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# **F E R R E T T I G R O U P**

**Ferretti S.p.A.**

*(Incorporated under the laws of Italy as a joint-stock company with limited liability)*

**(Stock Code: 09638)**

## **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2023**

### **HIGHLIGHTS**

The net revenue of the Group for the year ended December 31, 2023 was approximately €1,134.5 million, representing an increase of approximately 10.1% as compared with that of approximately €1,030.1 million for the corresponding period in 2022.

The profit of the Group for the year ended December 31, 2023 was approximately €83.5 million, representing an increase of approximately 38.0% as compared with that of approximately €60.5 million for the corresponding period in 2022.

The adjusted EBITDA (including non recurring costs for supply chain support and other minor non-recurring events) for the year ended December 31, 2023 amounted to approximately €169.2 million, representing an increase of approximately 20.9% as compared with that of approximately €140.0 million for the corresponding period in 2022.

The profit attributable to Shareholders for the year ended December 31, 2023 amounted to approximately €83.0 million, representing an increase of approximately 37.8% as compared with that of approximately €60.3 million for the corresponding period in 2022.

The Board proposed a final dividend payout for approximately €32,833 thousand (equal to €9.7 cents per Share) for the year ended December 31, 2023, which is subject to the approval of the Shareholders at the forthcoming annual general meeting.

The Board hereby announces the audited consolidated financial results of the Group for the Reporting Period together with the audited comparative figures for the corresponding period in 2022 as follows:

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

<i>(in thousands Euro)</i>	<i>Notes</i>	<b>For the year ended December 31, 2023</b>	December 31, 2022
Revenue	3	<b>1,196,352</b>	1,072,449
Commissions and other costs related to revenue		<b>(61,868)</b>	(42,350)
<b>NET REVENUE</b>		<b>1,134,484</b>	1,030,099
Change in inventories of work-in-process, semi-finished and finished goods		<b>118,753</b>	35,181
Cost capitalised		<b>32,781</b>	31,982
Other income	4	<b>22,223</b>	16,002
Raw materials and consumables used	5	<b>(615,523)</b>	(514,468)
Contractors costs	6	<b>(209,426)</b>	(166,051)
Costs for trade shows, events and advertising	7	<b>(23,529)</b>	(19,963)
Other service costs	8	<b>(117,917)</b>	(117,680)
Rentals and leases	9	<b>(9,755)</b>	(8,931)
Personnel costs	10	<b>(130,727)</b>	(128,810)
Other operating expenses	11	<b>(7,961)</b>	(9,052)
Provisions and impairment		<b>(30,747)</b>	(33,115)
Depreciation and amortisation		<b>(63,167)</b>	(53,089)
Share of loss of a joint venture		–	(44)
Financial income		<b>8,652</b>	2,328
Financial expenses		<b>(4,139)</b>	(4,452)
Foreign exchange gain		<b>19</b>	9,448
<b>PROFIT BEFORE TAX</b>		<b>104,022</b>	69,385
Income tax	12	<b>(20,519)</b>	(8,839)
<b>PROFIT FOR THE YEAR</b>		<b>83,503</b>	60,546
Attributable to:			
<i>Shareholders of the Company</i>		<b>83,048</b>	60,274
<i>Non-controlling interests</i>		<b>456</b>	271
<b>EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY</b>	16		
<b>Basic and diluted (€)</b>		<b>0.25</b>	0.19

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>(in thousands Euro)</i>	<b>For the year ended</b>	
	<b>December 31, 2023</b>	December 31, 2022
<b>PROFIT FOR THE YEAR</b>	<b>83,503</b>	60,546
<b>Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:</b>		
Actuarial gain on defined benefits plan	<b>165</b>	891
Income tax effect	<b>(40)</b>	(214)
	<b>125</b>	676
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</b>		
Gains from the translation of foreign operations	<b>(2,437)</b>	3,641
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>(2,313)</b>	4,317
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>81,191</b>	64,862
<b>Attributable to:</b>		
<i>Shareholders of the Company</i>	<b>80,736</b>	64,588
<i>Non-controlling interests</i>	<b>456</b>	274

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(in thousands Euro)</i>	<i>Notes</i>	<b>As at December 31, 2023</b>	<b>As at December 31, 2022</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		<b>314,109</b>	317,759
Trade and other receivables	13	<b>70,271</b>	59,432
Contract assets		<b>166,846</b>	115,372
Inventories		<b>337,732</b>	198,120
Advances on inventories		<b>37,266</b>	39,156
Other current assets		<b>820</b>	86,732
Income tax recoverable		<b>3,203</b>	2,091
		<b>930,247</b>	818,663
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>382,346</b>	303,394
Intangible assets		<b>276,652</b>	264,070
Other non-current assets		<b>6,077</b>	5,031
Deferred tax assets		<b>6,926</b>	16,397
		<b>672,002</b>	588,893
<b>TOTAL ASSETS</b>		<b>1,602,248</b>	1,407,556
<b>CURRENT LIABILITIES</b>			
Minority Shareholders' loan		<b>1,000</b>	1,000
Bank and other borrowings		<b>11,253</b>	14,500
Provisions		<b>62,809</b>	42,946
Trade and other payables	14	<b>443,585</b>	337,364
Contract liabilities		<b>195,091</b>	185,914
Income tax payable		<b>6,299</b>	1,683
		<b>720,037</b>	583,408

<i>(in thousands Euro)</i>	<b>As at December 31, 2023</b>	As at December 31, 2022
<b>NON-CURRENT LIABILITIES</b>		
Bank and other borrowings	<b>21,616</b>	24,056
Provisions	<b>12,535</b>	13,049
Non-current employee benefits	<b>7,444</b>	7,646
Trade and other payables	<b>936</b>	1,006
	<b>42,532</b>	45,757
<b>TOTAL LIABILITIES</b>	<b>762,569</b>	629,165
<b>SHARE CAPITAL AND RESERVES</b>		
Share capital	<b>338,483</b>	338,483
Reserves	<b>500,357</b>	439,525
Equity attributable to shareholders of the Company	<b>838,840</b>	778,007
Non-controlling interests	<b>840</b>	384
<b>TOTAL EQUITY</b>	<b>839,679</b>	778,391
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>1,602,248</u></b>	<b><u>1,407,556</u></b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

<i>(in thousands Euro)</i>	For the year ended	
	December 31, 2023	December 31, 2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Profit before tax	104,022	69,385
Depreciation and amortisation	63,167	53,089
(Gain)/loss on disposal of property, plant and equipment	(78)	(100)
Provisions	19,147	15,696
Financial income	(8,651)	(13,761)
Financial expenses	4,139	4,452
Share of loss of joint venture	—	44
Impairment of trade receivables, net	—	558
Provision/(reversal of provision) against inventories, net	9,183	678
(Increase)/decrease in inventories	(146,905)	(64,167)
Change in contract assets and contract liabilities	(42,296)	50,672
(Increase)/decrease in trade and other receivables	(4,626)	(18,060)
Increase/(decrease) in trade and other payables	96,932	52,370
Change in other operating liabilities and assets	5,674	(612)
Income tax paid	(6,044)	(4,546)
<b>Cash flows from operating activities (A)</b>	<b>93,663</b>	<b>145,697</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of property, plant and equipment and intangible assets	(152,946)	(81,453)
Proceeds from disposal of property, plant and equipment and intangible assets	1,434	1,330
Acquisition of subsidiaries	—	(9,153)
Other financial investments	87,184	(75,278)
Interest received	8,651	1,923
<b>Cash flows used in investing activities (B)</b>	<b>(55,678)</b>	<b>(162,632)</b>

<i>(in thousands Euro)</i>	<b>For the year ended</b>	
	<b>December 31, 2023</b>	<b>December 31, 2022</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from issue of shares	—	234,753
Dividends paid	<b>(19,903)</b>	(6,707)
New bank and other borrowings	<b>1,000</b>	2,723
Repayment of bank and other borrowings	<b>(16,278)</b>	(70,143)
Interest paid	<b>(4,017)</b>	(2,582)
	<hr/>	<hr/>
<b>Cash flows (used in)/from financing activities (C)</b>	<b>(39,198)</b>	158,044
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (D=A+B+C)</b>		
	<b>(1,214)</b>	141,109
Cash and cash equivalents at the beginning of year (E)	<b>317,759</b>	173,010
Effect of foreign exchange rate changes, net (F)	<b>(2,437)</b>	3,641
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR (G=D+E+F)</b>	<b><u>314,109</u></b>	<b><u>317,759</u></b>
Cash and cash equivalents as stated in the consolidated statement of financial position	<b><u>314,109</u></b>	<b><u>317,759</u></b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. CORPORATE INFORMATION

Ferretti S.p.A. (the “**Company**” or “**Ferretti**”) is a limited liability company incorporated in Italy. The registered office of the Company is located at Via Irma Bandiera, 62, 47841 Cattolica (Rimini), Italy.

The Company and its subsidiaries (collectively, the “**Group**”) are principally engaged in the design, construction and marketing of yachts and recreational boats.

The table below shows the names, registered offices and interests in capital held directly and indirectly by the Company in subsidiaries as at December 31, 2023.

### SUBSIDIARIES

*(consolidated line by line, with an indication of the percentage of share capital)*

Name	Principal country of operation	Registered office	Currency	Share capital (in units)	% controlling interest	
					Direct	Indirect
Zago S.p.A.	Italy	Scorzé (Venice)	Euro	120,000	100%	—
Il Massello s.r.l.	Italy	Sant’Ippolito (Pesaro-Urbino)	Euro	30,000	—	85%
Smart Wood s.r.l.	Italy	Sant’Ippolito (Pesaro-Urbino)	Euro	10,000	—	85%
Parola s.r.l.	Italy	Sant’Ippolito (Pesaro-Urbino)	Euro	10,000	—	85%
Sea Lion Srl	Italy	Forlì (Forlì-Cesena)	Euro	10,000	75%	—
Ram S.p.A.	Italy	Sarnico (Bergamo)	Euro	520,000	80%	—
Ferretti Tech Srl	Italy	Cattolica (Rimini)	Euro	10,000	100%	—
Allied Marine Inc.	USA	Fort Lauderdale (USA)	U.S. Dollar	10	100%	—
Fratelli Canalicchio S.p.A.	Italy	Narni (Terni)	Euro	500,000	60%*	—
Ferretti Group of America Holding Company Inc.	USA	Delaware (USA)	U.S. Dollar	10	100%	—
BY Winddown Inc.	USA	Miami (USA)	U.S. Dollar	10	—	100%
Ferretti Group of America Llc.	USA	Fort Lauderdale (USA)	U.S. Dollar	100	—	100%



Name	Principal country of operation	Registered office	Currency	Share capital (in units)	% controlling interest	
					Direct	Indirect
Ferretti Group Asia Pacific Ltd.	China	Hong Kong (China)	HKD	100,000	100%	—
Ferretti Group Singapore Pte. Ltd.	Singapore	Singapore	Euro	1	—	100%
Ferretti Asia Pacific Zhuhai Ltd.**	China	Hengqin (Zhuhai)	Renminbi	1,000,000	100%	—
Ferretti Group (Monaco) S.a.M.	Monaco	Principality of Monaco	Euro	150,000	99.4%***	—
Ferretti Group UK Limited	United Kingdom	United Kingdom	Pound sterling	1	100%	—
Ferretti Gulf Marine-Sole Proprietorship Llc.	Arab Emirates	Arab Emirates	Emirati Dirham	300,000	100%	—

\* The remaining 40% is subject to put and call options exercisable from September 19, 2027 to September 19, 2028. The terms of put and call options over these non-controlling interests, mean that they give to the Group a present ownership interest in the underlying securities, accordingly this business combination was accounted for on the basis that the underlying shares subject to the put and call options have been acquired. Thus, the Group does not recognize non-controlling interests and recorded liabilities for shareholders under the options.

\*\* Registered as a wholly-foreign-owned enterprise under PRC law.

\*\*\* The investment of 0.6% is owned by the three directors of Ferretti Group (Monaco) S.a.M. for their role, as provided for by the By-laws.

## 2. BASIS OF PREPARATION

The financial information presented herein are based on the Consolidated Financial Statements for the year ended December 31, 2023 of the Group.

The Group's consolidated financial statements have been prepared in accordance with the IAS and IFRS issued or revised by the International Accounting Standards Board (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, formerly known as the Standing Interpretations Committee.

At the date of presentation of these consolidated financial statements, there were no differences between the IFRSs endorsed by the EU and applicable to the Group and those issued by the IASB.

The consolidated financial statements have been prepared on the basis that the Group can operate as a going concern since the Company's management has verified that there are no uncertainties with regard to this. They include the statement of financial position, the income statement, the comprehensive income statement, the cash flow statement, the statement of changes in equity and notes of the Group.

The consolidated financial statements have been presented in Euro and prepared on the basis of the accounts for the year ended December 31, 2023 (January 1 to December 31), of the companies within the consolidation perimeter, as approved by the Board.

For the purposes of clarity and to make this document more readily understandable, all the amounts listed are stated in thousands of Euro, except when otherwise indicated.

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

While preparing the annual consolidated financial statements, taking into account the priorities endorsed by the European Securities and Markets Authority (ESMA) in October 2023 and in light of the findings of The Global Risks Report 2023 prepared by the World Economic Forum, where it is shown that climate change-related risks are those with a higher degree of severity, the Group's management has expressed the clear intention to provide for the predisposition of a formal process, defining methodologies, roles and responsibilities for the identification and assessment of risks and opportunities related to climate change, including the relative impacts on financial disclosures, accounts and financial statements.

Therefore, based on the results of this assessment, no significant influence was noted on the estimates and assessments in the preparation of the annual consolidated financial statements.

Conscious of the strategic importance of a responsible and sustainable business, the Group decided a while ago to communicate information on environmental, social and governance factors to its stakeholders, with a particular focus on the production process and product design based on market expectations. In this regard, the Group acknowledges the fundamental role of a stable and long-term collaboration with all stakeholders, in which a core element is a shared commitment to an increasingly sustainable business.

### 3. NET REVENUE

The following table provides the breakdown of the item net revenue for the year ended December 31, 2023, compared with the same item for the year ended December 31, 2022:

<i>(in thousands Euro)</i>	2023	2022
<b>Total revenue from contracts with customers</b>	<b>1,196,352</b>	1,072,449
<i>Commissions and other costs related to revenue</i>	<u><b>(61,868)</b></u>	<u>(42,350)</u>
<b>Total net revenue</b>	<u><b>(1,134,484)</b></u>	<u>1,030,099</u>

The table below shows the breakdown of net revenue by production type<sup>1</sup>:

<i>(in thousands Euro)</i>	2023	2022
Composite yachts	<b>491,751</b>	412,119
Made-to-measure yachts	<b>440,265</b>	433,000
Super yachts	<b>117,593</b>	95,441
Other businesses <sup>2</sup>	<u><b>61,339</b></u>	<u>55,559</u>
<b>Total net revenue of new yachts</b>	<b>1,110,949</b>	996,119
Pre-owned	<u><b>23,535</b></u>	<u>33,980</u>
<b>Total net revenue</b>	<u><b>1,134,484</b></u>	<u>1,030,099</u>

Revenue arising from other businesses is broken down below.

<i>(in thousands Euro)</i>	2023	2022
Boat brokerage	<b>9,742</b>	14,312
Sales and provision of carpentry products and services	<b>18,781</b>	16,909
FSD	<b>3,187</b>	2,945
Provision of services and sales of replacement parts, merchandise and other goods	<b>14,949</b>	14,894
Wally sailboats	<u><b>14,680</b></u>	<u>6,500</u>
<b>Total other businesses</b>	<u><b>61,339</b></u>	<u>55,559</u>

<sup>1</sup> The Ferretti Yacht 1000 model that was originally under the composite yachts segment had been reclassified under the made-to-measure yachts segment in this Reporting Period

<sup>2</sup> Including ancillary activities, FSD, Wally sailboats

In accordance with IFRS 15, the Group identified the revenue streams, including the main ones:

- Sale of yachts to order;
- Sale of used boats.

Regarding the sale of yachts to order (sale of composite yachts, made-to-measure yachts and super yachts), the Group considers that the only performance obligation contained in the sales contracts is the building of the vessel, with no significant ancillary services or further activities.

This performance obligation is satisfied over time of construction of boats. The payment terms are agreed with the customers on a case by case basis to match cash requirements for the production. Advance payments are agreed with each customer on the basis of the time needed to construct the boats and are paid before the completion of the construction. These contracts do not include obligations for returns, refunds and other similar obligations, however the vessels are covered by a warranty which is included in a range between 12 and 24 months.

“Commissions and other costs related to revenue” mainly represent the costs incurred by the Group for the intermediation activities carried out by the dealers and brokers.

“Boat brokerage” refers to the activity related to yacht brokerage and yacht charters performed by the U.S. subsidiary Allied Marine.

“Sales and provision of carpentry products and services” relate entirely to subsidiary Zago S.p.A., concerning assembly works and wooden furnishings for yachts of over 100 feet produced by third-party sites and cruise ships.

“Provision of services and sales of replacement parts, merchandise and other goods” partly refer to the refit activity that the Group carried out, and partly regard the sale of replacement parts and other assistance services rendered in Italy and worldwide on boats previously sold. In addition, in 2023 as well the Group continued to sell Riva brand luxury accessories, as part of the Riva Brand Experience project.

The breakdown of net revenue by geographical area<sup>3</sup> was as follows:

<i>(in thousands Euro)</i>	<b>2023</b>	2022
Europe	<b>480,065</b>	468,226
MEA	<b>212,316</b>	87,248
APAC	<b>98,211</b>	72,090
AMAS	<b>320,356</b>	368,555
<b>Total net revenue of new yachts</b>	<b>1,110,949</b>	996,119
Pre-owned	<b>23,535</b>	33,980
<b>Total net revenue</b>	<b><u>1,134,484</u></b>	<b><u>1,030,099</u></b>

<sup>3</sup> The geographical breakdown in the Reporting Period refers to breakdown by the dealer’s area of exclusivity or by the customer’s nationality

In accordance with IFRS 15, net revenue is shown below with a breakdown into obligations fulfilled at a point in time and those that are fulfilled over time.

<i>(in thousands Euro)</i>	2023	2022
At a point in time	69,250	75,133
Over time	<u>1,065,234</u>	<u>954,966</u>
<b>Total net revenue</b>	<b><u>1,134,484</u></b>	<b><u>1,030,099</u></b>

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:

<i>(in thousands Euro)</i>	2023	2022
Revenue from contract liabilities	<u>160,550</u>	<u>126,282</u>

The following table shows the amount of transaction price for existing contracts outstanding as at December 31, 2023 which will be converted into revenue from contracts with customers within one year or after one year.

<i>(in thousands Euro)</i>	2023	2022
Within one year	565,635	471,924
After one year	<u>292,390</u>	<u>277,985</u>
	<b><u>858,024</u></b>	<b><u>749,908</u></b>

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 two 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 liabilities.

#### 4. OTHER INCOME

<i>(in thousands Euro)</i>	2023	2022
Cost over-accruals	3,433	2,891
Discounts from suppliers	3,140	2,550
Damage settlements	1,997	205
Rebilling of miscellaneous costs to customers and dealers	1,273	1,050
Rental income	873	1,285
Gains on sales of assets	118	205
Other	11,388	7,816
<b>Total Other income</b>	<b>22,223</b>	<b>16,002</b>

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 “Discounts from suppliers” regards the discounts received from suppliers which co-operate with the Group, and the Company in particular, in accordance with the sales agreements entered into in the financial year.

The item “Damage settlements” refers primarily to the proceeds of insurance payouts — relating in particular to losses that occurred and/or for which claims were filed in respect of boats under construction and/or property, plant and equipment — that were settled in the financial year or to be settled in the following months of the year as per the company insurance policies. This item also includes commercial and settlement agreements entered into by the Group during the year, and the reimbursements received by way of compensation from suppliers with whom disputes had arisen.

The item “Other” includes, approximately €2,996 thousand for invoices to suppliers due to non-compliance of materials received, proceeds from sundry activities not directly connected with shipbuilding such as: income from promotional, marketing and co-branding agreements entered into with other internationally-renowned firms.

#### 5. RAW MATERIALS AND CONSUMABLES USED

This item primarily reflects purchases of raw and ancillary materials and the change for the year in the corresponding inventories.

#### 6. CONTRACTORS COSTS

This item consists mainly of the costs incurred to outsource certain phases of the production process. This is because the boat building process can include the use of external companies as contractors for the construction and assembly of onboard equipment installed in Group boats.

#### 7. 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.

## 8. OTHER SERVICE COSTS

<i>(in thousands Euro)</i>	2023	2022
Transportation and customs clearing costs	27,776	23,793
Technical consulting	14,594	15,138
Tax, legal and administrative consulting services	10,488	11,447
Utilities	7,800	8,607
Insurance	6,757	6,222
Entertainment expenses	6,444	4,739
Travel and per diem expenses	6,358	4,186
Fees paid to members of corporate governance bodies	6,081	8,287
Maintenance	5,253	4,569
Recruiting and training costs	3,091	2,678
Other	23,275	28,014
<b>Total other service costs</b>	<b>117,917</b>	<b>117,680</b>

The item “Technical consulting” amounting to €14,594 thousand refers to consultancy on production issues and services rendered by engineering firms and designers with regard to the design of boats and new models of vessels, interiors and other studies and research bearing on the shipbuilding process. It also includes the costs of certifications or services from other entities of a technical nature.

The item “Tax, legal and administrative consulting services” mainly included €3,791 thousand for legal advice and notaries’ fees and €3,010 thousand relating to administrative consulting, including accounts auditing, and tax assistance. Moreover, €534 thousand referred to IT consulting.

During the Reporting Period, “Fees paid to members of corporate governance bodies” included €5,793 thousand for fixed and variable compensation, benefits and social contribution paid to Directors, as well as €195 thousand in fees paid to Statutory Auditors and €93 thousand for the Supervisory Body. In the fiscal year ended December 31, 2022, it included the Management Incentive Plan of Directors.

With regard to the note “Fees paid to Directors, Statutory Auditors, members of the Supervisory Body and Independent Auditors”, please see the schedule relating to the fees received by the Group’s corporate bodies.

The item “Recruiting and training costs” mainly refers to the costs incurred by Group companies for the company canteen and meal vouchers (as provided for contractually), as well as remuneration for project workers and the costs of training.

The item “Other” consists mainly of costs incurred for services of various types, such as security services, janitorial services, etc.

## 9. RENTALS AND LEASES

The Group recognized the right-of-use assets and the lease liabilities, excluding short-term leases and leases related to low-value assets. The right-of-use assets of most lease contracts were recognized based on the carrying amount, discounted using the incremental borrowing rate. For some lease contracts, the right-of-use assets were recognized based to the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to the lease previously recognized. Lease liabilities were recognized at the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of first time application.

<i>(in thousands Euro)</i>	2023	2022
Short-term rentals and leases	2,930	4,510
Rentals and leases for low-value assets	2,269	682
Royalties	4,556	3,739
<b>Total rentals and leases</b>	<b>9,755</b>	<b>8,931</b>

## 10. PERSONNEL COSTS

<i>(in thousands Euro)</i>	2023	2022
Wages and salaries	93,983	94,426
Social security contributions	30,773	28,692
Non-current employee benefits and other provisions	5,971	5,691
<b>Total personnel costs</b>	<b>130,727</b>	<b>128,810</b>

## 11. OTHER OPERATING EXPENSES

<i>(in thousands Euro)</i>	2023	2022
Cost under-accruals	1,894	1,619
Taxes and fees other than income taxes	1,634	1,426
Charity initiatives	1,176	358
Memberships in trade associations	768	702
Settlement agreements	657	793
Advertising and promotional material	607	585
Re-billable costs	564	1,293
Losses on asset sales	39	105
Losses on receivables	0	3
Reward vouchers and other benefits for employees	50	1,164
Sundry operating costs	571	1,005
<b>Total other operating expenses</b>	<b>7,961</b>	<b>9,052</b>



The item “Cost under-accruals” referred mainly to the higher costs incurred during the financial year in excess of the provisions recognized in the financial year ended December 31, 2022 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 “Charity initiatives” referred mainly to a donation of the proceeds from auction of its special-edition Riva Anniversario yacht to support UNICEF’s work keeping children safe in El Salvador.

The item “Settlement agreements” related to several private agreements entered into in the course of the year ended December 31, 2023.

The item “Sundry operating costs” includes mainly gifts, fines, stamp duties, etc.

## 12. INCOME TAX

As shown in the table below, the “income tax” amount for the year ended December 31, 2023 was tax expenses of €20,519 thousand, as detailed below:

<i>(in thousands Euro)</i>	<b>2023</b>	2022
Corporate income tax (IRES)	<b>(5,407)</b>	(837)
Regional tax (IRAP)	<b>(5,412)</b>	(2,891)
Federal taxes and other foreign taxes	<b>(1,488)</b>	(2,516)
Total current taxes	<b>(12,307)</b>	(6,244)
R&D Tax credit	<b>1,033</b>	1,161
Prior-year taxes	<b>291</b>	135
Deferred taxes	<b>(9,536)</b>	(3,891)
<b>Total income tax</b>	<b><u>(20,519)</u></b>	<b><u>(8,839)</u></b>

The IRES (*Imposta sul reddito delle società*) taxable base of several companies 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, although reduced due to the use of tax losses and deductible interest expenses carried forward.

The IRAP (*Imposta regionale sulle attività produttive*) taxable base of several companies was positive, and therefore a provision was made for this tax based on the rate in force in the regions in which the value of production is calculated. The increase is attributable to the higher taxable income for the year.

The Italian government has implemented Pillar Two regulations effective from January 1, 2024 (as provided by Legislative Decree No. 209 of December 28, 2023, hereinafter “**Italian Decree on Pillar Two**”). According to the Italian Decree on Pillar Two, Ferretti S.p.A. qualifies as a Partially-Owned Parent Entity because more than 20 percent of its profit rights are held by entities outside the group perimeter.

Shandong Heavy Industry, located in China, appears to be the parent company (“UPE”) that fully consolidates (i.e., line-by-line) its subsidiaries, including Ferretti S.p.A. Considering that Pillar Two regulations are not yet effective as of the reporting date, there are no current tax liabilities for the year ended December 31, 2023.

In light of the Group's structure above, the preliminary calculation of the “Transitional CbCR Safe harbor” tests has been carried out by UPE and is still being finalized.

Indeed, taking into account the complexity of the legislation in question and the uncertainty in its application, the quantitative impact cannot be reasonably estimated at present. The Group expects to complete the assessment in the first half of 2024.

The Group has applied for the temporary mandatory exemption required by the amendment to IAS 12.

### 13. TRADE AND OTHER RECEIVABLES

<i>(in thousands Euro)</i>	<b>2023</b>	2022
Trade receivables	<b>22,427</b>	17,011
Other receivables	<b>47,843</b>	42,421
<b>Total trade and other receivables</b>	<b><u>70,271</u></b>	<b><u>59,432</u></b>

#### **Trade receivables**

<i>(in thousands Euro)</i>	<b>2023</b>	2022
Accounts receivable from customers	<b>25,923</b>	20,227
(Less) Provision for doubtful accounts	<b>(3,496)</b>	(3,216)
<b>Total trade receivables</b>	<b><u>22,427</u></b>	<b><u>17,011</u></b>

“Accounts receivable from customers” as at December 31, 2023 relate primarily to sales and services other than boat sales, for which the balance is generally received before delivery based on the contractual terms and conditions in force. Therefore, they refer to paid after-sales services, sales of material and spare parts, merchandising and provision of joinery works. These are considered to be receivable within 12 months.

The provision for doubtful accounts, calculated by the Group in compliance with IFRS 9, changed as follows in the two years of reference:

<i>(in thousands Euro)</i>	<b>2023</b>	2022
<b>At beginning of year</b>	<b>3,216</b>	5,745
Impairment losses, net	<b>881</b>	558
Amount written off as uncollectible	<b>(602)</b>	(3,089)
<b>At end of year</b>	<b><u>3,496</u></b>	<b><u>3,216</u></b>

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.

The table below reports the ageing of trade receivables, already net of any write-downs, which even if expired at the reporting date (December 31, 2023) are considered fully recoverable. The ageing analysis is presented on the basis of the collection due date of the relevant invoices and categorised into time-bands based on analysis used by the management to monitor the Group's cash flow.

<i>(in thousands Euro)</i>	Balance at		Past due			Beyond 90 days
	December 31, 2023	Not due	30 days	30-60 days	60-90 days	
Trade receivables*	<u>22,427</u>	<u>5,528</u>	<u>1,669</u>	<u>3,191</u>	<u>4,453</u>	<u>7,586</u>

(\*) Net of the allowance for doubtful accounts of €3,496 thousand.

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

### Other receivables

<i>(in thousands Euro)</i>	<b>2023</b>	2022
Other tax receivables	<b>16,760</b>	27,206
Accruals, deferrals and other receivables	<b>31,083</b>	15,215
<b>Total other receivables</b>	<b><u>47,843</u></b>	<b><u>42,421</u></b>

Other tax receivables refer to value-added tax.

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

<i>(in thousands Euro)</i>	<b>2023</b>	2022
Receivables owed by social security institutions	<b>376</b>	223
Commissions advances	<b>5,177</b>	4,890
Advances, prepayments and sundry receivables from suppliers	<b>20,741</b>	3,876
Others	<b>8</b>	305
Accruals and deferrals	<b>4,782</b>	5,922
<b>Total accruals, deferrals and other receivables</b>	<b><u>31,083</u></b>	<b><u>15,215</u></b>

#### 14. TRADE AND OTHER PAYABLES

The table below sets forth a breakdown of the Group’s trade and other payables as of December 31, 2023 and December 31, 2022:

<i>(in thousands Euro)</i>	<b>2023</b>	2022
Trade payables	<b>393,915</b>	289,653
Other payables	<b>50,606</b>	48,717
<b>Total</b>	<b><u>444,521</u></b>	<b><u>338,370</u></b>

##### a. Trade payables

“Trade payables” relate to the amount due to suppliers for ordinary commercial supplies of services and materials, at arm’s length.

The table below reports an analysis of the future financial flows of the trade payables outstanding as at December 31, 2023. The ageing analysis is presented on the basis of the payment terms of the purchasing invoices and categorised into time-bands based on analysis used by the management to monitor the cash flow forecast.

	Balance at December 31, 2023	Future financial flows					Total
		Less than 3 months	4 to 9 months	10 to 12 months	1 to 5 years	More than 5 years	
Trade payables	<u>(393,915)</u>	<u>(346,760)</u>	<u>(45,652)</u>	<u>(1,503)</u>	<u>—</u>	<u>—</u>	<u>(393,915)</u>

**b. Other payables**

<i>(in thousands Euro)</i>	2023	2022
Payables due to pension and social security institutions	13,188	12,504
Amounts payable to employees	21,425	23,411
Amounts payable to directors	3,164	2,849
Other tax payable	3,857	3,344
Miscellaneous payables	4,542	3,464
Accrued expenses	1,362	1,426
Deferred income	2,131	714
Government authorisation fees — non current	163	229
Deferred income — non current	773	776
<b>Total other payables</b>	<b>50,606</b>	<b>48,717</b>

The item “Payables due to pension and social security institutions” reflects the amounts owed to these institutions as at December 31, 2023 by Group companies and their employees for the December payroll and for accrued and deferred remuneration.

The item “Amounts payable to employees” refers to the December payroll to be paid in the following month and to the liability for accrued and unused vacations and personal days, as well as to the accrued portion of the performance and production bonus.

The item “Amounts payable to directors” refers to remuneration which has accrued but was not yet paid as of December 31, 2023.

The item “Other tax payable” chiefly refers to taxes withheld accrued that will be paid in January 2024.

The item “Accrued expenses and deferred income” consists mainly of insurance premiums and other transactions recognized on an accrual basis.

The item “Government authorization fees non-current”, totalling €163 thousand as at December 31, 2023, relates mainly to prepayments of public grants received by the Group of €133 thousand authorized in favor of the former Riva S.p.A., now merged in the Company and €30 thousand authorized in favor of the former subsidiary CRN S.p.A., now also merged in the Company. Said deferred income was classified under “Non-current liabilities” for the portion due after the following year. These grants will be recognized in the income statement along with the amortization periods of the corresponding assets once the underlying framework agreements expire.

The Group’s management believes that the carrying amount of “Total trade and other payables” is close to their fair value.

## 15. DIVIDENDS

(in thousands Euro)

	2023	2022
Dividends	<u>19,903</u>	<u>6,707</u>

The general shareholders' meeting convened on May 18, 2023, authorised a final dividend payout for approximately €19,903 thousand as final dividend for the year ended December 31, 2022, equal to €5.88 cents per Share, which was made on June 5, 2023.

The general shareholders' meeting convened on May 25, 2022, authorised a final dividend payout for approximately €6,707 thousand as final dividend for the year ended December 31, 2021, equal to €1.98 cents per Share, which was made on June 30, 2022.

On March 14, 2024, the Board proposed a final dividend payout for approximately €32,833 thousand (equal to €9.7 cents per Share) for the year ended December 31, 2023, which is subject to the approval of the Shareholders at the forthcoming annual general meeting.

## 16. EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY BASIC AND DILUTED

Earnings per share were calculated as the ratio of net profit for the year attributable to Shareholders of the Company to the weighted average number of shares in issue during the year, as indicated in the table below, and coincides with the earnings per share diluted due to the absence of partially dilutive instruments.

	2023	2022
Profit attributable to Shareholders of the Company (in thousands Euro)	83,048	60,274
Weighted average number of shares during the year	<u>338,482,654</u>	<u>316,778,344</u>
<b>Earnings per share attributable to Shareholders of the Company: basic and diluted (in Euro)</b>	<u>0.25</u>	<u>0.19</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

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

Owing to excellent market reaction to the models launched in previous years, for the Reporting Period, the Group recorded a net revenue of €1,134.5 million, representing a 10.1% increase from €1,030.1 million for the year ended December 31, 2022. The Group delivered 212 new vessels during the Reporting Period, compared to 207 new vessels for the year ended December 31, 2022. Meanwhile, its net profit increased by about 38.0% from €60.5 million for the year ended December 31, 2022 to €83.5 million for the Reporting Period. During the Reporting Period, the Group achieved an order intake of €1,120.4 million, which was in line with the amount of order intake in the year ended December 31, 2022. There had also been a major increase in the Company's order intake for composite yachts of over 80 feet, which have a high profitability similar to that of made-to-measure yachts.

## *Segmental Information*

### *Yacht Manufacturing Business and Other Businesses*

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

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

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

The Group's total net revenue of new yachts sales increased by about 11.5%, from €996.1 million in 2022 to €1,110.9 million in 2023, due to the strong order intake in 2022 and 2023.



## Order intake by segment<sup>4</sup>

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

<i>(in millions Euro)</i>	Order intake by segment				
	2023	%	2022	%	Change <sup>5</sup>
Composite yachts	527.2	47.1%	462.8	39.8%	+13.9%
Made-to-measure yachts	423.0	37.8%	495.1	42.6%	-14.6%
Super yachts	149.5	13.3%	204.6	17.6%	-26.9%
Other businesses <sup>6</sup>	20.7	1.8%	0	0%	—
<b>Total</b>	<b>1,120.4</b>	<b>100.0%</b>	<b>1,162.5</b>	<b>100.0%</b>	<b>-3.6%</b>

Order intake from the **composite yachts** segment totaled €527.2 million in 2023, accounting for approximately 47.1% of total order intake in 2023 (2022: €462.8 million, accounting for approximately 39.8% of total order intake in 2022).

Order intake from the **made-to-measure yachts** segment totaled €423.0 million in 2023, accounting for approximately 37.8% of total order intake in 2023 (2022: €495.1 million, accounting for approximately 42.6% of total order intake in 2022).

Order intake from the **super yachts** segment totaled €149.5 million in 2023, accounting for approximately 13.3% of total order intake in 2023 (2022: €204.6 million, accounting for approximately 17.6% of total order intake in 2022).

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

<sup>4</sup> The Ferretti Yacht 1000 model that was originally under the composite yachts segment had been reclassified under the made-to-measure yachts segment in this Reporting Period

<sup>5</sup> The percentage figures are subject to rounding adjustments and may not be an arithmetic aggregation of the figures preceding them

<sup>6</sup> Including FSD and Wally sailboats

## Order intake by geographical area<sup>7</sup>

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

(in millions Euro)

	Order intake by geographical area				
	2023	%	2022	%	Change <sup>8</sup>
Europe	483.6	43.2%	446.5	38.4%	+8.3%
MEA	273.8	24.4%	241.8	20.8%	+13.2%
APAC	65.8	5.9%	74.7	6.4%	-11.9%
AMAS	297.1	26.5%	399.4	34.4%	-25.6%
<b>Total</b>	<b>1,120.4</b>	<b>100.0%</b>	<b>1,162.5</b>	<b>100.0%</b>	<b>-3.6%</b>

Order intake in **Europe** totaled €483.6 million, accounting for approximately 43.2% of total order intake in 2023 (2022: €446.5 million, accounting for approximately 38.4% of total order intake in 2022).

Order intake in **MEA** totaled €273.8 million, accounting for approximately 24.4% of total order intake in 2023 (2022: €241.8 million, accounting for approximately 20.8% of total order intake in 2022).

Order intake in **APAC** totaled €65.8 million, accounting for approximately 5.9% of total order intake in 2023 (2022: €74.7 million, accounting for approximately 6.4% of total order intake in 2022).

Order intake in **AMAS** totaled €297.1 million, accounting for approximately 26.5% of total order intake in 2023 (2022: €399.4 million, accounting for approximately 34.4% of total order intake in 2022).

## Order backlog

As of December 31, 2023, the order backlog amounted to €1,491.1 million, increased by approximately 15.1% from €1,295.6 million as of December 31, 2022.

<sup>7</sup> The geographical breakdown in the Reporting Period refers to breakdown by the dealer's area of exclusivity or by the customer's nationality

<sup>8</sup> The percentage figures are subject to rounding adjustments and may not be an arithmetic aggregation of the figures preceding them

## Order backlog by segment<sup>9</sup>

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

<i>(in millions Euro)</i>	Order backlog by segment				
	2023	%	2022	%	Change <sup>10</sup>
Composite yachts	460.9	30.9%	339.1	26.2%	+35.9%
Made-to-measure yachts	554.6	37.2%	517.1	39.9%	+7.3%
Super yachts	418.0	28.0%	384.6	29.7%	+8.7%
Other businesses <sup>11</sup>	57.7	3.9%	54.8	4.2%	+5.3%
<b>Total</b>	<b>1,491.1</b>	<b>100.0%</b>	<b>1,295.6</b>	<b>100.0%</b>	<b>+15.1%</b>

Order backlog from the **composite yachts** segment reached €460.9 million as of December 31, 2023, accounting for approximately 30.9% of the total backlog (up from €339.1 million, accounting for approximately 26.2% of the total backlog as of December 31, 2022).

Order backlog from the **made-to-measure yachts** segment reached €554.6 million as of December 31, 2023, accounting for approximately 37.2% of the total backlog (up from €517.1 million, accounting for approximately 39.9% of the total backlog as of December 31, 2022).

Order backlog from the **super yachts** segment reached €418.0 million as of December 31, 2023, accounting for approximately 28.0% of the total backlog (up from €384.6 million, accounting for approximately 29.7% of the total backlog as of December 31, 2022).

Order backlog from **other businesses** segment reached €57.7 million as of December 31, 2023, accounting for approximately 3.9% of the total backlog (up from €54.8 million, accounting for approximately 4.2% of the total backlog as of December 31, 2022).

## Net Backlog

The net backlog represents the total backlog orders in portfolio which has not been delivered net of revenue already booked, amounted to €858.0 million as of December 31, 2023, increased by approximately 14.3% compared to €750.5 million as of December 31, 2022.

<sup>9</sup> The Ferretti Yacht 1000 model that was originally under the composite yachts segment had been reclassified under the made-to-measure yachts segment in this Reporting Period

<sup>10</sup> The percentage figures are subject to rounding adjustments and may not be an arithmetic aggregation of the figures preceding them

<sup>11</sup> Including FSD and Wally sailboats

## **SIGNIFICANT EVENTS DURING THE REPORTING PERIOD**

- The Group held its first Capital Markets Day in Milan on March 21, 2023, providing the mid-term outlook;
- The Group reached an agreement with Rosetti Marino S.p.A. for the acquisition of the 70,000-square-meter San Vitale Shipyard in Ravenna in order to increase the production capacity by 20%; and
- On June 27, 2023, the Shares were also listed on the Euronext Milan, managed by Borsa Italiana, and thereby completed the first ever dual listing on the Euronext Milan and the Hong Kong Stock Exchange.

## **SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD**

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

In January 2024, the Group presented Riva El-Iseo, a fusion of evergreen elegance with latest-generation technology and a focus on sustainability at the Düsseldorf boat show. After the presentation of the prototype in September 2022 at the Monaco Yacht Show, followed by successful completion of a cycle of complex technical and reliability tests, the official version of the first Riva model created for the E-Luxury segment is now available for sale.

On March 1<sup>st</sup> 2024, the Company announced its withdrawal from the reclamation and industrial conversion of the site of the former Belleli Yard in Taranto's port area. The Group remains committed to the strategy of verticalization of key production processes such as the internalization of part of the production of fiberglass hulls and superstructures, to which the Taranto area had been designated, thanks to other opportunities such as the recently purchased area in Ravenna to expand the shipyard and other areas near the Group's shipyards.

## OUTLOOK AND PROSPECTS

The global luxury yacht industry continued to grow solidly throughout 2022 and 2023. Once again, the global luxury yacht industry proved resilience in the face of geopolitical uncertainty, underscoring its stability and strength. Against this backdrop, the Group continued its outstanding performance, steadily gaining market share and strengthening its strategic position not only in high-value segments, but also in new emerging and high-growth segments. To continue to take advantage of the expected growth trends in the global luxury yacht industry, enhancing its value proposition and strengthening its overall resilience, the Group made future plans based on the following strategic pillars:

- To improve and expand its offering and product mix in anticipation of evolving market trends and customer expectations, with the aim of consolidating its market leadership that in 2023, which grew further from 14.9% in 2022 to 15.8% in 2023 in both the composite yachts and made-to-measure yachts segments, focusing on the segments with the highest growth and margin potential.
- To continue to invest in innovation, technologies, and products with the goal of providing a more environmentally responsible sailing experience through the skillful use of more sustainable materials and processes to reduce the environmental impact of products.
- To expand its made-to-measure offering to larger alloy yachts, developing new alloy-hulled super yacht models under the iconic Riva, Wally, Pershing, and Custom Line brands.
- To expand yacht brokerage, chartering and management services and after-sales and refitting services, expand brand extension and licensing activities, and further expand into the security and patrol market.
- To continue to invest in the internalization of high value-added activities to support its future growth and product portfolio expansion.

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

## GUIDANCE FOR 2024 AND MEDIUM-TERM TARGET

	2022	2023	2024	Mid Term Target
<b>Net Revenue of New Yachts Sales</b> <i>(in millions Euro)</i>	€996.1	€1,110.9 +11.5%	€1,220–1,240 +9.8%–+11.6%	c. 10% CAGR organic with further upside from M&A
<b>Adjusted EBITDA</b> <i>(in millions Euro)</i>	€140.0	€169.2 +20.9%	€195–200 +15.2%–+18.2%	
<b>Adjusted EBITDA margin (%)</b>	14.1%	15.2% +110bps	16.0%–16.1% +80bps–+90 bps	Greater than 18.5%
<b>Cash Conversion (%)</b>				Greater than 85%

## FINANCIAL REVIEW

### Net Revenue

The Group's net revenue increased by approximately 10.1% from approximately €1,030.1 million for the year ended December 31, 2022 to approximately €1,134.5 million for the Reporting Period.

The increase in the Group's net revenue was due to (i) an increase of €79.6 million in sales of composite yachts; (ii) an increase of €7.3 million in sales of made-to-measure yachts; (iii) an increase of €22.2 million generated in sales of super yachts; (iv) an increase of €5.8 million in revenue from other businesses; and (v) a decrease of €10.5 million in revenue from pre-owned boats. The Group delivered 212 new vessels during the Reporting Period, compared to 207 new vessels for the year ended December 31, 2022.

The following table shows the breakdown of net revenue of new yachts by segment<sup>12</sup>:

<i>(in millions Euro)</i>	Net revenue of new yachts sales by segment				
	2023	%	2022	%	Change <sup>13</sup>
Composite yachts	491.8	44.3%	412.1	41.3%	+19.3%
Made-to-measure yachts	440.3	39.6%	433.0	43.5%	+1.7%
Super yachts	117.6	10.6%	95.4	9.6%	+23.3%
Other businesses <sup>14</sup>	61.3	5.5%	55.6	5.6%	+10.3%
<b>Total</b>	<b>1,110.9</b>	<b>100.0%</b>	<b>996.1</b>	<b>100.0%</b>	<b>+11.5%</b>

**(i) Sales of Composite Yachts**

The Group's net revenue from sales of composite yachts reached €491.8 million, representing a year-on-year growth of 19.3% and approximately 44.3% of the Group's total net revenue of new yachts for the Reporting Period. The Group's order intake for composite yachts was €527.2 million for the Reporting Period, mainly due to the contribution of composite yachts of over 80 feet.

**(ii) Sales of Made-to-Measure Yachts**

The Group's net revenue from sales of made-to-measure yachts increased by 1.7% from €433.0 million for the year ended December 31, 2022 to €440.3 million for the Reporting Period. The Group's order intake for made-to-measure yachts was €423.0 million for the Reporting Period.

**(iii) Sales of Super Yachts**

The Group's net revenue from sales of super yachts increased by 23.3% from €95.4 million for the year ended December 31, 2022 to €117.6 million for the Reporting Period. The Group's order intake for super yachts was €149.5 million for the Reporting Period, primarily due to the good performance of flagship semi serial models.

<sup>12</sup> The Ferretti Yacht 1000 model that was originally under the composite yachts segment had been reclassified under the made-to-measure yachts segment in this Reporting Period

<sup>13</sup> The percentage figures are subject to rounding adjustments and may not be an arithmetic aggregation of the figures preceding them

<sup>14</sup> Including ancillary activities, FSD, Wally sailboats

#### **(iv) Other Businesses**

The Group's net revenue from other businesses segment increased by approximately 10.3% from approximately €55.6 million for the year ended December 31, 2022 to approximately €61.3 million for the Reporting Period. The increase in revenue mainly derived from Wally sailboats segment.

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

The Group's change in inventories of work-in-process, semi-finished and finished goods increased by €83.6 million, or 237.5%, from €35.2 million for the year ended December 31, 2022 to €118.8 million for the Reporting Period, primarily due to the necessity to rebuild a minimum level of finished goods.

#### **Cost Capitalized**

The Group's cost capitalized aligned mostly with cost capitalized in the previous year with a small increase by €0.8 million, or 2.5%, from €32.0 million for the year ended December 31, 2022 to €32.8 million for the Reporting Period.

#### **Other Income**

The Group's other income increased by €6.2 million or 38.8%, from €16.0 million for the year ended December 31, 2022 to €22.2 million for the Reporting Period, due to increased income from insurance reimbursements, rebate, operating grants and other minor non-operating income.

#### **Raw Materials and Consumables Used**

The Group's raw materials and consumables used increased by €101.1 million, or 19.6%, from €514.5 million for the year ended December 31, 2022 to €615.5 million for the Reporting Period, primarily due to the increase in production volumes.

#### **Contractors Costs**

The Group's contractors costs increased by €43.4 million, or 26.1%, from €166.1 million for the year ended December 31, 2022 to €209.4 million for the Reporting Period, primarily due to the increase in production activities catering for the acceleration of the order intake.



## **Costs for Trade Shows, Events and Advertising**

The Group's costs for trade shows, events and advertising increased by €3.6 million, or 17.9%, from €20.0 million for the year ended December 31, 2022 to €23.5 million for the Reporting Period, primarily due to the increase in events and promotional activities.

## **Other Service Costs**

The Group's other service costs remained substantially stable at €117.9 million for the Reporting Period as compared to €117.7 million for the year ended December 31, 2022.

## **Rentals and Leases**

The Group's rentals and leases increased by €0.8 million, or 9.2%, from €8.9 million for the year ended December 31, 2022 to €9.8 million for the Reporting Period, primarily due to (i) an increase in royalties mainly attributable to the increase in new yachts delivered; and (ii) an increase in expenses relating to short-term leases, which was generally in line with the growth of the Group's business.

## **Personnel Costs**

The Group's personnel costs increased by €1.9 million, or 1.5%, from €128.8 million for the year ended December 31, 2022 to €130.7 million for the Reporting Period, primarily due to an increase in the average headcount to support the growth of the Group's business.

## **Other Operating Expenses**

The Group's other operating expenses decreased by €1.1 million, or 12.1%, from €9.1 million for the year ended December 31, 2022 to €8.0 million for the Reporting Period, mainly due to the implementation of cost control measures during the Reporting Period.

## **Provisions and Impairment**

The Group's provisions and impairment decreased by €2.4 million, or 7.2%, from €33.1 million for the year ended December 31, 2022 to €30.7 million for the Reporting Period, primarily due to the release in other risks provisions that partially offset the accruals for the year ended December 31, 2023.

## **Depreciation and Amortization**

The Group's depreciation and amortization increased by €10.1 million, or 19.0%, from €53.1 million for the year ended December 31, 2022 to €63.2 million for the Reporting Period, which was driven by the increase in the Group's property, plant and equipment as well as intangible assets, reflecting the significant investments made to renew and extend the Group's product portfolio and upgrade the Group's production facilities.

## **Income Tax Expenses**

The Group recorded an increase of €11.7 million or 132.1% in income tax expenses, from €8.8 million for the year ended December 31, 2022 to €20.5 million for the Reporting Period, primarily due to an increase in current tax attributable to the significant increase in the Group's profit before tax.

## **Profit for the Year**

As a result of the foregoing, the Group's profit for the year increased by €23.0 million, or by approximately 38%, from €60.5 million for the year ended December 31, 2022 to €83.5 million for the Reporting Period. The Group's net profit margin, which represents profit for the year as a percentage of net revenue, increased from 5.9% for the year ended December 31, 2022 to 7.4% for the Reporting Period and as a percentage to net revenue of new yachts, it increased from 6.1% for the year ended December 31, 2022 to 7.5% for the Reporting Period.

## **Non-IFRS Measures**

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

The Company defines (i) EBITDA as profit for the year plus financial expenses (including the result of operating foreign exchange conversion but excluding exchange rate gains/(losses) related to financial transactions), depreciation and amortization, and income tax expense, and less financial income; (ii) adjusted EBITDA as EBITDA adjusted by adding back certain special items (including listing expenses, Management Incentive Plan, non-recurring cost for supply chain support, contribution to employees for Emilia-Romagna flood and other minor non-recurring events); and (iii) net revenue of new yachts as net revenue excluding revenue generated from the trading of pre-owned yachts.

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

<i>(in thousands Euro)</i>	<b>For the year ended</b>	
	<b>December 31, 2023</b>	December 31, 2022
Net revenue	<b>1,134,484</b>	1,030,099
Revenue pre-owned	<b>(23,535)</b>	(33,980)
<b>Net revenue of new yachts</b>	<b><u>1,110,949</u></b>	<b><u>996,119</u></b>
Operating costs	<b>(941,703)</b>	(856,130)
<b>Adjusted EBITDA</b>	<b>169,246</b>	139,989
<b>Special items</b>	<b>(6,589)</b>	(24,796)
Operating exchange gains/(losses) and Share of loss of a joint venture	<b>62</b>	(1,989)
<b>EBITDA</b>	<b>162,719</b>	113,204
Depreciations and amortisation	<b>(63,167)</b>	(53,089)
Financial income, financial expenses, financial exchange gains	<b>4,470</b>	9,269
<b>Profit before tax (PBT)</b>	<b>104,022</b>	69,385
Income tax	<b>(20,519)</b>	(8,839)
<b>Profit after tax (PAT)</b>	<b>83,503</b>	60,546
<b>Adjusted EBITDA/Net revenue of new yachts</b>	<b>15.2%</b>	14.1%

The Group's adjusted EBITDA for the year ended December 31, 2023 was €169.2 million, with an increase of approximately 20.9% from the year ended December 31, 2022, which was €140.0 million. The adjusted EBITDA/net revenue of new yachts margin was equal to 15.2%, up 110 basis points when compared to 14.1% for the year ended December 31, 2022.

This excellent performance confirms the strength of the commercial and industrial strategy adopted by the Group, thereby enabling it to maintain strong negotiating power over prices, consolidates the most profitable made-to-measure segment, and absorbs fixed costs more efficiently, in addition to greater procurement economies of scale capacity.

## **OTHER FINANCIAL INFORMATION**

### **Liquidity and Financial Resources**

During the Reporting Period, the Group financed its operations mainly by cash generated from operations.

As at December 31, 2023, the Group had cash and cash equivalents of approximately €314.1 million (as at December 31, 2022: approximately €317.8 million) which was mainly denominated in Euro.

The net cash of the Group as of December 31, 2023 was €281.1 million, as compared to €365.0 million as of December 31, 2022.

Taking into account the cash flow generated from operations, the Directors are of the view that the Group has sufficient working capital to meet its current liquidity demand and the liquidity demand within at least 12 months from the date of this announcement.

### **Capital Structure**

#### **A. *Borrowings***

The total bank borrowings of the Group as at December 31, 2023 were approximately €32.9 million (as at December 31, 2022: €38.6 million) which was originally denominated in Euro, so it did not have any foreign exchange impact on its financial statements during the Reporting Period. The bank borrowings were interest-bearing, secured and unsecured. During the Reporting Period, the Group did not experience any difficulties in utilising its banking facilities with its lenders.

Below is a table showing the bank borrowings structure and maturity profile of the Group:

	<b>As at December 31, 2023</b>	As at December 31, 2022
Secured	<b>1,621</b>	1,755
Unsecured	<b>31,249</b>	36,801
<b>Total</b>	<b><u>32,870</u></b>	<b><u>38,556</u></b>
Maturity profile of bank borrowings		
On demand or within one year	<b>11,253</b>	14,500
After one year	<b>21,616</b>	24,056
<b>Total</b>	<b><u>32,870</u></b>	<b><u>38,556</u></b>

#### ***B. Gearing Ratio***

As at December 31, 2023, the Group's gearing ratio was approximately 4.0% (as at December 31, 2022: 5.1%), calculated as the total indebtedness divided by total equity as at the end of the Reporting Period multiplied by 100%. The decrease was mainly due to the increase in share capital related to net profit for the year, net of the dividend paid, and the decrease in total indebtedness. The Group's gearing ratio demonstrated that the financial position of the Group was healthy as the debt level of the Group was very low as at the end of the Reporting Period.

#### **Treasury Policies**

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

#### **Pledge of Assets**

As at December 31, 2023, the Group's bank borrowings were secured by certain of the Group's buildings, with the carrying amount of €115.6 million (2022: €98.1 million).

## **Contingent Liabilities**

As at December 31, 2023 and 2022, the Group did not have any material contingent liabilities.

## **Significant investments, material acquisitions and disposals, future plans for significant investment of acquisition of material capital assets**

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

## **Foreign Exchange Exposure**

The Group’s revenue generating activities and borrowings were denominated in Euro, which is the functional and presentation currency of the Group. The Board considered that the Group was exposed to exchange rate risks in relation to the U.S. dollar. The Group could use foreign currency forward contracts to hedge its exposure to foreign currency risks in connection with forecast transactions and firm commitments. As at December 31, 2023 and 2022, there were no currency forwards in place.

## **Employees and Remuneration Policy**

As at December 31, 2023, the Group had 1,971 employees (as at December 31, 2022: 1,835). Apart from salary remuneration, our employees benefit from the accruals of social security contributions to the National Institute of Social Security in Italy, and to the private funds if provided by the collective bargaining agreement. In addition, the Company granted discretionary bonuses to qualified employees, based on its operating results and individual performance.

Continuous growth and skills development for all employees are essential pillars of the Group’s strategy. During the Reporting Period, a total of 16,183 training hours were provided.

## **Going Concern**

Based on the current financial position and the available financing facilities, the Group has sufficient financial resources for ongoing operation in the foreseeable future. As such, the financial statements in this announcement were prepared on a “going concern” basis.

## **FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS**

The Board has recommended the payment of a final dividend of €32,833 thousand (€0.097 per Share) (the “**Proposed Final Dividend**”) (2022: €0.0588 per Share) for the Reporting Period. The Proposed Final Dividend is subject to the approval of the Shareholders at the forthcoming annual general meeting of the Company. The Proposed Final Dividend shall be made in Euro to the Shareholders, net of Italian withholding tax, where applicable. The current rate of Italian withholding tax applied to applicable dividend payments is 26%. Further details on the Italian withholding tax are included in the Tax Booklet, which is available on the Company’s website at [www.ferrettigroup.com](http://www.ferrettigroup.com).

Further announcement(s) containing information in relation to the (i) dates of closure of register of members of the Company in respect of Shareholders’ entitlement to attend the annual general meeting and to receive the Proposed Final Dividend and (ii) expected payment date of the Proposed Final Dividend will be published by the Company in due course.

## **SUFFICIENCY OF PUBLIC FLOAT**

According to the information disclosed publicly and as far as the Directors are aware, the Company maintained the amount of public float as required under the Listing Rules during the Reporting Period.

## **PURCHASES, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities during the Reporting Period.

## **THE LISTING AND ADMISSION TO TRADING OF THE SHARES ON THE EURONEXT MILAN**

On June 21, 2023, CONSOB has issued the notice for the approval of the Italian Prospectus and Borsa Italiana has admitted all of the Shares to trading on Euronext Milan on June 23, 2023. The first trading date has been on June 27, 2023.

Please refer to the circular of the Company dated April 26, 2023, the announcements of the Company dated May 28, 2023, June 20, 2023, June 21, 2023 and June 23, 2023 for further details.

## USE OF NET PROCEEDS FROM THE LISTING

The Group received net proceeds (after deduction of underwriting commissions and related costs and expenses) from the Hong Kong Listing and the exercise of over-allotment option of approximately HKD1,862.9 million. There has been no change in the intended use of net proceeds as previously disclosed in the Hong Kong Prospectus.

Since the Listing Date and up to December 31, 2023, the Group has been gradually utilizing the net proceeds from the Hong Kong Listing according to the manner and proportions disclosed in the Hong Kong Prospectus. For details, please refer to the table below:

	Net amount available upon Listing (HKD million)	Net amount utilized as of December 31, 2023 (HKD million)*	Unutilized net amount as of December 31, 2023 (HKD million)	Expected timeline of the utilization of the unutilized net amounts
<b>Expansion of the Group's product portfolio and further boosting our end-to-end operational excellence</b>	<b>1,266.7</b>	<b>1,049.7</b>	<b>217.0</b>	<b>March 31, 2025</b>
— Consolidating the Group's leadership positioning in the luxury yacht industry and increasing the Group's market share and coverage	428.5	543.1	(114.6)	—
— Development of new flagship models of super yachts under Riva, Wally, Pershing, and Custom Line brands	465.8	126.3	339.4	—
— Vertical integration of strategic and high value-adding production activities to ensure the uncompromised excellence in the luxurious design, performance, quality and reliability of the Group's yachts	372.6	380.3	(7.8)	—
<b>Enhancing the Group's unique portfolio of ancillary services and expanding the Group's offering in the most promising verticals such as yacht brokerage, chartering and management services and after-sales and refitting services</b>	<b>447.1</b>	<b>—</b>	<b>447.1</b>	<b>March 31, 2025</b>
— Growing the Group's yacht brokerage, chartering and management services	130.4	—	130.4	—
— Expanding the Group's after-sales and refitting service offering and market presence	316.7	—	316.7	—
<b>Further development of the Group's brand extension activities and other general corporate matters</b>	<b>149.0</b>	<b>7.0</b>	<b>142.0</b>	<b>N/A</b>
<b>Total</b>	<b>1,862.9</b>	<b>1,056.7</b>	<b>806.1</b>	<b>—</b>

\* using EURO/HKD exchange rate as at December 31, 2023



## **CORPORATE GOVERNANCE**

The Board strives to uphold the principles of corporate governance set out in the CG Code contained in Appendix C1 to the Listing Rules, the Italian Consolidated Financial Act and the Italian Corporate Governance Code to which the Company has adhered to after the Dual Listing, and adopted various measures to enhance the internal control system, the Directors' continuing professional training and other areas of practice of the Company. While the Board strives to maintain a high level of corporate governance, it also works hard to create value and achieve maximum return for its Shareholders. The Board will continue to conduct reviews and improve the quality of corporate governance practices with reference to local and international standards.

During the Reporting Period, save for code provision C.2.7 of the CG Code, the Company complied with all the applicable code provisions as set out in Appendix C1 to the Listing Rules. Under code provision C.2.7 of the CG Code, the chairman should at least annually hold meetings with the independent non-executive directors without the presence of other directors. The chairman of the Company has delegated the secretary to the Board to gather any concern and/or questions that the independent non-executive Directors might have and to report to him so that the chairman will arrange a meeting with the independent non-executive Directors as and when appropriate. The Company has also adhered to and is compliant with the Italian Corporate Governance Code starting from the Italian Listing.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “**Model Code**”) and relevant Italian provisions as its own code governing securities transactions of the Directors.

Specific enquiries have been made to all Directors and all Directors have confirmed that they have fully complied with the required standard of dealings as set out in the Model Code and those required under the relevant Italian provisions during the Reporting Period.

## **AUDIT COMMITTEE AND REVIEW OF FINANCIAL INFORMATION**

The Audit Committee consists of three independent non-executive Directors and one non-executive Director. The Audit Committee has reviewed the annual results of the Company for the year ended December 31, 2023, including the accounting principles and practices adopted by the Company and the Group and discussed matters in relation to internal control, risk management and financial reporting with the management of the Company. The Audit Committee considers that the annual results for the year ended December 31, 2023 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

The figures in respect of the Group’s consolidated statement of financial position, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows, and the related notes thereto for the year ended December 31, 2023 as set out in this preliminary announcement have been agreed by the Company’s auditor, EY S.p.A. to the amounts set out in the Group’s audited consolidated financial statements. The work performed by the Company’s auditor in this respect did not constitute an assurance engagement in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements issued by the International Audit and Assurance Standards Board and consequently, and no assurance has been expressed by EY S.p.A. on this preliminary announcement.

## **EVENTS AFTER THE REPORTING PERIOD**

Save as disclosed in this announcement, the Directors are not aware of any significant event requiring disclosure that has taken place subsequent to December 31, 2023 and up to the date of this announcement.

## **PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This annual results announcement is published on the designated website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company ([www.ferrettigroup.com](http://www.ferrettigroup.com)) under “Investor Relations”. The annual report of the Company for the Reporting Period will be published on the respective websites of the Hong Kong Stock Exchange and the Company in due course.

## **DEFINITIONS**

Unless the context otherwise requires, the following expressions have the following meanings in this announcement:

“AMAS”	North America, Central America and South America
“APAC”	Asia-Pacific
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors

“Borsa Italiana”	Borsa Italiana S.p.A., a joint stock company (società per azioni) incorporated under the laws of Italy, with registered office at Piazza degli Affari 6, Milan, Italy, which is, inter alia, the market operator of Euronext Milan
“By-laws”	the by-laws of the Company as amended, supplemented or restated from time to time
“CG Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
“Company”	Ferretti S.p.A., a company incorporated under the laws of Italy as a joint-stock company with limited liability, the shares of which are dually listed on the Main Board (Stock code: 9638) and the Euronext Milan (EXM: YACHT)
“CONSOB”	Italian authority for the supervision of financial markets (Commissione Nazionale per le Società e la Borsa), with its registered office in Rome, at Via Giovanni Battista Martini 3, Italy
“Director(s)”	the director(s) of the Company
“Dual Listing”	the listing of the Shares on the Hong Kong Stock Exchange and Euronext Milan
“EBITDA”	earnings before interest, taxes, depreciation and amortization
“Euro” or “€”	the lawful currency of the member states of the European Union participating in the third stage of the European Union’s Economic and Monetary Union
“Euronext Milan”	the Euronext Milan, organized and managed by Borsa Italiana
“FSD”	Ferretti Security Division business, a division of the Company that designs, develops and manufactures coastal patrol vessels
“Group”	the Company and its subsidiaries
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Hong Kong Listing”	the public offering of the Shares as defined and described in the Hong Kong Prospectus
“Hong Kong Prospectus”	the prospectus of the Company dated March 22, 2022 in relation to the Hong Kong Listing
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“IAS”	International Accounting Standards, as issued by the International Accounting Standards Board
“IFRS”	International Financial Reporting Standards, as issued by the International Accounting Standards Board
“Italian Corporate Governance Code”	Italian corporate governance code enacted by the Corporate Governance Committee (Comitato di Corporate Governance) in January 2020
“Italian Listing”	the listing of the Shares on the Euronext Milan managed and organized by Borsa Italiana
“Italian Prospectus”	the prospectus of the Company approved by CONSOB on June 21, 2023 in relation to the Italian Listing
“Listing”	the listing of the Shares on the Main Board
“Listing Date”	March 31, 2022, the date on which the Shares are listed and dealings in the Shares first commenced on the Main Board
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended, modified or supplemented from time to time
“Main Board”	the Main Board of the Hong Kong Stock Exchange
“Management Incentive Plan”	a management incentive plan approved on December 21, 2021, setting out incentives for the Group’s senior management and other employees
“MEA”	Middle East and Africa

“PRC”	the People’s Republic of China and for the purposes of this announcement only, except where the context requires otherwise, references to China or the PRC exclude Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Reporting Period”	the year ended December 31, 2023
“Share(s)”	ordinary share(s) with no nominal value in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules, unless the context otherwise requires
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Tax Booklet”	a tax booklet published on the website of the Company, which provides the Italian tax framework relating to the ownership of the Shares
“U.S. dollar(s)”	United States dollars, the lawful currency of the United States of America
“%”	per cent

By order of the Board  
**Ferretti S.p.A.**  
**Mr. Alberto Galassi**  
*Executive Director and Chief Executive Officer*

Hong Kong, March 14, 2024

*As at the date of this announcement, the Board comprises Mr. Alberto Galassi and Mr. Xu Xinyu as executive Directors; Mr. Tan Xuguang, Mr. Piero Ferrari, Ms. Jiang Lan (Lansi) and Mr. Zhang Quan as non-executive Directors; and Mr. Stefano Domenicali, Mr. Patrick Sun and Ms. Zhu Yi as independent non-executive Directors.*