NEXTGEO

CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(COURTESY TRANSLATION FOR THE CONVENIENCE OF INTERNATIONAL READERS)

TABLE OF CONTENTS

CORPORATE DATA OF THE PARENT COMPANY

Registered office
Next Geosolutions Europe SpA
Via Santa Brigida, 39
80133 – Naples (Italy)

Legal data
Tax Code and VAT number: 05414781210
E.A.I. registration number: NA – 752588
Authorised share capital: EUR 600,000
Subscribed and paid-up share capital: EUR 600,000

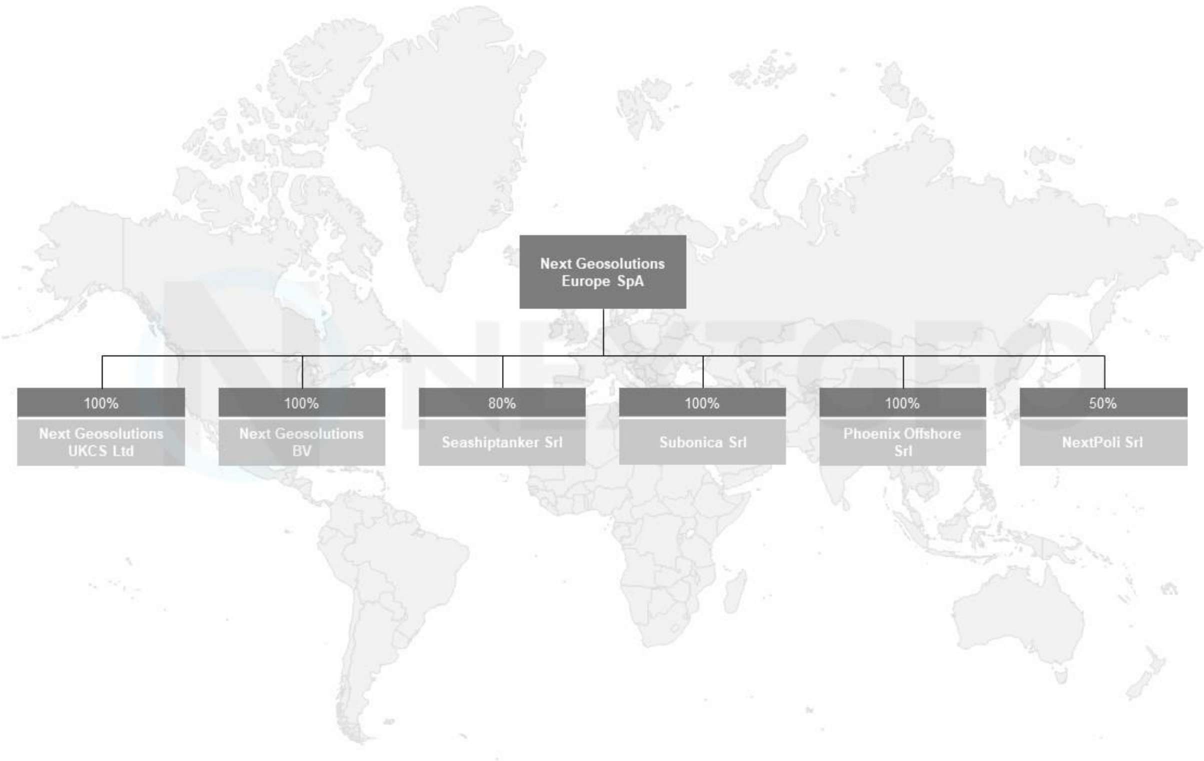
Website: https://www.nextgeo.eu

COMPOSITION OF THE PARENT COMPANY'S CORPORATE BODIES AS OF 31 DECEMBER 2024

Board of Directors [1]	Attilio Ievoli	Chairman of the Board of Directors
	Giovanni Ranieri	Chief Executive Officer
	Giuseppe Maffia	Chief Executive Officer
	Andrea Costantini	Independent director
	Giorgio Filippi	Independent director
Board of Statutory Auditors [2]	Maurizio Vetere	Chairman of the Board of Statutory Auditors
	Simone Andrea d'Aniello	Standing statutory auditor
	Davide Lorenzo Pio Barosi	Standing statutory auditor
	Mazio Marzio	Alternate statutory auditor
	Mauro Secchi	Alternate statutory auditor
Auditing Firm [3]	PricewaterhouseCoopers SpA	
Investor relator	Giuseppe Maffia	

[1] Appointed by the Ordinary Shareholders' Meeting on 29 March 2024 (Chairman and CEOs) and on 15 May 2024 (independent Directors), it will remain in office until the approval of the financial statements for the year ending 31 December 2026.
[2] Appointed by the Ordinary Shareholders' Meeting on 29 March 2024 and on 15 May 2024 (Davide Lorenzo Pio Barosi), it will remain in office until the approval of the financial statements for the year ending 31 December 2026.
[3] Appointed by the Ordinary Shareholders' Meeting on 28 April 2023, it will remain in office until the approval of the financial statements for the year ending 31 December 2025.

GROUP CORPORATE ORGANISATION CHART AS OF 31 DECEMBER 2024



GROUP COMPOSITION AS OF 31 DECEMBER 2024

Parent company

Company Name	Headquarters
Next Geosolutions Europe SpA	Naples - Italy

Subsidiaries

Company Name	Headquarters
Seashiptanker Srl	Naples - Italy
Phoenix Offshore Srl	Naples - Italy
Subonica Srl	Naples - Italy
Next Geosolutions Ukcs Ltd	London - United Kingdom
Next Geosolutions BV	Ijmuiden - The Netherlands

Jointly controlled companies

Company Name	Headquarters
NextPoli Srl	Naples - Italy

Next Geosolutions Europe SpA
Parent company, with registered office in Naples (Italy), carries out geophysical and geotechnical analysis at sea.

Seashiptanker Srl
A company with registered office in Naples, Italy, 80% owned by the parent company Next Geosolutions Europe SpA and 20% owned by Marnavi SpA (parent company of Next Geosolutions Europe SpA), it performs owner-management activities of a naval vessel.

Phoenix Offshore Srl
A company with registered office in Naples (Italy), 100% owned by the parent company Next Geosolutions Europe SpA, it carries out activities pertaining to the technical management of the naval fleet.

Subonica Srl
A company with registered office in Naples (Italy) and wholly owned by the parent company Next Geosolutions Europe SpA, it carries out surveys and underwater inspections in coastal areas.

Next Geosolutions Ukcs Ltd
A company with registered office in London (UK) and operational headquarters in Norwich (UK), 100% owned by the parent company Next Geosolutions Europe SpA, it carries out the same activities as the parent company (geophysical and geotechnical analysis at sea), mainly in the North Seas.

Next Geosolutions BV
A company with registered office in Ijmuiden (The Netherlands), 100% owned by the parent company Next Geosolutions Europe SpA, it carries out administrative, technical and operational management of orders with Dutch clients.

NextPoli Srl
A company with registered office in Naples jointly controlled by Next Geosolutions Europe SpA (50%) and Poliservizi Srl (50%), it performs nearshore geophysical and geotechnical analysis.

REPORT ON OPERATIONS OF THE DIRECTORS

INFORMATION ON THE GROUP

Next Geosolutions Europe group (hereinafter also referred to as "NextGeo group" or the "Group") is an international provider of marine geoscience and offshore construction support services, operating mainly in the energy sector, with a focus on renewable energy and sustainability in all its forms.

Founded at the end of 2014, NextGeo group carries out marine surveying activities of a geophysical and geotechnical nature, as well as further offshore construction support activities, both in the domestic and international markets, for companies operating in the submarine power cable (Interconnector), offshore renewable energy (offshore wind farms) and Oil&Gas sectors. The activities are carried out by NextGeo group both offshore (in deep sea, far from the coast) and nearshore (in shallow water, purely near the coast).

NextGeo group is one of the leaders in its field, able to provide high-quality, efficient and sustainable solutions covering the entire lifecycle of assets and projects implemented, from their initial conception to the design phase, through development and engineering, installation, inspection and maintenance, to their decommissioning.

Part of Marnavi group, NextGeo group combines the knowledge, skills and resources of professionals with over 30 years of experience in the marine and *offshore* industry with established consulting and engineering capabilities. Thanks to the experience gained in the sector, the skills developed and the technology available, the Group is able to offer solutions ready to meet the needs of its customers, while complying with all required quality standards.

With a fleet of modern Dynamic Positioning (DP) class 1 and 2 vessels and a multinational mix of more than 550 professionals, NextGeo group offers a variety of services ranging from specialised consultancy to geophysical, geotechnical, environmental and marine archaeological surveys, potential Unexploded Ordnance (UXO) detection, removal and relocation, and support services for the implementation of offshore infrastructures (high-voltage direct current - HVDC submarine cables, offshore wind farms, etc.).

OUR MISSION AND VALUES

Our mission is to provide our customers with all the data, information and support they need to realise their projects in full awareness, with the highest quality and in total safety, from the concept phase to the engineering phase, all the way to decommissioning. Ultimately, we aim to offer our expertise and specialised contribution to the realisation of key assets and infrastructures for the sustainable development of renewable energies.

Our dream is to see a world in which safe, efficient, affordable and sustainable energy supply is accessible in a fair and peaceful manner worldwide. Our visionary project is to become one of the largest and most excellent international group in the field of marine geosciences, and to have a significant impact and role in realising this dream.

OUR HISTORY

NextGeo group was born in late 2014 from the union between successful Italian entrepreneurs and a close-knit group of professionals. NextGeo group is part of Marnavi group, a historic Italian ship-owning group operating globally, mainly in the petrochemical industry and in the offshore sector.

From the outset, the operational headquarters of the parent company Next Geosolutions Europe SpA was located in Naples, where it is still located to this day. Over the years, the Group has expanded its activities through a process of internationalisation: in 2017, it entered the UK market by acquiring the UK company RSM Submarine Consulting, dedicated to personnel selection and subsequently converting it into a marine survey company with a consequent change of name to Next Geosolutions Ukcs Ltd, now operating from the Norwich office. Over the years, this company has maintained its initial characteristics, continued with the recruitment of specialised personnel and diversified its activities, integrating with the parent company Next Geosolutions Europe SpA and starting to carry out surveying activities, mainly in the seas of Northern Europe.

This international expansion was a turning point in the Group history and strategy, as it has since become one of the fastest-growing international maritime survey contractors and offshore construction support service providers, one of the leading operators in the sector.

In order to secure new development opportunities, the management has over the years implemented an investment strategy aimed at strengthening the asset base. In September 2020, NextGeo group took on the guise of a shipping group by acquiring, through Seashiptanker Srl, the first ship of the fleet, now called NG Worker.

Subsequently, in 2020, the Group was awarded a major contract in the Netherlands for the execution of the "Hollandse Kust West Alpha and Beta" and "Ijmuiden Ver Alpha, Beta and Gamma" projects, with the Dutch state company Tennet Bv and, also in order to better cover the relevant market, in 2021 it decided to acquire a company located in that country, now called Next Geosolutions Bv, with its operational headquarters in Ijmuiden.

In the years the followed, the Group continues its expansion by:

- recruiting specialised personnel in key business roles, strengthening the operational and commercial area;
- investments in ships, vessels, equipment, instrumentation and sensors to diversify the segments of operations within the relevant business;
- the consolidation of relationships with important players in the energy sector.

In August 2022, as part of the process of expanding along the value chain, the Group established the "NextPoli" joint venture and purchased a vessel for nearshore activities, thereby managing to partially insource the nearshore activities in the Mediterranean areas, which had previously been outsourced.

In December 2023, work was completed on the conversion of a vessel purchased in 2022, with the implementation of a drilling system, which allowed the vessel to be reclassified as an offshore drilling vessel and to implement diversification into the deep geotechnical sector.

Thanks to the expertise, experience and reputation of its team and the high quality and efficiency of its ships and equipment, notwithstanding its relatively recent establishment, NextGeo group has been and continues to be successfully involved in the realisation of most of the major energy infrastructure projects in the EMEA region.

THE MACROECONOMIC SCENARIO

In 2024, the global economy continued to show surprising resilience, despite the impact of restrictive monetary policies and persistent geopolitical tensions. Following the strong post-pandemic rebound, growth stood at around 3.2%, slightly above previous estimates but still below the pre-Covid average. Global growth is projected at 3.3% in both 2025 and 2026, which is below the historical average of 3.7% recorded between 2000 and 2019.
Headline inflation continued its decline faster than expected, from 6.8% in 2023 to 5.8% in 2024. This decline was driven by lower energy prices, moderating wage growth and the action of central banks, which maintained high interest rates to consolidate price stability. However, the cost of money weighed on growth, reducing investment and slowing the recovery of the real estate sector. Overall headline inflation is expected to drop to 4.2% in 2025 and 3.5% in 2026, returning to set targets faster in advanced economies than in emerging markets and developing economies.

Despite the general resilience, significant economic inequalities remain between different areas of the world. The US maintained a sustained expansion, with 2.7% growth, thanks to robust consumer spending and a still strong labour market. In Europe, on the other hand, growth remained weaker, at around 1%, due to a slowdown in investment and lower business confidence. In emerging markets, China recorded growth of 4.7%, slightly lower than originally forecast, due to a slowdown in domestic consumption and still fragile consumer confidence. India also continued to drive the global expansion, while other developing economies slowed down due to high debt costs and fiscal difficulties.

Macroeconomic risks and financial stability

In 2024, the global economy continued to operate in an environment characterised by uncertainty, driven by geopolitical factors, restrictive monetary policies and heterogeneous sector dynamics. International tensions, in particular the continuing conflict in Ukraine and the instability in the Middle East, posed a significant risk, affecting financial markets and international trade. At the same time, geo-economic fragmentation and intensified protectionist policies have contributed to a slowdown in trade growth on a global scale.

Financial conditions were affected by the restrictive monetary policies adopted by the major central banks to contain inflation. Although inflationary pressures gradually receded, with headline inflation decreasing from 6.8% in 2023 to 5.8% in 2024, interest rates remained at high levels for most of the year, limiting the ability of businesses and households to access credit. This scenario adversely affected private investment and growth in the real estate sector, particularly in advanced markets, where rising financing costs led to a slowdown in new construction and buying/selling transactions. Pockets of high inflation persist in some emerging and developing economies in Europe and Latin America, due to idiosyncratic factors. In countries with tighter inflation, central banks are taking a more cautious approach in loosening monetary policy, closely monitoring economic activity, labour market indicators, and exchange rate movements. Some central banks even raised rates, marking a divergence in monetary policies.

Global financial conditions remain mostly accommodative, with some differences between jurisdictions.

At sector level, manufacturing showed signs of weakness throughout 2024, suffering from the slowdown in global demand and tightened financial conditions. The technology sector continued to expand, buoyed by investments in artificial intelligence and digital transition, while the energy sector experienced marked volatility, with commodity prices suffering from uncertainties related to supply and the ongoing energy transition.

Uncertainty about economic policy increased sharply, especially with regard to trade and taxes, with differences between countries. Expectations that elected governments will change economic policy in 2024 have influenced the valuation of financial markets in recent months. Episodes of political instability in some Asian and European countries generated volatility in the markets and increased uncertainties about the progress of fiscal and structural policies.

Future prospects and risk factors

The global economic outlook paints a picture of moderate growth, with the International Monetary Fund (IMF) forecasting an expansion rate of 3.3% for both 2025 and 2026.

However, this forecast is subject to downside risks, mainly stemming from persistent geopolitical tensions, high public and private debt levels, and uncertainties related to international trade policies.

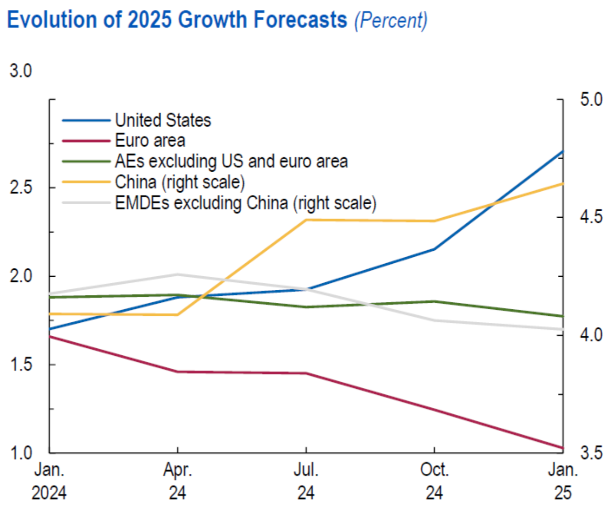
Energy commodity prices are expected to decrease by 2.6% in 2025. This reduction reflects lower oil prices, due to weak Chinese demand and increased supply from countries outside OPEC+ *(Organisation of the Petroleum Exporting Countries plus selected nonmember countries, including Russia*). However, the drop in oil prices will be partially offset by higher gas prices, driven by harsher than expected weather and supply disruptions, including the conflict in the Middle East and gas field failures.

On the other hand, non-energy commodity prices are expected to increase by 2.5% in 2025, following an upward revision of food and beverage prices compared to the World Economic Outlook (WEO) forecast of October 2024. This increase is mainly due to the adverse weather conditions in the main producing countries.

The monetary policy rates of the major central banks are expected to continue to fall, albeit at different rates, depending on changes in the growth and inflation outlook.

The fiscal policy stance is expected to tighten in 2025-26, particularly in advanced economies, including the US, and to a lesser extent in emerging markets and developing economies.
In this context, economic policy authorities are called upon to pursue a delicate balance between supporting growth and maintaining price stability. International cooperation emerges as a crucial element in addressing common challenges and mitigating systemic risks. In particular, strengthening the multilateral dialogue to prevent protectionist measures that could further weaken global trade and undermine economic recovery is of fundamental importance. In addition, closer cooperation is needed to deal with climate change, energy security, and financial market regulation. Lastly, structural reforms play a crucial role in strengthening the growth potential of economies. Interventions aimed at improving productivity, boosting labour market participation, and supporting education and vocational training can help create the conditions for long-term sustainable and inclusive economic development.

Developments in the global economic scenario
With a rate of 3.3% in both 2025 and 2026, growth forecasts remain below the historical average of 3.7% recorded between 2000 and 2019. However, this overall picture hides divergent paths between the various economies and a fragile and uncertain global growth profile.



Among advanced economies, revisions of growth forecasts follow different directions.
In the US, underlying demand remains solid, thanks to positive wealth effects, a less restrictive monetary policy, and favourable financial conditions. Growth is expected to be 2.7% in 2025, 0.5 percentage points higher than the October forecast. This improvement partly reflects a carry-over effect from 2024, as well as a robust labour market and accelerating investments, among other signs of economic strength. A gradual slowdown towards the potential growth rate is expected in 2026.
In the euro area, growth should increase, but at a slower pace than expected in October, with geopolitical tensions continuing to weigh on confidence. The stronger-than-expected slowdown at the end of 2024, especially in manufacturing, and increased political and economic uncertainty led to a downward revision of 0.2 percentage points, with growth now estimated at 1.0% in 2025. In 2026, GDP is expected to rise to 1.4%, supported by higher domestic demand, more favourable financial conditions, improved confidence, and a partial reduction of uncertainty.
In the other advanced economies, two opposing forces are keeping growth forecasts relatively stable. On the one hand, the recovery of real incomes should support the cyclical recovery of consumption. On the other hand, turbulence in international trade - in particular increased uncertainty about trade policies - is expected to limit investment.

In emerging and developing economies, growth in 2025 and 2026 is expected to remain broadly in line with 2024. In China, growth in 2025 is estimated to reach 4.6%. This growth reflects the carry-over effects from 2024 and the impact of the tax package announced in November, which largely offset the negative effect on investments resulting from increased uncertainty over trade policies and the weakness of the real estate market. In 2026, growth is expected to stabilise at around 4.5%, as trade uncertainty eases and the retirement age rises, which will slow the decline in the labour force. In India, growth is expected to be solid, at 6.5% in 2025 and 2026, in line with the October forecast and the economy's potential.
In the Middle East and Central Asia region, growth is expected to pick up, but not as much as expected in October.
In Latin America and the Caribbean, overall growth is expected to accelerate slightly to 2.5% in 2025, despite the expected slowdown in the region's major economies.
In sub-Saharan Africa, growth is expected to increase in 2025, while in European emerging and developing economies it is expected to decelerate.

THE REFERENCE MARKET

During 2024, the Offshore Wind Farm (OWF) sector, together with the Interconnector sector (submarine electricity connections in high voltage cables) continued to consolidate their position among the pillars of the energy transition, playing a central role in international energy strategies, the main topics of which pertained to the development of offshore renewable energies and the security of electricity supply.
In fact, the increasing integration between renewable energy sources and interconnected electricity grids, together with the need to ensure cable interconnection reliability and security, has incentivised governments and companies in the sector to increase investment and technological innovation. The growing demand for advanced infrastructure solutions that improve the efficiency of energy transport and distribution systems has led to an increased focus on optimising the installation and monitoring processes of submarine networks.
At the same time, the *Offshore Oil & Gas* market, while going through a transformation phase, has maintained a strategic role, supported by the growing focus on decarbonisation technologies and the sustainable management of existing resources. The field of marine environmental and archaeological studies has also seen a progressive increase in demand, driven by the need for increasingly detailed environmental impact assessments for new infrastructure in the marine environment.

Overall, 2024 confirmed the importance of submarine infrastructure as a pivotal element in the development of a resilient and integrated energy system that can respond to the challenges posed by the evolution of the global energy mix and the need for connectivity between different markets.

Below please find a brief overview of the current condition of the main segments, with a specific focus on the European market, together with details on expected developments.

The market for high-voltage submarine power cables - Interconnectors

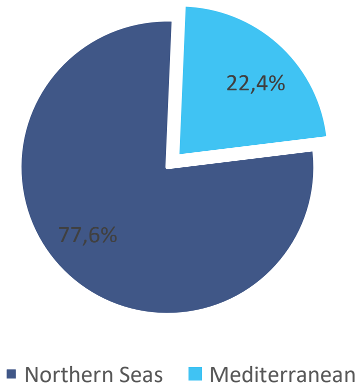
Interconnectors are essential infrastructures for the evolution of the international electricity system, facilitating the exchange of energy between different nations and contributing to the creation of an increasingly integrated, efficient, and resilient electricity grid. Their expansion is crucial to improve security of supply, optimise energy resource management, and foster electricity market stability, especially in a context where energy demand is growing and the integration of renewables is transforming the dynamics of the sector. Europe, with its ambitious decarbonisation plan and the need for an increasingly connected energy market, continues to be the leading region in the development of Interconnectors.

The current scenario
Globally, the currently **operational** Interconnector network reached a total length of **26,658 km** at the end of 2024, with steady growth over the years. In addition, **4,165 km** are currently under construction.
The market is dominated by **Europe**, which holds **78.2%** of the world's operational capacity, amounting to **20,857 km** of cables currently in operation. The second largest market is Asia, with **2,591 km** (**9.7%** of the total), followed by North America, which has installed **1,544 km**, or **5.8%** of the global network. Other regions, on the other hand, such as the Middle East (**1,074 km**, **4.0%**) and South America (**62 km**, **0.2%**), show more moderate growth.

Europe continues to be the most dynamic market, with a total of **24,007 km** of installed cables, divided between **20,857 km** already operational, **2,601 km** under construction and in the pre-construction stage, together with **549 km** of decommissioned cables.

Values in Km	Pre-2015	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Fully Commissioned	10,705	1,477	315	2,174	2,142	546	449	1,862	582	602	3	**20,857**
Under Construction	-	-	-	-	-	-	-	670	77	146	1,646	**2,539**
Pre-Construction	-	-	-	-	-	-	-	-	8	44	10	**62**
Decommissioned	549	-	-	-	-	-	-	-	-	-	-	**549**
Total	**11,254**	**1,477**	**315**	**2,174**	**2,142**	**546**	**449**	**2,532**	**667**	**792**	**1,659**	**24,007**

Northern Europe has historically led Investments.



In fact, the **North Seas** remain Europe's main hub for offshore energy transmission, with **16,175 km** of cables currently operational, accounting for **77.6%** of the total **installed** capacity. On the other hand, in the **Mediterranean**, the network reached a total length of **4,682 km**, covering **22.4%** of the **installed** capacity across the continent.
Another key aspect of the market is the progressive renewal of the existing network. By the end of 2024, **549 km** of cables will have been decommissioned in Europe, accounting for **90.7%** of the world's total decommissioned Interconnectors, a sign of ongoing technological modernisation aimed at replacing obsolete infrastructure with more efficient and high-performance systems. This renewal process is particularly evident in the North Seas, where older cables are gradually being replaced with new installations with high capacity and lower energy transmission losses.

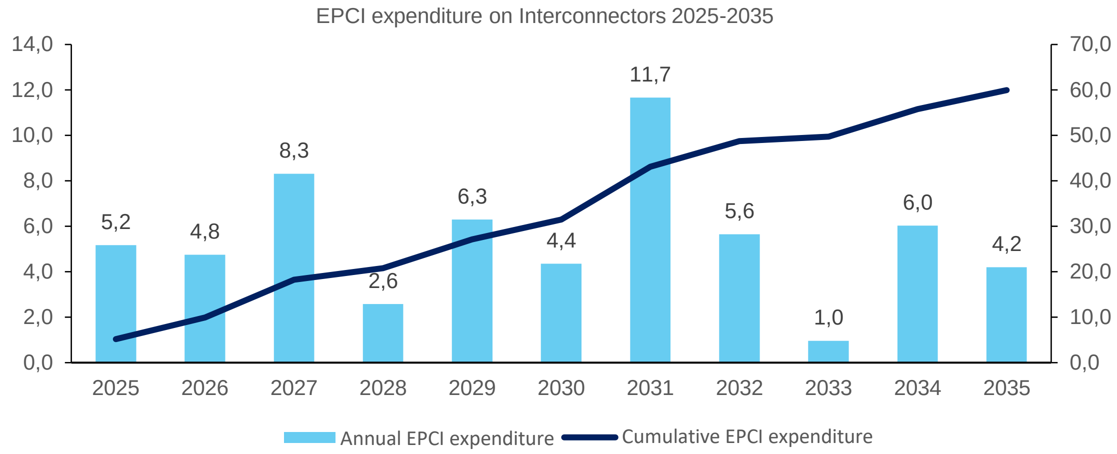
Future outlook
The outlook for the European Interconnector market indicates significant expansion over the next ten years, with an acceleration of investments and an extension of the submarine network to support energy transition and security of supply. The adoption of advanced HVDC (High Voltage Direct Current) transmission technologies will be a key element in improving grid efficiency and reducing energy transmission losses over long distances.

It is estimated that, by 2035, out of a total of **104** planned projects, **60.6%** of the Interconnector network will use this technology, with an accelerated growth in the coming years. In fact, as early as 2025, spending on HVDC will amount to **EUR 4.15 billion** (or **80.3%** of total investments for the year), while spending on HVAC (High Voltage Alternating Current) will stand at **EUR 1.02 billion**, with a progressive reduction in its bearing in the following years.

Total Interconnector projects	2025-2035	%
Mediterranean	46	44%
Northern Seas	58	56%
Total	**104**	**100%**

The geographical division for expected developments from 2025 to 2035 shows a substantial balance between the **Mediterranean**, where **46** new projects (**44.2%** of the total) are expected to be launched, and the **Northern Seas**, where a further **58** projects (**55.8%** of the total expected new installations) are expected to be launched.

According to the latest estimates, **total expenditure** on **EPCI** (Engineering, Procurement, Construction & Installation) activities in the Interconnector sector is expected to reach approximately **EUR 60.0 billion** by 2035, with a **CAGR** in the period 2025-2035 of **27.8%**. Planned annual investments, which will amount to approximately **EUR 5.2 billion** in 2025, will reach a peak in 2031 with **EUR 11.7 billion**, and then stabilise in the following years.



In terms of infrastructure, the development plan envisages **the installation** of **53,780 km** of submarine cables by **2035**, a significant increase over previous years. The North Seas remain the main area of expansion, hosting **32,522 km** or **60.5%** of the new installed capacity. The Mediterranean, with the aim of improving connectivity between Europe and areas such as North Africa or the Middle East, will expand by **21,258 km**, accounting for **39.5%** of the total.

Values in Km	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
HVDC	3,788	3,109	7,087	1,536	5,738	3,810	10,640	5,150	875	5,300	3,834	**50,867**
HVAC	710	935	373	625	-	121	-	-	-	150	-	**2,913**
Total	**4,498**	**4,044**	**7,460**	**2,161**	**5,738**	**3,931**	**10,640**	**5,150**	**875**	**5,450**	**3,834**	**53,780**

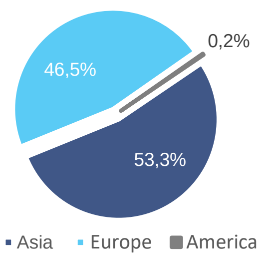
The industry's challenges still relate to geopolitical, regulatory, and financial factors. Increasing demand for critical materials for cable production, increasing complexity in authorisations, and potential project delays remain critical. However, the EU's strategy, geared towards greater interconnection between national electricity grids, will continue to support the sector with incentives and funding for new strategic sections.

In the wake of initiatives such as the REPowerEU Plan, the CEF (Connecting Europe Facility) and the energy security directives, the EU is strengthening the role of electricity interconnections to improve system resilience and market integration. In 2024, the EU Council reaffirmed the importance of a sustainable, interconnected infrastructure, accelerating the development of new routes and promoting advanced technologies; in this scenario, submarine interconnections will be increasingly central to the security of the supply. Furthermore, the European Green Deal, with the goal of reducing emissions by 55% by 2030 and achieving climate neutrality by 2050, will further push investments in sustainable electricity grids, fostering the integration of renewables and the decarbonisation of the European energy mix.

The offshore renewable energy market
Offshore wind power today represents one of the main pillars of the global energy transition, thanks to its ability to ensure efficient and consistent production on a large scale through Offshore Wind Farms (OWFs), which, driven by strategic investments and international decarbonisation targets, show a steadily expanding market. Europe plays a pivotal role in the development of offshore wind power, both because of its long-standing experience in the sector and because of the favourable regulatory framework that has enabled the construction of large-capacity plants in several countries, through a steady expansion of installations and an increasing integration of renewables into national electricity systems. This integration, together with the strengthening of the transmission infrastructure, is leading to an acceleration of the sector's development, with an increasing impact on energy security and the stability of the electricity system.
Constant technological advancement and improved strategies for integrating offshore generation capacity with electricity grids are key elements in the consolidation of offshore wind power into the global energy mix. In this scenario, China and Asia also hold an important position, especially in terms of installed capacity.

Offshore Wind Farms: current scenario and future developments
By the end of 2024, **installed** offshore wind power **capacity** on a global scale reached **77.9 GW**, with a total of **349** wind farms currently operational, confirming the sector's continued expansion and its central role in the energy transition. This composition sees **211** Offshore Wind Farms (or **60.5%** of the global total) installed in Asia, a further **135** wind farms (or **38.7%** of the global total) installed in Europe, and a further **3** (**0.9%** of the total) in North America.
The distribution of **installed power** shows a substantial **balance** between **Asia**, which has **41.5 GW** (equivalent to **53.3%** of global capacity), and **Europe**, which has **36.2 GW** of installed power (equivalent to **46.5%** of the world total). The remaining **0.2%** (approximately **0.17 GW** of installed capacity) is currently held by the United States of America.

Values in GW	**GW**	**%**
Asia	41.5	53.3%
Europe	36.2	46.5%
America	0.2	0.2%
Total	**77.9**	**100.0%**



Against this backdrop, **China** remains the **world's largest market**, with **37.3 GW** operational, accounting for **47.9%** of installed capacity globally, driven by rapid industrial development, targeted government incentives, and a very strong domestic supply chain. The growth of the sector in Asia has been characterised by significant investments and an acceleration of large-scale projects aimed at ensuring the security of energy supply and reducing dependence on fossil fuels.

The table below shows the share held by the main countries in terms of installed capacity (GW) (so-called fully commissioned capacity).

Country	Total capacity (GW)	%	Geographical area
China	37.3	47.9%	Asia
United Kingdom	15.7	20.1%	Europe
Germany	8.2	10.6%	Europe
The Netherlands	5.4	7.0%	Europe
Denmark	2.7	3.4%	Europe
Rest of the world	8.6	11.0%	N/A
Total	**77.9**	**100.0%**	

In **Europe**, on the other hand, the offshore wind power sector continues its established expansion, with a more diversified distribution of capacity among different countries. The **United Kingdom** (**15.7 GW**, **20.1%** of global capacity), **Germany** (**8.2 GW**, **10.6%** of global capacity), the **Netherlands** (**5.4 GW**, **7.0%** of global capacity) and **Denmark** (**2.6 GW**, **3.4%** of global capacity) are the main markets, together holding around **41.1**% of installed capacity globally. The European development model is underpinned by a consolidated regulatory framework, strong public-private collaboration, and high technological specialisation.

Tt is estimated that the value of ***Capex*** for the development of "Offshore Wind Farms" in Europe could reach approximately **EUR 435.8 billion** over the next decade (2025-2035). Against this backdrop, **Germany** (**EUR 88.4 billion**), the **United Kingdom** (**EUR 84.7 billion**), **the Netherlands** (**EUR 68.5 billion**), **France** (**EUR 34.4 billion**) and **Denmark** (**EUR 32.0 billion**) continue to be the main markets.

Values in EUR millions

Country	Geographical area	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Germany	Europe	2.5	2.9	6.5	11.2	13.3	13.1	10.8	9.9	8.3	5.9	4.0	**88.4**
United Kingdom	Europe	7.3	7.1	8.8	9.3	9.5	8.9	7.9	6.3	5.4	6.6	7.6	**84.7**
The Netherlands	Europe	2.0	2.4	4.3	7.8	9.4	8.0	7.8	7.3	7.3	6.1	6.1	**68.5**
France	Europe	0.7	0.6	0.6	0.8	1.5	2.4	3.0	4.9	7.3	6.8	5.7	**34.4**
Denmark	Europe	1.1	1.0	0.7	1.3	4.2	7.6	7.3	3.8	0.9	1.3	2.7	**32.0**
Rest of Europe	N/A	7.3	9.2	8.3	8.6	10.3	10.8	10.1	10.8	14.7	18.4	19.3	**127.8**
Total		**20.8**	**23.2**	**29.2**	**39.0**	**48.4**	**50.6**	**47.0**	**43.0**	**44.0**	**45.1**	**45.4**	**435.8**

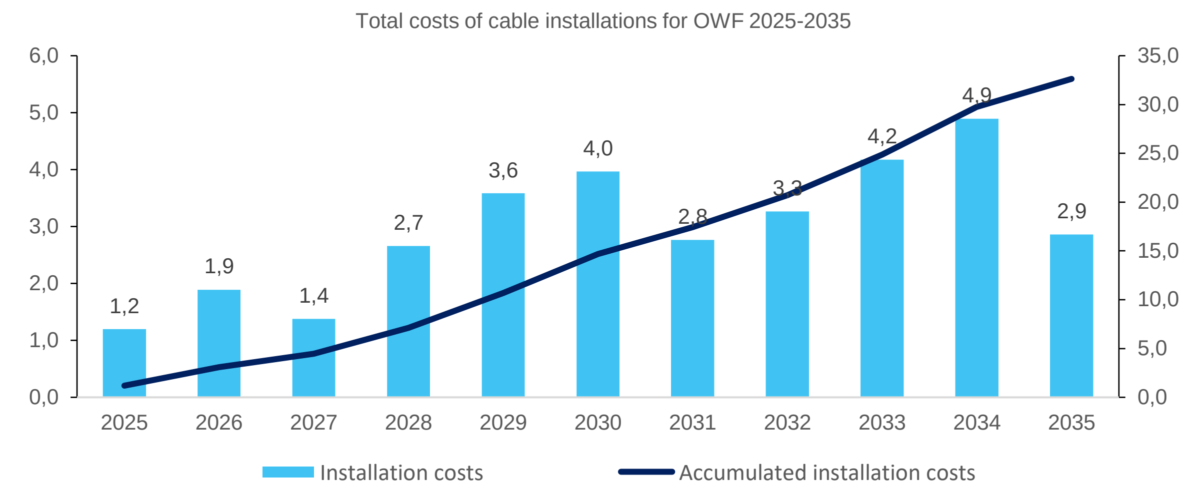
Offshore Wind Farms - Subsea Cables: current scenario and future developments

A further strategic element for the expansion of the Offshore Wind Farm segment is represented by submarine cables for Offshore Wind Farms, a key infrastructure to connect wind turbines to each other and to ensure an efficient transfer of the energy generated at sea to the onshore power grid. They are generally divided into *Array, Grid* and *Export,* relating to connections "within wind farms" (i.e. between the turbines themselves), and between wind farms, converter stations and the terrestrial grid.

Globally, Offshore Wind Farm **cables installed** to support wind farms reached a total length of **36,135 km** at the end of 2024, of which 20,277 km (**56%**) were installed in **Asia**, 15,703 km (**43%**) in **Europe**, and 204 km (**1%**) in **North America**.

Values in Km	Pre-2015	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Europe	5,408	833	1,584	1,120	1,745	887	1,813	1,327	661	325	-	**15,703**
Asia	639	558	664	1,162	1,815	3,445	6,030	2,061	2,016	1,498	342	**20,227**
North America	-	14	-	-	-	-	46	-	-	144	-	**204**
Total	**6,047**	**1,405**	**2,248**	**2,282**	**3,560**	**4,332**	**7,888**	**3,387**	**2,676**	**1,967**	**342**	**36,135**

Forecasts for this sector indicate that the market for **submarine cables** for Offshore Wind Farms in **Europe** will reach a total value, in terms of **installation** costs, of **EUR 32.6 billion** by **2035**, with a **CAGR** for the period 2025-2035 of **39.2%**, and a focus of investments on HVDC (High Voltage Direct Current) and HVAC (High Voltage Alternating Current) technologies.



Some **55,093 km** of new cables are planned to be installed in Europe by 2035, with a significant increase in areas with the largest offshore wind capacity already in operation, such as the UK (**13,503 km**), Germany (**13,448 km**) and the Netherlands (**8,756 km**), and an expansion in newly emerging regions such as France (**3,690 km**) and Denmark (**2,748 km**). Even in this scenario, the North Seas represent the main area for offshore wind development, hosting the majority of installations, due to the presence of advanced infrastructure and an established regulatory framework. However, the Mediterranean is also emerging as an area of growing interest, with Italy aiming to consolidate its position in the market with some **1,144 km** of submarine cables installed by 2035, thanks to a strategy geared towards diversifying energy sources and reducing dependence on gas imports.
This expansion is part of a broader energy transition process, which sees strengthening submarine transmission networks as a key element in the integration of renewable energy, the improvement of energy security, and the optimisation of the distribution of offshore energy into the various national power systems.
The table below details the km of Offshore Wind Farm cables expected to be installed in Europe between 2025 and 2035.

Values in Km	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**TOT**
United Kingdom	765	1,536	401	2,425	1,295	666	1,165	1,333	1,567	1,054	1,295	13,503
Germany	283	-	956	1,189	1,880	2,188	1,498	1,081	2,471	1,901	-	13,448
The Netherlands	528	-	292	952	1,469	2,055	290	1,289	630	630	621	8,756
France	-	-	155	-	-	502	321	345	1,035	1,177	155	3,690
Denmark	260	-	20	47	-	806	1,099	336	-	-	181	2,748
Italy	-	-	-	-	67	162	169	476	146	144	-	1,164
Rest of Europe	183	1,741	678	295	1,565	600	729	776	715	2,702	1,798	11,783
Total	**2,019**	**3,277**	**2,502**	**4,908**	**6,275**	**6,979**	**5,271**	**5,637**	**6,565**	**7,609**	**4,051**	**55,093**

Market growth is supported by initiatives and programmes aimed at supporting offshore renewable energies, with a strong focus on network digitisation and infrastructure standardisation. In particular, instruments such as the European Union's Wind Power Package and national strategies for offshore energy infrastructure, put in place by many of Europe's leading states, are facilitating the coordinated planning of new submarine connections. A further key evolution is the development of large offshore energy hubs, integrating wind and other renewables with advanced transmission systems.

Offshore Wind Farms - Drilling: current scenario and future developments
In the wake of the above, the offshore wind power drilling market also continues to expand, supported by the growing demand for new installations, both fixed and floating. Drilling, in this context, mainly includes geotechnical drilling and sub-seabed analysis activities, which are necessary to assess the stability of the seabed and determine the most suitable engineering solutions for the installation of turbines. These studies are essential

to ensure the structural safety and operational efficiency of the foundations, both in the case of bottom-fixed structures , i.e. "embedded" directly into the seabed, and for floating installations, anchored to the seabed by means of a series of cables that keep the surface structure floating.

By the end of **2024**, the above-mentioned installed capacity is distributed over **14,124** turbines, on a **global** scale. The table below shows the distribution of offshore turbines to 2024 by geographical area.

Geographical area	Turbines	%
Europe	6,642	47.0%
Asia	7,463	52.8%
North America	19	0.1%
Total	**14,124**	**100.0%**

Despite the predominance of Asia, in terms of installed wind farms, it should be noted that the number of installed turbines has a different distribution: in fact, the **6,642** turbines currently **installed** in **Europe** (**47.0%** of the **global** total), are close to the **7,463** (**52.8%** of the **global** total) installed in **Asia**, although the (numerical) difference, in terms of installed wind farms, is more significant (**135** in Europe, against **211** in Asia).

This analysis shows that European plants generally have more advanced technical and technological features, as well as larger capacities. In Asia, in fact, there are 5 Offshore Wind Farms with up to 100 turbines installed per farm; in contrast, in Europe, there are 13 wind farms currently installed that have more than 100 turbines in operation, reaching cases such as the "*London Array*", an offshore wind farm in English waters, with 175 turbines installed, or the "*Hornsea Project Two*", which, with 165 turbines installed, manages to generate more than 1 GW of power.

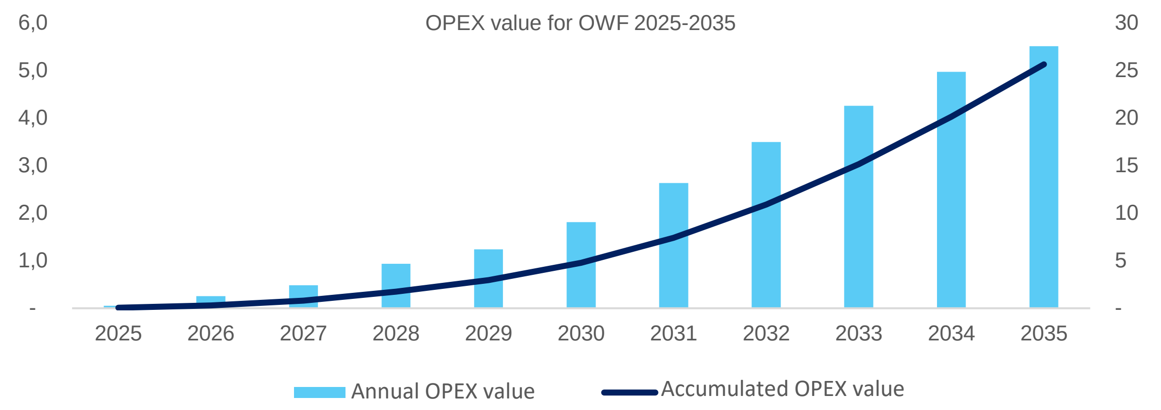
Over the next 10 years, between **2025** and **2035**, the total number of European projects is expected to increase steadily, with a projected total of **132** Offshore Wind Farms and **5,125** turbines to be **installed** by 2035, including **4,769 fixed-bottom** and **356 floating** turbines.
The table below shows the number of turbines scheduled to be installed by 2035, broken down by year.

Year	Floating	Fixed	Total
2025	-	413	**413**
2026	3	640	**643**
2027	7	358	**365**
2028	20	612	**632**
2029	42	726	**768**
2030	38	447	**485**
2031	56	532	**588**
2032	190	256	**446**
2033	-	160	**160**
2034	-	190	**190**
2035	-	435	**435**
Total	**356**	**4,769**	**5,125**

The period of greatest growth is expected between 2028 and 2032, with a peak of **768** new installations in 2029 and a significant increase in floating turbines in 2032 (**190** new units), in line with the development strategy for the deepest areas of the North Seas and the Mediterranean.

This expansion reinforces the centrality of installation and drilling activities in the life cycle of Offshore Wind Farms, with a major impact on the demand for specialised equipment and state-of-the-art technology, especially for deep water projects. The increase in offshore generation capacity and the rapid technological advancement in the floating foundations segment indicate a consolidation of the drilling market, which will continue to evolve to meet the needs of a booming industry.

Offshore Wind Farms - OPEX Expenditure
The ***OPEX*** market for Offshore Wind Farms, which extends over a longer timeframe, since it is inherent to the maintenance, operation, and safety (including predictive) maintenance of offshore wind farms, is estimated to reach a value of around **EUR 25.6 billion** by **2035** (and **EUR 64.3 billion** by **2040**), across the whole of **Europe**, thus representing a strongly evolving market, able to generate recurring interventions, and therefore activities.



The Offshore Oil & Gas market
In 2024, the European Offshore Oil & Gas sector continued to play an important role in the continent's energy landscape, with operations concentrated in the North Seas and partly in the Mediterranean, areas that, although characterised by different market dynamics, represent globally important operating zones. Despite the increasing focus on the energy transition, investments in the offshore sector have remained at significant levels, driven by the need to guarantee the security of the supply, optimise the management of existing resources, and ensure the continuity of infrastructure.

In Northern Europe, historically the main hub of European Offshore Oil & Gas, *Capex* investments for all activities peaked between 2012 and 2014, exceeding USD 60 billion annually. From 2015 onwards, the slump in business generated a sharp drop in investments, until a stabilisation period between 2018 and 2022 was reached (however at lower levels than during the peak period).
From 2023 onwards, however, investments showed signs of recovery. For the period **2025-2030**, it is estimated that the **total** value of ***Capex*** in **Northern Europe** could reach approximately **EUR 170 billion**, with peak investments in some years exceeding EUR 30 billion.
In this scenario, Norway and the UK hold most of the offshore mining and infrastructure activities. Investment strategies are increasingly moving towards greater operational efficiency, with a focus on streamlining exploration activities and increasing maintenance and management operations of existing assets.

In the Mediterranean, the Offshore Oil & Gas market showed a more fragmented dynamic than in Northern Europe, with fluctuations in investments, but more gradual growth. After a sharp contraction between 2018 and 2020, the sector started to recover from 2022, with a gradual, albeit moderate, expansion.
For the period **2025-2030**, it is estimated that the **total** value of ***Capex*** in the **Mediterranean** could reach approx. **EUR 40 billion**.
The Mediterranean therefore continues to represent a strategic area for the future of the offshore industry, with new projects related to the development of natural gas fields and the modernisation of existing infrastructure, particularly in the basins of Italy, Spain, and Greece. However, compared to Northern Europe, the Mediterranean

market remains more volatile, with investments subject to change depending on geopolitical conditions, environmental regulations, and national energy strategies.

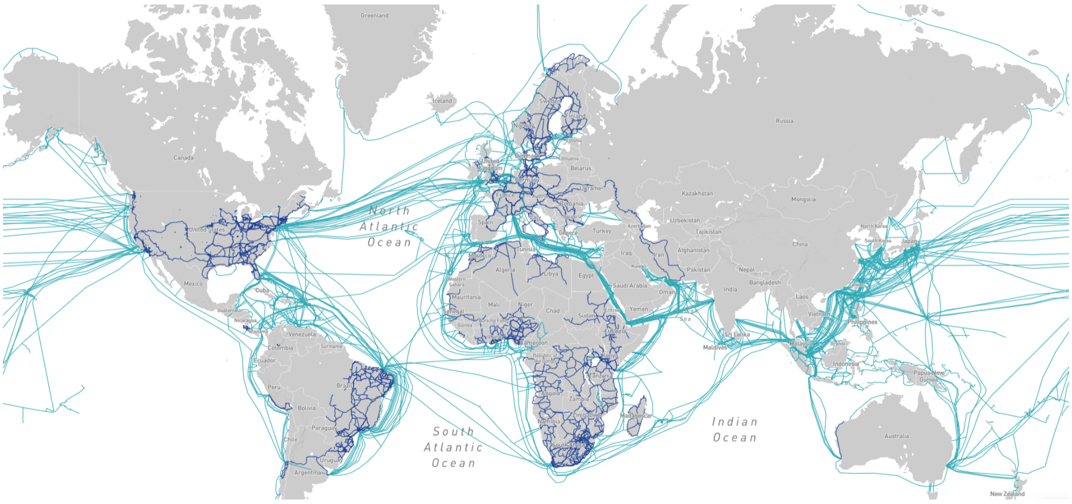
In this context, Inspection, Maintenance & Repair (IMR) activities are an essential pillar for the European offshore sector, with an increasing focus on the maintenance of subsea pipelines and the assessment of the structural integrity of installations. The adoption of advanced technologies such as Autonomous Underwater Vehicles (AUVs) or Autonomous Survey Vehicles (ASVs) makes for more effective monitoring operations, reducing costs and intervention times.

Looking to the future, the European Offshore Oil&Gas industry is undergoing a transformation, with a progressive rationalisation of mining activities and an increasing focus on optimising existing infrastructure. In this context, inspection, maintenance, and repair operations will continue to play a strategic role in ensuring the stability of the sector and the security of the continent's energy supply.

The market for submarine telecommunications cables (Telecom Cables) and the European context
The submarine telecommunications cable industry represents a strategic infrastructure for global connectivity, today carrying more than **95% of international data traffic**. Through an extensive network of submarine links, this infrastructure enables high-speed data transmission between continents, supporting the development of advanced digital services, the expansion of cloud computing and the growing demand for network capacity by technology companies and telecommunications operators. In recent years, the sector has seen a strong evolution, with the entry of new players and the adoption of innovative technologies to improve the capacity and resilience of existing networks.

Traditionally dominated by telecom operators, including Alcatel Submarine Networks (ASN), SubCom and NEC, the sector has recently seen the increasing entry of Big Tech companies (Google, Meta, Microsoft, Amazon), which are directly financing new infrastructures to reduce dependence on traditional operators and ensure greater control over their connectivity.
ASN holds a leading position globally, being involved in 39% of future telecom projects planned globally; NEC follows at the second post, covering 17% of future telecom projects planned globally.
Transmission capacity is growing steadily, with the adoption of advanced technologies such as Space Division Multiplexing (SDM), which makes for increased cable capacity while reducing operating costs. At the same time, the sector is influenced by increasingly relevant geopolitical dynamics. In fact, infrastructure security has become a priority for governments and international institutions, with initiatives such as the New York Principles, promoted by over thirty nations to provide greater protection for submarine cables. The growing competition between the US, China and Europe for control of global communication networks is leading to increased regulation and restrictions on investments considered "high risk".

In recent years, **EMEA** has seen a steadily growing market, reaching over **450,000 km** of installed telecom cables by the end of **2024**. In this scenario, a key role is played by the European Union, which is tightening regulations to protect critical infrastructures and limit the entry of suppliers considered to be at risk. In particular, regulations are being developed to monitor foreign investments and ensure greater transparency in the financing of new projects.



In addition to the above, the Hyperscalers (Google, Meta, Microsoft) continue to invest directly in new infrastructure to ensure dedicated capacity for their platforms. However, the market faces challenges related to regulatory complexity between various European countries and the need to strengthen security against possible attacks or sabotage, as highlighted by the recent incidents in the Baltic Sea. In the medium to long term, the European market will continue to expand, with a focus on increased security, operator diversification, and investment in new transmission technologies to support the growing demand for connectivity and ensure Europe's competitiveness as a global telecommunications hub.

The activities of NextGeo Group in the market of reference

In this macro-scenario, the Group's business continues to develop mainly in the sector of submarine electrical connections through high-voltage cables (Interconnectors), which accounts for 60.4% of the value of production for the financial year 2024, and in the sector of offshore renewable energies, with a focus on wind power production through Offshore Wind Farms (OWF), which accounts for 31.2% of the value of production for the financial year 2024.

Alongside these key segments, the Group also maintains an active presence in complementary markets, albeit with a more limited impact, including the offshore Oil&Gas sector (3.6% of the value of production for the financial year 2024), environmental and archaeological studies in the marine environment, and the defence sector. In parallel, an in-depth analysis of the opportunities in the Telecom cables market is underway, a sector characterised by different market dynamics and players than those operating in the Interconnector sector, and which is expected to become strategically important in the coming years due to the growing need to expand and modernise international communication networks.

Within the scope of its activities, NextGeo group provides *geophysical*, *geotechnical*, *UXO* (unexploded ordnance identification) and *environmental* survey services, operating both *offshore* (i.e. far from the coast), *nearshore* (i.e. in shallow waters and close to the coast), and occasionally *onshore* (i.e. on land), for subsea infrastructure support activities.

Traditionally, these operations are carried out in support of the engineering stage of offshore infrastructures, i.e. in the *Capex* part of projects, during which clients need data and technical analyses essential for proper planning and implementation of the works.

In recent years, the Group has been broadening its scope of action, analysing with increasing attention also the Operations & Maintenance (O&M) market, which covers the *Opex* stage of projects, with periodic and cyclical interventions, and represents a strategic opportunity to consolidate the Group's presence throughout the entire life cycle of offshore infrastructures.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Below please find the significant key events of the financial year 2024:

- In February 2024, the contract for the purchase of a new, advanced Remotely Operated Vehicle (ROV) system was finalised. The total investment includes (i) a 150-horsepower Schilling Heavy Duty (HD) ROV equipped with a Tether Management System (TMS), capable of operating down to a depth of 4,000 metres, (ii) highly advanced Dynacon and Lidan Launch and Recovery Systems (LARS), (iii) as well as surface units for control, piloting and operations management. As of 31 December 2024, the investment for the purchase of this equipment amounted to EUR 7.7 million.

- In March 2024, the Group commenced operations for the construction of the offshore wind farm off the coast of Courseulles-sur-Mer (Parc éolien en mer du Calvados) in France's Normandy region. The wind farm in question covers an area of 45 km² and has a capacity of 450 MW. This project, awarded by Eoliennes Offshore du Calvados SAS, is carried out by the Group on behalf of Saipem SpA.

- In March 2024, the Group began its activities in connection with the "Sa.Co.I. (Sardinia-Corsica-Italy) 3" project for the construction of the HVDC submarine cable connecting the Italian peninsula, Sardinia and Corsica, with a length of more than 400 km and a capacity of approximately 400 MW (project awarded by Terna SpA and implemented by the Group on behalf of Prysmian SpA).

- In May 2024, in order to strengthen its geophysical and environmental survey activities in coastal areas, the Group acquired, with a total investment of EUR 530,000, 100% of the capital of the company Subonica Srl, with registered office in Naples (Italy), specialising in underwater surveying and inspection services using Remotely Operated Vehicles (ROVs). The assets held by this company include an approximately 10-metre coastal vessel and a fleet of 3 Observation Class ROVs, which, given their smaller size (compared to the Work Class ROVs already owned by the Group), are more suitable for operating in coastal areas and at shallow depths.

- In May 2024, in line with the fleet expansion strategy, the down payment for the purchase of the vessel Deep Helder, renamed NG Surveyor, was deposited in escrow. The ship, built in 2024, is approximately 65 metres long and 16 metres wide, is equipped with a *Dynamic Positioning 2* system, and complies with the Clean Ship, Green Passport, SPS2008 and high comfort classification (Comf1) standards. As of 31 December 2024, the investment made by the Group for the purchase of the ship (delivered in January 2025) and related expenses amounted to approximately EUR 3.6 million (out of a total investment for the purchase of the vessel of EUR 21 million).

- In May 2024, the "Lionlink" project, an innovative Interconnector between the United Kingdom and the Netherlands in the Northern Seas of Europe, kicked off, designed with the aim of supporting cross-border energy exchange and enabling efficient integration of offshore wind energy with onshore networks.

- In June 2024, the Group began its activities on one of the most important EMEA interconnections, with the start of the "GreatSea Interconnector" project, for the construction of the high-voltage direct current (HDVC) electricity interconnector linking Greece and Cyprus via one of the longest and deepest submarine cables in the world, reaching depths of over 3,000 metres, covering 900 km and enabling the exchange of up to 2,000 MW of electricity.

- In September 2024, activities began on the Istituto Superiore per la Protezione e la Ricerca Ambientale (ISPRA) project to map marine habitats. NextGeo group won the tender, worth a total of EUR 42.5 million, organised by Invitalia on behalf of ISPRA. The initiative is part of the National Recovery and Resilience Plan (NRRP) for the period 2021-2026 (specifically under Mission 2 "Green Revolution and Ecological Transition", with particular reference to Investment 3.5 "Restoration and protection of the seabed and marine habitats"). The project foresees the achievement of the following specific objectives: mapping and characterisation of marine habitats; restoration of marine habitats; enhancement of research and observation of marine and coastal ecosystems; protection of biodiversity; and environmental awareness and education.

Specifically, NextGeo group's activities include mapping, Multibeam and Sub Bottom Profiler geophysical surveys, Remotely Operated Vehicle (ROV), Conductivity Temperature Depth (CTD) and currentometry and technical data processing services. These operations will be carried out with two Group-owned vessels, in the Italian seas, between 150 and 2,000 metres deep, covering an area of over 9,000 km2. Completion is estimated for 30 June 2026.

- During December 2024, the Group, in line with its business development strategy and expansion of its range of services, expanded its offshore fleet with the acquisition of the vessel Sea Admiral, renamed NG Explorer. The ship, built in 2010, is approximately 58 metres long and 14 metres wide and is equipped with a Dynamic Positioning 2 (DP2) system. As of 31 December 2024, the total investment for the purchase of this vessel and related expenses is approximately EUR 6.9 million.

- In December 2024, the Group was awarded a major contract worth approximately EUR 43 million with TenneT TSO Bv. The initialled contract envisages the execution of numerous geophysical and geotechnical survey activities, both offshore and nearshore, in the Dutch Exclusive Economic Zone. The project is part of the Dutch company's ambitious "2GW Program", a massive project that aims to develop a new generation of HVDC connections to integrate 2 GW of offshore wind power into the European electricity system by 2031, contributing significantly to the EU's climate targets.

- During the first half of the year, the Group also carried out work on the last interconnection (the so-called West Branch, with a capacity of about 1,000 MW and a length of about 480 km) of the broader Tyrrhenian Link project, for the HVDC connection between Sardinia and Sicily (a project awarded by Terna SpA and implemented by the Group on behalf of Nexans AS). This project, initiated in earlier periods, is currently in an advanced state of completion. In addition, the financial year 2024 saw the completion of activities for the "EGL (Eastern Green Link) 3" project, a major submarine electricity interconnection, designed to improve the current capacity of the UK grid, supporting the transmission of renewable energy and increasing energy stability between Scotland and England.

The results for 2024 confirm the positive performance of previous years and allow us to look to the future with optimism, in a market that still shows significant development prospects.

Listing on Euronext Growth Milan

FY2024 was characterised in particular by the completion of the listing process of NextGeo group on Euronext Growth Milan (EGM), a multilateral trading facility (MTF) organised and managed by Borsa Italiana.
On 29 March 2024, the Shareholders' Meeting of the parent company Next Geosolutions Europe SpA approved the submission of the application for admission of the Company ordinary shares to trading on EGM. For the purpose of the Initial Public Offering (IPO) transaction, a capital increase was resolved to be realised through the issuance of new ordinary shares.
On 20 May 2024, Borsa Italiana SpA arranged for the listing of the ordinary shares of Next Geosolutions Europe SpA. On 22 May 2024, trading of ordinary shares on EGM began, with the subscription of 8,000,000 new ordinary shares at the initial placement price of EUR 6.25 per share, which enabled the Group to raise EUR 50,000,000 and position itself as the company with the highest market capitalisation listed on EGM.

Here are the comments of Attilio Ievoli (Chairman of the Board of Directors of Next Geosolutions Europe SpA), Giovanni Ranieri (CEO of Next Geosolutions Europe SpA) and Giuseppe Maffia (CFO and CEO of Next Geosolutions Europe SpA), at the conclusion of the first day of trading of the Company ordinary shares on Euronext Growth Milan:

Attilio Ievoli: *"Today the stock market welcomed us enthusiastically, investors showed a strong interest and appreciation for the company. We are convinced that the listing on Euronext Growth Milan can be a further significant step of growth. For us, this result is a boost that encourages us to look forward to our ambitious future goals".*

Giovanni Ranieri, "*This absolutely remarkable result can only make us happy on a day full of emotions like today. A very positive first day that represents the start of what we imagine will be a very satisfying path for everyone. Today we open a new chapter in the company's history, and I would like to thank our employees for their dedication and the important work they have done so far, the customers who have always believed in us, the investors who have been supporters of this new adventure, and the entire team of advisors who have accompanied us through the listing process".*

Giuseppe Maffia, *"The IPO and the success of this day reward the efforts made by everyone in the development of the company. The results achieved are the fruit of the combination of expertise in the shipping industry, know-how in the field of geosciences, the availability of exclusive assets, and the human value of the people who day in and day out contribute to building our successes. Today we reach an important milestone, which marks the beginning of a new phase in our exceptional growth path".*

SUMMARY DATA AS OF 31 DECEMBER 2024

The following tables show: (i) the reclassified income statement as of 31 December 2024, compared to the previous year, (ii) the reclassified balance sheet by sources and uses as of 31 December 2024, compared to 31

December 2023, (iii) cash flows from operating, investing and financing activities for the financial year 2024, and (iv) capital expenditures for the financial year 2024, compared to the same data for the previous year.

Reclassified income statement

Values in Euro units	2024	%	2023	%	Change	Ch.%
Revenues from sales and services	301,783,073	148.4%	79,945,253	53.8%	221,837,820	277.5%
Change in work in progress	(102,374,294)	-50.4%	64,039,303	43.1%	(166,413,597)	-259.9%
Other revenues and income	3,899,746	1.9%	4,610,890	3.1%	(711,144)	-15.4%
Value of production	**203,308,525**	**100.0%**	**148,595,446**	**100.0%**	**54,713,079**	**36.8%**
External operating costs	134,790,862	66.3%	96,287,512	64.8%	38,503,350	40.0%
Costs for personnel	14,343,538	7.1%	11,645,848	7.8%	2,697,690	23.2%
Sundry operating charges	208,178	0.1%	167,961	0.1%	40,217	23.9%
Production costs	**149,342,578**	**73.5%**	**108,101,321**	**72.7%**	**41,241,257**	**38.2%**
EBITDA	**53,965,947**	**26.5%**	**40,494,125**	**27.3%**	**13,471,822**	**33.3%**
Depreciation, Amortisation and Provisions	6,065,681	3.0%	5,149,654	3.5%	916,027	17.8%
EBIT	**47,900,266**	**23.6%**	**35,344,471**	**23.8%**	**12,555,795**	**35.5%**
Net financial expenses	516,245	0.3%	1,711,411	1.2%	(1,195,166)	-69.8%
Exchange gains (losses)	311,065	0.2%	(145,426)	-0.1%	456,491	-313.9%
Value adjustments to financial assets	-	0.0%	-	0.0%	-	N/A
Net financial result	**(205,180)**	**-0.1%**	**(1,856,837)**	**-1.2%**	**1,651,657**	**-89.0%**
Result before taxes	**47,695,086**	**23.5%**	**33,487,634**	**22.5%**	**14,207,452**	**42.4%**
Taxes	4,555,363	2.2%	4,294,847	2.9%	260,516	6.1%
Net result	**43,139,723**	**21.2%**	**29,192,787**	**19.6%**	**13,946,936**	**47.8%**

In the financial year 2024, the Group achieved an increase in the value of production of EUR 54,713,079 compared to the previous financial year. This increase (+36.8%) confirms the Group's solid development trend, also taking into account the significant growth realised in 2023 compared to previous periods.

In the *Interconnector* market, which accounts for 60.4% of the value of production, the Group continued to carry out activities in the year 2024 for the installation of many of the most important submarine electricity interconnection infrastructures in Europe. The various projects in which the Group was involved during the six-month period included activities related to the "Sa.Co.I. (Sardinia-Corsica-Italy) 3" project for the construction of the HVDC submarine cable connecting the Italian peninsula, Sardinia and Corsica, with a length of more than 400 km and a capacity of approximately 400 MW (project awarded by Terna SpA and implemented by the Group on behalf of Saipem SpA). Functional activities were carried out for the construction of the last interconnection (so-called West Branch, Sicily-Sardinia) of the broader "Tyrrhenian Link" project, for the HVDC connection between Campania, Sardinia and Sicily (a project awarded by Terna SpA and implemented by the Group on behalf of Nexans AS). Activities were also carried out as part of the "Eastern Green Link" project for the construction of the HVDC submarine cable between Scotland and England, with a length of 400 km and a capacity of 2 GW (project awarded by National Grid Electricity Transmission Plc). In June 2024, the Group began its activities in the "GreatSea Interconnector" project, instrumental in the construction of the HDVC electricity interconnector linking Greece and Cyprus through one of the longest and deepest submarine cables in the world, reaching depths of over 3,000 metres, covering 900 km and allowing the exchange of up to 2,000 MW of electricity. Lastly, in September, activities were started and carried out for the "Bay of Biscay" project, awarded by the client NKT, relating to the support for the installation of the HDVC and Fibre Optic (FO) submarine cable, at the North Link area that will connect the two French landings (Le Porge and Seignosse) and the South Link area that will see the connection between the French landing (Capbreton) and the Spanish landing Lemoniz.

In the Windfarm market, which represents 31.2% of the value of production, during the financial year 2024 the Group was involved in several projects in the Northern Seas and the Mediterranean, including the offshore wind farm off the coast of Courseulles-sur-Mer (Parc éolien en mer du Calvados) in France's Normandy region, with an area of 45 km² and a capacity of 450 MW. As part of this project, awarded by Eoliennes Offshore du Calvados SAS, the Group carried out activities on behalf of Saipem SpA. The collaboration with the Dutch state company Tennet Bv for the projects "Hollandse Kust West Alpha and Beta" and "Ijmuiden Ver Alpha, Beta and Gamma", which are part of the Dutch government broader plan to reach a total capacity of 21 GW of offshore wind energy by 2030, which started in 2020, continued. In addition, cooperation with TenneT Offshore GmbH (Germany) began within the framework of the "Poseidon" project for the expansion and grid connection of offshore wind farms in German territorial waters and the German Exclusive Economic Zone (EEZ). In the Mediterranean, the Group was active in several projects to develop floating offshore wind farms with market players Copenhagen Offshore Partners (COP), 7 Seas Med Srl, and Ichnusa Wind Power Srl.
In September 2024, in the context of the *Environmental* market, activities began on the Istituto Superiore per la Protezione e la Ricerca Ambientale (ISPRA) project to map marine habitats. The initiative is part of the National Recovery and Resilience Plan (NRRP) for the period 2021-2026 (specifically under Mission 2 "Green Revolution and Ecological Transition", with particular reference to Investment 3.5 "Restoration and protection of the seabed and marine habitats"). NextGeo group's activities include mapping, Multibeam and Sub Bottom Profiler geophysical surveys, Remotely Operated Vehicle (ROV), Conductivity Temperature Depth (CTD) and currentometry and technical data processing services. These operations will be carried out with two Group-owned vessels, in the Italian seas, between 150 and 2,000 metres deep, covering an area of over 9,000 km2. Completion is estimated for 30 June 2026.
Lastly, during the year, the Group was also involved in the Oil & Gas sector (accounting for 3.6% of the value of production), carrying out inspection activities on behalf of Trans Mediterranean Pipeline Company Ltd (TMPC) for the gas pipeline network connecting Algeria, Tunisia and the Sicilian coast of Mazara del Vallo, in Italy.

The income statement data show, other than the growth in the value of production, a slight increase in the percentage of costs on the value of production which, as of 31 December 2024, stands at 73.5%. This confirms, in a favourable market environment characterised by increasing attractiveness, the soundness of the business model. In a rapidly changing scenario, the careful planning of activities, the significant investments made, the internalisation of certain key resources, the propensity for innovation, and the experience and skills developed by the Group, are the factors that have contributed to keeping the level of costs substantially in line with the previous year.

EBITDA amounted to EUR 53,965,947, an increase of EUR 13,471,822 (+33.3%) compared to the previous financial year. The significant increase in the value of production (+36.8%), driven by the increase in the number and average size of projects undertaken, drove the growth in EBITDA. The EBITDA margin, despite the slight increase in the ratio of costs to production value, stands at 26.5%, confirming an excellent ability to generate robust and sustainable operating margins.

The figures in the table above show an increase in depreciation, amortisation and provisions compared to the previous year, which was caused by the significant investments made in 2024 and the in previous year. Without taking into account the bad debts of EUR 17,896 in 2024 and EUR 1,092,143 in 2023, the increase in depreciation, amortisation and provisions compared to the financial year 2023 amounted to EUR 1,990,274 (+38.6%), while the ratio of depreciation, amortisation and provisions to the value of production increased from 2.7% as of 31 December 2023 to 3.0% as of 31 December 2024.

EBIT amounts to EUR 47,900,266, an increase of EUR 12,555,795 compared to the financial year 2023, while the EBIT margin, at 23.6%, is substantially in line with the previous year, when this indicator stood at 23.8%.

Financial management shows a significant reduction in net financial expenses, amounting to EUR 1,651,657, attributable to the significant improvement in the net financial position, the result of the significant cash flows generated by operating activities, the careful management of working capital and the returns obtained thanks to the investment in short-term financial assets and readily available liquidity of part of the liquidity collected through the EGM listing transaction.

As a result of the aforementioned reduction in net financial expenses, the pre-tax profit increased from 22.5% in the previous year to 23.5% in 2024 as a percentage of the value of production, while the net profit amounted to EUR 43,139,723 and was equal to 21.2% of the value of production.

Reclassified Balance Sheet

Values in Euro units	2024	%	2023	%	Change	Ch.%
Inventories	23,252,507	11.4%	123,932,543	83.4%	(100,680,036)	-81.2%
Advances	19,551,926	9.6%	116,601,712	78.5%	(97,049,786)	-83.2%
Trade receivables	35,042,974	17.2%	39,564,807	26.6%	(4,521,833)	-11.4%
Trade payables	27,077,070	13.3%	29,176,486	19.6%	(2,099,416)	-7.2%
Trade working capital	**11,666,485**	**5.7%**	**17,719,152**	**11.9%**	**(6,052,667)**	**-34.2%**
Other current assets	4,668,338	2.3%	8,476,197	5.7%	(3,807,859)	-44.9%
Other current liabilities	7,382,419	3.6%	6,471,800	4.4%	910,619	14.1%
Net working capital (NWC)	**8,952,404**	**4.4%**	**19,723,549**	**13.3%**	**(10,771,145)**	**-54.6%**
Fixed assets	68,947,526	33.9%	42,367,888	28.5%	26,579,638	62.7%
Other non-current assets (liabilities)	(2,009,437)	-1.0%	(3,155,657)	-2.1%	1,146,220	-36.3%
Net invested capital (NIC)	**75,890,493**	**37.3%**	**58,935,780**	**39.7%**	**16,954,713**	**28.8%**
Net financial debt	(66,752,728)	-32.8%	9,706,389	6.5%	(76,459,117)	-787.7%
Shareholders' equity	142,643,221	70.2%	49,229,391	33.1%	93,413,830	189.8%
Sources of financing	**75,890,493**	**37.3%**	**58,935,780**	**39.7%**	**16,954,713**	**28.8%**

The reclassified balance sheet shows a balanced capital and financial structure as of 31 December 2024, in the context of the solid growth achieved by the Group during the financial year. Inventories as a percentage of value of production decreased from 83.4% as of 31 December 2023 to 11.4% as of 31 December 2024, mainly due to the completion of work on major contracts in progress as of 31 December 2023 and the progress of contracts as of 31 December 2024. The Days Inventory Outstanding (*DIO*) decreased from 300 days as of 31 December 2023 to 41 days as of 31 December 2024.

Trade receivables decreased from EUR 39,564,807 as of 31 December 2023 to EUR 35,042,974 as of 31 December 2024 (-11.4%), and the average days sales outstanding (DSO) decreased from 96 days as of 31 December 2023 to 62 days as of 31 December 2024, confirming the quality of the Group's customer portfolio.

Payments on account, in line with the trend shown by inventories, decreased significantly as a result of the completion of work on major contracts in progress as of 31 December 2023.

Trade payables, despite the increase in costs, decreased by EUR 2,099,416 (-7.2%), from EUR 29,176,486 as of 31 December 2023 to EUR 27,077,070 as of 31 December 2024. Days Payable Outstanding (DPO) for trade payables also decreased significantly compared to 31 December 2023, from 97 days as of 31 December 2023 to 65 days as of 31 December 2024, reflecting a more efficient management of relations with suppliers and improving the Group's positioning as a solid and reliable partner.

The difference between other current assets and other current liabilities changed from a positive balance of EUR 2,004,397 as of 31 December 2023 to a negative balance of EUR 2,714,081 as of 31 December 2024, mainly due to the reversal of prepaid expenses from the previous year, the offsetting utilisation of tax receivables, and the collection of other receivables for grants.

Net working capital decreased by EUR 10,771,145 (-54.6%) compared to 31 December 2023, amounting to 4.4% as a percentage of the value of production compared to 13.3% in the previous year. This reduction contributed significantly to the generation of significant cash flows from operating activities and confirms the management's focus on managing the dynamics of working capital.

Fixed assets, as a result of the significant investments aimed at the expansion and upgrading of the naval fleet, the important investments in equipment, as well as the investments instrumental to the realisation of the Initial Public Offering in the broader project of development of the Group's activity, increased from EUR 42,367,888 as of 31 December 2023 to EUR 68,947,526 as of 31 December 2024 (+62.7%).

There was a slight increase (EUR 1,146,220) over the previous year in the balance of other non-current assets and liabilities, which went from a negative EUR 3,155,657 to a negative EUR 2,009,437, mainly due to the reversal of deferred taxes and the dynamics related to the timing of the reversal of deferred income.

Net financial debt, as a result of the capital raised through the listing on EGM, the significant economic performance achieved during the financial year, and the careful management of working capital, despite the considerable level of investments made, decreased by EUR 76,459,117, with financial assets exceeding financial liabilities by EUR 66,752,728 as of 31 December 2024.

Financial flows

Values in Euro units	2024	%	2023	%	Change	Ch.%
Financial flows arising from operating activity	58,916,836	29.0%	30,026,037	20.2%	28,890,799	96.2%
Financial flows arising from investing activity	(36,688,218)	-18.0%	(20,533,617)	-13.8%	(16,154,601)	78.7%
Financial flows arising from financing activity	43,969,473	21.6%	(1,979,921)	-1.3%	45,949,394	-2320.8%

Cash flow from operating activities benefited from the brilliant economic performance achieved and especially from the careful management of working capital, amounting to EUR 58,916,836, an increase of EUR 28,890,799 compared to the previous year. The cash flow from operations as a percentage of the value of production increased sharply from 20.02% to 29.0% compared to the previous year.

As a result of the completion of major investments for the expansion and upgrading of the fleet, the purchase of new and more efficient equipment, the acquisition of the net assets of the wholly-owned subsidiary Subonica Srl, the investments instrumental to the listing on EGM and the use of part of the capital raised from the listing in short-term securities, the investment activity absorbed financial resources of EUR 36,688,218 during the year 2024. As a result of the above, the ratio of cash flow from investing activities to the value of production increased from 13.8% to 18.0%. The level of investment realised is considerable, even taking into account the increase in the value of production.

Financial management, thanks to the capital raised through the listing on EGM, net of repayments of short-term advances and medium- to long-term loans made during the financial year, generated resources of EUR 43,969,473.

Investments

Values in Euro units	2024	%	2023	%	Change	Ch.%
Intangible fixed assets	4,273,185	2.1%	1,698,794	1.1%	2,574,391	152%
Tangible fixed assets	27,872,451	13.7%	18,856,812	12.7%	9,015,639	48%
Financial fixed assets	20,000	0.0%	23,108	0.0%	(3,108)	-13%
Current financial assets	4,000,000	2.0%	-	0.0%	4,000,000	N/A
Acquisition of subsidiaries net of cash and cash equivalents	525,438	0.3%	-	0.0%	525,438	N/A
Total investments	**36,691,074**	**18.0%**	**20,578,714**	**13.8%**	**16,112,360**	**78%**
Investments in current financial assets	(4,000,000)	-2.0%	-	0.0%	(4,000,000)	N/A
Total normalised investments	**32,691,074**	**16.1%**	**20,578,714**	**13.8%**	**12,112,360**	**59%**

Capital expenditure realised in the financial year 2024 totalled EUR 36,691,074 and represented 18.0% as a ratio on the value of production, up by EUR 16,112,360 compared to the financial year 2023, when it amounted to EUR 20,578,714 (or 13.8% of the value of production). Without taking into account the investment of part of the cash raised through the IPO in short-term securities, investments in the financial year 2024 amounted to EUR 32,691,074 and represented 16.1% of the value of production.

The significant investments in the financial year 2024 confirm the Group's commitment to the realisation of future development plans. Investments in intangible assets mainly consist of expenses for listing on the EGM and improvements on chartered vessels. Capital expenditure on tangible assets mainly refers to the purchase of the ship NG Explorer, the advances paid for the purchase of the NG Surveyor and of the Schilling Heavy Duty (HD) ROV and related accessories, to the upgrading of Group-owned vessels, and the purchase of specialised equipment. Investments in current financial assets mainly refer to the investment of part of the liquidity raised through the listing transaction in securities that are not intended to remain in the Group's equity.

NET FINANCIAL DEBT

Details of the Net Financial Debt as of 31 December 2024, compared to the previous year, are shown below.

Values in Euro units	2024	%	2023	%	Change	Ch.%
Cash and cash equivalents	(84,343,551)	-41.5%	(17,774,724)	-12.0%	(66,568,827)	374.5%
Financial assets not constituting fixed assets	(4,000,000)	-2.0%	-	0.0%	(4,000,000)	N/A
Current financial receivables	-	0.0%	(14,527)	0.0%	14,527	-100.0%
Current financial payables	10,217,073	5.0%	10,877,167	7.3%	(660,094)	-6.1%
Net current financial debt	**(78,126,478)**	**-38.4%**	**(6,912,084)**	**-4.7%**	**(71,214,394)**	**1030.3%**
Non-current financial receivables	(212,071)	-0.1%	(179,800)	-0.1%	(32,271)	17.9%
Non-current financial payables	11,585,821	5.7%	16,798,273	11.3%	(5,212,452)	-31.0%
Net non-current financial debt	**11,373,750**	**5.6%**	**16,618,473**	**11.2%**	**(5,244,723)**	**-31.6%**
Net financial debt	**(66,752,728)**	**-32.8%**	**9,706,389**	**6.5%**	**(76,459,117)**	**-787.7%**

Financial debt as of 31 December 2024 decreased by EUR 76,459,117 (-787.7%), with financial assets exceeding financial liabilities by EUR 66,752,728 as of 31 December 2024. This result was achieved thanks to the significant capital raising realised with the listing transaction and the significant cash flow from operations, despite the considerable level of investments made in the financial year 2024.
Cash and cash equivalents increased from EUR 17,774,724 as of 31 December 2023 to EUR 84,343,551 as of 31 December 2024, an increase of EUR 66,568,827; financial assets not constituting fixed assets amounted to EUR 4,000,000 and refer to securities not intended to be held permanently in the Group's assets; lastly, financial payables decreased overall (considering both the current and non-current portions) by EUR 5,872,546.

ECONOMIC, ASSET AND FINANCIAL INDICATORS

The following tables present the economic, equity and financial performance indicators deemed useful for a better understanding of the Group's situation and of the performance and results of its operations.

Economic indicators

Values in Euro units	2024	2023	Change	Ch.%
EBITDA	53,965,947	40,494,125	13,471,822	33.3%
EBIT	47,900,266	35,344,471	12,555,795	35.5%
Net result	43,139,723	29,192,787	13,946,936	47.8%
EBITDA margin	26.5%	27.3%	-0.7%	-2.6%
Return on sales (ROS)	23.6%	23.8%	-0.2%	-0.9%
Return on investment (ROI)	63.1%	60.0%	3.1%	5.2%
Return on assets (ROA)	21.7%	15.1%	6.5%	43.0%
Return on equity (ROE)	30.2%	59.3%	-29.1%	-49.0%

Asset and financial indicators

Values in Euro units	2024	2023	Change	Ch.%
Net financial debt (NFD)	(66,752,728)	9,706,389	(76,459,117)	-787.7%
Shareholders' equity	142,643,221	49,229,391	93,413,830	189.8%
Current assets - current liabilities	87,078,882	26,635,633	60,443,249	226.9%
Cash ratio	2.36	1.16	1.19	102.5%
Fixed asset to equity capital margin	72,703,199	5,601,340	67,101,859	1198.0%
Long-term solvency ratio	2.04	1.13	0.91	80.7%
Fixed asset to equity capital and medium/long-term debt margin	87,078,882	26,635,633	60,443,249	226.9%
(Equity + long term liabilities) - fixed assets	2.25	1.61	0.63	39.4%
Financial dependence ratio	0.36	0.79	(0.43)	-55.0%
Financial independence ratio	0.64	0.21	0.43	205.7%
Days Sales Outstanding (DSO)	62	96	(34)	-35.3%
Days Payables Outstanding (DPO)	65	97	(32)	-32.8%
Days Inventory Outstanding (DIO)	41	300	(259)	-86.3%
NFD/Shareholders' equity	(0.47)	0.20	(0.67)	-337.3%
Net financial expenses / NFD	0.00	0.03	(0.03)	-89.6%
NFD / EBITDA	(1.24)	0.24	(1.48)	-616.0%

OPERATIONAL INDICATORS

The table below provides details of the operational performance indicators, which provide further useful information for understanding and analysing the Group's results.

Offshore ship days sold

Values expressed in number of days	2024	% Capacity sold
Owned *offshore* ship days	639	88.8%
Days of *offshore* ships owned by related companies	1,379	76.6%
Third-party *offshore* ship days	185	N/A

ROV days sold

Values expressed in number of days	2024	% Capacity sold
Owned ROV days	802	74.3%
Third-party ROV days	368	N/A

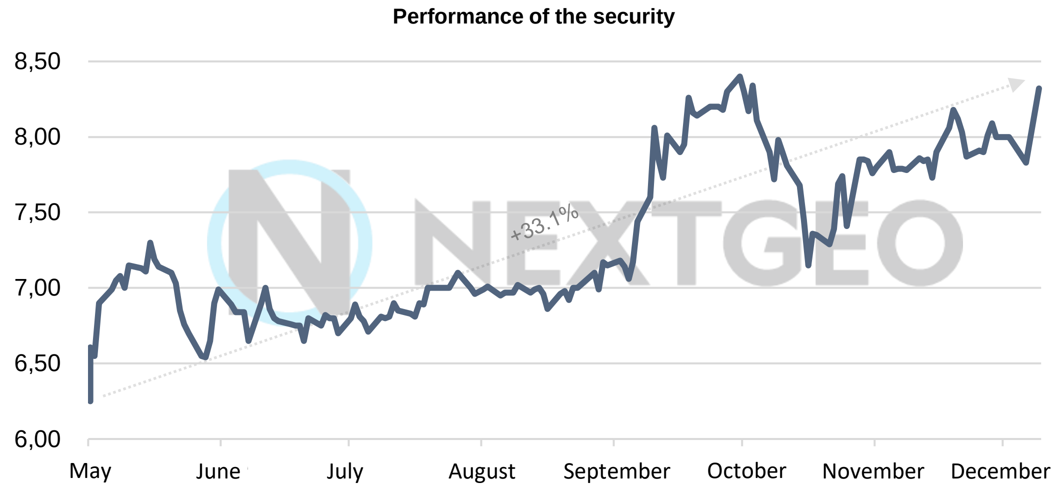
Offshore personnel days sold

Values expressed in number of days	2024
Internal staff days	7,388
External staff days	17,411

PERFORMANCE OF SHARE LISTED ON EURONEXT GROWTH MILAN (EGM)

As of 31 December 2024, the official closing price of the Next Geosolutions Europe SpA share (Borsa Italiana Ticker - BIT: NXT) is EUR 8.32 (+ 33.1% compared to the price of EUR 6.25 per share set at the IPO). Market capitalisation is EUR 399,360,000.
Below are the data recorded by the share and its performance during the period from 22 May 2024 (IPO day) to 31 December 2024.

	Value	Date
IPO price	6.25	22 May 2024
Number of IPO shares	48,000,000	22 May 2024
IPO market capitalisation	300,000,000	22 May 2024
Official price at the close of the financial year 2024	8.32	31 December 2024
Number of shares at the close of the financial year 2024	48,000,000	31 December 2024
Market capitalisation at the close of the financial year 2024	399,360,000	31 December 2024



As of 31 December 2024, the market capitalisation exceeds the book equity value by EUR 256,716,779.

DETAILS OF ALTERNATIVE PERFORMANCE INDICATORS

In order to provide a better analysis of the results of operations, the Group has used some alternative performance indicators that are not identified as accounting measures under the national accounting standards dictated by the Italian Accounting Body - Organismo Italiano di Contabilità (OIC).

Below is a definition of the alternative performance indicators used in this report:

- In-house production: represents the sum of items "A2. Changes in inventories of work in progress, semi-finished and finished products", "A3. Changes in contract work in progress" and "A4. Increases in fixed assets for in-house work" in the income statement.
- External operating costs: represents the sum of items "B6. Costs for raw, ancillary, consumable materials and goods", "B7. Costs for services", "B8. Costs for leased goods" and "B11. Changes in inventories of raw, ancillary, consumable materials and goods" of the income statement.
- Gross operating margin (EBITDA): represents the operating result (EBIT) after depreciation, amortisation and provisions.
- Depreciation, amortisation and provisions: represents the sum of items "B10. Amortisation, depreciation and write-downs", "B12. Provisions for risks" and "B13. Other provisions" of the income statement.
- Net financial expenses: represents the difference between items "C17. Interest and other financial charges" and "C16. Other financial income" of the income statement.
- Trade receivables: represents the sum of trade receivables recorded under items "CII1. Receivables from customers", "CII2. Receivables from subsidiaries", "CII3. Receivables from associates", "CII4. Receivables from parent companies" and "CII5. Receivables from undertakings controlled by the parent companies".
- Trade payables: represents the sum of trade payables entered under items "D7. Payables to suppliers", "D9. Payables to subsidiaries", "D10. Payables to associates", "D11. Payables to parent companies" and "D11-bis. Payables to undertakings controlled by the parent companies".
- Trade working capital: represents the sum of inventories and trade receivables, less advances and trade payables.

- Other current assets: represents the sum of receivables due within the next financial year other than those falling under “Trade receivables” and short-term accruals and deferrals

- Other current liabilities: represents the sum of payables due within one year other than those falling under “Trade payables” and short-term accruals and deferrals.

- Net working capital (NWC): represents the sum of trade working capital and other current assets less other current liabilities.

- Fixed assets: represents the sum of intangible, tangible and financial fixed assets (excluding financial receivables recorded as fixed assets).

- Other non-current assets/(liabilities): represents the sum of trade receivables due beyond one year, deferred tax assets and medium/long-term accrued income and prepaid expenses, net of the sum of provisions for risks and charges (including deferred tax liabilities), employee severance indemnities, medium/long-term trade payables, and medium/long-term accrued expenses and deferred income.

- Net capital invested (NCI): represents the sum of net working capital (NWC), fixed assets and other medium/long-term non-current assets/(liabilities).

- Net financial debt (NFD): represents the sum of amounts due to banks and other lenders, less the sum of financial receivables, financial assets not constituting fixed assets and cash and cash equivalents.

- Sources of financing: represents the sum of net financial debt (NFD) and shareholders’ equity.

- Current financial receivables: represents the sum of financial receivables due within one year classified under item “BIII2. Financial Fixed Assets - Receivables” of the Balance Sheet.

- Current financial payables: represents the sum of amounts due to banks and other lenders due within one year.

- Non-current financial receivables: represents the sum of financial receivables due beyond one year classified under item “BIII2. Financial Fixed Assets - Receivables” of the Balance Sheet.

- Non-current financial payables: represents the sum of amounts due to banks and other lenders due after one year.

- Return on sales (ROS): represents the ratio of the operating result (EBIT) to the value of production. Given the specificities of the business, it was deemed appropriate to use value of production instead of revenues from sales and services as the denominator.

- Return on investment (ROI): represents the ratio of operating profit (EBIT) to net capital invested (NCI).

- Return on assets (ROA): represents the ratio of operating profit (EBIT) to total assets.

- Return on equity (ROE): represents the ratio of net profit to equity.

- Current assets - current liabilities: represents the difference between net working capital and current financial debt.

- Cash ratio: represents the ratio of the sum of inventories, trade receivables, other current assets, current financial receivables and cash and cash equivalents to the sum of advances, trade payables, other current liabilities and current financial payables.

- Fixed asset to equity capital margin: represents the difference between equity and non-current assets (fixed assets, receivables due after one year, deferred tax assets and medium/long-term accrued income and prepaid expenses).

- Long-term solvency ratio: represents the ratio of shareholders' equity to non-current assets (fixed assets, receivables due beyond one year, deferred tax assets and medium/long-term accrued income and prepaid expenses).

- Fixed asset to equity capital and medium/long-term debt margin: represents the difference between the sum of equity and non-current liabilities (provisions for risks and charges, deferred taxes, employee severance indemnities, payables due beyond one year and medium/long-term accrued expenses and deferred income) and non-current assets (fixed assets, receivables due beyond one year, deferred tax assets and medium/long-term accrued expenses and deferred income).

- (Equity + long term liabilities) - fixed assets: represents the ratio of the sum of shareholders' equity and non-current liabilities (provisions for risks and charges, deferred taxes, employee severance indemnities, payables due beyond one year and medium/long-term accrued liabilities and deferred income) to non-current assets (fixed assets, receivables due beyond one year, deferred tax assets and medium/long-term accrued income and deferred expenses).

- Financial dependence ratio: represents the ratio of liabilities to third parties (advances, trade payables, other current liabilities, non-current liabilities, current financial liabilities and non-current financial liabilities) to total liabilities.

- Financial independence ratio: represents the ratio of shareholders' equity to total liabilities.

- Days Sales Outstanding (DSO): the ratio of trade receivables to production value multiplied by 360.

- Days Payable Outstanding (DPO): the ratio of trade payables to production costs multiplied by 360.

- Days Inventory Outstanding (DIO): the ratio of inventories to value of production multiplied by 360.

- *Offshore* ship days sold: represents the number of *offshore* ship days sold during the financial year.

- ROV days sold: represents the number of ROV days sold during the financial year.

- *Offshore* personnel days sold: represents the number of *offshore* personnel days sold during the financial year.

- *Backlog*: represents the value of contracts/orders signed or awarded.

- *Pipeline*: represents the value of the bids submitted for which a probable award is estimated.

MAIN RISKS AND UNCERTAINTIES TO WHICH THE GROUP IS EXPOSED

FINANCIAL RISKS

Price risk
Price risk is the risk that downwards changes in sales prices and/or upwards changes in purchase prices of major supplies may adversely affect the Group expected results.

The target business is characterised by the demand for specialised skills and high professionalism, while there is no strong price competition (also due to the limited number of players in the sector). It should be noted, however, that, given the relevance of certain commodities (i.e. bunkers) for the reference sector, it is possible that significant unexpected changes in the prices of these commodities could negatively affect the company performance, particularly in the presence of long-term projects.

In order to monitor this risk, the sales structure and controlling, already at the stage of preparing offers, carefully assess the cost level in order to set prices that guarantee the achievement of the expected result targets. During the execution of orders, the development of costs, revenues and cash flows is analysed frequently in order to intercept any imbalances or deviations from management expectations in a timely manner.

Interest rate fluctuation risk
The risk of interest rate fluctuations is the risk that changes in market interest rates will affect the market value of the Group financial assets and liabilities, as well as its net financial expenses.

The Group analyses its exposure to the risk of interest rate fluctuation on a dynamic basis, simulating its financing requirements and estimated cash flows in different scenarios, on the basis of economic expectations, existing positions and potential refinancing.

The interest rate risk to which the Group is exposed arises mainly from long-term financial debts. These debts are mainly at variable rates and the Group does not have any particular hedging policies in place, considering this risk to be insignificant.

Exchange rate fluctuation risk
Exchange rate fluctuation risk is the risk that changes in foreign currency exchange rates with respect to the functional currency, represented by the Euro, may negatively affect the Group economic performance and cash flows.

NextGeo operates internationally and is therefore exposed to risks arising from fluctuations in the exchange rates of the foreign currencies in which certain transactions are settled. This risk arises in the event that the counter-value in euros of foreign currency sales transactions decreases or increases the counter-value in euros of foreign currency purchase transactions, preventing the desired margin from being achieved.

Exchange rate trends are monitored both locally and centrally by the finance department with the aim of intercepting potential risk situations and activating immediate action to mitigate the effects. The management, in order to limit this risk, tries to maintain the foreign currency balance wherever possible.

At present, also taking into account the limited historical economic and financial impact of exchange rate differences, the Group does not implement any particular hedging policies.

Credit risk
Credit risk represents the Group’s exposure to potential losses from non-fulfilment of the obligations assumed by the counterparties.

The historical data do not show any significant credit losses and the customer counterparties are companies of high standing and proven reliability. The sector is not characterised by high volatility or other cyclical imbalances. Therefore, the risk is assessed as low.

The Group favours relations with operators with whom important relationships of trust have been established over time or who in any case have a high reputation, carefully analysed by the commercial and credit department.

Collections and any level of overdue receivables are carefully and periodically monitored by the credit department with the support, where necessary, of the legal department and external corporate counsel.

Liquidity risk
Liquidity risk is the risk associated with the unavailability of financial resources necessary to meet short-term payment commitments to commercial or financial counterparties within the established terms and deadlines. The main factors determining the Group degree of liquidity are, on the one hand, the resources generated or absorbed by operating and investing activities, and, on the other, the maturity and renewal terms of debt or the liquidity of financial investments and market conditions.
The Group manages liquidity risk through tight control of the components of cash and cash equivalents, credit lines, operating working capital (in particular, trade receivables and trade payables) and loans.

The Group is committed to maintaining a financial structure that ensures an adequate level of liquidity, a balance between sources of financing and uses of capital, and allows for the cost of money to be minimised, without compromising the short-term balance of the treasury and avoiding critical issues and tensions in current liquidity.

Risk of changes in cash flows
The risk of changes in cash flows is the risk that unforeseen/unpredictable events may lead to a negative change in actual cash flows compared to management expectations.

Contract projects and activities carried out at sea (particularly in the sector in which the Group operates) are characterised by considerable operational and management complexities and are influenced by numerous exogenous variables (technical/technological difficulties, weather conditions, etc.) that could compromise expected margins and lead to unexpected changes in cash flows.

The controlling department closely and constantly monitors the progress of orders in order to intercept any risk situations and develop, in consultation with the relevant corporate departments, the appropriate corrective actions.

Fiscal risk
The Group is subject to the taxation envisaged by Italian tax regulations and by those of the countries in which it operates and, therefore, is exposed to the consequences of any unfavourable changes thereto and/or possible changes in orientation, by the tax authorities or jurisprudence, with reference to the relative application and/or interpretation. Moreover, the continuous evolution of the legislation itself and its interpretation by the administrative and judicial bodies in charge, which may arrive at different positions from those adopted by the Group, constitute further elements of particular complexity.

The Group Italian companies, in order to determine their taxable income, benefit from both the facilitation provided by Article 4, paragraph 1, of Italian Law Decree no. 457/1997 (as amended by Article 13, paragraph 1, of Italian Law No. 488/1999) called “international register” and from the optional flat-rate taxation regime called “tonnage tax” provided by Articles 155 to 161 of the Italian Consolidated Income Tax Act (TUIR).

Any changes that may occur in the regulatory framework described above, or any different interpretation of the application of the relative provisions concerning the subjective and objective requirements for the purposes of eligibility to this regime and the consequent calculation of taxes in relation to the activity carried out, could have negative consequences, the effects of which would in any case be marginal, on the Group’s economic and financial situation and assets.

STRATEGIC RISKS

Market risk
Market risk is the risk that changes in market conditions (competition, technology, prices, etc.) may adversely affect the value of assets, liabilities, economic performance and expected cash flows.

The company business, which started in the Oil & Gas sector, has since evolved and concentrated on the renewable energy and telecommunications sectors, which are currently the main areas of operation and the basis for future development plans.

Over the years, the Group has developed specialised skills that have enabled it to acquire a leading position in its sector. The need for high specialised skills is a strong barrier to the entry of new players into the business. Significant investments in the best available technologies make for the highest levels of efficiency and performance, while the significant commitment to research and development contributes to the continuous improvement of the level of services offered to customers.

The commercial structure, the technical departments and the controlling department closely monitor market developments and trends in the reference sector in order to avoid unforeseen events with negative effects on the Group performance.

It is not excluded that new players or players operating in other market segments will position themselves in the business segment in which NextGeo operates, thus becoming direct competitors of the Group.

Risks related to climate change
The energy transition is the process of evolving the global economy towards a "low-carbon" development model, i.e. low/zero net greenhouse gas (GHG) emissions.

The Group has always been attentive to the environmental and social impact of its activities and aims, through the consolidation of its operations in the green economy sectors, to make a decisive contribution to the achievement of the objectives of sustainability and reduction of the environmental and social impact of economic activities set by the international community.

In line with this objective, the Group pays particular attention to research and development activities aimed at expanding its expertise in the green economy sectors, to the realisation of significant investments aimed at achieving low-carbon development objectives, and to the creation of process/service innovations that guarantee the consolidation of its position and entry into new market segments.

Risks related to climate change can impact the Group both in terms of "physical risk" (the risk that extreme weather events will affect its operations and performance and compromise the proper functioning of relevant assets) and in terms of "transition risk" (the risk that the transition to a business model with a lower environmental and social impact may render the assets and technologies currently in use obsolete/non-compliant and require significant - unforeseen - investments in renewal/adaptation). At present, this risk is assessed as low.

At the same time, climate change offers the Group important opportunities, due to its exposure in the field of climate change mitigation and adaptation solutions, as well as opportunities to differentiate itself with solutions that reduce the carbon footprint of the Group and its customers.

The Group mission is, in fact, to contribute to the creation of a world in which a safe, efficient, affordable and sustainable energy supply is accessible in an equitable and peaceful manner throughout the world.

Risks associated with the availability of qualified personnel
The inability to attract and retain qualified employees may affect the effective provision of services by NextGeo and leadership within the organisation. Labour markets are very competitive; the Covid-19 pandemic and ongoing conflicts have influenced the choices people make regarding their career path.

Therefore, keeping employees involved and taking care of their well-being is crucial for the future success of the organisation. The Group monitors this risk through careful selection and retention policies for qualified personnel. In addition, the expertise developed over time in the selection and management of specialised non-employee personnel makes the cost structure elastic and leads us to deem this risk to be limited.

OPERATIONAL RISKS

Risks associated with project implementation
Contract projects involve operational and management complexities that can impact delivery times and, in general, the quality of services offered to customers. External exogenous events can also significantly affect the results of activities and impact expected performance.

Failure to meet the required delivery times and quality standards may result in the non-acceptance of work performed, the application of penalties and/or the termination of contracts, with negative effects on performance.

Delays due to adverse weather conditions, breakdowns of vessels or equipment, unavailability of people or resources can have a negative impact on project results.

The Group mitigates these risks within the scope of its contracts by including in them specific safeguards; it has developed a project risk assessment system, appointed a risk assessment manager and implemented adequate budgeting and reporting systems to ensure the timely identification of any inefficiencies, non-conformities and deviations and the implementation of any corrective actions.

Risks associated with international operations
International operations expose the Group to risks related to, among other things, the geopolitical and macroeconomic conditions of the countries in which it operates and any changes thereto.

The activities carried out by the Group in Italy and abroad are subject to compliance with the rules and regulations valid within the territory in which it operates, including sanctions and laws implementing international protocols or conventions.
The issuance of new regulations or changes to existing regulations could require the Group to adopt stricter standards, and this circumstance could entail costs to adapt the corporate assets or the characteristics of the services offered or even limit the Group operations with a consequent negative effect on its current performance and growth prospects.

In order to mitigate this risk, the Group management carefully monitors the geopolitical and macroeconomic situation of the countries in which it operates.

Risks related to the environment, health and safety
The Group activities are subject to compliance with current regulations imposed at national and international level to protect the environment, health and safety.

Failure to comply with the regulations in force entails penal and/or civil sanctions against those responsible and, in some cases of violation of safety regulations, against the companies, in accordance with a European model of objective corporate liability that has also been transposed in Italy (Legislative Decree no. 231/01).

Environmental, health and safety regulations have a significant impact on the Group operations, and the charges and costs associated with the necessary actions to be taken to comply with these obligations will continue to be a significant cost item in future years.

The Group is impacted by a number of health and safety risks, given the operational diversity, technical complexity and geographical spread of its operations. Management monitors, also through the parent company legal department and supervisory bodies, compliance with the regulations in force in the countries in which the Group operates.

Legal risks
Given the size of the business and the operational and management complexity associated with contract projects, the Group may be a party in civil and administrative proceedings and legal actions connected with the normal course of its business. Such proceedings, if unsuccessful, could impact the economic and financial performance of the Group.

In order to minimise these risks, the organisation of the parent company Next Geosolutions Europe SpA envisages the presence of an in-house legal department and external legal advisors of proven experience and professionalism, while the procedures in place require careful assessment of contractual documentation prior to signing.

At present, also based on historical trends, this risk is considered low.

Cybersecurity risks
Cybersecurity risks could impact corporate performance in terms of (permanent or temporary) loss of confidential data or other sensitive business information.

Companies are being called upon to face the cybersecurity risks arising from the continuous evolution of the cyber threat and the increase in its scope, also in the face of increasing digitalisation and the greater spread of remote working in companies.

Computer incidents, including in the supply chain, business disruptions, data leakage and loss of information, including of strategic importance. The Group manages cybersecurity through specialised processes, procedures and technologies for predicting, preventing, detecting and managing potential threats and for responding to them.

This risk is low.

SUSTAINABILITY

NextGeo group is an international leader in the provision of offshore engineering and marine geoscience support services, focusing mainly on the energy sector, with a focus on renewable energy, and offshore infrastructure (e.g. interconnectors and wind farms).
The support offered by NextGeo group allows its customers to precisely plan and safely execute the projects in which it is involved, ensuring that as little disturbance as possible is caused to the environment.

In 2024, NextGeo Group strengthened its focus on sustainability issues by formalising the position of Head of Sustainability in the organisational chart of the parent company. The introduction of this role reaffirmed the Group's sense of responsibility for the environment, human rights, and governance. The supervision of this role has given the organisation the opportunity to implement actions to improve its performance in the areas of the environment, social welfare and supervision of the integrated corporate approach, which aims to combine the objectives of environmental protection and economic growth (so-called sustainable growth).

In 2025, the Group will present the Sustainability Report 2024, still drawn up on a voluntary basis, but produced in view of the latest Corporate Sustainability Reporting Directive (CSRD), following the new European Sustainability Reporting Standards (ESRS).

The listing on Euronext Growth Milan (EGM) in May 2024, and the subsequent positive investor reaction, confirmed the recognition of the company's commitment to vigorously pursuing these issues, highlighting the market's confidence in our vision and strategies for sustainable development.
In addition, the award of major contracts, which took place by supplementing a strong commercial offering with the implementation of solutions aimed at reducing environmental impact, supported the claim that the market rewards the Group's proactive commitment to sustainability issues.

Considerable effort has been put into training staff on sustainability issues, both through internal, introductory training sessions on these topics, and with specific emphasis on "Diversity" and "Inclusion", organised in cooperation with the Head of Human Resources.

Specifically, the sessions organised were aimed at fostering internal discussion and raising the awareness of the workforce on these social issues and the company's policies to deal with them.

Over the past year, the Group has carried out several initiatives and campaigns in the field of sustainability, including:

Environment

- Exclusive use of fuels with low or very low sulphur content;
- Increasing the scope of GHG (greenhouse gas) tracking by including business trips - Scope 3;
- Installation and sponsorship of a Seabin for collecting microplastics;
- Involvement of subcontractors offering low impact vessels in the Group's operations;
- Supply of water in Tetrapak packaging for vessels involved in key projects.

Social

- Promulgation of the three-year gender equality plan and establishment of the internal committee to oversee this issue;
- UNI/PdR 125:2022 certification for Gender Equality;
- Awareness-raising campaign on Inclusivity, Diversity and Equality issues;
- Involvement of offshore staff in regular meetings to enable them to make comments and update them on the company's development.

Governance

- Awareness-raising campaign on Inclusivity, Diversity and Equality issues;
- Obtaining the SME-B rating from CDP (Carbon Disclosure Project);
- Disclosure of ESG performance on the CDP and Open-Es platforms;
- Implementation of an ESG questionnaire in the qualification procedure of critical suppliers;
- Publication of the sustainability case-study in the NextGeo group in the trade magazine *Inside Sustainability*.

INFORMATION ON THE ENVIRONMENT

During the year 2024, NextGeo Group did not cause significant damage to the environment, nor was it penalised for environmental offences.
The management manages its own activities in the pursuit of excellence in the field of quality, the environment and safety, with the aim of continuously improving its performances in terms of customer satisfaction, environmental protection, worker health and safety.

NextGeo group is committed:

- to operating in compliance with the laws in force that are applicable to its activity, with the company specifications and standards and to take any legislative developments into consideration;
- to managing its own processes by using the best available techniques;
- to minimising the impact of its activities on the environment;
- to recognising that the customer needs and the evaluation of his/her satisfaction are priority reference criteria to be adopted in the implementation of services.

This commitment is fulfilled through:

- the design, implementation and maintenance of an integrated management system;
- the planning and implementation of periodic checks and reviews of said management system;
- systematic monitoring of customer satisfaction;
- the possibility for "potential" customers to access the Group "customer satisfaction" data;
- the delineation of objectives and targets for quality, health and safety of people and environmental protection, which are to be achieved through specific, periodically revised, programs.

The Group has always been hugely committed to issues related to the safety of workers, of its production assets and of the environment, in general, basing its strategy on:

- the dissemination of a culture of safety within the organisation;
- policies, specific dedicated operating procedures and proper management systems, aligned with the best international standards;
- control, prevention and protection from exposure to risks, including risks related to the safety of the environment;
- minimisation of exposure to risks in every productive activity.

During the financial year, the parent company Next Geosolutions Europe SpA maintained certification according to the international standards ISO 9001:2015, 14001:2015, 45001:2018 (April 2024) and NEN Safety Culture Ladder 2.0.

Initiatives aimed at reducing the impact of the Group activities on the environment include the following:

- reducing the use of plastic and installing water dispensers in all offices. The water dispensers are equipped with paper cups for guests, while the Group provides its employees with aluminium flasks. Water in glass bottles is provided in the meeting rooms.
- In order to reduce the harmful emissions of its fleet, the Group uses Marine Gas Oil with low sulphur content, applying the International Maritime Organisation (IMO) regulations in their most restrictive application; in fact, the Group uses, exclusively, fuels with low or very low sulphur content (LS, ULSFO), max 0.10%.
- In order to make the movement of vessels more efficient and reduce non-operational transits, the Group has implemented an operations planning process based on the weekly issuance of a forecast document for vessel allocation on projects.
- As of January 2024, the Group has required the companies it works with to report monthly on emissions generated by the travel of their personnel to and from work areas, as well as all travel related to participation in meetings with customers, trade fair events, and visits to the Group offices.

These initiatives are fully in line with the Group mission to contribute, through its activities, to the creation of a more sustainable world.

INFORMATION ON PERSONNEL

During 2024, due to the growth of the business and in accordance with the strategy of insourcing certain specialised skills, the Group workforce grew significantly to an average of about 168 employees. Attention to people is an integral part of our culture and is certainly one of the key factors for future growth.

Over the years, the Group has implemented measures that are fully in line with the objective of creating a healthy working environment, in which each employee can feel valued and can find the ideal conditions to express his or her potential to the full.

In order to ensure adequate knowledge of the rules governing the employment relationship, of company procedures and in order to guarantee the professional updating of personnel, training courses involving all employees or specific courses for a part of them are carried out.

With reference to the personnel safety disclosure, we report that, during 2024, there were no work-related injuries or significant occupational incidents directly or indirectly involving the Group.

RESEARCH AND DEVELOPMENT ACTIVITIES

In a highly specialised business, where the ability to innovate is one of the key factors for success and for maintaining competitiveness over time, research and development activities play a fundamental role. Therefore, NextGeo group has committed and continues to commit significant resources to research and development activities, believing that they represent one of the key factors in the growth achieved over the years and future developments.
The parent company Next Geosolutions Europe SpA participates in the MIT (Massachusetts Institute of Technology) “Regional Entrepreneurship Acceleration Program”, which supports companies in their path to economic growth and promotes social progress through innovation-driven entrepreneurship.

NextGeo group has completed, and still has ongoing, several research and development projects with prestigious scientific research institutions.

The following projects in particular are worth mentioning:

- Innovation agreement NSS2023 - Next Sistema Smart in the marine environment, closed in March 2024. The project led to the realisation of a system to remotely transport production activities at sea to a strategic location on land and is aimed at improving the quality of work of personnel and reducing the environmental impact of the activities carried out. The NSS2023 integrated system consists of two prototype production subsystems: the remotely controlled underwater "High Speed Survey ROV" (HSS ROV) and the surface Autonomous Survey Vehicle (ASV). The completion of the final prototype envisages the construction of: (a) the Experimental Control Centre (so-called Control Room), located on board the vessel that will have to carry out the "optimised" transfer of survey data acquired at sea; and (b) of the corresponding receiving subsystem ashore (so-called Communication). In the course of 2024, with regard to this project, it should be noted that SAL 1 was successfully concluded and the final SAL was carried out.
- Innovation agreement NGR25 - Next Green Revolution, concerning the development of an integrated system for deep sediment sampling, measurement of the thermal conductivity of marine sediments and removal of metal residues similar to probable unexploded ordnance from the seabed, which is part of the second pillar "Global Challenges and Industrial Competitiveness" of the "Horizon Europe" Programme (a programme aimed at the development of key enabling technologies and, in particular, of "Advanced Production Systems" for the mitigation of climate change, the prevention and reduction of pollution and the protection and restoration of biodiversity and ecosystems). As part of this project, research and development activities and related investments in 2024 focused on the upgrading of the deep sediment sampling system (so-called "Drilling Rig") and the ship (NG Driller) hosting the system.
  During the financial year 2024, the fourth and final phase of the project was started.
- S.A.S.S.O. - Acoustic Surveillance System with Optical Sensors as part of the National Military Research Plan. The S.A.S.S.O. System consists of the development of a passive curtain (i.e. an underwater optical antenna) with fibre optic sensors for the detection of underwater targets.
  The programme consists of four phases:
  - Phase 1: Feasibility Analysis and Technical Specification of the tech demo
  - Phase 2: Tech demo project
  - Phase 3: Creation of the tech demo

  - Phase 4: Laboratory and sea trials
- Next Global Evolution - The Investment Programme presented through the Development Contract envisages a set of interventions aimed at creating a new production unit and equipping it with state-of-the-art machinery and instrumentation to increase NextGeo's presence in international markets, bringing process, service and organisational innovations. The proposed Industrial Development Contract for this project was submitted pursuant to Article 9 of the Decree of the Italian Minister of Economic Development of 9 December 2014, as amended and supplemented, in February 2024.
- Open Innovation Challenge - NextGeo Group, through the Call for Solutions promoted by Fabbrica Italiana dell'Innovazione, in collaboration with Intesa Sanpaolo Innovation Center, launched in November 2024 an Open Call aimed at start-ups, SMEs and Spinoffs. The objective of the Challenge is to identify good candidates capable of creating an augmented reality application for the inspection of underwater infrastructure and the real-time identification of targets and probable ordnance (UXO) using Remotely Operated Vehicles (ROVs).

In addition, during 2024, the Group made investments aimed at the technological and digital transformation of processes, the reduction of environmental impacts and the energy efficiency of activities and processes.
Lastly, the parent company Next Geosolutions Europe SpA collaborates and trains research and training entities and institutions both locally and nationally, is present in numerous scientific and research institutions, and continues to carry out research and development activities, believing, as repeatedly stated in this Report on Operations drafted by the Directors, that its commitment to research and development activities has significantly contributed to the growth achieved over the years and constitutes a key factor for the Group’s future development.
Existing collaborations include, in particular:

- the Zoological Station A. Dohrn in Naples;
- the University of Naples Parthenope for internships and PhDs;
- the University of Naples Federico II for training placements; and
- SEAPOWER Scarl;
- the ITS-Sustainable Mobility Maritime Transport Foundation;
- Fabbrica Italiana dell’Innovazione;
- Intesa Sanpaolo Innovation Center.

The Group is also a member of numerous scientific and research organisations, such as:

- the National Technology Cluster “BIG - Blue Italian Growth”: a consortium of research institutions and companies promoting sustainable development;
- the Mar.Te Scarl research consortium for the development of research and innovation projects in the field of integrated sea-land logistics; and
- the Area Tech Consortium, whose objective is the economic enhancement and social promotion of the Phlegraean Fields area.

RELATIONS WITH SUBSIDIARIES, RELATED COMPANIES, PARENT COMPANIES AND UNDERTAKINGS CONTROLLED BY THE PARENT COMPANIES

The Group has adopted a specific “Procedure for the Regulation of Transactions with Related Parties”, which was approved by the BoD of the parent company Next Geosolutions Europe SpA at its meeting on 15 May 2024. The Procedure was adopted - in accordance with Art. 13 of the Euronext Growth Milan Issuers’ Regulation adopted by Borsa Italiana SpA on 1 March 2012, as subsequently amended and supplemented - pursuant to Art. 1 of the Provisions on Related Parties approved by Borsa Italiana SpA in 2019 as subsequently amended and supplemented, applicable to transactions with related parties carried out by companies listed on Euronext Growth Milan (“Provisions on Related Parties”) and art. 10 of the regulation containing provisions on transactions with related parties adopted by Consob with resolution no. 17221 of 12 March 2010, as amended and supplemented (the “Related Parties Regulation”), to the extent referred to in the EGM Issuers’ Regulation.
The aforementioned “Procedure for the Regulation of Transactions with Related Parties” is available on the institutional website www.nextgeo.eu, Investor Relations, Governance, Documents and Procedures section.

During the financial year 2024, the Group had both commercial and financial transactions with related parties. These transactions mainly concern the parent company and companies controlled by the parent company.

Transactions with related parties are concluded at arm length. There were no transactions with related parties that were atypical and/or unusual and/or outside the ordinary course of business.

The following table shows details of economic and equity transactions with related parties during the financial year 2024:

Values in Euro units

Company	Revenues	Costs	Financial fixed assets	Receivables	Payables
Marnavi SpA	3,023,753	32,233,126	-	599,624	6,774,831
Navalcantieri Srl	-	242,063	-	-	84,783
Marnavi RE Srl	-	16,992	-	-	-
Marsea Shipping Ltd	-	17,896	-	-	-
Marnavi Shipping Management Pvt	-	-	18	-	2

Specifically:

Marnavi SpA
The company, headquartered in Naples (Italy), controls Next Geosolutions Europe SpA with a 52.60% stake in the share capital (63.01% in terms of percentage of voting rights at the Shareholders' Meeting) and carries out shipping activities in the petrochemical, offshore, food and anti-pollution sectors.
Relations with NextGeo group mainly concern contracts (charter in) for the chartering of ships.

Navalcantieri Italia Srl
The company, headquartered in Naples, Italy, is 100% owned by Marnavi SpA and is active in shipbuilding.
The relationship with NextGeo group concerns the mechanical machining of vessels owned by the Group.

Marnavi R.E. Srl
The company, headquartered in Naples, Italy, is 100% owned by Marnavi SpA and is active in real estate management.
Transactions with NextGeo group mainly concern fees for the use of premises owned by that company.

Marnavi Shipping Management Pvt
The company, based in Mumbai (India), is 99% owned by Marnavi SpA and 1% owned by Phoenix Offshore Srl and carries out crew management activities on behalf of Marnavi Group companies.
Transactions with NextGeo group mainly concern trade payables related to previous years for cost recharges.

Marsea Shipping Ltd
The company, with its headquarters in London (UK), is 80% owned by Marnavi SpA.
Costs to Marsea Shipping Ltd refer to the full write-down of the Group's receivables from the company controlled by the parent company.

TREASURY SHARES

On 29 March 2024, the Shareholders' Meeting of the parent company Next Geosolutions Europe SpA resolved to cancel 100,000 treasury shares, which were recorded in the balance sheet as of 31 December 2023 under "AX. Negative reserve for treasury shares in portfolio" at cost, amounting to EUR 738,000.
The table below provides information on treasury shares:

Description	2023	Increases	Decreases	2024
Number of own shares	100,000	-	100,000	-
Nominal value	100,000	-	100,000	-
Book value	738,000	-	738,000	-

SHARES OF THE PARENT COMPANY

As of 31 December 2024, the Group did not own any shares of the parent company Marnavi SpA either directly or through a trust company or intermediary. During the financial year 2024, no shares of the parent company were purchased or sold either directly or through trust companies or intermediaries.

BUSINESS OUTLOOK

During 2024, NextGeo Group continued its growth path in a solid and structured manner, further consolidating its position among the leading players in the offshore sector in Europe. The positive market trend, particularly in the Offshore Wind Farm and Interconnector segments, favoured the development of activities, offering new opportunities that the Group was able to seize with timeliness and determination, strengthening its presence and operational capacity on an international scale.

As of 31 December 2024, the Group had a backlog of about EUR 335 million and a pipeline of EUR 510 million, confirming the solidity of its future prospects and its ability to attract and manage projects of high complexity and added value. The growing demand for integrated marine infrastructure solutions is a key factor for strategic and operational planning in the coming years.

With a view to strengthening its operational structure, the Group invested in expanding its fleet and technological capabilities. In particular, the purchase of the NG Surveyor, completed in January 2025, and of the NG Explorer, finalised in December 2024, represent a decisive step towards enhancing operational efficiency and guaranteeing greater flexibility in the execution of complex projects, without altering the asset-light logic that characterises the company's management, mainly because these investments follow with balance the constant and gradual growth (also in terms of turnover and backlog) that the Group is experiencing and that it estimates will continue in the future.
In parallel, the completion of the investment in the Schilling Heavy Duty ROV and the purchase of additional technologically advanced equipment further strengthened the project execution capacity.

In addition, these investments will not only allow the Group to consolidate its presence in the markets where it currently operates, but also aim to increase its presence in the Oil & Gas, Environmental Surveys and Surveys, and Scientific/Oceanographic Research sectors, with the intention of maintaining a constant focus on expanding its footprint through organic growth and new development opportunities. In addition, NextGeo is considering further growth opportunities in the Operations & Maintenance (O&M) / Inspection, Maintenance & Repair (IMR) segments, in response to the growing demand for long-term services for the operation and maintenance of offshore infrastructure. In fact, the expansion of the fleet and the introduction of new technologies will boost the Group's ability to operate in projects of greater technical complexity, increasing its competitiveness and offering new development prospects in segments with high growth potential.

Within the framework of the development strategies and investments already in place, the Group continued its expansion in the deep geotechnical sector, through further investments aimed at increasing the operating capacity of the specialised unit "NG Driller", already part of the Group's fleet.

The year 2024 also marked a crucial strategic step for NextGeo, with the listing on Euronext Growth Milan, which raised EUR 50 million through the issuance of new ordinary shares. This transaction represented an important recognition of the value and solidity of the Group's business model, as well as providing the necessary resources to support the growth plan in the coming years.

In light of these elements, the Group plans to continue its expansion with a structured and innovation-oriented approach. Consolidation along the entire value chain, the entry into new high-potential markets, and the adoption of technologically advanced solutions are the fundamental pillars of the long-term strategy. The favourable market environment and solid operational foundations allow us to look forward to the challenges ahead, with the aim of further strengthening our leadership in the offshore sector and creating value for all stakeholders involved.

INFORMATION ON FINANCIAL INSTRUMENTS

The Group does not hold financial instruments of importance to the valuation of the assets/liabilities, financial situation and economic result for the year.

LIST OF BRANCH OFFICES

In addition to its registered and operative office in Via Santa Brigida no.39, 80133 - Naples (NA), the parent company Next Geosolutions Europe SpA has a secondary site (logistics depot) in Via Domenico de Roberto no.44, 80143 - Naples (NA) and a secondary site (office) in Via Medina no.13, 80133 - Naples (NA).

Naples, 3 March 2025

Attilio Ievoli	**Giovanni Ranieri**	**Giuseppe Maffia**
Chairman of the Board of Directors	Chief Executive Officer	Chief Executive Officer

FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

Values in Euro units	2024	2023
Assets		
B) Fixed assets		
I - Intangible fixed assets		
1) start-up and expansion costs	2,914,176	352
2) development costs	117,178	201,356
3) Industrial patent rights and rights to use intellectual property	120,000	160,000
4) concessions, licences, trademarks and similar rights	77,377	62,541
5) Goodwill	1,140,962	1,272,335
6) fixed assets under construction and advances	27,533	-
7) other	1,449,653	1,387,978
Total intangible fixed assets	**5,846,879**	**3,084,562**
II - Tangible fixed assets		
1) land and buildings	2,013,482	2,067,790
2) plants and machinery	46,929	1,799
3) industrial and commercial equipment	8,781,217	8,030,225
4) other assets	39,395,858	29,068,837
5) fixed assets under construction and advances	12,855,643	88,817
Total tangible fixed assets	**63,093,129**	**39,257,468**
III - Financial fixed assets		
1) equity investments		
d) undertakings controlled by parent companies	18	2,118
d-bis) other undertakings	7,500	23,740
Total equity investments	**7,518**	25,858
2) receivables		
d-bis) from others		
due within one year	-	14,527
due beyond one year	212,071	179,800
Total receivables from others	212,071	194,327
Total receivables	212,071	194,327
Total financial fixed assets	**219,589**	**220,185**
Total fixed assets (B)	**69,159,597**	**42,562,215**
C) Current assets		
I - Inventories		
1) raw, ancillary, consumable materials and goods	1,533,689	872,023
3) contract work in progress	21,694,818	123,038,120
5) advances	24,000	22,400
Total inventories	**23,252,507**	**123,932,543**
II - Receivables		
1) from customers		
due within one year	34,443,350	38,662,375
Total receivables from customers	34,443,350	38,662,375

4) from parent companies		
due within one year	599,624	902,432
Total receivables from parent companies	599,624	902,432
5-bis) tax receivables		
due within one year	1,366,334	1,612,315
due beyond one year	187,352	498,707
Total tax receivables	1,553,686	2,111,022
5-ter) prepaid taxes	569,304	523,631
5-quater) from others		
due within one year	2,582,599	4,312,011
Total receivables from others	2,582,599	4,312,011
Total receivables	**39,748,563**	**46,511,471**
III - Financial assets not constituting fixed assets		
6) other securities	4,000,000	-
Total financial assets not constituting fixed assets	**4,000,000**	**-**
IV - Cash and cash equivalents		
1) bank and postal deposits	84,331,374	17,765,848
3) cash on hand and liquid assets	12,177	8,876
Total cash and cash equivalents	**84,343,551**	**17,774,724**
Total current assets (C)	**151,344,621**	**188,218,738**
D) Accruals and deferrals	**743,174**	**2,609,896**
Total assets	**221,247,392**	**233,390,849**
Liabilities		
A) Group shareholders' equity		
I - Capital	600,000	500,000
II - Share premium reserve	49,900,000	-
IV - Legal reserve	163,055	163,055
VI - Other reserves, separately indicated		
Extraordinary reserve	5,991	5,991
Reserve from differences in conversion	296,904	22,794
Euro rounding reserve	(5)	(1)
Total other reserves	**302,890**	**28,784**
VIII - Profits (losses) brought forward	48,466,246	20,022,194
IX - Profit (loss) for the year	43,125,342	29,182,051
X - Negative reserve for treasury shares in portfolio	-	(738,000)
Total group shareholders' equity	**142,557,533**	**49,158,084**
Minority shareholders' equity		
Capital and minority interest	71,307	60,571
Minority profit (loss)	14,381	10,736
Total minority interest in shareholders' equity	**85,688**	**71,307**
Total consolidated shareholders' equity	**142,643,221**	**49,229,391**
B) Provisions for risks and charges		
1) for pensions and similar obligations	220,559	181,801

2) for taxes, even deferred	74,538	1,457,835
Total provisions for risks and charges (B)	**295,097**	**1,639,636**
C) Employee Severance Indemnities	**1,674,683**	**1,383,977**
D) Payables		
3) payables to shareholders for loans		
due beyond one year	529,000	529,000
Total payables to shareholders for loans	529,000	529,000
4) payables to banks		
due within one year	9,953,643	10,549,244
due beyond one year	10,971,525	15,920,547
Total payables to banks	20,925,168	26,469,791
5) payables to other lenders		
due within one year	263,430	327,923
due beyond one year	85,296	348,726
Total payables to other lenders	348,726	676,649
6) advances		
due within one year	19,551,926	116,601,712
Total advances	19,551,926	116,601,712
7) payables to suppliers		
due within one year	20,746,454	22,922,695
Total payables to suppliers	20,746,454	22,922,695
11) payables to parent companies		
due within one year	6,245,831	6,113,444
Total payables to parent companies	6,245,831	6,113,444
11-bis) payables to undertakings controlled by the parent companies		
due within one year	84,785	140,347
Total payables to undertakings controlled by the parent companies	84,785	140,347
12) tax payables		
due within one year	4,401,028	3,927,855
Total tax payables	4,401,028	3,927,855
13) payables to pension funds and social security institutions		
due within one year	592,021	221,734
Total payables to pension funds and social security institutions	592,021	221,734
14) other payables		
due within one year	1,657,643	1,653,386
Total other payables	1,657,643	1,653,386
Total payables (D)	**75,082,582**	**179,256,613**
E) Accruals and deferrals	**1,551,809**	**1,881,232**
Total liabilities	**221,247,392**	**233,390,849**

CONSOLIDATED INCOME STATEMENT

Values in Euro units	2024	2023
A) Value of production		
1) revenues from sales and services	301,783,073	79,945,253
3) changes in contract work in progress	(102,374,294)	64,039,303
5) other revenues and income		
operating grants	692,799	2,995,366
other	3,206,947	1,615,524
Total other revenues and income	**3,899,746**	**4,610,890**
Total value of production	**203,308,525**	**148,595,446**
B) Production costs		
6) for raw, ancillary materials and consumables	13,176,828	9,628,963
7) for services	75,590,802	46,298,436
8) for leased assets	46,676,673	39,813,161
9) for personnel		
a) wages and salaries	12,297,717	10,101,937
b) social security charges	1,551,086	1,163,217
c) severance indemnity	455,977	352,322
d) pensions and similar benefits	38,758	27,200
e) other costs	-	1,172
Total costs for personnel	**14,343,538**	**11,645,848**
10) amortisation, depreciation and write-downs		
a) amortisation of intangible fixed assets	1,875,282	1,063,969
b) depreciation of tangible fixed assets	4,172,503	2,993,542
d) write-downs of receivables included in current assets and cash and cash equivalents	17,896	1,092,143
Total amortisation, depreciation and write-downs	**6,065,681**	**5,149,654**
11) changes in raw, ancillary materials, consumables and goods	(653,441)	546,952
14) various operating charges	208,178	167,961
Total production costs	**155,408,259**	**113,250,975**
Difference between value of production and production costs (A - B)	**47,900,266**	**35,344,471**
C) Financial income and charges		
16) other financial income		
d) income other than above		
other	1,090,133	6,607
Total income other than above	1,090,133	6,607
Total other financial income	1,090,133	6,607
17) interest and other financial charges		
other	1,606,378	1,718,018
Total interest and other financial charges	1,606,378	1,718,018
17-bis) exchange gains and losses	311,065	(145,426)
Total financial income and charges (15 + 16 - 17 + - 17-bis)	**(205,180)**	**(1,856,837)**
Result before taxes (A - B + - C + - D)	**47,695,086**	**33,487,634**
20) Current, deferred and prepaid income taxes		

current taxes	5,534,907	3,671,707
taxes for the previous years	452,963	517
deferred and prepaid taxes	(1,432,507)	622,623
Total current, deferred and prepaid income taxes	**4,555,363**	**4,294,847**
21) Consolidated profit (loss) for the year		
21) Consolidated profit (loss) for the year	**43,139,723**	**29,192,787**
Group result	43,125,342	29,182,051
Result attributable to minority interests	14,381	10,736

CONSOLIDATED CASH FLOW STATEMENT

Values in Euro units	2024	2023
A) Financial flows arising from operating activities (indirect method)		
Profit (loss) for the year	43,139,723	29,192,787
Income taxes	4,555,363	4,294,847
Interest payable/(receivable)	516,245	1,711,411
1) Profit (loss) for the year before income taxes, interests, dividends and capital gains /losses deriving from disposals	**48,211,331**	**35,199,045**
Adjustments to non-monetary items that were not offset by the net working capital		
Allocations to provisions	493,166	379,522
Amortisation/depreciation of fixed assets	6,047,783	4,057,511
Total adjustments to non-monetary items that were not offset by the net working capital	**6,540,949**	**4,437,033**
2) Financial flow before changes in net working capital	**54,752,280**	**39,636,078**
Changes in net working capital		
Decrease/(Increase) in inventories	101,719,254	(63,514,752)
Decrease/(Increase) in receivables from customers	4,708,416	(19,760,131)
Increase/(Decrease) in payables to suppliers	(2,582,718)	9,141,017
Decrease/(Increase) in accrued income and prepaid expenses	1,864,102	(462,697)
Increase/(Decrease) in accrued expenses and deferred income	(308,556)	186,786
Other decreases/(Other increases) in net working capital	(92,378,502)	66,681,744
Total changes in net working capital	**13,021,996**	**(7,728,033)**
3) Financial flow after changes in net working capital	**67,774,276**	**31,908,045**
Other adjustments		
Interest collected/(paid)	(524,447)	(1,702,452)
(Paid income taxes)	(8,167,722)	(58,138)
(Use of provisions)	(165,271)	(121,418)
Total other adjustments	**(8,857,440)**	**(1,882,008)**
Financial flow arising from operating activity (A)	**58,916,836**	**30,026,037**
B) Financial flows arising from investing activities		
Tangible fixed assets		
(Investments)	(27,872,451)	(18,856,812)
Intangible fixed assets		
(Investments)	(4,273,185)	(1,698,794)
Financial fixed assets		
(Investments)	(20,000)	(23,108)
Divestitures	2,856	45,097
Current financial assets		
(Investments)	(4,000,000)	-
(Acquisition of subsidiaries net of cash and cash equivalents)	(525,438)	-
Financial flow arising from investing activity (B)	**(36,688,218)**	**(20,533,617)**
C) Financial flows arising from financing activities		
Loan capital		
Increase/(Decrease) in short-term payables to banks	(894,795)	(2,627,560)

Loans taken out	-	5,750,000
(Repayment of loans)	(5,135,732)	(5,102,361)
Equity		
Capital increase by payment	50,000,000	-
Financial flow arising from financing activity (C)	**43,969,473**	**(1,979,921)**
Increase/(decrease) in cash and cash equivalents (A ± B ± C)	**66,198,091**	**7,512,499**
Exchange rate effect on cash and cash equivalents	370,736	13,617
Cash and cash equivalents at the beginning of the year		
Bank and postal deposits	17,765,848	10,241,743
Cash on hand and liquid assets	8,876	6,865
Total cash and cash equivalents at the beginning of the year	**17,774,724**	**10,248,608**
Of which not freely usable	-	-
Cash and cash equivalents at the end of the year		
Bank and postal deposits	84,331,374	17,765,848
Cash on hand and liquid assets	12,177	8,876
Total cash and cash equivalents at the end of the year	**84,343,551**	**17,774,724**
Of which not freely usable	-	-

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS, INITIAL PART

Introduction
The consolidated financial statements of Next Geosolutions Europe group (hereinafter also referred to as "NextGeo group" or the "Group") as of 31 December 2024, prepared in accordance with the provisions of the Italian Civil Code on financial statements and Italian Legislative Decree 127/1991, interpreted and supplemented by the accounting standards issued by the Italian Accounting Body (OIC), consist of the Balance Sheet, Income Statement, Cash Flow Statement and Notes to the Financial Statements and are accompanied by the Directors' Report on Operations.

Activity carried out
For details of NextGeo group's activities, please refer to the Directors' Report on Operations, which accompanies these consolidated financial statements.

Significant events during the year
For details of the significant events that occurred during the 2023 financial year, please refer to the Directors' Report on Operations, prepared by the Directors to accompany these consolidated financial statements.

Drafting criteria
The values in the consolidated financial statements as of 31 December 2024 are shown in Euro units, without decimal places. Any rounding differences were indicated under "AVI. Reserve for rounding to the nearest euro unit" of Article 2423, para. 6 of the Italian Civil Code.

The Balance Sheet has been prepared in accordance with the layout provided for in Art. 2424 and 2424-bis of the Italian Civil Code, supplemented on the basis of OIC 17. The form of the balance sheet is that of opposing sections, named Assets and Liabilities respectively. Assets are classified primarily on the basis of the purpose criterion, while liabilities are classified primarily on the basis of the nature of the sources of financing.

The Income Statement has been prepared in accordance with the format set out in Art. 2425 and 2425-bis of the Italian Civil Code, supplemented on the basis of the provisions of OIC 17. Art. 2425 of the Italian Civil Code envisages a multi-step form of presentation and a classification of costs by nature.

The Statement of Cash Flows was prepared on the basis of the provisions of Article 2425-ter of the Italian Civil Code, using the indirect method according to the format prescribed by OIC 10, supplemented on the basis of the provisions of OIC 17. The indirect method involves determining the cash flow from operating activities by adjusting the profit (or loss) for the year.

These Notes to the Financial Statements have been prepared on the basis of the provisions of Article 2427 of the Italian Civil Code, the other regulations governing their content, and the provisions of the accounting standards issued by the OIC. The notes to the financial statements also provide additional information, even if not required by law, that is useful for the purposes of clear, true and fair representation of the financial statements. Information on items in the balance sheet and income statement is presented in the order in which the relevant items are shown in the balance sheet and income statement

The Directors' Report on Operations has been prepared on the basis of Article 2428 of the Italian Civil Code and contains the information required by this regulation as well as additional information useful for understanding the trend of operations.

As permitted by OIC 12, items with a zero balance in both the current and previous year have not been disclosed in the financial statements.

BASIS OF PREPARATION

General principles for drafting the financial statements

The financial statements have been drawn up clearly and give a true and fair view of the Group's financial position and results of operations for the year.

The valuation of the items was carried out prudently and with a view to business continuity. The recognition and presentation of items is made taking into account the substance of the transaction or contract.

Only profits realised at the end of the financial year are shown. Income and expenses for the year were taken into consideration, notwithstanding the date of collection or payment. Risks and losses pertaining to the year were taken into consideration even if they became known after the end of the year.

The heterogeneous elements included in the individual items have been valued separately.

The valuation criteria were not changed from one year to the next.

Consolidation scope
The consolidated financial statements of NextGeo group include the balance sheet, income statement and financial position of the parent company Next Geosolutions Europe SpA (hereinafter also the "Parent Company") and its Italian and foreign subsidiaries, together identified as NextGeo group, as of 31 December 2024.

These consolidated financial statements have been prepared on the basis of the financial statements of the Parent Company and its subsidiaries or jointly controlled companies, appropriately adjusted to make them compliant with the provisions of the Italian Civil Code on financial statements and the accounting standards issued by the OIC.

Article 26 of Italian Legislative Decree no. 127/1991 gives content to the notion of control, in part by referring to numbers 1 (de jure control) and 2 (de facto control) of paragraph 1 of Art. 2359 of the Italian Civil Code, and partly by envisaging the two additional cases of dominant influence over the subsidiary arising from contractual or statutory clauses and control of voting rights based on agreements with other shareholders.

"De jure" control is presumed when a parent company has a majority of the voting rights exercisable in the ordinary shareholders' meeting of another (subsidiary) undertaking within the meaning of Art. 2359 of the Italian Civil Code, paragraph 1, number 1.

"De facto" control takes the form of the availability of sufficient votes to exercise a dominant influence on resolutions in the ordinary shareholders' meeting within the meaning of Art. 2359 of the Italian Civil Code, paragraph 1, number 2.

Control based on specific assumptions of dominant influence identified in Article 26(2) of Italian Legislative Decree no. 127/1991 is where the company "has the right, by virtue of a contract or a clause in its articles of association, to exercise a dominant influence, where the applicable law permits such contracts or clauses" or where "on the basis of agreements with other shareholders, it alone controls a majority of the voting rights".

Joint control occurs when a person exercises control over an undertaking jointly with other shareholders and on the basis of agreements with them.

The subsidiaries of the parent company are consolidated on a line-by-line basis.

Companies that are jointly controlled by the parent company and other shareholders are consolidated using the proportionate consolidation method.

The following table summarises, with reference to the companies included in the scope of consolidation, the information as of 31 December 2024 on the name, registered office, direct and indirect shareholding of the parent company in the share capital and method of consolidation:

Parent company

Company Name	Headquarters	Currency	Capital (units of currency)	Direct equity investment	Indirect equity investment	Consolidation method
Next Geosolutions Europe SpA	Naples - Italy	Euro	600,000	-	-	-

Subsidiaries

Company Name	Headquarters	Currency	Capital (units of currency)	Direct equity investment	Indirect equity investment	Consolidation method
Seashiptanker Srl	Naples - Italy	Euro	10,000	80%	-	Line-by-line
Phoenix Offshore Srl	Naples - Italy	Euro	10,329	100%	-	Line-by-line
Subonica Srl	Naples - Italy	Euro	142,730	100%	-	Line-by-line
Next Geosolutions Ukcs Ltd	Norwich - United Kingdom	Pound sterling	1,000	100%	-	Line-by-line
Next Geosolutions BV	Ijmuiden - The Netherlands	Euro	20,000	100%	-	Line-by-line

Jointly controlled companies

Company Name	Headquarters	Currency	Capital (units of currency)	Direct equity investment	Indirect equity investment	Consolidation method
NextPoli Srl	Naples - Italy	Euro	10,000	50%	-	Proportional

During 2024, the scope of consolidation saw the entry of Subonica Srl, based in Naples (Italy), a wholly owned subsidiary of the Group. The company operates in the field of underwater surveys and inspections in coastal areas using Remotely Operated Vehicles (ROVs).

Integral consolidation

The full consolidation method provides for the full inclusion in the consolidated financial statements of the assets, liabilities, costs, revenues and cash flows of the companies included in the consolidation scope, except for the elimination of balances and transactions between companies included in the consolidation scope. Each asset and liability is considered for its full value for consolidation purposes.

The process of full consolidation of the financial statements consists of the following steps:

a) adjustments to the accounting statements in order to comply with group accounting principles, as well as any other adjustments that may be necessary for consolidation purposes;
b) aggregation of financial statements to be consolidated regardless of the percentage of ownership;
c) elimination of the carrying amounts of investments in subsidiaries, included in the parent company's financial statements and, where present, in the financial statements of the other group companies, as a balancing entry against the corresponding portions of the subsidiary's equity pertaining to the group. Allocation of differences generated by the process of eliminating the carrying value of equity investments against the corresponding portions of shareholders' equity;
d) elimination of balances and transactions between companies included in the scope of consolidation and internal or intra-group profits and losses;
e) recognition of any deferred and/or prepaid taxes in the consolidated financial statements, in accordance with the provisions of OIC 25 "Income Tax";
f) analysis of consolidated dividends and their specific accounting treatment, in order to avoid double accounting of investee profits;
g) specific accounting treatment for treasury shares of the parent company held by subsidiaries, in accordance with the provisions of OIC 28 "Shareholders' equity";
h) determination of the portion of consolidated shareholders' equity and of the consolidated result for the year pertaining to minority shareholders of consolidated investees, for the purpose of their specific disclosure in the consolidated financial statements;
i) valuation in the consolidated financial statements of non-consolidated controlling interests, i.e. those that may be excluded from consolidation pursuant to Article 28, of Italian Legislative Decree no. 127/1991;

j) analysis and proper representation in the financial statements of the acquisition of additional shares in already consolidated companies and the disposal of shareholdings with or without loss of control, as well as other changes in the scope of consolidation;
k) preparation of consolidated financial statements.

Proportional consolidation
The proportional consolidation method envisages the proportional inclusion in the consolidated financial statements of the assets, liabilities, costs, revenues and cash flows of companies over which one of the companies included in the scope of consolidation exercises joint control with non-group shareholders, considering only the portion of their value corresponding to the interest held directly or indirectly by the parent company.

Under the proportionate consolidation procedure, the participating company aggregates, line by line, the share of each of the joint venture's assets, liabilities, revenues and expenses to the respective items in its financial statements.

Proportional consolidation only shows the share of the value of the investee owned by the group and not its total value. In addition, only the portion of shareholders' equity attributable to the group is eliminated from the value of the equity investments, so that the consolidated financial statements do not show the value of the equity and earnings corresponding to minority interests.

Intra-group profits and losses are eliminated proportionally; all other consolidation adjustments are made on a proportional basis.

In the case of the elimination of receivables from and payables to joint ventures, the portion of the receivable or payable pertaining to third parties is recorded under receivables from and payables to third parties for proportional consolidation purposes.

Any differences resulting from the consolidation are treated as in the case of line-by-line consolidation.

Translation of financial statements not expressed in Euros
In order to include companies that prepare their financial statements in currencies other than the Euro in the scope of consolidation using the full or proportional method, they are first converted into Euros.
A similar conversion is made in relation to equity investments valuated using the equity method whose financial statements are drawn up in currencies other than the Euro.

Any adjustments necessary to adapt the financial statements of the above-mentioned companies to the group's uniform accounting principles are made before they are converted into Euros.

The conversion of financial statements expressed in a foreign currency, for the purposes of preparing consolidated financial statements, is done using:
a) the spot exchange rate at the date of the financial statements for the conversion of assets and liabilities;
b) the average exchange rate for the year for items in the income statement and for cash flows in the cash flow statement;
c) the historical exchange rate at the time of their formation for equity reserves (other than the reserve for differences in conversion).

The net effect of converting the financial statements of the investee company into the reporting currency is recognised in a special "Reserve from differences in conversion" within the consolidated shareholders' equity.

In the event of a partial/total disposal of the foreign company, the relevant portion of the total reserve for conversion differences is to be reclassified into an available reserve.

The inclusion of the financial statements of a foreign investee company in the scope of consolidation results in the elimination of intragroup balances. To this end, they are converted, prior to their elimination, using the exchange rates at the end of the financial year in order to align the reciprocal balances between consolidated companies and recording the difference in accordance with group accounting principles.

The table below details the exchange rates used to convert the financial statements of the companies included in the consolidation area expressed in currencies other than the Euro:

	Average changes		Changes at the end of the year	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Pound sterling	0.84662	0.86979	0.82918	0.86905

EXCEPTIONAL CASES PURSUANT TO ART. 2423, FIFTH PARAGRAPH, OF THE ITALIAN CIVIL CODE

During the financial year, there were no exceptional cases that made it necessary to resort to the derogation from the valuation criteria, as per Art. 2423, paragraph 5, of the Italian Civil Code, insofar as they are incompatible with the true and fair representation of the Group's financial position and results of operations.

CHANGES IN ACCOUNTING PRINCIPLES

During the financial year, with the exception of the introduction of the new accounting standard OIC 34, there were no changes in accounting principles or changes in valuation criteria.

OIC 34 Revenues

On 19 April 2023, the Management Board of the Italian Accounting Body (Organismo Italiano di Contabilità - OIC) approved the final version of the accounting standard OIC 34 "Revenues", concluding a process that started in February 2019 with the publication of the Discussion Paper "Revenues" and continued in November 2021 with the publication of the draft OIC 34 for consultation. The new accounting standard applies to financial statements for financial years beginning on or after 1 January 2024.

OIC 34 identifies a single revenue recognition model, applicable to all transactions that generate revenue from the sale of goods and the provision of services regardless of their classification in the income statement. The scope of application of accounting standard no. 34 does not include revenues from contract work in progress, which will continue to follow the provisions of accounting standard OIC 23, and revenues from the sale of businesses, rental income, reversals and transactions that do not have the purpose of sale.

The new standard introduces a revenue recognition model based on four phases and requires an in-depth analysis of customer contracts. The four phases of the model are as follows:

- Determination of the total contract price: the total contract price is the total amount of the contractually agreed consideration for the goods or services that will be transferred to the customer. Its determination takes into account the variable consideration, the financial components included in the consideration, non-monetary considerations and considerations to be paid to the customer.
- Identification of the elementary accounting unit: once the total price of the contract has been established, the elementary units of account (called performance obligations), i.e. the individual assets, services or other performances promised to the customer, are identified. The following do not constitute elementary accounting units: (i) goods and services under a contract that are integrated or interdependent with each other, (ii) services under a contract that are not part of the typical activities of the party that drafts the financial statements, and (iii) guarantees provided by law. In the case of contracts that are not particularly complex, where the separation of the individual accounting units produces insignificant effects, or if the different services are provided at the same time, the company may refrain from applying the above rules.
- Allocation of price among different elementary accounting units: once the obligations/promises included within a contract have been identified, the total price is allocated to each elementary accounting unit on the

basis of the ratio of the selling price of the individual elementary accounting unit to the sum of the selling prices of all elementary accounting units included in the contract. The price allocation criterion is based on the price at which the company would separately supply a good or provide a service to the customer. This price is the contractually agreed price, unless it differs significantly from the price list, taking into account the discounts normally applied. If the reference price is not directly observable, it must nevertheless be estimated by means of the following approaches: (i) the adjusted market price valuation approach, (ii) the expected cost plus margin approach and (iii) the residual method (i.e. by the difference between the total price of the contract and the sum of the observable stand-alone selling prices of other goods or services included in the contract). If it is not possible to estimate with certainty the selling price of elementary accounting units, the selling price of those units is set equal to the cost incurred.

- Recognition of revenue from the sale of goods and/or provision of services: once the total price of the contract has been determined and the elementary accounting units have been identified, revenue recognition can proceed on an accrual basis. With reference to the sale of goods, the standard requires, as a prerequisite for recognising revenue, that two requirements be met: (i) the substantial, and not formal, transfer of the risks and rewards associated with the sale, and (ii) the ability to reliably determine the amount of the revenue subject to the service. With regard to revenues for services, the standard envisages recognition in profit or loss based on the stage of completion of the service only when both of the following conditions are met: (i) the right to the consideration, based on the agreements with the counterparty, accrues as the service is performed and (ii) the amount of the revenue can be measured reliably. Revenue is recognised over the contractual term only if the reporting entity is able to accurately assess the progress of the service, otherwise revenue for the service provided can only be recognised when the service is finally completed.

If the reporting entity subsequently revises the estimates underlying the initial recognition of revenue, it updates the amount of revenue to reflect any additional information that the passage of time may provide about the assumptions or events on which the original estimate was based. If there is a change in the contract that envisages an additional service for an additional fee, it is accounted for separately. In the event of a change in consideration only or a change in the services to be provided, the effects of the change are accounted for by allocating the residual value of the contract to the services to be rendered.

OIC 34 provides two options for the first application of the standard: retroactive or prospective. Retroactive application contemplates the application of the provisions of OIC 29 for changes in accounting standards. The reporting entity may also decide not to adjust the comparative figures and adjust the opening balance of equity for the current period. Alternatively, a prospective, and to some extent simplified, application is permitted, referring only to contracts entered into on or after 1 January 2024.

NextGeo Group applied the new standard as of 1 January 2024 using the prospective application method referring only to contracts entered into on or after 1 January 2024.
Considering the fact that the Group revenues are mainly attributable to contract work in progress (for which the provisions of accounting standard OIC 23 continue to apply) and, residually, to contracts with a single performance obligation, there is no significant impact on revenues resulting from the application of the new accounting standard.

CORRECTION OF MAJOR ERRORS

No corrections of errors from previous years were made during the year.

COMPARABILITY AND ADAPTATION ISSUES

There were no problems with comparability and adjustment of items of the financial statements during the year.

VALUATION CRITERIA APPLIED

The valuation criteria adopted by the Group are shown below, in the order in which the items are presented in the financial statements.

Intangible fixed assets

Intangible assets are recorded, subject to the approval of the Board of Statutory Auditors where required, at purchase or production cost and are stated net of amortisation and impairment, if any. Ancillary costs are also included in the purchase cost.

The purchase cost is the actual price paid to the supplier of the intangible fixed asset, usually recorded in the contract or invoice. Ancillary purchase costs include all purchase-related costs incurred so that the fixed asset can be used.

Production cost includes all directly attributable costs and other costs, to the extent reasonably attributable, relating to the period of production and up to the time from which the fixed asset can be utilised.

The cost of intangible fixed assets, the use of which is limited in time, is systematically amortised in each financial year in relation to their residual possibility of use. The portion of depreciation charged in each financial year refers to the allocation of the cost incurred over the entire period of utilisation. Depreciation begins when the fixed asset is available and ready for use.

The table below shows the depreciation rates applied:

Category	Depreciation rate
Start-up and expansion costs	20%
Development costs	20%
Industrial patent rights and copyright	20%
Concessions, licences, trademarks, and similar rights	20% - 33%
Goodwill	20%
Leasehold improvements	The rate applied is determined on the basis of the period of future usefulness of the expenses incurred and the remaining period of the lease, whichever is shorter

The Group assesses the presence of impairment indicators of intangible assets at each date of the financial statements. Should such indicators exist, the Group estimates the recoverable value of the fixed asset and makes an impairment loss, pursuant to Article 2426, paragraph 1, number 3, if the fixed asset is found to be of a lasting value lower than its net book value. The recoverable amount of an asset is equal to its value in use and its fair value less costs to sell, whichever is higher. Value in use is defined as the present value of the cash flows expected from an asset or a cash-generating unit (CGU). "Fair value less costs to sell" is the price that would be received for the sale of an asset in a regular transaction between market participants at the valuation date, less costs to sell (transaction-related legal fees, taxes and direct costs necessary to make the asset ready for sale).

Tangible fixed assets

Tangible fixed assets are initially recognised at the date on which the risks and rewards associated with the acquired asset are transferred and are recorded at purchase or production cost, adjusted by the respective accumulated depreciation and any write-downs. Ancillary costs are also included in the purchase cost.

The purchase cost is the actual purchase price paid to the supplier of the good, usually taken from the contract or invoice. Ancillary purchase costs include all costs associated with the purchase that the company incurs so that the asset can be used and the costs incurred in bringing the asset to the location and condition necessary for it to be a lasting asset for the company.

Production cost includes all directly attributable costs and other costs, to the extent reasonably attributable, relating to the period of production and up to the time from which the fixed asset can be utilised.

Ordinary maintenance costs, i.e. costs for maintenance and repairs of a recurring nature, are recognised in the income statement in the year in which they are incurred.

Extraordinary maintenance costs, consisting of expansions, modernisations, replacements and other improvements to the asset, are capitalised within the limits of the asset's recoverable value.
The cost of tangible fixed assets, the use of which is limited in time, is systematically depreciated in each financial year in relation to their residual possibility of use. The portion of depreciation charged in each financial year refers to the allocation of the cost incurred over the entire period of utilisation. Depreciation begins when the fixed asset is available and ready for use.
The table below shows the depreciation rates applied:

Category	**Depreciation rate**
Buildings	3%
Plants and machinery	20%
Industrial and commercial equipment	15% - 20%
Other tangible assets	12% - 15% - 20%
Fleet	The rate applied is determined on the basis of the useful life estimated by specialised technicians

If the tangible fixed asset includes components, appurtenances or accessories having a useful life other than that of the main asset, the depreciation of these components is calculated separately from the main asset, unless this is not practicable or meaningful.
The Group assesses at each date of the financial statements the presence of impairment indicators of tangible assets. Should such indicators exist, the Group estimates the recoverable value of the fixed asset and makes an impairment loss, pursuant to Article 2426, paragraph 1, number 3, if the fixed asset is found to be of a lasting value lower than its net book value. The recoverable amount of an asset is equal to its value in use and its fair value less costs to sell, whichever is higher. Value in use is defined as the present value of the cash flows expected from an asset or a cash-generating unit (CGU). "Fair value less costs to sell" is the price that would be received for the sale of an asset in a regular transaction between market participants at the valuation date, less costs to sell (transaction-related legal fees, taxes and direct costs necessary to make the asset ready for sale).

Equity investments
Equity investments are recorded at cost at initial recognition (purchase or incorporation cost), including incidental costs. This cost cannot be maintained, in accordance with Article 2426, paragraph 1, number 3) of the Italian Civil Code, if the investment at the end of the financial year is permanently lower than its cost value.
Impairment is determined by comparing the carrying value of the equity investment with its recoverable value, determined on the basis of the future benefits that are expected to flow to the treasury of the investor. Having ascertained the impairment of the equity investment at the time the financial statements were drawn up and determined its recoverable value, the carrying value is reduced to this lower value.
In the event that the reasons that had induced the administrative body to abandon the cost criterion in order to assume a lower value in the valuation of fixed assets are no longer valid, the value of the equity investment is increased up to a maximum of the original cost.
The Group assesses at each date of the financial statements the presence of indicators of impairment of equity investments. Should these indicators exist, the Group will estimate the recoverable amount of the equity investment and make an impairment loss, if the equity investment is found to be permanently less than its net book value. The recoverable amount of an equity investment, determined on the basis of the future benefits expected to flow to the investor's economy, is equal to its value in use and its fair value less costs to sell, whichever is higher. Value in use is defined as the present value of the cash flows expected from an asset or a cash-generating unit (CGU). Fair value less costs to sell is the price that would be received for the sale of an asset in a regular transaction between market participants at the valuation date, less costs to sell (transaction-related legal fees, taxes and direct costs necessary to make the asset ready for sale).

Inventories

Assets included in inventories are initially recognised at the date on which the risks and rewards associated with the acquired asset are transferred. The transfer of risks and rewards usually occurs when ownership is transferred in accordance with the contractually agreed terms. If, by virtue of specific contractual provisions, there is no coincidence between the date on which the transfer of risks and benefits takes place and the date on which ownership is transferred, the date on which the transfer of risks and benefits took place prevails.

Advances paid to suppliers for the purchase of goods included in inventories are initially recognised at the date on which the obligation to pay such amounts arises or, in the absence of such an obligation, at the time it is paid.

Inventories are valued in the financial statements at the purchase or production cost and market realisable value, whichever is lower (Article 2426, no. 9, of the Italian Civil Code).

Pursuant to art. 2426(1)(1) of the Italian Civil Code, the purchase cost also includes ancillary costs (such as, for example, transport, customs, other taxes directly attributable to that material). Returns, discounts, rebates and premiums are deducted from costs.

The production cost includes direct costs and indirect costs (so-called general costs of production) incurred in the course of production and necessary to bring inventories to their present condition and location, for the portion reasonably attributable to the product relative to the period of manufacture and up to the time from which the asset can be used.

Inventories of fungible goods, as permitted by Article 2426, number 10, of the Italian Civil Code, are valued using the “first-in, first-out” method, also known as FIFO.

The realisable value of raw and ancillary materials, goods, finished, semi-finished products and work-in-progress is equal to the estimated selling price of the goods and finished goods in the normal course of business, having regard to market information, net of presumed completion costs and direct selling costs (such as, for example, commissions, transport,
packaging).

Inventories are written down in the financial statements when their realisable value based on market trends is lower than their carrying amount.

Raw and ancillary materials that are involved in the manufacture of finished products (or the provision of services) are not impaired if it is expected that the finished products (or the provision of services) in which they will be incorporated (or used) will be realised at or above the cost of producing the finished product (or incurred in providing the service).

If the reasons for the write-down no longer apply, either in whole or in part, as a result of an increase in the realisable value inferable from the market, the value adjustment made is reversed within the limits of the cost originally incurred.

Contract work in progress

Contract work in progress refers to contracts for the provision of non-series services (job orders).

Contract work in progress, once the conditions of paragraph 43 of accounting standard OIC 23 have been met, is valued using the percentage of completion method.

The application of the percentage of completion criterion envisages:

- the valuation of inventories for contract work in progress to the extent of the revenue accrued at the end of each financial year, determined with reference to the progress of the work;
- the recognition of revenue in the financial year in which the consideration is definitively collected;
- the recognition of contract costs in the period in which the work is performed, except in the case of probable losses to be incurred for the completion of the contract which are recognised in the period in which they are foreseeable.

Incentives are included in order revenue only if the target is achieved and evidenced by acceptance by the customer by the date of the financial statements, or, even in the absence of formal acceptance, if it is reasonably certain at the date of the financial statements that the incentive is achieved and accepted based on the latest information and historical experience.

The percentage of completion is determined by the method of physical measurements. With this method, for each contract, the percentage of completion is determined by comparing the size of the area analysed (measured in linear km or square kilometres) at the date of the financial statements to the total size of the area to be analysed as stipulated in the contract. Once the percentage of completion has been determined, the valuation of contract work in progress is made on the basis of the contract prices, including price revision fees and any other additional fees.

If it is probable that the estimated costs of an individual contract will exceed the total estimated revenue, the contract is measured at cost and the probable loss on completion of the contract is recognised as a decrease in contract work in progress. If this loss is greater than the value of the work in progress, the company recognises a specific provision for risks and charges equal to said excess.
Subsequent to the closure of the orders, any contingent assets and liabilities, respectively, for revenues that could not be recognised due to their uncertain realisation and for cost adjustments with respect to the estimates made on the basis of the elements available at that time, are recognised in the financial year in which they occur as “value of production” or “production costs” of that year.

Receivables
Receivables represent rights to collect, at an identified or identifiable maturity date, fixed or determinable amounts of cash, or goods/services of equivalent value, from customers or other parties.
Receivables arising from the sale of goods are recognised on an accrual basis when both of the following conditions occur: (i) the production process of the goods has been completed; and (ii) the substantive and non-formal transfer of ownership has taken place, taking the transfer of risks and rewards as the benchmark for the substantive transfer. Receivables from the provision of services are recognised on an accrual basis when the service is rendered, i.e. when the service is performed. Receivables that originate for reasons other than the exchange of goods and services (e.g. for financing transactions) are entered in the financial statements if there is “title” to the receivable, i.e. if they actually represent an obligation of a third party towards the Group.
Receivables are recognised in the financial statements according to the amortised cost criterion, taking into account the time factor and estimated realisable value. The initial recognition value is the nominal value of the receivable, net of all premiums, discounts and allowances, and including any costs directly attributable to the transaction that generated the receivable. Transaction costs, any commission income and expenses, and any difference between initial value and nominal value at maturity are included in the calculation of amortised cost using the effective interest method.
The amortised cost criterion is not applied when the effects are insignificant, i.e. when transaction costs, fees paid between the parties and any other differences between initial value and maturity value are insignificant or if the receivables are short-term. In this case, receivables are stated at their estimated realisable value.
Receivables are shown in the financial statements net of the provision for bad debts. A receivable is written down in the year in which it is considered likely to have lost value. In order to estimate the bad debt provision, the Group assesses whether there are any indicators (significant financial difficulties of the debtor, breach of contract, concessions to the debtor related to the debtor’s difficulties, likelihood that the debtor will file for bankruptcy or initiate other restructuring procedures, observable data indicating the existence of a significant decrease in the estimated future cash flows for a receivable, etc.) that make it likely that a receivable has lost value. The provision for bad debts set aside at the end of the year is used in subsequent years to cover realised losses on receivables.
If, in a subsequent year, the reasons for previously recognised impairment losses cease to exist in whole or in part (e.g. due to an improvement in the debtor’s solvency), the previously recognised impairment loss is reversed.
Loans are derecognised when the contractual rights to the cash flows arising from the loan are extinguished or when the ownership of the contractual rights to the cash flows arising from the loan is transferred and with it substantially all the risks inherent in the loan. All contractual clauses are taken into account in the assessment of risk transfer. When the receivable is derecognised in the presence of the above conditions, the difference between the consideration and the carrying amount of the receivable at the time of derecognition is recognised in the income statement as a credit loss, unless the contract of sale permits the identification of other economic components of a different nature, including financial components.

Securities

Debt securities are recognised in the financial statements when the delivery of the security takes place and are initially recorded at purchase or subscription cost, including ancillary costs. Ancillary costs are transaction costs, i.e. the marginal costs directly attributable to the acquisition.

Debt securities are valued using the amortised cost method, except where the effects of applying this method are not material or the cash flows generated by the securities cannot be determined.

In the case of application of the amortised cost criterion, transaction costs, any commissions and any difference between the initial value and the nominal value at maturity are included in the calculation of amortised cost using the effective interest criterion, the rate of which is calculated at the time of initial recognition of the security and maintained in subsequent valuations except in the case of variable contractual interest rates and benchmarked to market rates.

Classification under fixed assets or current assets depends on the intended use of the security. Securities intended to be held permanently in the company's assets are entered under fixed assets; the others are entered under current assets. For the purpose of determining the existence of the intended permanence in the company's assets, consideration is given not only to the characteristics of the instrument, but also to the willingness of management and the company's actual ability to hold the securities for an extended period of time.

At the end of each financial year, the value of securities measured at amortised cost is equal to the present value of expected future cash flows, less any impairment losses, discounted at the effective interest rate.

Impairment occurs when, for reasons related to the issuer's ability to repay, it is reasonably and justifiably believed that it will no longer be able to collect the cash flows under the contract in full.

The amount of the impairment loss at the date of the financial statements is equal to the difference between the carrying amount in the absence of impairment and the present value of estimated future cash flows, reduced by amounts estimated not to be collected, determined using the original effective interest rate.

If the reasons for adjusting the book value of securities no longer apply, the value of the security is reinstated within the limits of the amortised cost determined in the absence of the previously made write-down.

The carrying cost of investment securities not valued at amortised cost is adjusted if the security is permanently less than its cost value at the date of the financial statements.

If the reasons for adjusting the book value of the securities no longer apply, the value of the security is reinstated up to a maximum of its original cost, taking into account any accrued underwriting/trading discounts or premiums.

The amortised cost method is not applied to debt securities if the effects are insignificant compared to the value determined using the cost method.

Cash and cash equivalents

They represent the positive balances of bank and postal deposits, cheques, and cash and valuables on hand at the end of the financial year.

Cash and cash equivalents are valued in accordance with the following criteria:

- Bank deposits, postal deposits and cheques (current account, bank drafts and similar) are valued at the presumed realisable value. This value normally coincides with the nominal value, while in situations of doubtful collectability the estimated net realisable value is shown;
- Cash and tax stamps on hand are valued at nominal value;
- Liquid assets denominated in foreign currencies are valued at the spot exchange rate on the closing date of the financial year.

Accruals and deferrals

Accruals and deferrals refer to revenues and costs whose accrual is anticipated or deferred with respect to the financial event.

Accrued income and accrued expenses represent portions of income and expenses respectively pertaining to the financial year that will manifest themselves financially in subsequent years.

Prepayments and deferrals represent portions of costs and income, respectively, that have had a financial manifestation during the financial year or in previous financial years but which are accrued in one or more subsequent financial years.

The amount of accruals and deferrals is determined by dividing the income or expense so that only the accrued portion is allocated to the current year. If the contractual services rendered or received have a constant economic content over time, the allocation of the income or expense (and thus the allocation of the accrued portion to the current year) is made on a time proportion basis (so-called physical time criterion). If, on the other hand, the

contractual services rendered or received do not have a constant economic content over time, the allocation of the income or expense (and thus the allocation of the accrued portion to the current financial year) is made in relation to the conditions of the performance of the operation (so-called economic time criterion).
At the end of each financial year, the Group verifies whether the conditions that led to the initial recognition of the accrual or deferral are still met; if necessary, adjustments are made. A new valuation is then carried out to update the balance at year-end. This valuation takes into account not only the passage of time but also the possible recoverability of the amount recorded in the financial statements.

Provisions for risks and charges
Provisions for risks and charges represent liabilities of a definite nature, certain or probable, with an indefinite date of occurrence or amount.
Provisions for risks represent liabilities of a definite nature and probable existence, the values of which are estimated.
Provisions for charges represent liabilities of a definite nature and certain existence, estimated in amount or date of occurrence.
Provisions for pensions and similar obligations represent accruals for supplementary pension benefits, other than severance pay, as well as one-off payments due to employees, self-employed persons and collaborators, by law or by contract, upon termination of the relevant relationship.
Provisions for risks and charges are recorded in priority in the cost items of the income statement of the relevant classes (B, C or D), with the criterion of classification "by nature" of costs prevailing. Whenever this correlation between the nature of the provision and one of the items in the aforementioned classes is not feasible, provisions for risks and charges are entered under items "B12. Provisions for risks" and "B13. Other provisions" of the income statement.
Provisions for risks and charges recorded in a previous period are reviewed to ensure that they are correctly measured at the date of the financial statements. The acquisition of more information or experience regarding assumptions or facts on which the original estimate of the provision was based requires an update of the estimate itself, with possible adjustments to previous values and/or the estimation process.
The funds are used directly and only for those expenses and liabilities for which the funds were originally established. Any negative differences or surpluses with respect to the charges actually incurred are recognised in the income statement in line with the original provision.

Employee severance indemnities (TFR)
The severance indemnity (TFR) represents the benefit to which the employee is entitled in any case of termination of employment, pursuant to Article 2120 of the Italian Civil Code and taking into account the regulations set out in (It.) Law of 27 December 2006, no. 296.
The TFR due to employees by virtue of law or contract at the time of termination of employment constitutes a certain remuneration expense recognised in each financial year on an accrual basis. It is determined in accordance with the provisions of Article 2120 of the Italian Civil Code and the national and supplementary bargaining agreements in force at the date of the financial statements for the categories of subordinate employment and taking into account all forms of remuneration of an ongoing nature. The liability relating to the severance indemnity corresponds to the total individual indemnities accrued in favour of employees at the date of the financial statements, net of the advances disbursed, and is thus equal to the amount that should have been paid to employees, in the event of termination of the employment relationship on that date.

Payables
Payables are liabilities of a definite nature and certain existence, representing obligations to pay fixed or determinable amounts of cash, or goods/services of equivalent value, at a specified date. These obligations are towards lenders, suppliers and other parties.
Payables arising from the purchase of goods are recognised on an accrual basis when both of the following conditions are met:
- the production process of the goods has been completed; and
- the substantive and non-formal transfer of ownership has taken place, taking the transfer of risks and benefits as the benchmark for the substantive transfer.

Payables arising from the purchase of services are recognised on an accrual basis when the service has been received, i.e. the service has been rendered.

Loan payables and payables arising for reasons other than the exchange of goods and services are recognised in the financial statements when the company's obligation to pay the counterparty, to be identified on the basis of legal and contractual rules, arises.
Payables are recognised in the financial statements in accordance with the amortised cost criterion, taking into account the time factor. Specifically, the initial recognition value is the nominal value of the payable, net of transaction costs and all premiums, discounts and allowances directly resulting from the transaction that generated the payable. Transaction costs, any commission income and expenses, and any difference between initial value and nominal value at maturity are included in the calculation of amortised cost using the effective interest method. The amortised cost criterion has not been applied if the effects are insignificant, i.e. when transaction costs, commissions paid between the parties and any other differences between initial value and maturity value are insignificant or if the payables are short-term. In this case, the payables are stated at nominal value.
The Group eliminates all or part of a payable from the financial statements when the contractual and/or legal obligation is discharged by performance or other cause, or transferred. The extinguishment of a payable and the issuance of a new payable to the same counterparty results in derecognition if the contractual terms of the original payable differ materially from those of the issued payable.

Transactions, assets and liabilities in foreign currency
Assets and liabilities arising from a foreign currency transaction are initially recognised in euros by applying to the foreign currency amount the spot exchange rate between the euro and the foreign currency at the date of the transaction.
Monetary items in foreign currencies, including provisions for risks and charges related to liabilities in foreign currencies, are converted in the financial statements at the spot exchange rate at year-end. The related foreign exchange gains and losses are charged to the income statement for the year under item "C17-bis. Exchange gains and losses".
Assets and liabilities in foreign currencies of a non-monetary nature remain on the balance sheet at the exchange rate at the time of their acquisition, and therefore positive or negative exchange differences do not give rise to separate, independent recognition.

Revenues
Revenues, in line with the provisions of the new standard OIC 34, are recognised on the basis of the so-called four-step model and an in-depth analysis of the contracts concluded with customers. The four phases of the model are as follows:

- Determination of the total contract price: the total contract price is the total amount of the contractually agreed consideration for the goods or services that will be transferred to the customer. Its determination takes into account the variable consideration, the financial components included in the consideration, non-monetary considerations and considerations to be paid to the customer.
- Identification of the elementary accounting unit: once the total price of the contract has been established, the elementary units of account (called performance obligations), i.e. the individual assets, services or other performances promised to the customer, are identified. The following do not constitute elementary accounting units: (i) goods and services under a contract that are integrated or interdependent with each other, (ii) services under a contract that are not part of the typical activities of the party that drafts the financial statements, and (iii) guarantees provided by law. In the case of contracts that are not particularly complex, where the separation of the individual accounting units produces insignificant effects, or if the different services are provided at the same time, the company may refrain from applying the above rules.
- Allocation of price among different elementary accounting units: once the obligations/promises included within a contract have been identified, the total price is allocated to each elementary accounting unit on the basis of the ratio of the selling price of the individual elementary accounting unit to the sum of the selling prices of all elementary accounting units included in the contract. The price allocation criterion is based on the price at which the company would separately supply a good or provide a service to the customer. This price is the contractually agreed price, unless it differs significantly from the price list, taking into account the discounts normally applied. If the reference price is not directly observable, it must nevertheless be estimated by means of the following approaches: (i) the adjusted market price valuation approach, (ii) the expected cost plus margin approach and (iii) the residual method (i.e. by the difference between the total price of the contract and the sum of the observable stand-alone selling prices of other goods or services included

in the contract). If it is not possible to estimate with certainty the selling price of elementary accounting units, the selling price of those units is set equal to the cost incurred.

- Recognition of revenue from the sale of goods and/or provision of services: once the total price of the contract has been determined and the elementary accounting units have been identified, revenue recognition can proceed on an accrual basis. With reference to the sale of goods, the standard requires, as a prerequisite for recognising revenue, that two requirements be met: (i) the substantial, and not formal, transfer of the risks and rewards associated with the sale, and (ii) the ability to reliably determine the amount of the revenue subject to the service. With regard to revenues for services, the standard envisages recognition in profit or loss based on the stage of completion of the service only when both of the following conditions are met: (i) the right to the consideration, based on the agreements with the counterparty, accrues as the service is performed and (ii) the amount of the revenue can be measured reliably. Revenue is recognised over the contractual term only if the reporting entity is able to accurately assess the progress of the service, otherwise revenue for the service provided can only be recognised when the service is finally completed.

If the estimates underlying the initial recognition of revenue are subsequently revised, the amount of revenue is updated to reflect any additional information that the passage of time may provide about the assumptions or events on which the original estimate was based. If there is a change in the contract that envisages an additional service for an additional fee, it is accounted for separately. In the event of a change in consideration only or a change in the services to be provided, the effects of the change are accounted for by allocating the residual value of the contract to the services to be rendered.
Operating grants due either by law or under contractual provisions are recognised on an accrual basis in the financial year in which the right to receive them arises with certainty.
Any items of income or expense of exceptional magnitude or incidence are commented on in a separate section of these Notes to the Financial Statements.

Costs
Production costs are recognised net of returns, trade discounts, rebates and premiums. Costs arising from the purchase of goods are recognised when the production process of the goods is completed and the substantive transfer of ownership has taken place, assuming the transfer of risks and rewards as the benchmark.
Costs arising from purchases of services are recognised when the services are received, i.e. when the service has been rendered.

Financial income and charges
In cases where the amortised cost method is applied, interest is recognised using the effective interest method. Other financial expenses are recognised at nominal value, in an amount equal to the amount accrued during the year.

Income taxes
Current taxes reflect an estimate of the tax burden, determined by applying the legislation in force in the countries in which the Group carries out its activities. The cost arising from current taxes is calculated on the basis of taxable income and tax rates in force in the countries where the Group operates at the date of the financial statements. The related tax liability is recognised in the balance sheet net of payments on account, withholdings and tax credits that can be offset and for which reimbursement has not been requested; if payments on account, withholdings and credits exceed taxes due, the related tax credit is recognised.
Deferred tax assets and liabilities are recognised in the income statement (and balance sheet) in the year in which the temporary differences arise. The calculation of deferred assets and liabilities takes into account the specificities of the different tax regulations regarding taxability and deductibility.
Deferred tax assets are recognised, in accordance with the principle of prudence, only when there is reasonable certainty of their future recovery, i.e., when there are sufficient taxable temporary differences in future years in which the deductible temporary difference is expected to be reversed.
Deferred tax assets and deferred tax liabilities are recognised in the financial statements in the year in which the temporary differences arise, except in the following cases:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction that does not directly affect either profit or taxable income and is not an extraordinary transaction.

Deferred tax assets and deferred tax liabilities relating to transactions directly affecting equity are not recognised in the income statement, but directly against the corresponding shareholders' equity item.
It should be noted that the parent company Next Geosolutions Europe SpA, in order to determine its taxable income, benefits from both the optional flat-rate taxation regime called "tonnage tax" provided by Articles 155 to 161 of the Italian Consolidated Income Tax Act (TUIR) and the facilitation provided by Article 4, paragraph 1, of Italian Law Decree no. 457/1997 (as amended by Article 13, paragraph 1, of Italian Law No. 488/1999) called "international register". The company Seashiptanker Srl, for the determination of its taxable income, benefits from the facilitation provided by Article 4, paragraph 1, of Italian Law Decree no. 457/1997 (as amended by Article 13, paragraph 1, of Italian Law no. 488/199) called "international register".

Finance lease transactions
Leasing transactions (so-called finance leases) are recognised in the consolidated financial statements, as recommended by the accounting standard OIC 17, using the financial method. With this method, the user of the goods enters goods received under finance leases in the fixed assets items of the consolidated balance sheet against the obtaining of a loan from the leasing company, records depreciation on the assets and interest expense on the loan obtained in the income statement.

ASSETS

FIXED ASSETS

INTANGIBLE FIXED ASSETS

The table below shows the breakdown of intangible assets as of 31 December 2024, compared to the situation as of 31 December 2023:

Values in Euro units	2024	2023	Change
1) start-up and expansion costs	2,914,176	352	2,913,824
2) development costs	117,178	201,356	(84,178)
3) Industrial patent rights and rights to use intellectual property	120,000	160,000	(40,000)
4) concessions, licences, trademarks and similar rights	77,377	62,541	14,836
5) Goodwill	1,140,962	1,272,335	(131,373)
6) fixed assets under construction and advances	27,533	-	27,533
7) other	1,449,653	1,387,978	61,675
Total intangible fixed assets	**5,846,879**	**3,084,562**	**2,762,317**

Intangible fixed assets as of 31 December 2024 amounted to EUR 5,846,879 and mainly refer to costs incurred for the listing on EGM, goodwill allocated to Next Geosolutions Ukcs Ltd and Subonica Srl, included in the cost originally incurred for the acquisition of these companies, and improvements made on third-party vessels chartered in by the Group.

Changes in intangible fixed assets

The table below shows the changes in intangible assets during the year 2024:

Values in Euro units	Start-up and expansion costs	Development costs	Industrial patent rights and rights to use intellectual property	Concessions, licences, trademarks and similar rights	Goodwill	Intangible fixed assets under construction and advances	Other intangible fixed assets	Total intangible fixed assets
Value at the beginning of the year								
Cost	14,196	885,359	200,000	534,238	2,181,488	-	2,252,834	6,068,115
Revaluations	-	-	-	-	-	-	-	-
Amortisation (Amortisation/depreciation fund)	(13,844)	(684,003)	(40,000)	(471,697)	(909,153)	-	(864,856)	(2,983,553)
Write-downs	-	-	-	-	-	-	-	-
Book value	**352**	**201,356**	**160,000**	**62,541**	**1,272,335**	**-**	**1,387,978**	**3,084,562**
Changes in the year								
Increases for acquisitions	3,642,426	-	-	54,400	-	27,533	548,826	4,273,185
Reclassifications (of the book value)	-	-	-	-	-	-	-	-
Decreases for sales and disposals (of the book value)	-	-	-	-	-	-	-	-
Revaluations carried out during the year	-	-	-	-	-	-	-	-
Amortisation for the year	(728,602)	(84,178)	(40,000)	(39,564)	(486,225)	-	(496,713)	(1,875,282)
Write-downs carried out during the year	-	-	-	-	-	-	-	-

Changes in the scope of consolidation	-	-	-	-	354,852	-	-	354,852
Other changes	-	-	-	-	-	-	9,562	9,562
Total changes	**2,913,824**	**(84,178)**	**(40,000)**	**14,836**	**(131,373)**	**27,533**	**61,675**	**2,762,317**
Value at the end of the year								
Cost	3,656,622	885,359	200,000	588,638	2,536,340	27,533	2,815,170	10,709,661
Revaluations	-	-	-	-	-	-	-	-
Depreciation (Amortisation/depreciation fund)	(742,446)	(768,181)	(80,000)	(511,261)	(1,395,378)	-	(1,365,517)	(4,862,783)
Write-downs	-	-	-	-	-	-	-	-
Book value	**2,914,176**	**117,178**	**120,000**	**77,377**	**1,140,962**	**27,533**	**1,449,653**	**5,846,879**

Capital expenditure in 2024 amounted to EUR 4,273,185, of which EUR 3,642,426 related to expenses incurred for the listing and EUR 548,826 related to improvements on third-party vessels chartered in by the Group. The change in the scope of consolidation refers to the goodwill included in the cost incurred for the acquisition of Subonica Srl.
The item other changes refers to conversion differences arising from the conversion into Euros of the financial statements of Next Geosolutions Ukcs Ltd, expressed in Pounds Sterling.

TANGIBLE FIXED ASSETS

The table below shows the breakdown of tangible fixed assets as of 31 December 2024, compared with the situation as of 31 December 2023:

Values in Euro units	2024	2023	Change
1) land and buildings	2,013,482	2,067,790	(54,308)
2) plants and machinery	46,929	1,799	45,130
3) industrial and commercial equipment	8,781,217	8,030,225	750,992
4) other assets	39,395,858	29,068,837	10,327,021
5) fixed assets under construction and advances	12,855,643	88,817	12,766,826
Total tangible fixed assets	**63,093,129**	**39,257,468**	**23,835,661**

Tangible fixed assets as of 31 December 2024 amounted to EUR 63,093,129 and mainly referred to vessels owned by the Group, including the value of improvements made over time, equipment used to perform geophysical and geotechnical analysis activities, and the value of the Norwich property where the registered office of the subsidiary Next Geosolutions Ukcs Ltd. is located. Assets under construction and advances mainly refer to advances paid for the purchase of the new vessel, NG Surveyor, and related ancillary expenses, for the purchase of the Schilling Heavy Duty (HD) ROV and additional specialised equipment.

Changes in tangible fixed assets

The table below shows the changes in tangible assets during the financial year 2024:

Values in Euro units	Land and buildings	Plants and machinery	Industrial and commercial equipment	Other tangible fixed assets	Tangible fixed assets under construction and advances	Total tangible Fixed Assets
Value at the beginning of the year						
Cost	2,190,553	189,429	12,569,426	32,198,557	88,817	47,236,782
Revaluations	-	-	-	-	-	-
Depreciation (Amortisation/depreciation fund)	(122,763)	(187,630)	(4,539,201)	(3,129,720)	-	(7,979,314)
Write-downs	-	-	-	-	-	-
Book value	**2,067,790**	**1,799**	**8,030,225**	**29,068,837**	**88,817**	**39,257,468**

Changes in the year						
Increases for acquisitions	-	58,879	2,517,330	12,440,599	12,855,643	27,872,451
Reclassifications (of the book value)	-	809	88,817	(809)	(88,817)	-
Decreases for sales and disposals (of the book value)	-	-	-	-	-	-
Revaluations carried out during the year	-	-	-	-	-	-
Amortisation for the year	(54,308)	(15,296)	(1,949,088)	(2,153,809)	-	(4,172,501)
Write-downs carried out during the year	-	-	-	-	-	-
Changes in the scope of consolidation	-	-	93,933	37,500	-	131,433
Other changes	-	738	-	3,540	-	4,278
Total changes	(54,308)	45,130	750,992	10,327,021	12,766,826	23,835,661
Value at the end of the year						
Cost	2,190,553	249,855	15,419,918	44,701,887	12,855,643	75,417,856
Revaluations	-	-	-	-	-	-
Depreciation (Amortisation/depreciation fund)	(177,071)	(202,926)	(6,638,701)	(5,306,029)	-	(12,324,727)
Write-downs	-	-	-	-	-	-
Book value	**2,013,482**	**46,929**	**8,781,217**	**39,395,858**	**12,855,643**	**63,093,129**

Capital expenditure in 2024 amounted to EUR 27,872,451, of which EUR 6,858,744 was for the purchase of the vessel NG Explorer and related ancillary expenses, EUR 5,522,035 was for upgrades on Group-owned vessels, EUR 3,560,845 was for the advance payment for the purchase of the new survey vessel NG Surveyor and related ancillary expenses, EUR 7,737917 (classified under fixed assets under construction and advances) for the investment related to the purchase of the Schilling Heavy Duty (HD) ROV system and EUR 4,192,910 for machinery, specialised equipment and other tangible assets (of which EUR 1,556,880 classified under fixed assets under construction and advances as of 31 December 2024).
Changes in the area of consolidation refer to tangible assets (mainly a coastal vessel, ROV Observation Class and other specialised machinery and equipment) held by Subonica Srl at the date of purchase.
The item other changes refers to conversion differences arising from the conversion into Euros of the financial statements of Next Geosolutions Ukcs Ltd, expressed in Pounds Sterling.

FINANCIAL FIXED ASSETS

The table below shows the breakdown of financial fixed assets as of 31 December 2024, compared to the situation as of 31 December 2023:

Values in Euro units	2024	2023	Change
1) equity investments in			
d) undertakings controlled by parent companies	18	2,118	(2,100)
d-bis) other undertakings	7,500	23,740	(16,240)
Total equity investments	**7,518**	**25,858**	**(18,340)**
2) receivables			
d-bis) from others			
due within one year	-	14,527	(14,527)
due beyond one year	212,071	179,800	32,271
Total receivables from others	**212,071**	**194,327**	**17,744**
Total receivables	**212,071**	**194,327**	**17,744**
Total financial fixed assets	**219,589**	**220,185**	**(596)**

The item Financial Fixed Assets as of 31 December 2024 amounted to EUR 219,589 and mainly refers to receivables for security deposits and insurance policies and to the minority interests in companies under the control of the parent company Marnavi Shipping Management Pvt. , to the minority interests in Mar.Te. Scarl, Consorzio Cluster Blue Italian Growth, Consorzio Area Tech and Banca di Credito Cooperativo S.c.

Changes in equity investments

The table below shows the changes in equity investments during the financial year 2024:

Values in Euro units	Equity investments in undertakings subject to the control of the parent companies	Equity investments in other undertakings	Total tangible Fixed Assets
Value at the beginning of the year			
Cost	2,118	23,740	25,858
Revaluations	-	-	-
Write-downs	-	-	-
Book value	**2,118**	**23,740**	**25,858**
Changes in the year			
Increases for acquisitions	-	-	-
Reclassifications (of the book value)	-	-	-
Decreases for sales and disposals (of the book value)	(2,100)	(16,240)	(18,340)
Revaluations carried out during the year	-	-	-
Write-downs carried out during the year	-	-	-
Other changes	-	-	-
Total changes	**(2,100)**	**(16,240)**	**(18,340)**
Value at the end of the year			
Cost	18	7,500	7,518
Revaluations			
Write-downs			
Book value	**18**	**7,500**	**7,518**

Divestments in 2024 refer to the sale of the 2% stake in the capital of the company under the control of the parent company FinImm Srl (now Marnavi RE Srl) and other minority interests.

Changes and maturity of receivables in financial fixed assets

The table below shows the change in receivables recognised as financial fixed assets during the financial year 2024 and the maturity of receivables recognised in the financial statements as of 31 December 2024:

Values in Euro units	Long-term receivables from others	Total long-term receivables
Value at the beginning of the year	194,327	194,327
Changes in the year	17,744	17,744
Value at the end of the year	212,071	212,071
Portion falling due within the financial year	-	-
Portion falling due beyond the financial year	212,071	212,071
Of which with a residual maturity of more than 5 years	-	-

The change in long-term receivables during the year 2024 represents the net effect of collections for the reimbursement of certain security deposits and payments made for premiums on other insurance policies.

Breakdown of long-term receivables by geographical area

The table below shows the breakdown of long-term receivables by geographical area:

Values in Euro units

Geographical area	Total	Italy
Receivables from others	212,071	212,071
Total long-term receivables	212,071	212,071

CURRENT ASSETS

INVENTORIES

The table below shows the breakdown of the item Inventories as of 31 December 2024, compared with the situation as of 31 December 2023:

Values in Euro units	2024	2023	Change
1) raw, ancillary materials and consumables	1,533,689	872,023	661,666
3) contract work in progress	21,694,818	123,038,120	(101,343,302)
5) advances	24,000	22,400	1,600
Total inventories	**23,252,507**	**123,932,543**	**(100,680,036)**

The item inventories as of 31 December 2024 amounted to EUR 23,252,507 and mainly refers to EUR 1,533,689 in inventories of bunkers, lubricants, spare parts and consumables on board ships and EUR 21,694,818 in the value of contract work in progress (job orders) valued using the percentage of completion method.
The decrease in this item is the result of the combined effect of the decrease due to the completion of major contracts outstanding at 31 December 2023 and the simultaneous increase due to the progress of contracts in progress at 31 December 2024.
The Days Inventory Outstanding (DIO) decreased from 300 days as of 31 December 2023 to 41 days as of 31 December 2024. This figure highlights the excellent operating performance achieved by the Group, which resulted in significant beneficial effects on working capital and cash flows from operations.
The table below details the change during the period:

Values in Euro units	Total	Raw, ancillary materials, and consumables	Contract work in progress	Advances
Value at the beginning of the year	123,932,543	872,023	123,038,120	22,400
Changes in the year	(101,719,254)	653,440	(102,374,294)	1,600
Conversion differences	1,039,218	8,226	1,030,992	-
Value at the end of the year	23,252,507	1,533,689	21,694,818	24,000

Translation differences arise from the translation into Euro of the financial statements of Next Geosolutions Ukcs Ltd, expressed in Pounds Sterling.

RECEIVABLES

The table below shows the breakdown of Receivables as of 31 December 2024, compared with the situation as of 31 December 2023:

Values in Euro units	2024	2023	Change
1) from customers	34,443,350	38,662,375	(4,219,025)
4) from parent companies	599,624	902,432	(302,808)
5-bis) tax receivables	1,553,686	2,111,022	(557,336)
5-ter) prepaid taxes	569,304	523,631	45,673
5-quater) from others	2,582,599	4,312,011	(1,729,412)
Total receivables	**39,748,563**	**46,511,471**	**(6,762,908)**

Receivables from customers
Receivables from customers as of 31 December 2024 amounted to EUR 34,443,350 against EUR 38,662,375 as of 31 December 2023.
The decrease in trade receivables as of 31 December 2024, amounting to EUR 4,219,025, in the context of the significant increase in the value of production compared to the previous year, highlights the quality of the Group's receivables portfolio, the careful management of collections, and has positively impacted the cash flows from operations. The Days Sales Outstanding (DSO) decreased from 96 days as of 31 December 2023 to 62 days as of 30 June 2024, a reduction of 34 days.

Receivables from parent companies
Receivables from parent companies as of 31 December 2024 amounted to EUR 599,624 against EUR 902,432 as of 31 December 2023 and refer to trade receivables from the parent company Marnavi SpA.

Receivables from undertakings controlled by the parent companies
Receivables from companies subject to the control of parent companies, net of the related allowance for doubtful accounts, were zero both as of 31 December 2024 and in the previous year.
The table below shows the changes in the nominal value of the receivable, the related allowance for doubtful accounts and the book value:

Values in Euro units	Nominal value	Provision for bad debts	Book value
Value at the beginning of the year	1,092,522	(1,092,522)	-
Changes in the year	18,272	(17,896)	376
Conversion differences	-	(376)	(376)
Value at the end of the year	1,110,794	(1,110,794)	-

Translation differences arise from the translation into Euro of the financial statements of Next Geosolutions Ukcs Ltd, expressed in Pounds Sterling.

Tax receivables
Tax receivables as of 31 December 2024 amounted to EUR 1,553,686 (of which EUR 187,352 due beyond the next financial year) compared to EUR 2,111,022 as of 31 December 2023.
The item mainly refers to (i) tax credits in the amount of EUR 760,268, of which EUR 197,677 for credits related to research and development activities pursuant to Article I of Italian Law No. 160/2019, as amended, EUR 504,618 for credits related to 4.0 investments pursuant to Article 1 paragraphs 1054 to 1058 of Italian Law 178/2020, as amended, and EUR 57,973 for ZES Unica credits pursuant to Article 16 of Italian Decree-Law of 19 September 2023, no. 124 (for further details in reference to research and development activities, please refer to the specific paragraph in the Report on Operations and further on in the Notes to the Financial Statements), (ii) credits for direct taxes for EUR 359,826, (iii) credits for withholding taxes for EUR 245,822, and (iv) VAT in the amount of EUR 187,770.
It should be noted that during the year ended 31 December 2024, the Group used tax credits for investment 4.0 in the amount of EUR 763,899 and tax credits for research and development activities in the amount of EUR 206,470 as offset.
The portion of tax credits due beyond the following year refers to tax credits for which the possibility of offsetting in annual instalments is envisaged.

Prepaid taxes
Prepaid taxes as of 31 December 2024 amounted to EUR 569,304 compared to EUR 523,631 as of 31 December 2023.
The table below details the changes in prepaid taxes during the year 2024:

Values in Euro units	2023	Changes in the year	Conversion differences	2024
Foreign exchange valuation losses	282,099	(282,099)	-	-
Unpaid cash deductible costs	120,000	330,718	-	450,718
Write-down of receivables	118,250	336	-	118,586

Tax losses	3,282	(3,369)	87	-
Total prepaid taxes	**523,631**	**45,586**	**87**	**569,304**

Deferred tax assets have been recognised, in accordance with the principle of prudence, only in cases where there is reasonable certainty of their future recovery, i.e. when there are sufficient taxable temporary differences in future years in which the deductible temporary difference is expected to be reversed.

Receivables from others

Receivables from others as of 31 December 2024 amounted to EUR 2,582,599 against EUR 4,312,011 as of 31 December 2023.
This item mainly refers to receivables for non-repayable grants (NSS2023 and NGR2025) in the amount of EUR 2,184,370, receivables from insurance companies in the amount of EUR 307,673, and advances to suppliers in the amount of EUR 72,004.
It should be noted that contributions for the ARES project in the amount of EUR 98,469 and contributions for the NSS2023 project in the amount of EUR 687,323 were received in the year 2024.

Breakdown of receivables included in current assets by geographical area

The table below shows the breakdown of receivables recognised as current assets by geographical area:

Values in Euro units	Total	Italy	Europe	Other
1) from customers	34,443,350	12,492,462	21,950,888	-
4) from parent companies	599,624	599,624	-	-
5-bis) tax receivables	1,553,686	1,483,184	70,502	-
5-ter) prepaid taxes	569,304	569,304	-	-
5-quater) from others	2,582,599	2,546,216	36,383	-
Total receivables included in current assets	**39,748,563**	**17,690,790**	**22,057,773**	**-**

Breakdown of receivables included in current assets by maturity

The table below shows the breakdown of receivables recognised as current assets by maturity:

Values in Euro units	Book value	Due within one year	Due beyond one year	Due beyond 5 years
1) from customers	34,443,350	34,443,350	-	-
4) from parent companies	599,624	599,624	-	-
5-bis) tax receivables	1,553,686	1,366,334	187,352	-
5-ter) prepaid taxes	569,304	-	-	-
5-quater) from others	2,582,599	2,582,599	-	-
Total receivables included in current assets	**39,748,563**	**38,991,907**	**187,352**	**-**

It should be noted that, in line with the provisions of the Italian Civil Code and the national accounting standards dictated by the Italian Accounting Body (Organismo Italiano di Contabilità - OIC), deferred tax assets are not broken down between the portion due within the next year and the portion due after the next year.

FINANCIAL ASSETS NOT CONSTITUTING FIXED ASSETS

The table below shows the breakdown of Financial assets not constituting fixed assets as of 31 December 2024, compared with the situation as of 31 December 2023:

Values in Euro units	2024	2023	Change
6) Securities	4,000,000	-	4,000,000
Total Financial assets not constituting fixed assets	**4,000,000**	**-**	**4,000,000**

Financial assets not constituting fixed assets as of 31 December 2024 refer to the investment in securities - not intended to be held permanently in the Group's assets - of part of the liquidity raised through the listing on Euronext Growth Milan.

CASH AND CASH EQUIVALENTS

The table below shows the breakdown of Cash and cash equivalents as of 31 December 2024, compared with the situation as of 31 December 2023:

Values in Euro units	2024	2023	Change
1) bank and postal deposits	84,331,374	17,765,848	66,565,526
3) cash on hand and liquid assets	12,177	8,876	3,301
Total cash and cash equivalents	**84,343,551**	**17,774,724**	**66,568,827**

Cash and cash equivalents as of 31 December 2024 amounted to EUR 84,343,551 and refer to EUR 84,331,374 in cash on bank accounts and EUR 12,177 in cash on the vessels NG Driller and NG Worker and the vessel NG Coastal.
The increase in this item, more fully illustrated in the cash flow statement, is summarised in the following table:

Values in Euro units	Cash and cash equivalents
Value at the beginning of the year	17,774,724
Financial flow arising from operating activity	58,916,836
Financial flow arising from investing activity	(36,688,218)
Financial flow arising from financing activity	43,969,473
Exchange rate effect on cash and cash equivalents	370,736
Value at the end of the year	84,343,551

ACCRUED INCOME AND DEFERRED EXPENSES

The table below shows the balance of accrued income and prepaid expenses as of 31 December 2024, compared with the situation as of 31 December 2023:

Values in Euro units	2024	2023	Change
Accrued income and deferred expenses	743,174	2,609,896	(1,866,722)

Accrued income and prepaid expenses as of 31 December 2024 amounted to EUR 743,174 and mainly refer to the deferral of insurance costs, vessel charters, and other costs pertaining to subsequent years.
The table below shows the breakdown of accrued income and prepaid expenses by maturity:

Values in Euro units	Book value	Due within one year	Due beyond one year	Due beyond 5 years
Accrued income and deferred expenses	743,174	719,405	23,769	-

LIABILITIES

SHAREHOLDERS' EQUITY

The table below shows the breakdown of shareholders' equity as of 31 December 2024, compared with the situation as of 31 December 2023:

Values in Euro units	2024	2023	Change
I - Capital	600,000	500,000	100,000
II - Share premium reserve	49,900,000	-	49,900,000
IV - Legal reserve	163,055	163,055	-
VI - Other reserves, separately indicated			
Extraordinary reserve	5,991	5,991	-
Reserve from differences in conversion	296,904	22,794	274,110
Euro rounding reserve	(5)	(1)	(4)
Total other reserves	**302,890**	**28,784**	**274,106**
VIII - Profits (losses) brought forward	48,466,246	20,022,194	28,444,052
IX - Profit (loss) for the year	43,125,342	29,182,051	13,943,291
X - Negative reserve for treasury shares in portfolio	-	(738,000)	738,000
Total group shareholders' equity	**142,557,533**	**49,158,084**	**93,399,449**
Minority shareholders' equity			
Capital and minority interest	71,307	60,571	10,736
Minority profit (loss)	14,381	10,736	3,645
Total minority interest in shareholders' equity	**85,688**	**71,307**	**14,381**
Total consolidated shareholders' equity	**142,643,221**	**49,229,391**	**93,413,830**

Shareholders' equity as of 31 December 2024 amounted to EUR 142,643,221, of which EUR 142,557,533 pertaining to the Group and EUR 85,688 pertaining to minority shareholders.

Changes to shareholders' equity

The table below shows the changes in shareholders' equity during the financial year 2024 and in the previous year:

Values in Euro units	Capital	Share premium reserve	Legal reserve	Extraordinary reserve	Reserve from differences in conversion	Euro rounding reserve	Total other reserves	Profits (losses) brought forward	Profit (loss) for the year	Negative reserve for treasury shares in portfolio	Total group shareholders' equity	Capital and minority interest	Minority profit (loss)	Total minority interest in shareholders' equity	Total shareholders' equity
Value at beginning of previous year	**500,000**		**163,055**	**5,990**	**17,150**	**2**	**23,142**	**12,664,733**	**7,357,462**	**(738,000)**	**19,970,392**	**30,651**	**29,920**	**60,571**	**20,030,963**
Allocation of the result of the previous year															
Other destinations							-	7,357,462	(7,357,462)		-	29,920	(29,920)	-	-
Other changes															
Change in the conversion reserve					5,644		5,644				5,644			-	5,644
Rounding up/down				1		(3)	(2)	(1)			(3)			-	(3)
Result for the year									29,182,051		29,182,051		10,736	10,736	29,192,787
Previous year-end value	**500,000**		**163,055**	**5,991**	**22,794**	**(1)**	**28,784**	**20,022,194**	**29,182,051**	**(738,000)**	**49,158,084**	**60,571**	**10,736**	**71,307**	**49,229,391**
Allocation of the result of the previous year															
Other destinations							-	29,182,051	(29,182,051)		-	10,736	(10,736)	-	-
Other changes															
Cancellation of treasury shares							-	(738,000)		738,000	-			-	-

Capital increase	100,000	49,900,000					-				50,000,000			-	50,000,000
Change in the conversion reserve					274,110		274,110				274,110			-	274,110
Rounding up/down						(4)	(4)	1			(3)			-	(3)
Result for the year									43,125,342		43,125,342		14,381	14,381	43,139,723
Value at the end of the year	**600,000**	**49,900,000**	**163,055**	**5,991**	**296,904**	**(5)**	**302,890**	**48,466,246**	**43,125,342**	**-**	**142,557,533**	**71,307**	**14,381**	**85,688**	**142,643,221**

As shown in the table above, the increase in shareholders' equity in 2024 stems from the capital increase realised through the listing on EGM, the change in the reserve for translation differences, and the profit for the year, amounting to EUR 43,139,723.

Reconciliation of shareholders' equity and profit/(loss) in the financial statements and consolidated financial statements

The table below shows the reconciliation between the shareholders' equity and the result of the annual financial statements and the consolidated financial statements:

Values in Euro units	Shareholders' equity	Result
Shareholders' equity and result for the year as reported in the parent company's financial statements	**141,803,242**	**42,850,493**
Difference between book value and quota of shareholders' equity	860,881	300,008
Elimination of intra-group (gains) losses	(11,169)	(16,926)
Accounting for finance leases using the financial method	(9,733)	6,148
Shareholders' equity and result for the year as reported in the consolidated financial statements	**142,643,221**	**43,139,723**

PROVISIONS FOR RISKS AND CHARGES

The table below shows the breakdown of the item Provisions for risks and charges as of 31 December 2024, compared with the situation as of 31 December 2023:

Values in Euro units	2024	2023	Change
1) for pensions and similar obligations	220,559	181,801	38,758
2) for taxes, even deferred	74,538	1,457,835	(1,383,297)
Total provisions for risks and charges	**295,097**	**1,639,636**	**(1,344,539)**

The item Provisions for risks and charges as of 31 December 2024 amounted to EUR 295,097 and referred to the provision for termination indemnities in favour of directors in the amount of EUR 220,559 and to the provision for deferred taxes for EUR 74,538.

Changes to the Provision for risks and charges

The table below shows the changes in the provision for risks and charges during the financial year 2024:

Values in Euro units	Provision for pensions and similar obligations	Provision for taxes, even deferred	Total Provision for risks and charges
Value at the beginning of the year	**181,801**	**1,457,835**	**1,639,636**
Changes in the year			
Allocation for the year	38,758	23,818	62,576
Use in the year		(1,410,740)	(1,410,740)
Other changes		3,625	3,625
Total changes	**38,758**	**(1,383,297)**	**(1,344,539)**
Value at the end of the year	**220,559**	**74,538**	**295,097**

As shown in the table above, the change in the item is mainly due to the combined effect of utilisations of deferred taxes in the amount of EUR 1,410,740 and increases in provisions for severance indemnities for directors in the amount of EUR 38,758 and deferred taxes for the year in the amount of EUR 23,318.
Other changes refer to conversion differences arising from the conversion into Euros of the financial statements of Next Geosolutions Ukcs Ltd, expressed in Pounds Sterling.

The table below details the changes in the provision for deferred taxes during the year 2024:

Values in Euro units	**2023**	**Changes in the year**	**Conversion differences**	**2024**
Interim orders	1,134,760	(1,134,760)		-
Deferred on undistributed profits	47,095	9,749	3,329	60,173
Foreign exchange gains	275,980	(275,980)	-	-
Temporary downwards differences in fixed assets	-	14,069	296	14,365
Total provision for deferred taxes	**1,457,835**	**(1,386,922)**	**3,625**	**74,538**

EMPLOYEE SEVERANCE INDEMNITIES

The table below shows the provision for employee severance indemnities, compared with the situation as of 31 December 2023:

Values in Euro units	**2024**	**2023**	**Change**
Employee Severance Indemnities	1,674,683	1,383,977	290,706

The employee severance indemnity recorded in the financial statements as of 31 December 2024 represents the Group's actual payable to employees in force at that date, determined in accordance with the provisions of Article 2120 of the Italian Civil Code and national and supplementary labour contracts in force at the date of the financial statements.

Changes to employee severance indemnities

The table below details the changes in employee severance indemnities during the year 2024:

Values in Euro units	**Employee Severance Indemnities**
Value at the beginning of the year	**1,383,977**
Changes in the year	
Allocation for the year	455,977
Use in the year	(165,271)
Total changes	**290,706**
Value at the end of the year	**1,674,683**

As shown in the table above, the increase for the year derives from the net effect of provisions for severance indemnities in the amount of EUR 455,977 and utilisations in the amount of EUR 165,271.

PAYABLES

The table below shows the breakdown of Payables as of 31 December 2024, compared with the situation as of 31 December 2023:

Values in Euro units	**2024**	**2023**	**Change**
3) payables to shareholders for loans	529,000	529,000	-
4) payables to banks	20,925,168	26,469,791	(5,544,623)

5) payables to other lenders	348,726	676,649	(327,923)
6) advances	19,551,926	116,601,712	(97,049,786)
7) payables to suppliers	20,746,454	22,922,695	(2,176,241)
11) payables to parent companies	6,245,831	6,113,444	132,387
11-bis) payables to undertakings controlled by the parent companies	84,785	140,347	(55,562)
12) tax payables	4,401,028	3,927,855	473,173
13) payables to pension funds and social security institutions	592,021	221,734	370,287
14) other payables	1,657,643	1,653,386	4,257
Total payables	**75,082,582**	**179,256,613**	**(104,174,031)**

Payables to shareholders for loans

Payables to shareholders for loans as of 31 December 2024 amount to EUR 529,000 and refer to financial payables due after one year to the parent company Marnavi SpA.

Payables to banks

Amounts due to banks as of 31 December 2024 amounted to EUR 20,925,168 (of which EUR 10,971,525 due beyond the next financial year) as opposed to EUR 26,469,791 as of 31 December 2023 (of which EUR 15,920,547 due beyond the next financial year).

The decrease in this item of EUR 5,544,623 resulted from the payment of loan instalments during the year and the reduction in short-term debt. The aforementioned decrease was possible thanks to the significant cash flows generated by operating activities during the financial year 2024, as shown in the cash flow statement to which reference should be made for further details.

The table below shows the changes in bank borrowings as of 31 December 2024 and the related reconciliation with the cash flows shown in the cash flow statement:

Values in Euro units	2023	Cash flows from the cash flow statement	Other changes	2024
Payables to banks for current account overdrafts and short-term advances	5,815,304	(894,795)	142,286	5,062,795
Bank loans payable (including the portion due within one year)	20,654,487	(4,807,809)	15,695	15,862,373
Total payables to banks	**26,469,791**	**(5,702,604)**	**157,981**	**20,925,168**

The item other changes refers to conversion differences arising from the conversion into Euros of the financial statements of Next Geosolutions Ukcs Ltd, expressed in Pounds Sterling.

It should be noted that there are financial covenants on two loans, to be calculated annually on the values of the consolidated financial statements of the parent company Marnavi SpA. The financial covenants refer to the Gross Operating Margin / Financial Charges ratio, the Net Financial Position / EBITDA ratio and the Net Financial Position / Shareholders' Equity ratio. These parameters, based on the data from the latest consolidated financial statements of the parent company Marnavi SpA, are met.

It should also be noted, with reference to the non-financial covenants, that NextGeo group has confirmed its sustainability policy, which in environmental matters requires the adoption - with respect to an economically sustainable process - of a so-called "Green Procurement" strategy, favouring a) local and sustainable purchasing, b) the choice of less impactful travel solutions, c) GO (or GoO, Guarantee of Origin) labelled energy procurement.

With regard to sustainable procurement, it should be noted that the entire supply chain for coastal activities in the various countries where the Group operates is local and sustainable.

In line with the Group's policies on environmental sustainability, in order to reduce the impact on staff travel, and with the company's Risk Assessment Document (DVR), priority was given to the use of trains, while only journeys to foreign countries deemed strictly necessary for work purposes were covered by air.

The supplier chosen by the parent company Next Geosolutions Europe SpA for electricity was replaced during the year and its successor, Enel Energia, by virtue of the contract signed, supplies 100% renewable energy certified with a guarantee of origin pursuant to the current regulation of the Regulatory Authority for Energy Networks and Environment (ARERA).

It should also be noted that the parent company Next Geosolutions Europa SpA dedicated a quota of 2.77 hours of training for each employee in the company on environmental/social sustainability issues.
In this context, it also promoted sustainability campaigns aimed at saving natural resources, under the “Make the Right Choice” programme.
As of 31 December 2024, the non-financial covenants, as a result of the above, were fulfilled.

Payables to other lenders
Amounts due to other lenders as of 31 December 2024 amounted to EUR 348,726 (of which EUR 85,296 due beyond the next financial year) as opposed to EUR 676,649 as of 31 December 2023 (of which EUR 348,726 due beyond the next financial year).
The balance of the item as of 31 December 2024 relates entirely to payables for existing finance lease agreements, which are accounted for in the consolidated financial statements using the financial method as recommended by accounting standard OIC 17.
The decrease in this item, equal to EUR 327,923, refers to repayments of the principal portion of lease instalments due in the financial year under review.
The table below shows the changes in payables to other lenders as of 31 December 2024 and the related reconciliation with the cash flows presented in the cash flow statement:

Values in Euro units	2023	Cash flows from the cash flow statement	Other changes	2024
Payables to other lenders	676,649	(327,923)	-	348,726
Total payables to banks	**676,649**	**(327,923)**	**-**	**348,726**

Advances
Advances as of 31 December 2024 amounted to EUR 19,551,926 against EUR 116,601,712 as of 31 December 2023. This item represents the value of advance payments received from customers for job orders in progress at the date of the financial statements. The decrease for the period is mainly due to the completion of major orders outstanding at 31 December 2023 and the dynamics related to the progress of orders outstanding at 31 December 2024.

Payables to suppliers
Payables to suppliers as of 31 December 2024 amounted to EUR 20,746,454 compared to EUR 22,922,695 as of 31 December 2023.
The decrease of EUR 2,176,241 in trade payables as of 31 December 2024, in the context of business growth and the related increase in production costs, reflects a more efficient management of relations with suppliers and improves the Group’s positioning as a reliable and solid partner. The average Days Payable Outstanding (DPO), despite the increase in business volume, fell from 97 days as of 31 December 2023 to 65 days as of 31 December 2024, a reduction of 32 days.

Payables to parent companies
Payables to parent companies as of 31 December 2024 amounted to EUR 6,245,831 as opposed to EUR 6,113,444 as of 31 December 2023 and referred entirely to trade payables to the parent company Marnavi SpA, mainly related to vessel charters.

Payables to undertakings controlled by the parent companies
Payables to companies subject to the control of parent companies as of 31 December 2024 amounted to EUR 84,785 as opposed to EUR 140.347 as of 31 December 2023 and consisted of EUR 84,783 in payables to Navalcantieri Srl and for EUR 2 in payables to Marnavi Shipping Management Pvt.

Tax payables
Taxes payable as of 31 December 2024 amounted to EUR 4,401,028 as opposed to EUR 3,927,855 as of 31 December 2023. The increase in this item is substantially related to the increase in VAT and withholding tax payables, partially offset by the decrease in direct tax payables attributable to the significant advance payments made during the current year.

The balance of the item as of 31 December 2024 mainly refers to Vat payables in the amount of EUR 1,669,659, payables for direct taxes in the amount of EUR 1,548,582 and withholding tax payables in the amount of EUR 1,182,667.
It should be pointed out here that in Italy, Article 4 of Law 30/98 envisages that companies carrying out the activities indicated in the second paragraph of that Article are granted a tax credit corresponding to the personal income tax due on wages paid to crew members on board vessels entered in the International Register, to be used for the purposes of paying withholding tax on such income.

Payables to pension funds and social security institutions
Payables to social security institutions as of 31 December 2024 amounted to EUR 592,021 compared to EUR 221,734 as of 31 December 2023. The increase in this item over the previous year is substantially related to the increase in personnel.
The balance of the item as of 31 December 2024 refers mainly to payables to INPS [Italian Social Security Institute] in the amount of EUR 560,897.
It should be pointed out here that, in Italy, Article 6 of Law 30/98 states that companies carrying out the activities indicated in paragraph 1 of that Article, for personnel meeting the requirements of Article 119 of the Italian navigation code and embarked on vessels entered in the International Register referred to in Article 1 of Italian Law 30/98, as well as the aforementioned personnel, are exempt from paying the social security and welfare contributions due by law.

Other payables
Other payables as of 31 December 2024 amounted to EUR 1,657,643 compared to EUR 1,653,386 as of 31 December 2023. The balance of this item is substantially in line with the previous year and mainly refers to payables to directors and staff in the amount of EUR 1,643,688, including deferred charges.

Breakdown of payables by geographical area

The table below shows the breakdown of payables by geographical area:

Values in Euro units	**Total**	**Italy**	**Europe**	**Other**
3) payables to shareholders for loans	529,000	529,000	-	-
4) payables to banks	20,925,168	15,894,420	5,030,748	-
5) payables to other lenders	348,726	348,726	-	-
6) advances	19,551,926	12,751,535	6,800,391	-
7) payables to suppliers	20,746,454	10,556,473	9,212,940	977,041
11) payables to parent companies	6,245,831	6,245,831	-	-
11-bis) payables to undertakings controlled by the parent companies	84,785	84,783	-	2
12) tax payables	4,401,028	2,087,665	2,313,363	-
13) payables to pension funds and social security institutions	592,021	574,937	17,084	-
14) other payables	1,657,643	1,648,693	8,950	-
Total payables	**75,082,582**	**50,722,063**	**23,383,476**	**977,043**

Breakdown of payables by maturity

The table below shows the breakdown of payables by maturity:

Values in Euro units	**Book value**	**Due within one year**	**Due beyond one year**	**Due beyond 5 years**
3) payables to shareholders for loans	529,000	-	529,000	-
4) payables to banks	20,925,168	9,953,643	10,971,525	-
5) payables to other lenders	348,726	263,430	85,296	-
6) advances	19,551,926	19,551,926	-	-
7) payables to suppliers	20,746,454	20,746,454	-	-
11) payables to parent companies	6,245,831	6,245,831	-	-
11-bis) payables to undertakings controlled by the parent companies	84,785	84,785	-	-

12) tax payables	4,401,028	4,401,028	-	-
13) payables to pension funds and social security institutions	592,021	592,021	-	-
14) other payables	1,657,643	1,657,643	-	-
Total payables	**75,082,582**	**63,496,761**	**11,585,821**	**-**

Payables secured by collateral on Group assets
The table below shows the breakdown between secured and unsecured debts:

Values in Euro units	Book value	Secured by collateral	Not secured by collateral
3) payables to shareholders for loans	529,000	-	529,000
4) payables to banks	20,925,168	2,603,331	18,321,837
5) payables to other lenders	348,726	-	348,726
6) advances	19,551,926	-	19,551,926
7) Payables to suppliers	20,746,454	-	20,746,454
11) Payables to parent companies	6,245,831	-	6,245,831
11 -bis) Payables to undertakings controlled by the parent companies	84,785	-	84,785
12) Tax payables	4,401,028	-	4,401,028
13) payables to pension funds and social security institutions	592,021	-	592,021
14) Other payables	1,657,643	-	1,657,643
Total payables	**75,082,582**	**2,603,331**	**72,479,251**

ACCRUED EXPENSES AND DEFERRED INCOME

The table below shows the balance of accrued expenses and deferred income as of 31 December 2024, compared with the situation as of 31 December 2023:

Values in Euro units	2024	2023	Change
Accrued expenses and deferred income	1,551,809	1,881,232	(329,423)

Accrued liabilities and deferred income as of 31 December 2024 amounted to EUR 1,551,809 and refer mainly to the deferral of grants for plant in the amount of EUR 1,436,341 and to accrued interest expenses in the amount of EUR 60,858.
The table below shows the breakdown of accrued expenses and deferred income by maturity:

Values in Euro units	Book value	Due within one year	Due beyond one year	Due beyond 5 years
Accrued expenses and deferred income	1,551,809	731,727	820,082	10,431

INCOME STATEMENT

VALUE OF PRODUCTION

The table below shows the breakdown of Value of Production as of 31 December 2024, compared with the situation as of 31 December 2023:

Values in Euro units	2024	2023	Change
1) revenues from sales and services	301,783,073	79,945,253	221,837,820
3) changes in contract work in progress	(102,374,294)	64,039,303	(166,413,597)
5) other revenues and income			

operating grants	692,799	2,995,366	(2,302,567)
other	3,206,947	1,615,524	1,591,423
Total other revenues and income	**3,899,746**	**4,610,890**	**(711,144)**
Total value of production	**203,308,525**	**148,595,446**	**54,713,079**

The value of production in the financial year 2024 amounted to EUR 203,308,525, an increase of EUR 54,713,079 (+36.8%) compared to the previous year. The dynamics behind the significant increase in the value of production are fully explained in the Report on Operations, to which we refer for further details.

Revenues from sales and services

Revenues from sales and services as of 31 December 2024 amounted to EUR 301,783,073 against EUR 79,945,253 (+277.5%) as of 31 December 2023. The increase in this item is substantially related to (i) the reclassification to revenues from sales and services of payments on account related to important job orders completed during the year and in progress in previous years, (ii) the increase in the number of job orders managed and completed during the financial year, (iii) the increase in the value of individual contracts, determined by the management of more important job orders, and (iv) to the progress made in job orders.

Breakdown of revenues from sales and services by business category

The table below shows the breakdown of revenues from sales and services by category of activity:

Values in Euro units	Total	Interconnectors	Windfarms	Oil&Gas	Other
Revenues from sales and services	301,783,073	186,702,068	102,155,522	6,944,659	5,980,824
% of total	100.0%	61.9%	33.8%	2.3%	2.0%

Breakdown of revenues from sales and services by geographical area

The table below shows the breakdown of revenues from sales and services by geographical area:

Values in Euro units	Total	Italy	Europe	Other
Revenues from sales and services	301,783,073	113,737,865	188,045,208	-
% of total	100.0%	37.7%	62.3%	-

Considering the type of business conducted, it is also deemed important to highlight the distribution of revenues from sales and services according to the maritime areas of reference:

Values in Euro units	Total	Northern Seas	Mediterranean
Revenues from sales and services	301,783,073	165,052,312	136,730,761
% of total	100.0%	54.7%	45.3%

Changes in contract work in progress

The change in contract work in progress as of 31 December 2024 amounted to a negative EUR 102,374,294 against a positive EUR 64,039,303 (-259.9%) as of 31 December 2023. The decrease in this item is substantially related to (i) the reversal of contract work in progress related to major contracts completed during the year and in progress in previous years, and (ii) the dynamics related to the progress of contracts.

Other revenues and income

Operating grants

Operating subsidies as of 31 December 2024 amounted to EUR 692,799 compared to EUR 2,995,366 (-76.9%) as of 31 December 2023. This item refers mainly to grants pursuant to Article 4 of Italian Law 30/98 in the amount of EUR 691,141.

Other
Other revenues within the item "Other revenues and income" as of 31 December 2024 amounted to EUR 3,206,947 compared to EUR 1,615,524 as of 31 December 2023. As of 31 December 2024, this item mainly refers to:

- insurance indemnities for the year in the amount of EUR 1,604,416;
- to grants (in the form of tax credits) for 4.0 investments, pursuant to Article 1, paragraphs 1054 to 1058 of Italian Law 178/2020, as amended and supplemented, for a total value of EUR 506,890;
- to grants for investments in South Italy, pursuant to Article 1, paragraphs 98 to 108 of Italian Law 2018/2015, as amended, in the amount of EUR 148,496;
- recharges of costs to third parties in the amount of EUR 173,030;
- to the SEZ Unica subsidies pursuant to Article 16 of Italian Decree-Law of 19 September 2023, no. 124 for EUR 8,696.

Breakdown of production value by category of activity

The table below shows the breakdown of production value by category of activity:

Values in Euro units	Total	Interconnectors	Windfarms	Oil&Gas	Other
Value of production	203,308,525	122,856,583	63,417,976	7,257,963	9,776,003
% of total	100.0%	60.4%	31.2%	3.6%	4.8%

Breakdown of value of production by geographical area

The table below shows the breakdown of value of production by geographical area:

Values in Euro units	Total	Italy	Europe	Other
Value of production	203,308,525	61,384,999	141,893,474	30,052
% of total	100.0%	17.0%	83.0%	0.0%

Considering the type of business conducted, it is deemed important to highlight the distribution of the value of production according to the maritime areas of reference:

Values in Euro units	Total	Northern Seas	Mediterranean
Value of production	203,308,525	115,240,378	88,068,147
% of total	100.0%	56.7%	43.3%

With reference to the Group's commitment in the renewable energy sector, it should be noted that 79.7% of the value of production is realised in projects supporting the development of renewable energy.

PRODUCTION COSTS

The table below shows the breakdown of Production costs as of 31 December 2024, compared with the situation as of 31 December 2023:

Values in Euro units	2024	2023	Change
6) for raw, ancillary materials and consumables	13,176,828	9,628,963	3,547,865
7) for services	75,590,802	46,298,436	29,292,366
8) for leased assets	46,676,673	39,813,161	6,863,512
9) for personnel			
a) wages and salaries	12,297,717	10,101,937	2,195,780
b) social security charges	1,551,086	1,163,217	387,869

c) severance indemnity	455,977	352,322	103,655
d) pensions and similar benefits	38,758	27,200	11,558
e) other costs	-	1,172	(1,172)
Total costs for personnel	**14,343,538**	**11,645,848**	**2,697,690**
10) amortisation, depreciation and write-downs			
a) amortisation of intangible fixed assets	1,875,282	1,063,969	811,313
b) depreciation of tangible fixed assets	4,172,503	2,993,542	1,178,961
d) write-downs of receivables included in current assets and cash and cash equivalents	17,896	1,092,143	(1,074,247)
Total amortisation, depreciation and write-downs	**6,065,681**	**5,149,654**	**916,027**
11) changes in raw, ancillary materials, consumables and goods	(653,441)	546,952	(1,200,393)
14) various operating charges	208,178	167,961	40,217
Total production costs	**155,408,259**	**113,250,975**	**42,157,284**

Cost of production in the financial year 2024 amounted to EUR 155,408,259, an increase of EUR 42,157,284 (+37.2%) compared to the previous year. The dynamics underlying the increase in production costs and their relative stability as a percentage of production value are fully explained in the Report on Operations, to which we refer you for further details.

Costs for raw, ancillary, consumable materials and goods

The cost of raw, ancillary, consumable materials and goods as of 31 December 2024 amounted to EUR 13,176,828 compared to EUR 9,628,963 (+36.8%) as of 31 December 2023.

The table below shows the breakdown of the item as of 31 December 2024 compared to the situation as of 31 December 2023:

Values in Euro units	**2024**	**2023**
Bunkers and lubricants	10,938,696	8,295,661
Consumables and spare parts	2,151,273	1,159,179
Other	86,859	174,123
Total costs for materials	**13,176,828**	**9,628,963**

The increase in this item is substantially related to the increase in the volume of business and the expansion of the fleet engaged by the Group, which led, in particular, to an increase in costs related to bunkers and lubricants used by the ships, as well as an increase in costs for the purchase of consumable materials and spare parts.

Costs for services

Costs for services as of 31 December 2024 amounted to EUR 75,590,802 against EUR 46,298,436 (+63.3%) as of 31 December 2023.

The table below shows the breakdown of the item as of 31 December 2024 compared to the situation as of 31 December 2023:

Values in Euro units	**2024**	**2023**
Costs for specialised non-employee personnel	26,128,674	16,464,306
Subcontractor costs	21,596,531	11,159,874
Ship management costs	9,974,198	5,262,273
Consulting	5,949,833	5,147,900
Costs for personnel-related services	4,009,662	2,594,957
Directors’, Statutory Auditors’ and Auditors’ costs	2,857,377	1,192,828
Transport and logistics	1,007,290	937,255
Insurance	1,214,726	735,411
Commissions	460,477	313,964
Maintenance	438,508	510,589
Expenses for utilities (electricity, gas, telephone, etc.)	167,107	143,044

Other	1,785,797	1,836,035
Total costs for services	**75,590,180**	**46,298,436**

The table above shows a significant increase in costs for variable services (non-employee personnel, subcontractors, vessel management costs, personnel-related service costs, insurance, etc.), related to the increase in production volume and the consequent expansion of the fleet and personnel.
The significant increase in the value of production, in line with the asset-light business model and the dynamics of job order progress, led to a significant increase in costs for specialised non-employee personnel (with an increase of EUR 9,664,368 over the previous year) and subcontractors (with an increase of EUR 10,436,657 over the previous year), while the increase in the fleet employed led to higher costs related to ship management (with an increase of EUR 4,711,925 over the previous year).

Costs for leased goods
Lease and rental costs as of 31 December 2024 amounted to EUR 46,676,673 against EUR 39,813,161 (+17.2%) as of 31 December 2023.
The table below shows the breakdown of the item as of 31 December 2024 compared to the situation as of 31 December 2023:

Values in Euro units	2024	2023
Sea freight	30,444,144	27,939,080
Equipment hire	15,431,919	11,149,792
Software licences	331,500	367,900
Office and warehouse rents	317,167	245,178
Rental of office machines and other goods	151,942	111,211
Total costs for leased goods	**46,676,672**	**39,813,161**

The increase in this item compared to the previous year, as shown in the table above, is mainly due to the increase in costs for chartering third-party vessels and equipment hire related to the increase in the volume of business for the year. The ratio of this item to the value of production decreased from 26.8% as of 31 December 2023 to 23.0% as of 31 December 2024 mainly due to the significant investments in vessels and equipment made during the year and the availability for use for the entire year of investments made during previous years.

Costs for personnel
Personnel costs as of 31 December 2024 amounted to EUR 14,343,538 against EUR 11,645,848 (+23.2%) as of 31 December 2023.
The table below shows the breakdown of the item as of 31 December 2024 compared to the situation as of 31 December 2023:

Values in Euro units	2024	2023
a) wages and salaries	12,297,717	10,101,937
b) social security charges	1,551,086	1,163,217
c) severance indemnity	455,977	352,322
d) pensions and similar benefits	38,758	27,200
e) other costs	-	1,172
Total costs for personnel	**14,343,538**	**11,645,848**

The increase in this item compared to the previous year derives from the increase in the average number of employees during the year, from about 137 in 2023 to about 168 in 2024. The increase in personnel costs, as indicated in the Report on Operations, also responds to the need to internalise certain skills and reduce dependence on the external market.

Amortisation, depreciation and write-downs
Depreciation, amortisation and write-downs as of 31 December 2024 amounted to EUR 6,065,681 against EUR 5,149,654 (+17.8%) as of 31 December 2023.

The table below shows the breakdown of the item as of 31 December 2024 compared to the situation as of 31 December 2023:

Values in Euro units	2024	2023
a) amortisation of intangible fixed assets	1,875,282	1,063,969
b) depreciation of tangible fixed assets	4,172,503	2,993,542
d) write-downs of receivables included in current assets and cash and cash equivalents	17,896	1,092,143
Total amortisation, depreciation and write-downs	**6,065,681**	**5,149,654**

The increase in this item over the previous year is mainly due to the significant investments made during the year and the depreciation for the entire year (i.e. at the full rate) of certain assets acquired during previous years.
For further details on depreciation and amortisation, see the Intangible Assets and Tangible Assets sections of the Notes to the Financial Statements.
The item "write-downs of receivables included in current assets and cash and cash equivalents" refers to the full write-down of receivables from Marsea Shipping Ltd.

Changes in inventories of raw, ancillary materials, consumables and goods
The item Change in inventories of raw materials, supplies, consumables and merchandise as of 31 December 2024 amounted to a positive (decreasing cost adjustment) EUR 653,441 against a negative (increasing cost adjustment) EUR 546,952 as of 31 December 2023 and refers to inventories of bunkers, lubricants, consumables and spare parts on board ships. For further details on the changes in this item compared to the previous year, please refer to the section on Inventories.

Sundry operating charges
Sundry operating expenses as of 31 December 2024 amounted to EUR 208,178 compared to EUR 167,961 as of 31 December 2023. This item includes minor costs relating to operating activities, which are not classified in the previous items of production costs.

FINANCIAL INCOME AND CHARGES

The table below provides a breakdown of financial income and charges as of 31 December 2024, compared to the situation as of 31 December 2023:

Values in Euro units	2024	2023	Change
16) other financial income			
d) income other than above			
other	1,090,133	6,607	1,083,526
Total income other than above	1,090,133	6,607	1,083,526
Total other financial income	**1,090,133**	**6,607**	**1,083,526**
17) interest and other financial charges			
other	1,606,378	1,718,018	(111,640)
Total interest and other financial charges	**1,606,378**	**1,718,018**	**(111,640)**
17-bis) exchange gains and losses	311,065	(145,426)	456,491
Total financial income and charges (15 + 16 - 17 + - 17-bis)	**(205,180)**	**(1,856,837)**	**1,651,657**

Financial management showed a net negative balance of EUR 205,180 as of 31 December 2024, as opposed to a net negative balance of EUR 1,856,837 as of 31 December 2023. The improvement in the balance of financial operations was particularly affected by both the financial income realised thanks to the investment of part of the liquidity raised from the listing on EGM, and the reduction in short- and medium/long-term bank debt and in interest rates applied.

Other financial income

Other financial income as of 31 December 2024 amounted to EUR 1,090,133 as opposed to EUR 6,607 as of 31 December 2023 and mainly refers to interest income accrued on current accounts and short-term and readily exercisable financial investments of part of the cash raised through the listing transaction on EGM.

Interest and other financial charges

The item interest and other financial expenses as of 31 December 2024 amounted to EUR 1,606,378, a decrease of EUR 111,640 compared to the previous year, driven by the reduction in short- and medium-/long-term debt, thanks to the significant cash flows generated by operating activities and the repayment of existing loans. The decrease in interest and other financial expenses was also affected by the reduction in interest rates related to the easing of inflationary pressures.

Breakdown of interest and other financial charges by type of payables

The table below shoes the breakdown of interest and other financial charges by type of payables:

Values in Euro units	**Total**	**Payables to banks**	**Finance leases**	**Other**
Interest and other financial charges	1,606,378	1,421,683	11,870	172,825

Exchange gains and losses

Foreign exchange gains and losses as of 31 December 2024 showed a net balance (foreign exchange gains) of EUR 311,065 compared to a net balance (foreign exchange losses) of EUR 145,426 as of 31 December 2023. As indicated in the Financial Risks section of the Report on Operations, to which reference should be made for further details, it should be noted that the Group does not hedge against the risk of exchange rate fluctuations, as it considers this risk, also based on historical data, to be insignificant.

The table below shows the breakdown of foreign exchange gains and losses as of 31 December 2024 between realised foreign exchange gains and losses and valuation gains and losses, compared to the situation as of 31 December 2023:

Values in Euro units	**2024**	**2023**
Realised foreign exchange gains and losses	226,099	(166,589)
Foreign exchange valuation gains and losses	84,966	21,133
Total foreign exchange gains and losses	**311,065**	**(145,456)**

There were no significant changes in currency exchange rates after the end of the financial year.

TAXES

The table below shows the composition of the item Income Taxes for the year, current, deferred and prepaid as of 31 December 2024, compared with the situation as of 31 December 2023:

Values in Euro units	**2024**	**2023**	**Change**
20) Current, deferred and prepaid income taxes			
current taxes	5,534,907	3,671,707	1,863,200
taxes for the previous years	452,963	517	452,446
deferred and prepaid taxes	(1,432,507)	622,623	(2,055,130)
Total current, deferred and prepaid income taxes	**4,555,363**	**4,294,847**	**260,516**

This item includes current, deferred and prepaid income taxes for the year, determined on the basis of the regulations applicable in the various jurisdictions in which the Group operates. The increase in this item compared to the previous year is attributable to the higher pre-tax profit realised during the financial year 2024 compared to the previous year. The tax rate (calculated as the ratio of total tax to profit before tax) as of 31 December 2024 stands at 9.6%.
As indicated in the Directors' Report on Operations, to which we refer you for further details, the parent company Next Geosolutions Europe SpA, for the determination of taxable income, benefits from both the optional flat-rate taxation regime called "tonnage tax" envisaged by Articles 155 to 161 of the Italian Consolidated Income Tax Act and the relief provided by Article 4, paragraph 1, of Italian Decree-Law No. 457/1997 (as amended by Article 13(1) of Italian Law 488/1999), called the "international register". The company Seashiptanker Srl, for the determination of its taxable income, benefits from the facilitation provided by Article 4, paragraph 1, of Italian Law Decree no. 457/1997 (as amended by Article 13, paragraph 1, of Italian Law no. 488/1999) called "international register". It should also be noted that the Group is not impacted either directly or indirectly by the global minimum taxation regime (so-called "Pillar Two") envisaged by Italian Legislative Decree of 27 December 2023, no. 209, which transposes Directive (EU) 2022/2523 of 14 December 2022.

ADDITIONAL INFORMATION

Risks related to climate change
For information on risks related to climate change, please refer to the Directors' Report on Operations.

Employment data
The table below shows the average number of employees of the Group during the financial year 2024 broken down by category, compared with the same figure for the previous year:

	2024	2023
Executives and middle managers	25	12
Office employees	103	93
Maritime	40	32
Total	**168**	**137**

The increase in the number of employees compared to the previous year is attributable both to the increase in the volume of business and, above all, to the decision to internalise certain skills deemed essential for the realisation of future development plans, while reducing dependence on the external market.

Compensation, advances, and credits granted to directors and statutory auditors and commitments undertaken on their behalf
The table below shows the remuneration for directors and auditors of the parent company Next Geosolutions Europe SpA as resolved by the Shareholders' Meeting:

Values in Euro units	Directors	Statutory Auditors
Remuneration	624,000	24,440
End-of-mandate indemnity	43,300	-
Total	**667,300**	**24,440**

The amounts shown in the table above do not include the bonus accrued in favour of the Parent Company's directors in the financial year 2024.

Auditing firm fees
The table below details the remuneration for the audit activities as of 31 December 2024:

Values in Euro units

Type of services	Service provider	Service recipient	2024
Statutory audit of annual accounts	Auditor of the Parent Company	Parent company	30,000

Limited audit of the condensed consolidated half-yearly financial statements	Auditor of the Parent Company	Parent company	15,000
Revision of the statement of Research and Development costs	Auditor of the Parent Company	Parent company	4,000
Parent company auditor subtotal			**49,000**
Statutory audit of annual accounts	Other auditors	Subsidiaries	41,341
Subtotal other auditors			**41,341**
Total			**90,341**

These consolidated financial statements and the parent company financial statements are audited by PricewaterhouseCoopers SpA, which was appointed by the Ordinary Shareholders' Meeting on 28 April 2023 and will remain in office until the approval of the financial statements for the year ending 31 December 2025.

Categories of shares issued by Group companies
As of 31 December 2024, the share capital of the parent company Next Geosolutions Europe SpA consisted of 48,000,000 shares divided as follows:

- 46,500,000 ordinary shares, subject to the dematerialisation regime pursuant to Articles 83-bis et seq. of the Italian Consolidated Law on Finance, with no indication of nominal value and with an accounting par value of EUR 0.0125. Ordinary shares entitle the holders to one (1) vote for each share held at ordinary and extraordinary shareholders' meetings of the Company and the other patrimonial and administrative rights due to shareholders under the law and the Articles of Association.
- 1,500,000 A shares, held by the parent company Marnavi SpA, subject to the dematerialisation regime pursuant to Article 83-bis et seq. of the Italian Consolidated Law on Finance, with no indication of par value and with an accounting parity of EUR 0.0125. The A shares entitle the holders to 10 (ten) votes pursuant to Article 2351(4) of the Italian Civil Code at the Company ordinary and extraordinary shareholders' meetings and the other patrimonial and administrative rights due to shareholders pursuant to the law and the Articles of Association. Pursuant to the provisions of the Company Articles of Association, these shares automatically convert into ordinary shares if they are transferred to parties other than the parent company Marnavi SpA and its subsidiaries.

Securities issued by Group companies
The parent company and subsidiaries did not issue any debt securities during the year, nor were any debt securities of the parent company and subsidiaries outstanding as of 31 December 2024.

Financial instruments issued by Group companies
The parent company and subsidiaries did not issue any financial instruments during the year, nor were any financial instruments of the parent company and subsidiaries outstanding as of 31 December 2024.

Commitments, guarantees, and potential liabilities not resulting from the balance sheet
Below are the guarantees given by the group companies that are not shown in the balance sheet:

Values in Euro units

Type	Description	Amount
Guarantees in rem	Mortgages on Group assets related to financing transactions	2,603,331
Personal guarantees	Sureties related to transactions of a commercial nature	20,541,201
Total		**23,144,532**

Assets or financing earmarked for a specific business deal
As of 31 December 2024, the Group had no assets or financing earmarked for a specific business deal.

Transactions with related parties
The Group has adopted a specific "Procedure for the Regulation of Transactions with Related Parties", which was approved by the Board of Directors of the parent company Next Geosolutions Europe SpA at its meeting on 15 May 2024. The Procedure was adopted - in accordance with Art. 13 of the Euronext Growth Milan Issuers' Regulation adopted by Borsa Italiana SpA on 1 March 2012, as subsequently amended and supplemented - pursuant to Art. 1 of the Provisions on Related Parties approved by Borsa Italiana SpA in 2019 as subsequently

amended and supplemented, applicable to transactions with related parties carried out by companies listed on Euronext Growth Milan ("Provisions on Related Parties") and art. 10 of the regulation containing provisions on transactions with related parties adopted by Consob with resolution no. 17221 of 12 March 2010, as amended and supplemented (the "Related Parties Regulation"), to the extent referred to in the EGM Issuers' Regulation.
The aforementioned "Procedure for the Regulation of Transactions with Related Parties" is available on the institutional website www.nextgeo.eu, Investor Relations, Governance, Documents and Procedures section.
During the financial year 2024, the Group conducted transactions with related parties. These transactions are concluded at arm's length. There were no transactions with related parties that were atypical and/or unusual and/or outside the ordinary course of business.
For details of transactions with related parties, please refer to the relevant section of the Directors' Report on Operations.

Information on agreements not shown in the Balance Sheet
As of 31 December 2024, the Group had no agreements not shown in the balance sheet.

Significant events after the end of the year
The following significant events that characterised the Group's operations after the end of the financial year are noted:

- In January 2025, the Group was awarded a new contract in the North Seas, worth a total of EUR 27 million, with the Dutch TSO TenneT Bv.
  The contract includes the execution of marine UXO survey activities, in the offshore wind area "Doordewind" and in the offshore wind area "Nederwiek", areas where the Group has already conducted similar activities during 2024.
- In January 2025, the Group finalised the purchase of the vessel "Deep Helder" (IMO No. 9690872) by the Dutch company SeaMar Subsea Bv, renaming it NG Surveyor. The transaction had already been initiated during the financial year 2024 and was completed in the first month of 2025. The total investment for the purchase of the NG Surveyor amounts to EUR 21 million (of which EUR 3.2 million has already been deposited in escrow in 2024), plus approximately EUR 4 million for the purchase and installation of equipment with high technical characteristics. Within the framework of the transaction, a total of EUR 12 million was financed by Cassa Depositi e Prestiti SpA (CDP) and Credito Emiliano SpA (Credem) in 2025.
- In January 2025, the Group was awarded two new contracts in the North Seas, worth a total of EUR 41 million, with Prysmian Group.
  The contracts cover the performance of detailed survey services, including comprehensive topographic land survey and marine geophysical and geotechnical survey activities, along the nearshore and offshore sections of the Eastern Green Link 1 (EGL 1) and Eastern Green Link 2 (EGL 2) submarine power cable corridors, key infrastructure projects that will improve the energy link between Scotland and England.
- In February 2025, the Group was selected as one of the winners of the "Best Capital Market Strategy Award", organised by the independent merchant bank "Equita". Specifically, NextGeo was awarded the prize for the category "Fundraising on the stock market". With its IPO, it represented the largest transaction in 2024, in terms of funding and capitalisation, on the Euronext Growth Milan market (EGM).
- In February 2025, the Group was honoured as "Company of the Year - over 50 employees" at the prestigious Subsea Expo Awards 2025, organised by the Global Underwater Hub, a leading business and industry development body for the UK subsea sector.

For further details, please refer to the section "Business Outlook" in the Directors' Report on Operations.

Undertakings that prepare the financial statements of the largest/smallest group of undertakings of which it is part as a subsidiary
The table below shows the figures of the company preparing the consolidated financial statements of the largest group of companies to which NextGeo group belongs as a subsidiary:

Data	Larger ensemble
Company name	Marnavi SpA
City (if in Italy) or foreign country	Naples (Italy)
Tax code (for Italian companies)	01619820630

Place of filing of consolidated financial statements	with the Naples Business Register

Derivative financial instruments
The Group did not enter into any derivative transactions during the year ended 31 December 2024, nor were any contracts for derivative financial instruments outstanding as of 31 December 2024.

Summary statement of the financial statements of the company exercising management and coordination activities
The key figures of the parent company Marnavi SpA shown in the summary table required by Article 2497-bis of the Italian Civil Code were extracted from its financial statements for the year ended 31 December 2023. For an adequate and complete understanding of Marnavi SpA balance sheet and financial position as of 31 December 2023, as well as the economic result achieved by the company in the financial year ended on that date, please refer to the financial statements, which, accompanied by the independent auditors' report, are available in the form and manner required by law.
The table below shows the summary statement of the financial statements of the company exercising management and coordination activities:

Values in Euro units	**2023**	**2022**
B) Fixed assets	260,920,871	233,934,563
C) Current assets	62,411,901	61,053,707
D) Accrued income and deferred expenses	6,326,795	3,083,269
Total assets	**329,659,567**	**298,071,539**
Share Capital	30,000,000	30,000,000
Reserves	140,490,391	123,469,203
Profit (loss) for the year	45,378,287	17,491,142
Total shareholders' equity	**215,868,678**	**170,960,345**
B) Provisions for risks and charges	4,026,568	3,175,068
C) Employee Severance Indemnities	204,642	1,193,313
D) Payables	105,825,242	118,641,727
E) Accrued expenses and deferred income	3,734,437	4,101,086
Total liabilities	**329,659,567**	**298,071,539**

The table below shows the summary statement of the income statement of the company exercising management and coordination activities:

Values in Euro units	**2023**	**2022**
A) Value of production	198,098,779	184,062,057
B) Production costs	166,863,079	163,352,006
Difference between value of production and production costs (A - B)	**31,235,700**	**20,710,051**
C) Financial income and charges	(3,627,836)	(4,457,867)
D) Adjustments to the value of financial assets	19,081,627	3,298,752
Result before taxes (A - B + - C + - D)	**46,689,491**	**19,532,936**
Income taxes for the year	1,311,204	2,041,794
Profit (loss) for the year	**45,378,287**	**17,491,142**

Information pursuant to art. 1, paragraph 125, of (It.) Law of 4 August 2017, no. 124
During the financial year, the Group received subsidies, contributions, paid assignments and otherwise economic benefits pursuant to Italian Law 124/17, Article 1, Section 25.
Such aid is subject to mandatory publication in the National State Aid Register, to which please refer for further details.
The section "Research and Development Activities" in the Directors' Report on Operations and the sections "Tax Credits", "Receivables from Others" and "Other Revenues and Income" in the Notes to the Financial Statements provide information on tax credits and grants for the year 2024.

Declaration of conformity

These consolidated financial statements, consisting of the Balance Sheet, Income Statement, Cash Flow Statement, Notes to the Financial Statements and accompanied by the Directors' Report on Operations, give a true and fair view of the Group's financial position and results of operations for the year and correspond to the accounting records.

Naples, 3 March 2025

Attilio Ievoli	**Giovanni Ranieri**	**Giuseppe Maffia**
Chairman of the Board of Directors	Chief Executive Officer	Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT IN ACCORDANCE WITH ARTICLE 14 OF LEGISLATIVE DECREE NO. 39 OF 27 JANUARY 2010

NEXT GEOSOLUTIONS EUROPE SPA

CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010

To the shareholders of Next Geosolutions Europe SpA

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Next Geosolutions Europe Group (the Group), which comprise the balance sheet as of 31 December 2024, the income statement and statement of cash flows for the year then ended and related notes.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2024, and of the result of its operations and cash flows for the year then ended in accordance with the Italian laws governing the criteria for their preparation.

Basis for Opinion

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

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the Italian laws governing the criteria for their preparation and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the

PricewaterhouseCoopers SpA

Sede legale: **Milano** 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 i.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 071 2132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035 229691 - **Bologna** 40124 Via Luigi Carlo Farini 12 Tel. 051 6186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Catania** 95129 Corso Italia 302 Tel. 095 7532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06 570251 - **Torino** 10122 Corso Palestro 10 Tel. 011 556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461 237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422 696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 - **Udine** 33100 Via Poscolle 43 Tel. 0432 25789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332 285039 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444 393311

www.pwc.com/it

consolidated financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate Next Geosolutions Europe SpA or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Group's financial reporting process.

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

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

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

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

the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

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

Report on Compliance with other Laws and Regulations

Opinions and statement in accordance with article 14, paragraph 2, letters e), e-bis) and e-ter) of Legislative Decree No. 39/10

The directors of Next Geosolutions Europe SpA are responsible for preparing a report on operations of Next Geosolutions Europe group as of 31 December 2024, including its consistency with the relevant financial statements and its compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to:

- express an opinion on the consistency of the report on operations with the consolidated financial statements;
- express an opinion on the compliance with the law of the report on operations;
- issue a statement on material misstatements, if any, in the report on operations.

In our opinion, the report on operations is consistent with the consolidated financial statements of Next Geosolutions Europe group as of 31 December 2024.

Moreover, in our opinion, the report on operation is prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e-ter), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Naples, 18 March 2025

PricewaterhouseCoopers SpA

Signed by

Pier Luigi Vitelli
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers