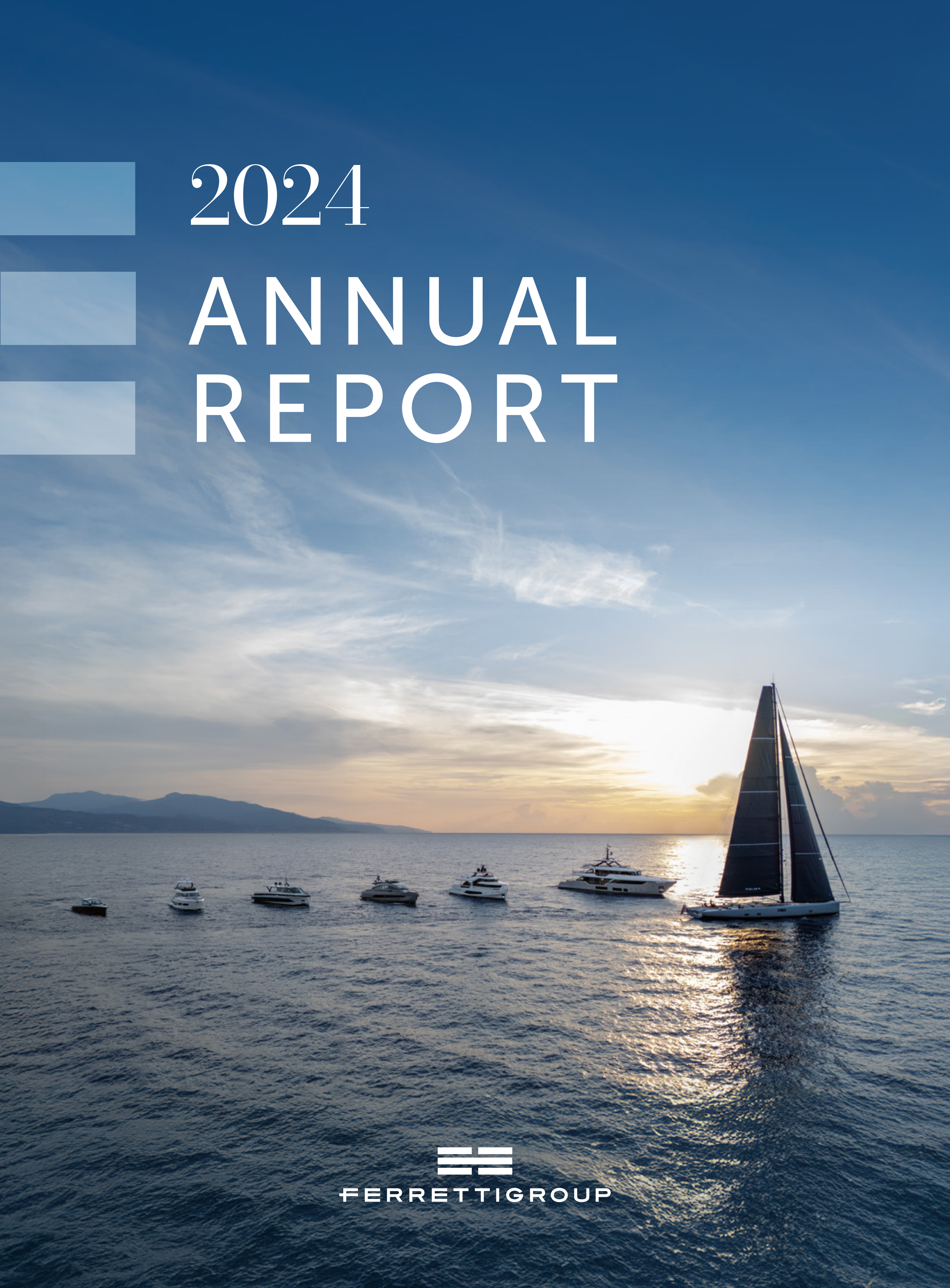
2024 ANNUAL REPORT



FERRETTIGROUP

2024 ANNUAL REPORT

FERRETTIGROUP

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Corporate Information

EXECUTIVE DIRECTORS

Mr. Alberto Galassi - *Chief Executive Officer*
Mr. Xu Xinyu (徐新玉) (resigned on February 28, 2025)
Mr. Tan Ning (譚寧) (appointed on February 28, 2025)

NON-EXECUTIVE DIRECTORS

Mr. Jiang Kui (江奎) - *Chairman*
(appointed on August 29, 2024)
Mr. Tan Xuguang (譚旭光) - *Former Chairman*
(resigned on August 29, 2024)
Mr. Piero Ferrari - *Honorary Chairman*
Ms. Jiang Lan (Lansi) (蔣嵐)
Mr. Zhang Quan (張泉) (resigned on February 28, 2025)
Mr. Hao Qinggui (郝慶貴) (appointed on February 28, 2025)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Stefano Domenicali
Mr. Patrick Sun (辛定華)
Ms. Zhu Yi (朱奕)

AUDIT COMMITTEE

Mr. Patrick Sun (辛定華) - *Chairman*
Mr. Stefano Domenicali
Ms. Jiang Lan (Lansi) (蔣嵐)
Ms. Zhu Yi (朱奕)

REMUNERATION COMMITTEE

Mr. Stefano Domenicali - *Chairman*
Mr. Piero Ferrari
Mr. Tan Ning (譚寧)
Mr. Patrick Sun (辛定華)
Ms. Zhu Yi (朱奕)

NOMINATION COMMITTEE

Mr. Jiang Kui (江奎) - *Chairman*
Mr. Alberto Galassi
Mr. Stefano Domenicali
Mr. Patrick Sun (辛定華)
Ms. Zhu Yi (朱奕)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Mr. Jiang Kui (江奎) - *Chairman*
Mr. Alberto Galassi
Mr. Piero Ferrari
Mr. Tan Ning (譚寧)
Ms. Jiang Lan (Lansi) (蔣嵐)
Mr. Hao Qinggui (郝慶貴)
Ms. Zhu Yi (朱奕)

STRATEGIC COMMITTEE

Mr. Jiang Kui (江奎 - *Chairman*
Mr. Alberto Galassi
Mr. Piero Ferrari
Mr. Tan Ning (譚寧)
Mr. Hao Qinggui (郝慶貴)
Mr. Patrick Sun (辛定華)

BOARD OF STATUTORY AUDITORS

Mr. Luigi Capitani - *Chairman*
Ms. Giuseppina Manzo
Mr. Luca Nicodemi
Ms. Federica Marone - *Alternate auditor*
Ms. Tiziana Vallone - *Alternate auditor*

JOINT COMPANY SECRETARIES

Mr. Hao Qinggui (郝慶貴)
Ms. Wong Hoi Ting (ACG, HKACG)

SECRETARY OF THE BOARD

Mr. Hao Qinggui (郝慶貴)

AUTHORIZED REPRESENTATIVES

Mr. Alberto Galassi
Ms. Wong Hoi Ting

REGISTERED OFFICE AND HEADQUARTER OFFICE

Via Irma Bandiera 62, 47841 Cattolica (RN), Italy

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31/F, Tower Two, Times Square
1 Matheson Street Causeway Bay Hong Kong

AUDITOR

EY S.p.A.
Independent Auditor registered in the Register Held by MEF (Italian Ministry of Economy and Finance) and Recognized PIE Auditor under the Financial Reporting Council Ordinance (Cap. 588)
Via Meravigli 12, 20123 Milan, Italy

EXECUTIVE RESPONSIBLE FOR THE CORPORATE FINANCIAL AND ESG DOCUMENTS

Mr. Marco Zammarchi

HONG KONG LEGAL ADVISER

King & Wood Mallesons
13th Floor Gloucester Tower The Landmark
15 Queen's Road Central, Central, Hong Kong

ITALY LEGAL ADVISER

Studio Legale Pedersoli Gattai
via Monte di Pietà 15, 20121 Milan, Italy

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor Hopewell Centre
183 Queen's Road East, Wanchai, Hong Kong

WEBSITE

www.ferrettigroup.com

STOCK CODES

EXM: YACHT.MI
HKEX: 9638

Financial Summary

A summary of the results and the assets, liabilities and non-controlling interests of the Company for the last five financial years is set out below:

Results

Year ended December 31 (in thousands Euro)	**2024**	2023	2022	2021	2020
Net revenue	**1,240,346**	1,134,484	1,030,099	898,421	611,355
Profit before tax	**126,377**	104,022	69,385	40,674	3,527
Income tax	**(38,217)**	(20,519)	(8,839)	(3,291)	18,455
Profit for the year	**88,160**	83,503	60,546	37,383	21,982
Attributable to					
Shareholders of the Company	**87,918**	83,048	60,274	37,545	22,006
Non-controlling interests	**242**	456	271	(162)	(24)
	88,160	83,503	60,546	37,383	21,982

(in thousands Euro)	**2024**	2023	2022	2021	2020
Current assets	**912,322**	930,247	818,663	505,199	443,075
Non-current assets	**749,122**	672,002	588,893	540,877	515,368
Total assets	**1,661,444**	1,602,248	1,407,556	1,046,076	958,443
Current liabilities	**701,713**	(720,037)	(583,408)	(473,440)	(394,427)
Non-current liabilities	**61,495**	(42,532)	(45,757)	(74,570)	(100,691)
Total liabilities	**763,208**	(762,569)	(629,165)	(548,010)	(495,118)
Non-controlling interests	**1,081**	(840)	(384)	212	50
Equity attributable to shareholders of the Company	**897,155**	838,840	778,007	498,278	463,375

Key financial ratios

As at/year ended December 31	**2024**	2023	2022	2021	2020
Profitability ratios					
Return on equity	**10.2%**	10.3%	9.5%	7.8%	4.8%
Return on total assets	**5.4%**	5.5%	4.9%	3.7%	2.3%
Liquidity ratios					
Current ratio	**1.3**	1.3	1.3	1.1	1.1
Quick ratio	**0.7**	0.8	1.1	0.8	0.7
Capital adequacy ratio					
Gearing ratio	**3.7%**	4.0%	5.1%	17.8%	35.4%

Note: The summary of the consolidated results of the Group for the year ended December 31, 2020 and the consolidated assets, liabilities and non-controlling interests of the Group as at December 31, 2020 have been extracted from the Hong Kong Prospectus.

Chairman's Statement

On behalf of the Board, I would like to present to the Shareholders the annual results and consolidated financial statements of the Group for the Reporting Period.

1. Review of Operating Conditions

In 2023, the Group successfully listed on Euronext Milan, following its listing on the Hong Kong Stock Exchange in 2022, making us the first Company to be listed in both the Hong Kong Stock Exchange and the Euronext Milan. The Group was able to attract a broad interest among leading Italian and international institutional investors, resulting in a widened and strengthened institutional shareholder base of the Company.

The Italian listing further consolidated the Group positioning as a global leader in the luxury yacht arena. On the business growth, we recorded a strong increase in net revenue during the Reporting Period of 106 million, representing an approximately 9.3% increase as compared to the corresponding period in 2023.

As far as the Group's profitability is concerned, its adjusted EBITDA amounted to €190.0 million, representing an increase of approximately 12.3% from the year ended December 31, 2023 (€169.2 million). The increase was also significant in terms of percentages, with an adjusted EBITDA/net revenue of new yachts margin reaching 16.2% or 100 basis points higher than that of 2023. Finally, the Group's profit for the year increased by approximately 5.6% from €83.5 million for the year ended December 31, 2023 to €88.2 million for the Reporting Period.

In 2025, we expect a sustainable growth, which is backed by an order backlog of approximately €1.7 billion as at December 31, 2024, which represents an approximate increase of 11.6% as compared to that as at December 31, 2023.

1.1 Yacht Manufacturing Business

The Group upheld an innovation-driven approach to maintain its market-leading position in its core business, placing great emphasis on research and development. Leveraging the substantial investments in research and development, the Group has been continuously renewing and broadening its product portfolio with technological and design innovation, allowing it to stay abreast of the rapidly evolving preferences and expectations of its clientele.
The launch of new models for composite and made-to-measure yachts, together with a growing interest in super yachts, allowed the Group to attract new customers while also continuing to nurture the interest of the Group's loyal clients.

— The Group's net revenue from sales of composite yachts reached €558.8 million, representing a year-on-year growth of 13.6% and approximately 47.6% of the Group's total net revenue of new yachts for the Reporting Period. The Group's order intake for composite yachts was €432.4 million for the Reporting Period.

— The Group's net revenue from sales of made-to-measure yachts decreased by 7.5% from €440.3 million for the year ended December 31, 2023 to €407.2 million for the Reporting Period. The Group's order intake for made-to-measure yachts was €408.0 million for the Reporting Period.

— The Group's net revenue from sales of super yachts increased by 26.4% from €117.6 million for the year ended December 31, 2023 to €148.6 million for the Reporting Period. The Group's order intake for super yachts was €294.9 million for the Reporting Period, primarily due to [the good performance of flagship semi serial models.

1.2 Other Businesses

The Group's other businesses provide synergies with our yacht manufacturing business with a comprehensive portfolio, including: (i) yacht brokerage, chartering and management services;
(ii) after-sales and refitting services; (iii) brand extension activities (including exclusive lounges all-over-the-world); (iv) manufacturing and installation of wooden furnishings and kinetics for nautical interiors; (v) manufacturing and sale of coastal patrol vessel by the FSD; and (vi) manufacturing and sale of Wally sailing yachts. With such businesses, we are able to cover all customer's needs throughout the whole yachting "customer journey", from the purchase of luxury yachts to a complete offer of ancillary services to enhance customer satisfaction and loyalty, while providing us with real-time information about market trends and customer preferences.

For the Reporting Period, the Group's net revenue from other businesses segment reached approximately €58.8 million, representing a year-on-year decrease of approximately 4.2%. The decrease in net revenue mainly derived from Wally sailboats segment.

1.3 ESG Commitment of the Group

By leveraging considerable investments in research and development, the Group has continuously upgraded and expanded its product portfolio with environmentally friendly, technological, and design innovations since 2014 to keep pace with the rapidly evolving expectations of its customers.

Thanks to its innovative drive, the Group was the very first to introduce a pioneering hybrid propulsion solution to the market in 2008, and it continues to innovate in this field. In 2021, the Group launched a collaboration with Rolls-Royce Power Systems to jointly develop hybrid solutions to be installed on future yachts and in 2022, the Group extended the agreement until the end of 2027, which guarantees the supply chain's efficiency, with clear benefits for its customers. The Group also entered the E-luxury segment with the first Riva full-electric powerboat, named El-Iseo, available for sale in January 2024. Furthermore, the Group is committed to expanding its other "green" product offering across all key brands, launching and marketing more eco-friendly solutions, building on the proposition of the newly launched models (besides FSD N800, Riva El-Iseo, wallytender43X and wallytender48X and the INFYNITO range) and increasing its presence in the sailing yacht market through Wally.

With respect to sustainable development, hydrogen is attracting increasing attention as an energy source and has the potential to become a game-changer in the maritime sector as well. Building on Weichai Group's significant achievements on this front and having already installed hydrogen engines on land vehicles, it will be a crucial partner of the Group to provide the necessary know-how and experience to make hydrogen engines on yachts a reality.

In addition, with a view to reducing the environmental impact of its products, the Group is constantly seeking innovative solutions, which involve the use of eco-friendly and lighter materials.

Moreover, the Group's ESG commitment is not limited to its outstanding product offering, but also targets its shipyards. All shipyards are adjusted to the ISO 14001:2015 environmental certification, introducing innovative solutions (such as trigeneration systems) and increasingly proficient solar panels to reduce both energy consumption and emissions.

The Group firmly believes in the importance of ESG moving forward and aims to become an ESG leader in the global yacht market. As a remark, the Group has been the first in the yacht industry to publish a sustainability report in 2019 and establish the ESG Committee in 2021, which is responsible for helping the Board to devise ESG policies and strategies and reviewing and assessing its sustainability performance.

2. Outlook and Prospects

Once again, the global luxury yacht industry has proven to be resilient in the face of geopolitical uncertainty, underscoring its stability and strength. In this context, the Group has continued to deliver outstanding performance, consistently gaining market share reinforcing its strategic position not only in high-value segments but also in new emerging and high-growth segments. To continue building on advantage of the expected growth trends of the global luxury yacht industry, enhancing its value proposition and strengthening its overall resilience, the Group's future plans are based on the following strategic pillars:

— The Group will enhance and expand its product offering and product mix ahead of evolving market trends and customer expectations, with the aim to consolidate its market leadership position in both the composite yachts and made-to-measure yachts segments, focusing on the segments with the highest growth potential and marginality.

— The Group will continue to invest in innovation, technologies, and products with the aim of providing a more environmentally responsible yachting experience, attributable to through the skillful use of more sustainable materials and processes aimed at reducing the environmental impact of products.

— The Group will expand its made-to-measure offering to larger alloy yachts, developing new alloy- hulled super yacht models under the iconic Riva, Pershing, and Custom Line brands.

— The Group will also broaden both its yacht brokerage, chartering and management services and its after-sales and refitting services, expanding its brand extension and licensing activities.

— Finally, the Group will keep investing in the internalization of high value-added activities to support its future growth and product portfolio expansion.

3. Appreciation

Last but not least, I would like to express my sincere appreciation to all of our proven and new Shareholders, our potential investors and our customers for their care and support, as well as to all of our staff for their hard work and dedication!

Hong Kong, March 14, 2025

Mr. Jiang Kui
Chairman and non-executive Director

Management Discussion and Analysis

Principal activities and business review

The Group is an established leader in the global luxury yacht industry with a portfolio of iconic brands of long heritage and outstanding high-end manufacturing capabilities. As one of the oldest Italian luxury yacht producers, it has been playing an important role in steering the development of the global luxury yacht industry by acquiring and integrating other leading yacht brands and production facilities since the establishment of the business in 1968. Its seven brands — Riva, Wally, Ferretti Yachts, Pershing, Itama, CRN and Custom Line — are globally recognized as symbols of luxury, exclusivity, Italian design, quality, craftsmanship, innovation and performance. The Group designs, produces and sells luxury composite yachts, made-to-measure yachts and super yachts from 8 to 95 meters, offering the full spectrum of functionalities and an increasing range of ancillary services, catering to the personalized tastes and requirements of its clientele. With its market leadership, rich history and iconic brand portfolio, the Group is positioned as the trend-setter of the global luxury yachting industry and the ambassador of Italian nautical excellence to the world.

Owing to excellent market reaction to the models launched in previous years, for the Reporting Period, the Group recorded a net revenue of €1,240.3 million, representing a 9.3% increase from €1,134.5 million for the year ended December 31, 2023. The Group delivered 224 new vessels during the Reporting Period, compared to 212 new vessels for the year ended December 31, 2023. Meanwhile, its net profit increased by about 5.6% from €83.5 million for the year ended December 31, 2023 to €88.2 million for the Reporting Period. During the Reporting Period, the Group achieved an order intake of €1,139 million, which was in line with the amount of order intake in the year ended December 31, 2023.

The Group upheld an innovation-driven approach to maintain its market-leading position in its core business, placing great emphasis on research and development. Leveraging the substantial investments in research and development, the Group has been continuously renewing and broadening its product portfolio with technological and design innovation, allowing it to stay abreast of the rapidly evolving preferences and expectations of its clientele.

The launch of new models for composite and made-to-measure yachts, together with a growing interest in super yachts, allowed the Group to attract new customers while also continuing to nurture the interest of the Group's loyal clients.

The Group's other businesses provide synergy with its yacht manufacturing business with a comprehensive portfolio, including: (i) yacht brokerage, chartering and management services; (ii) after-sales and refitting services; (iii) brand extension activities (including exclusive lounges all-over-the-world); (iv) manufacturing and installation of wooden furnishings and kinetics for nautical interiors; (v) manufacturing and sale of coastal patrol vessel by the FSD; and (vi) manufacturing and sale of Wally sailing yachts. With such businesses, the Group is able to cover all customers' needs throughout the whole yachting "customer journey", from the purchase of luxury yachts to a complete offer of ancillary services to enhance customer satisfaction and loyalty, while providing it with real-time information about market trends and customer preferences.

The Group's total net revenue of new yachts sales increased by about 5.6%, from €1,111.0 million in 2023 to €1,173.3 million in 2024, due to the order backlog built in 2023 and 2024.

Order intake

In 2024, order intake amounted to €1,139.3 million, an improvement of 1.7% compared to 2023, which was €1,120.4 million, mainly due to the strong performance of our core regions Europe and the Middle East.

Order intake by segment

The following table shows the breakdown of the order intake by segment:

	ORDER INTAKE BY SEGMENT				
(in millions Euro, except for percentages)	2024	%	2023	%	Change[1]
Composite yachts	432.4	38.0%	527.2	47.1%	-18.0%
Made-to-measure yachts	408.0	35.8%	423.0	37.8%	-3.5%
Super yachts	294.9	25.9%	149.5	13.3%	97.3%
Other businesses[2]	4.0[3]	0.3%	20.7	1.8%	-80.8%
Total	**1,139.3**	**100.0%**	**1,120.4**	**100.0%**	**1.7%**

Order intake from the **composite yachts** segment totaled €432.4 million in 2024, accounting for approximately 38.0% of total order intake in 2024 (2023: €527.2 million, accounting for approximately 47.1% of total order intake in 2023).

This segment has shown a progressive improvement throughout the year, moving from -39.1% in Q1'24 compared to Q1'23 to -37.3% in 2Q'24 compared to 2Q'23, and registering positive growth starting from the third quarter, with +0.6% in 3Q'24 compared to 3Q'23. The year ended with further improvement in the performance, marking +4.1% in 4Q'24 compared to 4Q'23.

Order intake from the **made-to-measure yachts** segment totaled €408.0 million in 2024, accounting for approximately 35.8% of total order intake in 2024 (2023: €423.0 million, accounting for approximately 37.8% of total order intake in 2023), essentially in line with the previous year, with an acceleration in Q4'24.

Order intake from the **super yachts** segment totaled €294.9 million in 2024, accounting for approximately 25.9% of total order intake in 2024 (2023: €149.5 million, accounting for approximately 13.3% of total order intake in 2023).

Order intake from the **other businesses** segment totaled €4.0 million in 2024, accounting for approximately 0.3% of total order intake in 2024 (2023: €20.7 million, accounting for approximately 1.8% of total order intake in 2023).

1 The percentage figures are subject to rounding adjustments and may not be an arithmetic aggregation of the figures preceding them.
2 Including FSD and Wally sailboats.
3 Order Intake for 2024 includes only Wally sailboats.

Order intake by geographical area

The following table shows the breakdown of order intake by geographical area[4]:

(in millions Euro, except for percentages)	ORDER INTAKE BY GEOGRAPHICAL AREA				
	2024	%	2023	%	Change[5]
Europe	559.0	49.1%	483.6	43.2%	15.6%
MEA	339.5	29.8%	273.8	24.4%	24.0%
APAC	18.6	1.6%	65.8	5.9%	-71.7%
AMAS	222.2	19.5%	297.1	26.5%	-25.2%
Total	**1,139.3**	**100.0%**	**1,120.4**	**100.0%**	**1.7%**

Order intake in **Europe** totaled €559.0 million, accounting for approximately 49.1% of total order intake in 2024 (2023: €483.6 million, accounting for approximately 43.2% of total order intake in 2023), mainly due to the growing demand in the made-to-measure and super yacht segments.

Order intake in **MEA** totaled €339.5 million, accounting for approximately 29.8% of total order intake in 2024 (2023: €273.8 million, accounting for approximately 24.4% of total order intake in 2023), mainly due to the growing demand in the made-to-measure and super yacht segments.

Order intake in **APAC** totaled €18.6 million, accounting for approximately 1.6% of total order intake in 2024 (2023: €65.8 million, accounting for approximately 5.9% of total order intake in 2023).

Order intake in **AMAS** totaled €222.2 million, accounting for approximately 19.5% of total order intake in 2024 (2023: €297.1 million, accounting for approximately 26.5% of total order intake in 2023). This result is due to the delay in the start of the American season, especially in the composite segment, because of the elections in the United States in November 2024. However, we see a potential that is still partially untapped in the growth of the AMAS region in 2025, supported by the possible restoration of the Tax Cuts and Jobs Act (which allows for 100% deductibility of boats for three years).

Order backlog

As of December 31, 2024, the order backlog, at all-time high, amounted to €1,663.9 million, increased by approximately 11.6% from €1,491.27 million as of December 31, 2023, due to orders collected in the last part of the year.

4 The geographical breakdown in the Reporting Period refers to breakdown by the dealer's area of exclusivity or by the customer's nationality.
5 The percentage figures are subject to rounding adjustments and may not be an arithmetic aggregation of the figures preceding them.

Order backlog by segment

The following table shows the breakdown of the order backlog by segment:

	ORDER BACKLOG BY SEGMENT				
(in millions Euro, except for percentages)	**2024**	**%**	**2023**	**%**	**Variazione[6]**
Composite yachts	395.9	23.8%	460.9	30.9%	-14.1%
Made-to-measure yachts	524.2	31.5%	554.6	37.2%	-5.5%
Super yachts	704.1	42.3%	418.0	28.0%	68.4%
Other businesses[7]	39.7	2.4%	57.7	3.9%	-31.2%
Total	**1,663.9**	**100.0%**	**1,491.2**	**100.0%**	**11.6%**

Order backlog from the **composite yachts** segment reached €395.9 million as of December 31, 2024, accounting for approximately 23.8% of the total backlog (down from €460.9 million, accounting for approximately 30.9% of the total backlog as of December 31, 2023).

Order backlog from the **made-to-measure yachts** segment reached €524.2 million as of December 31, 2024, accounting for approximately 31.5% of the total backlog (down from €554.6 million, accounting for approximately 37.2% of the total backlog as of December 31, 2023).

Order backlog from the **super yachts** segment reached €704.1 million as of December 31, 2024, accounting for approximately 42.3% of the total backlog (up from €418.0 million, accounting for approximately 28.0% of the total backlog as of December 31, 2023).

Order backlog from **other businesses** segment reached €39.7 million as of December 31, 2024, accounting for approximately 2.4% of the total backlog (down from €57.7 million, accounting for approximately 3.9% of the total backlog as of December 31, 2023).

Net Backlog

The net backlog represents the total backlog orders in portfolio which has not been delivered net of revenue already booked, amounted to €900.0 million as of December 31, 2024, at all-time high, up 15.4% compared to €780.0 million as of September 30, 2024 and increased by approximately 4.9% compared to €858.0 million as of December 31, 2023.

6 The percentage figures are subject to rounding adjustments and may not be an arithmetic aggregation of the figures preceding them.
7 Including FSD and Wally sailboats.

Outlook and prospects

Once again, the global luxury yacht industry has proven to be resilient in the face of geopolitical uncertainty, underscoring its stability and strength. In this context, the Group has continued to deliver outstanding performance, consistently gaining market share reinforcing its strategic position not only in high-value segments but also in new emerging and high-growth segments. To continue building on advantage of the expected growth trends of the global luxury yacht industry, enhancing its value proposition and strengthening its overall resilience, the Group's future plans are based on the following strategic pillars:

— The Group will enhance and expand its product offering and product mix ahead of evolving market trends and customer expectations, with the aim to consolidate its market leadership position in both the composite yachts and made-to-measure yachts segments, focusing on the segments with the highest growth potential and marginality.

— The Group will continue to invest in innovation, technologies, and products with the aim of providing a more environmentally responsible yachting experience, attributable to through the skillful use of more sustainable materials and processes aimed at reducing the environmental impact of products.

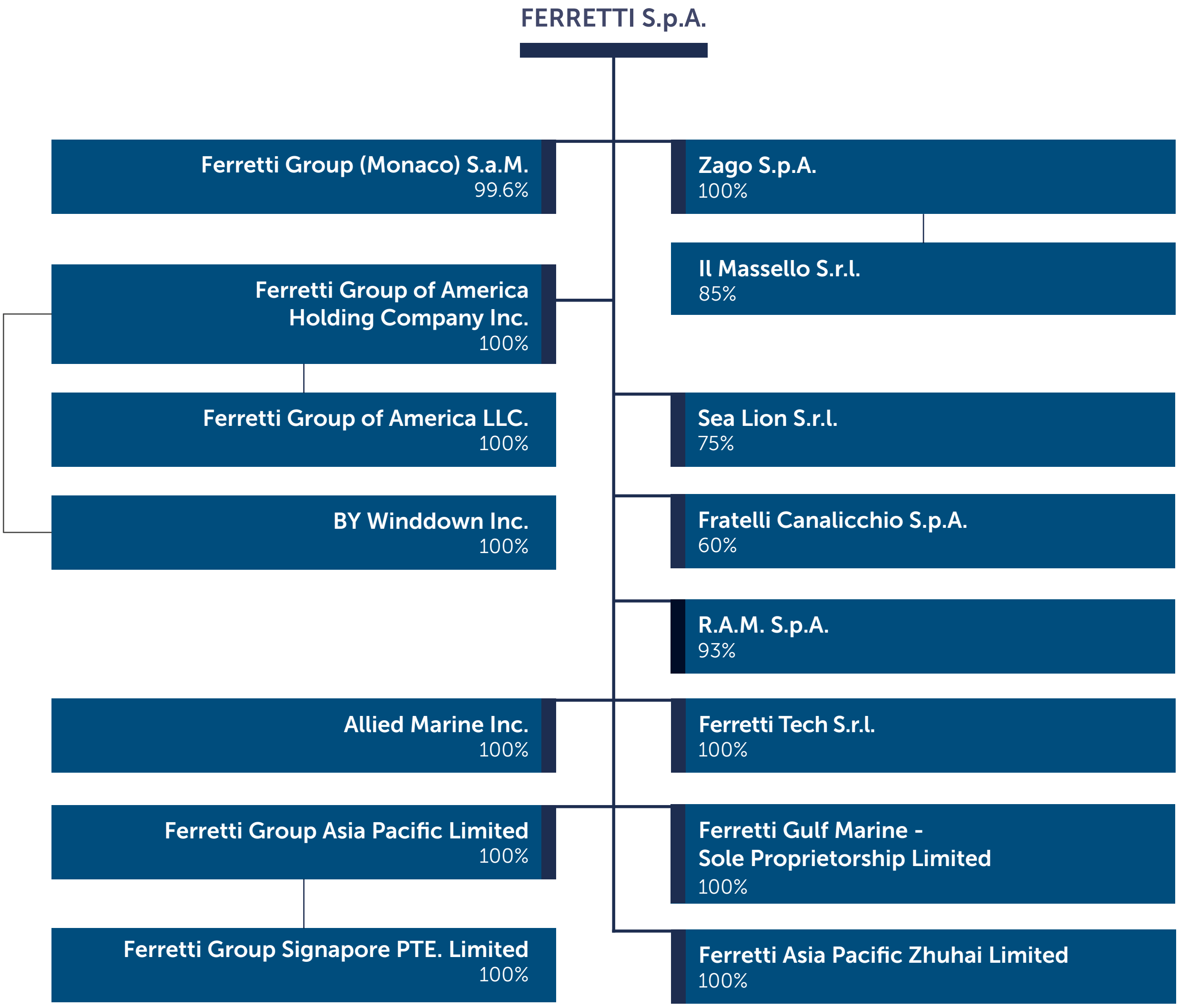
— The Group will expand its made-to-measure offering to larger alloy yachts, developing new alloy-hulled super yacht models under the iconic Riva, Pershing, and Custom Line brands.

— The Group will also broaden both its yacht brokerage, chartering and management services and its after-sales and refitting services, expanding its brand extension and licensing activities.

— Finally, the Group will keep investing in the internalization of high value-added activities to support its future growth and product portfolio expansion.

The Group's results are not subject to seasonality, except for the concentration of deliveries in the northern summer season (May-August) and, to a lesser extent, in the southern summer season (November-January), especially for composite yachts.

Group chart


FERRETTI S.p.A.
Ferretti Group (Monaco) S.a.M.
99.6%
Ferretti Group of America Holding Company Inc.
100%
Ferretti Group of America LLC.
100%
BY Winddown Inc.
100%
Allied Marine Inc.
100%
Ferretti Group Asia Pacific Limited
100%
Ferretti Group Signapore PTE. Limited
100%
Zago S.p.A.
100%
Il Massello S.r.l.
85%
Sea Lion S.r.l.
75%
Fratelli Canalicchio S.p.A.
60%
R.A.M. S.p.A.
93%
Ferretti Tech S.r.l.
100%
Ferretti Gulf Marine - Sole Proprietorship Limited
100%
Ferretti Asia Pacific Zhuhai Limited
100%

Financial review

Results of Operations

The table below sets forth selected consolidated income statements items for the years indicated:

Year ended December 31 *(in thousands Euro)*	2024	2023
Revenue	1,301,623	1,196,352
Commissions and other costs related to revenue	(61,276)	(61,868)
NET REVENUE	**1,240,346**	**1,134,484**
Change in inventories of work-in-progress, semi-finished and finished goods	108,286	118,753
Cost capitalized	34,604	32,781
Other income	30,923	22,223
Raw materials and consumables used	(639,492)	(615,523)
Contractors costs	(254,153)	(209,426)
Costs for trade shows, events and advertising	(24,856)	(23,529)
Other service costs	(119,415)	(117,917)
Rentals and leases	(12,269)	(9,755)
Personnel costs	(144,944)	(130,727)
Other operating expenses	(12,763)	(7,961)
Provisions and impairment	(16,377)	(30,747)
Depreciation and amortization	(66,451)	(63,167)
Financial income	6,013	8,652
Financial expenses	(3,321)	(4,139)
Foreign exchange gain/(losses)	244	19
PROFIT BEFORE TAX	**126,377**	**104,022**
Income tax	(38,217)	(20,519)
PROFIT FOR THE YEAR	**88,160**	**83,503**
Attributable to Shareholders of the Company	87,918	83,048
Non-controlling interests	242	456

Net Revenue

The Group's net revenue increased by approximately 9.3% from approximately €1,134.5 million for the year ended December 31, 2023 to approximately €1,240.3 million for the Reporting Period.

The increase in the Group's net revenue was due to (i) an increase of €67.0 million in sales of composite yachts; (ii) a decrease of €33.1 million in sales of made-to-measure yachts; (iii) an increase of €31.1 million generated in sales of super yachts; (iv) a decrease of €2.5 million in revenue from other businesses; and (v) an increase of €43.5 million in revenue from pre-owned boats. The Group delivered 224 new vessels during the Reporting Period, compared to 212 new vessels for the year ended December 31, 2023.

Net revenue of new yachts

The Group's overall net revenue of new yachts increased by approximately 5.6% from approximately €1,111.0 million in 2023 to approximately €1,173.3 million in 2024, due to the strong order backlog built in 2023 and 2024.

The following table shows the breakdown of net revenue of new yachts sales by production type:

	NET REVENUE OF NEW YACHTS SALES BY PRODUCTION TYPE				
(in millions Euro, except for percentages)	2024	%	2023	%	Variazione[8]
Composite yachts	558.7	47.6%	491.8	44.3%	13.6%
Made-to-measure yachts	407.2	34.7%	440.3	39.6%	-7.5%
Super yachts	148.6	12.7%	117.6	10.6%	26.4%
Other businesses[9]	58.8	5.0%	61.3	5.5%	-4.1%
Total	**1,173.3**	**100.0%**	**1,111.0**	**100.0%**	**5.6%**

I. Sales of Composite Yachts

The Group's net revenue from sales of composite yachts reached €558.7 million, representing a year-on-year growth of 13.6% and approximately 47.6% of the Group's total net revenue of new yachts for the Reporting Period. The Group's order intake for composite yachts was €432.4 million for the Reporting Period. The positive performance was driven by the orders received since the end of 2023, which contributed to the revenues throughout 2024.

II. Sales of Made-to-Measure Yachts

The Group's net revenue from sales of made-to-measure yachts decreased by 7.5% from €440.3 million for the year ended December 31, 2023 to €407.2 million for the Reporting Period and representing approximately 34.7% of the Group's net revenue of new yachts. The Group's order intake for made-to-measure yachts was €408.0 million for the Reporting Period. This segment was impacted in 2024 by the temporary normalization of orders received in the fourth quarter of 2023 and the first quarter of 2024, despite an increase in the fourth quarter of 2024.

8 The percentage figures are subject to rounding adjustments and may not be an arithmetic aggregation of the figures preceding them.
9 Including ancillary activities, FSD, Wally sailboats.

III. Sales of Super Yachts

The Group's net revenue from sales of super yachts increased by 26.4% from €117.6 million for the year ended December 31, 2023 to €148.6 million for the Reporting Period and representing approximately 12.7% of the Group's net revenue of new yachts, continuing its double-digit growth. Specifically, the Group's order intake for super yachts was €294.9 million for the Reporting Period.

IV. Other Businesses

The Group's net revenue from other businesses segment decreased by approximately 4.1% from approximately €61.3 million for the year ended December 31, 2023 to approximately €58.8 million for the Reporting Period and representing approximately 5.0% of the Group's net revenue of new yachts.

The table below provides a breakdown by geographical regions13[10] of the Group's net revenue for the years indicated:

(In million Euro, except for percentages)	2024	%	2023	%
Europe	593.5	50.6%	480.1	43.2%
MEA	269.3	23.0%	212.3	19.1%
APAC	39.6	3.4%	98.2	8.8%
AMAS	271.0	23.0%	320.4	28.9%
Total net revenue of new yachts	**1,173.3**	**100.0%**	**1,111.0**	**100.0%**
Pre-owned	67.0		23.5	
Total net revenue	**1,240.3**		**1,134.5**	

The Europe region reached €593.5 million, accounting for about 50.6% of the total net revenue of new yachts in 2024 (from €480.1 million, accounting for about 43.2% of the 2023 net revenue of new yachts in 2023), due to a steady quarterly increase in revenues driven by sound demand of product mix across all segments.

The MEA region reached €269.3 million accounting for about 23.0% of the total net revenue of new yachts (from €212.3 million, accounting for about 19.1% of the total net revenue of new yachts in 2023), continuing the double-digit growth that began in the second half of 2023, due to the increased demand for larger yachts.

The APAC region reached €39.6 million, accounting for about 3.4% of the total net revenue of new yachts in 2024 (from €98.2 million, accounting for about 8.8% of the total net revenue of new yachts in 2023).

The AMAS region reached €270.9 million, accounting for about 23.0% of the total net revenue of new yachts in 2024 (from €320.4 million, accounting for about 28.9% of the total net revenue of new yachts in 2023), and it was impacted during the course of the year by the elections in the United States, but it paves the way for a positive outlook in 2025.

10 The geographical breakdown in the Reporting Period refers to breakdown by the dealer's area of exclusivity or by the customer's nationality.

Change in Inventories of Work-in-process, Semi-finished and Finished Goods

The Group's change in inventories of work-in-process, semi-finished and finished goods decreased by €10.5 million, or 8.8%, from €118.8 million for the year ended December 31, 2023 to €108.3 million for the Reporting Period, after having achieved an adequate stock level.

Cost Capitalized

The Group's cost capitalized aligned mostly with cost capitalized in the previous year with a small increase by €1.8 million, or 5.6%, from €32.8 million for the year ended December 31, 2023 to €34.6 million for the Reporting Period.

Other Income

The Group's other income increased by €8.7 million, or 39.2%, from €22.2 million for the year ended December 31, 2023 to €30.9 million for the Reporting Period, mainly for the sale of two demonstrative boats that in previous years was accounted as a fixed assets and minor costs from suppliers than accrued in previous years.

Raw Materials and Consumables Used

The Group's raw materials and consumables used increased by €24.0 million, or 3.9%, from €615.5 million for the year ended December 31, 2023 to €639.5 million for the Reporting Period, primarily due to the increase in production volumes.

Contractors Costs

The Group's contractors costs increased by €44.7 million, or 21.4%, from €209.4 million for the year ended December 31, 2023 to €254.2 million for the Reporting Period, primarily due to the increase in production activities catering for the increased order intake.

Costs for Trade Shows, Events and Advertising

The Group's costs for trade shows, events and advertising increased by €1.3 million, or 5.6%, from €23.5 million for the year ended December 31, 2023 to €24.9 million for the Reporting Period, primarily due to the increase in events and promotional activities.

Other Service Costs

The Group's other service costs remained substantially stable at €119.4 million for the Reporting Period as compared to €117.9 million for the year ended December 31, 2023, with a small increase of 1.3%.

Rentals and Leases

The Group's rentals and leases increased by €2.5 million, or 25.8%, from €9.8 million for the year ended December 31, 2023 to €12.3 million for the Reporting Period, primarily due to (i) an increase in royalties mainly attributable to the increase in new yachts delivered; and (ii) an increase in expenses relating to short-term leases and rentals and leases for low-value assets, which was generally in line with the growth of the Group's business.

Personnel Costs

The Group's personnel costs increased by €14.2 million, or 10.9%, from €130.7 million for the year ended December 31, 2023 to €144.9 million for the Reporting Period, primarily due to an increase in the average headcount to support the growth of the Group's business.

Other Operating Expenses

The Group's other operating expenses increased by €4.8 million, or 60.3%, from €8.0 million for the year ended December 31, 2023 to €12.8 million for the Reporting Period, mainly due to some settlement agreements entered into in the course of the year with customers and the costs resulting from a litigation related to a dismissed business.

Provisions and Impairment

The Group's provisions and impairment decreased by €14.4 million, or 46.7%, from €30.7 million for the year ended December 31, 2023 to €16.4 million for the Reporting Period, primarily due to the release in other risks provisions that partially offset the accruals for the year ended December 31, 2024.

Depreciation and Amortization

The Group's depreciation and amortization increased by €3.3 million, or 5.2%, from €63.2 million for the year ended December 31, 2023 to €66.5 million for the Reporting Period, which was driven by the increase in the Group's property, plant and equipment as well as intangible assets, reflecting the significant investments made to renew and extend the Group's product portfolio and upgrade the Group's production facilities.

Financial Income and Financial Expenses

The Group's financial income decreased from €8.7 million for the year ended December 31, 2023 to €6.0 million for the Reporting Period, primarily due to the interest income on lower deposits on bank accounts. The Group's financial expenses decreased from €4.1 million for the year ended December 31, 2023 to €3.3 million for the Reporting Period, primarily due to a decrease in other financial expenses related to loan amortisation.

Foreign Exchange (Gains)/Losses

The Group's foreign exchange gains for the Reporting Period increased by €0.2 million.

Income Tax Expenses

The Group recorded income tax expenses of €38.2 million for the Reporting Period, as compared to income tax expenses of €20.5 million for the year ended December 31, 2023. The increase is attributable to the higher taxable income for the year (+21.5%) and the absence of the recognition of deferred tax assets on tax losses carried forward as happened in 2023.

Profit for the Year

As a result of the foregoing, the Group's profit for the year increased by €4.7 million, or by approximately 5.6%, from €83.5 million for the year ended December 31, 2023 to €88.2 million for the Reporting Period.

Certain Balance Sheet Items

Net Current Assets

The table below sets forth the Group's current assets, current liabilities and net current assets as of the dates indicated:

As of December 31 *(in thousands Euro)*	2024	2023
CURRENT ASSETS		
Cash and cash equivalents	155,744	314,109
Trade and other receivables	74,574	70,271
Contract assets	196,719	166,846
Inventories	443,594	337,732
Advances on inventories	38,160	37,266
Other current assets	603	820
Income tax recoverable	2,929	3,203
	912,322	**930,247**
CURRENT LIABILITIES		
Minority Shareholders' loan	500	1,000
Bank and other borrowings	10,534	11,253
Provisions	59,187	62,809
Trade and other payables	477,751	443,585
Contract liabilities	151,809	195,091
Income tax payable	1,932	6,299
	701,713	**720,037**
Net current assets	**210,609**	**210,209**

The Group had net current assets of €210.6 million as of December 31, 2024, consisting of current assets of €912.3 million and current liabilities of €701.7 million, which represented a small increase of €0.4 million from the Group's net current assets of €210.2 million as of December 31, 2023, with a different mix of items and the variance is primarily due to (i) an increase in contract assets of €29.9 million in line with the growth of the Group's business; (ii) an increase in inventories and advances on inventories of €106.8 million, mainly attributable to an increase in production volumes; (iii) an increase in trade and other receivables of €4.3 million in line with the growth of the Group's business; and (iv) a decrease in contract liabilities of €43.3 million. This was partially offset by (i) an increase in trade and other payables of €34.2 million in line with the growth of the Group's business; (ii) a decrease in cash and cash equivalents of €158.4.
All borrowings are denominated in Euro.

Inventories/Advances on Inventories

The Group's inventories and advances on inventories increased by €106.8 million, or 33.7%, from €375.0 million as of December 31, 2023 to €481.8 million as of December 31, 2024, primarily due to a greater availability of finished units for sale, primarily aimed at the AMAS market, which, in 2024, experienced a delay in orders compared to the usual seasonality in the composite segment. Based on the order intake in the first weeks of 2025, this availability is proving to be a great opportunity, enabling faster deliveries to customers and a consequent release of Net Working Capital.

Trade and Other Receivables

The table below sets forth a breakdown of the Group's trade and other receivables as of the dates indicated:

As of December 31 (in thousands Euro)	**2024**	**2023**
TRADE RECEIVABLES		
Accounts receivable from customers	40,162	25,923
Impairment	(3,725)	(3,496)
	36,437	**22,427**
Other receivables	**38,137**	**47,843**
Total	**74,574**	**70,271**

The Group's trade and other receivables increased by €4.3 million, or 6.1%, from €70.3 million as of December 31, 2023 to €74.6 million as of December 31, 2024, primarily due to an increase in trade receivables in line with the growth of the business, partially off-set by a decrease in other receivables of €9.7 million mainly attributable to the decrease of a payment in advance present last year for the acquisition of the new Ravenna site.

Contract Assets

The Group's contract assets increased by €29.9 million, or 17.9%, from €166.8 million as of December 31, 2023 to €196.7 million as of December 31, 2024, primarily due to an increase in production volumes.

Trade and Other Payables

The table below sets forth a breakdown of the Group's trade and other payables as of the dates indicated:

As of December 31 *(in thousands Euro)*	2024	2023
Trade payables	427,026	393,915
Other payables	52,121	50,606
Total	**479,147**	**444,521**

The Group's trade and other payables increased by €34.6 million, or 7.8%, from €444.5 million as of December 31, 2023 to €479.1 million as of December 31, 2024, primarily due to an increase in trade payables of €33.1 million, which was mainly attributable to an increase in the Group's procurement in line with the growth of the Group business.

Contract Liabilities

The Group's contract liabilities decreased by €43.3 million, or 22.2%, from €195.1 million as of December 31, 2023 to €151.8 million as of December 31, 2024.

Capital Expenditures

The Group's capital expenditures were primarily in connection with the Group's continuous efforts in renewing and broadening its product portfolio as well as expanding business, mostly for the commissioning of the Ravenna shipyard.

The table below sets out the Group's capital expenditures (except right-of-use assets) for the years indicated:

As of December 31 *(in thousands Euro)*	2024	2023
Property, plant and equipment	132,375	127,584
Intangible assets	8,474	19,485
Total capital expenditures	**140,849**	**147,069**

The net financial position as of December 31,2024 was €124.6 million of net cash, compared to €281.1 million of net cash as of December 31,2023.

Net working capital

Net working capital as of December 31, 2024 was positive €124.5 million, representing an increase compared to the previous year, mainly due to the delay of the beginning and the peak of the AMAS market order intake, particularly in the composite segment, compared to the usual seasonality.

Non-IFRS Measures

To supplement the Group's consolidated results which are presented in accordance with IFRS, EBITDA, adjusted EBITDA, adjusted EBITDA/net revenue without pre-owned, being non-IFRS measures, were also presented. The

Group is of the view that these measures facilitate comparison of operating performance from period to period by eliminating potential impacts of certain items and believes that these measures provide useful information to understand and evaluate the Group's consolidated income statements in the same manner as they help the Group's management. However, the Group's presentation of EBITDA may not be comparable to similar terms used by other companies. The use of these measures have limitations as an analytical tool, as such, it should not be considered in isolation from, or as substitute for analysis of, the Group's results of operations or financial condition as reported under IFRS.

The Company defines (i) EBITDA as profit after tax plus financial expenses (including the result of operating foreign exchange conversion but excluding exchange rate gains/(losses) related to financial transactions), depreciation and amortization, and income tax expense, and less financial income and income tax benefit; (ii) adjusted EBITDA as EBITDA adjusted by adding back certain special items (including non-recurring costs for supply chain support, contribution to employees for Emilia-Romagna flood and other minor non-recurring events); and (iii) net revenue without pre-owned as net revenue excluding revenue generated from the trading of pre-owned yachts.

The table below sets forth the reconciliations of the Group's non-IFRS measures to the nearest measures prepared in accordance with IFRS for the years indicated:

As of December 31 *(in thousands Euro)*	2024	2023
Net revenue	1,240,346	1,134,484
Revenue pre-owned	(66,997)	(23,535)
Net revenue of new yachts	**1,173,349**	**1,110,949**
Operating costs	(983,341)	(941,703)
Adjusted EBITDA	**190,009**	**169,246**
Special items	**(118)**	**(6,589)**
Operating exchange gains/(losses) and Share of loss of a joint venture	(38)	62
EBITDA	**189,853**	**162,719**
Depreciations and amortisation	(66,451)	(63,167)
Financial income, financial expenses, financial exchange gains	2,975	4,470
Profit before tax (PBT)	126,377	104,022
Income tax	(38,217)	(20,519)
Profit after tax (PAT)	**88,160**	**83,503**
Adjusted EBITDA/Net revenue of new yachts	**16.2%**	**15.2%**

The Group's adjusted EBITDA for the year ended December 31, 2024 was €190.0 million, with an increase of approximately 12.3% from the year ended December 31, 2023, which was €169.2 million. The adjusted EBITDA/ net revenue of new yachts margin was equal to 16.2%, up 100 basis points when compared to 15.2% for the year ended December 31, 2023.

This excellent performance confirms the strength of the commercial and industrial strategy employed by the Group. This strategy has enabled the Group to maintain strong negotiating power over prices, consolidates the most profitable made-to-measure segment, and absorbs fixed costs more efficiently, in addition to greater procurement economies of scale capacity.
The table below sets forth the details of the special items which were deducted from the EBITDA:

As of December 31 (in thousands Euro)	**2024**	**2023**
Supply chain support	—	6,371
Contribution to employees for Emilia-Romagna flood	—	215
Other (income)/expenses	118	3
Total	**118**	**6,589**

Financial ratios

The table below sets forth selected financial ratios of the Group:

Profitability Ratios

Year ended December 31	**2024**	**2023**
Return on equity[11]	10.2%	10.3%
Return on total assets[12]	5.4%	5.5%

Liquidity Ratios/Capital adequacy Ratio

Year ended December 31	**2024**	**2023**
Current ratio[13]	1.3	1.3
Quick ratio[14]	0.7	0.8
Gearing ratio[15]	3.7%	4.0%

11 Return on equity is calculated based on profit attributable to Shareholders for the period divided by the arithmetic mean of the opening and closing balances of equity attributable to Shareholders and multiplied by 100%..
12 Return on total assets is calculated based on profit for the period divided by the arithmetic mean of the opening and closing balances of total assets and multiplied by 100%.
13 Current ratio is calculated based on total current assets divided by total current liabilities.
14 Quick ratio is calculated based on total current assets less inventories divided by total current liabilities.
15 Gearing ratio is calculated based on total indebtedness divided by total equity and multiplied by 100%.

Return on Equity

The Company's return on equity decreased from 10.3% for the year ended December 31, 2023 to 10.2% for the Reporting Period, primarily due to the increase in the average net equity.

Return on Total Assets

The Company's return on total assets decreased from 5.5% for the year ended December 31, 2023 to 5.4% for the Reporting Period, primarily due to the increase of the average of total assets.

Current ratio

The Company's current ratio remained stable at 1.3 as of December 31, 2024 and 2023.

Quick ratio

The Company's quick ratio decreased from 0.8 as of December 31, 2023 to 0.7 as of December 31, 2024.

Gearing ratio

As at December 31, 2024, the Group's gearing ratio was approximately 3.7% (as at December 31, 2023: 4.0%), calculated as the total indebtedness divided by total equity as at the end of the Reporting Period and multiplied by 100%. The decrease was mainly due to the increase in share capital related to net profit for the year, net of the dividend paid, and the decrease in total indebtedness. The Group's gearing ratio demonstrated that the financial position of the Group was healthy as the debt level of the Group was very low as at the end of the Reporting Period.

Treasury policies

The Group continues to adopt a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Reporting Period. The Board closely monitors the liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

Foreign exchange exposure

The Group's revenue generating activities and borrowings were denominated in Euro, which is the functional and presentation currency of the Group. The Board considered that the Group was exposed to exchange rate risks in relation to the U.S. dollar. The Group could use foreign currency forward contracts to hedge its exposure to foreign currency risks in connection with forecast transactions and firm commitments. As at December 31, 2024 and 2023, there were no currency forwards in place.

Pledge of assets

As at December 31, 2024, the Group's bank borrowings were secured by certain of the Group's buildings, with the carrying amount of €2.8 million (2023: €115.6 million). Details of which are set out in Note 51 to the Consolidated Financial Statements.

Legal and potential proceedings

As at December 31, 2024, the Group did not have any on-going legal proceedings or potential proceedings threatened to be brought against the Group that would have a material impact to the operations of the Group.

Contingent liabilities

As at December 31, 2024 and 2023, the Group did not have any material contingent liabilities.
Details of contingent liabilities of the Group are set out in Note 50 to the Consolidated Financial Statements.

Significant investment, acquisition and disposal of subsidiaries, future plan for significant investment or acquisition of capital assets

During the Reporting Period, the Group did not make any significant investment, material acquisition or disposal of subsidiaries, associates and joint ventures. Save for the expansion plans disclosed in the section headed "Future Plans and Use of Proceeds" in the Hong Kong Prospectus, the Company has no specific plan for significant investments or acquisitions of material capital assets.

Significant events that occurred in 2024

In the first quarter of 2024, the Group announced the launch of the second model of Ferretti Yachts INFYNITO range, the INFYNITO 80.

In the second half of January 2024, the Company signed an agreement for the acquisition of an additional 30,000 square meters adjacent to the San Vitale Shipyard, bringing the entire new production area in Ravenna to approximately 100,000 square meters to produce the Made-to-measure, Composite and Sail segments of the Ferretti Yachts and Wally brands. This latest acquisition is equivalent to an investment of approximately €14 million already paid in 2023, and further increases the Group's production capacity by 10%.

The Group attended the main boat shows worldwide: boot Düsseldorf in January 2024, Miami International Boat Show in February 2024, Dubai International Boat Show in February and March 2024 and Palm Beach International Boat Show in March 2024.

On April 22, 2024 the Shareholder's meeting of Ferretti S.p.A was convened and approved the following:
— the individual financial statements of Ferretti S.p.A. for the year ended on December 31, 2023, and reviewed the consolidated financial statements of the Ferretti Group for the year ended on December 31, 2023;
— the distribution of a dividend;

— the remuneration policy for the financial year 2024, with a binding vote, casting a favorable advisory vote for the report on compensation paid in the financial year 2023;
— the integration of the Board through the appointment, pursuant to Article 2386 of the Italian Civil Code, of Mr. Zhang Quan and Ms. Zhu Yi as directors.

On June 4, 2024 the new Ravenna shipyard's slipway made its official debut with its first ever launch of the fourth unit of the Ferretti Yachts INFYNITO 90.

At the Venice Boat Show 2024, Ferretti Group and Flexjet announced a contractual partnership which will provide ultra-high net worth customers shared by both partners with combined, exclusive solutions.

New partnership between Riva and Bang & Olufsen was announced.

Riva and design studio Officina Italiana Design announced the renewal of their exclusive collaboration contract for five more years.

On June 26, 2024 a dividend equal to €32,832,817.44 (€0.097 per share) was paid to shareholders.

With a Memorandum of Understanding signed by Ferretti Group, Emilia Romagna Regional Administration, Bologna University, Cassa dei Risparmi Foundation and Forlì Municipality the new Master's Degree Course in Marine Engineering, based in Forlì, gets under way in academic year 2024–25. The aim of the course is to enrich university offering with new degree programmes that meet the need set out by industry in general and the yacht building sector in particular on the Adriatic coast where the Group has five production sites.

As at June 30, 2024, the Company has in place a medium-to-long-term loan agreement for a maximum total amount of €170 million signed in August 2019 with Banca Nazionale del Lavoro S.p.A., Banco BPM S.p.A., Barclays Bank Ireland PLC, BNP Paribas, Milan Branch, BPER Banca S.p.A., Crédit Agricole Italia S.p.A., MPS Capital Services Banca per le Imprese S.p.A. and UBI Banca S.p.A., as lenders, that was not in use.

This medium-to-long-term loan agreement expired on August 2, 2024 and the Management has worked to replace it by negotiating a new revolving facility. On July 26, 2024 the Company has signed a loan agreement with a pool of banks including Banco BPM S.p.A., BPER Banca S.p.A., Intesa Sanpaolo S.p.A. and UniCredit S.p.A. to support the Company in its growth path by financing, if necessary, the working capital.

The new revolving line is for a total amount of €160 million and a duration of 5 years from the date of signature of the Loan Agreement. No guarantee has been provided on the Group's real estate or other assets.

The Group attended the main boat shows worldwide: the Sydney International Boat Show in August 2024, the Cannes Yachting Festival in September 2024, the Salone Nautico di Genova in September 2024 and the Monaco Yacht Show in September 2024.

Significant events after the reporting period

On January 21, 2025 the Shareholder's meeting of Ferretti S.p.A was convened and approved the following:
— the assignment of the mandate of certification of the compliance of the sustainability reporting, determination of the related fee and the criteria for adjusting this fee during the assignment;
— the appointment of one director to integrate the Board following co-optation pursuant to Article 2386 of the Italian Civil Code;
— the appointment of the Chairman of the Board.

On February 28, 2025, the Board has:

1. reviewed and approved the consolidated preliminary financial results as of December 31, 2024
2. appointed by co-optation the directors Mr. Tan Ning and Mr. Hao Qinggui;
3. approved the new composition of the Remuneration Committee, Environmental, Social and Governance Committee and Strategic Committee; and
4. appointed the new director in charge of the internal audit and risk management system.

Employees and remuneration policy

As at December 31, 2024, the Group had 2,118 employees (as at December 31, 2023: 1,971). Apart from salary remuneration, our employees benefit from the accruals of social security contributions to the National Institute of Social Security in Italy, and to the private funds if provided by the collective bargaining agreement. In addition, the Company granted discretionary bonuses to qualified employees, based on its operating results and individual performance.

Essential intangible resources

Essential intangible resources, as indicated by article 15 of Legislative Decree 125/2024 (hereinafter also the "Decree"), which constitute a source of value creation for the Group, are those resources without physical consistency on which the business model fundamentally depend and which constitute a source of value creation. On the basis of the conceptual framework provided by the International Integrated Reporting Framework, the following types of capital can be represented:

a. intellectual capital, which includes the intangible assets corresponding to the organizational capital and the value of knowledge;
b. human capital, which concerns people's skills, abilities and experience and their motivation to innovate;
c. social and relational capital, i.e. institutions and relationships between or within communities, stakeholder groups and other networks, as well as the ability to share information in order to increase individual and collective welfare.

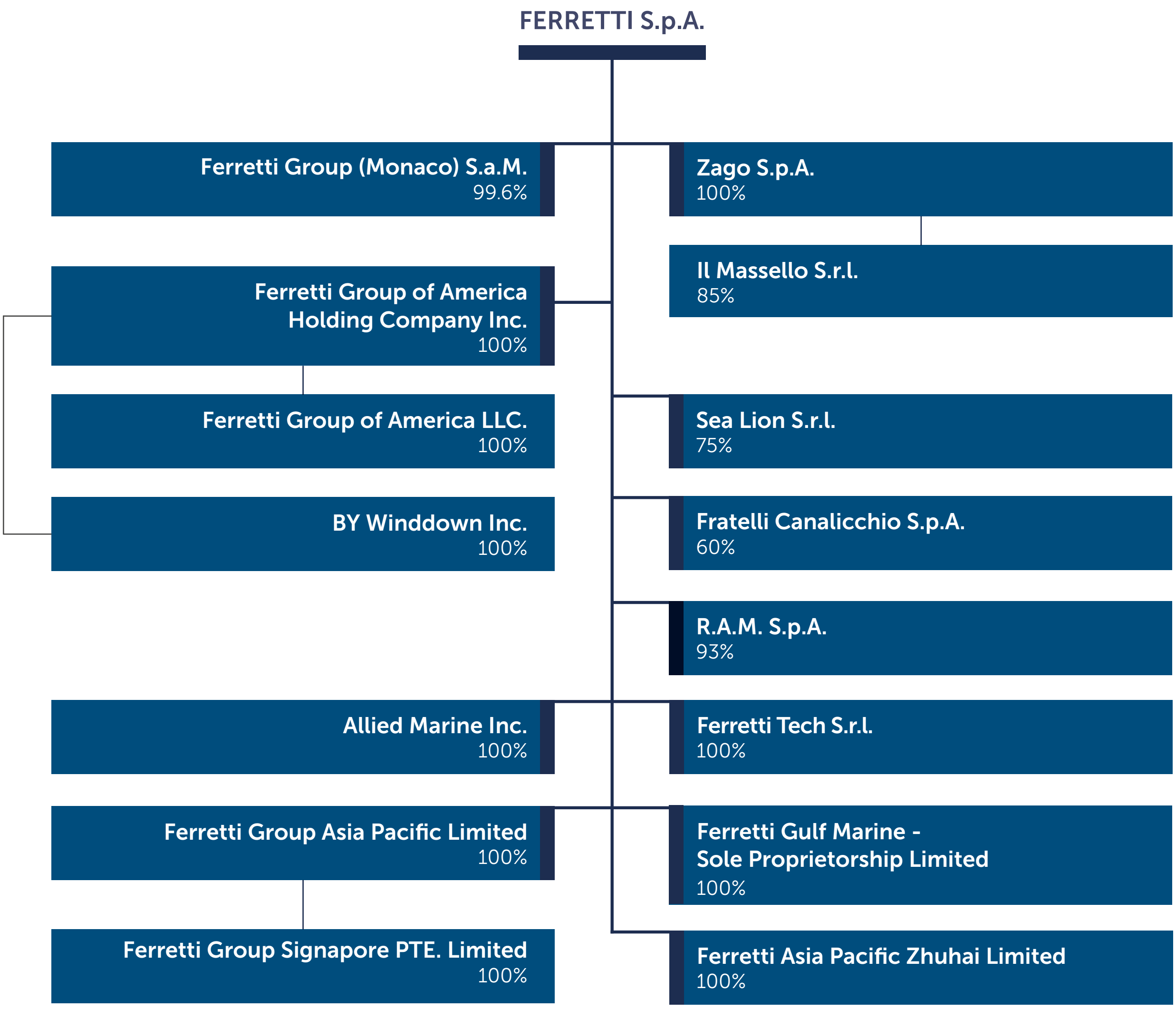
Consolidated Sustainability Reporting

CONTENTS

Ferretti Group

Ferretti Group: Our Profile

Recognised globally as a benchmark for luxury yachting, Italy is reflected in the excellence embodied by Ferretti Group. The Group's success is rooted in a prestigious tradition, enhanced by distinctive values, an unmistakable identity and a solid structure that have made it an industry icon. In this context, Ferretti Group's business model integrates the industrial efficiency of its seven shipyards located in Italy with the refined craftsmanship tradition of Made in Italy. This synergy allows the Group to operate successfully in a global market, generally serving high-profile owners seeking exclusive, customised boats in over 70 countries and supporting a select network of dealers in Europe, Asia and the United States. The Group's clients seek a combination of elegance, performance and advanced technology in their yachts. The yacht models produced by Ferretti Group are known for being highly customisable, with exclusive interiors and state-of-the-art technology. The Group's structure is summarised below:



Products and Services

Ferretti Group specialises in the design and construction of yachts from 8 to 95 metres in length. Satisfying a global and diverse customer base, its product portfolio is characterised by brands and models that vary in terms of type, size, performance, design, materials and degree of customisation. For a better understanding, the offer is divided into three distinct segments:

COMPOSITE YACHTS

This category includes boats of up to 30 metres (100 feet) in length, characterised by hulls made of composite materials such as ibreglass or carbon ibre. Composite yachts are designed with a predeined set of accessories, materials and decorative elements that serve as the basis for customisa- tion according to the owner's preferences.
Thanks to the "one-piece flow" production process, these yachts guarantee particularly fast delivery times, without sacriicing high quality and innovation standards.

MADE-TO-MEASURE YACHTS

This category comprises almost entirely custom-built boats, with lengths ranging from 30 to 43 metres (100-140 feet).
Made-To-Measure yachts stand out for the possibility of in-depth customisation of interior layouts, furnishings and accessories, while still beneiting from the stability and production advantages offered by predeined ibreglass or carbon ibre hulls, depending on the model.

SUPER YACHTS

The Super Yachts range includes larger yachts with metal alloy hulls and lengths up to 95 metres (311 feet). This category is further divided into two types:

- Fully-Custom Yachts: unique creations, entirely tailor-made to meet speciic customer require- ments, both for exteriors and interiors.
- Flagship Models: yachts with fully customisable interiors, reflecting the distinctive design of brands such as Riva, Pershing, Custom Line and Wally-branded super sailing yachts. Due to their exclusive nature, the production process of these yachts is complex and takes longer timings, depending on the customisation required.

Level of customisation	List of predefined options to choose from (colours. fabrics. etc.)	Layout and interior details	Hull. exterior and interior design
Construction time	2-8 months	7-15 months	28-48 months
Sales channel	Dealer	Broker	Broker

The group's brands

In addition to the production and sale of yachts, Ferretti Group's core business continues to be enhanced by a series of complementary services that strengthen the value of the overall offer:

— **Conception, Design and Realisation of Interior Furnishings**: Use of wood and state-of-the-art handling systems to create unique environments on board.
— **Solutions for Safety at Sea**: Through the Ferretti Security Division (FSD), the Group designs and builds vessels to monitor and patrol international, regional and coastal waters.
— **After-Sales and Refitting Services**: Upgrades and renovations to keep every vessel at the highest level of performance and aesthetics.
— **Brand Extension Activities**: Initiatives aimed at engaging more customers, strengthening brand recognition.
— **Brokerage and Yacht Management Services**: Full support for the entire life-cycle of vessels, from sale to operational management.

The economic contribution deriving from these support activities represents an essential strategic advantage, as it mitigates the impact of cyclical and seasonal characteristics typical of the core business.

The table below represents the Ferretti Group's enhancement of its resources and skills (**input**), translating them into products, services and strategic initiatives (output), with the aim of generating positive and sustainable impacts for customers, investors and stakeholders (**outcome**).

Inputs	Outputs	Outcomes
Financial — Capital stock — Debt Capital — Research & Development investments	**Yacht & Boats** — Composite Yachts. Made-to-measure Yachts. Super Yachts	**Financial** — Revenues — EBITDA
Technological — Development and innovation centres — Advanced design and engineering	**Nautical Innovation & Performance** — Hybrid and electric propulsion	**Technology** — Performance and exclusivity — Innovative products — Nautical development
Intellectuals — Patents and intellectual property — Engineering and craftsmanship know-how	**Experience and Customisation** — Customisation options — Luxury interior design	**Intellectuals** — Reputation
Humans — Technical and craft skills — Staff training and development — Occupational safety and well-being	**Customer & After-Sales Services** — Ferretti Group Service Points — Maintenance and refitting — Financing and leasing services	**Humans** — Talent — Experience & Know-How — Integrity — Health & Safety
Infrastructure — Production and testing centres — Global supply chain	**Shipyards & Operating Facilities** — Marina and exclusive showrooms — Events and sea trials	**Infrastructure** — Work experience — Employee well-being — Vessel performance
Social/Relational — Collaborations with designers and architects — Relations with governments and institutions — Engagement with ship owners and VIP clients	**Events & Partnerships** — WallyBeacon — Energy Boat Challenge — Boat Shows and International Fairs — Partnerships with luxury brands	**Social/Relational** — Growth of local communities — Stakeholder involvement — Strategic partnerships
Natural — Renewable energy sources — Optimising the life cycle of vessels	**Sustainability & Energy Efficiency** — More durable and sustainable yachts	**Natural** — Reducing emissions — Circular Economy

ESRS 2: General Disclosures

Criteria for preparation

This section of the Annual Report represents Ferretti Group's first Consolidated Sustainability Report (hereinafter also referred to as the "**Report**"), prepared pursuant to Italian Legislative Decree No. 125 of 6 September 2024 (hereinafter also "**the Decree**"), which implements EU Directive 2464/2022, known as the "*Corporate Sustainability Reporting Directive*" (CSRD).
Ferretti Group has prepared this Report in accordance with the ESRS Sector-Agnostic standards1[1] (hereinafter also referred to as "**the ESRS**" or "**the Standards**"), for the period from 1 January to 31 December 2024, consistent with financial reporting. The reporting is therefore annual; moreover, it was not possible to make comparisons with the year 2023, as this is the first year of ESRS reporting.

The principle of inclusion by reference was applied by including some information from the Corporate Governance Report in the consolidated sustainability reporting. This approach ensures greater consistency and integration between the various corporate documents, allowing for a more complete and structured view of the information disclosed.

The Group has not omitted any specific information corresponding to know-how or innovation results.
The reporting scope includes all fully companies consolidated within the scope of the Consolidated Financial Statements. The disclosures contained in the Report, with particular reference to Policies, Actions, Targets (PAT) and Metrics, refer to the entire reporting scope.
The disclosures reported in the Consolidated Sustainability Report has been prepared taking into account the sustainability issues material to the Group, as defined by the principle of Double Materiality introduced by ESRS 1 "General Requirements". As indicated by ESRS 2 "General Disclosures", the document includes and elaborates on the sustainability issues identified as material for the Group as a result of the Double Materiality Assessment. In this phase, the most material impacts, risks and opportunities (also referred to as "**IROs**"), as well as sustainability issues related to the Group's activities, were identified. For more details on the meaning of "materiality", please refer to the section "Process of Defining Materiality" in this document.

In compliance with the requirements of the standards, the disclosures included in the Report expand its scope to include the upstream and downstream value chain, in order to provide a comprehensive view of the impacts, risks and opportunities material to the Group. In fact, as reported in the section "Double Materiality Assessment", it took into account not only the impacts, risks and opportunities associated with the Group's internal activities, but also those associated with its value chain.

As far as disclosure is concerned, both qualitative and quantitative information has been reported for some indicators, limited to the Group perimeter, since the Decree provides for the possibility of omitting, in the first three years of reporting, information relating to the value chain, provided adequate reasons are given. Furthermore, where it was not possible to collect the required information on the value chain, the possible use of estimates or proxy variables, which are based on reasonable and verifiable data, was indicated. When the estimates concerns metrics, the starting assumptions and basis of the estimates are clearly described, and the resulting level of accuracy is also specified. Currently, the quantitative data available for the value chain concern Scope 3 emissions, but the Group is committed to taking the necessary steps to supplement and expand this data in the coming years.

It should be noted that current or future financial resources allocated to action plans have not been included in this report when they are considered insignificant, i.e. when they are below the threshold of 20,000 €.

1 Single European Sustainability Reporting Standard, developed by EFRAG and officially published on 31 July 2023 (Delegated Regulation 2772/2023, Annex I).

In preparing the forward-looking information contained in these financial statements, the company has had to make assumptions about future events that, by their nature, present a degree of uncertainty. These assumptions are based on estimates and forecasts that could vary, in terms of magnitude and timing, depending on changing circumstances. Therefore, forward-looking information should be regarded as subject to uncertainties, which could lead to significant changes from what is expected. The company undertakes to constantly monitor these factors and to revise the estimates and assumptions used, when necessary, in order to ensure the accuracy of the information provided.
In preparing the Report, the fundamental qualitative characteristics required for information (relevance and faithful representation) and the qualitative characteristics that enhance disclosures (comparability, verifiability and understandability) were considered, as defined and described by the ESRS 1 "General Requirements" standard, which regulates them in Appendix B "Qualitative Characteristics of Information".

As a company required to prepare a Consolidated Sustainability Report, pursuant to Article 4 of Italian Legislative Decree 125/2024, Ferretti Group has included the disclosure required by the regulations on the "EU Taxonomy" (EU Regulation 2020/852 and subsequent Delegated Regulations (EU) 2021/2178, 2021/2139, 2023/2485 and 2023/2486 related thereto) in relation to the eco-sustainable activities conducted by the Group. It should be noted that, in conducting the analysis and preparing material disclosures, a prudential approach was adopted overall, based on understanding and interpreting, to the best of current knowledge, the applicable regulatory requirements. The details of the reported indicators can be found in the ESRS Content Index, located in the "Annex" to this document. This section also includes the "Appendix B" table linking the information prescribed by other EU regulations containing sustainability disclosure requirements and the — cross-cutting and topical — ESRS disclosure requirements disclosed in the Group's Consolidated Sustainability Report 2024.

The drafting process of the Report, prepared by the Investor Relations & Sustainability function supervised by the Chief Financial Officer, saw the involvement of the heads of the various Group corporate functions, both in the Double Materiality process, fully described in the dedicated chapter, and in the preparation of the qualitative and quantitative contents. Currently, within the Ferretti Group, there is no specific delegation to a position or committee at management level for the direct supervision of governance processes, controls and procedures relating to the monitoring, management and control of impacts, risks and opportunities.
The Report was submitted for approval by the Board of Directors of Ferretti S.p.A. on 14 March 2025 and is subject to limited review ("**limited assurance**" in accordance with the Standard on Sustainability Assurance Engagement — SSAE (Italy)).

It should also be noted that, as part of the ESG project, the Group also planned to launch a specific worksite on the "Sustainability Disclosure Internal Control System", in order to improve its decision-making processes and related internal control procedures that are currently not formalised. For more details on the consolidated sustainability reporting internal control system, reporting, please refer to the section "Risk Management and Internal Controls over Sustainability Reporting" in this document.
The Consolidated Sustainability Report is published on the corporate website, section "Investor Relations" and "Sustainability", following approval by the Board of Directors.
Contact: investorrelations@ferrettigroup.com

ESRS 2 Governance

Ferretti Group adopts a corporate governance system based on compliance with current legislation, the Articles of Association and Internal Regulations, with the aim of ensuring responsible and sustainable management. The activities of the corporate bodies are geared towards the creation of value in the medium to long term, the protection of corporate assets, respect for shareholders' rights and the control of business risks. Corporate governance is based on principles of fairness and transparency, excluding any privileged use of company information for personal or group purposes. All shareholders enjoy equal opportunities to influence governance, with no possibility of confidential agreements or preferential treatment.

The Group adopts a traditional administration and control model, in which governance is entrusted to various bodies, including the Shareholders' Meeting, the Board of Directors, the Board of Statutory Auditors and the appointed Independent Auditors.

The Board of Directors is the body responsible for the direction and management of the Company and the Group. Within the Board, several committees have been established: the Nomination Committee, the Remuneration Committee, the ESG Sustainability Committee, the Strategy Committee and the Risk Control Committee. Each of these committees has proposal and advisory functions, consistent with the recommendations set forth in the Corporate Governance Code. In addition, the Related Parties Committee, which performs its role through the Control and Risk Committee, operates in accordance with the regulations and the Consob Related Parties Transactions (RPT) Regulation and RPT Procedure.

At present, the company has not yet formalised in detail the mechanisms through which the responsibilities related to impacts, risks and opportunities are integrated into the corporate mission, the mandates of the administration, management and control bodies and related policies, nor how the definition of targets related to these issues is systematically monitored. Similarly, although being assessed, specific sustainability skills and competencies are not yet fully developed or formally integrated into decision-making processes. The Group intends to pursue a path of continuous in-depth analysis and improvement in these areas. Furthermore, in these areas the assessment and supervision of impacts, risks and opportunities is carried out when approving the Consolidated Sustainability Report by the Board of Directors as a collegial body, as described in detail in the following paragraphs.

Board of Directors

Powers

ESRS 2 GOV-1

The Board of Directors of the Company has wide-ranging ordinary and extraordinary management powers, with competences that include decisions on significant transactions such as mergers, capital reductions and amendments to the Articles of Association. It is responsible for the approval of the business plan and the periodic evaluation of results, as well as the definition of the governance system and the management of corporate risks. Finally, the Board adopts policies for the management of dialogue with shareholders and for the management of corporate disclosures, including requirements regarding the disclosure of inside information.

Expertise

The members of the Board must possess the necessary skills and professionalism to perform their assigned tasks, as well as meet the requirements of independence and integrity laid down in the applicable regulations, including the provisions relating to companies listed on the Hong Kong Stock Exchange and Euronext Milano. Currently, only the Chairman of the Board of Directors has specific ESG expertise, while the other bodies do not have dedicated expertise in this area. However, the 'ESG' sustainability Committee is active within the Board of Directors and is responsible for addressing these issues. For more details, please refer to the section 'sustainability 'ESG' Committee'. In addition, training was planned for board members in order to hone specific skills to oversee sustainability issues. The board is also in charge of approving the Consolidated Sustainability Report.

Composition

The Board consists of nine members, two women (22%), seven men (78%), three Independent members (33%) and two executive members (22%). Its composition is subject to periodic evaluation, with a review at least once a year or following significant events, to ensure that the directors' independence and integrity requirements are met. There is no employee representation on the Board of Directors.

The table below shows the composition of the Board of Directors of Ferretti S.p.A. as at 31 December 2024:

Name	Age	Gender	Office	Executive/ Non-Executive	Independence	Experience related to the company's sectors. products and geographical areas
Jiang Kui	60	M	Chairman and non-executive Director	Non-executive	No	Senior Chairman of Weichai Power and Chairman of the Board of Weichai America. holding governance roles in international listed companies such as Kion Group and Power Solutions International. He also led major companies in the industry. including Shandong Heavy Industry Group. Ferretti S.p.A.. Sinotruk and Ballard Power System. consolidating a long career in industrial management.
Alberto Galassi	60	M	Chief Executive Officer and Executive Director	Executive	No	He developed a multidisciplinary career. starting in the legal field and then moving into strategic leadership roles at Piaggio Aerospace. contributing to its international relaunch. Currently. as CEO and executive director. he leads the Group's strategy and is a member of Boards of Directors in major sports and commercial companies.
Piero Ferrari	79	M	Non-Executive Director	Non-executive	No	He has held roles of increasing responsibility within Ferrari's motorsport division. contributing to the brand's global positioning. Today. as vice- chairman and founder of HPE-COXA. he is a leading figure in the luxury and high-end engineering sector. enriched by numerous awards. At Ferretti Group. he leads the Strategic Product Committee.
Xinyu Xu	61	M	Executive Director	Executive	No	He held management positions at Weichai Group. taking on roles ranging from operational management to international leadership. His background in Mathematics and an Executive MBA support a strategic and management profile in the global manufacturing sector.
Zhu Yi	48	F	Non-Executive Director	Non-executive	Si	She has more than 20 years' experience in investment banking. with a significant track record at Morgan Stanley culminating in the position of Managing Director. After leading research and projects in the automotive. industrial and infrastructure sectors. she became a partner at Shanghai Huasheng Youge Equity Investment Management. demonstrating excellent leadership skills.
Zhang Quan	61	M	Non-executive Independent Director	Non-executive	Si	He gained significant experience at the Weifang Diesel Engine Factory. holding key positions in the quality and marketing departments. Currently. as Vice Chairman of Weichai Power. he holds management roles in several Weichai group companies. contributing strategically to the development of the machinery and energy sector.
Stefano Domenicali	59	M	Non-executive Independent Director	Non-executive	Si	He has 20 years' experience in the automotive and luxury sector. starting at Ferrari and continued in senior roles at Lamborghini and Formula 1. His transformational leadership and strategic vision have contributed significantly to the innovation and international competitiveness of the industry.
Patrick Sun	66	M	Non-executive Independent Director	Non-executive	Si	With a solid career in financial markets. he has held leadership positions in institutions such as J.P. Morgan and Sunwah Kingsway Capital. and currently serves on numerous boards of listed companies.
Jiang Lan (Lansi)	57	F	Non-Executive Director	Non-executive	No	She has built a solid career in the automotive and construction industry. with relevant experience at Volvo and Doosan Infracore in China. Currently. as Managing Director at KJE International Holdings.

Board of Statutory Auditors

The Board of Statutory Auditors, as an independent auditing body, has the task of supervising compliance with the law and the Articles of Association, ensuring compliance with the principles of proper administration. In particular, it monitors the adequacy and proper functioning of the organisational, administrative and accounting structure of the company.

Powers

ESRS 2 GOV-1

Through its supervisory activities, the Board of Statutory Auditors makes a decisive contribution to ensuring the responsible and sustainable management of the company, fostering transparency and operational efficiency. It regularly reviews the processes and procedures implemented, assessing the effectiveness of internal controls and the consistency of the mitigation measures adopted, in order to integrate strategic decisions into business operations. Through its commitment, the Board of Statutory Auditors protects the interests of shareholders and stakeholders, promoting a culture of responsibility and transparency that is reflected in an integrated management of the company.

The Board of Auditors consists of five members, two men (40%) and three women (60%). The composition is decided with a view to ensuring compliance with the requirements of independence and integrity, thus ensuring balanced and transparent representation. It is composed as follows:

Composition

Name	Age	Gender	Office	Experience related to the company's sectors. products and geographical areas
Luigi Capitani	59	M	Chairman	Founding partner of Studio Capitani Picone (Parma) since 1994. specialising in extraordinary transactions. corporate finance. corporate crises and trust and family wealth management. An expert in strategic. tax. corporate and contractual consulting. he has held positions on boards of directors. boards of auditors and supervisory bodies pursuant to Law 231/2001. He also has experience in insolvency proceedings. corporate restructuring and tax defence.
Luca Nicodemi	51	M	Standing Auditor	He holds a degree in Business Economics from Bocconi University. specialising in Finance. and is a Chartered Accountant. Auditor and Expert Witness registered with the Court of Milan. An expert in corporate governance. he holds senior positions in football. industry and in supervised SGR entities. It has extensive experience in financial. accounting and tax consulting for M&A transactions. debt restructuring and corporate valuations for national and international institutions. as well as providing fairness. accounting and tax opinions for industrial groups operating in the luxury. infrastructure and banking sectors. In addition. he acts as a member of the Supervisory Board pursuant to Italian Legislative Decree 231/2001 for multinational companies and supervised entities.
Giuseppina Manzo	44	F	Standing Auditor	Professional expert in financial statements and corporate finance. currently advisor at Wepartner S.p.A. She has solid experience in company and equity investment valuation. fairness opinions. accounting advice (IAS/IFRS). opinions on debt sustainability and assistance in arbitration and court proceedings. She is a specialist in extraordinary finance transactions. mergers. acquisitions and corporate reorganisations. Previous experience at Studio Provasoli. Banca Intesa and Hitachi Europe. focusing on financial advisory. auditing and adoption of international accounting standards.
Tiziana Vallone	55	F	Alternate Auditor	She holds a degree in Economics and Commerce from the University of Bari and is a Chartered Accountant. Legal Auditor and Auditor for Local Authorities. An expert in auditing. corporate finance. corporate law and restructuring. she holds management and control positions in multinational and listed companies. Currently. she advises as an expert supporting the national business crisis tables of the Ministry of Industry and Made in Italy. She has gained academic experience. having taught until 2006 at the Bocconi University in Milan. and currently holds courses for the Order of Chartered Accountants of Milan and the Bar Associations of Milan. Bologna and Bergamo on corporate finance. business crisis and risk management. In addition. she is a member of numerous commissions and working groups. including the Commission for Crisis and Corporate Recovery. where she serves as vice-chairman.
Federica Marone	49	F	Alternate Auditor	Graduated in Economics with a legal focus from the "Parthenope" University of Naples. she has been practising as a Certified Public Accountant since 2006. Until 2023. she was an adjunct lecturer in Tax Law at the Faculty of Law of the Suor Orsola Benincasa University in Naples. Currently. she works as a Chartered Accountant and Tax Defence Counsel. drafting opinions and holding positions as director. liquidator. independent auditor and auditor in several corporations.

Supervisory Body

Powers
ESRS 2 GOV-1

The Supervisory Body (SB) is established by the Company's Board of Directors in accordance with Article 6 of Italian Legislative Decree 231/2001. It has the task of supervising the effectiveness and adequacy of the Organisation, Management and Control Model, monitoring its effective application within the corporate structure. The SB exercises its powers in full autonomy, being able to initiate controls and interventions and liaising directly with the Board of Directors and the Board of Statutory Auditors, thus ensuring timely and effective communication for the adoption of corrective measures if risks or critical issues are identified in corporate processes, in line with the Company's overall strategic objectives.

Expertise

The members of the SB are selected according to strict criteria of autonomy, independence, professionalism and integrity. They must have specific skills in inspection, consulting and risk analysis, as well as an in-depth knowledge of administrative and accounting regulations and techniques. The function of the SB extends to monitoring compliance with the Model by corporate bodies, employees and other recipients, also assessing any need to update the Model if changes in corporate or regulatory conditions are identified. Moreover, the decisions of the SB are supported, if necessary, by all corporate functions and external consultants for specialised tasks, thus ensuring a comprehensive, risk prevention-oriented approach in line with the corporate strategy.

Composition

The SB consists of three members, two men and one woman (67% and 33% respectively). The members are bound by stringent independence requirements and must not hold executive positions on the Board of Directors, nor have significant relationships with the Company or the CEO. Their mandate can automatically lapse if they lose their eligibility requirements, and they can only be dismissed for good cause, such as non-attendance at meetings or conviction for offences that compromise their operational capacity. In the event of resignation, disqualification or revocation, the Board of Directors promptly replaces members, thus ensuring the continuity of the supervisory functions. The collegial structure of the SB, combined with its autonomy and the powers conferred, ensures constant control and proactive management of corporate risks, contributing significantly to the proper implementation of the Model and the maintenance of the Company's overall strategy.

The table below shows the composition of the Supervisory Body:

Name	Age	Gender	Office	Experience related to the company's sectors. products and geographical areas
Paolo Beatrizzotti	51	M	Chairman	Chartered accountant with extensive experience in business consulting. management control and auditing. He has coordinated internal and external teams in the management of contracts. drafting of budgets and implementation of control systems. supporting due diligence activities and restructuring operations nationally and internationally. In addition. he has held leadership roles in corporate governance and administrative responsibility consulting. as well as temporary management positions. including CFO roles.
Monica Alberti	50	F	Member	A lawyer specialising in corporate and labour criminal law. with consolidated experience in corporate administrative liability (Italian Legislative Decree 231/2001). environmental criminal law and offences relating to health and safety. food. tax. corporate. bankruptcy and urban planning. In recent years. she has also worked in the field of web reputation and honour protection for individuals. companies and public bodies. She coordinated the preparation and implementation of the organisation. management and control models required by Italian Legislative Decree 231/2001. providing advice and defence in criminal proceedings.
Luigi Bergamini	60	M	Member	He graduated in Law at the University of Modena and passed the law practice qualification examination at the Court of Appeal of Bologna. He gained professional experience in law firms in Modena and Rome and. subsequently. working as a legal advisor for Piaggio Aerospace in Genoa. He also served as a member of the board of statutory auditors for Piaggio Aerospace and currently holds this position for Ferretti Group in Forlì.

Remuneration Committee

The Remuneration Committee is an organ providing advice and putting forward proposals to the Board of Directors, with the task of supporting it in decisions concerning the company's remuneration policy, ensuring that remuneration strategies are consistent with the company's long-term objectives and aligned with the interests of shareholders and other stakeholders.

Powers

ESRS 2 GOV-1

The Committee works with the other corporate committees to support the Board of Directors in the creation of long-term value, operating in accordance with the Corporate Governance Code. Its work consists of investigating, making proposals and providing advice whenever the Board has to evaluate or make decisions on the remuneration of directors, members of the supervisory body and remuneration policies for senior executives. It assists the Board in defining the remuneration policy, formulating proposals and providing opinions on the remuneration structure for directors and executives with strategic responsibilities, ensuring transparency and monitoring the implementation of the decisions taken. Within this framework, the Committee examines and approves the remuneration proposals for executives, aligning them with the company's targets, and proposes or expresses opinions on the remuneration of executive directors and other directors with special duties, also determining performance targets for the variable component of remuneration.

The Committee also makes recommendations on total remuneration, including benefits, pension and other allowances for executive directors and executive with strategic responsibilities, after consulting with the Chairman of the Board or the CEO. It formulates proposals for the remuneration of non-executive directors and verifies the consistency of remuneration with the principles set out in the corporate policy.

In addition, the Committee considers the remuneration policies adopted by comparable companies, assessing factors such as contract type, responsibility and time commitment. It expresses opinions on remuneration plans based on shares or other financial instruments for executives, directors, employees and collaborators, also proposing monetary incentive plans for executives with strategic responsibilities. It ensures that no director or person connected to them participates in decisions concerning their own remuneration and supports the executive director in defining any incentive schemes to be submitted to the Board.
It periodically monitors the application of the remuneration policy, verifying the achievement of performance targets related to the variable component and assessing the adequacy and overall consistency of the policy for directors and top management. To this end, it examines in advance the annual report on the remuneration policy and remuneration paid, making it available for the Shareholders' Meeting.

Integration and coordination with internal control systems and risk management are also guaranteed, ensuring that remuneration policies are in line with the overall sustainability reporting framework and risk management measures adopted by the Company.

Finally, the Committee evaluates shareholder feedback on the remuneration policy and reviews and approves any share-based incentive plans that comply with the applicable listing rules. Through these activities, the Remuneration Committee ensures that the company's remuneration policies are transparent, competitive and in line with market best practices, contributing to the sustainable growth of the company and the protection of stakeholders' interests.

Composition

The Remuneration Committee consists of five members, four men (80%) and one woman (20%), and is structured to ensure maximum transparency and consistency in the adoption of remuneration policies, contributing to the effective and responsible management of corporate remuneration strategies.

Name	Age	Gender	Office	Experience related to the company's sectors. products and geographical areas
Stefano Domenicali	59	M	Chairman. Independent	For further details please see section "The Board of Directors"
Patrick Sun	66	M	Independent	For further details please see section "The Board of Directors"
Zhu Yi	48	F	Independent	For further details please see section "The Board of Directors"
Piero Ferrari	79	M	Non-executive	For further details please see section "The Board of Directors"
Xu Xinyu	61	M	Executive	For further details please see section "The Board of Directors"

Nomination Committee

Powers

ESRS 2 GOV-1

The Nominations Committee supports the Board of Directors in decisions concerning the composition, renewal and self-assessment of the Board, ensuring effective and transparent governance. In this context, the Committee ensures that the Board structure is in line with the Company's strategic objectives and the need for diversity and expertise, favouring the presence of profiles capable of addressing current and future challenges, including sustainability and risk management issues.

Among its main activities, the Committee regularly analyses the structure, size and composition of the Board, thoroughly assessing the skills, knowledge and experience of its members. Particular attention is paid to the independence of non-executive directors and the diversification of profiles, which are essential elements for the effective management of risks and the exploitation of opportunities. In this process, the Committee identifies qualified candidates to serve as directors and makes recommendations on their selection.

The Nomination Committee also deals with succession planning for directors, with particular attention to the positions of Chairman and CEO. Through a strategic analysis, the Committee makes proposals for possible changes to the composition of the Board, ensuring its ongoing alignment with corporate strategy and best market practices. It also evaluates the application of diversity policies and expresses its opinion on the activities of Directors that might be in competition with the Company, thus contributing to the protection of corporate interests and the creation of long-term value. Finally, the Committee works closely with other governance bodies, facilitating the exchange of information and sharing of best practices, so as to integrate control and risk management functions into the overall reporting framework.

Composition

The Nomination Committee consists of five members, four men (80%) and one woman (20%), in detail:

Name	Age	Gender	Office	Experience related to the company's sectors. products and geographical areas
Jiang Kui	60	M	Non-Executive Chairman	For further details please see section "The Board of Directors"
Patrick Sun	66	M	Independent	For further details please see section "The Board of Directors"
Stefano Domenicali	59	M	Independent	For further details please see section "The Board of Directors"
Zhu Yi	48	F	Independent	For further details please see section "The Board of Directors"
Alberto Galassi	60	M	Executive	For further details please see section "The Board of Directors"

ESG Sustainability Committee

The ESG Sustainability Committee (hereinafter also referred to as the "**ESG Committee**") plays a strategic and multifunctional role in assisting the Board of Directors in defining and implementing policies and strategies related to environmental, social and governance aspects. In particular, the Committee is responsible for monitoring ESG issues to assess their direct impact on corporate strategy and for systematically reviewing sustainability performance. In the process of reviewing and verifying the data contained in the Consolidated Sustainability Report, the ESG Committee is also responsible for certifying and examining the identified impacts, risks and opportunities, ensuring that they are correctly represented and aligned with the company's strategies, targets and material ESG standards.

Powers

ESRS 2 GOV-1

To support decision-making, the Committee defines specific metrics and targets aimed at continuously improving ESG performance. To this end, it makes concrete recommendations to steer the company towards more sustainable and responsible initiatives, ensuring that these proposals are in line with the company's overall strategy and international best practices. In addition, the Committee assists the Board in analysing and updating the Group's sustainability policy, integrating the results of ESG assessments into the decision-making process and defining medium-to long-term targets for better management of impacts, risks and opportunities.

The ESG Committee has the right to access all corporate information necessary for the performance of its duties and, when necessary, may use independent consultants, subject to verification of their independence, to conduct in-depth analyses and comparative studies with compensation and reimbursement established by the Board of Directors, thus ensuring the operational autonomy and continuity of its functions.

Expertise

Currently, controls and procedures dedicated to managing impacts, risks and opportunities do not cover all relevant IROs; however, taking a proactive and advisory role in Corporate Social Responsibility (CSR), the Committee monitors the implementation of sustainability policies and strategies, proposing corrective and development actions. It oversees the preparation and approves the Consolidated Sustainability Report, key tools that demonstrate the company's commitment to transparent and comprehensive reporting. In addition, the Committee helps to ensure that information on impacts, risks and opportunities is effectively communicated to management and supervisory bodies. For more details, see the section "Information provided to the company's administrative, management and supervisory bodies and sustainability issues addressed by them" in this chapter. Currently, it does not have a structured process for systematically integrating consideration of impacts, risks and opportunities into strategy oversight, decisions on relevant transactions and risk management.

The ESG Committee closely monitors the evolution of the company's targets, setting performance targets, monitoring progress and suggesting corrective actions to continuously improve results. It analyses external trends and key market trends that may influence ESG strategies, directing the identification of material issues and monitoring international best practices to ensure constant updating and alignment with the global context.

In addition, the Committee examines proposals and feedback from shareholders and stakeholders, assessing their appropriateness with respect to corporate targets and contributing to a constructive and transparent dialogue between the company and its ecosystem. To foster integrated and coordinated management, the Committee may establish specific working groups for ESG activities, dedicated to policy-making, performance monitoring, risk identification and implementation of sustainability initiatives. Finally, the ESG Committee periodically reviews its internal regulation and proposes any changes to the Board of Directors, thus ensuring the effective integration of sustainability into the long-term corporate strategy and contributing to the creation of sustainable value for all stakeholders.

Composition

The ESG Committee consists of seven members, five men (71%) and two women (29%):

Name	Age	Gender	Office	Experience related to the company's sectors. products and geographical areas
Jiang Kui	60	M	Non-Executive Chairman	For further details please see section "The Board of Directors"
Piero Ferrari	79	M	Non-Executive	For further details please see section "The Board of Directors"
Xu Xinyu	61	M	Executive	For further details please see section "The Board of Directors"
Alberto Galassi	60	M	Executive	For further details please see section "The Board of Directors"
Zang Quan	61	M	Independent	For further details please see section "The Board of Directors"
Jiang Lan	57	F	Independent	For further details please see section "The Board of Directors"
Zu Yi	48	F	Independent	For further details please see section "The Board of Directors"

For further details on the Ferretti Group Corporate Governance, please refer to the Group's official website.

ESRS 2 GOV-2

Information provided to the company's administrative, management and supervisory bodies and sustainability issues addressed by them

Ferretti is committed to ensuring that administrative, management and control bodies are constantly updated on sustainability issues, ensuring a structured and informed approach to strategic decisions. During the year, a double materiality assessment was conducted, an essential process for identifying and mapping sustainability risks, opportunities and impacts in relation to business operations. This exercise involved the management and executives of the main corporate functions, through targeted interviews and joint evaluation sessions. Subsequently, on 28 February 2025, the Sustainability Committee reviewed the assessment and then submitted it to the Board of Directors, which had received detailed information and updates on the IROs related to ESG issues through a dedicated report and an in-depth meeting.
The ESG Committee meets annually to provide an update to the Board of Directors on sustainability issues. During the meeting, the Consolidated Sustainability Report was presented with an in-depth overview of the impacts, risks and opportunities concerning the company's activities. The double materiality assessment identified several impacts considered to be material, including those related to climate change, its own workforce, workers in the value chain, and several opportunities, including those related to working conditions, equal treatment and corporate culture. The Board of Directors took them into account both in the definition of the long-term strategy and in the most significant operational decisions. On this occasion, the new CSRD directive was also introduced, highlighting the company's commitment to adapt to regulatory developments in sustainability. The adoption of an integrated approach to risk management has improved the company's ability to adapt to changes in the regulatory and market environment, enhancing transparency and accountability in corporate governance.

Integrating sustainability performance into incentive schemes

ESRS 2 GOV-3

Ferretti Group's Remuneration Policy is designed to attract, retain and motivate highly professional resources, ensuring a remuneration system in line with the Group's current and future needs. It provides for a harmonised structure that is specific to several key figures — including members of the Board of Directors (both executive and non-executive), members of the Board of Statutory Auditors and Executives with Strategic Responsibilities — combining fixed and variable components. The variable components, based on financial performance targets and strategic indicators, promote the achievement of company results and their alignment with the sustainable growth strategy, while the fixed components, supplemented by fringe benefits and additional compensation, recognise individual contribution and strategic skills.

No variable incentive schemes linked to sustainability criteria have been defined for members of the administrative, management and control bodies.

Statement of due diligence

The following table maps how Ferretti Group applies the key elements of due diligence in relation to people and the environment and where these elements are included within the Consolidated Sustainability Report. **ESRS 2 GOV-4**

Basic elements of due diligence	Paragraphs in Sustainability Statements
a) Embedding due diligence into governance, strategy and business model	"Information provided to the company's administrative, management and supervisory bodies and sustainability issues addressed by them", p. 44 "Strategy, business model and value chain", p. 47 "Double Materiality Assessment", p. 51
b) Engaging with affected stakeholders in all key steps of the due diligence	"Stakeholders' interests and opinions", p. 49 "S1-Own workforce | Workforce involvement processes", p. 88 "S1-Own workforce | Channels for own workforce to raise concerns", p. 89 "S2-Workers in the value chain - Tools for worker engagement in the value chain", p. 100 "S3-Affected communities | Engagement process of affected communities", p. 103 "S4-Customers | Customer engagement processes", p. 108 "S4-Customers | Processes to remedy negative impacts and channels for customers to raise concerns", p. 109 "S4-Customers | Actions", p. 110 "G1-Business conduct | Policies", p. 114
c) Identifying and assessing negative impacts	"Double Materiality Assessment", p. 51 "Managing climate change impacts, risks and opportunities", p. 54 "Environmental aspects material to the value chain - E2-Pollution, E3-Water Resources, E4-Biodiversity | Managing impacts, risks and opportunities", p. 83 "Managing impacts, risks and opportunities related to the circular economy", p. 77 "Material impacts, risks and opportunities and their interaction with the strategy and business model", p. 50
d) Intervening to address negative impacts	"E1-Climate change | Actions", p. 57 "E2-Pollution, E3-Water Resources, E4-Biodiversity | Actions", p. 85 "E5-Use of resources and circular economy | Actions", p. 78 "S1-Own workforce | Actions", p. 90 "S2-Workers in the value chain | Actions", p. 101 "S3-Affected communities", p. 104 "S4-Customers | Actions", p. 110 "G1-Business conduct | Actions", p. 118
e) Monitoring the effectiveness of interventions and communicating	"E1-Climate change | Actions", p. 57 "E2-Pollution, E3-Water Resources, E4-Biodiversity | Actions", p. 85 "E5-Use of resources and circular economy | Actions", p. 78 "S1-Own workforce | Actions", p. 90 "S2-Workers in the value chain | Actions", p. 101 "S3-Affected communities", p. 104 "S4-Customers | Actions", p. 110 "G1-Business conduct | Actions", p. 118

Risk management and internal controls over sustainability reporting

SCISS
ESRS 2
GOV-5

The Ferretti Group's system of internal control and risk management, understood as the set of tools used to reduce risks that could have a negative impact on the company's performance and the achievement of targets, is developed on various levels of control traditionally identified and supervised by senior management and the Board of Directors.

I Level	II Level	III Level
Control and risk management tasks related to each business process and under the responsibility of line departments and functions	Management of certain specific risks under the responsibility of specific competent functions	Assurance tasks entrusted to the Internal Audit function

Focusing on "Governance" and the "Internal Control System on Sustainability Reporting", the CSRD compliance project aims to improve the Group's decision-making processes and internal control procedures. The elements of the framework for the Internal Control System on Consolidated Sustainability Reporting ("**ICSR**") were identified, together with the operational model and supporting methodologies.
With respect to the consolidated sustainability reporting process, a specific procedure is being drafted to regulate the reporting process, which is also enriched with references to the ICSR framework, which is based on the assessment of business risk in relation to sustainability reporting.

Currently, the operational model roll-out phase is underway on a "pilot" subset of ESRS datapoints. The internal control system is based on the guidelines of the CoSO Framework, in line with the new Corporate Sustainability Reporting Directive (CSRD). In particular, the ICSR operating model includes a set of information identified as priority datapoints, selected on the basis of the assessments carried out on the Group's impacts, risks and opportunities in the context of the double materiality assessment. The datapoints that emerged as priorities are those relating to energy consumption, emissions and EU Taxonomy. Subsequently, these datapoints were included in a 'risk control matrix', where controls will be formalised and shared with Management for the purpose of their periodic monitoring.

For the selected set of datapoints, a walk-through is underway to examine the entire data flow, from the collection of primary information to its final consolidation and validation, in order to define the controls and associated roles and responsibilities. The internal control system ensures the consistency and accuracy of data, thus helping to mitigate the main risks associated with the sustainability reporting process. The nature and frequency of controls vary according to each specific datapoint risk. Depending on the type of monitoring required, different tools will be used, including internal files specifically created for monitoring and different supporting software.
The main risks in consolidated sustainability reporting relate to potential errors in data processing or consolidation of data from primary sources, with a focus on value chain data, over which the Group has no direct operational control. To mitigate them, the Group adopts both preventive and detective controls, aimed at avoiding or detecting errors, and is committed to building additional ones where current ones are not adequate. The Group works with internal and external experts to establish governance over data collection and control systems.

The internal corporate function that will be in charge of monitoring the internal control system on sustainability reporting, with a view to mitigating reporting risk, will periodically provide updates and potential feedback to the Manager in Charge, who will interface with the competent administration and control bodies.

Strategy, business model and value chain

Ferretti Group stands out for the passion, innovation and excellence that define its every initiative. Passion is the driving force behind every project, the spark that ignites enthusiasm within the company and is reflected in every yacht built. Each boat is born out of a shared commitment to offer customers unique sailing experiences, where navigation, design, luxury and technology come together perfectly, turning every voyage into an unforgettable experience.

Strategy
ESRS 2
SMB -1

Innovation is the fuel of Ferretti Group's dream. Creating new models means keeping tradition alive, but always looking towards the future. Investments in research and development, combined with the use of modern infrastructures and factories, make it possible to build extraordinary, safe and high-performance breathtaking and attention-grabbing yachts. This innovative approach permeates every aspect of the business, from the design of production processes to the choice of materials and the adoption of the most advanced technologies, combining Italian craftsmanship with cutting-edge industrialisation.

Quality, uniqueness and exclusivity are the values guiding every Ferretti Group choice. Understood as an unwavering commitment to perfection, quality underpins the company's responsibility to build yachts that reflect the highest industry standards. Uniqueness manifests itself in the ability to innovate without ever forgetting one's tradition, while exclusivity represents the essence of luxury, evolving without losing authenticity, with distinctive models that celebrate the best of Made in Italy.

These principles are the guide that drives all choices, supporting continuous growth. With a centralised business model and precise coordination, Ferretti Group is committed to setting trends in luxury yachting, inspiring the entire industry and offering sailing experiences beyond expectations. The aim is to design the future of boating, creating boats that symbolise innovation, elegance and cutting-edge technology.

Vision
"Generating the luxury yachting trends of tomorrow, being a source of inspiration for the entire industry. Creating emotion, dreams and desire, in the relentless pursuit of the highest levels of quality, innovation and uniqueness. Ferretti Group wants to be the most influential player in the luxury yacht sector, thanks to its achievements in technology, sustainability and economic performance."

Mission
"We want to offer exceptional sailing experiences to shipowners all over the world. We strive for the highest standards of quality, style and customer care, combining exclusive design, impeccable performance and state-of-the-art technology. Ferretti Group is the ideal choice for those who wish to experience nautical excellence in maximum comfort and total safety."

Ferretti Group's approach to sustainability is aligned with its corporate mission, reflecting an ongoing commitment to improving the quality of the boating experience and promoting respect for the environment. The Group's vision extends not only to the creation of yachts that captivate through aesthetics and performance, but also to contributing towards a more sustainable future through the adoption of cutting-edge technologies, eco-friendly solutions and responsible production.

The commitment to the environment is clear in the design choices and the adoption of technologies that reduce environmental impact during navigation. Technological innovation, which has always distinguished Ferretti Group, is oriented towards the search for solutions that guarantee not only maximum performance, but also respect for nature and protection of the sea, the boats' natural habitat.

In this regard, in 2024, Ferretti Group defined clear strategic initiatives and targets with commitments to be achieved by 2025/2026, focusing on innovative technologies and eco-friendly solutions to reduce the environmental impact of its boats. This commitment is reflected in the introduction of new hybrid-powered yacht models and integrated point systems to monitor emissions. Furthermore, with regard to the value chain, Ferretti Group has adopted practices to ensure transparency and accountability, starting with the definition of a pilot project aimed at assessing its providers (Tier 1) according to ESG criteria.

The Group has set qualitative sustainability-oriented targets, but has not yet established measurable, quantitative targets. However, the targets are subject to a periodic review process to assess their implementation and take corrective action if necessary. Since this is the first year of reporting, formal monitoring of the policies and actions implemented has not yet been undertaken. It should be noted that, unless otherwise specified, the scope of the objectives is Ferretti S.p.A. For details, please refer to the “Targets” sections in the chapters below.

It should be noted that the company has not currently carried out a systematic and detailed assessment of its significant products and services, markets and customer groups in relation to its sustainability targets. In compliance with the provisions of Directive 2013/34/EU and the ESRS regulations, Ferretti S.p.A. has assessed the possibility of availing itself of the exemption provided for in connection with the detailed disclosure of revenue broken down by significant sector, as stipulated in Article 18(1), sub-paragraph (a) of the Directive. Ferretti S.p.A. does not need to disclose a specific breakdown of revenues by sector, as Italian law allows exemption from this requirement for certain types of companies.

However, in line with the requirements set forth by the ESRS, Ferretti S.p.A. has identified and disclosed sectors that are significant to its business. These sectors mainly include the construction and sale of luxury yachts and activities related to the design and construction of customised yachts. These areas represent the majority of the company’s operations and are crucial to its economic, social and environmental impact.

While recognising the importance of these elements for comprehensive consolidated sustainability reporting, the company is committed to developing more advanced methodologies to integrate them in the future.

Currently, the company provides a general description of its business model and value chain, however, the method for collecting, processing and protecting this data has not yet been fully formalised; the company is committed to developing further monitoring tools and strengthening reporting in this area, in order to offer an even more detailed and transparent view in the future.

The Ferretti Group value chain

Ferretti Group builds its value chain through a well-defined and targeted process, involving a network of suppliers and partners operating at every stage of production, from the selection of raw materials to the distribution and sale of its yachts. The choice of materials, including steel, aluminium, fine wood, glass and advanced technological components, is fundamental to guaranteeing the boats’ quality and excellence.

Engine suppliers
Responsible for supplying the engines that power Ferretti yachts, critical components for yacht performance and reliability.

Equipment suppliers
They provide accessories and devices essential for the proper functioning of boats, such as electrical systems, lighting systems, and safety equipment.

Fibreglass and glazing suppliers
They provide light and strong materials such as fibreglass and glazing, used in the construction of the hull and in the boats' transparent structures, guaranteeing strength and visibility.

Furniture, deck materials and decks suppliers
They supply materials and furnishings for the boats' interior and exterior areas, including furniture, carpets and durable materials for decks and roofs.

Electronics and complex components suppliers
They are responsible for providing advanced electronic systems for navigation, vessel management and on-board entertainment, as well as complex components such as control systems, sensors and displays.

Upholstery and decoration suppliers
They supply interior decoration materials, including fabrics, upholstery, cladding, curtains and upholstery, which help create a luxurious and comfortable ambience on board.

Logistics service providers
Essential to ensure that the materials and components required for yacht construction and maintenance are transported efficiently and on time, enabling production schedules to be met.

Downstream in the chain are customer-owners who purchase boats directly and dealerships that deal with commercial and promotional activities.

Stakeholders' interests and opinions

Ferretti Group recognises the importance of dialogue and direct engagement of stakeholders in order to understand their various expectations and needs. Over the years, this collaboration has enabled the Group to develop strong personal and professional relationships that have allowed it to consolidate its position as a leader in the luxury yachting scene. This inclusive approach not only fostered innovation and product quality, but also contributed to the strengthening of trust and transparency with all stakeholders. **ESRS 2 SMB -2**

The following is a summary of the main categories of stakeholders affected, together with the tools and listening methods used to collect their needs and expectations:

Key stakeholder	Engagement	Outcome
Industry associations	— Participation in conferences. events and meetings with nautical industry associations	Monitoring of market trends, updates on regulations and innovations
Media	— Collaborations with nautical. lifestyle and business media	Spreading brand awareness and updates on the Group's progress and achievements
Regulatory bodies	— Constant dialogue with regulators and institutions to comply with laws. regulations and industry standards	Regulatory compliance and continuous evolution with respect to nautical regulations
Financial community	Regular meetings with: — Institutional investors and financial analysts; — Relations with credit institutions	Updates on financial results. evaluation of company performance and market analysis
Employees	— Training Activities — Whistleblowing platform — Extraordinary medical examination	For more details. please refer to Chapter S1 Own workforce - Engagement processes and Channels for Own workforce to raise concerns
Workers in the value chain	— Whistleblowing platform	For more details. please refer to Chapter S2 Workers in the value chain - Tools for engaging workers in the value chain
Communities concerned	— Training activities (School of Trades) — Engagement initiatives in local communities: donations and creation of employment opportunities — Whistleblowing platform	For more details. please refer to Chapter S3 Affected communities - Tools for engaging affected communities
Customers	— Events and trade fairs — Questionnaires — Technical assistance channels — Satisfaction evaluation system (CSI) — Whistleblowing platform	For more details. please refer to Chapter S4 Customers - Tools for engaging customers

At present, the company has not yet systematically formalised processes for gathering and integrating the views of key stakeholders into the definition of its strategy and business model; nor have any specific changes been adopted or additional measures been planned to adapt the strategy to the views of stakeholders, and there are no defined plans for such actions in the short term. In addition, communication to the boards of directors, management and control regarding stakeholders' interests and opinions is not yet structured in a systematic manner; however, the company is committed to developing these mechanisms in the coming years to ensure greater alignment between strategic decisions and stakeholder expectations.

Material impacts, risks and opportunities and their interaction with the strategy and business model

ESRS 2
SMB -3

For a list of the material impacts, risks and opportunities that contributed to the material topics covered by the disclosure requirements of the ESRS, see the summary table at the beginning of each reference chapter. Each table highlights the current or predicted impacts, risks and opportunities on people and the environment, their origin or connection with the strategy and business model, as well as the tools adopted by the Group to respond to these effects. The time horizon and the level of the Group's involvement in the generation of impacts are also indicated.

It should be noted that, since this is the first year of reporting under the CSRD and Italian Legislative Decree 125/2024, there have been no changes in either the process adopted or the IROs identified and assessed compared to the previous reporting period. This disclosure will be provided as part of the FY 2025 reporting.

In addition, Ferretti Group carried out the analysis of the current financial effects of physical risks related to climate change, see Chapter E1-Climate Change for more detail. Currently, a resilience analysis of the strategy and business model in relation to the ability to address material impacts and risks and to seize emerging opportunities has not yet been conducted. However, the company recognises the importance of this assessment and is committed to developing it in the coming years in order to strengthen its ability to adapt and grow in a changing environment.

Double Materiality Assessment

From the first year of sustainability reporting, the Group has initiated a materiality assessment process that has evolved over time, with the aim of continuous improvement. For the 2024 reporting, a more structured update of the materiality assessment in line with the principle of Double Materiality, referred to in ESRS 1 "General Requirements", was carried out in accordance with current regulations. **ESRS 2 IRO-1**
Double Materiality is articulated in two parts: impact (effects on society and the environment) and financial (risks and opportunities affecting the company's economic performance). Material matters are identified and contextualised through an assessment process that takes into account the interconnections between these aspects. The Double Materiality Assessment enabled the Group to identify and report on the most significant sustainability matters, including impacts on the economy, environment and human rights.

The Double Materiality Assessment process is illustrated below, with the aim of providing an overview of the approach adopted by the Group to identify impacts, risks and opportunities, (hereinafter also referred to as "**IROs**") as well as to assess their significance[2].

Materiality definition process

As a first step in the Double Materiality process, a preliminary review of the Materiality Assessment was conducted in compliance with past reporting standards (GRI). This activity made it possible to address some ESRS aspects not covered in the last financial year's reporting and to assess the validity of the matters already mapped, taking into account the latest trends and best practices. In the course of this process, the analyses carried out underwent an in-depth review, with the aim of refining and updating the topics identified, taking into account newly identified information and needs.
At the end of this preliminary activity, a process was initiated to map potential IROs applicable to the Group, with the aim of defining a long list of IROs. The steps followed to create the long list were as follows:

- **Drawing up** a preliminary list of sustainability matters, based on the results obtained from the previous materiality assessment and the information from the analysis of the internal and external context;
- **Correlation** of the identified aspects with the topics, subtopics and sub-subtopics in Annex A Application Requirements 16 of ESRS 1 "General Requirements";
- **Mapping** of impacts, risks and opportunities (long list impact and long list financial) through an in-depth analysis of the Group's business and its value chain, with the aim of identifying the direct and indirect impacts arising from internal operations and the activities of strategic suppliers and customers. As part of this activity, the relevant IROs were identified[3], considering the main operations carried out by the Group and its partners along the chain. Each impact was associated with its own 'perimeter', determining the point in the value chain where it is generated, dividing it into upstream, own operations and downstream. The analysis was conducted following the due diligence procedures for sustainability, focusing on business activities and business relationships, in order to intercept possible impacts, risks and opportunities in an accurate and structured manner. The main inputs considered covered both the Group's own operations and the activities carried out by strategic suppliers and customers, ensuring a complete and integrated view of actual and potential impacts along the entire value chain.

2 The list of material topics will be approved by the Board of Directors on 28 February 2025.
3 Risks pertaining to topics, subtopics and sub-subtopics under the ESRS were analysed and mapped in order to prioritise sustainability-related risks with respect to the other types of risks identified. In addition to these risks, new ones were identified; however, they have not yet been mapped or integrated, as there is no ERM.

— **Sharing** of the IRO long lists with the Investor Relations & Sustainability function, in order to proceed with further refinements and obtain final validation. No provision was made for stakeholder consultation.

I. Evaluation of IROs

The process of assessing the long list of IROs for the 2024 Consolidated Sustainability Reporting was carried out with the involvement of management and of the company's front lines. Each impact, risk and opportunity was evaluated according to **Magnitude** and **Likelihood**, using specific scales for each. Magnitude was differentiated by impacts (based on *scale*[4], *scope*[5] and *irremediability*[6]) and by risks/opportunities (based on economic/financial, qualitative and reputational aspects). Likelihood takes into account past frequency (event occurred in the last 3 years), future prediction (event likely to occur in the next 3 years) and the percentage of times the event is likely to occur out of all cases.

In accordance with ESRS standards, an "inherent" IRO assessment was adopted, i.e. without taking into account the safeguards already implemented within the Group. During the assessment, various aspects were considered in line with the guidelines and guidance of ESRS 2 "*General Disclosure*", including:

Human rights: For potentially negative impacts related to this aspect, magnitude was preferred over probability, assigning a maximum magnitude regardless of the probability of occurrence.
Interdependencies: The connection points between impacts, risks and opportunities were assessed in cooperation with the function managers.
Time horizons[7]: The assessment was carried out on a specific time horizon for each impact, risk and opportunity, divided into short, medium and long term (within one year, 1–5 years, over 5 years).
Scope: Impacts, risks and opportunities were divided according to their origins: own operations, upstream and downstream value chain.
Dependencies on natural, human and social resources: During the identification of risks and opportunities, no significant dependencies were mapped for the Group.
Impacted factors: Impacts were assessed in relation to the factors affected, such as the environment, communities and employees.

4 Scale/degree of materiality is defined as "how severe the negative impact is or how many benefits the positive impact brings to people or the environment".
5 Scope/perimeter means "how widespread the positive or negative impacts are. In the case of environmental impacts, the scope can be understood as the extent of environmental damage or a geographical perimeter. In the case of impacts on persons, the scope can be understood as the number of persons adversely affected".
6 Irremediability is defined as "whether and to what extent the negative impacts can be remedied, i.e. by restoring the environment or persons affected to their original state". It should be noted that the degree of remediability was only applicable to negative impacts.
7 In defining the reference time horizon, a period of 1-5 years was deemed adequate to analyse significant IROs. This interval allows for a balanced assessment of the financial effects and the social and environmental implications in the short to medium term.

II. Validation of IROs

In order to identify impacts[8], risks and opportunities (IROs) relevant to Ferretti Group, a threshold mechanism was adopted, defining a minimum level of materiality required for an IRO to be considered relevant to the Group. This materiality threshold[9] was determined by following available technical guidelines, in particular those of the ESRS, which provide criteria for establishing the materiality of aspects to be included in consolidated sustainability reporting.

The IROs were positioned within a matrix, making it possible to draw up a short list of the most significant sustainability issues for Ferretti Group. The identification of the materiality threshold for each long list made it possible to aggregate and identify the relevant topics.

III. Formalisation of final results

The final results of Double Materiality were shared and approved by the Board of Directors of Ferretti Group on 28 February 2025. The analysis in question will undergo an annual review, which will include the assessment of changes in the internal and external context with respect to the results validated in the previous Double Materiality Assessment, in order to ensure a timely and consistent update.

Page ESG-112 provides a list of the disclosure obligations the Group has fulfilled in preparing the 2024 Consolidated Sustainability Report based on the results of Double Materiality. The paragraphs of the Accountability Report where the material information can be found are precisely indicated.

The different chapters provide the short list of material IROs that contributed to the material topics covered by the disclosure requirements of the ESRS.

8 The upstream chain was defined on the basis of a critical analysis of incoming material spending, while the downstream chain was delineated on the basis of business activities and major customers. The Group is aware of the need to further deepen its knowledge of its value chain and to prepare specific policies and objectives for the effective management of IROs; these aspects will be drivers for the next update of the materiality analysis and will allow for greater awareness of the issues currently considered relevant.

9 Implementation Guidance - 3.5 Deep dive into impact materiality - Setting thresholds.

E1-Climate change

Risk and opportunity analysis

ESRS 2
IRO-1
SBM-3

Managing climate change impacts, risks and opportunities

The Ferretti Group conducted a double materiality assessment, identifying climate change as one of the most material topic for the organisation. This is divided into three main subtopics: climate change mitigation, climate change adaptation and energy management. The Ferretti Group conducted an internal assessment to identify and assess sources of climate impact, examining its activities and value chain to identify the main sources of greenhouse gas emissions. The assessment examined the energy consumption of plants and extended the survey of emissions generated along the entire value chain, from the production cycle to logistics activities, upstream and downstream. To measure the contribution to climate change, total GHG emissions were quantified across the Group's operations, distinguishing between direct and indirect emissions, using recognised methodologies in line with international standards to identify areas for improvement and develop effective reduction strategies.

Material subtopic	IRO	IRO Description	Value chain	Time horizon	Implemented tools and procedures
Adaptation to climate change	Current impact	Contribution to climate change through the generation of greenhouse gas (GHG) emissions from building production and heating activities (Scope 1 and 2)	The Group has identified the impact in its operations	Medium term	— Physical climate risk analysis — Quality and Environment Policy — Energy improvement of production sites — Self-generation of electricity from renewable sources
Adaptation to climate change	Current impact	Contribution to climate change through the generation of greenhouse gas (GHG) emissions along the value chain (Scope 3)	The Group has identified upstream and downstream impacts in the value chain	Medium term	
Energy	Current impact	Contribution to reducing the availability of natural resources for energy production	The Group has identified the impact in its own operations and upstream in the value chain	Medium term	

Analysis of physical climatic risks

At present, Ferretti Group has not conducted an assessment of the resilience of its strategy and business model with respect to climate change. However, the Group is actively engaged in adopting a structured Enterprise Risk Management system to strengthen its adaptability in a changing environment.

Furthermore, in order to assess the materiality of physical risks, Ferretti Group conducted an in-depth analysis of physical climate risks in 2024, with the aim of mapping and understanding the potential impacts on its operations. In order to carry out this assessment, the Group analysed its production sites, focusing on understanding and managing risks related to extreme weather events, such as rising sea levels, storms, floods and abnormal temperatures, as well as more chronic climatic phenomena such as rising global temperatures.

For the purpose of the assessment, analyses were developed over different reference climate scenarios, corresponding to the IPCC (Intergovernmental Panel on Climate Change) projections. Specifically, scenarios are developed on the basis of different temperature increases and the associated physical and transitional consequences for the planet.

Three scenarios were selected, representing the "best case", an intermediate projection and the "worst case" scenarios relating to temperature increases to 2100, to conduct the analysis, as detailed below.
- Scenario 1 "best case": The "best case scenario" is equivalent to the RCP 2.6 (Representative Concentration Pathway) scenario, which is aligned with the targets of the Paris Agreement and the Kyoto Protocol, and aims to limit global warming to well below 1.5°C compared to pre-industrial levels by 2100. This is a "peak-and-decline" scenario, which assumes a significant reduction in greenhouse gases over time.
- Scenario 2 "intermediate projection": the intermediate projection refers to the CPR 4.5 scenario, which is the most likely based on current country commitments. It predicts a temperature increase of between 2 and 3°C by 2100, exceeding the limits set by the 2015 Paris Agreement and the Kyoto Protocol. It is based on a carbon concentration that generates an average global warming of 4.5 watts per square metre on the earth's surface.
- Scenario 3 "worst case": the RCP 8.5 scenario is considered a "business-as-usual" pathway and assumes continued high greenhouse gas emissions without significant policy interventions to mitigate climate change. This scenario represents a carbon concentration that produces global warming averaging 8.5 watts per square metre across the planet.

The analysis was conducted over three time horizons:
- Short-term, to assess the immediate impacts and measures needed to ensure the resilience of operations;
- Medium-term, to consider the evolution of climate impacts on the shipping sector;
- Long term, to assess structural adaptation strategies.

Physical risks are associated with increased economic costs and financial losses due to the increased severity and frequency of extreme weather events related to climate change. They include acute risks and long-term climate change risks, i.e. chronic risks. Assessments of potential financial impacts were carried out for the RCP 8.5 worst-case scenario and at the short-term time horizon (2030), respectively. This decision stems from the fact that the 2030 horizon provides a clearer and more tangible picture of the effects of climate risks, such as river flooding, storms and forest fires.

Acute physical climate risks

Extreme weather events, such as storms, floods, fires and heat waves, can have a significant impact on business operations. These phenomena can compromise the availability of goods, services and energy, causing production disruptions, damage to strategic infrastructure and delays in deliveries. They may also entail additional costs for repairs and replacements, as well as possible contractual penalties. The increase in the frequency and intensity of these events could increase the costs of procuring and insuring assets. In particular, located in coastal areas, shipyards are particularly vulnerable to storms, floods and fires, risking structural damage, operational disruptions and delays in production, with significant economic impacts.

Chronic climate risks

Chronic weather events related to climate change, such as rising temperatures, rising sea levels and reduced water availability, can significantly affect business in the long run. These changes may cause operational slowdowns or interruptions, requiring an adjustment of production strategies and a reorganisation of assets and production distribution among the Group's shipyards. If not managed properly, such phenomena can jeopardise business continuity, causing delivery delays, damage to infrastructure and possible contractual penalties.
Production facilities are subject to multiple climatic risks including temperature fluctuations, wind variations and heavy rainfall. High temperatures can have an impact on the health of employees working outdoors, impair work efficiency and lead to increased energy consumption. On the contrary, intense cold can interfere with fundamental activities such as welding, causing delays in production processes and possible imperfections in manufactured goods, resulting in extra heating costs. In addition, changes in wind direction and rainfall intensity can adversely affect outdoor infrastructure, such as cranes and boats under construction, increasing operational risks and operating expenses.
The analysis conducted showed that the Ferretti Group's exposure to physical climate risks is not materially relevant, as the potential financial impacts are below the defined materiality thresholds. In detail, the analysis conducted

showed that the estimated costs for potential damages are below 2% of EBITDA, while potential material damages to assets do not exceed 10% of the total value of the site. Therefore, from the analysis conducted, no material physical climate risks emerged that could have a significant impact on the Group's operations.

For the purposes of assessing transition climate risks, the Group adopted the methodology described in the section on Double Materiality Analysis. The identification process was conducted through the definition of a long list of risks and opportunities, which was subsequently examined by the Group's contact persons, who did not identify any significant elements. Therefore, from the analysis conducted, no material transitional climate risks emerged that could have a significant impact on the Group's activities.

Transition plan for climate change mitigation

E1-1

Currently, the Ferretti Group has not yet adopted a Transition Plan, but expects to publish one in 2028 as a confirmation of the commitment achieved in previous years with its activities. The aim is to mitigate the effects of climate change on their operations by guiding the transition to a sustainable economy. This path is in line with the limits set by the Paris Agreement and aims to achieve climate neutrality by 2050. At present, no assets or production activities have been identified that could present elements of incompatibility with the transition to a climate-neutral economy, nor has it assessed the climate scenarios and their consistency with the critical climate-related assumptions in the financial statements. However, further analysis will be developed as the transition plan is developed.

Integrating sustainability performance into incentive schemes

The Ferretti Group does not currently provide any incentive scheme related to sustainability issues to members of the administration, management and control bodies.

Policies

Policies

E1-2

The Ferretti Group has policies in place to consolidate a business model that considers long-term sustainable development. The main policies adopted by the Group include the Quality and Environmental Policy and the Group's Code of Ethics. At present, however, the aforementioned policies are not yet fully aligned with the ESRS standards and, as a result, no specific measures have been adopted to manage in a structured manner the impacts, risks and opportunities related to climate change mitigation and adaptation.

Code of Ethics

The Ferretti Group's Code of Ethics makes extensive reference to the attention and responsibilities that every worker within the Ferretti Group must accept towards the environment, its protection and respect. In particular, the chapter on general principles expressly refers to the "Management of relations in connection with culpable environmental offences". The Group Code of Ethics is published on the Ferretti Group's official website. Detailed information on the Code of Ethics can be found in Chapter G1 — Business Conduct.

Quality and Environment Policy

In 2020, the Group formalised Ferretti S.p.A.'s Quality and Environmental Policy, defined and approved by the General Management, which establishes the company's commitments to Stakeholders, guaranteeing compliance with applicable regulations and signed voluntary agreements. The main objective is to continuously improve the performance of the Management System, ensuring Stakeholder satisfaction, strengthening the company image and protecting the environment, with particular attention to pollution prevention and sustainable development.

Actions

In an effort to reduce the environmental impact of its products, Ferretti Group has launched a series of initiatives aimed at reducing the weight of its yachts, as their weight directly affects fuel consumption, the use of purchased materials and the related greenhouse gas emissions produced.

Actions
E1-3

The Group recognises that the implementation of planned actions depends to a large extent on the availability and proper allocation of resources. The latter are crucial to ensure the effectiveness of actions in response to supply and demand dynamics, as well as to support strategic acquisitions and significant investments in research and development (R&D).
Below are listed the main actions implemented, underway or planned to achieve the Group's targets and IRO management in the following areas: the promotion of energy efficiency, energy transition and renewable energy, climate change mitigation, and resilience and adaptation.

Main actions	Scope of actions (value chain, stakeholders)	Time horizon	Status (realised, ongoing, planned)	Financial resources (CapEx/OpEx) allocated to the action[10]
Energy improvement of production sites	Own operations	Long-term (2015-ongoing)	Ongoing	€ 105,309 (Tangible assets)
Self-generation of electricity from renewable sources	Own operations	Long-term (2019-ongoing)	Ongoing	€ 2,200,866 (Tangible assets)

Energy improvement

At the Forlì site, where both the production shipyard and the headquarters offices are located, Ferretti Group has taken a significant step towards environmental sustainability. The Ferretti Group's commitment to energy efficiency, reinforced by the results of diagnostic analyses conducted, has led to the adoption of increasingly effective measures and the introduction of advanced technologies to optimise consumption. As part of its journey to reduce its climate footprint, the Group launched a major project already in 2015 to renovate the lighting systems in its production hangars, choosing LED technology as the standard for all new installations. Since then, this solution has been implemented in every new building, consolidating an innovation and sustainability-oriented approach. This path demonstrates the Ferretti Group's desire to combine operational efficiency with environmental responsibility, actively contributing to reducing the energy impact of its operations.

The development of photovoltaic systems

At the end of 2019, the Ferretti Group launched an energy self-production programme, installing photovoltaic systems on the roofs of the new warehouse at the Ancona plant. This commitment was further strengthened in 2020 with the installation of new photovoltaic systems on the new buildings in La Spezia, when the site's production capacity was increased, and on the new paint booth in Forlì (2022), which became fully operational between 2021 and 2023.

In 2022, in line with its strategic vision for a lower-carbon future, the Group decided to extend the installation of photovoltaic systems on all the roofs of its existing factories, thus aiming at a net increase in installed power and self-produced and consumed energy. The project envisaged the construction of plants on the existing hangars at the Cattolica, Forlì, Mondolfo, and Sarnico sites (started in 2023 and completed in 2024, and partly already operational, partly awaiting a licence for an electrical workshop) and anticipates the completion of plants at the La Spezia site and the construction of new plants in Ancona in 2025.
It should also be noted that each of the Group's new buildings (such as, for example, at the Ravenna site), envisages the installation of a photovoltaic system on its roof, depending on the available space, in order to produce energy for self-consumption.
Therefore, over the next two years, the Group plans to install and launch new plants at the La Spezia, Ancona, Ravenna and Il Massello sites.

10 Current amount of financial resources used and traceable to values on the balance sheet. There are currently no plans to allocate future financial resources.

The focus on renewable energy also extends to the companies recently integrated into the Group, such as Il Massello S.r.l. and F.lli Canalicchio S.p.A., both already equipped with photovoltaic systems. Furthermore, in line with investments in the development of new infrastructure, the Group systematically adopts innovative energy-saving solutions, including heat pumps to replace natural gas systems and inverters combined with vacuum systems.

The adoption of photovoltaic panels is part of the Group's climate change mitigation actions. Since the implementation of these installations was recent, the expected reductions in greenhouse gas emissions are not yet precisely quantifiable. Moreover, as the implementation is still in its early stages and with no other significant mitigation actions underway, it is not possible to provide a concrete estimate of the overall impact on emissions. At present, other decarbonisation initiatives have not yet been planned or implemented.

Targets

Targets
E1-4

Management has defined ambitious, shipyard-specific targets, focused on energy efficiency, waste management and reduction, emission monitoring and abatement, as well as water use optimisation.

The table below shows the Ferretti Group's planned non-quantitative targets in relation to climate change, with activities started in 2024 to achieve them. These targets aim to promote energy efficiency, increase production from renewable sources, accurately monitor emissions and mitigate the effects of climate change. They also contribute to the management of related impacts, risks and opportunities. The defined objectives do not fully comply with ESRS standards as they are qualitative in nature. For more details on the monitoring of objectives, policies and actions, please refer to the section "*Strategy, business model and value chain*".

Target	Description	Reference ESRS	Base year	Target year
Purchase of Certified Guarantees of Origin (GO)	Acquire certified Guarantees of origin to ensure more energy supply from renewable sources	ESRS Metrics and targets E1-4. E1-5 (Energy consumption and energy mix)	2024	2025
Installation of photovoltaic systems in the plants of Ancona. La Spezia (completion of project already started). Ravenna. Il Massello	Install photovoltaic systems to reduce the use of electricity from fossil fuels. lower energy costs and contribute to corporate sustainability targets	ESRS Metrics and targets E1-4. E1-5 (Energy consumption and energy mix)	2024	2025
Monitoring of Scope 3 emissions	Implement a Scope 3 emission monitoring system to improve the management of key emission hotspots throughout the upstream and downstream supply chain	ESRS Metrics and Targets E1-4. E1-6 (Gross Scope 1. 2. 3 GHG emissions and GHG emissions)	2024	2025
ISO 14001 certification	Achieve ISO 14001 certification for the Ravenna plant by 2025. implementing an effective environmental management system to improve regulatory operations compliance	ESRS Policies E1-2 (Policies related to climate change mitigation and adaptation to the same)	2024	2025
Launch of a product with a lower-emission propulsion system	Expand the product portfolio with the launch of a new hybrid-powered or technologically innovative boat model to reduce CO_2 emissions	ESRS Metrics and targets E1-4 (Targets related to climate change mitigation and adaptation to the same)	2024	2026
Data acquisition system for emission monitoring	Developing an integrated data acquisition system to monitor boat emissions	ESRS Metrics and Targets E1-4. E1-6 (Gross Scope 1. 2. 3 GHG emissions and GHG emissions)	2024	2025

Ferretti Group has not currently set GHG emission reduction targets in terms of absolute values or intensity, nor has it set specific targets for Scope 1, 2 and 3 emissions. No base year or baseline for measuring progress has been identified, nor have targets been set for 2030 or 2050. Furthermore, there is currently no science-based methodology to align any targets with the 1.5°C global warming limitation. Consequently, a description of decarbonisation levers and their quantitative contributions is not available.

Metrics

Ferretti Group complies with current environmental regulations, adopting sustainable solutions to reduce emissions and minimise environmental impact. Also as a result of the energy diagnoses carried out, the Group has mapped the energy consumption and energy mix of its plants. The development of this activity has allowed a better understanding of the current situation and has made it possible to define further actions aimed at optimising consumption (the latter with high payback times, therefore currently being evaluated).

The table below shows the Group's energy consumption calculated in megawatt hours (MWh). The share of energy self-produced from non-renewable sources amounts to 32%, due to the consumption of natural gas from the cogeneration plant (666.71 MWh). The remaining portion of energy produced comes from renewable sources (68%), thanks to photovoltaic plants at Ferretti Group sites (1,432.72 MWh).

Energy consumption and energy mix

Group energy consumption

E1-5

MWh	2024
1) Consumption of fuel from coal and coal products (MWh)	–
2) Consumption of fuel from crude oil and oil products (MWh)	13,984.88
3) Consumption of fuel from natural gas (MWh)	19,658.11
4) Consumption of fuel other non renewable sources (MWh)	–
5) Consumption of electricity, heat, steam and cooling from fossil sources. purchased or acquired (MWh)	24,011.67
6) Total energy consumption from fossil sources (MWh)	**57,654.65**
Proportion of total energy consumption from fossil sources (%)	**96%**
7) Consumption from nuclear sources (MWh)	**1,256.22**
Proportion of total energy consumption from nuclear sources (%)	**2%**
8) Consumption of fuel for renewable sources. including biomass (also includes industrial and municipal waste of biological origin, biogas, renewable hydrogen, etc.) (MWh)	–
9) Consumption of electricity, heat, steam and cooling from renewable sources, purchased or acquired (MWh)	–
10) Consumption of renewable energy self-produced without fuel (MWh)	1,432.72
11) Total energy consumption from renewable sources (MWh)	**1,432.72**
Proportion of total energy consumption from renewable sources (%)	**2%**
Total energy consumption (MWh)	**60,343.60**

Energy intensity compared to net revenue

Energy intensity compared to net revenue

E1-5

MWh / mln €	2024
Total energy consumption of activities in high climate impact sectors (MWh)	60,343.60
Net revenue from activities in high climate impact sectors (mln €)	1,204.35
Total energy consumption of activities in high climate impact sectors compared to net revenues from such activities	**48.65**

The energy intensity was calculated because Ferretti's activity, with NACE code 30.12 (30.12 Construction of pleasure and sport boats) falls within the high climate impact sector. Energy intensity was calculated by relating energy consumption, expressed in MWh, to the Ferretti Group's net revenues for the year 2024.

Greenhouse gas emissions

E1-6

GHG emissions

The Ferretti Group's Carbon Footprint calculation enables the analysis and reporting of greenhouse gas (GHG) emissions resulting from the organisation's activities. The activity data refers to the 2024 tax year, used as the base year for future emission reduction assessments.
Expressed in CO_2 equivalent (hereafter CO_2e), the carbon footprint provides a clear and defined overview of the greenhouse gas emissions generated during 2024. The structure and format of this section are developed in accordance with the *ESRS* standards, as well as the internationally recognised Guidelines of the Greenhouse Gas Protocol Initiative (GHG Protocol), implemented by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD, 2021)[11].

This report considers the following greenhouse gases, expressed in CO_2 equivalents (CO_2e):
- CO_2 (carbon dioxide)
- CH_4 (methane)
- N_2O (nitrogen oxide)
- SF_6 (sulphur hexafluoride)
- HFCs (hydrofluorocarbons)
- PFCs (perfluorocarbons)
- NF_3 (nitrogen trifluoride)

The GHG Protocol calculation methodology indicates which emissions are to be included in the carbon inventory calculation according to the relevant categories. Reporting is broken down by type of emission source generated. The main emission factors consulted for emission calculations include databases such as the International Energy Agency (IEA), the Department for Environment, Food & Rural Affairs (DEFRA) and Ecoinvent Life Cycle Inventory (LCI).

To estimate GHG emissions, each activity data is multiplied by an appropriate emission factor:

Total emissions ($kgCO_2eq$)

$$= \sum EF_{\text{activity data}} \left(\frac{kgCO_2\,e}{UoM_{\text{activity data}}} \right) * [\text{activity data } (UoM_{\text{activity data}})]$$

where:

$kgCO_2eq$: GHG emission represents the quantification of GHG emitted by the activity, expressed in terms of kg of CO_2 equivalent (kg CO_2 eq);
EF *(emission* factor*):* the emission factor converts the quantity from primary data into the resulting GHG emission, expressed in CO_2 eq, emitted per unit of activity data;
UoM (unit of measure): the activity data represents the quantity, generated or used, describing the activity, expressed in terms of energy (kWh), mass (kg or t), volume (m^3 or l) or value (€);

The calculation of emissions has been disaggregated according to the categories set out in the GHG Protocol methodology and, where possible, further detailed by type of source (e.g. detail by emission source is available for Scope 1 and Scope 2). Additional greenhouse gases (GHGs), including CH_4 and N_2O, are also included in the overall calculation of tonnes of CO_2 equivalent.

11 Using the Global Warming Potential reported by the IPCC (Sixth Assessment Report) and calculated with reference to a time interval of 100 years. The GHG Protocol Guidelines, "Corporate Accounting and Reporting Standard (2004)" are available at https://ghgprotocol.org/corporate-standard

Direct greenhouse gas emissions (Scope 1)

Emissions in the GHG Protocol's Scope 1 category refer to **direct greenhouse gas emissions**. These are the emissions released into the atmosphere as a direct result of Ferretti Group's activities. This includes emissions from sources owned and controlled by the company, e.g. combustion of fuels in industrial processes, heating and cooling operations, company vehicles, and refrigerant gas leaks. The energy vectors considered for Ferretti Group include consumption of methane gas for heating and cogeneration, stationary diesel fuel, fuel used for the company fleet such as diesel, petrol and LPG, and fuels used for boat testing.

Direct greenhouse gas emissions (Scope 2)

Scope 2 emissions include indirect greenhouse gas emissions from the generation of electricity, heat and steam purchased and consumed by the Group. Scope 2 emissions are mainly calculated by multiplying purchased energy volumes by country-specific emission factors.

- Location-based emissions are calculated using country-specific average emission factors.
- Market-based emissions take into account purchased renewable energy and assume that conventional electricity is supplied as residual energy.

Ferretti Group has included the consumption of electricity and thermal energy from district heating in its Scope 2 calculation. The Group has no Guarantees of Origin for 2024 certifying the use of electricity from renewable sources.

Indirect greenhouse gas emissions (Scope 3)

In the context of the Ferretti Group's carbon footprint analysis, particular emphasis is placed on the Scope 3[12] category, which includes a number of sub-categories material to the calculation of greenhouse gas emissions. Considered material for the Ferretti Group, Scope 3 emissions are reported according to the categories provided by the GHG Protocol and listed below:

- **Category 1: Purchased Goods and Services** - This category includes all emissions associated with the production of goods and services purchased or acquired by the company.
- **Category 2: Capital Assets** — This includes emissions deriving from the production of capitalised assets[13].
- **Category 3: Fuel and energy-related activities not included in scope 1 and scope 2** - This includes all upstream and downstream emissions from fuels and electricity used within the scope of the company.
- **Category 4: Upstream and downstream transport** - These represent respectively the emissions associated with the transport of goods inbound to the company and outbound to customers.
- **Category 5: Waste management** - This category covers the emissions generated by the treatment of waste produced by the company.
- **Category 6: Business travel** - Includes emissions deriving from business travel by employees.
- **Category 7: Employee commuting**[14] - This considers the emissions generated by employee commuting to and from the workplace.
- **Category 11: Use of product sold** - This category deals with emissions related to use during the life of the vessels.

Not listed additional categories were excluded from this analysis, as they were either not applicable or not considered material to the reference context.

12 No sector averages or other proxy variables were used. However, for some items in categories 3.1, 3.4 and 3.6, the calculation methodology provided for the application of the spend method in cases where it was not possible to adopt the activity data methodology, as the available data were expressed in economic value rather than quantity.

13 It should be noted that for Canalicchio S.p.A. and the companies in the Asian perimeter, data on capital goods were not available and have therefore been excluded from this emission accounting.

14 In order to estimate emissions related to commuting by Ferretti Group employees, data from Ferretti S.p.A.'s Home-Work Commute Plan (PSCL) were used. In particular, the per capita emission value calculated for the 1,177 employees covered by the PSCL was also applied to the remaining 941 employees, in order to obtain an overall estimate for the entire Group workforce. This approach allowed the total CO_2eq emissions for FY 2024 to be quantified at 1,746,650 kg.

Greenhouse gas emissions[15]

t CO_2eq	2024
Gross Scope 1 GHG emissions	**7,543.29**
Percentage of Scope 1 GHG emissions covered by regulated emissions trading schemes (%)	0
Gross Scope 2 location-based emissions	**6,533.70**
Gross Scope 2 market-based GHG emissions	**11,289.17**
Total gross indirect GHG emissions (Scope 3)[16]	**2,899,308.04**
1. Purchased goods and services	301,567.94
2. Capital goods	18,156.46
3. Activities linked to fuel and energy	3,259.49
4. Upstream transport and distribution	11,428.56
5. Waste generated in operations	183,95
6. Business trips	1,138.10
7. Employee commuting	3,522.00
11. Use of products sold	2,560,051.54
Total GHG emissions (location-based)	**2,913,385.04**
Total GHG emissions (market-based)	**2,918,140.51**

It should be noted that the reporting of Scope 3 greenhouse gas emissions has some inherent limitations due to the reduced availability of primary data along the value chain. Consequently, the calculation of these emissions is partly based on secondary data, information and evidence provided by third parties, the degree of accuracy of which may vary. The Group is committed to continuous improvement of data quality in order to increase the accuracy of estimates and ensure increasingly reliable and transparent reporting.

15 The reporting period coincides with the accounting of the data provided by the entire value chain, corresponding to the fiscal year 2024 (01/01 - 31/12). No data from additional periods were considered. No adverse effects from significant events or changes in circumstances relevant to GHG emissions were detected between the reporting dates of the entities in the value chain and the date of the general purpose financial statements.

16 No primary data were used in the quantification of Scope 3.

Carbon intensity indices

GHG intensity based on net revenue

Scope 1, 2 and 3 greenhouse gas intensity is calculated by dividing the total emissions of Scope 1, Scope 2 (market-based) and Scope 3 by the Ferretti Group's total net revenue in 2024.

t CO_2eq / mln €	2024
Total GHG emissions (location-based) (t CO_2eq)	2,913,385.04
Total GHG emissions (market-based) (t CO_2eq)	2,918,140.51
Net revenue (mln €)	1,240.35
Total GHG emissions (location-based) compared to net revenue	**2,352.68**
Total GHG emissions (market-based) compared to net revenue	**2,348.85**

The carbon intensity was calculated because Ferretti's activity, with NACE code 30.12 (30.12 Construction of pleasure and sport boats) falls within the high climate impact sector.

Greenhouse gas removals

E1-7

At present, the company has not yet implemented any specific GHG absorption projects or emission mitigation initiatives financed through carbon credits.

Setting the internal price of carbon

E1-8

Currently, the company does not apply internal carbon pricing systems, although it recognises the potential of such instruments to support decision-making and incentivise the adoption of climate-related policies and targets.

European taxonomy

Introduction

To respond to the environmental challenges imposed by the climate crisis and concretely implement the objectives of the European Green Deal, the European Union has set specific climate and energy targets to be achieved by 2030 and 2050. To this end, the private sector is expected to actively participate in the implementation of sustainable projects and activities. With this in mind, the European Institutions have developed the so-called "Taxonomy of economic activities", i.e. a classification of economic activities that can be considered "environmentally sustainable". This Taxonomy was introduced through Regulation (EU) 2020/852 (hereinafter "**Regulation**"), published in the Official Journal of the European Union on June 22nd, 2020 and entered into force on July 12th, 2020. The Regulation, which applies to all companies obliged to draw up a Non Financial Statement in accordance with the provisions of Directive 2014/95/EU, implemented in Italy by means of the Legislative Decree 254/2016, provides investors, companies and public institutions with reliable and shared criteria and tools to identify environmentally sustainable economic activities. In order to proceed with the classification of economic activities, the document divides them into "eligible" and "aligned". An economic activity is defined as "eligible" if it is listed in the Delegated Regulation in relation to one or more environmental objectives, namely: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, protection and restoration of biodiversity and ecosystems. The activity, if eligible, has the potential to contribute substantially to the target setting. On the other hand, an economic activity is "aligned" if, in addition to being admissible, it is carried out in accordance with:

- technical screening criteria, which are divided into substantial contribution criteria, identified on a scientific basis and specific to each of the targets, and DNSH (Do No Significant Harm) criteria, which ensure that the activity does not cause significant harm to any of the remaining five targets;
- the minimum safeguarding guarantees, i.e. the procedures implemented by the Group to ensure compliance with human rights and international regulations in the management of its organisation and along the supply chain. Over the years, the Regulation has already undergone additions and extensions by means of Delegated Acts that have introduced additional economic activities and modified some criteria.

In 2021, the European Commission published the "Climate Delegated Act"[17], aimed at regulating economic activities that can substantially contribute to the two climate targets, while in 2023 the "Environmental Delegated Act"[18] was published, which, in addition to regulating the remaining four environmental targets, made some changes to the models to be used for the publication of key performance indicators (KPIs) of non-financial companies. During the same year, Delegated Regulation 2023/2485 was also published, which amended the Climate Delegated Act, both in terms of new economic activities and in terms of technical screening criteria. With regard to the 2024 reporting year, the Group is required to provide information regarding the share of turnover, capital expenditures (CapEx) and operating expenses (OpEx) associated with the economic activities considered eligible and aligned with the Taxonomy, with reference to the economic activities included in the "Climate Delegated Act". With regard to the activities included in the Environmental Delegated Act, on the other hand, for this first year of reporting, non-financial companies are only required to report the share of eligible turnover, CapEx and OpEx.

17 Delegated Regulation (EU) 2021/2139.
18 The Environmental Delegated Act, European Commission, C (2023) 2486, adopted on 27 June 2023 and entered into force on 1 January 2024.

Evaluation of Ferretti Group's activities

Eligibility analysis

In order to assess possible eligibility for the six environmental targets outlined in the Regulation, Ferretti Group has mapped its economic activities, identifying activities 3.3 Manufacture of low carbon technologies for transport and 7.6 Installation, maintenance and repair of renewable energy technologies, in relation to the installation of photovoltaic panels associated to the climate change mitigation target as the main activities related to its "*core business*", in particular considering the specifications of the "Communication from the Commission on the interpretation of certain legal provisions of the Delegated Act concerning disclosure in accordance with Article 8 of the EU Taxonomy Regulation as regards the reporting of eligible economic activities and assets 2022/C 385/01". This communication, issued on 6th October 2022 by the European Commission, indicates that qualifiers are assessed as "low carbon" exclusively to determine compliance with technical screening criteria and not in terms of eligibility.

Alignment Analysis

In order to assess the alignment of Turnover, CapEx and OpEx with respect to activity 3.3 Manufacture of low-carbon technologies for transport, and 7.6 Installation, maintenance and repair of renewable energy technologies, linked to the target of climate change mitigation, the Group carried out an assessment of the following elements:

- Substantial contribution compliance criteria;
- Alignment with the Do No Significant Harm (DNSH) criteria;
- The fulfilment of minimum safeguards.

Substantial contribution analysis criteria

The requirements of the Regulation to meet the criterion of substantial contribution to the climate change mitigation objective for activity 3.3 Manufacture of low-carbon technologies for transport are as follows:

- *sea and coastal passenger water transport vessels*, not dedicated to transporting fossil fuels, that:
  I. have zero direct (tailpipe) CO_2 emissions;
  II. until 31 December 2025, hybrid and dual fuel vessels derive at least 25% of their energy from zero direct (tailpipe) CO_2 emission fuels or plug-in power for their normal operation at sea and in ports;
  III. until 31 December 2025 have achieved an Energy Efficiency Design Index (EEDI) value 10% lower than the EEDI requirements applicable on 1 April 2022 if they are capable of running on fuels with zero direct (tailpipe) CO_2 emissions or on fuels from renewable sources.

In this regard, during the 2024 financial year, the Group sold two boats that meet these requirements, the Riva El-Iseo model (R27E), i.e. the all-electric propulsion version of the Iseo model. It should also be noted that the Group is actively involved in the research and development of solutions aimed at creating increasingly environmentally friendly boats.

The requirements of the Regulation to meet the criterion of substantial contribution to the climate change mitigation target for activity 7.6 Installation, maintenance and repair of renewable energy technologies are as follows:

- *installation, maintenance and repair of photovoltaic solar systems and ancillary technical equipment.*

Do No Significant Harm

The purpose of the DNSH compliance review in relation to the DNSH criteria is to ensure that the individual activities identified do not cause harm to the other environmental targets. In particular, in order to comply with the DNSH criteria, activity **3.3 Manufacture of low-carbon technologies for transport** must comply with the following criteria:

- Adaptation to climate change: The criteria outlined in Appendix A of the Climate Delegated Act require an analysis to be carried out to identify and assess chronic and acute physical climate risks (listed in Section II of the same Appendix) that affect the activity. This requires a robust assessment of climate risk and vulnerability, based on a precise process set out in the Delegated Act itself. The group has carried out a specific analysis of physical climate risks, however, no mitigation actions are present and have been evaluated, therefore this criterion has not been met.

- Sustainable use and protection of water and marine resources: the criteria outlined in Appendix B of the Climate Delegated Act require an analysis of the risks of environmental degradation related to both the maintenance of water quality and the prevention of water stress, or an environmental impact assessment according to Directive 2011/92/EU of the European Parliament and of the Council. To date, the Group does not carry out this type of analysis and for this reason the criterion is not met.
- Transition to a circular economy: the criteria outlined by the Climate Delegated Act require the activity to assess the availability of and, where feasible, adopts techniques that support:
  a. reuse and use of secondary raw materials and re-used components in the manufacture of products;
  b. design for high durability, recyclability, easy disassembly and adaptability of manufactured products;
  c. waste management that prioritises recycling over disposal, in the manufacturing process;
  d. information on and relative traceability of potentially hazardous substances throughout the life cycle of the manufactured products.

The Ferretti Group is committed to investing in the research of innovative materials and techniques capable of reducing the impact of its products. However, the Group does not believe that to date it has the necessary information available for a full evaluation of the criterion.

- Pollution prevention and control: the criteria outlined in Appendix C of the Climate Delegated Act require an assessment to be made of specific substances potentially included in the manufacturing processes. The Ferretti Group complies with local and international laws regarding the use of hazardous substances; however, since it has not carried out a specific assessment, conservatively and prudentially, it considers the criterion not to have been fulfilled.
- Protection and restoration of biodiversity and ecosystems: the criteria outlined in Appendix D of the Climate Delegated Act require an Environmental Impact Assessment (EIA) procedure to be carried out and the implementation of mitigation and compensation measures necessary for the protection of the environment. To date, the Group does not carry out this type of analysis and for this reason the criterion is not met.

With regard to activity, **7.6 Installation, maintenance and repair of renewable energy technologies** must meet the criteria outlined in Appendix A of the Climate Delegated Act, please refer to the section above for the relevant specifications.

Minimum safeguards

In order to verify compliance with the criteria defined by the minimum safeguards, the Ferretti Group carried out an assessment of the main corporate structures and policies, aiming to assess compliance with a series of international standards and principles, including the Organisation for Economic Co-operation and Development (OECD) guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, and the main conventions of the International Labour Organization (ILO), such as the International Bill of Human Rights. The Ferretti Group pays great attention to respect for human rights and the proper conduct of business, making these elements a solid foundation of its business. In order to ensure and promote these principles, the Group has implemented a public Code of Ethics, which serves as a reference to outline the main guidelines for corporate conduct. The Group is also committed to the fight against gender inequalities, making use of a "Diversity policy of the Administrative and Control Bodies". The adoption of this policy underlines the focus on diversity in its various forms, both within the Board of Directors and within the Group at large. During the selection process, the Group adopts strict principles of non-discrimination, respecting internationally accepted standards and principles. Upholding the importance of a transparent and ethical work environment, the Group has established a whistleblowing policy, making it public and easy to access for all its various stakeholders. This system makes it possible to report any unethical behaviour, thus promoting a culture of integrity in the Group. With regard to corruption, the Ferretti Group has adopted Model 231, with a particular focus on corruption crimes, further reaffirming its commitment to legality and transparency. However, with a conservative and prudential approach, the Group recognizes the need for further progress in terms of due diligence policies and supply chain control. **In this perspective, it does not yet consider its practices fully aligned with the parameters required for minimum safeguards, continuing to work to improve these aspects.**

Contextual Information & Accounting Policy

This paragraph describes the methodological and accounting approaches used to calculate the Turnover, CapEx and OpEx KPIs required by the regulations, based on what is reported in the Annexes of Delegated Act 2178/2021 of the Regulation, analysing the information based on the activities deemed eligible and, if necessary, aligned. The calculation methods, the structure of the different indicators analysed in relation to the activities defined by the EU taxonomy and the methods of numerical extraction are presented in order to quantify the items included in the numerator of each indicator. It should be noted that items relating to intercompany transactions are excluded from the analysis carried out to calculate the indicators, in accordance with the Regulation.

The elaboration of the indicators required the involvement of the Group’s administrative and accounting structures which, on the basis of the indications set out in Annex I to Delegated Act 2178/2021, identified the accounting items to be associated with the various KPIs, starting with the consolidated financial statement items. Additionally, it should be noted that the Capex and Opex KPIs do not incorporate any elements related to the requirements for a plan to expand economic activities aligned with the taxonomy or to enable economic activities eligible to alignment with the taxonomy, as described in §1.1.2.2 of Annex I of Delegated Act 2178/2021.

Turnover

In line with the provisions defined by Annex I of the Delegated Act 2021/4987, the Turnover KPI has been calculated as the ratio between the share of net revenues obtained from products or services, including intangibles, associated with taxonomy-aligned economic activities (numerator) and the Group’s net revenues (denominator). In accordance with the international accounting standard IAS 1.82 (a) cited by the Regulation, in order to avoid double counting, any revenue generated by the sale of intercompany products or services has been excluded from the calculation of the KPI. Consequently, the denominator of the Turnover KPI corresponds to the item “Net revenue” presented in the Consolidated Income Statement, showing a value of €1,240,346 thousand. In accordance with the requirements of the Annexes of the Disclosure Delegated Act 2021/4987, in calculating the numerator, the Group considered the revenues related to economic activities identified as eligible 3.3 — Manufacture of low carbon technologies for transport (Climate Change Mitigation) of €1,127,577 thousand.

CapEx

As described in the Regulation, the calculation of the denominator of the CapEx KPI includes the additions to assets presented during the 2024 financial year for tangible assets, intangible assets and right of use of assets (in accordance with IFRS 16), including those deriving from business combinations, considered before depreciation, write-downs and any revaluation, including those deriving from restatements and impairments, excluding changes in fair value.
In accordance with the provisions defined by Annex I of the Delegated Act 2021/4987, the denominator of the CapEx KPI was calculated starting from the items “Increases in owned assets” and “Increases in rights of use assets” recorded during the year excluding goodwill. To cover the accounting references required by IAS16, IAS38 and IFRS16, a breakdown of the denominator composition with reference to the asset categories mentioned, is given below:

- Intangible assets with a finite life: €8,474 thousand;
- Property, plant and equipment: €132,375 thousand;
- Rights of use related to tangible assets: €12,483 thousand.

The value considered in the denominator of the Capex KPI therefore amounts to €153,332 thousand.

Activity 3.3 Manufacture of low carbon technologies for transport

Eligibility check — To identify the numerator, an analysis of the increases associated to the assets referred to at point (a)[19] of § 1.1.2.2 of Annex I of the Disclosure Delegated Act was carried out. In particular, the Group's business figures were extracted — which identified only the net revenue of the production of composite yachts, made-to-measure yachts, super yachts, FDS and Wally sailboats, for a total value of €117,413 thousand.

Activity 7.6 Installation, maintenance and repair of renewable energy technologies

Eligibility check — For the identification of the numerator, an analysis was carried out concerning investments in plants producing energy through the installation of photovoltaic panels. In particular, items were extracted in for cross-sectional investments relating to the various plants (Forlì, Mondolfo, Cattolica, Sarnico) and carried out at the Ravenna plant, for a total value of €2,201 thousand.

OpEx

For the calculation of the OpEx KPI, the chart of accounts of the Group was analysed in detail in order to isolate cost items attributable to the categories defined by Annex 1 of the Delegated Act 2021/4987 as follows:

- Building renovation measures,
- Short-term leases,
- Maintenance and repair,
- Day-to-Day Servicing of assets.

With reference to the FAQ[20] published by the European Commission, the expenses incurred by the Group for the cleaning of the assets have been included in the calculation of the denominator with reference to the category "any other direct expenditures relating to the day-to-day maintenance of property, plant and equipment". The denominator of the OpEx KPI amounts to €12,578 thousand.

Activity 3.3 Manufacture of low carbon technologies for transport

Eligibility analysis — For the identification of the operating expense values associated with the numerator of the Opex KPI, the Group mainly identified expenses related to the maintenance of owned assets, maintenance of non-owned assets and cleaning related to "Day to Day servicing of assets" related to point (a)[21] of § 1.1.2.2 of Annex I of the Disclosure Delegated Act for a value of €7,917 thousand. In particular, the above-mentioned categories included in the management accounts of Ferretti S.p.A. were considered instrumental to the performance of core business activities, as they are functional to the manufacture of boats.

It should be noted that, since the activities in the gas and nuclear sectors, included in the Complementary Delegated Act (Delegated Regulation 2022/1214), were not eligible, the relevant tables have not been published.

19 Capital expenditures included in the denominator that are related to assets or processes associated with taxonomy-aligned economic activities.

20 FAQ 12 of Commission Notice C (2022) 385/01 of 6 October 2022.

21 Par. 1.1.3.2 of (EU) Delegated Regulation 2021/2178: operational expenditure related to assets or processes associated with taxonomy-aligned (eligible) economic activities, including training and other human resources adaptation needs, as well as direct non-capitalised R&D costs.

Tables according to Regulation (EU) 2020/852

Share of turnover deriving from products or services associated with economic activities aligned and eligible for the Taxonomy – Disclosure relating to the year 2024

Financial year 2024	**Year 2024**			**Substantial contribution criteria**					
Economic activities (1)	Code(s) (2)	Turnover (3)	Turnover share of expenses (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)
		currency	%	%	%	%	%	%	%
A. Taxonomy eligible activities									
A.1 Environmentally sustainable activities (taxonomy-aligned)									
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		- €	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)									
Activity 1: Manufacture of low carbon technologies for transport	3.3 **CCM** 3.3 CCA	1,127,577 K €	90.09%	90.09%					
Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		1,127,577 K €	90.09%	90.09%					
Total (A.1 + A.2)		1,127,577 K €	90.9%	90.9%					
B. Taxonomy non-eligible activities									
Turnover of taxonomy non-eligible activities (B)		112,769 K €	9.1%						
Total (A + B)		1,240,346 K €	100%						

	DNSH criteria ("do no significant harm")										
	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Share of turnover aligned with taxonomy N (18)	Share of turnover aligned with taxonomy N-1 (19)	Category (qualifying activity or) (20)	Category (transition activity) (21)
	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	A	T
	N	N	N	N	N	N	N	0.00%	0.00%		
								0.00%	0.00%	A	
								0.00%	0.00%		
								0.00%	0.00%		

	Share of Turnover/Total Turnover	
	Aligned to taxonomy by objective	*Eligible for taxonomy by objective*
CCM	0.00%	90.91%
CCA	0.00%	0.00%
WRT	0.00%	0.00%
CE	0.00%	0.00%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

Share of capital expenditures deriving from products or services associated with taxonomy-aligned economic activities – Disclosure for the year 2024

Financial year 2024	Year 2024			Substantial contribution criteria					
Economic activities (1)	Code(s) (2)	Absolute capital expenditure (3)	Share of capital expenditure (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)
		currency	%	%	%	%	%	%	%
A. Taxonomy eligible activities									
A.1 Environmentally sustainable activities (taxonomy-aligned)									
Share of capital expenditure of environmentally sustainable activities (taxonomy-aligned) (A.1)		- €	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)									
Activity 1: Manufacture of low carbon technologies for transport	3.3 **CCM** 3.3 CCA	117,809 K €	76.83%	76.6%	0.00%	0.00%	0.00%	0.00%	0.00%
Activity 2: Installation, maintenance and repair of renewable energy technologies	7.6 **CCM** 7.6 CCA	2,201 K €	1.44%	1.4%	0.00%	0.00%	0.00%	0.00%	0.00%
Capital expenditure of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned) (A.2)		120,010K€	78.27%	78%	0.00%	0.00%	0.00%	0.00%	0.00%
Total (A.1 + A.2)		120,010K €	78.27%	78%	0.00%	0.00%	0.00%	0.00%	0.00%
B. Taxonomy non-eligible activities									
Turnover of taxonomy non-eligible activities (B)		33,322 K €	21.73%						
Total (A + B)		153,332 K €	100%						

DNSH criteria ("do no significant harm")										
Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Share of capital expenditure aligned with taxonomy N (18)	Share of capital expenditure aligned with taxonomy N-1 (19)	Category (qualifying activity or) (20)	Category (transition activity) (21)
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	A	T
N	N	N	N	N	N	N	0.00%	0.00%		
							0.00%	0.00%	A	
							0.00%	0.00%	A	
							0.00%	0.00%		
							0.00%	0.00%		

	Share of total CapEx/CapEx	
	Aligned to taxonomy by objective	*Eligible for taxonomy by objective*
CCM	0.00%	78.27%
CCA	0.00%	0.00%
WRT	0.00%	0.00%
CE	0.00%	0.00%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

Share of operating expenditures[22] deriving from products or services associated with taxonomy-aligned economic activities – Disclosure for the year 2024

Financial year 2024	**Year 2024**			**Substantial contribution criteria**					
Economic activities (1)	Code(s) (2)	Absolute operating expenses (3)	Share of operating expenditure (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)
		currency	%	%	%	%	%	%	%
A. Taxonomy eligible activities									
A.1 Environmentally sustainable activities (taxonomy-aligned)									
Operating expenditure of environmentally sustainable activities (taxonomy-aligned) (A.1)		- €	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)									
Activity 1: Manufacture of low carbon technologies for transport	3.3 **CCM** 3.3 CCA	7,917	62.94%	62.9%	0.00%	0.00%	0.00%	0.00%	0.00%
Operating expenditure of taxonomy non-eligible activities (B)		7,917 K €	62.94%	62.9%	0.00%	0.00%	0.00%	0.00%	0.00%
Total (A.1 + A.2)		7,917 K €	62.94%	62.9%	0.00%	0.00%	0.00%	0.00%	0.00%
B. Taxonomy non-eligible activities									
Operating expenditure of taxonomy non-eligible activities (B)		4,660 K €	37.1%						
Total (A + B)		12,578 K €	100%						

22 With reference to Opex related to Activity 7.6 'Installation, Maintenance and Repair of Renewable Energy Technologies', it should be noted that, as this activity is a recent start- up, the associated cleaning and maintenance costs were considered insignificant.

DNSH criteria ("do no significant harm")

Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Share of operating expenditure aligned with taxonomy N (18)	Share of operating expenditure aligned with taxonomy N-1 (19)	Category (qualifying activity or) (20)	Category (transition activity) (21)
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	A	T
N	N	N	N	N	N	N	0.00%	0.00%	0.00%	
							0.00%	0.00%	A	
							0.00%	0.00%		
							0.00%	0.00%		

	Share OpEx/Total OpEx	
	Aligned to taxonomy by objective	*Eligible for taxonomy by objective*
CCM	0.00%	62.94%
CCA	0.00%	0.00%
WRT	0.00%	0.00%
CE	0.00%	0.00%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

Disclosure pursuant to Annex XII Delegated Regulation (EU) 2021/2178

If financial or non-financial enterprises do not carry out, do not finance or are not exposed to an activity listed in rows 1 to 6 of Model 1 of Annex XII of the DDA, they must enter "No" to the questions in the following model. Furthermore, answering "No" to all questions implies the possibility to omit filling in and giving disclosure for forms 2 to 5 of this annex for the respective applicable KPIs.

Model 1 – Nuclear and fossil gas activities line

	Activities related to nuclear energy	
1.	The company carries out, finances or has exposures to research, development, demonstration and implementation of innovative power generation plants that produce energy from nuclear processes with a minimum amount of fuel cycle waste.	NO
2.	The company carries out, finances or has exposures to the construction and safe operation of new nuclear power plants for the generation of electricity or process heat, including for district heating purposes or for industrial processes such as hydrogen production, and improvements in their safety with the help of the best available technology.	NO
3.	The company carries out, finances or has exposures to the safe operation of existing nuclear power plants that generate electricity or process heat, including for district heating or industrial processes such as the production of hydrogen from nuclear energy, and improvements to their safety.	NO
	Activities related to fossil gas	
4.	The company carries out, finances or has exposures to the construction or operation of power generation plants using gaseous fossil fuels.	NO
5.	The company carries out, finances or has exposures to the construction, upgrading and operation of combined heat/cooling and power generation plants using gaseous fossil fuels.	NO
6.	The company carries out, finances or has exposures to the construction, upgrading and operation of heat generation plants that produce heat/cooling using gaseous fossil fuels.	NO

E5-Use of resources and circular economy

Managing impacts, risks and opportunities related to the circular economy

ESRS 2
IRO-1

The double materiality assessment carried out by the Ferretti Group identified the circular economy topic as a relevant topic for the Group's activities, according to the methodology described in the section 'Double Materiality Analysis', analysing its assets and activities in its own operations and in its upstream and downstream value chain. This topic is material in the sub-topic relating to inflows and use of resources by the Group and in waste management. It is emphasised that affected communities were not involved in carrying out these assessments.

Material subtopic	IRO	IRO Description	Value chain	Time horizon	Implemented tools and procedures
Inflows of resources, including use of resources	Current impact	Use of non-renewable resources with consequent impact on their availability	The Group has identified the impact in its own operations and upstream in the value chain	Medium term	— Code of Ethics — ISO 9000 certification — Environmental policy — New Product Development Procedure
Waste	Current impact	Inappropriate disposal of production-related hazardous waste, resulting in negative impacts on the environment and the health of living organisms	The Group has identified upstream and downstream impacts in the value chain and in its own operations	Long term	
Resources outflows linked to products and services	Opportunities	Implementation of circular economy initiatives through: 1. use of recycled materials 2. recovery of production waste for recycling 3. projects aimed at ensuring product life extension		Short term	

Policies

Policies
E5-1

Ferretti Group pays special attention to the principles of the circular economy, integrating them into its production and strategic processes. The company's Code of Ethics emphasises the importance of environmental protection. In addition, the New Product Development procedure, linked to ISO 9001 certification, establishes environmental and eco-sustainable requirements for Design Management. It should be noted that these policies are not fully compliant with the ESRS Standards.

ISO 9000 & New Product Development
E5-1

In particular, the "New Product Development" procedure addresses specific aspects and some of the main impacts, risks and opportunities material to the Ferretti Group linked to the circular economy, such as: the orientation towards processes with a lower environmental impact, the choice of components and materials aimed at the sustainability of the product's useful life, and the availability of information on potentially material environmental impacts during transport, delivery or use of products.

Ferretti Group recognises the need to strengthen the integration of these principles into its corporate policies, working to progressively reduce the use of virgin resources, favouring recycled materials and promoting the sustainable sourcing and use of renewable resources. The intention is to manage the impacts, risks and

opportunities in their own operations and along the entire value chain, both upstream and downstream, in an increasingly conscious manner, as part of a corporate policies continuous evolution path.
For a more complete description of adopted environmental and circular economy policies, please refer to Chapter E1 — Climate Change.

Actions

Actions
E5-2

In order to optimise the use of resources and integrate the circular economy principles into its processes, Ferretti Group implements actions to reduce waste, improve production efficiency and encourage a more prolonged and sustainable use of its products. These initiatives are linked to policy targets and aim to maximise the value of the materials used and to promote design solutions that respond to market needs, incentivising more efficient and prolonged use patterns. The resources dedicated to these actions are part of a broader strategy to combine innovation with sustainability in the boat life cycle management.

Main actions	Scope of actions (value chain, stakeholders)	Time horizon	Status (realised, ongoing, planned)	Financial resources[23] (CapEx/OpEx)
Production using 3D printers	Own operations	Long-term (2024-ongoing)	Ongoing	€ 60,000 (Tangible assets) € 1,500 (Maintenance)
Refitting Project	Own operations	Long-term (2022-ongoing)	Ongoing	N/A[24]

3D Printers

The Ferretti Group uses 3D printing technology to optimise its production processes, improving efficiency and material utilisation and reducing waste. This innovation makes it possible to produce customised components for yachts, with reduced investment, while also ensuring greater precision and repeatability in production. In addition, 3D printing offers the possibility of testing prototypes in a shorter time, accelerating the development cycle.

The adoption of this technology is part of the Group's commitment to sustainability, helping to reduce the use of virgin materials, reduce production waste and increase recyclability. This initiative is part of the Ferretti Group's broader sustainability plan, which aims to responsible innovation and the progressive integration of solutions with a lower environmental impact in production processes.

Refitting

Yacht refitting is a clear example of the application of circular economy principles in the nautical sector, making it possible to renew and extend the useful life of a boat rather than replacing it.

This process involves the recovery and upgrading of existing materials and components, combined with the adoption of more efficient and environmentally friendly technologies — such as hybrid engines and photovoltaic systems — and the use of sustainable interior and exterior materials. The refitting project, which includes maintenance and modifications, not only improves the yachts' efficiency and lifespan, but also reduces the consumption of natural resources and the environmental impact by promoting recycling and waste reduction.

In recent years, this approach has shown an exceptional growth trend. In the Retail Works Business segment — which includes refits, repairs, technical consulting, maintenance plans and other related activities — the number of projects managed increased from 40 in 2022 to 74 in 2023, reaching 85 in 2024, while the number of quotations issued increased from 381 to 456 and 475 over the same period. At the same time, in the Spare

23 Current amount of financial resources used and traceable to values on the balance sheet. There are currently no plans to allocate future financial resources.
24 For the reporting year 2024, the financial resources for the Refitting project could not be derived.

Parts Business segment, the number of tickets handled grew from 2,718 in 2022 to 2,806 in 2023 and to 2,985 in 2024, with shipments increasing from 1,105 to 1,291 and 1,331 in 2022, 2023 and 2024 respectively.

Particular attention is paid to the choice of materials: there is a growing preference, especially among Northern European shipowners, for eco-friendly solutions such as sustainable teak, obtained by recycling old wood (e.g. cork) or through synthetic variants. In this way, the nautical sector is moving towards an increasingly circular business model, based on sustainability and the enhancement of existing resources.

Targets

Ferretti Group has defined specific targets, of a non-quantitative nature, on the use of resources and the circular economy, in line with its sustainability strategy and regulatory requirements. These targets were adopted to improve resource efficiency, reduce environmental impact and promote innovation in production processes, while ensuring compliance with obligations to monitor the effectiveness of policies and actions taken. Targets E5-3
The initiatives identified focus in particular on optimising the use of materials, reducing waste from a waste prevention perspective and enhancing circular technologies to promote material recovery.
In this context, the targets set relate directly to resource input and output flows, with a specific focus on circular product design, increasing the circular material utilisation rate, reducing production waste and efficient waste management. The targets set are not prescribed by regulations, but are part of a long-term vision, geared towards consolidating sustainability in corporate practices and policies and proactively responding to environmental and regulatory challenges.

The company also recognises the importance of promoting sustainable sourcing and use of resources, in line with the principles of the circular economy, although specific strategies in this regard are still being evaluated. It is specified that the implementation and monitoring methods, as well as the expected results and possible stakeholder involvement for both objectives are still being developed. The defined objectives are not fully compliant with ESRS standards as they are qualitative in nature. For more details on the monitoring of objectives, policies and actions, please refer to the section "*Strategy, business model and value chain*".

Target	Description	Reference ESRS	Base Year	Target Year
Launch of a Pilot Project on the replacement of thermoplastic resins with hardening resins	Launch of a pilot project to replace thermoplastic resins with recyclable hardening resins, with the aim of facilitating the recovery of raw materials after use. The initiative aims to reduce waste, improve the efficiency of production processes and achieve corporate innovation and responsible resource management targets.	E5-3 - Targets related to use of resources and the circular economy	2024	2026
Enhancing the use of 3D printing in engineering	The enhancement of 3D printing reduces waste from production offcuts, promoting more efficient resource management. Theinvolvement of the engineering area expands the use of this technology in production departments and strengthens in-house technical expertise.	E5-3 - Targets related to use of resources and the circular economy	2024	2025

Metrics

Inflows
E5-4

Inflows

Ferretti Group uses a variety of materials for the production of its boats, differentiated between renewable and non-renewable. Among renewable materials, wood and teak are the main resources used for furniture structures, interior fittings and exterior deck finishes.
As far as non-renewable materials are concerned, the company makes extensive use of ferrous steels, aluminium alloys and stainless steel, essential for the construction of metal yacht structures. Similarly, materials such as resins, foams, glass and carbon fibres are used for composite ships and boats. Components such as copper, bronze and lead find application in equipment and on-board systems, while paints and fillers are essential for finishing products.

It should be noted that, at present, packaging is not included in reporting, as its impact is considered marginal in relation to the total materials used. However, Ferretti Group recognises the traceability of packaging materials as an aspect of continuous improvement and is committed to developing solutions that allow for more accurate tracking, while considering the current complexity of this process.

The incoming flows are estimates based on the number of units delivered, allowing for the correct monitoring of resource inflows according to context. An internal database was adopted, already used for weight and stability calculations of vessels, as it describes in more detail the materials that make up the boat by associating the weight and centre of gravity of each one. The internal traceability Excel file collects data provided by suppliers and integrates information from the SAP for directly purchased materials.

Resource inflows

Requested description E5-4	2024
a) Total weight[25] of technical and organic products and materials used during the reporting period (t)	14,273.11 t
b) % organic materials used by the company to manufacture products and offer services (including packaging) that originate from a sustainable supply chain	0
c) The weight, in absolute value and as a percentage, of reused or recycled secondary components and intermediate secondary products and materials used by the company for its products and services (including packaging)*	0

* With regard to c), no data is available on the weight, either in absolute value or percentage, of secondary reused or recycled components, nor information on the intermediate secondary products and materials (including packaging) used by the company, including details on recycled and recyclable materials.

25 Incoming flows are estimated on the basis of data on the number of units delivered. The information is processed through an internal database used for weight and stability calculations of vessels and supplemented with traceability data from suppliers and the SAP system for directly purchased materials.

Outflows

Due to the unique nature of Ferretti Group products, repairability depends on several factors including: extent of damage, damage to structural components or replaceable components, etc. Outflows E5-5

Durability of output products

Products and materials	Displacement Motorboat	High Performance Motoryacht
Expected durability of products placed on the market[26]	n/a	n/a
Industry Media[27]	45 years	50 years

No information is currently available on the rate of recyclable content in products and packaging, but action is planned to start collecting and reporting this data. Ferretti Group does not monitor or collect data on the weight, in absolute value or percentage, of reused or recycled secondary components, secondary intermediate products and secondary materials used in the production of its products and services, including packaging. Therefore, a process to avoid double counting in the case of overlapping reused and recycled materials has not been implemented.

Regarding the contribution to the circular economy, Ferretti Group does not currently have a system to monitor the level of integration of circularity principles into its products and materials, nor the extent to which these are actually recycled or reused after first use. Likewise, no indicators have yet been defined to assess the management of pre-consumer waste within its operations. The company does not currently provide a detailed description of products and materials developed according to the principles of durability, reusability, reparability or recycling, nor does it have data on the expected durability of its products compared to the industry average. The Group recognises the importance of these aspects and is considering implementing appropriate tools to improve the monitoring and reporting of this information in the future.

Waste

In compliance with environmental directives and with a view to the circular economy, Ferretti Group defines and monitors waste streams specific to the nautical sector. In particular, the company identifies the following as the main waste streams: resins, metals, derived woods, plastics, paints, solvents and adhesives. Waste E5-5

At the same time, Ferretti Group specifies the composition of waste, highlighting the presence of recyclable materials such as, metals, non-metallic minerals, plastics and textiles. These indications testify to the company's ongoing commitment to sustainable waste management and the enhancement of resources along the entire production chain.

In order to determine and classify outflows, the company relies on the FIR waste forms, from which the destination codes are taken, and on the Environmental Declaration Form (MUD – Modello Unico di Dichiarazione Ambientale), which provides the quantities produced for production activities. Whenever possible, estimates were made for municipal waste not subject to MUD, quantifying weekly collections based on waste container volumes.

26 Currently, Ferretti does not monitor or collect data on the expected durability of products placed on the market.
27 Study presented by ICOMIA entitled "Pathways to Propulsion Decarbonisation for the Recreational Marine Industry".

Waste generated

Waste	2024
Total quantity of waste (t)	4,468.59
Total quantity in tonnes of hazardous waste destined for	
Preparation for re-use	2.71
Recycling	–
Other recovery operations	190.21
Total quantity in tonnes of non-hazardous waste destined for	
Preparation for re-use	281.39
Recycling	–
Other recovery operations	3,724.20
Total quantity in tonnes of hazardous waste destined for	
Incineration	–
Landfill	13.43
Other disposal operations	132.32
Total quantity in tonnes of non-hazardous waste destined for	
Incineration	21.23
Landfill	37.41
Other disposal operations	65.70
Total quantity In tonnes of non-recycled waste	**4,468.59**
% of non-recycled waste	**100%**

Hazardous and radioactive waste

Waste	2024
Total quantity of hazardous waste (t)	**338.66**
Total quantity of radioactive waste (t)	**0**

Environmental aspects material to the Value Chain – E2-Pollution – E3-Water resources – E4-Biodiversity

Managing impacts, risks and opportunities

The Double Materiality Assessment conducted by Ferretti Group for the financial year 2024 included an initial qualitative assessment of the value chain, allowing the associated impacts, risks and opportunities to be identified and evaluated. Topics material to internal operations and for the entire supply chain, both upstream and downstream, were identified by the work carried out. As a first view of the value chain, the Group carried out its evaluation in discussion with management. Aware of the importance of timely value chain management, the Group intends to analyse it in more depth in future years. It should be noted that no specific consultations were carried out for the identification of IROs.
The matters identified in this perspective mainly concern pollution, water resources and biodiversity, for which the material IROs are listed below.

E2-Pollution

Pollution

E2

Material subtopic	IRO	IRO Description	Value chain	Time horizon	Implemented tools and procedures
Water pollution	Potential impact	Pollution generated by the release of pollutants into groundwater and the sea	The Group has identified the downstream impact in the value chain	Medium term	N/A

Following the Double Materiality Analysis, the issue of pollution was not considered relevant to Ferretti's operations, nor to any of its factories or business activities. However, it emerged as a relevant issue along the upstream and downstream value chain, as highlighted by the analysis conducted through the development of a sector map (source UNEP FI/PSI[28]). At present, no specific sites, related to the value chain, for which pollution is a relevant issue have been identified.

E3-Water Resources

Water Resources

E3

Material subtopic	IRO	IRO Description	Value chain	Time horizon	Implemented tools and procedures
Water	Current impact	Impacts on water resources from consumption for domestic and productive uses related to (upstream) value chain activities, with a focus on water-stressed areas	The Group has identified the upstream impact in the value chain	Long term	N/A

Following the Double Materiality Analysis, water and marine resource issues were not included in the reporting, as they were only materially relevant to the supply chain. However, the analysis conducted through the development of a sectoral map (source UNEP FI/PSI) highlighted the relevance of these issues along the entire value chain, both upstream and downstream. Currently, no specific sites within the value chain have been identified for which pollution is a critical issue.

28 UNEP-FI (United Nations Environment Programme Finance Initiative) and PSI (Principles for Sustainable Insurance)

E4-Biodiversity and Ecosystems

Biodiversity and Ecosystem

E4

Material subtopic	IRO	IRO Description	Value chain	Time horizon	Implemented tools and procedures
Factors with direct impact on biodiversity loss	Current impact	Damage to biodiversity generated by the depletion of resources during procurement and pollution produced during use	The Group has identified downstream and upstream impacts in the value chain	Medium term	N/A

Ferretti identified and assessed the actual and potential impacts on biodiversity and ecosystems at its sites and along the value chain, using the methodology described in the 'Double Materiality Analysis' section. In detail, a quantitative analysis was conducted using the HeatMap tool, which is based on sector maps from external and open-source sources (UNEP-FI and PSI). These maps assign an expected level of incidence for various economic sectors, based on issues related to environmental, social and governance factors.

However, to date, the following have not been identified and assessed: dependencies on biodiversity and ecosystems, risks and opportunities related to transition and physical impacts from biodiversity and ecosystems, nor systemic risks related to these issues. Furthermore, a formalised environmental risk management (ERM) system specific to these issues has not been implemented. Regarding the impact of its activities on local communities, the Group has not engaged in consultations with affected communities on sustainability assessments related to shared biological resources and ecosystems, nor has it defined specific criteria to identify sites or productions with negative impacts on these communities. Furthermore, local communities were not involved in the dual significance analysis nor were they included in the process of assessing significant impacts on sustainability issues.

In 2023, Ferretti conducted an analysis to identify sites in biodiversity sensitive areas, identifying factories located within 10 km of protected areas. However, an assessment of the effects of its activities on these areas has not been carried out, nor has an analysis of potential damage to natural habitats or protected species. Consequently, the need to implement mitigation measures for biodiversity, such as those provided by: Directive 2009/147/EC of the European Parliament and of the Council on the conservation of wild birds; Council Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora; an environmental impact assessment (EIA) as defined in Article 1(2)(g) of Directive 2011/92/EU of the European Parliament and of the Council on the assessment of the effects of certain public and private projects on the environment; and for activities located in third countries, in accordance with equivalent national provisions or international standards, such as the International Finance Corporation (IFC) Performance Standard 6: Conservation of Biodiversity and Sustainable Management of Living Natural Resources.

Policies

E2-1 E3-1 E4-2

Although Ferretti Group has several corporate tools and policies related to sustainability, including the Code of Ethics and management systems, it has not yet adopted specific policies dedicated to the issues of pollution, water management and biodiversity as they are not considered a priority with respect to current sustainability strategies and the operational management of the business. However, in the coming years, the Group plans to develop appropriate tools to ensure a more structured and transparent management of the material impacts, risks and opportunities in these areas.

Actions

In this first ESRS reporting year, Ferretti Group has not taken, nor does it intend to take in the coming years, any specific actions on these issues, due to its still partial knowledge of its value chain. However, the Group is committed to formalising initiatives relating to these aspects in future financial years, with the ultimate goal of achieving its strategic targets. **E2-2** **E3-2** **E4-3**

Targets

Ferretti Group's strategy does not include specific targets relating to the topics of pollution, water and biodiversity. As noted above, these topics were material considering only the value chain, and the currently limited knowledge of the latter did not allow the Group to define strategic targets to pursue. For future years, the acquisition of more awareness is planned, allowing for a more detailed definition of the topics and their material subtopics. In this way, Ferretti Group will be able to prioritise aspects material exclusively to the value chain, also in terms of targets. **E2-3** **E3-3** **E4-4**

S1-Own workforce

Managing Impacts, Risks and Opportunities related to own workforce

The Double Materiality Assessment identified the own workforce as one of the material topics for Ferretti Group, particularly with regard to subtopics concerning working conditions and equal treatment and opportunities for all. Group employees as a whole are exposed to these topics, and blue collar workers in particular may be more exposed to health and safety risks due to the nature of their work.

Since 2024 represents the first year in which the Double Materiality Analysis was conducted, the actual and potential impacts on the Group's own workforce are not yet fully integrated into the Group's business model and strategy.

It should be noted that these general material impacts do not result from transition plans as the Group has not yet implemented any. Furthermore, there are no impacts or risks related to forced labour and child labour in any of the countries where the Group operates. It is also reported that, at present, no specific measures have been taken to mitigate any negative impacts arising from the transition to a greener or zero-emission economy.
life balance

Material subtopic	IRO	IRO Description	Value chain	Time horizon	Implemented tools and procedures
Working conditions Equal treatment and opportunities for all	Potential impact	Dissatisfaction, demotivation and reduced employee wellbeing, resulting from precarious employment, inadequate working environments and lack of initiatives to foster sharing and a sense of belonging	The Group has identified the impact in its operations	Long term	— Code of Ethics — Whistleblowing Policy — MBO Regulation — Selection Policy — Recruitment Policy — Diversity and Inclusion Policy — Working Time Policy
Working conditions	Potential impact	Work-life imbalance due to disregard of working hours, difficulties in home-work commutes and lack of adequate support policies for work-life balance	The Group has identified the impact in its operations	Long term	
Working conditions	Current impact	Cases of accidents, injuries and occupational diseases, with possible negative impacts in terms of workforce health and safety	The Group has identified the impact in its operations	Short term	
Equal treatment and opportunities for all	Potential impact	Cases of violation of workers' rights due to poor representation of protected groups and minorities	The Group has identified the impact in its operations	Long term	
Equal treatment and opportunities for all	Potential impact	Cases of violence and harassment within the company, with possible consequences for the wellbeing and safety of workers, in the absence of adequate prevention measures and countermeasures	The Group has identified the impact in its operations	Long term	
Equal treatment and opportunities for all	Current impact	Workforce satisfaction via the development of professional skills by means of training activities provided to employees and merit-based paths	The Group has identified the impact in its operations	Long term	
Working conditions	Opportunities	Improved business performance ensured by workforce satisfaction and the creation of a fair and inclusive working environment	The Group has identified the impact in its operations	Long term	
Equal treatment and opportunities for all	Opportunities	Improving business performance and developing innovative ideas through workforce satisfaction through the development of professional skills	The Group has identified the impact in its operations	Long term	

Policies

The Group is strongly committed to conducting its business in accordance with the highest ethical standards, which are considered fundamental to the company's success and to consolidating its image as a leader in the international boating industry. In this context, it guarantees equal job opportunities and professional growth for its entire workforce, based solely on skills and qualifications. Ferretti Group rejects all forms of discrimination in the workforce as a whole, including discrimination based on gender, age, race, colour, faith, religious belief, sexual orientation, marital status, national origin, disability, citizenship or membership of protected categories.

Policies
S1-1
MDR-P

This commitment is embodied in the rigorous application of the principles contained in the Code of Ethics, as well as the adoption and implementation of additional policies implemented to manage the impacts, risks and opportunities related to the company's own workforce.

The Code of Ethics establishes the Group's commitment to conduct its personnel selection, recruitment and management processes in a transparent, fair and fully compliant manner, condemning any illegal behaviour such as harassment, discrimination or favouritism. For more details on the Code of Ethics, see chapter G1. Furthermore, with regard to the protection of the most vulnerable workers, the Group is committed to preventing and combating phenomena such as the failure to respect human rights, human trafficking, forced labour and child labour, by adopting specific management systems and controls that comply with the provisions of the Minimum Age Convention (ILO No. 138) and the Worst Forms of Child Labour Convention (ILO No. 182). The policies relating to the own workforce, whose operational responsibility rests with the Chief HR & Organisation Officer, are explained in more detail below:

Code of Ethics

The MBO Internal Regulations define in a clear and structured manner how the target-based incentive system is managed. In particular, it regulates the rules for compiling the MBO form and provides detailed instructions for assigning and evaluating the targets assigned to each employee, taking into account the reference area and specific professional responsibilities. The regulations thus ensure a transparent and consistent process, aligned with the company's strategic targets and aimed at enhancing the individual's contribution to the achievement of the Group's overall results.

MBO Regulation

The Ferretti Group's Selection Procedure defines the entire project process for the analysis of needs, planning of interventions and implementation of the selection process up to the moment of appointment. It applies to all company personnel — from executives to middle managers, white and blue collar workers — at all Group sites.

Selection procedure

The procedure consists of two main phases: in the pre-development phase, needs are analysed and priorities are defined through careful planning, while in the development phase, recruitment takes place, including internal and external recruiting, a series of interviews and the final evaluation of candidates. At the end of the process, a report is drawn up summarising the assessed profiles, followed by the definition of a contractual package and the signing of the job proposal. Finally, before the end of the probationary period, the HR Department verifies the effectiveness of the process through discussions with the head of the applicant function, thus ensuring a structured, transparent selection process in line with organisational development targets.

The recruitment procedure represents a set of activities aimed at implementing the Human Resources selection process within the company.

Recruitment procedure

The recruitment procedure also defines how new employees are inducted, setting out clear procedures to ensure an effective reception and gradual integration into the company environment. These activities encompass all aspects of communication, organisation and contractual formalities, from the signing of the letter of employment to any subsequent changes in the employment relationship, such as role changes, promotions or internal reallocations.

Diversity and Inclusion Policy

Ferretti Group is committed to creating an inclusive working environment free from discrimination, promoting equal opportunities and respect for diversity in all its forms. The company adopts policies that prohibit all forms of discrimination and is committed to removing cultural, organisational and material obstacles that may limit the full development of people.

The company strategy translates into human resources management practices geared towards selecting the best talent, promoting professional development, preventing the gender pay gap and supporting constructive generational exchange. In addition, the company fosters inclusive leadership styles and transparent communication, which are key to creating working relationships based on mutual respect and trust.

Lastly, the Diversity and Inclusion policy is disseminated at all levels of the organisation through the corporate website, to ensure that each employee can fully express their potential and contribute to the Group's success, and so that there is full awareness and further impetus for the promotion of human rights as an integral part of the Ferretti Group's value system.

Through this policy, the Group is committed to ensuring an inclusive working environment that respects diversity, promoting initiatives aimed at strengthening the balanced representation and active involvement of all professional categories within corporate governance.

Working Time Policy

The Working Time Policy integrates and enforces existing working time regulations at company level, ensuring a clear and structured management of working time. The policy regulates in detail the attendance system, the way absences are justified, the management of breaks and time-off in lieu, ensuring respect for workers' rights and promoting a balance between professional and personal life. The aim is to ensure transparency and compliance, while optimising the organisation of work to foster an efficient and productive environment for the Group's employees.

Education and training procedure

The staff training and education procedure is a crucial element in improving product quality, the effectiveness of the Quality System and the overall success of the company. The Chief HR & Organisation Officer guides the process of identifying, assessing and bridging the gap between the skills needed for different activities and those currently held by employees. In this context, training activities are aimed not only at preventing accidents and protecting the wellbeing of workers through continuous training on safety regulations and preventive best practices, but also at developing technical and managerial skills.

The process starts from the analysis of training needs, conducted periodically by the Training Supervisor in cooperation with the Function Managers and with the support of each site Health & Safety Officer, who highlight the needs also related to prevention and safety obligations. Training requests are collected and integrated with the needs proposed by the company management for business development. Based on the data collected, the Training Supervisor defines a training plan which is then submitted to the HR management for approval, thus ensuring a dynamic and continuous approach to training.

The recording of training activities and personal experiences testifies to the training that has taken place, while the process of analysis, planning and approval makes it possible to identify the areas concerned, define the topics to be developed, select the participants and trainers and establish indicative timelines, ensuring that the training is always aligned with organisational priorities and current safety regulations.

Workforce Involvement Processes

Involvement processes

S1-2

ESRS2

SBM-2

The Group communicates that its commitment to involvement is realised through strong institutional and industrial relations. The principles of transparency, independence and integrity characterise the relations maintained by the corporate functions with trade union organisations, favouring a fair debate without discrimination aimed at creating a climate of mutual trust and constructive dialogue.

In this context, the Group has been able to consolidate stable relations over the years, managing them in a serene and constructive manner through the constant involvement of trade union representatives through regular meetings. In particular, in February 2022, Ferretti S.p.A. signed an agreement with national and European trade unions and the shipyard workers' representative bodies, renewing the second-level company integrative contract (CIA), valid until 31 December 2024. Furthermore, in December 2024, negotiations were concluded for the renewal of the Ferretti S.p.A. CIA, which will be valid from 1 January 2025 to 31 December 2027. Furthermore, it should be noted that all Ferretti S.p.A. employees are subject to collective bargaining agreements, which guarantee a continuous dialogue with workers' representatives, also in relation to human rights, allowing the employees' perspective to be valued.

Ferretti S.p.A. and Zago S.p.A. periodically carry out anonymous surveys on home-work mobility to analyse employee habits and evaluate possible interventions to improve travel sustainability. The last survey was conducted by means of a self-compiled online questionnaire, in accordance with the official guidelines on work commute plans, using the dedicated MMSurvey application.

Work commute plan

To ensure high participation, the campaign was supported by digital information material and official announcements sent by e-mail to all workers. The data collected allow us to understand the needs of the workforce and their propensity for more sustainable mobility solutions, thus contributing to the definition of targeted strategies to optimise travel and reduce environmental impact. The plan is implemented and managed by the HR function, and in particular by its director, who has operational responsibility.

Channels for own workforce to raise concerns

In addition, Ferretti Group has a number of processes in place to remedy negative impacts on its own workforce and provide formal channels to raise concerns, thus ensuring a timely and effective response system.

Channels for concerns to be raised
S1-3

In fact, in addition to the periodic fitness examination, may request an extraordinary medical examination if they believe that they are in a situation that may compromise their health; in this way, the worker has the opportunity to share their concerns with the appointed doctor, who assesses together any prescriptions or limitations necessary to safeguard their health. Health and risk records are managed in full compliance with privacy regulations. It is specified that a system to evaluate its effectiveness has not yet been implemented.

Extraordinary medical examination

In addition, Ferretti Group has a Whistleblowing policy, which allows for internal whistleblowing notifications, which can be submitted in two ways:

Whistleblowing Channel

- Online application: the worker logs on to the dedicated website (https://ferretti.uat.integrity.complylog. com), also accessible from the Group's website, clicks on "Submit a case" and fills in the form, possibly attaching a voicemail (subject to registration and consent). After submission, the system assigns an ID token that allows the reporter to monitor the status of the report and to communicate with the Manager via a messaging system.
- Meeting with the Manager: the worker may send a request via the Manager's e-mail address and attend a meeting, during which the report is recorded (either by audio recording, if consented to, or by the drawing up of a report which is subsequently verified and confirmed by the reporter).

Immediately upon receipt, the Manager issues an acknowledgement of receipt (within seven days) and assigns an identification code (case ID) to the report, recording it in a special electronic register. Subsequently, the Manager assesses the relevance and grounds of the report. If the report is deemed irrelevant or unfounded, the Manager informs the reporter within three months by updating the status to "Closed", otherwise they initiate an investigation (during which the parties involved may be heard and further information requested) and update the status from "Under consideration" to "Under investigation".

Upon completion of the investigation, the reports and all related documentation are securely archived (in both electronic and paper format) for up to five years or as long as necessary to follow up the proceedings, thus ensuring data traceability and confidentiality.
Furthermore, Ferretti Group adopts protective measures to prevent retaliatory acts against whistleblowers, in line with the provisions of Legislative Decree No. 24/2023.
To ensure awareness of these procedures, a dedicated section has been created on the company intranet, periodic notices will be sent out when updates are made and new employees will be provided with a special notification when they are hired.

Actions
S1-4
MDR-A

Actions

For those actions not explicitly specified, there are still no procedures in place to track and evaluate their effectiveness.

Main actions	Scope of actions (value chain, stakeholders)	Time horizon	Status (realised, ongoing, planned)	Financial resources (CapEx/OpEx) allocated to the action[29]
Corporate Welfare System	Own operations	2024	Realised	n/a [30]
Development of new skills	Own operations	2024	Realised	€ 300,000 [31] (Personal training)
Women's Self-Defence Course	Own operations	2024	Realised	–
"Protagonists of Sustainability" Training Course	Own operations	2024/2025	Ongoing	–
People Management Academy	Own operations	2024	Ongoing	–
Safety at work	Own operations	2024	Ongoing	€ 2,550,264 [32] (Tangible fixed assets)
Projects for prevention and protection	Own operations	2024	Ongoing	
Data processing	Own operations	Long-term (updated annually	Ongoing	€ 40,800 [33] (Legal advice)

Corporate Welfare System

Ferretti Group is committed to guaranteeing its employees a comprehensive and articulated corporate welfare[34] system, which includes both the benefits provided for by national collective bargaining agreements and additional benefits offered directly by the Group. This focus is reflected in the wide range of services and benefits available to staff, aimed at improving work and personal wellbeing.

Benefits under the CCNL (national collective bargaining agreement)

In accordance with national collective bargaining agreements, the Group offers the following benefits:

— Life insurance: provided for executives;
— Health care: available for managers as reimbursement of medical expenses or through the Altea Fund for timber workers, Metasalute and EBM Salute for the metalworking sector;
— Social security contributions: managed through the ARCO Fund for the timber sector, the COMETA Fund for the metalworking industry category and Previndai for managers;
— Assistance for workers working abroad: extended to all company staff.

Additional benefits offered by the Group

In addition to contractual benefits, Ferretti Group offers further advantages, including:

— Unisalute Health Care: aimed at managers and employees on business trips;
— Cover for occupational and non-occupational accidents: guaranteed for managers and directors;

29 Current amount of financial resources used and traceable to values on the balance sheet. There are currently no plans to allocate future financial resources.
30 Since the welfare system is an individual employee choice, financial resources have not been established as they depend on the number of memberships.
31 Please note that the cost reported also includes the cost of the Women's Self-Defence course, the Protagonists of Sustainability course and the People Management Academy.
32 The financial resources related to workplace safety also include those for prevention and protection projects.
33 Financial resources are broken down as follows fee €21,600 +€19,200 of activity per day of the DPO for the total Italian Group companies. 34 It should be noted that the company welfare system applies to Ferretti S.p.A. and Zago S.p.A. The rest of the group is covered by the welfare defined by the national reference contract.

— Kasco cover: valid for the use of personal cars during corporate missions;
— Corporate Welfare System: provided for by national category and/or second level labour agreements.

Ferretti S.p.A. and Zago S.p.A. offer their employees the possibility of allocating up to 50% of the result bonus to welfare goods and services, thus benefiting from significant tax advantages. Among the available options, workers can choose from dozens of solutions designed to meet personal and family needs, enhancing corporate support in managing quality of life and work.
Ferretti Group's commitment to strengthening its welfare system testifies to the importance it attaches to the wellbeing of its people, considered a key element in the company's growth and success.

The development of new skills

The training and development of human capital is a strategic pillar of Ferretti Group, with the aim of promoting continuous growth in the skills of its employees, ensuring its market leadership in the long term. All training actions aim at fostering an enrichment of the professional and personal skills of its resources. The Group has implemented an articulated training plan, which included specific courses aimed at developing and enhancing transversal competencies in terms of personal, interpersonal and communication skills as well as technical and specialist competencies. In addition, health, safety and environment (HSE) courses have been planned to raise awareness and prepare staff for risk assessment and prevention in the workplace, in accordance with ISO 14001.

Women's Self- Defence

The training was offered to all women in the Ferretti Group's Italian offices. The company has actively supported the fight against gender-based violence by promoting women's self-defence courses held by Personal Defence experts directly at its premises.

The aim of the course was to provide practical tools and effective techniques for dealing with potentially dangerous situations. The initiative was widely attended, with about half of the women in the group signing up. Two programs were organised at the end of 2023 and four further sessions in early 2024.

Training initiatives

S1-4

The "People Management Academy" program is designed to train and strengthen a network of managers and supervisors capable of inspiring, delegating and involving their team, contributing to the achievement of company targets. The project runs between 2024 and 2025, involving a large number of participants to develop strategic skills in human resources management. In 2024, the training course covered specific areas of the Industrial Technical Department, involving about 50 people. The main topics covered are emotional awareness and intelligence, effective communication, delegation and feedback, and the role of the manager as coach.

ESG training

The training is intended for all Group employees (White Collars) and is delivered via an e-learning platform, offering the opportunity to learn more about the 17 Goals of the 2030 Agenda and to become actors of sustainable change. The project started in October 2024.

Thanks to many years of commitment and targeted policies, Ferretti S.p.A. has reduced its accident frequency index (i.e. the number of accidents per million hours worked) by 82% compared to 2010. This result was achieved through a detailed analysis of the accident risks present in the Group's sites and the implementation of preventive and corrective actions, both of an organisational and plant engineering nature. The main risks identified in the production process include chemical risk, carcinogenic risk (PLD), work at height, moderate biomechanical and noise risks, an extremely moderate vibration risk and mechanical risk. Continuous monitoring and the measures adopted testify to the Group's commitment to an increasingly safe and secure working environment. A further tool used by the Group is constant health and safety training activities, conducted both on the basis of legal requirements and on the specific needs of its workforce, in agreement with the main reference figures (workers, RLS, Supervisors, etc.).

Projects for prevention and protection

The Group has implemented significant investments on shipyards to improve safety and prevent accidents. The main measures, carried out over the years and continued in 2024, include the installation of lifelines on all overhead cranes, the introduction of a badge-based machine qualification system for the woodworking sector (currently being implemented), and the remediation of mezzanines at the Cattolica shipyard.

In order to prevent potential accidents, employees are trained through detailed guidelines and practical sessions on the specific risks related to their tasks. Their work is subsequently supervised and coordinated by expert contact persons, who are formally appointed only after appropriate training. These contact persons participate monthly in Safety Meetings, meetings dedicated to sharing procedures and good practices, and to analysing critical situations, accidents or near misses, with the aim of defining and implementing corrective measures.

In the event of an accident or near miss, a report is drawn up which includes a description of the event, the corrective actions identified, those responsible for their implementation and the relevant timeframe. These events are discussed during the monthly OMT Meetings, involving the employer and plant managers to spread awareness of the risks and prevent similar situations at all production sites.

Data processing

Ferretti S.p.A. guarantees the confidentiality of employees' personal data, allowing access to information only to authorised persons and for legitimate business purposes, in compliance with the Privacy Code and European regulations.

Personal data includes information such as identification numbers, contact details, personal and health data, which the company processes only after clear disclosure and informed consent, when required. With specific exceptions, such data may not be shared or used for purposes other than those stated.

Ferretti prohibits any alteration or manipulation of computer systems and company data with unlawful intent, in accordance with Italian Legislative Decree 231/2001.

Targets

Targets

S1-5

Sustainability targets for the corporate workforce are defined by management without the involvement of employee representatives, at least for this reporting year, through integrated planning and monitoring processes and apply to all employees in the organisation. In particular, the company has set time-bound and results-oriented targets to reduce negative impacts, enhance positive ones and effectively manage the risks and opportunities associated with its own workforce. These targets are used to measure progress and guide corrective actions, helping to create an increasingly safe working environment and align corporate strategy with international sustainability standards. It should be noted that not all of them are measurable targets that comply with the requirements of ESRS. For more detail on the monitoring of targets, policies and actions, please refer to the section "*Strategy, business model and value chain*".

Target	Description	Reference ESRS	Base year	Target year
Reduction of the severity index below 0.4%	Reduce the accident severity index below 0.4% by continuously improving safety at work. This commitment focuses on the promotion of preventive practices and awareness-raising, thus contributing to the wellbeing of employees and the achievement of social sustainability standards.	ESRS S1-5	2024 ~0,4[35]	2025 <0,4%
Increase in average hours of non-compulsory training per capita at Group level	Increase in training hours by Group companies by ensuring a 10% increase by the year 2025.	ESRS S1-13	2024 13 h	2025 +10% (considering total hours 2024)
Smartworking for Ferretti S.p.A. and Zago S.p.A.	Implementing and offering employees the possibility of adopting agile working modes (smartworking) for one day a week, in order to improve working flexibility, promote an optimal balance between professional and personal life.	ESRS S1-15	2024	2025
Training course for young people through the School of Trades	Involving around 15 young people through the School of Trades, offering a training course combining theory, practice and hands-on experience in the high-end naval sector.	ESRS S1-13	2024 11 Young people involved in 2024	2025 +25% (considering class of 12)

Metrics

Company's employees characteristics

Employees S1-6

The information on the total number of employees was verified and compared with the most representative figure reported in the financial statements, i.e. the total number of employees of 2,118, confirming the consistency and reliability of the reported data. The data were collected by extraction from the HR database (HE Ready INAZ) of the resources in force as of 31.12.2024. For AMAS, the data is provided directly by HR AMAS via the HRIS — ADP system.

Number of employees by gender (in number of persons)

Gender	2024
Men	1,794
Women	324
Other	0
Not disclosed	0
Total employees	**2,118**

35 The accident severity rate for employees was calculated as the ratio of the number of days lost due to accidents at work to the total number of hours worked by employees, multiplied by 1,000.

Number of employees at the end of the period per country (in number of persons)

Country	No. of employees
Italy	2,040
Monaco	2
Spain	1
Singapore	2
Hong Kong	7
Abu Dhabi	1
United States of America	65
Total employees	**2,118**

Number of employees by type of contract, by gender (in number of persons)[36]

Reference period 2024	Women	Men	Other	Not disclosed	Total
Number of permanent employees	300	1,678	0	0	1,978
Number of fixed-term employees	24	116	0	0	140
Number of variable-hour employees	0	0	0	0	0
Total number of employees	**324**	**1,794**	**0**	**0**	**2,118**

Reference period 2024	Women	Men	Other	Not disclosed	Total
Number of full-time employees	313	1,785	0	0	2,098
Number of part-time employees	11	9	0	0	20
Total number of employees	**324**	**1,794**	**0**	**0**	**2,118**

Number of employees by type of contract, broken down by region (in number of persons)

Reference period 2024	EMEA	AMAS	APAC	Total
Number of permanent employees	1,905	65	8	1,978
Number of fixed-term employees	138	0	2	140
Number of variable-hour employees	0	0	0	0
Total number of employees	**2,043**	**65**	**10**	**2,118**

36 Most of the company's employees are employed on a permanent basis, with a small number of temporary and part-time workers employed at specific stages of production.

Reference period 2024	EMEA	AMAS	APAC	Total
Number of full-time employees	2,023	65	10	2,098
Number of part-time employees	20	0	0	20
Total number of employees	**2,043**	**65**	**10**	**2,118**

Own workforce turnover

Reference period 2024	
Number of employees	2,118
Number of terminated employees	191
Employee Turnover Rate	9%

Characteristics of non-employees in the company's own workforce

Non-employees

S1-7

The workforce of Ferretti S.p.A. consists mainly of direct employees, but also includes a proportion of non-employees who contribute to the company's production and operational activities. In particular, the company employs 58 non-employees.

To ensure transparency in reporting, Ferretti adopts a structured methodology for calculating the number of non-employees, based on number of persons. Data is collected at the end of the reporting period, ensuring constant monitoring of the workforce.

The most common types of non-employee employed by Ferretti include collaborators an a coordinated or continuous basis, contract workers and (curricular or extracurricular) internships.

Number of non-employees (in number of persons)	2024
Number of self-employed collaborators (agents)	1
Number of workers provided by enterprises engaged in personnel search, selection and supply activities (temporary staff)	34
Other types relevant to the company (trainees and other types of contract)	23
Total non-employees	**58**

Interns	2024
Number of interns	23

Collective bargaining agreements coverage and social dialogue

Collective bargaining agreements and social dialogue

S1-8

The working and employment conditions of employees are strongly determined and influenced by collective bargaining agreements, which set minimum standards and guarantee rights and benefits in accordance with current regulations.

Ferretti Group ensures strong worker representation in social dialogue, working with trade unions and EEA institutions to promote a fair and participatory working environment. Currently, there are no agreements between the company and its employees for representation by a European Works Council (EWC), a European Company (SE) Works Council or a European Cooperative Society (SCE) Works Council.

Reference period 2024	Collective bargaining agreements coverage		Social dialogue
Coverage rate[37]	Employees — EEA (for countries with > 50 companies representing > 10% of total employees)	Employees — Non-EEA (estimate for regions with > 50 companies representing > 10% of total employees)	Workplace representation (EEA only) (for countries with > 50 companies representing > 10% of total employees)
0-19%			
20-39%			
40-59%			
60-79%			
80-100%	Italy		Italy

Diversity

S1-9

Diversity metrics

The data were collected by extraction from the HR database (HE Ready INAZ) of the resources in force as of 31.12.2024. For AMAS, the data is provided directly by HR AMAS via the HRIS — ADP system.

Senior manager employees broken down by gender

Reference period 2024	Men	Women	Other	Not disclosed	Total
Senior Management Employees[38]	106	24	0	0	130
Percentage Senior Management	81.5%	18.5%			100%
Total number of employees	1,794	324	0	0	2,118
Percentage	5.9%	7.4%	0%	0%	6.1%

Employees by age group

Job category	Under 30	30-50 years	Over 50 years	Total 2024
Total	**263**	**1,157**	**698**	**2,118**

Adequate wages

S1-10

Adequate wages

Wages are determined in accordance with the applicable National Collective Bargaining Agreements (CCNL) governing wage levels.
Remuneration paid in foreign currencies was converted according to the following criteria: for the APAC region, the average exchange rate for each month was used, while for the AMAS region, the exchange rate in force on 31 December 2024 was used.
Remuneration paid abroad complies with the regulations in force and the basic principles laid down in the respective national laws.
Finally, apprentices were not included in the determination of the Entry Wage figure.

37 Employees from the AMAS and APAC regions were not included as they do not represent at least 10% of the total employees.
38 In reporting on the gender of members of senior management, the company uses the definition of senior management as the first and second tier below the boards of directors and control.

Social Protection

The Group ensures full compliance with the regulations in force in the various countries in which it operates, applying them in full to its employees. In particular, for FGA and Allied Marine, the provisions of the labour laws of the United States and the State of Florida are observed for all employees working there. In such contexts, social protection is not provided automatically, unless the worker voluntarily opts for temporary or permanent disability insurance.
Overall, Ferretti provides its employees with a system of economic protection in the event of loss of income resulting from events such as illness, unemployment, occupational injury, supervening disability, parental leave or retirement. In the reporting period, the number of employees covered by a social protection system amounted to 2,052, or 96.88% of the total workforce (2,118 employees).

Social protection
S1-11

Training and Skills Development Metrics

Average training hours per employee by gender

Training
S1-13

Average hours[39] of training per employee	Men	Women	Other	Not disclosed	Total
Total	**10**	**11**	**–**	**–**	**10**

Currently, the company does not provide for periodic employee performance and career development reviews.

Health and safety metrics

Ferretti Group strictly complies with occupational health and safety regulations, ensuring a safe and secure environment for all its employees[40]. Ensuring a safe and comfortable working environment is not only a priority for the Group but also a strategic and development factor for the company as a whole. In 2024, there were no serious accidents (i.e. resulting in an absence of more than six months) within the Group's perimeter, and the Group will continue its efforts to ensure that accidents do not occur and, if possible, to reduce accident and injury rates.

Health and safety
S1-14

Workers covered by the health and safety system

	Employees	Non-employees	Total
Number of workers covered by the health and safety system	0	0	0
Total number of its workforce	0	0	0
Percentage	0	0	0

Deaths

	Employees	Non-employees	Total
Number of deaths related to occupational accidents	0	0	0
Number of deaths related to occupational diseases injuries	0	0	0

39 It should be noted that an estimate of the training hours was made for the company Canalicchio, supported by a justification recorded in the management system.
40 Legislative Decree 81/2008.

Accidents at work and occupational diseases

	Employees
Number of total hours worked	3,061,914
Number of accidents at work	29
Accident incidence rate	9.5

	Employees
Number of recordable occupational diseases	2

	Employees
Number of days lost due to occupational accidents	878
Number of days lost due to occupational diseases	279

Work-life balance metrics
S1-15

Work-life balance metrics

The company recognises the right of all its employees to take leave for family reasons, in accordance with the provisions of the applicable collective bargaining agreements. Moreover, full job protection is ensured at the end of parental leave, guaranteeing the employee's full reinstatement.

Leave for family reasons

	Men	Women	Other	Not disclosed	Total
Percentage of employees entitled to family leave	100%	100%	0%	0%	100%
Employees who took parental leave as a percentage of those entitled to it	23%	25%	0%	0%	23%

Human rights

Collective bargaining agreements and social dialogue

S1-17

Incidents, complaints and serious human rights impacts

In compliance with the Disclosure Requirements for work-related incidents and serious human rights impacts affecting its own workforce, the company reports that, for the reporting period, there were no incidents of human rights violations within its organisation. Therefore, there are no reports of complaints, serious human rights impacts, significant fines, penalties or reparations. The company confirms its constant commitment to the protection of workers' fundamental rights, through the adoption of prevention and monitoring measures aimed at ensuring safe, fair and dignified working conditions.

S2-Workers in the Value Chain

Management of impacts, risks and opportunities and tools for workers engagement in the value chain

The Double Materiality Assessment highlighted workers in the value chain as one of the Group's most material topic, divided into the subtopics relating to working conditions, equal treatment and opportunities for all and other work-related rights.

ESRS 2
SBM-3
MDR-P

The main material impacts for workers along the value chain, also addressed in the Group's Code of Ethics, concern the risk of discrimination, exploitation, occupational health and safety issues, as well as the vulnerability of particularly exposed groups (women, minorities, migrants and minors), with additional risks arising from sub-optimal supply chain management. Since most of the suppliers are located in Italy and Europe, the impact in terms of child labour and forced labour is not material.

The Group's impacts affect all workers in the value chain, which is composed of a vast network of players from different sectors and geographic areas. Upstream workers operate within the supply chain, providing raw materials, components and services essential for the production of Ferretti Group yachts. These include engine suppliers, as well as suppliers of fibreglass, glazing, furniture, deck materials and decks. A key role is also played by suppliers of electronics, upholstery, decor and complex components, as well as logistics service providers who ensure the efficient flow of materials. Downstream workers include customers and companies specialising in the disposal of waste resulting from the Ferretti Group's production process.

Ferretti Group analysed the potential impacts, risks and opportunities related to workers in the value chain, assessing their interaction with the strategy and business model, as required by ESRS 2 SBM-3, paragraph 48. From the analysis conducted, there is no significant evidence directly linking these impacts to the company's strategy or business model, nor requiring them to be adjusted. Similarly, there are no material risks or opportunities arising from dependencies relating to workers in the value chain that have a substantial influence on the strategic management of the company. Furthermore, there are no widespread or systemic major impacts as the negative impact is potential and related to any single event (e.g. industrial accident) or specific business relationships.

The Group recognises the need to further improve due diligence and supply chain control policies, adopting a prudent approach and committing to closing any gaps with international benchmarks. While no significant critical issues have been identified for the immediate future, Ferretti Group must continue to monitor the value chain to mitigate risks and seize opportunities arising from the management of the workers involved, in line with ESG principles and industry-required standards.

Material subtopic	IRO	IRO Description	Value chain	Time horizon	Implemented tools and procedures
Working conditions equal treatment and opportunities for all other work-related rights	Potential impact	Incidents of human rights violations along the value chain (health and safety, forced and child labour, etc.) due to a lack of enforcement of local and international standards for the protection of workers	The Group has identified upstream and downstream impacts in the value chain	Long term	— Code of Ethics — Whistleblowing Channel

Tools for worker engagement in the value chain

Tools for worker engagement in the value chain

S2-2

S2-3

ESRS2

SBM2

Currently, the Group does not have a structured channel for value chain workers to express concerns or needs directly to the company, nor has it adopted a formalised process for their systematic involvement in impact assessment and monitoring activities. Aware of the importance of such tools for a responsible and inclusive management of the value chain, the Group is evaluating the introduction of appropriate mechanisms to allow a more structured interaction with the workers involved. It should be noted that, although no involvement systems are available, the Group does have reporting channels, such as, for example, the Whistleblowing channel, for which please refer to the chapter on G1 for more details.

Policies

Policy

S2-1

ESRS2

SBM3

MDR-P

The Ferretti Group's Board of Directors has defined and implemented a Code of Ethics, which it is responsible for implementing. In the absence of a specific code of conduct for suppliers, this document regulates the suppliers' labour relations and conduct, establishing clear obligations regarding respect for human rights, prevention of discrimination and harassment, and measures to protect health and safety in the workplace. These provisions apply to both internal employees and workers of suppliers along the entire value chain.

To ensure compliance with these principles, the Code of Ethics provides for monitoring and control processes and requires formal adherence by contractual counterparties through specific clauses. Furthermore, the Group undertakes to remedy any negative impacts.

Ferretti Group pays great attention to the protection and welfare of all workers along its value chain, integrating principles of social sustainability and ethics into supplier management. Suppliers are evaluated on the basis of criteria that include occupational health and safety management, in order to guarantee working conditions that comply with the highest regulatory and ethical standards; contracts include specific clauses for the protection of ethical aspects, such as self-certification on respect for fundamental rights and equal treatment, with the possibility of direct controls at operating sites, particularly in countries at risk.

To reinforce these commitments, the Group offers dedicated training on the Code of Ethics to its suppliers, raising awareness on respect for human rights, worker safety and the promotion of ethical and responsible behaviour. The monitoring of possible violations leads to the adoption of appropriate measures, up to and including the preclusion from future collaborations. Furthermore, for activities carried out on site, Ferretti Group provides targeted training programs, contributing to the creation of a shared culture of attention to health and safety[41]. The Code of Ethics is also accessible to all interested parties on the company website.

Ferretti Group also attaches the utmost importance to the protection of minors and the suppression of all forms of exploitation against them. In line with the Code of Ethics, the Group is committed to ensuring that employees, suppliers, collaborators and partners comply with current legislation on the protection of labour and human rights, paying particular attention to child labour in accordance with the guidelines of the Minimum Age Convention No. 138/1973 and the Worst Forms of Child Labour Convention No. 182/1999 adopted by the ILO, as well as the protection of women and citizens from outside the European Union, in accordance with the principles of the European Charter of Fundamental Rights.

The Group complies with all relevant laws and regulations regarding the prevention of child and forced labour and, during the 2021–2024 reporting period, there were no violations or suspected violations in its supply chain.

41 Currently, Ferretti does not adopt structured practices to identify environmental and social risks along the supply chain, nor does it have a defined system for their implementation and monitoring. Furthermore, there are currently no specific practices in use to promote products and services with a lower environmental impact in the selection of suppliers, nor mechanisms for their implementation and monitoring. However, the company is aware of the importance of these aspects and is committed to evaluating their integration into its future processes.

Actions

In 2024, being the first year of reporting, no specific interventions were implemented to prevent, mitigate or remedy significant negative impacts on workers in the value chain. The company has not yet adopted action plans or systematic processes to identify the necessary actions and evaluate the effectiveness of the actions taken.

Actions
S2-4
MDR-A

Targets

The Ferretti Group defines sustainability objectives for the workforce along the value chain through an integrated planning and monitoring process, aimed at reducing negative impacts, enhancing positive ones and managing risks and opportunities. In addition, the company sets time-based targets but, for the time being, without specific quantitative targets required by the ESRS, through an internal process to identify necessary actions and measure progress in addressing impacts. In particular, the setting of targets was entirely the responsibility of management, without the direct involvement of employee representatives. Since the action plans have not yet been fully implemented, no performance monitoring systems have been activated at present, nor has it been possible to collect feedback on them.

Targets
S2-5
MDR-T

The defined objectives are not fully compliant with ESRS standards as they are qualitative in nature. For more detail on the monitoring of objectives, policies and actions, please refer to the section "*Strategy, business model and value chain*".

Target	Description	Reference ESRS	Base year	Target year
Pilot Project for the assessment of Tier 1 suppliers according to ESG criteria	Launch a pilot project to assess Tier 1 suppliers according to ESG criteria. The initiative aims to integrate sustainability into the supply chain by monitoring and incentivising suppliers to comply with ethical, social and environmental standards aligned with corporate responsibility and sustainability targets.	S2-5	2024	2026
Traceability of purchased raw materials	Implement an advanced traceability system that guarantees the origin and environmental sustainability of raw materials used, ensuring that imported products do not contribute to deforestation or environmental degradation, in line with EUDR regulations.	S2-5	2024	2025

S3-Communities concerned

Management of impacts, risks and opportunities and engagement of affected communities

The Double Materiality Assessment identified **affected communities** as one of the material topics for Ferretti Group, embodied in the ESRS subtopic relating to the **economic, social and cultural rights of communities.** The analysis revealed that both actual and potential impacts stem mainly from the company's strategy to develop a network of local suppliers, as well as from the production of luxury yachts, a sector that requires specific craftsmanship skills and a close link with local communities.

ESRS 2
SBM-3

The company is aware that its strategy and business model closely interfaces with the needs and dynamics of communities, and therefore contributes to addressing business priorities in a responsible manner. Ferretti Group has adopted a strategy that favours the inclusion of national suppliers and investment in philanthropic projects, such as the “School of Trades” program and the “Nautical Engineering Master Degree Course” which contribute to strengthening the resilience and sustainability of local communities.

In 2024, while recognising the importance of the opinions, interests and rights of affected communities, Ferretti Group has not yet directly integrated these aspects into the orientation of its strategy and business model.

In relation to the risks and opportunities arising from material impacts on affected communities, among others, Ferretti Group has identified the following affected communities: communities living or working near production sites, such as those in Forlì and Ravenna, which are directly impacted by company operations, particularly in production and logistics activities, which may lead to positive and negative social and economic impacts; communities operating in procurement and logistics areas, which may affect local communities, in terms of economic benefits and employment opportunities.

In addition, to manage the risks and opportunities arising from these interactions, the company has put in place a series of monitoring measures, including the periodic assessment of impacts and dependencies between the company and affected communities. The proactive management of these impacts helps the company realise a business model that not only meets business needs but also the expectations and needs of local communities.

In the process of assessing impacts, risks and opportunities, priority was given to companies with a large number of employees, since they play a significant role in interacting with local communities. These companies were considered particularly relevant because they are more representative in terms of their operations and potential effects on the economic, social and environmental dynamics of the areas in which they operate.

Material subtopic	IRO	IRO Description	Value chain	Time horizon	Implemented tools and procedures
Economic, social and cultural rights of communities	Potential impact	Implement and foster local hiring programs, donations, volunteering and philanthropic activities, contributing to the enrichment of local communities in terms of economic resources, personal development and professional growth opportunities	The Group has identified the impact in its own operations and downstream in the value chain	Medium term	Code of Ethics
Economic, social and cultural rights of communities	Opportunities	Ability to define a support plan for one’s own local supply chain, which includes craftsmen and people with specific skills handed down from generation to generation[42]		Medium term	

42 Despite Ferretti Group’s commitment to local communities and its supply chain, no specific actions have yet been defined in 2024 for the possible development of a dedicated supplier support plan.

Policies

Ferretti Group is strongly committed to promoting the welfare of the communities in which it operates, recognising the fundamental value of continuous dialogue and the creation of shared value with the territories. In the Code of Ethics, the company addresses the issue of human rights in a structured manner, reaffirming its commitment to sustainable and responsible practices. However, a formal policy for the management of relevant impacts on affected communities, as well as associated relevant risks and opportunities, has not yet been adopted, as initiatives in this area are selected annually according to specific needs and corporate priorities, in line with the budget set by the organisation. This flexible approach allows for a timely and effective response to changing circumstances, enabling dynamic management of resources and initiatives for local communities. Although not codified in a formalised policy, this agile and focused model allows the Group to amplify the positive impact of its actions, contributing significantly to strengthening the social and economic fabric of the territories in which it operates.

Policies
S3-1
MDR-P

Engagement process of affected communities

Ferretti Group believes in the importance of an ongoing dialogue with local communities and their representatives to understand and manage the impacts of its activities. Training activities (School of Trades and Master's Degree Course in Nautical Engineering, described in detail in the "Actions" section below) are the main tool the Group uses to engage the territory, creating concrete opportunities for young people and responding to the needs of the nautical labour market. Despite the Ferretti Group's commitment to engaging affected communities, in 2024 the Group has not yet taken specific steps to better understand the views of affected communities, particularly those most vulnerable to impacts or at risk of marginalisation.

Community involvement tools
S3-2

The initiatives arise from collaboration with institutions, training organisations and local companies, which contribute to the definition of training content, identifying the skills most in demand and supporting the growth of new talent. Although there is no formalised process with defined stages of involvement and integration of community perspectives in the decision-making process, the continuous discussion with stakeholders allows the training course to be modelled on the sector's real needs, ensuring a positive impact for participants and the local economic fabric.

The HR function plays a key role in coordinating the initiatives and collecting feedback from those involved, contributing to the improvement of the programs over time. Attention is mainly focused on creating professional opportunities and strengthening ties with the territory, without a specific focus on managing potential negative impacts or vulnerable groups.

Ferretti Group monitors the effectiveness of the initiatives through the participants' job placement rate and comparison with partners. Thanks to these initiatives, the Group not only invests in new generations, but also consolidates its commitment to the growth of skills and the development of the Italian nautical sector.

Ferretti Group does not consider indigenous peoples to be among the relevant affected communities in its operations and value chain, as the Group's activities are mainly concentrated in industrialised settings and in sectors that do not directly interact with territories inhabited by indigenous peoples.

Actions

Actions
S3-4
MDR-A

Main actions	Scope of actions (value chain, stakeholders)	Time horizon	Status (realised, ongoing, planned)	Financial resources[43] (CapEx/OpEx)
School of Trades[44]	Stakeholders	2024/2025	Ongoing	€ 50,000 (Personal training)
Master's Degree Course in Nautical Engineering at the University of Bologna, Forlì Campus	Stakeholders	2024/2028	Ongoing	€ 1 million in 5 years (Benefits)
Supporting children in El Salvador	Stakeholders	2023/2025	Ongoing	—[45]
Energy Challenge boat	Stakeholders	2024	Realised	€ 21,500 (Transport, processing and internal hours for Elysium preparation)
WallyBeacon	Stakeholders	2024	Realised	€ 300,000 (Services and ancillary costs for exhibitions)

The following initiatives represent Ferretti Group's commitment to generating a positive impact in the community. Although not formally referable to specific policies, targets or structured action plans, they reflect the Group's desire to contribute in a concrete and responsible way to social and environmental wellbeing. These actions are not designed to remedy significant negative impacts on communities, as they are not identified, but to achieve significant positive effects for the benefit of affected communities. Furthermore, the organisation has not taken specific measures to prevent or mitigate any significant adverse impacts on affected communities, as no significant adverse impacts related to them have been identified. It is reported that no serious human rights problems and incidents were identified in relation to the communities concerned.

School of Trades

Launched in 2022, the Ferretti Group's "School of Trades" project continued to expand in 2023 and 2024, with the aim of training the future generation of professionals in the high-end nautical sector. Aimed at young people aged between 18 and 29, the program combines theoretical training and practical experience, offering participants skills directly applicable in the working environment. The initiative, which goes far beyond a simple apprenticeship, consists of several stages: classroom courses held by Group managers and experts, practical workshops and field training in production departments, thus creating concrete career opportunities in the industry.

The project received a significant commitment in terms of financial and human resources, with Ferretti Group allocating visible funds in the company budget with plans to increase them based on company needs and the demand for highly qualified personnel. Notably, also in 2024, the project continued with two programs lasting approximately 3 months each (500 hours of internship in total). The first program, held at the Forlì campus from 13 November 2023 to 17 February 2024, involved 11 trainees, while the second, held at the Ravenna campus from 7 October 2024 to 24 January 2025, involved 14 trainees. The training led to the qualification of the role of the nautical carpenter: the course was structured in an initial theoretical phase in the classroom, followed by practical workshop activities and finally by on-the-job experience directly in the shipyard. Trainees were supervised by tutors and the HR team, who drew up evaluation sheets at the end of the course; the most deserving trainees were then placed on fixed-term contracts, with more than half of the participants being hired.

43 Current amount of financial resources used and traceable to values on the balance sheet. There are currently no plans to allocate future financial resources.
44 The action refers to the potential impact on the growth of local communities, in terms of economic resources, personal development and professional opportunities.
45 There are no Capex and Opex charged to the year 2024, as the initiative was launched in 2023, and the related costs of €1,000,015 were recognised in the same year.

In parallel, Ferretti Group has set up a continuous monitoring system to evaluate the program effectiveness. The students' progress is monitored during and after the completion of the course, and each program is evaluated on the basis of the number of participants who find stable employment within the company or elsewhere in the marine industry, as well as the improvements in technical and operational skills achieved.
This investment in staff training and development not only strengthens Ferretti Group's competitive ability, but also contributes to the long-term sustainability and growth of the high-end nautical sector.

Master's Degree Course in Nautical Engineering

The Master's Degree in Marine Engineering was launched in 2024 as a joint initiative between Ferretti Group, the University of Bologna and other local institutions, with the aim of training the next generation of highly specialised marine engineers in the high-end shipbuilding sector. Held at the University of Bologna's Forlì campus, the degree course responds to the growing demand for specialised professionals along the Adriatic coast, where Ferretti Group operates five production sites, and combines a solid theoretical education with practical experience in cooperation with the Group, allowing students to acquire skills directly applicable in the industrial context.

In May 2024, a Memorandum of Understanding was signed between Ferretti, the Emilia-Romagna Region, the University of Bologna, the Cassa dei Risparmi Foundation, the Chamber of Commerce and the Municipality of Forlì, leading to the launch of the new Master's Degree Course in Nautical Engineering in Forlì starting from the 2024–25 academic year. Ferretti S.p.A. actively contributed to the definition of professional profiles, job outlets and training plan, participating through projects for laboratory activities, internships and theses. Financial support will be provided for the operation of laboratories, purchase of new equipment, support for tutoring contracts, the organisation of teaching and research events, participation in international events and the purchase of consumables.

The program is developed in stages, with a defined overall duration and continuous monitoring of the effectiveness of the course. Carried out during and after the course directly by the university, students' evaluation is aimed at ensuring stable employment in the nautical sector and promoting innovation in the shipyards. The effectiveness of the program is measured through the employment rate of graduates and the progress in technical skills, analysing each program on the basis of the number of students finding employment in the industry or other industries.

This initiative represents a strategic investment with important implications in terms of employment, innovation, training and skills development, constituting a fundamental tool for the recruitment of future technicians and managers in the high-end nautical sector.

Supporting children in El Salvador

In 2024, Ferretti Group continued its collaboration with David Beckham's Fund 7 for UNICEF Italy, with the aim of raising funds for children in El Salvador. As part of this initiative, Ferretti Group donated a limited edition boat, the Riva Anniversario, a model created to celebrate 180 years of Riva and 60 years of the iconic Aquarama, auctioning the boat to raise funds. All proceeds from the auction went to support child-friendly projects in El Salvador, with a focus on child protection, education and social inclusion. The funds raised will enable UNICEF to strengthen access to child protection systems, improve access to education and promote safe spaces for children, including those with disabilities.

The project is developed through several phases, including the allocation of funds and the implementation of field initiatives in El Salvador. Fundraising will be monitored, through reports to be published in 2025 by UNICEF, to ensure that funds are used effectively, and that social and humanitarian targets are achieved over time. Each year, progress will be assessed through the analysis of access to education, child protection and the improvement of living conditions in the most vulnerable areas of the country. The results achieved will also be measured by the direct impact on the beneficiaries and the sustainability of the initiatives undertaken.

WallyBeacon

Wallybeacon is an initiative organised by Wally to celebrate its 30th anniversary and to identify the next generation of innovators in the marine industry. The project includes a contest in which students from national and international universities — including Arsutoria School, Bocconi University, H-Farm College, IED Istituto Europeo di Design, International University of Munich and POLI.design — were invited to propose innovative ideas in three areas: personal goods, innovative living and smart services/experiences.

Organised in more than 20 teams and with more than 80 students, participants had to develop an idea, validate it through market research, elaborate a business model and present a prototype or design concept, paying particular attention to sustainability. The event reached its climax on 18–19 November at the H-FARM campus, where a panel of experts selected the winning projects and awarded them a cash prize.

In addition to the competition, the initiative offered ample opportunities for networking and professional training, with keynote speakers such as Luca Bassani, Wally's founder and Chief Designer, Alessia Zecchini, Freediving World Champion, Azel, International Beatbox Champion, and Matteo Battistion, Chief Design Officer at EssilorLuxottica.

Energy Boat Challenge

Ferretti Group is taking part in the Monaco Energy Boat Challenge, an international event organised by the Monaco Yacht Club from 5 to 8 July, bringing together yachting professionals for a week of performance testing and networking. Promoted by the Monaco Yacht Club founded in 1953 and led by His Royal Highness Prince Albert II since 1984, the event is part of an ambitious plan to make Monaco the modern yachting capital of the world by organising some 30 international events. In particular, the Monaco Energy Boat Challenge aims to promote the best designs and the most virtuous companies in terms of sustainable innovation, with a focus on zero-emission propulsion projects in the yachting industry.

Young people and universities play a central role in this initiative, which aims to raise awareness of sustainability in the yachting world, reducing emissions through research and innovation. A long-standing partner of the event, Ferretti Group takes on a dual role: on the one hand, the Head of Engineering and Design, Nino Ascone, participates in the panel "Sustainability Transition: challenges, engagement & adoption"; on the other, the Group takes part in the YCM E-Dock & YCM E-Boat Rally, an endurance race for electric yachts.

Embodying the Group's sustainability path, the Riva El-Iseo prototype was presented. It is Riva's first fully electric boat and was launched to mark the brand's 180th anniversary. Equipped with a traditional rear-steer propulsion system and an electric motor offering unprecedented speed and acceleration performance — with a top speed limited to 40 knots and a significantly better acceleration curve than conventional boats in the same category — the El-Iseo represents the perfect combination of tradition and sustainable innovation.

Targets

Targets
S3-5
MDR-T

In 2024, while maintaining a constant focus on local communities and committing itself to constantly monitoring the effectiveness of its policies and actions relating to affected communities, Ferretti Group has not identified specific objectives related to the management of significant impacts and management of opportunities relating to affected communities. For more detail on the monitoring of objectives, policies and actions, please refer to the section "*Strategy, business model and value chain*"

S4-Customers

Management of impacts, risks and opportunities and customer engagement

The Double Materiality Assessment has identified "customers" as one of the material topics for Ferretti Group. In particular, with respect to the protection of customers' personal safety while using yachts. ESRS 2 SBM-3
The table below details the impact associated with the sub-issue identified as relevant for Ferretti Group customers, in accordance with the scope of disclosure under ESRS 2. It should be noted that, at present, no significant opportunities or categories of customers that are vulnerable or may be more exposed to impacts, risks or opportunities arising from the purchase or use of Group yachts have emerged. Consumers and end users potentially subject to significant impacts include all those who use Ferretti products. Ferretti Group is committed to providing them with accurate and accessible information on products and services, so that they can be used correctly and safely, preventing any improper or potentially harmful use. For each aspect analysed, it is also indicated whether these IROs are material to upstream or downstream operations in the value chain.
The most material impacts and risks have been integrated into the corporate strategy, as the topics addressed are part of the policies and actions adopted by Ferretti Group.
The impact identified is commercially relevant for the Group. Improving the customer experience enhances customer satisfaction[46], increasing the likelihood of loyalty and repeat purchases.

Material subtopic	IRO	IRO Description	Value chain	Time horizon	Implemented tools and procedures
Personal safety of customers	Potential impact	Technical malfunctions, inadequate maintenance and failure to update safety regulations can negatively impact the lives of the occupants and compromise the integrity of the vessel	The Group has identified the impact in its own operations and downstream in the value chain	Long term	— Code of Ethics — ISO-9001

Ferretti Group considers any significant negative impacts as individual incidents, as they are linked to specific situations. Specifically, technical malfunctions, inadequate maintenance or failure to update safety regulations may have negative consequences on the safety of the occupants and the integrity of the vessel, representing isolated cases rather than systemic or generalised phenomena.
Ferretti Group considers the opinions of consumers and end users through various tools, including customer service, ISO 9001 quality certification and initiatives dedicated to collecting feedback. These elements help monitor actual and potential impacts, ensuring continuous improvement of products and services offered. Although these inputs are taken into account, they do not currently directly orient the Group's strategy and business model in a structured manner.

Policies

Ferretti Group continues to pursue the highest standards in all business processes that influence the quality of products and services, with the primary objective of ensuring maximum customer satisfaction and complying with product liability laws and regulations. The Group has defined a framework to effectively manage the most material customer-related impacts, risks and opportunities. This approach is based on the principles enshrined in the Code of Ethics, which constitutes an essential guide for all company activities, and in the Company Policies, which aim to ensure transparency, accountability and a high standard of quality in every area of operation. Policies ESRS 2 SBM-2 S4-1

46 Customers include shipowners, dealers, chartering companies (dealers and dealer charts).

These instruments are the cornerstone for fostering solid relationships, based on trust and sustainability, with all stakeholders involved. All Group policies apply and provide coverage to all consumers and end users. Despite the Ferretti Group's commitment to high standards of quality and customer satisfaction, the policies below are not formalised in accordance with ESRS requirements.

Code of Ethics

Ferretti Group places a central value on transparency, fairness and integrity in its relations with customers, key principles of its Code of Ethics. Building a relationship of mutual trust is essential to ensure maximum satisfaction and to establish solid, long-lasting bonds. In this context, equal treatment is an essential element: the Group is committed to ensuring that every customer receives fair and respectful treatment, without discrimination based on nationality, religion, gender or other personal characteristics.
Further details on the Code of Ethics are provided in chapter G1-Business Conduct and on the official Ferretti Group website.

The body responsible for implementing the Code of Ethics is the Board of Directors of Ferretti S.p.A., which ensures that customers' rights are adequately protected and that the company's practices remain compliant with current regulations.

ISO:9001

Furthermore, the management systems used by Ferretti Group, although not ESRS-compliant, include the ISO:9001 certification, an international standard that attests to the adoption of a quality management system geared towards continuous improvement. This certification ensures that all company processes are structured to respond effectively and consistently to customer needs, with a focus on customer satisfaction, product conformity and the management of any non-conformities.
The ISO 9001 certification provides an approach based on risk management and resource optimisation, ensuring that Ferretti Group constantly monitors the quality of its yachts and services, implementing corrective and preventive actions where necessary. Furthermore, through the active involvement of customers and the analysis of their feedback, the quality management system contributes to perfecting the company's performance, improving the reliability, safety and durability of products for customers. The certification statement is available on the Group's official website. This policy is implemented under the control of the Chief Quality Officer, who provides careful oversight, ensuring that the rights of customers are adequately protected and that business practices remain compliant with applicable regulations.

Customer engagement processes

Customer engagement tools

Ferretti Group attaches great importance to the communication and feedback it receives from its customers about their yachts. This approach makes it possible to identify any critical issues and intervene in a timely and effective manner, ensuring an optimal navigation experience.

ESRS 2

SBM-2

S4-2

S4-3

The Group is dedicated to providing services of excellence and has developed a satisfaction assessment system aimed at end customers. It also provides dedicated communication and reporting channels on its official websites. The evaluation system involves the administration of questionnaires at three separate times to gather valuable feedback from its consumers and end-users and identify concrete actions for continuous improvement. This approach makes it possible to identify sources of criticality and ensure a high level of satisfaction, while also responding to the needs of discerning customers.

The Group places great emphasis on the involvement of end customers, recognising their strategic value both in improving the quality of the products and services offered and in strengthening the relationship with shipowners over time. Ongoing and structured interaction with customers enables a thorough understanding of their needs, integrating their views into business decision-making processes and orienting strategy towards increasingly innovative, safe and sustainable solutions.
In order to prevent negative impacts from malfunctions or compromised product integrity, the Group actively collects feedback from its consumers through dedicated questionnaires, monitoring any issues and taking action

to ensure high standards of safety and quality. In fact, the Group, through the strategic CRM function that has operational responsibility, has implemented a system of collecting and analysing feedback from its customers, through the administration of structured questionnaires at different moments of the after-sales experience: when the boat is delivered, after six months and one year after the purchase. In 2024, the response rate (redemption rate) stood at 26%, with a total of 61 responses out of 234 questionnaires sent out. Specifically, 15 shipowners participated in the survey at the delivery stage, 19 after six months and 27 one year after purchase.

This process is a key element in quality management and in assessing the company's impact on customers, in line with the principle of due diligence and with the disclosure requirements concerning customer involvement. The results obtained enable the company to identify any critical issues at an early stage, take corrective measures to address complaints and exploit opportunities that have arisen, thus contributing to continuous improvement of the customer experience.

The company assesses the effectiveness of customer engagement through a structured and accountable approach based on the collection and analysis of satisfaction questionnaire results and Net Promoter Score (NPS) monitoring. Once the final data is received, it is shared with top management, in particular with the Commercial and Quality areas, in order to take specific, targeted actions to meet customer needs.

Managing the impacts that Ferretti Group's activities may have on its yacht customers requires the active involvement of stakeholders. To this end, the Group's top management plays a key role in the decision-making process and implementation of improvement strategies. For the sales area, the Chief Sales Officer "Serial Business" and the Chief Sales Officer "Custom Business" ensure continuous interaction with the market, collecting feedback and identifying opportunities for improvement. For the quality area, the Chief Quality Officer oversees aspects of product safety and performance, ensuring that company standards are always aligned with industry best practice. Finally, for the technical area, the Chief Technical & Operations Officer oversees design and operational solutions, ensuring that high innovation and reliability standards are met.
Through this monitoring and management system, Ferretti Group ensures a constant and transparent dialogue with customers, strengthening trust and improving the overall customer experience.

Processes to remedy negative impacts and channels for customers to raise concerns

Processes and channels to remedy negative impacts

S4-3

Ferretti Group customers can express their dissent not only through the whistleblowing channel, but also by requesting assistance through the "Customer Care" section on the Group's official website (Contacts — Ferretti Group) and on the official Ferretti Yachts website (Customer Care — Ferretti Yachts). There are channels within these sections through which customers can contact the support service, in particular, there are e-mail addresses and telephone numbers for the regions in which support is requested, EMEA, Asia Pacific and Americas, and e-mail contacts broken down according to the model in need of customer service. In addition, if the purchase was made through an authorised dealer, the latter may also be contacted to handle the complaint.

Ferretti actively supports the availability of direct communication channels with customers, integrating these structures into business relations and ensuring that every interaction is characterised by professionalism, competence and transparency. In this context, the company adopts internal procedures and uses advanced information technology to ensure that customers can express their concerns, needs and suggestions, as well as receive timely assistance.

In parallel, Ferretti implements structured ways to control and monitor the issues raised. The system provides for an ongoing complaints and feedback analysis in order to verify the effectiveness of communication channels, monitor the achievement of satisfaction and loyalty targets, and take targeted action to solve any critical issues. The monitoring process also involves stakeholders, ensuring that each report is evaluated and integrated into the decision-making process to further improve customer relations. The company ensures that customers are informed and encourages them to use these channels to express concerns or needs and to receive assistance. In support of this commitment, procedures have been put in place to protect people from retaliation if they make use of such tools, thus ensuring a safe and transparent dialogue environment.

Actions

Actions
S4-4
MDR-A

To address material impacts on customers, Ferretti Group takes specific actions to support them as shown in the table below. The following actions are intended to mitigate or remedy material negative impacts on customers and to promote and consolidate positive impacts on yacht end-users.

Main actions	Scope of actions (value chain, stakeholders)	Time horizon	Status (realised, ongoing, planned)	Financial resources (CapEx/OpEx) allocated to the action[47]
Warranty Claims Management	Downstream Value Chain	2024	Realised	N/A[48]
Control over warranty costs	Own operations	2024	Realised	N/A[48]
Field Failure Report	Own operations	2024	Ongoing	N/A[48]
Procedure for new product development	Own operations	2024	Realised	N/A[48]

Warranty Claims Management

As at June 2024, new procedures were introduced to support customers and in favour of business sustainability. These include warranty claims management, aimed at improving the effectiveness of interventions and optimising resolution processes. This procedure provides for the formal involvement of suppliers, with the aim of increasing the quality of their products, obtaining reimbursement of costs incurred or ensuring timely and direct intervention to solve the problem. In addition, internal production and technical departments are activated when necessary, ensuring adequate support and an effective response, while respecting privacy and data processing legislation.

Control over warranty costs

At the same time, control over warranty costs has been strengthened through the adoption of a dedicated price list for shipyards, which allows a more structured and transparent management of expenses. To support this initiative, periodic meetings were scheduled between the Product Improver and the Warranty Supervisor, with the aim of analysing economic impacts, planning improvement actions and verifying compliance with the predetermined budget.

Field Failure Report

In the event of major problems occurring during service, the quality manager or warranty supervisor provides a specific Failure Report. The Failure Report (FR) is a document that provides detailed information on failure, lack of performance or deterioration with significant impact on costs and the customer's perception of quality. The report is prepared by the person responsible for the warranty or the person responsible for product improvement and to correct or facilitate the resolution of the actual major impact related to technical malfunctions of yachts. The following are the key elements typically included in the FR.

Managed through a web-based platform, the Failure Report includes the priority level assigned to the failure and a detailed description of the problem, the context in which it occurred, relevant statistics, images and components involved, as well as part and serial numbers. In addition, any other relevant information is collected to facilitate the progress of the analysis and resolution process. There are 16 priority levels and the priority level is increased by +16 if the fault can have an impact, even a potential impact, on safety.

47 Current amount of financial resources used and traceable to values on the balance sheet. There are currently no plans to allocate future financial resources.
48 It is specified that actions marked N/A were carried out by functions within the organisation for which no financial resources were used.

Depending on the type of failure and its impact, determined by means of a predefined matrix, preventive or corrective measures are taken. Preventive actions may include laboratory tests on materials, such as wood types and paints, bench tests for mechanical movements or the definition of new operating instructions for assembly. Remedial measures, on the other hand, may involve direct intervention, such as repairing the problem on board. The effectiveness of the solutions adopted is verified through bench or laboratory tests. Should the problem, deemed resolved, reoccur during product operation, a new Fault Report will be opened, linked to the original one, but characterised by a new causal cluster called "ineffective solution". This type of reporting is carefully monitored and given the highest priority, except for any safety-related critical issues, whether actual or potential.

Procedure for new product development

The "New Product Development" procedure defines the design process aimed at guaranteeing the consistency of new product development with the strategy of Ferretti S.p.A., ensuring that the planning, review, verification and validation phases are carried out correctly, as well as compliance with Time To Market, quality, cost and profitability targets and the use of Group/Brand synergies. This document applies to all situations that require a design process, ranging from the internal development of new products to the request for modification or restyling of an existing product, including internal revisions and updates, and covers all Ferretti S.p.A. plants.

This procedure defines a design process divided into two main phases: pre-development and development, in order to ensure that each new product is consistent with the company's strategy and meets customer needs. In the pre-development phase, "Range Meetings", strategic meetings dedicated to defining the product range, are conducted. In the development phase, the process consists of a series of strategic and operational meetings during which product requirements, including environmental principles, are examined and formalised through the drafting of a specification document. If these specifications do not meet the required standards, the process is repeated to ensure consistency and quality. Subsequently, the project undergoes a thorough review that assesses the margins, technical requirements and environmental impacts, to decide whether to proceed with the executive development or to stop the project. Finally, prototyping and set-up activities are authorised, and final validation is carried out, accompanied by environmental choices reporting and an analysis of post-launch feedback. In this phase, specific intervention approaches are adopted to manage any material negative impacts on customers, e.g. through design reviews, changes to marketing strategy or collaboration with other stakeholders to ensure effective and responsible action.

Ferretti Group has also set up a number of additional initiatives with the aim of making a positive contribution to improving social outcomes for customers. Among these actions, the company has developed information campaigns aimed at raising customer awareness on the responsible use of products and strengthening direct communication channels. With regard to monitoring and evaluating the effectiveness of these actions, Ferretti Group uses an integrated system of key performance indicators (KPIs) and feedback mechanisms, such as satisfaction questionnaires and periodic interviews. The data collected is analysed regularly by top management, which examines the results to check whether the targets set have been met and to identify any areas for improvement. In this way, the company is able to take timely corrective action, ensuring that the initiatives undertaken produce the desired positive impact on customers and contribute to strengthening the Ferretti Group's trust and reputation.

In 2024, the Group did not define any specific actions linked to measurable targets concerning consumers and end-users.

During 2024, there were no serious human rights issues or incidents in relation to Ferretti Group customers.

Targets

The Ferretti Group's commitment (targets and results)

During 2024, Ferretti developed targets to improve its range of products and services, reduce its negative impacts on its customers and better manage the risks and opportunities identified in this area. A short-term time horizon for their achievement was chosen for all the targets set.

S4-5

The targets set by the Group to manage the impacts, risks and opportunities related to the impacts on its customers are presented in the following table. The defined objectives do not fully comply with ESRS standards as they are qualitative in nature. For more detail on the monitoring of targets, policies and actions, please refer to the section *"Strategy, business model and value chain"*:

Target	Description	Reference ESRS	Base Year	Target Year
Promoting cross-functional integration for the adoption of survey-based Action Plans	Update the governance process by integrating cross-functional discussions to analyse survey results and define a shared Action Plan aimed at continuous improvement of processes, products and services.	ESRS 2 S4-2 (Customer involvement on impacts)	2024	2026
Warranty Index Reduction	Reduce the Warranty Index, defined as the ratio of warranty expenses to turnover, with a target set at 2. This will be achieved through activities to monitor and improve the effectiveness of the actions undertaken. Reducing warranty issues will help improve product quality and customer satisfaction, in line with the company's sustainability and performance targets.	ESRS 2 S4-4 (Interventions on material impacts on customers)	2024	2026
Touch Point Expansion for CSI with End-of-Warranty Survey	Integrate an additional Customer Satisfaction Index (CSI) touch point by sharing a survey with one's own customers at the end of the warranty period. Currently, customer contact times include delivery, 6 months, 1 year, and 2 years after purchase. This new evaluation point aims to improve the customer experience and gather more comprehensive feedback to optimise processes and services.	ESRS 2 S4–4 (Interventions on material impacts on customers)	2024	2026
Updating of the quality process with the introduction of pre-delivery indicators	Introduction of indicators in the pre-delivery process in order to strengthen the quality culture throughout the organisation. Structured performance monitoring will make it possible to identify areas for improvement, define quality targets and evaluate economic impact. This process will be supported by regular updates and dedicated discussion opportunities.	ESRS 2 S4-4 (Interventions on material impacts on customers)	2024	2025
Creation of effective, semi- automated reports to monitor various KPIs in real time	Creation of automatic reporting, starting from the data collected by the system, to monitor indicators in real time and highlight, in a timely and effective manner, any critical issues to be addressed.	ESRS 2 S4-4 (Interventions on material impacts on customers)	2024	2026

The extension of the touchpoints at the end of the warranty period was introduced in 2024 to understand customer satisfaction through questionnaires, is necessary to even better monitor and constantly improve customer service and yacht production. This new evaluation phase is designed to elevate the customer experience by enabling a more in-depth collection of strategic feedback, functional to the optimisation of operational processes and service delivery, and the timeframe to achieve this is set for 2025.

The organisation of ad hoc meetings, starting in 2024, to analyse the results of the surveys and define a shared Action Plan, is necessary to promote discussion between the different corporate functions and translate the feedback gathered into targeted actions to improve processes, products and services.

Introduced in 2024, the Warranty Index is an index that calculates the ratio of warranty expenses to Group turnover. The target is to reduce this ratio relative to turnover 2026; this will be achieved through activities to monitor and improve the effectiveness of the actions taken. The decrease in warranty issues will promote an increase in product quality and satisfaction levels.

Another goal set by the Group is to adopt a Workflow Application system that will automate the management of processes related to Group Product Improvement, which are currently managed manually. This innovation will optimise the communication of key performance indicators (KPIs) between different business functions, ensuring centralised and automated reporting. In addition, the new system will not only reduce the time needed to define indicators, but will also improve operational efficiency by promoting uniformity across the Group's brands and fostering a more integrated and efficient management.

Finally, with the aim of improving the quality culture, Ferretti Group wants to introduce quality indicators in the pre-delivery process. Two quality snapshots will be taken, one at the end of the production process and one at the pre-delivery stage, in order to monitor the status of the yacht and any outstanding critical issues. On the basis of these analyses, performance indicators will be developed, aggregated at both the individual shipping yard and Group level, and transformed into quality targets with economic materiality.

On the basis of the results of the questionnaires submitted to its customers, Ferretti Group defines targets aimed at solving the critical issues reported, with the aim of improving the yacht user experience. The company's progress in achieving these targets is shared with customers who participated in the survey through periodic follow-ups, sent by e-mail upon request. In addition, improvements implemented in response to highlighted issues are recorded and integrated into business processes, thus ensuring a continuous evolution in the customer experience.

G1-Business conduct

Role of the administration, management and control bodies

Ferretti Group adopts a traditional administration and control model, in which the governance bodies, including the Shareholders' Meeting, the Board of Directors and the Board of Statutory Auditors, play a central role in defining and supervising corporate conduct. **ESRS 2 GOV-1**
In particular, the Board of Directors is responsible for the strategic direction and overall management of the Company, with a clear division of roles and responsibilities between executive and non-executive directors. Furthermore, through specialised committees, such as the Audit and Risk Committee, the Remuneration Committee, the Nomination Committee and the ESG Committee, crucial topics related to business conduct are addressed, such as risk management, transparency in remuneration policies, the selection and succession of directors and the integration of ESG (Environmental, Social, Governance) strategies.

These committees ensure a structured and coherent approach to ensuring compliance with the principles of responsible governance, contributing to the achievement of corporate targets and promoting sustainability, transparency and ethical conduct.

Managing impacts, risks and opportunities in relation to business conduct

ESRS 2
IRO-1

The double materiality assessment identified business conduct as one of the most important issues for the Group. This topic is reflected in the subtopics of corporate culture, supplier relationship management, including payment practices, whistleblower protection and active and passive corruption.

In the process of assessing impacts, risks and opportunities, the entire Group perimeter was taken into consideration, attributing greater importance to companies characterised by a high number of employees and a productive nature. These were considered particularly material, as they were more representative in terms of operations and potential effects on business conduct issues.

Impacts, risks and opportunities related to business conduct

Material subtopic	IRO	IRO Description	Value chain	Time horizon	Implemented tools and procedures
Protection of whistleblowers	Potential impact	Compromise of the protection of whistleblowers, with possible negative consequences for the safety and well-being of those involved, as a result of incidents of violation of local and company regulations on reporting channels	The Group has identified the impact in its operations	Medium term	— Code of Ethics — Model 231 — Whistleblowing Policy — Diversity Policy of the Management and Control Bodies — ISO 14001 — ISO 9001
Management of relations with suppliers, including payment practices	Potential impact	Non-compliance with contractual conditions vis-à-vis suppliers, including payment terms, resulting in economic difficulties for these companies	The Group has identified the impact in its own operations and upstream in the value chain	Short term	
Corporate culture	Opportunities	Increased productivity and improved internal company climate, contributing to a shared vision of rules and correct behaviour		Medium term	

Policies

Policies
G1-1
S2-3

Through its corporate conduct policies, the Group promotes positive attitudes that strengthen internal cohesion, enhance organisational coherence, optimise efficiency and consolidate a solid and reliable reputation. They are developed to identify, analyse, manage and, if necessary, intervene on impacts, risks and opportunities related to business conduct issues. These policies not only address current issues, but also reflect an ongoing commitment to monitor and adjust practices to ensure compliance with ethical standards and the promotion of a healthy and responsible corporate culture.

Code of Ethics

This commitment translates into the rigorous application of the principles enshrined in the Code of Ethics, a document that defines values and rules of conduct that are essential to the company's activities and which, in concert with other pillars such as the purpose, mission and vision, contribute to the creation of the Group's corporate culture, guiding its behaviour. An annex to the 231 Model, the Code is drawn up in compliance with

Italian Legislative Decree No. 231 of 8 June 2001 and is one of the pillars of the "Organisation, Management and Control Model" adopted to prevent offences and ensure regulatory compliance. Please note that, to date, the document in question does not fully comply with the characteristics required by the ESRS.

The Code of Ethics not only establishes rights, duties and responsibilities towards customers, suppliers, employees, partners and institutions, but is also disseminated to all internal and external stakeholders through dedicated communication and training activities. Each time the Code is adopted or updated, a copy is distributed to personnel, who are required to acknowledge receipt, reading and acceptance, and to commit to abide by its principles. Moreover, to ensure widespread dissemination, the Code is published both on a dedicated section of the corporate intranet and on the institutional website, making it easily accessible to all interested parties. On the occasion of significant revisions to the Code or related regulatory system, the Group organises training for all personnel, thereby reinforcing their understanding of and adherence to its principles. The Ferretti Group Code of Ethics affirms the Group's commitment to respect human rights and the main international conventions on human and labour rights. In its Code of Ethics, Ferretti Group emphasises the importance of guaranteeing the confidentiality of data collected in the course of its activities, adopting an approach based on professional respect and compliance with current data protection regulations.

The Group promotes the values and principles of the Code, which guide business decisions, set benchmark ethical standards and encourage social responsibility, with a focus on environmental protection and the conscious use of resources. Ferretti Group recognises the importance of a transparent and consistent approach by all its employees, integrating these principles into its culture to minimise reputational and regulatory compliance risks.

The centrality of values such as fairness and objectivity guides Ferretti Group in creating an inclusive and respectful working environment, free from discrimination and harassment. The company promotes responsible behaviour, encourages open dialogue and values people, in full consistency with current legislation and its own ethical principles.

Model 231

The Boards of Directors of Ferretti S.p.A., Zago S.p.A., Il Massello S.r.l., RAM S.p.A. and Canalicchio S.p.A. adopted a 231 Organisational Model to ensure transparency and fairness in corporate management. Designed to prevent offences under Italian Legislative Decree 231/2001 such as active and passive bribery and extortion, this Module also regulates conflict of interest situations and provides for measures to protect information confidentiality. It also incorporates the behavioural principles of the Code of Ethics.

To assess the effectiveness of the preventive model and identify the areas and corporate functions most at risk, a risk assessment activity was carried out in 2022, which identified the risks of corrupt offences. The results were documented in the "Risk Assessment and Risk Management Plan". The areas most at risk were Corporate Finance, Treasury, Accounting, Chief Technical & Operations Officer and the CEO.

To ensure the dissemination and understanding of the Model, Ferretti S.p.A. provides a dedicated section on the company intranet, which is constantly updated with the most recent documentation. Whenever the Model is adopted or updated, the company sends an official communication to all employees, describing the main contents and any changes.

The Group's anti-corruption policies are clearly communicated to all recipients, including employees, suppliers and stakeholders, to ensure their understanding and the adoption of the required behaviours, consolidating the Group's reputation for transparency and accountability.

Anti- corruption awareness and training activities
G1-1

Ferretti S.p.A. is committed to spreading a solid corporate culture in relation to administrative responsibility and risk prevention, in accordance with Italian Legislative Decree No. 231/2001. In this context, the company has provided and plans further courses and training activities aimed at both top management and the rest of the workforce, with compulsory courses for managers and the Supervisory Body that include updates on the structure of the Organisational Model, the analysis of predicate offences, risk areas and prevention protocols.

Top management personnel receive customised training, while other personnel also participate in structured courses, with content tailored to their respective functions and specific online modules for those exposed to concrete risks. For the Supervisory Body, training is agreed upon with external consultants who are experts in the field and includes in-depth training on the technical understanding of the Model, the autonomy and independence of the Supervisory Body, and the control and reporting tools necessary to perform its functions. At the same time, the Supervisory Body sent a questionnaire to employees to assess their knowledge of the 231 Regulations, with the aim of raising awareness and identifying areas for improvement in training.

Whistleblowing Policy

Aware of the importance of an ethical and transparent working environment, the Group has implemented a whistleblowing policy accessible to all stakeholders. This tool makes it possible to report conduct that does not comply with ethical principles, fostering a corporate culture based on integrity and responsibility. Managers, employees and third parties acting in the interest of the company are required to report any unlawful conduct under Italian Legislative Decree 231/2001 or violations of the Model.
The companies[49] adopt a shared application for the receipt and management of internal reports, which is activated by resolution of the Administrative Body of each company. The shared application is accessible exclusively to the members of the Supervisory Body, through an external certified e-mail box. This solution ensures maximum confidentiality of the reporter's identity and transparent handling of reports.

Ferretti Group adopts the Euronet system for handling whistleblowing reports, guaranteeing the highest standards of security and confidentiality, with the possibility for whistleblowers to remain anonymous. The relevant policy is accessible to all employees via the company intranet, while reports can be made by anyone via the Group's website. The process management is entrusted to the Supervisory Body, with the support of the Compliance Manager, who refers reports to the relevant functions, such as HR or Procurement, depending on the nature of the case.
Reports must be substantiated, based on concrete elements and made in good faith. After receipt, the Manager assesses their relevance and validity. If necessary, it initiates an investigation to further investigate the facts and adopt possible measures.
Moreover, in line with the provisions of Italian Legislative Decree No. 24/2023, the policy prohibits any form of retaliation against those who submit internal or external reports, public disclosures or complaints to the competent authorities. Protection also extends to family members, colleagues and entities connected to whistleblowers. Measures are in place to prevent retaliatory acts such as dismissals, demotions, transfers, discrimination, harassment or economic and reputational damage.

Certified management systems

Ferretti Group is committed to guaranteeing the excellence of its processes and products through a rigorous quality management system, supported by internationally recognised certifications.
A milestone on this path is the achievement of the **ISO 9001:201553**[50] certification, initially obtained in 2006. This standard certifies the adoption of the best company processes, aimed at product and service quality as well as customer satisfaction. In 2023, this certification was extended to RAM S.p.A., marking a further step in the Group's strategy of operational excellence.

In parallel, Ferretti Group obtained and retained its **ISO 14001:201554**[51] certification for environmental management systems. This certification currently applies to the Group's headquarters and all of the Group's shipyards, including the one in Ancona, which received the recognition in 2023. This certification underlines the Group's commitment to environmental sustainability, integrating a product life cycle perspective to meet market needs in terms of performance, aesthetics and environmental friendliness.
With these certifications, Ferretti Group confirms its commitment to offering products and services of excellence, maintaining high standards of quality and sustainability at every stage of the production cycle.

49 The whistleblowing system applies jointly to Ferretti S.p.A., Fratelli Canalicchio S.p.A. and Zago S.p.A. and individually to each of them.
50 All plants are ISO 9001:2015 certified, with the exception of Pian Di Rose (PU), Fort Lauderdale (USA) and the Super Yacht Division in the Ancona plant.
51 ISO 14001:2015 certification only applies to the plants of Ferretti S.p.A. (Forlì, Cattolica, Mondolfo, Ancona, Sarnico, La Spezia).

Diversity Policy of the Management and Control Bodies

The Diversity Policy of the Administrative and Control Bodies, whose operational responsibility lies with the Chief HR & Organisation Officer, reflects the Group's commitment to promoting and enhancing diversity in all its forms, both within the Board of Directors and throughout the company organisation. The Group recognises that the plurality of experiences, skills and perspectives is a key element of effective governance and responsible, innovative business management.

In compliance with the principles of fairness and inclusion, selection and appointment processes are conducted according to strict criteria of impartiality, transparency and meritocracy, excluding any form of discrimination in line with current legislation and international standards on human rights and equal opportunities.

Supplier Management

Relations with Suppliers

G1-2

Ferretti Group promotes solid and responsible relations with its suppliers, based on principles of ethics, safety and sustainability. All the Group's suppliers are informed about the Code of Conduct, which defines strict standards on ethical business, respect for human rights, product quality and other aspects that also include safety at work. In the event of violations of the Code, the Group carefully assesses each situation and takes the most appropriate measures.
Furthermore, the selection of suppliers is managed by the Purchasing Department, in collaboration with project managers and engineers, through the definition of specific criteria that include technical capacity, company size, geographical presence, logistics, financial soundness, performance KPIs and pre-and post-sales support.

To ensure safety and compliance in the workplace, all suppliers working directly on Group sites receive specific training on safety measures, in line with company policies. This approach not only ensures the adoption of the highest safety standards, but also promotes awareness of the importance of a safe and respectful working environment for the people involved. For more details please refer to chapter S2-Workers in the value chain.

Payment Practices

G1-6

Ferretti S.p.A. adopts a strict Passive Cycle Procedure, aimed at optimising invoice management and ensuring compliance with payment schedules. This procedure provides for an integrated workflow for the timely resolution of anomalies and the definition of targeted payment terms for each category of suppliers.

The management of payments is consolidated through an operating practice that provides for two monthly transfer sessions: the first by the 5th day of the month and the second by the 20th, based on the schedule communicated by the Treasury to the functions involved in Cash Management, excluding suppliers in Maturity and RiBa/Rid cases, and providing for any errors in the allocation of suppliers to be promptly reported to pagamenti@ferrettigroup.com for the appropriate corrections.
Invoices subject to registration anomalies or to be received are not considered payable, and the requesting function is instructed to resolve such anomalies by the due date, while payment lists are updated according to cash availability and monitoring of collection trends.

Over the years, the improvement of contractual conditions, particularly for production suppliers, has been facilitated by the use of the maturity mechanism: in this way, the supplier benefits from the certainty of payment at maturity (with the possibility of discounting the invoice in advance if necessary), while Ferretti S.p.A. can, if necessary, extend payment terms up to 180 days, in some cases up to 210 days; as at 31 December 2024, maturity had been granted to 54 suppliers, with a total exposure of about €87 million, equal to about 25% of trade payables.
Although the other Italian Group companies are not formally included in the Passive Cycle Procedure, they apply similar standard terms. In particular, the Passive Cycle Procedure establishes the following payment terms:
— Production suppliers: 90 days (60 for external suppliers);
— Service suppliers (opex): 30 days for insurance services, 60 days for IT (30 for foreign suppliers) and 120 days for other services (90 for foreign suppliers);
— Investment suppliers (capex): between 30 and 60 days, depending on the type of supply.

In the reporting period, the average time[52] taken by the Group's Italian companies to settle an invoice was 102 days. In addition, the percentage of payments made within the standard terms within the Group was 43%, with 50% of suppliers paid within the terms.

The data presented has been processed using a methodology that ensures a reliable and consistent picture. The assumptions underpinning the methodology are briefly described below: for the calculation of standard, contractual and actual DPOs as at 31 December 2024, an extraction was carried out of the balancing items from the SAP system *(FBL1N)*, excluding dealers, legal proceedings and RIDs, while maturity and RIBA suppliers were taken into account. Only transactions with a balancing date between 1 January and 31 December 2024 were taken into account, eliminating complimentary invoices and blocked batches identified by the abbreviations L (legal proceedings), B (disputes), D (dealers) and V (already paid items to be offset). The standard payment conditions were analysed according to the passive cycle procedure, ensuring a consistent evaluation with respect to the contractual conditions adopted by the company.

In the Ferretti Group, companies located in the APAC region apply standard payment terms with an average payment time of two weeks. Group companies operating in America, on the other hand, adopt a NET 30-day payment term for all their suppliers. As the group does not manufacture boats in America, these companies do not have specific suppliers for production-related categories and, consequently, have not been included in the calculation of the percentage of payments made in line with the group's standard terms, as their suppliers are not among the most relevant.
At the date of the financial statements, there were no legal proceedings pending for late payment.

Actions

Main actions	Scope of actions (value chain, stakeholders)	Time horizon	Status (realised, ongoing, planned)	Financial resources allocated to the action[53] (CapEx/OpEx)
Questionnaire related to Italian Legislative Decree 231/2001 and the Code of Ethics	Own operations	2024	Realised	N/A[54]

Model 231 Questionnaire and Code of Ethics

Ferretti S.p.A. adopts verification tools to ensure the correct understanding and application of Italian Legislative Decree 231/2001 and the Organisation, Management and Control Model (MOG). Among these, employees are sent a specific questionnaire to assess the MOG knowledge level and its effective dissemination within the company. This activity makes it possible to monitor the implementation of the model, strengthen the culture of compliance and ensure compliance with ethical and regulatory standards by all members of the organisation. No financial resources are required for this activity as the questionnaire was implemented by the Supervisory Body.

52 As far as Massello S.r.l. is concerned, estimates were made using the data of Zago S.p.A. as a basis since they adopt the same supplier management. This approach was necessary because the actual data were not available in the required timeframe.
53 Current amount of financial resources used and traceable to values on the balance sheet. There are currently no plans to allocate future financial resources.
54 It is specified that this action was carried out by functions within the organisation for which no financial resources were used.

Targets

The defined objectives are not fully compliant with ESRS standards as they are qualitative in nature. For more details on the monitoring of objectives, policies and actions, please refer to the section "strategy, business model and value chain".

The Ferretti Group's commitment (targets and results)

The objectives involve, directly or indirectly, the entire Group, with the exception of induction activities on ESG issues, which are reserved exclusively for members of the management bodies.

Target	Description	Reference ESRS	Base year	Target year
Updating of Model 231 of Ferretti S.p.A.	Ferretti S.p.A. updates and revises Model 231 to ensure regulatory compliance, incorporating legislative and organisational changes	ESRS2 - G1	2024	2026
Training activities on the updated Model 231 of Ferretti S.p.A.	Ferretti S.p.A. has planned a training program on the 231 organisational model, aimed at managers and employees, to spread the culture of legality and strengthen regulatory compliance	ESRS2 - G1	2024	2026
Delivery of training courses on Model 231 for the company Il Massello S.r.l.	Planning and delivery of training courses dedicated to Model 231 for the company Il Massello S.r.l., with the aim of ensuring the comprehensive understanding of the responsibilities and obligations under the regulations	ESRS2 - G1	2024	2026
Implementation of Model 231 for RAM S.p.A. with associated training provision	Implementation of Model 231 in RAM S.p.A., with process analysis, definition of procedures and introduction of control measures, accompanied by specific training on the model and crime prevention	ESRS2 - G1	2024	2025
ESG Induction for members of the Board of Directors and of the Board of Statutory Auditors	Carrying out a structured induction program on ESG issues addressed to Ferretti S.p.A. Board members, with the aim of strengthening the awareness and skills needed to integrate sustainability principles into strategic corporate decisions	ESRS2 - G1	2024	2025
Group-wide ERM structuring	Define and implement an integrated risk management system involving all business functions, ensuring a unified view and consistent management of risks globally	ESRS2 - G1	2024	2025

Appendix

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ESRS 2 Disclosure Requirement	Related ESRS paragraph
GENERAL DISCLOSURE	
ESRS 2 BP-1 General basis for preparation of sustainability statements	ESRS 2: General Disclosure | Criteria for preparation
ESRS 2 BP-2 Disclosures in relation to specific circumstances	ESRS 2: General Disclosure | Criteria for preparation
ESRS 2 GOV-1 The role of the administrative, management and supervisory bodies	ESRS 2: General Disclosure | ESRS 2 Governance ESRS 2: General Disclosure | Risk management and internal controls over sustainability reporting G1-Business conduct | Role of the administrative, management and supervisory bodies
ESRS 2 GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	ESRS 2: General Disclosure | ESRS 2 Governance ESRS 2: General Disclosure | Information provided to the company's administrative, management and supervisory bodies and sustainability issues addressed by them ESRS 2: General Disclosure | Material impacts, risks and opportunities and their interaction with the strategy and business model
ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes	ESRS 2: General Disclosure | Integrating sustainability performance into incentive schemes E1-Climate change | Integrating sustainability performance into incentive schemes
ESRS 2 GOV-4 Statement on due diligence	ESRS 2: General Disclosure | Statement of due diligence
ESRS 2 GOV-5 Risk management and internal controls over sustainability reporting	ESRS 2: General Disclosure | Risk management and internal controls over sustainability reporting
ESRS 2 SBM-1 Strategy, business model and value chain	Ferretti Group | Ferretti Group: Our Profile Ferretti Group | Products and Services ESRS 2: General Disclosure | Strategy, business model and value chain ESRS 2: General Disclosure | The Ferretti Group value chain
ESRS 2 SBM-2 Interests and views of stakeholders	ESRS 2: General Disclosure | Stakeholders' interests and opinions S1-Own workforce | Workforce engagement process S2-Workers in the value chain | Tools for engaging workers in the value chain S4-Customers | Policies S4-Customers | Customer Involvement Processes
ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	ESRS 2: General Disclosure | Material impacts, risks and opportunities and their interaction with the strategy and business model ESRS 2: General Disclosure | Double Materiality Assessment E1-Climate change | Impacts, risks and opportunities E1-Climate change | Analysis of physical climate risks S1-Own workforce | Management of impacts, risks and opportunities related to own workers S1-Own workforce | Metrics | Characteristics of company employees S2-Workers in the value chain | Management of impacts, risks and opportunities and tools for workers engagement in the value chain S3-Affected communities | Management of impacts, risks and opportunities and engagement of affected communities S4-Customers | Management of impacts, risks and opportunities and customer engagement

ESRS 2 Disclosure Requirement	Related ESRS paragraph
ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities	ESRS 2: General Disclosure | Material impacts, risks and opportunities and their interaction with the strategy and business model ESRS 2: General Disclosure | Double Materiality Assessment E1-Climate change | Impacts, risks and opportunities E1-Climate change | Analysis of physical climate risks E5-User of resources and the circular economy | Managing impacts, risks and opportunities related to the circular economy Environmental aspects material to the value chain — E2-Pollution — E3-Water Resources — E4-Biodiversity | Managing impacts, risks and opportunities S3-Affected communities | Management of impacts, risks and opportunities and engagement of affected communities G1-Business conduct | Managing impacts, risks and opportunities in relation to business conduct
ESRS 2 IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement	ESRS 2: General Disclosure | Material impacts, risks and opportunities and their interaction with the strategy and business model ESRS 2: General Disclosure | Double Materiality Assessment
ESRS 2 MDR-P Policies adopted to manage material sustainability matters	E1-Climate Change | Policies E5-Use of resources and circular economy | Policies Environmental aspects material to the value chain — E2-Pollution — E3-Water Resources — E4-Biodiversity | Policies S1-Own workforce | Policies S2-Workers in the value chain | Management of impacts, risks and opportunities and tools for workers engagement in the value chain S2-Workers in the value chain | Policies S3-Affected communities | Policies S4-Customers | Policies G1-Business conduct | Policies
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ESRS 2 MDR-T Tracking effectiveness of policies and actions through targets	E1-Climate change | Targets E5-Use of resources and circular economy | Targets Environmental aspects material to the value chain — E2-Pollution — E3-Water Resources — E4-Biodiversity | Targets S1-Own workforce | Targets S2-Workers in the value chain | Targets S3-Affected communities | Targets S4-Customers | Targets G1-Business conduct | Targets
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ESRS 2 Disclosure Requirement	Related ESRS paragraph
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ESRS 2 GOV-3 E1 Integration of sustainability-related performance in incentive schemes	E1-Climate change | Integrating sustainability performance into incentive schemes
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ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	E1-Climate change | Impacts, risks and opportunities E1-Climate change | Analysis of physical climate risks
ESRS 2 IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities	E1-Climate change | Impacts, risks and opportunities E1-Climate change | Analysis of physical climate risks
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ESRS E1-3 Actions and resources in relation to climate change policies	E1-Climate change | Actions E1-Climate change | European Taxonomy
ESRS E1-4 Targets related to climate change mitigation and adaptation	E1-Climate change | Targets
ESRS E1-5 Energy consumption and mix	E1-Climate change | Metrics
ESRS E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	E1-Climate change | Metrics
ESRS E1-7 GHG removals and GHG mitigation projects financed through carbon credits	E1-Climate change | Metrics
ESRS E1-8 Internal carbon pricing	E1-Climate change | Metrics
ESRS E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	E1-Climate change | Metrics
ESRS E2 POLLUTION	
ESRS 2 IRO-1 Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	Environmental aspects material to the value chain — E2-Pollution — E3-Water Resources — E4 Biodiversity | Managing impacts, risks and opportunities
ESRS E2-1 Policies related to pollution	Environmental aspects material to the value chain — E2-Pollution — E3-Water Resources — E4-Biodiversity | Policies
ESRS E2-2 Actions and resources related to pollution	Environmental aspects material to the value chain — E2-Pollution — E3-Water Resources — E4-Biodiversity | Actions
ESRS E2-3 Targets related to pollution	Environmental aspects material to the value chain — E2-Pollution — E3-Water Resources — E4-Biodiversity | Targets
ESRS E3 WATER AND MARINE RESOURCES	
ESRS 2 IRO-1 E3 Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	Environmental aspects material to the value chain — E2-Pollution — E3-Water Resources — E4-Biodiversity | Managing impacts, risks and opportunities
ESRS E3-1 Policies related to water and marine resources	Environmental aspects material to the value chain — E2-Pollution — E3-Water Resources — E4-Biodiversity | Policies
ESRS E3-2 Actions and resources related to water and marine resources	Environmental aspects material to the value chain — E2-Pollution — E3-Water Resources — E4-Biodiversity | Actions
ESRS E3-3 Targets related to water and marine resources	Environmental aspects material to the value chain — E2-Pollution — E3-Water Resources — E4-Biodiversity | Targets

ESRS 2 Disclosure Requirement	Related ESRS paragraph
ESRS E4 BIODIVERSITY	
ESRS E4-1 Transition plan and consideration of biodiversity and ecosystems in the strategy and business model	E1-Climate change | Impacts, risks and opportunities
ESRS 2 IRO-1 E4 Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	Environmental aspects material to the value chain — E2-Pollution — E3-Water Resources — E4-Biodiversity | Managing impacts, risks and opportunities
ESRS E4-2 Policies related to biodiversity and ecosystems	Environmental aspects material to the value chain — E2-Pollution — E3-Water Resources — E4-Biodiversity | Policies
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ESRS E5-3 Targets related to resource use and circular economy	E5-Use of resources and circular economy | Targets
ESRS E5-4 Resource inflows	E5-Use of resources and circular economy | Metrics
ESRS E5-5 Resource outflows	E5-Use of resources and circular economy | Metrics
ESRS E5-6 Anticipated financial effects from resource use and E5-Use of resources and circular economy | Metrics circular economy-related impacts, risks and opportunities	E5-Use of resources and circular economy | Metrics

ESRS 2 Disclosure Requirement	Related ESRS paragraph
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ESRS 2 SBM-2 Interests and views of stakeholders	ESRS 2: General Disclosure | Stakeholders' interests and opinions S1-Own workforce | Workforce engagement process
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ESRS S1-2 Processes for engaging with own workers and workers' representatives about impacts	S1-Own workforce | Workforce engagement process
ESRS S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns	S1-Own workforce | Channels for own workforce to raise concerns
ESRS S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	S1-Own workforce | Actions
ESRS S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	S1-Own workforce | Targets
ESRS S1-6 Characteristics of the undertaking's employees	S1-Own workforce | Metrics | Characteristics of company employees
ESRS S1-7 Characteristics of non-employees workers in the undertaking's own workforce	S1-Own workforce | Metrics | Characteristics of non-employees in the company's own workforce
ESRS S1-8 Collective bargaining coverage and social dialogue	S1-Own workforce | Metrics | Coverage of collective bargaining agreements and social dialogue
ESRS S1-9 Diversity metrics	S1-Own workforce | Metrics | Diversity metrics
ESRS S1-10 Adequate wages	S1-Own workforce | Metrics | Adequate wages
ESRS S1-11 Social protection	S1-Own workforce | Metrics | Social protection
ESRS S1-13 Training and skills development metrics	S1-Own workforce | Metrics | Training and skills development metrics
ESRS S1-14 Health and safety metrics	S1-Own workforce | Metrics | Health and safety metrics
ESRS S1-15 Work-life balance metrics	S1-Own workforce | Metrics | Work-life balance metrics
ESRS S1-17 Incidents, complaints and severe human rights impacts	S1-Own workforce | Metrics | Incidents, complaints and serious human rights impacts
S2 WORKERS IN THE VALUE CHAIN	
ESRS 2 SBM-2 Interests and views of stakeholders	ESRS 2: General Disclosure | Stakeholders' interests and opinions S2-Workers in the value chain | Tools for engaging workers in the value chain
ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with the strategy and business model	S2-Workers in the value chain | Management of impacts, risks and opportunities and tools for workers engagement in the value chain
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ESRS S2-2 Processes for engaging with value chain workers about impacts	S2-Workers in the value chain | Tools for engaging workers in the value chain
ESRS S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns	S2-Workers in the value chain | Tools for engaging workers in the value chain G1-Business conduct | Policies

ESRS 2 Disclosure Requirement	Related ESRS paragraph
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ESRS S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	S2-Workers in the value chain | Targets
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ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	S3-Affected communities | Management of impacts, risks and opportunities and engagement of affected communities
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ESRS S3-2 Processes for engaging with affected communities about impacts	S3-Affected communities | Processes for engaging affected communities
ESRS S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns	S3-Affected communities | Actions
ESRS 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	S3-Affected communities | Actions
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ESRS S4-1 Policies related to consumers and end-user	S4-Customers | Policies
ESRS S4-2 Processes for engaging with consumers and end users about impacts	S4-Customers | Management of impacts, risks and opportunities and customer engagement S4-Customers | Customer Involvement Processes
ESRS S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	S4-Customers | Processes to remedy negative impacts and channels for customers to raise concerns
ESRS S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	S4-Customers | Actions
ESRS S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	S4-Customers | Targets

ESRS 2 Disclosure Requirement	Related ESRS paragraph
G1 BUSINESS CONDUCT	
ESRS 2 GOV-1 The role of administrative, supervisory and management bodies	G1-Business conduct | Role of the administrative, management and supervisory bodies
ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities	G1 Business conduct | Managing impacts, risks and opportunities in relation to business conduct
ESRS G1–1 Corporate culture and business conduct policies and corporate culture	G1-Business conduct | Policies
ESRS G1–2 Management of relationships with suppliers	G1-Business conduct | Management of suppliers
ESRS G1–6 Payment practices	G1-Business conduct | Management of suppliers

Appendix B — List of information elements referred to in cross-cutting and topical standards from other EU legislative acts

Disclosure Requirement and corresponding information element	SFDR reference	Third pillar reference
ESRS 2 GOV-1 Gender diversity in the board, paragraph 21(d)	Annex I, Table 1, Indicator no. 13	
ESRS 2 GOV-1 Percentage of independent members in the Board of Directors, paragraph 21(e)		
ESRS 2 GOV-4 Statement of 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 (6), Table 1-Qualitative information on environmental risk and Table 2-Qualitative information on social risk
ESRS 2 SBM-1 Involvement in activities related to the production of chemicals, paragraph 40(d)(ii)	Annex I, Table 2, Indicator no. 9	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons, paragraph 40(d)(iii)	Annex I, Table 1, Indicator no. 14	
Involvement in activities related to the cultivation and production of tobacco, paragraph 40(d)(iv)		
ESRS E1–1 Transition plan to achieve climate neutrality by 2050, paragraph 14		
ESRS E1–1 Companies excluded from benchmarks aligned with the Paris Agreement, paragraph 16(g)		Article 449 bis of Regulation (EU) no. 575/2013; Commission Implementing Regulation (EU) 2022/2453, model 1: Banking portfolio — Indicators of potential transition risk related to climate change: Credit quality of exposures by sector, emissions and residual maturity
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, model 3: Banking portfolio — Indicators of potential transition risk related to climate change: alignment metrics
ESRS E1–5 Energy consumption from fossil fuels broken down by source (high climate impact sectors only), paragraph 38	Annex I, Table 1, Indicator no. 5 Annex I, Table 2, indicator no. 5	
ESRS E1–5 Energy consumption and energy 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 GHG emissions and total GHG emissions, paragraph 44	Annex I, Table 1, Indicator nos. 1 and 2	Article 449 bis of Regulation (EU) no. 575/2013; Commission Implementing Regulation (EU) 2022/2453, model 1: Banking portfolio — Indicators of potential transition risk related to climate change: Credit quality of exposures by sector, emissions and residual maturity

Reference indices regulation reference	EU climate law reference	Disclosure
Commission Delegated Regulation (EU) 2020/1816 (5), annex II		ESRS 2: General Disclosure | ESRS 2 Governance
Commission Delegated Regulation (EU) 2020/1816, annex II		ESRS 2: General Disclosure | ESRS 2 Governance
		ESRS 2: General Disclosure | ESRS 2 Governance | Statement of due diligence
Commission Delegated Regulation (EU) 2020/1816, annex II		Ferretti Group is not active in the production of fossil fuels, chemicals, controversial weapons and tobacco cultivation and production
Commission Delegated Regulation (EU) 2020/1816, annex II		Ferretti Group is not active in the production of fossil fuels, chemicals, controversial weapons and tobacco cultivation and production
Article 12(1) of Delegated Regulation (EU) 2020/1818 (7) and Annex II of Delegated Regulation (EU) 2020/1816		Ferretti Group is not active in the production of fossil fuels, chemicals, controversial weapons and tobacco cultivation and production
Article 12(1) of Delegated Regulation (EU) 2020/1818 and Annex II of Delegated Regulation (EU) 2020/1816		Ferretti Group is not active in the production of fossil fuels, chemicals, controversial weapons and tobacco cultivation and production
	Article 2(1) of Regulation (EU) 2021/1119	E1-Climate change | Transition plan for climate change mitigation
Article 12(1)(d) to (g) and 12(2) of Delegated Regulation (EU) 2020/1818		E1 – Cambiamenti climatici | Piano di transizione per la mitigazione dei cambiamenti climatici
Article 6 of Delegated Regulation (EU) 2020/1818		E1-Climate change | Targets
		E1-Climate change | Metrics
		E1-Climate change | Metrics
		E1-Climate change | Metrics
Articles 5(1), 6 and 8(1) of Delegated Regulation (EU) 2020/1818		E1-Climate change | Metrics

Disclosure Requirement and corresponding information element	SFDR reference	Third pillar reference
ESRS E1–6 Intensity of gross GHG emissions, 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, model 3: Banking portfolio — Indicators of potential transition risk related to climate change: alignment metrics
ESRS E1–7 GHG removals and carbon credits, paragraph 56		
ESRS E1–9 Exposure of the benchmark index portfolio to physical climate-related risks, paragraph 66		
ESRS E1–9 Breakdown of monetary amounts by acute and chronic physical risk, paragraph 66(a) ESRS E1–9 Position of significant activities at material physical risk, paragraph 66(c)		Article 449 bis of Regulation (EU) no. 575/2013; points 46 and 47 of the Commission Implementing Regulation (EU) 2022/2453; model 5: Banking portfolio — Indicators of potential physical risk related to climate change: exposures subject to physical risk
ESRS E1–9 Breakdown of the book value of its real estate assets by energy efficiency classes, paragraph 67(c)		Article 449 bis of Regulation (EU) no. 575/2013; points 34 of the Commission Implementing Regulation (EU) 2022/2453; Model 2: Banking portfolio — Indicators of potential transition risk related to climate change: guaranteed loans on real estate assets — Energy efficiency of collateral
ESRS E1–9 Degree of portfolio exposure to climate-related opportunities, paragraph 69		
ESRS E2–4 Quantity of each pollutant listed in Annex II of the E-PRTR (European Pollutant Release and Transfer Register) regulation emitted to air, water and soil, paragraph 28	Annex I, Table 1, Indicator no. 8 Annex I, Table 2, indicator no. 2 Annex I, 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 Sustainability of the oceans and seas paragraph 14	Annex I, Table 2, indicator no. 12	
ESRS E3–4 Total recycled and reused water, paragraph 28(c)	Annex I, Table 2, indicator no. 6.2	
ESRS E3–4 Total water consumption in m^3 compared to net revenues from own operations, paragraph 29	Annex I, Table 2, indicator no. 6.1	
ESRS 2 IRO-1-E4 paragraph 16(a)(i)	Annex I, Table 1, indicator no. 7	
ESRS 2 IRO-1-E4 paragraph 16(b)	Annex I, Table 2, indicator no. 10	
ESRS 2 IRO-1-E4 paragraph 16(c)	Annex I, Table 2, indicator no. 14	
ESRS E4–2 Sustainable agricultural/land-use policies or practices, paragraph 24(b)	Annex I, Table 2, indicator no. 11	
ESRS E4–2 Sustainable sea/ocean use practices or policies, paragraph 24(c)	Annex I, Table 2, indicator no. 12	
ESRS E4–2 Policies to address deforestation, paragraph 24(d)	Annex I, Table 2, indicator no. 15	
ESRS E5–5 Unrecycled waste, paragraph 37(d)	Annex I, Table 2, indicator no. 13	

Reference indices regulation reference	EU climate law reference	Disclosure
Article 8(1) of Delegated Regulation (EU) 2020/1818		E1-Climate change | Metrics
	Article 2(1) of Regulation (EU) 2021/1119	Ferretti did not implement projects for GHG removals and carbon credits
Annex II of Delegated Regulation (EU) 2020/1818 and Annex II of Delegated Regulation (EU) 2020/1816		For the financial year 2024, which corresponds to the first year of sustainability reporting according to ESRS, Ferretti Group decided to use the phase-in option in relation to the disclosure of the expected financial effects of physical and material transition risks
Annex II of Delegated Regulation (EU) 2020/1818		
		Not material according to Ferretti's double materiality assessment
		E5-Use of resources and circular economy | Metrics

Disclosure Requirement and corresponding information element	SFDR reference	Third pillar reference
ESRS E5–5 Hazardous waste and radioactive Waste, paragraph 39	Annex I, Table 1, Indicator No. 9	
ESRS 2-SBM3-S1 Forced labour risk, paragraph 14(f)	Annex I, Table 3, Indicator No. 13	
ESRS 2-SBM3-S1 Child labour risk, paragraph 14(g)	Annex I, Table 3, Indicator No. 12	
ESRS S1–1 Policy commitments on human rights impacts, paragraph 20	Annex I, Table 3, Indicator no. 9 Annex I, Table 1, indicator no. 11	
ESRS S1–1 Due diligence policies on matters covered by core conventions 1 to 8 of the International Labour Organisation, paragraph 21		
ESRS S1–1 Procedures and measures to prevent human trafficking, 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 Mechanisms for handling complaints, paragraph 32(c)	Annex I, Table 3, indicator No. 5	
ESRS S1–14 Number of deaths and number and rate of work-related injuries, paragraph 88 (b) and (c)	Annex I, Table 3, indicator No. 2	
ESRS S1–14 Number of days lost due to injury, accident, fatality 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	
ESRS S1–16 Excessive pay gap in favour of the CEO, paragraph 97(b)	Annex I, Table 3, indicator no. 8	
ESRS S1–17 Incidents related to discrimination, paragraph 103(a)	Annex I, Table 3, indicator no. 7	
ESR S1–17 Failure to comply with the UN Guiding Principles 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	
ESRS 2 SBM-3-S2 Serious risk of child labour or forced labour in the labour chain, paragraph 11(b)	Annex I, Table 3, Indicator nos. 12 and 13	
ESRS S2–1 Policy commitments on human rights, paragraph 17	Annex I, Table 3, Indicator no. 9 Annex I, Table 1, indicator no. 11	
ESRS S2–1 Policies linked to workers in the value chain, paragraph 18	Annex I, Table 3, Indicator nos. 11 and 4	
ESR S2–1 Failure to comply with the UN Guiding Principles on Business and Human Rights and OECD, paragraph 19	Annex I, Table 1, indicator no. 10	
ESRS S2–1 Due diligence policies on matters covered by core conventions 1 to 8 of the International Labour Organisation, paragraph 19		
ESRS S2–4 Human rights issues and incidents in its upstream and downstream value chain, paragraph 36	Annex I, Table 3, indicator no. 14	

Reference indices regulation reference	EU climate law reference	Disclosure
		E5-Use of resources and circular economy | Metrics
		S1-Own workforce | Management of impacts, risks and opportunities related to own workers
		S1-Own workforce | Management of impacts, risks and opportunities related to own workers
		S1-Own workforce | Management of impacts, risks and opportunities related to own workers
Commission Delegated Regulation (EU) 2020/1816, annex II		S1-Own workforce | Policies
		S1-Own workforce | Policies
		S1-Own workforce | Policies
		S1-Own workforce | Channels for own workforce to raise concerns
Commission Delegated Regulation (EU) 2020/1816, annex II		S1-Own workforce | Metrics | Health and safety metrics
		S1-Own workforce | Metrics | Health and safety metrics
Commission Delegated Regulation (EU) 2020/1816, annex II		Not material according to Ferretti's double materiality assessment
		Not material according to Ferretti's double materiality assessment
		S1-Own workforce | Metrics | Incidents, complaints and serious human rights impacts
Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818		S1-Own workforce | Metrics | Incidents, complaints and serious human rights impacts
		S2-Workers in the value chain | Management of impacts, risks and opportunities and tools for workers engagement in the value chain
		S2-Workers in the value chain | Policies
		S2-Workers in the value chain | Policies
Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818		S2-Workers in the value chain | Policies
Commission Delegated Regulation (EU) 2020/1816, annex II		S2-Workers in the value chain | Policies
		S2-Workers in the value chain | Actions

Disclosure Requirement and corresponding information element	SFDR reference	Third pillar reference
ESRS S3–1 Policy commitments on human rights, paragraph 16	Annex I, Table 3, Indicator no. 9 Annex I, Table 1, indicator no. 11	
ESRS S3–1 Failure to comply with the UN Guiding Principles on Business and Human Rights, the ILO Principles or the OECD Guidelines, paragraph 17	Annex I, Table 1, indicator no. 10	
ESRS S3–4 Issues and incidents on human rights, paragraph 36	Annex I, Table 3, indicator no. 14	
ESRS S4–1 Policies linked to consumer and end-user, paragraph 16	Annex I, Table 3, Indicator no. 9 Annex I, Table 1, indicator no. 11	
ESR S4–1 Failure to comply with the UN Guiding Principles on Business and Human Rights and the OECD guidelines, paragraph 17	Annex I, Table 1, indicator no. 10	
ESRS S4–4 Issues and incidents on human rights, 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 whistleblowers, paragraph 10(d)	Annex I, Table 3, indicator no. 6	
ESRS G1–4 Fines imposed for violations of laws against active and passive corruption, paragraph 24(a)	Annex I, Table 3, indicator no. 17	
ESRS G1–4 Rules for fighting active and passive corruption, paragraph 24(b)	Annex I, Table 3, indicator no. 16	

Reference indices regulation reference	EU climate law reference	Disclosure
		S3-Affected communities | Policies
Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818		S3-Affected communities | Policies
		S3-Affected communities | Actions
		S4-Customers | Policies
Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818		S4-Customers | Policies
		S4-Customers | Actions
		G1-Business conduct | Policies
		G1-Business conduct | Policies
Annex II of Delegated Regulation (EU) 2020/1816		Not material according to Ferretti's double materiality assessment
		Not material according to Ferretti's double materiality assessment

Statement of the Executive Responsible on the Sustainability Report

Attestation of Sustainability Reporting pursuant to Article 81-Ter, paragraph 1, of Consob Regulation No. 11971 of 14 May 1999 as amended and supplemented

The undersigned Alberto Galassi, in his capacity as Chief Executive Officer, and Marco Zammarchi, in his capacity as Manager in charge of preparing the corporate and sustainability accounting documents of Ferretti S.p.A., hereby certify, pursuant to Article 154-bis, paragraph 5-ter of Legislative Decree No. 58 of 24 February 1998, that the sustainability reporting included in the Management Report has been prepared

a. 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 Legislative Decree No. 125 of 6 September 2024;
b. with the specifications adopted pursuant to Article 8(4) of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.

Date: Milan, 14 March 2025

Alberto Galassi
Managing Director

Marco Zammarchi
Manager responsible for the preparation of corporate accounting documents and sustainability

Shape the future
with confidence

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Independent auditor's report on the limited assurance of the Consolidated Sustainability Reporting in accordance with Article 14-bis of Legislative Decree n. 39, dated 27 January 2010

(*Translation from the original Italian text*)

To the Shareholders of
Ferretti S.p.A.

Conclusions

We have been appointed to perform a limited assurance engagement pursuant to Articles 8 of Legislative Decree n. 125 dated 6 September 2024 (hereinafter also referred to as the "Decree") on the Consolidated Sustainability Reporting of Ferretti S.p.A. and its subsidiaries (hereinafter "Group" or "Ferretti Group") for the year ended on 31 December 2024, prepared in accordance with Article 4 of the Decree, included in the specific section of the Management Report.

Based on the procedures performed, nothing has come to our attention that causes us to believe that:

- the Ferretti Group's Consolidated Sustainability Reporting for the year ended on 31 December 2024, has not been prepared, in all material respects, in accordance with the reporting principles adopted by the European Commission pursuant to European Directive 2013/34/EU (European Sustainability Reporting Standards, hereinafter also referred to as "ESRS");
- the information included in the paragraph "European Taxonomy" of the Consolidated Sustainability Reporting has not been prepared, in all material respects, in accordance with Article 8 of European Regulation n. 852 dated 18 June 2020 (hereinafter also referred to as "Taxonomy Regulation").

Elements Underlying the Conclusions

We have performed a limited assurance engagement in accordance with the Sustainability Reporting Assurance Standard ("Principio di Attestazione della Rendicontazione di sostenibilità") - SSAE (Italy). The procedures performed in this type of engagement vary in nature and timing compared to those necessary for conducting an engagement aimed at obtaining a reasonable level of assurance and are also less extensive. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the level of assurance that would have been obtained if the engagement aimed to acquire a reasonable level of assurance. Our responsibilities under this Standard are further described in the section "Auditor's responsibility for the Assurance on the Consolidated Sustainability Reporting" of this report.

We are independent in accordance with the standards and principles regarding ethics and independence applicable to the assurance engagement of the Consolidated Sustainability Reporting according to Italian law.

Our audit firm applies the International Standard on Quality Control (ISQM Italy) 1, under which it is required to establish, implement, and operate a quality management system that includes instructions and procedures on compliance with ethical principles, professional principles, and applicable legal and regulatory provisions.

We believe we have obtained sufficient and appropriate evidence on which to base our conclusions.

Other Matters

The Consolidated Sustainability Reporting of Ferretti Group for the year ended 31 December 2024 contains, in the specific section titled "European Taxonomy", the comparative information required by Article 8 of the Taxonomy Regulation referred to the year ended 31 December 2023, which are unaudited.

Responsibility of the Directors and Those Charged with Governance for the Consolidated Sustainability Reporting

The Directors are responsible for the development and implementation of procedures used to identify the information included in the Consolidated Sustainability Reporting in accordance with the requirements of the ESRS (hereinafter referred to as the "Relevance assessment process") and for the description of such procedures in the paragraph "Double Materiality Assessment" of the Consolidated Sustainability Reporting.

The Directors are also responsible for the preparation of the Consolidated Sustainability Reporting, which contains the information identified through the Relevance assessment process, in accordance with the requirements of Article 4 of the Decree, including:

- compliance with the ESRS;
- compliance with Article 8 of the EU Taxonomy Regulation regarding the information contained in the paragraph "European Taxonomy".

This responsibility entails the establishment, implementation, and maintenance, as required by law, for that part of internal control that they consider necessary in order to allow the preparation of the Consolidated Sustainability Reporting in accordance with the requirements of Article 4 of the Decree, free from material misstatements caused by fraud or not intentional behaviors or events. This responsibility also includes the selection and application of appropriate methods for processing the information as well as the development of assumptions and estimates regarding specific sustainability information that are reasonable under the circumstances.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the compliance with the requirements of the Decree.

Inherent Limitations in the Preparation of the Consolidated Sustainability Reporting

As indicated in Chapter "ESRS 2: General Disclosures", paragraph "Criteria for Preparation", for the purpose of reporting prospective information in accordance with the ESRS, the Directors are required to prepare such information based on assumptions, described in the Consolidated Sustainability Reporting, regarding events that may occur in the future and possible future actions by the Group. Due to the uncertainty associated with the realization of any future events, both concerning the occurrence itself and regarding the extent and timing of its occurrence, the variations between actual values and prospective information could be significant.

As indicated in chapter "E1 - Climate Change", paragraph "Metrics", the information related to Scope 3 greenhouse gas emissions is subject to greater intrinsic limitations compared to Scope 1 and 2, due to the limited availability and accuracy of the information used to define such information, both quantitative and qualitative, as well as due to reliance on data, information, and evidence provided by third parties.

Auditor's responsibility for the Assurance of the Consolidated Sustainability Reporting

Our objectives are to plan and perform procedures to obtain a limited level of assurance that the Consolidated Sustainability Reporting is free from material misstatements, due to fraud or not intentional behaviors or events, and to issue a report containing our conclusions. Errors may arise from fraud or not intentional behaviors or events and are considered significant if it can be reasonably expected that they, individually or in the aggregate, could influence the decisions made by users based on the Consolidated Sustainability Reporting.

In the context of the engagement aimed at obtaining a limited level of assurance in accordance with the Sustainability Reporting Assurance Standard ("Principio di Attestazione della Rendicontazione di Sostenibilità") - SSAE (Italy), we exercised professional judgment and maintained professional skepticism throughout the duration of the engagement.

Our responsibilities include:

- considering the risks to identify the information in which a significant error is likely to occur, whether due to fraud or not intentional behaviors or events;
- defining and performing procedures to verify the information in which a significant error is likely to occur. The risk of not detecting a significant error due to fraud is higher than the risk of not detecting a significant error arising from not intentional behaviors or events, as fraud may involve collusion, forgery, intentional omissions, misleading representations, or manipulation of internal controls;
- directing, supervising, and conducting the limited assurance of the Consolidated Sustainability Reporting and assuming full responsibility for the conclusions regarding the Consolidated Sustainability Reporting.

Summary of the Work Performed

An engagement aimed at obtaining a limited level of assurance involves performing procedures to obtain evidence as a basis for formulating our conclusions.

The procedures performed on the Consolidated Sustainability Reporting were based on our professional judgment and included interviews, primarily with the company personnel responsible for preparing the information included in the Consolidated Sustainability Reporting, as well as documents analysis, recalculations and other procedures aimed to obtain evidence considered appropriate.

In particular, we performed the following procedures, partly in a preliminary phase before the end of the year and subsequently in a final phase up to the date of issuance of this report:

- understanding the business model, the Group's strategies, and the context in which it operates concerning sustainability issues;
- understanding the processes underlying the generation, detection, and management of the qualitative and quantitative information included in the Consolidated Sustainability Reporting, including the analysis of the reporting perimeter;

- understanding the process implemented by the Group for identifying and assessing relevant impacts, risks, and opportunities based on the principle of Double Materiality concerning sustainability issues and verifying the related information included in the Consolidated Sustainability Reporting;
- identifying the information for which there is a likelihood of a significant error risk;
- defining and performing analytical and substantive procedures, based on our professional judgment, to address the identified significant error risks, including:
    - for the information collected at the Group level:
        - carrying out inquiries and document analysis regarding qualitative information, particularly policies, actions, and targets on sustainability issues, to verify consistency with the evidence collected;
        - performing analytical procedures and limited assurance procedures on a sample basis regarding quantitative information;
    - for the information collected at site level, conducting on-site visits for Ferretti S.p.A. (Ancona and Mondolfo plants). These sites were selected based on their activities and their relevance to the metrics of the Consolidated Sustainability Reporting. During these visits, we conducted interviews with Group personnel and obtained documentary evidence regarding the determination of the metrics;
- regarding the requirements of Article 8 of the EU Taxonomy Regulation, understanding the process implemented by the Group to identify eligible economic activities and determine their aligned nature based on the provisions of the EU Taxonomy Regulation, and verifying the related information included in the Consolidated Sustainability Reporting;
- cross-checking the information reported in the Consolidated Sustainability Reporting with the information contained in the consolidated financial statements in accordance with the applicable financial reporting framework or with the accounting data used for the preparation of the consolidated financial statements or with the management data of an accounting nature;
- verifying the structure and presentation of the information included in the Consolidated Sustainability Reporting in accordance with the ESRS;
- obtaining letter of representations.

Bologna, 14 March 2025

EY S.p.A.
Signed by: Gianluca Focaccia, Auditor

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

Hong Kong Regulation

Regulations pursuant to appendix C2 of the Hong Kong listing rules — Environmental, social and governance reporting guide

References to Chapters/Sections given within this document refer to the Ferretti Group's Consolidated Sustainability Report 2024.

A. Environment

ASPECT A1: EMISSIONS	
HK Regulation request	**Disclosure**
Policy Information	Please refer to Chapter E-1 Climate Change — Policies.
Compliance with relevant laws and regulations that have a significant impact on the issuer	The Group fully adheres to all applicable laws and operates in accordance with applicable regulations on the subject of emissions.
KPI A1.1-Types of emissions and related emission data	Please refer to Chapter E-1 Climate Change — Metrics for the reporting of this disclosure. Pollution-related emissions have not been included in the reporting, as they are considered a non-material issue with reference to the Group's scope. For related details, please refer to the Chapter Double Materiality Analysis.
KPI A1.2-Direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions (in tonnes) and, if relevant, intensity (e.g. per unit of production volume, per plant)	Concerning the reporting of Scope 1 and 2 emissions, please refer to Chapter E-1 Climate Change — Metrics.
KPI A1.3-Total quantity of hazardous waste generated (in tonnes) and, if relevant, intensity (e.g. per unit of production volume, per facility).	Please refer to Chapter E5-Resource Use and the Circular Economy — Metrics for reporting on this disclosure.
KPI A1.4-Total amount of non-hazardous waste generated (in tonnes) and, if relevant, intensity (e.g. per unit of production volume, per plant).	Please refer to Chapter E5-Resource Use and the Circular Economy — Metrics for reporting on this disclosure.
KPI A1.5-Description of emission targets set and actions taken to achieve them.	The Group did not have any quantitative emission target(s) for this financial year. For targets of a qualitative nature, see Chapter E5-Resource Use and Circular Economy — Targets.
KPI A1.6-Description of how hazardous and non-hazardous waste is managed, and a description of the reduction targets set and the actions taken to achieve them.	Ferretti S.p.A. has gradually increased the percentage of waste sent for reuse, and waste management is carried out in accordance with Legislative Decree 152/06. The Group has not set quantitative target(s) for waste management for this financial year.

ASPECT A2: USE OF RESOURCES	
HK Regulation request	**Disclosure**
Policies on the efficient use of resources, including energy, water and other raw materials.	Please refer to Chapter E5-Resource Use and the Circular Economy — Policies for the reporting of this disclosure. Water has not been considered a non-material topic with reference to the Group's scope. For related details, please refer to the Chapter Double Materiality Analysis.
KPI A2.1-Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000) and intensity (e.g. per unit of production volume, per plant).	Concerning the reporting of Scope 1 and 2 emissions, please refer to Chapter E-1 Climate Change — Metrics.
KPI A2.2-Water consumption in total and intensity (e.g. per unit of production volume, per plant).	Information on water resources has not been included in the reporting as it is considered a non-material topic with reference to the Group's scope. Please refer to the Chapter Double Materiality Analysis for details.
KPI A2.3-Description of energy use efficiency targets set and actions taken to achieve them.	The Group did not have any quantitative emission target(s) for this financial year. For targets of a qualitative nature, please refer to Chapter E1-Climate Change — Targets.
KPI A2.4-Description of any problems in obtaining fit-for-purpose water, water use efficiency targets set and actions taken to achieve them.	Information on water resources has not been included in the reporting, as it is considered a non-material topic with reference to the Group's scope. Please refer to the Chapter Double Materiality Analysis for details.
KPI A2.5-Total packaging material used for finished products (in tonnes) and, where relevant, with reference to the quantity produced per unit.	There is no packaging material for the delivery of yachts to the end customer.

ASPECT A3: THE ENVIRONMENT AND THE USE OF NATURAL RESOURCES	
HK Regulation request	**Disclosure**
Policies to reduce the issuer's significant impacts on the environment and natural resources.	Please refer to Chapter E-1 Climate Change — Policies and E5- Resource Use and Circular Economy — Policies for reporting on this disclosure.
KPI A.3.1-Description of significant impacts of activities on the environment and natural resources and actions taken to manage them.	Please refer to Chapter E5-Resource Use and the Circular Economy — Management of Impacts, Risks and Opportunities Relating to the Circular Economy for reporting on this disclosure.

ASPECT A4: CLIMATE CHANGE	
HK Regulation request	**Disclosure**
Policies for the identification and mitigation of significant climate issues that have impacted the issuer and those that may impact the issuer in the future.	Please refer to Chapter E-1 Climate Change — Policies.
KPI A4.1-Description of significant climate issues that have impacted the issuer and those that may impact it, and actions taken to manage them.	Please refer to Chapter E-1 Climate Change — Management of Impacts, Risks and Opportunities Related to Climate Change for the reporting of this disclosure.

B. Social

ASPECT B1: EMPLOYEES	
HK Regulation request	**Disclosure**
Policies	Please refer to Chapter S-1 Own Labour Force — Policies.
Compliance with relevant laws and regulations that have a significant impact on the issuer.	The Group fully adheres to all applicable laws and operates in accordance with applicable regulations concerning its own workforce.
KPI B1.1-Total labour force by gender, type of employment (e.g. full-time or part-time), age group and geographical region.	Please refer to Chapter S-1 Own Labour Force — Metrics.
KPI B1.2-Employee turnover rate by gender, age group and geographical region.	With regard to the present reporting, please refer to the table below (KPI B1.2).

ASPECT B2: HEALTH AND SAFETY	
HK Regulation request	**Disclosure**
Policies	Please refer to Chapter S-1 Own Labour Force — Policies.
Compliance with relevant laws and regulations that have a significant impact on the issuer.	The Group fully adheres to all applicable laws and operates in compliance with all applicable regulations relating to Health and Safety.
KPI B2.1-Number and rate of work-related fatalities that occurred in the previous three years, including the reference year.	For the present reporting, please refer to the table below (KPI B2.1).
KPI B2.2-Days lost due to accidents at work.	KPI B2.2-Days lost due to accidents at work. Please refer to Chapter S-1 Own Work Force — Metrics.
KPI B2.3-Description of occupational health and safety measures taken, and how they are implemented and monitored.	Please refer to Chapter S-1 Own Work Force — Actions.

ASPECT B3: TRAINING AND DEVELOPMENT	
HK Regulation request	**Disclosure**
Policies to improve the knowledge and skills of employees for the performance of work tasks. Description of training activities.	Please refer to Chapter S-1 Own Labour Force — Policies. In addition, please refer to the table below (KPI B3).
KPI B3.1-The percentage of trained employees by gender and employee category.	With regard to the present reporting, please refer to the table below (KPI B3.1).
KPI B3.2-The average number of training hours completed per employee, broken down by gender and employee category.	With regard to the present reporting, please refer to the table below (KPI B3.2).

ASPECT B4: LABOUR STANDARDS	
HK Regulation request	**Disclosure**
Policies	Please refer to Chapter S-1 Own Labour Force — Policies.
Compliance with relevant laws and regulations that have a significant impact on the issuer.	The Group fully adheres to all applicable laws and operates in accordance with applicable regulations on the subject of workers.
KPI B4.1-Description of measures taken to examine recruitment practices to avoid child labour and forced labour.	Please refer to Chapter S-1 Own Labour Force — Policies.
KPI B4.2-Description of steps taken to eliminate such practices when discovered.	Please refer to Chapter S-1 Own Workforce — Policies and Channels for Own Workers to Raise Concerns.

ASPECT B5: SUPPLY CHAIN MANAGEMENT	
HK Regulation request	**Disclosure**
Policies	Please refer to Chapter S-2 Workers in the Value Chain — Policies.
KPI B5.1-Number of suppliers by geographical region.	It should be noted that most of the Ferretti Group's suppliers are based in Italy and the non- Italian subsidiaries are structured and reliable multinationals. In this reporting year, the number of suppliers by geographical area has not been reported in the Consolidated Sustainability Report, as this is not required by ESRS standards.
KPI B5.2-Description of supplier engagement practices, number of suppliers where such practices are implemented, and how they are implemented and monitored.	Please refer to Chapter G-1 Business Conduct — Supplier Management.
KPI B5.3-Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Please refer to Chapter S-2 Workers in the Value Chain — Policies.
KPI B5.4-Description of practices used to promote environmentally preferable products and services in supplier selection, and how they are implemented and monitored.	Please refer to Chapter S-2 Workers in the Value Chain — Policies.

ASPECT B6: PRODUCT LIABILITY	
HK Regulation request	**Disclosure**
Policies	Please refer to Chapter S-4 Customers — Policies.
Compliance with relevant laws and regulations that have a significant impact on the issuer.	The Group fully adheres to all applicable laws and operates in accordance with the applicable regulations on the subject of Products.
KPI B6.1-Percentage of total products sold or shipped subject to recall for health and safety reasons.	In 2024 no products sold or shipped by Ferretti Group were subject to recalls for health and safety reasons.
KPI B6.2-Number of complaints about products and services received and how they are handled.	In 2024, Ferretti Group received 10,150 warranty claims (work orders) relating to products and services, handled according to internal customer service and support procedures.
KPI B6.3-Description of practices related to the observance and protection of intellectual property rights.	Ferretti Group adopts specific practices to protect intellectual property rights. Service points and service dealers operate on the basis of contracts that include non-disclosure agreement (NDA) clauses, in order to safeguard confidential information. Group suppliers are managed by the purchasing department and are bound by contracts that include intellectual property protection clauses. For the other players in the service sector, there is no NDA contract, as no intellectual property documents are provided, except in cases expressly regulated by specific NDAs.
KPI B6.4-Description of the quality assurance process and recall procedures.	Please refer to Chapter S-4 Customers — Policies.
KPI B6.5-Description of consumer data protection and privacy policies, and how they are implemented and monitored.	In the event of personal data breaches or 'data breaches', the Ferretti Group has developed a document aimed at managing these incidents in order to remedy possible negative impacts on customers. The 'Personal Data Breach Management' document presents all the necessary procedures to be followed in the event of a data breach as well as the mitigation actions to be taken in support of those concerned. The following policy is monitored by the Compliance Manager and DPO to ensure that it is properly implemented and that the Group's customers are properly protected and safeguarded.

ASPECT B7: ANTICORRUPTION	
HK Regulation request	**Disclosure**
Policies	The Organisation, Management and Control Model adopted by Ferretti S.p.A. pursuant to Legislative Decree 231/2001 is a pillar of corporate governance. Approved for the first time in 2019 and updated on 6 December 2022, the Model includes control protocols for sensitive activities, with the aim of preventing the offences set out in the legislation.
Compliance with relevant laws and regulations that have a significant impact on the issuer.	The Group fully adheres to all applicable laws and operates in compliance with the applicable anti- corruption regulations.
KPI B7.1-Number of concluded legal proceedings concerning corrupt practices brought against the issuer or its employees during the reporting period and outcomes of the cases.	Ferretti Group has not recorded any convictions or fines for violations of active and passive bribery laws.
KPI B7.2-Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Please refer to Chapter G1 Business Conduct — Policies.
KPI B7.3-Description of anti-corruption training provided to directors and staff.	Please refer to Chapter G1 Business Conduct — Policies.

ASPECT B8: INVESTMENT IN COMMUNITIES	
HK Regulation request	**Disclosure**
Community engagement policies to understand the needs of the communities in which the broadcaster operates and to ensure that its activities take into account the interests of the communities.	Please refer to Chapter S3 Communities Affected — Policies.
KPI B8.1-Areas of interest (e.g. education, environmental issues, work needs, health, culture, sports).	Please refer to Chapter S3 Communities Affected — Actions.
KPI B8.2-Resources contributed (e.g. money or time) in the area of intervention.	Please refer to Chapter S3 Communities Affected — Actions.

Employee turnover (KPI B1.2)

Terminated employees by age group (no.)

Terminated employees (by age group)	Under 30	30–50 years	Over 50 years
Terminated employees	34	109	48

Terminated employees by age group (rate %)[1]

Terminated employees (by age group)	Under 30	30–50 years	Over 50 years
Terminated employees	12.92	9.42	6.87

Terminated employees by gender (n.)

Terminated employees (by gender)	Man	Woman	2024
Terminated employees	161	30	191

Terminated employees by gender (rate %)[2]

Terminated employees (by gender)	Man	Woman	2024
Terminated employees	8.97	9.26	9.01

Terminated employees by region (n.)

Terminated employees (by region)	2024
Italy | Spain | Monaco	176
United States	12
Hong Kong I Singapore | Abu Dhabi	3
Total	**191**

1 The following formula was used to calculate the turnover of terminated employees by age group: Number of terminated employees in the specific age groups / Number of employees per age group ((under 30 equals 263, 30-50 equals 1,157 and over 50 equals 698).

2 The following formula was used to calculate the turnover of terminated employees by gender: Number of terminated employees by gender / Number of employees by gender (men equals 1,794 women equals 324).

Terminated employees by region (rate %)[3]

Terminated employees (by region)	2024
Italy | Spain | Monaco	8.61
United States	18.46
Hong Kong I Singapore | Abu Dhabi	30
Total	**9.01**

Employees hired by age group (n.)

Hired employees (by age group)	Under 30	30–50 years	Over 50 years
		2024	
Hired employees	110	198	32

Employees hired by age group (turnover %)[4]

Hired employees (by age group)	Under 30	30–50 years	Over 50 years
		2024	
Hired employees	41.82	17.11	4.58

Employees hired by age gender (n.)

Hired employees (by gender)	Man	Woman	2024
Hired employees	283	57	340

Employees hired by age gender (turnover %)[5]

Hired employees (by gender)	Man	Woman	2024
Hired employees	15.77	17.59	16.05

3 The following formula was used to calculate the turnover of terminated employees by region: Number of terminated employees per region / Number of employees per region (Italy | Spain | Monaco equals 2,043, USA equals 65 and Hong Kong I Singapore | Abu Dhabi equals 10).
4 The following formula was used to calculate the turnover of recruited employees by age group: Number of employees hired in the specific age groups / Number of employees per age group (under 30 equals 263, 30-50 equals 1,157 and over 50 equals 698).
5 The following formula was used to calculate the turnover of recruited employees by gender: Number of employees hired by gender/ Number of employees by gender (men equals 1,794 women equals 324).

Employees hired by region (n.)[6]

Employees hired (by region)	2024
Italy | Spain | Monaco	319
United States	16
Hong Kong I Singapore | Abu Dhabi	5
Total	**340**

Employees hired by region (turnover %)

Employees hired (by region)	2024
Italy | Spain | Monaco	15.61
United States	24.61
Hong Kong I Singapore | Abu Dhabi	50
Total	**16.05**

Health and Safety (KPI B2.1)

Injuries

Injuries	2022	2023	2024
Number of hours worked	2,775,405	3,205,134	3,061,914
Number of accidents	33	27	29
Fatality rate[7]	0	0	0
Recordable occupational accident rate (calculated per 1,000,000 hours worked)[8]	7.85	5.93	9.47

6 The following formula was used to calculate the turnover of employees hired per region: Number of employees hired per region / Number of employees per region (Italy | Spain | Monaco equals 2,043, USA equals 65 and Hong Kong I Singapore | Abu Dhabi equals 10).
7 Calculated as: no. of deaths/number of employees x100
8 Calculated as: no. of accidents/hours worked x1,000,000

Training (KPI B 3, B3.1 e B3.2)

Training area

Training hours per training area	2024	% 2024
Quality, Health, Safety, and Environment	10,601	51%
Information Technology	3,646	17%
Technical Training	2,060	10%
Language Training	1,157	6%
Soft Skills	2,096	10%
Cross skills	453	2%
Training on the job (New Hire only AMAS)	640	3%
Other Training	293	1%
Total	**20,946**	**100%**

Percentage of trained employees by employee category and gender

Percentage of trained employees by employee category and gender	Man	Woman
Senior management	62.07%	100%
Manager	78.38%	90.48%
Employees	89.38%	84.36%
Workers	66.10%	76.27%
Total (percentages)	**72.41%**	**83.33%**

Average hours of training per employee by gender

Average hours of training per trained employee	Man	Woman	Total
Senior management	9	18	15
Manager	14	15	17
Employees	16	11	16
Workers	7	11	11
Total	**10**	**11**	**13**

Consolidated Financial Statements

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Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated January 27, 2010 and article 10 of EU Regulation n. 537/2014

(Translation from the original Italian text)

To the Shareholders of
Ferretti S.p.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Ferretti Group (the Group), which comprise the consolidated statement of financial position as of December 31,2024, and the consolidated income statement, the consolidated comprehensive income statement, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of December 31, 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Ferretti S.p.A. in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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We identified the following key audit matters:

Key Audit Matter	Audit Response
Recognition of revenues for the construction of boats	
For the year ended December 31, 2024, the Group reports significant amount of revenue for the construction of boats, whose obligations are fulfilled over time. These net revenues are recognized on a percentage of completion basis. The processes and methodologies for measuring such revenue are based on complex calculation algorithms and assumptions that for their nature require judgement on regards the estimate of costs planned at the budgeting stage, relating to contracts. More specifically, application of the cost-to-cost method requires the prior estimate of costs throughout the life of individual projects and their updating at each reporting date. Because of the mentioned complexity that characterizes this measurement, we identified this area as a key audit matter. Relevant disclosures are included in note 4 and note 7 to the financial statements.	Our audit procedures in response to the key audit matter concerned, among the others: • the understanding and evaluation of the methodologies used by management; • the test of the process for the determination of the percentage of completion basis; • the understanding and evaluation of the estimation methodology used by the management through inquiries with the management; • the assessment of the reasonableness of the criteria used by the management for the determination of cost-to-cost method applied; • the assessment of the reasonableness of the significant assumption related to estimated costs to complete the individual projects; • the verification of the arithmetic correctness of the calculations performed by the management. Lastly, we have reviewed the disclosure provided in the notes to the financial statement regarding this key audit matter.
Recoverability of intangible asset with an indefinite useful life	
As of December 31, 2024, the Group reports intangible assets of Euro 280 million, mostly for trademarks that have an indefinite useful life (Euro 245 million) and goodwill (Euro 8.9 million). These intangible assets have been allocated to Group's Cash Generating Units ("CGUs"), corresponding to individual Group's trademarks. The processes and methodologies for assessing and determining the recoverable amount of each CGU, in terms of value in use, are based on assumptions sometimes complex, that due to	Our audit procedures in response to the key audit matter concerned, among others: • assessment of the impairment process of intangible assets; • testing the CGUs identification process and the allocation of assets and liabilities to the CGUs; • an examination of the forecasted future cash flows for each CGU as well as the verification of the consistency of future cash flows related to each CGU with the business plans 2023-2027 and budget 2025 approved by the Company's board

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their nature require judgement, particularly with reference to the forecasted future cash flows of each CGU, the determination of the normalized cash flows used for the terminal value estimate and the determination of long-term growth and discount rates applied to the forecasted future cash flows.

Because of the judgment required and the complexity of assumptions used to estimate the recoverable amount of the Trademarks, we identified this area as a key audit matter.

Relevant disclosures are included in note 4 and note 32 to the financial statements.

of directors respectively on March 8, 2023 and February 28, 2025;

- assessment of quality of forecasts taking into consideration the historical accuracy of the previous forecast;
- assessment of reasonableness of the long-term growth rates and discount rates.

Our procedures were performed with the support of our experts in valuation techniques, who performed an independent recalculation of the recoverable amount of the CGUs and sensitivity analysis of the key assumptions that could have a significant effect on the estimate of the recoverable value.

Lastly, we have reviewed the disclosure provided in the notes to the financial statement regarding this key audit matter.

Responsibilities of Directors and Those Charged with Governance 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 IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005, and, within the terms provided by the 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, when preparing the consolidated financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the consolidated financial statements on a going concern basis unless they either intend to liquidate the Ferretti S.p.A. or to cease operations or have no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- we have identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- we have obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated them all matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken to eliminate relevant risks or the safeguard measures applied.

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

Additional information pursuant to article 10 of EU Regulation n. 537/14

The shareholders of Ferretti S.p.A., in the general meeting held on May 25, 2023, engaged us to perform the audits of the consolidated financial statements for each of the years ending December 31, 2023 to December 31, 2031.

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We declare that we have not provided prohibited non-audit services, referred to article 5, par. 1, of EU Regulation n. 537/2014, and that we have remained independent of the Group in conducting the audit.

We confirm that the opinion on the consolidated financial statements included in this report is consistent with the content of the additional report to the audit committee (Collegio Sindacale) in their capacity as audit committee, prepared pursuant to article 11 of the EU Regulation n. 537/2014.

Report on compliance with other legal and regulatory requirements

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

The Directors of Ferretti S.p.A. are responsible for applying the provisions of the European Commission Delegated Regulations (EU) 2019/815 for the regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (the "Delegated Regulation") to the consolidated financial statements as of December 31, 2024, to be included in the annual financial report.

We have performed the procedures under the auditing standard SA Italia n. 700B, in order to express an opinion on the compliance of the consolidated financial statements as of December 31, 2024 with the provisions of the Delegated Regulation.

In our opinion, the consolidated financial statements as of December 31, 2024 have been prepared in the XHTML format and have been marked-up, in all material aspects, in compliance with the provisions of the Delegated Regulation.

Opinion and statement pursuant to article 14, paragraph 2, subparagraph e), e-*bis*) and e-*ter*) of Legislative Decree n. 39 dated January 27, 2010 and pursuant to article 123-bis, paragraph 4, of Legislative Decree n. 58, dated February 24, 1998

The Directors of Ferretti S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and Ownership Structure of Ferretti Group as of December 31, 2024, including their consistency with the related financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard (SA Italia) n. 720B, in order to:

- express an opinion on the consistency of the Report on Operations and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated February 24, 1998, with the consolidated financial statements;
- express an opinion of the compliance with the laws and regulations of the Report on Operations, excluding the section related to the consolidated sustainability information, and the above mentioned specific information included in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated February 24, 1998;
- issue a statement on any material misstatement in the Report on Operations and in certain specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated February 24, 1998.

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In our opinion, the Report on Operations and the specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated February 24, 1998, are consistent with the consolidated financial statements of Ferretti Group as of December 31, 2024.

Furthermore, in our opinion, the Report on Operations, excluding the section related to the consolidated sustainability information, and the specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated February 24, 1998, comply with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e-*ter*), of Legislative Decree n. 39, dated January 27, 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Our opinion on compliance with applicable laws and regulations does not extend to the section of the Report on Operations related to the consolidated sustainability information. The conclusion on the compliance of this section with the applicable standards governing its preparation criteria and the compliance with the disclosure requirements pursuant to article 8 of (EU) Regulation 2020/852 are formulated by us in the attestation report pursuant to article 14-bis of Legislative Decree No. 39 dated January 27, 2010.

Bologna, March 14, 2025

EY S.p.A.
Signed by: Gianluca Focaccia, Auditor

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

Consolidated income statement

(in thousands Euro)	*Notes*	December 31, 2024	December 31, 2023
Revenue		1,301,623	1,196,352
Commissions and other costs related to revenue		(61,276)	(61,868)
NET REVENUE	**7**	**1,240,346**	**1,134,484**
Change in inventories of work-in-process, semi-finished and finished goods	8	108,286	118,753
Cost capitalized	9	34,604	32,781
Other income	10	30,923	22,223
Raw materials and consumables used	11	(639,492)	(615,523)
Contractors costs	12	(254,153)	(209,426)
Costs for trade shows, events and advertising	13	(24,856)	(23,529)
Other service costs	14	(119,415)	(117,917)
Rentals and leases	15	(12,269)	(9,755)
Personnel costs	16	(144,944)	(130,727)
Other operating expenses	17	(12,763)	(7,961)
Provisions and impairment	18	(16,377)	(30,747)
Depreciation and amortization	19	(66,451)	(63,167)
Financial income	20	6,013	8,652
Financial expenses	21	(3,321)	(4,139)
Foreign exchange gains	22	244	19
PROFIT BEFORE TAX		**126,377**	**104,022**
Income tax	23	(38,217)	(20,519)
PROFIT FOR THE YEAR		**88,160**	**83,503**
Attributable to Shareholders of the Company		87,918	83,048
Non-controlling interests		242	456
EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY Basic and diluted (€)	**44**	**0.26**	**0.25**

Consolidated comprehensive income statement

(in thousands Euro)	*Notes*	December 31, 2024	December 31, 2023
PROFIT FOR THE YEAR		**88,160**	**83,503**
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods			
Actuarial gain/(loss) on defined benefits plan	40	658	165
Income tax effect	34	(158)	(40)
		500	**125**
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Gains/(losses) from the translation of foreign operations		2,730	(2,437)
Other comprehensive income for the year		**3,230**	**(2,312)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**91,390**	**81,191**
Attributable to			
Shareholders of the Company		91,148	80,737
Non-controlling interests		242	456

Consolidated statement of financial position

(in thousands Euro)	*Notes*	December 31, 2024	December 31, 2023
CURRENT ASSETS			
Cash and cash equivalents	24	155,744	314,109
Trade and other receivables	25	74,574	70,271
Contract assets	26	196,719	166,846
Inventories	27	443,594	337,732
Advances on inventories	28	38,160	37,266
Other current assets	29	603	820
Income tax recoverable	30	2,929	3,203
		912,322	**930,247**
NON-CURRENT ASSETS			
Property, plant and equipment	31	460,860	382,346
Intangible assets	32	280,449	276,652
Other non-current assets	33	7,814	6,077
Deferred tax assets	34	—	6,926
		749,122	**672,002**
TOTAL ASSETS		**1,661,444**	**1,602,248**

Consolidated statement of financial position

(in thousands Euro)	*Notes*	December 31, 2024	December 31, 2023
CURRENT LIABILITIES			
Minority Shareholders' loan	35	500	1,000
Bank and other borrowings	35	10,534	11,253
Provisions	36	59,187	62,809
Trade and other payables	37	477,751	443,585
Contract liabilities	38	151,809	195,091
Income tax payable	39	1,932	6,299
		701,713	**720,037**
NON-CURRENT LIABILITIES			
Bank and other borrowings	35	21,934	21,616
Provisions	36	11,863	12,535
Non-current employee benefits	40	7,100	7,444
Trade and other payables	37	1,396	936
Deferred tax liabilities	34	19,202	—
		61,495	**42,532**
TOTAL LIABILITIES		**763,208**	**762,569**
SHARE CAPITAL AND RESERVES			
Share capital	41	338,483	338,483
Reserves	42	558,672	500,357
Equity attributable to shareholders of the Company		**897,155**	**838,840**
Non-controlling interests	**43**	**1,081**	**840**
TOTAL EQUITY		**898,236**	**839,680**
TOTAL LIABILITIES AND EQUITY		**1,661,444**	**1,602,248**

Consolidated cash flow statement

(in thousands Euro)	December 31, 2024	December 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	126,377	104,022
Depreciation and amortization	66,451	63,167
Loss/(gain) on disposal of property, plant and equipment	(6,355)	(78)
Provisions	(4,638)	19,147
Financial income	(6,013)	(8,651)
Financial expenses	3,321	4,139
Share of loss of joint venture	—	—
Impairment of trade receivables, net	—	—
Provision/(reversal of provision) against inventories, net	(2,694)	9,183
Decrease/(increase) in inventories	(104,063)	(146,905)
Change in contract assets and contract liabilities	(73,155)	(42,296)
Decrease/(increase) in trade and other receivables	(21,482)	(4,626)
Increase/(decrease) in trade and other payables	30,575	96,932
Change in other operating liabilities and assets	9,495	5,674
Income tax paid	(16,413)	(6,044)
Cash flows from operating activities (A)	**1,405**	**93,663**
CASH FLOWS FROM (USED) INVESTING ACTIVITIES		
Purchases of property, plant and equipment and intangible assets	(123,139)	(152,946)
Proceeds from disposal of property, plant and equipment and intangible assets	5,162	1,434
Other financial investments	199	87,184
Interest received	6,013	8,651
Cash flows used in investing activities (B)	**(111,765)**	**(55,678)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(32,833)	(19,903)
New bank and other borrowings	1,325	1,000
Repayment of bank and other borrowing	(16,294)	(16,278)
Interest paid	(2,933)	(4,017)
Cash flows (used in)/from financing activities (C)	**(50,735)**	**(39,198)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (D=A+B+C)	**(161,096)**	**(1,214)**
Cash and cash equivalents at beginning of year (E)	314,109	317,759
Effect of foreign exchange rate changes, net (F)	2,730	(2,437)
CASH AND CASH EQUIVALENTS AT END OF YEAR (G=D+E+F)	**155,744**	**314,109**
Cash and cash equivalents as stated in the consolidated statements of financial position	**155,744**	**314,109**

Consolidated statement of changes in equity

For the year ended December 31, 2024 (in thousands Euro)	Share capital (Note 41)	Share premium[1] (Note 42)	Legal reserve[1] (Note 42)	Translation reserve[1] (Note 42)	Other reserves[1] (Note 42)	Equity attributable to the shareholders of the company	Non-controlling interests (Note 43)	Total equity
At January 1, 2023	**388,483**	**425,041**	**8,287**	**7,970**	**(1,775)**	**778,007**	**384**	**778,391**
Profit for the year	—	—	—	—	83,048	83,048	456	83,503
Other comprehensive income for the year								
Actuarial gain on defined benefits plan, net of tax	—	—	—	—	125	125	—	125
Exchange differences on translation of foreign operations	—	—	—	(2,437)	—	(2,437)	—	(2,437)
Total comprehensive income for the year	—	—	—	(2,437)	81,173	80,736	456	81,191
Transfer to the legal reserve	—	—	2,620	—	(2,620)	—	—	—
Dividends	—	—	—	—	(19,903)	(19,903)	—	(19,903)
At December 31, 2023	**338,483**	**425,041**	**10,907**	**5,533**	**58,876**	**838,840**	**840**	**839,680**
Profit for the year	—	—	—	—	87,918	87,918	242	88,160
Other comprehensive income for the year								
Actuarial loss on defined benefits plan, net of tax	—	—	—	—	500	500	—	500
Exchange differences on translation of foreign operations	—	—	—	2,730	—	2,730	—	2,730
Total comprehensive income for the year	—	—	—	2,730	88,418	91,148	242	91,390
Transfer to the legal reserve	—	—	4,318	—	(4,318)	0	—	0
Dividends	—	—	—	—	(32,833)	(32,833)	—	(32,833)
At December 31, 2024	**338,483**	**425,041**	**15,225**	**8,263**	**110,144**	**897,155**	**1,081**	**898,236**

1 These reserve accounts comprise the consolidated reserves of €500,358 thousand (2021: €439,525 thousand) in the consolidated statements of financial position.

Notes to the Consolidated Financial Statements

1. Corporate information

Ferretti S.p.A. (the "**Company**" or "**Ferretti**") is a limited liability company incorporated in Italy. The registered office of the Company is located at Via Irma Bandiera, 47841 Cattolica (Rimini), Via Irma Bandiera 62, Italy. The Company and its subsidiaries (collectively referred to as the "**Group**") are principally engaged in the design, construction and marketing of yachts and recreational boats.

2. Basis of preparation

The financial information presented herein are based on the Consolidated Financial Statements for the year ended December 31, 2024 of the Group.

The Group's consolidated financial statements have been prepared in accordance with the IAS and IFRS issued or revised by the IASB and approved by the European Union (The "**EU**"). The acronym "IAS/IFRS" also refers to all of the interpretations published by the International Financial Reporting Interpretations Committee ("**IFRIC**"), formerly known as the Standing Interpretations Committee.

At the date of presentation of these consolidated financial statements, there were no differences between the IFRSs endorsed by the European Union and applicable to the Group and those issued by the IASB.

The consolidated financial statements have been prepared on the basis that the Group can operate as a going concern since the Company's management has verified that there are no uncertainties with regard to this. They include the statement of financial position, the income statement, the comprehensive income statement, the cash flow statement, the statement of changes in equity and notes of the Group.

The consolidated financial statements have been presented in Euro and prepared on the basis of the accounts for the year ended December 31, 2024 (January 1, December 31), of the companies within the consolidation perimeter, as approved by the Boards of Directors.

For the purposes of clarity and to make this document more readily understandable, all the amounts listed are stated in thousands of Euro, except when otherwise indicated.

Climate change: impacts on financial reporting, accounts and financial statement disclosures

While preparing the consolidated financial statements, the management has carefully evaluated the priorities endorsed by ESMA in October with particular reference to the consistency and connectivity between the information related to the climate change-related risks and the information included in the consolidated financial statements and plans.

In additions, since previous year, the Group's management has expressed the clear intention to provide for the predisposition of a formal process, defining methodologies, roles and responsibilities for the identification and assessment of risks and opportunities related to climate change, including the relative impacts on financial disclosures, accounts and financial statements.

It should be noted that, although there are some climate-related issues presented in the Management Discussion and Analysis, the Group has put in place procedures, policies and actions to mitigate risk at an acceptable net level in order to reduce the effect on the financial statements to a not significant amount.

Therefore, based on the results of this assessment, no significant influence was noted on the estimates and assessments in the preparation of the consolidated financial statements.

Conscious of the strategic importance of a responsible and sustainable business, the Group decided a while ago to communicate information on environmental, social and governance factors to its stakeholders, presenting from the year 2019 the Sustainability Report and focusing in particular on the production process and product design based on market expectations. In this regard, the Group acknowledges the fundamental role of a stable and long-term collaboration with all stakeholders, in which a core element is a shared commitment to an increasingly sustainable business.

3. Consolidation area and consolidation principles

These financial statements have been prepared by consolidating the financial statements of the Company and its subsidiaries at the reporting dates indicated.

Pursuant to IFRS 10, control arises when the Group is exposed, or has rights, to variable returns from its involvement with the investee and at the same time has the ability to influence those returns through its power over the said investee.

Specifically, the Group controls an investee if, and only if, the Group has:
— power over the investee (i.e., existing rights that give the current ability to direct the relevant activities of the investee);
— exposure, or rights, to variable returns from its involvement with the investee;
— ability to exert power over the investee to influence the amount of the investor's returns.

It is generally presumed that the majority of voting rights implies control. In support of this assumption, where the Group holds less than the majority of voting rights (or similar rights), the Group considers all facts and circumstances relevant to determining whether it controls the investee, including:
— contractual agreements with other vote-holders;
— rights under contractual agreements;
— the Group's actual and potential voting rights.

The Group reconsiders whether it controls an investee if the facts and circumstances indicate that there have been changes in one or more of the three factors relevant to determining control. A subsidiary begins to be consolidated when the Group obtains control of it and ceases to be consolidated when the Group loses control. The assets, liabilities, revenues and costs of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group obtains control until the date the Group no longer controls the company.

The main consolidation criteria applied in preparing the consolidated financial statements are reviewed below:
— assets and liabilities and revenues and expenses in the financial statements of companies that are consolidated line by line are included in the Group's financial statements, irrespective of the percentage interest held;
— the carrying amount of investments in subsidiaries held by Ferretti or by other companies included in the consolidation area is offset by the interest in the equity upon recognition of the assets and liabilities of the subsidiary companies. The amount by which the carrying value of the investment in a subsidiaries exceeds the corresponding interest in the underlying equity at the time of acquisition is offset against the incremental value attributable to assets and liabilities. Any residual amount is recognized as goodwill. In accordance with IFRS 3, the Group changed the accounting principles it applies to goodwill prospectively as of the date of

transition to the IFRS. Consequently, starting on that date, the Group no longer amortizes goodwill, but it does test it for impairment;

— Where a negative difference emerges, IFRS 3 does not require the recognition of badwill. In this case, the Group again verifies whether it has properly identified all assets acquired and liabilities assumed and revises the procedures used to determine the amounts to be recognized at the acquisition date. If the new assessment continues to indicate that the fair value of the net assets acquired exceeds their consideration, the difference (gain) is taken to the income statement.
— The profit or loss of any company acquired or sold during the year is recognized in the consolidated income statement from the actual date of acquisition up to the actual date of sale.
— Transactions between consolidated companies are eliminated. The same process is also used for debit and credit entries. Specifically, unrealized gains from transactions between Group companies that on the reporting date are reflected in the valuation of inventories or non-current assets, net of any tax effect, are eliminated.

The interest held by non-controlling shareholders in the net assets of consolidated subsidiaries is shown separately from Group interest in equity. The non-controlling interest is determined based on the interest held by non-controlling shareholders in the fair value of assets and liabilities recognized on the original date of acquisition and in subsequent changes in equity. Subsequently, any losses attributable to the non- controlling shareholders in excess of their interest in the underlying equity are charged against Group interest in equity, unless the non-controlling shareholders have a binding obligation to cover those losses and have the resources to do so.

At December 31, 2024, non-controlling interests related to the shareholders that own 25% of the share capital of the subsidiary Sea Lion Srl, 7% of share of Ram S.p.A. (20% in 2023) and 15% of the share capital of Il Massello S.r.l..

The table below shows the names, registered offices and interests in capital held directly and indirectly by the Company in subsidiaries at December 31, 2024.

Subsidiaries

(consolidated line by line, with an indication of the percentage of share capital)

Name	Principal country of operation	Registered office	Currency	Share capital (in units)	% controlling interest	
					Direct	Indirect
Zago S.p.A.	Italy	Scorzé (Venice)	Euro	120,000	100%	—
Il Massello S.r.l.	Italy	Sant'Ippolito (Pesaro-Urbino)	Euro	30,000	85%	—
Sea Lion S.r.l.	Italy	Forlì (Forlì-Cesena)	Euro	10,000	75%	—
Ram S.p.A.	Italy	Sarnico (Bergamo)	Euro	520,000	93%	—
Ferretti Tech S.r.l.	Italy	Cattolica (Rimini)	Euro	10,000	100%	—
Allied Marine Inc.	USA	Fort Lauderdale (USA)	US Dollar	10	100%	—
Fratelli Canalicchio S.p.A.	Italy	Narni (Terni)	Euro	500,000	60%[2]	—
Ferretti Group of America Holding Company Inc.	USA	Delaware (USA)	US Dollar	10	100%	—
BY Winddown Inc.	USA	Miami (USA)	US Dollar	10	—	100%
Ferretti Group of America Llc.	USA	Fort Lauderdale (USA)	US Dollar	100	—	100%
Ferretti Group Asia Pacific Ltd.	China	Hong Kong	Hong Kong Dollar	100,000	100%	—
Ferretti Group Singapore Pte. Ltd.	Singapore	Singapore	Euro	1	—	100%
Ferretti Asia Pacific Zhuhai Ltd.[3]	China	Hengqin (Zhuhai)	Reminbi	1,000,000	100%	—
Ferretti Group (Monaco) S.a.M.	Monaco	Principality of Monaco	Euro	150,000	99.6%[4]	—
Ferretti Gulf Marine-Sole Proprietorship Llc.	Arab Emirates	Arab Emirates	Emirati Dirham	300,000	100%	—

2 The remaining 40% is subject to put and call options exercisable from September 19, 2027 to September 19, 2028. The terms of put and call options over these non-controlling interests, mean that they give to the Group a present ownership interest in the underlying securities, accordingly this business combination was accounted for on the basis that the underlying shares subject to the put and call options have been acquired. Thus, the Group does not recognize non-controlling interests and recorded liabilities for shareholders under the options.

3 Registered as a wholly-foreign-owned enterprise under PRC law.

4 The investment of 0.4% is owned by the two directors of Ferretti Group (Monaco) S.a.M. for their role, as provided for by the Bylaws.

These consolidated financial statements are presented in Euro, as this is the currency in which most of the Group's operations are conducted. The separate financial statements of each company in the Group are prepared in the currency of their primary economic environment (functional currency), while for the purposes of the consolidated accounts the financial statements of each foreign entity are presented in Euro.

The assets and liabilities of foreign subsidiaries with functional currencies other than the Euro are translated into Euro at the exchange rate in force at the end of the year. The income statement is translated at the average rate for the year. Any resulting translation differences are recognized in the equity under "Translation reserve", which is part of the financial statements. This reserve is recognized in the income statement as a gain or a loss in the year when the subsidiary involved is sold.

Translation of the Financial Statements of Foreign Companies into Euro

The consolidated financial statements for the year ended December 31, 2024 have been presented in Euro, which is the functional and presentation currency adopted by Ferretti. Each Group company defines its functional currency, which is used to measure the items in the individual financial statements. The Group uses the direct consolidation method. The profit or loss reclassified to the income statement at the time of sale of an international subsidiary represents the amount resulting from the use of this method.

Group Companies

The assets and liabilities of Group companies are translated into Euro at the spot exchange rate at the reporting date, and the revenues and costs in each separate comprehensive income statement or income statement are translated at the spot exchange rates at the transaction date. The foreign exchange differences resulting from this translation are taken to the comprehensive income statement. Upon the disposal of a foreign operation, the part of the comprehensive income statement relating to such foreign operation is taken to the income statement.

Goodwill on the acquisition of a foreign operation and adjustments to the fair value of the carrying amounts of assets and liabilities arising from the acquisition of a foreign operation are accounted for as assets and liabilities of that foreign operation. They are therefore presented in the functional currency of the foreign operation and translated at the spot exchange rate at year-end.

The conversion into Euro of the financial statements of the non-EU subsidiaries of Ferretti (located in the USA), consolidated line by line, was done adopting the current exchange rate in force at the end of the period of reference for the statement of financial position (1 EUR equal to USD1.03890), and for the income statement items by applying the average exchange rate of the period of reference (1 EUR equal to USD1.08229). Similarly, the conversion into Euro of the financial statements of the subsidiary located in the Arab Emirates, also consolidated line by line, was done adopting the current exchange rate at the reporting date December 31, 2024 (1 EUR equal to AED 3.81540) for the statement of financial position, and for the income statement items by applying the average exchange rate of the period from January 1, 2024 to December 31, 2024 (1 EUR equal to AED 3.97470).

The Group does not have any assets or liabilities in currencies of hyperinflationary economies.

4. Accounting policies

The following accounting standards have been consistently applied by all Group companies.

Business Combinations

Business combinations are recognized in accordance with the acquisition method. The cost of an acquisition is determined as the sum of the consideration transferred, measured at fair value on the acquisition date, and the amount of the non-controlling interest in the acquiree. For each business combination, the Group decides whether to measure the non-controlling interest in the acquiree at fair value or in proportion to the share of the non-controlling interest in the acquiree's net identifiable assets. Acquisition costs are expensed and classified under administrative costs.

When the Group acquires a business, it classifies or designates the financial assets acquired or liabilities assumed in accordance with the contractual terms, economic conditions and other pertinent conditions in place on the acquisition date. This includes checking whether an incorporated derivative has to be separated from the primary contract.

The assets, liabilities and identifiable contingent liabilities of the acquired company that meet the criteria for recognition set forth in IFRS 3 are recognized at their fair values on the date of acquisition, except for non-current assets (or disposal groups) that are classified as being held for sale (in accordance with IFRS 5). These assets are recognized at fair value, less costs to sell.

The acquiree measures contingent consideration at fair value at acquisition date. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity. The change in fair value of contingent consideration classified as an asset or liability, in that it is a financial instrument falling within the scope of IFRS 9 — Financial Instruments, must be recognized in profit or loss in accordance with IFRS 9. The contingent consideration not covered by IFRS 9 is valued at fair value at the reporting date and the changes in fair value are recognized through profit or loss.

Goodwill is initially recognized at cost, as the difference of the aggregate of the value of the consideration transferred and the amount attributed to non-controlling interests compared to net identifiable assets acquired and liabilities assumed by the Group. If the fair value of net acquired assets exceeds the total consideration paid, the Group verifies again whether it correctly identified all the assets acquired and all the liabilities incurred and reviews the procedures used to determine the amounts to be recognized at the acquisition date. If the review again identifies a fair value of net acquired assets exceeding the consideration, the difference (profit) is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any impairment losses. For the purposes of impairment testing, goodwill acquired in a business combination is allocated from the acquisition date to each of the Group's cash-generating units that is expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree have been assigned to those units.

Transactions that do not have a significant impact on the future cash flows of the transferred net assets — The principle of the continuity of values

The adoption of the principle of the continuity of values results in the recognition on the statement of financial position of values that are the same as those that would be used if the companies that are parties to the business combination had always been combined.

Therefore, if the transfer values are higher than the historical values, the buyer/recipient of the transferred assets must make a reversing entry for the amount of the surplus and adjust downward its equity by a charge to a reserve, whether or not the goodwill paid has economic value.

Transactions that have a significant impact on the future cash flows of the transferred net assets

In this case, the transaction is recognized based on the fair value of the transferred net assets at the date transaction accordingly with the method provided by IFRS 3, including the goodwill.

Recognition of revenue from contracts with customers

The Group generates revenue by selling goods and providing services within its core business. Revenue is stated net of value-added tax, discounts and allowances, and after eliminating sales to Group companies.

In accordance with IFRS 15, the Group recognizes revenue after identifying the contracts with its customers and the related performance obligations to be fulfilled, determining the consideration to which it believes it is entitled in exchange for the sale of the goods or the provision of the services, and assessing the manner of fulfillment of the obligations concerned (i.e., at a point in time or over time).

In accordance with IFRS 15, the Group only recognizes revenue when the following requirements have been met:
— the parties to the contract have approved the contract and undertaken to perform their respective obligations;
— the rights of each of the parties in respect of the goods or services to be transferred may be identified;
— the terms of payment for the goods or services to be transferred may be identified;
— the contract has commercial substance;
— it is probable that the consideration for the goods sold or services transferred will be received.

IFRS 15 requires that revenue from contracts with customers be presented separately from other sources of revenue, unless a disclosure is provided that enables them to be separated from other revenue recognized through other comprehensive income or profit or loss. The Group has elected to recognize revenue from contracts with customers through profit or loss in a single line, with the details disclosed in the notes.

IFRS 15 defines revenues as “income arising in the course of an entity’s ordinary activities” but excludes certain contracts with customers (such as lease contracts) from its scope of application.

IFRS 15 requires that entities assess all relevant facts and circumstances when they apply all steps of the model to contracts with customers. The Standard also specifies the accounting treatment for the incremental costs of obtaining a contract and costs related directly to the fulfilment of a contract. The Standard also requires that ample disclosure be provided.

Contract work revenues represent performance obligations satisfied over time. In particular, revenues are recognized on a percentage of completion basis and are defined by IFRS 15 as contracts specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

When the outcome of a construction contract can be estimated reliably, contract revenues are recognized based on the revenue amounts accrued consistent with the stage of completion of the contract activity at the reporting date that represents the portion of control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or service. Otherwise, revenues are recognized only to the extent of the contract costs incurred that are likely to be recovered.

The stage of completion of the contract activity is determined in accordance with the cost-to-cost method, which is based on the proportion between the contract costs incurred for work performed up to the reference date and the total estimated contract costs. Costs incurred under these contracts are recognized in the year in which they are incurred.

Assets for contract work in process are presented based on the right to the consideration accrued in relation to performance net of related liabilities, namely invoices issued as work progresses and any expected losses. This analysis is carried out contract by contract. If the differential is positive the balance is classified under assets in the item "Contract assets"; if, on the other hand, this differential is negative, the balance is classified under liabilities, in the item "Contract liabilities".

Revenues from the sale of used boats, brokerage services, sale of merchandising, spare parts and the provision of services are performance obligations satisfied at a point in time and revenues are recognized when the control of the asset or service is transferred to the client. The moment the control of the asset or service transfer coincides with the transfer of ownership or possession of the goods to the buyer and so generally with despatch or completion of the service.

Commissions and other costs related to revenue

Commissions, that represents the costs incurred by the Group for the intermediation activities carried out by the dealers and brokers are accounted, are accounted netting the revenues.

Government Grants

Government grants are recognized at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual installments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of reduced depreciation charge. Where the Group receives grants of non-monetary assets, the grants are recorded at the fair value of the non-monetary assets and released to the statement of profit or loss over the expected useful life of the relevant assets by equal annual installments. Where the Group receives government loans granted with no or at a below-market rate of interest for the construction of a qualifying asset, the initial carrying amount of the government loans is determined using the effective interest rate method, as further explained in the accounting policy for "Financial liabilities" above. The benefit of the government loans granted with no or at a below-market rate of interest, which is the difference between the initial carrying value of the loans and the proceeds received, is treated as a government grant and released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual installments.

Interest Income and Expense

Interest income is recognized on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Income Taxes

Income taxes comprise current tax expenses and deferred tax expenses.

The liability for current taxes is calculated using the rates in force or effectively in force on the date of the financial statements.

Deferred taxes are the taxes that the Group expects to pay or recover from temporary differences between the reported values of assets and liabilities and the tax values assigned to these assets and liabilities for the purpose of determining the taxable income. They are recognized in accordance with the balance sheet liability method. As a rule, deferred-tax liabilities are recognized for all taxable temporary differences, while deferred tax assets are recognized to the extent that the Group believes that it will probably generate sufficient taxable income in the future to utilize deductible temporary differences. Likewise, deferred-tax assets that arise from a tax loss carryforward are recognized when it is probable that the Group will generate sufficient taxable income to allow their utilization.

Deferred tax liabilities are recognized on taxable temporary differences arising from investments in subsidiaries, affiliated companies and joint ventures, except in those cases where the Company is able to control the offsetting of the temporary differences and it is probable that they will not be offset in the foreseeable future.

The carrying amount of deferred tax assets is reviewed on the date of the financial statements and written down when it is no longer probable that the Group will generate sufficient taxable income to allow the full or partial recovery of these assets.

Deferred taxes are calculated using the tax rate that the Group expects to be in force when the corresponding asset is realized or the liability is satisfied, based on the tax rates (and the tax regulation) set forth in statutes in force or substantially in force on the date of the financial statements. Deferred taxes are recognized directly in earnings, except for those related to items that are recognized directly in equity, in which case the related deferred taxes are also recognized in equity.

The Italian companies Ferretti S.p.A. and Zago S.p.A. have opted for group taxation pursuant to Articles 117 et seq. of TUIR Consolidated Law on Income Tax (Law No. 917 of December 22, 1986).

Amendments to IAS 12 Income Taxes — International Tax Reform — Pillar Two Model Rules
The group has adopted the amendments to IAS 12 starting from last year.
The IASB has amended the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top up taxes described in those rules. The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognize nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. Following the amendments, the group is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.

Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, bank checking accounts, deposits redeemable upon demand and other highly liquid, short-term financial investments that can be readily converted into cash and are not subject to a significant risk of a change in value.

Trade and other receivables and contract assets

Trade receivables are sums due from customers in respect of the sale of products and services.

Trade receivables are recognized at their face value, less a write-down capable to recognize an estimate of doubtful account losses, following a simplified approach to calculate expected losses. Such losses are taken to the income statement where there is objective evidence that the receivables have become impaired.

With reference to impairment, the IAS 39 model based on the losses incurred was replaced by the Expected Credit Loss ("**ECL**") model, in accordance with IFRS 9, and applied to trade and other receivables.

Provision for expected credit losses on trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance). The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 25 and Note 26 to the financial statements, respectively.

Inventories

Inventories of raw materials, auxiliary materials, supplies, semi-finished goods and work in process are valued at the lower of purchase or production cost, determined by the average weighted cost method, and the corresponding market or estimated realizable value, which takes into account both any additional future production costs and direct costs to sell.

The cost of inventories also includes incidental expenses and the pro-rata share of direct and indirect production costs that can be reasonably attributed to inventories.

Obsolete and slow-moving inventories are written down to reflect their potential utilization or sale by recognizing a special provision in the financial statements. If in a subsequent fiscal year the reasons for the write-down cease to apply, the original value is reinstated.

Financial Instruments: recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognition and measurement
At the time of initial recognition, financial assets are classified, depending on circumstances, based on the following measurement methods, namely amortized cost, fair value through other comprehensive income ("**OCI**") and fair value recognized in the income statement.

The classification of financial instruments at the time of initial recognition depends on the characteristics of the financial asset contractual cash flows and on the business model used by the Group for its operations. Except for trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus the transaction costs, in the case of a financial asset not at fair value recognized in the income statement. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the price of the transaction determined according to IFRS 15.

For a financial asset to be classified and measured at amortized cost or fair value through OCI, it must generate cash flows that depend only on the principal and interest on the amount of the principal to be repaid (so-called "**solely payments of principal and interest (SPPI)**"). This measurement is indicated as an SPPI test and is carried out at instrument level. The Group's business model for managing financial assets refers to the way in which it manages its financial assets in order to generate cash flows. The business model decides whether the cash flows will derive from the collection of contractual cash flows, the sale of financial assets or both. The purchase or sale of a financial asset requiring its delivery within a period of time generally set by regulation or market practices (so-called regular way trade) is recognized on the deal date, namely the date on which the Group undertook to buy or sell the asset.

Subsequent measurement
For the purpose of subsequent measurement, financial assets are classified in four categories:
— financial assets at amortized cost (debt instruments);
— financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses (debt instruments);
— financial assets at fair value through other comprehensive income without recycling of cumulative gains and losses upon derecognition (equity instruments);
— financial assets at fair value through profit or loss.

1. Financial assets at amortized cost (debt instruments) represent the category of greatest significance for the Group. The Group measures a financial asset at amortized cost if both of the following conditions are met:
— the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
— the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate method and are tested for impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or becomes impaired.

The Group reports an expected credit loss for all the financial instruments represented by debt instruments not held at fair value recognized in the income statement. The ECLs are based on the difference between the contractual cash flows due under the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows shall include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The expected losses are recognized in two stages. Regarding credit exposure for which there has been no significant increase in the credit risk since initial recognition, credit losses resulting from the estimate of possible default events in the next 12 months (12-month ECL) must be recognized. For credit exposure for which there has been a significant increase in credit risk since initial recognition, the expected losses relating to the residual period of the exposure, regardless of the moment when the default event is expected to occur ("**Lifetime ECL**"), must be recognized in full.

2. Financial assets at fair value through OCI (debt instruments): for assets from debt instruments measured at fair value through OCI, interest income, changes in exchange rate differences and impairment losses, together with the reversals, are recognized in the income statement and are calculated in the same way of financial assets measured at amortized cost. The remaining changes in fair value are recognized in OCI. Upon derecognition, the cumulative change in fair value recognized in OCI is reclassified to profit or loss. The Group's debt instrument assets measured at fair value recognized in OCI include investments in listed debt instruments included in other non-current financial assets.

3. Investments in equity instruments: upon the initial recognition, the Group may irrevocably elect to classify its investments as equity instruments recognized at fair value through OCI when they meet the definition of equity instruments under IAS 32 'Financial Instruments: Presentation' and are not held for trading. The classification is determined for each individual instrument. Gains and losses realized on those financial assets are never reversed through the income statement. Dividends are recognized as other income in the income statement when the right to payment has been approved, except when the Group benefits from that income as the recovery of part of the cost of the financial asset, in which case such gains are recognized in OCI. Equity instruments recognized at fair value through OCI are not subject to an impairment test. The Group has chosen to irrevocably classify its unlisted equity investments in this category.

4. Financial assets at fair value through profit or loss are recognized in the statement of financial position at fair value and net changes in fair value are recognized in the statement of profit/ (loss) for the year. This category includes derivative instruments and listed equity investments that the Group has not irrevocably chose to classify at fair value recognized in OCI. Dividends on listed equity investments are recognized as other income in the statement of profit/(loss) for the year when the right to payment has been approved.

   The embedded derivative contained in a hybrid non-derivative contract, financial liability or main non-financial contract is separated from the main contract and accounted for as a separate derivative. Main non-financial contract is separated from the main contract and accounted for as a separate derivative, if: its economic characteristics and associated risks are not closely related to those of the main contract; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. The embedded derivatives are measured at fair value, with changes in fair value recognized in profit or loss. A restatement only occurs if there is a change in the terms of the contract that significantly alters the otherwise expected cash flows. Significantly the otherwise expected cash flows or a reclassification of a financial asset to a category other than fair value through profit or loss.

   For trade receivables and contract assets, the Group applies a simplified approach when calculating the expected losses. The Group does not, therefore, monitor changes in credit risk, but fully recognizes the loss expected at each reporting date.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's combined statements of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Financial liabilities

Initial recognition and measurement

Upon initial recognition, financial liabilities are classified among financial liabilities at fair value through profit or loss and loans and borrowings.
All financial liabilities are initially recognized at fair value, in addition to directly attributable transaction costs, in the cases of loans, financing and payables.

Subsequent measurement

The valuation of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit or loss
  Financial liabilities at fair value with changes recognized through profit or loss include liabilities held for trading and financial liabilities at fair value with changes recognized through profit or loss.
- Loans and borrowings
  This is the category of greatest significance for the Group. Loans are measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the income statement when the liability is extinguished, as well as through the amortization process. Amortized cost is calculated by including the discount or premium, as well as costs and fees, which are an integral part of the effective interest rate. Amortization at the effective interest rate is included among net interest expense in profit or (loss). This category generally includes interest-bearing loans and payables.
- Derecognition
  A financial liability is derecognized when the obligation underlying the liability is extinguished, canceled or discharged. Where one existing financial liability is replaced by another attributable to the same borrower with substantially different conditions, or the conditions of an existing liability are substantially modified, such exchange or modification is accounted for by derecognizing the original liability and recognizing a new liability, with any differences between carrying amounts recognized in the income statement.

Property, Plant, Machinery and Equipment

Buildings and land are recognized at their purchase, production or conveyance cost, including any incidental charges, decommissioning costs and direct costs needed to make an asset ready for use. With the exception of land, these assets are depreciated on a straight-line basis, in equal annual installments in accordance with standard depreciation rates based on the residual useful life of the assets.

Buildings under construction for use in manufacturing, as administrative facilities or for purposes that are yet to be determined are recognized at cost, net of write-downs for impairment losses. As for all assets, the depreciation of these assets begins when they are ready for use.

Plant, machinery and equipment are recognized at cost, net of accumulated depreciation and any write-downs for impairment losses. Cost includes decommissioning costs, asset removal costs and the costs incurred for the restoration of the site where the non-current asset is located, if they meet the requirements of IAS 37.

Depreciation is taken on a straight-line basis on the cost of the assets, net of any residual value, based on the assets' estimated useful life, by applying the following rates:

Buildings	
Buildings	3.0%-6.0%
Prefabricated structures	10%
Leasehold improvements	The shorter of the lease term and the estimated useful life of the assets

Plant, machinery and equipment	
Manufacturing plants and automated machines	11.5%–15.0%
Manufacturing and distribution equipment	25.0%

Models and moulds	
Models and moulds	Useful life

Other property, plant and equipment	
Office furniture and machines	12.0%
Electronic machines	40.0%
Vehicles	25.0%

The capitalized costs of leasehold improvements are allocated to the classes of assets to which they belong and are depreciated over the residual duration of the lease or the residual useful life of the type of asset to which the improvement is attributable, whichever is shorter.

When the individual components of a complex item of property, plant and equipment have different useful life, they are recognized separately and depreciated according to their duration (component approach).

In accordance with this principle, the value of land is separate from that of buildings erected on it and only the buildings are depreciated.

Gains or losses on the sale or disposal of assets — which are calculated as the difference between the sales proceeds and the net carrying value of the asset — are recognized in the income statement for the year.

Ordinary maintenance costs are charged in full in the income statement. Maintenance costs that increase the value of an asset are allocated to the related asset and amortized over the remaining useful life of the asset, if they satisfy the definition of asset.

The recoverability of their value is tested in accordance with the criteria provided for by IAS 36. These criteria are explained in the paragraph entitled "Impairment of Assets".

IFRS 16 — Leases

The Group has leases for a series of activities mainly related to the lease of property, plant, machinery, motor vehicles and other equipment. The Group applied a single recognition and measurement approach for all the leases where the Group was a lessee, except for short-term leases (duration less than 12 months) and low-value leases (comprehensive value of the agreement less than €5,000).

Rights-of-use assets

The Group recognizes the rights-of-use assets at the commencement date of the lease (i.e., the date on which the underlying asset is available for use). Rights-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of the lease liability. The cost of the rights-of-use assets comprises the amount of the initial measurement of the lease liability recognized, any initial direct costs incurred, any lease payments made at or before the commencement date, less any lease incentives received. Unless the Group has the reasonable certainty to obtain ownership of the underlying asset by the end of the lease term, rights-of-use assets are depreciated on a straight-line-basis over the shorter period of the end of the estimated useful life or the end of the lease term. The rights-of-use assets are subjected to impairment.

Lease liabilities

At the commencement date, the Group measures the lease liabilities at the present value of the lease payments that are not paid at that date. The lease payments comprise fixed payments (including in- substance fixed payments), less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. The lease payments also comprise the exercise price of a purchase option if the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

Variable lease payments that do not depend on an index or a rate are recognized as costs in the period in which the event takes place or the condition that generated the payment.

The Group uses the average interest rate on borrowings to measure the present value of the payments due for the lease. After commencement date, the carrying amount of the lease liability increases to reflect interest on the lease liability and decreases to reflect the lease payments made. Moreover, the carrying amount of the lease liability is remeasured to reflect any lease modifications, or to reflect revised in- substance fixed lease payments.

Significant judgment for determining the lease term for contracts with an option to extend the lease

The Group determines the lease term as the period of a lease covered by contract, together with periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option.

Options to extend the lease of vehicles and housing, for employee use, have not been included when determining the lease term, since the Group has a leasing policy for motor vehicles for a period of no more than four years and so will exercise no right of renewal.

Intangible assets with indefinite useful life

Goodwill and other assets that have an indefinite useful life (trademarks) or are not available for use are not amortized on a regular basis. Instead, their recoverable value is tested annually for impairment at the level of the cash generating unit to which management allocated the goodwill. Once recognized, write- downs of these assets may not be subsequently reversed.

When a subsidiary, joint venture or business unit is sold, the goodwill attributable to the subsidiary, joint venture or business unit is included in the computation of the gain or loss generated by the sale.

Intangible Assets Generated Internally — Research and Development Costs

Research costs are charged to the income statement in the period in which they are incurred.

Intangible assets generated internally, mainly in connection with the development of models and moulds and intellectual property, are recognized as assets only if the following conditions are satisfied:
— the asset is identifiable (e.g., software or new processes);
— it is likely that the asset will generate future economic benefits;
— the costs incurred to develop the asset can be measured reliably; and
— there is a technical and financial capacity to complete the asset and render it available for use or sale.

These intangible assets are amortized on a straight-line basis over the length of their useful life from three to five years.

When assets generated internally may not be recognized in the financial statements, development costs are charged to the income statement in the period they are incurred.

Other intangible assets

Consistent with the provisions of IAS 38 — Intangible Assets, other intangibles, whether purchased or produced internally, are recognized as assets when it is likely that their use will generate future economic benefits and their cost can be measured reliably.

These assets are valued at their purchase or production cost. When they have a finite useful life, they are amortized on a straight-line basis over their estimated useful life. Intangible assets with an indefinite useful life are not amortized. They are tested for impairment annually (or more often if there is an indication that an asset may have suffered an impairment loss) to identify any decreases in value.

Trademarks with indefinite useful life are not amortized on a regular basis.
Other intangible assets are initially recognized at their acquisition cost and are amortized on a straight- line basis over their useful life, which is estimated at five years. However, the cost of application and management software licenses is amortized over three years.

Other intangible assets are initially recognized at their acquisition cost and are amortized on a straight-line basis over their useful life, which is estimated at five years, except the cost of application and management software licenses which is amortized over three years.

Brands, trade names and other intangible assets with finite useful life are amortized over their estimated useful life. The classification of a brand or trade name as an asset of finite or indefinite useful life is generally based on the following criteria:
— the brand or trade name's overall positioning in its market expressed in terms of volume of activity, international presence and reputation;
— its expected long term profitability;
— its degree of exposure to changes in the economic environment;
— any major event within its business segment liable to compromise its future development;
— its age.

In addition, from business and legal perspective, these trademarks have no terms or can be indefinably renewed and therefore, will always belong to the Group. Having considered these criteria, in the period the Group classified its trademark as assets of indefinite useful life.

Impairment of Assets

At least at each reporting date, the Group reviews the carrying values of its property, plant and equipment and of its intangible assets to determine if there are any indications that the value of these assets has been impaired. If such indications exist, the recoverable value of the affected assets is estimated in order to determine the amount of the write-down that may be required. When the recoverable value of an individual asset cannot be estimated, the Group estimates the recoverable value of the cash-generating unit to which the individual asset has been allocated.

Intangible assets with an indefinite useful life (goodwill and trademarks) are tested annually for impairment, whether there are indications that their value has been impaired or not.

The recoverable amount is the greater of an asset's fair value, net of the cost to sell, or its value in use. In determining the value in use, future estimated cash flows are discounted to their present value using an after-tax rate that reflects current market valuation of the value of money and of the specific risks that affect the asset in question.

If the recoverable value of an asset or of a cash-generating unit is estimated to be lower than its carrying amount, the latter is reduced to the asset's lower recoverable value. The corresponding write-down is immediately recognized within the income statement.

When the reasons that justified a write-down cease to apply, the carrying amount of the affected asset or cash-generating unit (but not goodwill) is raised to the new estimated realizable value, but not beyond the net carrying value that the asset would have had, had it not been written down. The reversal is recognized in the income statement.

Equity investments

Associated companies

Associated companies are companies over which the Company exercises a significant influence, but not control. As a rule, an equity interest corresponding to an interest equal to 20% to 50% of the voting rights indicates a significant influence.

Post-employment Employee Benefits

Payments due under defined-contribution plans are charged to the income statement in the period during which they are due.

In the case of defined-benefit plans (which include the employee severance benefit plans of Italian Group companies), the cost of benefits provided is determined in accordance with the projected unit credit method by making actuarial valuations at the end of each year. The new standard re-organizes the information disclosures which must be provided in relation to benefits granted to employees and introduces the obligation to book actuarial gains and losses in the comprehensive income statement, thereby eliminating the possibility of adopting the corridor method. Actuarial gains and losses booked in the comprehensive income statement are not subsequently booked within the income statement. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

Provisions

Provisions are recognized for losses or liabilities the existence of which is certain or probable, but the amount or date of occurrence of which cannot be determined at year-end. Provisions reflect the management's best estimates on the basis of the information available to them.

Provisions are recognized in the financial statements for statutory or contingent obligations (contractual or of a different nature) that arise from a past event and it is likely that the Group will be required to fulfil that obligation. These provisions are established based on management's best estimate of the costs needed to fulfil the obligations on the reporting date. They are discounted, when the discounting effect is material.

Basic and diluted earnings per share (EPS)

Accounting standard IAS 33 — Earnings per Share regulates the calculation and disclosure of information to be provided to users of financial statements regarding basic and diluted earnings per share. The classes of financial instruments identified by the standard that have to be considered when calculating the aforesaid indicators are options, warrants, instruments convertible to shares (e.g. convertible bonds) and similar.

Basic earnings per share are calculated based on earnings for the year attributable to shareholders of the Company divided by the weighted average number of ordinary shares in issue during the financial year.

Diluted earnings per share are calculated based on diluted earnings for the year attributable to shareholders of the Company, divided by the weighted average number of ordinary shares in issue during the financial year amended by the number of potentially dilutive ordinary shares.

The Company has no potentially dilutive financial instruments and so the two indicators are the same.

Use of estimates and assumptions

The preparation of financial statements and the accompanying notes in accordance with the IFRS requires management to formulate estimates and assumptions that have an impact on the revenue, costs, assets and liabilities listed on the statement of financial position and on disclosures about contingent assets and liabilities at the reporting date, including climate changes as described above. The estimates are based on evaluations and prior experience, as well as on assumptions made from time by time assessed based on the specific circumstances. Actual results may therefore differ from these estimates. Estimates and assumptions are reviewed periodically and the effects of any changes are reflected immediately on the income statement. Set out below are the main balance sheet items affected by the use of accounting estimates and the circumstances involving an element of judgment by management.

Impairment of non-financial assets

An impairment loss occurs when the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount, which is the greater of its fair value less costs to sell and its value in use. The carrying amount of non-current assets is assessed periodically whenever circumstances or events require a more frequent assessment. Goodwill and trademarks are assessed at least annually; these recoverability assessments are carried out in accordance with the criteria specified in IAS 36 and described in more detail in Note 32. The recoverable value of a non-current asset is based on estimates and assumptions used to determine expected future cash flows and the discounting rate applied.

Deferred tax assets

Deferred tax assets were recognized, consistently with IAS 12 requirements, only to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized. The Group has certain deferred tax assets from tax losses and not deducted interest expenses carryforward ("**DTAs**") that, in accordance with the accounting principle, have not been recognized during the Reporting Periods. The Group reassesses at each reporting date, its DTAs, both recognized and unrecognized and it recognizes a previously unrecognized DTAs to the extent that it becomes probable that sufficient taxable profit will be available to enable the asset to be recovered, based on the actual profits before tax reported in each of the years/period comprising the Reporting Periods and based on the expected continuous improvements in future trading conditions and future forecasted profits. The additional DTAs that became recognizable in the Reporting Period.

Provisions

Provisions are based on evaluations and estimates based on historic experience and assumptions that from time to time are considered reasonable and realistic based on the specific circumstances. For further details, reference should be made to Note 36.

Revenue from contracts with customers for contract assets

With reference to revenue from contracts with customers for contract assets, the risk in question regards the incorrect estimate of costs planned at the budgeting stage, relating to contracts valued based on IFRS 15, and hence incorrect revenue recognition. More specifically, application of the cost-to-cost method requires the prior estimate of costs throughout the life of individual projects and their updating at each reporting date, using at times complex assumptions, which by their very nature imply directors making judgments. Such assumptions may be influenced by multiple factors such as, for example, the time period over several years when other projects are being developed, the high level of technology, innovation and customisation of the projects, the presence of variants and price revisions and boat performance guarantees, including an estimate of contractual risks, where applicable. These facts and circumstances make it a complex task to estimate project completion costs and, as a result, to estimate the value of contract work in process at the reporting date.

Commitments

Commitments are those that may give rise to a future outflow of cash or other resources for contractual commitments for the acquisition of property, plant and equipment and intangible assets, for construct or develop investment property or for repairs, maintenance or enhancements. The total commitments the Group has made but not recognized at the reporting date (including its share of commitments made jointly with other investors with joint control of a joint venture) relating to its interests in joint ventures will be eventually disclosed.

Segment Report

For management purposes the Group has a single operating segment relevant for reporting. This segment is the design, construction and marketing of yachts and pleasure craft. Since it is the only operating segment on which the Group reports, no additional analysis of its operating segment is provided.

Geographical information — non-current assets

Since over 90% of the Group's non-current assets is located in Italy, no additional information by geographical sector is provided.

Information on main customers

No single external customer accounts for 10% or more of the Group's revenues.

Changes in accounting policies and disclosure

The Group has not early adopted any principles, interpretations or amendments published but not yet in force. Several amendments apply for the first time in 2024, but do not have an impact on the consolidated financial statements of the Group:

Supplier Finance Arrangements — Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.
The amendments had no impact on the Group's consolidated financial statements.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.
The amendments had no impact on the Group's consolidated financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
— what is meant by a right to defer settlement;
— that a right to defer must exist at the end of the reporting period;
— that classification is unaffected by the likelihood that an entity will exercise its deferral right;
— that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.
The amendments had no impact on the Group's consolidated financial statements.

5. Accounting statements

The consolidated Income Statement is presented in a layout that shows a breakdown of costs by type.

As required by the revised version of IAS 1, the financial statements include a Comprehensive Income Statement, which reflects certain gains and losses previously recognized directly in equity reserves (e.g., gains or losses from changes in the reserve for the translation of the financial statements of foreign subsidiaries and actuarial results arising from the valuation of employee benefits).

The consolidated Statement of Financial Position is presented in a format that provides a breakdown between current and non-current assets and liabilities. An asset or a liability is classified as current when it meets one of the following requirements:

- there is an expectation that it will be realized/settled or will be sold or used during the Group's regular operating cycle;
- it is owned primarily for trading purposes; or
- the Group expects to sell it/settle it within 12 months of the closing date of the financial statements. If all of these three conditions cannot be met, an asset or liability is classified as non-current.

The consolidated Cash Flow Statement was prepared in accordance with the indirect method, which requires that the profit before taxes be adjusted to eliminate the impact of non-cash transactions, deferrals or provisioning of previous or future operational collections and payments and revenues or costs related to cash flows stemming from investing or financing activities. Income and expenses from long- term financing transactions, with related hedging instruments, and dividends paid are included among financing activities.

The consolidated Statement of Changes in Equity shows how the components of the Group's equity changed in the course of the year.

6. Financial risk management

The following qualitative information, which is being offered to provide a better understanding of the impact of financial instruments on the Group's statement of financial position, income statement and Cash Flow Statement, is also designed to explain more clearly the Group's exposure to the different types of risks associated with financial instruments and the corresponding management policies, as required by IFRS 7.
The table below lists the assets and liabilities by category of measurement.

Financial assets

	December 31, 2024	December 31, 2023
Total financial assets at fair value	—	—
Debt instruments at amortized cost		
Trade receivables	36,437	22,427
Financial assets included in other receivables	6,785	1,261
Other current assets	603	820
Other non-current assets	3,246	2,028
Total financial assets[5]	**47,071**	**26,537**

Starting from the year 2022, the Company began to sign time deposit accounts agreements with primary banks, in order to benefit of increasing interest rates, with maturities ranging from one week to six months.

The details of contracts in place on December 31, 2024 follows:

Fixed interest period	Bank	Currency	Amount	Rate %	Expire Date
One week	Credit Agricole CIB Sa	Euro	10,000	2.97%	02/01/2025
Two weeks	China Construction Bank (Europe) S.A.	Euro	10,000	2.86%	07/01/2025
Interest			15		
"Time deposit accounts" under "Cash and Cash Equivalents"			**20,015**		

The credit risk related to liquid assets is very limited because the counterparties are major national and international banking institutions; the currency of the cash and cash equivalents were mainly denominated in Euro. As at December 31, 2024, there were not in place any time deposits accounts with a maturity of more than three months that should classified as current financial assets as happened as at December 31, 2023.

5 Financial assets, other than cash and short-term deposits.

The details of contracts in place on December 31, 2023 were as follow:

Fixed interest period	Bank	Currency	Amount	Rate %	Expire Date
Three months	China Construction Bank (Europe) S.A.	Euro	30,000	4.08%	19/01/2024
One month	Barclays Bank Ireland PLC	Euro	12,000	3.76%	22/01/2024
One month	Unicredit SpA	Euro	10,000	3.85%	22/01/2024
One month	Credit Agricole CIB Sa	Euro	30,000	4.03%	26/01/2024
One month	Unicredit SpA	Euro	10,000	3.85%	29/01/2024
Three months	Credit Agricole CIB Sa	Euro	20,000	3.98%	28/02/2024
Three months	BNL S.p.A. – BNP P Group	Euro	30,000	3.98%	04/03/2024
Interest			464		
“Time deposit accounts “ under “Cash and Cash Equivalents”			**142,464**		

Financial liabilities

	December 31, 2024	December 31, 2023
Interest-bearing loans and borrowings		
Bank and other borrowings	3,592	4,733
Lease liabilities	26,577	26,044
Minority Shareholder Loan	500	1,000
Other	–	–
Total Interest-bearing loans and borrowings	**30,669**	**31,776**
Other financial liabilities		
Derivatives not designated as hedging instruments	–	–
Derivatives designated as hedging instruments	–	–
Financial liabilities at fair value through profit or loss	–	–
Liability arising on business combination	2,299	2,093
Total financial instruments at fair value	**2,299**	**2,093**
Other financial liabilities at amortized cost, other than interest-bearing loans and borrowings		
Trade and other payables	430,608	398,517
Total other financial liabilities	**463,576**	**432,377**

Fair Value Measurement

The carrying amounts and fair values of Group's financial instruments, other than those whose carrying amounts are a reasonable approximation of the fair value, are as follows:

	December 31, 2024		December 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Bank and other borrowings	3,592	3,592	4,733	4,733
Lease liabilities	26,577	26,577	26,044	26,044
Minority Shareholder Loan	500	500	1,000	1,000
Other	—	—	—	—
Liability arising on business combination	2,299	2,299	2,093	2,093
Total	**32,968**	**32,968**	**33,870**	**33,870**

The management assessed that the fair values of cash and short-term deposits, trade receivables, trade payables, other current assets and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments, therefore they are not detailed in the above and following tables.

The fair values of financial assets and liabilities are included in the amount for which an instrument could be exchanged in a current transaction between consenting parties other than a forced or liquidation sale.

The fair values of the non-current part of bank and other borrowings have been calculated by discounting expected future cash flows using the rates currently available for instruments with similar terms, credit risk and maturities.

IFRS 7 requires that the financial instruments recognized at fair value on the Consolidated statement of financial position be classified based on a hierarchical ranking that reflects the reliability of the inputs used to measure fair value. The following levels are used:
— Level 1 — prices quoted in an active market for the assets or liabilities that are being measured;
— Level 2 — inputs other than the quoted prices of Level 1 but which are directly (prices) or indirectly (derived from prices) observable in the market;
— Level 3 — inputs that are not based on observable market data.

The table below lists assets and liabilities for which fair values are disclosed:

Financial statement line item	December 31, 2024				December 31, 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Bank and other borrowings	—	3,592	—	3,592	—	4,732	—	4,732
Lease liabilities	—	26,577	—	26,577	—	26,044	—	26,044
Minority Shareholders' Loan	—	500	—	500	—	1,000	—	1,000
Other	—	—	—	—	—	—	—	—
Liability arising on business combination	—	—	2,299	2,299	—	—	2,093	2,093

The Bank and other borrowings non-current under Level 3 for €2,299 thousand refer to the value of the put and call options for the acquisition of the non-controlling interest of Fratelli Canalicchio S.p.A. and Il Massello s.r.l., both exercisable from September 2027 to September 2028.

	Bank and other borrowings non-current - Level 3
At December 31, 2022 and January 1, 2023	
Liability arising on business combination for Fratelli Canalicchio S.p.A.	436
Liability arising on business combination for Il Massello	1,476
Unrealized fair value changes recognized in profit or loss	181
At December 31, 2023	**2,093**
Changes not measured at fair value through profit or loss	206
At December 31, 2024	**2,299**

The financial debt has been calculated on the basis of the agreements with non-controlling interests that links the price of exercise of this put/call option to the financial performance of the subsidiaries and the Net Present Value has been discounted using the rate of 9.5%.
The increase from December 31, 2023 to December 31, 2024 is due to the shortening of the period of exercise of the options.

The following table presents a sensitivity analysis of the Bank and other borrowings non-current — Level 3, keeping all other variables constant.

Change % interest rate *At December 31, 2024 (in thousands Euro)*	Bank and other borrowings non-current - Level 3
- 0.5%	32
+ 0.5%	(31)

Liquidity Risk

The liquidity risk is the risk that an entity may find it difficult to perform obligations arising from financial and trade liabilities in accordance with stipulated terms and due dates.

The Group continuously monitors the cash flow through the planning of the expected cash flows and the necessary financing sources on a weekly basis, over a monthly horizon, taking also into account the seasonality of the Group's business.

In most of the transactions, the sales policies adopted by the Group continue to call for payment of any contractually owed balances when the boat is delivered and the collection of security deposits and advances in accordance with contractually established schedules, particularly in accordance with the size of the boat.

The table below, which provides a quantitative analysis of the liquidity risk, shows a breakdown of future financial flows based on the financial liabilities outstanding at December 31, 2024 and at the end of the previous fiscal year, with a breakdown of the Group's financial payables by contractually stipulated due dates:

		FUTURE FINANCIAL FLOWS					
	Balance at December 31, 2024	**Less than 3 months**	**4 to 9 months**	**10 to 12 months**	**1 to 5 years**	**More than 5 years**	**Total financial flows**
Bank and other borrowings (excluding lease liabilities)	(3,592)	(1,622)	(290)	(145)	(844)	(1,071)	(3,973)
Minority Shareholders' Loan	(500)	—		(500)	—	—	(500)
Other	0	—		—	—	—	—
Liability arising on business combination	(2,299)	—		—	(2,299)	—	(2,299)
Lease liabilities	(26,577)	(2,455)	(4,840)	(2,362)	(16,767)	(3,333)	(29,757)
Trade and other payables	(430,608)	(327,715)	(101,349)	(1,537)	0		(430,602)
Total	**(463,576)**	**(331,793)**	**(106,480)**	**(4,544)**	**(19,911)**	**(4,404)**	**(467,131)**

		FUTURE FINANCIAL FLOWS					
	Balance at December 31, 2023	Less than 3 months	4 to 9 months	10 to 12 months	1 to 5 years	More than 5 years	Total financial flows
Bank and other borrowings (excluding lease liabilities)	(4,732)	(2,208)	(372)	(186)	(1,362)	(1,211)	(5,338)
Minority Shareholders' Loan	(1,000)	—	—	(1,000)	—	—	(1,000)
Other	—	—	—	—	—	—	—
Liability arising on business combination	(2,093)	—	—	—	(2,093)	—	(2,093)
Lease liabilities	(26,044)	(2,554)	(5,008)	(2,450)	(13,658)	(6,137)	(29,794)
Trade and other payables	(398,517)	(351,362)	(45,652)	(1,503)	—	—	(398,517)
Total	**(432,386)**	**(356,125)**	**(51,032)**	**(5,139)**	**(17,100)**	**(7,348)**	**(436,743)**

The tables above analyze the maximum risk entailed by the financial liabilities (including trade payables).
All flows shown are nominal undiscounted future flows, determined based on the remaining contractual due dates with regard both to principal and interest. The figures as at December 31, 2023 have been reclassified for a better comprehension.
Guarantees on loans, consisting of mortgages, are described in Note 51. They are permitted guarantees on the basis of the Facility Agreement not in use as at the Reporting date, as described in Note 35.
There are no financing agreements with suppliers included in Trade and other payables.

Market and Interest Rate Risk

This is the risk that the fair value and future financial flows of a financial instrument may fluctuate due to changes in market prices. The market risk includes the following subcategories:
- currency risk (the risk that the value of financial instruments may fluctuate due to changes in foreign exchange rates);
- interest rate risk (the risk that the value of financial instruments may fluctuate due to changes in market interest rates);
- price risk (the risk that the value of financial instruments may fluctuate due to changes in market prices).

The risk more specifically related to the Group's business is the risk of fluctuations in exchange rates.
This risk relates to the possibility of changes in the Euro amount corresponding to the net foreign currency exposure for invoices issued, outstanding orders and, marginally, invoices payable and cash balances in foreign currency accounts.

The Group is primarily exposed to the exchange rate risk in relation to the US Dollar as a result of the sales made by the subsidiary Ferretti Group of America Llc.

During 2023 and 2024 no cash flow hedging was done in view of the exchange rate trend. In any case, as of December 31, 2024 and 2023, there were no currency forwards in place.

The following table presents a sensitivity analysis, at the end of each of the financial years, of the Group's profit before tax and equity (excluding losses carried forward) to a reasonably possible change in the exchange rate with the US dollar, keeping all other variables constant.

	At December 31, 2024		At December 31, 2023	
Change % EUR/USD exchange rate *(in thousands Euro)*	**+/- Profit before tax**	**+/- Equity**	**+/- Profit before tax**	**+/- Equity**
- 5%	2,713	15,526	1,421	14,481
+ 5%	(2,455)	(14,047)	(1,285)	(13,101)

The interest risk is the risk that the value of future financial flows could fluctuate due to changes in market interest rates.

The following is a sensitivity analysis determined on the basis of the exposure as at the reporting dates December 31, 2024 and December 31, 2023 of the Group's financial debt (assuming that Euribor is above zero, considering the zero-floor condition generally applied to the Group's main borrowings).

CHANGE IN EURIBOR (in thousands Euro)					
In 6 months		At December 31, 2024		At December 31, 2023	
(+)	(-)	(+)	(-)	(+)	(-)
+50 bp	-50 bp	151	(151)	154	(154)
+100 bp	-100 bp	301	(301)	307	(307)
+200 bp	-200 bp	603	(603)	614	(614)
+300 bp	-300 bp	904	(904)	921	(921)

Credit Risk

The credit risk is the risk of potential losses due to the inability of counterparties to fulfill commercial or financial obligations. This risk can arise when a counterparty defaults for technical/commercial reasons (disputes about the nature/quality of a product, interpretation of contract clauses, etc.) or when one party causes the other party to incur a loss by failing to comply with an obligation.

In light of the type of customers targeted by the Group's products and services and the commercial policies it has adopted — which envisage, in most of transactions, that the balance of the contract amount, net of advances collected, is paid before or concurrently with the delivery of the boat — the Group believes that its credit risk is not material. The payment of advances is associated with both the defined contractual due dates and the achievement of production milestones.

At the procedural level, in the limited number of cases in which the sales policies mentioned above are not applicable, the Group's receivables and the accrued advances to be paid are monitored periodically to verify compliance with contractual payment terms.

The table below reports residual amounts — i.e., already net of any write-downs — which even if expired at the reporting date (December 31, 2024) are considered fully recoverable:

	Balance at December 31, 2024	Not due	PAST DUE			
			30 days	30-60	60–90	Beyond
Cash and cash equivalents	155,744	155,744	—	—	—	—
Trade receivables[6]	36,437	18,347	3,155	4,078	465	10,391
Other current assets	603	603	—	—	—	—
Financial assets included in other receivables	6,785	6,785	—	—	—	—
Financial assets included in other non-current assets	3,246	3,246	—	—	—	—
Total at December 31, 2024	**202,815**	**184,726**	**3,155**	**4,078**	**465**	**10,391**

	Balance at December 31, 2023	Not due	PAST DUE			
			30 days	30-60	60–90	Beyond
Cash and cash equivalents	314,109	314,109	—	—	—	—
Trade receivables[7]	22,427	5,528	1,669	3,191	4,453	7,586
Other current assets	820	820	—	—	—	—
Financial assets included in other receivables	1,261	1,261	—	—	—	—
Financial assets included in other non-current assets	2,028	2,028	—	—	—	—
Total at December 31, 2023	**340,646**	**323,746**	**1,669**	**3,191**	**4,453**	**7,586**

6 Net of the allowance for doubtful accounts of €3,725 thousand.

7 Net of the allowance for doubtful accounts of €3,496 thousand.

The table below reports the amount of trade receivables — i.e., already net of any write-downs — which even if expired at the reporting date (December 31, 2024) are considered fully recoverable:

	Balance at December 31, 2024	Not due	PAST DUE 30 days	30-60	60–90	Beyond
%	9%	0%	0%	0%	45%	24%
Trade receivables	40,162	18,347	3,162	4,078	841	13,732
Provision for doubtful accounts	3,725	0	7	1	376	3,341
Total at December 31, 2024	**36,437**	**18,347**	**3,155**	**4,078**	**465**	**10,391**

	Balance at December 31, 2023	Not due	PAST DUE 30 days	30-60	60–90	Beyond
%	13%	0%	0%	0%	0%	31%
Trade receivables	25,923	5,535	1,669	3,197	4,474	11,047
Provision for doubtful accounts	3,496	8	0	6	21	3,461
Total at December 31, 2023	**22,427**	**5,528**	**1,669**	**3,191**	**4,453**	**7,586**

Capital Management

The goals of managing the Group's capital are safeguarding continuing operation and improving financial performance, as indicated by profit before tax, financial charges (Notes 20–22), depreciation and amortization (Note 19), of €189,891 thousand for the year ended December 31, 2024 (2023: €162,657 thousand), in addition to maintenance of sound capital ratios in support of its business and maximizing value for shareholders.

The Group manages its financial structure and adjusts it in response to changes in economic conditions and the risk characteristics of the underlying assets.

The Group is not subject to externally imposed capital requirements.

No changes were made to capital management objectives, policies or processes during the current or previous years.

Notes to the main components of the income statement

The following notes provide a review of the individual components of the income statement for the fiscal year ended December 31, 2024, compared with those in the income statement for the fiscal year ended December 31, 2023.

7. Net revenue

The following table provides the breakdown of the item net revenue for the year ended December 31, 2024, compared with the same item for the year ended December 31, 2023:

(in thousands Euro)	31/12/2024	31/12/2023
Total revenue from contracts with customers	1,301,623	1,196,352
Commissions and other costs related to revenue	(61,276)	(61,868)
Total net revenue	**1,240,346**	**1,134,484**

The table below shows the breakdown of net revenue by production type:

(in thousands Euro)	31/12/2024	31/12/2023
Composite yachts	558,752	491,751
Made-to-measure yachts	407,166	440,265
Super yachts	148,646	117,593
Other businesses	58,785	61,339
Total net revenue of new yachts	**1,173,349**	**1,110,949**
Pre-owned	66,997	23,535
Total net revenue	**1,240,346**	**1,134,484**

Revenue arising from other businesses is broken down below.

(in thousands Euro)	31/12/2024	31/12/2023
Boat brokerage	9,658	9,742
Sales and provision of carpentry products and services and kinematics and steel	19,531	18,781
FSD	4,809	3,187
Provision of services and sales of replacement parts, merchandise and other goods	16,583	14,949
Wally sailboats	8,204	14,680
Total other businesses	**58,785**	**61,339**

In accordance with IFRS 15, the Group identified the revenue streams, including the main ones:
— sale of yachts to order;
— sale of used boats.

Regarding the sale of yachts to order (sale of composite yachts, made-to-measure yachts and super yachts), the Group considers that the only performance obligation contained in the sales contracts is the building of the vessel, with no significant accessory services or further activities.

This performance obligation is satisfied over time of construction of boats. The payment terms are agreed with the customers on a case by case basis to match cash requirements for the production. Advance payments are agreed with each customer on the basis of the time needed to construct the boats and are paid before the completion of the construction. These contracts do not include obligations for returns, refunds and other similar obligations, however the vessels are covered by a warranty which is included in a range between 12 and 24 months.

"Commissions and other costs related to revenue" mainly represents the costs incurred by the Group for the intermediation activities carried out by the dealers and brokers.

"Boat brokerage" refer to the activity related to yacht brokerage and yacht charters performed by the U.S. subsidiary Allied Marine.

"Sales and provision of carpentry products and services and kinematics and steel" relates mainly to subsidiaries Zago S.p.A. and Fratelli Canalicchio S.p.A., concerning assembly works and wooden furnishings for yachts of over 100 feet produced by third-party sites and cruise ships and automatic kinetic systems for yachts.

"Provision of services and sales of replacement parts, merchandise and other goods" partly refers to the refit activity that the Group carried out, and partly regard the sale of replacement parts and other assistance services rendered in Italy and worldwide on boats previously sold. In addition, in 2024 as well the Group continued to sell Riva brand luxury accessories, as part of the Riva Brand Experience project.

The breakdown of net revenue by geographical area was as follows:

(in thousands Euro)	31/12/2024	31/12/2023
Europe	593,477	480,065
MEA	269,326	212,316
APAC	39,571	98,211
AMAS	270,975	320,356
Total net revenue of new yachts	**1,173,349**	**1,110,949**
Pre-owned	66,997	23,535
Total net revenue	**1,240,346**	**1,134,484**

In accordance with IFRS 15, net revenue are shown below with a breakdown into obligations fulfilled at a point in time and those that are fulfilled over time.

(in thousands Euro)	31/12/2024	31/12/2023
At a point in time	110,353	69,250
Over time	1,129,994	1,065,234
Total net revenue	**1,240,346**	**1,134,484**

The table below shows the amount of revenue from recognized contract liabilities which had been included among contract liabilities at the beginning of the year:

(in thousands Euro)	31/12/2024	31/12/2023
Revenue from contract liabilities	185,101	160,550

The following table shows the amount of transaction price for existing contracts outstanding at December 31, 2024 which will be converted into revenue from contracts with customers within one year or after one year.

(in thousands Euro)	31/12/2024	31/12/2023
Within one year	533,986	565,635
After one year	366,018	292,390
	900,003	**858,024**

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognized as revenue after one year relate to sale of new boats, of which the performance obligation is to be satisfied within two years. All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognized as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained, that is included in contract liabilities. Transactions for contracts outstanding at the end of the previous year amounted to €565,635 thousand and which were expected to be converted into revenues within one year were substantially realized during the current year.

8. Change in inventories of work-in-process, semi-finished and finished goods

The change in inventories of work-in-process, semi-finished and finished goods refers to inventories of boats not covered by orders.

9. Cost capitalized

This item, amounting to €34,604 thousand, consists mainly of costs incurred for labor, materials and manufacturing overhead that were capitalized under the item "Models and moulds". These costs were incurred primarily for the internal production of models and moulds used to build fiberglass-reinforced plastic forms which constitute the hull and other structural elements of the boats classified in this item as per industry practice.

10. Other income

(in thousands Euro)	31/12/2024	31/12/2023
Income from relationship with suppliers	15,684	10,866
Gains on sales of assets	6,361	118
Damage settlements	2,510	1,959
Rebilling of miscellaneous costs to customers and dealers	1,341	1,273
Rental income	870	873
Other	4,157	7,134
Total other income	**30,923**	**22,223**

The item "Income from relationship with suppliers" mainly regards (i) invoices to suppliers due to noncompliance of materials received; (ii) proceeds from sundry activities not directly connected with shipbuilding such as income from promotional, marketing and co-branding agreements entered into with other internationally-renowned firms; (iii) Cost over-accruals, mainly referred to differences on cost forecasts recorded in the previous years for the supplies of services and raw materials, whose final account proved to be lower; (iv) the contributions received from suppliers which co-operate with the Group.

The item "Gains on sales of assets" refers primarily to the sale of two demonstrative boats that were accounted as a fixed assets.

The item "Damage settlements" refers primarily to the insurance income related to damages occurred to some boats for €1,262 thousand and for €516 thousand to final settlement of damages occurred to a Company's shipyard for bad weather damage due to rain and hail.

11. Raw materials and consumables used

This item primarily reflects purchases of raw and ancillary materials and the change for the year in the corresponding inventories.

12. Contractors costs

This item consists mainly of the costs incurred to outsource certain phases of the production process. This is because the boat building process can include the use of external companies as contractors for the construction and assembly of onboard equipment installed in Group boats.

13. Costs for trade shows, events and advertising

The main components of this item are advertising and promotional expenses and expenses incurred to attend industry trade shows. This item also includes costs of communication and image consulting

14. Other service costs

(in thousands Euro)	31/12/2024	31/12/2023
Transportation and customs clearing costs	27,891	27,776
Technical consulting	13,838	14,594
Tax, legal and administrative consulting services	10,027	10,488
Insurance	8,213	6,757
Utilities	7,610	7,800
Travel and per diem expenses	6,336	6,358
Maintenance	6,012	5,253
Entertainment expenses	5,534	6,444
Fees paid to members of corporate governance bodies	5,224	6,081
Recruiting and training costs	3,332	3,091
Other	25,397	23,275
Total other service costs	**119,415**	**117,917**

The item "Technical consulting" amounting to €13,838 thousand refers to consultancy on production issues and services rendered by engineering firms and designers with regard to the design of boats and new models of vessels, interiors and other studies and research bearing on the shipbuilding process. It also includes the costs of certifications or services from other entities of a technical nature.

The item "Tax, legal and administrative consulting services" mainly included €3,936 thousand for legal advice and notaries' fees and €2,567 thousand relating to administrative consulting, including accounts auditing, and tax assistance. Moreover, €761 thousand referred to IT consulting.
During the Reporting Period, "Fees paid to members of corporate governance bodies" included €4,936 thousand for fixed and variable compensation, benefits and social contribution paid to Directors, as well as €186 thousand in fees paid to Statutory Auditors and €102 thousand for the Supervisory Body.

With regard to the Note "Fees paid to Directors, Statutory Auditors, members of the Supervisory Body and Independent Auditors", please see the schedule relating to the fees received by the Group's corporate bodies.

The item "Recruiting and training costs" mainly refers to the costs incurred by Group companies for the company canteen and meal vouchers (as provided for contractually), as well as remuneration for project workers and the costs of training.

The item "Other" consists mainly of costs incurred for services of various types, such as outsourced services for approximately €10.7 million, services related to brokerage activities for €5.9 million, security services for €1,3 million, janitorial services for €4.4 million, industrial reclamation and discharges for €2.1 million.

15. Rentals and leases

The Group recognized the right-of-use assets and the lease liabilities, excluding short-term leases and leases related to low-value assets. The right-of-use assets of most lease contracts were recognized based on the carrying amount, discounted using the incremental borrowing rate. For some lease contracts, the right-of-use assets were recognized based to the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to the lease previously recognized. Lease liabilities were recognized at the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of first time application.

(in thousands Euro)	31/12/2024	31/12/2023
Short-term rentals and leases	3,807	2,930
Rentals and leases for low-value assets	3,340	2,269
Royalties	5,122	4,556
Total rentals and leases	**12,269**	**9,755**

16. Personnel costs

(in thousands Euro)	31/12/2024	31/12/2023
Wages and salaries	104,382	93,983
Social security contributions	33,906	30,773
Non-current employee benefits and other provisions	6,656	5,971
Total personnel costs	**144,944**	**130,727**

The five highest-paid employees during the year ended December 31, 2024 and 2023 include a director, whose details are given in Note 49, and four employees, who are not directors and whose personnel costs are as follows:

(in thousands Euro)	31/12/2024	31/12/2023
Wages and salaries	5,361	6,583
Social security contributions	278	514
Non-current employee benefits and other provisions	79	70
Total personnel costs	**5,718**	**7,167**

The number of highest-paid non-Director employees whose remuneration fell into the following ranges were as follows (for 2023 it was included in the special cash bonus paid under the Management Incentive Plan):

	31/12/2024	31/12/2023
HK$3,500,001–HK$4,000,000	2	—
HK$4,500,001–HK$5,000,000	1	—
HK$5,500,001–HK$15,500,000	1	4
Total number of employees	**4**	**4**

17. Other operating expenses

(in thousands Euro)	31/12/2024	31/12/2023
Settlement agreements and damages compensations	6,130	657
Taxes and fees other than income taxes	1,830	1,634
Re-billable costs	1,665	564
Memberships in trade associations	1,036	768
Advertising and promotional material	625	607
Cost under-accruals	504	1,894
Charity initiatives	147	1,176
Reward vouchers and other benefits for employees	65	50
Losses on asset sales	6	39
Sundry operating costs	756	571
Total other operating expenses	**12,763**	**7,961**

The item "Settlement agreements and damages compensations" relates to some agreements entered into in the course of the year ended December 31, 2024 with customers and the costs resulting from a litigation related to a dismissed business.

The item "Taxes and fees other than income taxes" includes the cost of IMU (municipal property tax), stamp duty, Tari (waste tax) and other minor taxes.

The item "Cost under-accruals" refers mainly to the higher costs incurred during the financial year in excess of the provisions recognized in the financial year ended December 31, 2023 for supplies pertaining to the previous years.

The item "Sundry operating costs" includes mainly gifts, fines, stamp duties, etc.

18. Provisions and impairment

This item is shown net of utilizations and releases to income made for the year ended December 31, 2024 and 2023.

(in thousands Euro)	31/12/2024	31/12/2023
Allocations to the provision for product warranties	19,377	25,071
Provision for miscellaneous risks, net	(3,660)	4,478
Allocations to the provision for doubtful accounts	660	1,198
Total provisions and impairment	**16,377**	**30,747**

19. Depreciation and amortization

(in thousands Euro)	31/12/2024	31/12/2023
Depreciation of property, plant and machinery	49,966	48,099
Depreciation of rights-of-use assets	11,362	8,749
Amortization of intangible assets	5,122	6,319
Total depreciation and amortization	**66,451**	**63,167**

Reference should be made to the tables on property, plant, equipment and intangible assets for additional details.

20. Financial income

(in thousands Euro)	31/12/2024	31/12/2023
Interest income from banks	5,408	6,924
Interest and other financial income	605	1,728
Total financial income	**6,013**	**8,652**

The interest income from banks refers to the time deposits accounts agreements with five primary banks, in order to benefit of increasing interest rates.

21. Financial expenses

(in thousands Euro)	31/12/2024	31/12/2023
Interests on banks and other loans	1,236	1,403
Interest on lease liabilities	579	375
Interest on provision for severance benefits and pensions	201	102
Other financial expenses	1,305	2,259
Total financial expenses	**3,321**	**4,139**

22. Foreign exchange gains/(losses)

As at December 31, 2024, the Group does not have exchange rate risk hedging contracts in force; as a result, creditor and debtor balances denominated in foreign currency are subject to changes on the basis of the exchange rates in force at December 31, 2024.

23. Income tax

As shown in the table that follows, the "income tax" amount for the year ended December 31, 2024 was tax expenses of €38,217 thousand, as detailed below:

(in thousands Euro)	31/12/2024	31/12/2023
Corporate income tax (IRES)	(7,157)	(5,407)
Regional tax (IRAP)	(5,301)	(5,412)
Federal taxes and other foreign taxes	(457)	(1,488)
Total current taxes	(12,916)	(12,307)
R&D tax credit	636	1,033
Prior-year taxes	(2)	292
Deferred taxes	(25,935)	(9,536)
Total income tax	**(38,217)**	**(20,519)**

The IRES *(Imposta sul reddito delle società)* taxable base of Ferretti S.p.A. and the subsidiary Zago S.p.A. positive, and therefore, within the framework of national tax consolidation, a provision was made for this tax based on the 24% rate currently in force in Italy. The increase is attributable to the higher taxable income for the year and the absence of the recognition of deferred tax assets on tax losses carried forward as happened in 2023.

Also, the IRAP *(Imposta regionale sulle attività produttive)* taxable base of Ferretti S.p.A. and the subsidiaries Zago S.p.A. and Sea Lion Srl was positive, and therefore a provision was made for this tax based on the rate in force in the regions in which the value of production is calculated.

For companies based in the United States, federal and state taxes of €455 thousand are due, as a result of the taxable income during the period.

The amount of the deferred taxes is mainly attributable to the use of losses carryforward for the amount of €29,391 thousand (Note 30).

The following table provides a reconciliation between the nominal and effective tax rate of the Group for the fiscal year ended December 31, 2024 and 2023:

	31/12/2024	31/12/2023
Theoretical taxable base[8]	126,377	104,022
IRES 24%	(30,330)	(24,965)
IRAP 3.90%	(4,929)	(4,057)
Total theoretical tax	**(35,259)**	**(29,022)**
Credit used for ACE (Allowance for Corporate Equity) of the year	—	2,720
Recognition of R&D receivable	636	1,033
Recognition of previously unrecognized tax losses	—	10,868
Undeductible costs	(1,210)	(3,707)
Other differences	(2,383)	(2,410)
Effective tax recognized in the income statement	**(38,216)**	**(20,519)**

The Group has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognizes nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

On December 28, 2023, the government of Italy enacted the Pillar Two income taxes legislation effective from January 1, 2024 (see Legislative Decree no. 209/2023 and the subsequent Ministerial Decrees, hereinafter "**the Italian Pillar Two rules**").

According to the Pillar Two model rules published by the OECD, Shandong Heavy Industry Group ("**SHIG**") — located in China for tax purposes — would qualify as Ultimate Parent Entity ("**UPE**") as it consolidates all its subsidiaries on a line-by-line basis. As a consequence, the Pillar Two perimeter would be identified with all the entities that are included on a line-by-line method in the Consolidated Financial Statements of SHIG, including Ferretti S.p.A. and its subsidiaries ("**Ferretti sub-group**"). Even if China has not yet implemented the Pillar Two discipline, SHIG, as the UPE, will be in charge of the calculation of the jurisdictional effective tax rate according to the Pillar Two Rules as it may be the data owner for the whole Group with reference to Transitional CbCR Safe Harbours ("**TSH**") and jurisdictional ETR calculations.

According to the Italian Pillar Two rules, Ferretti S.p.A. qualifies as the partially-owned parent entity ("**POPE**") for Pillar Two purposes, as (i) it owns profit rights in other entities that are included in the Consolidated Financial Statements of SHIG and (ii) more than 20% of its profit rights are held by entities that are not included in this consolidation perimeter.

Under the Italian Pillar Two rules, since Ferretti S.p.A. is a POPE not fully owned by another POPE and that is located in a jurisdiction that has implemented the Pillar Two legislation, it is required to pay, in Italy, the top-up tax (if any) up to their allocable share in its subsidiaries which are located in low-taxed jurisdictions (i.e., that are taxed at an effective tax rate determined in accordance to the Italian Pillar Two rules of less than 15%).

8 Figure referred to the profit before tax.

SHIG has performed a preliminary assessment of the TSH on the basis of the OECD rules on "*Safe Harbour and Penalty Relief*" issued on 20.12.2022 (and the subsequent Administrative Guidances), which are intended as "qualifying international agreement on safe harbours" for the purposes of the EU Directive n. 2523/2022 (art. 32) and the Italian Pillar Two rules. This preliminary assessment is based on the group's accounting data for the fiscal year 2024 as reported from the Group entities in the consolidation process, before making any adjustments that would eliminate income or expense attributable to intra-group transactions.

Based on FY 2024 financial data, no significant impact in terms of potential top up tax is expected for the Ferretti sub-group. This preliminary assessment has been performed considering a number of technical positions based on the content of the TSH rules and other guidelines currently available. In this regard, considering the lack of specific interpretations and explanations by the OECD, the EU Directive, the Italian law, such technical positions shall be confirmed once the expected clarifications will be provided at OECD, EU and domestic level.

The group is continuing to assess the impact of the Pillar Two income taxes legislation on its future financial performance.

Notes to the main asset items

The following Notes provide a breakdown of the individual components of the consolidated statement of financial position as at December 31, 2024 compared with December 31, 2023.

Current assets

24. Cash and cash equivalents

(in thousands Euro)	31/12/2024	31/12/2023
Bank and postal accounts	135,625	171,627
Cheques on hand	89	—
Time deposits	20,015	142,464
Cash and securities on hand	15	18
Total cash and cash equivalents	**155,744**	**314,109**

The items listed above can be converted readily into cash and are not exposed to a significant risk that their value may change. There are no obligations or restrictions on use except for time deposits accounts which do not bear interests at the agreed rate, if not maintained util the maturity date. Amounts collected and held in escrow accounts are classified as current assets, under the line item "Other current assets".

The carrying amount of "Cash and cash equivalents" is deemed to be aligned with their fair value at the reporting date.

During the year ended December 31, 2023, the Company has signed time deposit accounts agreements with five primary banks, in order to benefit of increasing interest rates, with maturities ranging from one month to six months.

The time deposits accounts with a maturity of more than three months are classified as current financial assets (see Note 29), if any.

The credit risk related to liquid assets is very limited because the counterparties are major national and international banking institutions and the currency of the cash and cash equivalents were mainly denominated in Euro (for details see Note 6).

A detailed analysis of the changes that occurred in this item is provided in the cash flow statement.

25. Trade and other receivables

	31/12/2024	31/12/2023
Trade receivables	36,437	22,427
Other receivables	38,137	47,843
Total trade and other receivables	**74,574**	**70,271**

Trade receivables

	31/12/2024	31/12/2023
Accounts receivable from customers	40,162	25,923
(Less) Provision for doubtful accounts	(3,725)	(3,496)
Total trade receivables	**36,437**	**22,427**

"Accounts receivable from customers" as at December 31, 2024 relate primarily to sales and services other than boat sales, for which the balance is generally received before delivery based on the contractual terms and conditions in force. Therefore, they refer to paid after-sales services, sales of material and spare parts, merchandising and provision of joinery works. These are considered to be receivable within 12 months.

The provision for doubtful accounts, calculated by the Group in compliance with IFRS 9, changed as follows in the two years of reference:

(in thousands Euro)	31/12/2024	31/12/2023
At beginning of year	**3,495**	**3,216**
Impairment losses, net	660	881
Amount written off as uncollectible	(430)	(602)
At end of year	**3,725**	**3,495**

An impairment analysis is performed at the end of each of the reporting dates to measure expected credit losses. The provision rates are based on the aging for each specific customer. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

For an analysis of the aging of trade receivables by the due date and net of the provision for doubtful accounts, refer to Note 6, Management of financial risks.

In view of the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

Other receivables

	31/12/2024	31/12/2023
Other tax receivables	16,282	16,760
Accruals, deferrals and other receivables	21,855	31,083
Total other receivables	**38,137**	**47,843**

Other tax receivables mainly refer to VAT.
The item "Accruals, deferrals and other receivables" may be broken down as follows:

	31/12/2024	31/12/2023
Receivables owed by social security institutions	413	376
Commissions advances	8,025	5,177
Advances, prepayments and sundry receivables from suppliers	7,797	20,741
Others	114	8
Accruals and deferrals	5,506	4,782
Total accruals, deferrals and other receivables	**21,855**	**31,083**

"Receivables owed by social security institutions" at December 31, 2024 refer mainly to receivables from the Italian workman's compensation agency (INAIL) of €182 thousand, for advances and payments to employees, as well as, for the residual amount, advances against the Redundancy Fund paid to employees on behalf of the Italian social security administration (INPS), still to be refunded for €2 thousand.

The balance relating to "Advances, prepayments and sundry receivables from suppliers" as at December 31, 2024 mainly refers for about the advances paid to suppliers for services that have not yet been completed or work progress payments for goods not yet delivered. The item as at December 31, 2023 included €14.25 million related to the advance payment for the acquisition of an additional 30,000 square meters adjacent to the San Vitale Shipyard, that was executed in January 2024.

As at December 31, 2024, the loss allowance of other receivables was assessed to be minimal.

26. Contract assets

"Contract assets" consist of the amount payable by customers arising from contracts completed at the end of this accounting period, stated net of contract liabilities.

"Contract assets" are measured over time since they meet all the requirements set out in IFRS 15 and are recognized using the input method according to the percentage completed.

The following table provides the breakdown arising from "Contract assets" as at December 31, 2024, compared to those as at December 31, 2023.

(in thousands Euro)	31/12/2024	31/12/2023
Gross value of contract assets	767,259	636,577
Advances collected	(570,540)	(469,731)
Total contract assets	**196,719**	**166,846**

27. Inventories

	31/12/2024			31/12/2023		
(in thousands Euro)	Gross value	Allowance for write-downs	Net amount	Gross value	Allowance for write-downs	Net amount
Raw materials and components inventory	72,154	(6,952)	65,203	74,216	(8,740)	65,475
Work in progress and semi-finished goods	161,922	–	161,922	113,162	–	113,162
New boats	181,726	0	181,726	121,877	0	121,877
Used boats	45,959	(11,216)	34,744	49,339	(12,121)	37,219
Total inventories	**461,762**	**(18,167)**	**443,594**	**358,593**	**(20,861)**	**337,732**

The "Raw materials and components inventory" is adjusted by an allowance for write-downs of €6,952 thousand at December 31, 2024 (€8,740 thousand at December 31, 2023) that reflects an estimate of slow-moving and/or potentially obsolete inventory items.

The item "Work in progress and semi-finished goods" includes boats not covered by orders at the end of the year.

The item "New boats", refers to boats not covered by orders, whose production had been completed at the closing date of the financial year.

The carrying amount of the used boats was adjusted by means of an allowance for write-downs of €11,216 thousand, in order to bring the purchase cost down to its estimated realizable value.

	31/12/2024	31/12/2023
Within one year	405,525	315,785
Beyond one year	38,069	21,947
Total inventories	**443,594**	**337,732**

28. Advances on inventories

The item "Advances on inventories" refers to the advances that the Group pays to its suppliers for purchases of raw materials.

29. Other current assets

The item "Other current assets" totaled €603 thousand as at December 31, 2024 detailed as follow:

(in thousands Euro)	31/12/2024	31/12/2023
Escrow accounts	234	433
Incidental borrowing costs	369	385
Other	0	3
Total other current assets	**603**	**820**

The escrow accounts for €234 thousand as at December 31, 2024 refers to the deposits received by the subsidiary Allied Marine Inc. for its brokerage service (€433 thousand at December 31, 2023). These funds, which are provided by customers upon the signing of an order, are held in escrow until the boat is delivered to the corresponding customer.

The "Incidentals borrowing costs" refer for €369 thousands to the committed "Revolving Credit Facility" finalized on July 26, 2024 and available until July 2029 (Note 35).

30. Income tax recoverable

As at December 31, 2024, iIncome tax recoverable includes mainly tax credits recognized under Italian incentive laws ("Industria 4.0" and "Credito d'imposta Ricerca e Sviluppo e Design e Ideazione estetica 2022") for €1,477 thousand and advances for IRES and IRAP and federal taxes for €643 thousand paid in excess of the amount due at year end by some Group subsidiaries.

Non-current assets

31. Property, plant and equipment

Movements in this item in the year 2024 were as follows:

(in thousands Euro)	Land and buildings	Plant, machinery and equipment	Other property, plant and equipment	Models and moulds	Total
At January 1, 2024					
Cost	350,538	78,251	60,284	330,443	819,516
Accumulated depreciation	(97,861)	(53,017)	(33,479)	(252,812)	(437,170)
Net carrying amount	**252,678**	**25,233**	**26,805**	**77,631**	**382,347**
At January 1, 2024, net of accumulated depreciation	**252,678**	**25,233**	**26,805**	**77,631**	**382,347**
Additions — owned assets	77,831	14,225	5,184	35,135	132,375
Additions — right-of-use assets	9,204	1,575	1,704	0	12,483
Disposals	(17)	(78)	(5,067)	0	(5,162)
Disposals — right-of-use assets	0	0	0	0	0
Depreciation — owned assets	(14,322)	(5,354)	(4,988)	(25,302)	(49,966)
Depreciation — right-of-use assets	(9,472)	(89)	(1,800)	0	(11,362)
Reclassification	(2,562)	1,143	1,483	(728)	664
Exchange realignment	(246)	685	371	0	809
At December 31, 2024, net of accumulated depreciation	**313,093**	**37,340**	**23,692**	**86,736**	**460,860**
At December 31, 2024					
Cost	432,913	95,666	60,562	364,532	953,671
Accumulated depreciation	(119,820)	(58,325)	(36,870)	(277,797)	(492,812)
Net carrying amount	**313,093**	**37,340**	**23,692**	**86,736**	**460,860**

As at December 31, 2024, the net carrying amounts of land and buildings, plant, machinery and equipment, and other equipment and vehicles included right-of-use assets amounting to €15,566 thousand, €1,641 thousand and €1,526 thousand, respectively.

Movements in this item in 2023 were as follows:

(in thousands Euro)	Land and buildings	Plant, machinery and equipment	Other property, plant and equipment	Models and moulds	Total
At January 1, 2023					
Cost	263,335	67,720	50,980	307,492	689,527
Accumulated depreciation	(80,237)	(49,005)	(28,665)	(228,224)	(386,131)
Net carrying amount	**183,098**	**18,714**	**22,315**	**79,268**	**303,394**
At January 1, 2024, net of accumulated depreciation	**183,098**	**18,714**	**22,315**	**79,268**	**303,394**
Additions — owned assets	80,661	12,196	6,344	28,383	127,584
Additions — right-of-use assets	7,000	340	980	0	8,320
Disposals	(21)	(741)	(48)	(623)	(1,434)
Disposals — right-of-use assets	0	0	0	0	0
Depreciation — owned assets	(10,770)	(4,205)	(3,969)	(29,155)	(48,099)
Depreciation — right-of-use assets	(7,360)	(266)	(1,123)	0	(8,749)
Reclassification	456	(1,186)	1,484	(241)	513
Exchange realignment	(386)	382	821	0	817
At December 31, 2023, net of accumulated depreciation	**252,678**	**25,233**	**26,805**	**77,631**	**382,347**
At December 31, 2023					
Cost	350,538	78,251	60,284	330,443	819,516
Accumulated depreciation	(97,861)	(53,017)	(33,479)	(252,812)	(437,170)
Net carrying amount	**252,678**	**25,233**	**26,805**	**77,631**	**382,347**

As at December 31, 2023, the net carrying amounts of land and buildings, plant, machinery and equipment, and other equipment and vehicles included right-of-use assets amounting to €15,834 thousand, €156 thousand and €1,622 thousand, respectively.

32. Intangible assets

Movements in this item in the year ended December 31, 2024 were as follows:

(in thousands Euro)	Goodwill	Indefinitive life Trademarks	Other intangible assets	Total
At January 1, 2024				
Cost	8,914	244,599	75,321	328,834
Accumulated amortization	—	0,000	(52,182)	(52,182)
Net carrying amount	**8,914**	**244,599**	**23,140**	**276,652**
At January 1, 2023, net of accumulated amortization	**8,914**	**244,599**	**23,140**	**276,652**
Additions	0	347	8,127	8,474
Disposals	—	—	—	0
Amortization	—	—	(5,123)	(5,123)
Impairment	—	—	—	0
Reclassification	—	—	—	0
Exchange realignment	—	—	446	446
At December 31, 2023, net of accumulated amortization	**8,914**	**244,946**	**26,590**	**280,449**
Cost	8,914	244,946	83,894	337,754
Accumulated amortization	—	—	(57,304)	(57,304)
Net carrying amount	**8,914**	**244,946**	**26,590**	**280,449**

Movements in this item in the year ended December 31, 2023 were as follows:

(in thousands Euro)	Goodwill	Indefinitive life Trademarks	Other intangible assets	Total
At January 1, 2023				
Cost	8,914	244,448	56,833	310,195
Accumulated amortization	–	–	(46,125)	(46,125)
Net carrying amount	**8,914**	**244,448**	**10,709**	**264,070**
At January 1, 2023, net of accumulated amortization	**8,914**	**244,448**	**10,709**	**264,070**
Acquisition of subsidiaries	–	180	19,305	19,485
Additions	–	–	–	–
Disposals	–	–	(6,057)	(6,057)
Amortization	–	–	(262)	(262)
Reclassification	–	–	(554)	(554)
Exchange realignment	–	29	–	29
At December 31, 2023, net of accumulated amortization	**8,914**	**244,599**	**23,140**	**276,652**
Cost	8,914	244,599	75,321	328,834
Accumulated amortization	–	–	(52,182)	(52,182)
Net carrying amount	**8,914**	**244,599**	**23,140**	**276,652**

Goodwill

Goodwill is related to the investment in the subsidiary Zago S.p.A., the subsidiary Ferretti Group (Monaco) S.a.M. and the subsidiaries acquired for the year ended December 31, 2022 Il Massello S.r.l. and Fratelli Canalicchio S.p.A., as shown in the table below.

	31/12/2024	31/12/2023
Zago S.p.A.	332	332
Gruppo Ferretti (Monaco) S.a.M.	1,299	1,299
Fratelli Canalicchio S.p.A.	2,699	2,699
Il Massello S.r.l.	4,584	4,584
Total goodwill	**8,914**	**8,914**

Trademarks

A breakdown of the value of “Trademarks” as at December 31, 2024 is as follows:

	31/12/2024	31/12/2023
Ferretti Yachts	95,318	95,318
CRN	46,528	46,528
Custom Line	36,718	36,718
Riva	30,848	30,848
Wally	25,434	25,434
Pershing	8,609	8,609
Easy Boat	9	9
Costs for trademark registration	1,481	1,134
Total trademarks	**244,946**	**244,599**

Impairment test on indefinite useful life intangible assets

On December 31, 2024, the Group carried out impairment tests on these assets.

Based on the process of identification of Cash Generating Units (CGUs), the value of trademarks is allocated to the individual CGUs, as they have been identified based on the trademarks produced and marketed.

The main assumptions underlying the impairment test performed to determine value in use, which are those concerning operating cash flows, discount rate and growth rate, are reviewed below:
— the free cash flows used to determine value in use were those derived from the management’s most recent forecasts with a five-year time period;
— the impairment test was performed considering as the value in use of the CGUs, which includes their terminal value, determined in accordance with the perpetuity criterion; and
— the main criteria used to determine the value in use are summarized in the following table, and are the same for all the CGUs:

	31/12/2024	31/12/2023
Interest rate for riskless assets	3.50%	4.24%
Discount rate pre-tax - WACC	12.68%	12.68%
Perpetuity growth rate (g-rate)	2.00%	2.00%

— the Group’s management adopted a discount rate in a configuration pre-tax effects that reflects current market valuations of the cost of money and the specific risk associated with each CGU. In the calculation of the terminal value, the Group uses a long-term growth rate of 2.0% after considering publicly available data and market perspective.

The impairment test results did not indicate any need to write down the intangible and tangible assets for the Group's CGUs. The Group also carried out a second-level test, considering and verifying goodwill impairment at that level. The impairment test carried out did not show any need for write-downs.

The Group also conducted sensitivity analyzes of the parameters applied in the base version of the test, increasing or decreasing the WACC discount rate and/or the g-rate.
On the basis of the analyzes done, the management of the Group has not identified that a reasonable possible change in the key parameters that could cause the carrying amount of the CGUs to exceed the recoverable amount as at the end of 2024 and 2023.

Other intangible assets

(in thousands Euro)	31/12/2024	31/12/2023
Concessions	14,188	11,420
Intellectual property rights	11,716	11,164
Software	685	555
Total other intangible assets	**26,590**	**23,139**

This item includes:

— "Concessions" refers chiefly to (i) for a net book value of €12,397 thousand, the costs incurred to acquire an area of approximately 17,000 sq.m. of the Ravenna shipyard pursuant to a public land-use concession, used as a dry dock and a quay with docks and launching structure. The Group applied for a new concession for an extended area and time, with an increase of the quay for the construction of piers and partial filling of the dry dock that was approved by the competent Authority in November 2024 for 40 years, which is in the process of being formally signed; (ii) the costs incurred to acquire docking rights until 2053 in a marina located in Cattolica within the framework of the Detailed Public Initiative Plan for Port Facilities in the Municipality of Cattolica, for a net book value of €587 thousand; (iii) the docking right in the marina Porto Mirabello, in the Gulf of La Spezia, the net value of the investment is €586 thousand; the right will remain valid until 2067;

— "Intellectual property rights" with a net book value of €11,716 thousand include the costs of the projects carried out by the Group, which extended to the main business areas, in view of constant improvement and complete integration of the various Group companies operating in Italy and abroad, as part of the reorganization of the Group initiated in previous years. This item also includes the design work to develop naval platforms for the construction of the CRN models. The Group conducted research and development on innovative solutions for each model to be applied to all units built. In particular, the projects being developed include: the creation of special gates, built on land before the steel boat structure arrives in the shipyard; standardization of the plant processes; study of the installation of plastic pipes to optimize footprint; development of an engine room optimized for the passage of pipes and conduits; and the study and development of light-weight furnishings, with support from the Engineering Department.

— the residual value of the item "Other intangible assets" (€685 thousand) referred to the net value of licenses for new IT applications and the net value of patents.

33. Other non-current assets

A breakdown of this item is as follows:

	31/12/2024	31/12/2023
Equity investments designated at fair value through income statement	5	5
Deposits	1,881	1,620
Commissions advances	3,485	2,703
Other assets	1,227	1,748
Incidental borrowing costs	1,216	—
Total other non-current assets	**7,814**	**6,077**

Equity investments

The balances mainly include equity investment in industry consortia. During the financial year ended at December 31, 2023 the equity investment in Nouveau Port Golf Juan which owns certain commercial premises currently occupied by a restaurant was written down as the state concession will expire at the end of June 2024.

Commissions advances

The balances mainly refer to advances on commissions paid on the basis of interim receipts from customers for boats that will be delivered after the following year.

Other assets

The item "Other assets" chiefly refer to prepaid expenses due after year-end.

Incidents borrowing costs

The item "Incidentals borrowing costs" refers for €1,216 thousands to the expenses borne for the signing of the agreement for a new committed "Revolving Credit Facility" finalized on July 26, 2024 and available until July 2029 (Note 35).

34. Deferred tax assets

In detail, movements for the year ended December 31, 2024 are as follows:

	Provisions	Inventory write-downs	Provision for doubtful accounts	Differences in depreciation and amortization for reporting rather than tax purposes	Goodwill relevant for income tax purposes	Tax losses	Other sundry differences	Total
At December 31, 2023 and January 1, 2024	**18,604**	**4,309**	**614**	**11,139**	**906**	**41,378**	**955**	**77,905**
Credited/ (charged) to								
Profit or loss	(146)	720	—	1,691	(172)	(29,391)	30	27,268
Other reserves	—	—	—	—	—	—	—	—
At December 31, 2024	**18,457**	**5,029**	**614**	**12,830**	**734**	**11,987**	**985**	**50,637**

	Depreciation of land and other assets valued at less than 516/k	Trademarks	Leasing	Other	Total
At December 31, 2023 and January 1, 2024	**1,315**	**60,659**	**5,292**	**3,715**	**70,981**
Charged/(credited) to					
Profit or loss	—	—	(129)	(1,209)	(1,338)
Other comprehensive income	—	—	—	158	158
Exchange differences	—	—	—	34	34
At December 31, 2024	**1,315**	**60,659**	**5,163**	**2,697**	**69,835**

In detail, movements for the year ended December 31, 2023 are as follows:

	Provisions	Inventory write-downs	Provision for doubtful accounts	Differences in depreciation and amortization for reporting rather than tax purposes	Goodwill relevant for income tax purposes	Tax losses	Other sundry differences	Total
At December 31, 2022 and January 1, 2023	**13,773**	**2,653**	**633**	**10,484**	**1,114**	**57,683**	**904**	**87,243**
Credited/ (charged) to								
Profit or loss	4,831	1,656	(19)	655	(208)	10,868	51)	17,835
Other reserves	—	—	—	—	—	(27,173)	—	(27,173)
At December 31, 2023	**18,604**	**4,309**	**614**	**11,139**	**906**	**41,378**	**955**	**77,905**

	Depreciation of land and other assets valued at less than 516/k	Trademarks	Leasing	Other	Total
At December 31, 2022 and January 1, 2023	**1,315**	**60,659**	**5,420**	**3,450**	**70,850**
Charged/(credited) to					
Profit or loss	—	—	(129)	327	198
Other comprehensive income	—	—	—	39	39
Exchange differences	—	—	—	(100)	(100)
At December 31, 2023	**1,315**	**60,659**	**5,292**	**3,715**	**70,981**

For the purpose of their presentation in financial statements, some tax assets and liabilities have been set off each other in the statement of financial position. Below is an analysis of Group's deferred tax assets:

	31/12/2024	31/12/2023
Deferred tax assets	—	6,926
Deferred tax liabilities	(19,202)	—
Total deferred tax assets	**(19,202)**	**6,926**

The Company has tax assets arising from tax losses of €11,987 thousand and €41,378 thousand as at December 31, 2023 and 2022 that are available without any time limit for offsetting against future taxable profits of the entities included in Group tax consolidation scheme in the limit of 80% of the income (the Italian tax regulations permits to deduce in future periods tax losses that were not deducted in the past). Deferred tax assets were recognized, consistently with IAS 12 requirements, only to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized.

No deferred tax assets arising from tax losses carried forward ("**DTAs**") have not been recognized as at December 31, 2024.

At each reporting date, the Group reassesses its DTAs, (both recognized and unrecognized) and it recognizes previously unrecognized DTAs to the extent that it is probable that sufficient taxable profit will be available to enable the asset to be recovered, based on the actual profits before tax and based on the expected continuous improvements in future prospects and future forecast profits.

The payment of dividends by the Company to its shareholders did not entail related tax effects.

Notes to the main liabilities and equity items current liabilities

35. Minority shareholders' loan and bank and other borrowings

	31/12/2024			31/12/2023		
	Effective interest rate	Maturity	Amount	Effective interest rate	Maturity	Amount
Due to banks — secured	Euribor* + 1.6	2025	180	Euribor* + 1.6	2024	155
Due to banks — unsecured	1.0 – 3.5	2025	1,766	1.0 – 3.5	2024	2,425
Incidental borrowing costs	—	—	0	—		0
Due to banks net of incidental borrowing costs	**—**	**—**	**1,947**	**—**	**—**	**2,580**
Lease liabilities	1.7 – 6.6	2025	8,587	1.7 – 6.6	2024	8,674
Minority Shareholders' Loan	—	—	500	—	—	1,000
Total short-term financial payables	**—**	**—**	**11,034**	**—**	**—**	**12,253**

	31/12/2024			31/12/2023		
	Effective interest rate	Maturity	Amount	Effective interest rate	Maturity	Amount
Due to banks — secured	Euribor* + 1.6	2030	1,419	Euribor* + 1.6	2024	1,466
Due to banks — unsecured	1.0 – 3.5	2030	227	1.0 – 3.5	2024	687
Incidental borrowing costs	—	—	0	—	—	0
Due to banks net of incidental borrowing costs	**—**	**—**	**1,646**	**—**	**—**	**2,153**
Lease liabilities	1.7 – 6.6	2055	17,989	1.7 – 6.6	2055	17,370
Liabilities arising on Business Combinations	—	—	2,299	—	—	2,093
Total medium-/long-term financial payables	**—**	**—**	**21,934**	**—**	**—**	**21,616**
Total bank and other borrowings	**—**	**—**	**32,968**	**—**	**—**	**33,870**

* If Euribor is lower than zero, Euribor should be deemed equal to zero.

The Minority Shareholders' Loan refers to the loan of the company Fratelli Canalicchio S.p.A. granted by the minority shareholders, that during the first months of the current year has been partially reimbursed for €500 thousand.

The bank debt refers to several revolving facilities and term loan facilities related to the subsidiaries Il Massello Srl, Fratelli Canalicchio S.p.A. and Ram S.p.A..

On August 2, 2024, the medium-to-long-term loan agreement for a maximum total amount of €170 million signed in August 2019 expired.

The loan agreement was signed with Banca Nazionale del Lavoro S.p.A., Banco BPM S.p.A., Barclays Bank Ireland PLC, BNP Paribas, Milan Branch (also acting as agent — the "**Agent Bank**"), BPER Banca S.p.A., Crédit Agricole Italia S.p.A., MPS Capital Services Banca per le Imprese S.p.A. and UBI Banca S.p.A., as lenders, and was not in use.

The interest rate applicable to the Loan was equal to the sum of the EURIBOR and the applicable spread, according to the level of the leverage ratio.

The Loan Agreement was subject to a financial covenant relating to the compliance with certain significant thresholds relating to the leverage ratio of total net debt (as defined in the Loan Agreement) to EBITDA (as defined in the Loan Agreement), to be calculated at the consolidated level on a half-yearly basis (June 30 and December 31, of each year on a 12-month basis). At December 31, 2023 and June 30, 2024 all covenants had been fulfilled.

The Group replaced it by negotiating a new revolving facility and on July 26, 2024 the Group has signed a loan agreement with a pool of banks including Banco BPM S.p.A., BPER Banca S.p.A., Intesa Sanpaolo S.p.A. and UniCredit S.p.A. to support the Company in its growth path by financing, if necessary, the working capital.

The new revolving line is committed for a total amount of €160 million and a duration of 5 years from the date of signature of the Loan Agreement.
The Loan Agreement is subject to a financial covenant relating a compliance to the leverage ratio of Total Net Debt (as defined in the Loan Agreement) to EBITDA (as defined in the Loan Agreement), to be calculated at consolidated level on a yearly basis (test date December 31, of each year); this ratio cannot exceed a threshold of 2.5x on the test date.
The Group can not create guarantees on its assets otherwise provided by the Loan Agreement.

In addition, the Loan Agreement provides, in case of utilisation, an annual clean-down period, for a minimum of three consecutive business days (it being understood that no fewer than three months may elapse between one clean-down period and another) and includes several mandatory early repayment clauses in certain circumstances.
The interest rate applicable to the Loan is equal to the sum of the EURIBOR and the applicable spread (0,90% on annual bases).

Finally, no guarantee has been provided on the Group's real estate or other assets and there are no commitments for that.
The new revolving line is not in use as at December 31, 2024 and all covenants had been fulfilled.

The item "Liabilities arising on Business Combinations" of Bank and other borrowings refers for €2,299 thousand to the value of the put and call options for the acquisition of the non-controlling interest of Fratelli Canalicchio S.p.A. and Il Massello s.r.l., both exercisable from September 2027 to September 2028. With regard to the analysis of bank and other borrowings based on maturity, please refer to Note 6 "Financial risk management".
All borrowings are denominated in Euro.

36. Provisions

The item is detailed as follows:

(in thousands Euro)	31/12/2024	31/12/2023
Current portion	59,187	62,809
Non-current portion	11,863	12,535
Total provision	**71,050**	**75,344**

The table below shows the changes that occurred in "Provisions" for the year ended December 31, 2024 and the year ended December 31, 2023:

(in thousands Euro)	Provision for product warranties	Provisions for miscellaneous risks	Total provisions
Balance at January 1, 2024	33,931	41,412	75,344
Additions	19,377	24,513	43,890
Utilisations during the period	(21,128)	(27,057)	(48,185)
Total at December 31, 2024	**32,180**	**38,870**	**71,050**

(in thousands Euro)	Provision for product warranties	Provisions for miscellaneous risks	Total provisions
Balance at January 1, 2023	26,300	29,693	55,995
Additions	25,071	26,043	51,114
Utilizations during the year	(17,440)	(14,324)	(31,764)
Total at December 31, 2023	**33,931**	**41,412**	**75,344**

Provision for product warranties

The "Provision for product warranties" reflects the best possible estimate based on available information of the warranty obligations that may be incurred after the reporting date for products sold before that date.

The amount added annually to this provision, for all Group companies, is based on past experience and future expectations and takes into account new-product launches and the impact of a warranty period of 24 months, even though virtually all warranty claims are received within the first 12 months after a product is sold. A portion of the provision for product warranties is classified as non-current.

(in thousands Euro)	31/12/2024	31/12/2023
Current portion	20,317	21,396
Non-current portion	11,863	12,535
Total provision for product warranties	**32,180**	**33,931**

Provisions for miscellaneous risks

(in thousands Euro)	31/12/2024	31/12/2023
Legal proceedings and tax and employment law litigation	3,232	6,410
Dealer incentives	16,276	13,069
Provisions for completion of boats	3,243	4,362
Provisions for other risks	16,119	17,572
Total provisions for miscellaneous risks	**38,870**	**41,413**

Provisions for "Legal proceedings and tax and employment law litigation" refer, as far as the legal part is concerned, to potential liabilities arising from the Group's core activity regarding current litigation involving actions for liability due to breach of contract in general and/or contractual liability arising from flaws in the product sold, and other actions concerning claims for compensation for damages by third parties.
The provisions in item "Dealer incentives" were established to cover the costs that the Company could incur under a system that awards bonuses to dealers who reach predetermined customer service targets.

The "Provisions for other risks" were established to cover liabilities that are likely to arise as a result of identified issues that Group companies could face in the normal course of business.

37. Trade and other payables

The table below sets forth a breakdown of the Group's trade and other payables as of the dates indicated:

(in thousands Euro)	31/12/2024	31/12/2023
Trade payables	427,026	393,915
Other payables	52,121	50,606
Total trade and other payables	**479,147**	**444,521**

a. Trade payables

(in thousands Euro)	31/12/2024	31/12/2023
Trade and other payables — current	477,751	443,585
Trade and other payables — non-current	1,396	936
Total trade and other payables	**479,147**	**444,521**

"Accounts payable to suppliers" relate to the amount due to suppliers for ordinary commercial supplies of services and materials, at arm's length.

For an analysis of future flows of trade payables, based on their maturity, please refer to Note 6 "Financial risk management".

b. Other payables

(in thousands Euro)	31/12/2024	31/12/2023
Payables due to pension and social security institutions	14,264	13,188
Amounts payable to employees	21,886	21,425
Amounts payable to directors	2,339	3,164
Other tax payable	4,253	3,857
Miscellaneous payables	3,522	4,542
Accrued expenses	1,161	1,362
Deferred income	3,300	2,131
Government authorization fees	84	163
Deferred income — non current	1,312	773
Total other payables	**52,121**	**50,606**

The item "Payables due to pension and social security institutions" reflects the amounts owed to these institutions as at December 31, 2024 by Group companies and their employees for the December payroll and for accrued and deferred remuneration.

The item "Amounts payable to employees" refers to the December payroll to be paid in the following month and to the liability for accrued and unused vacations and personal days, as well as to the accrued portion of the performance and production bonus.

The item "Amounts payable to directors" refers to remuneration which has accrued but was not yet paid as of December 31, 2024.

The item "Other tax payable" chiefly refers to taxes withheld accrued that will be paid in January 2025.

The items "Accrued expenses and deferred income" consists mainly of insurance premiums and other transactions recognized on an accrual basis.

The item "Government authorization fees non-current", totalling €84 thousand at December 31, 2024, relates mainly to prepayments of public grants received by the Group of €61 thousand authorized in favor of the former Riva S.p.A., now merged in the Company and €23 thousand authorized in favor of the former subsidiary CRN S.p.A., now also merged in the Company. Said deferred income was classified under "Non-current liabilities" for the portion due after the following year. These grants will be recognized in the income statement along with the amortization periods of the corresponding assets once the underlying framework agreements expire.

The Group's management believes that the carrying amount of "Total trade and other payables" is close to their fair value.

38. Contract liabilities

"Contract liabilities" include amounts paid by customers for orders not yet fulfilled, based on the sales conditions normally applied. More specifically, this item represents both the part of advances exceeding production already completed and the part of advances received and for which the order has not progressed as at the reporting date.

39. Income tax payable

The item "Income tax payable" as at December 31, 2024 refers to income taxes accrued that will be paid in the following year.

Non-current liabilities

40. Non-current employee benefits

The breakdown of this item as at December 31, 2024 and December 31, 2023 are as follows:

(in thousands Euro)	31/12/2024	31/12/2023
Provision for employee benefits	6,239	6,579
Provision for leaving indemnity	861	865
Total non-current employee benefits	**7,100**	**7,444**

a. Employee benefits

Under IAS 19, modified by IFRS 2, employee benefits provided in accordance with Italian laws that govern the payment of employee severance indemnities should be treated as post-employment benefits provided under a defined-benefit plan and, consequently, should be valued in accordance with the Projected Unit Credit Method. However, in view of the new provisions introduced by the 2007 Budget Law (Law No. 296 of December 27, 2006), the entities authorized to provide a technical analysis of this issue (Abi, Assirevi and the National Board of Actuaries) concluded that the severance benefits that vest from January 1, 2007 on (or on the date that the option for employees who opted to pay into supplemental pension funds starts) and are invested in supplemental pension funds or deposited in the Treasury Fund maintained by the INPS should be treated as being part of a defined-contribution plan and, as such, are no longer subject to actuarial valuation.

The 2015 Stability Law, which allows employees, on request, to receive in their payslips the accrued portion of severance pay from March 1, 2015 until June 30, 2018 (if they have at least 6 months in service) has no effect on the valuations, as the provision for accrued severance pay is not kept by the Group companies.

The process of determining the Group's obligations toward its employees, which was carried out by Mr. Tommaso Viola ("**Mr. Viola**"), being an Italian independent actuary and a member of the Italian "Ordine Nazionale degli Attuari", with the same procedure followed at December 31, 2023, involved the following steps:

— projection of vested severance indemnity benefits on the valuation date and of the benefits that will vest until

the uncertain date when the employment relationship is terminated or payment of an advance on vested severance indemnity benefits;
- discounting at the valuation date of the expected cash flows that the Group will allocate to its employees in the future;
- in each valuation year, for each employee, the calculation of the annual severance pay increase was made net of the 17% substitute tax (on the annual revaluation amount of severance pay), as provided for in the 2015 Stability Law.

The following table provides the movements in the item "Provision for employee benefits" as at December 31, 2024 and December 31, 2023:

(in thousands Euro)	31/12/2024	31/12/2023
Present value of the initial obligation	6,579	6,783
Acquisition of subsidiaries	61	0
Interest cost	197	99
Service cost	232	231
Actuarial gains	(265)	(159)
Use for indemnities paid and advances	(567)	376
Present value of the final obligation	**6,240**	**6,579**

At December 31, 2024, the following assumptions were made:

Demographic Assumptions
- Probability of death of active employees (grouped by age and gender) obtained by reducing by 30% the death probabilities for the Italian population in 2023 (source: ISTAT);
- yearly probability of termination of employment for various reasons (resignation, dismissal), based on the experience for the population in the last five years and applied to all employees aged 65 or younger, equal to 3%;
- yearly probability of requests for payment of advances on vested severance indemnity benefits, based on the experience for the population in recent four years and applied to all employees with seniority of one year or more, of 1%;
- the frequency of employment termination due to resignation by employees achieving the right to receive an old-age or seniority-based pension was also conservatively assumed to be 100%. The requirements for obtaining an old-age or seniority-based pension were assumed to be the same as those set forth in the current regulations of the Italian Social Security Administration (INPS). At present, no employees have requested early retirement.

Financial Assumptions
- Annual inflation rate: 2.5% for the entire valuation period;
- annual revaluation rate of severance indemnity benefits: fixed at 1.5% for the entire valuation period plus 75% of the inflation rate;
- technical discounting rate applied to value defined-benefit plan obligations and the current service cost relating to December 31, 2024: 3.3%;
- technical discounting rate for the valuation of financial charges for the period January 1, 2024 to December 31, 2024, equal to the discounting rates for valuations of the defined-benefit obligations at December 31, 2023 (interest cost): 3.1%;
- technical discounting rate at December 31, 2024, based on the yield of the iBoxx Euro 10+ AA Allostock Corporate Bond Index: 3.3818%.

In 2024, an actuarial gain amounting to €658 thousand (before tax), gross of fiscal effect, was recognized under the "Other equity reserves" item.

The amounts recognized in the income statement are summarized below:

(in thousands Euro)	31/12/2024
Interest cost	201
Service cost	232
Total	**433**

b. Provision for leaving indemnity

As required by the new supplemental company agreement signed in July 2012 by the Company and the unions representing its employees, each year the Group sets aside a provision for seniority bonuses. These bonuses are payable to employees who, starting on September 1, 2012, have completed or will complete more than 12 years of service.

On a transitional basis, a different loyalty bonus will be paid on termination of the contracts to the employees at some sites who previously received a different bonus and had already accrued more than 12 years' service. The amount previously accruing for all workers will remain unchanged.

As was the case for the Provision for employee severance indemnities, the Group's liability toward its employees was determined by Mr. Viola.

The actuarial valuation model is based on technical assumptions, which include the demographic and financial assumptions used to generate the computation parameters. An overview of the assumptions adopted is provided below.

At December 31, 2024, the following assumptions were made:

Demographic Assumptions

— Probability of death of active employees (grouped by age and gender) obtained by reducing by 30% the death probabilities for the Italian population in 2023 (source: ISTAT);
— probability of termination of employment for various reasons (resignation, dismissal), equal to 3% annually for all employees aged 65 or younger;
— the frequency of employment termination due to resignation by employees achieving the right to receive an old-age or seniority-based pension was also assumed to be 100%. The requirements for obtaining an old-age or seniority-based pension were assumed to be the same as those set forth in the current regulations of the Italian Social Security Administration (INPS). In this regard, it should be borne in mind that no employees have requested early retirement at the present moment.

Financial Assumptions

- Technical discounting rate applied to value defined-benefit obligations and the current service cost relating to December 31, 2024: 3.3%;
- technical discounting rate for the valuation of financial charges for the period January 1, 2024;
- December 31, 2024, equal to the discounting rates for valuations of the defined-benefit obligations at December 31, 2023 (interest cost): 3.1%;
- technical discounting rate at December 31, 2024, based on the yield of the iBoxx Euro 10+ AA Allostock Corporate Bond Index: 3.3818%.

The actuarial valuation performed in accordance with the method explained above shows that the provision had a value of €395 thousand at December 31, 2024, including the respective contributions.

The provision for indemnities payable upon termination of employment, which had a balance of €466 thousand at December 31, 2024, is attributable to Zago S.p.A.

The table below provides an analysis of the sensitivity of the parameters applied in the actuarial valuation to an increase or decrease in the technical discounting rate for measuring the value of the final obligation in relation to future employee benefits.

	Increase/ (decrease) of the interest rate of %	**Increase/ (decrease) of Provision for employee benefits** *(in thousands Euro)*
	0.25	117
December 31, 2024	(0.25)	(129)

	Increase/ (decrease) of the interest rate of %	**Increase/ (decrease) of Provision for employee benefits** *(in thousands Euro)*
	0.25	134
December 31, 2023	(0.25)	(139)

Share capital and reserves

As at December 31, 2024 the share capital and reserves were unchanged in respect to the amount as at December 31, 2023, except for the profit for the year ended December 31, 2023.

Equity amounted to €898,236 thousand as at December 31, 2024 (€839,680 as at December 31, 2023), as detailed below together with the main components of "Share capital and reserves.

41. Share capital

	31/12/2024	31/12/2023
Issued and fully paid	338,483	338,483

The share capital, fully subscribed and paid up, is formed of 338,482,654 ordinary shares without par value.

42. Reserves

The share premium reserve amounted to €425,041 thousand as at December 31, 2024. The legal reserve, set up pursuant to applicable laws, amounts to €15,225 thousand.
The translation Reserves, amounting to €8,263 thousand at December 31, 2024, reflects the foreign exchange differences that arise from the conversion of the equity opening balances and income statement of the US subsidiaries of the Company, which are translated into Euro at the U.S. dollar exchange rate in force at December 31, 2024 and at the average exchange rate for the period, respectively. During the year, the reserve changed positively by €2,730 thousand, as reported in the consolidated comprehensive income statement.

The item "Other reserves", at €110,144 thousand at December 31, 2024, mainly includes:
— the overall effect of the income/(loss) on defined-benefit plans: the reserve amounting to €1,202 thousand at December 31, 2024 was set up in accordance with IAS 19 — Employee Benefits; during the period the amount of the reserve changed by €500 thousand, net of the tax effect, as reported in the consolidated Comprehensive income statement;
— the remaining part is mainly referred to accumulated earnings/(losses)

Dividends

	31/12/2024	31/12/2023
Dividends	32,833	19,903

The General Shareholders' Meeting convened on April 22, 2024, authorized a dividend payout for €32,833 thousand (equal to €0.097 per share). The dividend has been paid to market participants in Europe on June 26, 2024 and to market participants in Hong Kong on the next business day.

The General Shareholders' Meeting convened on May 18, 2023, authorized a dividend payout for €19,903 thousand, equal to €5.88 cents per share, made on June 05, 2023.

On March 14, 2025, the board of directors of the Company proposed dividend of €33,848 thousand (equal to €0.10 per share), which is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

43. Non-controlling interests

Non-controlling interests are non material and represented by:
— 25% of Sea Lion S.r.l.'s shares;
— 7% of Ram S.p.A.'s shares;
— 15% of Il Massello S.r.l.'s shares.

44. Earnings per share attributable to shareholders of the company basic and diluted

Earnings per share were calculated as the ratio of net profit for the year attributable to shareholders of the Company to the weighted average number of shares in issue during the year, as indicated in the table below, and coincides with the earnings per share diluted due to the absence of partially dilutive instruments.

	31/12/2024	31/12/2023
Profit attributable to shareholders of the company (in thousands Euro)	87,918	83,048
Weighted average number of shares during the year	338,482,654	338,482,654
Earnings per share attributable to shareholders of the company: basic and diluted (in Euro)	**0.26**	**0.25**

45. Business combinations

2024

No business combination was made in the fiscal year ended December 31, 2024.

2023

No business combination was made in the fiscal year ended December 31, 2023.

46. Cash flows

Group's main non-monetary transactions

For the years ended December 31, 2024 and 2023, the Group had non-cash additions to rights-of-use assets and lease liabilities of €12,483 thousand and €8,320 thousand, respectively.

Changes in liabilities arising from financing activities

Bank and other borrowings

(excluding lease liabilities)

(in thousands euro)	31/12/2024	31/12/2023
At the beginning of the year	7,825	11,400
Changes in financing activities		
Acquisition of a subsidiary	0	0
New borrowings	1,325	1,000
Repayment	(2,900)	(6,029)
Other	142	1,454
Total at the end of the year	**6,392**	**7,825**

Lease liabilities

	31/12/2024	31/12/2023
At the beginning of the year	26,044	28,158
Changes in financing activities		
New lease	13,247	8,320
Interest expenses	579	375
Lease payment	(13,294)	(10,809)
Total at the end of the year	**26,576**	**26,044**

Total cash outflows for leasing

Total cash outflows for leasing included in the consolidated cash flow statements are as follows:

	31/12/2024	31/12/2023
Operating activities	3,313	5,199
Financing activities	13,294	10,809

47. Related party transactions

Transactions with related parties, as defined by IAS 24, concern arrangements, not always formalized with the conclusion of standardized contracts, relating primarily to the supply of services, including advisory. These transactions form part of normal business operations and, in the Company's judgment, are in general settled under arm's length conditions.

Although the Company considers that transactions with related parties have been carried out in general under arm's length conditions, there is no guarantee that, if they had been concluded between or with third parties, the latter would have negotiated and entered into the related contracts, or carried out the transactions, under the same conditions and with the same procedures adopted by the Group.

The breakdown of the Group's balances with related parties at December 31, 2024 and December 31, 2023 is set out below:

(in thousands Euro)	Trade and other receivables	Shareholders' debt	Trade and other payables
Fellow subsidiaries			
Weichai Power Co., Ltd	484	–	(645)
Shandong Weichai Import & Export Co., Ltd	1,350	–	–
Other related companies			
HPE S.r.l.	–	–	(100)
Ferrari S.p.A.	–	–	(298)
Societè Int. Moteurs Baudouin	–	–	(114)
Still S.p.A.	–	–	(142)
Other related parties	28	500	(186)
Total related parties at December 31, 2024	**1,862**	**500**	**(1,495)**

(in thousands Euro)	Trade and other receivables	Shareholders' debt	Trade and other payables
Fellow subsidiaries			
Weichai Power Co., Ltd	484	–	(645)
Shandong Weichai Import & Export Co., Ltd	3,150	–	–
Other related companies			
HPE S.r.l.	–	–	(100)
WM S.A.M. (ex Wally S.A.M.)	467	–	(37)
Ferrari S.p.A.	–	–	–
Studio Fontana & Zanardi	–	–	(17)
Still S.p.A.	–	–	(113)
Other related parties	28	1,000	(170)
Total related parties at December 31, 2023	**4,130**	**1,000**	**(1,082)**

The balance of trade and other payables to Weichai Power Co., Ltd amounting to €645 thousand at December 31, 2024 refers wholly to the agreements on the right to sponsor the "Riva" brand on the Ferrari single-seater helmet during the FIA Formula One championship.

The balance of trade and other receivables from Shandong Weichai Import & Export Co., Ltd amounting to €1.4 million at December 31, 2023 refers wholly to the sale of a yacht.

The balance of trade and other payables to HPE Srl amounting to €100 thousand at December 31, 2024 refers wholly to the last two instalments in 2024, based on the agreement entered into on January 1, 2017 and relating to the supply of services such as design, simulation, calculation, development, implementation and launch on the market of new concepts and style for the Company's products.

The balance of trade and other payables to Ferrari S.p.A. amounting to €298 thousand at December 31, 2024 refers primarily to sponsoring the "Riva" brand on the Ferrari helmets and the race cars.

The balance of trade and other payables to other related parties amounting to €186 thousand at December 31,

2024 mostly refers to the other services provided by related parties under arm's length conditions.

A breakdown of the Group's transactions with related parties for the years ended December 31, 2024 and December 31, 2023 is set out below:

	Net revenue	Other revenue	Costs for the use of raw materials, services, rentals and leases
Company's Directors	6,850	–	–
Other related companies			
Societè Int. Moteurs Baudouin	–	–	(162)
WM S.A.M.	–	–	(595)
Ferrari S.p.A.	–	–	(1,391)
HPE S.r.l.	–	–	(200)
Still S.p.A.	–	–	(292)
Other related parties	–	–	(1,209)
Total related parties at December 31, 2024	**6,850**	**–**	**(3,849)**

	Net revenue	Other revenue	Costs for the use of raw materials, services, rentals and leases
Fellow subsidiaries			
Hydraulics Drive Technology	—	—	(54)
Ferretti International Holding S.p.A.	—	2,880	—
HPE S.r.l.	—	—	(200)
WM S.A.M. (ex Wally S.A.M.)	—	—	(450)
Ferrari S.p.A.	—	—	(1,030)
Studio Zanardi & Fontana	—	—	(17)
Still S.p.A.	—	—	(145)
Other related parties	43	10	(1,187)
Total related parties at December 31, 2023	**43**	**2,890**	**(3,083)**

The costs with regard to Societè Int. Moteurs Baudouin amounting to €162 thousand at December 31, 2024 refer to the costs incurred by the Company for genset and engines.

Revenues from Company's Directors amounting to €6.9 million as at December 31, 2024 refer wholly to the sale of one pleasure craft, through a contract entered into with a leasing company, the lessee of which is a Director of the Company.

The costs with regard to WM S.A.M. amounting to €595 thousand for 2024 relate primarily to commission for the sale of some boats.

The costs with regard to HPE S.r.l. amounting to €200 thousand as at December 31, 2024 refer primarily to the supply of services such as design, simulation, calculation, development, implementation and launch on the market of new concepts and style for the Company's products.

The costs with regard to HPE S.r.l. amounting to €200 thousand as at December 31, 2024 refer primarily to the supply of services such as design, simulation, calculation, development, implementation and launch on the market of new concepts and style for the Company's products.

The costs with regard to Ferrari S.p.A. amounting to €1,391 thousand for 2024 relate to sponsoring the "Riva" brand on the Ferrari helmets and race cars.

The costs to other related parties amounting to €1,209 thousand at December 31, 2024 mostly refer to the costs incurred by the Company for legal services and other consulting services, tied to the development of new boat and the Wally trademark, provided by related parties under arm's length conditions.

In addition, it is reported that during the period the Company incurred costs amounting to €3,718 thousand, which relate to engineering costs for the development of the Ancona shipyard that have been considered to be accessory costs to the plant construction and hence are shown in this item.

In application of IFRS 16, costs paid to three companies considered related parties, relating to the rent for offices and production facilities, have not been considered.

Compensation of key management personnel of the Group

	31/12/2024	31/12/2023
Fees	3,737	4,447
Wages and salaries	3,727	4,529
Social security contributions	825	1,094
Employee severance indemnities and other allocations	187	188
Total compensation paid to key management personnel	**8,476**	**10,258**

48. Fees paid to directors, statutory auditors, members of the supervisory body and independent auditors

The remuneration paid to Ferretti S.p.A.'s Directors is provided below (in thousands Euro):

	31/12/2024	31/12/2023
Fees	4,177	4,823
Social security contributions	32	35
Total fees and compensation	**4,209**	**4,858**

Fees are broken down as follows:

2024

Name and surname	Post held	Fees and compensation for the post held	Social security contributions	Total
Jiang Kui[9]	Chairman of the Board of Directors	–	–	–
Tan Xuguang[9]	Chairman of the Board of Directors	–	–	–
Alberto Galassi[10]	Director and Chief Executive Officer	3,737	–	3,737
Piero Ferrari	Vice Chairman of the Board of Directors	70	–	70
Xu Xinyu	Director	78	18	96
Li Xinghao	Director	8	–	8
Hua Fengmao	Director	8	–	8
Jiang Lan	Director	57	–	57
Stefano Domenicali	Director	64	14	78
Zhang Quan	Director	49	–	49
Zhu Yi	Director	49	–	49
Patrick Sun	Director	57	–	57
Total		**4,177**	**32**	**4,209**

2023

Name and surname	Post held	Fees and compensation for the post held	Social security contributions	Total
Tan Xuguang[9]	Chairman of the Board of Directors	–	–	–
Alberto Galassi[10]	Director and Chief Executive Officer	4,447	–	4,447
Piero Ferrari	Vice Chairman of the Board of Directors	63	–	63
Xu Xinyu	Director	64	24	88
Li Xinghao	Director	52	–	52
Hua Fengmao	Director	52	–	52
Jiang Lan	Director	35	–	35
Stefano Domenicali	Director	58	11	69
Patrick Sun	Director	52	–	52
Total		**4,823**	**35**	**4,858**

The remuneration paid to Ferretti S.p.A.'s Statutory Auditors and members of the Supervisory Body in the year ended December 31, 2024 are shown in the table below (in thousand Euro):

Post held	Fees and compensation for the post held	Social security contributions	Total
Board of Statutory Auditors	108	–	108
Supervisory Body	76	–	76
Total	**184**	–	**184**

The remuneration paid to Ferretti S.p.A.'s Statutory Auditors and members of the Supervisory Body for the year ended December 31, 2023 are shown in the table below (in thousand Euro):

Post held	Fees and compensation for the post held	Social security contributions	Total
Board of Statutory Auditors	119	5	124
Supervisory Body	83	–	83
Total	**202**	**5**	**207**

9 In the year ended December 31, 2023 and 2024, the Chairman Tan Xuguang and Chairman Jiang Kui waived the fees and compensation to which they are entitled for their role. On 29 August 2024, Mr. Tan Xuguang resigned and Mr Jiang Kui was appointed as the new Chairman of the Board of Directors.

10 Alberto Galassi is an Executive Director and the Chief Executive Officer of the Company.

The fees, including all related expenses paid to the independent auditors in relation to the auditing of the financial statements for the years ended December 31, 2024 and 2023 are shown below (in thousands Euro):

2024

Name	Nature of the fees and compensation	Fees and compensation
EY S.p.A.	Fees for the auditing of accounts	410
EY S.p.A.	Additional fees for the auditing of accounts	51
EY S.p.A.	Fees for other services	205
EY Advisory S.p.A.	Fees for other services	194
Studio Legale Tributario	Fees for other services	81
Total		**941**

2023

Name	Nature of the fees and compensation	Fees and compensation
EY S.p.A.	Fees for the auditing of accounts	465
EY S.p.A.	Fees for other services	642
EY Advisory S.p.A.	Fees for other services	312
Studio Legale Tributario	Fees for other services	46
Total		**1,465**

49. Contingent liabilities

The Group's management believes there are no significant risk tied to the Group's core business that might give rise to liabilities not reflected in the financial statements.

50. Mortgages on properties

As at December 31, 2024 and 2023, the Group's secured bank loans were secured by mortgages on properties with carrying amount of €2.8 million and €115.6 million, respectively. In fact, following the expiration of the medium-to-long-term loan agreement on August 2, 2024, Ferretti SpA cancelled the related mortgage guarantees (see Note 35) and no guarantees were provided on the Group's real estate with reference to new bank lines.

51. Commitments

As at December 31, 2024 no commitment was reported (December 31, 2023: Nil).

52. Guarantees provided to/received from third parties

For purposes of comprehensive disclosure, the following paragraphs provide a detail the guarantees provided and the commitments undertaken by the Group as at December 31, 2024.

The following types of guarantees were issued to secure payables and other obligations:

Ferretti S.p.A.:

— a surety policy for a total amount of €7,5 million issued by Liberty Mutual Insurance Europe SE for the benefit of the Emilia Romagna Revenue Agency in connection with the Group VAT credit surplus for 2023;
— a surety policy for a total amount of €5,6 million issued by Liberty Mutual Insurance Europe SE for the benefit of the Emilia Romagna Revenue Agency in connection with the Group VAT credit surplus for the third quarter 2023;
— a surety policy for a total amount of €21 million issued by Allianz Trade (Euler Hermes) for the benefit of the Emilia Romagna Revenue Agency in connection with the Group VAT credit surplus for 2022;
— a surety policy for a total amount of €3,482 thousand issued by Liberty Mutual Insurance Europe SE for the benefit of the Emilia Romagna Revenue Agency in connection with the Group VAT credit rebate for 2021;
— an insurance policy issued by Reale Mutua Assicurazioni for the Iseo, Endine and Moro Lake Authority for concession charges of €53 thousand;
— a surety policy for a total amount of €851 thousand issued by Elba Assicurazioni as a guarantee for contractual obligations associated with the supply of several patrol boats to the Carabinieri Corps;
— two surety policies for a total amount of €683 thousand issued by Liberty Mutual Insurance Europe SE as a guarantee for contractual obligations associated with the supply of patrol boats to the Ministry of Defense;
— guarantees totalling €269.4 million issued by various banks in favor of customers as a guarantee of the advances paid for the construction of several boats;
— guarantees totalling €1.2 million issued by various banks in favor of certain suppliers, following negotiated supply conditions;
— a surety policy for a total amount of €145 thousand issued by Revo in favor of the central Adriatic Sea Port Authority to guarantee compliance with the obligations undertaken following the concession as required by the Testo Unico 1098 dated April 28, 2023 and 17343 dated October 13, 2023;
— a surety policy for a total amount of €8.790 thousand issued by Liberty Mutual Insurance Europe SE in favor of the central Adriatic Sea Port Authority to guarantee the investments with the obligations undertaken following the concession as required by the regulation;
— a surety policy for a total amount of €1 million by Allianz Assicurazioni in favor of the central Adriatic Sea Ancona Port Authority to insurance of the investments;
— a surety policy for a total amount of €450 thousand by Liberty Mutual Insurance Europe SE in favor of the central-northern Adriatic Sea Ravenna Port Authority to insurance of the investments;
— a surety policy for a total amount of €2,582 thousand by Allianz Assicurazioni in favor of the central-northern Adriatic Sea Ravenna Port Authority to insurance of the investments;
— a surety policy for a total amount of €139 thousand by Liberty Mutual Insurance Europe SE in favor of the central Adriatic Sea Ravenna Port Authority to guarantee compliance with the obligations undertaken following the concession as required by the Navigation Code;
— a surety policy for a total amount of €242 thousand by Liberty Mutual Insurance Europe SE in favor of the central Adriatic Sea Ravenna Port Authority to guarantee compliance with the obligations undertaken following the concession as required by the Navigation Code;

- a surety policy for a total amount of €5 thousand by Sace in favor of the Ravenna Municipality;
- a surety policy for a total amount of €155 thousand by Allianz Trade (Euler Hermes) in favor of the “Snam rete gas”;
- a surety policy of €30 thousand received from Unipol Assicurazioni in favor of the Ancona Customs Agency for excise incentives on diesel used in engine tests;
- a surety policy of €103 thousand Euro, received from Liberty Mutual Insurance Europe SE for the benefit of the Italian Customs and Monopolies Agency of Ancona — seafront for a global guarantee (tax relief measures);
- a surety policy of €77 thousand Euro, received from Coface in favor of the central-northern Adriatic Sea Port Authority to guarantee compliance with the obligations undertaken following the sub-entry into the Rosetti state maritime concession for 16,070 square meters;
- a surety policy of €304 thousand Euro, received from Sace in favor of the Eastern Ligurian Sea Port Authority to guarantee compliance with the obligations undertaken following the concession n. 103 dated 14/02/22, as required by the Navigation Code.

Zago S.p.A.:

- sureties of €2,598 thousand issued by Coface for the benefit of a customer in connection with advances received or as guarantee on furnishing and fixture.
- two insurance policies for €81 thousand in total issued by Coface for the benefit of the Scorzè municipal administration in connection with urban development projects.

Ram S.p.A.:

- a surety policy of €45 thousand received from Liberty Specialty Markets Assicurazioni for the benefit of the Bergamo Customs Agency for the temporary import of boats.

Il Massello Srl:

- a surety policy of €73 thousand received from Coface for the benefit of the Real Estate Zentrum for the rental agreement.

53. Significant events after the reporting period

On January 21, 2025 the Shareholder's meeting of Ferretti S.p.A was convened and approved:
- the assignment of the mandate of certification of the compliance of the sustainability reporting, determination of the related fee and the criteria for adjusting this fee during the assignment;
- the appointment of one director to integrate the Board of Directors following co-optation pursuant to Article 2386 of the Italian Civil Code;
- the appointment of the Chairman of the Board of Directors.

On February 28, 2025, the Board has:
1. reviewed and approved the consolidated preliminary financial results as of December 31, 2024
2. appointed by co-optation the directors Mr. Tan Ning and Mr. Hao Qinggui;
3. approved the new composition of the Remuneration Committee, Environmental, Social and Governance Committee and Strategic Committee; and
4. appointed the new director in charge of the internal audit and risk management system.

54. Approval of the financial statements

The Financial Statements, Management Discussion and Analysis and Directors' Report were approved and authorized for issue by the Board on March 14, 2025.

Statement of the Executive Responsible for the corporate financial documents

Statement on the Consolidated Financial Statements as at Dicember 31, 2024 pursuant to art. 81-Ter of Consob regulation no. 11971 dated May 14, 1999 as amended and supplemented

1. The undersigned Alberto Galassi as Chief Executive Officer and Marco Zammarchi as the Executive responsible for the corporate financial documents for Ferretti S.p.A., certify, in accordance with Article 154-bis, paragraphs 3 and 4 of Legislative Decree n.58 dated February 24, 1998:
   a. the appropriateness of the financial statements with regard to the nature of the business and
   b. the effective application of administrative and accounting procedures in preparing the consolidated financial statements as at December 31, 2024.
2. In this respect it is noted that no significant matters arose.
3. It is also certified that:
   a. the consolidated financial statements:
      I. were prepared in accordance with International Financial Reporting Standards endorsed by the European Community pursuant to Regulation (EC) 1606/2002 of the European Parliament and of the Council of July 19, 2002;
      II. correspond to the entries in the books and accounting records;
      III. they provide a true and fair view of the financial position and results of operations of the issuer and all the companies included in the scope of consolidation.
   b. the directors' management discussion and analysis provides a reliable analysis of the performance and result of operations as well as the situation of the issuer and all the companies included in the scope of consolidation, together with a description of the main risks and uncertainties to which they are exposed.

This statement is also made pursuant to and for the purposes of Art. 154-bis, paragraph 2, of Legislative Decree 58 of February 24, 1998.

Milan, March 14, 2025

Alberto Galassi
Chief Executive Officer

Marco Zammarchi
Executive Responsible for the corporate financial documents

Financial Statements

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Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated January 27, 2010 and article 10 of EU Regulation n. 537/2014

(Translation from the original Italian text)

To the Shareholders of
Ferretti S.p.A.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ferretti S.p.A. (the Company), which comprise the statement of financial position as of December 31,2024, and the income statement, the comprehensive income statement, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of December 31,2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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We identified the following key audit matters:

Key Audit Matters	Audit Response
Recognition of revenues for the construction of boats	
For the year ended December 31, 2024, the company reports significant amount of revenue for the construction of boats, whose obligations are fulfilled over time. These net revenues are recognized on a percentage of completion basis. The processes and methodologies for measuring such revenue are based on complex calculation algorithms and assumptions that for their nature require judgement on regards the estimate of costs planned at the budgeting stage, relating to contracts. More specifically, application of the cost-to-cost method requires the prior estimate of costs throughout the life of individual projects and their updating at each reporting date. Because of the mentioned complexity that characterizes this measurement, we identified this area as a key audit matter. Relevant disclosures are included in note 3 and note 6 to the financial statements.	Our audit procedures in response to the key audit matter concerned, among the others: • the understanding and evaluation of the methodologies used by management; • the test of the process for the determination of the percentage of completion basis; • the understanding and evaluation of the estimation methodology used by the management through inquiries with the management; • the assessment of the reasonableness of the criteria used by the management for the determination of cost-to-cost method applied; • the assessment of the reasonableness of the significant assumption related to estimated costs to complete the individual projects; • the verification of the arithmetic correctness of the calculations performed by the management. Lastly, we have reviewed the disclosure provided in the notes to the financial statement regarding this key audit matter.
Recoverability of intangible asset with an indefinite useful life	
As of December 31, 2024, the company reports intangible assets of Euro 248 million, mostly for trademarks that have an indefinite useful life (Euro 222 million). These intangible assets have been allocated to company's Cash Generating Units ("CGUs"), corresponding to individual company's trademarks. The processes and methodologies for assessing and determining the recoverable amount of each CGU, in terms of value in use, are based on assumptions sometimes complex, that due to their nature require judgement, particularly with	Our audit procedures in response to the key audit matter concerned, among others: • assessment of the impairment process of intangible assets; • testing the CGUs identification process and the allocation of assets and liabilities to the CGUs; • an examination of the forecasted future cash flows for each CGU as well as the verification of the consistency of future cash flows related to each CGU with the business plans 2023-2027 and budget 2025 approved by the Company's board of

reference to the forecasted future cash flows of each CGU, the determination of the normalized cash flows used for the terminal value estimate and the determination of long-term growth and discount rates applied to the forecasted future cash flows.

Because of the judgment required and the complexity of assumptions used to estimate the recoverable amount of the trademarks, we identified this area as a key audit matter.

Relevant disclosures are included in note 3 and note 32 to the financial statements.

directors respectively on March 8, 2023 and February 28, 2025;

- assessment of quality of forecasts taking into consideration the historical accuracy of the previous forecast;
- assessment of reasonableness of the long-term growth rates and discount rates.

Our procedures were performed with the support of our experts in valuation techniques, who performed an independent recalculation of the recoverable amount of the CGUs and sensitivity analysis of the key assumptions that could have a significant effect on the estimate of the recoverable value.

Lastly, we have reviewed the disclosure provided in the notes to the financial statement regarding this key audit matter.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005, and, within the terms provided by the 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, when preparing the financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the financial statements on a going concern basis unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated them all matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken to eliminate relevant risks or the safeguard measures applied.

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

Additional information pursuant to article 10 of EU Regulation n. 537/14

The shareholders of Ferretti S.p.A., in the general meeting held on May 25, 2023, engaged us to perform the audits of the financial statements for each of the years ending December 31, 2023 to December 31, 2031.

We declare that we have not provided prohibited non-audit services, referred to article 5, par. 1, of EU Regulation n. 537/2014, and that we have remained independent of the Company in conducting the audit.

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Report on compliance with other legal and regulatory requirements

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

The Directors of Ferretti S.p.A. are responsible for applying the provisions of the European Commission Delegated Regulations (EU) 2019/815 for the regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (the "Delegated Regulation") to the financial statements as of December 31,2024, to be included in the annual financial report.

We have performed the procedures under the auditing standard SA Italia n. 700B, in order to express an opinion on the compliance of the financial statements as of December 31, 2024 with the provisions of the Delegated Regulation.

In our opinion, the financial statements as of December 31, 2024 have been prepared in the XHTML format and have been marked-up, in all material aspects, in compliance with the provisions of the Delegated Regulation.

Opinion and statement pursuant to article 14, paragraph 2, subparagraph e), e-*bis*) and e-*ter*) of Legislative Decree n. 39 dated January 27, 2010 and pursuant to article 123-bis, paragraph 4, of Legislative Decree n. 58, dated February 24, 1998

The Directors of Ferretti S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and Ownership Structure of Ferretti S.p.A. as of December 31, 2024, including their consistency with the related financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard (SA Italia) n. 720B, in order to:

- express an opinion on the consistency of the Report on Operations and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated February 24, 1998, with the financial statements;
- express an opinion of the compliance with the laws and regulations of the Report on Operations, excluding the section related to the consolidated sustainability information, and the above mentioned specific information included in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated February 24, 1998;
- issue a statement on any material misstatement in the Report on Operations and in certain specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated February 24, 1998.

In our opinion, the Report on Operations and the specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated February 24, 1998, are consistent with the financial statements of Ferretti S.p.A. as of December 31, 2024.

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Furthermore, in our opinion, the Report on Operations, excluding the section related to the consolidated sustainability information, and the specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated February 24, 1998, comply with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e-*ter*), of Legislative Decree n. 39, dated January 27, 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Our opinion on compliance with applicable laws and regulations does not extend to the section of the Report on Operations related to the consolidated sustainability information. The conclusion on the compliance of this section with the applicable standards governing its preparation criteria and the compliance with the disclosure requirements pursuant to article 8 of (EU) Regulation 2020/852 are formulated by us in the attestation report pursuant to article 14-bis of Legislative Decree No. 39 dated January 27, 2010.

Bologna, March 14, 2025

EY S.p.A.
Signed by: Gianluca Focaccia, Auditor

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

Income Statement

(in thousand Euro)	*Notes*	December 31, 2024	December 31, 2023
Revenue		1,183,676	1,123,483
Commissions and other costs related to revenue		(54,682)	(64,452)
NET REVENUE	**6**	**1,128,994**	**1,059,030**
Change in inventories of work-in-process, semi-finished and finished goods	7	107,263	106,797
Cost capitalised	8	33,431	30,559
Other income	9	28,295	19,678
Raw materials and consumables used	10	(593,522)	(593,191)
Contractors costs	11	(253,723)	(208,199)
Costs for trade shows, events and advertising	12	(23,435)	(21,115)
Other service costs	13	(98,021)	(95,484)
Rentals and leases	14	(14,588)	(11,754)
Personnel costs	15	(120,986)	(109,559)
Other operating expenses	16	(8,080)	(7,600)
Provisions and impairment	17	(39,900)	(36,404)
Depreciation and amortisation	18	(56,500)	(54,927)
Share of loss of a joint venture and other equity investments		—	(121)
Financial income	19	15,711	21,120
Financial expenses	20	(2,784)	(3,209)
Foreign exchange gains and losses	21	(1,469)	9,639
PROFIT BEFORE TAX		**100,688**	**105,262**
Income tax	22	(37,496)	(18,907)
PROFIT FOR THE YEAR		**63,193**	**86,355**

Comprehensive Income Statement

(in thousand Euro)	*Notes*	December 31, 2024	December 31, 2023
PROFIT FOR THE YEAR		**63,193**	**86,355**
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods			
Profit on defined benefits plan	40	301	(33)
Income tax effect	33	(72)	8
Other comprehensive income for the year		229	(25)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**63,421**	**86,329**

Statement of Financial Position

(in thousand Euro)	Notes	December 31, 2024	December 31, 2023
CURRENT ASSETS			
Cash and cash equivalents	23	115,809	290,057
Trade and other receivables	24	274,450	266,794
Contract assets	25	201,893	189,493
Inventories	26	412,794	301,927
Advances on inventories	27	37,736	36,906
Other current assets	28	64,317	46,956
Income tax recoverable	24	1,508	1,419
		1,108,508	**1,133,553**
NON-CURRENT ASSETS			
Investments in subsidiaries	29	18,627	18,025
Property, plant and equipment	30	416,197	340,365
Intangible assets	31	247,650	244,043
Other non-current assets	32	53,864	47,718
Deferred tax assets	33		7,396
		736,339	**657,546**
TOTAL ASSETS		**1,844,847**	**1,791,099**
CURRENT LIABILITIES			
Due to immediate holding company		–	–
Bank and other borrowings	34	5,727	4,290
Provisions	35	58,674	63,938
Trade and other payables	36	652,613	599,273
Contract liabilities	37	146,855	188,541
Income tax payable	38	1,900	3,652
		865,769	**859,694**
NON-CURRENT LIABILITIES			
Due to immediate holding company		–	–
Bank and other borrowings	39	14,984	13,616
Provisions	35	9,688	12,535
Non-current employee benefits	40	5,322	5,637
Trade and other payables	36	1,263	844
Deferred tax liabilities	33	18,459	
		49,717	**32,632**
TOTAL LIABILITIES		**915,485**	**892,325**
SHARE CAPITAL AND RESERVES			
Share capital	41	338,483	338,483
Reserves	42	590,879	560,291
TOTAL EQUITY		**929,362**	**898,774**
TOTAL LIABILITIES AND EQUITY		**1,844,847**	**1,791,099**

Cash Flow Statement

(in thousand Euro)	December 31, 2024	December 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	100,688	105,262
Depreciation and amortisation	56,500	54,927
Provisions	(8,425)	23,223
Financial income	(15,711)	(21,120)
Financial expenses	2,784	3,329
Impairment of trade receivables, net	372	(97)
Provision against inventories, net	3,504	3,892
Decrease/(increase) in inventories	(115,201)	(127,705)
Change in contract assets and contract liabilities	(54,085)	(33,489)
Decrease/(increase) in trade and other receivables	(22,368)	(41,087)
Increase/(decrease) in trade and other payables	48,504	103,885
Change in other operating liabilities and assets	3,954	363
Income tax paid	(15,914)	(4,763)
Cash flows from (used) operating activities (A)	**(15,399)**	**66,621**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment and intangible assets	(113,921)	(125,776)
Disposal of property, plant and equipment and intangible assets	5,079	1,317
Change in investments in other assets	–	–
Interest received	15,711	21,120
Cash flows used in investing activities (B)	**(93,131)**	**(103,340)**

Cash Flow Statement

(in thousand Euro)	December 31, 2024	December 31, 2023
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(32,833)	(19,903)
New bank and other borrowings	–	–
Repayment of bank and other borrowings	(30,102)	56,686
Interest paid	(2,784)	(3,329)
Cash flows from/(used in) financing activities (C)	**(65,718)**	**33,454**
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS (D=A+B+C)	**(174,248)**	**(3,265)**
Cash and cash equivalents at beginning of year (E)	290,057	293,322
CASH AND CASH EQUIVALENTS AT END OF YEAR (F=D+E)	**115,809**	**290,057**
Cash and cash equivalents as stated in the statements of financial position	**115,809**	**290,057**

Statement of Changes in Equity

(in thousand Euro)	Share capital	Share premium[1]	Legal reserve[1]	Other reserves[1]	Total equity
At January 1, 2023	**338,483**	**425,041**	**8,287**	**60,536**	**832,347**
Profit for the year	—	—	—	86,355	86,355
Other comprehensive income for the year					
Actuarial gain on defined benefits plan, net of tax	—	—	—	(25)	(25)
Total comprehensive income for the year	—	—	—	86,329	86,329
Transfer to the legal reserve	—	—	2,620	(2,620)	0
Dividends	—	—	—	(19,903)	(19,903)
At December 31, 2023	**338,483**	**425,041**	**10,907**	**124,343**	**898,774**
Profit for the year	—	—	—	63,193	63,193
Other comprehensive income for the year					
Actuarial gain on defined benefits plan, net of tax	—	—	—	229	229
Total comprehensive income for the year	—	—	—	63,421	63,421
Transfer to the legal reserve	—	—	4,318	(4,318)	0
Dividends	—	—	—	(32,833)	(32,833)
At December 31, 2024	**338,483**	**425,041**	**15,224**	**150,613**	**929,362**

1 These reserve accounts comprise the reserves of €590,879 thousand (2023: €560,291 thousand) in the statement of financial position.

Notes to the Financial Statements

1. Corporate information

Ferretti S.p.A (the "**Company**") is a public company limited by shares incorporated in Italy. The registered office of the Company is located at Via Irma Bandiera 62–47841 Cattolica (Rimini), Italy.
The Company and its subsidiaries (collectively referred to as the "**Group**") are engaged in the design, construction and marketing of yachts and recreational boats.

2. Basis of preparation

This Financial Statements have been prepared in accordance with the IAS and IFRS issued or revised by the IASB and approved by the European Union (the "**EU**"). The acronym "IAS/IFRS" also refers to all of the interpretations published by the International Financial Reporting Interpretations Committee ("**IFRIC**"), formerly known as the Standing Interpretations Committee ("**SIC**").
At the date of presentation of this Financial Statements, there were no differences between the IFRSs endorsed by the European Union and applicable to the Group and those issued by the IASB.
The financial statements have been prepared on the basis that the Company can operate as a going concern since its management has verified that there are no uncertainties with regard to this. They include the Statement of Financial Position, the Income Statement, the Comprehensive Income Statement, the Cash Flow Statement, the Statement of Changes in Equity and Notes of Ferretti S.p.A.
For the purposes of clarity and to make this document more readily understandable, all the amounts in the Financial Statements — Income Statement, Comprehensive Income Statement, Statement of Financial Position, Cash Flow Statement, Statement of Changes in Equity, the accompanying Notes and the Annexes — are stated in thousands of Euro.

Climate change: impacts on financial reporting, accounts and financial statement disclosures

While preparing the annual financial statements, the management has carefully evaluated priorities endorsed by ESMA in October with particular reference to the consistency and connectivity between the information related to climate change-related risks and the information included in the financials statements and plans.
In addition, since previous year, the Group's management has expressed the clear intention to provide for the predisposition of a formal process, defining methodologies, roles and responsibilities for the identification and assessment of risks and opportunities related to climate change, including the relative impacts on financial disclosures, accounts and financial statements.
It should be noted that, although there are some climate-related issues presented in the Management Discussion and Analysis, the Company has put in place procedures, policies and actions to mitigate risk at an acceptable net level in order to reduce the effect on the financial statements to a not significant amount.
Therefore, based on the results of this assessment, no significant influence was noted on the estimates and assessments in the preparation of the annual financial statements.
Conscious of the strategic importance of a responsible and sustainable business, the Group decided a while ago to communicate information on environmental, social and governance factors to its stakeholders, presenting from the year 2019 the Sustainability report and focusing in particular on the production process and product design based on market expectations. In this regard, the Group acknowledges the fundamental role of a stable and long-term collaboration with all stakeholders, in which a core element is a shared commitment to an increasingly sustainable business.

3. Accounting policies

The following accounting standards have been consistently applied by the Company and are in line with those adopted in the previous year.

Recognition of revenue from contracts assets

The Company generates revenue by selling goods and providing services within its core business. Revenue is stated net of value-added tax, discounts and allowances.

In accordance with IFRS 15, the Company recognises revenue after identifying the contracts with its customers and the related performance obligations to be fulfilled, determining the consideration to which it believes it is entitled in exchange for the sale of the goods or the provision of the services, and assessing the manner of fulfilment of the obligations concerned (at a point in time or over time).

In accordance with IFRS 15, the Company only recognises revenue when the following requirements have been met:
— the parties to the contract have approved the contract and undertaken to perform their respective obligations;
— the rights of each of the parties in respect of the goods or services to be transferred may be identified;
— the terms of payment for the goods or services to be transferred may be identified;
— the contract has commercial substance;
— it is probable that the consideration for the goods sold or services transferred will be received.

IFRS 15 requires that revenue from contracts with customers be presented separately from other sources of revenue, unless a disclosure is provided that enables them to be separated from other revenue recognised through other comprehensive income or profit or loss. The Company has elected to recognise revenue from contracts with customers through profit or loss in a single line, with the details disclosed in the notes.

IFRS 15 defines revenues as "income arising in the course of an entity's ordinary activities" but excludes certain contracts with customers (such as lease contracts) from its scope of application.

IFRS 15 requires that entities assess all relevant facts and circumstances when they apply all steps of the model to contracts with customers. The Standard also specifies the accounting treatment for the incremental costs of obtaining a contract and costs related directly to the fulfilment of a contract. The Standard also requires that ample disclosure be provided.

Contract work revenues represent performance obligations satisfied over time. In particular, revenues are recognised on a percentage of completion basis and are defined by IFRS 15 as contracts specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

When the outcome of a construction contract can be estimated reliably, contract revenues are recognised based on the revenue amounts accrued consistent with the stage of completion of the contract activity at the reporting date that represents the portion of control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services rewards transferred to the customer. Otherwise, revenues are recognised only to the extent of the contract costs incurred that are likely to be recovered.

The stage of completion of the contract activity is determined in accordance with the cost-to-cost method, which is based on the proportion between the contract costs incurred for work performed up to the reference date and the total estimated contract costs. Costs incurred under these contracts are recognised in the year in which they are incurred.

Assets for contract work in process are presented based on the right to the consideration accrued in relation to performance net of related liabilities, namely invoices issued as work progresses and any expected losses. This analysis is carried out contract by contract. If the differential is positive the imbalance is classified under assets in the item "Contract assets"; if, on the other hand, this differential is negative, the imbalance is classified under liabilities, in the item "Contract liabilities".

Revenues from the sale of used boats, sale of merchandising, spare parts and the provision of services are performance obligations satisfied at a point in time and revenues are recognised when the control of the asset or service is transferred to the client. The moment the control of the asset or service transfer coincides with the transfer of ownership or possession of the goods to the buyer and so generally with despatch or completion of the service.

Commissions and other costs related to revenue

Commissions, that represents the costs incurred by the Company for the intermediation activities carried out by the dealers and brokers are accounted, are accounted netting the revenues.

Government Grants

Government grants are recognized at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

Where the Company receives grants of non-monetary assets, the grants are recorded at the fair value of the non-monetary assets and released to the statement of profit or loss over the expected useful life of the relevant assets by equal annual instalments.

Where the Company receives government loans granted with no or at a below-market rate of interest for the Construction of a qualifying asset, the initial carrying amount of the government loans is determined using the effective interest rate method, as further explained in the accounting policy for "Financial liabilities" above. The benefit of the government loans granted with no or at a below-market rate of interest, which is the difference between the initial carrying value of the loans and the proceeds received, is treated as a government grant and released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Interest Income and Expense

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Income Taxes

Income Taxes comprise current tax expenses and deferred tax expenses.

The liability for current taxes is calculated using the rates in force or effectively in force on the date of the financial statements.

Deferred taxes are the taxes that the Company expects to pay or recover from temporary differences between the reported values of assets and liabilities and the tax values assigned to these assets and liabilities for the purpose of determining the taxable income. They are recognised in accordance with the balance sheet liability method. As a rule, deferred-tax liabilities are recognized for all taxable temporary differences, while deferred tax assets are recognized to the extent that the Company believes that it will probably generate sufficient taxable income in the future to utilize deductible temporary differences. Likewise, deferred-tax assets that arise from a tax loss carryforward are recognized when it is probable that the Company will generate sufficient taxable income to allow their utilization.

Deferred tax liabilities are recognized on taxable temporary differences arising from investments in subsidiaries, affiliated companies and joint ventures, except in those cases where the Company is able to control the offsetting of the temporary differences and it is probable that they will not be offset in the foreseeable future.

The carrying amount of deferred tax assets is reviewed on the date of the financial statements and written down when it is no longer probable that the Company will generate sufficient taxable income to allow the full or partial recovery of these assets.

Deferred taxes are calculated using the tax rate that the Company expects to be in force when the corresponding asset is realized or the liability is satisfied, based on the tax rates (and the tax regulation) set forth in statutes in force or substantially in force on the date of the financial statements. Deferred taxes are recognised directly in earnings, except for those related to items that are recognized directly in equity, in which case the related deferred taxes are also recognized in equity.

The Italian company Zago S.p.A. has opted for group taxation pursuant to Articles 117 et seq. of TUIR Consolidated Law on Income Tax (Law No. 917 of 22 December 1986).

Amendments to IAS 12 Income Taxes — International Tax Reform — Pillar Two Model Rules
The Company has adopted the amendments to IAS 12 starting from last year.
The IASB has amended the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top up taxes described in those rules. The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognize nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. Following the amendments, the group is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.

Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, bank checking accounts, deposits redeemable upon demand and other highly liquid, short-term financial investments that can be readily converted into cash and are not subject to a significant risk of a change in value.

Trade and other receivables and contract assets

Trade receivables are sums due from customers in respect of the sale of products and services.

Trade receivables are recognised at their face value, less a write-down capable to recognise an estimate of doubtful account losses, following a simplified approach to calculate expected losses. Such losses are taken to the Income Statement where there is objective evidence that the receivables have become impaired.

With reference to impairment, the IAS 39 model based on the losses incurred was replaced by the ECL (Expected Credit Loss) model, in accordance with IFRS 9, and applied to trade and other receivables.

Provision for expected credit losses on trade receivables and contract assets.

The Company uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance). The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Company's trade receivables and contract assets is disclosed in Note 24 and Note 25 to the financial statements, respectively.

Inventories

Inventories of raw materials, auxiliary materials, supplies, semi-finished goods and work in process are valued at the lower of purchase or production cost, determined by the average weighted cost method, and the corresponding market or estimated realisable value, which takes into account both any additional future production costs and direct costs to sell.

The cost of inventories also includes incidental expenses and the pro-rata share of direct and indirect production costs that can be reasonably attributed to inventories.

Obsolete and slow-moving inventories are written down to reflect their potential utilization or sale by recognizing a special provision in the financial statements. If in a subsequent fiscal year the reasons for the write-down cease to apply, the original value is reinstated.

Financial Instruments: recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognition and measurement
At the time of initial recognition, financial assets are classified, depending on circumstances, based on the following measurement methods, namely amortised cost, fair value through other comprehensive income ("**OCI**") and fair value recognised in the income statement.

The classification of financial instruments at the time of initial recognition depends on the characteristics of the financial asset contractual cash flows and on the business model used by the Company for its operations. Except for trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus the transaction costs, in the case of a financial asset not at fair value recognised in the income statement. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the price of the transaction determined according to IFRS 15.

For a financial asset to be classified and measured at amortised cost or fair value through OCI, it must generate cash flows that depend only on the principal and interest on the amount of the principal to be repaid (so-called "**solely payments of principal and interest (SPPI)**"). This measurement is indicated as an SPPI test and is carried out at instrument level. The Company's business model for managing financial assets refers to the way in which it manages its financial assets in order to generate cash flows. The business model decides whether the cash flows will derive from the collection of contractual cash flows, the sale of financial assets or both. The purchase or sale of a financial asset requiring its delivery within a period of time generally set by regulation or market practices (so-called regular way trade) is recognised on the deal date, namely the date on which the Company undertook to buy or sell the asset.

Subsequent measurement
For the purpose of subsequent measurement, financial assets are classified in four categories:
— financial assets at amortised cost (debt instruments);
— financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses (debt instruments);
— financial assets at fair value through other comprehensive income without recycling of cumulative gains and losses upon derecognition (equity instruments);
— financial assets at fair value through profit or loss.

1. Financial assets at amortised cost (debt instruments) represent the category of greatest significance for the Company. The Company measures a financial asset at amortised cost if both of the following conditions are met:
— the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
— the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate method and are tested for impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or becomes impaired.

The Company reports an expected credit loss for all the financial instruments represented by debt instruments not held at fair value recognised in the income statement. The ECLs are based on the difference between the contractual cash flows due under the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows shall include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The expected losses are recognised in two stages. Regarding credit exposure for which there has been no significant increase in the credit risk since initial recognition, credit losses resulting from the estimate of possible default events in the next 12 months (12-month ECL) must be recognised. For credit exposure for which there has been a significant increase in credit risk since initial recognition, the expected losses relating to the residual period of the exposure, regardless of the moment when the default event is expected to occur ("**Lifetime ECL**"), must be recognised in full.

2. Financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses (debt instruments): for assets from debt instruments measured at fair value through OCI, interest income, changes in exchange rate differences and impairment losses, together with the reversals, are recognised in the income statement and are calculated in the same way of financial assets measured at amortised cost. The remaining changes in fair value are recognised in OCI. Upon derecognition, the cumulative change in fair value recognised in OCI is reclassified to profit or loss. The Company's debt instrument assets measured at fair value recognised in OCI include investments in listed debt instruments included in other non- current financial assets.

3. financial assets at fair value through other comprehensive income without recycling of cumulative gains and losses upon derecognition (equity instruments): upon the initial recognition, the Company may irrevocably elect to classify its investments as equity instruments recognised at fair value through OCI when they meet the definition of equity instruments under IAS 32 'Financial Instruments: Presentation' and are not held for trading. The classification is determined for each individual instrument. Gains and losses realised on those financial assets are never reversed through the income statement. Dividends are recognised as other income in the income statement when the right to payment has been approved, except when the Company benefits from that income as the recovery of part of the cost of the financial asset, in which case such gains are recognised in OCI. Equity instruments recognised at fair value through OCI are not subject to to an impairment test. The Company has chosen to irrevocably classify its unlisted equity investments in this category.

4. financial assets at fair value through profit or loss are recognised in the statement of financial position at fair value and net changes in fair value are recognised in the statement of profit/ (loss) for the year. This category includes derivative instruments and listed equity investments that the Company has not irrevocably chose to classify at fair value recognised in OCI. Dividends on listed equity investments are recognized as other income in the statement of profit/(loss) for the year when the right to payment has been approved.

The embedded derivative contained in a hybrid non-derivative contract, financial liability or main non-financial contract is separated from the main contract and accounted for as a separate derivative. Main non-financial contract, is separated from the main contract and accounted for as a separate derivative, if: its economic characteristics and associated risks are not closely related to those of the main contract; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. The embedded derivatives are measured at fair value, with changes in fair value recognised in profit or loss. A restatement only occurs if there is a change in the terms of the contract that significantly alters the otherwise expected cash flows. Significantly the otherwise expected cash flows or a reclassification of a financial asset to a category other than fair value through profit or loss".

For trade receivables and contract assets, the Company applies a simplified approach when calculating the expected losses. The Company does not, therefore, monitor changes in credit risk, but fully recognises the loss expected at each reporting date.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's combined statements of financial position) when:
— the rights to receive cash flows from the asset have expired; or
— the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial liabilities

Initial recognition and measurement
Upon initial recognition, financial liabilities are classified among financial liabilities at fair value through profit or loss, and loans and borrowings.

All financial liabilities are initially recognised at fair value, in addition to directly attributable transaction costs, in the cases of loans, financing and payables.

Subsequent measurement
The valuation of financial liabilities depends on their classification, as described below:
— Financial liabilities at fair value through profit or loss
Financial liabilities at fair value with changes recognised through profit or loss include liabilities held for trading and financial liabilities at fair value with changes recognised through profit or loss.
— Loans and borrowings
This is the category of greatest significance for the Company. Loans are measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the Income Statement when the liability is extinguished, as well as through the amortisation process. Amortised cost is calculated by including the discount or premium, as well as costs and fees, which are an integral part of the effective interest rate. Amortisation at the effective interest rate is included among net interest expense in profit or (loss). This category generally includes interest-bearing loans and borrowings.

Derecognition
A financial liability is derecognised when the obligation underlying the liability is extinguished, cancelled or discharged. Where one existing financial liability is replaced by another attributable to the same borrower with substantially different conditions, or the conditions of an existing liability are substantially modified, such exchange or modification is accounted for by derecognising the original liability and recognising a new liability, with any differences between carrying amounts recognised in the Income Statement.

Property, Plant, Machinery and Equipment

Buildings and land are recognised at their purchase, production or conveyance cost, including any incidental charges, decommissioning costs and direct costs needed to make an asset ready for use. With the exception of land, these assets are depreciated on a straight-line basis, in equal annual instalments in accordance with standard depreciation rates based on the residual useful life of the assets.

Buildings under construction for use in manufacturing, as administrative facilities or for purposes that are yet to be determined are recognized at cost, net of write-downs for impairment losses. As for all assets, the depreciation of these assets begins when they are ready for use.

Plant, machinery and equipment are recognized at cost, net of accumulated depreciation and any write-downs for impairment losses. Cost includes decommissioning costs, asset removal costs and the costs incurred for the restoration of the site where the non-current asset is located, if they meet the requirements of IAS 37.

Depreciation is taken on a straight-line basis on the cost of the assets, net of any residual value, based on the assets' estimated useful life, by applying the following rates:

Buildings	
Buildings	3.0%-6.0%
Prefabricated structures	10%
Leasehold improvements	The shorter of the lease term and the estimated useful life of the assets

Plant, machinery and equipment	
Manufacturing plants and automated machines	11.5%-15.0%
Manufacturing and distribution equipment	25.0%

Models and moulds	
Models and moulds	Useful life

Other property, plant and equipment	
Office furniture and machines	12.0%
Electronic machines	40.0%
Vehicles	25.0%

The capitalised costs of leasehold improvements are allocated to the classes of assets to which they belong and are depreciated over the residual duration of the lease or the residual useful life of the type of asset to which the improvement is attributable, whichever is shorter.

When the individual components of a complex item of property, plant and equipment have different useful life, they are recognized separately and depreciated according to their duration (component approach).

In accordance with this principle, the value of land is separate from that of buildings erected on it and only the buildings are depreciated.

Gains or losses on the sale or disposal of assets — which are calculated as the difference between the sales proceeds and the net carrying value of the asset — are recognised in the Income Statement for the year.

Ordinary maintenance costs are charged in full in the Income Statement. Maintenance costs that increase the value of an asset are allocated to the related asset and amortised over the remaining useful life of the asset, if they satisfy the definition of asset.

The recoverability of their value is tested in accordance with the criteria provided for by IAS 36. These criteria are explained in the paragraph entitled "Impairment of Assets".

IFRS 16 — Leases

The Company has leases for a series of activities mainly related to the lease of property, plant, machinery, motor vehicles and other equipment. The Company applied a single recognition and measurement approach for all the leases where the Company was a lessee, except for short-term leases (duration less than 12 months) and low-value leases (comprehensive value of the agreement less than €5,000).

Rights-of-use assets

The Company recognises the rights-of-use assets at the commencement date of the lease (i.e., the date on which the underlying asset is available for use). Rights-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of the lease liability. The cost of the rights-of-use assets comprises the amount of the initial measurement of the lease liability recognised, any initial direct costs incurred, any lease payments made at or before the commencement date, less any lease incentives received. Unless the Company has the reasonable certainty to obtain ownership of the underlying asset by the end of the lease term, rights-of-use assets are depreciated on a straight-line-basis over the shorter period of the end of the estimated useful life or the end of the lease term. The rights-of-use assets are subjected to impairment.

Lease liabilities

At the commencement date, the Company measures the lease liabilities at the present value of the lease payments that are not paid at that date. The lease payments comprise fixed payments (including in- substance fixed payments), less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. The lease payments also comprise the exercise price of a purchase option if the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate the lease.

Variable lease payments that do not depend on an index or a rate are recognised as costs in the period in which the event takes place or the condition that generated the payment.

The Company uses the average interest rate on borrowings to measure the present value of the payments due for the lease. After commencement date, the carrying amount of the lease liability increases to reflect interest on the lease liability and decreases to reflect the lease payments made. Moreover, the carrying amount of the lease liability is remeasured to reflect any lease modifications, or to reflect revised in- substance fixed lease payments.

Significant judgement for determining the lease term for contracts with an option to extend the lease

The Company determines the lease term as the period of a lease covered by contract, together with periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option.

Options to extend the lease of vehicles and housing, for employee use, have not been included when determining the lease term, since the Company has a leasing policy for motor vehicles for a period of no more than four years and so will exercise no right of renewal.

Intangible Assets Generated Internally — Research and Development Costs

Research costs are charged to the Income Statement in the period in which they are incurred.

Intangible assets generated internally, mainly in connection with the development of models and moulds and intellectual property, are recognized as assets only if the following conditions are satisfied:
— the asset is identifiable (e.g., software or new processes);
— it is likely that the asset will generate future economic benefits;
— the costs incurred to develop the asset can be measured reliably;
— there is a technical and financial capacity to complete the asset and render it available for use or sale.

These intangible assets are amortized on a straight-line basis over the length of their useful life from three to five years.

When assets generated internally may not be recognised in the financial statements, development costs are charged to the Income Statement in the period they are incurred.

Other Intangible Assets

Consistent with the provisions of IAS 38 -Intangible Assets, other intangibles, whether purchased or produced internally, are recognised as assets when it is likely that their use will generate future economic benefits and their cost can be measured reliably.

These assets are valued at their purchase or production cost. When they have a finite useful life, they are amortized on a straight-line basis over their estimated useful life. Intangible assets with an indefinite useful life are not amortized. They are tested for impairment annually (or more often if there is an indication that an asset may have suffered an impairment loss) to identify any decreases in value.

Trademarks with indefinite useful life are not amortized on a regular basis.

Other intangible assets are initially recognised at their acquisition cost and are amortised on a straight- line basis over their useful life, which is estimated at five years. However, the cost of application and management software licenses is amortised over three years.

Brands, trade names and other intangible assets with finite useful life are amortized over their estimated useful life. The classification of a brand or trade name as an asset of finite or indefinite useful life is generally based on the following criteria:
— the brand or trade name's overall positioning in its market expressed in terms of volume of activity, international presence and reputation;
— its expected long term profitability;
— its degree of exposure to changes in the economic environment;
— any major event within its business segment liable to compromise its future development;
— its age.

In addition, from business and legal perspective, these trademarks have no terms or can be indefinably renewed and therefore, will always belong to the Company. Having considered these criteria, in the period the Company classified its trademark as assets of indefinite useful life.

Impairment of Assets

At least at each reporting date, the Company reviews the carrying values of its property, plant and equipment and of its intangible assets to determine if there are any indications that the value of these assets has been impaired. If such indications exist, the recoverable value of the affected assets is estimated in order to determine the amount of the write-down that may be required. When the recoverable value of an individual asset cannot be estimated, the Company estimates the recoverable value of the cash- generating unit to which the individual asset has been allocated.

Intangible assets with an indefinite useful life (trademarks) are tested annually for impairment, whether there are indications that their value has been impaired or not.

The recoverable amount is the greater of an asset's fair value, net of the cost to sell, or its value in use. In determining the value in use, future estimated cash flows are discounted to their present value using an after-tax rate that reflects current market valuation of the value of money and of the specific risks that affect the asset in question.

If the recoverable value of an asset or of a cash-generating unit is estimated to be lower than its carrying amount, the latter is reduced to the asset's lower recoverable value. The corresponding write-down is immediately recognized within the Income Statement.

When the reasons that justified a write-down cease to apply, the carrying amount of the affected asset or cash-generating unit is raised to the new estimated realizable value, but not beyond the net carrying value that the asset would have had, had it not been written down. The reversal is recognized in the Income Statement.

Equity investments

Associated companies

Associated companies are companies over which the Company exercises a significant influence, but not control. As a rule, an equity interest corresponding to an interest equal to 20% to 50% of the voting rights indicates a significant influence.

Subsidiaries

A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Company the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

a. the contractual arrangement with the other vote holders of the investee;
b. rights arising from other contractual arrangements; and
c. the Company's voting rights and potential voting rights.

The results of subsidiaries are included in the Company's statement of profit or loss to the extent of dividends received and receivable. The Company's investments in subsidiaries are stated at cost less any impairment losses.

Post-employment Employee Benefits

Payments due under defined-contribution plans are charged to the Income Statement in the period during which they are due.

In the case of defined-benefit plans (which include the employee severance benefit plans of the Company), the cost of benefits provided is determined in accordance with the projected unit credit method by making actuarial valuations at the end of each year. The new standard re-organises the information disclosures which must be provided in relation to benefits granted to employees and introduces the obligation to book actuarial gains and losses in the comprehensive income statement, thereby eliminating the possibility of adopting the corridor method. Actuarial gains and losses booked in the comprehensive income statement are not subsequently booked within the Income Statement. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

Provisions

Provisions are recognised for losses or liabilities the existence of which is certain or probable, but the amount or date of occurrence of which cannot be determined at year-end. Provisions reflect the management's best estimates on the basis of the information available to them.

Provisions for risks and charges are recognized in the financial statements for statutory or contingent obligations (contractual or of a different nature) that arise from a past event and it is likely that the Company will be required to fulfil that obligation. These provisions are established based on management's best estimate of the costs needed to fulfil the obligations on the reporting date. They are discounted, when the discounting effect is material.

Use of estimates and assumptions

The preparation of financial statements and the accompanying notes in accordance with the IFRS requires management to formulate estimates and assumptions that have an impact on the revenue, costs, assets and liabilities listed on the Statement of Financial Position and on disclosures about contingent assets and liabilities at the reporting date, including climate changes as described above. The estimates are based on evaluations and prior experience, as well as on assumptions made from time by time assessed based on the specific circumstances. Actual results may therefore differ from these estimates. Estimates and assumptions are reviewed periodically and the effects of any changes are reflected immediately on the Income Statement. Set out below are the main balance sheet items affected by the use of accounting estimates and the circumstances involving an element of judgement by management.

Impairment of non-financial assets

An impairment loss occurs when the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount, which is the greater of its fair value less costs to sell and its value in use. The carrying amount of non-current assets is assessed periodically whenever circumstances or events require a more frequent assessment. Goodwill and trademarks are assessed at least annually; these recoverability assessments are carried out in accordance with the criteria specified in IAS 36 and described in more detail in Note 31. The recoverable value of a non-current asset is based on estimates and assumptions used to determine expected future cash flows and the discounting rate applied.

Deferred taxes

Deferred tax assets were recognized, consistently with IAS 12 requirements, only to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. The Company has certain deferred tax assets from tax losses and not deducted interest expenses carryforward ("**DTAs**") that, in accordance with the accounting principle, have not been recognized during the Relevant Periods. The Company reassesses at each reporting date, its DTAs, both recognised and unrecognised and it recognises a previously unrecognised DTAs to the extent that it becomes probable that sufficient taxable profit will be available to enable the asset to be recovered, based on the actual profits before tax reported in each of the years/period comprising the Relevant Periods and based on the expected continuous improvements in future trading conditions and future forecasted profits. The additional DTAs that became recognizable in the Relevant Period.

Provisions

Provisions are based on evaluations and estimates based on historic experience and assumptions that from time to time are considered reasonable and realistic based on the specific circumstances. For further details, reference should be made to Note 35.

Revenue from contracts with customers for contract assets

With reference to revenue from contracts with customers for contract assets, the risk in question regards the incorrect estimate of costs planned at the budgeting stage, relating to contracts valued based on IFRS 15, and hence incorrect revenue recognition. More specifically, application of the cost-to-cost method requires the prior estimate of costs throughout the life of individual projects and their updating at each reporting date, using at times complex assumptions, which by their very nature imply directors making judgements. Such assumptions may be influenced by multiple factors such as, for example, the time period over several years when other projects are being developed, the high level of technology, innovation and customisation of the projects, the presence of variants and price revisions and boat performance guarantees, including an estimate of contractual risks, where applicable. These facts and circumstances make it a complex task to estimate project completion costs and, as a result, to estimate the value of contract work in process at the reporting date.

Changes in accounting policies and disclosure

The Company has adopted the following revised IFRSs for the first time for the current year's financial statements.
Several amendments apply for the first time in 2024, but do not have an impact on the separate financial statements of the Company:

Supplier Finance Arrangements — Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.
The amendments had no impact on the Company financial statements.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller- lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller- lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.
The amendments had no impact on the Company financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

— what is meant by a right to defer settlement
— that a right to defer must exist at the end of the reporting period
— that classification is unaffected by the likelihood that an entity will exercise its deferral right
— that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.
The amendments had no impact on the Company financial statements.

4. Accounting statements

The Income Statement is presented in a layout that shows a breakdown of costs by nature.

As required by the revised version of IAS 1, the financial statements include a Comprehensive Income Statement, which reflects certain gains and losses previously recognised directly in equity reserves (e.g., gains or losses from actuarial results arising from the valuation of employee benefits).

The Statement of Financial Position is presented in a format that provides a breakdown between current and non-current assets and liabilities. An asset or a liability is classified as current when it meets one of the following requirements:

a. there is an expectation that it will be realized/settled or will be sold or used during the Company's regular operating cycle;
b. it is owned primarily for trading purposes; or
c. the Company expects to sell it/settle it within 12 months of the closing date of the financial statements.

If all of these three conditions cannot be met, an asset or liability is classified as non-current.

The Cash Flow Statement was prepared in accordance with the indirect method, which requires that the profit before taxes be adjusted to eliminate the impact of non-cash transactions, deferrals or provisioning of previous or future operational collections and payments and revenues or costs related to cash flows stemming from investing or financing activities. Income and expenses from long-term financing transactions, and dividends paid are included among financing activities.

The Statement of Changes in Equity shows how the components of the Company's equity changed in the course of the year.

5. Financial risk management

The following qualitative information, which is being offered to provide a better understanding of the impact of financial instruments on the Company's Statement of Financial Position, Income Statement and Cash Flow Statement, is also designed to explain more clearly the Company's exposure to the different types of risks associated with financial instruments and the corresponding management policies, as required by IFRS 7.

The table below lists the assets and liabilities by category of measurement.

Financial assets

	December 31, 2024	December 31, 2023
Derivatives not designated as hedging instruments	–	–
Derivatives designated as hedging instruments	–	–
Financial assets at fair value through profit or loss	–	–
Equity instruments designated at fair value through OCI	–	–
Debt instruments at fair value through OCI	–	–
Total financial assets at fair value	**–**	**–**
Debt instruments at amortised cost		
Trade receivables	243,844	229,772
Financial assets included in other receivables	64,317	46,956
Other current assets	5,565	1,499
Other non-current assets	49,375	43,723
Total financial assets[2]	**363,101**	**321,950**

During the year ended December 31, 2024, the Company has signed time deposit accounts agreements with primary banks, in order to benefit of increasing interest rates, with maturities ranging from one week to two weeks as follows:

Fixed Interest Period	Bank	Currency	Amount	Rate %	Expire Date
One week	Credit Agricole CIB Sa	Euro	10,000	2.97%	02/01/2025
Two weeks	China Construction Bank (Europe) S.A.	Euro	10,000	2.86%	07/01/2025
Interests			15		
"Time deposit accounts " under "Cash and cash equivalents"			**20,015**		

2 Financial assets, other than cash and short-term deposits.

The credit risk related to liquid assets is very limited because the counterparties are major national and international banking institutions; the currency of the cash and cash equivalents were mainly denominated in Euro. As at December 31, 2024, there were not in place any time deposits accounts with a maturity of more than three months that should classified as current financial assets as happened as at December 31, 2023.

The details of contracts in place on December 31, 2023 were as follow:

Fixed Interest Period	Bank	Currency	Amount	Rate %	Expire Date
Three months	China Construction Bank (Europe) S.A.	Euro	30,000	4.08%	19/01/2024
One month	Barclays Bank Ireland PLC	Euro	12,000	3.76%	22/01/2024
One month	Unicredit SpA	Euro	10,000	3.85%	22/01/2024
One month	Credit Agricole CIB Sa	Euro	30,000	4.03%	26/01/2024
One month	Unicredit SpA	Euro	10,000	3.85%	29/01/2024
Three months	Credit Agricole CIB Sa	Euro	20,000	3.98%	28/02/2024
Three months	BNL S.p.A. – BNP P Group	Euro	30,000	3.98%	04/03/2024
Interest			464		
"Time deposit accounts " under "Cash and Cash Equivalents"			**142,464**		

Financial liabilities

	December 31, 2024	December 31, 2023
Interest-bearing loans and borrowings		
Bank and other borrowings	–	–
Lease liabilities	20,538	17,667
Other	173	239
Total Interest-bearing loans and borrowings	**20,711**	**17,906**
Other financial liabilities		
Derivatives not designated as hedging instruments	–	–
Derivatives designated as hedging instruments	–	–
Financial liabilities at fair value through profit or loss	–	–
Other financial liabilities at amortised cost, other than interest-bearing loans and borrowings		
Trade and other payables	489,080	424,896
Total other financial liabilities	**509,791**	**442,802**

Fair Value Measurement

The carrying amounts and fair values of Company's financial instruments, other than those whose carrying amounts are a reasonable approximation of the fair value, are as follows:

	December 31, 2024		December 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets				
Other non-current assets	49,375	49,375	43,723	43,723
Total Financial Assets	**49,375**	**49,375**	**43,723**	**43,723**
Bank and other borrowings	—	—	—	—
Lease liabilities	20,538	20,538	17,667	17,667
Other	173	173	239	239
Total Financial Liabilities	**20,711**	**20,711**	**17,906**	**17,906**

The management assessed that the fair values of cash and short-term deposits, trade receivables, trade payables, other current assets and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of financial assets and liabilities are included in the amount for which an instrument could be exchanged in a current transaction between consenting parties other than a forced or liquidation sale.

The fair values of the non-current part of bank and other borrowings have been calculated by discounting expected future cash flows using the rates currently available for instruments with similar terms, credit risk and maturities.

IFRS 7 requires that the financial instruments recognized at fair value on the Statement of Financial Position of the Company be classified based on a hierarchical ranking that reflects the reliability of the inputs used to measure fair value. The following levels are used:
— Level 1: prices quoted in an active market for the assets or liabilities that are being measured;
— Level 2: inputs other than the quoted prices of Level 1 but which are directly (prices) or indirectly (derived from prices) observable in the market;
— Level 3: inputs that are not based on observable market data.

The table below lists liabilities for which fair values are disclosed:

Financial statement line item	December 31, 2024				December 31, 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial other current assets								
Other non-current assets	—	49,375	—	49,375	—	43,723	—	43,723
Banks and other borrowings								
Lease liabilities	—	20,538	—	20,538	—	17,667	—	17,667
Other liabilities	—	173	—	173	—	239	—	239

Liquidity Risk

The liquidity risk is the risk that an entity may find it difficult to perform obligations arising from financial and trade liabilities in accordance with stipulated terms and due dates.

The Company continuously monitors the cash flow through the planning of the expected cash flows and the necessary financing sources on a weekly basis, over a monthly horizon, taking also into account the seasonality of the Company's business.

In most of the transactions, the sales policies adopted by the Company continue to call for payment of any contractually owed balances when the boat is delivered and the collection of security deposits and advances in accordance with contractually established schedules, particularly in accordance with the size of the boat.

The table below, which provides a quantitative analysis of the liquidity risk, shows a breakdown of future financial flows based on the financial liabilities outstanding at December 31, 2024 and at the end of the previous fiscal year, with a breakdown of the Company's financial payables by contractually stipulated due dates:

		FUTURE FINANCIAL FLOWS					
	Balance at December 31, 2023	0 to 3 months	4 to 9 months	10 to 12 months	1 to 5 years	More than 5 years	Total financial flows
Bank and other borrowings (excluding lease liabilities)	(239)	(239)	0	0	0	0	(239)
Lease Liabilities	(17,667)	(1,270)	(2,497)	(1,223)	(10,140)	(5,373)	(20,502)
Trade and other payables	(424,896)	(380,913)	(42,481)	(1,503)	0	0	(424,896)
Total	**(442,802)**	**(382,421)**	**(44,977)**	**(2,726)**	**(10,140)**	**(5,373)**	**(445,637)**

The tables above analyse the maximum risk entailed by the financial liabilities (including trade payables). All flows shown are nominal undiscounted future flows, determined based on the remaining contractual due dates with regard both to principal and interest.

Market and Interest Rate Risk

This is the risk that the fair value and future financial flows of a financial instrument may fluctuate due to changes in market prices. The market risk includes the following subcategories:

— currency risk (the risk that the value of financial instruments may fluctuate due to changes in foreign exchange rates);
— interest rate risk (the risk that the value of financial instruments may fluctuate due to changes in market interest rates);
— price risk (the risk that the value of financial instruments may fluctuate due to changes in market prices).

The risk more specifically related to the Company's business is the risk of fluctuations in exchange rates. This risk relates to the possibility of changes in Euro amount corresponding to the net foreign currency exposure for invoices issued, outstanding orders and, marginally, invoices payable and cash balances in foreign currency accounts.

The Company is primarily exposed to the exchange rate risk in relation to the US Dollar as a result of the sales made in US Dollar.

During 2024 no cash flow hedging was done in view of the exchange rate trend. In any case, as of December 31, 2024 and 2023, there were no currency forwards in place.

The following is a sensitivity analysis determined on the basis of the exposure as at the reporting dates December 31, 2024 and December 31, 2023 of the Company's financial debt (assuming that Euribor is above zero, considering the zero-floor condition generally applied to the Company's main borrowings).

CHANGE IN EURIBOR *(in thousand Euro)*					
In 6 months		At December 31, 2024		At December 31, 2023	
(+)	(-)	(+)	(-)	(+)	(-)
+50 bp	-50 bp	103	103	89	-89
+100 bp	-100 bp	205	205	179	-179
+200 bp	-200 bp	411	411	358	-358
+300 bp	-300 bp	616	616	537	-537

Credit Risk

The credit risk is the risk of contingent losses due to the inability of counterparties to fulfil commercial or financial obligations. This risk can arise when a counterparty defaults for technical/commercial reasons (disputes about the nature/quality of a product, interpretation of contract clauses, etc.) or when one party causes the other party to incur a loss by failing to comply with an obligation.

In light of the type of customers targeted by the Company's products and services and the commercial policies it has adopted — which envisage, in most of transactions, that the balance of the contract amount, net of advances collected, is paid before or concurrently with the delivery of the boat — the Company believes that its credit risk is modest. The payment of advances, which are instrumental to supporting the building of boats and vessels, is associated with both the defined contractual due dates and the achievement of production milestones.

At the procedural level, in the limited number of cases in which the sales policies mentioned above are not applicable, the Company's receivables and the accrued advances to be paid are monitored periodically to verify compliance with contractual payment terms.

The table below reports residual amounts — i.e., already net of any write-downs — which even if expired at the reporting date (December 31, 2024) are considered fully recoverable:

	Balance at December 31, 2024	Not due	PAST DUE			
			30 days	30-60	60–90	Beyond
Cash and cash equivalents	115,809	115,809	—	—	—	—
Trade receivables[3]	243,844	17,813	36,309	4,031	18,432	167,259
Other current assets	64,317	64,317	—	—	—	—
Financial assets included in other receivables	5,565	5,565	—	—	—	—
Financial assets included in other non-current assets	49,375	49,375	—	—	—	—
Total at December 31, 2024	**478,911**	**252,880**	**36,309**	**4,031**	**18,432**	**167,259**

3 Net of the allowance for doubtful accounts of €3,276 thousand.

For the sake of a more effective analysis, the table below shows the data for the previous year:

	Balance at December 31, 2023	Not due	PAST DUE			
			30 days	30-60	60–90	Beyond
Cash and cash equivalents	290,057	290,057	—	—	—	—
Trade receivables[4]	229,772	5,074	28,779	36,833	35,512	123,574
Other current assets	46,956	46,956	—	—	—	—
Financial assets included in other receivables	1,499	1,499	—	—	—	—
Financial assets included in other non-current assets	43,723	43,723	—	—	—	—
Total at December 31, 2023	**612,007**	**387,309**	**28,779**	**36,833**	**35,512**	**123,574**

The change in the allowance for doubtful accounts for the year ended December 31, 2024 is shown in Note 24.

The table below reports the amount of trade receivables — i.e., gross of any write-downs — which even if expired at the reporting date (December 31, 2024) are considered fully recoverable:

	Balance at December 31, 2024	Not due	PAST DUE			
			30 days	30-60	60–90	Beyond
%	1%	0%	0%	0%	2%	2%
Trade receivables	247,120	17,813	36,309	4,031	18,800	170,167
Provision for doubtful accounts	3,276	—	—	—	368	2,908
Total at December 31, 2024	**243,844**	**17,813**	**36,309**	**4,031**	**18,432**	**167,259**

For the sake of a more effective analysis, the table below shows the data for the previous year:

	Balance at December 31, 2023	Not due	PAST DUE			
			30 days	30-60	60–90	Beyond
%	1%	0%	0%	0%	0%	2%
Trade receivables	232,676	5,082	28,779	36,838	35,533	126,444
Provision for doubtful accounts	2,904	8	—	6	21	2,870
Total at December 31, 2023	**229,772**	**5,074**	**28,779**	**36,833**	**35,512**	**123,574**

4 Net of the allowance for doubtful accounts of €2,904 thousand.

Capital management

The goals of managing the Company's capital are safeguarding continuing operation and improving financial performance, as indicated by profit before tax, financial charges (Notes 19–22), depreciation and amortisation (Note 18), of €145,729 thousand for the year ended December 31, 2024 (2023: €132,759 thousand), in addition to maintenance of sound capital ratios in support of its business and maximising value for shareholders.

The Company manages its financial structure and adjusts it in response to changes in economic conditions and the risk characteristics of the underlying assets.

The Company is not subject to externally imposed capital requirements.

No changes were made to capital management objectives, policies or processes during the current or previous years.

Notes to the main components of the income statement

The following notes provide a review of the individual components of the Income Statement for the fiscal year ended December 31, 2024, compared with those in the Income Statement for the fiscal year ended December 31, 2023.

6. Net revenue

The following table provides the breakdown of the item Net Revenue for the year ended December 31, 2024, compared with the same item for the year ended December 31, 2023:

	31/12/2024	31/12/2023
Total revenue from contracts with customers	**1,183,677**	**1,123,483**
Commissions and other costs related to revenue	(54,682)	(64,452)
Total net revenue	**1,128,995**	**1,059,030**

The table below shows the breakdown of Net Revenue by production type:

	31/12/2024	31/12/2023
Composite yachts	542,510	472,314
Made-to-measure yachts	400,184	430,240
Super yachts	148,646	117,593
Other businesses	23,894	27,163
Total net revenue without pre-owned	**1,115,234**	**1,047,310**
Pre-Owned	13,761	11,720
Total net revenue	**1,128,995**	**1,059,030**

The table below shows the breakdown of Net Revenue by production type:

	31/12/2024	31/12/2023
FSD	4,809	3,696
Provision of services and sales of replacement parts, merchandise and other goods	10,881	8,787
Wally sailboats	8,204	14,680
Total other businesses	**23,894**	**27,163**

On the basis of IFRS 15, the Company identified the revenue streams, including the main ones:
— sale of yachts to order;
— sale of used boats.

Regarding the sale of yachts to order (sale of composite yachts, made-to-measure yachts and super yachts), the Company considers that the only performance obligation contained in the sales contracts is the building of the vessel, with no significant accessory services or further activities. The performance obligation is satisfied over time of construction of boats.

The payment terms are agreed with the customers on a case by case basis to match cash requirements for the production. Advance payments are agreed with each customer on the basis of the time needed to construct the boats and are paid before the completion of the construction. These contracts do not include obligations for returns, refunds and other similar obligations, however the vessels are covered by a warranty which is included in a range between 12 and 24 months.

Commissions and other costs related to revenue referred primarily to the costs incurred by the Company for the intermediation activities carried out by the dealers and brokers.

"Provision of services and sales of replacement parts, merchandise and other goods" partly refer to the refit activity that the Company carried out, and partly regard the sale of replacement parts and other assistance services rendered in Italy and worldwide on boats previously sold. In addition, in 2024 as well the Company continued to sell Riva brand luxury accessories, as part of the Riva Brand Experience project.

The breakdown of Net Revenue by geographical area was as follows:

	31/12/2024	31/12/2023
Europa	572,482	460,116
MEA	268,851	212,316
APAC	34,078	95,998
AMAS	239,823	278,880
Total Net Revenue	**1,115,234**	**1,047,310**
Pre-Owned	13,761	11,720
Total Net Revenue	**1,128,995**	**1,059,030**

In accordance with IFRS 15, Net Revenue are show below with a breakdown into obligations fulfilled at a point in time and those that are fulfilled over time.

	31/12/2024	31/12/2023
At a point in time	38,122	39,785
Over time	1,090,872	1,019,246
Total Net Revenue	**1,128,995**	**1,059,030**

The table below shows the amount of revenue from recognised contract liabilities which had been included among contract liabilities at the beginning of the period:

	31/12/2024	31/12/2023
Revenue from contract liabilities	178,843	148,355

The following table shows the amount of transaction price for existing contracts outstanding at December 31, 2024 which will be converted into revenue from contracts with customers within one year or after one year.

	31/12/2024	31/12/2023
Within one year	531,777	563,651
After one year	366,018	292,258
	897,794	**855,909**

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue after one year relate to sale of new boats, of which the performance obligation is to be satisfied within 2 years. All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained, that is included in contract liability.

Transactions for contracts outstanding at the end of the previous year amounted to €563,651 thousand and which were expected to be converted into revenues within one year were substantially realized during the current year.

7. Change in inventories of work-in-process, semi-finished and finished goods

The change in inventories of work-in-process, semi-finished and finished goods refers to inventories of boats not covered by orders.

8. Cost capitalised

This item, amounting to €33,431 thousand (€30,559 thousand in 2023), consists mainly of costs incurred for labour, materials and manufacturing overhead and miscellaneous costs and expenses that were capitalised under the item "Models and moulds". These costs were incurred primarily for the internal production of models and moulds used to build fiberglass-reinforced plastic forms which constitute the hull and other structural elements of the boats classified in this item as per industry practice.

9. Other income

	31/12/2024	31/12/2023
Income from relationship with suppliers	13,356	8,867
Gains on sales of assets	6,258	69
Damage settlements	2,467	1,958
Rebilling of miscellaneous costs to customers and dealers	1,126	1,080
Cost over-accruals	784	1,454
Intragroup rebilling of miscellaneous costs	722	3,700
Rebilling of centralised services	241	213
Rental income	218	234
Other	3,121	2,102
Total other income	**28,295**	**19,678**

The item "Income from relationship with suppliers" mainly regards (i) the discounts received from suppliers which co-operate with the Group; (ii) invoices to suppliers due to noncompliance of materials received; (iii) proceeds from sundry activities not directly connected with shipbuilding such as income from promotional, marketing and co-branding agreements entered into with other internationally-renowned firms; (iv) Cost over-accruals, mainly referred to differences on cost forecasts recorded in the previous years for the supplies of services and raw materials, whose final account proved to be lower.

The item "Discounts from suppliers" regards the discounts received from suppliers which co-operate with the Company, in accordance with the sales agreements entered into in the reporting period.

The item "Gains on sales of assets" refers primarily to the sale of two demonstrative boats that were accounted as a fixed assets.

The item "Damage settlements" refers primarily to the insurance income related to damages occurred to some boats for €1,260 thousand and for €516 thousand to final settlement of damages occurred to a Company's shipyard for bad weather damage due to rain and hail.

The item "Cost over-accruals" mainly refers to differences on cost forecasts recorded in the previous years for the supplies of services and raw materials, whose final account proved to be lower.

The item "Intragroup rebilling of miscellaneous costs" includes various kinds of specific rebillings to subsidiaries, for costs incurred on their behalf. These are primarily refers to certain costs and expenses incurred by Ferretti S.p.A. for services carried out by several providers and personnel costs for Ferretti
S.p.A. employees seconded to other Group companies, chargebacks for utilities and other costs.

The item "Rebilling of centralized services" refers to the rebilling to subsidiaries of costs related to centralized services incurred for their benefit such as information technology, tax and accounting services.

The item "Other" includes approximately €3,801 thousand for invoices to suppliers due to non- compliance of materials received, proceeds from sundry activities not directly connected with shipbuilding such as: income from promotional, marketing and co-branding agreements entered into with other internationally-renowned firms.

10. Raw materials and consumables used

This item primarily reflects purchases of raw and ancillary materials used in production and the change for the year in the corresponding inventories.

11. Contractors costs

This item consists mainly of the costs incurred to outsource certain phases of the production process.
This is because the boat building process can include the use of external companies as contractors for the construction and assembly of onboard equipment installed in the boats.

12. Costs for trade shows, events and advertising

The main components of this item are advertising and promotional expenses and expenses incurred to attend industry trade shows. This item also includes costs of communication and image consulting.

13. Other service costs

	31/12/2024	31/12/2023
Transportation and customs clearing costs	23,718	21,497
Technical consulting	12,663	13,611
Tax, legal and administrative consulting services	7,962	8,958
Utilities	6,553	6,760
Insurance	5,728	4,533
Maintenance	5,533	4,756
Entertainment expenses	5,376	6,266
Travel and per diem expenses	4,979	5,129
Fees paid to members of corporate governance bodies	4,393	5,060
Recruiting and training costs	3,313	2,949
Costs of centralized services	302	302
Other	17,502	15,664
Total other service costs	**98,021**	**95,484**

The item "Technical consulting" amounting to €12,663 thousand refers to consultancy on production issues and services rendered by engineering firms and designers with regard to the design of boats and new models of vessels, interiors and other studies and research bearing on the shipbuilding process. It also includes the costs of certifications or services from other entities of a technical nature.

The item "Tax, legal and administrative consulting services" mainly included €2,553 thousand for legal advice and notaries' fees and €2,125 thousand relating to administrative consulting, including accounts auditing, and tax assistance. Moreover, €670 thousand referred to IT consulting.

In the fiscal year ended December 31, 2024, "Fees paid to members of corporate governance bodies" included €4,209 thousand for fixed and variable compensation, benefits and remuneration paid to Directors, as well as €108 thousand in fees paid to Statutory Auditors and €76 thousand for the Supervisory Body.

With regard to the Note "Fees paid to Directors, Statutory Auditors, members of the Supervisory Body and Independent Auditors" see the schedule relating to the fees received by the Company's corporate bodies.

The item "Recruiting and training costs" mainly refers to the costs incurred by the Company for the company canteen and meal vouchers (as provided for contractually), as well as remuneration for project workers and the costs of training. This item also includes personnel costs relating to employees at Ferretti S.p.A. seconded from other Group Companies.

The item "Other" consists mainly of costs incurred for services of various types, such as security services, such as outsourced services for approximately €8.9 million, janitorial services, security services, waste disposal, etc.

14. Rentals and leases

The Company recognised the right-of-use assets and the lease liabilities, excluding short-term leases and leases related to low-value assets.

The right-of-use assets of most lease contracts were recognised based on the carrying amount, discounted using the incremental borrowing rate. For some lease contracts, the right-of-use assets were recognised based to the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to the lease previously recognised.

Lease liabilities were recognised at the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of first time application.

	31/12/2024	31/12/2023
Short-term rentals and leases	3,035	1,843
Rentals and leases for low-value assets	2,125	2,267
Royalties	9,428	7,644
Total rentals and leases	**14,588**	**11,754**

15. Personnel costs

	31/12/2024	31/12/2023
Wages and salaries	85,516	77,441
Social security contributions	29,867	27,132
Non-current employee benefits and other provisions	5,603	4,987
Total personnel costs	**120,986**	**109,559**

The five highest-paid employees during the years ended December 31, 2024 and 2023 include a director, whose details are given in Note 45, and four employees, who are not directors and whose personnel costs are as follows:

	31/12/2024	31/12/2023
Wages and salaries	5,361	6,583
Social security contributions	278	514
Non-current employee benefits and other provisions	79	70
Total personnel costs	**5,718**	**7,167**

The number of highest-paid non-director employees whose remuneration fell into the following ranges was as follows:

	31/12/2024	31/12/2023
HK$3,500,001 - HK$4,000,000	2	–
HK$4,500,001 - HK$5,000,000	1	–
HK$5,500,001 - HK$15,500,000	1	4
Total number of employees	**4**	**4**

16. Other operating expenses

	31/12/2024	31/12/2023
Settlement agreements and damage compensation	3,549	638
Taxes and fees other than income taxes	1,410	1,260
Memberships in trade associations	950	692
Advertising and promotional material	610	590
Re-billable costs	569	305
Cost under-accruals	260	2,381
Charity initiatives	132	1,161
Reward vouchers and other benefits for employees	43	28
Losses on asset sales	2	37
Sundry operating costs	555	507
Total other operating expenses	**8,080**	**7,600**

The item “Settlement agreements” related to several private agreements entered into in the course of the year ended December 31, 2024 and damages compensation due to a civil suit.

The item “Taxes and fees other than income taxes” includes the cost of IMU (municipal property tax), stamp duty, Tari (waste tax) and other minor taxes.

“Cost under-accruals” referred mainly to the higher costs incurred during the financial year in excess of the provisions recognised in the financial year ended December 31, 2023 for supplies pertaining to the previous years.

“Charity initiatives” in 2023 referred mainly to a donation of the proceeds from auction of its special- edition Riva Anniversario yacht to support UNICEF’s work keeping children safe in El Salvador.

“Sundry operating costs” includes mainly charitable contributions, gifts, fines, stamp duties, etc.

17. Provisions and impairment

This item is shown net of utilisations and releases to income made during the year.

	31/12/2024	31/12/2023
Allocations to the provision for product warranties	19,377	25,071
Provision for miscellaneous risks, net	(4,075)	6,329
Allocations to the provision for doubtful accounts	24,599	5,005
Total provisions and impairment	**39,900**	**36,404**

18. Depreciation and amortisation

	31/12/2024	31/12/2023
Depreciation of property, plant and machinery	46,421	45,249
Depreciation of rights-of-use assets	5,353	3,711
Amortisation of intangible assets	4,726	5,967
Total depreciation and amortization	**56,500**	**54,927**

Reference should be made to the tables on property, plant, equipment and intangible assets for additional details.

19. Financial income

	31/12/2024	31/12/2023
Income from receivables entered in fixed assets	9,738	9,789
Dividends distributed by subsidiaries	—	2,523
Interest income from banks	4,491	6,231
Interest and other financial income	1,482	2,577
Total financial income	**15,711**	**21,120**

"Income from receivables entered in fixed assets" refers to interest accrued on loans granted to subsidiaries.

"Interest and other financial income" mainly includes interest accrued on current account balances and interest accrued on cash pooling current account management.

20. Financial expenses

	31/12/2024	31/12/2023
Interests on banks and other loans	1,055	1,168
Interest on lease liabilities	310	177
Interest on provision for severance benefits and pensions	162	86
Interest paid to subsidiaries	–	0
Other financial expenses	1,257	1,777
Total financial expenses	**2,784**	**3,209**

21. Foreign exchange gains/(losses)

At December 31, 2024, the Company does not have exchange rate risk hedging contracts in force; as a result, creditor and debtor balances denominated in foreign currency are subject to changes on the basis of the exchange rates in force at December 31, 2024.

22. Income tax

Taxes showed tax expense of €37,496 thousand for the year ended December 31, 2024, due to both current and deferred taxes, as illustrated below:

	31/12/2024	31/12/2023
Corporate income tax (IRES)	(7,083)	(4,887)
Regional tax (IRAP)	(5,118)	(5,166)
Total current taxes	(12,201)	(10,053)
Recognition of R&D receivable	634	1,033
Prior-year taxes	(146)	24
Deferred taxes	(25,783)	(9,911)
Total income tax	**(37,496)**	**(18,907)**

The IRES (Imposta sul reddito delle società) taxable base was positive, and therefore, within the framework of national tax consolidation, a provision was made for this tax based on the 24% rate currently in force in Italy. The increase is attributable to the higher taxable income for the year and the absence of the recognition of deferred tax assets on tax losses carried forward as happened in 2023.

The IRAP (imposta regionale sulle attività produttive) taxable base was positive, and therefore a provision was made for this tax based on the IRAP fixed rate in force in the regions in which the value of production is calculated.

The following table provides a reconciliation between the nominal and effective tax rate of the Company for 2024 and 2023:

	31/12/2024	31/12/2023
Theoretical taxable base[5]	100,688	105,262
IRES 24%	(24,165)	(25,263)
IRAP 3.90%	(3,927)	(4,105)
Total theoretical tax	**(28,092)**	**(29,368)**
Credit used for ACE (Allowance for Corporate Equity) of the year	–	2,720
Recognition of R&D receivable	634	1,033
Utilisation of tax losses	–	10,868
Undeductible costs	(6,010)	(3,707)
Other differences	(3,394)	(453)
Effective tax recognised in the income statement	**(37,496)**	**(18,907)**

The Company has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognizes nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

On December 28, 2023, the government of Italy enacted the Pillar Two income taxes legislation effective from January 1, 2024 (see Legislative Decree no. 209/2023 and the subsequent Ministerial Decrees, hereinafter "**the Italian Pillar Two rules**").

According to the Pillar Two model rules published by the OECD, Shandong Heavy Industry Group ("**SHIG**") – located in China for tax purposes – would qualify as Ultimate Parent Entity ("**UPE**") as it consolidates all its subsidiaries on a line-by-line basis. As a consequence, the Pillar Two perimeter would be identified with all the entities that are included on a line-by-line method in the Consolidated Financial Statements of Shandong Heavy Industry Group, including Ferretti S.p.A. and its subsidiaries ("**Ferretti sub-group**"). Even if China has not yet implemented the Pillar Two discipline, Shandong Heavy Industry Group, as the UPE, will be in charge of the calculation of the jurisdictional effective tax rate according to the Pillar Two Rules as it may be the data owner for the whole Group with reference to Transitional CbCR Safe Harbours ("**TSH**") and jurisdictional ETR calculations.

According to the Italian Pillar Two rules, Ferretti S.p.A. qualifies as the partially-owned parent entity ("**POPE**") for Pillar Two purposes, as (i) it owns profit rights in other entities that are included in the Consolidated Financial Statements of Shandong Heavy Industry Group and (ii) more than 20% of its profit rights are held by entities that are not included in this consolidation perimeter.

Under the Italian Pillar Two rules, since Ferretti S.p.A. is a POPE not fully owned by another POPE and that is located in a jurisdiction that has implemented the Pillar Two legislation, it is required to pay, in Italy, the top-up tax (if any) up to their allocable share in its subsidiaries which are located in low-taxed jurisdictions (i.e., that are taxed at an effective tax rate determined in accordance to the Italian Pillar Two rules of less than 15%).

5 Figure referred to the profit before tax.

The SHIG Group has performed a preliminary assessment of the TSH on the basis of the OECD rules on "Safe Harbour and Penalty Relief" issued on 20.12.2022 (and the subsequent Administrative Guidances), which are intended as "qualifying international agreement on safe harbours" for the purposes of the EU Directive n. 2523/2022 (art. 32) and the Italian Pillar Two rules. This preliminary assessment is based on the Company and its controlled subsidiaries' accounting data for the fiscal year 2024 as reported from Company and its controlled subsidiaries in the consolidation process, before making any adjustments that would eliminate income or expense attributable to intra-group transactions.

Based on FY 2024 financial data, no significant impact in terms of potential top up tax is expected for the Ferretti sub-group. This preliminary assessment has been performed considering a number of technical positions based on the content of the TSH rules and other guidelines currently available. In this regard, considering the lack of specific interpretations and explanations by the OECD, the EU Directive, the Italian law, such technical positions shall be confirmed once the expected clarifications will be provided at OECD, EU and domestic level.

The Company is continuing to assess the impact of the Pillar Two income taxes legislation on its future financial performance.

Notes to the main asset items

The following Notes provide a breakdown of the individual components of the Statement of Financial Position for the fiscal year ended December 31, 2024 compared with December 31, 2023.

Current assets

23. Cash and cash equivalents

	31/12/2024	31/12/2023
Bank and postal accounts	95,696	147,579
Time deposit	20,015	142,464
Cash and securities on hand	98	14
Total cash and cash equivalents	**115,809**	**290,057**

The items listed above can be converted readily into cash and are not exposed to a significant risk that their value may change. There are no obligations or restrictions on use. Amounts collected and held in escrow accounts are classified as current assets, under the line item "Other current assets".

The carrying amount of "Cash and cash equivalents" is deemed to be aligned with their fair value at the reporting date.

During the year ended December 31, 2024, the Company has signed time deposit accounts agreements with five primary banks, in order to benefit of increasing interest rates, with maturities ranging from one week to two weeks.

The time deposits accounts with a maturity of more than three months are classified as current financial assets (see Note 28), if any.

The credit risk related to liquid assets is very limited because the counterparties are major national and international banking institutions.

A detailed analysis of the changes that occurred in this item is provided in the Cash Flow Statement.

24. Trade and other receivables

	31/12/2024	31/12/2023
Trade receivables	243,844	229,772
Other receivables	30,607	37,022
Total trade and other receivables	**274,450**	**266,794**

	31/12/2024	31/12/2023
Accounts receivable from customers	32,938	20,914
Receivables from Group Companies	214,182	211,762
Total gross trade receivables	247,120	232,676
(Less) Provision for doubtful accounts	(3,276)	(2,904)
Total trade receivables	**243,844**	**229,772**

"Accounts receivable from customers" at December 31, 2024 relate primarily to sales and services other than boat sales, for which the balance is generally received before delivery based on the contractual terms and conditions in force. Therefore, they refer to paid after-sales services, sales of material and spare parts, merchandising. These are considered to be receivable within 12 months. Payment terms are agreed with customers on a case by case basis.

Receivables from Group companies

"Receivables from Group companies" derive from services and supplies delivered to subsidiaries based on market values. Receivables from Ferretti Group of America LLC and Ferretti Group Asia Pacific Ltd relate primarily to the sale of boats for sale in the American and Asian territories.

	31/12/2024	31/12/2023
Ferretti International Holding S.p.A.	—	—
Zago S.p.A.	217	185
Sea Lion S.r.l.	116	183
Ram S.p.A.	254	352
Ferretti Tech S.r.l.	3	3
Fratelli Canalicchio S.p.A.	81	3
Il Massello S.r.l.	17	51
Ferretti Group of America Holding Company Inc	11	11
Ferretti Group of America LLC	182,917	176,196
Allied Marine Inc	1,097	1,072
Ferretti Group Asia Pacific Ltd	29,378	33,471
Ferretti Asia Pacific Zhuhai Ltd	4	3
Ferretti Group UK Ltd	—	123
Ferretti Group (Monaco) SaM	51	78
Ferretti Gulf Marine-Sole Proprietorship Llc	33	29
Ferretti Group Singapore Pte. Ltd	2	2
Total Receivables from Group companies	**214,182**	**211,762**

Provision for doubtful accounts

The provision for doubtful accounts, calculated by the Company in compliance with IFRS 9, changed as follows in the two years of reference:

	31/12/2024	31/12/2023
At beginning of year	**2,904**	**3,001**
Impairment losses, net	550	460
Amount written off as uncollectible	(178)	(557)
At end of period	**3,276**	**2,904**

An impairment analysis is performed at the end of each of the reporting dates to measure expected credit losses. The provision rates are based on the ageing for each specific customer. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

For an analysis of the ageing of trade receivables by the due date and net of the provision for doubtful accounts, refer to Note 5, Management of financial risks.

In view of the face that the Company's trade and receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

	31/12/2024	31/12/2023
Other tax receivables	12,452	11,048
Accruals, deferrals and other receivables	18,154	25,974
Total other receivables	**30,607**	**37,022**

The item "Accruals, deferrals and other receivables" may be broken down as follows:

	31/12/2024	31/12/2023
Receivables owed by social security institutions	352	339
Other receivables from Group companies	74	514
Commissions advances	7,812	4,520
Advances, prepayments and sundry receivables from suppliers	5,461	16,253
Others	114	294
Accruals and deferrals	4,341	4,054
Total accruals, deferrals and other receivables	**18,154**	**25,974**

"Receivables owed by social security institutions" at December 31, 2024 refer mainly to receivables from the Italian workman's compensation agency (INAIL) of €173 thousand, for advances and payments to employees, as well as, for the residual amount, advances against the Redundancy Fund paid to employees on behalf of the Italian social security administration (INPS), still to be refunded for €2 thousand.

The item "Other receivables from Group companies" refers for €74 thousand to the receivable from the subsidiary Zago S.p.A., which accrued a tax gain for IRES purposes that the Company used, as part of the National Tax Consolidation, to offset tax losses of other companies.

The balance relating to "Advances, prepayments and sundry receivables from suppliers" as at December 31, 2023 mainly refers for €14.250 million to the advance payment for the acquisition of an additional 30,000 square meters adjacent to the San Vitale Shipyard, bringing the entire new production area in Ravenna to approximately 100,000 square meters to produce the Made-to-measure, Composite and sail segments of the Ferretti Yachts and Wally brands. This latest acquisition is equivalent a further increases the Group's production capacity by 10%. In the second half of January 2024, Ferretti S.p.A. executed the sale agreement. The balance also includes about €165 thousand of advances already paid for the main industry trade show in Dusseldorf to be held in the first months of 2025, and several insurance indemnities requested during the current year, which will be paid in the following months, in addition to advances paid to suppliers for services that have not yet been completed or work progress payments for goods not yet delivered.

As at December 31, 2024 the impairment loss provision for the other receivable was assessed to be minimal.

Income tax recoverable

As at December 31, 2024 Income tax recoverable includes mainly tax credits recognized under Italian incentive laws ("Industria 4.0" and "Credito d'imposta Ricerca e Sviluppo e Design e Ideazione estetica 2023") for €1,207 thousand.

25. Contract assets

"Contract assets" consist of the amount payable by customers arising from contracts completed at the end of this accounting period, stated net of contract liabilities.

"Contract assets" are measured over time since they meet all the requirements set out in IFRS 15 and are recognised using the input method according to the percentage completed.

The following table provides the breakdown arising from "Contract assets" at December 31, 2024, compared to those at December 31, 2023.

	31/12/2024	31/12/2023
Gross value of contract assets	747,772	623,076
Advances collected	(545,879)	(433,582)
Total contract assets	**201,893**	**189,493**

26. Inventories

	31/12/2024			31/12/2023
	Gross value	Allowance for write-downs	Net amount	Net amount
Raw materials and components inventory	65,004	(6,491)	58,513	58,911
Work in progress and semi-finished goods	154,113	–	154,113	107,170
New boats	177,886	–	176,086	117,566
Used boats	32,535	(10,253)	24,082	18,281
Total inventories	**429,538**	**(16,744)**	**412,794**	**301,927**

The item "Raw materials and components inventory" is adjusted by an allowance for write-downs of €6,491 thousand at December 31, 2024 that reflects an estimate of slow-moving and/or potentially obsolete inventory items.

The item "Work in progress and semi-finished goods" includes boats not covered by orders at the end of the year.

The item "New boats" refers to boats not covered by orders, whose production had been completed at the closing date of the reporting period.

The carrying amount of the used boats was adjusted by means of an allowance for write-downs of €10,253 thousand, in order to bring the purchase cost down to its estimated realisable value.

	31/12/2024	31/12/2023
Within one year	374,725	280,917
Beyond one year	38,069	21,010
Total inventories	**412,794**	**301,927**

27. Advances on inventories

The item "Advances on inventories" refers to the advances that the Company pays to its suppliers for purchases of raw materials.

28. Other current assets

The item "Other current assets is broken down as follows:

	31/12/2024	31/12/2023
Incidental borrowing costs	369	385
Other current assets	0	0
Other current assets from Group companies	63,948	46,571
Total other current assets	**64,317**	**46,956**

The "Incidentals borrowing costs" refer for €369 thousands to a new committed "Revolving Credit Facility" finalized on July 26, 2024 and available until July 2029 (Note 34).

The item “Other current assets from Group companies” is broken down as follows:

	31/12/2024	31/12/2023
Financial receivables		
Ferretti Group of America LLC	2,489	1,768
Ferretti Group of America Holding Company Inc	26,214	22,860
Zago S.p.A.	208	229
Ram S.p.A.	886	213
Fratelli Canalicchio S.p.A.	70	229
Il Massello S.r.l.	169	177
Allied Marine Inc.	5,489	4,887
Ferretti Group (Monaco) Sam	113	101
Ferretti Group UK Ltd	–	19
Ferretti Group Asia Pacific Ltd	290	235
	35,929	**30,716**
Receivables for treasury accounts		
Zago S.p.A.	12,278	5,228
Fratelli Canalicchio S.p.A.	7,649	7,470
Il Massello S.r.l.	8,092	3,158
	28,019	**15,855**
Total	**63,948**	**46,571**

“Financial receivables” derive from the invoicing of interest income accrued on loans granted to subsidiaries as non-current receivables and interest income accrued on cash pooling account balances.

Non-current assets

29. Investments in subsidiaries

Equity investments in subsidiaries at December 31, 2024 were broken down as follows:

	31/12/2024	31/12/2023
Zago S.p.A.	9,417	9,417
Sea Lion S.r.l.	3,428	3,428
Ram S.p.A.	2,863	2,269
Ferretti Tech S.r.l.	40	30
Fratelli Canalicchio S.p.A.	100	100
Ferretti Group America Ltd	4	4
Ferretti Group Asia Pacific Ltd	10	10
Ferretti Group Asia Pacific Zhuhai Ltd	120	120
Ferretti Group (Monaco) S.a.M.	1,100	1,100
Ferretti Group UK Ltd	–	2
Ferretti Gulf Marine-Sole Proprietorship Llc	1,546	1,546
Total equity investments	**18,627**	**18,025**

In December 2024, the Company made a non-refundable payment with no right of restitution amounting to €10 thousand to Ferretti Tech s.r.l. and subscribed a capital increase in RAM S.p.A. for Euro 594 thousand that increase the percentage of possession from 80% to 93%.

The company has undertaken to eventually provide its financial support to some controlled companies.

30. Property, plant and equipment

Movements in this item in the year ended December 31, 2024 were as follows:

	Land and buildings	Plant, machinery and equipment	Other equipment and vehicles	Models and moulds	Total
At January 1, 2024					
Cost	295,548	64,746	49,557	335,885	745,736
Accumulated depreciation	(74,690)	(45,862)	(26,832)	(257,988)	(405,371)
Net carrying amount	**220,859**	**18,884**	**22,725**	**77,897**	**340,365**
At January 1, 2024, net of accumulated depreciation	**220,859**	**18,884**	**22,725**	**77,897**	**340,365**
Additions — owned assets	75,488	8,934	4,986	35,135	124,542
Additions — right-of-use assets	6,194	1,893	711	—	8,797
Disposals	0	(16)	(5,063)	0	(5,079)
Disposals — right-of-use assets	—	—	—	—	0
Depreciation — owned assets	(12,786)	(4,138)	(4,210)	(25,288)	(46,421)
Depreciation — right-of-use assets	(3,769)	(641)	(943)	—	(5,353)
Reclassification	(2,903)	1,967	1,011	(728)	(654)
At December 31, 2024, net of accumulated depreciation	**283,082**	**26,883**	**19,216**	**87,016**	**416,197**
At December 31, 2024	**283,082**	**26,883**	**19,216**	**87,016**	**416,197**
Cost	373,882	77,390	47,473	369,975	868,720
Accumulated depreciation	(90,800)	(50,507)	(28,257)	(282,960)	(452,523)
Net carrying amount	**283,082**	**26,883**	**19,216**	**87,015**	**416,197**

At December 31, 2024, the net carrying amounts of land and buildings, plant, machinery and equipment, other assets included rights-of-use assets amounting to Euro 10,384 thousand, Euro 1,252 thousand and Euro 1,134 thousand, respectively.

Movements in this item in the year ended December 31, 2023 were as follows:

	Land and buildings	Plant, machinery and equipment	Other equipment and vehicles	Models and moulds	Total
At January 1, 2023					
Cost	202,786	45,649	39,336	307,306	595,077
Accumulated depreciation	(47,911)	(30,675)	(20,488)	(227,723)	(326,798)
Net carrying amount	**154,875**	**14,973**	**18,848**	**79,583**	**268,279**
At January 1, 2023, net of accumulated depreciation	**154,875**	**14,973**	**18,848**	**79,583**	**268,279**
Additions — owned assets	72,696	8,785	5,928	28,305	115,714
Additions — right-of-use assets	4,849	176	774	0	5,799
Disposals	(22)	(679)	0	(616)	(1,317)
Disposals — right-of-use assets	0	0	0	0	0
Depreciation — owned assets	(9,453)	(3,313)	(3,341)	(29,141)	(45,249)
Depreciation — right-of-use assets	(2,550)	(190)	(972)	0	(3,711)
Reclassification	464	(868)	1,488	(234)	850
At December 31, 2023, net of accumulated depreciation	**220,859**	**18,884**	**22,725**	**77,897**	**340,365**
At December 31, 2023					
Cost	295,548	64,746	49,557	335,885	745,736
Accumulated depreciation	(74,690)	(45,862)	(26,832)	(257,988)	(405,371)
Net carrying amount	**220,859**	**18,884**	**22,725**	**77,897**	**340,365**

At December 31, 2023, the net carrying amounts of land and buildings, plant, machinery and equipment, other assets included rights-of-use assets amounting to Euro 7,960 thousand, Euro 0 thousand and Euro 1,366 thousand, respectively.

31. Intangible assets

Movements in this item in the year ended December 31, 2024 were as follows:

	Trademarks	Other intangible assets	Total
Cost	221,809	74,161	295,970
Accumulated depreciation	0	(51,928)	(51,928)
Net carrying amount	**221,809**	**22,233**	**244,043**
Balance at 31 December 2023	221,809	22,233	244,043
Additions	298	7,602	7,900
Amortisation	0	4,726	4,726
Impairment	0	0	0
Reclassification	0	433	433
Balance at 31 December 2024	**222,107**	**25,543**	**247,650**
Cost	222,107	82,196	304,303
Accumulated depreciation	0	(56,654)	(56,654)
Net carrying amount	**222,107**	**25,543**	**247,650**

Movements in this item in the year ended December 31, 2023 were as follows:

	Trademarks	Other intangible assets	Total
Cost	221,655	55,883	277,538
Accumulated depreciation	0	(45,961)	(45,961)
Net carrying amount	**221,655**	**9,922**	**231,577**
Balance at 31 December 2022	221,655	9,922	231,577
Additions	154	18,832	18,986
Amortisation	0	(5,705)	(5,705)
Impairment	0	(262)	(262)
Reclassification	0	(554)	(554)
Balance at 31 December 2023	**221,809**	**22,233**	**244,043**
Cost	221,809	74,161	295,970
Accumulated depreciation	0	(51,928)	(51,928)
Net carrying amount	**221,809**	**22,233**	**244,043**

Trademarks — Indefinite useful life

A breakdown of the value of "Trademarks" at December 31, 2024 is as follows:

	31/12/2024	31/12/2023
Ferretti Yachts	95,318	95,318
CRN	46,544	46,544
Custom Line	36,718	36,718
Riva	30,716	30,716
Wally	2,929	2,929
Pershing	8,609	8,609
Easy Boat	9	9
Mochi	2	2
Costs for trademark protection and acquisition	1,263	965
Total trademarks	**222,107**	**221,809**

Other intangible assets - definite useful life

	31/12/2024	31/12/2023
Concessions	14,183	11,412
Intellectual property rights	10,776	10,403
Software	584	418
Total other intangible assets	**25,543**	**22,233**

— "Concessions" refers chiefly to (i) for a net book value of €12,397 thousand, the costs incurred to acquire an area in front of the Ravenna shipyard pursuant to a public land-use concession, used as a dry dock and a quay with docks and launching structure. The Group applied for a new concession for an extended area and time, with an increase of the quay for the construction of piers and partial filling of the dry dock that was approved by the competent Authority in November 2024 for 40 years, which is in the process of being formally signed; (ii) the costs incurred to acquire docking rights until 2053 in a marina located in Cattolica within the framework of the Detailed Public Initiative Plan for Port Facilities in the Municipality of Cattolica, for a net book value of €587 thousand; (iii) the docking right in the marina Porto Mirabello, in the Gulf of La Spezia, the net value of the investment is €586 thousand; the right will remain valid until 2067;

— "Intellectual property rights" with a net book value of €10,776 thousand include the costs of the projects carried out by the Group, which extended to the main business areas, in view of constant improvement and complete integration of the various Group companies operating in Italy and abroad, as part of the reorganization of the Group initiated in previous years. This item also includes the design work to develop naval platforms for the construction of the CRN models. The Group conducted research and development on innovative solutions for each model to be applied to all units built.

— In particular, the projects being developed include: the creation of special gates, built on land before the steel boat structure arrives in the shipyard: standardization of the plant processes; study of the installation of plastic pipes to optimize footprint; development of an engine room optimized for the passage of pipes and conduits; and the study and development of light-weight furnishings, with support from the Engineering Department.

— The residual value of the item "Other intangible assets" (€584 thousand) referred to the net value of licenses for new IT applications and the net value of patents.

Impairment test on indefinite useful life intangible assets

On December 31, 2024, the Company carried out impairment tests on these assets.

Based on the process of identification of Cash Generating Units (CGUs), the value of trademarks is allocated to the individual CGUs, as they have been identified based on the trademarks produced and marketed.

The main assumptions underlying the impairment test performed to determine value in use, which are those concerning operating cash flows, discount rate and growth rate, are reviewed below:

a. the free cash flows used to determine the value in use were those derived from the management's most recent forecasts with a five year time period;
b. the impairment test was performed considering as the value in use of the CGUs, which includes their terminal value, determined in accordance with the perpetuity criterion; and
c. the main criteria used to determine the value in use are summarised in the following table, and are the same for all the CGUs:

	31/12/2024	31/12/2023
Interest rate for riskless assets	3.50%	4.24%
Discount rate pre-tax - WACC	12.68%	12.68%
Perpetuity growth rate (g-rate)	2.00%	2.00%

d. the Company's management adopted a discount rate in a configuration gross of tax effects that reflects current market valuations of the cost of money and the specific risk associated with each CGU. In the calculation of the terminal value, the Company uses a 2% long-term growth rate (g-rate), after having taken into account the data available and market forecasts.

The impairment test results did not indicate any need to write down the intangible and tangible assets for the Company's CGUs.
On the basis of the analyses conducted, the Company's management did not identify a reasonable possible change in key parameters that could result in the carrying amount of the CGUs exceeding its recoverable amount at the end of 2024 and 2023.
The Company will continue to monitor the performance of the individual CGUs carefully in order to verify that actual performance coincides with forecasts.

32. Other non-current assets

	31/12/2024	31/12/2023
Equity investments designated at fair value through income statement	2	2
Deposits	622	573
Commissions advances	3,485	2,703
Other receivables and loans granted to subsidiaries	44,438	40,050
Other assets	5,318	4,390
Total other non-current assets	**53,864**	**47,718**

The item “Equity investments designated at fair value through income statement” includes the equity investment in industry consortia.

The item “Commissions advanced” refers to advances on commissions paid on the basis of interim receipts from customers for boats that will be delivered after the following year.

The value of “Other receivables and loans granted to subsidiaries” is related to financing and supporting operations as described in detail here below:

	31/12/2024	31/12/2023
Sea Lion S.r.l.	21,825	21,619
Zago S.p.A.	6,375	6,375
Il Massello S.r.l.	8,650	4,650
Ferretti Group of America LLC	5,789	5,442
Ferretti Group (Monaco) S.a.M.	799	799
Ferretti Group UK Ltd	–	165
Ferretti Group Asia Pacific Ltd	1,000	1,000
Total	**44,438**	**40,050**

The loan issued to Il Massello Srl for €8,650 thousand is aimed to cover the expansion plan which involves the construction of a new production site for the subsidiary.

These loans are granted with tacit renewal terms and it is the intention of the Company’s management to obtain gradual repayment in relation to the cash flows produced by the subsidiaries. These loans accrue interest at Euribor-linked market rates.

The value of “Other assets” mainly refers to long-term deferrals for €521 thousand, to incidental borrowing cost for the new revolving credit line for €1.216 thousand and for Euro 3,100 thousand to the prepaid amount for the acquisition of remaining 40% of interest in the controlled company Fratelli Canalicchio S.p.A..

33. Deferred tax assets

In detail, movements for the year ended December 31, 2024 are as follows:

	Provisions	Inventory write-downs	Provision for doubtful accounts	Differences in depreciation and amortisation for reporting rather than tax purposes	Goodwill relevant for income tax purposes	Tax losses	Other sundry differences	Total
At December 31, 2023 and 1 January 2024	**18,578**	**4,264**	**585**	**11,139**	**907**	**40,599**	**714**	**76,786**
Credited/ (charged) to								
Profit and loss	(146)	742	—	997	(172)	(29,126)	845	(26,861)
Other comprehensive income	—	—	—	—	—	—	—	—
Other reserves	—	—	—	—	—	—	—	—
At December 31, 2024	**18,431**	**5,006**	**587**	**12,136**	**734**	**11,473**	**1,558**	**49,925**

	Depreciation of land and other assets valued at less than 516/k	Trademarks	Leases	Other	Total
At December 31, 2023 and 1 January 2024	**1,315**	**60,659**	**5,292**	**2,124**	**69,390**
Charged/(credited) to					
Profit and loss	—	—	(129)	(949)	(1,078)
Other comprehensive income	—	—	—	72	72
At December 31, 2024	**1,315**	**60,659**	**5,163**	**1,245**	**68,384**

In detail, movements for the year ended December 31, 2023 are as follows:

	Provisions	Inventory write-downs	Provision for doubtful accounts	Differences in depreciation and amortisation for reporting rather than tax purposes	Goodwill relevant for income tax purposes	Tax losses	Other sundry differences	Total
At December 31, 2022 and 1 January 2023	**13,746**	**2,608**	**605**	**10,340**	**1,115**	**57,152**	**811**	**86,376**
Credited/ (charged) to								
Profit and loss	4,831	1,656	(19)	799	(208)	(16,552)	(70)	(9,563)
Other comprehensive income	–	–	–	–	–	–	(27)	(27)
Other reserves	–	–	–	–	–	–	–	–
At December 31, 2023	**18,578**	**4,264**	**585**	**11,139**	**907**	**40,599**	**714**	**76,786**

	Depreciation of land and other assets valued at less than 516/k	Trademarks	Leases	Other	Total
At December 31, 2022 and 1 January 2023	**1,315**	**60,659**	**5,420**	**1,682**	**69,077**
Charged/(credited) to					
Profit and loss	0	0	(129)	295	166
Other comprehensive income	–	–	–	146	146
At December 31, 2023	**1,315**	**60,659**	**5,292**	**2,124**	**69,390**

For the purpose of their presentation in financial statements, the Company's tax assets and liabilities have been set off each other in the Statement of Financial Position. Below is an analysis of deferred tax assets:

	31/12/2024	31/12/2023
Deferred tax assets	–	7,396
Deferred tax liabilities	(18,459)	–
Total Deferred tax assets/(liabilities)	**(18,459)**	**7,396**

The Company has tax assets arising from tax losses of €11,473 thousand and €40,599 thousand as at December 31, 2024 and 2023 that are available without any time limit for offsetting against future taxable profits of the entities included in Group tax consolidation scheme in the limit of 80% of the income (the Italian tax regulations permits to deduce in future periods tax losses that were not deducted in the past).

Deferred tax assets were recognized, consistently with IAS 12 requirements, only to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized.

No deferred tax assets arising from tax losses carried forward ("**DTAs**") have not been recognized as at December 31, 2024.

At each reporting date, the Group reassesses its DTAs to the extent that it is probable that sufficient taxable profit will be available to enable the asset to be recovered, based on the actual profits before tax and based on the expected continuous improvements in future prospects and future forecast profits.

The payment of dividends by the Company to its shareholders did not entail related tax effects.

Notes to the main liabilities and equity items current liabilities

34. Bank and other borrowings

	31/12/2024			31/12/2023		
	Effective interest rate	Maturity	Amount	Effective interest rate	Maturity	Amount
Due to banks — unsecured	—	—	173	—	—	239
Due to banks net of incidental borrowing costs	—	—	173	—	—	239
Others	—	2024	0	—	2023	0
Lease liabilities	2.0 - 6.6	2024	5,554	2.0-6.6	2023	4,051
Total short-term	—	—	**5,727**	—	—	**4,290**

	31/12/2024			31/12/2023		
	Effective interest rate	Maturity	Amount	Effective interest rate	Maturity	Amount
Lease liabilities	2.0 - 6.6	2055	14,984	2.0 - 6.6	2055	13,616
Total medium/long-term	—	—	**14,984**	—	—	**13,616**
Total Bank and other borrowing	—	—	**14,984**	—	—	**27,232**

On August 2, 2024, the medium-to-long-term loan agreement for a maximum total amount of €170 million signed in August 2019 expired.

The loan agreement was signed with Banca Nazionale del Lavoro S.p.A., Banco BPM S.p.A., Barclays Bank Ireland PLC, BNP Paribas, Milan Branch (also acting as agent — the "**Agent Bank**"), BPER Banca S.p.A., Crédit Agricole Italia S.p.A., MPS Capital Services Banca per le Imprese S.p.A. and UBI Banca S.p.A., as lenders, and was not in use.

The interest rate applicable to the Loan was equal to the sum of the EURIBOR and the applicable spread, according to the level of the leverage ratio.

The Loan Agreement was subject to a financial covenant relating to the compliance with certain significant thresholds relating to the leverage ratio of total net debt (as defined in the Loan Agreement) to EBITDA (as defined in the Loan Agreement), to be calculated at the consolidated level on a half-yearly basis (June 30 and December 31, of each year on a 12-month basis). At June 30, 2024 and December 31, 2023 all covenants had been fulfilled.

The Company replaced it by negotiating a new revolving facility and on July 26, 2024 the Group has signed a loan agreement with a pool of banks including Banco BPM S.p.A., BPER Banca S.p.A., Intesa Sanpaolo S.p.A. and UniCredit S.p.A. to support the Company in its growth path by financing, if necessary, the working capital.

The new revolving line is committed for a total amount of €160 million and a duration of 5 years from the date of signature of the Loan Agreement.

The Loan Agreement is subject to a financial covenant relating a compliance to the leverage ratio of Total Net Debt (as defined in the Loan Agreement) to EBITDA (as defined in the Loan Agreement), to be calculated at consolidated level on a yearly basis (test date December 31, of each year); this ratio cannot exceed a threshold of 2.5x on the test date.

In addition, the Loan Agreement provides, in case of utilisation, an annual clean-down period, for a minimum of three consecutive business days (it being understood that no fewer than three months may elapse between one clean-down period and another) and includes several mandatory early repayment clauses in certain circumstances.

The interest rate applicable to the Loan is equal to the sum of the EURIBOR and the applicable spread (0,90% on annual bases).

Finally, no guarantee has been provided on the Company's real estate or other assets.

The new revolving line is not in use as at December 31, 2024 and all covenants had been fulfilled.

With regard to the analysis of bank and other borrowings based on maturity, please refer to Note 5 "Financial risk management".

All borrowings are denominated in Euro.

35. Provisions

The table below shows the changes that occurred in "Provisions" during the years ended December 31, 2024 and December 31, 2023:

	Provision for product warranties	Provisions for miscellaneous risks	Total
Balance at January 1, 2024	**33,831**	**42,642**	**76,473**
Additions	19,377	18,928	38,304
Utilisations during the year	(21,128)	(25,287)	(46,415)
Balance at December 31, 2024	**32,080**	**36,283**	**68,363**

	Provision for product warranties	Provisions for miscellaneous risks	Total
Balance at January 1, 2023	**26,201**	**26,641**	**52,842**
Additions	25,071	36,252	61,323
Utilisations during the year	(17,440)	(20,252)	(37,692)
Balance at December 31, 2023	**33,831**	**42,642**	**76,473**

The "Provision for product warranties" reflects the best possible estimate based on available information of the warranty obligations that may be incurred after the reporting date for products sold before that date.

The amount added annually to this provision is based on past experience and future expectations and takes into account new-product launches and the impact of a warranty period of 24 months, even though virtually all warranty claims are received within the first 12 months after a product is sold. A portion of the provision for product warranties is classified as non-current.

	31/12/2024	31/12/2023
Current portion	22,392	21,296
Non-current portion	9,688	12,535
Total Provision for product warranties	**32,080**	**33,831**

Provisions for miscellaneous risks

The item "Provisions for miscellaneous risks" can be broken down as follows:

	31/12/2024	31/12/2023
Legal proceedings and tax and employment law litigation	3,142	5,994
Dealer incentives	15,261	12,114
Provisions for completion of boats	3,243	4,362
Provisions for other risks	14,637	20,171
Total provisions for miscellaneous risks	**36,283**	**42,642**

Provisions for miscellaneous risks are classified under current liabilities.

Provisions for "Legal proceedings and tax and employment law litigation" refer, as far as the legal part is concerned, to potential liabilities arising from the Company's core activity regarding current litigation involving actions for liability due to breach of contract in general and/or contractual liability arising from flaws in the product sold, and other actions concerning claims for compensation for damages by third parties.

During 2024 the Company has released part provision for approximately €2.1 million after having applied for facilitated settlements to close two litigation and received a positive judgment from the Court in another one.

The provisions in item "Dealer incentives" were established to cover the costs that the Company could incur under a system that awards bonuses to dealers who reach predetermined customer service targets.

The "Provisions for other risks" were established to cover liabilities that are likely to arise as a result of identified issues that Company could face in the normal course of business and includes a provision of Euro 6,000 thousand made in 2023 to support the Group's supply chain.

36. Trade and other payables

	31/12/2024	31/12/2023
Trade payables	404,877	370,065
Trade payables to Group companies	80,722	50,343
Trade payables	**485,599**	**420,407**
Other payables	168,277	179,709
Total trade and other payables	**653,876**	**600,117**

	31/12/2024	31/12/2023
Trade and other payables — current	652,613	599,273
Trade and other payables — non-current	1,263	844
Total trade and other payables	**653,876**	**600,117**

Trade payables

"Accounts payable to suppliers" relate to the amount due to suppliers for ordinary commercial supplies of services and materials, at arm's length.

For an analysis of the ageing of trade payables, based on their maturity, please refer to Note 5 "Financial risk management".

Trade payables to Group companies

"Trade payables to Group companies due within one year" were as follows:

	31/12/2024	31/12/2023
Zago S.p.A.	6,526	4,797
Sea Lion S.r.l.	7,986	4,134
Ram S.p.A.	40	53
Fratelli Canalicchio S.p.A.	2,072	2,014
Il Massello S.r.l.	2,867	2,446
Ferretti Group of America LLC	50,069	18,983
Allied Marine Inc	9,486	9,474
Ferretti Group Asia Pacific Ltd	1,395	8,064
Ferretti Group UK Ltd	—	53
Ferretti Group (Monaco) S.a.M.	161	120
Ferretti Gulf Marine - Sole Proprietorship Llc	120	205
Total Trade payables to Group companies	**80,722**	**50,343**

"Trade payables to Group companies" refer to ordinary buying and selling/supply transactions settled at arm's length.

Other payables

	31/12/2024	31/12/2023
Payables due to pension and social security institutions	12,938	12,110
Amounts payable to employees	18,339	18,439
Amounts payable to directors	2,224	3,043
Other tax payable	3,719	5,724
Miscellaneous payables	3,701	4,618
Accrued expenses	1,120	1,304
Deferred income	124,973	133,627
Deferred income — non current	1,263	844
Total other payables	**168,277**	**179,710**

The item "Payables due to pension and social security institutions" reflects the amounts owed to these institutions at December 31, 2024 by the Company and its employees for the December payroll and for accrued and deferred remuneration.

"Amounts payable to employees" refers to the December payroll to be paid in the following month and to the liability for accrued and unused vacations and personal days, as well as to the accrued portion of the performance and production bonus.

The item "Amounts payable to directors" refers to fix and variable remuneration which has accrued but was not yet paid as of December 31, 2024.

The item "Other tax payable" chiefly refers to taxes withheld accrued that will be paid in January 2024.

The item "Accrued expenses" consists mainly of insurance premiums and other transactions recognised on an accrual basis.

The item "Deferred income" mainly includes the sale value of boats amounting to approximately €112 million to the subsidiary Ferretti Group of America LLC and to approximately €13 million to the subsidiary Ferretti Group Asia Pacific Ltd invoiced during the year, in relation to which, at the end of the 2024 financial year, the criteria set out in the reference accounting standards for the recognition of revenue were not met.

The item "Deferred income — non current", totalling €1.263 thousand at December 31, 2024, relates mainly to prepayments of public grants received by the Company of €61 thousand authorised in favour of the former Riva S.p.A., now merged in Ferretti, and €23 thousand authorised in favour of the former subsidiary CRN S.p.A., now also merged in Ferretti. Said deferred income was classified under "Non- current liabilities" for the portion due after the following year. These grants will be recognised in the Income Statement along with the depreciation periods of the corresponding assets once the underlying Framework Agreements expire.

The Company's management believes that the carrying amount of "Total trade and other payables" is close to their fair value.

37. Contract liabilities

"Contract liabilities" include amounts paid by customers for orders not yet fulfilled, based on the sales conditions normally applied. More specifically, this item represents both the part of advances exceeding production already completed and the part of advances received and for which the order has not progressed as at the reporting date.

38. Income tax payable

The item "Income tax payable" at December 31, 2024 refers to income taxes (IRES) accrued that will be paid in the following year.

Non-current liabilities

39. Bank and other borrowings

For a description of this item, reference should be made to Note 34.

40. Non-current employee benefits

	31/12/2024	31/12/2023
Provision for employee benefits	4,927	5,232
Provision for leaving indemnity	395	405
Total non-current employee benefits	**5,322**	**5,637**

a. Employee benefits

Under IAS 19, employee benefits provided in accordance with Italian laws that govern the payment of employee severance indemnities should be treated as post-employment benefits provided under a defined-benefit plan and, consequently, should be valued in accordance with the Projected Unit Credit Method. However, in view of the new provisions introduced by the 2007 Budget Law (Law No. 296 of 27 December 2006), the entities authorised to provide a technical analysis of this issue (Abi, Assirevi and the National Board of Actuaries) concluded that the severance benefits that vest from 1 January 2007 on (or on the date that the option for employees who opted to pay into supplemental pension funds starts) and are invested in supplemental pension funds or deposited in the Treasury Fund maintained by the INPS should be treated as being part of a defined-contribution plan and, as such, are no longer subject to actuarial valuation.

The 2015 Stability Law, which allows employees, on request, to receive in their payslips the accrued portion of severance pay from 1 March 2015 until 30 June 2018 (if they have at least 6 months in service) has no effect on the valuations, as the provision for accrued severance pay is not kept by the Company.

The process of determining the Company's obligations toward its employees, which was carried out by Mr. Tommaso Viola ("**Mr. Viola**"), being an Italian independent actuary and a member of the Italian "Ordine Nazionale degli Attuari", with the same procedure followed at December 31, 2023, involved the following steps:
— projection of vested severance indemnity benefits on the valuation date and of the benefits that will vest until the uncertain date when the employment relationship is terminated or payment of an advance on vested severance indemnity benefits;
— discounting at the valuation date of the expected cash flows that the Company will allocate to its employees in the future;
— in each valuation year, for each employee, the calculation of the annual severance pay increase was made net of the 17% substitute tax (on the annual revaluation amount of severance pay), as provided for in the 2015 Stability Law.

The following table provides the movements in the item "Provision for employee benefits" at December 31, 2024 and December 31, 2023:

	31/12/2024	31/12/2023
Present value of the initial obligation	5,232	5,620
Interest cost	158	84
Actuarial (gains)/loss	(186)	39
Use for indemnities paid and advances	(276)	(511)
Present value of the final obligation	**4,927**	**5,232**

At December 31, 2024, the following assumptions were made:

Demographic Assumptions

— Probability of death of active employees (grouped by age and gender) obtained by reducing by 30% the death probabilities for the Italian population in 2023 (source: ISTAT);
— yearly probability of termination of employment for various reasons (resignation, dismissal), based on the experience for the population in the last five years and applied to all employees aged 65 or younger, equal to 3%;
— yearly probability of requests for payment of advances on vested severance indemnity benefits, based on the experience for the population in recent four years and applied to all employees with seniority of one year or more, of 1%;
— the frequency of employment termination due to resignation by employees achieving the right to receive an old-age or seniority-based pension was also conservatively assumed to be 100%. The requirements for obtaining an old-age or seniority-based pension were assumed to be the same as those set forth in the current regulations of the Italian Social Security Administration (INPS). At present, no employees have requested early retirement.

Financial Assumptions

— Annual inflation rate: 2.5% for the entire valuation period;
— annual revaluation rate of severance indemnity benefits: fixed at 1.5% for the entire valuation period plus 75% of the inflation rate;
— technical discounting rate applied to value defined-benefit plan obligations and the current service cost relating to December 31, 2024: 3.3%;
— technical discounting rate for the valuation of financial charges for the period January 1, 2024-December 31, 2024, equal to the discounting rates for valuations of the defined-benefit obligations at December 31, 2023 (interest cost): 3.3%;

— technical discounting rate at December 31, 2024, based on the yield of the iBoxx Euro 10+ AA Allostock Corporate Bond Index: 3.3818%.

In 2024, an actuarial gain amounting to €186 thousand (before tax) was recognised under the "Other reserves" item.

The amounts recognised in the Income Statement is the Interest cost for €158 thousand.

b. Provision for leaving indemnity

As required by the new supplemental company agreement signed in July 2012 by the Company and the unions representing its employees, each year the Company sets aside a provision for seniority bonuses. These bonuses are payable to employees who, starting on 1 September 2012, have completed or will complete more than 12 years of service.

On a transitional basis, a different loyalty bonus will be paid on termination of the contracts to the employees at some sites who previously received a different bonus and had already accrued more than 12 years' service. The amount previously accruing for all workers will remain unchanged.

As was the case for the Provision for employee severance indemnities, the Company's liability toward its employees was determined by Mr. Viola.

The actuarial valuation model is based on technical assumptions, which include the demographic and financial assumptions used to generate the computation parameters. An overview of the assumptions adopted is provided below.

At December 31, 2024, the following assumptions were made:

Demographic Assumptions

— Probability of death of active employees (grouped by age and gender) obtained by reducing by 30% the death probabilities for the Italian population in 2023 (source: ISTAT);
— probability of termination of employment for various reasons (resignation, dismissal), equal to 3% annually for all employees aged 65 or younger;
— the frequency of employment termination due to resignation by employees achieving the right to receive an old-age or seniority-based pension was also assumed to be 100%. The requirements for obtaining an old-age or seniority-based pension were assumed to be the same as those set forth in the current regulations of the Italian Social Security Administration (INPS). In this regard, it should be borne in mind that no employees have requested early retirement at the present moment.

Financial Assumptions

— Technical discounting rate applied to value defined-benefit obligations and the current service cost relating to December 31, 2024: 3.3%;
— technical discounting rate for the valuation of financial charges for the period January 1, 2024-December 31, 2024, equal to the discounting rates for valuations of the defined-benefit obligations at December 31, 2023 (interest cost): 3.1%;
— technical discounting rate at December 31, 2024, based on the yield of the iBoxx Euro 10+ AA Allostock Corporate Bond Index: 3.3818%.

The actuarial valuation performed in accordance with the method explained above shows that the provision had a value of €395 thousand at December 31, 2024, including the respective contributions.

The table below provides an analysis of the sensitivity of the parameters applied in the actuarial valuation to an increase or decrease in the technical discounting rate for measuring financial charges in relation to future employee benefits and profit before tax.

	Increase/(decrease) of the interest rate of %	Increase/(decrease) of Provision for employee benefits *(in thousand Euro)*
	0.25	(84)
December 31, 2024	(0.25)	86

	Increase/(decrease) of the interest rate of %	Increase/(decrease) of Provision for employee benefits *(in thousand Euro)*
	0.25	98
December 31, 2023	(0.25)	(101)

Share capital and reserves

Equity amounted to €929,362 thousand at December 31, 2024, as detailed below together with the main components of "Share capital and reserves".

41. Share capital

	31/12/2024	31/12/2023
Issued and fully paid	338,483	338,483

The share capital, fully subscribed and paid up, is formed of 338,482,654 ordinary shares without par value.

42. Reserves

The share premium reserve amounted to €425,041 thousand as at December 31, 2024.

The "Legal reserve", set up pursuant to the Italian Civil Code, amounts to €15,224 thousand. In the fiscal year ended December 31, 2024 the reserve increased for €4,317,732.15 due to the approval by the Annual General Meeting of the Shareholders held on April 22, 2024 of the allocation of 5% of the net income of the Company, for the year ended December 31, 2023, as per Article 2430 of the Civil Code.

The item "Other reserves", at December 31, 2024, mainly includes:
— the reserve for the overall profit/(loss) effect on defined-benefit plans amounting to €643 thousand at December 31, 2024 was set up in accordance with IAS 19 - Employee Benefits; during the year the amount of the reserve increased by €229 thousand, net of the tax effect, as reported in the Comprehensive Income Statement;
— the reserve for accumulated earnings for €86,778 thousand;
— the total comprehensive income for the year for €63,421 thousand.

Dividends

	31/12/2024	31/12/2023
Dividends	32,833	19,903

The General Shareholders' Meeting convened on April 22, 2024, authorized a dividend payout for €32,833 thousand (equal to €0.097 per share). The dividend has been paid to market participants in Europe on June 26, 2024 at 10:00 and to market participants in Hong Kong on the next business day.

The General Shareholders' Meeting convened on May 18, 2023, authorized a dividend payout for €19,903 thousand, equal to €5.88 cents per share, made on June 05, 2023.

On March 14, 2025, the board of directors of the Company proposed dividend of € 33,848 thousand (equal to €0.1 per share), which is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

43. Cash flows

Company's main non-monetary transactions

During the year ended December 31, 2024, the Company had non-cash additions to rights-of-use assets and lease liabilities of €8,797 thousand (2023: €5,799 thousand).

Changes in liabilities arising from financing activities

Bank and other borrowings

(excluding lease liabilities)

	31/12/2024	31/12/2023
At the beginning of the period	–	–
Changes in financing activities		
New borrowings	–	–
Repayment	–	–
Total at the end of the year	–	–

Lease liabilities

	31/12/2024	31/12/2023
At the beginning of the year	17,667	17,102
New leases	8,797	5,799
Interest expenses	310	177
Repayment	(6,238)	(5,411)
Total at the end of the year	**20,538**	**17,667**

Total cash outflows for leasing

Total cash outflows for leasing included in the cash flow statements are as follows:

	31/12/2024	31/12/2023
Operating activities	5,160	4,110
Financing activities	6,238	5,411

44. Related party transactions

Transactions with Related Parties, as defined by IAS 24, concern arrangements, not always formalised with the conclusion of standardised contracts, relating primarily to the supply of services, including advisory. These transactions form part of normal business operations and, in the Company's judgement, are in general settled under arm's length conditions.

Although the Company considers that transactions with Related Parties have been carried out in general under arm's length conditions, there is no guarantee that, if they had been concluded between or with third parties, the latter would have negotiated and entered into the related contracts, or carried out the transactions, under the same conditions and with the same procedures adopted by the Company.

The breakdown of the Company's balances with related parties at December 31, 2024 and December 31, 2023 is set out below:

	Trade and other receivables	Other current assets	Other non-current assets	Trade and other payables
Fellow subsidiaries				
Weichai Holding Group Company Co, Ltd	0	–	–	0
Weichai Power Co Ltd	484	–	–	(645)
Shandong Weichai Import & Export Co. Ltd	1,350	–	–	0
Societé Int. Moteurs Baudouinf	0	–	–	(114)
Subsidiaries				
Zago S.p.A.	291	12,487	6,375	(6,526)
Sea Lion S.r.l.	116	–	21,825	(7,986)
Ram S.p.A.	254	886	–	(40)
Ferretti Tech S.r.l.	3	–	–	–
Fratelli Canalicchio S.p.A.	81	7,719	–	(2,072)
Il Massello S.r.l.	17	8,262	8,650	(2,867)
Ferretti Group of America Holding Company Inc	11	26,214	–	–
Ferretti Group of America LLC	182,917	2,489	5,789	(50,069)
Allied Marine Inc	1,097	5,489	–	(9,486)
Ferretti Group Asia Pacific Ltd	29,378	290	1,000	(1,395)
Ferretti Asia Pacific Zhuhai Ltd	4	–	–	–
Ferretti Group (Monaco) SaM	51	113	799	(161)
Ferretti Gulf Marine - Sole Propriertorship Llc.	33	–	–	(120)
Ferretti Group Singapore Pte. Ltd	2	–	–	–
Other related parties				
HPE S.r.l.	0	–	–	(100)
WM S.A.M. (ex Wally S.A.M.)	0	–	–	0
Ferrari S.p.A.	0	–	–	(298)
Studio Fontana & Zanardi	0	–	–	(10)
Still S.p.A.	–	–	–	(142)
Other related parties	28	–	–	(145)
Total related parties at December 31, 2024	**216,118**	**63,948**	**44,438**	**(82,176)**

	Trade and other receivables	Other current assets	Other non-current assets	Trade and other payables
Fellow subsidiaries				
Weichai Holding Group Company Co, Ltd	0	–	–	0
Weichai Power Co Ltd	484	–	–	(645)
Shandong Weichai Import & Export Co. Ltd	3,150	–	–	0
Ferretti International Holding S.p.A.	0	–	–	0
Subsidiaries				
Zago S.p.A.	185	5,457	6,375	(4,797)
Sea Lion S.r.l.	183	–	21,619	(4,134)
Ram S.p.A.	352	213	–	(53)
Ferretti Tech S.r.l.	3	–	–	–
Fratelli Canalicchio S.p.A.	3	7,698	–	(2,014)
Il Massello S.r.l.	51	3,335	4,650	(2,446)
Ma.Ri.Na. Srl	0	–	–	0
Ferretti Group of America Holding Company Inc	11	22,860	–	–
DA Winddown Inc.	0	–	–	–
Ferretti Group of America LLC	176,196	1,768	5,442	(18,983)
Allied Marine Inc	1,072	4,887	–	(9,474)
Ferretti Group Asia Pacific Ltd	33,471	235	1,000	(8,064)
Ferretti Asia Pacific Zhuhai Ltd	3	–	–	–
Ferretti Group UK Ltd	123	19	165	(53)
Ferretti Group (Monaco) SaM	78	101	799	(120)
Ferretti Gulf Marine - Sole Propriertorship Llc.	29	–	–	(205)
Ferretti Group Singapore Pte. Ltd	2	–	–	–
Other related parties				
Unicredit Leasing S.p.A.	0	–	–	0
HPE S.r.l.	0	–	–	(100)
WM S.A.M. (ex Wally S.A.M.)	467	–	–	0
Ferrari S.p.A.	0	–	–	(37)
Studio Fontana & Zanardi	0	–	–	(17)
Still S.p.A.	–	–	–	(113)
Other related parties	28	–	–	(170)
Total related parties at December 31, 2023	**215,891**	**46,571**	**40,050**	**(51,425)**

The balance of trade and other payables to Weichai Power Co., Ltd amounting to €645 thousand at December 31, 2024 refers wholly to the agreements on the right to sponsor the "Riva" brand on the Ferrari single-seater helmet during the FIA Formula One championship.

The balance of trade and other receivables from Shandong Weichai Import & Export Co., Ltd amounting to €1.4 million at December 31, 2024 refers wholly to the sale of a yacht.

The balance of trade and other payables to HPE Srl amounting to €100 thousand at December 31, 2024 refers wholly to the last two instalments in 2024, based on the agreement entered into on January 1, 2017 and relating to the supply of services such as design, simulation, calculation, development, implementation and launch on the market of new concepts and style for the Company's products.

The balance of trade and other payables to Ferrari S.p.A. amounting to €298 thousand at December 31, 2024 refers primarily to sponsoring the "Riva" brand on the Ferrari helmets and the race cars.

The balance of trade and other payables to other related parties amounting to €145 thousand at December 31, 2024 mostly refers to the other services provided by related parties under arm's length conditions.

A breakdown of the Company's transactions with related parties for the year ended December 31, 2024 and December 31, 2023 is set out below:

	Net revenue	Other revenues and income	Costs for the use of raw materials, services, rentals and leases	Financial income (expense)
Fellow subsidiaries				
Societé Int. Moteurs Baudouinf	–	0	(162)	–
Other related parties				
Company's Directors	6,850	–	–	–
HPE S.r.l.	0	–	(200)	–
WM S.A.M. (former Wally S.A.M.)	–	–	(595)	–
Ferrari S.p.A.	0	–	(1,391)	–
Studio Zanardi & Fontana	–	–	(83)	–
Still S.p.A.	–	–	(292)	–
Other related parties	0	0	(549)	–
Subsidiaries				
Zago S.p.A.	0	197	(26,307)	893
Sea Lion S.r.l.	–	95	(4,306)	207
RAM Srl	4	141	(268)	13
Fratelli Canalicchio S.p.A.	10	26	(7,781)	358
Il Massello S.r.l.	–	49	(10,524)	620
BY Winddown Inc	–	–	–	4,049
Allied Marine Inc	–	21	(13)	602
Ferretti Group of America LLC	90,944	350	(22,092)	722
Ferretti Group of America Holding Company Inc	–	–	–	3,354
Ferretti Group Asia Pacific Limited	20,300	70	(1,514)	55
Ferretti Group (Monaco) SAM	0	11	(144)	12
Ferretti Group UK Limited	–	0	0	1
Ferretti Asia Pacific Zhuhai	–	–	0	–
Ferretti Gulf Marine - Sole Propriertorship Llc.	3	2	(302)	–
Total related parties at December 31, 2024	**118,111**	**963**	**(76,521)**	**10,885**

	Net revenue	Other revenues and income	Costs for the use of raw materials, services, rentals and leases	Financial income (expense)
Fellow subsidiaries				
Hydraulics Drive Technology	–	–	(54)	0
Ferretti International Holding S.p.A.	–	2,880	–	–
Other related parties				
HPE S.r.l.	0	–	(200)	–
WM S.A.M. (former Wally S.A.M.)	–	–	(450)	–
Ferrari S.p.A.	0	–	(1,030)	–
Studio Zanardi & Fontana	–	–	(17)	–
Still S.p.A.	–	–	(145)	–
Other related parties	43	10	(1,187)	–
Subsidiaries				
Zago S.p.A.	0	268	(27,541)	3,343
Sea Lion S.r.l.	–	150	(3,088)	206
Michelini S.r.l.	–	–	–	–
RAM Srl	90	45	(154)	4
Fratelli Canalicchio S.p.A.	–	68	(4,763)	270
Il Massello S.r.l.	–	58	(6,822)	171
BY Winddown Inc	–	–	–	4,237
Allied Marine Inc	–	0	0	628
Ferretti Group of America LLC	114,150	340	(12,112)	755
Ferretti Group of America Holding Company Inc	–	–	–	3,510
Ferretti Group Asia Pacific Limited	2,762	100	(2,368)	56
Ferretti Group (Monaco) SAM	0	–	(803)	12
Ferretti Group UK Limited	–	0	0	2
Ferretti Asia Pacific Zhuhai	–	–	0	–
Ferretti Gulf Marine - Sole Propriertorship Llc.	–	5	(302)	–
Total related parties at December 31, 2023	**117,045**	**3,923**	**(61,036)**	**13,195**

The costs with regard to Societè Int. Moteurs Baudouin amounting to €162 thousand as at December 31, 2024 refer to the costs incurred by the Company for genset and engines.

Revenues from Company's Directors amounting to €6.9 million as at December 31, 2024 refer wholly to the sale of one pleasure craft, through a contract entered into with a leasing company, the lessee of which is a Director of the Company.

The costs with regard to WM S.A.M. amounting to €595 thousand for 2024 relate primarily to commission for the sale of some boats.

The costs with regard to HPE S.r.l. amounting to €200 thousand for 2024 refer primarily to the supply of services such as design, simulation, calculation, development, implementation and launch on the market of new concepts and style for the Company's products.

The costs with regard to Ferrari S.p.A. amounting to €1,391 thousand for 2024 relate to sponsoring the "Riva" brand on the Ferrari helmets and race cars.

The costs to other related parties amounting to €549 thousand at December 31, 2024 mostly refer to the costs incurred by the Company for legal services and other consulting services, tied to the development of new boat and the Wally trademark, provided by related parties under arm's length conditions.

In addition, it is reported that during the period the Company incurred costs amounting to €371 thousand, which relate to engineering costs for the development of the Ancona shipyard that have been considered to be accessory costs to the plant construction and hence are shown in this item.

Compensation of key management personnel of the Company

	31/12/2024	31/12/2023
Fees	3,737	4,447
Wages and salaries	3,727	4,529
Social security contributions	825	1,094
Employee severance indemnities and other allocations	187	188
Total compensation paid to key management personnel	**8,476**	**10,258**

45. Fees paid to directors, statutory auditors, members of the supervisory body and independent auditors

The remuneration paid to the Company's Directors is provided below (in thousand Euro):

	31/12/2024	31/12/2023
Fees	4,177	4,823
Social security contributions	32	35
Total fees and compensation	**4,209**	**4,858**

The detail is as follow:

2024

Name and surname	Post held	Fees and compensation for the post held	Social security contributions	Total
Jiang Kui[6]	Chairman of the Board of Directors	–	–	–
Tan Xuguang[6]	Chairman of the Board of Directors	–	–	–
Alberto Galassi[7]	Director and Chief Executive Officer	3,737	–	3,737
Piero Ferrari	Vice Chairman of the Board of Directors	70	–	70
Xu Xinyu	Director	78	18	96
Li Xinghao	Director	8	–	8
Hua fengmao	Director	8	–	8
Jiang Lan	Director	57	–	57
Stefano Domenicali	Director	64	14	78
Zhang Quan	Director	49	–	49
Zhu Yi	Director	49	–	49
Patrick Sun	Director	57	–	57
Total		**4,177**	**32**	**4,209**

2023

Name and surname	Post held	Fees and compensation for the post held	Social security contributions	Total
Tan Xuguang[6]	Chairman of the Board of Directors	–	–	–
Alberto Galassi[7]	Director and Chief Executive Officer	4,447	–	4,447
Piero Ferrari	Vice Chairman of the Board of Directors	63	–	63
Xu Xinyu	Director	64	24	88
Li Xinghao	Director	52	–	52
Hua Fengmao	Director	8	–	8
Jiang Lan	Director	35	–	35
Stefano Domenicali	Director	58	11	69
Patrick Sun	Director	52	–	52
Total		**4,823**	**35**	**4,858**

The remuneration paid to Ferretti S.p.A.'s Statutory Auditors and members of the Supervisory Body in the year ended December 31, 2024 are shown in the table below (in thousand Euro):

Post held	Fees and compensation for the post held	Social security contributions	Total
Board of Statutory Auditors	108	–	108
Supervisory Body	76	–	76
Total	**184**	–	**184**

The remuneration paid to Ferretti S.p.A.'s Statutory Auditors and members of the Supervisory Body for the years ended December 2023 are shown in the table below (in thousand Euro):

Post held	Fees and compensation for the post held	Social security contributions	Total
Board of Statutory Auditors	95	3	98
Supervisory Body	75	3	75
Total	**167**	**6**	**173**

6 The Chairman Jiang Kui was appointed on August 29, 2024 when the Chairman Tan Xuguang has resigned. The Chairmans Jiang Kui and Tan Xuguang waived the fees and compensation to which he is entitled for their role.
7 Alberto Galassi is an Executive Director and the Chief Executive Officer of the Company.

The fees, including all related expenses paid to the independent auditors in relation to the auditing of the Financial Statements for the years ended December 31, 2024 and 2023 are shown below (in thousand Euro):

2024

Company	Post held	Fees and compensation for the post held
EY S.p.A.	Fees for the auditing of accounts	410
EY S.p.A.	Additional fees for the auditing of accounts	51
EY S.p.A.	Fees for other services	205
EY Advisory S.p.A.	Fees for other services	194
Studio Legale Tributario	Fees for other services	81
Total		**941**

2023

Company	Post held	Fees and compensation for the post held
EY S.p.A.	Fees for the auditing of accounts	465
EY S.p.A.	Fees for other services	642
EY Advisory S.p.A.	Fees for other services	532
Studio Legale Tributario	Fees for other services	46
Total		**1,685**

46. Contingent liabilities

The Company's management believes there are no significant risk tied to the Company's core business that might give rise to liabilities not reflected in the financial statements.

47. Mortgages on properties

As at December 31, 2024, the Company's bank loans were not secured by mortgages on properties (December 31, 2023: €111,7 million).

48. Commitments

As at December 31, 2024 no commitments was reported (December 31, 2023: Nil).

49. Guarantees provided to third parties

For purposes of comprehensive disclosure, the following paragraphs provide a detail the guarantees provided and the commitments undertaken by the Company at December 31, 2024.

The following types of guarantees were issued to secure payables and other obligations:

- a surety policy for a total amount of €7,5 million issued by Liberty Mutual Insurance Europe SE for the benefit of the Emilia Romagna Revenue Agency in connection with the Group VAT credit surplus for 2023;
- a surety policy for a total amount of €5,6 million issued by Liberty Mutual Insurance Europe SE for the benefit of the Emilia Romagna Revenue Agency in connection with the Group VAT credit surplus for the third quarter 2023;
- a surety policy for a total amount of €21 million issued by Allianz Trade (Euler Hermes) for the benefit of the Emilia Romagna Revenue Agency in connection with the Group VAT credit surplus for 2022;
- a surety policy for a total amount of €3,482 thousand issued by Liberty Mutual Insurance Europe SE for the benefit of the Emilia Romagna Revenue Agency in connection with the Group VAT credit rebate for 2021;
- an insurance policy issued by Reale Mutua Assicurazioni for the Iseo, Endine and Moro Lake Authority for concession charges of €53 thousand;
- a surety policy for a total amount of €851 thousand issued by Elba Assicurazioni as a guarantee for contractual obligations associated with the supply of several patrol boats to the Carabinieri Corps;
- two surety policies for a total amount of €683 thousand issued by Liberty Mutual Insurance Europe SE as a guarantee for contractual obligations associated with the supply of patrol boats to the Ministry of Defense;
- guarantees totalling €269.4 million issued by various banks in favor of customers as a guarantee of the advances paid for the construction of several boats;
- guarantees totalling €1.2 million issued by various banks in favor of certain suppliers, following negotiated supply conditions;
- a surety policy for a total amount of €145 thousand issued by Revo in favor of the central Adriatic Sea Port Authority to guarantee compliance with the obligations undertaken following the concession as required by the Testo Unico 1098 dated April 28, 2023 and 17343 dated October 13, 2023;
- a surety policy for a total amount of €8.790 thousand issued by Liberty Mutual Insurance Europe SE in favor of the central Adriatic Sea Port Authority to guarantee the investments with the obligations undertaken following the concession as required by the regulation;
- a surety policy for a total amount of €1 million by Allianz Assicurazioni in favor of the central Adriatic Sea Ancona Port Authority to insurance of the investments;
- a surety policy for a total amount of €450 thousand by Liberty Mutual Insurance Europe SE in favor of the central-northern Adriatic Sea Ravenna Port Authority to insurance of the investments;
- a surety policy for a total amount of €2,582 thousand by Allianz Assicurazioni in favor of the central- northern Adriatic Sea Ravenna Port Authority to insurance of the investments;
- a surety policy for a total amount of €139 thousand by Liberty Mutual Insurance Europe SE in favor of the central Adriatic Sea Ravenna Port Authority to guarantee compliance with the obligations undertaken following the concession as required by the Navigation Code;
- a surety policy for a total amount of €242 thousand by Liberty Mutual Insurance Europe SE in favor of the central Adriatic Sea Ravenna Port Authority to guarantee compliance with the obligations undertaken following the concession as required by the Navigation Code;
- a surety policy for a total amount of €5 thousand by Sace in favor of the Ravenna Municipality;
- a surety policy for a total amount of €155 thousand by Allianz Trade (Euler Hermes) in favor of the "Snam rete gas";
- a surety policy of €30 thousand received from Unipol Assicurazioni in favor of the Ancona Customs Agency for excise incentives on diesel used in engine tests;
- a surety policy of €103 thousand Euro, received from Liberty Mutual Insurance Europe SE for the benefit of the Italian Customs and Monopolies Agency of Ancona — seafront for a global guarantee (tax relief measures);

— a surety policy of €77 thousand Euro, received from Coface in favor of the central-northern Adriatic Sea Port Authority to guarantee compliance with the obligations undertaken following the sub-entry into the Rosetti state maritime concession for 16,070 square meters;
— a surety policy of €304 thousand Euro, received from Sace in favor of the Eastern Ligurian Sea Port Authority to guarantee compliance with the obligations undertaken following the concession n. 103 dated 14/02/22, as required by the Navigation Code.

50. Significant events after december 31, 2024

On 21 January 2025 the Shareholder's meeting of Ferretti S.p.A was convened and approved:
— the assignment of the mandate of certification of the compliance of the sustainability reporting, determination of the related fee and the criteria for adjusting this fee during the assignment;
— the appointment of one director to integrate the Board of Directors following co-optation pursuant to Article 2386 of the Italian Civil Code;
— the appointment of the Chairman of the Board of Directors.

On February 28, 2025, the Board has:
1. reviewed and approved the consolidated preliminary financial results as of December 31, 2024
2. appointed by co-optation the directors Mr. Tan Ning and Mr. Hao Qinggui;
3. approved the new composition of the Remuneration Committee, Environmental, Social and Governance Committee and Strategic Committee; and
4. appointed the new director in charge of the internal audit and risk management system.

51. Approval of the financial statements

Dear Shareholders,

We invite you to approve the Financial Statements and the Management Discussion and Analysis and Directors' Report accompanying it.

With reference to the net profit of Ferretti S.p.A. for the year ended December 31, 2024 of € 63,192,563.71, we propose the following destination:
— € 3,159,628.19 to legal reserve, as per Article 2.430 of the Italian Civil Code;
— € 33,848,265.40 as final dividend of €0.10 per Share;
— € 26,184,670.12 to the reserve of retained earnings.

The Company's Board of Directors approved these Financial Statements and authorized their publication on March 14, 2025.

On behalf of the Board of Directors

Alberto Galassi
Chief Executive Officer

Attachments

These attachments contain information in addition to the disclosures provided in Notes to the Financial Statements, of which they are an integral part.

This information is contained in the following attachments:
— Statement of Changes in Financial Fixed Assets
— List of equity investments in subsidiaries (Article 2427 No. 5 of the Italian Civil Code)

Attachment I

Statement of changes in financial fixed assets

	OPENING BALANCE			
(in thousand Euro)	**Historical cost**	**Write-up**	**Write-down**	**Balance at 31/12/2023**
Equity investments				
Subsidiaries	695,483	20,782	(698,240)	18,025
Affiliated companies	0	0	0	0
Joint ventures	55	0	(55)	0
Other companies	223	0	(221)	2
Total equity investments	**695,761**	**20,782**	**(698,516)**	**18,027**
Receivables				
From subsidiaries	150,151	0	(110,099)	40,051
From other	7,665	0	0	7,665
Incidental borrowing costs	0	0	0	0
Total receivables	**157,816**	**0**	**(110,099)**	**47,716**

MOVEMENTS FOR THE YEAR			CLOSING BALANCE			
Increase	Decrease	Write-down and reversals of write-down	Historical cost	Write-up	Write-down	Balance at 31/12/2024
864	0	(261)	696,347	20,521	(698,240)	18,628
–	–	–	0	0	0	0
0	–	–	55	0	(55)	0
0	–	–	223	0	(221)	2
864	**0**	**(261)**	**696,625**	**20,521**	**(698,516)**	**18,630**
4,553	(165)	–	154,539	0	(110,099)	44,440
900	(357)	–	8,208	0	0	8,208
1,216	0	–	1,216	0	0	1,216
6,669	**(522)**	**0**	**163,963**	**0**	**(110,099)**	**53,864**

Attachment II

List of equity investments in subsidiaries (article 2427 no. 5 of the italian civil code)

Name	Registered office	Share capital *(in local currency)*	Investment amount *(in Euro thousand)*
Italian companies			
Zago S.p.A.	Scorzè (Venice)	EUR 120,000	9,417
Sea Lion Srl	Forlì (Forlì-Cesena)	EUR 10,000	3,428
Ram S.p.A.	Sarnico (Bergamo)	EUR 520,000	2,863
Ferretti Tech Srl	Cattolica (Rimini)	EUR 10,000	40
Fratelli Canalicchio S.p.A.	Narni (Terni)	EUR 500,000	100
Il Massello Srl[8]	Sant'Ippolito (Pesaro-Urbino)	EUR 30,000	–
Foreign companies			
Allied Marine Inc.	Fort Lauderdale (USA)	USD 10	4
Ferretti Group of America Holding Company Inc.	Miami (USA)	USD 10	–
Ferretti Group of America Llc[9]	Miami (USA)	USD 100	–
BY Winddown Inc[9]	Miami (USA)	USD 10	–
Ferretti Group Asia Pacific Ltd	Hong Kong	HK$ 100,000	10
Ferretti Group Singapore Pte. Ltd[10]	Singapore	EUR 1	1
Ferretti Asia Pacific Zhuhai Ltd	Hengqin (Zhuhai)	RMB 1,000,000	120
Ferretti Group (Monaco) S.a.M.	Monaco (France)	EUR 150,000	1,100
Ferretti Gulf Marine - Sole Proprietorship Llc.	Arab Emirates	AED 300,000	1,096

8 Controlled through Zago S.p.A.
9 Controlled through Ferretti Group of America Holding Company.
10 Controlled through Ferretti Group Asia Pacific Ltd.

Amounts related to US companies are denominated in USD.

EQUITY		INCOME FOR THE YEAR		% OWNERSHIP	
Total amount	Pro-quota amount	Total amount	Pro-quota amount	Direct	Indirect
1,822	1,822	257	257	100%	–
2,646	1,984	1,360	1,020	75%	–
282	262	(716)	(666)	93%	–
16	16	(8)	(8)	100%	–
112	67	(558)	(335)	60%	–
197	168	(1,590)	(1,351)	–	85%
16,520	16,520	669	669	100%	–
(107,330)	(107,330)	120	120	100%	–
(92,343)	(92,343)	885	885	–	100%
(123,310)	(123,310)	(4,020)	(4,020)	–	100%
(14,826)	(14,826)	2,835	2,835	100%	–
(268)	(268)	(268)	(268)	–	100%
77	77	(7)	(7)	100%	–
37	37	2	2	100%	–
1,164	1,164	11	11	100%	–

Report of the board of statutory auditors to the shareholders' meeting pursuant to article 153 of the italian consolidated law on finance (TUF) and article 2429, paragraph 2, of the italian civil code

To the shareholders of the company Ferretti S.p.A.

During the financial year ended 31 December 2024, the Board has carried out its activities in accordance with the Law, the Code of Conduct for the Board of Statutory Auditors of listed companies issued by the Association of Chartered Accountants, the Consob provisions on corporate controls, as well as the provisions contained in Article 19 of Legislative Decree No. 39 of 27 January 2010.
It should be noted that, pursuant to Legislative Decree No. 39 of 27 January 2010, the auditing of the annual financial statements and consolidated financial statements is entrusted to of Ernest & Young S.p.A.

1. Board of Statutory Auditors Appointment and Activities

The Board of Statutory Auditors in office during the reference period and as of the date of this Report was appointed by the resolution of the Shareholders' Meeting on 13 June 2023, and will remain in office until the date of the Meeting convened to approve the financial statements for the year ending 31 December 2025, in the persons of Mr. Luigi Capitani, Chairman, Ms. Giuseppina Manzo, Standing Auditor, and Mr. Luca Nicodemi, Standing Auditor. As the Company was listed on Euronext Milan subsequent to the appointment of the Board of Statutory Auditors, this appointment did not take place through the slate voting mechanism, which was included in the Articles of Association on 18 June 2023 with effect from the Trading Commencement Date.

2. Supervisory activities on compliance with the Law and the Articles of Association

The Board of Statutory Auditors during the year 2024 has carried out the activities entrusted to it through 14 meetings and has also participated through one or more of its members in all the meetings to which it was summoned and entitled to attend.
The Board has also monitored the Company's compliance with the disclosure requirements required by law concerning regulated, privileged information or information requested by supervisory authorities, all in accordance with the outlines and contents provided for by Consob.

3. Supervisory activities on adherence to the principles of proper governance

The Board of Statutory Auditors has periodically obtained from the Directors, including through attendance at the Shareholders' Meeting and Board of Directors' meetings, information on the activities carried out and on the most significant economic, financial and asset transactions resolved and implemented during the year, carried out by the Company and Group companies, pursuant to Article 150 of the TUF, paragraph 1.
Based on the available information, the Board of Statutory Auditors can reasonably assure that the said transactions are in accordance with the Law and the Articles of Association and are not manifestly imprudent, risky, in conflict with the resolutions of the Shareholders' Meeting, nor in potential conflict of interest or such as to compromise the integrity of the company's assets.
Among the significant events of the financial year that the Board of Statutory Auditors deems appropriate to highlight due to their relevance, the following are recalled:

- signing of an agreement for the acquisition of an additional 30,000 square meters near close to the San Vitale Shipyard, bringing the production area in Ravenna to approximately 100,000 square meters to produce the Made-to-measure, Composite and Sail segments of the Ferretti Yachts and Wally brands;
- New partnership between Ferretti Group and Flexjet;

- New collaboration between Riva and Bang & Olufsen;
- Renewal of the exclusive collaboration contract for five years between Riva and the design and engineering studio Officina Italiana Design;
- Signing of a Memorandum of Understanding among Ferretti Group, Emilia-Romagna Regional Administration, Bologna University, Cassa dei Risparmi Foundation, Chamber of Commerce and Forlì Municipality the new Master's Degree Course in Nautical Engineering;
- New loan agreement signed with a pool of banks for a total of 160 million euros and with a duration of five years.

4. Supervisory activities on the adequacy of the organizational structure

The Board of Statutory Auditors has acquired knowledge and monitored, within its competence, the adequacy and functioning of the company's organizational structure, compliance with the principles of proper governance, and the adequacy of the provisions issued by the Company to its subsidiaries pursuant to Article 114, paragraph 2 of the TUF, through the acquisition of information from the heads of the relevant corporate functions and through meetings held with the Independent Auditing Company as part of the mutual exchange of relevant data and information. It also monitored the organizational and procedural activities carried out pursuant to Legislative Decree No. 231/001.

5. Supervisory activities on the adequacy of the internal control system

The Board of Statutory Auditors has monitored the adequacy of the internal control and risk management systems through discussion with the control functions. Based on the activities carried out and the information acquired, the Board of Statutory Auditors believes that there are no critical elements that would affect the structure of the internal control system.

6. Supervisory activities on the adequacy of administrative accounting system and activities relating to the independent audit of accounts

Pursuant to Article 19 of Legislative Decree No. 39/2010 and (EU) Regulation No. 537/2014, the Board of Statutory Auditors is also identified as the Internal Control and Audit Committee and has been responsible for supervising the statutory audit of the annual and consolidated accounts.
Pursuant to Article 150, paragraph 3 of the TUF, the Board of Statutory Auditors also met with the Auditing Company EY S.p.A. for the purpose of mutual exchange of information. At these meetings, the Auditing Firm did not point out any acts or facts deemed reprehensible or irregularities that required specific reports under Article 155, paragraph 2 of the TUF.
The draft of the consolidated financial statements, the consolidated sustainability reprot and the financial statements for the year 2024, together with the Management Discussion and Analysis Report prepared by the Directors and the statement of the Executive responsible for the corporate financial documents, were brought to the Board of Directors for approval at its meeting on 14 March 2025 and were simultaneously made available to the Board of Statutory Auditors.
On the same date, 14 March 2025, pursuant to Article 14 of Legislative Decree No. 39/2010 and Article 156 of the TUF, the independent auditor issued the audit report on the Company's financial statements and consolidated financial statements for the year ended 31 December 2024 and from which no findings emerged.
The independent auditor submitted to the Board of Statutory Auditors the additional report provided for by Article 11 of EU Regulation 537/2014, from which no significant deficiencies in the internal control and risk management system related to the financial reporting process and/or in the accounting system emerge, also including the declaration referred to in Article 6 of EU Regulation 537/2014 from which no situations emerge that would compromise its independence.

During FY 2024 the independent auditor EY S.p.A. received the following engagements, in addition to the audit services:
- Market Due Diligence on a potential target business;
- High-level support assessment of business processes in compliance with Savings Protection Law 262/2005;
- Engagement for the R&D expenses for the year 2023.

7. Supervisory activities on the non-financial statement and diversity information

Pursuant to the provisions of Article 3, paragraph 7 of Legislative Decree No. 254/2016, Article 149 of the TUF, the Board of Statutory Auditors monitored compliance with the provisions set forth in the same decree with regard to the preparation of the Consolidated Sustainability Report, prepared by the Company with reference to the companies belonging to the Group and its subsidiaries.
The Board of Statutory Auditors then monitored the adequacy of the procedures, processes, and structures that oversee the production, reporting, measurement, and representation of results and non-financial information, as well as the adequacy of the organizational, administrative, and reporting and control system set up by the Company for a correct and complete representation in the Consolidated Sustainability Report of the company's activities, its results, and its impacts concerning non-financial issues referred to in Article 3, paragraph 1, of Legislative Decree No. 254/2016.
The Consolidated Sustainability Report has been prepared in accordance with the Corporate Sustainability Reporting Directive (CSRD) using the "European Sustainability Reporting Standards (ESRS)", issued by the European Financial Reporting Advisory Group (EFRAG), which provide a comprehensive framework for reporting on environmental, social and governance (ESG) issues.
The appointed independent auditor EY S.p.A. issued its Report on the Consolidated Sustainability Report pursuant to Article 4, Legislative Decree n° 125 dated 6 September 2024 concluding that no elements have come to its attention that would suggest the Group's Consolidated Sustainability Report has not been prepared in accordance with the requirements of the reporting standards adopted by the European Commission pursuant to Directive (EU) 2013/34/EU – ESRS and that the information contained in the paragraph "The European Taxonomy" has not been prepared, in all significant respects, in accordance with art. 8 of Regulation (EU) No. 852 of 18 June 2020.
From the supervisory activities carried out by the Board of Statutory Auditors, no facts have emerged that warrant reporting in this document.

8. Supervisory Activities on the Actual Implementation of the Corporate Governance Rules

In the exercise of its functions, the Board of Statutory Auditors, as prescribed by Article 2403 of the Italian Civil Code and by Article 149 of the TUF, monitored the methods of implementation of the corporate governance rules set forth in the Corporate Governance Code promoted by Borsa Italiana S.p.A. to which Ferretti S.p.A. declares it adheres. More specifically, in its Corporate Governance Report, Ferretti S.p.A. accounts for the recommendations for which it did not consider partial or full compliance necessary, in accordance with the "comply or explain" principle underlying the Corporate Governance Code.
It should also be noted that, being listed on Stock Exchange of Hong Kong, Ferretti S.p.A. is subject to the relevant Corporate Governance Code and Appendix C1 to the Listing Rules.

9. Supervisory Activities on Relations with Subsidiaries and Parent Companies

In FY 2024, the Board of Statutory Auditors monitored the instructions issued by the Company to its subsidiaries, considering their type and size, and has nothing to report in that regard.

10. Supervisory Activities on Related Party Transactions

The Board of Statutory Auditors monitored the compliance of Related Parties procedures with current regulations and their proper application. From the information received from directors and interviews with representatives of the Independent Auditing Company, the Board found no atypical or unusual transactions entered into with group companies, related parties, or third parties during financial year 2024 or after the end of the financial year.

11. Omissions and Significant Reprehensible Facts and Initiatives Taken

During FY 2024, the Board of Statutory Auditors received no complaints under Article 2408 of the Italian Civil Code, nor did it receive complaints from third parties.

12. Opinions Rendered

During the financial year 2024, upon the outcome of the relevant selection procedure, the Board of Statutory Auditors prepared its reasoned proposal to the Shareholders' Meeting on 21 January 2025 for the appointment of the assurance of the Consolidated Sustanaibility Report for the period 2024-2026.

13. Self-Assessment

On 10 September 2024, the Board of Statutory Auditors fulfilled the self-assessment regarding its composition, independence and size, having regard to the Board of Statutory Auditors' Rules of Conduct recommended by the Association of Chartered Accountants (Standard Q.1.7, updated in December 2023, regarding the Board's self-assessment and periodic internal assessment process regarding the recurrence and permanence of the suitability requirements of its members and the correctness and effectiveness of its own functioning and to the Corporate Governance Code). The self-assessment process took into account the subjective profiles of the individual members and the body as a whole, such as quantitative and qualitative composition, independence, honorability, professionalism, diversity, time availability, and remuneration, and was concluded with a positive outcome, resulting in compliance with the requirements set forth by current regulations.

14. Proposals on the Annual Budget and its Approval and Matters under the Jurisdiction of the Board of Statutory Auditors

Taking into account the findings of the activities carried out by the Board of Statutory Auditors contained in the audit report on the financial statements, the Board of Statutory Auditors recommends that the shareholders approve the financial statements for the year ended 31 December 2024, as drafted by the directors.

Parma, March 14, 2025

For the Board of Statutory Auditors

Luigi Capitani
Chairman

Statement of the Executive Responsible for the corporate financial documents

Statement on the financial statements as at Dicember 31, 2024 pursuant to art. 81-Ter of Consob regulation no. 11971 dated May 14, 1999 as amended and supplemented

1. The undersigned Alberto Galassi as Chief Executive Officer and Marco Zammarchi as the Executive responsible for the corporate financial documents for Ferretti S.p.A., certify, in accordance with Article 154-bis, paragraphs 3 and 4 of Legislative Decree n.58 dated February 24, 1998:
   a. the appropriateness of the financial statements with regard to the nature of the business and
   b. the effective application of administrative and accounting procedures in preparing the financial statements as at December 31, 2024.
2. In this respect it is noted that no significant matters arose.
3. It is also certified that:
   a. the financial statements:
      I. were prepared in accordance with International Financial Reporting Standards endorsed by the European Community pursuant to Regulation (EC) 1606/2002 of the European Parliament and of the Council of July 19, 2002;
      II. correspond to the entries in the books and accounting records;
      III. they provide a true and fair view of the financial position and results of operations of the issuer.
   b. The directors' management discussion and analysis provides a reliable analysis of the performance and result of operations as well as the situation of the issuer, together with a description of the main risks and uncertainties to which they are exposed.

This statement is also made pursuant to and for the purposes of Art. 154-bis, paragraph 2, of Legislative Decree 58 of February 24, 1998.

Milan, March 14, 2025

Alberto Galassi
Chief Executive Officer

Marco Zammarchi
Executive Responsible for the corporate financial documents

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FERRETTI S.P.A. (incorporated under the laws of Italy as a joint-stock company with limited liability)
HKEX code 9638 | Euronext code YACHT.MI