

## **FINCANTIERI BOARD OF DIRECTORS**

### **APPROVAL OF 1H 2023 RESULTS**

**Muggiano, July 26, 2023**

1H 2023 results in **line with FY 2023 guidance**

**Revenues** at euro 3,669 million, **up by 4.5%** when compared to 1H 2022

**EBITDA margin at 5.0%**, improving when compared with FY 2022 results (3.0%)

**Adjusted Net Income** for the period positive at euro **3 million**, before extraordinary charges related to asbestos

**Negative net financial position** at euro **2.8 billion** with 4 cruise ships to be delivered in 2H 2023

**11 ships delivered** in 1H 2023 from 8 shipyards

**88 ships in portfolio** with deliveries up to 2029 and **backlog** at euro 22.0 billion

**Order intake** at euro **2.1 billion** vs euro 1.5 billion in 1H 2022, with a positive contribution from Wind Offshore

**Commercial pipeline** constantly increasing for all the businesses

**Management full commitment** to the **execution** of the Industrial Plan 2023-2027

**2023 Group EBITDA margin confirmed at 5%**

Consolidated 1H 2023 results<sup>1</sup>

- **1H 2023 results in line with FY 2023 guidance**
- **Revenues** at euro **3,669 million**, up by 4.5 %, compared to 1H 2022 (euro 3,510 million)
- **EBITDA<sup>2</sup>** at euro **185 million** (euro 90 million in 1H 2022) with an **EBITDA margin** at **5.0%** (vs 2.6 % in 1H 2022)
- **Group adjusted net income<sup>3</sup>** positive at euro **3 million** (negative at euro 94 million in 1H 2022)
- **Group net income** negative at euro **22 million** (negative at euro 234 million in 1H 2022) due to extraordinary and non-recurring items (euro 33 million)
- **Net Financial Position** at euro **2,813 million** (euro 2,531 million on December 31, 2022), in line with production volumes for the period and delivery schedule, with four cruise ships to be delivered in 2H 2023

Operations

- **Total backlog<sup>4</sup>** at euro **32.9 billion**, approximately 4.4 times 2022 revenues, excluding pass-through activities, of which:
  - **Backlog:** euro **22 billion** and **88 ships** to be delivered **up to 2029**
  - **Soft backlog:** approximately euro **10.9 billion**
- **Commercial pipeline** constantly increasing for all the businesses
- **Delivered 11 ships from 8 shipyards** in 1H 2023 and delivery of 4 cruise ships in 2H 2023, of which one already delivered in July
- **Cruise:** two cruise ships were delivered in 1H 2023:
  - Viking Saturn, tenth unit for Viking
  - Oceania Vista, first of two cruise ships of new generation vessel for Oceania Cruises
- **Naval:**
  - New contract for the fourth unit of the Constellation program (FFG-62) for US Navy, awarded to the American subsidiary FMM, and exercised in July the option for the third submarine of the U212NFS (Near Future Submarine) program, for the Italian Navy
  - Delivered the fourth and last corvette “Semaisma” to the Qatari Ministry of Defence and a Littoral Combat Ship to the US Navy “USS Marinette”
- **Offshore:**
  - Orders for 8 CSOV<sup>5</sup> units: 4 units for Edda Wind with option for 4 additional units, 2 for North Star with option for 2 additional units, 2 for Purus Wind with option for 2 additional units
  - Delivered 7 units among which 4 CSOV (2 to North Star Renewables, one to Rem Wind and one to Norwind Offshore), in addition to one naval vessel for the Norwegian Coast Guard and one Marine Robotic unit to Ocean Infinity

<sup>1</sup> The percentages contained in this Press Release have been calculated with reference to amounts expressed in thousands of euros

<sup>2</sup> Group EBITDA does not include income and expenses indicated in the definition which can be found in the paragraph Alternative Performance Measures

<sup>3</sup> Profit/(loss) for the period before extraordinary or non-recurring income and expenses

<sup>4</sup> Sum of backlog and soft backlog

<sup>5</sup> Commissioning Service Operation Vessel

Sustainability

- **Sustainable finance:** agreement with Crédit Agricole Eurofactor, Ifitalia, SACE FCT and UniCredit for better credit conditions to Fincantieri suppliers, supporting the improvement of their environmental and social impact
- **Isotta Fraschini Motori:** inauguration of the Innovation and Development Centre focused on design and industrialization of technologies for the construction of engines that contribute to the energy transition through the use of renewable energy sources while cutting emissions
- **Fincantesimo:** launch of the second facility in Monfalcone: starting from October 2023 it will accommodate 34 children, both children of Fincantieri employees and workers of the community

Sustainability ratings and awards

- **Brand Finance:** assigned rating AA to Fincantieri, among the 50 strongest Italian brands, recording a 22% increase in the trademark value on an annual basis, amounting now to euro 736 million
- **Top Employers Italy:** Fincantieri received the “Top Employers Italy 2023” certification from the Top Employers Institute, for the corporate policies and HR strategies put in place for employees’ wellbeing while improving their workplace
- **Integrated Governance Index (IGI):** Fincantieri is among the “Leader” companies according to IGI, quantitative index promoted by Etica News which measures the integration of ESG in the corporate governance and identity

**Muggiano, July 26, 2023** – The Board of Directors of **FINCANTIERI S.p.A.** (“Fincantieri” or the “Company”), chaired by General Claudio Graziano, has approved the first half financial statements on June 30, 2023<sup>6</sup>.

**Pierroberto Folgiero, Chief Executive Officer of Fincantieri,** commented: *“The 1H 2023 confirmed the recovery of the key performance indicators. Thanks to the progression of production volumes, revenues were up by 4.5 % when compared to the same period in 2022 and order intake reached 2.1 billion increasing when compared to the same period last year. Both figures have been well supported by Offshore, in line with the repositioning strategy towards the offshore wind sector. EBITDA and EBITDA margin roughly doubled, confirming the first quarter positive results and in line with the accelerating trajectory outlined in the new Industrial Plan. Initiatives put in place to improve the operating efficiency and cost governance, continue to contribute positively to margins. Throughout the rest of the year we will carry on with the main ongoing strategic projects, in particular those related to the modernization of our production sites and the launch of new technology driven products.”*

Folgiero concluded: *“The core business has an encouraging outlook, with the cruise sector fully recovered in its long-term growth path, potential new opportunities in defence both in Italy and abroad, and the offshore renewable energy mainstream. We confirm 2023 forecast with full production capacity leading to the consolidation of revenues and margins, at around 5%, in line with the targets”.*

<sup>6</sup> Prepared in accordance with international financial reporting and accounting standards (IAS/IFRS) and unaudited

## FINANCIAL HIGHLIGHTS

| 31.12.2022 | Economic data  |              | 30.06.2023 | 30.06.2022 |
|------------|--|--------------|------------|------------|
| 7,440      | Revenue and income <sup>(1)</sup>                    | Euro/million | 3,669      | 3,510      |
| 221        | EBITDA <sup>(2)</sup>                                | Euro/million | 185        | 90         |
| 3.0%       | EBITDA margin <sup>(*)</sup>                         | %            | 5.0%       | 2.6%       |
| (108)      | Adjusted profit/(loss) for the period <sup>(3)</sup> | Euro/million | 3          | (94)       |
| (324)      | Profit/(loss) for the period                         | Euro/million | (22)       | (234)      |
| (309)      | Group share of profit/(loss) for the period          | Euro/million | (20)       | (230)      |
|            |  |              |            |            |
| 31.12.2022 | Financial data                                       |              | 30.06.2023 | 30.06.2022 |
| 3,118      | Net invested capital                                 | Euro/million | 3,364      | 3,945      |
| 587        | Equity   | Euro/million | 551        | 649        |
| (2,531)    | Net financial position                               | Euro/million | (2,813)    | (3,296)    |
|            |  |              |            |            |
| 31.12.2022 | Other indicators                                     |              | 30.06.2023 | 30.06.2022 |
| 5,328      | Order intake <sup>(**)</sup>                         | Euro/million | 2,134      | 1,524      |
| 34,591     | Order book <sup>(**)</sup>                           | Euro/million | 34,199     | 35,719     |
| 34,326     | Total backlog <sup>(**)(***)</sup>                   | Euro/million | 32,936     | 34,567     |
| 23,826     | -of which backlog <sup>(**)</sup>                    | Euro/million | 22,036     | 24,067     |
| 295        | Capital expenditure                                  | Euro/million | 98         | 108        |
| 20,792     | Employees at the end of the period                   | Number       | 20,874     | 21,062     |
| 88         | Ships in backlog                                     | Number       | 88         | 93         |

(\*) Ratio between EBITDA and revenues and income

(\*\*) Net of eliminations and consolidations

(\*\*\*) Sum of backlog and soft backlog

(1) It should be noted that Revenues and income as at 06.30.22 and as at 12.31.22 excluded pass-through revenues for euro 10 million and euro 42 million respectively; see definition contained in the paragraph Alternative Performance Indicators

(2) Do not include extraordinary or non-recurring income and expenses. See definition contained in the paragraph Alternative Performance Indicators

(3) Operating result before non-recurring income and extraordinary expenses

The percentages contained in this Press Release have been calculated with reference to amounts expressed in thousands of euros

## CONSOLIDATED FINANCIAL AND ECONOMIC RESULTS FOR 1H 2023

| Revenue and income (euro/million)      | 30.06.2023   | 30.06.2022 <sup>(1)</sup> | Delta vs<br>30.06.2023 | Delta % vs<br>30.06.2023 |
|--|--------------|---------------------------|------------------------|--------------------------|
| Shipbuilding                           | 2,972        | 3,035                     | (63)                   | -2.1%                    |
| Offshore and Specialized vessels       | 482          | 376                       | 106                    | 27.9%                    |
| Equipment, Systems, and Infrastructure | 539          | 370                       | 169                    | 45.8%                    |
| Consolidation adjustments              | (324)        | (271)                     | 53                     | 19.6%                    |
| <b>Total</b>                           | <b>3,669</b> | <b>3,510</b>              | <b>159</b>             | <b>4.5%</b>              |

<sup>(1)</sup> 2022 figures have been restated

**Revenue and income** at euro 3,669 million in the first half of 2023, up by 4.5% compared to 1H 2022. Shipbuilding is broadly in line with the same period of 2022. Offshore and Specialized vessels revenues by 27.9% confirming the positive trend which started already in 2022, and in line with the repositioning strategy implemented by the Group towards the offshore wind industry. Revenues also benefit from the production activities of cruise ships' sections in Romanian yards. Equipment, Systems and Infrastructure segment rise by 45.8%, mainly thanks to the Infrastructure business. Eliminations included, Shipbuilding accounts for 74% of the Group's revenues (80% in 1H 2022), Offshore and Specialized vessels for 12% (10% in 1H 2022), Equipment, Systems and Infrastructure for 14% (10% in 1H 2022), eliminations included and after the segments' restatement. Figures are affected by the negative impact of currency conversion of revenues denominated in Norwegian Krone and US dollars generated by foreign subsidiaries (euro 23 million).

As of June 30, 2023, 83% of revenues were generated by foreign customers (88% in 1H 2022).

**EBITDA**, on June 30 2023, amounts to euro 185 million (euro 90 million in 1H 2022), with **EBITDA margin** at 5.0%, significantly improving when compared to 1H 2022 (2.6%). Such results endorse Q1 2023 positive performance while confirming the growth path detailed in the Business Plan. 2022 figures are mainly affected by the lower margins recorded in the Infrastructure business, raw material inflation, along with the write-down of work in progress reflecting the re-assessment of a client credit rating, that already significantly impacted 2022 results.

**EBIT** stands at euro 72 million (negative at euro 21 million in the same period of 2022) with an EBIT margin (EBIT on Revenue and income) at 2.0% (negative at 0.6% in 1H 2022). The improvement is due to higher amortization recorded in 1H 2023 (euro 113 million), in line with 1H 2022, in addition to what mentioned above for the Group EBITDA.

**Finance income and expenses** are negative at euro 74 million (negative at euro 44 million as of June 30, 2022). The deterioration is mainly attributable to the decrease in interest income on financial receivables granted to third parties (euro 9 million) and on clients' deferrals following the cash contribution at maturity and the soaring passive interests, banks' fees and other expenses (euro 35 million), mostly due to increased interest rates, net of financial coverage. These were partially offset by lower financial credits write-down (euro 9 million), recorded as for IFRS 9 accounting standards, led by lower financial exposure and by lower expenses from derivative instruments linked to the hedging of contracts in foreign currency and reported in cash flow hedge (euro 7 million).

**Income and expenses on Investments** are flat as of June 30, 2023 (negative for euro 7 million as at June 30, 2022) as a result of profits (euro 3 million) offsetting losses (euro 3 million) by subsidiaries and joint ventures.

**Adjusted Net Income for the period** is positive at euro 3 million as of June 30, 2023 (negative at euro 94 million in 1H 2022).

**Extraordinary and non-recurring income and expenses** are negative at euro 33 million (negative euro 156 million on June 30, 2022) and are related to asbestos-related litigation costs. As of June 30, 2022, figures included euro 29 million asbestos-related litigation costs, write-down of intangible assets for euro 107 million and other non-recurring expenses for euro 20 million.

**Net loss for the period** stands at euro 22 million (negative for 234 million in 1H 2022), for the abovementioned impacts, of which 20 million are allocated to the Group share of the result (negative for euro 230 million in 1H 2022).

**Net invested capital** as of June 30, 2023, amounted to euro 3,364 million (euro 3,118 million as of December 31, 2022). Specifically, **Net fixed capital** at euro 2,472 million as of June 30, 2023, decreased by euro 27 million when compared to December 31, 2022 (euro 2,499 million). The most significant charges include the net decline in intangible assets and Property, Plant and Equipment for euro 30 million, whereas the investments (euro 98 million) were more than offset by the depreciation (euro 103 million) and by the negative impact of the translation of foreign subsidiaries financial statements (euro 27 million).

**Net working capital** is positive for euro 891 million (positive for euro 618 million as of December 31, 2022). The increase of euro 273 million is related to the increase of Construction contracts and client advances (euro 304 million), attributable to production volumes generated in the period, mainly due to the 4 cruise ships deliveries expected in the second half of the year, including one already delivered in July.

**The consolidated net financial position<sup>7</sup>** is negative at euro 2,813 million (negative at euro 2,531 million as of December 31, 2022). The increase is mostly attributable to the working capital dynamics in the cruise business, with four ships to be delivered in the second half of the year, including one already delivered in July, and to the capital expenditures of the period. The liquidity absorption caused by cruise ships construction has been only partially offset by the delivery of two cruise ships in the first six months of 2023. Net financial position is still affected by the strategy of the deferrals granted to clients after the COVID-19 pandemic outbreak. On June 30, 2023, the Group non-current financial receivables granted to its clients for euro 92 million.

Net financial position does not include reverse factoring trade payables, amounting at euro 719 million as of June 30, 2023 (euro 622 million as of December 31, 2022), that represent the value of suppliers' invoices to commercial banks, formally recognized as liquid and collectable by the Group, granting additional deferrals to the contractual payment terms. The mentioned deferrals are agreed between the Group and suppliers. For further information, please refer to paragraph 8.1 – Reverse Factoring operations, included in FY 2022 Annual Report – Note 3.

The **ROI and ROE 1H 2023 income indicators** are respectively 2.2% and -3.9%. The changes in ROI and ROE reflect the improvement in the operating income and in the net result on June 30, 2023, while the Net Invested Capital and Shareholders' Equity are consistent with the same period of the previous year.

<sup>7</sup> Please, refer to the definition in the paragraph Alternative Performance Indicators

The capital structure indicators of strength and with efficiency, compared to the previous semester show an increase in both the Total financial debt and the Net Financial Position, with a significant higher EBITDA than the one registered in 1H 2022, due to overmentioned reasons.

## GROUP OPERATIONAL RESULTS AND PERFORMANCE INDICATORS FOR 1H 2023

### Order intake, Backlog and Deliveries

In the first half of 2023, **the Group recorded euro 2,134 million in new orders**, compared with euro 1,524 million in the same period of 2022, with a book-to-bill ratio (new orders/revenues) of 0.6 (0.4 as of June 30, 2022). Commercial opportunities are constantly increasing throughout all businesses.

| 31.12.2022 <sup>(1)</sup> Order intake (euro/million) |            | 30.06.2023   |            | 30.06.2022 <sup>(1)</sup> |            |
|---|------------|--------------|------------|---------------------------|------------|
| Amount  | %          | Amount       | %          | Amount                    | %          |
| 3,004   | 56         | 454          | 21         | 244                       | 16         |
| 2,324   | 44         | 1,680        | 79         | 1,280                     | 84         |
| <b>5,328</b>  | <b>100</b> | <b>2,134</b> | <b>100</b> | <b>1,524</b>              | <b>100</b> |
| 3,765   | 71         | 1,106        | 52         | 835                       | 55         |
| 837   | 16         | 817          | 38         | 445                       | 29         |
| 926   | 17         | 382          | 18         | 385                       | 25         |
| (199)   | (4)        | (171)        | (8)        | (141)                     | (9)        |
| <b>5,328</b>  | <b>100</b> | <b>2,134</b> | <b>100</b> | <b>1,524</b>              | <b>100</b> |

<sup>(1)</sup> The comparative data were restated following the redefinition of the operational segments

The **Group's total backlog** reached euro 32.9 billion as of June 30, 2023, including euro 22.0 billion of backlog (euro 24.1 billion as of June 30, 2022) and euro 10.9 billion of soft backlog (euro 10.5 billion as of June 30, 2022) with portfolio visibility up to 2029.

Backlog and total backlog guarantee respectively about 3.0 and 4.4 years of work in relation to 2022 revenues.

The table below shows the allocation per segments:

| 31.12.2022 <sup>(1)</sup> Total Backlog (euro/million) |            | 30.06.2023    |            | 30.06.2022 <sup>(1)</sup> |            |
|--|------------|---------------|------------|---------------------------|------------|
| Amounts  | %          | Amounts       | %          | Amounts                   | %          |
| 17,658   | 74         | 15,569        | 71         | 17,611                    | 73         |
| 6,168  | 26         | 6,467         | 29         | 6,456                     | 27         |
| <b>23,826</b>  | <b>100</b> | <b>22,036</b> | <b>100</b> | <b>24,067</b>             | <b>100</b> |
| 20,425   | 86         | 18,589        | 84         | 20,908                    | 87         |
| 1,160  | 5          | 1,408         | 7          | 1,152                     | 5          |
| 2,535  | 11         | 2,425         | 11         | 2,408                     | 10         |
| (294)  | (2)        | (386)         | (2)        | (401)                     | (2)        |
| <b>23,826</b>  | <b>100</b> | <b>22,036</b> | <b>100</b> | <b>24,067</b>             | <b>100</b> |
| <b>10,500</b>  | <b>100</b> | <b>10,900</b> | <b>100</b> | <b>10,500</b>             | <b>100</b> |



|               |            |                      |               |            |               |            |
|---------------|------------|----------------------|---------------|------------|---------------|------------|
| <b>34,326</b> | <b>100</b> | <b>Total backlog</b> | <b>32,936</b> | <b>100</b> | <b>34,567</b> | <b>100</b> |
|---------------|------------|----------------------|---------------|------------|---------------|------------|

<sup>(1)</sup> The comparative data were restated following the redefinition of the operational segments

<sup>(\*)</sup> Soft backlog stands for the value of existing contract options and letters of intent as well as of contracts at an advanced stage of negotiation, none of which yet reflected in the order backlog

The table below shows the number of vessels delivered, ordered and currently in the order book:

| <b>31.12.2022</b> | <b>Deliveries, Order intake and Order book (number of vessels)</b> | <b>30.06.2023</b> | <b>30.06.2022</b> |
|-------------------|--|-------------------|-------------------|
| 19                | Vessels delivered  | 11                | 8                 |
| 17                | Vessels ordered  | 11                | 10                |
| 88                | Vessels in order book  | 88                | 93                |

## Capital Expenditure

Capital Expenditures in the first six months of 2023 stand at euro 98 million, down by 9% compared to the same period of the previous year. Investments over revenues ratio is equal to 2.7% in the first six months of 2023 compared to 3.1% in 1H 2022. Capital Expenditures represent 87% of amortization at euro 113 million (97% as of 30 June 2022).

The strengthening of its assets and the continuous improvement of technological standards are an essential prerequisite for Fincantieri's sustainable growth strategy. The constant improvement of product quality and cost optimization are fundamental conditions for the growth of the Group.

Between 2020 and 2022, investment for about euro 960 million have been directed towards production sites, both in Italy and abroad, in order to i) adjust shipyards facilities to sustain sizeable backlog acquired in recent years, ii) optimize production efficiency, iii) further strengthen the Group's positioning in the shipbuilding industry, cruise, naval and offshore.

In 2023, the main strategic macro-projects will continue to be implemented, such as the upgrade of the Marghera and Riva Trigoso shipyards, the increase in the efficiency of the Marinette Marine and Bay Shipbuilding facilities, the expansion of the Vung Tau shipyard in Vietnam. These projects would entail a volume of investments, at a lower level when compared to previous years, but still important. In the upcoming years, as per the projections of the Business Plan, there will be instead a gradual stabilization of the level of investments, focused mainly on the maintenance of the plants while constantly monitoring the safety of the production sites.

Finally, it should be noted that the initiatives in progress, aimed at increasing efficiency, keep on contributing to improve contracts margins, offsetting potential external factors, such as, for instance, the recent increase of energy and raw material prices due to the changed macroeconomic context.

## Headcounts

The workforce went from 20,792 units as of 31 December 2022 (of which 10,905 in Italy) to 20,874 units as of June 30, 2023, of which 11,002 in Italy. The increase is registered mainly in Italy (+1%), due to the hirings carried out by the Parent Company in the half year.

## Deliveries

The following table shows 1H 2023 deliveries and those scheduled each year, analyzed by the main business units.

| (number)                                | As of<br>30.06.2023 | 2023 <sup>(*)</sup> | 2024      | 2025      | 2026      | 2027     | Beyond<br>2027 | Total <sup>(**)</sup> |
|---|---------------------|---------------------|-----------|-----------|-----------|----------|----------------|-----------------------|
| <i>Cruise</i>                           | 2                   | 4                   | 5         | 5         | 4         | 3        | 3              | 24                    |
| <i>Naval</i>                            | 2                   | 3                   | 8         | 9         | 4         | 4        | 3              | 31                    |
| <i>Offshore and Specialized vessels</i> | 7                   | 9                   | 8         | 14        | 2         | -        | -              | 33                    |
| <b>Total</b>                            | <b>11</b>           | <b>16</b>           | <b>21</b> | <b>28</b> | <b>10</b> | <b>7</b> | <b>6</b>       | <b>88</b>             |

<sup>(\*)</sup> The figures do not include vessels delivered on June 30, 2023

<sup>(\*\*)</sup> Number of vessels in order book for the main business areas as of 30.06.2023

## Business outlook

In **Cruise**, the occupancy rates (at 100%) and the level of bookings, higher than the pre-pandemic figures, confirm the positive signs of comeback of the sector after the pandemic, already recorded at the end of 2022, and the resumption of the long-term growth path. These dynamics are driving the raising interest for higher technological and greener products.

The geopolitical evolution of the Russian-Ukrainian conflict supports the upward revision of **defense** budgets, also on the navy procurement, opening up new potential opportunities for Fincantieri.

Regarding the **Offshore** market, the current scenario and the increasingly higher attention towards wind renewable energy are pushing the robust investment plan of the sector, supporting the expansion of the fleet of vessels for support and maintenance operations.

The Group continues with operational risk management, with a continuous focus on ensuring the availability of resources and materials needed for the production programs, fostering the full capacity at the shipyards, while pursuing the operating excellence of the backlog execution.

In the first half of 2023, Fincantieri launched the higher-priority **strategic initiatives** to pursue the 2023-27 Business Plan targets and evolve the operational system and business model in order to support the competitiveness and the long-term value creation. Actions will continue in the second half of the year to further increase **operational efficiency, modernize shipyards and contain procurement costs of materials and services, as well as production costs**. Furthermore, the Group will be committed to follow thoroughly the trajectories set by the sustainability targets, along with the energy and digital transition with a wider range of products and services offered.

Net of further deterioration of the geopolitical and macroeconomic instability and potential operational and financial impacts, Fincantieri confirms, for 2023, operations in full swing and **the consolidation of revenues and margins** foreseen at around **5%**.

2023 **Net Financial Position** is expected to be substantially **in line with 2022 year-end** and entails a cash absorption by some offshore projects and by some deliveries in the Infrastructure business expected at the beginning of 2024, on top of the cruise dynamics, in the second part of the year.

## OPERATIONAL REVIEW BY SEGMENT

### Shipbuilding

Please note that, following the restatement of Services and Accommodation business areas (renamed “Ship Interiors”) from Equipment, Systems and Services (renamed “Equipment, Systems and Infrastructure”) to Shipbuilding occurred in the first half of 2023, data as of June 30, 2022 and December 31, 2022 were restated, as per below. In addition, the activities carried out at the Group's Romanian shipyards, previously included in Shipbuilding, starting from 2023 have been reallocated to Offshore and Specialized vessels, due to the termination of Vard Cruise operations.

| 31.12.2022<br>reported | 31.12.2022<br>restated | (euro/million)                        | 30.06.2023 | 30.06.2022<br>restated | 30.06.2022<br>reported |
|------------------------|------------------------|---------------------------------------|------------|------------------------|------------------------|
| 5,911                  | 6,373                  | Revenue and income <sup>(*) (1)</sup> | 2,972      | 3,035                  | 2,812                  |
| 272                    | 340                    | EBITDA <sup>(*) (2)</sup>             | 181        | 192                    | 168                    |
| 4.6%                   | 5.3%                   | EBITDA margin <sup>(*) (**) (1)</sup> | 6.1%       | 6.3%                   | 6.0%                   |
| 3,398                  | 3,765                  | Order intake <sup>(*)</sup>           | 1,106      | 835                    | 691                    |
| 28,159                 | 29,338                 | Order book <sup>(*)</sup>             | 28,635     | 30,661                 | 29,517                 |
| 19,678                 | 20,425                 | Backlog <sup>(*)</sup>                | 18,589     | 20,908                 | 20,223                 |
| 218                    | 230                    | Capital expenditure                   | 71         | 94                     | 77                     |
| 14                     | 14                     | Vessels delivered (number)            | 4          | 5                      | 5                      |

(\*) Gross of eliminations between operating segments

(\*\*) Ratio between EBITDA and revenues and income from the sector

(1) It should be noted that Revenues and income as at 06/30/22 and as at 12/31/22 excluded pass-through revenues for euro 10 million and euro 42 million respectively; please refer to the paragraph Alternative Performance Indicators

(2) This figure does not include extraordinary and non recurring income and expenses. See definition contained in the paragraph Alternative Performance Indicators

### Revenue and income

Shipbuilding revenues as of June 30, 2023 amounts at euro 2,972 million, down by 2.1% compared to the same period of 2022. Revenues for the period refer for euro 1,970 million to the cruise ship business area (euro 1,952 million as of June 30, 2022) up by 1.0%, to the naval vessels business area for euro 972 million (euro 1,050 million as of June 30, 2022) down by 7.4% and to the Ship Interiors business area for euro 30 million, in line with 1H 2022. Cruise and Naval account respectively for 49% and 24% of the Group revenues (51% and 28% as of June 30, 2022).

**Cruise** revenues in the first half of 2023 reflect the consolidation of the production volumes of the Group's Italian shipyards, which compensate the lower volumes in Vard Cruise. **Naval** lower revenues are mainly due to the production activities in Italy, for the Italian Navy and the Qatari Ministry of Defence. Furthermore, the US shipyards remain engaged in the development of the Constellation (FFG-62) programs, Foreign Military Sales between the United States and Saudi Arabia for the supply of four Multi-Mission Surface Combatants and Littoral Combat Ships (LCS).

### EBITDA

Shipbuilding EBITDA, as of June 30, 2023, amounts to euro 181 million (euro 192 million on June 30, 2022) with an EBITDA margin of 6.1%, decreasing compared to 1H 2022, while increasing compared to December

31, 2022. 1H 2023 margin was still affected by the impacts occurred in the second half of 2022, largely due to the geopolitical context fueled by the Russian-Ukrainian conflict, with a consequent further increase in raw materials prices (in particular steel and energy), interest rates and inflation, also affecting the US labor market and supply chain. Margins were also impacted by lower production volumes in the naval business area (taking Shipbuilding from 35% on June 30, 2022 to 33% as of June 30, 2023).

### Deliveries

Ships delivered are:

- "Viking Saturn", the tenth unit of the cruise class for Viking, from Ancona shipyard;
- "Oceania Vista", the first of two new generation cruise ships for the company Oceania Cruises, from Sestri Ponente shipyard (Genoa);
- "USS Marinette" as part of the Littoral Combat Ship program, commissioned by the US Navy, from Marinette shipyard (Wisconsin);
- "Semaisma", the fourth and last corvette, for the Ministry of Defense of Qatar, from Muggiano shipyard (La Spezia).

### Offshore and Specialized vessels

Please note that the activities carried out at the Group's Romanian shipyards, previously included in Shipbuilding, starting from 2023 have been reallocated to Offshore and Specialized vessels, due to the termination of Vard Cruise operations.

| 31.12.2022 (euro/million)                          | 30.06.2023 | 30.06.2022 |
|--|------------|------------|
| 751 Revenue and income <sup>(*)</sup>              | 482        | 376        |
| 22 EBITDA <sup>(*)</sup> <sup>(**)</sup>           | 19         | 9          |
| 2.9% EBITDA margin <sup>(*)</sup> <sup>(***)</sup> | 4.0%       | 2.5%       |
| 837 Order intake <sup>(*)</sup>                    | 817        | 445        |
| 2,002 Order book <sup>(*)</sup>                    | 2,484      | 1,952      |
| 1,160 Backlog <sup>(*)</sup>                       | 1,408      | 1,152      |
| 19 Capital expenditure                             | 5          | 1          |
| 5 Vessels delivered (number)                       | 7          | 3          |

<sup>(\*)</sup> Before adjustments between operating segments

<sup>(\*\*)</sup> This figure does not include extraordinary and non-recurring income and expenses. Please, refer to the paragraph Alternative Performance Measures

<sup>(\*\*\*)</sup> Ratio between operating segment EBITDA and Revenue and income

### Revenue and income

Offshore and Specialized vessels segment revenues in the first half 2023 stand at euro 482 million, outlining a sharp increase (+27.9% compared to the same period of the previous year). This entails the contribution of the production activities carried out in the Romanian shipyards, which since the first half of 2023 is part of this segment. The first half 2023 was impacted by the negative effect (euro 28 million) of the EUR/NOK exchange

rate. Net of these factors, such revenues trend highlights the progresses made on three vessels for the Norwegian Coast Guard, the first delivered in March, and the full-scale production of vessels ordered in the offshore wind sector and the four deliveries recorded in the half year.

## EBITDA

EBITDA for the segment as of June 30, 2023 amounts to euro 19 million (euro 9 million at June 30, 2022), with an EBITDA margin of 4.0% (2.5% at June 30, 2022), in line with the Business Plan trajectory that encompasses a higher margin for Offshore and Specialized vessels, driven by the increase in demand in the offshore wind, where Vard stand as a leading player.

## Deliveries

During the period the following were delivered:

- “Jan Mayen”, the first unit for the Norwegian Coast Guard at the Langsten shipyard (Norway);
- four SOVs, of which two for North Star Renewables at the Vung Tau shipyard (Vietnam) and the remaining two units for Rem Wind AS and Norwind Offshore AS at the Søviknes and Brattvåg shipyards (Norway);
- the third Marine Robotic unit for the Ocean Infinity Group Limited company at the Vung Tau shipyard (Vietnam);
- one Fishery unit for the company Luntos Co. Ltd at the Vung Tau shipyard (Vietnam).

## Equipment, Systems and Infrastructure

Please note that, following the reallocation of the activities of the Service and Accomodation business areas (renamed "Ship Interiors") from the Equipment, Systems and Services sector (renamed "Systems, Components and Infrastructures") to the Shipbuilding sector, which took place starting from 2023, comparison data as of June 30, 2022 and December 31, 2022 were, appropriately reclassified, shown below as restated values.

| 31.12.2022<br>reported     | 31.12.2022<br>restated | (euro/million)                    | 30.06.2023 | 30.06.2022<br>restated | 30.06.2022<br>reported |
|----------------------------|------------------------|-----------------------------------|------------|------------------------|------------------------|
| <i>Sector</i>              |                        |                                   |            |                        |                        |
| 1,659                      | 916                    | Revenue and income <sup>(*)</sup> | 539        | 370                    | 729                    |
| (28)                       | (96)                   | EBITDA <sup>(1) (*)</sup>         | 7          | (90)                   | (66)                   |
| -1.7%                      | -10.5%                 | EBITDA margin <sup>(*) (**)</sup> | 1.2%       | -24.3%                 | -9.1%                  |
| 1,509                      | 926                    | Order intake <sup>(*)</sup>       | 382        | 385                    | 704                    |
| 5,905                      | 4,134                  | Order book <sup>(*)</sup>         | 4,125      | 4,160                  | 6,039                  |
| 3,826                      | 2,535                  | Backlog <sup>(*)</sup>            | 2,425      | 2,408                  | 3,705                  |
| 46                         | 28                     | Capital expenditure               | 13         | 9                      | 19                     |
| <i>Electronics Cluster</i> |                        |                                   |            |                        |                        |

|                               |        |                                   |       |         |         |
|-------------------------------|--------|-----------------------------------|-------|---------|---------|
| 199                           | 199    | Revenue and income <sup>(*)</sup> | 78    | 71      | 71      |
| 87                            | 87     | towards other Group businesses    | 26    | 33      | 33      |
| (12)                          | (12)   | EBITDA <sup>(1) (*)</sup>         | 1     | 2       | 2       |
| -5.9%                         | -5.9%  | EBITDA margin <sup>(*) (**)</sup> | 1.8%  | 2.8%    | 2.8%    |
| 215                           | 215    | Order intake <sup>(*)</sup>       | 53    | 136     | 136     |
| 573                           | 573    | Order book <sup>(*)</sup>         | 385   | 585     | 585     |
| 329                           | 329    | Backlog <sup>(*)</sup>            | 227   | 286     | 286     |
| 10                            | 10     | Capital expenditure               | 2     | 3       | 3       |
| <i>Mechatronics Cluster</i>   |        |                                   |       |         |         |
| 447                           | 447    | Revenue and income <sup>(*)</sup> | 212   | 223     | 223     |
| 317                           | 317    | towards other Group businesses    | 148   | 157     | 157     |
| 41                            | 41     | EBITDA <sup>(1) (*)</sup>         | 16    | 18      | 18      |
| 9.2%                          | 9.2%   | EBITDA margin <sup>(*) (**)</sup> | 7.3%  | 8.0%    | 8.0%    |
| 220                           | 220    | Order intake <sup>(*)</sup>       | 148   | 149     | 149     |
| 727                           | 727    | Order book <sup>(*)</sup>         | 821   | 818     | 818     |
| 246                           | 246    | Backlog <sup>(*)</sup>            | 261   | 332     | 332     |
| 15                            | 15     | Capital expenditure               | 9     | 5       | 5       |
| <i>Infrastructure Cluster</i> |        |                                   |       |         |         |
| 262                           | 262    | Revenue and income <sup>(*)</sup> | 250   | 72      | 72      |
| 30                            | 30     | towards other Group businesses    | 7     | 7       | 7       |
| (126)                         | (126)  | EBITDA <sup>(1) (*)</sup>         | (10)  | (110)   | (110)   |
| -47.9%                        | -47.9% | EBITDA margin <sup>(*) (**)</sup> | -4.0% | -152.6% | -152.6% |
| 492                           | 492    | Order intake <sup>(*)</sup>       | 181   | 101     | 101     |
| 2,836                         | 2,836  | Order book <sup>(*)</sup>         | 2,920 | 2,751   | 2,751   |
| 2,004                         | 2,004  | Backlog <sup>(*)</sup>            | 1,937 | 1,747   | 1,747   |
| 3                             | 3      | Capital expenditure               | 2     | 1       | 1       |

(\*) Gross of eliminations between operating segments

(\*\*) Ratio between EBITDA and revenues and income from the sector

(1) This figure does not include extraordinary and non-recurring income and expenses. Please, refer to the paragraph Alternative Performance Measure

## Revenue and income

Revenues from Equipment, Systems and Infrastructure amount to euro 539 million, up by 45.8% compared to the first half of 2022. Revenues for the period account for euro 78 million to Electronics, up by 9.8% compared to June 30, 2022 (euro 71 million), and for euro 212 million to Mechatronics, down 5.1% compared to the same period of 2022 (euro 223 million), due to the negative effect of EUR/NOK exchange rate. Infrastructure contributes euro 250 million, more than three times 1H 2022 revenues (euro 72 million).

## EBITDA

Segment EBITDA as of June 30, 2023 was positive for euro 7 million (negative for euro 90 million on June 30, 2022) with a positive EBITDA margin of 1.2% (negative for 24.3% on June 30, 2022). These results were affected by the lower impact of Infrastructure margin, with a loss of euro 10 million (vs. a loss of euro 110 million 1H 2022), while Electronics and Mechatronics registered a positive margin of 1.8% and 7.3% respectively, in line with 2022.

### Other activities

Other activities primarily refer to the costs incurred by corporate headquarters for directing, controlling and coordinating the business that are not allocated to other segments.

| 31.12.2022 |                       | 30.06.2023 | 30.06.2022 |
|------------|-----------------------|------------|------------|
|            | (euro/million)        |            |            |
| 2          | Revenue and Income    | 2          | 1          |
| (45)       | EBITDA <sup>(1)</sup> | (22)       | (21)       |
| n.a.       | EBITDA margin         | n.a.       | n.a.       |
| 12         | Capital expenditure   | 9          | 11         |

n.a. not applicable

(1) Please, refer to the paragraph Alternative Performance Measures

### Other information

#### Other significant events of the period

On February 13, 2023, within the framework of teaming up with the local industrial ecosystem and strengthening the collaboration between Italy and Greece, Fincantieri and Leonardo have signed a further memorandum of understanding (MoU) with potential new Greek suppliers, setting the basis for defining possible long term business relationships.

On February 22, 2023, Abu Dhabi Ship Building (ADSB), an EDGE subsidiary, a leader in the design, new build, repair, maintenance, refit and conversion of naval and commercial vessels, and Fincantieri signed a cooperation agreement at the International Defence Exhibition and Conference (IDEX 2023), one of the most important international exhibitions in the defence field. Under the terms of the agreement, EDGE and Fincantieri will join forces in the design, construction and fleet management for military and commercial vessels, as well as create new business opportunities in the local and international markets with value-added advanced technology solutions.

On May 9, 2023, during DEFEA 2023, the Defence exhibition currently ongoing in Athens, Fincantieri and ONEX Shipyards & Technologies Group have presented their common strategy if the Italian Group, as prime contractor, will be awarded the program of the Hellenic Navy corvettes pursued by the Hellenic Ministry of National Defence.

On May 18, 2023, Fincantieri has announced the beginning of a new chapter of his story, renewing the communication of the brand. The Group has in fact launched an ambitious communication project, with a new and evolved equity story at the center of the project, summarized by the new claim "Future on Board", inspired by the pillars contained in the industrial plan 2023-2027: the progressive expansion of distinctive skills towards



the zero-emissions digital ship, in addition to strengthening the high added value shipbuilding business in the cruise sector, defence and offshore.

On May 31, 2023, the construction of the third new generation submarine related to the U212NFS (Near Future Submarine) program for the Italian Navy and assigned to Fincantieri has received parliamentary approval and will now follow the standard administrative procedure.

On June 1, 2023, during CANSEC 2023, the most important Canadian exhibition in the Defence sector, Fincantieri and its subsidiary Vard signed a Memorandum of Understanding with Heddle Shipyards, Thales Canada and SH Defence, to establish the collaboration that will propose the Vigilance Class Offshore Patrol Vessel as part of the Government of Canada's forthcoming naval acquisition strategy to replace the Kingstone class maritime coastal vessels.

On the same day, Fincantieri has established a scholarship in memory of the former Chief Executive Officer Mr. Bono, intended for the children of Group employees who obtained their high school diploma in the 2022-2023 school year, and who will demonstrate their desire to enrol in a university faculty of naval, mechanical, electronic and IT engineering for the 2023-2024 academic year.

On June 12, 2023, as part of the governmental and industrial cooperation program between Italy and Germany on the U-212A class of submarines, Fincantieri signed a contract with the Directorate of Naval Armaments of the Secretariat General of Defence/National Armaments Directorate for on-demand servicing of German Navy submarines.

On June 20, 2023, Fincantieri in order to promote and improving the well-being of workers, giving ever greater centrality to people, in line with the contract of 27 October 2022 regarding health and integrated healthcare assistance, have subscribed with FIM, FIOM, UILM National and Executive of the National integrated healthcare assistance, an agreement that intends to offer to the institution insurance for workers to cover specific events, i) permanent disability following illness, ii) permanent disability due to non-professional injuries, iii) risk of non-self-sufficiency (long term care).

On June 28, 2023, Comau and Fincantieri presented the first result of their joint collaboration at Automatica: MR4Weld (Mobile Robot for Weld) mobile robot, an innovative outdoor automation solution to improve quality, performance and well-being during labor-intensive welding activities.

#### **Key events after the reporting period ended 30.06.2023**

On July 19, 2023, Orizzonte Sistemi Navali, the joint venture owned by Fincantieri and Leonardo with a 51% and 49% stake respectively, signed the Framework Agreement for maintenance in operational conditions with the Directorate of Naval Armaments of the General Secretariat of Defense for the aircraft carrier Cavour and the Orizzonte-class destroyers Andrea Doria and Caio Duilio of the Italian Navy.

On the same day, Fincantieri signed an important and innovative agreement with the national FIM, FIOM and UILM and the Executive of the National Union Coordination on the new organizational model called "Work FOR Future" and, as the first important objective in this area, on the application of the smart working tool. The agreement continues in the vein of highly participatory industrial relations that has characterized the last period and is aimed at further improving the work-life balance, well-being and the centrality of people. Smart working will be made an integral part of the new organizational model, which is based on work by objectives and result orientation through the monitoring of specific KPIs (Key Performance Indicators).



On July 20, 2023, Explora I was delivered at the Monfalcone shipyard. The ship, the first of four, marks the official launch of Explora Journeys, the new luxury travel brand of the MSC group. All units will be equipped with the latest environmental and marine technologies, including Selective Catalytic Reduction technology, connectivity to the shore power grid, underwater noise management systems to protect marine life and a wide range of energy efficient equipment on board to optimize engine use and further reduce emissions.

On July 21, 2023, OCCAR exercised the option for the construction of the third new generation submarine relating to the U212NFS program of the Italian Navy assigned to Fincantieri.

On July 25, 2023, newcleo, the clean and safe nuclear technology company developing innovative Generation IV reactors using nuclear waste as fuel, announced today that it has signed an agreement with Fincantieri, one of the largest shipbuilding companies in the world, and RINA, the inspection, certification, ship classification and consulting engineering multinational. The agreement provides studies about nuclear naval propulsion using a closed mini reactor on large vessels, contributing to decarbonisation of shipbuilding industry.

\* \* \*

*The Manager Responsible for Preparing Financial Reports, Felice Bonavolontà, declares, pursuant to paragraph 2 of article 154 bis of Italian Legislative Decree no. 58 dated February 24, 1998, that the information contained in this press release corresponds to the underlying documentary and accounting books and records.*

\* \* \*

*This press release is available to the public at the Company's registered office and on its website [www.fincantieri.com](http://www.fincantieri.com) (under "Investor Relations – Price Sensitive Press Releases" and on the centralized storage of regulated information denominated eMarket STORAGE, available at the website [www.emarketstorage.com](http://www.emarketstorage.com).*

\* \* \*

#### DISCLAIMER

*Forecast data and information must be regarded as forward-looking statements and therefore, not being based on simple historical facts, contain, by their nature, an element of risk and uncertainty because they also depend on the occurrence of future events and developments outside the Company's control. Actual results could therefore be materially different from those expressed in forward-looking statements. Forward-looking statements refer to the information available at the date of their publication; Fincantieri S.p.A. reserves the right to communicate any changes in its forward-looking data and information within the time and in the manner required by law.*

\* \* \*

*The financial results for the first half of 2022 will be presented to the financial community during a conference call scheduled for Thursday July 27, 2023, at 8:45 CEST.*

*To take part in the conference call, it is necessary to choose one of the alternatives below:*

*Access the audio webcast through the following [link](#).*

*Diamond Pass: please [connect](#) to sign in and get your personal access code.*

*Alternatively, please dial-in the following numbers:*

*Italy +39 028020911*

*United Kingdom +44 1212818004*

*United States +1 7187058796*

Browser HD Audio Connection

In case of connection issues, please contact +39 028061371.

The slide presentation will be available in the Investor Relations section of the website [www.fincantieri.com](http://www.fincantieri.com) before the conference call.

\* \* \*

Attachments: Financial statements, not subject to audit by the Independent Audit Firm

\* \* \*

*Fincantieri is one of the world's largest shipbuilding groups, the only one active in all high-tech marine industry sectors. It is leader in the construction and transformation of cruise, naval and oil & gas and wind offshore vessels, as well as in the production of systems and component equipment, after-sales services and marine interiors solutions. Thanks to the expertise developed in the management of complex projects, the Group boasts first-class references in infrastructures, and is a reference player in digital technologies and cybersecurity, electronics and advanced systems.*

*With over 230 years of history and more than 7,000 ships built, Fincantieri maintains its know-how, expertise and management centres in Italy, here employing 10,000 workers and creating around 90,000 jobs, which double worldwide thanks to a production network of 18 shipyards operating in four continents and with almost 21,000 employees.*

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## APPENDIX

Presented below are the reclassified consolidated versions of the income statement, statement of financial position and statement of cash flows, the breakdown of consolidated net financial position and the principal economic and financial indicators used by management to monitor business performance.

### RECLASSIFIED CONSOLIDATED INCOME STATEMENT

| 31.12.2022   | (euro/million)                                     | 30.06.2023   | 30.06.2022   |
|--------------|--|--------------|--------------|
| <b>7,440</b> | <b>Revenue and income <sup>(1)</sup></b>           | <b>3,669</b> | <b>3,510</b> |
| (5,960)      | Materials, services and other costs <sup>(2)</sup> | (2,863)      | (2,802)      |
| (1,186)      | Personnel costs                                    | (607)        | (605)        |
| (73)         | Provisions   | (14)         | (13)         |
| <b>221</b>   | <b>EBITDA <sup>(3)</sup></b>                       | <b>185</b>   | <b>90</b>    |
| <b>3.0%</b>  | <b>EBITDA margin <sup>(1)</sup></b>                | <b>5%</b>    | <b>2.6%</b>  |
| (231)        | Depreciation, amortization and impairment          | (113)        | (111)        |
| <b>(10)</b>  | <b>EBIT <sup>(4)</sup></b>                         | <b>72</b>    | <b>(21)</b>  |
| <b>-0.1%</b> | <b>EBIT margin <sup>(1)</sup></b>                  | <b>2.0%</b>  | <b>-0.6%</b> |
| (80)         | Finance income /(costs)                            | (74)         | (44)         |
| (2)          | Income/(expenses) from investments                 | -            | (7)          |
| (16)         | Income taxes                                       | 5            | (22)         |

|   |             |              |
|---|-------------|--------------|
| <b>(108) Adjusted profit/(loss) for the period <sup>(1)</sup></b>       | <b>3</b>    | <b>(94)</b>  |
| (104) <i>of which attributable to the Group</i>                         | 5           | (94)         |
| (238) Extraordinary or non-recurring income and (expenses)              | (33)        | (156)        |
| (52) - <i>of which costs relating to asbestos litigation</i>            | (33)        | (29)         |
| (164) - <i>of which impairment of intangible assets</i>                 | -           | (107)        |
| (22) - <i>of which other costs linked to non-recurring activities</i>   | -           | (20)         |
| 22 Tax effect of the extraordinary or non-recurring income and expenses | 8           | 16           |
| <b>(324) Profit/(loss) for the period</b>                               | <b>(22)</b> | <b>(234)</b> |
| (309) <i>Of which attributable to the Group</i>                         | (20)        | (230)        |

- (1) It should be noted that Revenues and income as at 06.30.22 and as at 12.31.22 excluded pass-through revenues for euro 10 million and euro 42 million respectively; see definition contained in the paragraph Alternative Performance Indicators
- (2) This figure does not include pass-through costs at 30.06.2022 and at 31.12.2022; see definition contained in the paragraph Alternative Performance Indicators
- (3) This figure does not include extra-ordinary and non-recurring income and expenses; see definition contained in the paragraph Alternative Performance Indicators
- (4) This figure, at 30.06.2023 and at 31.12.2023, did not include impairments of goodwill, intangible assets and Property, plant and equipment recognized as a result of impairment tests or specific considerations on the recoverability of individual assets

## RECLASSIFIED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| 30.06.2022   | (euro/million)   | 30.06.2023   | 31.12.2022   |
|--------------|--|--------------|--------------|
| 565          | Intangible assets  | 471          | 509          |
| 131          | Right of use   | 123          | 127          |
| 1,579        | Property, plant and equipment  | 1,664        | 1,636        |
| 123          | Investments  | 113          | 118          |
| 245          | Other non-current financial assets                                     | 161          | 162          |
| 13           | Other non-current assets and liabilities                               | 13           | 1            |
| (57)         | Employee benefits  | (53)         | (54)         |
| <b>2,599</b> | <b>Net fixed capital</b>   | <b>2,472</b> | <b>2,499</b> |
| 901          | Inventories and advances   | 850          | 864          |
| 1,914        | Construction contracts and client advances                             | 1,973        | 1,669        |
| 1,175        | Trade receivables  | 777          | 770          |
| (2,562)      | Trade payables   | (2,707)      | (2,694)      |
| (123)        | Provisions for risks and charges                                       | (209)        | (191)        |
| 41           | Other current assets and liabilities                                   | 207          | 200          |
| <b>1,346</b> | <b>Net working capital</b>   | <b>891</b>   | <b>618</b>   |
| -            | <b>Net assets/(liabilities) to be sold and discontinued operations</b> | <b>1</b>     | <b>1</b>     |
| <b>3,945</b> | <b>Net invested capital</b>  | <b>3,364</b> | <b>3,118</b> |
| 863          | Share capital  | 863          | 863          |
| (228)        | Reserves and retained earnings attributable to the Group               | (313)        | (277)        |
| 14           | Non-controlling interests in equity                                    | 1            | 1            |
| <b>649</b>   | <b>Equity</b>  | <b>551</b>   | <b>587</b>   |
| <b>3,296</b> | <b>Net financial position</b>  | <b>2,813</b> | <b>2,531</b> |

|       |                    |       |       |
|-------|--------------------|-------|-------|
| 3,945 | Sources of funding | 3,364 | 3,118 |
|-------|--------------------|-------|-------|

## RECLASSIFIED CONSOLIDATED STATEMENT OF CASH FLOWS

| 31.12.2022 | (euro/million)  | 30.06.2023 | 30.06.2022 |
|------------|---|------------|------------|
| (58)       | Net cash flows from operating activities  | (99)       | (882)      |
| (225)      | Net cash flows from investing activities  | (66)       | (178)      |
| (389)      | Net cash flows from financing activities  | (57)       | 528        |
| (672)      | Net cash flows for the period   | (222)      | (532)      |
| 1,236      | Cash and cash equivalents at beginning of period                                | 565        | 1,236      |
| 1          | Effects of currency transaction difference on opening cash and cash equivalents | (10)       | 5          |
| 565        | Cash and cash equivalents at end of period                                      | 333        | 709        |

## CONSOLIDATED NET FINANCIAL POSITION

| 30.06.2022 | (euro/million)                                      | 30.06.2023 | 31.12.2022 |
|------------|---|------------|------------|
| (131)      | Current financial liabilities                       | (282)      | (96)       |
| (156)      | Debt instruments – current portion                  | (88)       | (81)       |
| (660)      | Current portion of bank loans and credit facilities | (895)      | (1,110)    |
| (1,396)    | Construction loans                                  | (850)      | (645)      |
| (2,343)    | Current debt  | (2,115)    | (1,932)    |
| (1,882)    | Non-current financial liabilities                   | (1,164)    | (1,345)    |
| (1,882)    | Non-current debt                                    | (1,164)    | (1,345)    |
| (4,225)    | Total Debt  | (3,279)    | (3,277)    |
| 709        | Cash and cash equivalents                           | 333        | 565        |
| 220        | Other current financial assets                      | 133        | 181        |
| (3,296)    | Net financial position                              | (2,813)    | (2,531)    |

## EXCHANGE RATE

The exchange rate used to translate the financial statements of Group companies with a “functional currency” other than the euro are as follow:

|                         | 30.06.2023 |          | 31.12.2022 |          | 30.06.2022 |          |
|-------------------------|------------|----------|------------|----------|------------|----------|
|                         | Average    | Spot     | Average    | Spot     | Average    | Spot     |
| Norwegian Krone (NOK)   | 11.3195    | 11.7040  | 10.1026    | 10.5138  | 9.9768     | 10.3485  |
| Swedish Krone (SEK)     | 11.3329    | 11.8055  | 10.6296    | 11.1218  | 10.5043    | 10.7300  |
| US Dollar (USD)         | 1.0807     | 1.0866   | 1.0530     | 1.0666   | 1.0934     | 1.0387   |
| Australian Dollar (AUD) | 1.5989     | 1.6398   | 1.5167     | 1.5693   | 1.5084     | 1.5099   |
| Canadian Dollar (CAD)   | 1.4565     | 1.4415   | 1.3695     | 1.4440   | 1.3820     | 1.3425   |
| UAE Dirham (AED)        | 3.9687     | 3.9905   | 3.8673     | 3.9171   | 4.0155     | 3.8146   |
| LEK Albanese (ALL)      | 112.8250   | 106.4900 | 118.9326   | 114.4600 | 121.4355   | 120.5800 |
| Rumanian Leu (RON)      | 4.9342     | 4.9635   | 4.9313     | 4.9495   | 4.9458     | 4.9464   |
| Chilean Pesos (CLP)     | 871.1113   | 872.5900 | 917.8319   | 913.8200 | 900.9193   | 966.7400 |
| Brazilian Real (BRL)    | 5.4827     | 5.2788   | 5.4399     | 5.6386   | 5.4105     | 5.4229   |
| Indian Rupee (INR)      | 88.8443    | 89.2065  | 82.6864    | 88.1710  | 83.1276    | 82.1130  |
| Chinese Yuan (CNY)      | 7.4894     | 7.8983   | 7.0788     | 7.3582   | 7.0595     | 6.9624   |
| Polish Zloty (PLN)      | 4.6244     | 4.4388   | 4.6861     | 4.6808   | 4.6526     | 4.6904   |

## ALTERNATIVE PERFORMANCE MEASURES

Fincantieri's management review the performance of the Group and its business segments also using certain measures not envisaged by the IFRS. In particular, EBITDA, in the configuration monitored by the Group, is used as the main earnings indicator, as it enables the Group's underlying profitability to be assessed, by eliminating the impact of volatility associated with non-recurring items or extraordinary items outside the ordinary course of business (please, refer to the reclassified consolidated income statement); the EBITDA configuration adopted by the Group might not be consistent with the configurations adopted by other companies.

As required by Consob Communication no. 0092543 of December 3, 2015 which implements the ESMA Guidelines on Alternative Performance Measures (document no. ESMA/2015/1415), the components of each of these measures are described below:

- EBITDA: this is equal to earnings before taxes, before finance income and costs, before income and expenses from investments and before depreciation, amortization and impairment, as reported in the financial statements, adjusted to exclude the following items:

- provisions for costs and legal expenses associated with lawsuits brought by employees for asbestos related damages;
  - costs relating to reorganization plans and non-recurring other personnel costs;
  - other expenses or income outside the ordinary course of business.
- EBIT: this is equal to EBITDA after deducting recurring depreciation, amortization and impairment (this excludes impairment of goodwill, intangible assets and property, plant and equipment recognized as a result of impairment tests or specific considerations on the recoverability of individual assets).
  - Profit/(loss) before extraordinary or non-recurring income and expenses: this is equal to profit/(loss) for the period before adjustments for non-recurring items or those outside the ordinary course of business, which are reported before the related tax effect.
  - Net fixed capital: this reports the fixed assets used in the business and includes the following items: Intangible assets, Rights of use, Property, plant and equipment, Investments, non-current Financial assets and Other non-current assets (including the fair value of derivatives classified in non-current assets and liabilities) net of Employee benefits.
  - Net working capital: this is equal to capital employed in ordinary operations, which includes Inventories and advances, Construction contracts and client advances, Trade receivables, Trade payables, Provisions for risks and charges, and Other current assets and liabilities (including Income tax assets, Income tax liabilities, Deferred tax assets and Deferred tax liabilities, as well as the fair value of derivatives classified in current Financial assets).
  - Net invested capital: this is equal to the total of Net fixed capital and Net working capital.
  - The Net financial position monitored by management includes:
    - Net current cash/(debt): cash and cash equivalents, current financial receivables, current financial debt, current portion of medium, long-term loans;
    - Net non-current cash/(debt): non-current financial debt, other non-current financial liabilities.
  - ROI (Return on investment) is calculated as the ratio between EBIT of the period and the arithmetic mean of Net Invested Capital at the beginning and the end of the reporting period.
  - ROE (Return on equity) is calculated as the ratio between Profit/(loss) for the period and the arithmetic mean of Total Equity at the beginning and end of the period.
  - Total debt/Total equity: this is calculated as the ratio between Total debt and Total equity.
  - Net financial position/EBITDA: this is calculated by the Group as the ratio between the Net financial position, as described above, and EBITDA.
  - Net financial position/ Total equity: this is calculated as the ratio between the Net financial position, as described above and Total equity
  - Revenue and income excluding pass-through activities: Revenue and income excluding the portion relating to sale contracts with pass-through activities, whose value is exactly offset by the corresponding cost; pass-through activities are defined as contracts whole value is entirely invoiced by the Group to the final client, but whose construction activities are not managed directly by the Group.

- Provisions: these refer to increases in the Provisions for risks and charges, and impairment of Trade receivables and Other non-current and current assets.

The following tables reconcile the amounts presented in the reclassified statements with those presented in the mandatory IFRS statements.

## CONSOLIDATED INCOME STATEMENT

| (euro/million)  | 30.06.2023                |                                   | 30.06.2022                |                                   |
|---|---------------------------|-----------------------------------|---------------------------|-----------------------------------|
|   | Amounts in IFRS statement | Amounts in reclassified statement | Amounts in IFRS statement | Amounts in reclassified statement |
| <b>A – Revenue</b>  |                           | <b>3,669</b>                      |                           | <b>3,520</b>                      |
| Operating revenue   | 3,597                     |                                   | 3,467                     |                                   |
| Other revenue and income  | 72                        |                                   | 53                        |                                   |
| <b>B – Materials, services and costs</b>                                    |                           | <b>(2,863)</b>                    |                           | <b>(2,812)</b>                    |
| Materials, services and other costs   | (2,865)                   |                                   | (2,815)                   |                                   |
| Recl. To I – Extraordinary or non-recurring income and expenses             | 2                         |                                   | 3                         |                                   |
| <b>C – Personnel costs</b>  |                           | <b>(607)</b>                      |                           | <b>(605)</b>                      |
| Personnel costs   | (607)                     |                                   | (605)                     |                                   |
| <b>D – Provisions</b>   |                           | <b>(14)</b>                       |                           | <b>(13)</b>                       |
| Provisions  | (45)                      |                                   | (59)                      |                                   |
| Recl. To I – Extraordinary or non-recurring income and expenses             | 31                        |                                   | 46                        |                                   |
| <b>E – Depreciation, amortization and impairment</b>                        |                           | <b>(113)</b>                      |                           | <b>(111)</b>                      |
| Depreciation, amortization and impairment                                   | (113)                     |                                   | (218)                     |                                   |
| Recl. To I – Extraordinary or non-recurring income and expenses             | -                         |                                   | 107                       |                                   |
| <b>F – Finance income/(costs)</b>   |                           | <b>(74)</b>                       |                           | <b>(44)</b>                       |
| Finance income/(costs)  | (74)                      |                                   | (44)                      |                                   |
| <b>G – Income/(expenses) from investments</b>                               |                           | <b>-</b>                          |                           | <b>(7)</b>                        |
| Income/(expenses) from investments  | -                         |                                   | (7)                       |                                   |
| <b>H – Income taxes</b>   |                           | <b>5</b>                          |                           | <b>(22)</b>                       |
| Income taxes  | 13                        |                                   | (6)                       |                                   |
| Recl. L – Tax effect of extraordinary or non-recurring income and expenses  | (8)                       |                                   | (16)                      |                                   |
| <b>I – Extraordinary or non-recurring income and expenses</b>               |                           | <b>(33)</b>                       |                           | <b>(156)</b>                      |
| Recl. from B – Materials, services and other costs                          | (2)                       |                                   | (3)                       |                                   |
| Recl. from C – Personnel costs  | -                         |                                   | -                         |                                   |
| Recl. from D – Provisions   | (31)                      |                                   | (46)                      |                                   |
| Recl. from E – Depreciation, amortization and impairment                    | -                         |                                   | (107)                     |                                   |
| <b>L – Tax effect of extraordinary or non-recurring income and expenses</b> |                           | <b>8</b>                          |                           | <b>16</b>                         |
| Recl. from H – Income taxes   | 8                         |                                   | 16                        |                                   |
| <b>Profit/(loss) for the period</b>   |                           | <b>(22)</b>                       |                           | <b>(234)</b>                      |



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| (euro/million)   | 30.06.2023                |                                   | 31.12.2022                |                                   |
|--|---------------------------|-----------------------------------|---------------------------|-----------------------------------|
|  | Amounts in IFRS statement | Amounts in reclassified statement | Amounts in IFRS statement | Amounts in reclassified statement |
| <b>A) Intangible assets</b>                              |                           | <b>471</b>                        |                           | <b>565</b>                        |
| Intangible assets  | 471                       |                                   | 565                       |                                   |
| <b>B) Rights of use</b>                                  |                           | <b>123</b>                        |                           | <b>131</b>                        |
| Rights of use  | 123                       |                                   | 131                       |                                   |
| <b>C) Property, plant and equipment</b>                  |                           | <b>1,644</b>                      |                           | <b>1,579</b>                      |
| Property, plant and equipment                            | 1,644                     |                                   | 1,579                     |                                   |
| <b>D) Investments</b>                                    |                           | <b>113</b>                        |                           | <b>123</b>                        |
| Investments  | 113                       |                                   | 123                       |                                   |
| <b>E) Non-current Financial assets</b>                   |                           | <b>161</b>                        |                           | <b>245</b>                        |
| Non-current Financial assets                             | 173                       |                                   | 256                       |                                   |
| Recl. to F – Derivative assets                           | (12)                      |                                   | (11)                      |                                   |
| <b>F) Other non-current assets and liabilities</b>       |                           | <b>13</b>                         |                           | <b>13</b>                         |
| Other non-current assets                                 | 66                        |                                   | 62                        |                                   |
| Recl. from E – Derivative assets                         | 12                        |                                   | 11                        |                                   |
| <b>Other liabilities</b>                                 | <b>(65)</b>               |                                   | <b>(60)</b>               |                                   |
| <b>G) Employee benefits</b>                              |                           | <b>(53)</b>                       |                           | <b>(57)</b>                       |
| Employee benefits  | (53)                      |                                   | (57)                      |                                   |
| <b>H) Inventories and advances</b>                       |                           | <b>850</b>                        |                           | <b>901</b>                        |
| Inventories and advances                                 | 850                       |                                   | 901                       |                                   |
| <b>I) Construction contracts and client advances</b>     |                           | <b>1,973</b>                      |                           | <b>1,914</b>                      |
| Construction contracts – assets                          | 3,448                     |                                   | 3,496                     |                                   |
| Construction contracts – liabilities and client advances | (1,236)                   |                                   | (1,381)                   |                                   |
| Onerous Contracts Provision                              | (239)                     |                                   | (201)                     |                                   |
| <b>L) Trade receivables</b>                              |                           | <b>777</b>                        |                           | <b>1,175</b>                      |
| Trade receivables and other current assets               | 1,212                     |                                   | 1,501                     |                                   |
| Recl. to O – Other assets                                | (435)                     |                                   | (326)                     |                                   |
| <b>M) Trade payables</b>                                 |                           | <b>(2,707)</b>                    |                           | <b>(2,562)</b>                    |
| Trade payables and other current liabilities             | (3,088)                   |                                   | (2,955)                   |                                   |
| Recl. to O – Other liabilities                           | 381                       |                                   | 393                       |                                   |
| <b>N) Provisions for risks and charges</b>               |                           | <b>(209)</b>                      |                           | <b>(123)</b>                      |
| Provisions for risks and charges                         | (448)                     |                                   | (324)                     |                                   |
| Onerous Contracts Provision                              | 239                       |                                   | 201                       |                                   |
| <b>O) Other current assets and liabilities</b>           |                           | <b>207</b>                        |                           | <b>41</b>                         |
| Deferred tax assets                                      | 192                       |                                   | 141                       |                                   |
| Income tax assets  | 27                        |                                   | 16                        |                                   |
| Derivatives assets                                       | 26                        |                                   | 36                        |                                   |
| Recl. from L – Other current assets                      | 435                       |                                   | 326                       |                                   |
| Deferred tax liabilities                                 | (77)                      |                                   | (72)                      |                                   |
| Income tax liabilities                                   | (15)                      |                                   | (13)                      |                                   |
| Recl. from M – Other current liabilities                 | (381)                     |                                   | (393)                     |                                   |
| <b>NET INVESTED CAPITAL</b>                              |                           | <b>3,364</b>                      |                           | <b>3,945</b>                      |
| <b>P) Equity</b>   | <b>551</b>                |                                   | <b>649</b>                |                                   |
| <b>Q) Net Financial Position</b>                         | <b>2,813</b>              |                                   | <b>3,269</b>              |                                   |
| <b>SOURCES OF FUNDING</b>                                |                           | <b>3,364</b>                      |                           | <b>3,945</b>                      |