

FERRETTI S.p.A.



FERRETTIGROUP

**SEPARATE FINANCIAL STATEMENTS
2025**

Separate Financial Statements
As at 31 December 2025

FINANCIAL STATEMENTS

Independent Auditor's Report



**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), set out on pages 8 to 107 which comprise the statement of financial position as of December 31, 2025, the income statement, the comprehensive income statement, the cash flows statement, the statement of changes in equity for the year then ended, and the notes to the financial statements, including relevant information on the accounting standards applied.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of December 31, 2025, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements.

The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Independent Auditor's Report

Key Audit Matter	Audit Response
<p>Recognition of revenues for the construction of boats</p> <p>For the year ended December 31, 2025, 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.</p> <p>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.</p> <p>Because of the mentioned complexity that characterizes this measurement, we identified this area as a key audit matter.</p> <p>Relevant disclosures are included in notes 3 and 6 to the financial statements.</p>	<p>Our audit procedures in response to the key audit matter concerned, among the others:</p> <ul style="list-style-type: none"> • 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. <p>Lastly, we have reviewed the disclosure provided in the notes to the financial statement regarding this key audit matter.</p>

Independent Auditor's Report

Key Audit Matter

Audit Response

Recoverability of intangible asset with an indefinite useful life

As of December 31, 2025, the company reports intangible assets of Euro 254 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 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 notes 3 and 31 to the financial statements.

Our audit procedures in response to the key audit matter concerned, among the others:

- the assessment of the impairment process of intangible assets;
- the testing of 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 2026 approved by the Company's board of directors respectively on March 8, 2023 and February 24, 2026;
- the assessment of quality of forecasts taking into consideration the historical accuracy of the previous forecast;
- the 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.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report 2025 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report

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 International Financial Reporting Standards as adopted by the European Union, and 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.

Those Charged with Governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs 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 ISAs, 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;

Independent Auditor's Report

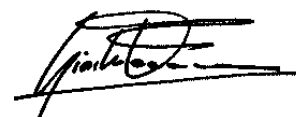
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. 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 communicate with Those Charged with Governance 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 also provide Those Charged with Governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with Those Charged with Governance, we determine 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 describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

EY S.p.A.



Gianluca Focaccia
Recognised PIE Auditor
Bologna

March 31, 2026

Income Statement

<i>(in thousand Euro)</i>	<i>Note</i>	December 31, 2025	December 31, 2024
Revenue		1,239,065	1,183,676
Commissions and other costs related to revenue		(55,437)	(54,682)
NET REVENUE	6	1,183,628	1,128,994
Change in inventories of work-in-process, semi-finished and finished goods	7	17,077	107,263
Cost capitalised	8	41,756	33,431
Other income	9	24,661	28,295
Raw materials and consumables used	10	(551,260)	(593,522)
Contractors costs	11	(259,745)	(253,723)
Costs for trade shows, events and advertising	12	(19,994)	(23,435)
Other service costs	13	(99,348)	(98,021)
Rentals and leases	14	(13,275)	(14,588)
Personnel costs	15	(121,901)	(120,986)
Other operating expenses	16	(8,705)	(8,080)
Provisions and impairment	17	(51,117)	(39,900)
Depreciation and amortisation	18	(62,528)	(56,500)
Financial income	19	9,466	15,711
Financial expenses	20	(2,704)	(2,784)
Foreign exchange gains and losses	21	(4,381)	(1,469)
PROFIT BEFORE TAX		81,629	100,688
Income tax	22	(36,994)	(37,496)
PROFIT FOR THE YEAR		44,635	63,193

Comprehensive Income Statement

<i>(in thousand Euro)</i>	<i>Note</i>	December 31, 2025	December 31, 2024
PROFIT FOR THE YEAR		44,635	63,193
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:			
Profit on defined benefits plan	39	413	301
Income tax effect	33	(99)	(72)
OTHER COMPREHENSIVE INCOME FOR THE YEAR		314	229
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		44,949	63,421

Statement of Financial Position

<i>(in thousand Euro)</i>	<i>Note</i>	December 31, 2025	December 31, 2024
CURRENT ASSETS			
Cash and cash equivalents	23	104,977	115,809
Trade and other receivables	24	215,640	274,450
Contract assets	25	242,075	201,893
Inventories	26	423,515	412,794
Advances on inventories	27	38,016	37,736
Other current assets	28	32,490	64,317
Income tax recoverable	24	1,230	1,508
		1,057,943	1,108,508
NON-CURRENT ASSETS			
Investments in subsidiaries	29	34,347	18,627
Property, plant and equipment	30	434,872	416,197
Intangible assets	31	254,461	247,650
Other non-current assets	32	33,347	53,864
Deferred tax assets	33	757,027	736,339
TOTAL ASSETS		<u>1,814,970</u>	<u>1,844,847</u>

Statement of Financial Position

<i>(in thousand Euro)</i>	<i>Note</i>	December 31, 2025	December 31, 2024
CURRENT LIABILITIES			
Due to immediate holding company		20	—
Bank and other borrowings	34	28,642	5,727
Provisions	35	58,677	58,674
Trade and other payables	36	598,304	652,613
Contract liabilities	37	121,828	146,855
Income tax payable	38	9,188	1,900
		<u>816,659</u>	<u>865,769</u>
NON-CURRENT LIABILITIES			
Due to immediate holding company			
Bank and other borrowings	34	13,381	14,984
Provisions	35	6,058	9,688
Non-current employee benefits	39	4,678	5,322
Trade and other payables	36	999	1,263
Deferred tax liabilities	33	32,732	18,459
		<u>57,848</u>	<u>49,717</u>
TOTAL LIABILITIES		<u>874,507</u>	<u>915,485</u>
SHARE CAPITAL AND RESERVES			
Share capital	40	338,483	338,483
Reserves	41	601,980	590,879
TOTAL EQUITY		<u>940,463</u>	<u>929,362</u>
TOTAL LIABILITIES AND EQUITY		<u>1,814,970</u>	<u>1,844,847</u>

Cash Flow Statement

<i>(in thousand Euro)</i>	December 31, 2025	December 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	81,629	100,688
Depreciation and amortisation	62,528	56,500
Provisions	(4,272)	(8,425)
Financial income	(9,466)	(15,711)
Financial expenses	7,085	2,784
Impairment of trade receivables, net	37,507	372
Provision against inventories, net	4,975	3,504
Decrease/(increase) in inventories	(15,976)	(115,201)
Change in contract assets and contract liabilities	(65,210)	(54,085)
Decrease/(increase) in trade and other receivables	58,660	(22,368)
Increase/(decrease) in trade and other payables	(15,828)	48,504
Change in other operating liabilities and assets	(1,868)	3,954
Income tax paid	(13,291)	(15,914)
Cash flows from (used) operating activities (A)	126,473	(15,399)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment and intangible assets	(89,328)	(113,921)
Disposal of property, plant and equipment and intangible assets	28	5,079
Change in investments and loans towards subsidiaries	(4,123)	—
Interest received	9,256	15,711
Cash flows used in investing activities (B)	(84,166)	(93,131)

Cash Flow Statement

<i>(in thousand Euro)</i>	December 31, 2025	December 31, 2024
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(33,848)	(32,833)
New bank and other borrowings	—	—
Repayment of bank and other borrowings	(7,802)	(30,102)
Investment increase in subsidiaries	(8,785)	—
Interest paid	(2,704)	(2,784)
Cash flows from/(used in) financing activities (C)	<u>53,139</u>	(65,718)
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS (D=A+B+C)	(10,832)	(174,248)
Cash and cash equivalents at beginning of year (E)	<u>115,809</u>	<u>290,057</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR (F=D+E)	<u>104,977</u>	<u>115,809</u>
Cash and cash equivalents as stated in the statements of financial position	<u><u>104,977</u></u>	<u><u>115,809</u></u>

Statement of Changes in Equity

<i>(in thousands Euro)</i>	Share capital	Share premium*	Legal reserve*	Other reserves*	Total equity
At January 1, 2024	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
Profit for the year	—	—	—	44,635	44,635
Other comprehensive income for the year:					
Actuarial gain on defined benefits plan, net of tax	—	—	—	314	314
Total comprehensive income for the year	—	—	—	44,949	44,949
Transfer to the legal reserve	—	—	3,160	(3,160)	0
Dividends	—	—	—	(33,848)	(33,848)
At December 31, 2025	338,483	425,041	18,384	158,555	940,463

* These reserve accounts comprise the reserves of €601,980 thousand (2024: €590,879 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.

As at December 31, 2025, the parent company of Ferretti is Ferretti International Holding S.p.A..

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 as at December 31, 2025, 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 financial statements and plans.

The Group reaffirmed its commitment to integrating ESG (Environmental, Social, and Governance) criteria into its corporate strategies, in line with the sustainability goals outlined in the 2025 report.

The initiatives undertaken focused in particular on the development of a monitoring system for the collection of non-financial data, as well as the implementation of measures aimed at ensuring responsible environmental resource management, promoting diversity and inclusion, and adopting transparent and ethical governance practices.

Notes to the Financial Statements

2. BASIS OF PREPARATION (CONTINUED)

Climate change: impacts on financial reporting, accounts and financial statement disclosures. (Continued)

During the year, the Company also monitored several key ESG performance indicators, including energy consumption, CO₂ emissions, the percentage of women in managerial positions, and the number of training hours provided to staff, in order to assess progress against the established targets.

Consistent with the findings of the 2025 financial year, no ESG-related risks emerged that could have a significant current or prospective impact on the Company's economic, equity, or financial position.

The double materiality analysis updated in preparation for the 2025 Sustainability Report — covering key environmental, climate-related, regulatory, and reputational topics — did not reveal any critical issues likely to economically or financially affect the Company's operations. Ongoing oversight of all topics identified as material through the double materiality assessment enables the Company to maintain high standards of resilience and sustainability, in line with stakeholder expectations and the evolving regulatory landscape.

In this context, the Group has identified several areas for improvement with the objective of further enhancing compliance in the 2026 Sustainability Reporting, which is already aligned with the European Sustainability Reporting Standards (ESRS).

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).

Notes to the Financial Statements

3. ACCOUNTING POLICIES (CONTINUED)

Recognition of revenue from contracts assets (Continued)

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.

Notes to the Financial Statements

3. ACCOUNTING POLICIES (CONTINUED)

Recognition of revenue from contracts assets (Continued)

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.

Notes to the Financial Statements

3. ACCOUNTING POLICIES (CONTINUED)

Government Grants (Continued)

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.

Notes to the Financial Statements

3. ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

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.

Notes to the Financial Statements

3. ACCOUNTING POLICIES (CONTINUED)

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 and finished products 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.

Notes to the Financial Statements

3. ACCOUNTING POLICIES (CONTINUED)

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:

- (1) financial assets at amortised cost (debt instruments);
- (2) financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses (debt instruments);
- (3) financial assets at fair value through other comprehensive income without recycling of cumulative gains and losses upon derecognition (equity instruments);

Notes to the Financial Statements

3. ACCOUNTING POLICIES (CONTINUED)

Financial Assets (Continued)

- *Subsequent measurement (Continued)*

- (4) 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.

Notes to the Financial Statements

3. ACCOUNTING POLICIES (CONTINUED)

Financial Assets (Continued)

- *Subsequent measurement (Continued)*

- (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 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.

Notes to the Financial Statements

3. ACCOUNTING POLICIES (CONTINUED)

Financial Assets (Continued)

- *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:

(a) *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.

Notes to the Financial Statements

3. ACCOUNTING POLICIES (CONTINUED)

Financial liabilities (Continued)

- *Subsequent measurement (Continued)*

- (b) *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.

Notes to the Financial Statements

3. ACCOUNTING POLICIES (CONTINUED)

Property, Plant, Machinery and Equipment (Continued)

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
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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".

Notes to the Financial Statements

3. ACCOUNTING POLICIES (CONTINUED)

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.

Notes to the Financial Statements

3. ACCOUNTING POLICIES (CONTINUED)

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.

Notes to the Financial Statements

3. ACCOUNTING POLICIES (CONTINUED)

Other Intangible Assets (Continued)

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 indefinitely 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.

Notes to the Financial Statements

3. ACCOUNTING POLICIES (CONTINUED)

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.

Notes to the Financial Statements

3. ACCOUNTING POLICIES (CONTINUED)

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.

Notes to the Financial Statements

3. ACCOUNTING POLICIES (CONTINUED)

Use of estimates and assumptions (Continued)

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 accounting policies adopted in the preparation of the 2025 financial statements are consistent with those followed in the preparation of the Company's separate financial statements for the year ended December 31, 2024, except for the adoption of new standards effective as of January 1, 2025.

The Company has not early adopted any principles, interpretations or amendments published but not yet in force.

One amendment applies for the first time in 2025, but does not have an impact on the consolidated financial statements for the year ended December 31, 2025.

Lack of exchangeability — Amendments to IAS 21

The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025. When applying the amendments, an entity cannot restate comparative information.

Notes to the Financial Statements

3. ACCOUNTING POLICIES (CONTINUED)

Changes in accounting policies and disclosure (Continued)

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements.

IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Company is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements. The initial expected material impacts on Company's financial statements are, as follows:

- Foreign exchange difference will be classified in the category where the related income and expense form the item giving rise to the foreign exchange difference.
- New disclosure will be added: (a) management-defined performance measures; (b) specified expense by nature if expenses are presented by function in the operating category of the statement of profit or loss; and (c) a reconciliation for each line item in the statement of profit or loss between the restated amounts presented applying IFRS 18 and the amounts previously presented applying IAS 1.
- Interest received and interest paid will be classified in the investing activities and financing activities, respectively, on the statement of cash flows.

Notes to the 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.

Notes to the Financial Statements

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, 2025	December 31, 2024
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	190,264	243,844
Financial assets included in other receivables	32,490	64,317
Other current assets	10,167	5,565
Other non-current assets	28,605	49,375
Total financial assets*	261,526	363,101

* Financial assets, other than cash and short-term deposits.

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.

No time deposit contracts are in place on December 31, 2025.

Notes to the Financial Statements

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial assets (Continued)

The details of contracts in place on December 31, 2024 were as follow:

Fixed Interest Period	Bank	Currency	Amount	Rate %	Expire Date
One week	Credit Agricole CIB Sa	Eur	10,000	2.97%	02/01/2025
Two weeks	China Construction Bank (Europe) S.A.	Eur	10,000	2.86%	07/01/2025
Interes			15		
			<u>20,015</u>		
	"Time deposit accounts" under "Cash and Cash Equivalents"		<u>20,015</u>		

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.

Financial liabilities

	December 31, 2025	December 31, 2024
Financial liabilities		
Bank and other borrowings	22,230	—
Lease liabilities	19,712	20,538
Other	80	173
Total Financial liabilities	<u>42,023</u>	<u>20,711</u>
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	445,063	489,080
Total other financial liabilities	<u>445,063</u>	<u>489,080</u>
Total other financial liabilities	<u>487,086</u>	<u>509,791</u>

Notes to the Financial Statements

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

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, 2025		December 31, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets				
Other non-current assets	<u>28,605</u>	<u>28,605</u>	<u>49,375</u>	<u>49,375</u>
Total Financial Assets	<u>28,605</u>	<u>28,605</u>	<u>49,375</u>	<u>49,375</u>
Bank and other borrowings	<u>22,230</u>	<u>22,230</u>	—	—
Lease liabilities	<u>19,712</u>	<u>19,712</u>	20,538	20,538
Other	<u>80</u>	<u>80</u>	173	173
Total Financial Liabilities	<u>42,023</u>	<u>42,023</u>	<u>20,711</u>	<u>20,711</u>

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.

Notes to the Financial Statements

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair Value Measurement (Continued)

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, 2025				December 31, 2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Other current assets								
Other non-current assets		28,605		28,605		49,375		49,375
Banks and other borrowings		22,230		22,230		—		—
Lease liabilities		19,712		19,712		20,538		20,538
Other liabilities		80		80		173		173

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.

Notes to the Financial Statements

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity Risk (Continued)

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, 2025 and at the end of the previous fiscal year, with a breakdown of the Company's financial payables by contractually stipulated due dates:

	Balance at December 31, 2025	Future financial flows					Total financial flows
		0 to 3 months	4 to 9 months	10 to 12 months	1 to 5 years	More than 5 years	
Bank and other borrowings (excluding lease liabilities)	(22,310)	(22,310)	0	0	0	0	(22,310)
Lease Liabilities	(19,712)	(1,805)	(3,563)	(1,734)	(12,855)	(2,217)	(22,175)
Trade and other payables	(445,063)	(353,102)	(90,380)	(1,582)	0	0	(445,063)
Total	(487,086)	(377,217)	(93,943)	(3,316)	(12,855)	(2,217)	(489,548)

	Balance at December 31, 2024	Future financial flows					Total financial flows
		0 to 3 months	4 to 9 months	10 to 12 months	1 to 5 years	More than 5 years	
Bank and other borrowings (excluding lease liabilities)	(173)	(173)	0	0	0	0	(173)
Lease Liabilities	(20,538)	(1,633)	(3,222)	(1,565)	(13,635)	(3,196)	(23,251)
Trade and other payables	(489,080)	(391,732)	(95,809)	(1,537)	0	0	(489,079)
Total	(509,791)	(393,539)	(99,031)	(3,103)	(13,635)	(3,196)	(512,503)

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.

Notes to the Financial Statements

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

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 2025 no cash flow hedging was done in view of the exchange rate trend. In any case, as of December 31, 2025 and 2024, 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, 2025 and December 31, 2024 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).

(in thousand Euro)

Change in 6M Euribor		At December 31, 2025		At December 31, 2024	
(+)	(-)	(+)	(-)	(+)	(-)
+50 BP	-50 BP	210	-210	103	-103
+100 BP	-100 BP	420	-420	205	-205
+200 BP	-200 BP	840	-840	411	-411
+300 BP	-300 BP	1.261	-1.261	616	-616

Notes to the Financial Statements

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

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, 2025) are considered fully recoverable:

	Balance at December 31, 2025	Not due	Past due			
			30 days	30–60	60–90	Beyond
Cash and cash equivalents	104,977	104,977	—	—	—	—
Trade receivables *	190,264	183,628	434	365	1,051	4,785
Other current assets	32,490	32,490	—	—	—	—
Financial assets included in other receivables	10,167	10,167	—	—	—	—
Financial assets included in other non-current assets	28,605	28,605	—	—	—	—
Total at December 31, 2025	366,503	359,868	434	365	1,051	4,785

(*) Net of the allowance for doubtful accounts of €3,705 thousand.

Notes to the Financial Statements

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit Risk (Continued)

For the sake of a more effective analysis, the table below shows the data for the previous year:

	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 *	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

(*) Net of the allowance for doubtful accounts of €3,276 thousand..

The change in the allowance for doubtful accounts for the year ended December 31, 2025 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, 2025) are considered fully recoverable:

	Balance at December 31, 2025	Not due	Past due			
			30 days	30–60	60–90	Beyond
%	2%	0%	0%	51%	0%	41%
Trade receivables	193,969	183,628	434	740	1,051	8,115
Provision for doubtful accounts	3,705	—	—	375	—	3,330
Total at December 31, 2025	190,264	183,628	434	365	1,051	4,785

Notes to the Financial Statements

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit Risk (Continued)

For the sake of a more effective analysis, the table below shows the data for the previous year:

	Balance at December 31, 2024	Past due				
		Not 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

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 19–21), depreciation and amortisation (Note 18), of €141,776 thousand for the year ended December 31, 2025 (2024: €145,729 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 Financial Statements

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, 2025, compared with those in the Income Statement for the fiscal year ended December 31, 2024.

6. NET REVENUE

The following table provides the breakdown of the item Net Revenue for the year ended December 31, 2025, compared with the same item for the year ended December 31, 2024:

	31/12/2025	31/12/2024
Total Revenue from contracts with customers	1,239,065	1,183,677
Commissions and other costs related to revenue	<u>(55,437)</u>	<u>(54,682)</u>
Total Net Revenue	<u>1,183,628</u>	<u>1,128,995</u>

The table below shows the breakdown of Net Revenue by production type¹⁴:

	31/12/2025	31/12/2024
Composite yachts	463,832	531,861
Made-to-measure yachts	489,274	410,833
Super yachts	190,304	148,646
Other businesses	<u>23,538</u>	<u>23,894</u>
Total Net Revenue without Pre-owned	<u>1,166,948</u>	<u>1,115,234</u>
Pre-Owned	<u>16,680</u>	<u>13,761</u>
Total Net Revenue	<u>1,183,628</u>	<u>1,128,995</u>

¹⁴ The Ferretti Yacht 940 model that was originally under the composite yachts segment had been reclassified under the made-to-measure yachts segment in the year 2025 and 2024.

Notes to the Financial Statements

6. NET REVENUE (CONTINUED)

Revenue arising from other businesses is broken down below.

	31/12/2025	31/12/2024
FSD	5,143	4,809
Provision of services and sales of replacement parts, merchandise and other goods	12,218	10,881
Wally sailboats	6,177	8,204
Total Other businesses	23,538	23,894

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 2025 as well the Company continued to sell Riva brand luxury accessories, as part of the Riva Brand Experience project.

Notes to the Financial Statements

6. NET REVENUE (CONTINUED)

The breakdown of Net Revenue by geographical area was as follows:

	31/12/2025	31/12/2024
Europe	517,959	572,482
Mea	372,231	268,851
Apac	17,527	34,078
America	259,230	239,823
Total Net Revenue without Pre-owned	<u>1,166,948</u>	<u>1,115,234</u>
Pre-Owned	16,680	13,761
Total Net Revenue	<u>1,183,628</u>	<u>1,128,995</u>

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.

	31/12/2025	31/12/2024
At a point in time	41,404	38,122
Over time	1,142,223	1,090,872
Total net Revenue	<u>1,183,628</u>	<u>1,128,995</u>

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:

	31/12/2025	31/12/2024
Revenue from contract liabilities	<u>142,932</u>	<u>178,843</u>

Notes to the Financial Statements

6. NET REVENUE (CONTINUED)

The following table shows the amount of transaction price for existing contracts outstanding at December 31, 2025 which will be converted into revenue from contracts with customers within one year or after one year.

	31/12/2025	31/12/2024
Within one year	611,704	531,777
After one year	213,127	366,018
	<u>824,831</u>	<u>897,794</u>

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 €531,777 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 €41,756 thousand (€33,431 thousand in 2024), 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.

Notes to the Financial Statements

9. OTHER INCOME

	31/12/2025	31/12/2024
Income from relationship with suppliers	10,588	13,356
Damage settlements	4,427	2,467
Cost over-accruals	3,380	784
Rebiling of miscellaneous costs to customers and dealers	1,261	1,126
Intragroup rebiling of miscellaneous costs	840	722
Rebiling of centralised services	633	241
Rental income	297	218
Gains on sales of assets	23	6,258
Other	3,212	3,121
Total other income	<u>24,661</u>	<u>28.295</u>

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; and (iv) the contributions received from suppliers which co-operate with the Company.

The item "Damage settlements" refers primarily to the insurance income related to damages occurred to some moulds during a fire in the warehouse of a supplier for €3,043 thousand, for €777 thousand to some insurance claims related to bad weather damages due to rain and hail, for €256 for a reimbursement received by a supplier.

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 rebiling 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 "Rebiling of centralized services" refers to the rebiling to subsidiaries of costs related to centralized services incurred for their benefit such as information technology, tax and accounting services.

Notes to the Financial Statements

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

	31/12/2025	31/12/2024
Transportation, insurance and customs clearing costs	22,615	23,718
Technical consulting	13,230	12,663
Utilities	7,294	6,553
Insurance	6,739	5,728
Tax, legal and administrative consulting services	6,615	7,962
Maintenance	5,678	5,533
Entertainment expenses	5,109	5,376
Fees paid to members of corporate governance bodies	5,085	4,321
Travel and per diem expenses	4,406	4,979
Recruiting and training costs	3,175	3,385
Costs of centralised services	415	302
Other	18,987	17,502
Total other service costs	99,348	98,021

The item "Technical consulting" amounting to €13,230 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.

Notes to the Financial Statements

13. OTHER SERVICE COSTS (CONTINUED)

The item "Tax, legal and administrative consulting services" mainly included €2,117 thousand for legal advice and notaries' fees and €2,217 thousand relating to administrative consulting, including accounts auditing, and tax assistance. Moreover, €701 thousand referred to IT consulting.

In the fiscal year ended December 31, 2025, "Fees paid to members of corporate governance bodies" included €4,907 thousand for fixed and variable compensation, benefits and remuneration paid to Directors, as well as €104 thousand in fees paid to Statutory Auditors and €74 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 outsourced services for approximately €10 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.

	31/12/2025	31/12/2024
Short-term rentals and leases	3,207	3,035
Rentals and leases for low-value assets	3,094	2,125
Royalties	6,974	9,428
Total rentals and leases	<u>13,275</u>	<u>14,588</u>

Notes to the Financial Statements

15. PERSONNEL COSTS

	31/12/2025	31/12/2024
Wages and salaries	85,572	85,516
Social security contributions	30,522	29,867
Non-current employee benefits and other provisions	5,807	5,603
Total personnel costs	<u>121,901</u>	<u>120,986</u>

The five highest-paid employees during the years ended December 31, 2025 and 2024 include a director, whose details are given in Note 44, and four employees, who are not directors and whose personnel costs are as follows:

	31/12/2025	31/12/2024
Wages and salaries	6,192	5,361
Social security contributions	368	278
Non-current employee benefits and other provisions	68	79
Total personnel costs	<u>6,628</u>	<u>5,718</u>

The number of highest-paid non-director employees whose remuneration fell into the following ranges was as follows:

	31/12/2025	31/12/2024
HK\$3,500,001–HK\$4,000,000	1	2
HK\$4,500,001–HK\$5,000,000	2	1
HK\$5,500,001–HK\$15,500,000	1	1
Total number of employees	<u>4</u>	<u>4</u>

Notes to the Financial Statements

16. OTHER OPERATING EXPENSES

	31/12/2025	31/12/2024
Cost under-accruals	3,053	260
Taxes and fees other than income taxes	1,629	1,410
Settlement agreements and damage compensation	1,190	3,549
Memberships in trade associations	925	950
Advertising and promotional material	470	610
Re-billable costs	319	569
Charity initiatives	314	132
Reward vouchers and other benefits for employees	42	43
Losses on asset sales	13	2
Sundry operating costs	751	555
Total other operating expenses	8,705	8,080

“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, 2024 for supplies pertaining to the previous years.

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 “Settlement agreements and damage compensation” related to several private agreements entered into in the course of the year ended December 31, 2025 and damages compensation due to a civil suit.

“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.

	31/12/2025	31/12/2024
Allocations to the provision for product warranties	12,116	19,377
Provision for miscellaneous risks, net	(1,771)	(4,075)
Allocations to the provision for doubtful accounts	40,772	24,599
Total provisions and impairment	51,117	39,900

Notes to the Financial Statements

18. DEPRECIATION AND AMORTISATION

	31/12/2025	31/12/2024
Depreciation of property, plant and machinery	49,389	46,421
Depreciation of rights-of-use assets	6,344	5,353
Amortisation of intangible assets	6,795	4,726
Total depreciation and amortization	<u>62,528</u>	<u>56,500</u>

Reference should be made to the tables on property, plant, equipment and intangible assets for additional details.

19. FINANCIAL INCOME

	31/12/2025	31/12/2024
Income from receivables entered in fixed assets	7,875	9,738
Interest income from banks	679	4,491
Interest and other financial income	912	1,482
Total financial income	<u>9,466</u>	<u>15,711</u>

“Income from receivables entered in fixed assets” refers mainly 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.

Notes to the Financial Statements

20. FINANCIAL EXPENSES

	31/12/2025	31/12/2024
Interests paid to banks and other loans	1,384	1,055
Interest on lease liabilities	403	310
Interest on provision for severance benefits and pensions	161	162
Other financial expenses	756	1,257
Total financial expenses	2,704	2,784

21. FOREIGN EXCHANGE GAINS/(LOSSES)

At December 31, 2025, 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, 2025.

22. INCOME TAX

Taxes showed tax expense of €36,994 thousand for the year ended December 31, 2025, due to both current and deferred taxes, as illustrated below:

	31/12/2025	31/12/2024
Corporate income tax (IRES)	(16,052)	(7,083)
Regional tax (IRAP)	(5,672)	(5,118)
Total current taxes	(21,724)	(12,201)
Recognition of R&D receivable	0	634
Prior-year taxes	(1,096)	(146)
Deferred taxes	(14,174)	(25,783)
Total income tax	(36,994)	(37,496)

Notes to the Financial Statements

22. INCOME TAX (CONTINUED)

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.

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 2025 and 2024:

	31/12/2025	31/12/2024
Theoretical taxable base*	81,629	100,688
IRES 24%	(19,591)	(24,165)
IRAP 3.90%	(3,184)	(3,927)
Total theoretical tax	<u>(22,775)</u>	<u>(28,092)</u>
Credit used for ACE (Allowance for Corporate Equity) of the year		
Recognition of R&D receivable	0	634
Undeductible costs	(1,991)	(6,010)
Impairment on receivables qualifying for PEX exemption	(9,653)	<u>0</u>
Other differences	<u>(2,575)</u>	<u>(4,028)</u>
Effective tax recognised in the income statement	<u>(36,994)</u>	<u>(37,496)</u>

(*) Figure referred to the profit before tax.

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**").

Notes to the Financial Statements

22. INCOME TAX (CONTINUED)

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%).

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 December 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 2025 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 2025 financial data, no significant impact in terms of potential top up tax under the Income Inclusion Rule (“**IIR**”) is expected for the Ferretti sub-group. Furthermore, as from 1 January 2025, following the entry into force of the so-called “domestic minimum top-up tax” pursuant to Article 19 of the Italian Pillar II legislation (the so-called Undertaxed Payment Rule — “**UTPR**”), Ferretti S.p.A. may be required to pay in Italy any top-up tax up to the amount of its allocable share relating to low-tax jurisdictions of the group, even in the absence of any direct or indirect participation by Ferretti S.p.A.

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 Financial Statements

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, 2025 compared with December 31, 2024.

CURRENT ASSETS

23. CASH AND CASH EQUIVALENTS

	31/12/2025	31/12/2024
Bank and postal accounts	104,962	95,696
Time deposit	—	20,015
Cash and securities on hand	15	98
Total cash and cash equivalents	<u>104,977</u>	<u>115,809</u>

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.

Notes to the Financial Statements

24. TRADE AND OTHER RECEIVABLES

	31/12/2025	31/12/2024
Trade receivables	190,264	243,844
Other receivables	25,375	30,607
Total trade and other receivables	<u>215,640</u>	<u>274,450</u>
	31/12/2025	31/12/2024
Accounts receivable from customers	37,616	32,938
Receivables from Group Companies	156,353	214,182
Total gross trade receivables	193,969	247,120
(Less) Provision for doubtful accounts	(3,705)	(3,276)
Total trade receivables	<u>190,264</u>	<u>243,844</u>

“Accounts receivable from customers” at December 31, 2025 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.

Notes to the Financial Statements

24. TRADE AND OTHER RECEIVABLES (CONTINUED)

Receivables from Group companies

	31/12/2025	31/12/2024
Zago S.p.A.	1,640	217
Sea Lion S.r.l.	116	116
Ram S.p.A.	1,118	254
Ferretti Tech S.r.l.	—	3
Fratelli Canalicchio S.p.A.	111	81
Il Massello S.r.l.*	—	17
Ferretti Group of America Holding Company Inc	11	11
Ferretti Group of America LLC	110,678	182,917
Allied Marine Inc	—	1,097
Ferretti Group Asia Pacific Ltd	42,492	29,378
Ferretti Asia Pacific Zhuhai Ltd	4	4
Ferretti Group (Monaco) SaM	115	51
Ferretti Gulf Marine-Sole Proprietorship Llc	66	33
Ferretti Group Singapore Pte. Ltd	2	2
Total Receivables from Group companies	156,353	214,182

* See Note 29

“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.

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:

	31/12/2025	31/12/2024
At beginning of year	3,276	2,904
Impairment losses, net	550	550
Amount written off as uncollectible	(121)	(178)
At end of period	3,705	3,276

Notes to the Financial Statements

24. TRADE AND OTHER RECEIVABLES (CONTINUED)

Provision for doubtful accounts (Continued)

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 fact that the Company's trade and receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

	31/12/2025	31/12/2024
Other tax receivables	2,384	12,452
Accruals, deferrals and other receivables	<u>22,992</u>	<u>18,154</u>
Total other receivables	<u>25,375</u>	<u>30,607</u>

The item "Accruals, deferrals and other receivables" may be broken down as follows:

	31/12/2025	31/12/2024
Receivables owed by social security institutions	348	352
Other receivables from Group companies	0	74
Commissions advances	6,579	7,812
Advances, prepayments and sundry receivables from suppliers	10,868	5,461
Others	137	114
Accruals and deferrals	<u>5,060</u>	<u>4,341</u>
Total accruals, deferrals and other receivables	<u>22,992</u>	<u>18,154</u>

"Receivables owed by social security institutions" at December 31, 2025 refer mainly to receivables from the Italian workman's compensation agency (INAIL) of €177 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.

Notes to the Financial Statements

24. TRADE AND OTHER RECEIVABLES (CONTINUED)

Provision for doubtful accounts (Continued)

The balance relating to “Advances, prepayments and sundry receivables from suppliers” as at December 31, 2025 mainly refers for €464 thousand of advances already paid for the main industry trade show in Dusseldorf to be held in the first months of 2026, 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, 2025 the impairment loss provision for the other receivable was assessed to be minimal.

Income tax recoverable

As at December 31, 2025 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 €1,078 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, 2025, compared to those at December 31, 2024.

	31/12/2025	31/12/2024
Gross value of contract assets	874,301	747,772
Advances collected	(632,225)	(545,879)
Total contract assets	<u>242,075</u>	<u>201,893</u>

Notes to the Financial Statements

26. INVENTORIES

	31/12/2025		31/12/2024	
	Gross value	Allowance for write-downs	Net amount	Net amount
Raw materials and components inventory	61,938	(6,830)	55,108	58,513
Work in progress and semi-finished goods	171,769	—	171,769	154,113
New boats	175,953	0	175,953	176,086
Used boats	35,574	(14,888)	20,686	24,082
Total inventories	<u>445,234</u>	<u>(21,718)</u>	<u>423,515</u>	<u>412,794</u>

The item "Raw materials and components inventory" is adjusted by an allowance for write-downs of €6,830 thousand at December 31, 2025 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 €14,888 thousand, in order to bring the purchase cost down to its estimated realisable value.

The expected time for inventories to be recovered is as follows:

	31/12/2025	31/12/2024
Within one year	357,931	374,725
Beyond one year	65,584	38,069
Total inventories	<u>423,515</u>	<u>412,794</u>

Notes to the Financial Statements

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:

	31/12/2025	31/12/2024
Time deposit and other financial investments	—	—
Incidental borrowing costs	369	369
Other current assets	0	0
Other current assets from Group companies	32,121	63,948
Total Other current assets	<u>32,490</u>	<u>64,317</u>

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).

Notes to the Financial Statements

28. OTHER CURRENT ASSETS (CONTINUED)

The item "Other current assets from Group companies" is broken down as follows:

	31/12/2025	31/12/2024
Financial receivables		
Ferretti Group of America LLC	—	2,489
Ferretti Group of America Holding Company Inc	—	26,214
Zago S.p.A.	239	208
Ram S.p.A.	655	886
Fratelli Canalicchio S.p.A.	47	70
Il Massello S.r.l.*	—	169
Allied Marine Inc.	6,010	5,489
Ferretti Group (Monaco) Sam	125	113
Ferretti Group Asia Pacific Ltd	331	290
	7,408	35,929
Receivables for treasury accounts		
Zago S.p.A.	18,295	12,278
Fratelli Canalicchio S.p.A.	6,417	7,649
Il Massello S.r.l.*	—	8,092
	24,712	28,019
Total	32,121	63,948

* See Note 29

"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.

Notes to the Financial Statements

NON-CURRENT ASSETS

29. INVESTMENTS IN SUBSIDIARIES

Equity investments in subsidiaries at December 31, 2025 were broken down as follows:

	31/12/2025	31/12/2024
Zago S.p.A.	15,792	9,417
Sea Lion S.r.l.	11,965	3,428
Ram S.p.A.	3,711	2,863
Ferretti Tech S.r.l.	—	40
Fratelli Canalicchio S.p.A.	100	100
Ferretti Group of 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 Gulf Marine-Sole Proprietorship Llc	1,546	1,546
Total equity investments	<u>34,347</u>	<u>18,627</u>

On April 15, 2025, Zago S.p.A. acquired the remaining 15% interest in Il Massello S.r.l. and from that date the Group controls 100% of the share capital of the company through the subsidiary Zago S.p.A.. In the context of this acquisition, on May 15, 2025 Ferretti waived the shareholder loan granted in 2022 to Zago S.p.A. for Euro 6,375 thousand for the purchase of the same investment. Subsequently, the merger of Il Massello s.r.l. into Zago S.p.A. was approved and became effective on 31 December 2025, with accounting and tax effects retroactively applied as from 1 January 2025.

On July 1, 2025, Ferretti S.p.A. increased its ownership to 100% of Sea Lion's share capital, thereby fully consolidating its presence in the company that owns the "Wally" brand. The investment consisted in a cash payment of Eur 8,537 thousand.

On December 19, 2025 the shareholders' meeting of RAM S.p.A. resolved a capital increase that has been subscribed by Ferretti for the amount of approximately Euro 0.8 million, of which Euro 0.6 million through the partial waiver of the shareholder loan granted to RAM S.p.A.. At December 31, 2025, Ferretti owns 93% of share of Ram S.p.A., increased at 97% after the completion of the share capital increase happened on February 14, 2026.

On July 3, 2025, Ferretti disposed its ownership in Ferretti Tech S.r.l.'s share capital for Euro 250 thousand.

The company has undertaken to eventually provide its financial support to some controlled companies.

Notes to the Financial Statements

30. PROPERTY, PLANT AND EQUIPMENT

Movements in this item in the year ended December 31, 2025 were as follows:

	Land and buildings	Plant, machinery and equipment	Other property, plant and equipment	Models and moulds	Total
At January 1, 2025					
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 January 1, 2025, net of					
accumulated depreciation	283,082	26,883	19,216	87,015	416,197
Additions — owned assets	16,980	10,373	5,200	34,714	67,266
Additions — right-of-use assets	4,056	832	2,016	0	6,904
Disposals	(1)	(27)	0	0	(28)
Disposals — right-of-use assets	0	0	0	0	0
Depreciation — owned assets	(13,122)	(4,773)	(3,982)	(25,233)	(47,110)
Depreciation — right-of-use assets	(4,403)	(0,959)	(0,982)	0	(6,344)
Impairment — owned assets	0	0	(1,320)	(959)	(2,279)
Reclassification	2,784	(4,466)	1,949	0	0,267
Exchange realignment	0	0	0	0	0
At December 31, 2025, net of					
accumulated depreciation	289,376	27,863	22,095	95,537	434,872
At December 31, 2025, net of					
Cost	394,828	84,036	54,988	395,158	929,009
Accumulated depreciation	(105,451)	(56,173)	(32,893)	(299,620)	(494,138)
Net carrying amount	289,376	27,863	22,095	95,537	434,872

At December 31, 2025, the net carrying amounts of land and buildings, plant, machinery and equipment, other assets included rights-of-use assets amounting to Euro 10,037 thousand, Euro 1,126 thousand and Euro 2,168 thousand, respectively. As at December 31, 2025 the Company has reviewed the useful life of Property, plant and equipment and there weren't impairment indicators.

Notes to the Financial Statements

30. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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	87,015	416,197
At December 31, 2024	283,082	26,883	19,216	87,015	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.

Notes to the Financial Statements

31. INTANGIBLE ASSETS

Movements in this item in the year ended December 31, 2025 were as follows:

	Indefinitive life Trademarks	Other intangible assets	Total
At January 1, 2025			
Cost	222,107	82,196	304,303
Accumulated amortization		(56,654)	(56,654)
Net carrying amount	222,107	25,543	247,650
At January 1, 2025, net of accumulated amortization	222,107	25,543	247,650
Additions	192	13,377	13,569
Disposals	0	0	0
Amortization	0	(6,795)	(6,795)
Impairment	0	0	0
Reclassification			0
Exchange realignment	0	37	37
	222,299	32,161	254,461
At December 31, 2025, net of accumulated amortization			
Cost	222,299	95,610	317,909
Accumulated amortization		(63,449)	(63,449)
Net carrying amount	222,299	32,161	254,461

Notes to the Financial Statements

31. INTANGIBLE ASSETS (CONTINUED)

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

A breakdown of the value of "Trademarks" at December 31, 2025 is as follows:

	31/12/2025	31/12/2024
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	1,455	1,263
Total trademarks	222,299	222,107

Notes to the Financial Statements

31. INTANGIBLE ASSETS (CONTINUED)

Other intangible assets — Definite useful life

	31/12/2025	31/12/2024
Concessions	14,403	14,183
Intellectual property rights	17,440	10,776
Software	319	584
Total Other intangible assets	<u>32,161</u>	<u>25,543</u>

- “Concessions” refers chiefly to (i) for a net book value of €12,619 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 Company applied for a new concession for the same area, 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 a period of 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 €566 thousand; (iii) the docking right in the marina Porto Mirabello, in the Gulf of La Spezia, the net value of the investment is €572 thousand; the right will remain valid until 2067;
- “Intellectual property rights” with a net book value of €17,440 thousand include the costs of the projects carried out by the Company, 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 Super Yachts Division (SYD) models. The Company conducted research and development on innovative solutions for each model to be applied to all units built.
- the residual value of the item “Other intangible assets” (€319 thousand) referred to the net value of licenses for new IT applications and the net value of patents.

As at December 31, 2025 the Company has reviewed the useful life of other intangible assets and there weren't impairment indicators.

Notes to the Financial Statements

31. INTANGIBLE ASSETS (CONTINUED)

Other intangible assets — Definite useful life (Continued)

Impairment test on indefinite useful life intangible assets

On December 31, 2025, 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 two year time period considering the budget for 2026 and business plan for 2027;
- 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:

	31/12/2025	31/12/2024
Interest rate for riskless assets	3.42%	3.50%
Discount rate pre-tax — WACC	12.96%	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 2025 and 2024.

The Company will continue to monitor the performance of the individual CGUs carefully in order to verify that actual performance coincides with forecasts.

Notes to the Financial Statements

32. OTHER NON-CURRENT ASSETS

	31/12/2025	31/12/2024
Equity investments designated at fair value through income statement	2	2
Deposits	681	622
Commissions advances	3,925	3,485
Other receivables and loans granted to subsidiaries	23,949	44,438
Other assets	4,789	5,318
Total other non-current assets	33,347	53,864

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:

	31/12/2025	31/12/2024
Sea Lion S.r.l.	13,500	21,825
Zago S.p.A.	8,650	6,375
Il Massello S.r.l.*	—	8,650
Ferretti Group Asia Pacific Ltd	1,000	1,000
Ferretti Group (Monaco) S.a.M.	799	799
Ferretti Group of America LLC	0	5,789
Total	23,949	44,438

* See Note 29

The shareholder loan granted in 2019 to Sea Lion S.r.l. was repaid on December 31, 2025 through a set-off against trade payables owed by Ferretti S.p.A. to Sea Lion S.r.l..

The loan issued previous year to Il Massello S.r.l. for €8,650 thousand is aimed to cover the expansion plan which involves the construction of a new production site for the subsidiary. Since December 31, 2025 the company is merged in Zago S.p.A. (see Note 29).

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.

Notes to the Financial Statements

32. OTHER NON-CURRENT ASSETS (CONTINUED)

The value of "Other assets" mainly refers to long-term deferrals for €803 thousand, to incidental borrowing cost for the new revolving credit line for €875 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, 2025 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, 2024 and 1 January 2025	18,431	5,006	587	12,136	734	11,473	1,558	49,925
Credited/(charged) to:								
Profit and loss:								
Profit and loss	(971)	1,137	31	(2,027)	8	(11,473)	(333)	(13,628)
Other comprehensive income	0	0	0	0	0	0	0	0
Other reserves	0	0	0	0	0	0	0	0
At December 31, 2025	<u>17,460</u>	<u>6,143</u>	<u>617</u>	<u>10,109</u>	<u>742</u>	<u>—</u>	<u>1,225</u>	<u>36,297</u>

	Depreciation of land and other assets valued at less than 516/k	Trademarks	Leases	Other	Total
At December 31, 2024 and 1 January 2025	1,315	60,659	5,163	1,245	68,384
Charged/(credited) to:					
Profit and loss	14	652	(74)	(46)	546
Other comprehensive income	0	0	0	99	99
At December 31, 2025	<u>1,330</u>	<u>61,311</u>	<u>5,089</u>	<u>1,298</u>	<u>69,028</u>

Notes to the Financial Statements

33. DEFERRED TAX ASSETS (CONTINUED)

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	587	11,139	907	40,599	714	76,786
Credited/(charged) to:								
Profit and loss:								
Profit and loss	(146)	742	0	997	(172)	(29,126)	845	(26,861)
Other comprehensive income	0	0	0	0	0	0	0	0
Other reserves	0	0	0	0	0	0	0	0
At December 31, 2024	<u>18,431</u>	<u>5,006</u>	<u>587</u>	<u>12,136</u>	<u>734</u>	<u>11,473</u>	<u>1,558</u>	<u>49,925</u>

	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	0	0	(129)	(949)	(1,078)
Other comprehensive income	0	0	0	72	72
At December 31, 2024	<u>1,315</u>	<u>60,659</u>	<u>5,163</u>	<u>1,245</u>	<u>68,384</u>

Notes to the Financial Statements

33. DEFERRED TAX ASSETS (CONTINUED)

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:

	31/12/2025	31/12/2024
Deferred tax assets	—	0
Deferred tax liabilities	<u>(32,732)</u>	<u>(18,459)</u>
Total Deferred tax assets/(liabilities)	<u>(32,732)</u>	<u>(18,459)</u>

The Company in 2025 has utilised the tax assets arising from tax losses of €11,987 thousand for offsetting the taxable profits of the entities included in Group tax consolidation scheme as provided by the Italian tax regulations.

The amount of €570 thousand as at December 31, 2025 is related the tax losses carryforward of the Group subsidiaries not included in the tax consolidation scheme and in the fiscal year 2025 it has been recognized an additional deferred tax assets arising from tax losses carried forward ("**DTAs**") for €56 thousand, 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.

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 Financial Statements

NOTES TO THE MAIN LIABILITIES AND EQUITY ITEMS

CURRENT LIABILITIES

34. BANK AND OTHER BORROWINGS

	31/12/2025			31/12/2024		
	Effective interest rate	Maturity	Amount	Effective interest rate	Maturity	Amount
Due to banks — unsecured			80			173
Due to banks net of incidental borrowing costs			80			173
Others		2026	22,230		2025	0
Lease liabilities	2.0–6.6	2026	6,331	2.0–6.6	2025	5,554
Total short-term			28,642			5,727
	Effective interest rate	Maturity	Amount	Effective interest rate	Maturity	Amount
Lease liabilities	2.0–6.6	2055	13,381	2.0–6.6	2055	14,984
Total medium/long-term			13,381			14,984
Total Bank and other borrowing			42,023			27,232

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.

Notes to the Financial Statements

34. BANK AND OTHER BORROWINGS (CONTINUED)

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, 2025 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.

Notes to the Financial Statements

35. PROVISIONS

The table below shows the changes that occurred in “Provisions” during the years ended December 31, 2025 and December 31, 2024:

	Provision for product warranties	Provisions for miscellaneous risks	Total
Balance at January 1, 2025	32,080	36,283	68,363
Additions	12,116	25,281	37,397
Utilisations during the year	(18,482)	(22,542)	(41,025)
Balance at December 31, 2025	25,713	39,022	64,735
	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

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.

	31/12/2025	31/12/2024
Current portion	19,655	22,392
Non-current portion	6,058	9,688
Total Provision for product warranties	25,713	32,080

Notes to the Financial Statements

35. PROVISIONS (CONTINUED)

Provisions for miscellaneous risks

The item "Provisions for miscellaneous risks" can be broken down as follows:

	31/12/2025	31/12/2024
Legal proceedings and tax and employment law litigation	4,149	3,142
Dealer incentives	16,513	15,261
Provisions for completion of boats	1,530	3,243
Provisions for other risks	16,830	14,637
Total provisions for miscellaneous risks	<u>39,022</u>	<u>36,283</u>

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.

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.

Notes to the Financial Statements

36. TRADE AND OTHER PAYABLES

	31/12/2025	31/12/2024
Trade payables	402,310	404,877
Trade payables to Group companies	39,198	80,722
Trade payables	441,508	485,599
Other payables	157,795	168,277
Total trade and other payables	<u>599,303</u>	<u>653,876</u>
	31/12/2025	31/12/2024
Trade and other payables — current	598,304	652,613
Trade and other payables — non-current	999	1,263
Total trade and other payables	<u>599,303</u>	<u>653,876</u>

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”.

Notes to the Financial Statements

36. TRADE AND OTHER PAYABLES (CONTINUED)

Trade payables to Group companies

“Trade payables to Group companies due within one year” were as follows:

	31/12/2025	31/12/2024
Zago S.p.A.	13,718	6,526
Sea Lion S.r.l.	259	7,986
Ram S.p.A.	13	40
Fratelli Canalicchio S.p.A.	2,469	2,072
Il Massello S.r.l.*	—	2,867
Ferretti Group of America LLC	9,439	50,069
Allied Marine Inc	9,015	9,486
Ferretti Group Asia Pacific Ltd	3,737	1,395
Ferretti Group (Monaco) S.a.M.	435	161
Ferretti Gulf Marine — Sole Proprietorship Llc	115	120
Total Trade payables to Group companies	<u>39,198</u>	<u>80,722</u>

* See Note 29

“Trade payables to Group companies” refer to ordinary buying and selling/supply transactions settled at arm’s length.

Notes to the Financial Statements

36. TRADE AND OTHER PAYABLES (CONTINUED)

Other payables

	31/12/2025	31/12/2024
Payables due to pension and social security institutions	12,596	12,938
Amounts payable to employees	20,196	18,339
Amounts payable to directors	417	2,224
Other tax payable	3,375	3,719
Miscellaneous payables	3,807	3,701
Accrued expenses	722	1,120
Deferred income	115,684	124,973
Deferred income — non current	999	1,263
Total other payables	<u>157,795</u>	<u>168,277</u>

The item “Payables due to pension and social security institutions” reflects the amounts owed to these institutions at December 31, 2025 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, 2025.

The item “Other tax payable” chiefly refers to taxes withheld accrued that will be paid in January 2026.

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 €89 million to the subsidiary Ferretti Group of America LLC and to approximately €25 million to the subsidiary Ferretti Group Asia Pacific Ltd invoiced during the year, in relation to which, at the end of the 2025 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 €999 thousand at December 31, 2025, relates mainly to tax credits for €971 thousand, and €17 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.

Notes to the Financial Statements

37. CONTRACT LIABILITIES

“Contract liabilities” equal to Euro 121,828 thousand as of December 31, 2025 and Euro 146,855 thousand as of December 31, 2024 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” equal to Euro 9,188 thousand as of December 31, 2025 and Euro 1,900 thousand as of December 31, 2024 refers to income taxes 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

The breakdown of this item at December 31, 2025 is as follows:

	31/12/2025	31/12/2024
Provisione for employee benefits	4,294	4,927
Provisione for leaving indemnity	385	395
Total non-current employee benefits	<u>4,678</u>	<u>5,322</u>

Notes to the Financial Statements

40. NON-CURRENT EMPLOYEE BENEFITS (CONTINUED)

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, 2024, involved the following steps:

- i. 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;
- ii. discounting at the valuation date of the expected cash flows that the Company will allocate to its employees in the future;
- iii. 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.

Notes to the Financial Statements

40. NON-CURRENT EMPLOYEE BENEFITS (CONTINUED)

a) Employee benefits (Continued)

The following table provides the movements in the item "Provision for employee benefits" at December 31, 2025 and December 31, 2024:

	31/12/2025	31/12/2024
Present value of the initial obligation	4,927	5,232
Interest cost	156	158
Actuarial (gains)/loss	(416)	(186)
Use for indemnities paid and advances	(374)	(276)
Present value of the final obligation	<u>4,294</u>	<u>4,927</u>

At December 31, 2025, the following assumptions were made:

Demographic Assumptions

1. Probability of death of active employees (grouped by age and gender) obtained by reducing by 30% the death probabilities for the Italian population in 2024 (source: ISTAT);
2. 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 2.6%;
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%;
4. 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.

Notes to the Financial Statements

40. NON-CURRENT EMPLOYEE BENEFITS (CONTINUED)

a) Employee benefits (Continued)

Financial Assumptions

- Annual inflation rate: 2.0% 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, 2025: 3.9%;
- technical discounting rate for the valuation of financial charges for the period January 1, 2025-December 31, 2025, equal to the discounting rates for valuations of the defined-benefit obligations at December 31, 2024 (interest cost): 3.3%;
- technical discounting rate at December 31, 2025, based on the yield of the iBoxx Euro 10+ AA Allstock Corporate Bond Index: 3.9613%.

In 2025, an actuarial gain amounting to €303 thousand (before tax) was recognised under the "Other reserves" item.

The amounts recognised in the Income Statement is the Interest cost for €156 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.

Notes to the Financial Statements

40. NON-CURRENT EMPLOYEE BENEFITS (CONTINUED)

b) Provision for leaving indemnity (Continued)

At December 31, 2025, 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 2024 (source: ISTAT);
- probability of termination of employment for various reasons (resignation, dismissal), equal to 2.6% 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, 2025: 3.9%;
- technical discounting rate for the valuation of financial charges for the period January 1, 2025-December 31, 2025, equal to the discounting rates for valuations of the defined-benefit obligations at December 31, 2024 (interest cost): 3.3%;
- technical discounting rate at December 31, 2025, based on the yield of the iBoxx Euro 10+ AA Allstock Corporate Bond Index: 3.9613%.

The actuarial valuation performed in accordance with the method explained above shows that the provision had a value of €385 thousand at December 31, 2025, including the respective contributions.

Notes to the Financial Statements

40. NON-CURRENT EMPLOYEE BENEFITS (CONTINUED)

b) Provision for leaving indemnity (Continued)

Financial Assumptions (Continued)

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 Euro thousand
December 31, 2025	0.25 (0.25)	(71) 73
December 31, 2024	0.25 (0.25)	(84) 86

SHARE CAPITAL AND RESERVES

Equity amounted to €940,463 thousand at December 31, 2025, as detailed below together with the main components of "Share capital and reserves".

41. SHARE CAPITAL

	31/12/2025	31/12/2024
Issued and fully paid	<u>338,483</u>	<u>338,483</u>

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, 2025.

The "Legal reserve", set up pursuant to the Italian Civil Code, amounts to €18,384 thousand. In the fiscal year ended December 31, 2025 the reserve increased for €3,160 thousand due to the approval by the Annual General Meeting of the Shareholders held on May 13, 2025 of the allocation of 5% of the net income of the Company, for the year ended December 31, 2024, as per Article 2430 of the Civil Code.

Notes to the Financial Statements

42. RESERVES (CONTINUED)

The item "Other reserves", at December 31, 2025, mainly includes:

- The reserve for the overall profit/(loss) effect on defined-benefit plans amounting to €957 thousand at December 31, 2025 was set up in accordance with IAS 19 -Employee Benefits; during the year the amount of the reserve increased by €314 thousand, net of the tax effect, as reported in the Comprehensive Income Statement;
- The reserve for accumulated earnings for €112,962 thousand;
- The total comprehensive income for the year for €44,949 thousand.

Dividends

	31/12/2025	31/12/2024
Dividends	<u><u>33,848</u></u>	<u><u>32,833</u></u>

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 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, 2025, the Company had non-cash additions to rights-of-use assets and lease liabilities of €6,904 thousand (2024: €8,797 thousand).

Notes to the Financial Statements

43. CASH FLOWS (CONTINUED)

Changes in liabilities arising from financing activities

Bank and other borrowings

<i>(excluding lease liabilities)</i>	31/12/2025	31/12/2024
At the beginning of the period	—	—
Changes in financing activities:		
New borrowings	—	—
Repayment	—	—
Total at the end of the year	—	—

Lease liabilities

	31/12/2025	31/12/2024
At the beginning of the year	20,538	17,667
New leases	6,904	8,797
Interest expenses	403	310
Repayment	(8,132)	(6,238)
Total at the end of the year	19,713	20,538

Total cash outflows for leasing

Total cash outflows for leasing included in the cash flow statements are as follows:

	31/12/2025	31/12/2024
Operating activities	5,160	5,160
Financing activities	8,132	6,238

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.

Notes to the Financial Statements

44. RELATED PARTY TRANSACTIONS (CONTINUED)

The breakdown of the Company's balances with related parties at December 31, 2025 and December 31, 2024 is set out below:

	Trade and other receivables	Other current assets	Other non-current assets	Trade and other payables
Fellow subsidiaries:				
Weichai Power Co. Ltd	484			(645)
Subsidiaries:				
Zago S.p.A.	1,640	18,535	8,650	(13,718)
Sea Lion S.r.l.	116		13,500	(259)
Ram S.p.A.	1,118	655		(13)
Fratelli Canalicchio S.p.A.	111	6,464		(2,469)
Ferretti Group of America Holding Company Inc	11	0		
Ferretti Group of America LLC	110,678	0	0	(9,439)
Allied Marine Inc	0	6,010		(9,015)
Ferretti Group Asia Pacific Ltd	42,492	331	1,000	(3,737)
Ferretti Asia Pacific Zhuhai Ltd	4			
Ferretti Group (Monaco) SaM	115	125	799	(435)
Ferretti Gulf Marine-sole Proprietorship Llc.	66			(115)
Ferretti Group Singapore Pte. Ltd	2			
Other related parties:				
HPE S.r.l.	0			(100)
Ferrari S.p.A.	0			(28)
Studio Fontana & Zanardi	0			(21)
Still S.p.A.				(79)
Other related parties	28			(362)
Total related parties at December 31, 2025	156,865	32,121	23,949	(40,433)

Notes to the Financial Statements

44. RELATED PARTY TRANSACTIONS (CONTINUED)

	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
Société 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 Proprietorship Ll.c.	33			(120)
Ferretti Group Singapore Pte. Ltd	2			
Other related parties:				
HPE S.r.l.	0			(100)
WM S.A.M. (former 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)

Notes to the Financial Statements

44. RELATED PARTY TRANSACTIONS (CONTINUED)

The balance of trade and other payables to Weichai Power Co. Ltd amounting to €645 thousand at December 31, 2025 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 payables to HPE S.r.l. amounting to €100 thousand at December 31, 2025 refers wholly to the last two instalments in 2025, 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 other related parties amounting to €362 thousand at December 31, 2025 mostly refers to the other services provided by related parties under arm's length conditions.

Notes to the Financial Statements

44. RELATED PARTY TRANSACTIONS (CONTINUED)

A breakdown of the Company's transactions with related parties for the year ended December 31, 2025 and December 31, 2024 is set out below:

	Net Revenue	Other revenues and income	Costs for the use of raw materials, services, rentals and leases	Financial income (expense)
Company's Directors			(220)	
Other related parties:				
HPE S.r.l.	0		(200)	—
Studio Zanardi & Fontana	—		(52)	—
Still S.p.A.	—		(115)	—
Other related parties	0	0	(17)	—
Subsidiaries:				
Zago S.p.A.	0	(560)	(43,993)	1,077
Sea Lion S.r.l.		(95)	(2,124)	206
RAM S.p.A.	651	(292)	(43)	20
Fratelli Canalicchio S.p.A.	0	(92)	(9,195)	208
BY Winddown Inc				3,100
Allied Marine Inc		0	0	477
Ferretti Group of America LLC	119,484	(330)	(11,015)	368
Ferretti Group of America Holding Company Inc				2,263
Ferretti Group Asia Pacific Limited	1,117	(56)	(2,658)	41
Ferretti Group (Monaco) SAM	0	(14)	(149)	12
Ferretti Gulf Marine-sole Proprietorship Llc.	0	(35)	(415)	
Total related parties at December 31, 2025	121,252	(1,473)	(70,196)	7,771

Notes to the Financial Statements

44. RELATED PARTY TRANSACTIONS (CONTINUED)

	Net Revenue	Other Revenues and Income	Costs for the use of raw materials, services, rentals and leases	Financial income (expense)
Fellow subsidiaries:				
Société Int. Moteurs Baudouin		0	(162)	
Other related parties:				
Company's Directors	6,850		(320)	
HPE S.r.l.	0		(200)	—
WN 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	(229)	—
Subsidiaries:				
Zago S.p.A.	0	197	(26,307)	893
Sea Lion S.r.l.		95	(4,306)	207
RAM S.p.A.	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 Proprietorship Llc.	3	2	(302)	
Total related parties at December 31, 2024	118,111	963	(76,521)	10,885

The costs with regard to HPE S.r.l. amounting to €200 thousand for 2025 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.

In addition, it is reported that during the period the Company incurred costs amounting to €418 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.

Notes to the Financial Statements

44. RELATED PARTY TRANSACTIONS (CONTINUED)

Compensation of key management personnel of the Company

	31/12/2025	31/12/2024
Fees	4,401	3,737
Wages and salaries	3,600	3,727
Social security contributions	609	825
Employee severance indemnities and other allocations	174	187
Total compensation paid to key management personnel	<u>8,784</u>	<u>8,476</u>

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):

<i>(in thousands Euro)</i>	31/12/2025	31/12/2024
Fees	4,828	4,177
Social security contributions	18	32
Total fees and compensation	<u>4,846</u>	<u>4,209</u>

Notes to the Financial Statements

45. FEES PAID TO DIRECTORS, STATUTORY AUDITORS, MEMBERS OF THE SUPERVISORY BODY AND INDEPENDENT AUDITORS (CONTINUED)

The detail is as follow:

2025

(in thousands Euro)

Name and surname	Post held	Fees and compensation for the post held	Social security contributions	Total
Hao Qinggui	Chairman of the Board of Directors	22	—	22
Jiang Kui*	Chairman of the Board of Directors	—	—	—
Alberto Galassi**	Director and Chief Executive Officer	4,401	—	4,401
Tan Ning	Director	54	—	54
Xu Xinyu	Director	17	3	20
Piero Ferrari	Vice Chairman of the Board of Directors	70	—	70
Zhang Quan	Director	10	—	10
Jiang Lan (Lansi)	Director	57	—	57
Stefano Domenicali	Director	64	15	79
Patrick Sun	Director	57	—	57
Jin Zhao	Director	19	—	19
Zhu Yi	Director	57	—	57
Total		4,828	18	4,846

Notes to the Financial Statements

45. FEES PAID TO DIRECTORS, STATUTORY AUDITORS, MEMBERS OF THE SUPERVISORY BODY AND INDEPENDENT AUDITORS (CONTINUED)

2024

Name and surname	Post held	Fees and compensation for the post held	Social security contributions	Total
Jiang Kui*	Chairman of the Board of Directors	—	—	—
Alberto Galassi**	Director and Chief Executive Officer	3,737	—	3,737
Piero Ferrari	Vice Chairman of the Board of Directors	70	—	70
Xu Xinyu	Executive Director	78	18	96
Li Xinghao	Director	8	—	8
Hua Fengmao	Director	8	—	8
Jiang Lan (Lansi)	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

* 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.

** Alberto Galassi is an Executive Director and the Chief Executive Officer of the Company.

Notes to the Financial Statements

45. FEES PAID TO DIRECTORS, STATUTORY AUDITORS, MEMBERS OF THE SUPERVISORY BODY AND INDEPENDENT AUDITORS (CONTINUED)

The remuneration paid to Ferretti S.p.A.'s Statutory Auditors and members of the Supervisory Body in the year ended December 31, 2025 are shown in the table below (in thousand Euro):

2025

Post held	Fees and compensation for the post held	Social security contributions	Total
Board of Statutory Auditors	100	4	104
Supervisory Body	71	3	74
Total	171	7	178

The remuneration paid to Ferretti S.p.A.'s Statutory Auditors and members of the Supervisory Body for the years ended December 2024 are shown in the table below (in thousand Euro):

2024

Post held	Fees and compensation for the post held	Social security contributions	Total
Board of Statutory Auditors	104	4	108
Supervisory Body	73	3	76
Total	177	7	184

Notes to the Financial Statements

45. FEES PAID TO DIRECTORS, STATUTORY AUDITORS, MEMBERS OF THE SUPERVISORY BODY AND INDEPENDENT AUDITORS (CONTINUED)

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, 2025 and 2024 are shown below (in thousand Euro):

2025

Company	Post held	Fees and compensation for the post held
EY S.p.A.	Fees for the auditing of accounts	497
EY S.p.A.	Fees for other services	79
EY Advisory S.p.A.	Fees for other services	98
Total		674

2024

Company	Post held	Fees and compensation for the post held
EY S.p.A.	Fees for the auditing of accounts	461
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

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, 2025 and December 31, 2024, the Company's bank loans were not secured by mortgages on properties.

48. COMMITMENTS

As at December 31, 2025 and December 31, 2024 no commitments was reported.

Notes to the Financial Statements

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, 2025.

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 €21.3 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;
- 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;
- four surety policies for a total amount of €493 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 €235.5 million issued by various banks in favor of customers as a guarantee of the advances paid for the construction of several boats;
- guarantees totalling €1.3 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 public concession;
- a surety policy for a total amount of €8.8 million 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;

Notes to the Financial Statements

49. GUARANTEES PROVIDED TO THIRD PARTIES (CONTINUED)

- 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 €2.6 million 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;
- two surety policy of €6.7 million received from Generali Italia S.p.A. in favor of the Union of Italian Chamber of commerce related to Carnet ATA convention;
- a surety policy for a total amount of €2.6 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 2024.

Notes to the Financial Statements

50. SIGNIFICANT EVENTS AFTER DECEMBER 31, 2025

In January, February, and March 2026, the Group participated in the major international boat shows in Düsseldorf, Miami and Palm Beach.

On January 19, 2026, KKCG Maritime announced its intention to launch a conditional voluntary partial tender offer to acquire up to 52,132,861 Ferretti shares, representing 15.4% of Ferretti's share capital (the "**Offer**"). If the Offer is fully accepted, KKCG Maritime would hold 101,162,888 Ferretti shares, equal to 29.9% of Ferretti's share capital. On January 29th, 2026, KKCG Maritime announced that it had filed the offer document with CONSOB and the Executive Director of the Corporate Finance Division of the SFC. On January 30, 2026, Ferretti's Board of Directors, in compliance with the provisions of the Hong Kong Code on Takeovers and Mergers ("**HK Takeovers Code**"), established an "Independent Board Committee" composed entirely of the Company's non-executive directors. On February 27, 2026, KKCG Maritime announced that it obtained, on February 25, 2026, the clearance of the Offer document from CONSOB and, on February 27, 2026, confirmation from the Executive that it had no further comments on the Offer document. On March 2, 2026, KKCG Maritime made available to the public the Offer document approved by the Authorities and the acceptance form for the Offer. On March 12, 2026, the Board of Directors of Ferretti approved, by majority, the issuer's statement in relation to the Offer (the "**Response Document**"), with directors Piero Ferrari, Alberto Galassi and Stefano Domenicali abstaining. The Response Document has therefore been made available to the public on the Company's website. On March 16, 2026, the acceptance period for the Offer began. On March 26, 2026, KKCG Maritime announced an increase of the Offer's consideration from €3.50 per share to €3.90 per share and, on the same date, it published the relevant Offer document supplement.

In light of the current international geopolitical landscape, characterized by ongoing tensions and uncertainties (mainly the recent developments in the Middle East since February 28, 2026), it cannot be excluded that risks associated with market and exchange-rate volatility, as well as potential commercial frictions, may emerge. Such factors could, to an extent that is difficult to quantify at this stage, influence the performance of the Shares and/or the timing of Issuer's order collection. The nature and scale of any potential effects will depend on the evolution of these geopolitical dynamics, including their intensity, duration and broader repercussions on global economic conditions.

Notes to the Financial Statements

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, 2025 of €44,635,297.39, we propose the following destination:

- €2,231,764.87 to legal reserve, as per Article 2.430 of the Italian Civil Code;
- €37,233,091.94 as final dividend of €0.11 per Share;
- €5,170,440.58 to the reserve of retained earnings.

The Company's Board of Directors approved these Financial Statements and authorized their publication on March 31, 2026.

On behalf of the Board of Directors

Alberto Galassi

Chief Executive Officer

Notes to the Financial Statements

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:

I Statement of Changes in Financial Fixed Assets

II List of equity investments in subsidiaries (Article 2427 No. 5 of the Italian Civil Code)

ATTACHMENT I

STATEMENT OF CHANGES IN FINANCIAL FIXED ASSETS

(in thousand Euro)

	Opening balance			Movements for the year				Closing balance			
	Historical cost	Write-up	Write-down	Balane at 31/12/2024	Increase	Decrease	Write-down and reversals of write-down	Historical cost	Write-up	Write-down	Balance at 31/12/2025
Equity investments											
Subsidiaries	696,347	20,521	(698,240)	18,628	15,760	(40)		712,067	20,521	(698,240)	34,347
Affiliated companies	0	0	0	0				0	0	0	0
Joint ventures	55	0	(55)	0	0			55	0	(55)	0
Other companies	223	0	(221)	2	0			223	0	(221)	2
Total equity investments	696,625	20,521	(698,516)	18,630	15,760	(40)	0	712,345	20,521	(698,516)	34,349
Receivables											
From subsidiaries	154,539	0	(110,099)	44,440		(20,489)		134,050	0	(110,099)	23,949
From other	8,208	0	0	8,208	788	(477)		8,519	0	0	8,519
Incidental borrowing costs	1,216	0	0	1,216	0	(341)		875	0	0	875
Total receivables	163,963	0	(110,099)	53,864	788	(21,306)	0	143,445	0	(110,099)	33,344

Notes to the Financial Statements

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)	Equity***		Income for the year***		% ownership	
				Total amount	Pro-quota amount	Total amount	Pro-quota amount	Direct	Indirect
Subsidiaries									
<i>Italian companies</i>									
— Zago S.p.A.	Scorzè (Venice)	EUR 120,000	15,792	2,144	2,144	(4,467)	(4,467)	100%	
— Sea Lion S.r.l.	Forlì (Forlì-Cesena)	EUR 10,000	11,945	2,422	2,422	(223)	(223)	100%	
— Ram S.p.A.	Sarnico (Bergamo)	EUR 520,000	3,711	539	501	(591)	(550)	93%	
— Fratelli Canalicchio S.p.A.	Narni (Terni)	EUR 500,000	100	335	201	267	160	60%	
<i>Foreign companies</i>									
— Allied Marine Inc.	Fort Lauderdale (USA)	USD10	4	17,705	17,705	1,195	1,195	100%	
— Ferretti Group of America Holding Company Inc	Miami (USA)	USD10	—	(107,434)	(107,434)	130	130	100%	
— Ferretti Group of America Llc*	Miami (USA)	USD100		(86,822)	(86,822)	4,088	4,088		100%
— BY Winddown Inc*	Miami (USA)	USD10		(127,295)	(127,295)	(3,871)	(3,871)		100%
— Ferretti Group Asia Pacific Ltd	Hong Kong	HK\$100,000	10	(14,368)	(14,368)	458	458	100%	
Ferretti Group Singapore Pte. Ltd**	Singapore	EUR 1	1	678,336	678,336	0	0		100%
— Ferretti Asia Pacific Zhuhai Ltd	Hengqin (Zhuhai)	RMB1,000,000	120	61	61	(15)	(15)	100%	
— Ferretti Group (Monaco) S.a.M.	Monaco (France)	EUR 150,000	1,100	45	45	8	8	100%	
— Ferretti Gulf Marine — Sole Proprietorship Llc.	Arab Emirates	AED 300,000	1,596	871	871	(166)	(166)	100%	

(*) Controlled through Ferretti Group of America Holding Company

(**) Controlled through Ferretti Group Asia Pacific Ltd

(***) Amounts related to US companies are denominated in USD.