaging materials for purchased components, mainly wood and cardboard and, to a lesser extent, plastic, are carefully managed internally. In particular, wood, which accounts for the largest proportion of packaging, is frequently reused to make protective structures and temporary supports for machinery and on-board equipment, thereby extending its life cycle. The remaining materials are separated for collection and stored correctly in accordance with the Company's waste management procedures.

Another significant initiative involves progressively introducing synthetic teak to replace natural teak in specific areas of vessels. This choice, actively promoted by the Group, reduces maintenance requirements and increases the durability of surfaces most exposed to wear, delivering both environmental and operating benefits. On large vessels, synthetic teak also offers extensive customisation options, meeting vessel owners' requirements without compromising sustainability objectives.

While respecting the preferences of vessel owners, who continue to favour natural teak for the most heavily used areas, TISG has set an objective of progressively increasing the percentage of surfaces made from synthetic teak. This direction demonstrates the Group's intention to steer design choices towards increasingly sustainable solutions, integrating innovation, quality and environmental responsibility.

## E5-3 – Targets related to resource use and circular economy

The targets defined form part of the 2026-2028 Sustainability Plan, approved by the Board of Directors on 31 July 2026, which represents the strategic framework for the Group's sustainability initiatives.

| PILLAR | # | ACTION | Monitoring KPI | Baseline 2025 | Target 2028 |
|---|---|---|---|---|---|
| | 8 | | % of recycled waste out of total waste generated. | - | 20% |

| | | | | | |
|---|---|---|---|---|---|
| **Circular Economy and Responsible Resource Management** | | **Waste reduction and increased recycling** | Number of reuse/recycling initiatives implemented. | - | 4 |
| | 9 | **Use of recycled or sustainable materials** | % of recycled materials used in production. (by weight) | 25% | 32% |
| | | | % of sustainable packaging (biodegradable or recycled). | 40% | 48% |
| | | | % of synthetic teak versus natural teak | 2% | 10% |

Compared with the previous Sustainability Plan, the Group introduced specific objectives for resource use and the circular economy for the first time, broadening its environmental commitments and further integrating sustainability principles into production processes. More specifically, the Plan includes initiatives to reduce waste, increase reuse and recycling and make greater use of recycled materials and sustainable solutions throughout the value chain. The introduction of these objectives demonstrates the Group's intention to promote more circular, efficient production and consumption models in line with stakeholder expectations and developments in environmental best practices.

## E5-4 – Resource inflows

For the construction of the hulls and superstructures of its yachts, the Group uses mostly steel and aluminium, 100% recyclable materials, while the use of fibreglass is limited to a small percentage of production, dedicated to the speed yachts of the "Tecnomar for Lamborghini 63" line.

The following tables show the main products and materials used[28]:

| Type | Product | Weight in tonnes 2025 | Weight in tonnes 2024[29] |
|---|---|---|---|
| Raw material | Steel | 254 | 277 |
| | Aluminium | 243 | 122 |
| | Wood | 227 | 47 |
| | Paints | 22 | 29 |
| | Laminate | 11 | 28 |
| | Diesel for shipyard machinery | 10 | 12 |
| | Lubricants | 5 | 6 |
| | Adhesive | 1 | 1 |
| Semi-finished products | Stainless steel profiles | 103 | 121 |
| | Exhaust gas pipes | 83 | 98 |
| | Insulating materials | 77 | 90 |
| | Sundry wood | 36 | 42 |
| | System piping | 27 | 32 |
| | Composite materials | 21 | 25 |
| | Upholstery materials | 12 | 14 |
| | *Other semi-finished products* | 18 | 22 |
| Finished product | Furniture supplies | 282 | 332 |
| | Stucchi | 169 | 199 |
| | Electrical cables and equipment | 148 | 174 |
| | Sundry painting products | 75 | 89 |
| | Doors and hatches | 74 | 87 |
| | Generator unit motors | 64 | 76 |
| | Entertainment equipment | 55 | 65 |
| | Movement systems and walkways | 51 | 60 |
| | Nav-Com systems | 39 | 46 |
| | Deck machinery | 38 | 45 |
| | Portholes and wind screens | 33 | 39 |
| | Windows | 31 | 36 |

[28] The data in the table were obtained through estimates made by the company function responsible for these figures. At the reporting date, the TISG Group did not use any biological materials

[29] The 2024 comparative data were revised to improve the breakdown and allocation of incoming resource volumes across the entire corporate scope. The revision of these data resulted in marginal changes compared with the amounts disclosed in the previous reporting period (2,660 tonnes in the 2024 Consolidated Sustainability Statement).

| | | | |
|---|---|---|---|
| | Anchors and mooring chains | 31 | 36 |
| | Conduit supplies | 30 | 35 |
| | Shaft lines and propulsion systems | 28 | 33 |
| | Air conditioning machinery | 27 | 32 |
| | Propulsion propellers | 26 | 30 |
| | Steering gear and control units | 24 | 29 |
| | Composite products | 16 | 19 |
| | Pumps and miscellaneous machinery | 15 | 17 |
| | Miscellaneous electrical supplies | 14 | 17 |
| | Thrusters | 13 | 16 |
| | Stabiliser fins | 13 | 15 |
| | Resins and substrates | 12 | 14 |
| | *Other finished products* | 50 | 59 |
| Packaging | Pressed cardboard | 18 | 1 |
| **Total incoming resources** | | **2,527** | **2,565** |

The data reported were recovered from the purchasing office through documentation underlying the purchase of raw materials, semi-finished products and finished products.

In 2025, the Group used a total of 2,527 tonnes of material resources compared with the previous year's total at 2,565 tonnes in 2024, with procurement volumes remaining broadly stable (-1.5%).

Analysis of the composition of materials highlights a progressive shift towards resources with greater environmental sustainability. In particular, the use of renewable materials, mainly wood, increased significantly from approximately 47 tonnes in 2024 to 227 tonnes in 2025.

As a result of this increase, the proportion of materials from renewable sources grew significantly, confirming the Group's commitment to promoting the use of lower-impact resources and more sustainable supply chain management.

At the same time, the procurement mix shows a decrease in the use of certain conventional materials, including steel, laminates and paint products, accompanied by increased use of aluminium and wood. This trend reflects the Group's focus on design and production solutions geared towards efficient resource use, reducing the environmental impact of the materials used and increasing circularity throughout the product life cycle.

The use of pressed cardboard, a widely recyclable material, also increased for packaging, in line with initiatives aimed at promoting more sustainable packaging solutions.

With regard to the production process managed by the Group companies, there are no biological materials used to manufacture the yachts. With regard to the recyclability of the components, no specific activity or focus is currently envisaged except for the possibility of recycling some of them independently by the ship operators at the end of the product's life in consideration of the type of material to be disposed of. In light of these characteristics and the current absence of dedicated monitoring systems, no data are currently available to reliably quantify any reused or recycled components.

## E5-5 – Resource outflows [30]

The construction of yachts and superyachts, an intrinsically complex, highly specialised activity, requires the systematic and rigorous control of waste flows generated throughout the production chain. From this perspective, The Italian Sea Group has implemented an integrated waste management system geared towards regulatory compliance, traceability and resource recovery in support of the Group's quality, safety and environmental protection objectives.

The system is built around a dedicated ecological area organised into separate material collection stations and structured internal storage and handling procedures. Each stage, from delivery and sorting to checks and destination, is governed by operating protocols and monitoring mechanisms that provide for the detailed recording of operations and the

[30] At the date of drafting of this document, no radioactive waste was recorded in the reporting period as defined by Council Directive 2011/70/Euratom.

assignment of clearly defined responsibilities. The governance framework is strengthened by ISO 9001 (quality management systems) and ISO 14001 (environmental management systems) certifications, which ensure alignment with international best practices and the integration of environmental requirements into business processes.

For metal waste, the operating flow provides for deliveries by third parties and/or direct collections from customers by designated personnel. On arrival at the facility, each load is identified and weighed, then subjected to radiometric and documentary checks to verify compliance with the authorised categories. This is followed by visual inspections and, where necessary, specific analyses to exclude the presence of non-compliant or hazardous materials. Materials are then sorted by category (ferrous, aluminium and non-ferrous) and purity grade in line with market criteria and End-of-Waste requirements (“EoW”). The process is managed in accordance with Regulation (EU) no. 333/2011, which establishes the conditions under which iron, steel and aluminium scrap ceases to be waste and can be reintroduced onto the market as secondary raw material.

At the same time, non-metal waste is managed by a qualified operator in full compliance with current environmental regulations. The approach prioritises solutions that reduce waste and recover material value, ensuring a clear, controlled pathway for each flow. In 2025, 45% of the volumes collected were used to generate heat and electricity at facilities that treat waste at high temperatures, avoiding landfill disposal. The remaining 55% was sent to authorised facilities for the recovery of reusable materials so that secondary raw materials could be reintroduced into production cycles.

This integrated structure enables the effective management of complex flows, reduces environmental impacts and promotes material circularity by transforming waste into resources while ensuring transparency and compliance throughout the value chain. Continuous process oversight and the use of certified standards are central elements of the Group’s strategy, which is geared towards continually improving environmental performance and creating sustainable value over time.

Details are provided below of the volumes of waste produced during the reference period, broken down by whether it is hazardous and whether it will be sent for disposal. Both recovery and disposal are carried out at a site outside the company.

| Materials in waste | Waste generated | Waste recovered | Waste disposed of |
|---|---|---|---|
| Miscellaneous materials | 827 | 827 | |
| Waste liquid from vessels | 393 | - | 393 |
| Wood | 310 | 310 | |
| Waste iron and steel | 170 | 170 | |
| Paint and painting waste | 93 | 6 | 87 |
| Rock wool and insulation panels | 89 | 42 | 47 |
| Wood shavings | 69 | 69 | |
| Packaging contaminated by hazardous substances | 61 | 61 | |
| Aluminium | 30 | 30 | |
| OILS (used, bilge and waste) | 27 | 8 | 20 |
| Construction waste materials | 13 | 13 | |
| Waterjet sand | 11 | 11 | |
| Materials contaminated by hazardous substances | 10 | 10 | |
| Concrete and bricks | 8 | 8 | |
| Sanding dust waste | 7 | 4 | 3 |
| Others | 41 | 32 | 9 |
| **Total tonnes** | **2,159** | **1,601** | **558** |

The total waste generated by the TISG Group stood at 2,159 tonnes in 2025 (+3.78% compared to 2024). Most of the waste generated consists of materials such as wood, iron, steel and aluminium related to building operations. There is also a small part of mixed waste linked to demolition activities. As at 31 December 2025, the total amount of waste not sent for recovery and destined for disposal was 558 tonnes, corresponding to approximately 26% of the total waste generated during the year. This represents an improvement compared with 2024, when 720 tonnes of waste were disposed of, a year-on-year reduction of approximately 23%.

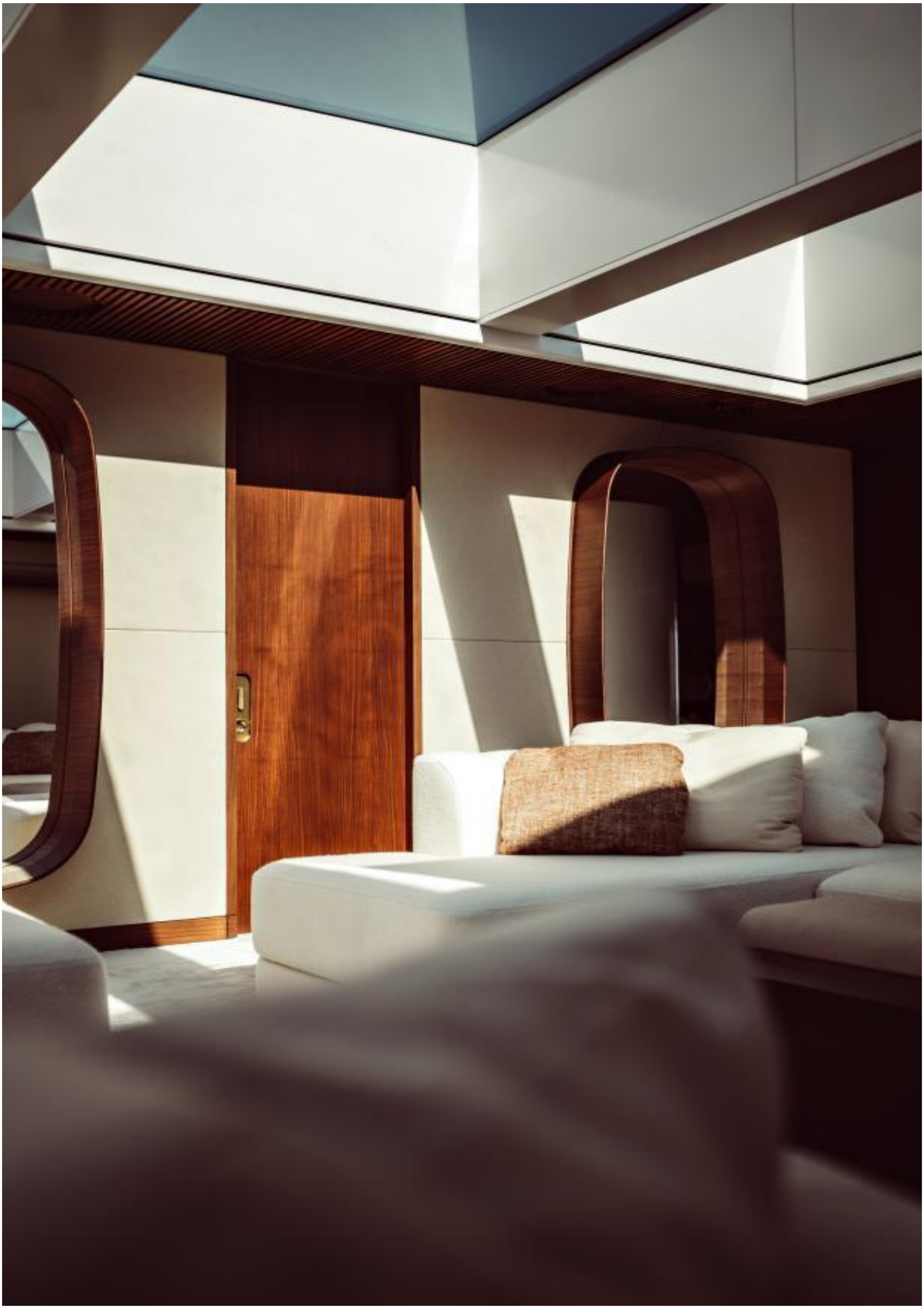
The increase in the amount of hazardous waste was caused by the significant increase in production activities and the inclusion of the company TISG Turkey in the reporting scope.

| Waste diverted from disposal | Associated recovery codes | u.m. | 2025 | 2024 |
|---|---|---|---|---|
| **Hazardous waste** | | | **136** | **112** |
| Preparation for reuse | R2-R6-R9 | | - | - |
| Separate waste collection | R3-R4-R5 | | - | - |
| Other recovery operations | R1-R7-R8-R10-R11-R12-R13 | | 136 | 112 |
| **Non-hazardous waste** | | T | **1,445** | **1,251** |
| Preparation for reuse | R2-R6-R9 | | - | - |
| Separate waste collection | R3-R4-R5 | | - | - |
| Other recovery operations | R1-R7-R8-R10-R11-R12-R13 | | 1,465 | 1,251 |
| **Total** | | | **1,601** | **1,363** |

| Waste directed to disposal | Associated disposal codes | u.m. | 2025 | 2024 |
|---|---|---|---|---|
| **Hazardous waste** | | | **169** | **161** |
| Incineration | D10-D11 | | - | - |
| Landfill | D1-D5-D12 | | - | 10 |
| Other disposal operations | D2-D3-D4-D6-D7-D14-D15-D13-D9-D8 | | 169 | 151 |
| **Non-hazardous waste** | | T | **389** | **559** |
| Incineration | D10-D11 | | - | - |
| Landfill | D1-D5 | | - | - |
| Other disposal operations | D2-D3-D4-D6-D7-D12-D14-D15-D13-D9-D8 | | 389 | 559 |
| **Total** | | | **558** | **720** |

In the course of 2025, there was a significant increase in waste recovered (diverted from disposal) compared to the previous year. In particular, hazardous waste diverted from disposal increased from 112.10 tonnes in 2024 to 136 tonnes in 2025. This increase is mainly attributable to recovery operations other than separate collection and preparation for reuse, which saw a corresponding increase.

During 2025, hazardous waste at the La Spezia facility decreased significantly, by approximately 20% compared with the previous period. This result was mainly attributable to the reduced use of fibreglass in the Group's shipbuilding activities. Although widely used in production processes, this material has a significant environmental impact both during processing and at the end of its life. The reduction in its use therefore made a decisive contribution to the decrease in hazardous waste deliveries.



# Social information

## ESRS S1- Own workforce[31]

The Italian Sea Group is increasingly convinced that people represent the most valuable asset for an organisation. This is why it is committed to attracting the best talent, retaining and motivating its resources, fostering their professional development and personal growth, as well as implementing incentive systems aimed at guaranteeing adequate commitment and retention levels, in compliance with the company's rewarding policy.

As a demonstration of the Group's strong commitment to the development of its human capital capabilities, in 2021 the TISG Academy was established, an initiative aimed at making the Group's skills and know-how available to all employees, in order to cultivate the company's human capital and counter the rampant “talent shortage” phenomenon. A founding element of the project is the offer of training programmes that aim to develop both hard skills and soft skills, as well as specific technical skills in the yachting sector. The lowest common denominator of the annual training programmes is the constant focus on technical and aesthetic quality, the fundamental values of the corporate philosophy.

Convinced that each person within TISG has unique potential, social responsibility represents the strategic pillar of our business, as well as the guiding principle of every daily choice, through active participation in the achievement of a just transition, in line with the founding principles of the Green Deal.

## S1 SBM-2 – Interests and views of stakeholders

As anticipated in the section "SBM-2 Interests and views of stakeholders", the Human Resources department of the TISG Group seeks to constantly listen to the requests of its employees (an example is the ESI survey on the quality of the working environment) and provide senior management with elements on which to make strategic decisions.

The TISG Group has adopted a code of ethics implemented by all group companies through which it prevents all forms of forced and child labour.

## S1 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

Human resources management is a crucial element for the TISG Group’s success and sustainability. This chapter focuses on challenges and opportunities linked to personnel management, with a particular focus on work-life balance, especially during delivery periods, and the lack of smart working agreements, made difficult by the nature of our sector. Excessive working hours can lead to a decrease in employee well-being of and a reduction in productivity, while improvements can be achieved in the corporate climate and employee well-being by protecting the freedom of association, collective bargaining and the right of workers' representation.

Workforce satisfaction is fundamental and may be achieved by offering training courses for the development of new skills, benefiting both the professional growth of employees and their career advancement. However, incidents of accidents at work and occupational diseases due to the incorrect application of PPE, as well as incidents of discrimination and denial of equal opportunities, represent critical issues that need to be urgently addressed. Employee data management is another critical aspect, with possible negative impacts in terms of the loss of sensitive data.

Furthermore, a lack of good working conditions, incidents of human rights violations and forced and child labour may have significant negative impacts. The risk linked to the presence of key corporate positions without adequate back-up coverage or succession plans, as well as the risk of not having sufficient personnel, can negatively affect productivity as well as operational efficiency. Lastly, the attraction and retention of qualified personnel, the management of trade union representatives and cybersecurity are fundamental aspects to ensure company continuity and growth.

The impacts identified by the materiality assessment relate to the Group’s entire own workforce. With regard to adverse impacts relating to employee well-being and work-life balance, no widespread or systemic situations were identified, although such effects may arise during particular periods of more intense operations. The positive impacts connected

[31] All quantitative data referring to the topics related to ESRS S1 were processed using the database received from the consulting firm, which includes all of the data of The Italian Sea Group employees.

with training, skills development and the protection of freedom of association, collective bargaining and workers' representation rights concern the entire corporate population. No operations or activities exposed to significant risks of forced or child labour were identified during the reporting period.

For more details of the process used to identify impacts, risks and opportunities related to the own workforce, see "*ESRS 2 IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities*".

## S1-1 – Policies related to own workforce

The personnel management policy of The Italian Sea Group is intended to support to the pursuit of corporate objectives linked to sustainable development, as well as the creation of value for all Group stakeholders. The culture of respect for the individual is considered a founding value for the Company and, together with the complex set of relational, intellectual, organisational and technical skills of each employee and independent contractor, constitutes a fundamental asset for the pursuit of corporate objectives. The **Policy on the Protection of Human Rights**[32] and the **Policy on the Protection of Diversity and Inclusion**[33] document the Group's commitment to ensuring equal opportunities and respect for human rights, in compliance with international standards, including the Universal Declaration of Human Rights and the fundamental Conventions of the International Labour Organization (ILO) on Fundamental Principles and Rights at Work. Specifically, the Policy on Diversity and Inclusion is inspired by the United Nations 2030 Agenda and aims to implement the following Sustainable Development Goals: 5 – Gender Equality, 8 – Decent Work and Economic Growth, 10 – Reduced Inequalities.

The Group firmly promotes respect for the dignity of others and in no way tolerates sexual, ethnic, religious, political, social or any other discrimination, in accordance with the **Group Code of Ethics**[34]. The Italian Sea Group is also committed to the creation of a healthy work environment able to promote the physical and psychological well-being and personal growth of the individual in the name of equal opportunities and mutual respect. The development of people and their diversity is an essential element of The Italian Sea Group's human resources management and the Group's broader ESG strategy. In the Policy on the Protection of Diversity and Inclusion, The Italian Sea Group commits to abolishing all forms of discrimination, promoting equal opportunities and reducing the gender pay gap in order to create an inclusive work environment.

The Group pursues the creation of a professional environment based on the principles of equal opportunities and inclusion, by developing and implementing diversity management initiatives, including:

- Disseminating inclusive managerial and leadership styles aware of the value of differences among employees;
- Imposing a system of internal rules that guarantees a work environment inspired by transparent conduct, based on mutual trust and the principles of equal opportunities for people;
- Identifying cultural, organisational and relational obstacles that prevent full job inclusion.

The management plays a central role in ensuring equity, inclusion and non-discrimination, by promoting an environment open to the expression of all and free of discrimination, to stimulate innovation and the generation of new ideas and projects. Particular importance is attributed to the Human Resources function, in charge of implementing the principles of this Policy[35] and enhancing diversity across all levels and in the different phases of company life. In line with ESG principles, the Human Resources function promotes cultural and organisational change, collaborating with all other company support and business areas.

With regard to the protection of human rights, the Group recognises the benefits of an international and social order in which rights and freedoms are fully respected. This is why The Italian Sea Group is committed to ensuring the full protection of the human rights of its employees, taking the utmost care in identifying situations that may involve the risk of violations. In the course of its activities, the Group is committed to combating all forms of discrimination, corruption, exploitation of child labour and forced labour, by promoting the dignity, health, freedom and equality of all workers at all times.

[32] *Policy on the Protection of Human Rights*, The Italian Sea Group, available in *DOCUMENTS, POLICIES AND PROCEDURES - Investor relations*.
[33] *Policy on the Protection of Diversity and Inclusion*, The Italian Sea Group, available in *DOCUMENTS, POLICIES AND PROCEDURES - Investor relations*.
[34] *Group Code of Ethics*, The Italian Sea Group, available in *DOCUMENTS, POLICIES AND PROCEDURES - Investor relations*.
[35] *Policy on the Protection of Diversity and Inclusion*, The Italian Sea Group, available in *DOCUMENTS, POLICIES AND PROCEDURES - Investor relations*.

The Italian Sea Group guarantees respect for the fundamental rights at work enshrined by the ILO. In particular, it guarantees the freedom of association and the recognition of the right to collective bargaining by its employees, as well as the elimination and combating of all forms of forced labour and the exploitation of child labour. Furthermore, the Group does not allow and does not tolerate the establishment of employment relationships in violation of current regulations on child, female and immigrant labour and protection against labour exploitation practices.

TISG's employment policies do not discriminate on the basis of race, colour, gender, religion, nationality, social origin, political opinion, age or disability.

The Italian Sea Group is also aware of the importance of its own workforce for the pursuit of the company strategy. Therefore, in order to counter the risk of not having specialised human capital with adequate skills for the growth and development objectives defined at corporate level, it has adopted a corporate incentive policy (rewarding policy), which includes:

- An **annual salary review** system, which is an organisational process through which the Company reviews and evaluates salaries on an annual basis, inspired by the principles of fairness, competitiveness and meritocracy in line with the Company's values, governance and remuneration policy;
- A **short-term variable remuneration system** provided for the managerial population and represented by the individual "MBO" - Management by Objectives - reward system. The MBO system aims to promote the achievement of annual business objectives and involves the assignment of a certain number of measurable objectives reported from time to time in the individual sheets shared with the parties concerned at the beginning of each new period. The MBO system applies to Executives with strategic responsibilities and other managers with technical and management coordination roles;
- A variable long-term remuneration system represented by the "Long Term Incentive Plan 2027-2029" share incentive plan for executive directors, general managers and executives with strategic responsibilities;
- A life-long learning system involving the organisation on an annual basis of professional and managerial training and development programmes using the TISG Academy, a project designed to face the rampant talent shortage phenomenon by creating courses of excellence for company employees and those graduating from Italian universities.

TISG's Health and Safety policy is included in the **Group Code of Ethics**[36] and applies to all Group companies. These companies are committed to ensuring safe and healthy work environments by constantly improving key processes to achieve effectiveness and efficiency objectives. The Group devotes the utmost attention and commitment to maintaining adequate conditions for occupational health and safety, in full compliance with current regulations and the standards established by ISO 45001 certification (Health and Safety Management Systems)[37], with a view to preventing accidents and/or crimes deriving from violations of regulations protecting occupational health and safety.

Decisions on occupational safety are taken at all levels, both top-tier and operational, following the core principles established by European Directive No. 89/391. These principles include: avoiding risks, assessing those that cannot be avoided, addressing risks at the source, taking technological developments into account, replacing hazards with safer solutions and planning prevention in an integrated manner.

The Group companies apply these principles to adopt the necessary measures to guarantee occupational health and safety, by preventing professional risks, training, informing and assigning individual accountability for occupational safety to both internal personnel and contract personnel through their respective employers, to achieve a model of widespread accountability and intelligence. The designated managers constantly monitor compliance with preventive measures, seeking to avoid any carelessness in risky activities and gathering suggestions from employees to further improve safety. In particular, The Italian Sea Group has set the goal of optimising its process efficiency through accurate and constant control, aimed at ensuring "zero defects" production and achieving high personnel safety levels. This includes a commitment to minimising occupational accidents and diseases, as well as progressively reducing environmental impacts throughout the entire product life cycle, while also ensuring competitiveness in production and management costs.

[36] *Group Code of Ethics*, The Italian Sea Group, available in *DOCUMENTS, POLICIES AND PROCEDURES - Investor relations*.
[37] The Integrated Quality, Safety and Environment Management System complies with the UNI EN ISO 9001, UNI EN ISO 45001 and UNI EN ISO 14001 international standards.

In addition, the Group undertakes to maintain dialogue and collaboration with workers' representatives, civil society, local authorities, trade associations, supervisory authorities and any other party concerned, in order to make the company's approach to occupational health and safety clear and transparent.

The Group assesses accidents on a monthly basis by means of special indicators in the "company dashboard"[38] codified in the safety management system. In the event of an accident, the internal report is forwarded to the prevention and protection service, which is called upon to carry out an initial investigation and issue, where appropriate, corrective actions. In some cases, documents in the form of safety notes are issued to disseminate information and recommended mitigation actions within the appropriate circles. The Group's top management is involved in monitoring accident (and occupational disease) trends and is made aware of any corrective action taken by the company.

Considering work-life balance to be an essential element for employee well-being, The Italian Sea Group is committed to undertaking initiatives to support the work-life balance of its personnel. In addition, the Group strives to promote respect for these rights by its business and trading partners as well.

In the event of problems or violations of the human or workers' rights protected by this policy, a report may be submitted to the Legal Affairs Department using the email address available on the Group's website, or using the mailbox located at the Marina di Carrara office.

## S1-2 – Processes for engaging with own workforce and workers' representatives about impacts

At the Italian companies of The Italian Sea Group, communication with internal Unitary Trade Union Representatives (RSUs) and trade union associations is kept active by means of periodic meetings, which can be intensified depending on the needs of the projects or issues to be discussed. The Human Resources Department is responsible for worker engagement. Although there are no pre-established periodic meetings, there are frequent interactions between the company and the company RSUs. Engagement modalities often include phone calls, discussions and alignment meetings. Currently, we are waiting for the trade unions to begin the procedure to renew the RSUs. The same applies to the provincial secretariats of the FIM, FIOM and UILM unions of La Spezia and Carrara/Massa, where most of the contacts take place by telephone and without any specific frequency, but as needed.

## S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns

Employee engagement is a fundamental factor in The Italian Sea Group's corporate philosophy. This is why the company is constantly committed to developing increasingly effective tools to encourage the engagement of its workforce, with the aim of building a relationship based on mutual respect and trust. With this in mind, the Group has established an email address, in addition to a physical mailbox at the Marina di Carrara shipyard, for the reporting of any human rights violations, as well as diversity and inclusion topics.

Pursuant to Article 6 (*2-bis)* of Italian Legislative Decree No. 231/2001, The Italian Sea Group has also adopted the Whistleblowing Procedure[39] concerning reporting on conduct, acts or omissions that harm the public interest or the integrity of the public administration or private entity, of which the whistleblower has become aware in their public or private work context. The whistleblowing procedure constitutes an essential component of the 231 Organisational Model, within which the Supervisory Boby (SB) is assigned responsibility for monitoring the implementation of and compliance with the principles of the Model.

The report is submitted through a computer platform, accessible at the following link: https://tisg.segnalazioni.eu/#/ available in the footer of the website https://theitalianseagroup.com/. This platform uses encryption tools to guarantee the privacy of the whistleblower, the facilitator, the person involved and/or the parties otherwise mentioned in the report, the content of the report and the associated documentation.

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[38] The company indicators of the Integrated Quality and Safety Management System include the **Injury Frequency Index** (IFI), the **Injury Severity Index** (IGI) and the **Injury Index** (total hours injured/total hours worked) (II), which are monitored on a monthly basis, to keep accident trends under control and trigger appropriate corrective actions after each event.

[39] *Whistleblowing Procedure*, The Italian Sea Group, available in *DOCUMENTS, POLICIES AND PROCEDURES - Investor relations*.

Whistleblowing reports may be made anonymously by any employee, independent contractor, supplier or consultant, as well as third parties engaging in business relations with the Company and anyone who has an interest of their own and/or of third parties or becomes aware of alleged irregularities concerning the Group. Whistleblowing reports may relate to the commission of an offence relevant for the purposes of Italian Legislative Decree No. 231/2001, or a violation of the Organisational Model and Code of Ethics, or even violations of company procedures and policies. The procedure also ensures the absolute confidentiality of the whistleblower and the persons mentioned in the report. Please recall that, pursuant to The Italian Sea Group's Code of Ethics, there may be no negative consequences for anyone who has made a whistleblowing report in good faith, and the confidentiality of whistleblower identity is ensured in accordance with specific internal procedures, without prejudice to legal obligations.

With regard to investigation activity, the Joint Whistleblowing Committee (hereinafter also "Committee") consisting of the Internal Audit manager and two members of the Supervisory Body, checks for the report's fulfilment of essential requirements to assess its admissibility and therefore be able to grant the whistleblower the established protections.

Once the admissibility of the report has been confirmed, the Committee initiates an internal investigation to examine the facts or conduct reported to assess their veracity and, afterwards, provides a response to the whistleblower, indicating the actions it intends to take in relation to the report. In any case, within three months, the Committee will inform the whistleblower about:

- the dismissal of the report;
- the initiation of an internal investigation, with its findings, if applicable;
- the measures taken to address the issue raised;
- referral to a competent authority for further investigation.

The response may also be open-ended, consisting of a communication of information relating to the actions that the Committee intends to take and investigation progress. When the investigation is complete, the Committee must in any case notify the whistleblower of the final outcome.

The Report of the Board of Statutory Auditors indicates the number of whistleblowing reports received and provides an account of the investigations carried out by that Board. In particular, there were no whistleblowing reports during the current year.

The Italian Sea Group is committed to distributing information in its workplaces concerning the use of the internal and external channel. In detail, this information is displayed in points visible and accessible to all parties concerned, both in the workplace and in the dedicated section of the Company's institutional website.

This procedure is also addressed in courses and training sessions relating to the Organisational, Management and Control Model pursuant to Italian Legislative Decree 231/2001.

## S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Human resources are a fundamental element of the TISG Group's business. For this reason, during the reporting period The Italian Sea Group implemented a set of strategic actions to manage impacts, mitigate risks and enhance material opportunities. The Group placed particular emphasis on preventing and reducing risks to employees, focusing on health and safety, non-discrimination and the prevention of harassment. The initiatives were implemented through continuous training programmes on occupational health and safety policies, stronger internal and external communication on safety and corporate operating procedures and the development of the 2026-2028 Sustainability Plan, which consolidates the principal strategic initiatives the Group intends to pursue and which are summarised below.

**Increase in employee initiatives**

Recognising the importance of ensuring an inclusive, stimulating work environment, The Italian Sea Group has developed an integrated programme of initiatives dedicated to employees' physical and mental well-being and professional growth. The programme includes team-building activities to strengthen collaboration and internal cohesion, together with continuous training programmes designed to update skills and support employees' professional development.

To complement these initiatives, TISG provides spaces and services dedicated to employee well-being, such as a canteen, relaxation area and gym, helping promote a harmonious work-life balance.
These measures, integrated into ordinary human resource management, help consolidate an organisational climate based on respect, listening and participation, in line with the Group's values and sustainable development vision. The effectiveness of welfare initiatives is continuously monitored through periodic audits and further safeguarded by the adoption of the **Whistleblowing Procedure**, a key tool for preventing and combating all forms of discrimination and harassment.

**Gender equality – Reduction of the Gender Pay Gap**

During 2025, the Company began an internal analysis and assessment to understand the principal factors affecting the ***gender pay gap***. The activities involved analysing the organisational structure, assessing gender distribution across the various organisational roles and identifying the most effective management levers for promoting greater pay equity over the medium to long term. These assessments provided the basis for confirming a 2026-2028 action plan aimed at achieving the Company's objective of reducing the gender pay gap by 5% by 2028.

Specifically, the following principal courses of action were defined:

- increasing female representation among new hires, with particular attention to roles offering greater opportunities for professional and pay progression;
- implementing structured professional growth and development pathways for female employees to promote access to positions of greater responsibility;
- adopting remuneration policies geared towards rewarding performance and the assumption of greater responsibility, including through selective increases in gross annual remuneration, with particular attention to reducing gender pay differentials.

These initiatives form part of TISG's broader sustainability pathway and reflect the Company's commitment to promoting equal opportunities, inclusion and the development of human capital, recognising gender equality as a strategic factor for sustainable growth and corporate competitiveness.

**Training and Academy**

As part of its sustainable development strategy, The Italian Sea Group places the development of human capital at its core by promoting robust, stimulating career paths. To this end, the Group has defined a continuous learning system comprising refresher courses, workshops and skills development programmes, aimed both at strengthening technical capabilities in line with industry developments and increasing cross-functional skills to support organisational effectiveness.

The cornerstone of this system is the TISG Academy, established in 2021 to share the Group's know-how and develop human capital while addressing the shortage of specialist personnel. The project offers annual programmes that combine the development of hard and soft skills with in-depth yachting expertise. A consistent guiding principle is a constant focus on technical and aesthetic quality, in line with corporate values and long-term objectives.

**Improved Health and Safety performance**

Consistently with its commitment to protecting workers' health, safety and rights, The Italian Sea Group has adopted a structured management system based on a culture of prevention and full awareness of the risks inherent in the activities performed. The Group promotes specific HSE training programmes aimed at emergency management and prevention and periodically checks working conditions to identify and mitigate any physical and psychosocial risks. This approach is supported by ISO 45001 certification and insurance policies intended to reduce residual risks.

Worker participation in risk assessment updates has also been strengthened: supervisors and managers attend at least nine meetings each year, while Workers' Health and Safety Representatives (RLS) attend at least six meetings annually, ensuring continuous improvement of corporate procedures.

With regard to the Group's controls, when accidents, discrimination or breaches of safety rules occur, an internal procedure is activated that provides for investigations to begin immediately to determine their causes and identify responsibility. Corrective action is then implemented, including the review of safety processes and, where necessary, legal measures. The effectiveness of the measures is monitored through an integrated control framework comprising occupational safety audits and checks on compliance with corporate policies, including the non-discrimination policy. This is supplemented by the systematic analysis of performance indicators, such as accident and *near-miss* statistics and related reporting, and the structured collection of employee feedback through internal surveys, interviews and discussions with trade union representatives. The process is completed by periodic management review, including the definition and verification of system objectives, and a continuous improvement cycle based on the data collected and reports received, including through whistleblowing channels.

The process through which the Group identifies and plans actions relating to impacts, risks and opportunities follows a structured sequence. It begins with the formalisation of system procedures defining responsibilities, criteria and time frames, continues with a careful Management review to ensure strategic consistency and operating effectiveness and, where relevant, feeds into the Group Sustainability Plan, ensuring comprehensive oversight of commitments and the full traceability of results.

## S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The TISG Group's ESG strategy is deeply integrated into the business strategy and constitutes an essential aspect of the Company's DNA. On a social level, the Group is committed to pursuing the corporate objectives aimed at sustainable development, placing particular emphasis on the culture of respect for the individual, which is one of its founding values. In this context, the Group devotes particular attention to promoting health and safety topics, seeking to disseminate them across the organisation through training and the enhancement of specialist knowledge and information, by holding at least one training meeting in the calendar year on job-related topics and reporting procedures. At the same time, it aims to optimise the quality of communication and company operating procedures, by thoroughly reviewing information documents and signage, with a view to strengthening awareness and the focus on occupational health and safety.

With regard to the management of health and safety risks and opportunities, the Group has set the objective of aligning the risk assessment with progress made in analysis techniques and the latest technical-scientific research discoveries. In addition, it intends to optimise timing and updating methods in order to effectively support production dynamics and the use of personnel, actively involving workers in the process of reviewing and updating the risk and opportunity assessment.

The targets defined form part of the 2026-2028 Sustainability Plan, approved by the Board of Directors on 31 July 2026, which represents the strategic framework for the Group's sustainability initiatives.

| PILLAR | # | ACTION | Monitoring KPI | Baseline 2025 | Target 2028 |
|---|---|---|---|---|---|
| **People, Health and Relationships for Shared Value** | 10 | **Increase in employee initiatives** | Number of active agreements | 0 | 6 |
| | | | % of employees using them | 0% | 10% |
| | 11 | **Gender equality** - Reduction of the Gender Pay Gap | Gender Pay Gap (% reduction) | - | -5%* |
| | 12 | **Training and Academy** | Training hours per employee | Less than 5 hours | Min. 10 hours |

| | | | | |
|---|---|---|---|---|
| | | % of employees involved in Academy programmes | approx. 10% | approx. 20% |
| 13 | Improved **Health and Safety** performance | Measures to reduce workplace accidents | Training employees | Training employees |
| | | Implementation, use and maintenance of dedicated Health & Safety software | Launch | Maintenance of the software |

***Notes*****:** ****:** The -5% is an average for each employee category.*

During 2025 the TISG Group began a comprehensive review of its human resources strategy, which also included setting new sustainability objectives. This process strengthened alignment between the commitments made and the initiatives actually implemented in the organisation by defining the planned actions, related objectives and key performance indicators (KPIs) used to monitor progress more precisely.

As part of this update, some targets previously communicated within the Group through the ESG Handbook were revised to reflect the Group's strategic priorities and measurement methods more accurately. More specifically, for training, the target previously set at more than eight hours of training per employee in 2025 was redefined based on evidence from the internal analysis, which recorded a figure of less than five hours per employee. To strengthen skills and support continuous professional development, the Group therefore set a new target of at least 10 hours of training per employee by 2028.

Similarly, the Gender Pay Gap reduction objective underwent a methodological, structural review, resulting in a new target to reduce the gender pay gap by 5% by FY2028. This update became necessary because of limitations in the previous indicator, which was based on annual increases in pay for female employees by professional category and was affected mainly by high turnover across the various organisational areas. The new approach instead focuses directly on measuring and progressively narrowing the gender pay gap through an indicator that better represents actual changes in pay equity within the Group and is more suitable for ensuring accurate, transparent monitoring of the results achieved.

To increase employee satisfaction and engagement, the Group also introduced specific targets for implementing dedicated employee initiatives. These initiatives will be monitored in future years using a dedicated indicator, with a target of six initiatives by 2028. As measurement of this indicator was introduced during the current year, the baseline was conventionally set at zero.

## S1-6[40] – Characteristics of the undertaking’s employees

The Italian Sea Group sees diversity as an opportunity to stimulate and culturally enrich the company; this is why it rejects any form of discrimination or harassment and strives to develop and maintain an inclusive work environment based on tolerance and respect for human dignity, values included in the above-mentioned Policy on diversity and inclusion.[41]

The development of people and their diversity is an essential element of The Italian Sea Group’s human resources management and ESG strategy. The Group recognises that companies with a high degree of diversity - in terms of gender, age, origin and cultural and professional background - have a broader spectrum of views, opinions and experiences, bringing greater value to decision-making.

With this in mind, The Italian Sea Group supports gender equality and considers the contribution of its employees, regardless of their gender, to be strategic for the creation of value for the company and the community. Therefore, it is constantly committed to promoting conditions that remove cultural, organisational and material obstacles, allowing people to fully express themselves and be valued within the organisation.

[40] The data shown in the tables relating to disclosure requirement S1-6 includes all Group employees as at 31.12.2025, calculated according to headcount

[41] *Policy on the Protection of Diversity and Inclusion*, The Italian Sea Group, available in *DOCUMENTS, POLICIES AND PROCEDURES - Investor relations*.

As regards the composition of the workforce at the Company, as at 31 December 2025 the total number of Group employees amounted to 696, including 110 women and 586 men. Information on the total number of employees – by number of people – and the breakdown by gender and country is provided below.[42]

| Employees by gender | 2025 | 2024 |
|---|---|---|
| Women | 110 | 127 |
| Men | 586 | 621 |
| **Total employees** | **696** | **748** |

| Employees by country | 2025 | 2024 |
|---|---|---|
| Tuscany (i.e. TISG Marina di Carrara and La Spezia) | 595 | 657 |
| Umbria (i.e. CELI) | 86 | 79 |
| Turkey | 15 | 12 |
| **Total** | **696** | **748** |

In 2025, the total number of employees was 696, down 7.5% from 748 in 2024. This trend reflects a structured workforce rationalisation and rebalancing process launched by the Group during the year.

In the years following the pandemic, the order backlog had increased significantly, leading to progressive workforce expansion. In 2025, also in light of the natural stabilisation of volumes and organisational developments, the Group began optimising processes and skills, prioritising more efficient resource management and, in several cases, deciding not to replace employees who left the Company during the year.

A further factor concerned the reorganisation of Refit activities. In view of tight new-build deadlines and logistical and space constraints, the Group redefined its operating priorities, reducing the intake of new refit contracts and allocating some personnel to support new-build activities. Consistently with the rationalisation process launched, employees leaving this area were not replaced. Finally, as regards the "Village" area, the operating model was revised in 2025 so that activities were performed only during the day. The new service configuration, which is more consistent with current organisational needs, naturally reduced the resources employed and resulted in certain fixed-term contracts not being renewed.

Overall, the reduction in the workforce forms part of a broader strategy to improve organisational efficiency and align resources with the Group's actual production requirements, in accordance with economic and managerial sustainability objectives.

Despite the overall workforce reduction, approximately 91% of the 696 employees, up 6% compared with 2024, were employed under permanent full-time contracts. Indeed, the company strives to retain its employees by offering them stable, long-term contracts. Therefore, fixed-term contracts are proposed only in cases where it is necessary to fill a certain job position during work peaks, as well as for new workers, whose placement is sometimes preceded by an internship period of up to six months.

Data are provided below relating to the number of permanent, fixed-term and non-guaranteed hour employees broken down by gender and contract type.

| Employees by contract type* and gender | 2025 | | | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Women | Men | Total | Women | Men | Total | Women | Men | Total |
| **Number of permanent employees** | **96** | **540** | **636** | **96** | **539** | **635** | **84** | **458** | **542** |
| Tuscany | 81 | 467 | 548 | 84 | 475 | 559 | 74 | 402 | 476 |
| Umbria | 13 | 60 | 73 | 9 | 55 | 64 | 8 | 45 | 53 |

[42] For countries where the company has 50 or more employees who represent at least 10% of the total number of employees.

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Turkey | 2 | 13 | 15 | 3 | 9 | 12 | 2 | 11 | 13 |
| **Number of fixed-term employees** | **14** | **46** | **60** | **31** | **82** | **113** | **27** | **102** | **129** |
| Tuscany | 12 | 35 | 47 | 26 | 72 | 98 | 24 | 91 | 115 |
| Umbria | 2 | 11 | 13 | 5 | 10 | 15 | 3 | 11 | 14 |
| Turkey | - | - | - | - | - | - | - | - | - |
| **Total employees** | **110** | **586** | **696** | **127** | **621** | **748** | **111** | **560** | **671** |

***Notes***: *: Note that during the three-year period 2023-2025, the TISG Group did not employ any own-workforce personnel with variable working hours.

| Full-time and non-guaranteed hour employees by gender | 2025 | | | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Women | Men | Total | Women | Men | Total | Women | Men | Total |
| **Number of full-time employees** | **102** | **583** | **685** | **119** | **619** | **737** | **98** | **547** | **658** |
| Tuscany | 86 | 500 | 586 | 104 | 544 | 648 | *88* | *491* | *579* |
| Umbria | 14 | 70 | 84 | 12 | 65 | 77 | *10* | *56* | *66* |
| Turkey | 2 | 13 | 15 | 3 | 9 | 12 | *2* | *11* | *13* |
| **Number of part-time employees** | **8** | **3** | **11** | **8** | **3** | **11** | **11** | **2** | **13** |
| Tuscany | 7 | 2 | 9 | 6 | 2 | 8 | *10* | *2* | *12* |
| Umbria | 1 | 1 | 2 | 2 | - | 2 | *1* | - | *1* |
| Turkey | - | - | - | - | - | - | - | - | - |
| **Total employees** | **110** | **586** | **696** | **127** | **621** | **748** | **109** | **549** | **671** |

The Group's turnover rate for 2025 stood at around 23%, up on the previous year (18% turnover in 2024), while for work relationships that were terminated during the same period, the figure stood at around 162, up on 2024, when 142 employment relationships were terminated.

| Termination of employment relationships and turnover rate | 2025 | 2024 | 2023 |
|---|---|---|---|
| Number of employees | 696 | 748 | 671 |
| Number of employees terminated | 200 | 146 | 162 |
| Employee turnover rate | *29%* | *20%* | *18%* |

## S1-7 – Characteristics of non-employee workers in the undertaking's own workforce

The Italian Sea Group also uses non-employee workers in the performance of its activities, i.e. all those who have contracts with the company for the supply of labour ("self-employed workers") or workers made available by companies that mainly carry out "personnel search, selection and supply activities" (NACE code N78).[43]

For this reason, 29 part-time self-employed workers and 11 interns must be added to the total number of employees, most of whom are recent graduates or new graduates who have entered the workforce for the first time. The number of workers who are not employees is provided below, broken down by self-employed, temporary and interns, for 2024 and 2023.

| Workers who are not employees[44] | 2025 | 2024 | 2023 |
|---|---|---|---|
| **Number of workers who are not employees** | **25** | **40** | **56** |
| *of which self-employed* | *11* | *29* | *29* |
| *of whom agency workers* | *7* | - | - |
| *of which interns* | *7* | *11* | *27* |

| Change 2025-2024 |
|---|
| *-38%* |

In 2024-2025, the number of non-employee workers decreased by 38%, mainly due to a reduction in self-employment contracts. This trend is related to the reduction in Refit activities, which resulted in less need for external consultants and contractors. During the same reporting period, these contracts decreased from 29 to 11, representing a significant reduction in this type of contract. The number of agency workers increased in 2025 compared with 2024, mainly at the Celi 1920 facility, to support the site's operating requirements.

## S1-8 – Collective bargaining coverage and social dialogue

The Italian Sea Group undertakes to comply with all legal regulations relating to collective agreements, applying the National Collective Bargaining Agreement for Industrial Metalworkers to all its personnel, with the exception of:

- Employees working in the hospitality sector at the Village in Marina di Carrara (MS), to whom the National Collective Bargaining Agreement for Trade and Services is applied;
- Employees of Celi S.r.l., a company acquired by The Italian Sea Group in April 2023, for whom the National Collective Bargaining Agreement for Wood and Furniture is applied.

We can therefore state that the percentage of employees covered by a National Collective Bargaining Agreement,[45] within The Italian Sea Group, is equal to 98% of its own workforce, taking into account the total number of employees.[46]

The Italian Sea Group can also state that 98% of employees are covered by workers' representatives (the figure is 100% if limited to employees at Italian companies).[47]

[43] NACE code N78, available in NACE Division N.78 - Employment activities - Open Risk Manual.
[44] The number of workers who are not employees includes all non-employee workers as at 31.12.2025, calculated according to headcount
[45] Note that TISG Turkey does not apply a national collective labour agreement (CCNL) because local legislation does not require its application within the entity .
[46] The following formula was used to calculate the total percentage of employees covered by collective agreements: (Number of employees covered by collective agreements/Number of employees) %.
[47] In this regard, there are no agreements with employees for representation by a European Works Council (EWC), a Societas Europaea (SE) Works Council or a Societas Cooperativa Europaea (SCE) Works Council.

## S1-9 – Diversity metrics

The analysis of the Group's population by gender shows a clear majority of employees belonging to the male gender, resulting mainly from the characteristics of the marine construction sector, especially with reference to the category of shipyard workers.[48] In contrast, the gender discrepancy is smaller if only the office workers category is taken into account, in which employees belonging to the least represented gender are about 29% of the total. The following table shows the gender distribution among members of senior management and the age distribution of its employees.

| Senior Management by gender | 2025 | | | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Women | Men | Total | Women | Men | Total | Women | Men | Total |
| **Senior Management Employees** | 7 | 63 | 70 | 10 | 68 | **78** | 9 | 65 | **74** |
| **Total number of employees** | 110 | 586 | 696 | 127 | 621 | **748** | 111 | 560 | **658** |
| **Percentage** | *6%* | *11%* | *10%* | *8%* | *11%* | ***10%*** | *8%* | *12%* | ***11%*** |

The demographic composition of The Italian Sea Group's employees is evenly distributed among the principal age groups. The workforce reduction recorded in 2024-2025 did not significantly affect the percentage breakdown of the various age groups, which remained broadly stable over the period.

***Breakdown of age diversity at The Italian Sea Group***

| | **2025** | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Under 30 years** | | **30-50 years** | | **More than 50 years** | | **Total** |
| | **Women** | **Men** | **Women** | **Men** | **Women** | **Men** | |
| **Executives** | - | 1 | 1 | 11 | 1 | 12 | **26** |
| **Middle managers** | 1 | - | 4 | 29 | - | 10 | **44** |
| **Employees** | 42 | 67 | 40 | 126 | 11 | 37 | **323** |
| **Workers** | - | 78 | 8 | 135 | 2 | 80 | **303** |
| **Total** | **43** | **146** | **53** | **301** | **14** | **139** | **696** |

| | **2024** | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Under 30 years** | | **30-50 years** | | **More than 50 years** | | **Total** |
| | **Women** | **Men** | **Women** | **Men** | **Women** | **Men** | |
| **Executives** | - | - | 3 | 12 | - | 10 | **25** |
| **Middle managers** | 1 | 1 | 5 | 26 | 1 | 19 | **53** |
| **Employees** | 53 | 86 | 43 | 138 | 10 | 33 | **363** |
| **Workers** | 1 | 84 | 7 | 133 | 3 | 79 | **307** |
| **Total** | **55** | **171** | **58** | **309** | **14** | **141** | **748** |

The Group's activities are not subject to significant seasonal variations; therefore, changes in the workforce are correctly represented by annual trends.

## S1-10 – Adequate wages

The Italian Sea Group is convinced of the importance of having a fair and transparent process for determining remuneration, which respects market practices and takes into account individual performance. An **annual salary review**

[48] The company does not require employees to specify their gender, but obtains the information indirectly via the tax code. For this reason, no employee falls into the "other" or "not reported" categories.

system is adopted in the Group, as an organisational process whereby the Company reviews and evaluates salaries on an annual basis, inspired by the principles of fairness, competitiveness and meritocracy in line with the Company's values, governance and remuneration policy. At TISG, we are committed to continuously improving our approach in using this information.

Three different National Collective Bargaining Agreements are applied in the Group, the minimums of which are often supplemented by individual raises and agreed salaries, which thus increase the amounts of minimum salaries assigned to employees. This is why we can state that all The Italian Sea Group employees receive an adequate salary, in line with applicable benchmarks. Specifically, the Group applies the National Collective Bargaining Agreement for Industrial Metalworkers to all personnel, with the exception of employees working in the hospitality sector at the Village in Marina di Carrara (MS), who are subject to the National Collective Bargaining Agreement for Trade and Services, and employees of Celi Srl, a company acquired by The Italian Sea Group in April 2023, who are subject to the National Collective Bargaining Agreement for Wood and Furniture.

## S1-11 – Social protection

The Group applies current Italian legislation on social protection against loss of income due to important life events and it strives to comply with legal requirements on social protection in all countries in which it operates. Specifically, employees working in Italy benefit from the protections provided by national legislation, while those working in Turkey are covered by the social protection measures of the local social security system. These protections include access to healthcare and income support during significant life events such as illness, unemployment, occupational injury, acquired disability, parental leave and retirement.

## S1-12 – Persons with disabilities

To complete the overview of workforce numbers, figures are provided below relating to persons with disabilities in the Group in 2025 and 2024.

| Persons with disabilities | 2025 | 2024 |
|---|---|---|
| **Persons with disabilities** | 17 | 16 |
| **Total employee headcount** | 696 | 748 |
| **Percentage** | *2%* | *2%* |

In 2025, out of a total of 17 persons with disabilities, 15 are male and 2 is female, representing 2% of the Group's total employees, in line with the figures for 2024.

## S1-13 – Training and Skills Development metrics

The Italian Sea Group considers the training of its resources a priority, both to foster their professional development and personal growth, and to impart to them the knowledge necessary to achieve the expected performance.

The process for defining the training activities to be implemented jointly involves the HR department and all other areas of the company, which are involved depending on the topics subject to the training, and consists of the following phases:

- Analysis of the needs of individual departments;
- Training design, by defining content and teaching methods;
- Delivery of the training;
- Assessment of results.

In addition to the training provided on a voluntary basis, to meet business needs, TISG is also very attentive in planning compulsory training on privacy (European Regulation 2016/679 GDPR on privacy and national legislation: obligations and operating instructions), the Organisational, Management and Control Model adopted by the Company pursuant to

Italian Legislative Decree No. 231/2001 (General Part and Special Part), the Whistleblowing System and Occupational Health and Safety.

Occupational Health and Safety training is provided with the direct involvement of figures such as the Prevention and Protection Service Manager (RSPP), supervisors, the Workers' Safety Representative (RLS), managers and fire and first aid officers. This commitment is an expression of an approach based on transparency, information sharing and the active participation of workers in decisions that directly affect their well-being.

During 2025, all employees were involved in compulsory training offered through an external provider via a dedicated online platform. This method allowed courses and assessments to be completed remotely and at different times, promoting flexible management of training activities and better alignment with operating requirements.

However, average training hours per employee decreased significantly compared with 2024 (-73%). This trend was attributable partly to the workforce rationalisation process launched during the year and partly to the decision to focus internal resources primarily on production activities. In this context, in 2025 the Group limited training to mandatory courses because of the significant demand for the working hours needed to complete contracts in progress that were delivered in 2025. Nevertheless, the TISG Academy remains operational and can rapidly activate new training courses.

In 2025, the percentage of employees who participated in periodic performance reviews amounted to 98% of TISG's total own workforce; specifically, 81% were men and 17% were women, in line with the approach taken in 2024. The table below shows the average number of training hours that The Italian Sea Group provided during 2025, broken down by category and gender.

| Number of training hours per employee by employee category and gender | u.m. | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|---|
| | | Women | Men | ***Total*** | Women | Men | ***Total*** |
| Executives | H. | 6 | 134 | **140** | 28 | 204 | **232** |
| Middle managers | | 23 | 179 | **202** | 68 | 553 | **620** |
| Employees | | 379 | 1,152 | **1,531** | 1,493 | 3,901 | **5,394** |
| Workers | | 52 | 952 | **1,004** | 71 | 4,172 | **4,243** |
| ***Total*** | | **460** | **2,417** | **2,877** | **1,659** | **8,830** | **10,489** |

| Total employees by category and gender | u.m. | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|---|
| | | Women | Men | ***Total*** | Women | Men | ***Total*** |
| Executives | Number | 2 | 24 | **26** | 3 | 22 | **25** |
| Middle managers | | 5 | 39 | **44** | 7 | 46 | **53** |
| Employees | | 93 | 230 | **323** | 106 | 257 | **363** |
| Workers | | 10 | 293 | **303** | 11 | 296 | **307** |
| ***Total*** | | **110** | **586** | **696** | **127** | **621** | **748** |

| Average training hours by employee | u.m. | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|---|
| | | Women | Men | ***Total*** | Women | Men | ***Total*** |
| Executives | Number | 3 | 5 | **5** | 9 | 9 | **9** |
| Middle managers | | 4 | 4 | **4** | 9 | 12 | **12** |
| Employees | | 4 | 5 | **4** | 14 | 15 | **15** |
| Workers | | 5 | 3 | **3** | 6 | 14 | **14** |
| ***Total*** | | **4** | **4** | **4** | **13** | **14** | **14** |

## S1-14 – Health and safety metrics

The Italian Sea Group places the utmost importance on protecting occupational health and safety and is committed to consistently ensuring appropriate operating conditions for all its workers. Accordingly, occupational health and safety management has complied with ISO 45001 requirements since 2012 and covers all personnel at the Marina di Carrara and La Spezia facilities. In 2024 the Group also earned ISO 14001:2015 certification for the CELI plant, while maintaining the certification already held by the Marina di Carrara and La Spezia plants. During the 2025 reporting period, this certification was confirmed for all Group facilities, demonstrating the continuity and strengthening of the Company's commitment to managing environmental matters and operating sustainability.

The Group assesses accidents on a monthly basis by means of special indicators in the "company dashboard" codified in the safety management system. In detail, in the event of an accident, the internal report is forwarded to the prevention and protection service, which is called upon to carry out an initial investigation and issue, where appropriate, corrective actions. In some cases, documents in the form of safety notes are issued to disseminate information and recommended mitigation actions within the appropriate circles. The Group's top management is involved in monitoring accident (and occupational disease) trends and is made aware of any corrective action taken by the company.

The table below shows the percentages of own workers covered by the company's health and safety management system.

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | **Employees** | **Non-Employees** | **Total** | **Employees** | **Non-Employees** | **Total** |
| **Number of workers covered by the health and safety system** | 696 | 25 | 721 | 748 | 40 | 788 |
| **Percentage of own workers covered by the health and safety management system** | *100%* | *100%* | *100%* | *100%* | *100%* | *100%* |
| **Number of deaths related to work-related injuries and occupational diseases** | - | - | - | - | - | - |
| **Number of total hours worked[49]** | 1,285,201 | NC | 1,285,201 | 1,343,539 | NC | 1,343,539 |
| **Number of work-related injuries** | 29 | NC | 29 | 26 | NC | 26 |
| **Injury rate** | 22.56 | - | 22.56 | 19.35 | - | 19.35 |
| **Number of days lost due to work-related injuries** | 1,242 | - | 1,242 | 1,252 | NC | 1,252 |

[49] Total hours worked were determined using different approaches depending on data availability. For the Italian sites, actual hours worked recorded by the corporate systems were used. For the site in Turkey, in the absence of detailed records of hours worked, total hours were estimated based on the number of employees, contractual weekly working hours and the number of working weeks in the year.

During 2025, there were no deaths due to work-related injuries or illnesses.

## S1-15 – Work-life balance metrics

The Italian Sea Group aims to guarantee a healthy balance between work and private life, as well as the overcoming of any stereotype, discrimination or prejudice.

The Group is committed to offering working conditions that are aligned with employee interests, recognising their right to take parental leave for family reasons. In particular, in the application of current Italian legislation, the Company has recognised the use of parental leave for all of its applications (maternity, paternity, parental and care benefits).

In correlation with the approaches presented, data on parental leave for the 2024-2025 two-year period are provided below:

| Family leave 2025 | Women | Men | Total |
|---|---|---|---|
| **Employees who are eligible to take family leave** | 110 | 586 | 696 |
| **Eligible employees who took family leave** | 13 | 36 | 49 |
| **Total number of employees** | **110** | **586** | **696** |
| **Percentage of eligible employees** | *100%* | *100%* | *100%* |
| **Percentage of eligible employees who took parental leave** | *12%* | *6%* | *7%* |

| Family leave 2024 | Women | Men | Total |
|---|---|---|---|
| **Employees who are eligible to take family leave** | 127 | 621 | 748 |
| **Eligible employees who took family leave** | 8 | 14 | 22 |
| **Total number of employees** | **127** | **621** | **748** |
| **Percentage of eligible employees** | *100%* | *100%* | *100%* |
| **Percentage of eligible employees who took parental leave** | *6%* | *2%* | *3%* |

## S1-16 – Remuneration metrics (pay gap and total remuneration)

All personnel management processes, from selection to career development, must ensure equal opportunities and equal remuneration for equal roles and responsibilities. The Group constantly monitors the relevant indicators to ensure equal treatment and internal development. To confirm The Italian Sea Group's commitment to ensuring gender balance and overcoming any discrimination, gender pay equality information is provided below[50]:

| Gender pay gap by professional category | 2025 | 2024 |
|---|---|---|
| **Gender pay gap** | 27% | 27% |
| **Executives** | 38% | 33% |
| **Middle managers** | 14% | 15% |
| **Employees** | 25% | 25% |
| **Workers** | 18% | 30% |

Information is provided below on the ratio between the remuneration of the highest paid individual and the median employee remuneration (excluding the highest paid individual):

| Total Annual Compensation | 2025 | 2024 |
|---|---|---|
| **Total annual compensation of the highest paid person in the company** | Euro 650,000 | Euro 650,000 |

[50] The pay gap between female and male employees is calculated as follows: [*(Average gross hourly wage of male employees – Average gross hourly wage of female employees) / Average gross wage of male employees] %.*

| | | |
|---|---|---|
| **Total median annual employee compensation (excluding the person with the highest salary)** | 34,636 € | 32,834 € |
| **Total Compensation RATIO** | ***18.77*** | ***19.80*** |

## S1-17 – Incidents, complaints and severe human rights impacts

The Italian Sea Group S.p.A. recognises the importance of protecting human rights within its organisation and throughout the supply chain, actively engaging in the prevention of any form of violation, including incidents of discrimination and harassment. To ensure a safe, fair and respectful work environment, the Group applies a strict Policy on the Protection of Human Rights that offers employees and external stakeholders a secure channel to report any violations, while respecting whistleblower privacy and protection.

In line with its principles of accountability and transparency, the Group constantly monitors work-related incidents and cases of serious human rights impacts.

During 2025, no severe incidents and human rights impacts were reported internally through existing channels. No incidents of discrimination or harassment occurred during the same period. In any case, the Group also undertakes to actively combat any form of discrimination based on gender, race, ethnic origin, nationality, religion, personal beliefs, disability, age, sexual orientation or any other factor, promoting a corporate culture based on inclusion and respect for fundamental rights.

# Governance information

## ESRS G1 – Business conduct

This section illustrates the values and corporate culture of The Italian Sea Group, as well as the policies, guidelines and targets relating to correct business conduct practices. This includes supplier relationships, compliance, export control, data protection and payment practices.

### G1 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities

The Italian Sea Group promotes a corporate culture based on communication, ethics and transparency, elements that increase stakeholder confidence and promote greater freedom in communicating cases of non-compliance with laws and company regulations through the whistleblowing channel, ensuring whistleblower protection. The effectiveness of TISG's governance in spreading the corporate values, culture and ethical principles has a positive impact on the trust of internal and external stakeholders.

TISG implements training activities and safeguards aimed at the prevention and immediate detection of corruption, bribery and anti-competitive behaviour. Furthermore, the optimisation of supply chain management reduces lead times and reinforces synergies. However, the ineffective management and monitoring of the process of qualifying third parties, specifically contractors and subcontractors, may entail the risk of involving inadequate counterparties, with negative impacts in economic and reputational terms.

Supply chain management is crucial: ineffective management can reduce raw material quality and harm relationships with suppliers. In addition, the outsourcing of production to suppliers and contractors involves risks of non-compliance, defects, malfunctions and delays, with economic, reputational and operational consequences. The incorrect communication of the TISG Group's corporate culture may damage the company's image and reputation.

Lastly, TISG recognises the importance of becoming aware of unethical behaviour through reporting and handling it promptly. The failure to adopt or incorrect adoption of the European Whistleblowing Directive represents a significant risk for the protection of whistleblowers.

For more details of the process used to identify impacts, risks and opportunities related to “Business conduct”, see “*ESRS 2 IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities*”.

### G1-1 – Corporate culture and business conduct policies

An important part of the internal control system is represented by the **Code of Ethics**[51] adopted by The Italian Sea Group, which outlines the fundamental principles and guidelines aimed at inspiring the activities and guiding the conduct of all Group companies and their employees, as well as all those with whom the Group interacts. An essential principle described in the Group's Code of Ethics and which extends to the operations of all Companies, concerns compliance with laws and regulations in force, as well as the requirements laid out in the document and internal regulations.

With the Code of Ethics, the Parent Company disseminates across all levels a culture characterised by an awareness of the existence of rules and the assumption of a control-oriented mentality with the aim of:

- Efficiently managing activities;
- Providing accurate and complete accounting, financial and management data;
- Protecting the corporate assets;
- Ensuring compliance with laws and company procedures;
- Carefully and precisely managing the risks assumed;
- Generating reasonable and adequate profit to support operations;
- Ensuring the utmost attention to occupational health and safety aspects;

[51] *Group Code of Ethics*, The Italian Sea Group, available in *DOCUMENTS, POLICIES AND PROCEDURES - Investor relations*.

- Encouraging the fight against corruption and money laundering;
- Ensuring confidentiality and respect for privacy in all business transactions;
- Recognising the fundamental importance of environmental issues and taking them into account in all activities;
- Promoting transparency both internally as well as with respect to third parties with whom the Group comes into contact, respecting information confidentiality;
- Having transparent management respectful of the regulatory deadlines of all tax and fiscal obligations.

In particular, in its Code of Ethics the Company has defined the safeguards in place to prevent acts of corruption, which are transmitted to all employees and external personnel who work with the Company, both when they are hired and when entering into supply or sales contracts.

In the context of its Organisational Model, the Group has mapped out the areas at risk of commission of corruption offences, and has established specific principles of conduct for managers and employees in order to avoid the commission of offences. With regard to this aspect, a significant part of the training organised by TISG on the Organisational Model 231/2001 was dedicated to covering corruption offences and the related safeguards. No cases of corruption involving the company and/or its employees have been recorded.

Another integral part of the Model is the system for reporting internal violations (Ref. The whistleblowing procedure). Responsibility for supervising the implementation of and compliance with the principles of the Model is entrusted to the Supervisory Body (SB), whose members are designated by the Board of Directors by means of a specific resolution, within which the compensation due for the performance of the assigned task is also determined. All Group company stakeholders may report, in writing and in anonymous form through specific confidential information channels, any violation or suspected violation of the Code to the Supervisory Body, which analyses the report, possibly speaking with the whistleblower and the perpetrator of the alleged violation. The reports are kept by the Supervisory Body in the manner laid out in its Regulations. The confidentiality of the whistleblower's identity is also ensured, without prejudice to legal obligations. In fact, the Group adopts the whistleblowing procedure introduced with Italian Legislative Decree No. 24/2023, which transposes EU Directive 2019/1937 and expands protections in the event of reports of offences, extending the subjective application scope and procedures for protecting whistleblowers from possible retaliation, included in the protection system established by Italian Legislative Decree 24/2023.

The Supervisory Board plays an important role in anti-corruption activities by collecting the information and data that may enable it to identify potentially risky conduct, particularly with regard to the Public Administration - not only in Italy - but also with regard to private persons.

## G1-2 – Management of relationships with suppliers

The primary goal of The Italian Sea Group is to select suppliers capable of becoming reliable partners able to continuously support the Company's business, thus enabling it to fully satisfy the end Customer. To achieve this goal, TISG requires all suppliers to sign and comply with the TISG Code of Ethics, provided at the start of the collaboration. They must also complete and sign a questionnaire with questions on all ESG (Environmental, Social and Governance) topics.

The TISG Quality Manual also requires suppliers to be assessed on their ability to provide products and services that comply with the requirements defined by the Company. This assessment covers the legal and corporate situation, economic-financial stability, production capacity, the ability to comply with legal and TISG requirements on occupational health and safety and compliance with current legislation on social ethics and environmental safety.

The TISG Group has formalised an Integrated Management System for Quality and Safety at Work in accordance with the UNI EN ISO 9001:2015 (ISO 9001) and UNI ISO 45001:2018 (ISO 45001) standards. The supply chain is subject to all controls set forth in Italian Legislative Decree 81/2008 on occupational health and safety.

The Quality Department, with the direct involvement of its Director, conducts initial audits at the premises of suppliers and sub-contractors. If the audit is successful, the supplier or contractor can be added to the Company's Supplier Pool; otherwise, the collaboration cannot proceed. In some cases, where minor non-conformities are found, the Group offers the supplier the opportunity to reapply after resolving them. The audit includes a comprehensive checklist of aspects to be verified, ranging from the tidiness and cleanliness of the work environment, to organisational, technical and quality aspects and controls on materials and manufactured products.

Supplier performance is subsequently monitored in relation to on-time delivery, production capacity and product conformity.

TISG's Supplier Code of Conduct sets out further guidelines and principles that suppliers must follow. These include compliance with environmental, social and governance regulations, adopting sustainable practices, ensuring workers' rights, occupational health and safety and protecting privacy. Suppliers are required to comply with these guidelines and ensure that all of their stakeholders understand and comply with the Code of Conduct. Violations can be reported through confidential channels, with privacy guaranteed.

In 2025, the TISG Group implemented the *Supplier Information Questionnaire* as a structured tool for qualifying new business partners. Through this questionnaire, the Group systematically obtains essential information to assess suppliers' level of maturity and actual commitment to managing sustainability matters, as well as the economic-financial information needed for a complete, reliable understanding of their corporate profile. For more information, see "*MDR-A – Actions and resources in relation to material sustainability matters*".

Supplier management at TISG is a rigorous and structured process, aimed at ensuring that suppliers not only meet quality and safety requirements, but also operate in an ethical and sustainable manner. This integrated approach ensures that TISG can maintain high standards of excellence and sustainability, contributing to the company's long-term success and customer satisfaction.

## G1-3 – Prevention and detection of corruption and bribery

In the context of its Organisational Model, the Group has identified the areas at risk of the commission of corruption offences, establishing specific principles of conduct for managers and employees, with a view to preventing the commission of those offences. With regard to this topic, a significant part of the training organised by TISG on the Organisational Model 231/2001 was dedicated to the analysis of corruption offences and the associated control measures. At the moment, no incidents of corruption involving the company and/or its employees have been recorded.

Responsibility for supervising the implementation of and compliance with the principles of the Model is entrusted to the Supervisory Body (SB), whose members are designated by the Board of Directors by means of a specific resolution, within which the compensation due for the performance of the assigned task is also determined. The Supervisory Board plays an important role in anti-corruption activities by collecting the information and data that may enable it to identify potentially risky conduct, particularly with regard to the Public Administration - not only in Italy - but also with regard to private persons.

Information on the use of the internal and external channel is displayed in the workplace in a visible place, accessible to all of the aforementioned persons and in a special section of the Company's institutional website.

This procedure is also addressed in courses and training sessions regarding the Organisational, Management and Control Model pursuant to Italian Legislative Decree 231/2001, adopted by the Group in order to establish specific measures to prevent offences, including corruption, and to protect the company against administrative liability.

The Italian Sea Group has implemented several measures to formalise its anti-corruption policy and promote an ethical and transparent business environment. One of the more significant main initiatives was the adoption of a Code of Ethics that establishes the company's fundamental principles and values, with a particular emphasis on fighting corruption and promoting integrity.

To further strengthen its commitment, The Italian Sea Group has established a whistleblowing procedure that allows employees and collaborators to anonymously and safely report illegal or unethical behaviour, while ensuring whistleblower protection. Another significant measure is the conflicts of interest management policy, which ensures that business decisions are made in the best interest of the company and not influenced by personal interests.

Finally, in June 2023, the company joined the UN Global Compact, committing to align its strategies and operations with the ten universally recognised principles, including those relating to human rights, labour, the environment and the fight against corruption. These initiatives demonstrate The Italian Sea Group's commitment to preventing corruption and promoting a corporate culture based on ethics and transparency.

## MDR-A – Actions and resources in relation to material sustainability matters

The Group takes a long-term approach to supply chain management, consolidating relationships with suppliers based on responsibility, transparency and trust. Recognising that responsible procurement from suppliers fully aligned with ESG principles is essential to creating value and supply chain resilience, the Group has defined a framework of objectives and initiatives that places environmental and social considerations among the principal criteria for qualifying and selecting new suppliers. From this perspective, during 2025 TISG adopted the 2026-2028 Sustainability Plan, which outlines the priority actions and assigns function managers responsible for implementing and monitoring each one. The actions and responsibilities identified are described below.

**Mapping and assessment of the supply chain using ESG criteria**

During 2025, TISG began preparing a new *Supplier Information Questionnaire*, an initiative designed to provide a clear, consistent overview of the supply chain in line with ESG criteria and make due diligence processes simpler and more consistent, representing an evolution of the previous questionnaire. The tool collects essential information in a structured manner concerning suppliers' corporate profiles, sustainability governance and basic economic and financial information. These areas are supplemented by in-depth information on social matters, including gender diversity, training and reporting channels, and on environmental performance, with particular attention to emissions, the proportion of renewable energy and resource and waste management. The questionnaire also checks the Company's management systems and principal ISO certifications, including possession of the technical and professional requirements necessary for the different types of supply. The questionnaire uses closed questions to ensure the comparability and traceability of data while maintaining alignment with the current regulatory framework. The result is a more robust, transparent supplier qualification and risk mapping system that supports purchasing decisions fully consistent with the TISG Group's ESG commitments.

**Participate in international questionnaires such as CDP or EcoVadis**

To systematically strengthen the transparency and comparability of ESG performance, the Group has begun planning its participation in leading international questionnaires and rating platforms, including CDP and EcoVadis, with the first submissions expected in the coming reporting cycles. The initiative, which is currently being set up, provides for the definition of a dedicated organisational structure and structured data governance, the systematic collection of documentary evidence and a gap analysis against industry best practices. Responsibilities are being formalised, activities scheduled and responses prepared in full alignment with the Group's material matters: for CDP, climate change, water resource management and forests; and for EcoVadis, Environment, Labour and Human Rights, Ethics and Sustainable Procurement. The expected assessment results will be used to guide improvement plans, define objectives and select monitoring indicators, promoting the integration of results into operating planning and stronger stakeholder dialogue. Once the assessments have been completed, the results will be communicated transparently and incorporated into sustainability reporting, supporting the credibility of the pathway undertaken and full alignment with international standards.

**Global Compact**

Within the sustainability governance framework, the Group confirms its interest in continuing its progressive alignment with the United Nations Global Compact's Ten Principles on human rights, labour, environmental protection and anti-corruption.

However, this pathway is being developed taking into account the Group's current economic and financial position, which is described in greater detail in "Directors' assessment of the going concern requirements". In this context, some of the initiatives originally planned, particularly those that could entail new or additional expenditure commitments, have been temporarily suspended or revised, including their implementation time frames.

The Group remains interested in pursuing the Global Compact's founding principles and, subject to available resources, continuing activities based mainly on engaging people and using internal expertise. These activities include mapping the principal gaps against international principles and best practices to identify priority areas for action and possible measures for progressive improvement.

The Group also intends to continue enhancing existing organisational and compliance controls, including those relating to ethics, anti-corruption, internal control and staff awareness, and to progressively assess any updates to policies, assignment of responsibilities and internal training that would not entail significant additional costs.

For the integrated management of impacts, risks and opportunities, the Group adopts a process architecture that combines methodological rigour with strategic vision. Actions are defined within formalised system procedures that specify responsibilities, criteria and time frames, followed by systematic Management assessment to ensure alignment with strategic priorities and operating effectiveness. Initiatives considered material are then incorporated into the Group Sustainability Plan, which ensures unified governance of commitments and the full traceability of results.

## MDR-T – Tracking effectiveness of policies and actions through targets

The Italian Sea Group, aware of the importance of this issue for its business, is evaluating the development of a management policy, which will include specific monitoring and the definition of medium and long-term objectives. At the date on which this Report was prepared, The Italian Sea Group has not set business conduct or supplier relationship-related targets at Group level.

The targets defined form part of the 2026-2028 Sustainability Plan, approved by the Board of Directors on 31 July 2026, which represents the strategic framework for the Group's sustainability initiatives.

| PILLAR | # | ACTION | Monitoring KPI | Baseline 2025 | Target 2028 |
|---|---|---|---|---|---|
| **Sustainable Governance and a Responsible Supply Chain** | 15 | Mapping and assessment of the **supply chain** using ESG criteria | % of suppliers certified for sustainable practices. | - | 30 |
| | | | Annual audits completed on critical suppliers. | - | 15 |
| | 16 | Participate in international questionnaires such as **CDP** or **EcoVadis** | Number of international questionnaires completed (CDP/EcoVadis) | - | CDP and EcoVadis |
| | 17 | Global Compact | Join the Global Compact | - | Reporting annual |

Continuing the evolution of its sustainability strategy, the TISG Group launched a comprehensive review of its governance model, focusing particularly on business conduct and sustainable supply chain management. This process represents an evolution from the approach described in the 2024 Sustainability Report, in which the Group had stated its intention to define a specific management policy and dedicated monitoring system without yet formalising Group objectives in these areas.

Following the work carried out during the year, the Group established a framework of objectives and performance indicators intended to strengthen the integration of ESG criteria into governance and procurement processes. Specifically, by 2028 the Group is committed to making its supply chain more sustainable by mapping and assessing suppliers against ESG criteria, with the aim of having 30% of suppliers certified for sustainable practices and completing 15 audits each year of suppliers considered critical.

This framework represents an evolution from the previous approach, which was based mainly on high-level screening and mapping of strategic suppliers without a detailed, systematic analysis of the available data. The new model focuses on in-depth monitoring of specific supplier categories and targeted assessment of the most significant suppliers from an ESG perspective. It enables more effective management of risks and opportunities throughout the supply chain, moves beyond predominantly qualitative assessments and generates initial concrete, measurable findings on traceability, control and supplier engagement.

At the same time, TISG intends to strengthen its oversight of sustainability and transparency issues by participating in internationally recognised questionnaires and assessment initiatives such as CDP and EcoVadis, joining the United Nations Global Compact and reporting annually on the progress achieved. Through these commitments, the Group aims to strengthen its accountability further, promoting responsible conduct throughout the value chain and consolidating dialogue with its main stakeholders.

## G1-6 – Payment practices

TISG's commitment focuses on the small local enterprises and suppliers that are an integral part of the nautical production chain.

Since 2021, the Group has been entering into factoring agreements with various institutions to give suppliers the opportunity to finance their working capital through easy and immediate access to liquidity. This agreement allows the supplier to enter into a contract with the factoring institution and directly assign its invoices to The Italian Sea Group to the factoring institution. On the due date of these invoices or in advance, if requested, the supplier receives payment, while TISG reimburses the institute, which in turn offers the possibility of a deferment of payment terms.

The average time taken by the company to pay an invoice from the date on which the contractual or legal payment term begins to be calculated is 79 days. The calculation is based on the payments by the TISG Group in all of 2025.

Note also that as at 31 December 2025, TISG was not involved in any pending legal proceedings due to late payments.

The company has identified several categories of suppliers, each of which has specific standard payment conditions that we detail below;

Main Machinery

Of the suppliers in this category, 14% are paid "ON SIGHT", 5% at 30 days from month-end invoice date plus 18 days, 18% at 60 days from month-end invoice date plus 18 days, 2% at 90 days from month-end invoice date plus 18 days and 61% at 120 days from month-end invoice date plus 18 days.

Auxiliary Machinery

Of the suppliers in this category, 14% are paid "ON SIGHT", 8% at 30 days from month-end invoice date plus 18 days, 26% at 60 days from month-end invoice date plus 18 days, 43% at 90 days from month-end invoice date plus 18 days and 9% at 120 days from month-end invoice date plus 18 days.

Electrical and Electronic Systems

3% of suppliers belonging to this category are paid "ON RECEIPT", 5% at 30 days end of month invoice date + 18 days, 31% at 60 days end of month invoice date + 18 days, 22% at 90 days end of month invoice date + 18 days, 39% of suppliers are paid at 120 days end of month invoice date + 18 days.

Round Pipe

2% of suppliers belonging to this category are paid "ON RECEIPT", 15% at 30 days end of month invoice date + 18 days, 19% at 60 days end of month invoice date + 18 days, 4% at 90 days end of month invoice date + 18 days, 60% of suppliers are paid at 120 days end of month invoice date + 18 days.

Ventilation, air conditioning, cooling systems

11% of suppliers belonging to this category are paid "ON RECEIPT", 4% at 30 days end of month invoice date + 18 days, 18% at 60 days end of month invoice date + 18 days, 25% of suppliers are paid at 90 days end of month invoice date + 18 days, 42% of suppliers are paid at 120 days end of month invoice date + 18 days.

Coatings and Accessories

Of the suppliers in this category, 10% are paid “ON SIGHT”, 9% at 30 days from month-end invoice date plus 18 days, 23% at 60 days from month-end invoice date plus 18 days, 7% at 90 days from month-end invoice date plus 18 days, 39% at 120 days from month-end invoice date plus 18 days and 12% at 150 days from month-end invoice date plus 18 days.

Furnishings

Of the suppliers in this category, 7% are paid “ON SIGHT”, 30% at 30 days from month-end invoice date plus 18 days, 6% at 60 days from month-end invoice date plus 18 days, 9% at 90 days from month-end invoice date plus 18 days, 46% at 120 days from month-end invoice date plus 18 days and 2% at 120 days from month-end invoice date plus 18 days.

Auxiliary Account

12% of suppliers belonging to this category are paid "ON RECEIPT", 7% at 30 days end of month invoice date + 18 days, 17% at 60 days end of month invoice date + 18 days, 4% at 90 days end of month invoice date + 18 days, 60% of suppliers are paid at 120 days end of month invoice date + 18 days.

Sailing

Of the suppliers in this category, 12% are paid “ON SIGHT”, 76% at 30 days from month-end invoice date plus 18 days and 12% at 60 days from month-end invoice date plus 18 days, while 33% are paid in advance.

# Entity Specific

## Customer experience & satisfaction

Aesthetic and qualitative excellence is a cornerstone of The Italian Sea Group's culture, which places the vessel owner and attention to their experience throughout the relationship at the centre of its operations. The business model focuses on designing and building fully customised large yachts, with the aim of combining uniqueness, performance and reliability while ensuring compliance with expected delivery schedules.

Quality is embedded across all stages of the product life cycle, from initial listening and discussions with the sales area to collaborative design and engineering, construction, delivery and after-sales services, including refit activities. Clear processes and rigorous shared standards translate vessel owners' expectations into tangible solutions, ensuring consistency between commitments, results and service continuity.

Every decision is guided by an ongoing commitment to continuous improvement, expressed through attention to detail, the progressive optimisation of processes and enhanced performance. This approach, based on responsibility and reliability, is reflected in high-end products and services and strengthens vessel owners' trust over time, as they recognise the Group as their preferred partner for building their yachts.

## ESRS 2 IRO-1 Description of the processes to identify and assess customer experience & satisfaction-related impacts, risks and opportunities

The TISG Group pays great attention in the relationship with customers and in monitoring their satisfaction with the products offered. This commitment is essential to maintain their trust and ensure a positive experience. However, inadequate service and lack of transparency in the information provided could lead to loss of customer trust and satisfaction. To avoid such risks, TISG is committed to providing excellent service and communicating clearly and transparently.

Strengthening the Group's reputational capital in the eyes of its main stakeholders offers the possibility of attracting new customers and increasing business. Conversely, a loss of stakeholder trust could erode the Group's reputational capital, with negative consequences for the business. Therefore, TISG constantly works to improve the customer experience by monitoring customer satisfaction and taking proactive measures to meet their needs and expectations.

For more details of the process used to identify impacts, risks and opportunities related to "Customer experience and satisfaction", see "*ESRS 2 IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities*".

## MDR-P: Policies adopted to manage material sustainability matters

The Italian Sea Group centres its entire relationship with the vessel owner on a high-end experience, with attention to every detail from the first sales contact through construction to after-sales support and refit activities. Although no Customer Experience & Satisfaction policy has currently been formally adopted, the Group operates according to established practices that ensure high technical and aesthetic standards and rigorous compliance with agreed time frames, in line with customer expectations.

Recognising the strategic role of customer satisfaction in creating long-term sustainable value, The Italian Sea Group is committed to adopting a Customer Experience and Customer Satisfaction Policy that is formalised and fully integrated into its management systems. From this perspective, the Company intends to consistently guide the actions of the functions involved, promoting a culture of listening and service quality throughout the value chain.

The Policy will define measurable, time-bound objectives, assign clear responsibilities and introduce structured listening, analysis and continuous improvement processes. The results achieved, together with progress and areas for development, will be reported transparently in the Consolidated Sustainability Statement for the benefit of all stakeholders.

## MDR-A: Actions and resources in relation to material sustainability matters

The Italian Sea Group aims to make each purchasing journey truly distinctive, transforming the relationship with vessel owners and brokers into an experience of shared value. The objective is not merely to provide an excellent product, but to offer a complete journey based on the shipyard's financial soundness and reliability, an essential requirement given that building a yacht takes an average of three to five years.

To strengthen relationships with customers and brokers, the Group has launched a programme of dedicated events that promote dialogue and a detailed understanding of preferences, including shipyard previews, technical visits, workshops on design solutions and discussion sessions during sea trials. This is supplemented by a multichannel communication strategy that combines digital and conventional tools such as newsletters, webinars, proprietary platforms, social media and personalised communications managed through CRM – Customer Relationship Management, with the aim of ensuring consistent content, timely updates on the principal project stages and fully accessible information. In this context, on 11 March 2025 TISG opened the first Vision Brokers Day, a two-day event held at its Marina di Carrara headquarters that brought together 60 of the most influential brokers in the yachting world from various countries. The initiative provided an exclusive opportunity to learn more about the Group's production operations, each brand's product range, its sales strategy and the know-how that distinguishes the Company, tangibly strengthening collaboration with the principal market participants.

To support this commitment, sales and information materials are kept constantly up to date and distributed through the most appropriate channels so that proposals reflect the preferences expressed. The quality of the relationship is supported by structured, continuous listening to feedback to promptly identify needs and expectations and guide operating decisions, including on the basis of evidence gathered during events and multichannel interactions.

Customer centricity translates into continuous support and the ability to act promptly at every stage. Communication is fully transparent because the decision-making process is shared and documented, benefiting trust, clarity of responsibilities and the orderly management of contracts.

To ensure a smooth, efficient organisation, TISG manages logistics for shipyard access on an integrated basis. It plans transfers based on arrival and departure times, arranges hotel bookings, lunches and dinners and ensures that a dedicated team is present throughout the stay. This structure enables the vessel owner to focus on design decisions while TISG rigorously oversees progress on activities.

The core offering is the construction of fully customised yachts, with complete design freedom over exterior lines and interior fittings. The integration of design expertise and manufacturing know-how, consolidated over time, places the Group at the forefront of the market for quality, style and attention to detail, demonstrating its proven ability to turn vessel owners' most sophisticated requests into reality. At the same time, the semi-custom Panorama, Gentleman Picchiotti and Admiral 40 ranges are designed to enhance production capacity and reduce construction times while maintaining standards of excellence without generating significant additional demands on internal technical teams.

With a view to a long-term partnership, refit activities managed by NCA[52] consolidate TISG's position as a reference point for the evolution of vessels from the first few years after delivery. Service consistency throughout the project life cycle is ensured by effective coordination between sales, engineering, production and after-sales functions. The systematic collection of feedback before and after delivery and the analysis of service performance contribute to a continuous improvement process geared towards preventing issues and disseminating best practices, with a measurable impact on strengthening relationships with customers and brokers.

## MDR-T: Monitoring the effectiveness of actions through targets

In 2025, as part of the 2026-2028 Sustainability Plan, the Group outlined a comprehensive framework of long-term objectives aimed at systematically consolidating relationships with customers and the broker network by organising dedicated events and adopting a multichannel communication strategy. The planned initiatives aim to promote ongoing dialogue, strengthen mutual trust and enhance perceptions of the service offered, encouraging informed, continuous participation by customers and brokers. Implementation of the targets is supported by a structured system of key

[52] NCA Refit is a brand of The Italian Sea Group that operates through two specialist shipyards in Marina di Carrara and La Spezia, where it performs refit and repair work on superyachts and sailing yachts.

performance indicators (KPIs) that allows TISG to monitor progress, measure results and transparently report performance, demonstrating accountability towards the market and all stakeholders involved.

| PILLAR | # | ACTION | Monitoring KPI | Baseline 2025 | Target 2028 |
|---|---|---|---|---|---|
| **People, Health and Relationships for Shared Value** | 14 | **Strengthen relationships with customers and brokers** through events and multichannel communications | Number of meetings with customers and brokers | 48 | 84 |
| | | | % of meetings organised by TISG (excluding meetings at yacht shows) | 50% | 65% |

As shown in the table above, during the three-year period of the 2026-2028 Sustainability Plan, the Group intends to increase and enhance its engagement with customers and the broker network, raising the annual number of meetings to 84 in 2028 from 48 in 2025 and increasing the proportion of appointments organised directly by TISG by 15% by the same deadline.

## Innovation, research and development

Always at the forefront of research and innovation, The Italian Sea Group adopts a proactive, systematic approach to responsible innovation, with particular attention to material sustainability. In building its yachts, the Group favours aluminium and steel and invests continuously in developing propulsion systems and technological solutions intended to reduce emissions and generate renewable energy on board. In addition, a significant proportion of the Company's energy requirements is met through self-generation by photovoltaic systems installed at the Group's production sites.

Since 2016, TISG has helped define new industry standards in environmental responsibility with the launch of Quinta Essentia, a 55-metre Admiral Motor Yacht and the first vessel in its segment worldwide to feature hybrid propulsion. Over the years, the Group has continued to invest decisively in Research and Development, introducing megayachts equipped with advanced variable-speed diesel-electric propulsion systems designed to generate only the energy required by the vessel, thereby optimising consumption and reducing emissions, vibration and noise pollution.

This pathway demonstrates the Group's commitment to combining engineering excellence with environmental responsibility by promoting advanced technological solutions that support energy efficiency.

## ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities related to innovation, research and development

The Italian Sea Group stands out due to its propensity for innovation and investment, key elements that strengthen the Group's competitive position and increase its market share. However, the shipbuilding sector presents significant challenges, including the risk of technological lag. Failure to adapt to technological innovation, such as the adoption of alternative and more sustainable propulsion systems, could compromise the Group's competitiveness and reduce sale opportunities. Furthermore, product design is a critical area: there is a potential risk that products will not meet technological requirements and market trends, regulatory requirements or quality expectations. Structural defects or design errors could have significant negative consequences. To mitigate these risks, TISG is committed to constantly monitoring technological developments and investing in research and development, ensuring that its yachts are at the forefront of innovation, sustainability and quality.

For more details of the process used to identify impacts, risks and opportunities related to innovation, research and development, see "*ESRS 2 IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities*".

## MDR-P: Policies adopted to manage material sustainability matters

At the date of this Sustainability Statement, although no Innovation, Research and Development ("R&D") policy has been formally adopted, The Italian Sea Group recognises these areas as strategic levers for its ability to contribute to the yachting industry's climate transition, in line with the requirements of ESRS E1 – Climate Change. The Group's approach is based on the cross-functional integration of internal expertise in the design and engineering functions, with the aim of incorporating solutions throughout the yacht life cycle that reduce greenhouse gas emissions, improve energy efficiency and mitigate environmental impacts. Although there is no unit formally dedicated to technical R&D, these activities are managed through cross-functional processes and continuous technological updating.

Vessels already delivered, as well as projects in progress, incorporate lower-impact propulsion systems, including hybrid propulsion systems, technologies for on-board energy generation and storage, such as solar panels and batteries, and advanced hull optimisation solutions. These design choices help reduce energy consumption and operating emissions, aligning with the decarbonisation objectives set out in the Group Sustainability Plan and stakeholders' climate transition expectations. This operating approach clearly guides the Group's R&D priorities, promoting responsible, measurable innovation.

The Italian Sea Group has also introduced improvements to wastewater management on certain vessels and created dedicated on-board waste collection and treatment areas, promoting material reduction and recycling in line with the circular economy principles referred to in ESRS E5 – Resource Use and Circular Economy.

From 2026, the TISG Group is considering establishing a cross-functional Innovation Committee dedicated to technical R&D, with the aim of structuring an innovation governance model fully aligned with ESRS 2 disclosures (GOV, SBM and IRO). At the same time, the Group has planned to adopt a specific Innovation, Research and Development policy, recognising the enabling role of these areas in the long-term strategy and the organisation's overall growth. This pathway aims to strengthen the synergy between ESG objectives and technological priorities, promoting increasingly robust integration between sustainability and innovation.

The Group's commitment to Innovation, Research and Development is guided by structured, continuous listening to the needs of vessel owners and their teams, including captains and key technical personnel. The aim is to translate ideas and expectations into customised design solutions that combine engineering excellence, safety, comfort and sustainability criteria. Within this framework, where appropriate The Italian Sea Group proposes lower-impact propulsion architectures, such as hybrid diesel-electric systems, rigorously assessing their consistency with the vessel's operating profile while recognising that different configurations may be preferred for long-range cruising.

Design and production flexibility is a distinctive feature of the Group, enabling it to pursue new technological pathways when required by customer specifications. Innovation is therefore regarded as a constant, responsible lever for ensuring the full satisfaction of vessel owners while promoting alignment between performance, the quality of the on-board experience and the reduction of environmental impacts throughout the yacht life cycle.

## MDR-A: Actions and resources in relation to material sustainability matters

Although it does not have a formally defined policy or an organisational structure dedicated to technical Research and Development, the Group draws on internal expertise to integrate solutions from the design stage that reduce emissions, improve energy efficiency and mitigate environmental impacts throughout the yacht life cycle. From this perspective, TISG continues to implement hybrid propulsion systems[53] to curb emissions, adopt energy storage technologies and optimise hull hydrodynamics, with the aim of reducing consumption and greenhouse gas emissions.

In addition, The Italian Sea Group is considering establishing a cross-functional Innovation Committee from 2026 to provide a more structured governance framework in line with ESRS and consistent with the Group's long-term vision. The Committee will be responsible for systematically monitoring emerging technologies, promoting internal sustainability-focused R&D initiatives and integrating into decision-making processes the assessment of Impacts, Risks and Opportunities (IRO) connected with the climate transition and the reduction of products' environmental footprint.

## MDR-T: Monitoring the effectiveness of actions through targets

As at the date of drafting this Sustainability Statement, The Italian Sea Group had not yet formalised specific Group targets for innovation, research and development. Nevertheless, in response to customer requests, the Innovation, Research and Development Department works in continuous coordination with the other corporate functions to identify solutions capable of increasing operating and environmental efficiency. Initiatives already launched include adopting synthetic teak to replace natural teak, with an objective of increasing its use by 10% by 2028, building yachts with hybrid propulsion systems and integrating photovoltaic panels, with installed capacity of 10 kWp by 2028.[54]

With regard to forward-looking objectives, the Group intends to extend hull optimisation to 90% of the vessels produced by 2028 and achieve an average improvement in energy efficiency per vessel of at least 5% by the same deadline.

During the coming reporting years, the Group is committed to defining and formalising medium to long-term targets specifically relating to innovation, research and development activities applied to vessel design and construction.

[53] For more information, see the chapter "*E1-4 – Targets related to climate change mitigation and adaptation*".
[54] For more information, see "E1-4 – Targets related to climate change mitigation and adaptation" and "E5-3 – Targets related to resource use and the circular economy".

## IRO-2: Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

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[55] Where the word "Phase-in" is shown, it is in accordance with ESRS 1 Appendix C: List of phased-in Disclosure Requirements.

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| | E4-SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model | Phase-in | ……… |
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| | S2-SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model | Phase-in | ……… |
| | S2-1 Policies related to value chain workers | Phase-in | ……… |
| | S2-2 Processes for engaging with value chain workers about impacts | Phase-in | ……… |
| | S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns | Phase-in | ……… |
| | S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions | Phase-in | ……… |
| | S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities | Phase-in | ……… |
| **ESRS S3 - Affected communities** | S3-SBM-2 Interests and views of stakeholders | Phase-in | ……… |
| | S3-SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model | Phase-in | ……… |
| | S3-1 Policies related to affected communities | Phase-in | ……… |
| | S3-2 Processes for engaging with affected communities about impacts | Phase-in | ……… |
| | S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns | Phase-in | ……… |
| | S3-4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions | Phase-in | ……… |
| | S3-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities | Phase-in | ……… |
| **ESRS S4 - Consumers and end users** | S4-SBM-2 Interests and views of stakeholders | Phase-in | ……… |
| | S4-SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model | Phase-in | ……… |
| | S4-1 Policies related to consumers and end-users | Phase-in | ……… |
| | S4-2 Processes for engaging with consumers and end-users about impacts | Phase-in | ……… |
| | S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns | Phase-in | ……… |
| | S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing | Phase-in | ……… |

| | | | |
|---|---|---|---|
| | material opportunities related to consumers and end-users, and effectiveness of those actions | | |
| | S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities | Phase-in | ……… |
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# Assurance report on the consolidated sustainability statement pursuant to Article 154-bis of Italian Legislative Decree no. 58 of 24 February 1998

The undersigned Giovanni Costantino, in his capacity as Chief Executive Officer, and Fabio Zanobini, in his capacity as the Sustainability Reporting Manager of The Italian Sea Group S.p.A., certify, pursuant to Italian Legislative Decree no. 58 of 24 February 1998 (Consolidated Law on Finance), Article 154-bis(5-ter), that the Consolidated Sustainability Statement included in the Management Report was drafted:

• in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 and Italian Legislative Decree no. 125 of 6 September 2024;

• with the specifications adopted pursuant to Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020, Article 8(4).

Carrara, 31 July 2026

**Giovanni Costantino**

Chief Executive Officer

**Fabio Zanobini**

Sustainability Reporting Manager.

# The Italian Sea Group S.p.A.

Independent auditors' limited assurance report on the consolidated sustainability report, pursuant to article 14-bis of legislative decree January 27 2010, no. 39

**Consolidated sustainability report at 31 December 2025**

*This independent auditors' limited assurance report has been translated into English language from the original, which was prepared in Italian and represents the only authentic copy, solely for the convenience of international readers.*

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00187 Roma

# Independent auditor report on the limited assurance on the Consolidated Sustainability Report pursuant to article 14-bis of Legislative Decree no. 39 of 27 January 2010

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

## Disclaimer of conclusions

Pursuant to article 8 of legislative decree no.125 dated September 6 2024 (herein after the "Decree"), we have been engaged to perform a limited assurance engagement ("*limited assurance engagement*") of the consolidated sustainability reporting of the Group The Italian Sea Group S.p.A. (herein after also the "Group") related to the period ended December 31 2025 prepared in accordance with article 4 of the Decree, presented in the specific section of the consolidated management report.

Because of the significance of the matters described in the "*Basis for Disclaimer of our conclusions*" section of our report, we have not been able to obtain sufficient appropriate evidence to provide a basis for our conclusions on the consolidated sustainability reporting of The Italian Sea Group S.p.A..

Therefore, we do not express a conclusion on this consolidated sustainability reporting.

## Basis for Disclaimer of our conclusions

The Parent company provided us with written representations that do not correspond to those we required, also with regards to some evidence that was not provided to us during the limited assurance. This circumstance represents a pervasive limitation on the scope of the limited assurance engagement.

As indicated by the directors in paragraph "*Directors' Assessment Of The Going Concern Requirements*" of the notes to the consolidated financial statements as at December 31 2025, to which reference should be made for further details, The Italian Sea Group S.p.A., following the unsuccessful outcome of the negotiated crisis settlement procedure pursuant to Article 17 of the Italian Code of Business Crisis and Insolvency (the "CCII"), filed an application for a so called "blank composition with creditors" (concordato in bianco) pursuant to Article 44 of the CCII. While such proceedings under Article 44 of the CCII were pending, the Directors prepared both the separate and consolidated financial statements for the year ended 31 December 2025 on a going concern basis, notwithstanding the existence of multiple significant uncertainties that may cast substantial doubt on the appropriateness of the use of that assumption.

The process of determining double materiality (which forms the basis for identifying the information to be included in the consolidated sustainability statement) presupposes the successful resolution of the aforementioned significant uncertainties affecting the ability to continue as a going concern, as described by the Directors.

During the course of our limited assurance procedures, we were unable to obtain sufficient and appropriate evidence to support management's use of the going concern assumption in preparing the consolidated sustainability reporting.

Furthermore, we were unable to obtain sufficient and appropriate evidence regarding the key performance indicators related to contract assets and liabilities arising from construction contracts in progress and the related financial statement items, including the adjustments to opening equity resulting from the application of International Accounting Standard IAS 8, which could affect the presentation of information required under Article 8 of Regulation (EU) No. 852 of 18 June 2020 (hereinafter also referred to as the "Taxonomy Regulation").

In view of the limitations described above, we were unable to complete the procedures required by the Standard on Sustainability Assurance Engagement – SSAE (Italia) and, consequently, we were unable to express our conclusions on the Group's consolidated sustainability reporting as of 31 December 2025.

**Responsibilities of the directors and the board of statutory auditors of The Italian Sea Group S.p.A. for the consolidated sustainability reporting**

The directors are responsible for designing and implementing the procedures to identify the information included in the consolidated sustainability reporting in accordance with the ESRS (the "materiality assessment process") and for the description of these procedures in the "ESRS 2 IRO-1 | Description of the process to identify and assess material impacts, risks and opportunities" section of the consolidated sustainability reporting.

The directors are also responsible for the preparation of a consolidated sustainability reporting in accordance with article 4 of the Decree, which contains the information identified through the materiality assessment process, including:

- compliance with the ESRS;
- compliance of the information presented in the "The European Taxonomy: transparency and commitment to sustainability" section with article 8 of the Taxonomy Regulation.

Moreover, the directors are responsible, within the terms established by the Italian law, for designing, implementing and maintaining such internal controls as they determine is necessary to enable the preparation of a consolidated sustainability reporting in accordance with article 4 of the Decree that is free from material misstatement, whether due to fraud or error. They are also responsible for selecting and applying appropriate methods to produce disclosures and formulating assumptions and estimates about specific information on sustainability matters that are reasonable in the circumstances.

The board of statutory auditors is responsible for overseeing, within the terms established by the Italian law, compliance with the Decree's provisions.

**Auditors' responsibilities for the limited assurance engagement on the consolidated sustainability reporting**

It is our responsibility to perform the limited assurance engagement in accordance with the Standard on Sustainability Assurance Engagement – SSAE (Italia). However, due to the matters described in the section "Basis for the Disclaimer of Conclusion" of this report, we were unable to obtain sufficient and appropriate evidence to enable us to form our conclusions on the consolidated sustainability reporting.

We are independent in accordance with the ethics and independence rules and standards applicable in Italy to sustainability assurance engagements.

Our firm applies International Standard on Quality Management (ISQM Italia) 1 and, accordingly, is required to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Rome, 9 September 2026

BDO Audit Services S.r.l.

*Signed by*

Alessandro Fabiano

Partner


DESIGN BY
ARMANI

# CONSOLIDATED FINANCIAL STATEMENTS
# AS AT 31 DECEMBER 2025

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| in thousands of Euros | notes | 31/12/2025 | 01/01/2025 | 31/12/2024 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **NON-CURRENT ASSETS** | | | | |
| Brands | 1 | 12,708 | 34,604 | 34,604 |
| Other intangible assets | 2 | 438 | 690 | 690 |
| Land and buildings | 3 | 145,395 | 57,047 | 57,047 |
| Plant, machinery, equipment and investments in progress | 4 | 26,897 | 30,618 | 30,618 |
| Other tangible assets | 5 | 977 | 886 | 886 |
| Right of Use | 6 | 9,813 | 31,742 | 31,742 |
| Shareholdings | 7 | 34 | 34 | 34 |
| Other non-current assets | 8 | 1,124 | 1,489 | 1,489 |
| Deferred tax assets | 17 | 0 | 0 | 0 |
| **Total non-current assets** | | **197,384** | **157,110** | **157,110** |
| **CURRENT ASSETS** | | | | |
| Cash and cash equivalents | 9 | 17,407 | 60,254 | 60,254 |
| Trade receivables | 10 | 17,511 | 55,410 | 55,410 |
| Other receivables | 11 | 9,643 | 10,106 | 10,106 |
| Assets from contract work in progress | 12 | 1,234 | 18,728 | 108,096 |
| Stock inventories | 13 | 20,680 | 10,210 | 10,210 |
| Other current assets | 14 | 2,227 | 4,869 | 4,869 |
| **Total current assets** | | **68,702** | **159,577** | **248,945** |
| **TOTAL ASSETS** | | **266,087** | **316,687** | **406,055** |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | | | |
| **SHAREHOLDERS' EQUITY** | | | | |
| Share capital | | 26,500 | 26,500 | 26,500 |
| Share premium reserve | | 45,431 | 45,431 | 45,431 |
| Other reserves and retained earnings | | (288,585) | (360,384) | 39,168 |
| Currency translation reserve | | (522) | (30) | (30) |
| Profit (Loss) for the financial year | | (170,918) | 33,894 | 33,894 |
| **Total Shareholders' Equity** | **15** | **(388,094)** | **(254,589)** | **144,963** |
| **NON-CURRENT LIABILITIES** | | | | |
| Provisions for risks and charges | 16 | 82,080 | 103,573 | 6,180 |
| Deferred tax liabilities | 17 | 16,123 | 696 | 696 |
| Provision for employee benefits | 18 | 803 | 880 | 880 |
| Long-term financial liabilities | 19 | 10,177 | 60,152 | 60,152 |
| Other non-current liabilities | 20 | 0 | 2,714 | 2,714 |
| **Total non-current liabilities** | | **109,182** | **168,015** | **70,622** |
| **CURRENT LIABILITIES** | | | | |
| Trade payables | 21 | 186,098 | 121,877 | 121,877 |
| Other payables | 22 | 40,620 | 32,139 | 32,139 |
| Short-term financial liabilities | 23 | 136,787 | 12,608 | 12,608 |
| Liabilities from contract work in progress | 12 | 173,175 | 229,974 | 17,183 |
| Other current liabilities | 24 | 8,321 | 6,662 | 6,662 |
| **Total current liabilities** | | **545,000** | **403,261** | **190,470** |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | | **266,087** | **316,687** | **406,055** |

## CONSOLIDATED INCOME STATEMENT

| in thousands of Euros | notes | 31/12/2025 | 31/12/2024 |
|---|---|---|---|
| Operating revenues | | 282,030 | 406,103 |
| Other proceeds and income | | 14,609 | 25,176 |
| Commissions | | (1,500) | (7,214) |
| **Total Revenues** | **25** | **295,139** | **424,065** |
| Raw materials, components and consumables | 26 | (100,836) | (96,064) |
| Cost for outsourced work | 27 | (164,155) | (154,182) |
| Technical services and consultancy | 28 | (58,984) | (20,206) |
| Other costs for services | 29 | (15,931) | (13,930) |
| Personnel costs | 30 | (46,822) | (43,915) |
| Other operating costs | 31 | (30,545) | (17,826) |
| **Total operating costs** | | **(417,273)** | **(346,124)** |
| | | | |
| **Operating result before amortisation, depreciation and write-downs** | | **(122,134)** | **77,940** |
| Depreciation, amortisation and write-downs | 32 | (42,026) | (11,440) |
| **Operating result** | | **(164,160)** | **66,500** |
| Financial income | 33 | 1,644 | 1,670 |
| Financial charges | 33 | (12,479) | (9,401) |
| **Financial year profit (loss) before income taxes** | | **(174,995)** | **58,769** |
| Income taxes | 34 | 4,077 | (24,875) |
| **Profit (loss) for the financial year** | | **(170,918)** | **33,894** |

## OTHER CONSOLIDATED COMPREHENSIVE INCOME

| | | | |
|---|---|---|---|
| **Financial year profit/(loss)** | | **(170,918)** | **33,894** |
| Change in translation reserve | | (522) | 53 |
| Profits/(losses) on re-measurement of employee defined benefit plan liabilities | 35 | (21) | (32) |
| Change in fair value of hedging derivatives | 35 | (503) | (458) |
| IAS 16 revaluation reserves | | 51,443 | |
| **TOTAL COMPREHENSIVE FINANCIAL YEAR PROFIT/(LOSS) (A) + (B)** | | **(120,521)** | **33,457** |

# CONSOLIDATED CASH FLOW STATEMENT

| *In thousands of Euros* | 31/12/2025 | 31/12/2024 |
|---|---|---|
| **INCOME MANAGEMENT ACTIVITIES** | | |
| Result before tax for the financial year | (174,995) | 58,769 |
| Net interest income | 10,835 | 7,731 |
| provision for risks and charges | 21,079 | 3,314 |
| provision for severance indemnity | 1,953 | 1,790 |
| **Adjustments for:** | | |
| Amortisation, depreciation and write-downs of non-current assets | 48,808 | 10,423 |
| Capital gains/(losses) | 0 | (18,114) |
| Other provisions and write-downs (revaluations) | (1,046) | 500 |
| **Changes in assets and liabilities:** | | |
| Receivables from customers | 27,450 | (31,903) |
| Inventories and contract work in progress | (56,530) | (39,719) |
| Other management activities | 3,471 | (4,923) |
| Payables to suppliers | 64,220 | 31,309 |
| Other operating payables | 7,425 | 6,643 |
| Severance indemnity | (2,031) | (1,869) |
| Provisions for risks and charges | (47,160) | (773) |
| Taxes paid | 4,077 | (24,875) |
| Interest paid | (10,835) | (7,731) |
| **Cash flow from income management activities** | **(103,279)** | **(9,427)** |
| **INVESTING ACTIVITIES** | | |
| Purchase of tangible assets | (785) | (3,584) |
| Disposal of tangible assets | 0 | 21,000 |
| Purchase of intangible assets | 0 | (194) |
| Acquisition of shareholdings | 0 | 0 |
| Others | 0 | 2,805 |
| **Cash flow from investing activities** | **(785)** | **20,027** |
| **FINANCING ACTIVITIES** | | |
| Change in reserves | 0 | |
| Payment of Dividends | (12,985) | (19,610) |
| Raising M/L term loans | 134,669 | 6,000 |
| Repayment of M/L term loans | (59,693) | (11,658) |
| Repayment of loans to others | (772) | (1,490) |
| **Cash flow from financing activities** | **61,217** | **(26,758)** |
| **TOTAL CASH FLOWS FOR THE PERIOD** | (42,847) | (16,159) |
| **INITIAL CASH AND CASH EQUIVALENTSINITIAL CASH AND CASH EQUIVALENTS** | 60,254 | 76,413 |
| **FINAL CASH AND CASH EQUIVALENTS** | 17,407 | 60,254 |

## STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

| *Data in thousands of Euros* | Values as at | Allocation of income | Financial year result | Other changes | OCI | Values as at |
|---|---|---|---|---|---|---|
| | 31/12/2023 | 31/12/2023 | 31/12/2024 | 31/12/2024 | 31/12/2024 | 31/12/2024 |
| SHARE CAPITAL | 26,500 | | | | | 26,500 |
| SHARE PREMIUM RESERVE | 45,399 | | | 32 | | 45,431 |
| OTHER RESERVES AND RETAINED EARNINGS | 22,409 | 36,911 | | (19,661) | (491) | 39,168 |
| CURRENCY TRANSLATION RESERVE | (83) | | | | 53 | (30) |
| PROFITS (LOSSES) FOR THE PERIOD | 36,911 | (36,911) | 33,894 | | | 33,894 |
| **TOTAL SE** | **131,136** | **0** | **33,894** | **(19,629)** | **(438)** | **144,963** |

| Data in thousands of Euros | Values as at | Allocation of income | IAS 8 restatement | Financial year result | Other changes | Total result | Values as at |
|---|---|---|---|---|---|---|---|
| | 31/12/2024 | 31/12/2024 | 01/01/2025 | 31/12/2025 | 31/12/2025 | 31/12/2025 | 31/12/2025 |
| SHARE CAPITAL | 26,500 | | | | | | 26,500 |
| SHARE PREMIUM RESERVE | 45,431 | | | | | | 45,431 |
| OTHER RESERVES AND RETAINED EARNINGS | 39,168 | 33,894 | (399,551) | | (12,985) | (524) | (339,998) |
| IAS 16 REVALUATION RESERVE | 0 | | | | | 51,443 | 51,443 |
| CURRENCY TRANSLATION RESERVE | (30) | | | | | (522) | (552) |
| PROFITS (LOSSES) FOR THE PERIOD | 33,894 | (33,894) | | (170,918) | | | (170,918) |
| **TOTAL SE** | **144,963** | **0** | **(399,551)** | **(170,918)** | **(12,985)** | **50,397** | **(388,094)** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTENT AND FORM OF THE CONSOLIDATED FINANCIAL STATEMENTS

These notes to the financial statements were prepared on the basis of the accounting records updated at 31 December 2025. The purpose of this document is to illustrate, analyse and, in some cases, supplement the data provided in the financial statements.

The financial statements at 31 December 2014 were the first financial statements of the Company prepared in compliance with the International Accounting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union.

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

- the Statement of financial position was prepared by classifying assets and liabilities according to the “current/non-current” criterion;
- the Separate income statement was prepared by classifying operating costs by nature, as this form of presentation is considered more suitable to represent the specific business of the Company, is

compliant with internal reporting methods and is in line with the reference industrial sector practice;

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

- the Cash flow statement was prepared by showing the cash flows deriving from operating activities according to the "indirect method".

The values shown in these notes are expressed in thousands of Euros unless specified otherwise.

Directive 2004/109/EC (the "Transparency Directive") and Delegated Regulation (EU) 2019/815 introduced the obligation for issuers of securities listed on regulated markets of the European Union to draft the annual financial report in XHTML, based on the European Single Electronic Format (ESEF) approved by ESMA.

The consolidated financial statements were prepared in Inline XBRL (iXBRL) format in accordance with Commission Delegated Regulation (EU) 2019/815 on regulatory technical standards for the specification of a single electronic reporting format (ESEF – European Single Electronic Format – the "Delegated Regulation").

Furthermore, reference is made to interpretative and supporting documents for the application of the accounting standards issued by international regulatory bodies and Italian supervisory bodies, as well as the standard setters, which were also taken into account in the drafting of this Report, wherever applicable, highlighting:

- The ESMA Public Statement of 25 October 2023 "European common enforcement priorities for 2023 annual financial reports" which reiterates, *inter alia*, some recommendations already present in the previous Public Statement published in October 2022; more specifically, in the drawing up of reports and the information provided, a particular focus is requested regarding:
    - climate issues and the consistency between the information contained in the reports and the non-financial information, the recording of emission allowances (ETS) and certificates linked to renewable energy and the impairment testing process as far as the climate is concerned;
    - the impact of the current macroeconomic context on re-financing risks and other financial risks, as well as the process of fair value determination and the related disclosure;
    - alternative performance measures.

- The ESMA Public Statement of 14 October 2025, "*European common enforcement priorities for 2025 annual financial reports*", which calls for particular attention in the 2025 financial statements to geopolitical risks and uncertainties, business segment disclosures, the structure of sustainability reporting and evidence of errors in ESEF reporting.
-
- Discussion paper n. 1/2022 "Impairment test of non-financial assets (IAS 36) following the war in Ukraine" published on 29 June 2022 by the Organismo Italiano di Valutazione ("OIV") which recalls the content of the ESMA Public Statement of 13 May 2022 (subject to CONSOB Warning notice of 19 May 2022) and provides operational guidelines to manage the uncertainty of the current context regarding the exercise of any impairment test.

# DIRECTORS' ASSESSMENT OF THE GOING CONCERN REQUIREMENTS

TISG's consolidated financial statements for the year ended 31 December 2025 reported operating revenue of Euro 282,030 thousand, an operating loss of Euro 164,160 thousand after direct and indirect operating costs, personnel costs, depreciation, amortisation, impairment losses and other provisions for non-recurring costs, and a net loss of Euro 170,918 thousand after financial items and taxes. The Group has negative shareholders' equity of Euro 388,094 thousand and net financial debt as at 31 December 2025 of Euro 129,557 thousand, comprising bank and financial debt and, as a result of IFRS 16, liabilities relating to leases of plant and company cars and shipyard concessions.

In light of the above and in accordance with IAS 1, the Directors' assessments of whether the going concern assumption is appropriate for the preparation of the consolidated financial statements as at 31 December 2025 are set out below.

*Causes and emergence of the crisis*

TISG's crisis emerged suddenly in February 2026, when severe financial strain came to light in connection with significant "over-budget" costs (i.e. costs that had neither been budgeted nor authorised) incurred and still to be incurred for vessel construction, which progressively depleted available cash.

These circumstances came to light entirely unexpectedly and could not have been foreseen.

A group of individuals holding senior positions within the Company had implemented a complex mechanism that, without the knowledge of the Director and other persons not involved in it, circumvented the controls preventing each contract from exceeding its approved budget. As a result, the over-budget costs and the actual cash position were concealed for years.

The methods used to conceal the existence and scale of these costs prevented the progressive depletion of cash from being addressed in time. In February 2026, following a delay in the receipt of advance payments expected in December 2025 that replenished cash, the Company suddenly found itself unable to meet its payment obligations and the above-mentioned senior figures could no longer conceal the true financial position.

On 18 February 2026, TISG's Board of Directors acknowledged the emergence of budget overruns on contracts in progress, which had adversely affected TISG's cash position. For this reason, the Company arranged a financial strengthening measure through a shareholder loan from the majority shareholder (GC Holding S.p.A. – "GCH") in the amount of Euro 25 million.

The shareholder loan is interest-free and does not entitle GCH to any fee for granting it. Furthermore, until all payment obligations under the bank loan agreement entered into in June 2025 have been fully, unconditionally and definitively satisfied and extinguished, the receivables owed to GCH by the Company under the shareholder loan are deferred and subordinated to the claims of the pool of lending banks.

The Company will repay the shareholder loan in one or more instalments by 31 December 2032.

On 24 February 2026, the Company received a formal payment demand from International Factors Italia S.p.A. ("**Ifitalia**"), with which numerous TISG suppliers have factoring agreements, in relation to principal amounts owed totalling approximately Euro 10.3 million, half of which were overdue.

Ifitalia's formal payment demand was followed by reports pursuant to CCII, Article 25-*octies*, from the Board of Statutory Auditors and statutory auditor BDO Audit Services S.r.l.

Initial checks performed following the reports revealed overdue trade payables of approximately Euro 27 million and unpaid taxes and social security contributions from the previous year, some of which had already been placed on instalment plans by those responsible for the mechanism described above. It was also discovered that guarantees totalling Euro 31 million had been issued in GCH's name without the Chief Executive Officer's knowledge, using his digital signature without authorisation.

To determine precisely the scale of the matter and the actual scope of the individuals involved, TISG:

- appointed KPMG on 2 March 2026 to conduct an in-depth independent audit (forensic due diligence) to identify the causes of and responsibility for the budget overruns, covering a complete analysis of the management of ongoing contracts, the internal control model and financial management;
- filed a criminal complaint against certain former senior TISG executives heading key functions who had acted in coordination with one another. According to the allegations in the complaint, over time the individuals concerned engaged in a series of coordinated actions intended to conceal the actual management of contracts and provide TISG's Chief Executive Officer with contract accounting and management information that did not reflect reality. This concealment was allegedly made possible by the fraudulent and covert circumvention of the internal contract management system, for which the individuals named in the complaint were jointly responsible. The complaint describes a system for altering contract accounting and management documents, including cash flow reports, contract budgets and bank statements, which allegedly presented an untrue position that was, above all, entirely unknown to and undetectable by TISG's Chief Executive Officer. The complaint was filed with the Public Prosecutor's Office at the Court of Massa and was subsequently assigned to the Public Prosecutor's Office at the Court of Genoa;
- began developing a plan to resolve the crisis and strengthen the Group's capital position, which also involved discussions with financial institutions.

With regard to the first point, the forensic audit began on 8 April, given TISG's need to prioritise activities supporting business continuity, and was completed on 22 July 2026. It identified the following irregularities in the management of contracts and the related cost budgets:

• over time, the five managers permitted and authorised expenditure in excess of the approved budgets without the Chief Executive Officer's approval;

• the monthly reports requested by the Chief Executive Officer to monitor contract progress and the cash position were modified to show amounts in line with approved budgets and, consequently, did not reflect the actual amounts committed to third-party suppliers that were instead recorded in the management system. In this regard, other documents, such as current account balances, also appear to have been altered to support the position presented in reports to the Chief Executive Officer;

• the budget overruns and resulting additional costs were also concealed in the management system, meaning they were not immediately visible on the progress reporting screens because excess budget use was managed through a generic contract called "Contract 0";

• several purchase orders appear not to have been approved by the Chief Executive Officer (either unsigned or signed by former managers who lacked the necessary authority). In addition, several additional costs appear to have been charged to contracts through invoices without purchase orders and/or work progress reports.

Furthermore, numerous assignments to factoring companies of receivables relating to invoices issued by suppliers to TISG came to light. They appear to have been authorised either by former managers, who lacked the relevant authority, or using the Chief Executive Officer's signature, which he has, however, disavowed.

In addition, the Chief Executive Officer's digital signature was allegedly used improperly in September 2025 to obtain a loan requested for the Company without authority and for the issuance of guarantees by GCH (TISG's parent company, controlled by the Chief Executive Officer).

The aforementioned parallel management system is connected with the resignations of the five senior executives referred to above, who were subsequently dismissed and reported by the Company to the judicial authorities. These resignations appear to have been prompted by the virtual absence of Company funds, which at the beginning of February 2026 actually amounted to approximately Euro 2.7 million, as opposed to the approximately Euro 93 million reported to the Chief Executive Officer only one month earlier.

With regard to the accounting aspects and their impact on periodic financial reports, the following should be noted:

• the over-budget costs primarily affect the work in progress (“WIP”) item, which, under the cost-to-cost method, contributes to determining the amount of revenue and profit margins attributable to the period;

• an analysis of the files used to determine WIP found that the additional costs, to the extent already incurred, were included in the total value of WIP. This therefore allegedly included both those relating to contracts open at 31 December 2025 and part of those relating to contracts closed previously, recognition of which had consequently been deferred and attributed on that occasion to open contracts;

• given the absence of changes to the budgets and expected margins, the matter described in the preceding point resulted in WIP reflecting higher contract completion percentages than the actual percentages. This had a significant impact on the revenue and margins reported as at 31 December 2025, including the recognition of provisions for loss-making contracts;

• with the support of its advisers, the Company determined the actual progress of the contracts and the related costs to complete in order to validate the total budget for each contract and thus correctly determine the value of WIP and the accounting treatment for the restatement of the income statement and balance sheet amounts in accordance with international accounting standards;

*Access to the Negotiated Crisis Resolution Procedure with the application of asset protection measures*

By an application pursuant to Article 17 of Italian Legislative Decree no. 14 of 12 January 2019 (Italian Insolvency Code, the “**CCII**”), filed on 9 March 2026, the Company, having stated that it was experiencing financial strain while believing that a turnaround could be achieved through a negotiated crisis resolution procedure (“**CNC**”), requested the appointment of an independent expert to conduct negotiations with creditors and other stakeholders in accordance with CCII, Articles 12 et seq.

The Company decided to initiate a “group” negotiated crisis resolution procedure pursuant to CCII, Article 25, involving the following companies in the turnaround process:

- Celi s.r.l. (“**Celi**”), a wholly owned subsidiary of TISG that effectively constitutes one of its business units;
- GC Holding s.p.a. (“**GCH**”), the company which, as mentioned above, holds a majority of TISG’s shares and is wholly owned by Giovanni Costantino, TISG’s Chairman and Chief Executive Officer.

At the same time as filing the application for the appointment of the expert, the three Group companies requested, pursuant to CCII, Article 18(1), that asset protection measures be applied in respect of all creditors.

On 12 March 2026, the special committee established at the Florence Chamber of Commerce appointed Dr Enrico Terzani as expert (the “**Expert**”), who accepted the appointment on 13 March 2026.

On 16 March 2026, the acceptance was published in the Companies Register. On the same date, TISG filed the petition seeking confirmation of the protection measures.

On 20 April 2026, the Court of Florence confirmed the protection measures requested by the Company, GC Holding S.p.A. and Celi S.r.l. for the maximum period permitted by law, namely four months from 16 March 2026 (and therefore until 14 July 2026).

The Court granted the request, finding that the relevant requirements had been met, particularly as the turnaround was reasonably achievable, also in light of the industrial and financial initiatives proposed by the

Group. It therefore confirmed the protection measures against all parties, temporarily prohibiting all creditors, among other things, from:

• acquiring preferential rights not agreed with the entrepreneur;

• commencing and/or continuing enforcement and interim proceedings against the entrepreneur's assets or against the assets and rights used to carry on the business, including vessels currently at the shipyards;

• obtaining a judgment opening judicial liquidation proceedings or declaring insolvency;

• unilaterally refusing to perform pending contracts, terminating them, accelerating their expiry or amending them to the detriment of the entrepreneur, or withdrawing all or part of credit facilities already granted solely because obligations arising before publication of the application were not performed.

The Court had specified that the protection measures also extended to vessel owners, preventing them from terminating ongoing vessel construction contracts.

On 14 May 2026, TISG was served with an order scheduling a hearing for 27 May 2026 to consider the appeals brought pursuant to Article 19 of Italian Legislative Decree no. 14 of 12 January 2019 by five vessel owners against the order confirming the protection measures.

On 10 June 2026, the Court of Florence issued an order upholding the appeals filed by the five vessel owners and amending the order of 20 April 2026 insofar as the protection measures had also been confirmed in respect of them. The Court held that vessels already owned by the appellants could not be subject to protection measures because they were neither assets of the entrepreneur nor assets used to carry on the business, and that the appellants were not creditors against whom those measures could operate because their right to performance of the pending contract could not be satisfied through enforcement or interim proceedings against those assets.

The order revoked the protection measures solely in respect of the five appellant vessel owners and did not affect the other vessel owners or any other creditors, for whom the measures remained effective for the period already established by the Court.

On 21 May 2026, the Board of Directors noted that the accounting reconstruction of the effects of the additional contract costs and the accounting irregularities referred to above had revealed losses triggering the circumstances contemplated by Italian Civil Code, Article 2447, reducing the share capital below the minimum established by Italian Civil Code, Article 2327. It therefore resolved to file immediately the declaration referred to in Italian Legislative Decree no. 14/2019, Article 20(1), which became effective upon publication in the Companies Register.

These protection measures provide for the temporary suspension of the obligations under Italian Civil Code, Articles 2446(2) and (3) and 2447, to recapitalise and restore the share capital or dissolve the Company, until publication in the Companies Register of the order by which the Court of Florence declares ineffective the protection measures requested by the Company pursuant to CCII, Articles 18 and 19, or revokes them.

In summary, the draft turnaround plan underlying the CNC, prepared by the Company with the assistance of adviser KPMG, identified the following measures:

- "*consolidation of backlog contracts*": the plan envisaged continuing the 17 ongoing yacht construction contracts and the refit work (i.e. maintenance and renovation of vessels already built), and renegotiating with the vessel owners (i.e. TISG's customers) so that they would bear a portion of the over-budget costs incurred or still to be incurred in constructing their vessels;
- "*development of the prospective pipeline and enhancement of brand value*": the draft plan envisaged strengthening the sales organisation to safeguard the value of the brands and secure new contracts from 2027 onwards;

- "*internal reorganisation and optimisation of the organisational structure*": the events described above, which led to TISG's crisis, highlighted the need to rebuild and reorganise the senior management structure, redefine internal processes and launch a plan to optimise overheads;
- "*enhancement of corporate asset value*": the draft plan contemplated selling the La Spezia production site, whose activities could be consolidated at the Carrara shipyard and in which the Company had previously received serious and credible expressions of interest;
- "*assessment of the feasibility and viability of synergies and/or partnerships and capital strengthening*": the Company immediately set itself the goal of exploring the market to identify opportunities for synergies and collaborations to relaunch and develop TISG.

The objective, which appeared reasonably achievable in this context when the Company entered the CNC and during the subsequent weeks of negotiations, was to restore the Company's equilibrium by combining the measures described above with the renegotiation of amounts owed to suppliers, banks and the tax authorities.

During the CNC, the Company launched most of the initiatives set out in the draft plan. More specifically:

- an internal reorganisation process was implemented immediately, adding suitably qualified individuals to the Company's organisational structure;
- discussions were pursued with a number of potential industrial and/or financial partners;
- the La Spezia shipyard, as a business unit, was appraised with a view to a competitive sale procedure pursuant to CCII, Article 22 (1)(d);
- agreements were reached with approximately 300 suppliers, providing for debt waivers and deferred payments, reducing overall debt by approximately Euro 15 million and making it more sustainable;
- the shipyards remained operational, albeit at reduced capacity and with the obvious difficulties arising from the circumstances. In some cases, to preserve business operations, it was necessary to involve in the negotiations the lenders with which strategic suppliers had factoring agreements (to which TISG was a third party). Because TISG had failed to pay the assigned receivables before entering the CNC, these lenders prevented those suppliers from receiving payment for work performed after entry into the CNC.

*Closure of the CNC and access to a different crisis resolution instrument pursuant to CCII, Article 44*

During the four months of negotiations conducted as part of the CNC, it was not possible to conclude agreements with enough vessel owners to ensure implementation of the turnaround plan originally proposed.

In this regard, preparation of the turnaround plan showed that restoring TISG's capital and financial equilibrium would require a negotiated total contribution of approximately Euro 180 million from the vessel owners (corresponding to an average increase of approximately 15% in the contract price) towards the over-budget costs incurred in constructing their vessels.

Although discussions with the vessel owners began as soon as the Company entered the CNC and continued until the end of June, TISG was able to conclude only a small number of agreements, specifically:

- an agreement entered into on 25 March 2026 in relation to contract no. 614, under which the vessel owner undertook to pay an additional Euro 5,000,000 on top of the original consideration of Euro 32,102,256 (delivery of the vessel is scheduled for 25 September 2026);
- an agreement entered into on 28 April 2026 in relation to contract no. 606, under which the vessel owner undertook to pay an additional Euro 600,000 on top of the original consideration of Euro 31,683,502 (delivery of the vessel is scheduled for 8 July 2026).

Also in light of the advanced stage of construction of these two vessels, the agreements reached were particularly beneficial to TISG, enabling it to complete the contracts and collect the related balances in addition to the "additional prices".

As regards the other contracts, in some cases the negotiations continued beyond what was considered a reasonable period, while in others the vessel owners made their agreement to renegotiate the contracts as part of the CNC subject to conditions that could have prejudiced TISG's creditors and other stakeholders.

Accordingly, as 14 July 2026 and therefore the expiry of the protection measures under the CNC approached (subject to any extension), the Company acknowledged the unsuccessful outcome of the negotiations and that the turnaround plan could not be implemented, at least as originally conceived.

The Company nevertheless believed that significant value remained in TISG's continued operation and that this value should be preserved in the best interests of creditors, employees and the supply chain. Accordingly, with the assistance of its advisers, the governing body began revising the proposed crisis resolution plan.

To this end, TISG needed to access a crisis resolution instrument, bring the CNC to an early conclusion and commence the consolidated proceedings pursuant to CCII, Articles 40 et seq., reserving the right to file the plan, the proposal and the documentation referred to in CCII, Article 39, within the time limit granted by the Court pursuant to CCII, Article 44.

On 30 June 2026, the Board of Directors adopted the resolution pursuant to CCII, Article 120-*bis*, notarised by Notary Public Gaia Nardone and published in the Companies Register. Pursuant to CCII, Article 44(1-*quater*) (the so-called "pre-filing" application or "blank composition with creditors"), it requested application of the PRO regime pursuant to CCII, Article 64-*bis*, and then requested that the negotiated crisis resolution application be closed.

Note that TISG had initiated the CNC on a group basis, also involving GCH and Celi. However, there was no reason to believe that the prospects of a successful outcome of GCH's and Celi's CNC had ceased to exist following the revision of TISG's crisis resolution proposal and TISG's entry into the consolidated proceedings. Those prospects depend on TISG's turnaround, irrespective of how it is achieved.

GCH and Celi therefore continue their respective processes under the negotiated crisis resolution procedure.

Pursuant to Article 54(2) of the CCII, the Company also requested asset protection measures from the Court in respect of all its creditors so that:

- no creditor could commence or continue enforcement or interim proceedings against the Company's assets or the assets and rights used to carry on the business;
- limitation periods would remain suspended and no rights would lapse;
- no judgments opening judicial liquidation proceedings or declaring insolvency could be handed down (note that no applications to this effect are currently pending).

Upon confirmation of the protection measures pursuant to CCII, Article 55(3), for the maximum period permitted pursuant to Article 55 (3) of the CCII, namely four months, without prejudice to any subsequent requests for an extension where necessary and where the statutory requirements were met, the following remained in force:

- the suspension of the obligations and grounds for dissolution relating to capital losses pursuant to Article 44 (1-*bis*) (continuing the suspension already requested as part of the CNC pursuant to CCII, Article 20);
- the prohibition on creditors acquiring preferential rights effective against competing creditors and the provision that judicial mortgages registered in the 90 days before publication of the application pursuant to Article 44 are ineffective, as provided for by Article 46(5).

The new crisis turnaround proposal, filed with the application pursuant to CCII, Article 44, sets out a series of measures to restore TISG's capital, economic and financial equilibrium, including in particular:

- continuing negotiations with vessel owners with the aim of renegotiating the consideration or terminating contracts by mutual agreement (in either case with a positive impact on equity), without prejudice, if no agreement can be reached, to the possibility of terminating unprofitable contracts (i.e. those with costs to complete exceeding the consideration still to be collected) pursuant to CCII, Article 97;
- a capital increase to be subscribed for by new public or private investors through the stock market.
- the disposal of the La Spezia shipyard, as a business unit, which is considered non-strategic,
- the negotiation of an agreement with the tax authorities and social security institutions,
- further measures relating to financial and trade debt, as well as the possible conversion of approximately Euro 134 million of unsecured financial debt into participating financial instruments (PFIs).

The crisis resolution proposal was accompanied by a business plan containing income statement, balance sheet and cash flow projections through to 2031.

It was also necessary, within the time limits granted by the Court pursuant to CCII, Article 44, for ongoing vessel construction contracts to be "frozen" in their current state so that the assessments in progress could be completed and negotiations with vessel owners conducted in an orderly manner.

This need to "freeze" the contracts resulted in three further applications to the Court for the following interim measures:

- an application for the immediate suspension, pursuant to CCII, Article 97 (7), of all ongoing construction contracts, with the sole exception of the two contracts scheduled for delivery in July and September of the current year;
- an application for an interim measure against the vessel owners prohibiting the use of contractual self-help remedies, both those provided for in relation to previous defaults and, insofar as necessary, those provided for in connection with TISG's entry into the consolidated proceedings;
- an application for an interim measure against the vessel owners and their respective guarantors prohibiting enforcement and/or payment of the guarantees granted to the vessel owners under the construction contracts.
- an application to release strategic suppliers from their obligation to assign receivables in bulk to factoring companies.

Finally, an application was made to launch a competitive procedure for the sale of the La Spezia business unit.

On 3 July 2026, the Court issued an order limited to the request for a time limit pursuant to Article 44, in respect of which the Court:

- granted a period of 60 days, and therefore until 31 August 2026, to file the plan and proposal;
- appointed three Judicial Commissioners: Professor and Lawyer Niccolò Abriani, Dr Riccardo Forgheschi and Dr Manuela Olastri;
- ordered the filing of periodic reports, the first by 3 August 2026 and the second (if the time limit pursuant to Article 44 was extended) by 2 September 2026;
- granted the early application not of the PRO regime (whose requirements the filed plan would not meet) but of the arrangement with creditors on a going concern basis. Consequently, acts of extraordinary administration will have to be authorised by the Court after consulting the Judicial Commissioners;

- scheduled the inter partes hearing on the plan for 16 September 2026 (the hearing will be postponed if the deadline for filing the plan is extended).

With regard to the other applications (confirmation of the protection measures, granting of interim measures, suspension of the contracts and ordering of the competitive procedure for La Spezia), on 6 July 2026 the Court issued an order by which it

- confirmed the protection measures for four months, until 1 November 2026

- provisionally granted all the requested interim measures pending the hearing, so that:

- the vessel owners may not terminate the contracts as a result of TISG's defaults;

- the vessel owners may not enforce guarantees and the guarantors may not pay any guarantees that are enforced;

- the suppliers essential to contracts 606 and 614, those indicated in the application, will be temporarily released from their obligations to assign receivables to factoring companies.

The inter partes hearing on the interim measures was scheduled for 22 July 2026.

On 29 July 2026, the Court of Florence issued an order revoking the interim measures granted without hearing the other party by its order of 6 July 2026 and adopting a modified interim measure to protect strategic suppliers involved in contracts nearing completion.

Specifically, the Court revoked the interim measures prohibiting contractual self-help remedies and enforcement of guarantees against vessel owners, as well as the prohibition on payment by guarantors whose guarantees had been enforced. It instead ordered an interim measure to protect strategic suppliers involved in contracts that the Company intends to complete, providing for TISG to pay the related consideration directly to those suppliers, without prejudice to the factoring companies' rights to the receivables, until agreements with similar terms are reached with them.

As part of the proceedings pursuant to CCII, Article 44, the Company had filed an application pursuant to Article 97 of the CCII for the suspension of ongoing vessel construction contracts, except for contracts 606 and 614 which were at the delivery stage, as an interim measure intended to provide the time needed to complete the assessment of the profitability of each contract and discuss additional prices with the vessel owners. Most vessel owners opposed the application.

By order of 31 July 2026, Case Register no. 222/2026, the Bankruptcy Division of the Court of Florence rejected the application for suspension, finding that the measure was neither consistent with the plan nor conducive to its implementation and noting that the resulting arrangements did not prevent agreements with different terms from being reached with the vessel owners. The order therefore leaves the vessel owners free to terminate the contracts, thereby crystallising the related creditor positions.

By order of 3 August 2026, after obtaining the opinion filed by the Judicial Commissioners on 30 July 2026, the Court found that the requirements for authorising a competitive procedure for the business unit comprising the La Spezia shipyard had not been met, either pursuant to Article 91(3) or Article 46 of the CCII, because a conditional irrevocable offer had been received from a third-party investor on 27 July 2026 concerning TISG's entire business, including the La Spezia and Marina di Carrara shipyards and the equity investment in Celi S.r.l.

On 9 August 2026, TISG announced that it had launched a competitive process to identify potential investors as part of the Company's restructuring process. The competitive process was launched following the many unsolicited expressions of interest received by the Company and in response to the need to bring them within a single procedural framework. The process is intended to gather irrevocable offers under the supervision of the Judicial Commissioners.

The transaction may be structured in one of two ways: as an Asset Deal or a Share Deal. In an Asset Deal, the assets to be sold are the shipyards (the Carrara and La Spezia sites), the Viareggio site, the Admiral, Perini, Picchiotti and Tecnomar brands and the shareholdings in Celi S.r.l. and TISG Turkey Yat Tersanecilik A.Ş. Each bidder is invited to specify in its offer the scope of the assets in which it is interested, which may comprise the entire business, business units, individual assets or combinations thereof. Alternatively, the process envisages a Share Deal through a capital increase intended to recapitalise the Company and restore the capital and financial conditions required for it to continue as a going concern.

The first phase of the process involves submitting non-binding indicative offers by 15 September 2026. The offers will remain valid for 90 days after the deadline and may be extended at the Company's request. Based on the offers received, TISG will select the investors to be admitted to the second phase, which will include more in-depth due diligence. Phase II is currently expected to last approximately five weeks from the invitation date, with binding offers to be submitted by 15 October 2026 and signing tentatively scheduled for 26 October 2026. The timetable may nevertheless be changed to reflect the necessary corporate and regulatory steps. Completion of the transaction also remains subject to the supervision of the Judicial Commissioners and authorisations from the competent Court.

On 31 July 2026, the expert Mr Terzani filed with the Court of Florence his favourable opinion on extending the protection measures for Celi S.r.l. and GC Holding S.p.A. by a further 120 days (until 14 November 2026). On 30 July 2026, an application pursuant to Article 20 of the CCII was filed with the Companies Register to suspend the recapitalisation obligations.

Subsequently, by an order filed on 17 August 2026, the Court of Florence extended the protection measures for Celi S.r.l. and GC Holding S.p.A. by a further 120 days, until 14 November 2026.

On 28 August 2026, the Company filed an application for an extension, until 30 October 2026, of the deadline pursuant to Article 44 of the Italian Crisis and Insolvency Code (CCII). The application received a favourable opinion from the Commissioners and is currently pending before the Court of Florence.

Lastly, on 26 August 2026, the Company was served with two petitions for the opening of judicial liquidation proceedings filed by two supplier creditors, together with the relevant court order scheduling the hearing for 6 October 2026.

As previously disclosed, Legislative Decree No. 136 of 13 September 2024 (the so-called “Corrective Decree *ter*”) amended Article 44 of the CCII by removing the requirement that there be “no pending applications for the opening of judicial liquidation proceedings”.

Accordingly, the existence of applications seeking the judicial liquidation of the debtor does not, in itself, preclude an extension of the deadline, provided that the application for such extension is supported by justified grounds, as is the case in the present circumstances.

*Description of the events and circumstances that may cast significant doubt on the Company’s and the Group’s ability to continue as going concerns*

Taking all of the above into account, the Directors believe that TISG’s position remains subject to material uncertainties relating to events and circumstances that cast doubt on the Company’s and the Group’s ability to continue as going concerns. Their resolution depends significantly on external factors beyond the control of the governing body, including in particular:

- agreements with the vessel owners concerning the requested additional prices or the termination of contracts,
- completion of the agreement with the banks and financial institutions (factoring companies) based on the financial measures described above,
- completion of the planned share capital increase and/or provision of bridge financing or DIP financing to cover the lack of financial resources in the coming months,
- the disposal of the La Spezia shipyard or other business units following the launch of the competitive process for the entry of new investors through an asset deal or share deal,
- completion of the settlements with the Italian Revenue Agency, social security institutions and suppliers for both TISG and Celi S.r.l.,
- completion of the agreements with suppliers,
- completion of the organisational, strategic and commercial changes already launched, the reduction of overheads and achievement of the economic and financial objectives described above within the envisaged time frames and by the envisaged methods, subject to the approval and court confirmation of a 2026-2031 Business Plan, which must, among other things, form the basis for the Directors' principal assessments in drafting the financial statements as at 31 December 2025,

The recoverability of the principal assets in the separate financial statements is conditional on the successful resolution of the same material uncertainties affecting the going concern assumption described above.

Having carefully analysed the various material uncertainties connected with the circumstances described above and relating to TISG that could cast doubt on the adoption of the going concern assumption, and in light of:

- the agreements under negotiation with the vessel owners concerning the requested additional prices or the termination of contracts, also taking into account the Court orders described above,
- completion of the agreement currently under negotiation with the banks and financial institutions (factoring companies) based on the financial measures described above,
- the possible disposal of the La Spezia site or other business units, or completion of the planned share capital increase, following the offers received and the launch of the competitive process for the entry of new investors;
- completion of the settlements with the Italian Revenue Agency and social security institutions,
- certification and approval of the 2026-2031 Business Plan by the Court of Florence,
- completion of the organisational, strategic and commercial changes already launched, the reduction of overheads and achievement of the economic and financial objectives described above within the time frames and by the methods set out in the approved 2026-2031 Business Plan, which must, among other things, form the basis for the Directors' principal assessments in preparing the financial statements as at 31 December 2025,

the Board of Directors nevertheless has a reasonable expectation that the Company will be able to continue operating for the foreseeable future, defined as at least 12 months from the date of approval of these financial statements, and therefore considered it appropriate to draft the consolidated financial statements as at 31 December 2025 on a going concern basis.

# CONSOLIDATION PRINCIPLES

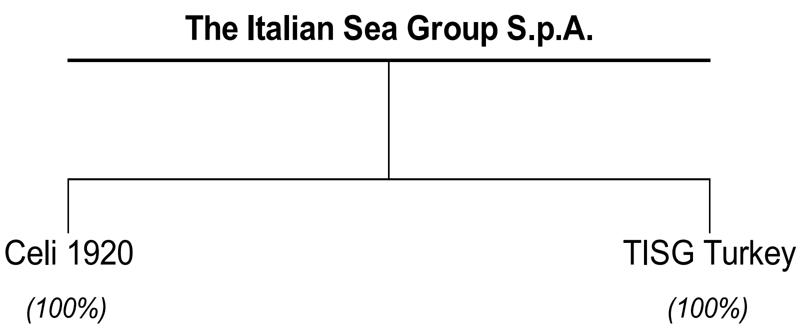
The consolidated financial statements as at 31 December 2025 illustrate the equity, economic and financial situation of the parent company TISG S.p.A. (hereinafter the “Company”) and its fully consolidated Italian and foreign subsidiaries, collectively identified as the TISG Group (hereinafter the “Group”).

The consolidated financial statements as at 31 December 2025 include the financial statements for the year 2025 of the Group companies drafted 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 subsidiaries within the scope of consolidation close their financial year on 31 December, as does the Parent Company, and therefore it was not necessary to make any adjustments or prepare special financial statements for consolidation purposes.

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 statement of
financial position among the components of shareholders‘ equity, separately from the Group's net 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 31 December 2025:



These transactions were handled in accordance with the provisions for business combinations.

# INTRODUCTION

The Italian Sea Group S.p.A. has adopted the International Financial Reporting Standards adopted by the European Union (IFRS), from 2014 onwards, with a date of transition to the IFRS (FTA) at 1 January 2013.

It should be noted that the IFRS are the accounting standards approved by the International Accounting Standards Board (IASB), adopted pursuant to Regulation (EC) no. 1606/2002.
At national level, the international accounting standards were implemented in our system with Italian Legislative Decree no. 38/2005, containing a series of provisions aimed at harmonising the application of the standards in question with domestic regulations on business income.

The choice by the Group to adopt the IFRS international accounting standards as reference standards for the preparation of its consolidated and separated financial statements offers the opportunity to compare the financial statement figures with those of its main competitors and to carry forward the process of internationalisation.

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, interpretations and amendments adopted by the Group**

The accounting standards, amendments and interpretations not adopted early for the year ended 31 December 2025 govern circumstances and cases that do not have a significant effect on the Company's financial position and results or on the disclosures in the separate financial statements.

The Company is assessing the impact of changes, amendments and interpretations to Endorsed Accounting Standards that have not been adopted early or are in the process of endorsement.

The standards and interpretations that had already been issued but not adopted early at the date the financial statements were prepared are listed below:

<u>Amendments to IAS 21: Lack of exchangeability</u>

On 15 August 2023, the IASB published "Lack of exchangeability", amending IAS 21 - "The Effects of Changes in Foreign Exchange Rates". The amendments introduce requirements to establish when a currency is exchangeable into another currency and when it is not. The amendments require an entity to estimate the spot exchange rate when it determines that a currency is not exchangeable into another currency. This amendment is mandatory from 1 January 2025.

These amendments do not have a significant impact on the Group or TISG's separate financial statements.

**International IAS/IFRS accounting standards whose mandatory application begins after 31 December 2025**

Changes to the classification and measurement of financial instruments (Amendments to IFRS 9 and IFRS 7)

In May 2024, the IASB issued "Amendments to the Classification and Measurement of Financial Instruments". The Amendments may significantly affect how entities account for the derecognition of financial liabilities and classify financial assets and are mandatory from 1 January 2026.

Contracts Referencing Nature-dependent Electricity, formerly Power Purchase Agreements (Amendments to IFRS 9 and IFRS 7)

On 18 December 2024, the IASB made targeted amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to improve disclosures about these contracts in the financial statements. This amendment is mandatory from 1 January 2026.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 Presentation of Financial Statements and is mandatory for annual reporting periods beginning on or after 1 January 2027.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

On 9 May 2024, the International Accounting Standards Board (IASB) issued IFRS 19 Subsidiaries without Public Accountability: Disclosures

The project culminated in the publication of IFRS 19, which permits eligible subsidiaries to apply reduced disclosure requirements when complying with the recognition, measurement and presentation requirements of IFRS Accounting Standards.

IFRS for SMEs Accounting Standard – Third Edition

*In February 2025, the IASB issued the third edition of the IFRS for SMEs Accounting Standard. The following topics contain significant changes, with a number of accounting areas aligned with IFRS Accounting Standards. The new requirements take effect for annual reporting periods beginning on or after 1 January 2027, and are mandatory for entities applying the IFRS for SMEs Accounting Standard.*

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

## ACCOUNTING STANDARDS AND VALUATION CRITERIA

The consolidated financial statements at 31 December 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 2025.

The accounting standards adopted in the preparation of these financial statements are consistent with those adopted in the preparation of the consolidated financial statements as at 31 December 2024.

## NON-CURRENT ASSETS

**INTANGIBLE ASSETS**

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

The brands “Admiral”, “Tecnomar” and “Perini Navi” are considered assets with an indefinite useful life and, therefore, are not amortised, but are subject to impairment testing at least once a year, in accordance with **IAS 36 – Impairment of Assets** - (“Impairment Test”) carried out at the level of the Cash Generating Unit (“CGU”) to which TISG’s management attributes the brand.
The Picchiotti brand has been measured at finite useful life and, consequently, amortised over a period of 18 years.

The recoverability measurement is carried out for each cash generating unit, represented by the smallest identifiable set of assets that generates cash inflows largely independent from those generated by other assets.

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

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

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

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

In order to determine the value in use, the expected cash flows are discounted at a rate that reflects the current market valuations of the time value of money and the specific risks of the asset not reflected in the estimates of cash flows. In particular, the discount rate used is the Weighted Average Cost of Capital ("WACC").

When the value of the cash generating unit, including brands, is higher than the recoverable value, the difference is written down. When the reasons for the write-down no longer apply, the assets are revalued and the adjustment is charged to the income statement; the write-back is carried out for an amount equal to the lower of the recoverable value and the carrying amount gross of the write-downs previously carried out.

In the execution of the impairment test at 31 December 2025, the following has been considered:

- The ESMA Public Statement of 25 October 2023 "European common enforcement priorities for 2023 annual financial reports" which reiterates, *inter alia*, some recommendations already present in the previous Public Statement published in October 2022; more specifically, in the drawing up of reports and the information provided, a particular focus is requested regarding:
    - climate issues and the consistency between the information contained in the reports and the non-financial information, the recording of emission allowances (ETS) and certificates linked to renewable energy and the impairment testing process as far as the climate is concerned;
    - the impact of the current macroeconomic context on re-financing risks and other financial risks, as well as the process of fair value determination and the related disclosure;
    - alternative performance measures.

- discussion paper n. 1/2022 "Impairment test of non-financial assets (IAS 36) following the war in Ukraine" published on 29 June 2022 by the Organismo Italiano di Valutazione ("OIV") which recalls the content of the ESMA Public Statement of 13 May 2022 (subject to CONSOB Warning notice of 19 May 2022) and provides operational guidelines to manage the uncertainty of the current context regarding the exercise of any impairment test.

**Research costs** are charged to the Income Statement in the period in which they are incurred.

**Costs for the development** of new products and manufacturing processes are capitalised and recognised under intangible assets only if all of the following conditions are met:

- the project is clearly identified and the related costs can be reliably identified and measured;
- the technical feasibility of the project is demonstrated;
- the intention to complete the project and to sell the intangible assets generated by the project has been demonstrated;
- there is a potential market or, in the case of internal use, the usefulness of the intangible asset has been demonstrated;
- the technical and financial resources necessary for the completion of the project are available.

They are amortised over the period in which the expected future revenues will arise from the same project, generally having a useful life of 5 years.

**TANGIBLE ASSETS**

Tangible assets are recognised in the financial statements at purchase cost, including any accessory charges, and are systematically depreciated each year on a straight-line basis over their estimated useful life.
During 2025, the Parent Company changed the measurement model solely for the property category, comprising buildings, concession buildings and land, applying the revaluation (fair value) model represented by the market value of the assets, as determined by professionally qualified independent appraisers and described in greater detail in the Notes on the specific item. In the context of the crisis and pending the ongoing turnaround operations, the Company considered it appropriate to enhance the value of its most important assets, namely the concession buildings at the La Spezia, Marina di Carrara and Viareggio shipyards, in order to determine their market value through independent appraisals conducted by a professionally qualified party (Ryze S.p.A.).

The objective was to determine the correct market value of the properties because the Company:

- Is proceeding with the sale of the La Spezia shipyard, for which tender documentation is being prepared and is in the process of being authorised within the crisis proceedings pursuant to CCII, Article 44.
- Intends to enhance the value of the other assets, Marina di Carrara and Viareggio, in discussions with potential new investors concerning a possible investment in the Company's capital, again in support of the crisis turnaround.

International accounting standards (IAS 16) permit property, plant and equipment to be measured either at cost or using the revaluation model (fair value), represented by the market value determined by appraisals performed by qualified independent professionals. The standards also establish that a change in measurement must affect an entire class of assets. The Company therefore changed the measurement model for the entire class of Land and Buildings, which includes owned and concession buildings, and therefore not only La Spezia, Marina di Carrara and Viareggio, as well as properties held in the municipality of Stroncone (TR) and leased to subsidiary Celi S.r.l.

Ordinary maintenance expenses are charged in full to the income statement, those of an incremental nature are charged to the asset to which they refer and are depreciated in relation to its residual useful life.

If the individual components of a complex tangible asset have a different useful life, they are recognised separately to be depreciated in line with their useful life ("component approach").

Fixed assets under construction are valued at cost, including directly and indirectly attributable ancillary costs, only for the portion that can reasonably be attributed to them.

Tangible assets are depreciated on the basis of the economic-technical rates shown below, representative of the useful life:

| DESCRIPTION | % |
|---|---|
| **Buildings on land under concession Marina di Carrara** | Until the expiry of the concession (December 2072) |
| **Buildings on land under concession La Spezia** | Until the expiry of the concession (February 2035) |
| **Buildings on land under concession Viareggio** | Until the expiry of the concession (February 2037) |
| **Plant and Machinery** | 6.67%-10% |
| **Equipment** | 10%-25% |

| | |
|---|---|
| **Office furniture and machinery** | 12% |
| **Electronic machines** | 20% |
| **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 Company holds tangible assets used in carrying out its business activities, through lease agreements. At the start date of the lease, the Company determines whether the contract is, or contains, a lease.

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

The **right of use** consists of the lessee's right to use the underlying asset for the duration of the lease; its initial measurement is at cost, which includes the initial amount of the lease liability adjusted for all payments due for the lease made on the effective date or previously net of the lease incentives received, plus any initial direct costs incurred and an estimate of the costs for the dismantling and removal of the underlying asset and for the restoration of the underlying asset or site where it is located. After initial recognition, the **right of use** is amortised on a straight-line basis over the duration of the lease agreement.

The lease liability is initially measured at the present value of the lease payments due over the term of the lease. In calculating the present value of lease payments, the Company uses the lessee's marginal borrowing rate at the start date of the lease when the implicit interest rate of the lease cannot be easily determined.

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

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

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

## CURRENT ASSETS

**STOCK INVENTORIES**

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

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

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**ASSETS AND LIABILITIES FROM CONTRACT WORK IN PROGRESS**

The ships built by TISG are unique assets built based on the specific requests of the buyer, which TISG cannot readily allocate to alternative use for contractual and practical obligations. For these assets, the recognition of revenues takes place progressively over time over the construction period.

Assets and liabilities from contract work in progress (hereinafter also "contracts") are recognised at the value of the agreed contractual considerations, according to the percentage of completion method, taking into account the progress achieved and the expected contractual risks. The work progress is measured with the input method with reference to the contract costs incurred at the reporting date in relation to the total estimated costs for the contract ("cost-to-cost").

If it is expected that the completion of a contract may result in a loss, this is recognised in its entirety in the year in which it becomes reasonably foreseeable.

Contract orders are stated considering the costs incurred plus the margins recognised, less any expected losses, net of invoicing for work in progress.

This analysis is carried out on a contract-by-contract basis. If the differential is positive, the imbalance is classified as an asset under the item "assets from contract work in progress"; if, on the other hand, this differential is negative, the difference is classified as a liability under the item "liabilities from contract work in progress".

**TRADE RECEIVABLES AND OTHER ASSETS**

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

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

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

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

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

**CASH AND CASH EQUIVALENTS**

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

## NON-CURRENT LIABILITIES

**PROVISIONS FOR RISKS AND CHARGES**

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

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

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

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

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**CONTINGENT ASSETS AND LIABILITIES**

Contingent liabilities consist of:

a) “possible” obligations that arise from events that occurred before the reporting date and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not fully under the Company's control; or

b) current obligations that arise from events before the reporting date but are not recognised because: (i) it is not probable that the liability will require an outflow of resources from the action of settling the obligation; or (ii) the amount of the obligation may not be estimated with sufficient accuracy.

Contingent assets are represented by assets that derived from events that occurred before the reporting date and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not fully under the Company's control.

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

**EMPLOYEE BENEFITS (POST-EMPLOYMENT PLANS)**

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

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

With the adoption of IFRS, the severance indemnity accrued up to 31 December 2006 is therefore considered a defined benefit obligation.

On 16 June 2011, the IASB issued an amendment to IAS 19 – Employee Benefits, which eliminates the option of deferring the recognition of actuarial gains and losses with the corridor method, requiring the presentation in the statement of financial position of the provision deficit or surplus, and the recognition of cost components linked to work performance and net financial charges in the income statement, and the recognition of actuarial gains and losses deriving from the remeasurement of liabilities and assets under "Other comprehensive income/(losses)". In addition, the return on assets included under net financial charges must be calculated based on the discount rate of the liability and no longer on the expected return on the assets.

**FINANCIAL LIABILITIES**

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

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

**DERIVATIVES**

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

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

In the case of hedging aimed at neutralising the risk of changes in future cash flows originating from the future execution of transactions expected to be highly probable at the reporting date (cash flow hedge), the changes in the fair value of the derivative instrument recorded after initial recognition are accounted for, limited only to the effective portion, among the components of comprehensive profit and loss.

## CURRENT LIABILITIES

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

Financial liabilities are classified under current liabilities, unless the Company has an unconditional right to defer their payment for at least 12 months after the reference date. Financial liabilities are derecognised from the financial statements when they are extinguished and when the Company has transferred all risks and charges relating to the instrument.

## REVENUES

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

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

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

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

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

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

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

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

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

Invoices are issued according to the conditions set forth in the contract for each individual unit. In particular, a payment on account is established at the start of the contract, and invoices are subsequently issued on the achievement of specific partial completion stages (Stati di Avanzamento Lavori, “SALS”).

By way of example (but not exhaustive as it depends on the type of contract), invoices are issued:

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

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

#### FINANCIAL INCOME

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

#### ACCOUNTING FOR GOVERNMENT GRANTS

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

## COSTS

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

## FINANCIAL CHARGES

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

## DIVIDENDS

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

## TAXES

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

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

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

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

# CRITERIA FOR CONVERSION OF FOREIGN CURRENCY ITEMS (NOT IN THE EUROZONE)

Receivables and payables expressed in foreign currency are originally recognised on the basis of the exchange rates in force on the date on which they arose and, if existing at the end of the reporting period, are appropriately stated in the financial statements at the exchange rate in force at the end of the period, by crediting or debiting exchange gains or losses to the income statement.

Exchange rate differences are of a financial nature and as such are recognised in the income statement as financial income components, as they are not related to the commercial transaction in the strict sense, but express the changes over time – once the commercial transaction is concluded – of the currency chosen for the negotiation.

There are no significant effects to report from changes in exchange rates after the end of the period.

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# 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 were 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.

## CORRECTION OF MATERIAL PRIOR-PERIOD ERRORS

With reference to 2025, as described in the going concern section, the Company identified material errors connected with accounting irregularities relating to the progress of contracts in progress, including assets and liabilities for contracts in progress, and the related provision for onerous contracts. To correctly reflect these accounting irregularities, the Company considered two aspects: (i) evidence from the forensic work and the complaints filed against former managers, which demonstrates that the fraudulent conduct and manipulation of accounting data also dated back to years before 2025; and (ii) compliance with IAS 8, paras. 43 and 44, which provides that where it is impracticable to determine the specific effects of an error on comparative prior periods, an entity may perform a restatement by redefining the opening balances of assets and liabilities in the earliest period, which may be the current period, for which this is practicable.

In light of the above, since the events also related to years before 2025 and at least the option permitted by IAS 8, para. 44, had to be applied, the Company restated the effects of the accounting irregularities at least as of 1 January 2025, recognising the impacts relating to prior periods in accumulated losses within shareholders' equity, as described in greater detail in the comments on the financial statement items affected by these irregularities in the Notes. To do so, significant assumptions and estimates were used in reconstructing the amounts at the beginning of 2025 solely to comply with the minimum accounting standard requirements and avoid recognising all the effects in 2025 alone.

The difficulties that mean reconstruction of the correct calculation of progress on contracts in earlier periods is based on estimates rather than facts are described below.

Following the emergence of irregularities in contract management, during the second quarter of 2026 management defined the correct total cost budget for each contract in progress at the end of 2025, comprising costs incurred, including the additional costs that emerged, and costs still to be incurred to complete the vessels. This revealed that all vessel sale contracts had negative margins and were therefore loss-making onerous contracts. Progress on contracts was then recalculated using the percentage-of-completion method, eliminating transfers of actual costs between contracts intended to show overall revenue progress higher than the actual amount and removing from actual costs the direct and indirect personnel costs not included in the cost budgets.

The principal element based on substantial estimates rather than facts when restating data for prior periods is the assumption that the same total cost budget, now accurately defined for contracts in progress, applied from contract inception and/or at interim dates. The Company cannot determine with certainty whether the budget overruns already existed when the contract was signed and/or at the end of each year and therefore also as of 1 January 2024. For the restatement as of 1 January 2025, the Company assumed that each contract had the same cost budget solely to comply with the minimum requirements of the accounting standard and reflect the fact that the irregularities also related to previous years.

## COMMENTS ON THE MAIN ASSET ITEMS

### NOTE 1 – BRANDS

Changes in this item are detailed as follows:

| *In thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Brands | 12,708 | 34,604 | (21,896) |
| **TOTAL** | **12,708** | **34,604** | **(21,896)** |

| *In thousands of Euros* | Brand Admiral | Tecnomar brand | Brand Perini Navi | Picchiotti brand | Celi brand | Total |
|---|---|---|---|---|---|---|
| ***Net Book Value 31/12/2024*** | **2,319** | **1,235** | **30,351** | ***689*** | **10** | **34,604** |
| Investments | - | - | - | - | - | - |
| Impairment loss | - | - | (21,851) | - | - | **(21,851)** |
| Amortisation | - | - | - | (47) | - | **(47)** |
| **Net Book Value 31/12/2025** | **2,319** | **1,235** | **8,500** | **642** | **10** | **12,708** |

**Brands:** This item, amounting to Euro 12,708 thousand as at 31 December 2025, decreased, with respect to 31 December 2024, by Euro 21,896 thousand. This decrease was due to amortisation of the Picchiotti brand, which has a finite useful life, and the impairment loss on the Perini brand following the forecasts in the 2026-2031 Business Plan, which envisage that future sales will concentrate mainly on Admiral and Tecnomar vessels, with only two Perini vessels.

Based on the results of the “Purchase Price Allocation – PPA”, carried out in order to define the allocation of the sale price of the Perini Navi business complex to the various assets, a value of Euro 30,351 thousand was allocated to the Perini Navi brand and a value of approximately Euro 825 thousand to the Picchiotti brand.

The remaining item is composed of Euro 2,319 thousand for the purchase of the Admiral brand, incurred by The Italian Sea Group S.p.A. in 2011, and Euro 1,235 thousand for the purchase of the Tecnomar brand in December 2019 and Euro 10 thousand for CELI; these trademarks were considered to have an indefinite useful life.

The Picchiotti brand has been measured at finite useful life and amortised over a period of 18 years.

Brands are tested for impairment indicators at least once a year ("Impairment Test"). If the test shows an impairment loss, the Group records a corresponding write-down in the financial statements. This test was based on the comparison between the recoverable value of the brands and their book value posted in the financial statements.

Pursuant to IAS 36, Cash-Generating Units (CGUs) were identified as the smallest groups of assets capable of generating largely independent cash inflows. The Company identified the following CGUs, corresponding to each brand considered to have an indefinite useful life and a specific product line:

- Admiral Yachts ≥ 50 metres long (luxury motor yacht segment).
- Tecnomar Yachts < 50 metres long (sport-luxury segment).
- Perini Navi large sailing superyachts; an international heritage brand.

The recoverable amount of the CGUs was determined by reference to value in use, estimated using the Discounted Cash Flow (DCF) method, which was considered the most appropriate valuation tool for representing the CGUs' prospective ability to generate future economic benefits.

It should be noted that the cash flows underlying the DCF model:

- were derived from the multi-year 2026-2031 Business Plan approved by the Board of Directors on the same date as these Consolidated Financial Statements;

- reflect the best estimates available at the approval date of the Annual and Consolidated Financial Report concerning expected revenue trends;

- are consistent with market conditions and the order backlog at the measurement date.

For the impairment test as at 31 December 2025, the Company adopted the Value in Use criterion, determined by discounting the prospective cash flows attributable to the brands.

The methodology adopted is consistent with IAS 36 and uses the relief-from-royalty approach, a valuation technique that determines brand value by estimating the cash flows an entity would save by avoiding the payment of royalties to third parties for use of the brand, thereby assuming an economic benefit equal to the notional licence fee that would otherwise be recognised in the market.

The parameters used with respect to the three CGUs subject to impairment are:

- The **4.7% royalty rate.**
- Cost of capital of **11.84%**.
- The **27.9%** tax rate (IRES 24% and Tuscany Region IRAP 3.9%)
- **2%** long-term growth
- Time horizon: **2026-2031**

<u>Determination of the royalty rate</u>:
The royalty rate used to measure the CGUs was determined using a relief-from-royalty income approach consistent with international valuation practices and the methodology applied in the Purchase Price Allocation prepared by PwC to allocate the acquisition price of the Perini Navi business to the individual assets.
In line with the relief-from-royalty method described in the previous paragraph, the brand value was estimated based on the economic benefit from avoiding payment of notional consideration for use of the

brand. For this purpose, a theoretical market royalty rate was determined and applied to the expected revenue generated by the brand.
The royalty rate was determined using the profit split method, which is widely established in intangible asset valuations. Under this approach, the remuneration attributable to the brand is a function of the operating profit (EBIT) generated by the licensee through use of the brand.
Based on PwC's analyses, licensing agreements for brands and other intangible assets generally attribute between 25% and 33% of the licensee's EBIT to the brand owner.
The royalty calculation was therefore based on the profit split method with reference to the so-called "33% rule". Under this criterion, in brand licensing agreements approximately one-third (33%) of the operating profit generated by the licensee is attributed to the brand owner as remuneration for use of the intangible asset. This percentage is supported by market benchmarks and comparative studies of licensing agreements and is a commonly used parameter in determining the notional royalty rate where more precise specific data are unavailable.
Based on the analyses described above, PwC determined a royalty rate of 4.7%. The 4.7% royalty rate identified for the Perini brand was also used as a reference parameter for the impairment tests on the Admiral and Tecnomar brands.

<u>Determination of the estimated cost of capital</u>

For prudence, the cost of capital was used to discount the cash flows from use of the brand. It was determined by adding to the risk-free rate the product of the unlevered beta, which reflects the industry's operating risk based on an analysis of comparable companies net of company-specific financial leverage risk, and the equity risk premium, then adding a specific risk premium connected with the valuation of an individual asset and its relative illiquidity.

The discount rate for the cash flows was therefore determined using 100% equity leverage without considering the cost of financial debt.

| ***Cost of capital*** | | | **Notes** |
|---|---|---|---|
| (A) Risk-Free Rate – Rf (%) | | 4.04% | 10-year BTP yields on 22 July |
| (B) Equity Risk Premium – ERP (%) | | 4.23% | ERP calculated by Professor Damodaran (excluding country-specific risk) |
| (C) Beta – unlevered comparable set | | 0.63 | Average five-year unlevered beta for Ferretti and Sanlorenzo |
| (D) Brand-Specific Risk Premium (%) | | 5.13% | Illiquidity and additional risk premium |
| **Cost of capital (A+B*C+D)** | **11.84%** | | |

<u>Determination of LTG (terminal growth):</u>

The terminal growth rate, generally indicated by "g" in the literature, is the annual rate at which the cash flows of an asset or CGU are assumed to continue growing beyond the explicit projection period of the business plan. This parameter reflects long-term growth expectations under stable operating and market conditions and is used to calculate terminal value in the Discounted Cash Flow (DCF) model.

The long-term growth rate of 2.0% is considered appropriate and prudent because it is:

- consistent with a long-term nominal growth assumption aligned with the medium/long-term inflation expectations estimated by the International Monetary Fund;

- compatible with medium to long-term structural trends in the high-end yacht market, which is expected to achieve even higher growth over the medium/long term;
- lower than the Cost of Capital used, as required for theoretical consistency of the model.

The results of the Impairment Tests on TISG's brands were approved by the Board of Directors.

The principal economic and financial indicators in the 2026-2031 Business Plan, including value of production, EBITDA, profit, investment and net financial debt, formed the basis for determining the brands' fair value and were broadly consistent with the amounts recognised in the financial statements, as set out below:

- "Admiral" brand: carrying amount of Euro 2,319 thousand (compared with fair value of Euro 66,015 thousand);

- "Tecnomar" brand: carrying amount of Euro 1,235 thousand (compared with fair value of Euro 5,285 thousand);

- "Perini Navi" brand: original carrying amount of Euro 30,351 thousand (compared with fair value of Euro 8,468 thousand), therefore requiring an impairment loss of Euro 21,851 thousand.

Pursuant to IAS 36.134(d)(i)-(iv), a sensitivity analysis was performed to assess the impact of adverse changes in the principal assumptions, particularly the cost of capital, on the recoverable amount of the Perini Navi, Admiral and Tecnomar brands.

To include both exogenous and endogenous factors relating to business performance in the sensitivity analysis, terminal-year revenue trends and the cost of capital (CoC) were used as references. An increase/decrease of +/- 1% in the cost of capital (CoC) compared with the base scenario was considered. For expected revenue in the terminal year of the projection period, a change of +/- 5% compared with the base scenario represented by the 2025-2031 Business Plan was assumed.

The sensitivity analysis found that the recoverable amount of the Admiral and Tecnomar brands would not fall below their carrying amount in any case, thereby excluding any impairment risk.

For the Perini brand, the recoverable amount would fall below the impaired carrying amount only if several adverse events occurred in terms of both the rate and business performance.

Perini Brand Sensitivity Scenario (*euro millions*)

| **Revenue/CoC** | **95%** | **100%** | **105%** |
|---|---|---|---|
| **10.84%** | 9.2 | 9.7 | 10.2 |
| **11.84%** | 8.0 | 8.5 | 8.9 |
| **12.84%** | 7.1 | 7.5 | 7.8 |

In light of the above elements, only the Perini brand saw impairment losses during the 2025 financial year.

## NOTE 2 – OTHER INTANGIBLE ASSETS

Changes in this item are detailed as follows:

| ***In thousands of Euros*** | **31/12/2025** | **31/12/2024** | **Changes** |
|---|---|---|---|
| Development costs | 438 | 690 | (252) |
| **TOTAL** | **438** | **690** | **(252)** |

**Projects:** the item amounted to Euro 438 thousand as at 31 December 2025, a decrease of Euro 252 thousand compared with 31 December 2024, net of amortisation. It includes the capitalisation of the Group's software licences and costs capitalised for the development of strategic projects for TISG S.p.A., amortised over an estimated useful life of five years.

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** | **78** | **612** | **690** |
| ***Changes in 2025*** | | | |
| Investments | 0 | 0 | 0 |
| Net decreases | 0 | 0 | 0 |
| Amortisation | (78) | (174) | (252) |
| **Net Book Value 31/12/2025** | **0** | **438** | **438** |

## NOTE 3 – LAND AND BUILDINGS

Changes in this item are detailed as follows:

| *In thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Land and buildings | 34,497 | 8,964 | 25,533 |
| Buildings on land under concession | 110,898 | 48,083 | 62,815 |
| **TOTAL** | **145,395** | **57,047** | **88,348** |

The item, which relates solely to the Parent Company, totalled Euro 145,395 thousand as at 31 December 2025, an increase of Euro 88,348 thousand compared with 2024 as a result of:

- the Euro 71,350 thousand fair value revaluation of the net carrying amount of the entire class of assets during 2025 in accordance with IAS 16, following a property appraisal by Ryze S.p.A.;
- the correct reclassification of the right-of-use asset for the La Spezia concession buildings to the concession buildings category for Euro 18,537 thousand, corresponding to the amount attributed to it, net of accumulated depreciation over the years, by the Purchase Price Allocation (PPA) when the Perini business was acquired;
- the decrease due to depreciation for the period of Euro 1,396 thousand.

During 2025, the Company changed the measurement model solely for the property category, comprising buildings, concession buildings and land, applying the revaluation (fair value) model based on the assets' market value, as determined by appraisals performed by a professionally qualified party (Ryze S.p.A.) between May and June 2026 with values referring to 31 December 2025.

The property revaluation to the appraised market value, which for state concession buildings included a reduction for the remaining concession term, performed on the amount net of accumulated depreciation, is detailed below:

- Euro 63,925 thousand for the buildings under concession in Marina di Carrara;
- Euro 3,916 thousand for owned and concession buildings at the La Spezia site;
- Euro 2,279 thousand for the owned industrial complex in Stroncone (TR);
- Euro 1,192 thousand for the concession properties at the Viareggio (LU) site;
- Euro 37 thousand for agricultural land in Pisa.

Changes in this item during the twelve months 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) | (16,996) |
| **Net Book Value 31/12/2024** | **8,964** | **48,083** | **57,047** |
| ***Changes in 2025*** | | | |
| IAS 16 revaluations | 7,425 | 63,925 | 71,350 |
| Decreases | (2,680) | (15,855) | (18,535) |
| Transfers of right-of-use concession buildings | 18,537 | 0 | 18,537 |
| **Chg. Historical cost 2025** | **23,282** | **48,070** | **71,352** |
| Depreciation | 286 | 1,110 | 1,396 |
| Release of Depreciation Provision | (2,537) | (15,855) | (18,392) |
| **Chg. Depreciation provision 2025** | **(2,251)** | **(14,745)** | **(16,996)** |
| Historical cost | 34,497 | 110,898 | 145,395 |
| Depreciation provision | 0 | 0 | 0 |
| **Net Book Value 31/12/2025** | **34,497** | **110,898** | **145,395** |

Following the Parent Company's entry into a new seven-year medium/long-term loan in June 2025 for a maximum total amount of Euro 150,000,000, of which Euro 115,000,000 was disbursed and which was backed by a guarantee from SACE S.p.A., as additional security the banks registered a first-ranking mortgage over owned and concession buildings at the Marina di Carrara and La Spezia shipyards for a total amount of Euro 300,000,000.

## NOTE 4 – PLANT, MACHINERY AND EQUIPMENT

Changes in this item are detailed as follows:

| *In thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Work in progress and payments on account | 2,741 | 2,257 | 484 |
| Industrial and commercial equipment | 1,916 | 2,989 | (1,073) |
| Plant and Machinery | 21,368 | 24,268 | (2,900) |
| Moulds | 871 | 1,104 | (233) |
| **TOTAL** | **26,896** | **30,618** | **(3,722)** |

**Assets under construction and advances:** amounted to Euro 2,741 thousand as at 31 December 2025, an increase of Euro 484 thousand compared with 31 December 2024 due to new investment in progress relating to the completion of investment. They relate mainly to the construction of new sales offices, unscheduled maintenance investment and renovation work at the Carrara and La Spezia shipyards and the Stroncone (TR) facility.

**Industrial and commercial equipment**: the item is equal to Euro 1,916 thousand as at 31 December 2025 and decreased by Euro 1,073 thousand compared with the previous financial year, 2024, due to depreciation for the period.

**Plant and machinery**: the item amounted to Euro 21,368 thousand as at 31 December 2025, a decrease of Euro 2,900 thousand compared with 2024, mainly due to depreciation for the year.

**Moulds:** the item, equal to Euro 871 thousand as at 31 December 2025, decreased by Euro 233 thousand compared to 2024, due to depreciation for the period.

Changes during the year are shown below:

| *In thousands of Euros* | Work in progress and payments on account | Industrial and commercial equipment | Plant and Machinery | Moulds | Total |
|---|---|---|---|---|---|
| Historical cost | 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 | 484 | 0 | 0 | 0 | 484 |
| Decreases | 0 | 0 | 0 | 0 | 0 |
| Transfers | 0 | 140 | 0 | 0 | 140 |
| **Chg. Historical cost 2025** | **484** | **140** | **0** | **0** | **624** |
| Depreciation | 0 | 1,178 | 2,900 | 233 | 4,311 |
| Transfers | 0 | 35 | 0 | 0 | 35 |
| **Chg. Depreciation provision 2025** | **0** | **1,213** | **2,900** | **233** | **4,346** |
| Historical cost | 2,741 | 13,303 | 56,648 | 5,251 | 77,943 |
| Depreciation provision | 0 | (11,387) | (35,280) | (4,380) | (51,047) |

| | | | | | |
|---|---|---|---|---|---|
| **Net Book Value 31/12/2025** | **2,741** | **1,916** | **21,368** | **871** | **26,896** |

## NOTE 5 – OTHER TANGIBLE ASSETS

Changes in this item are detailed as follows:

| *In thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Furniture and electronic office equipment | 644 | 812 | (170) |
| Motor vehicles | 333 | 73 | 260 |
| Transport Vehicles | 0 | 1 | (1) |
| **TOTAL** | **977** | **886** | **91** |

The item, amounting to Euro 977 thousand at 31 December 2025, increased by Euro 91 thousand compared with 2024 as a result of depreciation for the period and the year's investment of Euro 301 thousand in the purchase of motor vehicles.

Changes in the item throughout 2025 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 | 0 | 301 | 0 | 301 |
| Decreases | 0 | 0 | 0 | 0 |
| Transfers | 0 | 0 | 0 | 0 |
| **Chg. Historical cost 2025** | **0** | **301** | **0** | **301** |
| Depreciation | 168 | 41 | 1 | 210 |
| Release of Depreciation Provision | 0 | 0 | 0 | 0 |
| **Chg. Depreciation provision 2025** | **168** | **41** | **1** | **210** |
| Historical cost | 4,799 | 730 | 225 | 5,754 |
| Depreciation provision | (4,155) | (397) | (225) | (4,777) |
| **Net Book Value 31/12/2025** | **644** | **333** | **0** | **977** |

## NOTE 6 – RIGHT-OF-USE

Changes in this item are detailed as follows:

| *In thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Right Of Use - Plant and Machinery | 1,669 | 2,263 | (594) |
| Right Of Use - Motor vehicles | 1,623 | 1,839 | (216) |
| Right Of Use - Buildings on land under concession | 6,521 | 27,640 | (21,119) |
| **TOTAL** | **9,813** | **31,742** | **(21,929)** |

The item **right-of-use ("ROU")** includes the recognition under tangible fixed assets of the rights of use of the assets held by the company under lease agreements, in accordance with the provisions of IFRS 16.

The **ROU – Plant and machinery** item amounted to Euro 1,669 thousand as at 31 December 2025, a decrease of Euro 594 thousand compared with 31 December 2024 due to depreciation for the year; this item includes all agreements for the lease of plant and machinery used in the Company's operations.

The item **ROU – Motor vehicles**, equal to Euro 1,623 thousand as at 31 December 2025, a decrease of Euro 216 thousand compared to 31 December 2024, includes all leasing contracts for motor vehicles that make up the corporate fleet.

The item **ROU – Buildings under state concession**, amounting to Euro 6,521 thousand as at 31 December 2025, refers to the recognition of the present value of the state concessions relating to the Marina di Carrara shipyard (expiring in December 2072), the La Spezia shipyard (expiring in February 2035, renewed in May 2026 until 2037) and the Viareggio woodworking unit (expiring in December 2037). The decrease during the year was mainly due to the reclassification of the La Spezia shipyard concession building to the correct Land and buildings category at a net amount of Euro 18,537 thousand.

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 | 4,254 | 36,177 | 43,767 |
| Depreciation provision | (1,497) | (1,991) | (8,537) | (12,025) |
| **Net Book Value 31/12/2024** | **1,839** | **2,263** | **27,640** | **31,742** |
| ***Changes in 2025*** | | | | |
| Investments | 0 | 0 | 0 | 0 |
| Other decreases | (99) | (1,001) | (416) | (1,516) |
| Transfers | 0 | 0 | (25,877) | (25,877) |
| **Chg. Historical cost 2025** | **(99)** | **(1,001)** | **(26,293)** | **(27,393)** |
| Depreciation | 668 | 644 | 2,166 | 3,478 |
| Release/transfer of Depreciation Provision | (553) | (1,049) | (7,340) | (8,942) |
| **Chg. Depreciation provision 2025** | **115** | **(405)** | **(5,174)** | **(5,464)** |
| Historical cost | 3,235 | 3,255 | 9,884 | 16,374 |
| Depreciation provision | (1,612) | (1,586) | (3,363) | (6,561) |
| **Net Book Value 31/12/2025** | **1,623** | **1,669** | **6,521** | **9,813** |

## NOTE 7 – SHAREHOLDINGS

This item is detailed as shown below:

| *In thousands of Euros* | 31/12/2025 | 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 the purchase of 250 shares, equal to 2.5% of the total share capital of T.I.S.G. Asia Limited, based in Hong Kong. The investment had originally been acquired with a view to operating as a broker in the Asian market. The related business activity had already been significantly scaled back from the beginning of the 2025 financial year, in line with the planned exit from the investment.

The Company is currently assessing the status of the winding-up and deregistration of TISG Asia Limited, which, based on the information currently available from the Hong Kong Companies Registry, appears to have been deregistered, and is consequently reviewing the recoverability of the carrying amount of the investment.

## NOTE 8 – OTHER NON-CURRENT ASSETS

This item is detailed as follows:

| *In thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Non-current security deposits | 1,124 | 803 | 321 |
| Other securities | 0 | 683 | (683) |
| **TOTAL** | **1,124** | **1,488** | **(362)** |

The item, which decreased compared to 2024 by Euro 362 thousand, is detailed as follows:

- **Security deposits**: the item, equal to Euro 1,124 thousand, increased by Euro 318 thousand mainly due to the advances paid in relation to the construction of the photovoltaic plant in Marina di Carrara and La Spezia.

- **Other securities**: as at 31 December 2024, the item referred to the recognition of the fair value of derivative financial instruments hedging the Parent Company's outstanding loans; in June 2025, all loans subject to derivative financial instruments were repaid, resulting in the closing of the related fair values and the item being reduced to zero. IRS derivative contracts were entered into with the six pool banks in connection with the new Euro 115,000 thousand syndicated loan. They were deemed not to be hedging instruments and were recognised in profit or loss during 2025.

## NOTE 9 – CASH AND CASH EQUIVALENTS

This item is detailed as follows:

| *In thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Current bank accounts and post-office deposits | 16,720 | 37,424 | (20,704) |
| Assets equivalent to cash and cash equivalents | 687 | 22,830 | (22,143) |
| Cash | 0 | 0 | 0 |

| | | | |
|---|---|---|---|
| **TOTAL** | **17,407** | **60,254** | **(42,847)** |

The item **Current bank accounts and post-office deposits** as at 31 December 2025 amounts to a total of Euro 16,720 thousand, decreasing by Euro 20,704 thousand compared to 31 December 2024.

**Cash and cash equivalents** comprise time deposits and cash collection protection instruments, which were converted into Euro 22,143 thousand of cash during the year to meet cash requirements.

For more details on the change, please see the cash flow statement.

## NOTE 10 – TRADE RECEIVABLES

This item is detailed as shown below:

| *In thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Receivables from customers | 17,511 | 55,410 | (37,899) |
| **TOTAL** | **17,511** | **55,410** | **(37,899)** |

**Receivables from customers**, equal to Euro 17,511 thousand, decreasing by Euro 37,899 thousand compared to 31 December 2024, mainly arose from commercial transactions related to the progress of production projects and refit services, as well as to the recharging of costs to suppliers working at TISG's shipyards. They are recognised in the financial statements at their estimated realisable value. In addition to collections during the year, the decrease relates to impairment provisions recognised during the year.

Changes in the bad debt provision are shown below:

| *in thousands of Euros* | 31/12/2024 | Provision made | Provision used | 31/12/2025 | Changes |
|---|---|---|---|---|---|
| Bad debt provision (trade receivables) | (1,035) | (10,427) | 0 | (11,462) | (10,427) |
| Bad debt provision (insolvency procedures) | (494) | 0 | 0 | (494) | 0 |
| **TOTAL** | **(1,529)** | **(10,427)** | **0** | **(11,956)** | **(10,427)** |

The existing provision at the end of the year represents an estimate of the probability of future losses on receivables, based on the experience gained and knowledge of the credit situation of the counterparties, even in the absence of events that indicate the need to write down certain credit positions. During the year, also following its entry first into the Negotiated Crisis Resolution Procedure and then the pre-filing proceedings pursuant to CCII, Article 44, the Parent Company impaired most receivables from suppliers following the full and final settlement agreements being negotiated with them in the first few months of 2026, as well as obsolete, no longer recoverable receivables relating to production contracts.

## NOTE 11 – OTHER RECEIVABLES

This item is detailed as shown below:

| *In thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Advances to suppliers | 8,094 | 8,640 | (546) |
| Receivables from parent companies | 0 | 67 | (67) |
| Tax receivables | 1,549 | 1,399 | 150 |
| **TOTAL** | **9,643** | **10,106** | **(463)** |

The item **Advances to suppliers**, equal to Euro 8,094 thousand as at 31 December 2025, which decreased by Euro 546 thousand compared to 31 December 2024, includes advances paid to suppliers with whom tender contracts were signed for works in progress.

The item **Receivables from parent companies**, equal to zero as at 31 December 2025, down Euro 67 thousand, refers to the payments made by TISG on behalf of parent company GC Holding S.p.A.

The item **Tax receivables**, equal to Euro 1,549 thousand as at 31 December 2025, which increased by Euro 150 thousand compared to 31 December 2024, refers essentially to the annual VAT credit due to TISG and Celi from the Tax Authorities and a credit for foreign VAT pending reimbursement for approximately Euro 104 thousand.

## NOTE 12 – ASSETS AND LIABILITIES FROM CONTRACT WORK IN PROGRESS

This item is detailed as shown below:

| In thousands of Euros | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Assets from contract work in progress | 1,234 | 108,096 | (106,862) |
| Liabilities from contract work in progress | (173,175) | (17,183) | (155,992) |
| **TOTAL** | **(171,941)** | **90,913** | **(262,854)** |

The item **Assets from contract work in progress**, includes contracts whose progress is higher than the amount invoiced to the customer on account.

The item **Liabilities from contract work in progress**, includes the contracts for which the value of payments on account invoiced to the customer are higher than the work progress.

The change during the year was affected by the accounting irregularities described in the going concern section of this Report, some of which dated back to previous years. The correct reconstruction of contract progress and precise quantification of the additional costs incurred and still to be incurred found that:

- cost budgets were understated or artificially kept below actual levels and therefore, compared with the agreed sale price, all yacht sale contracts actually had negative margins;
- Contract progress calculations, which were managed outside the system, were improperly adjusted by transferring costs incurred to contracts where advance payments invoiced to customers exceeded progress on the work, thereby making it appear that the percentage of revenue progress on most contracts exceeded the advances;
- The Parent Company had never included the direct and indirect costs of production personnel in cost budgets, while these direct internal personnel costs were included among costs incurred when calculating contract progress, improperly increasing the revenue completion percentage.

As a result of the above, in reality all contracts had revenue progress below advance payments invoiced from as early as the end of 2024. The Company should therefore have presented, as it also did at 31 December 2025, liabilities for contracts in progress exceeding the related assets, meaning that advance payments invoiced to and collected from customers had not yet become and have not become revenue in accordance with the percentage of completion.

Subsequently, in accordance with IAS 8, paras. 43 and 44, as it was impracticable to correct precisely the errors and irregularities in calculating contract progress retrospectively to the beginning of 2024 other than using significant assumptions and estimates, the Company performed the restatement in the opening balances for 2025.

The table below presents the comparative impacts.

| In thousands of Euros | 31/12/2025 | 01/01/2025 | 31/12/2024 |
|---|---|---|---|
| Assets from contract work in progress | 1,234 | 18,728 | 108,096 |
| Liabilities from contract work in progress | (173,175) | (229,974) | (17,183) |
| **TOTAL** | **(171,941)** | **(211,246)** | **90,913** |

Accordingly, the effect of restating net assets and liabilities for contracts in progress resulted in an impact of Euro 302,159 thousand on accumulated losses in opening shareholders' equity as of 1 January 2025.

The development of this item at 31 December 2025 for yachts under contract is shown below:

| *in thousands of Euros* 31/12/2025 | Value of contracts | Contract progress | Advances invoiced | Net amount of business |
|---|---|---|---|---|
| Yacht Orders | 982,908 | 461,472 | (633,413) | (171,941) |
| Refitting Orders | 49,487 | 49,487 | (49,487) | 0 |
| **Total** | **1,032,395** | **510,959** | **(682,900)** | **(171,941)** |

In addition, because all vessel sale contracts had negative margins compared with their sale prices, in accordance with IAS 37 on onerous contracts a Euro 55,249 thousand provision for loss-making contracts was recognised within liabilities for provisions for risks, with the related restatement effects as of 1 January 2025. A further provision of Euro 18,500 thousand was also recognised as the best estimate to take into account the direct costs of production personnel and depreciation and amortisation for the years needed to complete the contracts, which historically had not been included in cost budgets or considered in progress calculations.

## NOTE 13 – INVENTORIES

This item is detailed as follows:

| *In thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Raw, ancillary and consumable materials | 0 | 1,237 | (1,237) |
| Work in progress and semi-finished goods | 20,680 | 8,973 | 11,707 |
| **TOTAL** | **20,680** | **10,210** | **10,470** |

The **Raw materials and consumables** item was zero, a decrease of Euro 1,237 thousand compared with 2024, as it related solely to consumable materials used directly on contracts.

**Work in progress and semi-finished products** amounted to Euro 20,680 thousand as at 31 December 2025, net of an impairment provision of Euro 6,864 thousand recognised during 2025. The gross amount includes the hull of a 47-metre sailing yacht acquired as part of the Perini Navi S.p.A. business for approximately Euro 2,589 thousand, which was fully impaired given the limited prospects of sale; Euro 7,775 thousand for construction of the new iconic 24-metre Picchiotti yacht, impaired by Euro 4,275 thousand based on the sale agreement concluded in early May at a price below the costs incurred; Euro 7,268 thousand for vessels sold in the first few months of 2026; and Euro 9,390 thousand relating to internally constructed contracts for which specific sale agreements had not yet been identified and entered into.

## NOTE 14 – OTHER CURRENT ASSETS

The breakdown of other current assets is shown below:

| *In thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Receivables from social security and tax authorities | 545 | 49 | 496 |
| From others | 126 | 462 | (336) |
| Prepaid expenses | 1,556 | 4,358 | (2,802) |
| **TOTAL** | **2,227** | **4,869** | **(2,642)** |

**Receivables from social security institutions and tax authorities**: amounted to Euro 545 thousand as at 31 December 2025 and mainly related to withholding tax on interest income and advances of INAIL contributions of Euro 115 thousand relating to the Parent Company and tax receivables of Euro 430 thousand relating to TISG Turkey.

**Receivables from others**: the item, equal to Euro 126 thousand as at 31 December 2025, down by Euro 336 thousand compared to 31 December 2024, includes a number of other receivables due from the Ministry.

The item **Prepaid expenses**, equal to Euro 1,556 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, while the Euro 2,802 thousand decrease is due to the proper allocation of these costs to the relevant years.

# COMMENTS ON THE MAIN LIABILITY ITEMS

## NOTE 15 – SHAREHOLDERS' EQUITY

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 breakdown of the Group's shareholders' equity is shown below:

| ***In thousands of Euros*** | **31/12/2025** | **31/12/2024** | **Changes** |
|---|---|---|---|
| Share capital | 26,500 | 26,500 | 0 |
| Share Premium Reserve | 45,431 | 45,431 | 0 |
| Statutory Reserve | 5,300 | 5,300 | 0 |
| Other reserves and retained earnings | (293,885) | 33,868 | (327,753) |
| Currency translation reserve | (522) | (30) | (492) |
| Net income (loss) for the period | (170,918) | 33,894 | (204,812) |
| **TOTAL** | **(388,094)** | **144,963** | **(533,057)** |

At 31 December 2025, TISG S.p.A.'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.

The Euro 533,057 thousand decrease in shareholders’ equity to a negative Euro 388,094 thousand was mainly due to:

- the Euro 170,918 thousand loss for 2025;
- the restatement effect pursuant to IAS 8, paras. 43 and 44, in relation to accumulated losses from previous years, for the adverse effects of accounting irregularities connected with progress on contract work in progress and the recognition of loss-making contracts, due to the negative margins on all contracts in progress, amounting to Euro 399,551 thousand;
- the Euro 12,985 thousand dividend paid following the resolution of the Ordinary Shareholders’ Meeting of 22 April 2025;
- the creation of the Euro 51,443 thousand IAS 16 reserve for the fair value revaluation of the land and buildings class, net of the deferred tax effect;
- the change in the OCI reserve for IAS 19 measurements;
- the elimination of the cash flow hedge reserve following the close-out of IRS derivatives.
- The change in the translation reserve

The table below provides details of other reserves and retained earnings:

| Other reserves | 31/12/2025 |
|---|---|
| TYG PROFIT reserve – merger surplus from share exchange | 242 |
| TYG CAPITAL reserve – merger surplus from share exchange | 701 |
| IAS FTA reserve | 2,995 |
| IAS OCI reserve | (81) |
| Cash Flow Hedge reserve | 0 |
| Negative reserve from merger of TYG S.r.l. | (146) |
| IAS 16 revaluation reserve | 51,443 |
| Retained earnings/accumulated losses | (348,422) |
| Retained earnings/accumulated losses carried forward – IAS transition | (528) |
| Other reserves | (89) |
| **Total** | **(293,885)** |

Basic **earnings per share** is calculated as the ratio of the Group's profit or loss for the period to the weighted average number of ordinary shares outstanding during the year.

| *In thousands of Euros* | 31/12/2025 | 31/12/2024 |
|---|---|---|
| Net result | (170,918) | 33,894 € |
| Profit attributable to ordinary shares | (170,918) | 33,894 € |
| Average number of ordinary shares outstanding | 53,000 | 53,000 |
| **Earnings per ordinary share** | **(3.23)** | **0.64 €** |
| Average number of ordinary shares outstanding (adjusted) | 53,000 | 53,000 |
| **Diluted earnings per ordinary share** | **(3.23)** | **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 31 December 2025 are shown below:

| CHANGES IN PROVISIONS FOR RISKS | | | | | |
|---|---|---|---|---|---|
| *In thousands of Euros* | 31/12/2024 | Alloc. | Utilisation | 31/12/2025 | Delta |
| Provision for legal, tax and labour law risks | 2,324 | 2,614 | (903) | 4,035 | 1,711 |
| Provision for yacht guarantee | 3,856 | 0 | (605) | 3,251 | (605) |
| Provision for onerous contracts | 0 | 74,794 | 0 | 74,794 | 74,795 |
| **TOTAL** | **6,180** | **77,408** | **(1,508)** | **82,080** | **75,900** |

**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 and relate to the Parent Company.

The change in the provision was determined on the basis of information available when the financial statements were drafted, in application of the provisions of IAS 37. The provision as at 31 December 2025 and the amount recognised during the year relate to:

***Silver Trend***

TISG prevailed at first instance, with Silver Trend's claims dismissed and the latter ordered to pay legal costs, which have not been paid.
Silver Trend then appealed the first instance decision before the Court of Appeal of Bari, and as of 31.12.2024 the decision in the case had been reserved since October 2023.
The appeal judgment was handed down on 23 January 2025, entirely reversing the decision at first instance and ordering TISG to pay Silver Trend Euro 1,231 thousand, including interest and legal costs.
TISG immediately appealed the second instance ruling and requested the suspension of the enforceability of the judgment of the Court of Appeal of Bari, which was ordered.
A hearing before the Court of Cassation has yet to be scheduled.

***Ellepi***

The provisionally enforceable payment order obtained by the shipyard's long-standing insurer for the non-payment of guarantee premiums amounting to Euro 410 thousand was challenged before the Court of Massa. As the amount is owed, an attempt was made to challenge it by invoking the statutory limitation of that right to payment.
The first hearing will be held on 24/11/2026.

***FGI***

This is the first-filed action brought against broker FGI, which claims unpaid commissions of approximately Euro 1,800 thousand. The action was deliberately brought before the Court of Massa because of the tight deadline for filing first and the counterparty's foreseeable, and subsequently raised, objection to jurisdiction, which will lengthen the litigation timetable and which TISG will accept. FGI preferred to assert its right to payment by way of counterclaim in these proceedings rather than through separate payment order proceedings. The next hearing is scheduled for 17 July 2026 and the Company is seeking a settlement.

***Others***

The Euro 526 thousand relating to disputes with two employees and INPS concerning recourse for contributions not paid to a subcontractor was also included in this provision.

**Provision for yacht guarantees**

This provision includes allocations calculated against the probable future expense that the Parent Company has estimated it will have to incur for repairs under warranty. To cover the risk of any interventions under warranty to be carried out on the yachts already delivered or still under construction, TISG also took into account its own insurance coverage and that of its suppliers.

**Provision for onerous contracts (*loss-making contracts*)**

Following the detailed reconstruction of all cost budgets for yacht contracts in progress, eliminating the accounting irregularities, the results showed negative margins compared with the sale price for all yacht contracts. Accordingly, in compliance with IAS 37 on onerous contracts, a related provision for *loss-making contracts* of Euro 56,295 thousand was recognised.
In accordance with IAS 8, paras. 43 and 44, as it was impracticable to correct precisely the errors and irregularities in calculating the effect of *loss-making contracts* retrospectively to the beginning of 2024 other than using significant assumptions and estimates, the Parent Company performed the restatement in the opening balances for 2025.

The table below presents these comparative impacts.

| in thousands of Euros | 31/12/2025 | 01/01/2025 | 31/12/2024 |
|---|---|---|---|
| Provision for onerous contracts in progress | 56,295 | 97,393 | 0 |
| **TOTAL** | **56,295** | **97,393** | **0** |

Accordingly, the effect of restating this item resulted in a provision of Euro 97,393 thousand charged to accumulated losses in opening shareholders' equity as of 1 January 2025, a release of the provision of Euro 42,144 thousand as at 31 December 2025 and the Euro 1,046 thousand effect on the item of consolidating the subsidiary Celi's costs.

A further Euro 18,500 thousand component of the provision for *loss-making contracts* was also recognised as the best estimate to take into account the direct costs of production personnel and depreciation and amortisation for the years needed to complete the contracts, which historically had not been included in contract cost budgets.

## NOTE 17 – DEFERRED TAXES

The net movement between deferred tax assets and liabilities is set out below:

| *in thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Provisions for risks and charges | 4,019 | 1,463 | 2,556 |
| Loss allowance | 2,455 | 0 | 2,455 |
| Others | 533 | 2,797 | (2,264) |
| **Deferred tax assets** | **7,007** | **4,260** | **2,747** |

| *in thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| IAS depreciation and amortisation | 2,682 | 3,004 | (322) |
| IAS 16 property revaluation | 19,907 | 1,952 | 17,955 |
| Brands | 541 | 0 | 541 |
| **Deferred tax liabilities** | **23,130** | **4,956** | **18,174** |
| **Net amount** | **(16,123)** | **(696)** | **15,427** |

The Euro 15,427 thousand increase as at 31 December 2025 compared with 2024 mainly relates to the net effect of:

- the Euro 19,907 thousand increase in the deferred tax provision for the revaluation of buildings and land in accordance with IAS 16;
- the Euro 1,411 thousand release of the deferred tax provision for the impairment loss on the Perini brand;
- the Euro 5,011 thousand increase in deferred tax assets for provisions for civil claims, contract warranties and the loss allowance.

In accordance with IAS 12, the Group companies did not recognise deferred tax assets on approximately Euro 175,000 thousand of tax losses accrued, including from previous tax years, pending certification and final approval of the 2026-2031 Business Plan.

## NOTE 18 – PROVISION FOR EMPLOYEE BENEFITS

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

| In thousands of Euros | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Liabilities for employee benefits | 803 | 880 | (77) |
| **TOTAL** | **803** | **880** | **(77)** |

Employee benefits, which, according to Italian regulations, are categorised as severance indemnity (trattamento di fine rapporto, T.F.R.), are considered by IAS 19 as “post- employment benefits”; they represent “defined benefit” pension plans and are therefore subject to valuation using the actuarial “Projected Unit Credit Method”.

## NOTE 19 – LONG-TERM FINANCIAL LIABILITIES

This item is detailed as follows:

| In thousands of Euros | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Long-term bank payables | 0 | 48,964 | (48,964) |
| Lease liabilities - Motor vehicles (long-term portion) | 1,961 | 1,895 | 66 |
| Lease liabilities - Plant and Machinery (long-term portion) | 1,061 | 1,776 | (715) |
| Lease liabilities - Buildings on land under concession (long-term portion) | 7,156 | 7,518 | (362) |
| **TOTAL** | **10,178** | **60,153** | **(49,975)** |

The item **long-term bank payables**, equal to zero, represents the amount maturing beyond 12 months of medium and long-term loans taken out by the Parent Company.

During 2025, the Parent Company arranged new medium/long-term loans:

- a seven-year SACE-guaranteed mortgage loan from a pool of seven banks for a maximum total amount of Euro 150 million, of which Euro 115,000 thousand was disbursed during the first half of 2025, at a floating rate of three-month Euribor plus a 2.35% spread. The balance as at 31 December 2025 amounted to Euro 107,618 thousand after repayments of principal and interest instalments and measurement at amortised cost at year-end;
- a Euro 10,000 thousand medium/long-term loan from Credem, of which Euro 3,500 thousand was repaid during the year, leaving Euro 6,500 thousand outstanding. It was reclassified to current liabilities following entry into the Negotiated Crisis Resolution Procedure and subsequent pre-filing proceedings pursuant to CCII, Article 44, the non-payment of instalments in 2026 and the request to banks for a moratorium and standstill pending the definition of financial measures;

Existing loans totalling Euro 59,693 thousand were repaid using the new syndicated loan described above, specifically:
- the UniCredit and Deutsche Bank syndicated debt was partly repaid for Euro 18,831 thousand, of which Euro 14,107 thousand was the long-term portion,
- the MPS loan was repaid in full for Euro 6,267 thousand, of which Euro 4,667 thousand was the long-term portion,
- the MPS Capital loan was repaid in full for Euro 27,780 thousand, of which Euro 23,291 thousand was the long-term portion,
- the Intesa Sanpaolo loan was partly repaid for Euro 815 thousand, comprising the short-term portion only,
- the Crédit Agricole loan was repaid in full for Euro 6,000 thousand, all of which was long term.

The Euro 115 million SACE-guaranteed syndicated loan requires compliance with financial covenants, including net financial debt/EBITDA of no more than 2.5 and net financial debt/equity of no more than 1. These were not met based on the results as at 31 December 2025 and, together with the non-payment of the instalments due on 31 March 2026 and 30 June 2026 and the Company's position under Italian Civil Code, Article 2447, triggered the conditions for termination, withdrawal and loss of the benefit of the term under the loan agreement. It was therefore reclassified to current liabilities.

The same medium/long-term loan contains negative pledge clauses under which TISG may not create or permit any encumbrance over the Company and/or the other Group companies or over all or any of the Group's owned assets or assets over which it holds a surface right, including, among other things, corporate brands, equity investments, current accounts, deposits and concessions, subject to specifically identified exceptions.

Details of current and non-current financial liabilities with maturity dates are set out below:

| Classification | Account Balance | Within 1 year | 1 to 5 years | More than 5 years |
|---|---|---|---|---|
| Pool loans (Unicredit - Deutsche Bank) | 210 | 210 | 0 | - |
| Banca Intesa loan | 690 | 690 | 0 | - |
| SACE-guaranteed syndicated loan | 107,618 | 107,618 | 0 | 0 |
| Credem loan | 6,500 | 6,500 | 0 | - |
| Credem and MPS short-term advance facilities | 20,553 | 20,553 | 0 | 0 |
| Right Of Use Payable | 11,393 | 1,215 | 4,947 | 5,231 |
| **Total** | **146,694** | **136,786** | **4,947** | **5,231** |

The items **Lease Liabilities – Motor vehicles**, **Lease Liabilities – Plant and Machinery** and **Lease liabilities – Leased buildings** respectively equal to Euro 1,961 thousand, Euro 1,091 thousand as at 31 December 2025, refer to the long-term portion of the financial debt linked to the Parent Company's application of IFRS 16.

**Lease liabilities – Buildings under state concession**, amounting to Euro 7,156 thousand as at 31 December 2025, represent the long-term portion of the present value of the fees payable to the Port Authority under IFRS 16 for the state property concessions in Marina di Carrara and La Spezia and for the Parent Company's Viareggio woodworking unit.

## NOTE 20 – OTHER NON-CURRENT LIABILITIES

Details of other non-current liabilities are provided below:

| *In thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Non-current liabilities to tax authorities | 0 | 2,714 | (2,714) |
| **TOTAL** | **0** | **2,714** | **(2,714)** |

**Non-current tax liabilities** were zero, a decrease of Euro 2,714 thousand compared with 31 December 2024, because the Parent Company's tax liability relating to the recalculation of the "patent box" tax benefit, which was being paid in instalments, was transferred to current tax liabilities.

## NOTE 21 – TRADE PAYABLES

This item is detailed as follows:

| *In thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Payables to suppliers within the following year | 186,098 | 121,877 | 64,221 |
| **TOTAL** | **186,098** | **121,877** | **64,221** |

**Trade payables:** amounted to Euro 186,098 thousand as at 31 December 2025, an increase of Euro 64,221 thousand compared with 31 December 2024 due to: (i) an increase in the reverse factoring and confirming limits requested by the Parent Company from financial institutions, which extended supplier payment terms; and (ii) an increase in unpaid overdue supplier balances connected with the financial difficulties that began in 2025 and subsequently culminated in the crisis described in the going concern section of this Report.

There are no balances overdue by more than five years.

The component of the liability relating to balances with the various factoring companies, for reverse factoring and confirming arrangements with suppliers, or other entities for credit cards amounted to Euro 88,415 thousand as at 31 December 2025.

During the first few months of 2026 and following entry first into the Negotiated Crisis Resolution Procedure and then the pre-filing proceedings pursuant to CCII, Article 44, the Company began negotiating full and final settlement agreements with suppliers, while balances with factoring companies are being negotiated as part of the discussions with the banks.

## NOTE 22 – OTHER PAYABLES

This item is detailed as follows:

| *In thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Payables to social security institutions | 13,522 | 3,289 | 10,233 |
| Payables to tax authorities | 26,308 | 24,247 | 2,061 |
| Other payables | 790 | 4,603 | (3,813) |
| **TOTAL** | **40,620** | **32,139** | **8,481** |

**Payables to social security institutions** amounted to Euro 13,522 thousand as at 31 December 2025, an increase of Euro 10,233 thousand compared with 31 December 2024. They relate to the Group's contributions owed to INPS and INAIL, payables to Fasi and Previndai, payables to the Cometa supplementary pension fund and other minor funds for December and unpaid arrears, some of which are included on collection notices for which instalment payments were suspended. Following acceptance of the pre-filing application pursuant to CCII, Article 44, preparatory to a court-approved Turnaround Plan, the Parent Company intends to propose to INPS a settlement or instalment plan for all accrued overdue amounts and pay overdue amounts owed to other institutions. Celi, which is in a CNC, will propose an instalment plan for overdue amounts.

**Tax and IMU liabilities** amounted to Euro 26,308 thousand as at 31 December 2025 and mainly comprise amounts owed to the tax authorities for unpaid 2024 IRES and IRAP, overdue unpaid IRPEF withholdings from March 2025 to year-end, amounts under the instalment plan connected with recalculation of the "patent box" tax benefit, including instalments whose payment was suspended, current IRES and IRAP for 2025 and an IMU liability to the Municipality of Massa Carrara for previous years that had already been placed on an instalment plan. Following acceptance of the pre-filing application pursuant to CCII, Article 44, preparatory to a court-approved Turnaround Plan, the Parent Company and Celi intend to propose to the Italian Revenue Agency a tax settlement for all overdue unpaid tax liabilities, whether or not included on collection notices, and an instalment agreement with the Municipality of Carrara for IMU.

**Other liabilities** amounted to Euro 790 thousand as at 31 December 2025 and mainly comprise:

- Euro 106 thousand for payments received to a dedicated current account, to manage the current expenses of a 140-metre motor yacht currently subject to a freezing order, as required by European Community regulations. The asset, in the possession of the State Property Office, was entrusted to TISG, which is, among other things, carrying out significant refit work on it;
- other liabilities of subsidiary TISG Turkey for the difference.

## NOTE 23 – SHORT-TERM FINANCIAL LIABILITIES

This item is detailed as shown below:

| *In thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Short-term payables to banks | 135,571 | 11,632 | 123,939 |
| Lease liabilities - Motor vehicles (short-term portion) | 358 | 358 | 0 |
| Lease liabilities - Plant and Machinery (short-term portion) | 543 | 542 | 1 |
| Lease liabilities - Buildings on land under concession (short- term portion) | 315 | 76 | 239 |
| **TOTAL** | **136,786** | **12,608** | **124,178** |

**Short-term bank debt** amounted to Euro 135,571 thousand, an increase of Euro 123,939 thousand compared with 31 December 2024. It includes the Parent Company's medium/long-term loans reclassified as current following entry into the Negotiated Crisis Resolution Procedure and subsequently the pre-filing proceedings pursuant to CCII, Article 44, the breach of financial covenants, the non-payment of instalments in 2026 and the request to the banks for a moratorium and standstill, as well as unrepaid short-term credit facilities of Euro 20,553 thousand from Credem and Monte dei Paschi di Siena S.p.A.

The items **Lease liabilities – Motor vehicles** and **Lease liabilities – Plant and Machinery**, equal to Euro 358 thousand and Euro 543 thousand, respectively, as at 31 December 2025, refer to the short-term portion of the financial debt linked to the Parent Company's application of IFRS 16.

**Lease Liabilities – Buildings under state concession**, equal to Euro 315 thousand, refer to the short-term portion of payables for the state concessions of Marina di Carrara, La Spezia and Viareggio in the Parent Company's application of IFRS 16.

## NOTE 24 – OTHER CURRENT LIABILITIES

This item is detailed as shown below:

| *In thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Accrued liabilities | 238 | 597 | (359) |
| Other payables due within the next year | 8,083 | 6,065 | 2,018 |
| **TOTAL** | **8,321** | **6,662** | **1,659** |

The item **Other payables**, amounting to Euro 8,083 thousand at 31 December 2025 and up by Euro 2,018 thousand compared with 2024, refers to payables to employees of the Group companies for salaries, expense reports, holiday and leave accrued at 31 December 2025.

# COMMENTS ON THE MAIN ITEMS OF THE INCOME STATEMENT

## NOTE 25 – REVENUES

This item is detailed as shown below:

| *in thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Revenues from sales and services | 232,952 | 365,425 | (132,473) |
| Change in contract work in progress | 49,078 | 40,678 | 8,400 |
| **Total operating revenues** | **282,030** | **406,103** | **(124,073)** |
| | | | |
| Other proceeds and income | 14,609 | 25,176 | (10,570) |
| Commissions | (1,500) | (7,214) | 5,717 |
| **TOTAL** | **295,139** | **424,065** | **(128,926)** |

**Revenue from sales and services** amounted to Euro 232,952 thousand as at 31 December 2025, a decrease of Euro 132,473 thousand compared with the previous year due to the difficulty encountered in securing new contracts and slower progress on contracts in progress. As described in greater detail in the Management Report, changes in contract work in progress were also affected by accounting irregularities that revealed negative margins on all yachts under construction and a reversal of revenue, because contract progress was lower than shown in the previous accounting records for interim periods in 2025 and at least the previous year. These effects were restated as of 1 January 2025 pursuant to IAS 8, paras. 43 and 44, and therefore the opening effects relating to prior years were charged to accumulated losses in shareholders' equity for Euro 302,159 thousand. As at 31 December 2025, there was also a positive Euro 49,078 thousand effect from net progress between assets and liabilities for contracts in progress.
The breakdown of operating revenues by production segment is shown below:

| *in thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Production and sale of yachts (Shipbuilding) | 264,963 | 364,295 | (99,332) |
| incidence on total operating revenues | *94%* | *90%* | |
| Refit activities | 17,067 | 41,808 | (24,741) |
| incidence on total operating revenues | *6%* | *10%* | |
| **Operating revenues** | **282,030** | **406,103** | **(124,073)** |

The item **Other revenues and income**, equal to Euro 14,609 thousand as at 31 December 2025, is mainly composed as follows:

- **Insurance compensation** amounted to Euro 5,072 thousand as at 31 December 2025 and relates to reimbursements recognised by insurers during 2025, mainly for claims and damage to vessels under construction.
- **Other revenues** for an amount of Euro 7,183 thousand, deriving from the management of existing construction jobs, refer to all revenues not directly attributable to the sale of boats.
- **Contingent assets** in the amount of Euro 1,978 thousand as at 31 December 2025, which mainly refer to extraordinary income realised following the positive conclusion of some active disputes or the write-off of debt positions.

**Commissions payable**, recognised in the financial statements at 31 December 2025 for Euro 1,500 thousand, refer to the brokerage activities of some of the leading brokers in the industry, which have been collaborating with the Company for years in seeking new customers, and the royalties accrued to Automobili Lamborghini during 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* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| For raw ancillary materials, consumables and goods | (108,578) | (94,761) | (13,817) |
| Short-term rentals | (2,207) | (2,623) | 416 |
| Changes in raw material inventories | (1,237) | (17) | (1,220) |
| Change in inventories of semi-finished and finished products | 11,186 | 1,337 | 9,849 |
| **TOTAL** | **(100,836)** | **(96,064)** | **4,772** |

The item **Costs of raw ancillary materials, consumables and goods**, at 31 December 2025 equal to Euro 108,578 thousand, up from the previous financial year 2024 by Euro 13,817 thousand, includes all costs related to the procurement of the materials necessary for the development of production activities.
Despite the decrease in revenue and slower progress on contracts in progress, the increase shows that additional raw material costs were incurred and not passed on to customers, resulting in negative margins on contracts in progress. The item also includes the effect during the year of the Euro 42,144 thousand release of the provision for onerous contracts for which the restatement as at 1 January 2025 was performed, and the further Euro 18,500 thousand provision for loss-making contracts covering direct personnel costs and depreciation and amortisation still to be incurred to complete the contracts.

**Short-term rentals**, equal to Euro 2,207 thousand as at 31 December 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 1,237 thousand as at 31 December 2025, increased from the previous financial year by Euro 1,220 thousand.

The **Change in finished and semi-finished products** shows a positive balance of Euro 11,186 thousand at 31 December 2025, mainly due to costs incurred for construction in relation to boats built in-house by the Parent Company for which a future sale is expected. The increase relates to three new vessels at advanced stages of construction that had been included in work in progress and which the customer decided not to purchase. These vessels are now held in semi-finished product inventories pending identification of a new customer. The amount is presented net of an impairment provision of Euro 6,864 thousand for a vessel sold at less than cumulative costs and a Perini vessel held in inventory since 2022.

## NOTE 27 – COST FOR OUTSOURCED WORK

This item is detailed as shown below:

| *in thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Outsourced works | (164,155) | (154,182) | (9,973) |
| **TOTAL** | **(164,155)** | **(154,182)** | **(9,973)** |

The item **Cost for outsourced work**, equal to Euro 164,155 thousand as at 31 December 2025, increasing by Euro 9,973 thousand compared to 31 December 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.

Despite the decrease in revenue and slower progress on contracts in progress, the increase shows that additional costs were incurred for this work and not passed on to customers, resulting in negative margins on contracts in progress.

## NOTE 28 – SERVICES AND TECHNICAL CONSULTANCY

This item is detailed as shown below:

| *in thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Other services and consultancy | (57,894) | (19,329) | (38,565) |
| Legal, tax and notary consultancy | (987) | (775) | (212) |
| Auditing fees | (104) | (102) | (2) |
| **TOTAL** | **(58,985)** | **(20,206)** | **(38,779)** |

**Miscellaneous services and consultancy** amounted to Euro 57,894 thousand as at 31 December 2025, an increase of Euro 38,565 thousand compared with 2024 due to the greater number of design stages for new megayachts assigned to external designers and architects. Despite the decrease in revenue and slower progress on contracts in progress, this confirms that additional costs were incurred for these activities and not passed on to customers, resulting in negative margins on contracts in progress.

The item **Legal, tax and notary consultancy**, equal to Euro 987 thousand as at 31 December 2025, 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 increased by Euro 212 thousand compared to the previous year 2024.

The item **Auditing fees**, amounting to Euro 104 thousand as at 31 December 2025, includes the costs incurred for the statutory audit of the accounts and limited review of the Non-Financial Statement.

## NOTE 29 – OTHER COSTS FOR SERVICES

This item is detailed as shown below:

| *in thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Transport expenses | (186) | (170) | (16) |
| Maintenance fees | (31) | (45) | 14 |
| Surveillance | (567) | (505) | (62) |
| Research costs | (114) | (5) | (109) |
| Miscellaneous administrative expenses | (820) | (2,341) | 1,521 |
| Utilities | (3,795) | (3,258) | (537) |
| Shipyard and vessel insurance | (5,218) | (3,300) | (1,918) |
| Cleaning and waste disposal costs | (590) | (464) | (126) |
| Sundry employee services | (456) | (518) | 62 |
| Advertising and entertainment expenses | (2,231) | (1,308) | (923) |
| Bank charges and fees | (686) | (341) | (345) |
| Fuels | (14) | (13) | (1) |
| Telephone costs | (121) | (130) | 9 |
| Software interventions | (26) | (1) | (25) |
| Directors' fees and expenses | (846) | (803) | (43) |
| Board of statutory auditors' fee | (23) | (32) | 9 |
| Supervisory Body | (27) | (27) | 0 |
| Other expenses | (180) | (669) | 489 |
| **TOTAL** | **(15,931)** | **(13,930)** | **(2,001)** |

**Utility costs**, which amounted to Euro 3,795 thousand as at 31 December 2025, rose by Euro 537 thousand compared to the previous year, essentially due to the increase in the price of the commodity.

**Advertising and representation services** amounted to Euro 2,231 thousand as at 31 December 2025, an increase of Euro 923 thousand compared with 2024, and relate to promotional initiatives and events, particularly the 2025 Monaco Yacht Show.

**Shipyard and vessel insurance**, equal to Euro 5,218 thousand as at 31 December 2025, increased by Euro 1,918 thousand compared to the previous year, referring to all shipyard and vessel insurance for the Group.

**Miscellaneous administrative expenses**, equal to Euro 820 thousand as at 31 December 2025, decreased by Euro 1,521 thousand compared to the previous year.

## NOTE 30 – PERSONNEL COSTS

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

This item is detailed as shown below:

| *in thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| For personnel | (31,767) | (30,502) | (1,265) |
| Social security contributions | (10,754) | (9,476) | (1,278) |
| Severance indemnities | (2,133) | (1,790) | (343) |
| Other costs | (2,168) | (2,147) | (21) |
| **TOTAL** | **(46,822)** | **(43,915)** | **(2,907)** |

The average number of Group employees in 2025 was 712, as shown below:

| Average number | 31/12/2025 | 31/12/2024 |
|---|---|---|
| Executives | 25 | 23 |
| Employees | 359 | 385 |
| Workers | 328 | 305 |
| **TOTAL** | **712** | **713** |

The number of employees as at 31 December 2025 is 696 and is detailed as follows:

| Precise number | 31/12/2025 | 31/12/2024 |
|---|---|---|
| Executives | 26 | 25 |
| Employees | 367 | 408 |
| Workers | 303 | 315 |
| **TOTAL** | **696** | **748** |

Despite the decrease in personnel, the higher cost was mainly due to the hiring of more specialised personnel with higher costs than those who left.

## NOTE 31 – OTHER OPERATING COSTS

This item is detailed as shown below:

| *in thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Provisions for risks | (2,579) | (3,314) | 735 |
| Contingent liabilities | (18,842) | (4,833) | (14,009) |
| IMU – Tasi | (376) | (353) | (23) |
| Municipal taxes | (426) | (2,140) | 1,714 |
| *Branding* | (803) | (717) | (86) |
| Other operating costs | (7,519) | (6,469) | (1,050) |
| **TOTAL** | **(30,545)** | **(17,826)** | **(12,719)** |

**Provisions for risks** amounted to Euro 2,579 thousand as at 31 December 2025 and mainly relate to the provision for legal, tax and employment risks described in the Provisions for risks section.

**Prior-year expenses**, amounting to Euro 18,842 thousand as at 31 December 2025, mainly relate to exceptional cost components, namely items that should have been recognised in previous years but were identified in the current year. The increase recorded in the 2025 financial year, amounting to Euro 14,009 thousand, relates mainly to the settlement of certain items recorded under advances to suppliers, credit notes receivable from suppliers, which were to be expensed, and the recording of invoices received relating to the previous financial year for which there was no formal authorisation from the technical and production department, as well as other residual extraordinary items.

The item ***Branding***, amounting to Euro 803 thousand at 31 December 2025, increased by Euro 86 thousand compared with the previous financial year.

The item **Other operating costs**, equal to Euro 7,519 thousand, increased compared to the previous year by Euro 1,050 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, as well as penalties and fines reclassified from the municipal taxes item.

The item **Municipal taxes**, equal to Euro 426 thousand, decreased by Euro 1,714 thousand compared to the previous year and mainly includes the amount of the registration tax relating to state concessions.

## NOTE 32 – DEPRECIATION, AMORTISATION AND WRITE-DOWNS

This item is detailed as shown below:

| *in thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Depreciation of tangible fixed assets | (9,386) | (9,898) | 512 |
| Amortisation of intangible fixed assets | (22,191) | (525) | (21,666) |
| Write-downs and losses on receivables | (10,449) | (1,017) | (9,432) |
| **TOTAL** | **(42,026)** | **(11,440)** | **(30,586)** |

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

Amortisation of intangible assets also includes the Euro 21,851 thousand impairment loss on the Perini brand following the impairment test, connected with the reduction in Perini-brand vessel sales forecast in the 2026-2031 Business Plan.

The item Write-downs and losses on receivables consists of the write-down of trade receivables, for which see the previous note no. 10.

## NOTE 33 – FINANCIAL INCOME AND CHARGES

This item is detailed as follows:

| *in thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Other financial income | 1,644 | 1,670 | (26) |
| Interest expense to banks and others | (10,936) | (8,678) | (2,258) |
| Exchange losses and inflation effects | (810) | 0 | (810) |
| Interest expense on Lease liabilities | (733) | (723) | (10) |
| **TOTAL** | **(10,835)** | **(7,731)** | **(3,104)** |

Net financial income and expense amounted to Euro 10,835 thousand, an increase of Euro 3,104 thousand compared with the previous year, mainly due to greater use of reverse factoring and confirming arrangements and the impact of the new syndicated loan, of which the Parent Company drew Euro 115,000 thousand. It was also due to interest expense on leases and the exchange rate and inflation effects relating to subsidiary TISG Turkey.

## NOTE 34 – INCOME TAXES

The tax burden reconciliation table is shown below:

| *in thousands of Euros* | 31/12/2025 | 31/12/2024 |
|---|---|---|
| **IRES 24%** | **(42)** | **(12,968)** |
| **IRAP** | **(54)** | **(2,644)** |
| **Current taxes – TISG Turkey** | **(140)** | **0** |
| **taxes from previous financial years** | **0** | **(7,599)** |
| **Total current taxes** | **(236)** | **(23,211)** |
| Deferred tax assets/liabilities | 4,313 | (1,664) |
| **TOTAL TAXES** | **4,077** | **(24,875)** |

The Parent Company had negative taxable income for 2025 and therefore no current tax expense. Only TISG Turkey and Celi S.r.l. had taxable income in 2025, with current taxes of Euro 236 thousand.
Note that the Parent Company benefited from the preferential tax regime by applying the Patent Box rules for the 2019, 2020, 2021, 2022 and 2023 financial years, which will provide TISG with a further tax benefit in the 2024 and 2025 financial years, net of the redetermination made in 2024 following the Italian Tax Authority's audit
The amount recorded in 2024 in respect of previous taxes amounting to Euro 7,599 thousand referred to the restatement of IRES, IRAP, direct and deferred taxes related to the Parent Company’s Patent Box benefit following the Revenue Agency audit concluded at the end of 2024. Changes in deferred tax assets and liabilities during the year are described in Note 17.

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

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

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

| SUMMARY OF ECONOMIC TECHNICAL BASES | 31/12/2025 | 31/12/2024 | 31/12/2023 |
|---|---|---|---|
| Annual discount rate | 3.09% | 2.93% | 2.95% |
| Annual inflation rate | 2.00% | 2.00% | 2.00% |
| Annual rate of increase in severance indemnity | 3.00% | 3.22% | 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:

The new IAS 19, for post-employment defined benefit plans, requires a series of additional information that is reported below:

| SENSITIVITY ANALYSIS OF KEY VALUATION PARAMETERS | |
|---|---|
| **THE ITALIAN SEA GROUP SPA** | **DBO 31/12/25** |
| Turnover rate +1% | 600,343.27 |
| Turnover rate -1% | 598,692.31 |
| Inflation rate +0.25% | 603,991.94 |
| Inflation rate -0.25% | 595,156.22 |
| Discount rate +0.25% | 592,838.30 |
| Discount rate -0.25% | 606,412.36 |

| Service Cost and Duration | |
|---|---|
| **THE ITALIAN SEA GROUP SPA** | |
| Service Cost 2021 | 5,278.64 |
| Duration | 5.8 |

| ESTIMATED FUTURE DISBURSEMENTS | |
|---|---|
| **Years** | **Expected disbursements** |
| 1 | 103,259.71 |
| 2 | 73,829.67 |
| 3 | 78,683.47 |
| 4 | 85,360.53 |
| 5 | 51,557.84 |

## 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.

In June 2025, when the Parent Company entered into the SACE-guaranteed medium/long-term syndicated mortgage loan, of which Euro 115,000 thousand was drawn, it repaid the previous medium/long-term loans as described in Note 19, and the related IRS hedging derivatives entered into in connection with those loans were closed.

Only one IRS derivative remained outstanding on the Banca Intesa loan, with a residual notional amount of Euro 690 thousand, expiring on 27 October 2026, and a positive mark-to-market of Euro 7 thousand as at 31 December 2025, which continued to be recognised in profit or loss.

When it entered into the new syndicated loan, the Parent Company also entered into IRS derivatives with the related banks to hedge interest rate differences. Following the start of the Negotiated Crisis Resolution Procedure, then the so-called pre-filing proceedings pursuant to CCII, Article 44, and the moratorium and standstill requested from the banks, as at 31 December 2025 these derivatives were not accounted for under Hedge Accounting rules but were recognised in profit or loss.

*in thousands of Euros*

| Bank | Notional amount | maturity date | MtM 31.12.2025 |
|---|---|---|---|
| MPS | 9,750 | 31.03.2030 | (9) |
| MPS | 8,077 | 31.03.2030 | (8) |
| Deutsche Bank | 4,615 | 31.03.2030 | 5 |
| Deutsche Bank | 5,571 | 31.03.2030 | 6 |
| BNL | 4,179 | 31.03.2030 | (4) |
| BNL | 3,462 | 31.03.2030 | (3) |
| Crédit Agricole | 7,232 | 31.03.2030 | (5) |
| Crédit Agricole | 5,769 | 31.03.2030 | (4) |
| UniCredit | 9,750 | 31.03.2030 | (9) |
| UniCredit | 8,077 | 31.03.2030 | (8) |
| **Total** | | | **(39)** |

# OTHER INFORMATION

## COMMITMENTS AND RISKS

For the production of yachts, in some cases the Parent Company uses bank or insurance sureties to guarantee the advances received from the ship operators relating to the sale contracts entered into. Details of guarantees outstanding as at 31 December 2025 are set out below.

| **Guarantees outstanding as at 31.12.2025 (Euro thousands)** | | | |
|---|---|---|---|
| **Contract** | **Bank / Insurance company** | **Type** | **Total** |
| 595 | Allianz | Insurance | 1,000 |
| 597 | Allianz | Insurance | 23,821 |
| 604 | Allianz | Insurance | 7,616 |
| 612 | AXA | Insurance | 6,277 |
| 613 | Allianz Trade | Insurance | 58,518 |
| 616 | Deutsche Bank | Banking | 28,675 |
| 607 | UniCredit | Banking | 22,800 |
| 617 | BNL | Banking | 3,084 |
| 618 | Crédit Agricole / Deutsche Bank | Banking | 23,125 |
| 619 | Credit Agricole | Banking | 2,278 |
| L101.2 | BNL | Banking | 2,300 |
| 620 | UniCredit | Banking | 8,550 |
| 621 | UniCredit | Banking | 10,440 |
| **Total** | | | **198,484** |

In addition, Banco MPS S.p.A. issued two bank guarantees:

a guarantee amounting to Euro 260 thousand on behalf of the subsidiary TISG Turkey, in favour of the Turkish supplier NAVEKS GEMI INSA ELEKTRIK MAKINA, securing the payment of rent in respect of one of the shipyards in Turkey. The guarantee was called by the supplier and the relevant amount was paid by MPS S.p.A. on 3 September 2026;

a guarantee amounting to Euro 1,881 thousand, issued on 5 January 2022, securing an outstanding liability towards Perini Navi S.p.A. or its Bankruptcy Trustee.

## TRANSACTIONS WITH RELATED PARTIES

Below is a list of the main Related Parties with which transactions took place in 2025 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. | 100% GIOVANNI COSTANTINO COMPANY |

Transactions with related parties during the financial year ended at 31 December 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 | 0 |
| **TOTAL ACCOUNTS RECEIVABLE** | **0** | **1** | **0** |
| FINANCIAL PAYABLES | 0 | | |
| TRADE PAYABLES | 0 | 2 | 0 |
| **TOTAL PAYABLES** | **0** | **2** | **0** |

| INCOME STATEMENT (€/000) | GC Holding | GMC ARCHITECTURE S.R.L. S.T.P. | SANTA BARBARA S.R.L. |
|---|---|---|---|
| COSTS FOR PROCESSING | | | 0 |
| COSTS FOR CONSULTANCY | | 163 | |
| COSTS FOR SERVICES | 10 | | 180 |
| INTEREST PAYABLES | 0 | | |
| **TOTAL COSTS** | **10** | **163** | **180** |
| REVENUES FROM SALES | | 2 | 0 |
| INTEREST INCOME | | | |
| **TOTAL REVENUES** | **0** | **2** | **0** |

**GMC ARCHITECTURE S.r.l. S.t.p.**: TISG and GMC Architecture have signed a contract based on which GMC undertakes to provide assistance and stylistic consultancy for the outfitting of offices and trade fairs and, in general, to curate the corporate image of TISG and develop projects for the design of the external profiles of yachts that the Company should produce for future potential customers.

**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. The agreement was then terminated after four years on 8 February 2026.

**SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS**

Throughout 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 and the Going Concern section.

**TRANSACTIONS ARISING FROM ATYPICAL AND/OR UNUSUAL OPERATIONS**

During 2025, the Group did not undertake any significant atypical and/or unusual transactions, as defined in Consob Communications no. DEM/6037577 of 28 April 2006 and no. DEM/6064293 of 28 July 2006, other than those described in the Notes and the Management Report.
There are no changes with respect to related party transactions that have had a material effect on the Group'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

See the information in the Management Report.

## EARNINGS PER SHARE

The calculation of earnings per share is based on the following data:

| *in thousands of Euros* | 31/12/2025 | 31/12/2024 |
|---|---|---|
| Net result | (170,918) | 33,894 |
| Profit attributable to ordinary shares | (170,918) | 33,894 |
| Average number of ordinary shares outstanding | 53,000 | 53,000 |
| **Earnings per ordinary share** | **(3.23)** | **0.64 €** |
| Average number of ordinary shares outstanding (adjusted) | 53,000 | 53,000 |
| **Diluted earnings per ordinary share** | **(3.23)** | **0.64 €** |

## AUTHORISATION TO PUBLISH

This document was published on 09 September 2026 upon authorisation of the Chair and the Chief Executive Officer and was approved by the Board of Directors on 31 July 2026.

## DIRECTORS' AND STATUTORY AUDITORS' COMPENSATION

The total compensation due for the financial year 2025 to the Directors and Statutory Auditors of TISG S.p.A., for carrying out these functions in the Company, amounts to Euro 770 thousand for the Directors and Euro

31 thousand for the Statutory Auditors. For a complete and detailed description of the compensation paid to Directors, please refer to the Remuneration Report available at the Company's registered office and on the Company's website.

## SUMMARY STATEMENT OF FEES TO THE AUDITING FIRM AND OTHER ENTITIES BELONGING TO ITS NETWORK

Pursuant to Article 149-duodecies of the Issuers' Regulation, note that the total fees payable to BDO Audit Services S.r.l. (which took over all operations from BDO Italia S.p.A. on 1 January 2026) for the audit of the 2025 Annual Financial Report, the limited assurance review of sustainability reporting and the audit of subsidiary Celi S.r.l. are summarised in the table below:

| ***in thousands of Euros*** | **31/12/2025** |
|---|---|
| ***Fees for the audit of the 2025 consolidated and separate financial statements*** | **67** |
| ***Fees for the limited assurance review of sustainability reporting*** | **37** |
| ***Fees for the audit of subsidiary Celi S.r.l.*** | **12** |
| ***TOTAL*** | **116** |

# CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ARTICLE 81-TER OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999 AS AMENDED AND SUPPLEMENTED

1. The undersigned Giovanni Costantino (Chief Executive Officer) and Fabio Zanobini (Financial Reporting Manager) of The Italian Sea Group S.p.A., taking into account the provisions of Art. 154-bis(3) and (4), of Italian Legislative Decree No. 58 of 24 February 1998, certify that the administrative and accounting procedures for the preparation of the financial statements:

   1. have been defined in a manner consistent with the administrative/accounting system and the Group structure;
   2. have been verified in terms of their adequacy;
   3. were actually applied during the period from 1 January 2025 to 31 December 2025 to which the financial statements refer.

2. No major issues emerged in this respect.

3. We hereby also certify that the Consolidated Financial Statements as at 31 December 2025:

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

(b) are drafted in accordance with the applicable international accounting standards endorsed by the European Community pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002;

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

Date 31 July 2026

**Giovanni Costantino**

Chief Executive Officer

**Fabio Zanobini**

Financial Reporting Manager

# FINANCIAL STATEMENTS OF THE PARENT COMPANY AS AT 31 DECEMBER 2025

## STATEMENT OF FINANCIAL POSITION

| in thousands of Euros | notes | 31/12/2025 | 01/01/2025 | 31/12/2024 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **NON-CURRENT ASSETS** | | | | |
| Brands | 1 | 12,698 | 34,594 | 34,594 |
| Other intangible assets | 2 | 336 | 606 | 606 |
| Land and buildings | 3 | 145,395 | 57,047 | 57,047 |
| Plant, machinery, equipment and investments in progress | 4 | 26,028 | 29,557 | 29,557 |
| Other tangible assets | 5 | 977 | 886 | 886 |
| Right of Use | 6 | 9,813 | 31,742 | 31,742 |
| Shareholdings | 7 | 377 | 377 | 377 |
| Other non-current assets | 8 | 2,399 | 2,924 | 2,924 |
| Deferred tax assets | 17 | 0 | 0 | 0 |
| **Total non-current assets** | | **198,022** | **157,733** | **157,733** |
| **CURRENT ASSETS** | | | | |
| Cash and cash equivalents | 9 | 15,906 | 59,112 | 59,112 |
| Trade receivables | 10 | 21,860 | 62,604 | 62,604 |
| Other receivables | 11 | 1,245 | 1,990 | 1,990 |
| Assets from contract work in progress | 12 | 1,234 | 14,324 | 103,692 |
| Stock inventories | 13 | 20,159 | 9,241 | 9,241 |
| Other current assets | 14 | 2,101 | 4,844 | 4,844 |
| **Total current assets** | | **62,505** | **152,115** | **241,483** |
| **TOTAL ASSETS** | | **260,527** | **309,848** | **399,216** |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | | | |
| **SHAREHOLDERS' EQUITY** | | | | |
| Share capital | | 26,500 | 26,500 | 26,500 |
| Share premium reserve | | 45,431 | 45,431 | 45,431 |
| Other reserves and retained earnings | | (290,668) | (328,603) | 38,640 |
| Profit (Loss) for the financial year | | (157,773) | 0 | 32,309 |
| **Total Shareholders' Equity** | **15** | **(376,510)** | **(256,672)** | **142,880** |
| **NON-CURRENT LIABILITIES** | | | | |
| Provisions for risks and charges | 16 | 81,034 | 103,573 | 6,180 |
| Deferred tax liabilities | 17 | 16,123 | 1,981 | 1,981 |
| Provision for employee benefits | 18 | 600 | 753 | 753 |
| Long-term financial liabilities | 19 | 10,177 | 60,152 | 60,152 |
| Other non-current liabilities | 20 | 0 | 2,715 | 2,715 |
| **Total non-current liabilities** | | **107,934** | **169,174** | **71,781** |
| **CURRENT LIABILITIES** | | | | |
| Trade payables | 21 | 180,787 | 121,316 | 121,316 |
| Other payables | 22 | 37,199 | 28,014 | 28,014 |
| Short-term financial liabilities | 23 | 136,787 | 12,608 | 12,608 |
| Liabilities from contract work in progress | 12 | 166,616 | 228,784 | 15,993 |
| Other current liabilities | 24 | 7,715 | 6,624 | 6,624 |
| **Total current liabilities** | | **529,104** | **397,346** | **184,555** |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | | **260,527** | **309,848** | **399,216** |

# INCOME STATEMENT

| in thousands of Euros | notes | 31/12/2025 | 31/12/2024 |
|---|---|---|---|
| Operating revenues | | 291,460 | 406,358 |
| Other proceeds and income | | 13,474 | 25,923 |
| Commissions | | (1,500) | (7,214) |
| **Total Revenues** | **25** | **303,433** | **425,067** |
| Raw materials, components and consumables | 26 | (109,835) | (100,644) |
| Cost for outsourced work | 27 | (156,762) | (155,856) |
| Technical services and consultancy | 28 | (58,915) | (21,076) |
| Other costs for services | 29 | (15,509) | (13,493) |
| Personnel costs | 30 | (42,567) | (40,420) |
| Other operating costs | 31 | (30,326) | (17,302) |
| **Total operating costs** | | **(413,915)** | **(348,792)** |
| **Operating result before amortisation, depreciation and write-downs** | | **(110,481)** | **76,274** |
| Depreciation, amortisation and write-downs | 32 | (41,853) | (11,426) |
| **Operating result** | | **(152,334)** | **64,848** |
| Financial income | 33 | 597 | 806 |
| Financial charges | 33 | (11,634) | (8,870) |
| **Financial year profit (loss) before income taxes** | | **(163,371)** | **56,785** |
| Income taxes | 34 | 5,598 | (24,476) |
| **Profit (loss) for the financial year** | | **(157,773)** | **32,309** |

# OTHER COMPREHENSIVE INCOME

| | | | |
|---|---|---|---|
| **Financial year profit/(loss)** | | **(157,773)** | **32,309** |
| Profits/(losses) on re-measurement of employee defined benefit plan liabilities | 35 | (21) | (32) |
| Change in fair value of hedging derivatives | 35 | (503) | (458) |
| IAS 16 revaluation reserve | | 51,443 | 0 |
| **TOTAL COMPREHENSIVE FINANCIAL YEAR PROFIT/(LOSS) (A) + (B)** | | **(106,854)** | **31,819** |

# CASH FLOW STATEMENT

| *In thousands of Euros* | 31/12/2025 | 31/12/2024 |
|---|---|---|
| **INCOME MANAGEMENT ACTIVITIES** | | |
| Result before tax for the financial year | (163,371) | 56,785 |
| Net interest income | 11,037 | 8,064 |
| provision for risks and charges | 21,079 | 3,314 |
| provision for severance indemnity | 1,953 | 1,790 |
| **Adjustments for:** | | |
| Amortisation, depreciation and write-downs of non-current assets | 48,633 | 10,308 |
| Capital gains/(losses) | 0 | (18,114) |
| Other provisions and write-downs (revaluations) | 0 | 500 |
| Release of Provisions for risks | (42,144) | 0 |
| Other adjustments | (524) | 0 |
| **Changes in assets and liabilities:** | | |
| Receivables from customers | 30,378 | (30,760) |
| Inventories and contract work in progress | (66,860) | (41,999) |
| Other management activities | 4,014 | 2,543 |
| Payables to suppliers | 59,482 | 23,719 |
| Other operating payables | 7,561 | 6,979 |
| Severance indemnity | (2,106) | (1,926) |
| Provisions for risks and charges | (7,239) | 512 |
| Taxes | 5,598 | (24,476) |
| Interest paid | (11,037) | (8,064) |
| **Cash flow from income management activities** | **(103,640)** | **(10,825)** |
| **INVESTING ACTIVITIES** | | |
| Purchase of tangible assets | (785) | (3,137) |
| Disposal of tangible assets | 0 | 21,000 |
| Purchase of intangible assets | 0 | (125) |
| Acquisition of shareholdings | | |
| Receivable from CELI | 0 | 404 |
| Others | 0 | 2,504 |
| **Cash flow from investing activities** | **(785)** | **20,646** |
| **FINANCING ACTIVITIES** | | |
| Change in reserves | | |
| Payment of Dividends | (12,985) | (19,610) |
| Raising M/L term loans | 134,669 | 6,000 |
| Repayment of M/L term loans | (59,693) | (11,658) |
| Raising shareholders' loans | | |
| Repayment of loans to others lease | (772) | (1,493) |
| **Cash flow from financing activities** | **61,219** | **(26,761)** |
| **TOTAL CASH FLOWS FOR THE PERIOD** | (43,206) | (16,939) |
| **INITIAL CASH AND CASH EQUIVALENTSINITIAL CASH AND CASH EQUIVALENTS** | 59,112 | 76,051 |
| **FINAL CASH AND CASH EQUIVALENTS** | 15,906 | 59,112 |

# STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

| Data in thousands of Euros | Values as at | Allocation of income | Financial year result | Other changes | | Total result | Values as at |
|---|---|---|---|---|---|---|---|
| | 31/12/2023 | 31/12/2023 | 31/12/2024 | 31/12/2024 | | 31/12/2024 | 31/12/2024 |
| SHARE CAPITAL | 26,500 | | | | | | 26,500 |
| SHARE PREMIUM RESERVE | 45,431 | | | | | | 45,431 |
| OTHER RESERVES AND RETAINED EARNINGS | 22,059 | 36,682 | | (19,610) | | (491) | 38,640 |
| PROFITS (LOSSES) FOR THE PERIOD | 36,682 | (36,682) | 32,309 | | | | 32,309 |
| **TOTAL SE** | **130,672** | **(0)** | **32,309** | **(19,610)** | | **(491)** | **142,880** |

| Data in thousands of Euros | Values as at | Allocation of income | IAS 8 restatement | Financial year result | Other changes | Total result | Values as at |
|---|---|---|---|---|---|---|---|
| | 31/12/2024 | 31/12/2024 | 01/01/2025 | 31/12/2025 | 31/12/2025 | 31/12/2025 | 31/12/2025 |
| SHARE CAPITAL | 26,500 | | | | | | 26,500 |
| SHARE PREMIUM RESERVE | 45,431 | | | | | | 45,431 |
| OTHER RESERVES AND RETAINED EARNINGS | 38,640 | 32,309 | (399,551) | | (12,985) | (524) | (342,111) |
| IAS 16 REVALUATION | | | | | | 51,443 | 51,443 |
| PROFITS (LOSSES) FOR THE PERIOD | 32,309 | (32,309) | | (157,773) | | | (157,773) |
| **TOTAL SE** | **142,880** | **0** | **(399,551)** | **(157,773)** | **(12,985)** | **50,919** | **(376,510)** |

**Other changes** include the dividends paid in the year, as approved by the Shareholders' Meeting on 22 April 2025.

# NOTES TO THE PARENT COMPANY'S SEPARATE FINANCIAL STATEMENTS

CONTENT AND FORM OF THE FINANCIAL STATEMENTS

These notes to the financial statements were prepared on the basis of the accounting records updated at 31 December 2025. The purpose of this document is to illustrate, analyse and, in some cases, supplement the data provided in the financial statements.

The financial statements at 31 December 2014 were the first financial statements of the Company prepared in compliance with the International Accounting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union.

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

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

- the Separate income statement was prepared by classifying operating costs by nature, as this form of presentation is considered more suitable to represent the specific business of the Company, is compliant with internal reporting methods and is in line with the reference industrial sector practice;

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

- the Cash flow statement was prepared by showing the cash flows deriving from operating activities according to the "indirect method".

The values shown in these notes are expressed in thousands of Euros unless specified otherwise.

Directive 2004/109/EC (the "Transparency Directive") and Delegated Regulation (EU) 2019/815 introduced the obligation for issuers of securities listed on regulated markets of the European Union to draft the annual financial report in XHTML, based on the European Single Electronic Format (ESEF) approved by ESMA.

Furthermore, reference is made to interpretative and supporting documents for the application of the accounting standards issued by international regulatory bodies and Italian supervisory bodies, as well as the standard setters, which were also taken into account in the drafting of this Report, wherever applicable, highlighting:

- The ESMA Public Statement of 25 October 2023 "European common enforcement priorities for 2023 annual financial reports" which reiterates, *inter alia*, some recommendations already present in the previous Public Statement published in October 2022; more specifically, in the drawing up of reports and the information provided, a particular focus is requested regarding:
  - climate issues and the consistency between the information contained in the reports and the non-financial information, the recording of emission allowances (ETS) and certificates linked to renewable energy and the impairment testing process as far as the climate is concerned;
  - the impact of the current macroeconomic context on re-financing risks and other financial risks, as well as the process of fair value determination and the related disclosure;
  - alternative performance measures.

- Discussion paper n. 1/2022 "Impairment test of non-financial assets (IAS 36) following the war in Ukraine" published on 29 June 2022 by the Organismo Italiano di Valutazione ("OIV") which recalls the content of the ESMA Public Statement of 13 May 2022 (subject to CONSOB Warning notice of 19 May 2022) and provides operational guidelines to manage the uncertainty of the current context regarding the exercise of any impairment test.

## DIRECTORS' ASSESSMENT OF THE GOING CONCERN REQUIREMENTS

TISG S.p.A.'s financial statements for the year ended 31 December 2025 reported operating revenue of Euro 291,460 thousand, an operating loss of Euro 152,334 thousand after direct and indirect operating costs, personnel costs, depreciation, amortisation, impairment losses and other provisions for non-recurring costs, and a net loss of Euro 157,773 thousand after financial items and taxes. The Company has negative shareholders' equity of Euro 376,510 thousand and net financial debt as at 31 December 2025 of Euro 131,058 thousand, comprising bank and financial debt and, as a result of IFRS 16, liabilities relating to leases of plant and company cars and shipyard concessions.

In light of the above and in accordance with IAS 1, the Directors' assessments of whether the going concern assumption is appropriate for the preparation of the separate financial statements as at 31 December 2025 are set out below.

TISG's crisis emerged suddenly in February 2026, when severe financial strain came to light in connection with significant "over-budget" costs (i.e. costs that had neither been budgeted nor authorised) incurred and still to be incurred for vessel construction, which progressively depleted available cash.

These circumstances came to light entirely unexpectedly and could not have been foreseen.

A group of individuals holding senior positions within the Company had implemented a complex mechanism that, without the knowledge of the Director and other persons not involved in it, circumvented the controls preventing each contract from exceeding its approved budget. As a result, the over-budget costs and the actual cash position were concealed for years.

The methods used to conceal the existence and scale of these costs prevented the progressive depletion of cash from being addressed in time. In February 2026, following a delay in the receipt of advance payments expected in December 2025 that would have replenished cash, the Company suddenly found itself unable to meet its payment obligations and the above-mentioned senior figures could no longer conceal the true financial position.

On 18 February 2026, TISG's Board of Directors acknowledged the emergence of budget overruns on all contracts in progress, which had adversely affected TISG's cash position. For this reason, the Company arranged a financial strengthening measure through a shareholder loan from the majority shareholder (GC Holding S.p.A. - "GCH") in the amount of Euro 25 million.

The shareholder loan is interest-free and does not entitle GCH to any fee for granting it. Furthermore, until all payment obligations under the bank loan agreement entered into in June 2025 have been fully, unconditionally and definitively satisfied and extinguished, the receivables owed to GCH by the Company under the shareholder loan are deferred and subordinated to the claims of the pool of lending banks.

The Company will repay the shareholder loan in one or more instalments by 31 December 2032.

On 24 February 2026, the Company received a formal payment demand from International Factors Italia S.p.A. ("**Ifitalia**"), with which numerous TISG suppliers have factoring agreements, in relation to principal amounts owed totalling approximately Euro 10.3 million, half of which were overdue.

Ifitalia's formal payment demand was followed by reports pursuant to CCII, Article 25-*octies*, from the Board of Statutory Auditors and statutory auditor BDO Audit Services S.r.l.

Initial checks performed following the reports revealed overdue trade payables of approximately Euro 27 million and unpaid taxes and social security contributions from the previous year, some of which had already been placed on instalment plans by those responsible for the mechanism described above. It was also discovered that guarantees totalling Euro 31 million had been issued in GCH's name without the Chief Executive Officer's knowledge, using his digital signature without authorisation.

To determine precisely the scale of the matter and the actual scope of the individuals involved, TISG:

- appointed KPMG on 2 March 2026 to conduct an in-depth independent audit (forensic due diligence) to identify the causes of and responsibility for the budget overruns, covering a complete analysis of the management of ongoing contracts, the internal control model and financial management;
- filed a criminal complaint against certain former senior TISG executives heading key functions who had acted in coordination with one another. According to the allegations in the complaint, over time the individuals concerned engaged in a series of coordinated actions intended to conceal the actual management of contracts and provide TISG's Chief Executive Officer with contract accounting and management information that did not reflect reality. This concealment was allegedly made possible by the fraudulent and covert circumvention of the internal contract management system, for which the individuals named in the complaint were jointly responsible. The complaint describes a system for altering contract accounting and management documents, including cash flow reports, contract budgets and bank statements, which allegedly presented an untrue position that was, above all, entirely unknown to and undetectable by TISG's Chief Executive Officer. The complaint was filed with the Public Prosecutor's Office at the Court of Massa and was subsequently assigned to the Public Prosecutor's Office at the Court of Genoa;
- began developing a plan to resolve the crisis and strengthen the Group's capital position, which also involved discussions with financial institutions.

With regard to the first point, the forensic audit began on 8 April, given TISG's need to prioritise activities supporting business continuity, and was completed on 22 July 2026. It identified the following irregularities in the management of contracts and the related cost budgets:

• over time, the five managers permitted and authorised expenditure in excess of the approved budgets without the Chief Executive Officer's approval;

• the monthly reports requested by the Chief Executive Officer to monitor contract progress and the cash position were modified to show amounts in line with approved budgets and, consequently, did not reflect the actual amounts committed to third-party suppliers that were instead recorded in the management system. In this regard, other documents, such as current account balances, also appear to have been altered to support the position presented in reports to the Chief Executive Officer;

• the budget overruns and resulting additional costs were also concealed in the management system, meaning they were not immediately visible on the progress reporting screens because excess budget use was managed through a generic contract called "Contract 0";

• several purchase orders appear not to have been approved by the Chief Executive Officer (either unsigned or signed by former managers who lacked the necessary authority). In addition, several additional costs appear to have been charged to contracts through invoices without purchase orders and/or work progress reports.

Furthermore, numerous assignments to factoring companies of receivables relating to invoices issued by suppliers to TISG came to light. They appear to have been authorised either by former managers, who lacked the relevant authority, or using the Chief Executive Officer's signature, which he has, however, disavowed.

In addition, the Chief Executive Officer's digital signature was allegedly used improperly in September 2025 to obtain a loan requested for the Company without authority and for the issuance of guarantees by GCH (TISG's parent company, controlled by the Chief Executive Officer).

The aforementioned parallel management system is connected with the resignations of the five senior executives referred to above, who were subsequently dismissed and reported by the Company to the judicial authorities. These resignations appear to have been prompted by the virtual absence of Company funds, which at the beginning of February 2026 actually amounted to approximately Euro 2.7 million, as opposed to the approximately Euro 93 million reported to the Chief Executive Officer only one month earlier.

With regard to the accounting aspects and their impact on periodic financial reports, the following should be noted:

• the over-budget costs primarily affect the work in progress ("WIP") item, which, under the cost-to-cost method, contributes to determining the amount of revenue and profit margins attributable to the period;

• an analysis of the files used to determine WIP found that the additional costs, to the extent already incurred, were included in the total value of WIP. This therefore allegedly included both those relating to contracts open at 31 December 2025 and part of those relating to contracts closed previously, recognition of which had consequently been deferred and attributed on that occasion to open contracts;

• given the absence of changes to the budgets and expected margins, the matter described in the preceding point resulted in WIP reflecting higher contract completion percentages than the actual percentages. This had a significant impact on the revenue and margins reported as at 31 December 2025, including the recognition of provisions for loss-making contracts;

• with the support of its advisers, the Company determined the actual progress of the contracts and the related costs to complete in order to validate the total budget for each contract and thus correctly determine the value of WIP and the accounting treatment for the restatement of the income statement and balance sheet amounts in accordance with international accounting standards;

*Access to the Negotiated Crisis Resolution Procedure with the application of asset protection measures*

By an application pursuant to Article 17 of Italian Legislative Decree no. 14 of 12 January 2019 (Italian Insolvency Code, the "**CCII**"), filed on 9 March 2026, the Company, having stated that it was experiencing financial strain while believing that a turnaround could be achieved through a negotiated crisis resolution procedure ("**CNC**"), requested the appointment of an independent expert to conduct negotiations with creditors and other stakeholders in accordance with CCII, Articles 12 et seq.

The Company decided to initiate a "group" negotiated crisis resolution procedure pursuant to CCII, Article 25, involving the following companies in the turnaround process:

- Celi s.r.l. ("**Celi**"), a wholly owned subsidiary of TISG that effectively constitutes one of its business units;
- GC Holding s.p.a. ("**GCH**"), the company which, as mentioned above, holds a majority of TISG's shares and is wholly owned by Giovanni Costantino, TISG's Chairman and Chief Executive Officer.

At the same time as filing the application for the appointment of the expert, the three Group companies requested, pursuant to CCII, Article 18(1), that asset protection measures be applied in respect of all creditors.

On 12 March 2026, the special committee established at the Florence Chamber of Commerce appointed Dr Enrico Terzani as expert (the "**Expert**"), who accepted the appointment on 13 March 2026.

On 16 March 2026, the acceptance was published in the Companies Register. On the same date, TISG filed the petition seeking confirmation of the protection measures.

On 20 April 2026, the Court of Florence confirmed the protection measures requested by the Company, GC Holding S.p.A. and Celi S.r.l. for the maximum period permitted by law, namely four months from 16 March 2026 (and therefore until 14 July 2026).

The Court granted the request, finding that the relevant requirements had been met, particularly as the turnaround was reasonably achievable, also in light of the industrial and financial initiatives proposed by the Group. It therefore confirmed the protection measures against all parties, temporarily prohibiting all creditors, among other things, from:

• acquiring preferential rights not agreed with the entrepreneur;

• commencing and/or continuing enforcement and interim proceedings against the entrepreneur's assets or against the assets and rights used to carry on the business, including vessels currently at the shipyards;

• obtaining a judgment opening judicial liquidation proceedings or declaring insolvency;

• unilaterally refusing to perform pending contracts, terminating them, accelerating their expiry or amending them to the detriment of the entrepreneur, or withdrawing all or part of credit facilities already granted solely because obligations arising before publication of the application were not performed.

The Court had specified that the protection measures also extended to vessel owners, preventing them from terminating ongoing vessel construction contracts.

On 14 May 2026, TISG was served with an order scheduling a hearing for 27 May 2026 to consider the appeals brought pursuant to Article 19 of Italian Legislative Decree no. 14 of 12 January 2019 by five vessel owners against the order confirming the protection measures.

On 10 June 2026, the Court of Florence issued an order upholding the appeals filed by the five vessel owners and amending the order of 20 April 2026 insofar as the protection measures had also been confirmed in respect of them. The Court held that vessels already owned by the appellants could not be subject to protection measures because they were neither assets of the entrepreneur nor assets used to carry on the business, and that the appellants were not creditors against whom those measures could operate because their right to performance of the pending contract could not be satisfied through enforcement or interim proceedings against those assets.

The order revoked the protection measures solely in respect of the five appellant vessel owners and did not affect the other vessel owners or any other creditors, for whom the measures remained effective for the period already established by the Court.

On 21 May 2026, the Board of Directors noted that the accounting reconstruction of the effects of the additional contract costs and the accounting irregularities referred to above had revealed losses triggering the circumstances contemplated by Italian Civil Code, Article 2447, reducing the share capital below the minimum established by Italian Civil Code, Article 2327. It therefore resolved to file immediately the declaration referred to in Italian Legislative Decree no. 14/2019, Article 20(1), which became effective upon publication in the Companies Register.

These protection measures provide for the temporary suspension of the obligations under Italian Civil Code, Articles 2446(2) and (3) and 2447, to recapitalise and restore the share capital or dissolve the Company, until publication in the Companies Register of the order by which the Court of Florence declares ineffective the protection measures requested by the Company pursuant to CCII, Articles 18 and 19, or revokes them.

In summary, the draft turnaround plan underlying the CNC, prepared by the Company with the assistance of adviser KPMG, identified the following measures:

a. "*consolidation of backlog contracts*": the plan envisaged continuing the 17 ongoing yacht construction contracts and the refit work (i.e. maintenance and renovation of vessels already built), and renegotiating with the vessel owners (i.e. TISG's customers) so that they would bear a portion of the over-budget costs incurred or still to be incurred in constructing their vessels;

b. "*development of the prospective pipeline and enhancement of brand value*": the draft plan envisaged strengthening the sales organisation to safeguard the value of the brands and secure new contracts from 2027 onwards;
c. "*internal reorganisation and optimisation of the organisational structure*": the events described above, which led to TISG's crisis, highlighted the need to rebuild and reorganise the senior management structure, redefine internal processes and launch a plan to optimise overheads;
d. "*enhancement of corporate asset value*": the draft plan contemplated selling the La Spezia production site, whose activities could be consolidated at the Carrara shipyard and in which the Company had previously received serious and credible expressions of interest;
e. "*assessment of the feasibility and viability of synergies and/or partnerships and capital strengthening*": the Company immediately set itself the goal of exploring the market to identify opportunities for synergies and collaborations to relaunch and develop TISG.

The objective, which appeared reasonably achievable in this context when the Company entered the CNC and during the subsequent weeks of negotiations, was to restore the Company's equilibrium by combining the measures described above with the renegotiation of amounts owed to suppliers, banks and the tax authorities.

During the CNC, the Company launched most of the initiatives set out in the draft plan. More specifically:

- an internal reorganisation process was implemented immediately, adding suitably qualified individuals to the Company's organisational structure;
- discussions were pursued with a number of potential industrial and/or financial partners;
- the La Spezia shipyard, as a business unit, was appraised with a view to a competitive sale procedure pursuant to CCII, Article 22 (1)(d);
- agreements were reached with approximately 300 suppliers, providing for debt waivers and deferred payments, reducing overall debt by approximately Euro 15 million and making it more sustainable;
- the shipyards remained operational, albeit at reduced capacity and with the obvious difficulties arising from the circumstances. In some cases, to preserve business operations, it was necessary to involve in the negotiations the lenders with which strategic suppliers had factoring agreements (to which TISG was a third party). Because TISG had failed to pay the assigned receivables before entering the CNC, these lenders prevented those suppliers from receiving payment for work performed after entry into the CNC.

During the four months of negotiations conducted as part of the CNC, it was not possible to conclude agreements with enough vessel owners to ensure implementation of the turnaround plan originally proposed.

In this regard, preparation of the turnaround plan showed that restoring TISG's capital and financial equilibrium would require a negotiated total contribution of approximately Euro 180 million from the vessel owners (corresponding to an average increase of approximately 15% in the contract price) towards the over-budget costs incurred in constructing their vessels.

Although discussions with the vessel owners began as soon as the Company entered the CNC and continued until the end of June, TISG was able to conclude only a small number of agreements, specifically:

- an agreement entered into on 25 March 2026 in relation to contract no. 614, under which the vessel owner undertook to pay an additional Euro 5,000,000 on top of the original consideration of Euro 32,102,256 (delivery of the vessel is scheduled for 25 September 2026);
- an agreement entered into on 28 April 2026 in relation to contract no. 606, under which the vessel owner undertook to pay an additional Euro 600,000 on top of the original consideration of Euro 31,683,502 (delivery of the vessel is scheduled for 8 July 2026).

Also in light of the advanced stage of construction of these two vessels, the agreements reached were particularly beneficial to TISG, enabling it to complete the contracts and collect the related balances in addition to the “additional prices”.

As regards the other contracts, in some cases the negotiations continued beyond what was considered a reasonable period, while in others the vessel owners made their agreement to renegotiate the contracts as part of the CNC subject to conditions that could have prejudiced TISG’s creditors and other stakeholders.

Accordingly, as 14 July 2026 and therefore the expiry of the protection measures under the CNC approached (subject to any extension), the Company acknowledged the unsuccessful outcome of the negotiations and that the turnaround plan could not be implemented, at least as originally conceived.

The Company nevertheless believed that significant value remained in TISG’s continued operation and that this value should be preserved in the best interests of creditors, employees and the supply chain. Accordingly, with the assistance of its advisers, the governing body began revising the proposed crisis resolution plan.

To this end, TISG needed to access a crisis resolution instrument, bring the CNC to an early conclusion and commence the consolidated proceedings pursuant to CCII, Articles 40 et seq., reserving the right to file the plan, the proposal and the documentation referred to in CCII, Article 39, within the time limit granted by the Court pursuant to CCII, Article 44.

On 30 June 2026, the Board of Directors adopted the resolution pursuant to CCII, Article 120-*bis*, notarised by Notary Public Gaia Nardone and published in the Companies Register. Pursuant to CCII, Article 44(1-*quater*) (the so-called “pre-filing” application or “blank composition with creditors”), it requested application of the PRO regime pursuant to CCII, Article 64-*bis*, and then requested that the negotiated crisis resolution application be closed.

Note that TISG had initiated the CNC on a group basis, also involving GCH and Celi. However, there was no reason to believe that the prospects of a successful outcome of GCH’s and Celi’s CNC had ceased to exist following the revision of TISG’s crisis resolution proposal and TISG’s entry into the consolidated proceedings. Those prospects depend on TISG’s turnaround, irrespective of how it is achieved.

GCH and Celi therefore continue their respective processes under the negotiated crisis resolution procedure.

Pursuant to Article 54(2) of the CCII, the Company also requested asset protection measures from the Court in respect of all its creditors so that:

- no creditor could commence or continue enforcement or interim proceedings against the Company’s assets or the assets and rights used to carry on the business;
- limitation periods would remain suspended and no rights would lapse;
- no judgments opening judicial liquidation proceedings or declaring insolvency could be handed down (note that no applications to this effect are currently pending).

Upon confirmation of the protection measures pursuant to CCII, Article 55(3), for the maximum period permitted pursuant to Article 55 (3) of the CCII, namely four months, without prejudice to any subsequent requests for an extension where necessary and where the statutory requirements were met, the following remained in force:

- the suspension of the obligations and grounds for dissolution relating to capital losses pursuant to Article 44 (1-*bis*) (continuing the suspension already requested as part of the CNC pursuant to CCII, Article 20);
- the prohibition on creditors acquiring preferential rights effective against competing creditors and the provision that judicial mortgages registered in the 90 days before publication of the application pursuant to Article 44 are ineffective, as provided for by Article 46(5).

The new crisis turnaround proposal, filed with the application pursuant to CCII, Article 44, sets out a series of measures to restore TISG's capital, economic and financial equilibrium, including in particular:

- continuing negotiations with vessel owners with the aim of renegotiating the consideration or terminating contracts by mutual agreement (in either case with a positive impact on equity), without prejudice, if no agreement can be reached, to the possibility of terminating unprofitable contracts (i.e. those with costs to complete exceeding the consideration still to be collected) pursuant to CCII, Article 97;
- a capital increase to be subscribed for by new public or private investors through the stock market.
- the disposal of the La Spezia shipyard, as a business unit, which is considered non-strategic,
- the negotiation of an agreement with the tax authorities and social security institutions,
- further measures relating to financial and trade debt, as well as the possible conversion of approximately Euro 134 million of unsecured financial debt into participating financial instruments (PFIs).

The crisis resolution proposal was accompanied by a business plan containing income statement, balance sheet and cash flow projections through to 2031.

It was also necessary, within the time limits granted by the Court pursuant to CCII, Article 44, for ongoing vessel construction contracts to be "frozen" in their current state so that the assessments in progress could be completed and negotiations with vessel owners conducted in an orderly manner.

This need to "freeze" the contracts resulted in three further applications to the Court for the following interim measures:

- an application for the immediate suspension, pursuant to CCII, Article 97 (7), of all ongoing construction contracts, with the sole exception of the two contracts scheduled for delivery in July and September of the current year;
- an application for an interim measure against the vessel owners prohibiting the use of contractual self-help remedies, both those provided for in relation to previous defaults and, insofar as necessary, those provided for in connection with TISG's entry into the consolidated proceedings;
- an application for an interim measure against the vessel owners and their respective guarantors prohibiting enforcement and/or payment of the guarantees granted to the vessel owners under the construction contracts.
- an application to release strategic suppliers from their obligation to assign receivables in bulk to factoring companies.

Finally, an application was made to launch a competitive procedure for the sale of the La Spezia business unit.

On 3 July 2026, the Court issued an order limited to the request for a time limit pursuant to Article 44, in respect of which the Court:

- granted a period of 60 days, and therefore until 31 August 2026, to file the plan and proposal;

- appointed three Judicial Commissioners: Professor and Lawyer Niccolò Abriani, Dr Riccardo Forgheschi and Dr Manuela Olastri;
- ordered the filing of periodic reports, the first by 3 August 2026 and the second (if the time limit pursuant to Article 44 was extended) by 2 September 2026;
- granted the early application not of the PRO regime (whose requirements the filed plan would not meet) but of the arrangement with creditors on a going concern basis. Consequently, acts of extraordinary administration will have to be authorised by the Court after consulting the Judicial Commissioners;
- scheduled the inter partes hearing on the plan for 16 September 2026 (the hearing will be postponed if the deadline for filing the plan is extended).

With regard to the other applications, namely confirmation of the protection measures, granting of interim measures, suspension of the contracts and ordering of the competitive procedure for La Spezia, on 6 July 2026 the Court issued an order by which it:

- confirmed the protection measures for four months, until 1 November 2026
- provisionally granted all the requested interim measures pending the hearing, so that:
- the vessel owners may not terminate the contracts as a result of TISG's defaults;
- the vessel owners may not enforce guarantees and the guarantors may not pay any guarantees that are enforced;
- the suppliers essential to contracts 606 and 614, those indicated in the application, will be temporarily released from their obligations to assign receivables to factoring companies.

The inter partes hearing on the interim measures was scheduled for 22 July 2026.

On 29 July 2026, the Court of Florence issued an order revoking the interim measures granted without hearing the other party by its order of 6 July 2026 and adopting a modified interim measure to protect strategic suppliers involved in contracts nearing completion.

Specifically, the Court revoked the interim measures prohibiting contractual self-help remedies and enforcement of guarantees against vessel owners, as well as the prohibition on payment by guarantors whose guarantees had been enforced. It instead ordered an interim measure to protect strategic suppliers involved in contracts that the Company intends to complete, providing for TISG to pay the related consideration directly to those suppliers, without prejudice to the factoring companies' rights to the receivables, until agreements with similar terms are reached with them.

As part of the proceedings pursuant to CCII, Article 44, the Company had filed an application pursuant to Article 97 of the CCII for the suspension of ongoing vessel construction contracts, except for contracts 606 and 614 which were at the delivery stage, as an interim measure intended to provide the time needed to complete the assessment of the profitability of each contract and discuss additional prices with the vessel owners. Most vessel owners opposed the application.

By order of 31 July 2026, Case Register no. 222/2026, the Bankruptcy Division of the Court of Florence rejected the application for suspension, finding that the measure was neither consistent with the plan nor conducive to its implementation and noting that the resulting arrangements did not prevent agreements with different terms from being reached with the vessel owners. The order therefore leaves the vessel owners free to terminate the contracts, thereby crystallising the related creditor positions.

By order of 3 August 2026, after obtaining the opinion filed by the Judicial Commissioners on 30 July 2026, the Court found that the requirements for authorising a competitive procedure for the business unit comprising the La Spezia shipyard had not been met, either pursuant to Article 91(3) or Article 46 of the CCII, because a conditional irrevocable offer had been received from a third-party investor on 27 July 2026 concerning TISG's entire business, including the La Spezia and Marina di Carrara shipyards and the equity investment in Celi S.r.l.

On 9 August 2026, TISG announced that it had launched a competitive process to identify potential investors as part of the Company's restructuring process. The competitive process was launched following the many unsolicited expressions of interest received by the Company and in response to the need to bring them within a single procedural framework. The process is intended to gather irrevocable offers under the supervision of the Judicial Commissioners.

The transaction may be structured in one of two ways: as an Asset Deal or a Share Deal. In an Asset Deal, the assets to be sold are the shipyards (the Carrara and La Spezia sites), the Viareggio site, the Admiral, Perini, Picchiotti and Tecnomar brands and the shareholdings in Celi S.r.l. and TISG Turkey Yat Tersanecilik A.Ş. Each bidder is invited to specify in its offer the scope of the assets in which it is interested, which may comprise the entire business, business units, individual assets or combinations thereof. Alternatively, the process envisages a Share Deal through a capital increase intended to recapitalise the Company and restore the capital and financial conditions required for it to continue as a going concern.

The first phase of the process involves submitting non-binding indicative offers by 15 September 2026. The offers will remain valid for 90 days after the deadline and may be extended at the Company's request. Based on the offers received, TISG will select the investors to be admitted to the second phase, which will include more in-depth due diligence. Phase II is currently expected to last approximately five weeks from the invitation date, with binding offers to be submitted by 15 October 2026 and signing tentatively scheduled for 26 October 2026. The timetable may nevertheless be changed to reflect the necessary corporate and regulatory steps. Completion of the transaction also remains subject to the supervision of the Judicial Commissioners and authorisations from the competent Court.

On 31 July 2026, the expert Mr Terzani filed with the Court of Florence his favourable opinion on extending the protection measures for Celi S.r.l. and GC Holding S.p.A. by a further 120 days (until 14 November 2026). On 30 July 2026, an application pursuant to Article 20 of the CCII was filed with the Companies Register to suspend the recapitalisation obligations.

Subsequently, by an order filed on 17 August 2026, the Court of Florence extended the protection measures for Celi S.r.l. and GC Holding S.p.A. by a further 120 days, until 14 November 2026.

On 28 August 2026, the Company filed an application for an extension, until 30 October 2026, of the deadline pursuant to Article 44 of the Italian Crisis and Insolvency Code (CCII). The application received a favourable opinion from the Commissioners and is currently pending before the Court of Florence.

Lastly, on 26 August 2026, the Company was served with two petitions for the opening of judicial liquidation proceedings filed by two supplier creditors, together with the relevant court order scheduling the hearing for 6 October 2026.

As previously disclosed, Legislative Decree No. 136 of 13 September 2024 (the so-called "Corrective Decree *ter*") amended Article 44 of the CCII by removing the requirement that there be "no pending applications for the opening of judicial liquidation proceedings".

Accordingly, the existence of applications seeking the judicial liquidation of the debtor does not, in itself, preclude an extension of the deadline, provided that the application for such extension is supported by justified grounds, as is the case in the present circumstances.

*Description of the events and circumstances that may cast significant doubt on the Company's and the Group's ability to continue as going concerns*

Taking all of the above into account, the Directors believe that TISG's position remains subject to material uncertainties relating to events and circumstances that cast doubt on the Company's and the Group's ability to continue as going concerns. Their resolution depends significantly on external factors beyond the control of the governing body, including in particular:

- agreements with the vessel owners concerning the requested additional prices or the termination of contracts,
- completion of the agreement with the banks and financial institutions (factoring companies) based on the financial measures described above,
- completion of the planned share capital increase and/or provision of bridge financing or DIP financing to cover the lack of financial resources in the coming months,
- the disposal of the La Spezia shipyard or other business units following the launch of the competitive process for the entry of new investors through an asset deal or share deal,
- completion of the settlements with the Italian Revenue Agency, social security institutions and suppliers for both TISG and Celi S.r.l.,
- completion of the agreements with suppliers,
- completion of the organisational, strategic and commercial changes already launched, the reduction of overheads and achievement of the economic and financial objectives described above within the envisaged time frames and by the envisaged methods, subject to the approval and court confirmation of a 2026-2031 Business Plan, which must, among other things, form the basis for the Directors' principal assessments in drafting the financial statements as at 31 December 2025,

The recoverability of the principal assets in the separate financial statements is conditional on the successful resolution of the same material uncertainties affecting the going concern assumption described above.

Having carefully analysed the various material uncertainties connected with the circumstances described above and relating to TISG that could cast doubt on the adoption of the going concern assumption, and in light of:

- the agreements under negotiation with the vessel owners concerning the requested additional prices or the termination of contracts, also taking into account the Court orders described above,
- completion of the agreement currently under negotiation with the banks and financial institutions (factoring companies) based on the financial measures described above,
- the possible disposal of the La Spezia site or other business units, or completion of the planned share capital increase, following the offers received and the launch of the competitive process for the entry of new investors;
- completion of the settlements with the Italian Revenue Agency and social security institutions,
- certification and approval of the 2026-2031 Business Plan by the Court of Florence,
- completion of the organisational, strategic and commercial changes already launched, the reduction of overheads and achievement of the economic and financial objectives described above within the time frames and by the methods set out in the approved 2026-2031 Business

Plan, which must, among other things, form the basis for the Directors' principal assessments in preparing the financial statements as at 31 December 2025,

the Board of Directors nevertheless has a reasonable expectation that the Company will be able to continue operating for the foreseeable future, defined as at least 12 months from the date of approval of these financial statements, and therefore considered it appropriate to draft the separate financial statements as at 31 December 2025 on a going concern basis.

# INTRODUCTION

The Italian Sea Group S.p.A. has adopted the International Financial Reporting Standards adopted by the European Union (IFRS), from 2014 onwards, with a date of transition to the IFRS (FTA) at 1 January 2013.

It should be noted that the IFRS are the accounting standards approved by the International Accounting Standards Board (IASB), adopted pursuant to Regulation (EC) no. 1606/2002.
At national level, the international accounting standards were implemented in our system with Italian Legislative Decree no. 38/2005, containing a series of provisions aimed at harmonising the application of the standards in question with domestic regulations on business income.

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

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, interpretations and amendments adopted by the Group**

The accounting standards, amendments and interpretations not adopted early for the year ended 31 December 2025 govern circumstances and cases that do not have a significant effect on the Company's financial position and results or on the disclosures in the separate financial statements.

The Company is assessing the impact of changes, amendments and interpretations to Endorsed Accounting Standards that have not been adopted early or are in the process of endorsement.

The standards and interpretations that had already been issued but not adopted early at the date the financial statements were prepared are listed below:

<u>Amendments to IAS 21: Lack of exchangeability</u>

On 15 August 2023, the IASB published "Lack of exchangeability", amending IAS 21 - "The Effects of Changes in Foreign Exchange Rates". The amendments introduce requirements to establish when a currency is exchangeable into another currency and when it is not. The amendments require an entity to estimate the

spot exchange rate when it determines that a currency is not exchangeable into another currency. This amendment is mandatory from 1 January 2025.

These amendments do not have a significant impact on the Group or TISG's separate financial statements.

**International IAS/IFRS accounting standards whose mandatory application begins after 31 December 2025**

Changes to the classification and measurement of financial instruments (Amendments to IFRS 9 and IFRS 7)

In May 2024, the IASB issued "Amendments to the Classification and Measurement of Financial Instruments". The Amendments may significantly affect how entities account for the derecognition of financial liabilities and classify financial assets and are mandatory from 1 January 2026.

Contracts Referencing Nature-dependent Electricity, formerly Power Purchase Agreements (Amendments to IFRS 9 and IFRS 7)

On 18 December 2024, the IASB made targeted amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to improve disclosures about these contracts in the financial statements. This amendment is mandatory from 1 January 2026.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 Presentation of Financial Statements and is mandatory for annual reporting periods beginning on or after 1 January 2027.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

On 9 May 2024, the International Accounting Standards Board (IASB) issued IFRS 19 Subsidiaries without Public Accountability: Disclosures

The project culminated in the publication of IFRS 19, which permits eligible subsidiaries to apply reduced disclosure requirements when complying with the recognition, measurement and presentation requirements of IFRS Accounting Standards.

IFRS for SMEs Accounting Standard – Third Edition

*In February 2025, the IASB issued the third edition of the IFRS for SMEs Accounting Standard. The following topics contain significant changes, with a number of accounting areas aligned with IFRS Accounting Standards. The new requirements take effect for annual reporting periods beginning on or after 1 January 2027, and are mandatory for entities applying the IFRS for SMEs Accounting Standard.*

# ACCOUNTING STANDARDS AND VALUATION CRITERIA

The Financial Statements at 31 December 2025 were drafted in compliance with the International Accounting Standards (IFRS) in force, 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.

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.

# NON-CURRENT ASSETS

**INTANGIBLE ASSETS**

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

The brands "Admiral", "Tecnomar" and "Perini Navi" are considered assets with an indefinite useful life and, therefore, are not amortised, but are subject to impairment testing at least once a year, in accordance with **IAS 36 – Impairment of Assets** - ("Impairment Test") carried out at the level of the Cash Generating Unit ("CGU") to which TISG's management attributes the brand.
The Picchiotti brand has been measured at finite useful life and, consequently, amortised over a period of 18 years.

The recoverability measurement is carried out for each cash generating unit, represented by the smallest identifiable set of assets that generates cash inflows largely independent from those generated by other assets.

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

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

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

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

In order to determine the value in use, the expected cash flows are discounted at a rate that reflects the current market valuations of the time value of money and the specific risks of the asset not reflected in the estimates of cash flows. In particular, the discount rate used is the Weighted Average Cost of Capital ("WACC").

When the value of the cash generating unit, including brands, is higher than the recoverable value, the difference is written down. When the reasons for the write-down no longer apply, the assets are revalued and the adjustment is charged to the income statement; the write-back is carried out for an amount equal to the lower of the recoverable value and the carrying amount gross of the write-downs previously carried out.

In the execution of the impairment test at 31 December 2025, the following has been considered:

- The ESMA Public Statement of 25 October 2023 "European common enforcement priorities for 2023 annual financial reports" which reiterates, *inter alia*, some recommendations already present in the previous Public Statement published in October 2022; more specifically, in the drawing up of reports and the information provided, a particular focus is requested regarding:
    - climate issues and the consistency between the information contained in the reports and the non-financial information, the recording of emission allowances (ETS) and certificates linked to renewable energy and the impairment testing process as far as the climate is concerned;
    - the impact of the current macroeconomic context on re-financing risks and other financial risks, as well as the process of fair value determination and the related disclosure;
    - alternative performance measures.

- The ESMA Public Statement of 14 October 2025, "*European common enforcement priorities for 2025 annual financial reports*", which calls for particular attention in the 2025 financial statements to geopolitical risks and uncertainties, business segment disclosures, the structure of sustainability reporting and evidence of errors in ESEF reporting.

- discussion paper n. 1/2022 "Impairment test of non-financial assets (IAS 36) following the war in Ukraine" published on 29 June 2022 by the Organismo Italiano di Valutazione ("OIV") which recalls the content of the ESMA Public Statement of 13 May 2022 (subject to CONSOB Warning notice of 19 May 2022) and provides operational guidelines to manage the uncertainty of the current context regarding the exercise of any impairment test.

**Research costs** are charged to the Income Statement in the period in which they are incurred.

**Costs for the development** of new products and manufacturing processes are capitalised and recognised under intangible assets only if all of the following conditions are met:

- the project is clearly identified and the related costs can be reliably identified and measured;

- the technical feasibility of the project is demonstrated;

- the intention to complete the project and to sell the intangible assets generated by the project has been demonstrated;
- there is a potential market or, in the case of internal use, the usefulness of the intangible asset has been demonstrated;
- the technical and financial resources necessary for the completion of the project are available.

They are amortised over the period in which the expected future revenues will arise from the same project, generally having a useful life of 5 years.

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**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.
During 2025, the Company changed the measurement model solely for the property category, comprising buildings, concession buildings and land, applying the revaluation (fair value) model represented by the market value of the assets, as normally determined by an appraisal performed by professionally qualified appraisers. In the context of the crisis and pending the ongoing turnaround operations, the Company considered it appropriate to enhance the value of its most important assets, namely the concession buildings at the La Spezia, Marina di Carrara and Viareggio shipyards, in order to determine their market value through independent appraisals conducted by a professionally qualified party (Ryze S.p.A.).

The objective was to determine the correct market value of the properties because the Company:

- Is proceeding with the sale of the La Spezia shipyard, for which tender documentation is being prepared and is in the process of being authorised within the crisis proceedings pursuant to CCII, Article 44.
- Intends to enhance the value of the other assets, Marina di Carrara and Viareggio, in discussions with potential new investors concerning a possible investment in the Company's capital, again in support of the crisis turnaround.

International accounting standards (IAS 16) permit property, plant and equipment to be measured either at cost or using the revaluation model (fair value), represented by the market value determined by appraisals performed by qualified independent professionals. The standards also establish that a change in measurement must affect an entire class of assets. The Company therefore changed the measurement model for the entire class of Land and Buildings, which includes owned and concession buildings, and therefore not only La Spezia, Marina di Carrara and Viareggio, as well as properties held in the municipality of Stroncone (TR) and leased to subsidiary Celi S.r.l.

Ordinary maintenance expenses are charged in full to the income statement, those of an incremental nature are charged to the asset to which they refer and are depreciated in relation to its residual useful life.

If the individual components of a complex tangible asset have a different useful life, they are recognised separately to be depreciated in line with their useful life ("component approach").

Fixed assets under construction are valued at cost, including directly and indirectly attributable ancillary costs, only for the portion that can reasonably be attributed to them.

Tangible assets are depreciated on the basis of the economic-technical rates shown below, representative of the useful life:

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

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

The **right of use** consists of the lessee's right to use the underlying asset for the duration of the lease; its initial measurement is at cost, which includes the initial amount of the lease liability adjusted for all payments due for the lease made on the effective date or previously net of the lease incentives received, plus any initial direct costs incurred and an estimate of the costs for the dismantling and removal of the underlying asset and for the restoration of the underlying asset or site where it is located. After initial recognition, the **right of use** is amortised on a straight-line basis over the duration of the lease agreement.

The lease liability is initially measured at the present value of the lease payments due over the term of the lease. In calculating the present value of lease payments, the Company uses the lessee's marginal borrowing rate at the start date of the lease when the implicit interest rate of the lease cannot be easily determined.

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

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

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

## CURRENT ASSETS

### STOCK INVENTORIES

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

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

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### ASSETS AND LIABILITIES FROM CONTRACT WORK IN PROGRESS

The ships built by TISG are unique assets built based on the specific requests of the buyer, which TISG cannot readily allocate to alternative use for contractual and practical obligations. For these assets, the recognition of revenues takes place progressively over time over the construction period.

Assets and liabilities from contract work in progress (hereinafter also “contracts”) are recognised at the value of the agreed contractual considerations, according to the percentage of completion method, taking into account the progress achieved and the expected contractual risks. The work progress is measured with the input method with reference to the contract costs incurred at the reporting date in relation to the total estimated costs for the contract (“cost-to-cost”).

If it is expected that the completion of a contract may result in a loss, this is recognised in its entirety in the year in which it becomes reasonably foreseeable.

Contract orders are stated considering the costs incurred plus the margins recognised, less any expected losses, net of invoicing for work in progress.

This analysis is carried out on a contract-by-contract basis. If the differential is positive, the imbalance is classified as an asset under the item “assets from contract work in progress”; if, on the other hand, this differential is negative, the difference is classified as a liability under the item “liabilities from contract work in progress”.

**TRADE RECEIVABLES AND OTHER ASSETS**

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

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

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

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

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

**CASH AND CASH EQUIVALENTS**

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

# NON-CURRENT LIABILITIES

## PROVISIONS FOR RISKS AND CHARGES

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

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

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

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

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## CONTINGENT ASSETS AND LIABILITIES

Contingent liabilities consist of:

d) “possible” obligations that arise from events that occurred before the reporting date and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not fully under the Company's control; or

e) current obligations that arise from events before the reporting date but are not recognised because: (i) it is not probable that the liability will require an outflow of resources from the action of settling the obligation; or (ii) the amount of the obligation may not be estimated with sufficient accuracy.

Contingent assets are represented by assets that derived from events that occurred before the reporting date and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not fully under the Company's control.

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

## EMPLOYEE BENEFITS (POST-EMPLOYMENT PLANS)

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

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

With the adoption of IFRS, the severance indemnity accrued up to 31 December 2006 is therefore considered a defined benefit obligation.

On 16 June 2011, the IASB issued an amendment to IAS 19 – Employee Benefits, which eliminates the option of deferring the recognition of actuarial gains and losses with the corridor method, requiring the presentation in the statement of financial position of the provision deficit or surplus, and the recognition of cost components linked to work performance and net financial charges in the income statement, and the recognition of actuarial gains and losses deriving from the remeasurement of liabilities and assets under "Other comprehensive income/(losses)". In addition, the return on assets included under net financial charges must be calculated based on the discount rate of the liability and no longer on the expected return on the assets.

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**FINANCIAL LIABILITIES**

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

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

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**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.

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# CURRENT LIABILITIES

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

Financial liabilities are classified under current liabilities, unless the Company has an unconditional right to defer their payment for at least 12 months after the reference date. Financial liabilities are derecognised from the financial statements when they are extinguished and when the Company has transferred all risks and charges relating to the instrument.

## REVENUES

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

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

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

7) **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;

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

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

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

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

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

Invoices are issued according to the conditions set forth in the contract for each individual unit. In particular, a payment on account is established at the start of the contract, and invoices are subsequently issued on the achievement of specific partial completion stages (Stati di Avanzamento Lavori, “SALS”).

By way of example (but not exhaustive as it depends on the type of contract), invoices are issued:

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

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

**FINANCIAL INCOME**

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

**ACCOUNTING FOR GOVERNMENT GRANTS**

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

## COSTS

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

## FINANCIAL CHARGES

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

## DIVIDENDS

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

## TAXES

Current taxes are set aside in accordance with the applicable regulations, based on an estimate of taxable income. Payables for current taxes are recorded in the balance sheet under current liabilities under the item

**"Tax Payables"** net of advances paid and withholding taxes. If there is a credit balance, the amount is shown under **"Sundry Receivables and Other Assets"** under current assets.

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

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

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

## CRITERIA FOR CONVERSION OF FOREIGN CURRENCY ITEMS (NOT IN THE EUROZONE)

Receivables and payables expressed in foreign currency are originally recognised on the basis of the exchange rates in force on the date on which they arose and, if existing at the end of the reporting period, are appropriately stated in the financial statements at the exchange rate in force at the end of the period, by crediting or debiting exchange gains or losses to the income statement.

Exchange rate differences are of a financial nature and as such are recognised in the income statement as financial income components, as they are not related to the commercial transaction in the strict sense, but express the changes over time – once the commercial transaction is concluded – of the currency chosen for the negotiation.

There are no significant effects to report from changes in exchange rates after the end of the period.

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## 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 were 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.

## CORRECTION OF MATERIAL PRIOR-PERIOD ERRORS

With reference to 2025, as described in the going concern section, the Company identified material errors connected with accounting irregularities relating to the progress of contracts in progress, including assets and liabilities for contracts in progress, and the related provision for onerous contracts. To correctly reflect these accounting irregularities, the Company considered two aspects: (i) evidence from the forensic work and the complaints filed against former managers, which demonstrates that the fraudulent conduct and manipulation of accounting data also dated back to years before 2025; and (ii) compliance with IAS 8, paras. 43 and 44, which provides that where it is impracticable to determine the specific effects of an error on comparative prior periods, an entity may perform a restatement by redefining the opening balances of assets and liabilities in the earliest period, which may be the current period, for which this is practicable.

In light of the above, since the events also related to years before 2025 and at least the option permitted by IAS 8, para. 44, had to be applied, the Company restated the effects of the accounting irregularities at least as of 1 January 2025, recognising the impacts relating to prior periods in accumulated losses within shareholders' equity, as described in greater detail in the comments on the financial statement items affected by these irregularities in the Notes. To do so, significant assumptions and estimates were used in reconstructing the amounts at the beginning of 2025 solely to comply with the minimum accounting standard requirements and avoid recognising all the effects in 2025 alone.

The difficulties that mean reconstruction of the correct calculation of progress on contracts in earlier periods is based on estimates rather than facts are described below.

Following the emergence of irregularities in contract management, during the second quarter of 2026 management defined the correct total cost budget for each contract in progress at the end of 2025, comprising costs incurred, including the additional costs that emerged, and costs still to be incurred to complete the vessels. This revealed that all vessel sale contracts had negative margins and were therefore loss-making onerous contracts. Progress on contracts was then recalculated using the percentage-of-completion method, eliminating transfers of actual costs between contracts intended to show overall revenue progress higher than the actual amount and removing from actual costs the direct and indirect personnel costs not included in the cost budgets.

The principal element based on substantial estimates rather than facts when restating data for prior periods is the assumption that the same total cost budget, now accurately defined for contracts in progress, applied from contract inception and/or at interim dates. The Company cannot determine with certainty whether the budget overruns already existed when the contract was signed and/or at the end of each year and therefore also as of 1 January 2024. For the restatement as of 1 January 2025, the Company assumed that each contract had the same cost budget solely to comply with the minimum requirements of the accounting standard and reflect the fact that the irregularities also related to previous years.

# COMMENTS ON THE MAIN ASSET ITEMS

## NOTE 1 – BRANDS

Changes in this item are shown as follows:

| *In thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Brands | 12,698 | 34,594 | (21,896) |
| **TOTAL** | **12,698** | **34,594** | **(21,896)** |

| *In thousands of Euros* | Brand Admiral | Tecnomar brand | Brand Perini Navi | Picchiotti brand | Total |
|---|---|---|---|---|---|
| ***Net Book Value 31/12/2024*** | **2,319** | **1,235** | **30,351** | **689** | **34,594** |
| Investments | - | - | - | - | **-** |
| Impairment losses | - | - | (21,851) | - | **(21,851)** |
| Depreciation | - | - | - | (47) | **(47)** |
| **Net Book Value 31/12/2025** | **2,319** | **1,235** | **8,500** | **642** | **12,698** |

**Brands:** This item, amounting to Euro 12,698 thousand as at 31 December 2025, decreased, with respect to 31 December 2024, by Euro 21,896 thousand. This decrease was due to amortisation of the Picchiotti brand, which has a finite useful life, and the impairment loss on the Perini brand following the forecasts in the 2026-2031 Business Plan, which envisage that future sales will concentrate mainly on Admiral and Tecnomar vessels, with only two Perini vessels.

Based on the results of the "Purchase Price Allocation – PPA", carried out in order to define the allocation of the sale price of the Perini Navi business complex to the various assets, a value of Euro 30,351 thousand was allocated to the Perini Navi brand and a value of approximately Euro 825 thousand to the Picchiotti brand.

The remaining item is composed of Euro 2,319 thousand for the purchase of the Admiral brand, incurred by The Italian Sea Group S.p.A. in 2011, and Euro 1,235 thousand for the purchase of the Tecnomar brand in December 2019; both trademarks were considered to have an indefinite useful life.

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

Brands are tested for impairment indicators at least once a year ("Impairment Test"). If the test shows an impairment loss, the Group records a corresponding write-down in the financial statements. This test was based on the comparison between the recoverable value of the brands and their book value posted in the financial statements.

Pursuant to the applicable accounting regulations, the "recoverable amount" of the asset is equal to the higher of the "fair value less costs of disposal" and the "value in use". The estimate of the value in use was carried out, in compliance with IAS 36, applying the principles of valuation best practices, by discounting the expected cash flows.

Pursuant to IAS 36, Cash-Generating Units (CGUs) were identified as the smallest groups of assets capable of generating largely independent cash inflows. The Company identified the following CGUs, corresponding to each brand considered to have an indefinite useful life and a specific product line:

- Admiral Yachts ≥ 50 metres long (luxury motor yacht segment).
- Tecnomar Yachts < 50 metres long (sport-luxury segment).
- Perini Navi large sailing superyachts; an international heritage brand.

The recoverable amount of the CGUs was determined by reference to value in use, estimated using the Discounted Cash Flow (DCF) method, which was considered the most appropriate valuation tool for representing the CGUs' prospective ability to generate future economic benefits.

It should be noted that the cash flows underlying the DCF model:

- were derived from the multi-year 2026-2031 Business Plan approved by the Board of Directors on the same date as these Consolidated Financial Statements;

- reflect the best estimates available at the approval date of the Annual and Consolidated Financial Report concerning expected revenue trends;

- are consistent with market conditions and the order backlog at the measurement date.

For the impairment test as at 31 December 2025, the Company adopted the Value in Use criterion, determined by discounting the prospective cash flows attributable to the brands.

The methodology adopted is consistent with IAS 36 and uses the relief-from-royalty approach, a valuation technique that determines brand value by estimating the cash flows an entity would save by avoiding the payment of royalties to third parties for use of the brand, thereby assuming an economic benefit equal to the notional licence fee that would otherwise be recognised in the market.

The parameters used with respect to the three CGUs subject to impairment are:

- The **4.7% royalty rate.**
- Cost of capital of **11.84%**.
- The **27.9%** tax rate (IRES 24% and Tuscany Region IRAP 3.9%)
- **2%** long-term growth
- Time horizon: **2026-2031**

Determination of the royalty rate:
The royalty rate used to measure the CGUs was determined using a relief-from-royalty income approach consistent with international valuation practices and the methodology applied in the Purchase Price Allocation prepared by PwC to allocate the acquisition price of the Perini Navi business to the individual assets.
In line with the relief-from-royalty method described in the previous paragraph, the brand value was estimated based on the economic benefit from avoiding payment of notional consideration for use of the brand. For this purpose, a theoretical market royalty rate was determined and applied to the expected revenue generated by the brand.
The royalty rate was determined using the profit split method, which is widely established in intangible asset valuations. Under this approach, the remuneration attributable to the brand is a function of the operating profit (EBIT) generated by the licensee through use of the brand.
Based on PwC's analyses, licensing agreements for brands and other intangible assets generally attribute between 25% and 33% of the licensee's EBIT to the brand owner.

The royalty calculation was therefore based on the profit split method with reference to the so-called "33% rule". Under this criterion, in brand licensing agreements approximately one-third (33%) of the operating profit generated by the licensee is attributed to the brand owner as remuneration for use of the intangible asset. This percentage is supported by market benchmarks and comparative studies of licensing agreements and is a commonly used parameter in determining the notional royalty rate where more precise specific data are unavailable.
Based on the analyses described above, PwC determined a royalty rate of 4.7%. The 4.7% royalty rate identified for the Perini brand was also used as a reference parameter for the impairment tests on the Admiral and Tecnomar brands.

Determination of the estimated cost of capital

For prudence, the cost of capital was used to discount the cash flows from use of the brand. It was determined by adding to the risk-free rate the product of the unlevered beta, which reflects the industry's operating risk based on an analysis of comparable companies net of company-specific financial leverage risk, and the equity risk premium, then adding a specific risk premium connected with the valuation of an individual asset and its relative illiquidity.

The discount rate for the cash flows was therefore determined using 100% equity leverage without considering the cost of financial debt.

| ***Cost of capital*** | | **Notes** |
|---|---|---|
| (A) Risk-Free Rate – Rf (%) | 4.04% | 10-year BTP yields on 22 July |
| (B) Equity Risk Premium – ERP (%) | 4.23% | ERP calculated by Professor Damodaran (excluding country-specific risk) |
| (C) Beta – unlevered comparable set | 0.63 | Average five-year unlevered beta for Ferretti and Sanlorenzo |
| (D) Brand-Specific Risk Premium (%) | 5.13% | Illiquidity and additional risk premium |
| **Cost of capital (A+B*C+D)** | **11.84%** | |

Determination of LTG (terminal growth):

The terminal growth rate, generally indicated by "g" in the literature, is the annual rate at which the cash flows of an asset or CGU are assumed to continue growing beyond the explicit projection period of the business plan. This parameter reflects long-term growth expectations under stable operating and market conditions and is used to calculate terminal value in the Discounted Cash Flow (DCF) model.

The long-term growth rate of 2.0% is considered appropriate and prudent because it is:

- consistent with a long-term nominal growth assumption aligned with the medium/long-term inflation expectations estimated by the International Monetary Fund;
- compatible with medium to long-term structural trends in the high-end yacht market, which is expected to achieve even higher growth over the medium/long term;
- lower than the Cost of Capital used, as required for theoretical consistency of the model.

The results of the Impairment Tests on TISG's brands were approved by the Board of Directors.

The principal economic and financial indicators in the 2026-2031 Business Plan, including value of production, EBITDA, profit, investment and net financial debt, formed the basis for determining the brands' fair value and were broadly consistent with the amounts recognised in the financial statements, as set out below:

- "Admiral" brand: carrying amount of Euro 2,319 thousand (compared with fair value of Euro 66,015 thousand);

- "Tecnomar" brand: carrying amount of Euro 1,235 thousand (compared with fair value of Euro 5,285 thousand);

- "Perini Navi" brand: original carrying amount of Euro 30,351 thousand (compared with fair value of Euro 8,468 thousand), therefore requiring an impairment loss of Euro 21,851 thousand.

Pursuant to IAS 36.134(d)(i)-(iv), a sensitivity analysis was performed to assess the impact of adverse changes in the principal assumptions, particularly the cost of capital, on the recoverable amount of the Perini Navi, Admiral and Tecnomar brands.

To include both exogenous and endogenous factors relating to business performance in the sensitivity analysis, terminal-year revenue trends and the cost of capital (CoC) were used as references. An increase/decrease of +/- 1% in the cost of capital (CoC) compared with the base scenario was considered. For expected revenue in the terminal year of the projection period, a change of +/- 5% compared with the base scenario represented by the 2025-2031 Business Plan was assumed.

The sensitivity analysis found that the recoverable amount of the Admiral and Tecnomar brands would not fall below their carrying amount in any case, thereby excluding any impairment risk.

For the Perini brand, the recoverable amount would fall below the impaired carrying amount only if several adverse events occurred in terms of both the rate and business performance.

Perini Brand Sensitivity Scenario (*euro millions*)

| Revenue/CoC | 95% | 100% | 105% |
|---|---|---|---|
| 10.84% | 9.2 | 9.7 | 10.2 |
| 11.84% | 8.0 | 8.5 | 8.9 |
| 12.84% | 7.1 | 7.5 | 7.8 |

In light of the above elements, only the Perini brand saw impairment losses during the 2025 financial year.

## NOTE 2 – OTHER INTANGIBLE ASSETS

Changes in this item are detailed as follows:

| *In thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Development costs | 336 | 606 | (270) |
| **TOTAL** | **336** | **606** | **(270)** |

**Projects:** the item amounted to Euro 336 thousand as at 31 December 2025, a decrease of Euro 270 thousand compared with 31 December 2024, net of amortisation. It includes the capitalisation of software licences and costs capitalised for the development of strategic projects, amortised over an estimated useful life of five years.

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*** | **Software** | **Tecnomar for Lamborghini** | **Total** |
|---|---|---|---|
| **Net Book Value 31/12/2024** | **528** | **78** | **606** |
| ***Changes in 2024*** | | | |
| Investments | 0 | 0 | 0 |
| Net decreases | 0 | 0 | 0 |
| Depreciation | (192) | (78) | (270) |
| **Net Book Value 31/12/2025** | **336** | **0** | **336** |

## NOTE 3 – LAND AND BUILDINGS

Changes in this item are detailed as follows:

| ***In thousands of Euros*** | **31/12/2025** | **31/12/2024** | **Changes** |
|---|---|---|---|
| Land and buildings | 34,497 | 8,964 | 25,533 |
| Buildings on land under concession | 110,898 | 48,083 | 62,815 |
| **TOTAL** | **145,395** | **57,047** | **88,348** |

The item, which relates solely to the Parent Company, totalled Euro 145,395 thousand as at 31 December 2025, an increase of Euro 88,348 thousand compared with 2024 as a result of:

- the Euro 71,350 thousand fair value revaluation of the net carrying amount of the entire class of assets during 2025 in accordance with IAS 16, following a property appraisal by Ryze S.p.A.;
- the correct reclassification of the right-of-use asset for the La Spezia concession buildings to the concession buildings category for Euro 18,537 thousand, corresponding to the amount attributed to it, net of accumulated depreciation over the years, by the Purchase Price Allocation (PPA) when the Perini business was acquired;
- the decrease due to depreciation for the period of Euro 1,396 thousand.

During 2025, the Company changed the measurement model solely for the property category, comprising buildings, concession buildings and land, applying the revaluation (fair value) model based on the assets' market value, as determined by appraisals performed by a professionally qualified party (Ryze S.p.A.) between May and June 2026 with values referring to 31 December 2025.

The property revaluation to the appraised market value, which for state concession buildings included a reduction for the remaining concession term, performed on the amount net of accumulated depreciation, is detailed below:

- Euro 63,925 thousand for the buildings under concession in Marina di Carrara;
- Euro 3,916 thousand for owned and concession buildings at the La Spezia site;
- Euro 2,279 thousand for the owned industrial complex in Stroncone (TR);
- Euro 1,192 thousand for the concession properties at the Viareggio (LU) site;
- Euro 37 thousand for agricultural land in Pisa.

Changes in this item during the twelve months 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** | **57,047** |
| ***Changes in 2025*** | | | |
| IAS 16 revaluations | 7,425 | 63,925 | 71,350 |
| Decreases | (2,680) | (15,855) | (18,535) |
| Transfers of right-of-use concession buildings | 18,537 | 0 | 18,537 |
| **Chg. Historical cost 2025** | **23,282** | **48,070** | **71,352** |
| Depreciation | 286 | 1,110 | 1,396 |
| Release of Depreciation Provision | (2,537) | (15,855) | (18,392) |
| **Chg. Depreciation provision 2025** | **(2,251)** | **(14,745)** | **(16,996)** |
| Historical cost | 34,497 | 110,898 | 145,395 |
| Depreciation provision | 0 | 0 | 0 |
| **Net Book Value 31/12/2025** | **34,497** | **110,898** | **145,395** |

Following entry into a new seven-year medium/long-term loan in June 2025 for a maximum total amount of Euro 150,000,000, of which Euro 115,000,000 was disbursed and which was backed by a guarantee from SACE S.p.A., as additional security the banks registered a first-ranking mortgage over owned and concession buildings at the Marina di Carrara and La Spezia shipyards for a total amount of Euro 300,000,000.

## NOTE 4 – PLANT, MACHINERY AND EQUIPMENT

Changes in this item are detailed as follows:

| *In thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Work in progress and payments on account | 2,741 | 2,257 | 484 |
| Industrial and commercial equipment | 1,916 | 2,989 | (1,073) |
| Plant and Machinery | 20,499 | 23,207 | (2,708) |
| Moulds | 871 | 1,104 | (233) |
| **TOTAL** | **26,027** | **29,557** | **(3,530)** |

**Assets under construction and advances:** amounted to Euro 2,741 thousand as at 31 December 2025, an increase of Euro 484 thousand compared with 31 December 2024 due to new investment in progress relating to the completion of investment. They relate mainly to the construction of new sales offices, unscheduled maintenance investment and renovation work at the Carrara and La Spezia shipyards and the Stroncone (TR) facility.

**Industrial and commercial equipment**: the item is equal to Euro 1,916 thousand as at 31 December 2025 and decreased by Euro 1,073 thousand compared with the previous financial year, 2024, due to depreciation for the period.

**Plant and machinery**: this item, amounting to Euro 20,499 thousand as at 31 December 2025, decreased by Euro 2,708 thousand compared with the previous financial year, 2024 primarily due to depreciation for the period.

**Moulds:** the item, equal to Euro 871 thousand as at 31 December 2025, decreased by Euro 233 thousand compared to 2024, due to depreciation for the period.

Changes during the year are shown below:

| *In thousands of Euros* | Work in progress and payments on account | Industrial and commercial equipment | Plant and Machinery | Moulds | Total |
|---|---|---|---|---|---|
| Historical cost | 2,257 | 13,163 | 55,341 | 5,251 | 76,012 |
| Depreciation provision | 0 | (10,174) | (32,134) | (4,147) | (46,455) |
| **Net Book Value 31/12/2024** | **2,257** | **2,989** | **23,207** | **1,104** | **29,557** |
| ***Changes in 2025*** | | | | | |
| Investments | 484 | 0 | 0 | 0 | 484 |
| Decreases | 0 | 0 | 0 | 0 | 0 |
| Transfers | 0 | 140 | 0 | 0 | 140 |
| **Chg. Historical cost 2025** | **484** | **140** | **0** | **0** | **624** |
| Depreciation | 0 | 1,178 | 2,708 | 233 | 4,119 |
| Transfers | 0 | 35 | 0 | 0 | 35 |
| **Chg. Depreciation provision 2025** | **0** | **1,213** | **2,708** | **233** | **4,154** |
| Historical cost | 2,741 | 13,303 | 55,341 | 5,251 | 76,636 |
| Depreciation provision | 0 | (11,387) | (34,842) | (4,380) | (50,609) |
| **Net Book Value 31/12/2025** | **2,741** | **1,916** | **20,499** | **871** | **26,027** |

## NOTE 5 – OTHER TANGIBLE ASSETS

Changes in this item are detailed as follows:

| *In thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Furniture and electronic office equipment | 644 | 812 | (170) |
| Motor vehicles | 333 | 73 | 260 |
| Transport Vehicles | 0 | 1 | (1) |
| **TOTAL** | **977** | **886** | **91** |

The item, amounting to Euro 977 thousand at 31 December 2025, increased by Euro 91 thousand compared with 2024 as a result of depreciation for the period and the year's investment of Euro 301 thousand in the purchase of motor vehicles.

Changes in the item throughout 2025 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 | 0 | 301 | 0 | 301 |
| Decreases | 0 | 0 | 0 | 0 |
| Transfers | 0 | 0 | 0 | 0 |
| **Chg. Historical cost 2025** | **0** | **301** | **0** | **301** |
| Depreciation | 168 | 41 | 1 | 210 |
| Release of Depreciation Provision | 0 | 0 | 0 | 0 |
| **Chg. Depreciation provision 2025** | **168** | **41** | **1** | **210** |
| Historical cost | 4,799 | 730 | 225 | 5,754 |
| Depreciation provision | (4,155) | (397) | (225) | (4,777) |
| **Net Book Value 31/12/2025** | **644** | **333** | **0** | **977** |

## NOTE 6 – RIGHT-OF-USE

Changes in this item are detailed as follows:

| *In thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Right Of Use - Plant and Machinery | 1,669 | 2,263 | (594) |
| Right Of Use - Motor vehicles | 1,623 | 1,839 | (216) |
| Right Of Use - Buildings on land under concession | 6,521 | 27,640 | (21,119) |
| **TOTAL** | **9,813** | **31,742** | **(21,929)** |

The item **right-of-use ("ROU")** includes the recognition under tangible fixed assets of the rights of use of the assets held by the company under lease agreements, in accordance with the provisions of IFRS 16.

The **ROU – Plant and machinery** item amounted to Euro 1,669 thousand as at 31 December 2025, a decrease of Euro 594 thousand compared with 31 December 2024 due to depreciation for the year; this item includes all agreements for the lease of plant and machinery used in the Company's operations.

The item **ROU – Motor vehicles**, equal to Euro 1,623 thousand as at 31 December 2025, a decrease of Euro 216 thousand compared to 31 December 2024, includes all leasing contracts for motor vehicles that make up the corporate fleet.

The item **ROU – Buildings under state concession**, amounting to Euro 6,521 thousand as at 31 December 2025, refers to the recognition of the present value of the state concessions relating to the Marina di Carrara shipyard (expiring in December 2072), the La Spezia shipyard (expiring in February 2035, renewed in May 2026 until 2037) and the concession for the Viareggio woodworking and commercial operations (expiring in December 2037). The decrease during the year was mainly due to the reclassification of the La Spezia shipyard concession building to the correct Land and buildings category at a net amount of Euro 18,537 thousand.

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 | 4,254 | 36,177 | 43,767 |
| Depreciation provision | (1,497) | (1,991) | (8,537) | (12,025) |
| **Net Book Value 31/12/2024** | **1,839** | **2,263** | **27,640** | **31,742** |
| ***Changes in 2025*** | | | | |
| Investments | 0 | 0 | 0 | 0 |
| Other decreases | (99) | (1,001) | (416) | (1,516) |
| Transfers | 0 | 0 | (25,877) | (25,877) |
| **Chg. Historical cost 2025** | **(99)** | **(1,001)** | **(26,293)** | **(27,393)** |
| Depreciation | 668 | 644 | 2,166 | 3,478 |
| Release/transfer of Depreciation Provision | (553) | (1,049) | (7,340) | (8,942) |
| **Chg. Depreciation provision 2025** | **115** | **(405)** | **(5,174)** | **(5,464)** |
| Historical cost | 3,235 | 3,255 | 9,884 | 16,374 |
| Depreciation provision | (1,612) | (1,586) | (3,363) | (6,561) |
| **Net Book Value 31/12/2025** | **1,623** | **1,669** | **6,521** | **9,813** |

## NOTE 7 – SHAREHOLDINGS

This item is detailed as shown below:

| ***In thousands of Euros*** | **31/12/2025** | **31/12/2024** | **Changes** |
|---|---|---|---|
| Shareholdings in subsidiaries | 343 | 343 | 0 |
| Shareholdings in other companies | 34 | 34 | 0 |
| **TOTAL** | **377** | **377** | **0** |

The **Investments in subsidiaries** item was unchanged compared with 31 December 2024. This item includes the equity investment (100%) in TISG Turkey Yat Tersanecilik Anonim Sirketi, for a value of Euro 153 thousand and the equity investment (100%) in Celi S.r.l. 1920 for a value of Euro 190 thousand.

The item **Shareholdings in other companies** includes the amount relating to the purchase of 250 shares, equal to 2.5% of the total share capital of T.I.S.G. Asia Limited, based in Hong Kong. The shareholding had been acquired to support brokerage operations in the Asian market. Business activity had already declined from the beginning of 2025, and an exit from the investment was being planned. The Company is currently assessing the status of the winding-up and deregistration of TISG Asia Limited, which, based on the information currently available from the Hong Kong Companies Registry, appears to have been deregistered, and is consequently assessing whether the carrying amount of the investment remains recoverable.

## NOTE 8 – OTHER NON-CURRENT ASSETS

This item is detailed as follows:

| *In thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Non-current security deposits | 1,122 | 803 | 319 |
| Other securities | 0 | 684 | (684) |
| Receivables from subsidiaries | 0 | 0 | 0 |
| Receivables from CELI for long-term tax settlement | 1,277 | 1,437 | (160) |
| **TOTAL** | **2,399** | **2,924** | **(525)** |

The item, which decreased compared to 2024 by Euro 525 thousand, is detailed as follows:

- **Security deposits**: the item, equal to Euro 1,122 thousand, increased by Euro 319 thousand mainly due to the advances paid in relation to the construction of the photovoltaic plant in Marina di Carrara and La Spezia.

- **Other securities:** 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. IRS derivative contracts were entered into with the six pool banks in connection with the new Euro 115,000 thousand syndicated loan. They were deemed not to be hedging instruments and were recognised in profit or loss during 2025.

- **Receivables from CELI**: the item was related to the long-term portion of the receivable arising from the Subsidiary CELI as part of the Tax Settlement signed by CELI and TISG with the Italian Tax Authority in October 2020, for which TISG has already advanced Euro 8,080 thousand to the Italian Tax Authority on behalf of CELI. The receivable is repaid by CELI to TISG in half-yearly instalments from 30 June 2021 until 31 December 2030. The remaining receivable as at 31 December 2025 will be repaid in 12 half-yearly instalments of Euro 143.7 thousand each, plus interest calculated at 3.5% per year.

## NOTE 9 – CASH AND CASH EQUIVALENTS

This item is detailed as follows:

| *In thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Current bank accounts and post-office deposits | 15,219 | 36,282 | (21,063) |
| Assets equivalent to cash and cash equivalents | 687 | 22,830 | (22,143) |
| Cash | 0 | 0 | 0 |
| **TOTAL** | **15,906** | **59,112** | **(43,206)** |

The item **Current bank accounts and post-office deposits** as at 31 December 2025 amounts to a total of Euro 15,219 thousand, decreasing by Euro 21,063 thousand compared to 31 December 2024.

**Cash and cash equivalents** comprise time deposits and cash collection protection instruments, which were converted into Euro 22,143 thousand of cash during the year to meet cash requirements.

For more details on the change, please see the cash flow statement.

## NOTE 10 – TRADE RECEIVABLES

This item is detailed as shown below:

| *In thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Receivables from customers | 21,860 | 62,604 | (40,744) |
| **TOTAL** | **21,860** | **62,604** | **(40,744)** |

**Receivables from customers**, equal to Euro 21,860 thousand, decreasing by Euro 40,744 thousand compared to 31 December 2024, mainly arose from commercial transactions related to the progress of production projects and refit services, as well as to the recharging of costs to suppliers working at TISG's shipyards. They are recognised in the financial statements at their estimated realisable value. In addition to collections during the year, the decrease relates to impairment provisions recognised during the year.

Changes in the bad debt provision are shown below:

| *in thousands of Euros* | 31/12/2024 | Provision made | Provision used | 31/12/2025 | Changes |
|---|---|---|---|---|---|
| Bad debt provision (trade receivables) | (985) | (10,427) | 0 | (11,412) | (10,427) |
| Bad debt provision (insolvency procedures) | (494) | 0 | 0 | (494) | 0 |
| **TOTAL** | **(1,479)** | **(10,427)** | **0** | **(11,906)** | **(10,427)** |

The existing provision at the end of the year represents an estimate of the probability of future losses on receivables, based on the experience gained and knowledge of the credit situation of the counterparties, even in the absence of events that indicate the need to write down certain credit positions. During the year, also following its entry first into the Negotiated Crisis Resolution Procedure and then the pre-filing proceedings pursuant to CCII, Article 44, the Company impaired most receivables from suppliers following the full and final settlement agreements being negotiated with them in the first few months of 2026, as well as obsolete, no longer recoverable receivables relating to production contracts.

## NOTE 11 – OTHER RECEIVABLES

This item is detailed as shown below:

| *In thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Advances to suppliers | 107 | 956 | (848) |
| Receivables from parent companies | 0 | 67 | (67) |
| Tax receivables | 1,138 | 967 | 171 |
| **TOTAL** | **1,245** | **1,990** | **(745)** |

The item **Advances to suppliers**, equal to Euro 107 thousand as at 31 December 2025, which decreased by Euro 848 thousand compared to 31 December 2024, includes advances paid to suppliers with whom tender contracts were signed for works in progress.

The item **Receivables from parent companies**, equal to zero as at 31 December 2025, down Euro 67 thousand, refers to the payments made by TISG on behalf of parent company GC Holding S.p.A.

The item **Tax receivables**, equal to Euro 1,138 thousand as at 31 December 2025, which increased by Euro 171 thousand compared to 31 December 2024, refers essentially to the annual VAT credit due to TISG from the Tax Authorities and a credit for foreign VAT pending reimbursement for approximately Euro 104 thousand.

## NOTE 12 – ASSETS AND LIABILITIES FROM CONTRACT WORK IN PROGRESS

This item is detailed as shown below:

| In thousands of Euros | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Assets from contract work in progress | 1,234 | 103,692 | (102,458) |
| Liabilities from contract work in progress | (166,616) | (15,993) | (150,623) |
| **TOTAL** | **(165,382)** | **87,699** | **(253,081)** |

The item **Assets from contract work in progress**, includes contracts whose progress is higher than the amount invoiced to the customer on account.

The item **Liabilities from contract work in progress**, includes the contracts for which the value of payments on account invoiced to the customer are higher than the work progress.

The change during the year was affected by the accounting irregularities described in the going concern section of this Report, some of which dated back to previous years. The correct reconstruction of contract progress and precise quantification of the additional costs incurred and still to be incurred found that:

- cost budgets were understated or artificially kept below actual levels and therefore, compared with the agreed sale price, all yacht sale contracts actually had negative margins;
- Contract progress calculations, which were managed outside the system, were improperly adjusted by transferring costs incurred to contracts where advance payments invoiced to customers exceeded progress on the work, thereby making it appear that the percentage of revenue progress on most contracts exceeded the advances;
- The Company had never included the direct and indirect costs of production personnel in cost budgets, while these direct internal personnel costs were included among costs incurred when calculating contract progress, improperly increasing the revenue completion percentage.

As a result of the above, in reality all contracts had revenue progress below advance payments invoiced from as early as the end of 2024. The Company should therefore have presented, as it also did at 31 December 2025, liabilities for contracts in progress exceeding the related assets, meaning that advance payments invoiced to and collected from customers had not yet become and have not become revenue in accordance with the percentage of completion.

Subsequently, in accordance with IAS 8, paras. 43 and 44, as it was impracticable to correct precisely the errors and irregularities in calculating contract progress retrospectively to the beginning of 2024 other than using significant assumptions and estimates, the Company performed the restatement in the opening balances for 2025.

The table below presents the comparative impacts.

| In thousands of Euros | 31/12/2025 | 01/01/2025 | 31/12/2024 |
|---|---|---|---|
| Assets from contract work in progress | 1,234 | 14,324 | 103,692 |
| Liabilities from contract work in progress | (166,616) | (228,784) | (15,993) |
| **TOTAL** | **(165,382)** | **(214,460)** | **87,699** |

Accordingly, the effect of restating net assets and liabilities for contracts in progress resulted in an impact of Euro 302,159 thousand on accumulated losses in opening shareholders' equity as of 1 January 2025.

The development of this item at 31 December 2025 for yachts under contract is shown below:

| *in thousands of Euros* 31/12/2025 | Value of contracts | Contract progress | Advances invoiced | Net amount of business |
|---|---|---|---|---|
| Yacht Orders | 982,908 | 468,032 | (633,413) | (165,382) |
| Refitting Orders | 49,487 | 49,487 | (49,487) | 0 |
| **Total** | **1,032,395** | **517,518** | **(682,900)** | **(165,382)** |

In addition, because all vessel sale contracts had negative margins compared with their sale prices, in accordance with IAS 37 on onerous contracts a Euro 55,249 thousand provision for loss-making contracts was recognised within liabilities for provisions for risks, with the related restatement effects as of 1 January 2025. A further provision of Euro 18,500 thousand was also recognised as the best estimate to take into account the direct costs of production personnel and depreciation and amortisation for the years needed to complete the contracts, which historically had not been included in cost budgets or considered in progress calculations.

## NOTE 13 – INVENTORIES

This item is detailed as follows:

| *In thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Raw, ancillary and consumable materials | 0 | 268 | (268) |
| Work in progress and semi-finished goods | 20,159 | 8,973 | 11,186 |
| **TOTAL** | **20,159** | **9,241** | **10,918** |

The **Raw materials and consumables** item was zero, a decrease of Euro 268 thousand compared with 2024, as it related solely to consumable materials used directly on contracts.

**Work in progress and semi-finished products** amounted to Euro 20,159 thousand as at 31 December 2025, net of an impairment provision of Euro 6,864 thousand recognised during 2025. The gross amount includes the hull of a 47-metre sailing yacht acquired as part of the Perini Navi S.p.A. business for approximately Euro 2,589 thousand, which was fully impaired given the limited prospects of sale; Euro 7,775 thousand for construction of the new iconic 24-metre Picchiotti yacht, impaired by Euro 4,275 thousand based on the sale agreement concluded in early May at a price below the costs incurred; Euro 7,268 thousand for vessels sold in the first few months of 2026; and Euro 9,390 thousand relating to internally constructed contracts for which specific sale agreements had not yet been identified and entered into.

## NOTE 14 – OTHER CURRENT ASSETS

The breakdown of other current assets is shown below:

| *In thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Receivables from social security and tax authorities | 115 | 49 | 66 |
| From others | 126 | 150 | (24) |
| Receivables from CELI for tax settlement | 304 | 287 | 17 |
| Prepaid expenses | 1,556 | 4,358 | (2,802) |
| **TOTAL** | **2,101** | **4,844** | **(2,743)** |

**Receivables from social security and tax authorities**: amounting to Euro 115 thousand as at 31 December 2025, they refer essentially to withholdings on interest income and advances on INAIL contributions.

**Receivables from others**: the item, equal to Euro 126 thousand as at 31 December 2025, down by Euro 24 thousand compared to 31 December 2024, includes a number of other receivables due from the Ministry.

**Receivables from CELI for tax transaction**: this item, amounting to Euro 304 thousand, refers to the short-term portion of the receivable from the related Company CELI S.r.l. as part of the Tax Settlement signed by CELI and TISG with the Italian Tax Authority in October 2020 (see note no. 8).

The item **Prepaid expenses**, equal to Euro 1,556 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, while the Euro 2,802 thousand decrease is due to the proper allocation of these costs to the relevant years.

# COMMENTS ON THE MAIN LIABILITY ITEMS

## NOTE 15 – SHAREHOLDERS' EQUITY

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 breakdown of Shareholders' Equity is detailed below:

| *In thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Share capital | 26,500 | 26,500 | 0 |
| Share Premium Reserve | 45,431 | 45,431 | 0 |
| Statutory Reserve | 5,300 | 5,300 | 0 |
| Other reserves and retained earnings | (295,968) | 33,340 | (329,308) |
| Net income (loss) for the period | (157,773) | 32,309 | (190,082) |
| **TOTAL** | **(376,510)** | **142,880** | **(519,390)** |

At 31 December 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.

The Euro 519,390 thousand decrease in shareholders' equity to a negative Euro 376,510 thousand was mainly due to:

- the Euro 157,773 thousand loss for 2025;

- the restatement effect pursuant to IAS 8, paras. 43 and 44, in relation to accumulated losses from previous years, for the adverse effects of accounting irregularities connected with progress on contract work in progress and the recognition of loss-making contracts, due to the negative margins on all contracts in progress, amounting to Euro 399,551 thousand;
- the Euro 12,985 thousand dividend paid following the resolution of the Ordinary Shareholders' Meeting of 22 April 2025;
- the creation of the Euro 51,443 thousand IAS 16 reserve for the fair value revaluation of the land and buildings class, net of the deferred tax effect;
- the change in the OCI reserve for IAS 19 measurements;
- the elimination of the cash flow hedge reserve following the close-out of IRS derivatives.

The table below provides details of other reserves and retained earnings:

| Other reserves | 31/12/2025 |
|---|---|
| TYG PROFIT reserve – merger surplus from share exchange | 242 |
| TYG CAPITAL reserve – merger surplus from share exchange | 701 |
| IAS FTA reserve | 2,995 |
| IAS OCI reserve | (81) |
| Cash Flow Hedge reserve | 0 |
| Negative reserve from merger of TYG S.r.l. | (146) |
| IAS 16 revaluation reserve | 51,443 |
| Retained earnings/accumulated losses | (350,505) |
| Retained earnings/accumulated losses carried forward – IAS transition | (528) |
| Other reserves | (89) |
| **Total** | **(295,968)** |

Basic **Earnings per share** are determined as the ratio of the company's result for the period to the weighted average number of ordinary shares outstanding during the year.

| *in thousands of Euros* | 31/12/2025 | 31/12/2024 |
|---|---|---|
| Net result | (157,773) | 32,309 |
| Profit attributable to ordinary shares | (157,773) | 32,309 |
| Average number of ordinary shares outstanding | 53,000 | 53,000 |
| **Earnings (loss) per ordinary share** | **(2.98) €** | **0.61 €** |
| Average number of ordinary shares outstanding (adjusted) | 53,000 | 53,000 |
| **Diluted earnings (loss) per ordinary share** | **(2.98) €** | **0.61 €** |

## 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 31 December 2025 are shown below:

| CHANGES IN PROVISIONS FOR RISKS | | | | | |
|---|---|---|---|---|---|
| *In thousands of Euros* | 31/12/2024 | Alloc. | Utilisation | 31/12/2025 | Delta |
| Provision for legal, tax and labour law risks | 2,324 | 2,614 | (903) | 4,035 | 1,711 |
| Provision for yacht guarantee | 3,856 | 0 | (605) | 3,251 | (605) |
| Provision for onerous contracts | 0 | 73,749 | 0 | 73,749 | 73,749 |
| **TOTAL** | **6,180** | **76,363** | **(1,508)** | **81,034** | **74,855** |

**Provision for civil actions**

The provision includes the estimate of charges deriving from threatened or ongoing civil proceedings, out-of-court claims, requests for compensation for damages and tax risks, the emergence of which is considered likely.

The change in the provision was determined on the basis of information available when the financial statements were drafted, in application of the provisions of IAS 37. The provision as at 31 December 2025 and the amount recognised during the year relate to:

***Silver Trend***

TISG prevailed at first instance, with Silver Trend's claims dismissed and the latter ordered to pay legal costs, which have not been paid.
Silver Trend then appealed the first instance decision before the Court of Appeal of Bari, and as of 31.12.2024 the decision in the case had been reserved since October 2023.
The appeal judgment was handed down on 23 January 2025, entirely reversing the decision at first instance and ordering TISG to pay Silver Trend Euro 1,231 thousand, including interest and legal costs.
TISG immediately appealed the second instance ruling and requested the suspension of the enforceability of the judgment of the Court of Appeal of Bari, which was ordered.
A hearing before the Court of Cassation has yet to be scheduled.

***Ellepi***

The provisionally enforceable payment order obtained by the shipyard's long-standing insurer for the non-payment of guarantee premiums amounting to Euro 410 thousand was challenged before the Court of Massa. As the amount is owed, an attempt was made to challenge it by invoking the statutory limitation of that right to payment.
The first hearing will be held on 24/11/2026.

***FGI***

This is the first-filed action brought against broker FGI, which claims unpaid commissions of approximately Euro 1,800 thousand. The action was deliberately brought before the Court of Massa because of the tight deadline for filing first and the counterparty's foreseeable, and subsequently raised, objection to jurisdiction, which will lengthen the litigation timetable and which TISG will accept. FGI preferred to assert its right to payment by way of counterclaim in these proceedings rather than through separate payment order proceedings. The next hearing is scheduled for 17 July 2026 and the Company is seeking a settlement.

***Others***

The Euro 526 thousand relating to disputes with two employees and INPS concerning recourse for contributions not paid to a subcontractor was also included in this provision.

**Provision for yacht guarantees**

This provision includes allocations calculated against the probable future expense that the Company has estimated it will have to incur for repairs under warranty. To cover the risk of any interventions under warranty to be carried out on the yachts already delivered or still under construction, TISG also took into account its own insurance coverage and that of its suppliers.

**Provision for onerous contracts (*loss-making contracts*)**

Following the detailed reconstruction of all cost budgets for yacht contracts in progress, eliminating the accounting irregularities, the results showed negative margins compared with the sale price for all yacht contracts. Accordingly, in compliance with IAS 37 on onerous contracts, a related provision for *loss-making contracts* of Euro 55,249 thousand was recognised.

In accordance with IAS 8, paras. 43 and 44, as it was impracticable to correct precisely the errors and irregularities in calculating the effect of *loss-making contracts* retrospectively to the beginning of 2024 other than using significant assumptions and estimates, the Company performed the restatement in the opening balances for 2025.

The table below presents these comparative impacts.

| in thousands of Euros | 31/12/2025 | 01/01/2025 | 31/12/2024 |
|---|---|---|---|
| Provision for onerous contracts in progress | 55,249 | 97,393 | 0 |
| **TOTAL** | **55,249** | **97,393** | **0** |

Accordingly, the effect of restating this item resulted in a provision of Euro 97,393 thousand charged to accumulated losses in opening shareholders' equity as of 1 January 2025 and a release of the provision of Euro 42,144 thousand as at 31 December 2025.

A further Euro 18,500 thousand component of the provision for *loss-making contracts* was also recognised as the best estimate to take into account the direct costs of production personnel and depreciation and amortisation for the years needed to complete the contracts, which historically had not been included in contract cost budgets.

## NOTE 17 – DEFERRED TAXES

The net movement between deferred tax assets and liabilities is shown below:

| *in thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Provisions for risks and charges | 4,019 | 1,463 | 2,556 |
| Loss allowance | 2,455 | 0 | 2,455 |
| Others | 533 | 1,512 | (979) |
| **Deferred tax assets** | **7,007** | **2,975** | **4,032** |

| *in thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| IAS depreciation and amortisation | 2,682 | 3,004 | (322) |
| IAS 16 property revaluation | 19,907 | 0 | 19,907 |
| Brands | 541 | 1,952 | (1,411) |
| **Deferred tax liabilities** | **23,130** | **4,956** | **18,174** |

| Net amount | (16,123) | (1,981) | (14,142) |
|---|---|---|---|

The temporary differences mainly refer to the difference between the book value of the items represented above and the tax value.
The Euro 14,142 thousand increase as at 31 December 2025 compared with 2024 mainly relates to the net effect of:

- the Euro 19,907 thousand increase in the deferred tax provision for the revaluation of buildings and land in accordance with IAS 16;
- the Euro 1,411 thousand release of the deferred tax provision for the impairment loss on the Perini brand;
- the Euro 5,011 thousand increase in deferred tax assets for provisions for civil claims, contract warranties and the loss allowance.

In accordance with IAS 12, the Company did not recognise deferred tax assets on approximately Euro 167,000 thousand of tax losses accrued, including from previous tax years, pending certification and final approval of the 2026-2031 Business Plan.

## NOTE 18 – PROVISION FOR EMPLOYEE BENEFITS

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

| In thousands of Euros | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Liabilities for employee benefits | 600 | 753 | (153) |
| **TOTAL** | **600** | **753** | **(153)** |

Employee benefits, which, according to Italian regulations, are categorised as severance indemnity (trattamento di fine rapporto, T.F.R.), are considered by IAS 19 as “post- employment benefits”; they represent “defined benefit” pension plans and are therefore subject to valuation using the actuarial “Projected Unit Credit Method”.

## NOTE 19 – LONG-TERM FINANCIAL LIABILITIES

This item is detailed as follows:

| In thousands of Euros | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Long-term bank payables | 0 | 48,964 | (48,964) |
| Lease liabilities - Motor vehicles (long-term portion) | 1,961 | 1,895 | 66 |
| Lease liabilities - Plant and Machinery (long-term portion) | 1,061 | 1,776 | (715) |
| Lease liabilities - Buildings on land under concession (long-term portion) | 7,156 | 7,518 | (362) |
| **TOTAL** | **10,178** | **60,153** | **(49,975)** |

The item **long-term bank payables**, equal to zero, represents the amount maturing beyond 12 months of medium and long-term loans taken out.

During 2025, new medium/long-term loans were arranged:

- a seven-year SACE-guaranteed mortgage loan from a pool of seven banks for a maximum total amount of Euro 150 million, of which Euro 115,000 thousand was disbursed during the first half of 2025, at a floating rate of three-month Euribor plus a 2.35% spread. The balance as at 31 December

2025 amounted to Euro 107,618 thousand after repayments of principal and interest instalments and measurement at amortised cost at year-end;

- a Euro 10,000 thousand medium/long-term loan from Credem, of which Euro 3,500 thousand was repaid during the year, leaving Euro 6,500 thousand outstanding. It was reclassified to current liabilities following entry into the Negotiated Crisis Resolution Procedure and subsequent pre-filing proceedings pursuant to CCII, Article 44, the non-payment of instalments in 2026 and the request to banks for a moratorium and standstill pending the definition of financial measures;

Existing loans totalling Euro 59,693 thousand were repaid using the new syndicated loan described above, specifically:

- the UniCredit and Deutsche Bank syndicated debt was partly repaid for Euro 18,831 thousand, of which Euro 14,107 thousand was the long-term portion,
- the MPS loan was repaid in full for Euro 6,267 thousand, of which Euro 4,667 thousand was the long-term portion,
- the MPS Capital loan was repaid in full for Euro 27,780 thousand, of which Euro 23,291 thousand was the long-term portion,
- the Intesa Sanpaolo loan was partly repaid for Euro 815 thousand, comprising the short-term portion only,
- the Crédit Agricole loan was repaid in full for Euro 6,000 thousand, all of which was long term.

The Euro 115 million SACE-guaranteed syndicated loan requires compliance with financial covenants, including net financial debt/EBITDA of no more than 2.5 and net financial debt/equity of no more than 1. These were not met based on the results as at 31 December 2025 and, together with the non-payment of the instalments due on 31 March 2026 and 30 June 2026 and the Company's position under Italian Civil Code, Article 2447, triggered the conditions for termination, withdrawal and loss of the benefit of the term under the loan agreement. It was therefore reclassified to current liabilities.
The same medium/long-term loan contains negative pledge clauses under which TISG may not create or permit any encumbrance over the Company and/or the other Group companies or over all or any of the Group's owned assets or assets over which it holds a surface right, including, among other things, corporate brands, equity investments, current accounts, deposits and concessions, subject to specifically identified exceptions.

Details of current and non-current financial liabilities with maturity dates are set out below:

| Classification | Account Balance | Within 1 year | 1 to 5 years | More than 5 years |
|---|---|---|---|---|
| Pool loans (Unicredit - Deutsche Bank) | 210 | 210 | 0 | - |
| Banca Intesa loan | 690 | 690 | 0 | - |
| SACE-guaranteed syndicated loan | 107,618 | 107,618 | 0 | 0 |
| Credem loan | 6,500 | 6,500 | 0 | - |
| Credem and MPS short-term advance facilities | 20,553 | 20,553 | 0 | 0 |
| Right Of Use Payable | 11,393 | 1,215 | 4,947 | 5,231 |
| **Total** | **146,694** | **136,786** | **4,947** | **5,231** |

The items **Lease Liabilities – Cars**, **Lease Liabilities – Plant and Machinery** and **Lease liabilities – Leased buildings** respectively equal to Euro 1,961 thousand and Euro 1,091 thousand as at 31 December 2025, refer to the long-term portion of the financial debt linked to the application of IFRS 16.

**Lease liabilities – Buildings on land under concession**, amounting to Euro 7,156 thousand as at 31 December 2025, represent the long-term portion of the current value of the fees to be paid to the Port Authority, in application of the IFRS 16 accounting standard, for the concession of the state property complex located in Marina di Carrara and La Spezia and the Viareggio woodworking unit.

## NOTE 20 – OTHER NON-CURRENT LIABILITIES

Details of other non-current liabilities are provided below:

| *In thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Non-current liabilities to tax authorities | 0 | 2,714 | (2,714) |
| **TOTAL** | **0** | **2,714** | **(2,714)** |

**Non-current tax liabilities** were zero, a decrease of Euro 2,714 thousand compared with 31 December 2024, because the tax liability relating to the recalculation of the “patent box” tax benefit, which was being paid in instalments, was transferred to current tax liabilities.

## NOTE 21 – TRADE PAYABLES

This item is detailed as follows:

| *In thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Payables to suppliers within the following year | 180,787 | 121,316 | 59,471 |
| **TOTAL** | **180,787** | **121,316** | **59,471** |

**Trade payables:** amounted to Euro 180,787 thousand as at 31 December 2025, an increase of Euro 59,471 thousand compared with 31 December 2024 due to: (i) an increase in the reverse factoring and confirming limits requested from financial institutions, which extended supplier payment terms; and (ii) an increase in unpaid overdue supplier balances connected with the financial difficulties that began in 2025 and subsequently culminated in the crisis described in the going concern section of this Report.

There are no balances overdue by more than five years.

The component of the liability relating to balances with the various factoring companies, for reverse factoring and confirming arrangements with suppliers, or other entities for credit cards amounted to Euro 88,415 thousand as at 31 December 2025.

During the first few months of 2026 and following entry first into the Negotiated Crisis Resolution Procedure and then the pre-filing proceedings pursuant to CCII, Article 44, the Company began negotiating full and final settlement agreements with suppliers, while balances with factoring companies are being negotiated as part of the discussions with the banks.

There are no balances overdue by more than five years.

## NOTE 22 – OTHER PAYABLES

This item is detailed as follows:

| *In thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Payables to social security institutions | 12,003 | 3,278 | 8,725 |
| Tax and IMU liabilities | 24,748 | 23,353 | 1,395 |
| Other payables | 448 | 1,383 | (935) |
| **TOTAL** | **37,199** | **28,014** | **9,185** |

The item **Payables to social security institutions**, amounting to Euro 12,003 thousand at 31 December 2025 and up by Euro 8,725 thousand compared with 31 December 2024, refers to Company contributions payable to INPS and INAIL, payables to Fasi and Previndai, payables to the Cometa Supplementary Fund and other minor funds for December, and unpaid arrears, some of which have been entered on the collection roll, resulting in the discontinuation of the instalment plan. Following acceptance of the pre-filing application pursuant to CCII, Article 44, preparatory to a court-approved Turnaround Plan, the Company intends to propose to INPS a settlement or instalment agreement for all accrued overdue amounts and pay overdue amounts owed to other institutions.

**Tax and IMU liabilities** amounted to Euro 24,748 thousand as at 31 December 2025 and mainly comprise amounts owed to the tax authorities for unpaid 2024 IRES and IRAP, overdue unpaid IRPEF withholdings from March 2025 to year-end, amounts under the instalment plan connected with recalculation of the "patent box" tax benefit, including instalments whose payment was suspended, and an IMU liability to the Municipality of Massa Carrara for previous years that had already been placed on an instalment plan. Following acceptance of the pre-filing application pursuant to CCII, Article 44, preparatory to a court-approved Turnaround Plan, the Company intends to propose to the Italian Revenue Agency a tax settlement for all overdue unpaid tax liabilities, whether or not included on collection notices, and an instalment agreement with the Municipality of Carrara for IMU.

**Other liabilities** amounted to Euro 448 thousand as at 31 December 2025 and mainly comprise:

- Euro 106 thousand for payments received to a dedicated current account, to manage the current expenses of a 140-metre motor yacht currently subject to a freezing order, as required by European Community regulations. The asset, in the possession of the State Property Office, was entrusted to TISG, which is, among other things, carrying out significant refit work on it;
- a financial liability of Euro 330 thousand to subsidiary Celi S.r.l.

## NOTE 23 – SHORT-TERM FINANCIAL LIABILITIES

This item is detailed as shown below:

| *In thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Short-term payables to banks | 135,571 | 11,632 | 123,939 |
| Lease liabilities - Motor vehicles (short-term portion) | 358 | 358 | 0 |
| Lease liabilities - Plant and Machinery (short-term portion) | 543 | 542 | 1 |
| Lease liabilities - Buildings on land under concession (short- term portion) | 315 | 76 | 239 |
| **TOTAL** | **136,786** | **12,608** | **124,178** |

**Short-term bank debt** amounted to Euro 135,571 thousand, an increase of Euro 123,939 thousand compared with 31 December 2024. It includes medium/long-term loans reclassified as current following entry into the Negotiated Crisis Resolution Procedure and subsequently the pre-filing proceedings pursuant to CCII, Article 44, the breach of financial covenants, the non-payment of instalments in 2026 and the request to the banks for a moratorium and standstill, as well as unrepaid short-term credit facilities of Euro 20,553 thousand from Credem and Monte dei Paschi di Siena S.p.A.

The items **Lease liabilities – Motor vehicles** and **Lease liabilities – Plant and Machinery**, equal to Euro 358 thousand and Euro 543 thousand, respectively, as at 31 December 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 315 thousand, refer to the short-term portion of payables for the state concessions of Marina di Carrara, La Spezia and Viareggio in application of the IFRS 16 accounting standard.

## NOTE 24 – OTHER CURRENT LIABILITIES

This item is detailed as shown below:

| *In thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Accrued liabilities | 238 | 597 | (359) |
| Other payables due within the next year | 7,477 | 6,026 | 1,451 |
| **TOTAL** | **7,715** | **6,623** | **1,092** |

The item **Other payables**, amounting to Euro 7,477 thousand as at 31 December 2025, increased by Euro 1,451 thousand compared to 2024 and refers to payables to employees for salaries, expense notes, holidays and leave accrued as at 31 December 2025.

# COMMENTS ON THE MAIN ITEMS OF THE INCOME STATEMENT

## NOTE 25 – REVENUES

This item is detailed as shown below:

| *in thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Revenues from sales and services | 242,381 | 365,680 | (123,299) |
| Change in contract work in progress | 49,078 | 40,678 | 8,400 |
| **Total operating revenues** | **291,459** | **406,358** | **(114,899)** |
| | | | |
| Other proceeds and income | 13,474 | 25,923 | (12,449) |
| Commissions | (1,500) | (7,214) | 5,717 |
| **TOTAL** | **303,433** | **425,067** | **(121,634)** |

**Revenue from sales and services** amounted to Euro 242,381 thousand as at 31 December 2025, a decrease of approximately Euro 123,299 thousand compared with the previous year due to the difficulty encountered in securing new contracts and slower progress on contracts in progress. As described in greater detail in the Management Report, changes in contract work in progress were also affected by accounting irregularities that revealed negative margins on all yachts under construction and a reversal of revenue, because contract progress was lower than shown in the previous accounting records for interim periods in 2025 and at least the previous year. These effects were restated as of 1 January 2025 pursuant to IAS 8, paras. 43 and 44, and therefore the opening effects relating to prior years were charged to accumulated losses in shareholders' equity for Euro 302,159 thousand. As at 31 December 2025, there was also a positive Euro 49,078 thousand effect from net progress between assets and liabilities for contracts in progress.

| *in thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---:|---:|---:|
| Production and sale of yachts (Shipbuilding) | 274,392 | 364,550 | (90,158) |
| incidence on total operating revenues | *94%* | *90%* | |
| Refit activities | 17,067 | 41,808 | (24,741) |
| incidence on total operating revenues | *6%* | *10%* | |
| **Operating revenues** | **291,459** | **406,358** | **(114,899)** |

The item **Other revenues and income**, equal to Euro 13,474 thousand as at 31 December 2025, is mainly composed as follows:

- **Insurance compensation** amounted to Euro 4,987 thousand as at 31 December 2025 and relates to reimbursements recognised by insurers during 2025, mainly for claims and damage to vessels under construction.
- **Other revenues** for an amount of Euro 7,138 thousand, deriving from the management of existing construction jobs, refer to all revenues not directly attributable to the sale of boats.
- **Contingent assets** in the amount of Euro 973 thousand as at 31 December 2025, which mainly refer to extraordinary income realised following the positive conclusion of some active disputes or the write-off of debt positions.

**Commissions payable**, recognised in the financial statements at 31 December 2025 for Euro 1,500 thousand, refer to the brokerage activities of some of the leading brokers in the industry, which have been collaborating with the Company for years in seeking new customers, and the royalties accrued to Automobili Lamborghini during 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* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| For raw ancillary materials, consumables and goods | (118,546) | (99,342) | (19,204) |
| Short-term rentals | (2,207) | (2,623) | 416 |
| Changes in raw material inventories | (268) | (17) | (251) |
| Change in inventories of semi-finished and finished products | 11,186 | 1,337 | 9,849 |
| **TOTAL** | **(109,835)** | **(100,644)** | **(9,190)** |

The item **Costs of raw ancillary materials, consumables and goods**, at 31 December 2025 equal to Euro 118,546 thousand, up from the previous financial year 2024 by Euro 19,204 thousand, includes all costs related to the procurement of the materials necessary for the development of production activities.
Despite the decrease in revenue and slower progress on contracts in progress, the increase shows that additional raw material costs were incurred and not passed on to customers, resulting in negative margins on contracts in progress. The item also includes the effect during the year of the Euro 42,144 thousand release of the provision for onerous contracts for which the restatement as of 1 January 2025 was performed, and the further Euro 18,500 thousand provision for loss-making contracts covering the direct costs of personnel and depreciation and amortisation still to be incurred to complete the contracts.

**Short-term rentals**, equal to Euro 2,207 thousand as at 31 December 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 268 thousand as at 31 December 2025, decreased from the previous financial year by Euro 251 thousand.

The **Change in finished and semi-finished products** shows a positive balance of Euro 11,186 thousand at 31 December 2025, mainly due to costs incurred for construction in relation to boats built in-house for which a future sale is expected. The increase relates to three new vessels at advanced stages of construction that had been included in work in progress and which the customer decided not to purchase. These vessels are now held in semi-finished product inventories pending identification of a new customer. The amount is presented net of an impairment provision of Euro 6,864 thousand for a vessel sold at less than cumulative costs and a Perini vessel held in inventory since 2022.

## NOTE 27 – COST FOR OUTSOURCED WORK

This item is detailed as shown below:

| *in thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Outsourced works | (156,762) | (155,856) | (906) |
| **TOTAL** | **(156,762)** | **(155,856)** | **(906)** |

The item **Cost for outsourced work**, equal to Euro 156,762 thousand as at 31 December 2025, increasing by Euro 906 thousand compared to 31 December 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.

Despite the decrease in revenue and slower progress on contracts in progress, the increase shows that additional costs were incurred for this work and not passed on to customers, resulting in negative margins on contracts in progress.

## NOTE 28 – SERVICES AND TECHNICAL CONSULTANCY

This item is detailed as shown below:

| *in thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Other services and consultancy | (57,825) | (20,199) | (37,626) |
| Legal, tax and notary consultancy | (987) | (775) | (212) |
| Auditing fees | (104) | (102) | (2) |
| **TOTAL** | **(58,916)** | **(21,076)** | **(37,840)** |

**Miscellaneous services and consultancy** amounted to Euro 57,825 thousand as at 31 December 2025, an increase of Euro 37,626 thousand compared with 2024 due to the greater number of design stages for new megayachts assigned to external designers and architects. Despite the decrease in revenue and slower progress on contracts in progress, this confirms that additional costs were incurred for these activities and not passed on to customers, resulting in negative margins on contracts in progress.

The item **Legal, tax and notary consultancy**, equal to Euro 987 thousand as at 31 December 2025, 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 increased by Euro 212 thousand compared to the previous year 2024.

The item **Auditing fees**, amounting to Euro 104 thousand as at 31 December 2025, includes the costs incurred for the statutory audit of the accounts and limited review of the Non-Financial Statement.

## NOTE 29 – OTHER COSTS FOR SERVICES

This item is detailed as shown below:

| *in thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Transport expenses | (152) | (170) | 18 |
| Maintenance fees | (31) | (45) | 14 |
| Surveillance | (511) | (505) | (6) |
| Research costs | (114) | (5) | (109) |
| Miscellaneous administrative expenses | (793) | (2,341) | 1,548 |
| Utilities | (3,553) | (3,258) | (295) |
| Shipyard and vessel insurance | (5,218) | (3,300) | (1,918) |
| Cleaning and waste disposal costs | (590) | (464) | (126) |
| Sundry employee services | (456) | (518) | 62 |
| Advertising and entertainment expenses | (2,228) | (1,308) | (920) |
| Bank charges and fees | (686) | (341) | (345) |
| Fuels | (14) | (13) | (1) |
| Telephone costs | (107) | (130) | 23 |
| Software interventions | 20 | (1) | 21 |
| Directors' fees and expenses | (846) | (803) | (43) |
| Board of statutory auditors' fee | (23) | (32) | 9 |
| Supervisory Body | (27) | (27) | 0 |
| Other expenses | (180) | (232) | 51 |
| **TOTAL** | **(15,509)** | **(13,493)** | **(2,018)** |

**Utility costs**, which amounted to Euro 3,553 thousand as at 31 December 2025, rose by Euro 295 thousand compared to the previous year, essentially due to the increase in the price of the commodity.

**Advertising and representation services** amounted to Euro 2,228 thousand as at 31 December 2025, an increase of Euro 920 thousand compared with 2024, and relate to promotional activities and events, particularly the 2025 Monaco Yacht Show.

**Shipyard and vessel insurance**, equal to Euro 5,218 thousand as at 31 December 2025, increased by Euro 1,918 thousand compared to the previous year, referring to all shipyard and vessel insurance for the Group.

**Miscellaneous administrative expenses**, equal to Euro 793 thousand as at 31 December 2025, decreased by Euro 2,341 thousand compared to the previous year.

## NOTE 30 – PERSONNEL COSTS

This item represents the total expense incurred for TISG employees; it includes salaries, the related social security and pension costs payable by the Company, donations and flat-rate travel expenses.

This item is detailed as shown below:

| *in thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| For personnel | (28,893) | (27,007) | (1,886) |
| Social security contributions | (9,909) | (9,476) | (433) |
| Severance indemnities | (1,953) | (1,790) | (163) |
| Other costs | (1,813) | (2,147) | 335 |
| **TOTAL** | **(42,568)** | **(40,420)** | **(2,147)** |

The average number of TISG employees in 2025 is 623, as shown below:

| Average number | 31/12/2025 | 31/12/2024 |
|---|---|---|
| Executives | 25 | 22 |
| Employees | 348 | 356 |
| Workers | 250 | 245 |
| **TOTAL** | **623** | **623** |

The number of employees as at 31 December 2025 is 595 and is detailed as follows:

| Precise number | 31/12/2025 | 31/12/2024 |
|---|---|---|
| Executives | 24 | 24 |
| Employees | 328 | 380 |
| Workers | 243 | 253 |
| **TOTAL** | **595** | **657** |

Despite the decrease in personnel, the higher cost was mainly due to the hiring of more specialised personnel with higher costs than those who left.

## NOTE 31 – OTHER OPERATING COSTS

This item is detailed as shown below:

| *in thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Provisions for risks | (2,579) | (3,314) | 735 |
| Contingent liabilities | (18,662) | (4,583) | (14,079) |
| IMU – Tasi | (376) | (353) | (23) |
| Municipal taxes | (411) | (920) | 509 |
| *Branding* | (803) | (717) | (86) |
| Other operating costs | (7,496) | (7,414) | (82) |
| **TOTAL** | **(30,327)** | **(17,302)** | **(13,026)** |

**Provisions for risks** amounted to Euro 2,579 thousand as at 31 December 2025 and mainly relate to the provision for legal, tax and employment risks described in the Provisions for risks section.

**Contingent liabilities**, amounting to Euro 18,662 thousand as at 31 December 2025, mainly relate to exceptional cost components, namely items that should have been recognised in previous years but were identified in the current year. The increase recorded in the 2025 financial year, amounting to Euro 14,079 thousand, relates mainly to the settlement of certain items recorded under advances to suppliers, credit notes receivable from suppliers, which were to be expensed, and the recording of invoices received relating to the previous financial year for which there was no formal authorisation from the technical and production department, as well as other residual extraordinary items.

The item ***Branding***, amounting to Euro 803 thousand at 31 December 2025, increased by Euro 86 thousand compared with the previous financial year.

The item **Other operating costs**, equal to Euro 7,496 thousand, increased compared to the previous year by Euro 82 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, as well as penalties and fines reclassified from the municipal taxes item.

The item **Municipal taxes**, equal to Euro 411 thousand, decreased by Euro 509 thousand compared to the previous year and mainly includes the amount of the registration tax relating to state concessions.

## NOTE 32 – DEPRECIATION, AMORTISATION AND WRITE-DOWNS

This item is detailed as shown below:

| ***in thousands of Euros*** | **31/12/2025** | **31/12/2024** | **Changes** |
|---|---|---|---|
| Depreciation of tangible fixed assets | (9,239) | (9,797) | 558 |
| Amortisation of intangible fixed assets | (22,166) | (512) | (21,654) |
| Write-downs and losses on receivables | (10,449) | (1,117) | (9,332) |
| **TOTAL** | **(41,854)** | **(11,426)** | **(30,428)** |

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

Amortisation of intangible assets also includes the Euro 21,851 thousand impairment loss on the Perini brand following the impairment test, connected with the reduction in Perini-brand vessel sales forecast in the 2026-2031 Business Plan.

The item Write-downs and losses on receivables consists of the write-down of trade receivables, for which see the previous note no. 10.

## Note 33 – FINANCIAL INCOME AND CHARGES

This item is detailed as follows:

| *in thousands of Euros* | 31/12/2025 | 31/12/2024 | Changes |
|---|---|---|---|
| Other financial income | 597 | 806 | (209) |
| Interest expense to banks and others | (10,901) | (8,147) | (2,754) |
| Interest expense on interest-bearing loan to shareholders | 0 | 0 | 0 |
| Interest expense on Lease liabilities | (733) | (723) | (10) |
| **TOTAL** | **(11,037)** | **(8,064)** | **(2,973)** |

Net financial income and expense amounted to Euro 11,037 thousand, an increase of Euro 2,973 thousand compared with the previous year, mainly due to greater use of reverse factoring and confirming arrangements and the impact of the new syndicated loan, of which Euro 115,000 thousand was drawn.

## NOTE 34 – INCOME TAXES

The tax burden reconciliation table is shown below:

| *in thousands of Euros* | 31/12/2025 | 31/12/2024 |
|---|---|---|
| Theoretical IRES rate | 24.00% | 24.00% |
| Profit (loss) before tax | (163,371) | 49,186 |
| THEORETICAL IRES | | |
| Total Increases | 70,366 | 15,601 |
| Total Decreases | (5,574) | (12,419) |
| Taxable income | (98,579) | 52,368 |
| Effect of tax losses usable at 80% | 0 | 0 |
| ACE (aid to economic growth) | 0 | 0 |
| Net taxable income | (98,579) | 52,368 |
| IRES 24% | 0 | (12,568) |
| IRAP | 0 | (2,644) |
| taxes from previous financial years | 0 | (7,599) |
| **Total current taxes** | **0** | **(22,811)** |
| Deferred tax assets/liabilities | 5,598 | (1,664) |
| **TOTAL TAXES** | **5,598** | **(24,476)** |

There were no current taxes for 2025. Changes in deferred tax assets and liabilities for the year are described in note no. 17. Note that the Company benefited from the facilitated taxation regime by applying the Patent Box rules for the financial years 2019, 2020, 2021, 2022 and 2023, which will guarantee TISG an additional tax benefit in the financial years 2024 and 2025 as well, net of the redetermination that occurred in the year 2024 following the Italian Tax Authority's audit.
The amount recorded in 2024 in respect of previous taxes amounting to Euro 7,599 thousand referred to the restatement of IRES, IRAP, direct and deferred taxes related to the restatement of the Patent Box benefit following the Revenue Agency audit concluded at the end of 2024.

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

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

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

| SUMMARY OF ECONOMIC TECHNICAL BASES | 31/12/2025 | 31/12/2024 | 31/12/2023 |
|---|---|---|---|
| Annual discount rate | 3.09% | 2.93% | 2.95% |
| Annual inflation rate | 2.00% | 2.00% | 2.00% |
| Annual rate of increase in severance indemnity | 3.00% | 3.22% | 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:

The new IAS 19, for post-employment defined benefit plans, requires a series of additional information that is reported below:

| SENSITIVITY ANALYSIS OF KEY VALUATION PARAMETERS | |
|---|---|
| **THE ITALIAN SEA GROUP SPA** | **DBO 31/12/25** |
| Turnover rate +1% | 600,343.27 |
| Turnover rate -1% | 598,692.31 |
| Inflation rate +0.25% | 603,991.94 |
| Inflation rate -0.25% | 595,156.22 |
| Discount rate +0.25% | 592,838.30 |
| Discount rate -0.25% | 606,412.36 |

| Service Cost and Duration | |
|---|---|
| **THE ITALIAN SEA GROUP SPA** | |
| Service Cost 2021 | 5,278.64 |
| Duration | 5.8 |

| ESTIMATED FUTURE DISBURSEMENTS | |
|---|---|
| **Years** | **Expected disbursements** |
| 1 | 103,259.71 |
| 2 | 73,829.67 |
| 3 | 78,683.47 |
| 4 | 85,360.53 |
| 5 | 51,557.84 |

## 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.

In June 2025, when the Company entered into the SACE-guaranteed medium/long-term syndicated mortgage loan, of which Euro 115,000 thousand was drawn, it repaid the previous medium/long-term loans as described in Note 19, and the related IRS hedging derivatives entered into in connection with those loans were closed.

Only one IRS derivative remained outstanding on the Banca Intesa loan, with a residual notional amount of Euro 690 thousand, expiring on 27 October 2026, and a positive mark-to-market of Euro 7 thousand as at 31 December 2025, which continued to be recognised in profit or loss.

When it entered into the new syndicated loan, the Company also entered into IRS derivatives with the related banks to hedge interest rate differences. Following the start of the Negotiated Crisis Resolution Procedure, then the so-called pre-filing proceedings pursuant to CCII, Article 44, and the moratorium and standstill requested from the banks, as at 31 December 2025 these derivatives were not accounted for under Hedge Accounting rules but were recognised in profit or loss.

*in thousands of Euros*

| Bank | Notional amount | maturity date | MtM 31.12.2025 |
|---|---|---|---|
| MPS | 9,750 | 31.03.2030 | (9) |
| MPS | 8,077 | 31.03.2030 | (8) |
| Deutsche Bank | 4,615 | 31.03.2030 | 5 |
| Deutsche Bank | 5,571 | 31.03.2030 | 6 |
| BNL | 4,179 | 31.03.2030 | (4) |
| BNL | 3,462 | 31.03.2030 | (3) |
| Crédit Agricole | 7,232 | 31.03.2030 | (5) |
| Crédit Agricole | 5,769 | 31.03.2030 | (4) |
| UniCredit | 9,750 | 31.03.2030 | (9) |
| UniCredit | 8,077 | 31.03.2030 | (8) |
| **Total** | | | **(39)** |

# OTHER INFORMATION

## COMMITMENTS AND RISKS

For the production of yachts, in some cases, the Company uses bank or insurance sureties to guarantee the advances received from the ship operators relating to the sale contracts entered into. Details of guarantees outstanding as at 31 December 2025 are set out below.

| **Guarantees outstanding as at 31.12.2025 (Euro thousands)** | | | |
|---|---|---|---|
| **Contract** | **Bank / Insurance company** | **Type** | **Total** |
| 595 | Allianz | Insurance | 1,000 |
| 597 | Allianz | Insurance | 23,821 |
| 604 | Allianz | Insurance | 7,616 |
| 612 | AXA | Insurance | 6,277 |
| 613 | Allianz Trade | Insurance | 58,518 |
| 616 | Deutsche Bank | Banking | 28,675 |
| 607 | UniCredit | Banking | 22,800 |
| 617 | BNL | Banking | 3,084 |
| 618 | Crédit Agricole / Deutsche Bank | Banking | 23,125 |
| 619 | Credit Agricole | Banking | 2,278 |
| L101.2 | BNL | Banking | 2,300 |
| 620 | UniCredit | Banking | 8,550 |
| 621 | UniCredit | Banking | 10,440 |
| **Total** | | | **198,484** |

In addition, Banco MPS S.p.A. issued two bank guarantees:

- a guarantee amounting to Euro 260 thousand on behalf of the subsidiary TISG Turkey, in favour of the Turkish supplier NAVEKS GEMI INSA ELEKTRIK MAKINA, securing the payment of rent in respect of one of the shipyards in Turkey. The guarantee was called by the supplier and the relevant amount was paid by MPS S.p.A. on 3 September 2026;
- a guarantee amounting to Euro 1,881 thousand, issued on 5 January 2022, securing an outstanding liability towards Perini Navi S.p.A. or its Bankruptcy Trustee.

## TRANSACTIONS WITH RELATED PARTIES

Below is a list of the main Related Parties with which transactions took place in 2025 and the type of relationship:

| List of related parties | Related-party relationship |
|---|---|
| GC HOLDING S.p.A. | 53.6% PARENT COMPANY OF TISG |
| TISG Turkey YTAS | 100% SUBSIDIARY |
| GMC Architecture S.r.l. S.t.p. | GC HOLDING INVESTEE COMPANY |
| CELI S.r.l. | 100% SUBSIDIARY |
| SANTA BARBARA S.r.l. | 100% GIOVANNI COSTANTINO COMPANY |

Transactions with related parties during the financial year ended at 31 December 2025 are shown below:

| BALANCE SHEET (€/000) | GC Holding | TISG Turkey YTAS | GMC ARCHITECTURE S.R.L. S.T.P. | CELI SRL | SANTA BARBARA S.R.L. |
|---|---|---|---|---|---|
| FINANCIAL RECEIVABLES | | | | 1,580 | |
| TRADE RECEIVABLES | | 8,180 | 1 | 1,414 | 0 |
| **TOTAL ACCOUNTS RECEIVABLE** | **0** | **8,180** | **1** | **2,994** | **0** |
| FINANCIAL PAYABLES | 0 | | | 330 | |
| TRADE PAYABLES | 0 | 0 | 2 | 1,776 | 0 |
| **TOTAL PAYABLES** | **0** | **0** | **2** | **2,106** | **0** |

| INCOME STATEMENT (€/000) | GC Holding | TISG Turkey YTAS | GMC ARCHITECTURE S.R.L. S.T.P. | CELI SRL | SANTA BARBARA S.R.L. |
|---|---|---|---|---|---|
| COSTS FOR PROCESSING | | 38,246 | | 14,663 | |
| COSTS FOR CONSULTANCY | | | 163 | | |
| COSTS FOR SERVICES | 10 | | | | 180 |
| INTEREST PAYABLES | | | | | |
| **TOTAL COSTS** | **10** | **38,246** | **163** | **14,663** | **180** |
| REVENUES FROM SALES | | 7,811 | 2 | 1,618 | 0 |
| INTEREST INCOME | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| **TOTAL REVENUES** | **0** | **7,811** | **2** | **1,618** | **0** |

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

**GMC ARCHITECTURE S.r.l. S.t.p.:** TISG and GMC Architecture have signed a contract based on which GMC undertakes to provide assistance and stylistic consultancy for the outfitting of offices and trade fairs and, in general, to curate the corporate image of TISG and develop projects for the design of the external profiles of yachts that the Company should produce for future potential customers.

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

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

The remaining receivable as at 31 December 2025 amounting to Euro 1,580 thousand for advances made by TISG will be repaid by CELI in 10 years from 30 June 2021 until 31 December 2030.

In addition to what is described above, CELI is among TISG's main strategic suppliers, as it creates the majority of the interior and exterior furniture for the yachts that the Company builds, in addition to crafting the furniture in TISG's operational facilities, meeting the Company’s production requirements from an efficiency perspective.

**Santa Barbara:** TISG and SANTA BARBARA signed an agreement on 8 February 2022 concerning TISG’s use of a building to carry out sales activities with potential or current TISG customers, offering them accommodation, entertainment services, event planning and social dinners. The agreement was then terminated after four years on 8 February 2026.

## SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

Throughout 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 and the Going Concern section.

## TRANSACTIONS ARISING FROM ATYPICAL AND/OR UNUSUAL OPERATIONS

Throughout 2025, the Company did not carry out any significant atypical and/or unusual transactions, as defined by CONSOB Communications no. Dem/6037577 of 28 April 2006 and no. Dem/6064293 of 28 July 2006, other than those described in the notes to the financial statements and the report on operations.
There are no changes with respect to related party transactions that have had a material effect on the Company's financial position and results and there are no conflicts of interest that may have had an effect on the management of business activities.

## SIGNIFICANT EVENTS OCCURRING AFTER THE END OF THE PERIOD

See the information in the Management Report.

## EARNINGS PER SHARE

The calculation of earnings per share is based on the following data:

| *in thousands of Euros* | **31/12/2025** | **31/12/2024** |
|---|---|---|
| Net result | (157,773) | 32,309 € |
| Profit attributable to ordinary shares | (157,773) | 32,309 € |
| Average number of ordinary shares outstanding | 53,000 | 53,000 |
| **Earnings (loss) per ordinary share** | **(2.98) €** | **0.61 €** |
| Average number of ordinary shares outstanding (adjusted) | 53,000 | 53,000 |
| **Diluted earnings (loss) per ordinary share** | **(2.98) €** | **0.61 €** |

## AUTHORISATION TO PUBLISH

This document was published on 09 September 2026 upon authorisation of the Chair and the Chief Executive Officer and was approved by the Board of Directors on 31 July 2026.

## DIRECTORS' AND STATUTORY AUDITORS' COMPENSATION

The total compensation due for the financial year 2025 to the Directors and Statutory Auditors of TISG S.p.A., for carrying out these functions in the Company, amounts to Euro 770 thousand for the Directors and Euro 31 thousand for the Statutory Auditors. For a complete and detailed description of the compensation paid to Directors, please refer to the Remuneration Report available at the Company's registered office and on the Company's website.

## SUMMARY STATEMENT OF FEES TO THE AUDITING FIRM AND OTHER ENTITIES BELONGING TO ITS NETWORK

Pursuant to Article 149-duodecies of the Issuers' Regulation, note that the total fees payable to BDO Audit Services S.r.l. (which took over all operations from BDO Italia S.p.A. on 1 January 2026) for the audit of the

2025 Annual Financial Report and the limited assurance review of sustainability reporting are summarised in the table below:

| *in thousands of Euros* | **31/12/2025** |
|---|---|
| Fees for the audit of the 2025 consolidated and separate financial statements | 67 |
| Fees for the limited assurance review of sustainability reporting | 37 |
| **TOTAL** | **104** |

# CERTIFICATION OF THE FINANCIAL STATEMENTS PURSUANT TO ARTICLE 81-TER OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999 AS AMENDED AND SUPPLEMENTED

1. The undersigned Giovanni Costantino (Chief Executive Officer) and Fabio Zanobini (Financial Reporting Manager) of The Italian Sea Group S.p.A., taking into account the provisions of Art. 154-bis(3) and (4), of Italian Legislative Decree No. 58 of 24 February 1998, certify that the administrative and accounting procedures for the preparation of the financial statements:
   a. were defined consistently with the Company's administrative/accounting system and structure;
   b. their adequacy was verified;
   c. were actually applied during the period from 1 January 2025 to 31 December 2025 to which the financial statements relate.
2. No major issues emerged in this respect.
3. We hereby also certify that the financial statements as at 31 December 2025:
   a. are consistent with the amounts indicated in the accounting records and documents;
   b. are drafted in accordance with the applicable international accounting standards endorsed by the European Community pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
   c. are suitable to provide a true and fair representation of the profit/loss, financial and economic results of the issuer and the group of consolidated undertakings.

Date 31 July 2026

# PROPOSED RESOLUTION

Dear Shareholders,

We propose carrying forward the net loss for 2025 of Euro 157,773 thousand because, despite the circumstances under Italian Civil Code, Article 2447 (a reduction in share capital due to losses for the year by more than one-third and below the statutory minimum), the Company is not yet required to cover the losses and restore share capital to the statutory minimum because the suspension of recapitalisation obligations under Article 89 of the CCII remains in force.

Finally, we invite you to approve the Annual Financial Report as at 31 December 2025, as well as the proposed allocation of the net result for the year as illustrated.

Marina di Carrara, 31 July 2026

Chief Executive Officer

Giovanni Costantino

# INDEPENDENT AUDITOR'S REPORTS AND BOARD OF STATUTORY AUDITORS'REPORT

# The Italian Sea Group S.p.A.

**Independent Auditor's report**
pursuant to article 14 of Legislative Decree no. 39 of 27 January 2010, and Article 10 of Regulation (EU) No. 537/2014

Financial Statements as at 31 December 2025

*This report has been translated into English from the original, which was prepared in Italian and represents the only authentic copy, solely for the convenience of international readers.*

AFBN/LMTO/scr - RC047142025AS0592

BDO

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Via Ludovisi, 16
00187 Roma

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

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

## Report on the audit of the separate financial statements

### Disclaimer of Opinion

We were engaged to audit the financial statements of The Italian Sea Group S.p.A. (the "Company"), which comprise the statement of financial position as at 31 December 2025, the income statement, the statement of comprehensive income, the statement of changes in shareholder's equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material information on the accounting policies.

We do not express an opinion on the Company's financial statements. Because of the significance of the matters described in the section entitled "Basis for Disclaimer of Opinion" of our report, we were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

### Basis for Disclaimer of Opinion

The Company provided us with written representations that did not correspond to those requested by us also with regards to some audit evidence that was not provided to us during the course of our audit procedures. This circumstance represents a pervasive limitation on the scope on the scope of our audit.

The financial statements report negative equity of Euro 376,510 thousand, also as a consequence of the restatement recognised in accordance with International Accounting Standard IAS 8, for the reasons described in the paragraph entitled "Directors' Assessment Of The Going Concern Requirements" in the notes to the financial statements as at 31 December 2025, to which reference should be made for further details, and after recognising a loss of Euro 157,773 thousand, resulting in the Company falling within the circumstances contemplated by Article 2447 of the Italian Civil Code, while net financial debt amounts to Euro 131,058 thousand. The consolidated financial statements show negative shareholders' equity of Euro 388,094 thousand, while net financial debt amounts to Euro 129,557 thousand.

The Company announced to the market that, as at 31 July 2026, the parent company's net financial debt amounted to Euro 179,633 thousand and, on a consolidated basis, to Euro 179,590 thousand. The Company further disclosed the existence, as of the same date, of overdue liabilities consisting of: (i) financial indebtedness (towards banks and factoring companies) amounting to Euro 147,137 thousand (Euro 147,137 thousand on a consolidated basis); (ii) trade payables amounting to Euro 80,091 thousand (Euro 85,749 thousand on a consolidated basis); and (iii) tax and social security liabilities amounting to Euro 33,390 thousand (Euro 37,198 thousand on a consolidated basis).

As also stated by the Directors in paragraph entitled "Directors' Assessment Of The Going Concern Requirements" included in the notes to the financial statements as at 31 December 2025, to which reference should be made for further details, the Company, following the unsuccessful outcome of the negotiated crisis settlement procedure pursuant to Article 17 of the Italian Code of Business Crisis and Insolvency (the "CCII"), filed an application for a so called "blank composition with creditors" pursuant to Article 44 of the CCII. While such proceedings under Article 44 of the CCII were pending, the Directors prepared both the separate and consolidated financial statements for the year ended 31 December 2025 on a going concern basis, notwithstanding the existence of multiple significant uncertainties that may cast substantial doubt on the appropriateness of the use of that assumption.

All of the above is based on the reasonable expectation that the Company and the Group will be able to continue operating for the foreseeable future, for at least 12 months from the date of approval of the statutory and consolidated financial statements, in light of, among other things:

(i) the ongoing negotiations with financial creditors; (ii) discussions with investors regarding the planned share capital increase; (iii) the expected sale of the La Spezia shipyard; and (iv) the achievement of the objectives set out in the new 2026-2031 Business Plan.

Accordingly, the recoverability of the principal assets reported in the separate financial statements, including Inventories, Contract Assets, Land and Buildings measured at fair value, and Trademarks, is dependent upon the successful resolution of the aforementioned significant uncertainties affecting the Company's ability to continue as a going concern, as described by the Directors.

During our audit procedures, we were unable to obtain sufficient appropriate audit evidence to support the reasonableness of the assumptions adopted by the Directors in applying the going concern basis in the preparation of the separate and consolidated financial statements.

Furthermore, we were unable to obtain sufficient appropriate audit evidence regarding contract assets and liabilities arising from construction contracts and the related financial statement captions, including the adjustments recognised in opening equity following the application of International Accounting Standard IAS 8.

The matters described above did not allow us either to assess the appropriateness of the going concern assumption, including the resulting recoverability of assets and determination of provisions, or, assuming the appropriateness of the going concern basis, to determine whether contract assets and liabilities were properly accounted for and whether International Accounting Standard IAS 8 had been correctly applied.

Given the pervasive nature of the scope limitations described above, we were unable to complete the audit procedures required by the International Standards on Auditing (ISA Italia) and, accordingly, we were unable to express an opinion on the Company's financial statements as at 31 December 2025.

## Other matters

On 27 July 2026, we notified the Company of our resignation from the statutory audit engagement pursuant to the combined provisions of Article 13, paragraph 4, of Legislative Decree No. 39/2010 and Articles 5 and 6 of Ministry of Economy and Finance Decree No. 261/2012, as the conditions specified in Article 5, paragraph 1, letter (e), of Ministerial Decree No. 261/2012 had arisen.

## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period.

In light of the significance of the matters described in the section entitled "Basis for Disclaimer of Opinion", It was not possible to determine the completeness of the key audit matters to be communicated in this report.

## Responsibilities of the Directors and the Board of Statutory Auditors for the separate financial statements

The Directors are responsible for the preparation of the separate financial statements that give a true and fair view in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union and the Italian regulations implementing article 9 of Legislative Decree no. 38/05 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Company's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the separate financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the Company or ceasing operations exist, or have no realistic alternative but to do so.

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

## Auditor's responsibilities for the audit of the separate financial statements

Our responsibility is to conduct the statutory audit in accordance with the International Standards on Auditing (ISA Italia) and to issue the auditor's report. However, due to the matters described in the section entitled "Basis for Disclaimer of Opinion" of this report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Company in accordance with the ethical and independence requirements applicable under Italian law to the audit of financial statements.

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

The Shareholders' Meeting of The Italian Sea Group S.p.A. appointed BDO Italia S.p.A. on 17 February 2021 as the statutory auditor of the Company's financial statements for the fiscal years from 31 December 2021 through 31 December 2029. The engagement was subsequently transferred to BDO Audit Services S.r.l., effective from 1 January 2026. On 27 July 2026, as indicated in the "Other Matters" section, we notified the Company of our resignation from the statutory audit engagement.

As indicated in the "Other Matters" section, on 27 July 2026 we notified the Company of our resignation from the statutory audit engagement.

We declare that we did not provide prohibited non-audit services, referred to article 5, paragraph 1, of Regulation (EU) 537/2014, and that we remained independent of the Company in conducting the audit.

We confirm that the disclaimer of opinion on the financial included in this audit report is consistent with the content of the additional report prepared in accordance with article 11 of the EU Regulation n.537/2014, submitted to Those charged with governance.

## Report on other legal and regulatory requirements

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

The Directors of The Italian Sea Group S.p.A. are responsible for the application of the requirements of Delegated Regulation (EU) 2019/815 of European Commission regarding the regulatory technical standards pertaining the electronic reporting format specifications (ESEF – European Single Electronic Format) to the financial statements included in the annual financial report (hereinafter, the "Delegated Regulation").

We were engaged to perform the procedures set out in Italian Auditing Standard (SA Italia) No. 700B in order to express an opinion on the compliance of the financial statements with the requirements of the Delegated Regulation.

Due to the significance of the matters described in the section entitled "Basis for Disclaimer of Opinion" in the Auditor's Report on the financial statements, we are unable to express an opinion on whether the financial statements as at 31 December 2025 comply with the requirements of the Delegated Regulation.

BDO

**Disclaimer of Opinion and statement pursuant to article 14, paragraph 2, letters e), e-bis) and e-ter), of Legislative Decree no. 39/10 and article 123-bis, paragraph 4, of Legislative Decree no. 58/98**

The Directors of The Italian Sea Group S.p.A. are responsible for the preparation of a directors' report and a report on corporate governance and ownership structure at 31 December 2025, including their consistency with the related separate financial statements and their compliance with the applicable law.

We were engaged to perform the procedures required under Auditing Standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis, paragraph 4, of Legislative Decree no. 58/98 with the separate financial statements;
- express an opinion on the compliance of the report on operations, excluding the section that includes the sustainability statement, and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis, paragraph 4, of Legislative Decree no. 58/98 with the applicable law;
- issue a statement of any material misstatements in the report on operations and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis, paragraph 4, of Legislative Decree no. 58/98.

Due to the significance of the matters described in the section entitled "Basis for Disclaimer of Opinion" of the Auditor's Report on the financial statements, we are unable to express an opinion on the consistency of the Management Report and the specific information contained in the Corporate Governance and Ownership Structure Report referred to in Article 123-bis, paragraph 4, of Legislative Decree No. 58/1998, with the financial statements of The Italian Sea Group S.p.A. as at 31 December 2025.

Furthermore, due to the significance of the matters described in the section entitled "Basis for Disclaimer of Opinion" of the Auditor's Report on the financial statements, we are unable to express an opinion on the compliance of the Management Report, excluding the section relating to sustainability reporting, and of the specific information contained in the Corporate Governance and Ownership Structure Report referred to in Article 123-bis, paragraph 4, of Legislative Decree No. 58/1998, with applicable laws and regulations. Nor are we able to issue the statement required by Article 14, paragraph 2, letter e-ter), of Legislative Decree No. 39/2010, based on the knowledge and understanding of the entity and its environment obtained during the course of the audit engagement.

Our conclusions regarding compliance with applicable laws and regulations do not extend to the section of the Management Report relating to sustainability reporting. Our conclusions on the compliance of that section with the applicable reporting requirements and with the disclosure obligations set out in Article 8 of Regulation (EU) 2020/852 are included in our assurance report issued pursuant to Article 14-bis of Legislative Decree No. 39/2010.

Rome, 9 September 2026

BDO Audit Services S.r.l.

*Signed by*

Alessandro Fabiano

Partner

# The Italian Sea Group

## Independent Auditor's report

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

Consolidated Financial Statements as at 31 December 2025

*This report has been translated into English from the original, which was prepared in Italian and represents the only authentic copy, solely for the convenience of international readers.*

AFBN/LMTO/scr - RC047142025AS0593

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00187 Roma

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

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

### Report on the audit of the consolidated financial statements

#### Disclaimer of Opinion

We were engaged to audit the consolidated financial statements of The Italian Sea Group (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including material information on the accounting policies applied.

We do not express an opinion on the Group's consolidated financial statements. Because of the significance of the matters described in the section entitled "Basis for Disclaimer of Opinion" of this report, we were unable to obtain sufficient appropriate audit evidence on which to base our audit opinion on the consolidated financial statements.

#### Basis for Disclaimer of Opinion

The Italian Sea Group S.p.A. (hereinafter also "TISG", the "Company" or the "Parent Company") provided us with written representations that did not correspond to those requested by us, including with respect to certain audit evidence relevant to the preparation of the consolidated financial statements that was not made available to us during the audit. This circumstance constitutes a pervasive limitation on the scope of our audit.

The consolidated financial statements report a negative equity balance of Euro 388,094 thousand, also as a result of the restatement carried out in accordance with International Accounting Standard IAS 8, for the reasons described in the paragraph entitled "Directors' Assessment Of The Going Concern Requirements" in the notes to the financial statements as at 31 December 2025, to which reference should be made for further details, and after recognizing a loss of Euro 170,918 thousand. The Group's consolidated net financial indebtedness amounts to Euro 129,557 thousand.

The Parent Company's separate financial statements report a negative equity balance of Euro 376,510 thousand, thereby placing the Company within the circumstances envisaged by Article 2447 of the Italian Civil Code, while its net financial indebtedness amounts to Euro 131,058 thousand.

The Parent Company announced to the market that, as at 31 July 2026, its net financial indebtedness amounted to Euro 179,633 thousand and, on a consolidated basis, to Euro 179,590 thousand. The Parent Company further disclosed the existence, as of the same date, of overdue payables consisting of: (i) financial liabilities (towards banks and factoring companies) amounting to Euro 147,137 thousand (Euro 147,137 thousand on a consolidated basis); (ii) trade payables amounting to Euro 80,091 thousand (Euro 85,749 thousand on a consolidated basis); and (iii) tax and social security liabilities amounting to Euro 33,390 thousand (Euro 37,198 thousand on a consolidated basis).

As also indicated by the directors in the paragraph entitled "Directors' Assessment Of The Going Concern Requirements" in the notes to the financial statements as at 31 December 2025, to which reference should be made for further details, following the unsuccessful completion of the negotiated settlement procedure pursuant to Article 17 of the Italian Business Crisis and Insolvency Code (the "CCII"), the Parent Company filed an application for a so-called "blank composition with creditors petition" (concordato in bianco) pursuant to Article 44 of the CCII.

While such proceedings under Article 44 of the CCII were pending, the directors state that they prepared the separate and consolidated financial statements for the year ended 31 December 2025 on a going concern basis, notwithstanding the existence of multiple significant uncertainties that may cast substantial doubt on the appropriateness of the adoption of that assumption.

All of the foregoing is based on the reasonable expectation that the Company and the Group will be able to continue their operations for the foreseeable future, being at least 12 months from the date of approval of the separate and consolidated financial statements, in light of, inter alia: (i) the ongoing negotiations with financial creditors; (ii) discussions with investors regarding the planned share capital increase; (iii) the envisaged disposal of the La Spezia shipyard; and (iv) the achievement of the targets set out in the new 2026-2031 Business Plan.

Accordingly, the recoverability of the principal assets recognised in the consolidated financial statements (Inventories, Contract Assets relating to construction contracts, Land and Buildings measured at fair value, and Trademarks) is dependent upon the favourable resolution of the aforementioned significant uncertainties affecting the Group's ability to continue as a going concern, as identified by the directors.

During our audit procedures, we were unable to obtain sufficient and appropriate audit evidence to support the reasonableness of the assumptions adopted by the directors as the basis for using the going concern assumption in the preparation of the separate and consolidated financial statements.

Furthermore, we were unable to obtain sufficient and appropriate audit evidence with respect to contract assets and liabilities relating to construction contracts and the related financial statement captions, including the adjustments to opening equity arising from the application of International Accounting Standard IAS 8.

The matters described above prevented us from assessing both the appropriateness of the going concern assumption (and, consequently, the recoverability of asset carrying amounts and the determination of provisions) and, assuming, without verification, that the going concern assumption is appropriate, from determining whether contract assets and liabilities relating to construction contracts were properly accounted for and whether International Accounting Standard IAS 8 was correctly applied.

Given the pervasive nature of the limitations described above, we were unable to complete the audit procedures required by the International Standards on Auditing (ISA Italia) and, accordingly, we were unable to express an opinion on the Group's consolidated financial statements as at 31 December 2025.

## Other matters

On 27 July 2026, we notified the Company of our resignation from the statutory audit engagement pursuant to the combined provisions of Article 13, paragraph 4, of Legislative Decree No. 39/2010 and Articles 5 and 6 of Ministry of Economy and Finance Decree No. 261/2012, as the conditions specified in Article 5, paragraph 1, letter (e), of Ministerial Decree No. 261/2012 had arisen.

## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period.

In light of the significance of the matters described in the section entitled "Basis for Disclaimer of Opinion", It was not possible to determine the completeness of the key audit matters to be communicated in this report.

## Responsibilities of the Directors and the Board of Statutory Auditors for the consolidated financial statements

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union and the Italian regulations implementing article 9 of Legislative Decree no. 38/05 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Group's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the consolidated financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the Group or ceasing operations exist or have no realistic alternative but to do so.

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

## Auditor's responsibilities for the audit of the consolidated financial statements

Our responsibility is to conduct the statutory audit in accordance with the International Standards on Auditing (ISA Italia) and to issue the auditor's report. However, due to the matters described in the section entitled "Basis for Disclaimer of Opinion" of this report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Company in accordance with the ethical and independence requirements applicable under Italian law to the audit of consolidated financial statements.

## Other information communicated pursuant to article 10 of Regulation (EU) 537/2014

The Shareholders' Meeting of The Italian Sea Group S.p.A. appointed BDO Italia S.p.A. on 17 February 2021 to perform the statutory audit of the Company's annual financial statements for the fiscal years from 31 December 2021 to 31 December 2029. Subsequently, this engagement was transferred to BDO Audit Services S.r.l., effective 1 January 2026.

On 27 July 2026, as indicated in the "Other Matters" section, we communicated to the Company our resignation from the statutory audit engagement.

We declare that we did not provide prohibited non-audit services, referred to article 5, paragraph 1, of Regulation (EU) 537/2014, and that we remained independent of the Company in conducting the audit.

We confirm that the opinion on the consolidated financial statements of The Italian Sea Group S.p.A. included in this audit report is consistent with the content of the additional report prepared in accordance with article 11 of the EU Regulation n.537/2014, submitted to those charged with governance.

## Report on other legal and regulatory requirements

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

The Directors of The Italian Sea Group S.p.A. are responsible for the application of the requirements of Delegated Regulation (EU) 2019/815 of European Commission regarding the regulatory technical standards pertaining the electronic reporting format specifications (ESEF - European Single Electronic Format) to the consolidated financial statements included in the annual financial report (hereinafter, the "Delegated Regulation").

We were engaged to perform the procedures set out in Italian Auditing Standard (SA Italia) No. 700B in order to express an opinion on the compliance of the consolidated financial statements with the requirements of the Delegated Regulation.

Due to the significance of the matters described in the section entitled "Basis for Disclaimer of Opinion" in the Auditor's Report on the consolidated financial statements, we are unable to express an opinion on whether the consolidated financial statements as at 31 December 2025 comply with the requirements of the Delegated Regulation.

**Disclaimer of Opinion and statement pursuant to article 14, paragraph 2, letters e), e-bis) and e-ter), of Legislative Decree no. 39/10 and article 123-bis, paragraph 4, of Legislative Decree no. 58/98**

The Directors of The Italian Sea Group S.p.A. are responsible for the preparation of a directors' report and a report on corporate governance and ownership structure of the Group at 31 December 2025, including their consistency with the related consolidated financial statements and their compliance with the applicable law.

We were engaged to perform the procedures required under Auditing Standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis, paragraph 4, of Legislative Decree no. 58/98 with the consolidated financial statements;
- express an opinion on the compliance of the report on operations, excluding the section that includes the sustainability statement, and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis, paragraph 4, of Legislative Decree no. 58/98 with the applicable law;
- issue a statement of any material misstatements in the report on operations and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis, paragraph 4, of Legislative Decree no. 58/98.

Due to the significance of the matters described in the section entitled "Basis for Disclaimer of Opinion" of the Auditor's Report on the consolidated financial statements, we are unable to express an opinion on the consistency of the Management Report and the specific information contained in the Corporate Governance and Ownership Structure Report referred to in Article 123-bis, paragraph 4, of Legislative Decree No. 58/1998, with the consolidated financial statements of The Italian Sea Group as at 31 December 2025.

Furthermore, due to the significance of the matters described in the section entitled "Basis for Disclaimer of Opinion" of the Auditor's Report on the consolidated financial statements, we are unable to express an opinion on the compliance of the Management Report, excluding the section relating to sustainability reporting, and of the specific information contained in the Corporate Governance and Ownership Structure Report referred to in Article 123-bis, paragraph 4, of Legislative Decree No. 58/1998, with applicable laws and regulations. Nor are we able to issue the statement required by Article 14, paragraph 2, letter e-ter), of Legislative Decree No. 39/2010, based on the knowledge and understanding of the entity and its environment obtained during the course of the audit engagement.

Our conclusions regarding compliance with applicable laws and regulations do not extend to the section of the Management Report relating to sustainability reporting. Our conclusions on the compliance of that section with the applicable reporting requirements and with the disclosure obligations set out in Article 8 of Regulation (EU) 2020/852 are included in our assurance report issued pursuant to Article 14-bis of Legislative Decree No. 39/2010.

Rome, 9 September 2026

BDO Audit Services S.r.l.

*Signed by*

Alessandro Fabiano

Partner

Report of the Board of Statutory Auditors to the Shareholders' Meeting of
The Italian Sea Group S.p.A. issued pursuant to Articles 151(1) and 153 of Italian Legislative Decree no. 58/1998 –

Financial Year ended 31/12/2025

Dear Shareholders

**Introduction.**

The Board of Statutory Auditors (hereinafter also the "Board" or the "Control Body") reports to the Shareholders' Meeting pursuant to Article 153 of Italian Legislative Decree no. 58/1998, the Italian Consolidated Law on Finance (TUF), on the supervision performed in fulfilment of its duties and, pursuant to Article 151.1, second paragraph, of the TUF, may make proposals to the Shareholders' Meeting regarding the financial statements, their approval and matters within its purview.

This report was drafted against a backdrop of exceptionally significant events that emerged after the end of the 2025 financial year and had a profound impact on the Company's economic, financial and equity position and on the process of preparing its financial statements. At the date of this report, discussions with the competent Authorities and the crisis resolution process are still ongoing.

Against this backdrop, the Board reports on the work performed during the financial year and on subsequent events, distinguishing where relevant between the information available and knowable during the 2025 financial year, matters that emerged after year-end and the initiatives taken as the situation developed. The assessments in this report are based on the information available as at today's date. The reconstruction of the facts is evolving, and any definitive judgement remains subject to the outcome of the ongoing judicial proceedings, without anticipating final assessments of individual liability, causal links or legal characterisations that are still being investigated.

In this regard, note that by law the Board of Statutory Auditors' supervision is a process of critically gathering information from the delegated bodies, the control functions, the auditing firm, the Financial Reporting Manager and other Company control mechanisms. The effectiveness of this process presupposes that the information entered into the system is genuine and reliable, including information that the Board may obtain through the independent exercise of the powers vested in it. The events that emerged after year-end showed that this assumption is one of the matters still under investigation.

This Report therefore provides a documentary, rather than self-evaluative, account of the information gathered and the initiatives actually taken.

During the financial year, supervision was performed as envisaged by current laws, taking into account the principles of conduct recommended by the National Council of Chartered Accountants and Accounting Experts regarding company controls and the guidance in the Corporate Governance Code for listed companies approved by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A. (the "**Code**"), to which The Italian Sea Group S.p.A. (hereinafter also "**The Italian Sea Group**" or the "**Company**") adheres.

Recall that on 29 July 2024 Borsa Italiana, by measure no. 9008, granted the Company's ordinary shares STAR status. The Company subsequently resolved to withdraw that status, as described in the section on events after year-end.

With this report, drafted in accordance with the guidance issued by Consob in Communication DAC/RM/97001574 of 20 February 1997 and Communication DEM/1025564 of 6 April 2001, as amended and supplemented by Communications DEM/3021582 of 4 April 2003 and DEM/6031329 of 7 April 2006, the Board reports on the work performed for each separate area of supervision envisaged by the regulations governing its activities.

To this end, in addition to attending meetings of the Board of Directors and the Board Committees, the Board maintained an ongoing exchange of information with the relevant administrative and audit functions, the body responsible for supervising compliance with and updates to the Organisational, Management and Control Model for the purposes of Italian Legislative Decree no. 231/01 (the **SB**) and BDO Audit Services S.r.l. (which replaced BDO Italia S.p.A. through the transfer of a business unit with effect from 1 January 2026), appointed on 18 February 2021 to audit the accounts for the 2021-2029 financial years.

In this Report, the Board also reports on its supervision of the obligations under EU Directive 2464/2022, the "Corporate Sustainability Reporting Directive" (hereinafter also the "CSRD"), transposed by Italian Legislative Decree no. 125/2024, and in accordance with the European Sustainability Reporting Standards (hereinafter also the "ESRS"), drafted by EFRAG and issued by the European Commission in Delegated Regulation (EU) 2023/2772, applicable from 1 January 2024 to financial years beginning on that date, as well as on the basis of the specifications adopted under Regulation (EU) 2020/852 (the "Taxonomy Regulation"). In discharging these obligations, the Board, including in its capacity as the Internal Control and Statutory Audit Committee pursuant to Article 19 of Italian Legislative Decree no. 39/2010, provides an integrated overview of the findings of these controls.

**Main events after the end of the financial year – chronological summary.**

To facilitate the reading of this report, a summary of the main events after the end of the 2025 financial year is provided below.

On 18 February 2026 the Board of Directors was convened as a matter of urgency. At that meeting, the Chief Executive Officer stated that, beginning on 4 February 2026, he had identified serious irregularities in internal financial management and significant discrepancies between the financial position that emerged and the position previously presented in the Company's information flows. The Board noted the launch of an independent forensic audit, formally requested immediate disclosure to the market and Consob and the filing of criminal complaints with the Judicial Authority. The market announcement was published on the same date through the SDIR system.

On 20 February 2026 the Board sent a further formal communication to the entire Board of Directors calling for the launch of the forensic audit, the urgent convening of a new Board of Directors meeting attended by the advisers and an independent report from Internal Audit on the matters that had emerged. On 24 February 2026, following the joint meeting with BDO Audit Services S.r.l., which disclosed significant overdue debt positions, and a same-day communication from a factoring company regarding overdue positions, the Board sent the notice to the Board of Directors that same evening pursuant to Article 25-*octies* of the CCII, considering that the conditions for activating the instrument had been met.

On 25 and 27 February 2026 the Board also made two independent, voluntary communications to Consob pursuant to Article 149(3) of the TUF, in the version then in force, concerning the information progressively obtained and deemed relevant to the Authority's functions.

The Board's action pursuant to Article 25-octies of the CCII was one of the events leading to the Company's access to the negotiated settlement procedure, a fact subsequently confirmed by the Expert in his final report pursuant to Article 17(8) of the CCII.

On 6 March 2026 the Board of Directors resolved to file an application for access to the Composizione Negoziata della Crisi (Negotiated Crisis Settlement Procedure – CNC) pursuant to Articles 12 et seq. of Italian Legislative Decree no. 14/2019, together with a request for protective measures over its assets, the withdrawal of STAR status and the co-option of a new director.

On 9 March 2026 the Company filed a criminal complaint with the Public Prosecutor's Office in Massa, which was subsequently assigned to the Public Prosecutor's Office at the Court of Genoa.

On 13 March 2026 the designated expert, Mr Enrico Terzani, accepted the mandate.

The subsequent reconstruction of the economic and financial position was particularly complex, partly due to the accounting treatment of multi-year contracts and changes in senior management. The Expert's final report itself states that at the inaugural meeting of 16 March 2026 it was not yet possible to determine the total amount of additional costs, the loss for the 2025 financial year or the amount of shareholders' equity.

On 10 April 2026 the Board issued a favourable opinion on the appointment of Mr Fabio Zanobini as the new Financial Reporting Manager pursuant to Article 154-*bis* of the TUF and on the selection of the new Head of Internal Audit, whose work began on 28 April 2026.

On 30 June 2026 the Board of Directors resolved to file an application for access to crisis resolution instruments pursuant to Article 44 of the CCII. At the same time, the CNC procedure ended when TISG S.p.A. withdrew from it, as documented in the final report of the Expert, Mr Terzani, dated 27 July 2026.

On 1 July 2026 the Board submitted its observations on the report drafted by the Directors pursuant to Articles 2446(1) and 2447 of the Italian Civil Code.

On 3 July 2026 the Court of Florence granted the Company 60 days to file a proposal for an arrangement with creditors, an application for approval of restructuring agreements or the restructuring plan referred to in Article 64-bis of the CCII, and appointed Professor Niccolò Abriani, Ms Manuela Olastri and Mr Riccardo Forgeschi as Judicial Commissioners.

At the Board meeting of 18 August 2026 the Company announced that it had launched a competitive process to identify potential investors as part of the Company's restructuring process. According to the process letter sent to interested parties, the transaction may be structured either as an Asset Deal or as a Share Deal.

On 26 August 2026 the Company was served with two petitions by trade creditors to open judicial liquidation proceedings, together with the order scheduling the hearing for 6 October 2026. The Board notes that, as a result of the amendments made to Article 44 of the CCII by Italian Legislative Decree no. 136 of 13 September 2024 (the third corrective decree), pending petitions for judicial liquidation do not preclude an extension of the protective measures where justified grounds exist. The Board noted the application for an extension filed by the Company and the favourable opinion issued by the Judicial Commissioners. The outcome of the hearing on 6 October 2026 will be relevant to the going-concern assessment and the development of the proceedings.

**The Board of Statutory Auditors.**

The Board of Statutory Auditors in office at the date of this report was appointed by the Shareholders' Meeting of 27 April 2023 and remains in office for three financial years, in accordance with current legal, regulatory and by-law provisions. It consists of:

- Mr Alfredo Pascolin (Chair, appointed from the minority list pursuant to Article 148 of the TUF)
- Mr Felice Simbolo (Standing Auditor)
- Ms Barbara Bortolotti (Standing Auditor)

The Alternate Auditors are Mr Marco Baggetti (who took office following the resignation of Mr Roberto Scialdone at the Shareholders' Meeting of 27 April 2026) and Ms Sofia Rampolla. The Board ends its term of office at the Shareholders' Meeting called to approve the financial statements as at 31 December 2025. The professional backgrounds of the members of the Board of Statutory Auditors are described in the Company's Report on Corporate Governance and Ownership Structures, drafted pursuant to Article 123-*bis* of the TUF. The Board of Statutory Auditors declares that all its members comply with the regulations issued by Consob on limits on the number of offices held.

**Work performed by the Board of Statutory Auditors during the 2025 financial year – meetings of corporate bodies.**

In carrying out its activities, the Board:

- Monitored compliance with the law and the deed of incorporation.
- Monitored compliance with the principles of proper administration.
- Attended meetings of the Board of Directors, the Control, Risk and Sustainability Committee and the Appointments and Remuneration Committee and obtained periodic information from the Directors, at least quarterly, on the general performance of operations, their foreseeable development and the most significant economic, financial and equity transactions carried out by The Italian Sea Group, ensuring that the resolutions adopted and implemented were not manifestly imprudent or risky, did not involve potential conflicts of interest, were not contrary to resolutions of the Shareholders' Meeting or liable to compromise the integrity of the Company's assets. The Ordinary Shareholders' Meeting of 22 April 2025 approved the financial statements as at 31 December 2024 and resolved to distribute a dividend of Euro 0.245 per share, totalling Euro 12.985 million, and to carry forward the remaining profit of Euro 19.324 million.
- Monitored the adequacy of the organisational structure through direct observation, gathering information from the Heads of Company Functions and attending Board Committee meetings.
- Monitored the adequacy and operation of the internal control and risk management system by attending meetings of the Control and Risk Committee and obtaining information from the Chief Executive Officer, the Heads of Company Functions, representatives of the auditing firm and the SB. It also met with the Company's Head of Internal Audit, from whom it obtained information on the work performed, the findings of the audits conducted, the remedial actions implemented and planned and the related follow-up work, including as part of the information flows referred to in Article 150(4) of the TUF.
- Monitored the adequacy of the administrative and accounting system through meetings with the Chief Financial Officer, who in the financial year under review also acted as Financial Reporting Manager, and with the auditing firms BDO Italia S.p.A. and, from 2026, BDO Audit Services S.r.l., which were responsible for issuing the reports referred to in Articles 156 of the TUF and 14(3) of Italian Legislative Decree no. 39/2010, including for the exchange of data and information.
- Monitored the implementation of the Corporate Governance rules adopted by the Company, including compliance with the principles in the Code.
- Promptly exchanged the data and information relevant to the performance of their respective duties with the representatives of the auditing firm pursuant to Article 150 of Italian Legislative Decree no. 58/98,

including through the examination of the results of the work carried out and the receipt of the reports envisaged in Article 14 of Italian Legislative Decree no. 39/2010.

-  Monitored the auditing firm's independence.

During the 2025 financial year and the months after year-end, the Board attended all meetings of the Board of Directors and the Board Committees, held periodic meetings with representatives of BDO Italia (and BDO Audit Services S.r.l. from 2026) and with Internal Audit, attended the Ordinary Shareholders' Meeting of 22 April 2025, which approved the financial statements as at 31 December 2024 and the remuneration policy, confirmed the co-option of a director, conferred the mandate to provide assurance on the Consolidated Sustainability Report for the three-year period 2025-2027 and authorised the purchase and disposal of treasury shares, and attended the Ordinary Shareholders' Meeting of 27 April 2026, whose agenda was: 1. Redetermination of the number of members of the Board of Directors and confirmation of the co-opted director, with related and consequent resolutions. 2. Appointment of an Alternate Auditor under Article 2401 of the Italian Civil Code and Article 21 of the by-laws to restore the composition of the Control Body, and the Ordinary Shareholders' Meeting of 22 July 2026 concerning the Company's financial position relevant under Article 2447 of the Italian Civil Code.

During the period after year-end, the Board reminded the Company of the need to ensure timely, complete information flows to the control bodies and functions, consistently with the disclosure obligations under applicable regulations and the information flow protocols in force. It also undertook specific operational monitoring of this matter, which will continue until the end of its term of office.

The meetings of the Board of Statutory Auditors during the 2025 financial year and the subsequent period up to the date of this report were held on the following dates: 10 February 2025, 11 March 2025, 19 March 2025, 24 March 2025, 31 March 2025, 5 June 2025, 8 August 2025, 23 September 2025, 30 October 2025 and 18 December 2025. In 2026: 2 February 2026 (two meetings, one of which was a joint meeting with the SB), 6 February 2026, 11 February 2026, 23 February 2026, 24 February 2026, 27 February 2026, 13 March 2026, 16 March 2026 (joint meeting with BDO Audit Services S.r.l.), 17 March 2026, 1 April 2026, 10 April 2026, 29 April 2026, 25 May 2026, 3 June 2026, 1 July 2026, 3 August 2026 (two meetings) and 17 August 2026. On 31 August 2026 the Board met to approve the Document Closing the BDO Audit Services S.r.l. Investigation pursuant to Article 19 of Italian Legislative Decree no. 39/2010, and on 7 September 2026 the Board met with the auditing firm to discuss the evidence supporting its report on the 2025 Financial Statements.

For the communications made by the Board to Consob pursuant to Article 149(3) of the TUF, in the version then in force, see below.

**Supervision of the adequacy of the organisational structure and compliance with the principles of proper administration.**

To monitor compliance with the principles of proper administration, in addition to attending all meetings of the Board of Directors and the Board Committees, the Board states that during the 2025 financial year it obtained from the Directors the required information on the work performed and the most significant economic, financial and equity transactions resolved on and carried out during the year by the Company and its subsidiaries. These activities and transactions are described in the Management Report and the Notes to the financial statements.

Based on the information made available to the Board during the financial year, the Directors' management decisions had been presented as being guided by the principles of proper administration.

However, in certain material respects the information and representations received during 2025 subsequently proved inconsistent with the information that emerged from the reconstruction work and, as reported in the Directors' Report, from KPMG's forensic report of 22 July 2026. The Board reports this circumstance in order to reconstruct the information available, without reaching its own conclusions on individual conduct or liability, which remain under investigation by the competent authorities.

Supervision of the organisational structure was based on a structured system of information flows from the CRSC and the control functions. The Control, Risk and Sustainability Committee (CRSC) was one of the main information hubs in this system. By attending its meetings, the Board regularly obtained information from different operating functions, with the content documented in the Committee's minutes. During the financial year, the Board of Statutory Auditors, together with the CRSC, met the heads of the main Company functions – RSPP/HSE, IT/Cybersecurity, HR, ESG and IR – KPMG's advisers for the ERM project and the auditing firm, as well as Internal Audit and the Financial Reporting Manager pursuant to Article 154-bis of the TUF. No reports or findings concerning the accuracy of the data, specifically with regard to the progress of ongoing contracts, emerged at any of the Committee's meetings.

The main information flows included the Directors' periodic reports pursuant to Article 2381 of the Italian Civil Code and Article 150 of the TUF; the CRSC meetings, with detailed minutes; the reports of Internal Audit (Mr Umberto Cappetti), including the half-yearly report for the first half of 2025, the annual report and the Findings Report; periodic reports and discussions with the auditing firm BDO Italia (and BDO Audit Services S.r.l. from 2026); the Financial Reporting Manager's certifications regarding the adequacy of administrative and accounting procedures; the checklist on administrative, organisational and accounting arrangements (CNDCEC, 25/07/23); the SB reports obtained during the dedicated meetings in September and December 2025; and quarterly monitoring of the business crisis indicators under the CCII.

During the financial year the Company periodically presented its economic and financial results to the financial community and analysts when annual and interim results were released, and the Chair of the Board attended these presentations.

Quarterly monitoring of the business crisis indicators pursuant to Italian Legislative Decree no. 14/2019 during the financial year had not revealed any financial, economic or equity imbalance. The development of the Company's economic and financial position was covered by the Directors' periodic reporting pursuant to Article 2381 of the Italian Civil Code and Article 150 of the TUF, the Financial Reporting Manager's certifications regarding the adequacy of administrative and accounting procedures and the Internal Audit reports, including the Findings Report. Based on the information available at the time and the information flows obtained through the institutional channels described above, no evidence had emerged capable of revealing the irregularities subsequently reported. Those irregularities must be assessed in light of all the documentation and the investigations still under way.

During the financial year the Board, among other things, monitored and called for completion of the ERM project and requested that a Chief Risk Officer be identified. The appointment of Mr Salvatore Siviglia and approval of the ERM Policy were resolved on by the Board of Directors on 12 November 2025, with operational completion of the framework envisaged by 20 March 2026. It called for the business crisis indicators under the CCII, which the Financial Reporting Manager provided during the financial year, to be formalised and monitored quarterly. It called for the Tax Control Framework (TCF) to be launched. It called for the system of delegated powers and proxies to be formalised and for a physical inventory of assets to be performed. It met the SB in dedicated sessions, calling for event-driven information flows to be strengthened and the 231 Model to be updated.

Taken together, the initiatives described made it reasonable to believe that the Company was pursuing a structured process to progressively strengthen its organisation, consistent with its size as a listed company. The areas for improvement identified on the basis of the information and checks then available included formalising the system of delegated powers, performing the physical inventory and improving HR procedures. The information flows received by the Board had not generated reports of issues capable of revealing the situation that subsequently emerged.

After year-end, as reported in the Directors' Report, KPMG's forensic report of 22 July 2026 and further reconstruction work revealed significant discrepancies between certain information used in Company processes and the position subsequently reconstructed. In this context, it is necessary to distinguish between the adequacy of the control architecture and the reliability of the information entered into the control processes, the latter being the subject of the investigations currently under way. The Directors' Explanatory Report pursuant to Article 2447 of the Italian Civil Code describes conduct that, according to the findings of the forensic audit, may also have affected the information entered into the control processes and subjected to ordinary verification functions.

The Design Effectiveness Review (DER) of the Internal Control and Risk Management System conducted by the Internal Audit Function (PEAK Compliance S.r.l., Executive Summary dated 3 August 2026, drafted in accordance with the COSO 2013 framework) described the internal control system as at the assessment date as essentially "unstructured", against a backdrop of major turnover in senior management following the events that emerged in February 2026.

The Board noted the DER findings, which concerned the state of the system in August 2026, and again called for the process of strengthening the ERM system to resume and be completed.

During the 2025 financial year the Board had already monitored and called for completion of the ERM project, developed with KPMG's support, and the identification of a Chief Risk Officer. As part of the ERM project, the

Corporate Risk Profile had also identified Project Management as a Top Risk and envisaged actions to define roles, responsibilities and information flows relating to contract management.

The Corporate Risk Profile, the ERM Policy and the appointment of Mr Salvatore Siviglia as Chief Risk Officer were approved by the Board of Directors on 12 November 2025. Completion of the operational implementation of the framework was envisaged during the first quarter of 2026. This process was interrupted by the events that emerged in February 2026 and the resulting changes in senior management.

Against this backdrop, the Board worked to increase information flows with all bodies.

During the negotiated settlement procedure, the Board maintained a constant exchange of information with the Expert, made the documentation concerning its supervision available and provided the information it considered relevant to the recovery process, as the Expert subsequently reported in his final report pursuant to Article 17(8) of the CCII.

In its annual report, the SB also stated that after the issues emerged, the Board of Statutory Auditors was one of its principal sources of information in support of its supervision and kept it constantly updated during a period marked by reduced internal information flows.

**Supervision of the internal control and risk management system and the administrative and accounting system.**

The Board monitored the adequacy of the internal control and risk management system and the administrative and accounting system, as well as the latter's ability to properly represent management events, by:

- Having all members of the Board attend the CRSC's periodic meetings and obtaining information from the heads of specific Company functions, including at those meetings.

- Examining the Internal Audit reports, including the half-yearly report for the first half of the year, the 2025 annual report and the Findings Report.

- Obtaining Reports and periodically exchanging information with the auditing firm BDO Italia (and BDO Audit Services S.r.l. from 2026) and with the Financial Reporting Manager.

- Attending the CRSC meeting of 4 August 2025 with KPMG's advisers for the ERM project, during which the Corporate Risk Profile – mapping the Company's main risks – was presented. The Profile was approved by the Board of Directors on 12 November 2025 together with the ERM Policy and the appointment of the Chief Risk Officer.

Based on the information and information flows obtained during the 2025 financial year from the CRSC, the auditing firm BDO Italia, the Financial Reporting Manager, Internal Audit and the SB, no evidence had emerged capable of revealing systemic anomalies in the areas subsequently found to be critical. The matters that subsequently emerged following the Chief Executive Officer's communication prompted the Board to intensify its supervision and take the initiatives described in this Report. On this point too, the Board confines itself to a documentary reconstruction of the information obtained and the responses adopted, without making its own final assessments of facts and liability under investigation.

With respect to the ERM project, conducted with KPMG's support, the Corporate Risk Profile and ERM Policy were defined during 2025 and both were approved at the Board of Directors meeting of 12 November 2025 together with the appointment of Mr Salvatore Siviglia as Chief Risk Officer. Note also that on 3 August 2026 the Board, together with the CRSC and the SB, attended the Internal Audit Function's (PEAK Compliance S.r.l.) presentation of the preliminary Executive Summary of the Design Effectiveness Review of the ICRMS conducted in accordance with the COSO 2013 framework. The Board noted the overall assessment and made its observations, reiterating the need to strengthen the administrative and accounting arrangements, including in light of the findings of the forensic report, the crisis that emerged in February 2026 and the significant turnover in Company functions.

**Transactions and events of greatest economic, financial and equity significance during the 2025 financial year.**

The Board was kept constantly informed of the most significant economic, financial and equity transactions, including by attending meetings of the Board of Directors and joint meetings with the CRSC. The main events of the financial year are set out below. Note that the financial results specified reflect the information available during the financial year and that certain aspects were subsequently affected by the accounting reconstruction.

For more details on the main transactions during the financial year, see the Management Report drafted by the Directors, which provides adequate information.

In August 2025 the Company updated its 2025 guidance to revenues of Euro 350-370 million and an EBITDA margin of 16.5-17.0%. The figures for the first half of 2025, approved by the Board of Directors and subject to a limited review by BDO Italia without findings, were subsequently subject to accounting reconstruction in light of the findings of the forensic audit.

In June 2025 the Company finalised medium- to long-term financing from a pool of leading financial institutions, backed by a SACE guarantee, to reschedule existing debt and support capital expenditure and new acquisitions.

In the fourth quarter of 2025 letters of intent with deposits were signed for significant new contracts.

The business crisis indicators under the CCII, monitored quarterly, did not show any signs of imbalance in the measurements performed during the financial year, including that as at 30 September 2025 reported to the Board of Directors on 12 November 2025. The Board notes that this circumstance was reported as part of the forensic audit, because the data underlying the calculation of the indicators might also have been affected by the alterations that emerged subsequently.

**Significant transactions and events after year-end.**

In light of the events described in the chronological summary in the introduction, the main developments following the end of the 2025 financial year are described in greater detail below.

On 18 February 2026 the Chief Executive Officer informed the Board of Directors that serious irregularities had been discovered in internal financial management.

The Directors' Explanatory Report pursuant to Article 2447 of the Italian Civil Code describes conduct that, according to the findings of the forensic audit, may have affected the reliability of the economic, financial and management information provided to the bodies and control functions, making it inconsistent with the Company's actual position.

On 18 February 2026 the controlling shareholder GC Holding S.p.A. provided a loan of Euro 25 million, completed on 19 February 2026.

On 13 March 2026 the Negotiated Crisis Settlement procedure began when the expert, Mr Enrico Terzani, accepted the mandate and the protective measures took effect. For the operating company TISG S.p.A. alone, the procedure ended with its withdrawal on 1 July 2026 and simultaneous access to the crisis resolution instruments pursuant to Article 44 of the CCII. By order of the Court of Florence dated 3 July 2026, the following were appointed Commissioners: Professor Niccolò Abriani, Ms Manuela Olastri and Mr Riccardo Forgeschi.

As part of the proceedings, the Company entered into negotiations with its creditors – shipowners, financial institutions and suppliers – to draft a recovery plan that included, among other things, renegotiating the consideration for contracts in progress, agreements with suppliers, a structural reduction in costs, discussions with the banks in the pool and the realisation of its property assets. The Board monitored the development of these initiatives by attending meetings of the Board of Directors and maintaining ongoing relations with the Expert, Mr Enrico Terzani, throughout the proceedings.

Discussions with Consob continued, including following the requests for information pursuant to Article 115(1) of the TUF dated 26 March 2026, and the Board maintained independent information flows in the subsequent period.

As requested by the Board at the Board of Directors meeting of 18/02/26, criminal proceedings were initiated through the criminal complaint filed with the Public Prosecutor's Office in Massa. The proceedings were subsequently assigned to the Public Prosecutor's Office at the Court of Genoa. Pending those proceedings, the Board is currently unable to reach a definitive judgement on the prior conduct.

**Supervision of the process of preparing the separate and consolidated financial statements and relations with the auditing firm.**

As part of its functions, the Board monitored the financial reporting process, obtained the Financial Reporting Manager's certifications, examined the most significant matters for the purposes of its supervision and held discussions with BDO Audit Services S.r.l. on risk factors and the principal audit areas. As it is not responsible for the statutory audit, the Board does not express a professional opinion on the financial statements, which is the responsibility of the auditing firm.

The Company's financial statements as at 31 December 2025 were drafted in accordance with the IAS/IFRS international accounting standards issued by the International Accounting Standards Board (IASB) and endorsed by the European Union, as well as the measures issued in implementation of Article 9 of Italian Legislative Decree no. 38/2005.

The Italian Sea Group's separate and consolidated financial statements as at 31 December 2025 contain the required declarations of conformity by the Chief Executive Officer and the Financial Reporting Manager appointed pursuant to Article 19 of the by-laws. In terms of financial statement formats and corporate disclosure, the Company applied the provisions established by Consob. At its meeting on 31/07/2026 the Board of Directors approved the draft financial statements as at 31/12/2025 and the consolidated financial statements. The Directors drafted the financial statements as at 31 December 2025 on a going-concern basis, describing the assessments, conditions and uncertainties underlying that assumption in the financial statements. The Directors assume that there is a reasonable expectation that, once the current crisis has been resolved, TISG S.p.A. will continue its operations for the foreseeable future (and in any event for a period of more than 12 months). The Board gave this matter specific attention in its discussions with the Directors, the Financial Reporting Manager and the auditing firm, without substituting its own assessment for their respective assessments and responsibilities. The Board paid particular attention to the main financial statement items involving estimates and assessments, specifically asset items whose value is most dependent on forward-looking assumptions and recoverability assessments, including tangible and intangible assets, development and software costs, brands and other assets subject to impairment testing, also in light of the change in the Company's economic and financial circumstances. These assessments must be considered in the broader context of the assumptions underlying the Plan and the going-concern basis, for which see the specific considerations set out in this Report.

The financial and economic position as at 31 December 2025 drafted by the Directors shows a loss for the financial year of Euro 157,773 thousand and negative shareholders' equity of Euro 376,510 thousand, with the share capital fully eroded.

Note also that the Board of Directors resolved on a restatement as at 1 January 2025 pursuant to paragraphs 43 and 44 of IAS 8. The overall impact of the restatement, relating solely to contract work in progress and onerous contracts that the Directors also attributed to financial years before 2025, is recognised as an adjustment to shareholders' equity reserves. Shareholders' equity went from Euro 142,880 thousand to a negative Euro 376,510 thousand, a decrease of Euro 519,390 thousand, mainly attributable to the IAS 8 restatement (Euro 399,551 thousand), the loss for the financial year (Euro 157,773 thousand) and the distribution of dividends (Euro 12,985 thousand), partly offset by the revaluation of properties (Euro 50,919 thousand).

For the Board's observations in this regard, see the separate observations document of 1 July 2026 pursuant to Articles 2446(1) and 2447 of the Italian Civil Code.

The Board constantly monitored developments, drawing BDO Audit Services S.r.l.'s attention to specific matters including:

- Going concern
- Revenue recognition
- Impairment testing of brands (specifically the Perini brand)
- Significant risks pursuant to ISA 240
- The effects of applying IAS 8 with respect to the correction of errors from prior financial years and the restatement
- The Group's tax position

With respect to the *Bayesian* yacht incident, the Board obtained the documentation and legal assessments made available to the Company regarding the related liability issues. The Board also obtained information on the damages claim subsequently brought against the Company and, for the matters within its purview, reviewed the related presentation in the financial statement disclosures, taking into account the assessments made by the appointed legal advisers.

With regard to statutory audit matters, the Board notes the conclusions reached by BDO Audit Services S.r.l. in its reports on the separate and consolidated financial statements issued on 9 September 2026. Some particularly significant points from those reports are set out below. For full details, see the reports themselves.

Specifically, BDO Audit Services S.r.l. stated that it was unable to express an opinion on the Company's financial statements because "*Due to the significance of the matters described in the Basis for Disclaimer of Opinion section of this report, we were unable to obtain sufficient appropriate audit evidence on which to base our opinion on the financial statements*". It also stated that:

- "*Sufficient appropriate audit evidence was not obtained to support the reasonableness of the assumptions used by the Directors as the basis for applying the going-concern principle when drafting the separate and consolidated financial statements*".

- "*Accordingly, the recoverability of the principal assets in the financial statements (Inventories, Assets from contract work in progress, Land and buildings measured at fair value and Brands) depends on the successful resolution of the above-mentioned significant uncertainties affecting the going concern, as presented by the Directors*".

- "*Furthermore, we did not obtain sufficient appropriate audit evidence regarding assets and liabilities from contract work in progress and related financial statement items, including adjustments to opening shareholders' equity following the application of International Accounting Standard IAS 8*".

BDO Audit Services S.r.l. also issued a disclaimer of opinion and a statement pursuant to Article 14(2)(e), (e-bis) and (e-ter) of Italian Legislative Decree no. 39/10 and Article 123-bis(4) of Italian Legislative Decree no. 58/98.

**Property Revaluation**

The Board also examined the accounting treatment adopted by the Company with respect to the remeasurement of property values, performed on the basis of a dedicated appraisal drafted by an independent expert. With specific regard to the Marina di Carrara industrial complex, comprising buildings held under a surface right on state-owned land under concession, the appraisal drafted by RYZE S.p.A. with a valuation date of 4 May 2026 determined an aggregate market value for the property component of Euro 110.898 million, of which Euro 36.071 million related to the industrial buildings and Euro 74.828 million to the appurtenant land. Among other things, the appraisal took into account the state-owned nature of the land and the remaining term of the concession.

Given the significance of the item, the concession-based nature of some of the complexes and the crisis circumstances, the Board drew the auditing firm's attention to the relevant accounting treatment and the valuation assumptions adopted.

The Board noted that the value used by the Directors for the remeasurement corresponds to the market value specified in the appraisal, namely Euro 110.898 million, at which the buildings on land under concession are recognised in the financial statements following the Company's remeasurement.

The Board reports this solely as information obtained and does not itself certify its fairness or provide an independent expert valuation or opinion on fair value, as these matters fall within the Directors' responsibilities and the auditor's review.

In this regard, the Board notes that the market value used for the remeasurement was determined by the appraiser on the assumption that the complex would continue to be used in the current operating context, whereas quick-sale and liquidation values reflect different scenarios and valuation assumptions. As part of its supervisory functions and without encroaching on the assessments for which the Directors and statutory auditor are responsible, the Board therefore examined the documentation supporting the remeasurement and noted that the criterion adopted by the Directors is based on the going-concern assumption used to draft the financial statements.

**Tax and Social Security Liabilities**

The Board paid specific attention to developments in the Company's liabilities to the Tax Authorities and social security institutions, also considering the liabilities attributable to the 2025 financial year that emerged during the subsequent reconstruction work and the financial strain that arose in early 2026. As at 31 December 2025 the Parent Company reported tax and IMU liabilities totalling Euro 24.748 million. These included, among other things, IRES and IRAP liabilities, IRPEF withholdings that fell due in 2025, amounts arising from the instalment plan connected with the redetermination of the Patent Box tax benefit, certain payments for which had been suspended since November 2025, and IMU liabilities relating to prior years that were already subject to instalment plans. The Company also reported liabilities to social security institutions of Euro 12.003 million, including contributions that had fallen due and had partly been entered on the collection roll, for which previous instalment plans appear to have been suspended.

The Board noted that, as part of the proceedings commenced pursuant to Article 44 of the CCII and the recovery process, the Company plans to include overdue tax liabilities, whether or not entered on the collection roll, in a tax settlement and to address its social security and IMU liabilities using the resolution and/or instalment instruments envisaged in the proceedings.

The Board therefore recommended ensuring continuous monitoring and accurate reconciliation of the tax and social security positions, distinguishing current from overdue amounts, amounts entered on the collection roll from those not yet entered and amounts already subject to instalment plans. It also recommended assessing their effects on the Company's plan and financial projections, while the Directors remain responsible for determining the crisis resolution instruments and the related treatment of public creditors.

**Supervision of the proper implementation of Corporate Governance rules.**

Pursuant to Article 149(1)(c-bis) of the TUF, in the version applicable ratione temporis, the Board monitored the practical implementation of the corporate governance rules in the Corporate Governance Code to which the Company adheres, with particular regard to the criteria for assessing the Directors' independence and the composition and operation of the Board Committees. For the matters within its purview, it also reviewed the related disclosures in the Report on Corporate Governance and Ownership Structures, including pursuant to Article 89-bis of the Issuers' Regulation.

For the matters within its purview, the Board checked that the Annual Report on Corporate Governance and

Ownership Structures complied with the information requirements of Article 123-bis of the TUF.

The Board of Directors verified that its Directors met the independence requirements. Events after year-end led to significant changes in the composition of the Board of Directors, including the resignation of certain senior figures. Restoring an adequate governance structure is being monitored and given close attention.

For the matters within its purview, the Board also monitored compliance with the provisions governing corporate disclosure and internal dealing, as well as the disclosure obligations associated with listed company status. The Board also conducted specific reviews of the application of the MAR rules, with particular regard to the management of inside information, insider lists and the internal dealing procedure, obtaining the relevant evidence from the competent Company functions. The Board also drew attention to the advisability of promptly updating the internal dealing procedure following the organisational changes.

Following the resignation of the Chair and Deputy Chair of the Board of Directors, and as the relevant conditions were met, the Board of Statutory Auditors acted pursuant to Article 2406 of the Italian Civil Code to convene the Board of Directors meeting of 6 March 2026 and ensure the continuity of the governing body's operations.

The composition of the Board of Directors changed significantly following the events that emerged during 2026. Certain senior members subsequently resigned, including the director Laura Tadini.

On 6 March 2026 the same Board of Directors resolved to co-opt Mr Pietro Smeriglio pursuant to Article 2386 of the Italian Civil Code.

On 21 July 2026 the Board of Directors ceased to hold office following the resignation of three directors. Since then, it has continued to operate on a *prorogatio* basis until the next Shareholders' Meeting.

The Board monitored the proper operation of the Board Committees – the Control, Risk and Sustainability Committee and the Appointments and Remuneration Committee – and verified that their operational continuity was maintained despite the changes in the composition of the Board of Directors.

By resolution of the Board of Directors dated 6 March 2026, the Company resolved to voluntarily withdraw its STAR status. The withdrawal from the STAR segment took effect in March 2026, resulting in the application of the ordinary transparency regime envisaged for companies listed on a regulated market. The Company remains a Public Interest Entity (PIE) pursuant to Article 16 of Italian Legislative Decree no. 39/2010.

The Board of Directors performed the annual check of its members' independence and professional requirements. Following the resignations and co-options during 2026, the Board of Directors verified that the incoming members met the requirements and that the independence requirements envisaged by the Corporate Governance Code continued to be met. The Board noted the checks performed.

Lastly, the Board draws attention to the advisability of ensuring that the new Board of Directors includes a sufficient number of suitably qualified independent directors to ensure the proper operation of the Board Committees envisaged by the Company's governance system.

On 9 September 2026 BDO Audit Services S.r.l. issued a disclaimer of opinion and a statement pursuant to Article 14(2)(e), (e-bis) and (e-ter) of Italian Legislative Decree no. 39/10 and Article 123-bis(4) of Italian Legislative Decree no. 58/98.

**Supervision of atypical and/or unusual transactions with third parties or within the Group and related party transactions**.

Based on the information obtained and the information flows received during the 2025 financial year, the Board neither identified nor received any indication from the Board of Directors, the auditing firm or the Head of Internal Audit regarding non-recurring, atypical and/or unusual transactions, as defined in Consob Communication DEM/6064293 of 28 July 2006, with third parties, related parties or within the Group, other than those described in the Notes and the Management Report. In the Notes to the Company's separate and consolidated financial statements, the Directors provided adequate information on ordinary transactions carried out during the financial year with Group companies and other related parties. See those Notes also for the characteristics of the transactions and their economic, financial and equity effects.

After year-end, matters emerged that were described in the forensic report and the further reconstruction work and related to transactions that had not been presented in the information flows ordinarily obtained by the control bodies. The Board refers to the ongoing investigations and does not provide a definitive characterisation of those transactions here.

The Company’s Related Party Transactions Procedure, updated by resolution of the BoD dated 8 August 2025, governs the involvement of the Related Party Transactions Committee in the cases it envisages. Provided the conditions in the Related Party Transactions Procedure and the applicable rules were met, transactions with CELI S.r.l. and TISG Turkey could qualify for the exemption for transactions with wholly-owned companies. With specific regard to information flows from subsidiaries, the Board also asked the Company to send dedicated communications to CELI S.r.l. and TISG Turkey pursuant to Article 114(2) of the TUF in order to obtain the information needed to perform its supervisory functions.

Lastly, note that the subsidiaries governed by Italian law do not have corresponding control bodies. However, Celi S.r.l. is subject to a statutory audit.

**Supervision of the financial reporting process.**

During the financial year the procedures safeguarding the process of preparing and disseminating financial information were reviewed, and the Financial Reporting Manager’s certifications regarding the adequacy of the powers and resources granted to him were obtained.

In light of the matters that emerged subsequently, the information and certifications provided during 2025 by the previous Financial Reporting Manager are inconsistent with the position subsequently reconstructed. The related matters are under investigation.

The certifications and information provided during the financial year were also consistent with those provided by the same Financial Reporting Manager in the previous financial year, which the Board had reported in its report pursuant to Article 153 of the TUF for the 2024 financial year, without any issues emerging at that time.

On 31 July 2026 Mr Fabio Zanobini presented his report as Financial Reporting Manager to the Board of Directors. Although he noted deficiencies in the internal control system and in the adequacy of the organisational arrangements that emerged after the irregularities came to light, he concluded that the administrative and accounting procedures for preparing the 2025 financial statements were substantially adequate and had been effectively applied, and certified that the financial statements corresponded to the accounting books and records. The Financial Reporting Manager also described the extreme concentration of accounting and operational activities, in both intensity and manner, on the former CFO and the Head of Administration and Treasury as a circumstance that may have prevented the accounting irregularities from emerging promptly. With respect to the half-yearly financial report as at 30 June 2025, a favourable opinion had been issued on the proper application of the accounting standards, based on the information available at the time and the findings of BDO Italia’s limited review, whose report had not disclosed findings capable of revealing the irregularities that subsequently emerged.

On 10 April 2026 a favourable opinion was issued on the appointment of Mr Fabio Zanobini as the new Financial Reporting Manager pursuant to Article 154-*bis* of the TUF. With respect to the obligations introduced by Article 1(857) et seq. of Italian Law no. 207/2024 and Italian Prime Ministerial Decree no. 84 of 26 March 2026, the Board obtained confirmation from the Company that, based on the figures in the accounting records for the 2025 financial year, no grants falling within the scope of the above-mentioned rules had been identified.

**Supervision pursuant to Italian Legislative Decree no. 39/2010 – Review of the auditing firm's independence.**

With effect from 1 January 2026 the audit mandate transferred from BDO Italia S.p.A. to BDO Audit Services S.r.l. through the transfer of a business unit pursuant to Article 2558 of the Italian Civil Code, without the need for a new resolution of the Shareholders' Meeting.

Note that during the 2025 financial year the following were duly published on the Company's website pursuant to Article 154-ter of the TUF: the annual financial report for the 2024 financial year and the half-yearly financial report as at 30 June 2025.

During the 2025 financial year, the auditor BDO Italia spa did not issue a management letter on either the financial statements or the sustainability report for the 2024 financial year.

On 23 February 2026 BDO Audit Services S.r.l. reported to the Board that it had not received the documentation needed for the audit procedures. The Board called for its submission.

On 27 July 2026 BDO Audit Services S.r.l. submitted its resignation from the mandate to the Company, citing the failure to provide KPMG's forensic report and the criminal complaint filed with the Public Prosecutor's Office.

On 3 August 2026 the Board met representatives of BDO Audit Services S.r.l. to discuss the progress of the audit of the 2025 financial statements. During the meeting, BDO Audit Services S.r.l. stated that it had raised the audit risk level and lowered the materiality threshold. In this context, the Board noted the areas of focus identified by the auditor.

In its capacity as the Internal Control and Statutory Audit Committee pursuant to Article 19 of Italian Legislative Decree no. 39/2010, the Board monitored the auditing firm's independence. On 6 August 2026 BDO Audit Services S.r.l. sent the Audit Plan, which contained an express declaration of independence and an undertaking to issue subsequent written confirmation.

In its capacity as the Internal Control and Statutory Audit Committee pursuant to Article 19 of Italian Legislative Decree no. 39/2010, the Board opened a formal investigation into the Company's communication of 11 August 2026, obtaining BDO Audit Services S.r.l.'s responses of 14 and 26 August 2026 and BDO Italia S.p.A.'s 2025 Transparency Report.

BDO Audit Services S.r.l. also provided information on its quality management system and the quality controls to which the auditing firm is subject.

In its responses of 14 and 26 August 2026, BDO Audit Services S.r.l. confirmed that it had a quality management system (ISQM 1) and provided no incompatible services under Articles 10 and 17 of Italian Legislative Decree no. 39/2010, specifying the involvement of the Partner responsible for risk management. At the conclusion of the investigation performed pursuant to Article 19 of Italian Legislative Decree no. 39/2010 and Article 6 of Regulation (EU) no. 537/2014, completed on 31 August 2026, the Board did not obtain sufficient evidence that would lead it to conclude that independence had been compromised.

Lastly, on 9 September 2026 BDO Audit Services S.r.l. confirmed in writing that it had not identified any material independence issues pursuant to Articles 10 and 17 of Italian Legislative Decree no. 39/2010 and Articles 4 and 5 of Regulation (EU) no. 537/2014 and that it had complied with Article 6(2) of that Regulation.

At the same time, the Board began the procedure to select the new auditor pursuant to Article 16 of Regulation (EU) no. 537/2014. None of the firms contacted submitted an offer within the timeframe compatible with the Shareholders' Meeting of 30 September 2026. It has therefore not yet been possible to issue the reasoned recommendation envisaged by Article 16 of Regulation (EU) no. 537/2014.

BDO Audit Services S.r.l. therefore continues to perform its audit functions on a *prorogatio* basis pursuant to Article 13(6) of Italian Legislative Decree no. 39/2010, until the appointment of its replacement takes effect and in any event no later than 27 January 2027.

The Board asked the Company to take action accordingly.

It was also verified that BDO Audit Services S.r.l. and entities in its network had not been assigned engagements prohibited under the applicable regulations.

**Supervision of the non-financial reporting process.**

As envisaged by Article 10 of Italian Legislative Decree no. 125/2024, supervision covered the drafting of the Consolidated Sustainability Report in accordance with Italian Legislative Decree no. 125/2024, which transposed the CSRD. This included participation in CRSC meetings and meetings with the heads of the sustainability function and representatives of KPMG and BDO Audit Services S.r.l. The Board obtained the detailed information requested by Consob regarding the 2024 NFS, to which the Company responded in a submission dated 9 October 2025, and noted the approval by the Board of Directors on 12 November 2025 of a dedicated Non-Financial Reporting Management Policy.

During the financial year the Board also noted, at a CRSC meeting, the results of the 2025 Double Materiality Analysis conducted by KPMG and the 2026-2028 Sustainability Plan approved by the Board of Directors, as well as the Group Sustainability Policy adopted on 21 July 2026.

The Board notes that on 9 September 2026 BDO Audit Services S.r.l. issued its assurance report on the

Consolidated Sustainability Report, stating that it was unable to express its conclusions and reporting, among other things, as follows:

"*Due to the significance of the matters described in the 'Basis for Disclaimer of Conclusions' section, we were unable to obtain sufficient appropriate evidence to reach a conclusion on the Consolidated Sustainability Report of The Italian Sea Group S.p.A*.

*Accordingly, we do not express a conclusion on that Consolidated Sustainability Report*."

Specifically, BDO Audit Services S.r.l. considers that

*"During our procedures, we did not obtain sufficient appropriate audit evidence to support the Directors' use of the going-concern assumption in drafting the Consolidated Sustainability Report". "Furthermore, we did not obtain sufficient appropriate audit evidence regarding the key performance indicators relating to assets and liabilities from contract work in progress and related financial statement items, including adjustments to opening shareholders' equity following the application of International Accounting Standard IAS 8, which may affect the presentation of information pursuant to Article 8 of Regulation (EU) no. 852 of 18 June 2020 (hereinafter also the 'Taxonomy Regulation')"*.

The Board refers to the Auditor's report for the detailed reasons.

**Remuneration of Directors and key management personnel.**

During the financial year the Appointments and Remuneration Committee performed its ordinary monitoring of the remuneration policy, paying particular attention to the integration of ESG KPIs into incentive systems. The Shareholders' Meeting of 22 April 2025 approved the second section of the Remuneration Report for the 2024 financial year. The remuneration policy's consistency with the Corporate Governance Code was verified. The Appointments and Remuneration Committee's periodic report for the period September 2025-July 2026 indicates that there were no severance indemnities or extraordinary or discretionary bonuses, that accrued but unpaid variable remuneration components for the former executives concerned by the ongoing investigations were suspended and that the Committee reserved its decision on any activation of the malus/clawback clauses in executive contracts and incentive plans pending the outcome of the ongoing investigations. The Board takes note of these decisions, which fall outside its direct purview.

**Complaints and reports pursuant to Article 2408 of the Italian Civil Code. Any omissions, reprehensible conduct or irregularities identified**.

During the 2025 financial year no complaints were received pursuant to Article 2408 of the Italian Civil Code.

During the 2025 financial year the Board received no communications from the auditing firm pursuant to Article 155(2) of the TUF concerning reprehensible matters identified during the statutory audit.

The Supervisory Body also reported that during 2025 it had received no reports concerning alleged breaches of the Model or the commission of offences under Italian Legislative Decree no. 231/2001.

During the 2025 financial year, based on the information received from the whistleblowing channel manager, no reports were received.

During the same financial year no reports were made to Consob pursuant to Article 149(3) of the TUF.

On 24 February 2026, because of the information obtained that day concerning significant overdue debt positions, a notice was sent to the Company pursuant to Article 25-*octies* of the CCII. On 25 and 27 February 2026 the Board made two independent, voluntary communications to Consob pursuant to Article 149(3) of the TUF. The Board participated in the discussions with Consob that began after the end of the financial year.

At the Board of Directors meeting of 18 February 2026, when the events described above came to light, the Board formally asked the Company to take action by filing the related criminal complaints.

Taking into account the applicable statutory and case-law framework and the Company's access to the negotiated crisis settlement procedure, the Board did not consider that the conditions for activating Article 152 of the TUF had been met.

**Opinions, approvals and proposals envisaged by law**

During the 2025 financial year and the months after year-end, the Board of Statutory Auditors issued opinions, approvals, assessments and observations in the exercise of its functions in the cases envisaged by law, the Corporate Governance Code and the applicable Company procedures.

Opinions and approvals envisaged by law

1. On 19 March 2025 the Board submitted a proposal to the Shareholders' Meeting regarding the mandate to provide assurance on the compliance of the Consolidated Sustainability Report for the three-year period 2025-2027.

2. On 6 March 2026, pursuant to Article 2386 of the Italian Civil Code, in the version in force on the date of the resolution, the Board approved the co-option of Mr Smeriglio resolved on by the Board of Directors that same day.

3. On 10 April 2026 the Board issued a favourable opinion on the appointment of Mr Fabio Zanobini as the new Financial Reporting Manager pursuant to Article 154-bis of the TUF.

Assessments made in the exercise of the Board's functions

1. On 31 March 2025, as part of its supervisory functions, the Board examined the proposal to authorise the purchase and disposal of treasury shares.

2. On 18 December 2025, having been consulted as part of the procedure envisaged by the Corporate Governance Code, the Board noted the appointment of Mr Umberto Cappetti as Head of the Internal Audit Function for the 2026-2027 financial years.

3. On 12 November 2025 the Board noted the appointment of Mr Salvatore Siviglia as Chief Risk Officer.

4. On 18 February 2026, as part of its supervisory functions, the Board noted the shareholder loan of Euro 25 million from GC Holding S.p.A., also taking into account its nature as a related party transaction.

5. On 10 April 2026, having been consulted as part of the procedure envisaged by the Corporate Governance Code, the Board noted the appointment of the new Head of the Internal Audit Function, whose work began on 28 April 2026.

Observations made in the exercise of the Board's functions

On 1 July 2026 the Board submitted its observations on the Company's financial position and the report drafted by the Directors pursuant to Articles 2446(1) and 2447 of the Italian Civil Code, in the context of the process for accessing crisis resolution instruments pursuant to Article 44 of the CCII.

The Board also notes that it examined the proposal to grant the Board of Directors the power to increase the share capital pursuant to Article 2443 of the Italian Civil Code, including by excluding or limiting pre-emption rights in the cases permitted by law, and the proposal to grant the power to issue participating financial instruments. At the Board of Directors meeting of 31 July 2026, the Board made specific observations concerning, among other things, the criteria for determining the issue price, the dilutive effects and the need to ensure that any exercise of the power was consistent with the Economic and Financial Plan and the development of the crisis resolution proceedings. The specific terms of the transaction will be established if and when the power is exercised.

**Self-assessment of the Board of Directors and the Board of Statutory Auditors.**

With respect to assessments of the composition, operation and independence of the Board of Directors and the Board Committees, as well as the remuneration policy and the structure of the Company functions, see the specific sections of this Report.

In compliance with the "*Rules of Conduct for the Board of Statutory Auditors of Listed Companies*" issued by the National Council of Chartered Accountants and Accounting Experts and the document *"Self-assessment of the Board of Statutory Auditors of Listed Companies – Rule Q.1.1"*, the Board of Statutory Auditors conducted the final self-assessment of its 2023-2026 term of office pursuant to Rule Q.1.7 of the Rules of Conduct (CNDCEC, December 2024). This process, comprising an individual fact-finding phase (questionnaires and individual declarations from each member) and a collective assessment phase, led to the drafting of the Detailed Self-Assessment Document on 17 August 2026, which was attached to the relevant Board minutes, and the Summary Report was sent to the Board of Directors.

This process found no deficiencies regarding the suitability of the members, the composition of the body or its operation.

With respect to the substantive completeness of information flows, the Detailed Self-Assessment Document refers to the findings of KPMG's forensic investigation (report dated 22 July 2026).

**Conclusions and proposals regarding the financial statements, their approval and the matters within the purview of the Board of Statutory Auditors**.

The 2025 financial year ended in circumstances radically different from those in which it began. A Company that during the year had presented apparently positive going-concern indicators, a growing order book and a process for strengthening its control arrangements is now at the centre of crisis resolution proceedings under the Business Crisis and Insolvency Code, with exceptionally large losses revealed by the accounting reconstruction and ongoing criminal proceedings.

Based on the findings currently available, the emergence of the crisis in February 2026 does not appear to be attributable merely to the development of a progressively deteriorating situation previously presented to the corporate bodies, but to the discovery, reported by the Chief Executive Officer on 18 February 2026, of conduct that according to the findings of the forensic audit may have significantly affected the reliability of the economic, financial and management information entered into the control processes, making it inconsistent with the Company's actual position.

As documented in the chapter on organisational structure, the Board's supervision is based on obtaining and critically assessing information from the corporate bodies, control functions and other Company control mechanisms, supplemented where necessary by exercising the powers conferred by law. During the 2025 financial year, based on the information flows obtained and the checks performed in the exercise of its functions, no evidence had emerged capable of revealing the anomalies that subsequently came to light.

The convergence of the information received from the CRSC, Financial Reporting Manager, auditing firm, Internal Audit and SB, with no reports in the related flows concerning the areas subsequently found to be critical, is relevant to reconstructing the information available during the 2025 financial year.

Against this backdrop, full cooperation with all competent Authorities – Consob, the Judicial Authority and the Bodies involved in the proceedings – is essential to managing the crisis in the interests of all stakeholders.

The chronology in the introduction documents that, as the relevant information progressively emerged, the Board immediately took the initiatives required by law at each stage: a notice pursuant to Article 25-*octies* of the CCII on the evening of 24 February 2026; two voluntary communications to Consob pursuant to Article 149(3) of the TUF on 25 and 27 February 2026; a request to file a report with the Public Prosecutor's Office; and a request to strengthen and reorganise the control mechanisms.

The Board stresses that the crisis resolution process must continue with the utmost transparency of information and full cooperation with the competent Authorities and the Bodies involved in the proceedings.

Taking into account the auditing firm's disclaimer of opinion on the financial statements as at 31 December 2025 and the significant uncertainties concerning the going-concern assumption described in this Report, the Board of Statutory Auditors considers that it does not have sufficient information as at the date of this Report to make a proposal regarding approval of the financial statements pursuant to Article 151.1, second paragraph, of the TUF.

In these circumstances, and consistently with its Observations of 1 July 2026 pursuant to Articles 2446(1) and 2447 of the Italian Civil Code, the Board considers that it must refrain from making a proposal regarding approval of the financial statements.

The three-year term of office of the Board of Statutory Auditors expires at the Shareholders' Meeting called to approve the financial statements as at 31 December 2025. Until that date and in the exercise of the functions conferred by law, its commitment remains directed towards the interests of the Company, its shareholders, creditors and other stakeholders.

*Marina di Carrara*, 9 *September 2026*

*As this report was approved unanimously, it is signed solely by the Chair*.

**The Board of Statutory Auditors**

Alfredo Pascolin (Chair)